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Global markets

The US economy expanded by a still strong annual rate of 2.9% in Q4 2022, after a growth rate of 3.2% in the prior quarter, mostly supported by the change in inventories which contributed 1.5ppts, while net exports and government spending added 0.6ppt each. Reinforcing market hopes of a soft landing for the US economy, initial jobless claims for the week ended January 21 fell by 6k to a near nine-month low of 186k, and the 4-week moving average dropped below 200k for the first time since May. In reaction, most of Asian equity markets ended in positive territory today (markets in China are still closed for the Lunar New Year), while sovereign bonds weakened, as investors moved to price in slightly more rate tightening by both the Fed and the ECB in the coming months. In FX markets, the USD/JPY retreated below 130 earlier today after Tokyo's core CPI rose to a four-decade high of 4.3%YoY in January, with the DXY USD index hovering slightly below 102 at the time of writing ahead of today's US personal income and spending data.

Greece

In Nov-22, the turnover of the enterprises in retail trade, obliged to double-entry accounting bookkeeping, amounted to €3.31bn in current prices, printing an increase of 15.0% YoY (12.8% YoY in Oct-22). In the same month, the HICP inflation rate stood at 8.8% YoY (9.5% YoY in Oct-22). The retail trade activities with the highest increases in their turnover were games and toys in specialized stores (26.9% YoY) and hardware, paints and glass in specialized stores (26.8% YoY). The respective seasonally adjusted trade volume index, i.e. sales at constant prices, is scheduled to be announced by ELSTAT on 31/1/23. In other data releases, the overall material costs index in the construction of new residential building rose by 11.7% YoY in Dec-22 from 7.1% YoY a year before. The material categories with the highest cost rises were bricks (28.2% YoY), diesel fuel (19.8% YoY), parquet flooring (17.1% YoY) and steel reinforcing rods (16.2% YoY).

CESEE

The Central Bank of Turkey (TCMB), in order to halt the further depreciation of the Turkish lira (TRY) since early January, which could reinforce inflation ahead of the presidential elections in June this year, proceeded yesterday to another monetary policy decision, the third one so far this year. The new measures favour the conversion of firms' foreign exchange (FX) obtained from abroad into TRY. Specifically, when selling their abroad obtained FX to the TCMB, firms will be provided with a "conversion support" of 2% of the amount converted. Furthermore, in case of selling at least 40% of their FX from abroad to the TCMB, firms will be able to deposit the rest of the FX into FX-protected conversion accounts and will also be granted a "conversion support" of 2% of the amount deposited. To make such deposits more appealing, the TCMB removed the ceiling on their interest rates, which stood at the level of the policy rate (currently at 9.0%) plus 3ppts.

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