

# GLOBAL & REGIONAL DAILY

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## Global markets

In an unexpected move that is seen as opening the way for a potential end to its ultra-loose monetary policy, the BoJ decided to adjust its yield-curve control policy, as it raised the upper bound limit on the 10-yr yield to 0.50% from 0.25% previously. Against this backdrop, the selloff of global sovereign bonds continued, Asian bourses came under further pressure and the JPY surged, pushing the USD/JPY down to a four-month low of 132.08 at some point earlier today. Meanwhile, European natural gas futures ended 9% lower yesterday to 107 EUR/MWh on news that, after months of negotiations, the EU reached an agreement on a gas price cap at 180 EUR/MWh, starting on February 15, 2023. In terms of data releases, Germany's IFO business climate index rose in December for the third straight month, coming in at 88.6 from 86.4 in November, while in the US, homebuilder confidence unexpectedly deteriorated in December, with the NAHB housing market index dropping to 31, just slightly above the Covid trough.

## Greece

Greece was ranked first among the OECD countries for 2022, according to an economic performance score index calculated by The Economist that ranks countries in terms of five indicators, namely GDP growth, inflation, inflation breadth (a measure of how widespread inflation is among consumer goods), stock market performance and government debt. Legislation on the so-called market pass – a fiscal support measure aiming to cover 10% of the monthly cost of certain consumer goods for ca 83% of the households – is expected to gain parliamentary approval later today. The measure is expected to come into force in February 2023.

## CESEE

Weakening inflation dynamics in countries of the CESEE region in November. In Poland, the consumer price index (CPI) rose by 17.5%YoY, posting a small deceleration relative to the 17.9%YoY increase in the previous month, which was a 22-year high. However, the main National Bank of Poland (NBP) core inflation index, which strips out food/drinks, fuel and energy, accelerated on an annual basis to 11.4% in November from 11.0% in October, reaching the highest level since Feb-99. The only of the four NBP core indices whose rise slightly eased, leading to the weakening of the CPI inflation, was the indicator stripping out regulated prices, to 18.1%YoY from 18.7%YoY in October, reflecting the government's effort to tame inflation. In Cyprus, the harmonized inflation eased for a fourth consecutive month in November, to 8.1%YoY, from 8.6%YoY a month ago. The latest print resulted from the deceleration in housing, water supply, electricity (+17.6%YoY from +22.2%YoY in Oct-22) and transports (+9.4%YoY from +11.9%YoY), despite the intensified upward trend in food - non-alcoholic beverages (+15.1%YoY from +12.6%YoY).

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