

# GLOBAL & REGIONAL DAILY

August 8, 2022

## Global markets

US non-farm payrolls rose by 528k in July, more than double compared to market expectations, while the respective figures for the prior two months were revised higher by a cumulative 28k. The unemployment rate fell by 0.1ppt to 3.5%, matching the pre-pandemic low, and average hourly earnings growth accelerated by a higher than expected 0.5%MoM, supporting the view that a third consecutive 75bps rate hike will likely be on the table at the upcoming 20-21 September FOMC policy meeting. In reaction to the above, USTs came under pressure, especially the short-end of the curve, leading the 2/10-yr yield curve to further invert, while Asian equity markets were mostly lower today and US stock futures point to a slightly negative opening. In FX markets, the USD was broadly firmer ahead of the US July CPI report on Wednesday, pushing the EUR/USD back below 1.02, while news that Moody's lowered Italy's sovereign credit outlook to "negative" from "stable" also weighed on the common currency.

## Greece

According to ELSTAT provisional data on commercial transactions, in June, the total value of goods imports amounted to €8,262mn, increased by 53.5% YoY with the corresponding value excl. oil products increasing by 25.6% YoY. The total value of goods exports amounted to €5,426mn, higher by 59.8% YoY with the corresponding value excl. oil products increased by 24.1% YoY. As a result, the deficit of the trade balance in June amounted to €2,836mn, recording an increase of 42.7% YoY. Year-to-June, the total value of goods imports stood at €43,611mn (+51.1% YoY) and the total value of goods exports at €26,017mn (+39.8% YoY), bringing the deficit of the trade balance for the said period to €17,593mn, wider by 71.6% YoY. The corresponding deficit excluding oil products increased by 50.3% YoY.

## CESEE

In Bulgaria, local bond yields on the short-end of the curve were little changed during the previous week, with the 3-year tenor increasing by 3bps, whereas the 5-year tenor fell by 2bps. On the mid-end of the curve, the 8-year tenor rose by 8bps, while yields on the long-end of the curve were broadly stable. In other news, the Central Bank of Romania (NBR) decided to slow the pace of monetary policy tightening at the MPC meeting on Friday, raising the Key Policy Rate (KPR) by 75bps to 5.5%, compared to a 100bps hike in July, and surprising markets which were expecting a 100bp hike or more. According to the NBR, annual inflation rate is expected to level off in Q3 2022 and gradually decline later on. On the calendar front, market attention focuses on July's CPI prints of the region.

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