

GLOBAL & REGIONAL DAILY

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Global markets

Equity markets in Asia ended firmer earlier today, tracking gains in Wall Street on Friday which saw the Dow Jones closing above the 40,000 level for the first time ever. The April US CPI report, released last week, has reinforced optimism that the disinflationary process has regained momentum, while wide-ranging measures from the Chinese government to stimulate the property market, also favoured risk sentiment. Meanwhile, USTs remained under pressure with the yield curve bear-steepening after Fed Governor Bowman reiterated that she remains willing to hike rates should incoming data indicate that progress on inflation has stalled or reversed. Bunds were also performing poorly ahead of Tuesday's Eurozone flash May PMI survey, pressured by ECB's Schnabel saying that the central bank cannot pre-commit to a rate easing path after June. Elsewhere, the USD retained a weak tone, and commodities rose sharply amid new uncertainty in the Middle East after news that the Iranian President was killed in a helicopter crash.

Greece

According to the most recent Eurostat Statistical Monitor (May-24), Greece's outlook showed signs of stabilization based on better GDP performance, inflation control, and employment stability. Greece's GDP grew by 0.2%QoQ in Q4-23, outperforming the respective Euro area's (EA) decrease (-0.1%QoQ). Inflation in Greece in Apr-24 stabilized at 3.2%YoY, while the EA's rate was 2.4%YoY. Industrial production in Greece in Mar-24, was negative at 1.3%QoQ, compared to a 0.6%QoQ decline in the EA. Retail trade in Greece decreased by 3.8%MoM, worse than the 0.3%MoM decline in the EA, indicating continued consumer spending challenges. Greece's unemployment rate stood at 11.2%YoY in Apr-24, higher than the EA's 6.5%YoY. Economic sentiment in both Greece and the EA for Apr-24, indicated cautious optimism. According to the Bank of Greece, Greece's central government cash balance for Jan-Apr-24, registered a deficit of €0.57bn, significantly lower than the €1.92bn deficit in the same period of 2023.

CESEE

As Q1 GDP flash estimates are about to have all been released in the region, in Bulgaria, GDP rose by 0.4%QoQ, a tad lower from 0.5%QoQ in the previous quarter. Annual GDP growth picked up to 1.7%, slightly up from 1.6% in Q4. In April, inflation moderated to 2.4%YoY, reaching its lowest level since April 2021, with the disinflationary trend in the past months having been underpinned by a slowdown in both food and non-food prices. Within this macroeconomic landscape and while elections will be held on June 9, the Ministry of Finance will place BGN300mn on three-year domestic government securities carrying an annual interest rate of 3% at an auction facilitated by the central bank on May 27. Identical bonds worth BGN200mn were also offered in mid-April while another BGN200mn of six-year bonds placement took place in mid-May with investors' interest towards both auctions rendered strong.

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