

GLOBAL & REGIONAL DAILY

January 17, 2024

Global markets

US Treasuries sold off on Tuesday as central bank policy makers have pushed back against market expectations of a fast pace of rate cuts. In the US, Federal Reserve Governor Christopher Waller said at a virtual event that rate cuts should be done “methodically and carefully”, and that with the labour market in good shape he sees “no reason to move as quickly or cut as rapidly as in the past”. While there were also other dovish elements to his remarks, markets responded to this aspect with the yield on 10yr USTs rising 12bps to 4.06% on Tuesday, remaining near that level in early trading today. The dollar soared, as measured by the DXY index, which closed 0.9% higher at 103.36 yesterday. In Europe, ECB President Christine Lagarde also pushed back against an early start cuts today, saying in a Bloomberg TV interview in Davos that the ECB is likely to cut rates in the summer. Futures markets are now pricing in 151bps of rate cuts from the Fed and 141bps from the ECB, down from 167bps and 151bps respectively at the end of last week.

Greece

According to early estimates on tourism published by Eurostat yesterday, the number of nights spent at tourist accommodation establishments in Greece in 2023 was marginally higher than 10% compared to 2022, exceeding the respective pre-pandemic level. The member states of Malta, Cyprus and Slovakia recorded the highest increases, whereas Luxembourg was the only country in the EU-27 registering an annual drop in nights spent at tourist accommodation in 2023. In other data releases, according to ELSTAT, the turnover of the enterprises of the economy as a whole obliged to double-entry accounting bookkeeping amounted to €31bn in Nov-23, posting an annual increase of 1.0%, from a decrease of 4.2% in Oct-23. The sector of construction posted the highest increase in its turnover with 24.4%, the sector of wholesale and retail trade; repair of motor vehicles and motorcycles recorded the smallest increase (0.6%), whereas the sector of electricity, gas, steam and air conditioning supply posted the biggest decrease (-32.7%).

CESEE

In Turkey, retail sales volume growth decelerated for a fourth consecutive month in November, to 12.8%YoY – a 12-month low – from 13.4%YoY in October. Among categories of retail trade stores, sales growth eased mainly in pharmaceutical, medical and orthopedic goods (-5.6pts, to -0.4%YoY) and electrical household appliances, furniture, hardware (-2.5pts, to 11.7%YoY). The continuous weakening in retail sales growth is considered reflecting the implications of the new spike in inflation since August, remaining close to 60%YoY up to November, a trend that continued in December as inflation further crept up to 64.8%YoY, and could put further pressure on retail trade at end-2023. In other country news, the goods trade balance improved in November, despite the fall in the volume of exports by 0.5%YoY, as the decline in imports was stronger (-7.2%YoY). The volume of goods exports fell for a second consecutive month, after -4.1%YoY in October, despite the continuous devaluation of the lira.

Contributing Authors:

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr

Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr

Michalis 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



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



Symeoni – Eleni Soursou
 Junior Economic Analyst
ssoursou@eurobank.gr
 + 30 214 40 65 120



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



Michail Vassileiadis
 Research Economist
mvasseleiadis@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-endiaferontos>
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.

