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**Global markets**

The rally across asset classes following last week's dovish FOMC meeting has slowed as Fed officials pushed back against speculation that interest rate cuts could come as soon as March. New York Fed President John Williams said that policy makers "aren't really talking about rate cuts" and that financial markets reacted "more strongly" than justified by the so-called dot plot, which shows policy makers expect 75bps of cuts in 2024. Atlanta Fed President Raphael Bostic said he expected two cuts next year, starting in Q3-2024, while Chicago Fed President Austan Goolsbee said it was too early to declare victory over inflation. Futures markets are currently pricing in 144bps of total Fed cuts in 2024, with an 83% chance of a first cut in March. Government bonds were little changed today, with the yield on 10yr USTs decreasing 0.8bps to 3.9% so far today after falling a similarly small amount on Friday, and 10yr bund yields rising 0.8bps to 2.02% after falling 10bps on Friday. Equities are down in Asian and in European markets today.

**Greece**

The 2024 Greek Budget was approved by Parliament with 158 votes in the 300-member house. It projects real GDP growth at 2.9%, inflation at 2.6%, and an unemployment rate of 10.6%. The budget optimistically projects improvements in the primary fiscal balance and public debt, expected to reach 2.1% and 152.3% of GDP, respectively. A substantial €2.6bn is allocated to fiscal interventions aimed at boosting income and tackling social inequalities, plus €0.6bn to mitigate the impacts of natural disasters. A significant increase in fixed investments is anticipated in 2024, with a growth of 15.1%. In other news, according to The Economist, Greece, for a second year in a row ranked at the top of 35 developed countries in terms of overall performance in an index that counts for inflation, inflation breadth, GDP growth, employment growth, and stock market performance.

**CESEE**

Fitch Ratings affirmed on Friday afternoon Hungary's rating at BBB, with a negative outlook. Economic growth based on investment and solid net FDI inflows were the main supportive factors for Hungary's rating, according to Fitch's statement. These positive characteristics are balanced against high public debt relative to peers, a record of unorthodox fiscal and monetary policy moves, and a worsening of governance indicators in recent years to closer to the 'BBB' median. The rating decision of Fitch came one week after a rating review by S&P Global Ratings, which also ended with a rating affirmation, at BBB- with a stable outlook. In other regional news, in Bulgaria annual headline inflation eased further in November, to 5.4% – a 26-month low – against 5.8% in October. In monthly terms, inflation edged up by 0.3% in November, a slightly slower pace than in the previous month (+0.4%). The key event in the region this week is the Czech central bank meeting and whether it will decide to start monetary easing this year or in February 2024.

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