

# GLOBAL & REGIONAL DAILY

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## Global markets

Eurozone government bonds have been rising at the start of the week, with the yield on German 10yr Bunds falling 2bps on Monday, followed by another 3bps so far today to currently stand at 2.36%. Peripheral EGBs outperformed core government bonds with the yield on Italian 10yr bonds dropping by a cumulative 11bps since Friday's close to 3.78%, taking the spread against its German counterpart to 142bps, its tightest since February 2022. In the US, the yield on 10yr USTs increased 3bps on Monday, but fell again in early trading today to currently stand at 4.19%, not far from Friday's close. Yield curves flattened on both sides of the Atlantic, as the 2yr Bund is little changed since Friday, while the 2yr UST yield is up 5bps so far this week at 4.58%. Elsewhere, inflation accelerated more than expected in Tokyo in February, supporting the case for BoJ rate hikes, while China set a 2024 GDP growth target of 5%. The reaction from equities to the China news was lukewarm, with stock markets in Asia and Europe edging slightly lower. On today's agenda, global services and composite PMIs and the US ISM services index for February will be released.

## Greece

Despite payroll employment decreasing by a January-record-high of 31,997 persons in Jan-24, its aggregate change in the 12-month period from Feb-23 to Jan-24 remained strongly positive at 112,263 persons (Feb-22 to Jan-23: +71,040), according to the Ministry of Labor and Social Affairs. The above monthly decline was driven primarily by the highly seasonal sector of restaurants and food services (-15,255 persons), followed by retail stores (-5,293). The industries with the highest net increase in Jan-24 were education services (+4,249) and specialized construction activities (+885). On banking front, the weighted average interest rate on new loans increased marginally to 6.15% in Jan-24 (+4bps MoM), after having posted a monthly decrease of 14bps in Dec-23, according to the data released by the Bank of Greece yesterday. The weighted average interest rate on new deposits also increased to 0.53%, driven by increased rates on corporate sight deposits.

## CESEE

In Cyprus, annual Q4 GDP growth of 2.2% is mainly due to gross fixed capital formation, which surged by 48.7%YoY, according to the provisional data. The solid increase in household consumption for another quarter, by 3.8%YoY, was another decisive growth factor, whereas government consumption rose slightly (+0.4%YoY). In contrast, exports fell by 5.3%YoY, the strongest fall in 13 quarters, leading to a deterioration of the external balance, as imports expanded by 3.9%YoY. In Turkey, headline annual inflation accelerated to 67.1% in February – a 15-month high – from 64.9% in January, despite aggressive monetary policy tightening. However, the monthly pace weakened to 4.5% from 6.7% the month before. The annual inflation surge is mainly due to rising prices in housing-utility-water, by 49.1%YoY from 46.0%YoY in January, and in food and non-alcoholic beverages by 71.1%YoY from 69.7%YoY, on the back of the new minimum wage increase since January 1 and continued lira devaluation.

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