

GLOBAL & REGIONAL DAILY

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Global markets

Preliminary results suggest that a divided government appears as the most likely outcome of the US mid-term elections, as Republicans are favored to win the House of Representatives by a slim majority and Democrats to retain control of the Senate. The election results are expected to be announced at some stage later today, but they could be delayed for later in the week, if the race is tighter than expected. Meanwhile, European and US stock futures as well as US Treasuries are moderately down at the time of writing, after Asian equity markets ended mostly lower earlier today, while the DXY USD index remained under pressure, allowing the EUR/USD to sustain the break above parity, amid expectations of a slower pace of Fed rate tightening ahead. On the data front, Eurozone retail sales rose by 0.9%MoM in September after a string of disappointing monthly readings, but on a quarterly basis they dropped by 2.9%QoQ, marking the third consecutive quarterly decline.

Greece

According to the Household Energy Price Index of Europe, the residential electricity price including taxes for Greece (Athens) was at 30.22 c€/kWh in October 2022, increased by 2.4% MoM but below the EU-27 average of 35.25 c€/kWh, with energy cost being the main driver of the electricity price at 71% (vs. 66% for the EU-27). The residential gas price for Greece (Athens) for October 2022 was at €12.35 per kWh, decreased by 55.4% MoM but well below the EU-27 average of €18.00 per kWh. In other news, according to the Ministry of Finance, the total General Government arrears to the private sector stood at €2.36 bn in September 2022, marking a monthly rise of 1.46% (and a year-to-date increase of 44.0%). All major categories of arrears declined, apart from Central Government Extrabudgetary Funds (increase of 6.2% MoM and 18.6% year-to-date) and Hospitals (increase of 9.0% MoM and 107.1% year-to-date).

CESEE

Bulgaria's caretaker deputy PM, Atanas Pekanov, stated early this week that the EC has approved the first tranche from the EU recovery fund, amounting to BGN2.7bn in the form of grants, and representing around 23% of the total recovery fund allocation to Bulgaria which stands at BGN12bn. Funds were greenlighted following the evaluation of the country's progress in 22 commitments for reforms in the areas of education, climate neutrality, digitalisation, sustainable transport, judiciary, money laundering and others. The disbursement of the funds requires the approval of the EU Council's financial committee EFC, but this is seen more as a formality and not a stage of essence, estimated to take a month. The funds will be used for investments in transport, education and other sectors, while the disbursement of the second tranche appears rather challenging as it is linked with the accomplishment of 66 prerequisites.

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