

# GLOBAL & REGIONAL DAILY

October 20, 2022

## Global markets

Asian equities ended mostly lower today and US stock futures point to modest losses, while Brent crude continued yesterday's uptrend, trading slightly above \$93/bbl in early European trade, up by 0.8% on the day and near 5% higher from Tuesday's two-week lows. Meanwhile, European government bonds lost ground as next week's ECB policy meeting is approaching, with 10-yr Bund yields up to a fresh post-2011 high of 2.45% earlier today. UST yields also continued to rise following further hawkish Fed signals, with 10-yr yields marking a new 14-year high slightly above 4.15%. Against this background, the DXY USD index firmed, reapproaching the 113 level and pushing the EUR/USD back below 0.98, ahead of the two-day EU Council meeting which starts today. The GBP also lost ground against a broadly firmer USD, retreating close to 1.12, pressured by rising UK political uncertainty following news that UK home secretary Suella Braverman quit after a "technical infringement" of security rules.

## Greece

According to press reports, electricity providers are expected to announce lower prices for November 2022 compared to October 2022 due to the drop of the Dutch TTF gas futures price. The domestic electricity tariff is expected at 0.45-0.50 EUR/kWh from 0.56-0.70 EUR/kWh in October 2022 and 0.68-0.80 EUR/kWh in September 2022. The inflation rate based on the HICP hit an all-time high in September 2022 registering a value of 12.1% YoY. Hence, given the expected drop of the domestic electricity tariff, the inflation rate may decelerate, albeit mildly, in the coming months. In other news, ELSTAT announced that the turnover for the enterprises in accommodation activities increased on an annual basis by 25.6% in August 2022 from 59.7% in July 2022. The respective increases for the enterprises in food and beverage service activities were 16.0% in August 2022 and 33.4% in July 2022.

## CESEE

The harmonized annual inflation rate in Poland accelerated to 15.7% YoY in September from 14.8% YoY in August, the highest reading since Mar-1997. The 18.2% YoY spike in food and non-alcoholic beverages prices in September, from 16.5% YoY in the previous month, was the main cause of higher inflation, along with a sharper increase in clothing – footwear (+6.9% YoY vs. 5.1% YoY). On the other hand, some signs of easing inflation came from fuel prices (+18.2% YoY in September vs +23.3% YoY in August), and transport (+15.2% YoY, after a +17.2% YoY). On the flipside, in Cyprus, the HICP inflation decelerated in September, to 9.0% YoY, against 9.6% YoY a month ago, mainly because of a slowdown in transport (13.3% YoY against 19.5% YoY in July). However, inflation in food - non-alcoholic beverages rose to 9.1% YoY, from 5.0% YoY a month ago. The YtD inflation figure stood at 8.1%.

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