

GLOBAL & REGIONAL DAILY

April 10, 2024

Global markets

All eyes today are on the release of the US CPI data for March, the first potential market mover this week ahead of the ECB policy meeting on Thursday. After the US CPI prints of the previous two months came in stronger than expected, market consensus is for a 0.3%MoM rise in the March headline following a 0.4%MoM gain in February, with the annual rate rising to 3.4% from 3.2% due to base effects. Core CPI is also expected to rise by 0.3%MoM from 0.4%MoM which would take the annual rate down by 0.1ppts to 3.7%. Ahead of the release, forwards are assigning a cut by the Fed's June meeting with a probability of around 50% while a cut in July is nearly fully priced-in. Meanwhile, government bonds recovered, with the 10-yr Bund yield moving below 2.40% and the respective UST yield trading around 4.37% in early European trade, c. 10bps lower than recent highs. Equity markets in Asia ended mixed today, while in FX, the DXY index was hovering around 104.10, having recovered from yesterday's 103.88 multi-session low.

Greece

According to the Bank Lending Survey results published by the BoG, in Q1 2024 the credit standards for loans to NFCs remained unchanged compared to Q4 2023, however the overall terms and conditions mitigated to some extent due to lower interest rates and narrower margins on average loans. Also, the demand for corporate loans and for long-term loans by large enterprises increased but the ratio of rejected applications for loans to NFCs remained unchanged compared to Q4 2023. Regarding household loans, in Q1 2024, the credit standards for loans to households eased somewhat compared to Q4 2023 due to increased competition, although the terms and conditions for granting them tightened, due to the termination of state-subsidized housing programs. In addition, both the demand for housing loans and the ratio of rejected applications remained unchanged. Regarding consumer loans, their demand has increased, and both their terms and the ratio of rejected applications remained almost unchanged.

CESEE

The Bulgarian parliament approved on Tuesday an interim government until the snap parliamentary election takes place which will coincide with the regular European Parliament elections on June 9. Dimitar Glavchev, who has served the country in several high-level posts, was sworn as interim prime minister and so have ministers forming his cabinet. Turning to market developments, following the upgrade to Serbia's long term sovereign credit rating outlook from stable to positive by S&P, the Ministry of Finance raised yesterday EUR66.2mn in 3-year bonds which were first offered on January 25, 2024. The scope of the auction was EUR150.2mn but finally the amount raised was limited to EUR66.2mn as investors placed bids for EUR67.3mn. The notes bear a 4.25% annual coupon rate and were sold at an average yield of 4.0% which is identical with the yield achieved at the first offering. The bonds mature on January 29, 2027.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Konstantinos Peppas
Research Economist
kpeppas@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



Dr. 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



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



Michail Vassiliadis
 Research Economist
mvasileiadis@eurobank.gr
 + 30 214 40 59 709

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