

GLOBAL & REGIONAL DAILY

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Global markets

UST yields rose yesterday, on the back of a weak 30yr UST auction and hawkish comments by Fed Chair Powell. Reflecting a tightening bias, the Fed Chair stated that “if it becomes appropriate to tighten policy further, we will not hesitate to do so”, adding that “we are not confident” whether monetary policy is sufficiently restrictive to bring inflation back to the 2% target. 10yr UST yields stood at 4.61% earlier today, not far from yesterday’s close of 4.63%, a 11bps daily increase. In the FX market, the USD broadly strengthened, with the DXY approaching the 106 level again. In other news, yesterday’s US jobless claims provided fresh signs of a cooling labour market, as continuing jobless claims for the week ending October 28 rose by a higher-than-expected 22k to 1.834mn, the highest level since April. Initial jobless claims for the week ending November 4 decreased from 220k to 217k, almost in line with market expectations, but the 4-week moving average rose for a third consecutive week.

Greece

Following Russia’s invasion of Ukraine, the trade of green energy products picked up in 2022, with exports increasing by 263% and imports increasing by 119%, shows Eurostat data released yesterday. The significant export growth was driven by the exports of solar panels and related products (+519%), with liquid biofuel exports up by 9%, and wind turbine exports remaining flat. On the other side of the ledger, imports of liquid biofuels and solar panels grew by 160% and 155% respectively, while those of wind turbines were down by 31%. On other statistics, the number of transactions with payment cards climbed to 1.05bn in H1 2023, increasing by 15.9%YoY, with the respective volume reaching €49bn, up by 11.4%YoY, according to the November Financial Stability Report published by the Bank of Greece.

CESEE

Taking the torch from the central banks in Romania and Poland, the central bank in Serbia (NBS) convened yesterday and decided to keep the key policy rate at 6.50% for the fourth consecutive month, despite the continuing fast inflation deceleration, to 10.2%YoY in September, a 17-month low, against 11.5%YoY in August. The executive board of the NBS underlined in the press release after the meeting that geopolitical tensions still mandate caution in monetary policy decision-making, as do the volatile movements of global prices of crude oil and some foodstuffs, which may also impact inflationary expectations. In Hungary, two and a half weeks after the MPC’s decision to cut the policy rate by 75bps after 12 months of stagnation to 13%, CPI inflation retained a fast-decelerating pace in October, falling slightly below 10%YoY for the first time in 18 months, to 9.9%YoY, against 12.2%YoY in September, creating space for a further relaxation of the monetary policy in the period ahead.

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