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Global markets

In Europe, sovereign bond yields rose yesterday following hawkish comments by officials from central banks and the release of better-than-expected flash PMIs for November. For instance, Bundesbank President Nagel cautioned against prematurely easing the monetary policy stance, and the Irish central bank governor Makhlouf stated that he “would not rule out the possibility that we have to go up another rung”. On the data front, the Eurozone’s flash composite PMI came in at 47.1, up by 0.6pts compared to the prior month, and the respective UK composite index rose to a higher-than-expected 50.1 from 48.7 in October. In reaction, Germany’s 10yr bund yield increased to 2.65%, and the UK 10yr gilt yield rose close to 4.30% earlier today, both up by 9bps and 14bps respectively compared to Wednesday’s settlement. In the US, UST yields opened higher after yesterday’s Thanksgiving holiday, with the 10yr yield standing at 4.48% earlier today, 6bps up from Wednesday’s close, ahead of today’s US flash PMI release for November.

Greece

According to Eurostat data published yesterday, Greece's household final consumption expenditure, which represents the total amount households spend on goods and services for personal use, in 2022 rose by 10.8% year-on-year and 4.2% compared to the pre-pandemic level of 2019, based on constant prices. Housing, water, gas, and electricity accounted for the largest share of annual total consumption at 19.2%. This was followed, among others, by food and non-alcoholic beverages (16.7%), restaurants and hotels (15.9%), transportation (12.9%), miscellaneous goods and services (7.9%), recreation and culture (6.3%) and health (4.5%). In other news, according to ELSTAT, the Greek Merchant Fleet (for vessels over 100 GRT) in September 2023 recorded an annual increase of 0.1%, reversing the previous year's trend of a 0.3% decrease. The gross tonnage of the fleet experienced an annual 2.6% decline in September 2023.

CESEE

The central bank of Turkey (TCMB) delivered yesterday the sixth consecutive rate increase, taking its policy rate up by another 500bps, to 40%, a new high since at least 2010, overshooting market expectations for a 250bps hike. According to the post-meeting press release of the Monetary Policy Committee (MPC), the current level of domestic demand, the stickiness in services inflation, and geopolitical risks that sustain inflationary pressures, were the main drivers behind the decision of the further monetary tightening. The MPC forewarned for further rate hikes ahead, albeit at a slower pace and for a short period of time, as the current level of monetary tightness is assessed to be significantly close to the level required to establish the disinflation course. Despite aggressive monetary tightening, the lira remains weak against the USD and continues sliding, landing to 0.0346 early today (-2.5% since the previous policy rate cut, -24.7% relative to May’s average rate, prior to the change of the monetary policy stance).

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