

# GLOBAL & REGIONAL DAILY

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## Global markets

Today focus is on the US midterm elections, with all 435 seats in the House of Representatives and 35 of the 100 seats in the Senate (out of which 21 are currently held by Republicans and 14 by Democrats) on the ballot. Opinion polls suggest that Republicans could win the House comfortably and Democrats could maintain control of the Senate, though the latter is a close call. The Democrats currently enjoy a slim majority of 4 seats in the House (220 vs. 212 Republican-controlled seats and 3 vacancies), whereas the Senate is split 50/50, with Vice President Kamala Harris holding the tie-breaking vote. Meanwhile, USTs remained under pressure after strong US non-farm payrolls data last week suggesting that the Fed will not rush to pivot away from its aggressive rate tightening policy, while the DXY USD index was weaker, pressured by improved risk sentiment amid hopes that China may somewhat ease its strict zero Covid policy after the government indicated that it will make it easier for people leaving and returning to the capital.

## Greece

The widening of the deficit in the trade balance continued in September 2022, reflecting the high energy prices, the rebound of domestic demand and the dependence of the economy on imports. According to ELSTAT's commercial transaction data (non-seasonally adjusted and in current prices), exports of goods stood at €4.7 bn in September 2022, recording an increase of 26.3% YoY (17.9% YoY excluding oil products and ships). In a similar pattern with July 2022, imports of goods increased more strongly relative to exports, printing a growth rate of 42.2% YoY (23.0% YoY excluding oil products and ships). As a result, the deficit of the trade balance widened to €3.6 bn in September 2022 from €2.1 bn in September 2021 (70.4% YoY, 30.2% YoY excluding oil and ships). Finally, in the 9-month period of January-September 2022, the deficit of the trade balance increased by €10.5 bn (62.3% YoY), retaining the deficit of the current account balance to high levels for a third year in a row, despite the steep rebound of the surplus in the services account.

## CESEE

The general government budget posted a surplus of €224.1 mn in Sep-22, up by 110.6% YoY, a stronger improvement than in Aug-22 (+59.9% YoY). The primary balance in Sep-22 was positive by €263.2 mn, 85.5% higher on an annual basis. As total expenditure expanded by 10.7% YoY, the widening of the total budget surplus came entirely from higher revenue (+22.8% YoY), mainly from increased receipts from VAT on products (+€172 mn or +68.1% YoY) and social contributions revenue (+€12.1 mn or +5.5% YoY). On the expenditure side, social transfers other than in kind rose by €17.8mn (+7.6% YoY), mainly because of energy crisis subsidies, and payments concerning compensation of employees widened by €16.8mn (+7.0% YoY). In the Jan-Sep 22 period, the general government balance was positive by €586.9mn, whereas a year ago it posted a deficit of €453.3 mn. At the same period this year, a primary balance of €911.1 mn was achieved, instead of a primary deficit of €95.9 mn a year ago.

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