

GLOBAL & REGIONAL DAILY

June 14, 2024

Global markets

The JPY fell against the USD to a one-month low on Friday after the BoJ at its policy meeting today declined to give many details about its plans to reduce bond purchases in July. The USD/JPY rose as much as 0.8% to 158.26 earlier and is currently just below the 158 level after paring some of its gains. As expected, the BoJ kept rates unchanged. Meanwhile, USTs continued to rise, with the yield on the 10yr benchmark trading earlier today slightly lower from Thursday's close, at 4.22%, bringing the drop this week to 21bps, after more economic data suggested that inflation could be cooling. PPI unexpectedly dropped 0.2%MoM in May after a 0.5%MoM increase in April, while initial jobless claims last week increased to 242k from 229k the week before. That was 18k more than the consensus estimate and the most since August 2023. In Europe, the political drama in France took more twists and turns, driving peripheral spreads wider. The spread between French and German 10yr bonds has increased 23bps this week to 71bps, the most since 2017.

Greece

According to ELSTAT, the turnover of enterprises in Apr-24 stood at €32.5bn recording an increase of 16.1% compared to Apr-23 (€27.9bn) but a decrease of 2.0% compared to Mar-24 (€29.3bn). The highest annual increase was observed in Construction (49.7%) and the steepest drop in Electricity, Gas, Steam and Air Conditioning Supply (32.9%). In other news, the number of job vacancies in Q1 2024 recorded an increase of 115.6% YoY (70.8K from 32.9K in Q1 2023). The number of job vacancies increased on an annual basis for a 12th consecutive quarter and recorded a 15-year high (51.6K in Q1 2009). Also, according to Eurostat, in 2023 the share of young people aged 15 to 29 that were neither in employment nor in education or training (NEET) in Greece increased to 16.0% from 15.4% in 2022. Although in a downward trend since 2013 onwards, is higher than the EU-27 average (11.2% in 2023 from 11.7% in 2022) and far behind from the target of the European Pillar of Social Rights of lowering the NEET rate to 9% by 2030.

CESEE

There were signs of deterioration in the current account balance (CAB) of key economies in the region in April. In Czechia, the current account surplus reached CZK27.9bn, lower by 19.6%YoY, driven from a strong deterioration in the primary income balance, which was negative by CZK23.1bn against a surplus of CZK0.8bn a year ago, and a weakened services surplus, to CZK2.7bn from CZK8.0bn. Despite the decline in April, the CAB realised a higher surplus in January-April by 85.8%YoY. In Romania, the current account deficit more than doubled in April on an annual basis (+109.6%), reaching €2.57bn, which broadened the overall deficit in the January-April period by 26.7%. The rise is due to both higher goods (€2.57bn from €2.01bn a year ago) and primary income deficits (€1.04bn vs. €0.65bn). In Turkey, the net international investment deficit expanded to \$325.4bn in April from \$311.8bn in Q1 2024, mainly because of higher foreign direct investment in the country by \$11.1bn (+6.6%), which increased their stock to \$180.5bn.

Contributing Authors:

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr

Dr. Konstantinos Peppas
Research Economist
kpeppas@eurobank.gr

Michail Vassileiadis
Research Economist
mvasileiadis@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

More available research at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endaferontos>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

