

GLOBAL & REGIONAL DAILY

November 7, 2022

Global markets

US non-farm payrolls rose by a higher-than-expected 261k in October, slightly down from September's upward revised gain of 315k, and the unemployment rate increased by 0.2ppts to 3.7%, although still well below the Fed's estimate of the equilibrium level at 4.0%. In addition, average hourly earnings rose by 4.7%YoY, down from September's 5.0%YoY, but still much higher compared to pre-pandemic levels, pointing to persistently tight and only slowly easing labor market conditions and challenging, thus, the prospect of a downshift in the pace of Fed rate tightening in December. Meanwhile, equity future contracts are trading in negative territory as investors' hopes over China relaxing its strict Covid-19 restrictions were dashed. The DXY index was 0.3% higher on the day, recovering part of Friday's 1.8% losses in reaction to the increase in the October unemployment rate, ahead of the US mid-term elections on Tuesday and US CPI data for October due for release on Thursday.

Greece

According to press reports, officials from the ministry of finance are working on the final estimates for the 2023 budget that is scheduled to be submitted to parliament on November 20th, 2022. Given the good performance of tourist receipts and the resilience of hard data to the energy crisis, including the retail trade volume index and employment growth, the final estimate for the 2022 real GDP growth may be higher compared to the 5.3% estimate of the draft budget (early October 2022). Moreover, given the average annual inflation rate of 9.5% in January-September 2022, the final estimates for the 2022-2023 HICP inflation readings may also be higher relative to the 8.8% and 3.0% estimates of the draft budget. In other news, on Friday 11 November 2022, the European Commission is expected to publish its Autumn 2022 economic forecasts. Finally, today ELSTAT, is scheduled to announce the commercial transactions for September 2022, completing the observations for the path of merchandise exports and imports for Q3 2022.

CESEE

During the previous week, yields of Bulgarian local sovereign bonds moved both ways; on the short-term, the 1-year tenor fell by 27bps, the mid-term 7-year tenor by 3bps while on the long-term end, the 15-year tenor rose by 10bps with no specific development read beneath the bounce, except the fuzz around the delays over the euro adoption by Bulgaria. Amid various recent articles in the press citing possible delays in the said key matter that will span after 2024, a report released by the Bulgarian National Bank (BNB) denied the allegations by clearing out that such citations are opinions by various working groups which, however, have not been approved by the BNB. Along these lines, both the Central Bank and the Ministry of Finance reiterated to the press late last week that the January 1, 2024 remains the targeted date for the country to enter the Eurozone.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr.Stylios Gogos
Research Economist
sgogos@eurobank.gr

Maria Kasola
Research Economist
mkasola@eurobank.gr

We would like to thank Borislav Yonov from Eurobank Postbank in Bulgaria for his valuable contribution in today's issue

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 214 40 63 456



Maria Kasola
Research Economist
mkasola@eurobank.gr
+ 30 214 40 63 453



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 214 40 63 455



Dr. Theodoros Rapanos
Economic Analyst
trapanos@eurobank.gr
+ 30 214 40 59 711



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Michail Vassileiadis
Research Economist
mvassileiadis@eurobank.gr
+ 30 214 40 59 709

More available research at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endiaferontos>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

