

GLOBAL & REGIONAL DAILY

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Global markets

According to the April JOLT report released yesterday, US job openings fell by a higher-than-expected 296k, reaching a three-year low of 8.06mn, with the ratio of job openings to unemployed — a gauge of labour market tightness — falling to 1.24, the lowest level since mid-2021 and not too far from the February 2020 pre-pandemic level of 1.22. In reaction to job openings data which pointed to a gradually softening in labour market conditions and came on the heels of a recent string of soft data pointing to slowing economic activity, USTs continued to gain ground, with 10yr yields hovering around 4.36% earlier today after peaking at 4.64% mid last week. Easing inflation concerns amid lower oil prices also helped USTs, with Brent crude futures trading below \$77.50/bbl earlier today, around 9% lower than the recent peak last week. Meanwhile, Asian bourses ended mixed ahead of today's US May ISM services and ADP employment data, while the DXY USD index continued its decline pressured by lower UST yields.

Greece

According to the press, the Greek government is expected to submit its fourth grant request from the RRF – amounting to €1 bn – tomorrow, as the issue of unmet milestones that were a prerequisite for this submission has been settled. According to the Ministry of Finance, the European Commission agreed to defer two delayed milestones – related to the “Save” (“exoikonomo”) program and the contract awarding for the urban regeneration of Votanikos area – and replace them with others relating to a later installment. Greece has so far fulfilled 23% of the milestones and has collected 43% of the allocated funds. In detail, it has collected grants of €7.59 bn and loans of €7.29 bn. However, according to the Bank of Greece, only 14% of available resources have thus far been allocated to firms, a fact that hampers GDP growth. Within June, the €2.3 bn of the fourth loan tranche is expected to be disbursed, following the April request.

CESEE

In Hungary, the economy recovered posting 1.1%YoY growth rate in Q1 after the annual stagnation in Q4, with the figure coinciding with the flash estimate published earlier. Growth also picked up on a quarterly basis expanding by 0.8% from the standstill in the previous quarter. Elsewhere in the region, a few days before the scheduled parliamentary elections, jointly with the European parliament election, on 9 June, the Bulgarian deputy Finance Minister Metodi Metodiev stated in a forum that Bulgaria will be able to cover the Maastricht inflation criterion by the end of 2024. Such a development will enable the government to request an extraordinary convergence report from the EC and the ECB, suggesting, thus, that eurozone entry in mid-2025 continues to stand as a realistic targeted date. Metodiev outlined that circa 90% of the euro related reforms upon which the country committed to in 2018 have been fulfilled.

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