

GLOBAL & REGIONAL DAILY

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Global markets

The centre-right coalition in Italy has likely secured an absolute majority in the general elections that were held yesterday and should be able to form a government led by Fratelli d'Italia, while Giorgia Meloni appears as the most likely candidate to become prime minister. In reaction, the EUR extended its recent losses against the USD, marking a fresh two-decade low of 0.9565 earlier today, as the Fed's hawkish message last week and poor Eurozone PMI data which fueled market concerns that the economy is likely heading for recession, also continued to weigh. However, the EUR's depreciation was overshadowed by the GBP's plunge to a record low below 1.04 vs. the USD earlier today amid mounting concerns about the sustainability of the UK finances, after the mini budget announced by the UK Chancellor on Friday included the largest tax cuts in 50 years. Meanwhile, Asian bourses were generally weaker, government bond markets remained under pressure and commodity prices dropped sharply on rising global growth concerns.

Greece

According to ELSTAT, the turnover of the enterprises in retail trade, obliged to double-entry accounting bookkeeping, stood at €3.44 bn in July 2022, recording an annual increase of 8.6%. The respective turnover excluding vehicles, food and fuel amounted to €0.97 bn, registering an annual increase of 0.8%. To a large extent, the aforementioned difference reflects the inflationary pressures (HICP at 11.2% YoY in July 2022) that stem from the categories of energy and food. In terms of regions, those of Notio Aigaio and Kriti, recorded the highest increases in their enterprises' turnover, reflecting the rebound of the Greek tourism. Finally, according to the press, next Monday, October 3rd 2022, the government is expected to submit to the parliament the draft of the 2023 state budget. Based on the same reports, a real GDP growth of 5.3% and 2.1% is foreseen for 2022 and 2023 respectively.

CESEE

At its regular monthly meeting last Thursday, the Monetary Policy Committee (MPC) of the Central Bank of the Republic of Turkey (TCMB) reduced the policy one-week repo rate by 100bps, to 12.0%, the sixth reduction since September 2021, after cutting it by another 100bps in August. The Committee supported the decision by stating that, while the negative consequences of supply constraints in some sectors have been alleviated by the strategic solutions facilitated in Turkey, the upward trend in producer and consumer prices continues globally. Furthermore, the weakening effects of geopolitical risks on global economic activity continue increasing. Although a strong growth was observed in Turkey in H1 2022, since the beginning of July, leading indicators have been pointing to a slowdown in growth due to the weakening of foreign demand. The Turkish lira has depreciated modestly since last Thursday (-0.6% vis-a-vis USD, to 18.45 at the time of writing), whereas since the previous repo rate cut in August the depreciation stood at ca 2.9%.

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