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Overview of the week

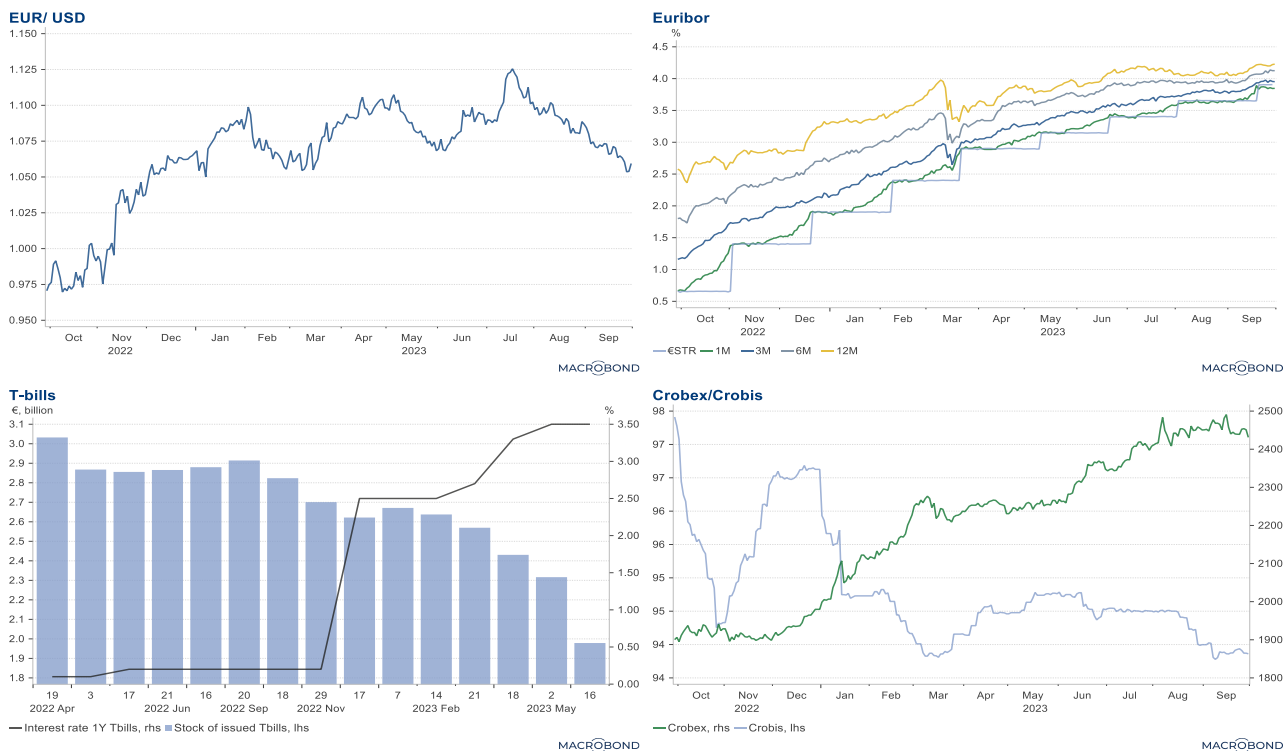
- After briefly strengthening to 7.8% during August (from 7.3% recorded in July), the annual inflation rate in September, according to the first CBS estimate, continued the decelerating trend by dropping to 6.6% - the lowest level since February 2022 (we recall that in September last year it was 12.8%). The monthly inflation rate weakened slightly to 0.4% (from 0.5% recorded in August), with the increase in prices recorded in Industrial non-food products without energy (+2.4%) and Energy (+1.5%) partly mitigated by the decrease in prices of Services (-1.0%) and Food products (-0.6%). The average inflation rate in the first nine months of this year was 9.0%.
- Industrial production continued to stumble also in August, where, for the second month in a row, production volumes decreased by -2.2% month-on-month and -2.4% year-on-year, respectively. Manufacturing, the most significant industry in terms of share, also recorded a month-on-month decrease of -3.1% for the second month in a row (identical to July), while it decreased by -2.4% year-on-year, after recording a year-to-year growth in the previous three months. Cumulatively, in the first eight months of this year, total industrial production recorded a decrease of 1.0% compared to the same period last year, and manufacturing decreased by a similar percentage. According to the main industrial groupings, in the eight months of this year a surge in production volume by as much as 7.5% was recorded in capital goods, while the production of non-durable consumer goods stagnated. At the same time, the production of durable consumer goods recorded a decrease of -9.0%, intermediate goods -4.9% and energy -2.0%.
- While retail trade turnover practically stagnated month-on-month (-0.1% m/m), there was an increase of 3.0% year-on-year, similar to July when a 2.9% increase was recorded. Overall, in the first eight months of this year, the volume of retail trade turnover increased by 2.1%, while in nominal terms the increase was 12.3%.

Inflation decelerated to 6.6% in September

Industrial production still in the red

Monthly stagnation and annual increase in real retail trade turnover in August

- The dollar continued to strengthen against the euro, still supported by the possibility of additional fed funds interest rate hike. The week closed at \$1.0594 for the euro, down by 0.5% week-on-week.
- Euribor recorded slight shifts, with 3M standing at 4.0% and 6M at 4.1% on Friday, almost unchanged from a week earlier.
- The negative trend remained on the ZSE, so Crobex closed on Friday down by 0.3% week-on-week (2,431 points). The most important sectoral indices achieved a varied performance (CROBEXindustry -2.5% to 1,564, CROBEXnutris +0.4% to 882, CROBEXtourist +1.8% to 4,223). Crobis was reduced by -0.1% (to 93.9 points).



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