

GLOBAL & REGIONAL DAILY

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Global markets

In spite of several positive news about the reopening of the Chinese economy, risk-off sentiment prevailed amid lingering global growth concerns. Positive data showing a slight upward revision of 0.1ppt in Eurozone Q3 GDP in the final release to 0.3%QoQ, and a drop of just 0.1%MoM in German industrial production in October, failed to have an impact. Meanwhile, sovereign bonds extended recent gains before edging modestly lower today, with the 2/10-UST yield spread standing within distance from yesterday's -84.4bps settlement that marked the widest inversion in the last forty years. Oil prices remained on a downward trend, with Brent crude hovering close to yesterday's fresh multi-month intraday low of \$76.91/bbl that pushed prices into negative YTD territory for the first time since January. In FX markets, activity remains subdued ahead of next week's Fed and ECB policy meetings, with the DXY USD index consolidating most of recent gains, standing slightly above 105.

Greece

According to the national accounts data published by the ELSTAT yesterday, the Greek economy shrunk in Q3 2022, albeit mildly, for the first time, after 8 quarters in a row with positive QoQ growth. More specifically, the real GDP growth rate stood at -0.5% QoQ / 2.8% YoY (0.3% QoQ / 2.3% YoY in the euro area) from 0.6% QoQ / 7.1% YoY in Q2 2022. For the 9-month period of January-September 2022, real GDP increased by 5.9% compared to January-September 2021, a performance almost in line with the FY-2022 forecast of the EC (6.0%). From the demand perspective, the slowdown of aggregate economic activity came from the two pillars of growth in H1 2022, consumption and exports. Total consumption printed a growth rate of -0.6% QoQ / 3.6% YoY and total exports registered a growth rate of -3.3% QoQ / 0.9% YoY (-0.3% QoQ / 5.2% YoY for imports). Finally, investment remained resilient, with a growth rate of 0.1% QoQ / 7.7% YoY.

CESEE

New signs of weakening economic activity in the CESEE region in Q4 2022. In Czech Republic, seasonally adjusted industrial output rose by 8.9%YoY in October, much lower than in September (+12.8%YoY). Among the main industrial sectors, the deceleration stemmed mainly from the strong downturn in electricity, gas and steam supply (-27.8%YoY, after -2.9%YoY in Sep-22). The loss of pace was milder in mining and quarrying (-7.8%YoY in Oct-22, -5.6%YoY in Sep-22), whereas robust expansion in the manufacturing sector was almost unchanged (+14.5%YoY against +14.9%YoY a month ago). In Hungary, according to the preliminary data for seasonally adjusted industrial production in October (not including those at sub-section level), output fell for the first time since June, by 5.4%YoY, in contrast to an increase of 2.2%YoY in September. This was the strongest fall in the last 14 months. As a result, average industrial output in the first 10 months of 2022 was flat on an annual basis (+0.1%).

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