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Global markets

US non-farm payrolls rose by a robust 263k in September, slightly above market expectations and not far below August's 315k increase. The unemployment rate unexpectedly reversed its August's gain and fell by 0.2ppts to 3.5%, matching July's more than 50-year low, partially due to a 0.1ppts fall in the participation rate to 62.3%. Average hourly earnings rose by 0.3%MoM, the same pace as in August, with the annual rate dropping to 5.0% from 5.2%, still close to March's two-year high of 5.6% and well above pre-pandemic levels, pointing to tight labor market conditions. In reaction to strong US employment data which keep the Fed on track for its fourth consecutive 75bps hike at the November policy meeting, global equity markets came under pressure, USTs weakened and the USD retained a firm tone ahead of Thursday's US CPI. Meanwhile, Brent remained in an upward trend hitting a fresh multi-week high of $98.75/bbl earlier today, while the TTF Natural Gas 1M futures price ended 9.6% lower on Friday to a 2 ½ month low of €155/MWh.

Greece

According to ELSTAT's commercial transactions data, in January-August 2022 the Greek merchandise exports stood at €35.8 bn in current prices, posting an annual increase of €10.8 bn or 43.2%. The category of oil products (36.1% of total) had the highest contribution with a rise of €6.3 bn or 95.2%, followed by the category of merchandise excluding oil and ships with an increase of €4.5 bn or 24.6%. On the other side of the ledger, merchandise imports stood at €59.5 bn in current prices registering an annual increase of €19.7 bn or 49.7%. As was the case with exports, the category of oil products had the highest contribution (€10.2 bn or 108.4% annual increase) followed by the category of merchandise excluding oil and ships (€9.5 bn or 31.3% annual increase). Given these results, the deficit of the total merchandise balance widened on annual basis by €8.9 bn or 60.5%. In other news, Fitch Rating retained Greece's sovereign credit rating at BB with a positive outlook.

CESEE

Bulgarian yields of sovereign papers posted notable increases last week; on the short-term end, the yield of the 3-year tenor rose by 40bps, while that of the 7-year tenor by 11bps. On the long-term end, the 15-year tenor spiked by 13bps. The fuzz on the fixed income space is broadly attributed to the political instability in the country as once week after elections, the formation of a stable coalition government remains a difficult puzzle to solve. Turning to Serbia, sovereign Eurobond yields eased across the curve between 20 and 30 bps with local papers proving more resilient and posting no significant changes intraweek; 3.5-year, 5.5-year and 10-year bonds currently trade at 6.60%, 7.20% and 7.70%, respectively. Concluding with weekly developments in the FX space, the dinar remained broadly stable against the euro, trading within a 117.30-117.35 narrow range, pointing to no necessary intervention by the central bank in FX markets.

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