

GLOBAL & REGIONAL DAILY

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Global markets

At its monetary policy meeting that ended earlier today, the BoJ announced a marginal tweak to its yield curve control policy settings by redefining the upper bound for the 10yr JGB yields at 1.0% as a “reference” rather than a rigid cap. In reaction, the 10yr JGB yield rose slightly above 0.95% earlier today, the highest level since 2013, while the yen lost some ground, with the USD/JPY rising to 150.3 earlier today, up from yesterday’s close at 149.10. Meanwhile in fixed income markets, UST yields reversed intra-day gains yesterday after the US Treasury’s announcement that it expects to borrow \$776bn in Q4, down by \$76bn compared to its estimate in July. Over in Europe, Bund yields declined, with the 10yr yield standing at 2.79% earlier today, not too far from yesterday’s 2.76% multi-session low, on lower-than-expected flash October HICP data for Germany and Spain, with the former decelerating to 3.0%YoY from 4.3%YoY and the latter standing at 3.5%YoY from 3.3%YoY in September.

Greece

The Economic Sentiment Indicator (ESI) deteriorated to a 9-month low in Oct-23, reaching a value of 106.4, from 107.7 in Sep-23 (long term average = 100). Nevertheless, it remained above the respective Euro Area figure (93.3) for the 18th month in a row, reflecting the relatively higher negative impact of the war in Ukraine and the higher policy interest rates on the Euro Area compared to Greece. Regarding the five sub-indices that form the overall index, the confidence indicators in industry and retail trade deteriorated in Oct-23, whereas the confidence indicator in construction improved (consumers and services indices were little changed). In other data releases, the Producer Price Index (PPI) in industry decreased on an annual basis by 4.3% in Sep-23, from a steep annual rise of 29.4% in Sep-22. This result mostly reflects the annual decline of the energy PPI by 9.7%.

CESEE

In Turkey, the number of visitors to the country in Q3 2023 was higher by 6.8%YoY, at 22.43mn, an all-time high for this quarter of the year. However, the pace of increase decelerated significantly relative to previous quarters, as it stood at 17.2%YoY in Q2 2023 and 26.8%YoY in Q1 2023. Receipts from tourism also rose on an annual basis in USD, by 13.1%, albeit moderately relative to Q2 (+23.5%) and Q3 (+33.3%), implying a milder boost to GDP. The stronger annual increase of revenues relative to the number of visitors in Q3 2023 is reflected at the average expenditure per capita, which widened by 5.9%, slightly more than in Q2 (+5.4%) and in Q1 (+5.1%). On the trade of goods front, exports (in USD) fell in September by 0.5%YoY, bringing the average change in Q3 to +2.6%YoY, instead of a fall by 5.9%YoY in Q2. In combination with the stronger fall in imports of goods (in USD) in Q3 relative to Q2 (-4.2%YoY against -2.8%YoY), the goods balance improved in the recent period and is expected to support GDP growth ahead.

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