

GLOBAL & REGIONAL DAILY

April 3, 2023

Global markets

According to data released on Friday, March Eurozone headline HICP inflation decelerated more than expected, to 6.9% YoY from 8.5% YoY in February, the largest drop between consecutive months since the start of the data series. February US PCE price index decelerated to 5.0% YoY from 5.3% YoY in January, whereas the core US PCE inflation decelerated to 4.6% YoY from 4.7% YoY in the same month. However, inflation concerns are to increase, as OPEC+ unexpectedly announced yesterday oil output cuts of more than 1 million barrels per day, starting from May, pushing oil prices upwards. Markets are now assigning an almost 66% chance of a 25bps rate hike by the Fed in May and the US dollar gained, with the DXY USD index exceeding the area of 103 earlier today. UST yields are also increasing, with the 2yr UST yield standing at 4.11% and the 10yr UST yield standing at 3.54% earlier today, both of them being 5bps higher compared to Friday's close.

Greece

The seasonally adjusted unemployment rate increased to 11.4% of the labour force in Feb-23, from 10.3% in Jan-23, however it was lower by 1.6ppts relative to Feb-22. Employment stood at 4,104.8k persons, posting its first annual decrease (1.3%) since Mar-21. Moreover, it declined by 0.7% relative to Jan-23, reflecting, to some extent, the end of the Christmas period. The persons unemployed increased to 526.7k in Feb-23, from 473.1k in Jan-23 (11.3%). On the contrary, relative to Feb-22, the persons unemployed shrunk by 15.2% (94.7 persons). As a result, the labour force increased on a monthly basis to 4,631.5k from 4,605.1k persons, whereas on an annual basis it decreased by 3.1% (149.7 persons). Finally, the participation rate (labour force over population) stood at 59.3% in Feb-23, from 58.9% in Jan-23 and 61.0% in Feb-22.

CESEE

In Cyprus, the credit trend on an annual basis remained negative in Feb-23 for the third consecutive month (-0.7%YoY), slightly easing from Jan-23 (-0.9%YoY). Credit contraction accelerated towards other intermediate financial organisations (-6.1%YoY against -2.9%YoY in Jan-23) but weakened towards non-financial businesses (-2.3%YoY vs. -3.2%YoY), whereas the pace of credit expansion to households was unchanged from Jan-23 (-2.1%YoY). The trend in credit most probably reflects the protracted uncertainty due to the foreclosure suspension scheme, which is expected to be revised from the new government. In other news from the region, three central bank rate setting meetings are scheduled this week, starting with the Romanian central bank tomorrow. The Polish Monetary Policy Council will be debating on Wednesday, while the Serbian central bank is meeting on Thursday.

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