

GLOBAL & REGIONAL DAILY

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Global markets

Extending Friday's losses, USTs remained under pressure earlier today with the yield curve bear-flattening, amid growing uncertainty about the prospect of near-term Fed rate cuts. US data released late last week showed that the UoM's indicator of long-term inflation expectation was left unrevised at a 12-year high of 3.2%, according to the final estimate, against expectations for a downward revision from October's 3.0%, while the composite PMI remained unchanged at 50.7 in November, confounding expectations for a modest decline. Meanwhile, Asian bourses ended mostly lower earlier today following weak data releases from China, and Brent crude was hovering around \$80/bbl at the time of writing, down from recent highs near \$84/bbl ahead of the OPEC+ meeting that was postponed to Thursday. In FX markets, the USD remained under pressure, allowing the EUR/USD to continue trading above 1.09 and not far from last week's 1.0964 peak ahead of ECB President Lagarde's speech before the EU Parliament later today.

Greece

According to Bank of Greece (BoG) data, residential property prices registered an annual increase for the 23rd quarter in a row in Q3 2023. More specifically, the index of apartment prices (2007=100) rose to 92.9 from 91.0 in Q2 2023 (+2.1% QoQ%) and 83.0 in Q3 2023 (+13.9% YoY). Since its trough in Q3 2017, the index of property prices has increased in total by 57.8%, remaining nevertheless lower by 9.1% relative to its pre-debt crisis peak in Q3 2008. The aforementioned 6-year rebound in apartment prices has been accompanied by a rise in residential investment as well, with gross fixed capital formation in dwellings increasing to €3.3bn in 2022 (1.6% of GDP vs 6.6% in the Euro Area) from €1.1bn in 2017 (0.6% of GDP vs 5.2% in the Euro Area). In other data releases, the overall material costs index in the construction of new residential buildings rose by 0.3% MoM / 6.2% YoY in Oct-23 from 0.4% MoM / 6.4% YoY in Sep-23.

CESEE

Standard & Poor's affirmed on Friday Bulgaria's long- and short-term foreign and local currency credit rating at BBB/A-2 but raised the outlook from stable to positive. The outlook update reflected S&P's improved expectations in Bulgaria joining the eurozone in the next 24 months. In the press release, the rating agency focused on the new government's actions for pursuing eurozone accession in the beginning of 2025. On the other hand, S&P assesses that Bulgaria might not meet some of the convergence criteria, such as the price stability criterion. However, the rating agency considers that there could be scope for political compromise on the matter, similar to the Eurogroup's decision on Croatia's eurozone accession in 2022. In other news from the region, in Turkey, foreign arrivals growth decelerated further in October, to 4.0%YoY - a 2.5-year low- against +5.7%YoY in September. The slowdown is mainly due to the fall of visitors from Russia, withholding the biggest share in arrivals in 2022 (11.7%), by 12.5%YoY.

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