

# GLOBAL & REGIONAL DAILY

October 9, 2023

## Global markets

The US economy generated 336k jobs in September, the largest monthly gain since January following a cumulative upward revision of 119k to the prior two months, adding to recent evidence suggesting that labor demand remains strong. The unemployment rate was unchanged at 3.8%, and average hourly earnings grew by 4.2%YoY, down from August's 4.3%YoY, though still above the 3.0-3.5% range that most Fed officials consider as broadly consistent with the inflation target. In reaction, UST yields moved higher on Friday, with the 10-yr yield reaching a fresh post-2007 intra-session high at 4.89%, prompting a further steepening of the 2/10-yr yield curve (the US bond market is closed today on Columbus Day). EGBs also came under some pressure, before reversing course and move higher today on rising geopolitical tensions in the Middle East. Oil prices were also higher today, with Brent crude up by c. 3% to \$87.35/bbl, US stock futures point to a lower open and the USD lost some ground ahead of Thursday's US CPI.

## Greece

According to provisional ELSTAT data on commercial transactions in August 2023, a vital statistic that illuminates the performance of the external sector (goods only) of the economy and its competitiveness, goods imports totaled €6,384mn, a 17.8%YoY decline. Excluding oil products, the drop softens to 1.7%YoY. Goods exports amounted to €3,683.8mn, showing a notable 24.5%YoY reduction. Without oil products, the corresponding value fell by 14.3%YoY. Consequently, the trade balance deficit in August registered at €2,746mn, a decrease of 7.0%YoY. From January to August, goods imports were €53,895mn, down 10.2%YoY, and exports were €33,780mn, a 5.7%YoY decrease. This led to a trade balance deficit of €20,115mn for the period, narrower by 16.8% YoY. Additionally, excluding oil products and ships, the corresponding deficit contracted by 6.8%YoY.

## CESEE

In Cyprus, the provisional data about public finance for the January-August period, indicate a much better performance than that in the same period of 2022. The overall General Government balance was positive, by €881.9mn, 168.4% higher than a year ago, whereas the primary balance (excl. interest payments) stood at +€1.14bn, against +€613mn in January-August 2022 (+85.8%). The significant improvement is exclusively due to higher revenue (+16.8%YoY or +€1.17bn), as expenditure also recorded an expansion (+9.3%YoY). The increase in revenues is owed to higher receipts from social security contributions (+15.6%YoY or +€312.4mn), VAT on products (+20.0%YoY or +€300.6mn) and in other, uncategorized revenues (+35.4%YoY or +€229.4mn). The fiscal surplus is reflected on the improvement of the General Government debt, which stood at end-August at €23.5bn, -3.9% or €954.0 less than a year ago, whereas in GDP terms, it fell to 81.4% of the projected nominal GDP for 2023, 9.3ppts below its respective level a year earlier.

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