

GLOBAL & REGIONAL DAILY

January 16, 2023

Global markets

Asian stock markets ended mostly higher today and US futures point to a positive start, favored by optimism surrounding China's reopening and increased expectations of a slower pace of Fed rate tightening to 25bps in the coming months after last week's US December CPI release reinforced the view that inflationary pressures have begun to wane. Adding to improved risk sentiment, Eurozone IP rose by a higher-than-expected 1.0%MoM in November and Germany's 2022 real GDP came out at 1.9%YoY, according to the statistical office's first estimate, implying flat quarterly growth in Q4 against expectations of a small contraction. Elsewhere, Japanese 10-yr government bond yields were testing the BoJ's new ceiling of 0.50% and the JPY extended recent gains earlier today amid growing speculation of a further adjustment to the central bank's yield control policy at this week's two-day meeting which concludes on Wednesday. US markets are closed today for Martin Luther King Jr. Day and the WEF's annual meeting starts in Davos.

Greece

According to the BoG, the capacity utilization rate in industry - a proxy for the utilization rate of the physical capital stock- increased to a six-month high in December 2022, printing a value of 76.6% from 75.6% in November 2022. For the whole Q4 2022 period, the average capacity utilization rate in industry increased by 2.1 ppts compared to Q3 2022 (from 73.9% to 76.0%), while it decreased by 1.3 ppts relative to Q4 2021 (from 77.3% to 76.0%). The capacity utilization rate in industry has a positive correlation coefficient of 36.7% and 61.7% with the quarterly and the annual real GDP growth respectively. In other data releases, motor vehicle licenses (both new and used from abroad) stood at 11,976 in December 2022 registering a decrease of -0.3% YoY. In terms of the licenses of new cars, an increase of 17.4% YoY was recorded.

CESEE

In Bulgaria, the foreign trade deficit increased marginally, by 0.5%, on an annual basis coming in at EUR652.8mn in November while on a cumulative basis, it increased by 79.1%YoY climbing to EUR 6,275.5mn in Jan-Nov. Exports rose by 35.0%YoY to EUR4,235.1mn in November, slightly speeding up from October, with the surge entirely driven by a 48.6%YoY increase in sales to non-EU partners, while sales growth to the EU slowed down to 29.2%YoY. Imports growth slowed down to 29.1% YoY in November, as both imports growth from EU and non-EU trading partners decelerated to 27.2%YoY and 31.9%YoY respectively. The respective data for Serbia are due on Thursday. Concluding with a quick view on the performance of the dinar during the previous week, the EUR/RSD concluded Friday's session at 117.38/43, which is 5 paras higher on a weekly basis. In the fixed income space, the sovereign yield curve posted little changes intraweek amid low trading volumes.

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