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Global markets

Risk-off sentiment prevailed on rising global growth concerns after IMF spokesman Gerry Rice said that downside risks continue to dominate the global economic outlook and World Bank President David Malpass warned that risks of a global recession in 2023 have increased as central banks across the world simultaneously hike rates to combat persistently high inflation. Yesterday's US data showing that initial jobless claims for the week ending September 10 fell for the fifth consecutive week to 213k, the lowest level since March, also weighed on risk sentiment, on the view that the Fed could afford to continue raising rates aggressively on the back of persistent labor market tightness. Against this background, the short end of the US Treasury yield curve came under strong selling pressure, and the USD retained a positive tone ahead of today's preliminary University of Michigan survey of consumers for September, the last important release before next week's FOMC policy meeting.

Greece

The index of residential property prices continued to increase with a solid rate in Q2 2022, registering an annual change of 9.4%, lower by 1 ppt relative to the HICP inflation rate, from 9.3% in Q1 2022 and 6.9% in Q2 2021 (source: Bank of Greece). In terms of age, the rate of increase of the new apartment prices (10.5%) was higher relative to the old ones (8.7%). In terms of geographical area, the rates of increase of the residential prices in Athens (10.9%) and Thessaloniki (10.4%) were higher compared to those in other major cities (8.9%) and in other areas of Greece (6.3%). The cumulative rise of the residential property prices in Q2 2022 relative to the trough of Q3 2017, stands at 33.3%. However, compared to the peak of Q3 2008, the residential property prices are still lagging by 23.2%. Finally, today Moody's and DBRS Morningstar will publish their updated credit reports on Greece.

CESEE

The central government budget in Turkey posted a surplus of TRY 3.6bn in August, down by 91.2% YoY, with the primary budget surplus cut more than half annually (-51.9%), to TRY 26.2bn. The abrupt decline in both surpluses came from the increase in primary spending by 203.9%YoY, despite much higher revenues (+108.8%YoY). Almost all the main items of primary spending recorded triple-digit increases YoY, with their growth accelerating from the trend so far this year, suggesting that the government geared up its support to the economy. The key driver of higher deficit was the increase in current transfers by 144.2% YoY, mainly because of TRY 15.0bn compensations paid to FX-protected lira deposits. On the revenue front, tax receipts picked up by 107.3%. During the January-August period, the central government budget posted a surplus of TRY 33.1bn, against a deficit of TRY 37.5bn a year ago.

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