

GLOBAL & REGIONAL DAILY

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Global markets

Eurozone real GDP growth surprised to the upside as the economy avoided recession in Q3 growing by 0.2%QoQ, with some national reports suggesting that services consumption and inventories were the main growth drivers. Eurozone headline and core inflation were also firmer than expected, rising in October to a new record high of 10.7% YoY and 5.0% YoY, respectively. In reaction to the above developments which suggest that it is probably too early for the ECB to make a dovish pivot, European government bonds came under modest pressure yesterday, before gaining some ground today, probably supported by month-end driven buying flows. USTs were also firmer today, recovering yesterday's losses driven by fading hopes over an imminent Fed pivot after a media report warned over upside risks for Fed rate tightening, given the US's lower sensitivity to higher rates. Market pricing of the terminal federal funds rate rose to 4.95%, while the DXY USD index gave back most of yesterday's gains ahead of tomorrow's Fed policy decision.

Greece

Greece's Economic Sentiment Indicator (ESI) decreased steeply to a 20-month low in October 2022, registering a value of 98.3 points, below the long-term average of 100 points, from 104.9 points in September 2022. Nevertheless, it remained higher compared to the Euro Area where it deteriorated to a 23-month low (from 93.6 to 92.5 points). Among the five basic components, the confidence indicators of services and consumers recorded the relatively highest monthly drops in October 2022, followed by industry. Construction registered a mild improvement, while the confidence indicator of retail trade recovered steeply. In other news, the retail trade volume index, that is retail sales at constant prices, increased in August 2022 by 0.9% MoM / 4.3% YoY from 1.5% MoM / 1.4% YoY in July 2022. Finally, today the S&P global is expected to announce the PMI manufacturing index of Greece for October 2022 (49.7 points in September 2022).

CESEE

In Serbia, according to a flash estimate by the Serbian statistics office, real non-seasonally adjusted GDP growth decelerated to 1.1% YoY in Q3 2022 from 3.9% YoY in the previous quarter and 4.0% YoY in Q1 2022. The full breakdown of GDP data, due for release on November 30, will provide details on the growth slowdown drivers. Regarding recent trends in short-term indicators of economic activity in Serbia, the seasonally adjusted industrial production index rose by 0.7% YoY in September, after contracting for two months in a row (-1.8% YoY in August, -2.0% YoY in July), bringing the average expansion year-to-September to 2.3% YoY. In the retail trade sector, the turnover at constant prices expanded by 5.2% YoY in September, up from 4.6% YoY in the previous month, the strongest increase in the last four months. The average turnover growth in Jan-Sep 2022 stands at 7.2% YoY.

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