

GLOBAL & REGIONAL DAILY

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Global markets

UST yields rebounded yesterday following the better-than-feared October Senior Loan Officer Opinion Survey on Bank Lending Practices (SLOOS) after moving sharply lower late last week in the aftermath of the weaker-than-anticipated non-farm payrolls data, suggesting that expectations for an earlier start of Fed rate cuts were likely premature. In more detail, the Fed's survey showed a further tightening in lending standards for both businesses and household in Q3, though with less intensity than in the previous quarter, while the demand for most types of loans remained weak. The 10yr UST yield stood at 4.66% earlier today, almost unchanged from yesterday's close which was up by 10bps from last week's close. In a similar vein, market expectations for another rate hike from the Fed in its January 2024 meeting stood at 12.6% earlier today, up from 8.8% on Friday, while the rate priced in by the December 2024 meeting was up to 4.44%.

Greece

A new bank asset protection scheme (Hercules III) is to be introduced by the Ministry of Finance in the following days, according to press reports. This new scheme is said to include government guarantees of securitized loans of around €5bn, with participation eligibility extending to smaller (non-systemically important) institutions. According to data released by the Athens International Airport, the busiest airport in Greece, passenger traffic increased by 19.5%YoY in Oct-23, as total year-to-date traffic climbed to 19.5mn (+24.9%YoY), exceeding its previous record-high from 2019 by 9.6%. International traffic reached 16.8mn passengers, up by 27.4%YoY in the first 10 months of 2023, or by 8.4% compared to the respective period in 2019. On other statistics, according to Eurostat, Voreio Aigaio was the NUTS2 region with the highest life expectancy in Greece in 2021 (83.1 years), and Anatoliki Makedonia, Thraki and Kentriki Makedonia those with the lowest (79.3 years), with the national average standing at 80.2 years (17th highest in EU27).

CESEE

The previous week ended with Moody's affirmation on Romania's credit rating at Baa3 with a stable outlook while there are three central bank meetings this week, tomorrow in Poland and Romania and on Thursday in Serbia. Market consensus is for a 25bps cut in Poland which will bring the Key Policy Rate (KPR) at 5.50%, if delivered, while the other two central banks are broadly expected to hold fire and keep the KPR at 7.00% in Romania and 6.50% in Serbia. Turning to market developments, according to press, Bulgaria placed yesterday successfully two Eurobonds worth EUR2.3bn in total. The first bond has a 7.5-year maturity and is worth EUR1.3bn while the second worths EUR1bn, expiring in 12.5 years with investors' interest rendered rather high as total bids exceeded EUR6.5bn. Finally, while the economic sentiment indicator in the EU and the EA remains in a soft patch since January, regional sentiment appeared broadly mixed in October with notable improvement marked in Bulgaria.

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