

# GLOBAL & REGIONAL DAILY

January 9, 2024

## Global markets

Risk sentiment improved and government bonds were slightly firmer supported by falling commodity prices and decent data releases which supported optimism about a soft landing. Brent crude hit a multi-session low of \$75.26/bbl yesterday before recovering modestly to levels around \$76.30/bbl in early European trade today following Saudi Arabia's decision to cut selling prices for all buyers. Meanwhile, inflation expectations are falling back, as suggested by the NY Fed's latest Survey of Consumer Expectations which showed a sharp decline at the short, medium, and long-term horizons. On the data front, the European Commission's economic confidence index rose by 2.4pts to 96.4 in December following a 0.4pts cumulative increase in the prior two months, adding to the view that the worst for the Eurozone's growth outlook is probably behind us. In FX markets, oil-sensitive currencies, including the NOK, underperformed their G10 peers, while range trading prevailed for major currency pairs ahead of Thursday's US CPI data.

## Greece

The Economic Sentiment Indicator (ESI) dropped for the fourth month in a row in Dec-23, registering a value of 106.0 (long run average at 100), from 106.4 in Nov-23, nevertheless remaining well above the Euro Area print. The said deterioration came exclusively from industry, the sector with the highest weight in the formation of the ESI (40%). Specifically, the confidence indicator in industry decreased to -5.7 in Dec-23, from -3.9 in Nov-23, whereas the remaining 4 confidence indicators (services, consumers, retail trade and construction) posted an improvement in Dec-23, with the construction sector registering the highest increase. In other data releases, the seasonally adjusted unemployment rate declined on an annual basis to 9.4% of the labour force in Nov-23, from 11.9% in Nov-22, however, this seemingly good performance was accompanied by a relatively weak employment growth (0.3% YoY). Finally, today ELSTAT is scheduled to announce the Nov-23 commercial transaction data.

## CESEE

November's retail sales data which acts as a gauge of how demand has fared points to evident cooling in the core countries of the region. Namely, polish retail sales contracted by 0.8%YoY in November, reapproaching negative grounds after having risen by 2.1%YoY in October. In sequential terms, they only fell by 0.1%, having, though, expanded by 1.5% in the previous month and 2.8% in the same month a year ago. The contraction was more pronounced in Hungary as retail sales kept retreating by 5.1%YoY in November from 6.5%YoY in October. In the periphery of the region, namely in Bulgaria, however, the picture got rosier with the retail trade volume growing by 3.2%YoY in November, a tad mightier from the 3.1%YoY growth print of the previous month with the momentum holding, though milder, in monthly terms also (+0.5%). Finally, industrial output data from Czechia points to some cooling of supply as the respective output contracted by 2.7%YoY in November, following a 1.9%YoY pick up in October.

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