

GLOBAL & REGIONAL DAILY

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Global markets

Initial jobless claims in the US unexpectedly dropped by 16k to 187k last week, the lowest level since September 2022, once more highlighting the country's labour market tightness. The release came a day after a strong retail sales print and was one more data point reinforcing the narrative prevailing so far in 2024 that market expectations of monetary easing by major central banks this year had gone too far. Remarks yesterday by Atlanta Fed President Raphael Bostic that he sees rate cuts happening in the second half of the year were in a similar vein, while in Europe the published minutes of the ECB's governing council December meeting highlighted that policy makers felt the need to push back against market expectations. Bonds continued to sell off on both sides of the Atlantic. The yield on Germany's 10yr bunds temporarily tested levels slightly above 4.28% earlier today for the first time since early December, while the yield on 10yr USTs hit an intraday session high of 4.17% earlier today, the highest level in over five weeks, helping the DXY USD index to remain firm close to 103.50.

Greece

According to Bank of Greece data, central government cash balance recorded a deficit of €2.69bn in 2023, which was significantly lower (-78.8%) than the deficit of €12.7bn in 2022. This performance was mainly the result of the increase in ordinary budget revenue by 13.2% (or €7.3bn, to €62.7bn) and the lower ordinary budget expenditure by €2.1bn (or -3.3%, to €62.2 bn). In other data, according to ELSTAT, the total consumption of petroleum products in 2022 increased by 5.7% (to 7.07mn metric tons) compared to 2021 (6.69 mn). This increase was mainly the result of the increase in the annual consumption of transport diesel (+155.4K metric tons, to 2.81 mn) and of heating gasoil (+131.1K, to 1.17 mn metric tons), despite the decrease in the annual consumption of Motor gasoline/super unleaded 98/100 (-57.3K metric tons).

CESEE

With all final regional CPI prints for December having been released, harmonised data published by Eurostat on Wednesday confirm the disinflation path the core CEE economies have been following since early 2023. Annual HICP readings in Poland, Hungary, Czechia and Croatia came in at 6.2%, 5.5%, 7.6% and 5.4% respectively from 6.3%, 7.7%, 8.6% and 5.5% in November. In Romania, though, annual HICP spiked by a tad in December to 7.0% from 6.9% in the previous month and the path for the monthly reading was identical, edging up to 0.2% from -0.1% in November. MoM readings in December for Croatia, Hungary and Czechia turned or continued to be mildly negative, while in Poland consumer prices increased only by 0.1% following the 0.6% figure in November. On the political front, at the periphery of the region, Bulgaria's incumbent government is expected to resign by March 6 so that the new rotational cabinet led by current deputy PM Mariya Gabriel could step in, PM Nikolay Denkov stated at the local press.

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