

GLOBAL & REGIONAL DAILY

November 28, 2022

Global markets

Asian stocks slipped today and equity futures point to a lower start in Europe and the US, as protests in major Chinese cities against the government's stringent Covid-19 restrictions have raised concerns about the growth implications for the world's second largest economy. Worries over China's growth prospects also hit commodity markets, with Brent crude falling to a mid-January low of \$80.61/bbl earlier today, before recovering slightly above \$81/bbl at the time of writing, but still remained more than 3% lower on the day. Risk-off sentiment enhanced the safe-haven appeal of fixed income markets, with the 10-yr UST yield moving more than 7bps lower earlier today at a six-week low of 3.62%, while in FX markets, the USD gained some ground, pushing the DXY index back above 106. In terms of data releases, focus this week is on US non-farm payrolls (Friday) and Euro area flash November CPI (Wednesday), while key central bank speakers include Fed Chair Jerome Powell (Wednesday) and ECB President Christine Lagarde (Friday).

Greece

The seasonally adjusted volume index in wholesale trade increased marginally on a quarterly basis by 0.3% in Q3 2022 from 0.0% in Q2 2022. On an annual basis it decreased by 3.3% in Q3 2022 following a drop of 9.6% in Q2 2022. For the 9-month period of January-September 2022, the volume index in wholesale trade decreased on an annual basis by 4.4%, while the respective turnover index – the index that includes the impact of higher or lower prices – increased by 24.4%. In retail trade, the divergence between the performance of the turnover index and the volume index was much smaller, with the former increasing by 13.5% on an annual basis in January-August 2022 and the latter by 4.6%. In terms of the expected data releases, today the BoG will announce the October 2022 deposits-credit figures, the EC will announce the ESI for November 2022 on Tuesday, and the ELSTAT will announce on Wednesday the retail trade turnover-volume index for September 2022.

CESEE

During the previous week, yields of Bulgarian local sovereign bonds moved both ways with the continuing inability of a coalition government formation giving the tone in the local FI market; on the short end, the 3-year tenor rose by 15bps, the 7-year fell by 26bps while on the long-term end, the 15-year tenor increased by 8bps. On a more coordinated tone, Bulgarian Eurobond yields continued their downward trajectory across all maturities with 2023-2024 tenors posting 18bps and 2bps decreases respectively and longer maturities, namely the 2034 and 2035, falling by 22bps and 27bps in turn. In Serbia, the EUR/RSD kept moving sideways intraweek, within the trading range of 117.27/32-117.31/36. Turning to the local FI market, the flattening of the RSD bond curve continued as yields at the long end dropped from 10 to 20 bps, compared to the previous week.

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