

GLOBAL & REGIONAL DAILY

May 17, 2024

Global markets

Import prices rose by a two-year high of 0.9%MoM in April after an upwardly revised 0.6% rise in March. Separately, initial jobless claims in the US last week fell by 10k from the week before to 222k, but slightly higher than the consensus forecast of 220k. Although the decline confirmed the interpretation that the previous week's spike to an eight-month high was partly due to seasonal factors, other data pointed to an economic softening, including continuing claims unexpectedly jumping 14k to 1,794k. April data for US housing starts and industrial production also came in weaker than expected. Aside from the economic data, comments by Fed policy makers yesterday reinforced that they would be taking a cautious stance on the path of interest rates, despite the cooler-than-expected CPI report on Wednesday. USTs fell in response, paring gains earlier in the week, especially on the short end as the yield on 2yr USTs rose 6bps to 4.79% (though it has slipped 1bps so far today). The yield on 10yr USTs is currently up 2bps to 4.38% since Wednesday's close. EGBs also fell, with the yield on 10yr German Bunds up 6bps since Wednesday at 2.48%.

Greece

According to the preliminary data published by the Ministry of Finance, for Jan.-Apr.-24, the State Budget on a modified cash basis recorded a deficit of €0.28bn, below the respective 2024 Budget target deficit by €2.70bn or 89.7%. The primary balance showed a surplus of €3.25bn, exceeding the target by €2.62bn or 415.5%. State Budget net revenues reached €22.51bn, surpassing the target by €2.31bn or 11.4% due to increased tax and Public Investment Budget (PIB) revenues. Tax revenues were 12.1% higher than expected, partly because the first installment of ENFIA was collected earlier than anticipated. State Budget expenditures were €22.79bn, below the target by €0.11bn or 0.5% but higher than the previous year due to increased investment (PIB) spending. According to Eurostat, in Q1-24, the number of businesses' bankruptcy declarations in Greece decreased by -40.0%QoQ (EA: -2.0%QoQ) while the respective registrations figure registered an increase of 1.8%QoQ (EA: 2.6%QoQ).

CESEE

In Turkey, the rapid fall in international reserves in Q1 2024, resulting in an overall decline of 12.6% and a 6-month low of \$123.1bn was halted in April, as they rose by a meagre 1.0%MoM. The upturn came exclusively from a further expansion of gold reserves, by 7.0%MoM, to \$58.2bn, despite soaring gold prices, a new all-time high. In contrast, foreign currency reserves continued falling, by 4.3%MoM, edging to \$58.7bn, a 10-month low. The country's seasonally adjusted unemployment rate weakened slightly further in Q1, to 8.7% from 8.8% in Q4 2023, an at least 10-year low based on the quarterly data available. The new unemployment ease came from an increase in employment by 1.7%QoQ. Among the main sectors of economic activity, the number of persons employed increased mainly in services (+276k, +1.5%QoQ), industry (+103.0k, +1.6%QoQ) and construction (+82k, +1.6%QoQ).

Contributing Authors:

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr

Dr. Theodoros Stamatiou
Senior Economist
tstamatiou@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



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.

