

GLOBAL & REGIONAL DAILY

April 19, 2023

Global markets

UK wage growth data came in stronger than expected, reinforcing expectations of higher BoE interest rates ahead. Average regular wage growth was flat at 6.6%YoY over the three months to February, above consensus of 6.2%YoY, while the inactivity rate decreased, though remained above the pre-pandemic levels. In addition, UK headline inflation fell in March, but less than expected to 10.1%YoY from 10.4%YoY in February, while core inflation was unchanged at 6.2%YoY. Against this backdrop, Gilts underperformed on a cross-market basis, with the 2-yr yield rising further earlier today to a new five-week high of 3.82%, with overnight index swaps taking the chance of another 25bps hike at the May policy meeting up to 97%, while market pricing for the terminal rate rose slightly above 4.90%. The GBP gained, marking a multi-session high near 1.25 against the USD and contributing to a drop in the DXY index below 102 ahead of the Fed's Beige Book, due for release later today.

Greece

The Public Debt Management Agency (PDMA) is tapping the bond market for the third time in 2023 today, auctioning up to €300mn through the re-opening of a 10-year bond issued earlier this year (€3.5bn at a yield of 4.279%). This issuance responds to high investors' demand, but also aims to boost liquidity in the secondary market, according to PDMA sources cited in the Press. The Agency's schedule for Q2 2023 includes two additional bond re-openings, in May-23 and Jun-23. Meanwhile, Greece's bilateral trade with Russia declined further in the first two months of 2023, with imports down by 27.6%YoY and exports down by 28.7%YoY, according to the Hellenic Statistical Authority (ELSTAT). Notably, petroleum oils (excl. crude) and gas imports' value fell to €283mn in Feb-23, from €389mn in Feb-22, posting a decrease of more than 27%YoY.

CESEE

In Turkey, according to the Consumer Tendency Survey for April, conducted in all provinces of the country for the first time after the February earthquakes, the Consumer Confidence Index rose to 87.5 from 80.1 in March and 79.1 in January (pre-earthquakes). Ahead of the May 2023 presidential elections, the April print is the highest since August 2019. The monthly increase is due to improved expectations about the economic situation in the country over the next 12 months (+12.2, to 95.2), as well as about the financial situation of households over the next 12 months (+10.2, to 89.8). In other country news, according to the Minister of Finance, so far TRY 40bn of the TRY 100bn budget allocation for emergency support after the earthquakes have been used. The overall impact of earthquakes-related measures (first aid spending, tax delays, economic recovery support) is reflected in the central government balance, which posted a deficit of TRY 250.0bn in Q1 2023 (37.9% of the annual target), against a surplus of TRY 30.8bn in Q1 2022.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Theodoros Rapanos
Research Economist
trapanos@eurobank.gr

Michail Vassileiadis
Research Economist
mvasileiadis@eurobank.gr

Research Team



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



Dr. Dimitris Exadaktylos
Economic Analyst
v-dexadaktylos@eurobank.gr
+ 30 214 40 63 449



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



Dr. Theodoros Stamatios
Senior Economist
tstamatios@eurobank.gr
+ 30 214 40 59 708



Michail Vassileiadis
Research Economist
mvassileiadis@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-endaiferontos>

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.

