

GLOBAL & REGIONAL DAILY

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Global markets

Shrugging off fresh jitters about the US economy after yesterday's data that showed an increase in continuing claims to the highest level since early February (1.671mn), risk appetite was modestly supported earlier today on cautious optimism about China's growth prospects on the back of easing Covid restrictions. Against this backdrop, sovereign bonds came under some pressure, with yields on both sides of the Atlantic edging higher and the 2/10-yr UST yield curve becoming slightly less inverted to -80.6bps at the time of writing. Meanwhile, oil prices briefly rose yesterday on media reports suggesting that the Keystone pipeline had been shut down due to a leak, but this rally proved to be short-lived, with Brent crude hovering around \$76.50/bbl at the time of writing, just 0.5% higher from yesterday's fresh YTD closing low after temporarily had reached levels above \$79/bbl. In FX markets, the USD continued to trade soft, with the EUR/USD moving above 1.0550, ahead of today's US PPI data and the University of Michigan's survey.

Greece

Total merchandise exports in October 2022 (i.e., foreign demand for domestically produced goods) stood at €4,755.4mn (non-seasonally adjusted and in current prices), printing an annual increase of 28.3%. The annual growth rate of the category of exports excluding oil and ships was lower at 9.4%. On the debit side of the ledger, total merchandise imports (i.e., domestic demand for goods produced in foreign countries) increased to €8,806.3mn, from €6,083.9mn in October 2021 (44.7% YoY). As was the case with exports, the annual growth rate of the category of imports excluding oil and ships was lower at 19.1%. Given the performance of exports and imports, the deficit of the trade balance widened on an annual basis by 70.5% (€1,674.6mn) from 68.1% (€1,448.1mn) in September 2022. For the whole period of January-October 2022, the deficit of the trade balance increased by 63.2% YoY (€12,145.7mn), reflecting, to some extent, the effects of the terms-of-trade shock caused by the energy crisis.

CESEE

In line with market expectations, the National Bank of Serbia (NBS) raised yesterday the Key Policy Rate by 50bps to 5.00% amid continuing global cost-push pressure and rising import prices, which are reflected in the latest inflation reading, that of October (15.0% YoY vs 14% YoY and 13.2% YoY in September and August respectively). The NBS reiterated that the headline inflation will remain elevated in December and at the start of next year, before starting to decelerate thereafter, most probably in H2 2023. Turning to Bulgaria, the final Q3 GDP growth estimate beat to the downside the 3.2% YoY flash estimate released in mid-November. The reading came in at 0.6% QoQ from 0.7% QoQ in Q2 while on an annual basis GDP growth dropped to 2.9% from 3.9% and 4.4% in Q2 and Q1 respectively, with the key drivers of the deceleration of the annual figure pertaining to public consumption and investments.

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