

GLOBAL & REGIONAL DAILY

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Global markets

USTs remained under pressure earlier today following yesterday's news that First Republic entered FDIC receivership, but shortly after a deal was brokered for JP Morgan to take over the troubled regional US bank, keeping market disruption at bay. Heavy corporate supply and the stronger-than-expected April ISM manufacturing survey also had an impact. Favored by higher UST yields, the USD strengthened against most G10 currencies, with the DXY index briefly rising above 102 earlier today, ahead of this week's FOMC policy meeting which concludes on Wednesday and the US April non-farm payrolls report, due on Friday. Meanwhile, Fed Fund futures are pricing in almost fully a 25bps hike this week (96%) and assign a probability of around 25% for an additional 25bps increase in June, before 50bps of rate easing are delivered by year-end. Today, focus is on the Eurozone preliminary April CPI and the ECB's Bank Lending Survey, ahead of Thursday's ECB policy meeting, where a 25bps rate hike is also widely expected.

Greece

The seasonal adjusted retail trade volume index posted an annual increase of 1.6% MoM / 2.1% YoY in Feb-23, from 1.5% MoM / 0.6% YoY in Jan-23. With the exemption of clothing and footwear (-4.5% MoM) and furniture, electrical and household equipment (-1.3% MoM), all other store categories recorded a monthly increase in Feb-23, with automotive fuel posting the highest rise (4.9% MoM), followed by department stores (2.9% MoM) and food, beverages and tobacco (2.1% MoM). In other data releases, total building activity (private-public), based on the number of issued building permits, stood at 1,844 in Jan-23, from 1,522 in Jan-22 (21.2% YoY). The rebound of the construction sector is seen in many indices, including real GVA (26.0% YoY in 2022), confidence indicators and building activity. Nevertheless, challenges exist, regarding the labour supply in that sector, as well as the elevated materials cost.

CESEE

On the flipside of the economic sentiment in the EU and the EA which remained broadly stable in April, regional sentiment appeared broadly off beat with a few exceptions that marked improvement. In detail, based on the business and consumer survey results released late last week by the EC, the deterioration of the ESI extended from the two of the CEE3, Czechia and Hungary, to the three Baltics, also covering Bulgaria, Romania, Serbia with the index improving in Croatia and Poland. In other news, in Bulgaria, latest public finance data pointed to some fiscal loosening as the general government budget deficit rose by 13.5%YoY to BGN471.5mn in March while the cumulative budget deficit in January-March reached BGN 662.4mn, compared to a BGN 298.0mn surplus in the same period in 2022, accounting for 0.4% of the projected GDP for 2023. On the calendar front, attention this week will be paid to Q1 GDP growth estimate, released today for Czechia and tomorrow for Serbia.

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