

GLOBAL & REGIONAL DAILY

May 30, 2022

Global markets

In the US, April PCE rose by 0.2%MM from 0.9%MM in March but core PCE showed no signs of deceleration increasing by 0.3%MM, at the same pace as in the previous two months. 2yr and 10yr Treasury yields closed on Friday -10.3bps and -4.5bps lower from the previous week respectively, with the 2yr10yr yield curve steepening slightly. On monetary policy, the Fed is due to begin its balance sheet runoff on June 1st, while it will also release its Beige Book on current economic conditions. Looking at this week's calendar, interest turns to EA May economic sentiment, several EA countries preliminary CPI releases for May, Germany April retail sales, Spain April international tourist arrivals and US May ISM manufacturing PMI and payrolls. Markets are closed in the US today (Memorial Day) and in the UK on Thursday and Friday (Queen's Platinum Jubilee).

Greece

According to the Bank of Greece, deposits placed by the private sector stood at €178.2bn in April, increasing by €1.35bn compared to March, after three consecutive months of monthly declines. On an annual basis, the said growth rate decelerated to 5.8% in April from 7.0% in March. Corporate deposit growth accelerated to 15.5%YoY (vs 14.4%YoY in March) but was offset by a deceleration in household deposit growth by 4.3%YoY (vs 5.0%YoY in March). Meanwhile, the monthly net flow of credit to the private sector was positive by €609mn in April, compared to a positive net flow of €754mn in March. Separately, according to the ELSTAT building activity survey, total building activity in Greece in February, calculated by the number of issued building permits, increased by 13.7%YoY, with private building activity increasing by 14.7%YoY.

CESEE

The EUR/RSD continued to move sideways in the past week, within its weekly trading range of 117.46/51, closing Friday's session at 117.51/56. In the fixed income market, the government bond yields continued their upward trend, increasing by an average of 30 bps on a weekly basis, with the 4-year, 6-year and 11-year RSD-denominated bonds resuming their trading on Friday at 6.00%, 6.30% and 6.80%, respectively. The average net salary per employee stood at RSD 74,664 (EUR 635) in March, increasing by 14.4% in nominal terms and by 4.9% in real terms, on an annual basis, compared to 13.4% and 4.4% in the previous month respectively. Finally, this week's calendar is rather hefty with our focus turning to regional Q1 2022 GDP prints and to Central Bank of Hungary MPC meeting.

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