

GLOBAL & REGIONAL DAILY

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Global markets

Short-dated USTs remained under some pressure ahead of the release of the February US CPI report later today amid renewed fears about inflation, failing to capitalise on yesterday's well-received 3-yr bond auction. Those concerns were heightened by the New York Fed's latest Survey of Consumer Expectations released yesterday, which showed that the 5-yr inflation expectation rate rose by 0.1ppts in February, reversing the downward trend over the last few months, reaching a six-month high of 2.9%. Short-dated core European government bonds also lost some ground earlier today, with periphery bonds underperforming. Elsewhere, the majority of Asian equity markets ended in positive territory today, but Japan's Nikkei 225 index defied the trend and closed lower for the second consecutive session amid expectations that the BoJ will likely end its negative interest rate policy soon. In FX markets, the DXY USD index was little changed on the day, remaining not too far above Friday's two-month lows, with the EUR/USD holding above 1.09.

Greece

According to data released by the Hellenic Statistical Authority, in the whole year 2023, 21 2-digit sectors of the Service sector reported an increase in the volume index and only 4 2-digit sectors a decrease. The Travel agency, tour operator reservation service sector observed the most significant growth, recording a +24.4% increase, following an even more substantial surge of 95.9% in 2022 and follow with the same rate of increase (20.0%) the Other professional, scientific, and technical activities (+8.3% in 2022) and the Computer programming, consultancy, and related activities (+9.6% in 2022) sectors. On the other hand, the Programming and broadcasting activities sector reported a drop of 22.0% in 2023 following a rise of 12.6% in 2022. Postal and courier activities and the Warehousing and support activities for transportation followed with a much lower decrease. In the former, the volume index decreased by 3.3% in 2023 (-4.9% in 2022), and in the latter the drop reached 2.4% (+24.7% in 2022).

CESEE

Ease of price pressures, as evident in the Hungarian CPI print, was also witnessed in Czechia in February. Inflation slowed down further to 2.0%YoY, compared to 2.3%YoY in the previous month, aligning with market expectations which were for a 2.1%YoY reading. The Central Bank's forecast was sizably away from the print, as its forecast stood at 2.8%YoY. Core inflation also moderated by a tad to 2.8%YoY in February from 2.9%YoY in January. Turning to real GDP, based on the preliminary data releases, growth in Romania for 2023 was slightly revised to 2.1% from 2.0% based on the flash estimate earlier. In Bulgaria, real GDP growth decelerated to 1.8%YoY in 2023 from 3.9%YoY in 2022. Yet the four quarterly growth readings of 2023 ranged only marginally between 0.4%QoQ and 0.5%QoQ, underlining the resilience of the economy in a year of challenging global economic conditions.

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