

# GLOBAL & REGIONAL DAILY

November 17, 2023

## Global markets

UST yields declined yesterday amid market expectations for more aggressive Fed rate cuts in 2024 following a series of weak US data releases, while lower oil prices also had an impact. Initial jobless claims for the week ending November 11 increased by more than expected to 231k from 218k in the prior week, while continuing claims for the week ending November 4 reached 1.865mn, the highest level since November 2021. Moreover, October's industrial production fell by a higher than expected 0.6%MoM following a 0.1%MoM increase in the prior month. The NAHB housing market index for November fell to 34, its lowest level since December 2022. Meanwhile, Brent crude oil prices remained under pressure, trading close to yesterday's 4 ½ month low off \$76.60/bbl earlier today, supporting the view that inflation is heading lower. Against this backdrop, 10yr UST yields dropped by 6.4bps to a near two-month low of 4.38% at some point earlier today.

## Greece

According to the Jan-23 to Oct-23 preliminary State Budget Execution data, the overall fiscal deficit was at €0.48bn, an 86.3% improvement compared to the 10-month target set for 2023. The primary fiscal balance registered a surplus of €6.08bn, exceeding the target by €4.34bn or 248.5%. State budget revenue stood at €53.93bn, 84.4% of the annual target, and €0.87bn or 1.6% of the projected 10-month figure. Still, revenues of €3.22bn (from the Egnatia motorway concession, and the next RRF disbursement) remain uncollected and likely to be received within 2024. Nonetheless, tax revenue was €50.82bn, a rise of €3.92bn or 8.4% above the 10-month target. PM K. Mitsotakis announced yesterday that, owing to this revenue overperformance and the positive economic forecasts for Greece, an additional €0.35 billion will be allocated for targeted support measures by the end of 2023. Finally, state budget expenditure was at €54.41bn, at 75.7% of the annual estimate, decreased by €2.14bn or 3.8% from the expected 10-month figure.

## CESEE

In Cyprus, annual GDP growth continued unabated in Q3 2023 relative to the previous quarter, at 2.2%, a slower pace relative to Q1 (3.2%) which brings the Q1-Q3 average growth to 2.5%. GDP increased also on a quarterly basis, by 1.0%, after the 0.4% decline in the quarter before. According to flash estimates available at EU level, the Q3 annual reading is the strongest among 23 countries. Details on the growth components will become available with the provisional GDP estimate, due on December 1. Further signs of inflation deceleration in October in the region from Poland, with the headline print at 6.6%YoY from 8.2%YoY in September, whereas on a monthly basis the CPI rose by 0.3%, against +0.2% in the previous month. The slowdown of the core index was moderate, to 8.0%YoY from 8.4%YoY, implying that the weakening in headline inflation came from non-core items, such as food and non-alcoholic beverages (to 8.0%YoY from 10.4%YoY in September) and fuel (-14.4%YoY against -7.0%YoY).

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