

# GLOBAL & REGIONAL DAILY

November 30, 2022

## Global markets

Shrugging off weak Chinese PMIs, Asian bourses ended higher today amid increased optimism for progress towards a re-opening in the world's second largest economy following media reports suggesting that China is planning to bolster vaccination among the elderly. In reaction, the DXY USD index was slightly weaker, though still above 106, while the EUR/USD continued to hover around 1.0350, ahead of today's November Euro area HCIP release following lower-than-expected Spanish and German inflation data yesterday, which increased expectations that the ECB would slow down the pace of rate hikes to 50bps in December. Spain's headline HICP dropped by 0.7ppt to 6.6%YoY, while in Germany, the HICP inflation rate fell from October's 11.6%YoY record high to 11.3%YoY, solely driven by lower energy prices. In reaction, European sovereign bonds gained sharply yesterday before moving lower today, while US Treasuries were modestly firmer, ahead of Fed Chair Powell's speech at the Brookings Institution (19:30 CET).

## Greece

According to the January-October 2022 State Budget Execution final data, the overall fiscal balance was at a deficit of €4.77bn, registering a decrease of €0.3bn (-5.0%) compared to the respective 2023 Budget target. The primary fiscal balance posted a deficit of €0.35bn, improved by €0.25bn (-41.86%) compared to the respective 2023 Budget target. The state budget revenue was at €48.87bn, registering an improvement of €0.10bn (0.20%) compared to the respective 2023 Budget target, with the total tax revenue being at €45.54bn, surpassing the respective 2023 Budget target by 0.20%. The state budget expenditure was at €53.64 bn registering an under execution of €0.15bn (0.29%) compared to the respective 2023 Budget target. The preliminary measures for the COVID19 pandemic were at €1.83bn, for the January-October 2022 period, increased by 12.86% compared to the previous month and the preliminary payments for the main energy tackling measures were at €2.17bn, increased by 91.28% compared to the previous month.

## CESEE

After Fitch Ratings agency recently affirmed Bulgaria's sovereign credit rating at BBB, S&P also affirmed the country's long- and short-term in foreign and local currency credit rating at BBB/A-2, keeping the outlook stable. The stable outlook was broadly based on the balance between low public debt and manageable interest expenditures amid the sluggish prospects of economic growth in 2023 and the domestic political uncertainty. However, the agency noted that high inflation, which is expected to average 10%YoY in 2023, is considered as a key risk for Bulgaria's prospect to join the eurozone in 2024. GDP real growth is forecast less than 1% in 2023 with EU-funded projects providing some support throughout the challenging year ahead.

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