

GLOBAL & REGIONAL DAILY

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Global markets

Long-dated UST yields declined ahead of the minutes from the FOMC's November meeting later today, following a better-than-expected \$16bn auction of 20yr USTs yesterday. 10yr UST yields stood at 4.40% in early European trade today and 20yr UST yields were hovering around 4.73%, both down from last week's close by 4bps and 8bps respectively. In the FX market, the US dollar weakened further, with the DXY index marking a fresh near 3-month low of 103.18 earlier today, on the view that the Fed is at the end its tightening cycle and will soon pivot towards easing monetary policy. Meanwhile, Brent crude prices stood at \$81.94/bbl earlier today, not far from yesterday's \$82.94/bbl peak and above \$76.60/bbl last week's low on rumors that OPEC+ will likely consider additional oil supply cuts at its next meeting on November 26.

Greece

Undoubtedly the reduction of the current account deficit (CAD) stands out as one of the medium-term challenges for the Greek economy. The high CAD of 2022 (€21.2bn, 10.3% of GDP) contained both temporary as well as structural components (pick up in energy prices, post-pandemic steep recovery of domestic demand and low level of national saving). According to the balance of payments data published yesterday by the Bank of Greece (BoG), in the 9-month period from Jan-23 to Sep-23 the CAD was reduced to €7.3bn from €11.9bn in the respective period of 2022, reflecting an improvement of the deficit in the balance of goods by €4.9bn (17.1%), an improvement of the surplus in the balance of services by €1.8bn (10.7%) and an increase in the balance of secondary income by €1.0bn. On the contrary, the balance of primary income deteriorated by €3.1bn, reflecting a worsening in the balance of investment in-come by €3.6bn. Finally, today the government will submit to the parliament the final draft of the 2024 budget.

CESEE

Growth of foreign arrivals in Cyprus slowed down significantly in October, to 6.0%YoY -the slowest pace so far in 2023- against 15.2%YoY in September. The deceleration is mainly due to the reversal of the strong increase of arrivals from Israel -the main source of growth in total arrivals during January – September this year- from +63.0%YoY in September to a decline of 27.3%YoY in October, a first indication of the implications of the war in Gaza to the Cypriot economy. The slowdown in arrivals from EU countries to 8.9%YoY in October against 11.6%YoY in September, mainly on the back of falling arrivals from Germany (-4.4%YoY after +21.0%YoY), is another reason for the weakening growth of foreign arrivals. In other country news, HICP inflation moderated in October after accelerating for two months, to 3.6%YoY against 4.3%YoY in September. The slowdown is mainly due to weakening inflation in non-core items, such as food – non-alcoholic beverages (5.8%YoY against 10.2%YoY in September) and transports (1.2%YoY vs. 2.6%YoY).

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