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Global markets

US job openings fell in March by a higher than expected 6% to 9.931mn, the lowest level since May 2021, and the job-openings-per-unemployed ratio dropped to 1.7 from 1.9 in February, though still above pre-pandemic levels of around 1.2, suggesting that labor market tightness is starting to ease as Fed policy tightening is taking its toll. In reaction to soft US data and the RBA's decision to stay put on rates, sovereign bonds gained on both sides of the Atlantic, especially USTs. Short-dated USTs outperformed, with the yield curve bull-steepening, as markets pulled forward pricing of Fed rate cuts. The probability of a 25bps rate hike at the May policy meeting stands at around 50% but fed funds futures are now pricing in 75bps of rate easing by end-2023 and a cumulative cut of 120bps by April 2024. In FX markets, the USD remained under broad pressure, with the EUR/USD surpassing the post-FOMC high of 1.0930, heading towards the year-to-date peak of 1.1033, ahead of today's US services ISM and ADP payrolls data, both for March.

Greece

According to Eurostat's flash estimate, the inflation rate based on the overall HICP eased further in Mar-23, posting its lowest value since Dec-21. The annual rate of change of the HICP declined to 5.4% (vs. 6.9% in the Euro Area), from 6.5% in Feb-23 (vs. 8.5% in the Euro Area). Regarding the core component of the HICP (excluding energy, food, alcohol and tobacco), the inflation rate accelerated to 7.0% in Mar-23 (vs. 5.7% in the Euro Area), from 6.8% in Feb-23 (vs. 5.6% in the Euro Area), reflecting that the inflationary pressures are still widening. In other news, during an event of the Ministry of Finance ("Greek Economy: Resilience, Progress, Perspective"), Mr. Christos Staikouras (Minister of Finance) stated that the general government managed to reduce its primary deficit to zero in 2022 (-5.0% of GDP in 2021).

CESEE

The week's streak of regional Central Bank (CB) meetings commenced yesterday with the CB of Romania keeping its key policy interest rates unchanged. The last 25bps hike was delivered at the January meeting and ever since the bank holds a wait-and-see policy stance looking for some improvement in the inflationary outlook. Inflation picked up above market expectations in February spiking to 15.5%YoY from 15.1%YoY in January, but the print was in line with the CB's estimate. Today, the CB of Poland picks up the torch, and is also expected to keep the key policy rate unchanged at 6.75% given the deceleration of the CPI to 16.2%YoY in March from 18.4%YoY in February. While a consolidating stance of all major regional CBs has been spotted lately with CBs in Hungary and Czechia having convened last week, the recent OPEC+ oil cut announcement delivers blow to them, rattling -possibly- inflation again when it had just started to ease.

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