

# GLOBAL & REGIONAL DAILY

February 20, 2024

## Global markets

Markets have been quiet at the start of this week after the President's Day holiday in the US and a shortage of central bank speakers or major economic data releases from the eurozone. In China, a bigger-than-expected cut in the mortgage reference rate — to try to stimulate the country's troubled real estate sector — failed to provide much of a boost to Asian stock markets today or European and US futures. Early trading in US Treasuries today has seen them little changed — although the yield curve has steepened a smidgeon, with the 10yr just 0.6bps higher at 4.29% and the 2yr falling 2bps to 4.62%. European government bonds have also barely moved so far this week. The main economic data highlight for later today is the Conference Board's US leading index for January, with the consensus expectation for a drop of 0.3% after a 0.1% dip the month before. Also, Bank of England governor Andrew Baily will be quizzed by lawmakers in the UK.

## Greece

According to the annual report of Hellenic Chamber of Hotels published yesterday, the turnover of hotels stood at €10.5bn in 2023, i.e., 23.0% higher than in 2022. The increase was both the result of the increase in the occupancy ratio and in the price of the available rooms. This increase differs significantly between hotels with continuous and seasonal operation with the former at 9.4% and the latter at 27.4%. With respect to the hotel category, 1–3-star hotels that account for 74% of the total number of hotels in Greece reported an increase in turnover of 18.8% in 2023 as opposed to 2022, and 4–5-star hotels an increase of 23.6%. Along with the increase in turnover, an increase in hotel employment was also recorded in 2023, which reached 12.6% (208.5K employees). Also, investments in the hotel sector in 2023 totaled €761mn compared to 621mn in 2022 (+22,5%) with 87% of them related to repairs, renovation and maintenance. In other news, according to press reports, the BoG proposed a minimum wage increase of 4%. The minimum wage is currently at €780.

## CESEE

The Polish Minister of Finance, Andrzej Domanski, stated yesterday in an interview that Poland could encounter an excessive deficit procedure in 2024 given the around 5.0% fiscal deficit in 2023. Had it not been for the energy crisis which created one-off financing needs along with the increased defense spending and financial aid to Ukraine, the budget could have balanced to sizably lower levels, resulting to a deficit within the 3% perimeter. Still, he stressed that 2024 will also be a year of fiscal loosening translating to a deficit around the same levels as percentage of GDP. The statements confirmed the view of the Fitch ratings agency which a couple of days earlier assessed that 2024's deficit will be loosened, raising concerns over the financing of the deficits of these two years and how this would affect the debt accumulation and prolife of the economy. On the same loose footing, Hungary's budget deficit came in at 6.5% of GDP in 2023, pointing to a significant fiscal slippage last year.

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