

# GLOBAL & REGIONAL DAILY

October 26, 2022

## Global markets

According to yesterday's US data, the CB consumer confidence index recorded a bigger than expected drop to 102.5 in October, the Richmond Fed manufacturing index fell from September's 0 to -10, the lowest level since May 2022, and the FHFA house price index declined by -0.7% MoM in August, marking the first back-to-back monthly drop for the first time since 2011. Against this backdrop, UST yields moved lower, pushing the DXY USD index to a three-week low below 111 and allowing the EUR/USD to reapproach parity amid expectations that the Fed will likely slow the pace of rate tightening soon. Along similar lines, long-dated Bund yields dropped further today, shrugging off a lower-than-expected drop in the German Ifo business climate index to 84.3 in October, while most of EU peripheral yields continued to outperform ahead of Thursday's ECB monetary policy meeting. Market consensus is for a 75bps rate increase followed by an additional 50bps hike in December, with the terminal rate now seen below 3.00%.

## Greece

According to the final State Budget execution data published y-day, for the period Jan-Sept 2022, the overall fiscal balance registered a deficit of €4.22bn, compared to a targeted deficit of €10.08bn, (-58.1%). The primary fiscal balance registered a surplus of €0.05 bn, against a targeted deficit of €5.94bn (-100.87%). State Budget net revenue overperformed the target by €5.22bn (13.45%), mainly due to a higher-than-expected €4.82bn (13.48%) increase in tax revenue. Income tax, property tax and VAT revenue were higher by 13.72%, 40.19% and 12.25% compared to their respective target. The state budget expenditure undershot the target by €0.64bn (-1.31%). According to Eurostat, Greece's 2021 fiscal deficit and public debt stood at -7.5% and 194.5% of GDP respectively. The latter figure was the highest among euro area member states, followed by Italy with a fiscal deficit at 150.3% of GDP.

## CESEE

In Bulgaria, credit growth eased to 13.1% YoY in September from 13.4% YoY in August, breaking the increasing streak for at least the past 18 months. The deceleration in the nominal loan growth in September was entirely driven by a loss of steam in the total corporate lending with overdraft facilities slowing down and regular corporate loans increasing. Retail lending rose by 15.3% YoY in September, speeding up compared to August. The acceleration in retail lending was on the back of consumer and housing loans amid the increasing prices in both consumer goods and residential assets. On the same footing, in Serbia, lending growth decelerated to 11.2% YoY in September from 11.5% YoY in August with the slowdown appearing more pronounced in retail credit.

## Contributing Authors:

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Dr.Theodoros Stamatiou**  
Senior Economist  
[tstamatiou@eurobank.gr](mailto:tstamatiou@eurobank.gr)

**Maria Kasola**  
Research Economist  
[mkasola@eurobank.gr](mailto:mkasola@eurobank.gr)

## Research Team



**Dr. Tasos Anastasatos** | Group Chief Economist  
tanastasatos@eurobank.gr | + 30 214 40 59 706



**Dr. Stylianos Gogos**  
Research Economist  
sgogos@eurobank.gr  
+ 30 214 40 63 456



**Maria Kasola**  
Research Economist  
mkasola@eurobank.gr  
+ 30 214 40 63 453



**Paraskevi Petropoulou**  
Senior Economist  
ppetropoulou@eurobank.gr  
+ 30 214 40 63 455



**Dr. Theodoros Rapanos**  
Economic Analyst  
trapanos@eurobank.gr  
+ 30 214 40 59 711



**Dr. Theodoros Stamatou**  
Senior Economist  
tstamatou@eurobank.gr  
+ 30 214 40 59 708



**Michail Vassileiadis**  
Research Economist  
mvassileiadis@eurobank.gr  
+ 30 214 40 59 709

**More available research at:** <https://www.eurobank.gr/en/group/economic-research>  
**Subscribe electronically at:** <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-entiaferontos>  
**Follow us on twitter:** [https://twitter.com/Eurobank\\_Group](https://twitter.com/Eurobank_Group)  
**Follow us on LinkedIn:** <https://www.linkedin.com/company/eurobank>

### DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

