

# GLOBAL & REGIONAL DAILY

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## Global markets

Coming in the wake of January's surprisingly strong non-farm payrolls report and a pickup in a number of other US activity indicators over the last few sessions that have led to a hawkish shift in the expected fed funds rate path this year, all eyes today are on the CPI release for January. Fed fund futures are currently pricing in a terminal fed funds rate close to 5.20% in July, a new high of this cycle so far, while futures also price in a higher terminal rate for the ECB by the June meeting, close to 3.50%, on the back of sticky core inflation, persistent tightness in the labor market and improved near-term Eurozone growth prospects. That said, in the Winter 2023 Economic Forecast released yesterday, the EC upgraded its Eurozone growth forecast for this year to 0.9%, 0.6pppts higher than in the Autumn Forecast, while the projected growth rate for 2024 was left unchanged at 1.5%. In other news, the Japanese government named Kazuo Ueda as its pick for BoJ governor, a choice that could improve the odds of an end to the central bank's yield control policy.

## Greece

Real GDP growth rate is expected at 5.5% YoY, 1.2% YoY and 2.2% YoY in 2022, 2023 and 2024 respectively, according to the EC's Winter economic forecast released yesterday. Compared to the respective Autumn forecast (Nov-22), the 2022-2024 cumulative real GDP growth was marginally revised downwards by 0.1pppts (from 9.2% to 9.1%). The 1<sup>st</sup> estimate for the FY-2022 real GDP growth rate is scheduled to be released by ELSTAT on 7<sup>th</sup> Mar-23. In what concerns the inflation rate, after printing a value of 9.3% YoY in 2022, the FY-23 change of the HICP was revised downwards to 4.5% from 6.0% in the Autumn forecast, while the respective estimate for 2024 remained unchanged at 2.4%.

## CESEE

Mixed trends in the EC Winter 2023 Economic Forecast about GDP in the CESEE countries that are EU members. GDP projections for 2022 were revised downwards relative to the EC Autumn 2022 report for five out of ten CESEE countries, the revision being more pronounced for Romania (-1.3pppts, to 4.5%) and Slovenia (-1.1pppts, to 5.1%). The growth forecast for Czechia was unchanged, at 2.5%, whereas on the flip-side, four economies are expected to grow faster than in autumn, especially Poland (+0.9pppts, to 4.9%) and Bulgaria (+0.8pppts, to 3.9%). Regarding 2023 GDP forecasts, most updates are in the positive territory (for 7 out of 10 countries), mainly those for Slovakia (+1pppt, to 1.5%) and Romania (+0.7pppts, to 2.5%). The 2023 forecast for Czechia was also unchanged, at 1.0%, with Estonia (-0.6pppts, to 0.7%) and Poland (-0.3pppts, to 0.4%) being the only CESEE countries with a negative revision.

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