

GLOBAL & REGIONAL DAILY

March 4, 2024

Global markets

US data released on Friday came in weaker than expected, helping markets to increase Fed rate easing expectations and sending USTs yields lower. The ISM manufacturing PMI dropped by 1.3pts in February to 47.8, construction spending unexpectedly declined by 0.2%MoM in January, and February's UoM consumer sentiment index was revised down from 79.6 to 76.9, now showing weakness relative to January's 79.0. Meanwhile, EGBs were little changed, after weak US data helped them to recover initial losses recorded after Eurozone headline and core inflation eased further in February, but less than expected, to 2.6%YoY and 3.1%YoY respectively. Supported by a tightening in US-EU interest rate differentials, the EUR/USD rose close to 1.0860 earlier today ahead of the FOMC Chairman Powell's testimony before Congress (Wednesday) and the ECB policy meeting (Thursday). Meanwhile, oil prices retained a firm tone after OPEC+ members agreed to extend voluntary oil output cuts by 2.2mn barrels per day into Q2.

Greece

According to ELSTAT's monthly Labour Force Survey (LFS), Greece's seasonally adjusted unemployment rate fell to 10.4% in Jan-24, down from 11.3% in Dec-23. Previous reports from ELSTAT listed unemployment rates below 10.0%, for the first time since the onset of the Greek sovereign crisis. However, the unemployment rate for Jan-2024 and revised figures for prior months remain above 10%, attributed to updates in the seasonally adjusted series. Employment increased by 0.7% (28.8k persons), while unemployment increased by 0.4% (1.74k persons) monthly. Compared to last year, the unemployment rate was down by 0.9 percentage points (pps) (a 6.5% decrease or 34.3k persons), with employment increasing by 2.8% (115.5k persons). The participation rate experienced a marginal increase to 54.8% in Jan-24, up from 54.4% in Dec-23, showing a 1.3 pps rise compared to Dec-23. According to the European Commission's Autumn forecast the unemployment for 2023 was expected at 11.4% while the 12-month average for 2023 stood at 11.0%.

CESEE

PMIs for February were released on Friday for the CEE3 and Romania. In Poland, manufacturing PMI rose to 47.9 from 47.1 in January but continued to remain below the 50 benchmark for the 22nd straight month resulting in the second longest downturn in survey history. In Hungary, the index rose by 2.1pts to 52.2pts, the logistics association Halpim reported while in Czechia it recovered to 44.3, up from 43.0 in January, according to figures from S&P Global. The Czech print was much stronger than anticipated, as markets expected a deterioration to 42.5. In Romania, it deteriorated to 47.1 from 47.6 in January, with new orders falling sharply in February, leading to activity contraction in manufacturing. Yet, despite weaker demand, production costs increased on the back of concerns over inflationary pressure on input prices coming from the government fiscal measures enforced as of January 2024. Finally, Fitch Ratings affirmed Romania's BBB- rating and kept the outlook stable.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Theodoros Stamatiou
Senior Economist
tstamatiou@eurobank.gr

Maria Kasola
Research Economist
mkasola@eurobank.gr

Research Team



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



Marcus Bensasson
 Research Economist
mbensasson@eurobank.gr
 + 30 214 40 65 113



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



Konstantinos Peppas
 Research Economist
kpeppas@eurobank.gr
 + 30 214 40 63 520



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



Symeoni – Eleni Soursou
 Junior Economic Analyst
ssoursou@eurobank.gr
 + 30 214 40 65 120



Dr. Theodoros Stamatou
 Senior Economist
tstamatou@eurobank.gr
 + 30 214 40 59 708



Michail Vassileiadis
 Research Economist
mvasileiadis@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-endaferontos>
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.

