

# GLOBAL & REGIONAL DAILY

October 10, 2023

## Global markets

UST yields opened lower after Columbus holiday yesterday on the back of market worries regarding the geopolitical tensions in the Middle East and dovish comments by Fed officials. Dallas Fed President Logan stated that “if long-term interest rates remain elevated because of higher term premiums, there may be less need to raise the fed funds rate”, while Fed Vice Chair Philip Jefferson mentioned “I will remain cognizant of the tightening in financial conditions through higher bond yields and will keep that in mind as I assess the future path of policy”. To this end, 10yr UST yields stood at 4.67% earlier today, down from last week’s close at 4.78%. Markets are currently pricing in a 14.0% chance of a 25bps hike at the next FOMC meeting on Oct 31 - Nov 1. Oil prices jumped yesterday, with Brent crude ending at 88.15\$/bbl, more than 4% higher compared to last week’s close due to the geopolitical tensions, before easing to 87.33\$/bbl earlier today, c. -0.9% lower on the day.

## Greece

According to the press, foreign direct investment (FDI) in real estate is projected to reach a new record high in 2023, based on data from the Bank of Greece (BoG). More specifically, in H1 2023, FDI in real estate increased to €1.1bn, from €788mn in the respective period of 2022 (+39,5%). In other news, according to Fitch, a downward trajectory of the debt-to-GDP ratio based on fiscal prudence, along with an improvement in the medium-term prospects of growth due to investment and structural reforms, are keys for an upgrade of Greece’s rating, now standing one notch below investment grade by Fitch, Moody’s and S&P. Fitch is expected to publish its assessment on the Greek economy on December 1st 2023. Finally, on the data front, today ELSTAT is scheduled to publish the industrial production index for Aug-23 (+2.2% MoM, -1.8% YoY in Jul-23).

## CESEE

Mixed indications from the dynamics in economic activity in the region based on short-term indicators. In Czechia, industrial production fell in August for the second consecutive month, albeit by a milder pace than a month earlier, by 1.7%YoY against a decline of 2.8%YoY in July, but also in contrast to a 1.1%YoY expansion in Q2 2023. The deceleration in the pace of contraction came from the lower decline in electricity-gas (to -10.4%YoY against -15.0%YoY), as well as in mining-quarrying (to -15.4%YoY from -19.5%YoY). In Hungary, a surplus of €708mn was recorded in the goods trade balance in August, exceeding the €599mn surplus in July. Both prints concerning Q3 months significantly lag the €1,042mn average monthly surplus in Q2 2023. But the annual improvement is stronger in the recent months, due to base effects, at €2.01bn against an average of €1.49bn in Q2. Last, the Bulgarian government officially requested the second due payment from the Recovery and Resilience Fund, worth BGN1.4bn, after completing 94% of the 66 related milestones.

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