

# GLOBAL & REGIONAL DAILY

April 27, 2023

## Global markets

UST yields were slightly higher on the day in early European trade, though still close to yesterday's fresh multi-session lows, amid concerns that the banking sector turmoil could likely flare up again. According to press reports, advisers to First Republic are trying to persuade the 11 big US banks which bailed out the aforementioned bank once before, to provide further support by purchasing some of First Republic's assets at above-market rates, on the view that the total loss would be less than the \$30bn in FDIC fees, if the bank failed. Against this background, risk-off sentiment prevailed, and the USD was under pressure, with the EUR/USD marking a new year-to-date high of 1.1095 yesterday before retreating to levels around 1.1040/50 earlier today, as investors are likely reluctant to establish fresh sizable positions ahead of the Fed and the ECB policy meetings next week. On the data front, focus today is on the Q1 US GDP release, with the Atlanta Fed's GDPNow model estimating an annual growth rate of 1.1%, lower from 2.5% on April 18.

## Greece

According to ELSTAT, the nominal disposable income of households posted an annual increase of 10.9% in Q4 2022, from 9.6% in Q3 2022. Given that in the same quarter the annual inflation rate was 8.6%, the real disposable income recorded an annual rise of 2.3% in Q4 2022, from a decrease of 1.9% in Q3 2022. The gross operating surplus and mixed income (mainly the income of the self-employed), one of the main components of the balance of primary incomes, was the main contributor to the above result, registering an annual increase of 17.8% (from €13.4mn in Q4 2021 to €15.8mn in Q4 2022). The final consumption expenditure rose on an annual basis by 11.2% in Q4 2022, outpacing the respective rate of the disposable income. As a result, the negative saving rate widened to 7.1% of the disposable income in Q4 2022, from 6.8% in Q4 2021.

## CESEE

According to the fiscal balance and public debt data for the EU countries in 2022 released by Eurostat late last week, Cyprus recorded the highest overall (2.1% of GDP) and primary (3.6% of GDP) fiscal surplus in the euro area, against an overall deficit of 2.0% of GDP and primary deficit of 0.2% of GDP in 2021. The improvement in fiscal performance stemmed mainly from cuts in public spending by 3.7ppts, to 39.8% of GDP, whereas public revenue increased moderately (+0.4ppts, to 41.9% of GDP). The public debt decreased by ca 15ppts in 2022, to 86.5% of GDP, falling below the euro area average (91.6% of GDP) for the first time since 2012. In other country news, tourist arrivals widened by 43.0%YoY in March, albeit less than in February (+65.6%YoY) and January (+106.1%YoY). Average annual increase in Q1 2023 stood at 60.1%, but more importantly tourist arrivals were higher by 10.2% compared to Q1 2019.

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