

GLOBAL & REGIONAL DAILY

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Global markets

Lower-than-expected JOLTS data and dovish comments by the ECB's Isabel Schnabel enabled the recent rally in sovereign bonds to continue its momentum on Tuesday. The JOLTS report indicated that the US labor market is cooling as the economy created 8.7 million job openings in October, the fewest since early 2021 and below the consensus estimate for 9.3 million openings. Against that, the ISM services index for November rose 0.9pts to 52.7, beating the consensus estimate and staying comfortably above the 50 threshold that signals an expansion. The signs of softening weighed more heavily on markets as the yield on 10yr USTs fell 8bps to 4.16% yesterday, remaining little changed so far this morning. Meanwhile, the yield on 10yr German bunds fell 11bps yesterday to 2.24%, continuing to drive the UST-Bund spread wider on hardening expectations of a dovish pivot from the ECB. That can only be reinforced by the news this morning that German factory orders unexpectedly fell 3.7%MoM in October.

Greece

The weighted average interest rate on new loans increased marginally to 6.17% in Oct-23 (+2bps MoM), after having posted a decrease of 20bps in Sep-23, according to the latest data released by the Bank of Greece. The weighted average interest rate on new deposits increased also to 0.46% in Oct-23; on new time deposits it was up by 3bps for households (at 1.78%) and up by 21bps for non-financial corporations (NFCs, at 3.05%). Due to a relatively larger increase in incoming household time deposits compared to new NFC time deposits, the spread between the weighted average interest rates on new loans and new time deposits widened marginally by 5bps MoM, remaining nevertheless the second lowest since Jul-22. New loans to the non-financial private sector amounted to €0.97bn in Oct-23, bringing the rolling 12-month disbursements to €22.7bn, up by +3.4%YoY. In other data, Piraeus was the maritime freight port experiencing the largest annual decrease in EU27 in the total gross weight of seaborne freight handled in 2022.

CESEE

According to the Q3 GDP component data for Cyprus, the main driver of the 2.2%YoY growth was the increase in gross capital formation (GCF) by 24.5%YoY, against a 32.7%YoY fall a quarter earlier, with the Q3 rise mainly based on inventories (2/3 of the GCF increase), rather than on gross fixed capital formation expansion (+8.5%YoY against -25.9%YoY in Q2). Q3 GDP growth was also anchored on higher household consumption, by 5.1%YoY against 4.7%YoY, with average inflation at the same level in both quarters (3.3%YoY in Q3 vs. 3.4%YoY in Q2). Despite improvement in exports (+0.1%YoY against -1.6%YoY a quarter earlier), the external balance deteriorated relative to Q2, as imports rose by 5.6%YoY after a 7.7%YoY fall. In other news from the region, high frequency indicators in Hungary show a softened weakening in economic activity in early Q3, as the fall in industrial production slowed to 2.8%YoY in October from 5.8%YoY a month ago, and the retail sales decline weakened to 6.5%YoY from 7.3%YoY in September.

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