

GLOBAL & REGIONAL DAILY

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Global markets

Risk-off sentiment prevailed on expectations of further rate tightening by major CBs and the escalating Ukraine war. There was not much respite for sovereign government bonds either, with the 10-yr UST yield briefly rising above 4.0% earlier today, and the 10-yr Bund yield trading not far from yesterday's more than a decade intraday high of 2.353%, even though today's reports downplayed speculation that Germany might support joint issuance of EU debt to cushion the impact of the energy crisis. UK gilts also remained under pressure, in spite of the BoE's announcement of a new short-term funding facility to minimize volatility when its emergency bond buying programme expires on Friday and the Chancellor's confirmation that the Medium-Term Fiscal Plan will be announced on October 31, earlier than initially planned (November 23). In the meantime, against a broadly firmer USD on the back of higher UST yields and mounting geopolitical uncertainty, the GBP weakened further, trading close to 1.10 while the EUR briefly fell below 0.97.

Greece

The annual HICP inflation rate in Greece (source: ELSTAT), after dropping, albeit marginally, for two months in a row, picked up again in September 2022, registering a value of 12.1% (10.0% in the Euro Area) from 11.2% in August 2022 (9.1% in the Euro Area). In Q3 2022, the average inflation rate stood at 11.5% from 10.4% in Q2 2022 and 6.6% in Q1 2022, deteriorating households' real disposable income and posting a downside risk for private consumption expenditures. On the contribution of the main groups of goods and services to Greece's inflation rate in September 2022, housing, water, electricity, gas and other fuels had the lion's share with 4.8 ppts (38.1% YoY), followed by food and non-alcoholic beverages (2.7 ppts, 12.8% YoY), hotels-café-restaurants (2.3 ppts, 14.3% YoY) and transport (1.8 ppts, 13.8% YoY). Finally, the manufacturing production index (source: ELSTAT) decreased on a monthly basis in August 2022 for the second month in the row (1.2% and 1.0% in July 2022), while on an annual basis it increased by 4.4%.

CESEE

The seasonally adjusted unemployment rate in Turkey stood at 9.6% in August, recording a fall of 2.2ppts on an annual basis, as well as a 0.4ppts monthly decline. This is the first time that the unemployment rate reached a one-digit figure since January 2018, from 10% in July; it was also the lowest since April 2014. The decline came despite the new increase of 29.3% in the net minimum wage since July 1st. The annual fall was backed by a strong 7.0% (+2.0 mn) increase in employment, exceeding the labour force expansion by 4.4% (+1.4 mn). Among sexes, unemployment weakening on an annual basis was more pronounced in women, by 2.4ppts, with the respective rate at 12.5%. Nonetheless, the unemployment rate in August was much lower in men, at 8.2% (-2.1 pps YoY).

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