

# GLOBAL & REGIONAL DAILY

March 13, 2024

## Global markets

US inflation data came in stronger than expected in February for a second consecutive month. The headline CPI unexpectedly rose by 0.1ppts to 3.2%YoY, while core inflation dropped by less than anticipated to 3.8%YoY from January's 3.9YoY%. Core services continued to decline (-0.2ppts to 5.2%YoY), but goods prices, led by the rebound in used car prices, halted their declining trend and remained stable at the prior month's level (-0.3%YoY). Amid risks of fewer than expected Fed rate cuts this year, especially as the US economy continues to grow at a solid pace, USTs came under pressure, with the 10-yr yield hitting a post-CPI peak of 4.17% yesterday before easing to around 4.14% earlier today. EGBs also fell but to a lesser extent, while peripheral bonds continued to outperform, as reflected in the 10-yr BTP-Bund yield spread which narrowed further to 128bps. In FX, the stronger than expected CPI report supported the USD but gains were limited amid higher UST yields, allowing the EUR/USD to continue trading above 1.09.

## Greece

Eurostat released data on other business services exported from EU member countries in 2022. The "other business services" category includes three subcategories, namely R&D services, Professional and management consulting services, and Technical, trade-related and other business services. According to the relevant data, Greece's exports to countries outside of the EU amounted to €983.6mn, i.e., 22.2% higher compared to 2021 (€804.9mn). In 2022, all three subcategories reported a stronger increase compared to 2021. Professional and management consulting services observed the strongest growth, recording a 27.6% increase (to €394.0mn from €308.8mn in 2021), following a milder increase of 11.9% in 2021 (€276.0mn in 2020). Technical, trade-related and other business services reached €515.8mn in 2022, from €431.4mn (+19.6%), following a lower rise of 4.6% in 2021 (€412.4mn in 2020). Finally, R&D services had the lowest increase, with 14.1%, climbing to €73.8mn in 2022 from €64.7mn in 2021 and €60.7mn 2020.

## CESEE

As February's inflation prints keep being released, disinflation in the region gets more pronounced. Yet, prints are still away from the targeted bands of the regional central banks. In Serbia, inflation decelerated to 5.6%YoY in February from 6.4%YoY in January. The print was a tad above the projection of the central bank (NBS) that expected inflation to come in at 5.5%YoY. In monthly terms, consumer prices rose by 0.6% compared to 0.3% in January. In Romania, inflation moderated to 7.2%YoY in February from 7.4%YoY in the previous month with simultaneous mild deceleration on the monthly print which came in 0.8% from 1.1% on the back of food and services prices picking up at a slower pace. Both annual and monthly figures in February were above market expectations as those pointed to about 7.1%YoY and 0.7%MoM.

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