

# GLOBAL & REGIONAL DAILY

September 19, 2023

## Global markets

Oil prices remained in an upward trend, with Brent crude briefly hitting a new high since November 2022 earlier today, at \$95.15/bbl, on the back of mounting supply woes following extended oil production cuts by Saudi Arabia and Russia. Against this backdrop, UST yields remained close to recent highs, reflecting concerns that, though the Fed is widely expected to pause this week, it is anticipated to retain a hawkish bias that will likely be reflected in both the official statement and the rate dot plot that could continue to point to some further tightening by the end of the year. Meanwhile, Asian equities ended lower overnight on market concerns about the Chinese property sector, while in FX markets, G10 currencies were slightly firmer against the USD, with the EUR/USD moving close to 1.07 after a media report suggested that the ECB may soon tackle excess liquidity in the banking system by raising the reserve requirement ratio. According to the same sources, the debate is likely to start at the October 26 meeting.

## Greece

According to the Jan-23 to Aug-23 final State Budget Execution data, the overall fiscal balance posted a deficit of €0.10bn, improved by 95.8% compared to the respective 2023 Budget monthly target. The primary fiscal balance recorded a surplus of €5.59bn, outperforming the target by €3.27bn (141.4%). State budget revenue amounted to €43.11bn (67.5% of the annual budget target), registering a modest increase of €0.05bn (0.1%) relative to the target. Notably, future revenue is expected to be boosted by items such as the Egnatia motorway concession, (€1.5bn), and the upcoming Recovery and Resilience Fund disbursement, (€1.72bn). Tax revenue was at €39.91bn higher by €3.42bn (9.4%) compared to target, with the deadline for income tax return submissions being August 30. State budget expenditure amounted to €43.21bn (60.1% of their annual target), lower by €2.28bn (-5.0%) compared to the target.

## CESEE

In Cyprus, growth in tourist arrivals eased slightly further in August. Pending the data on tourism receipts for July, tourist arrivals rose in August by 13.4%YoY, against a 15.2%YoY increase in July and a 27.4%YoY growth in Q2 2023. The August print strengthened the lag over the same period in 2019 -when arrivals hit a multi-year high- to 7.7% against 4.9% a month earlier. In other regional news, core inflation in Poland eased in August to 10.0%YoY from 10.6%YoY in July, coming in below the 10.1% market expectation. On a monthly basis, core inflation was up by 0.3%, against a 0.2% rise a month earlier. In Romania, the Treasury raised lei 767.9mn with a medium-term bond maturing in October 2028, an amount higher than the lei 600mn target. However, demand was weaker compared to the placement of the same bond in August, as yesterday's issue was oversubscribed by 58%, while in August oversubscriptions reached 91%. Yet, the average yield slightly fell in Monday's issue, to 6.59% from 6.68%.

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