

# GLOBAL & REGIONAL DAILY

September 9, 2022

## Global markets

The ECB unanimously decided to raise its key policy rates by 75bps yesterday, the biggest rate hike in the Central Bank's history, justifying this move by saying that "this major step frontloads the transition" from a highly accommodative level of policy rates towards levels that will get inflation back to the medium-term target. Speaking in the press conference, President Christine Lagarde stressed that the ECB will continue to raise rates at the "next several meetings" and that the deposit rate is still "far away" from appropriate levels. European sovereign bonds sold off led by the front end, also affected by the ECB's decision to temporarily remove the 0% interest rate ceiling on the remuneration of government deposits, while the EUR/USD hit a near two-week high at 1.0083, despite Fed Chair Jerome Powell's comments which reinforced expectations for a third consecutive 75bps rate hike at the September 20-21 FOCM meeting. Focus today is on the meeting of EU energy minister to discuss emergency measures that mitigate the impact of higher energy prices (10:00 CET).

## Greece

According to ELSTAT's commercial transactions data (non-seasonally adjusted), exports of goods stood at €4,971.4 mn in current prices in July 2022, registering an increase of 39.9% YoY. Oil products had the lion's share in the aforementioned growth rate contributing 26.7 ppts, followed by the category of products excluding oil and ships with 13.1 ppts. On the debit side of the accounts, imports of goods increased to €7,967.9 mn in current prices from 5,801.5 mn in July 2021 (37.3% YoY). As was also the case with exports, oil products had the highest contribution with 23.5 ppts, followed by the category of products excluding oil and ships with 13.4 ppts. Given the above results, the deficit in the balance of goods widened to €2,996.5 mn in July 2022 from €2,247.7 mn in July 2021 (33.3% YoY), while for the January-July 2022 period it increased by 65.4% YoY or €8,168.8 mn.

## CESEE

The National Bank of Serbia (NBS) proceeded yesterday with a stronger-than-expected 50bps interest rate increase setting the Key Policy Rate at 3.50%. The increase came on the back of continuing supply side pressure and imported inflation in consumer and intermediate goods resulting in an increase in headline CPI at 12.8% YoY in July from 11.9% YoY in June and 10.4% YoY in May, that brought the January to July average at 10.1% YoY. Since the start of monetary tightening in April, the NBS has delivered a cumulative 250bp of rate tightening with Serbia considered as the laggard among the regional economies in terms of prompt monetary policy response in the battle towards soaring inflation.

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