

GLOBAL & REGIONAL DAILY

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Global markets

The number of unemployed in the Eurozone was broadly stable in November, keeping the unemployment rate unchanged from October at a record low of 6.5% and increasing, thus, concerns over higher wage growth and inflationary pressures, in turn. In reaction, long-dated German government bonds came under some pressure, while, on the flipside, USTs firmed, with the 10Y UST-Bund yield spread tightening further below 130bps, as investors continued to downgrade their expectations for further Fed rate tightening after last week's non-farm payrolls added to recent signs suggesting that the labor market, though still tight, is gradually slowing. Meanwhile, the DXY USD index weakened further, recording yesterday its lowest level since early June, with cumulative losses above 10% since marking a more than a decade peak in late September. Focus today is on an international symposium at the Riksbank in Stockholm where, among others central bankers, Fed Chair Jerome Powell and ECB Executive Board member Isabel Schnabel, will speak.

Greece

According to Eurostat, the seasonally adjusted unemployment rate decreased marginally in November 2022 to 11.4% of the labour force (the second highest rate in the EU-27 after Spain), from 11.5% in October 2022. Compared to November 2021, the unemployment rate declined by 1.7 ppts. In the 11-month period of January-November 2022, the average jobless rate stood at 12.4% from 15.0% in the respective period of 2021. Based on the Interim Report on Monetary Policy 2022 of Bank of Greece (December 2022), the unemployment rate is forecasted at 12.5%, 11.5%, 10.4% and 9.4% in 2022, 2023, 2024 and 2025 respectively. In other news, the minimum wage, currently at €713, is expected to increase in April 2022. According to press reports, a lower bound for that rise is set at 5.5% (€751), in order for the minimum wage to reach the level before the debt crisis and the adjustment programs.

CESEE

Further signs of weakening economic activity in the CESEE region in Q4 2022. In Czechia, real construction output fell in November by 0.8%YoY, after a 1.0%YoY rise in October. The November print was almost the same in building construction and civil engineering (-0.8%YoY and -0.9%YoY respectively), however the former segment holds a much higher share to total construction activity. In Hungary, according to preliminary data, industrial output growth decelerated in November to 0.8%YoY from 5.0%YoY in the previous month, the lowest increase in the last 13 months. The slowdown came mainly from the manufacture of electronic and optical products, as well as of food, beverages and tobacco products. Finally, in Turkey, industrial production shrunk in November in annual terms for the first time since June 2020, by 1.3%, against an increase of 3.2% in October. The trend changed mainly in manufacturing, recording a 0.4%YoY decline in November against a 4.4%YoY rise a month ago.

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