

# GLOBAL & REGIONAL DAILY

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## Global markets

Supporting the Fed's argument of US economic resilience in underlying growth amidst the ongoing aggressive rate tightening, headline retail sales rose by a six-month high of 1.3%MoM in October and the control group sales — a component of personal consumption expenditures entering the GDP calculation — increased by a solid 0.7%MoM after an upward revised gain of 0.6%MoM in September. Firmer than expected retail sales data, weak corporate earnings results and fresh Fed hawkish comments, pushed most of Asian equity markets lower today. Meanwhile, sovereign bonds on both sides of the Atlantic retained a positive tone, with EGBs outperforming their US counterparts on reports suggesting that ECB policymakers would slow down the pace of rate hikes to a 50bps move at the mid-December meeting. Amid reduced hopes for a dovish pivot from the Fed soon, the USD gained some ground, with the EUR/USD moving back below 1.04 and the GBP/USD retreating close to 1.19 ahead of today's UK Autumn Budget statement.

## Greece

The turnover of enterprises in all sectors of economic activity — their level of sales in current prices — remained on a dynamic path in September 2022, increasing to €38.2 bn, from €25.8 bn in September 2021 and printing an annual growth rate of 48.4%, from 55.7% in August 2022. The rebound of turnover was also strong for the whole Q3 2022, registering an annual growth rate of 42.8%, from 39.3% in Q2 2022 (the HICP annual inflation rate stood at 11.5% in Q3 2022, from 10.4% in Q2 2022). With the exemption of mining and quarrying, water supply, sewerage, waste management and remediation activities and human health and social work activities, all other sectors of economic activity recorded a double-digit annual growth rate in their sales in Q3 2022. It remains to be seen how these results will translate into real domestic production in Q3 2022, that is in the real GDP figure.

## CESEE

Increasing signs of economic growth deceleration in Central and Eastern Europe in Q3 2022. In Poland, according to the flash estimate, non-seasonally adjusted GDP growth slowed further in Q3 2022 to 3.5%YoY, from 5.8%YoY in Q2 2022, a deceleration in line with the 3.4% market consensus and stronger than expected by the National Bank of Poland (NBP) in its November Inflation Projection Report (+3.0%YoY). The NBP projected that growth will continue declining in the coming quarters, to 1.5%YoY in Q4 2022 and 0.8%YoY in Q1 2023, before slowly gaining pace in subsequent quarters. In Hungary, based on the flash estimate, non-seasonally adjusted GDP growth also slowed in annual terms in Q3 2022 to 4.0% from 6.5% in Q2 2022, a deceleration exceeding market expectations. According to the Hungarian Statistical Office, a considerable downturn in the agriculture sector is the main cause of the slower GDP increase. Average GDP growth in Q1-Q3 2022 came at 6.1%YoY.

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