

# GLOBAL & REGIONAL DAILY

September 28, 2022

## Global markets

European natural gas prices resumed their upward trend yesterday with front-month Dutch gas futures rising above €200/MWh, on news over leaks from Nord Stream 1 and 2 pipelines and the risk that Russia could impose sanctions against Ukraine's Naftogaz in retaliation for a recent arbitration claim. Meanwhile, the global bond selloff remains unabated. The 10-yr gilt yield hit a fresh post-2008 high of 4.58% earlier today, its US counterpart moved above 4.0% for the first time since 2010 and the yield on 10yr Bunds marked a new post-2010 high of 2.30%, while EU peripheral spreads continued to widen with the gap between 10-yr BTP over Bunds hovering above 250bps, the highest in near 2 ½ years. In FX markets, the USD was firmer across the board taking the DXY index to a fresh all-time high, supported by yesterday's positive US data releases and comments by a member of the National Economic Council (NEC) at the White House that it is rather unlikely for an agreement among major economies to counter the currency's strength.

## Greece

Despite its negligible monthly increase (+0.1%MoM), credit to the non-financial private sector –adjusted for write-offs, reclassifications, and FX fluctuations– posted a strong increase of 4.4% (€5.0bn) on an annual basis in Aug-22, according to the data published by the Bank of Greece yesterday. This is the highest annual growth rate since Oct-09 and was driven by credit to non-financial corporations (+6.7%/+€7.0bn YoY), with credit to households remaining on a declining path (-3.9%/-€1.9bn YoY). Non-financial private sector deposits posted almost zero increase compared to Jul-22, yet stood 6.1% higher than in Aug-21, as the drop in corporate deposits (-€0.48bn) was offset by an increase in household deposits (+€0.52bn). Despite record inflation, household deposits have increased by 2.2% (€2.9bn) since the beginning of 2022.

## CESEE

Moderate credit expansion continued in Cyprus in August, at a rate of 2.0%YoY, almost unchanged compared to July (+1.9%YoY). Total loans to non-financial businesses and households picked up by 2.7%YoY and +2.6%YoY respectively. On the contrary, credit to general government contracted by 13.9%YoY. During the January-August period, average credit expansion to the non-monetary and financial sector stood at 2.3%. Regarding the trends in deposits, their increase decelerated further in August, to 0.6%YoY from 1.3%YoY in July, marking the lowest rate in the last 18 months. Deposits of non-financial businesses rose by 3.3% on an annual basis, those of households by 2.0%YoY, and general government savings shrunk by 3.9%YoY. During the January-August period, the average increase of deposits stood at 2.0%.

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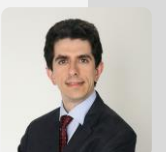
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