

GLOBAL & REGIONAL DAILY

December 11, 2023

Global markets

Strong economic data out of the US on Friday doused recent expectations about the extent of monetary policy easing from the Federal Reserve in 2024, causing bonds to retreat slightly. The jobs report showed that the US economy added a higher-than-expected 199k nonfarm payrolls in November and the unemployment rate dropped to 3.7% from 3.9% the month before. Meanwhile, the University of Michigan's December survey also showed a decrease in consumers' inflation expectations. The yield on 10yr USTs rose 12bps on Friday, followed by another 1bp in early trading today and currently stands at 4.26%. Futures markets are now pricing in 108bps of cumulative rate cuts by the FOMC by December 2024, about 20bps less than in the middle of last week. The week ahead is heavy on major economic events, starting with the release of the US November CPI print tomorrow. The FOMC meets on Wednesday, followed by the ECB, BoE and SNB on Thursday. All four central banks are expected to keep rates on hold in this week's meetings.

Greece

The annual inflation rate based on the HICP, retreated to 2.9% in Nov-23, from 3.8% in Oct-23, whereas in the 11-month period from Jan-23 to Nov-23, it decelerated to 4.2%, from 9.4% in the respective period of 2022. The main groups of goods and services with the highest readings in Nov-23, were food and non-alcoholic beverages (8.9%, from 14.9% in Nov-22), clothing and footwear (6.1%, from 11.2% in Nov-22) and health (5.5%, from 2.8% in Nov-22). Hotels-cafes-restaurants, a category with a high weight in the formation of the HICP, registered a relatively high rate of 3.1% (9.9% in Nov-22). On the contrary, the inflation rate in housing, water, electricity, gas and other fuels (-1.5%, from 5.1% in Nov-22), in transport (-2.1%, from 14.4%) and in communication (-3.3%, from -2.0% in Nov-22) stood in negative territory. According to the European Commission's autumn economic forecasts (Nov-23), the inflation rate in 2023, 2024 and 2025 is expected at 4.2%, 2.8% and 2.1% respectively.

CESEE

High-frequency data for Bulgaria showed some modest improvement in October following the slight growth deceleration revealed in the preliminary Q3 GDP data. Retail sales expanded by +3.1%YoY in October, an improvement from the flat year-on-year reading in September. October's print was the largest increase since February, while the monthly print also captured some improvement, increasing +1% from the previous month. Industrial output continued to contract by -5.4%YoY, though at a slower pace compared to the average -9%YoY decrease for the first nine months of the year, which got more pronounced in September (-11.6%YoY) and August (-9.7%YoY). As with retail sales, industrial output grew on a monthly basis, increasing 2.6% from October, which offset the almost identical monthly contraction of 2.7% in September.

Contributing Authors:

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr

Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr

Maria Kasola
Research Economist
mkasola@eurobank.gr

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Marcus Bensasson
 Research Economist
mbensasson@eurobank.gr
 + 30 214 40 65 113



Dr. Stylianos Gogos
 Research Economist
sgogos@eurobank.gr
 + 30 214 40 63 456



Maria Kasola
 Research Economist
mkasola@eurobank.gr
 + 30 214 40 63 453



Paraskevi Petropoulou
 Senior Economist
ppetropoulou@eurobank.gr
 + 30 214 40 63 455



Dr. Theodoros Rapanos
 Research Economist
trapanos@eurobank.gr
 + 30 214 40 59 711



Symeoni – Eleni Soursou
 Junior Economic Analyst
ssoursou@eurobank.gr
 + 30 214 40 65 120



Dr. Theodoros Stamatou
 Senior Economist
tstamatiou@eurobank.gr
 + 30 214 40 59 708



Michail Vassileiadis
 Research Economist
mvasileiadis@eurobank.gr
 + 30 214 40 59 709

More available research at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endiaferontos>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

