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Global markets

UST yields were little changed on the day, though still close to yesterday's multi-year highs, while Asian equity markets recorded modest gains and US stock futures point to a cautiously positive open, as investors turn their attention towards next week's FOMC policy meeting. Fed funds futures are still pricing-in fully a third consecutive 75bps rate hike, but a more aggressive 100bps rate move now seems less likely after yesterday's slightly weaker-than-expected US August PPI data. The headline PPI unexpectedly fell by 0.1%MoM on the back of a hefty drop in energy prices and the annual rate stood at a two-year low of 8.7% from July's 9.8%, while core PPI rose by 5.6%YoY, matching the lowest rate since June 2021. In FX markets, the EUR/USD continued to consolidate below parity ahead of a string of US data releases today, as the emergency measures proposed by the European Commission President yesterday to address the EU's energy crisis, did not help the common currency to recover post-US CPI losses.

Greece

The seasonally adjusted unemployment rate increased to 12.6% in July 2022 (6.6% in the Euro Area) from 12.3% in June 2022, nevertheless it was lower by 1.6 percentage points compared to July 2021. For the January-July 2022 period, Greece's jobless rate stands at 12.8% (7-month average) from 15.9% in the respective period of 2021. Technically, the rise of the unemployment rate in July 2022 is explained by the decrease of employment by 0.7% MoM or 29.0k people and the increase of unemployment by 1.8% MoM or 10.5k people. It is too early to judge whether July's 2022 observation marks a turning point for a rising cycle in unemployment. Despite of the ongoing economic recovery, the lifting of COVID-19 support measures, the energy crisis and the imbalances in the labour market inherited by the pandemic, create upside risks for the unemployment rate in the short term.

CESEE

In Bulgaria, headline CPI accelerated to a record high of 17.7% YoY in August from 17.3% YoY in July, with the monthly print spiking by a tad to 1.2% from 1.1%. The pickup of the annual reading was mostly driven by utility prices, which were, in turn, related to the hefty increase in gas prices for August, decided by the country's utilities regulator on the back of shortages caused by the Russian invasion of Ukraine. On a more positive note, food and fuel prices, whose increase has contributed the most during the past 12 months in the soaring CPI trajectory, showed some moderation in August, with food inflation coming in at 23.6% YoY in August, the same as in the previous month and fuel inflation easing to 22.8% YoY from 31.5% YoY in July, reflecting the meagre decompression of energy commodities excluding natural gas.

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