

GLOBAL & REGIONAL DAILY

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Global markets

Fixed income markets gained yesterday on Eurozone data showing a decline in negotiated wage growth to 4.5%YoY in Q4 2023 from a record high of 4.7%YoY in the prior quarter. Weaker than expected inflation data from Canada and comments by BoE Governor Bailey which supported expectations of a rate cut by June, also favored market sentiment towards government bonds. Against this backdrop, the 10-yr Bund yield was hovering around 2.40% earlier today, below the recent peak of 2.42%, though some 3bps higher compared to yesterday's close amid corporate supply jitters. USTs tracked Bunds higher, with the 10-yr yield currently standing close to 4.28%, near 5bps below last week's 2 ½ month highs, ahead of the release of the minutes from the FOMC's January meeting later today. In FX markets, G10 currency pairs remained trapped within recent tight ranges, with the DXY USD index standing slightly above 104, though not too far from yesterday's near three-week low of 103.796, alongside lower long-term UST yields.

Greece

ELSTAT released yesterday data on the overall turnover index in Industry. The said index in Dec-23 recorded a drop of 7.2% compared to a 16.7% increase in Dec-22. This was the result of the decrease in the Manufacturing index by 7.4% YoY (+17.1% in 2022) mainly due to the decline in the Computers, Electronic and Optical products (-21.9%), Coke and refined petroleum products (-19.3%) and Tobacco products (-13.6%) indices, despite the rise in Motor vehicles, trailers and semi-trailers (36.1%) and in Leather and related products (18.5%). The average overall turnover index in Industry in the period from Jan-23 to Dec-23 shrunk by 4.1% YoY compared with its increase during the same period of 2022 by 33.1%. The driver of this drop was the decline in the Manufacturing index by 4.2% (+33.5% in 2022) mainly due to the decrease in Coke and refined petroleum products (-15.9%), Chemicals and chemical products (-14.4%) and Basic metals (-14.1%). On the contrary, the Tobacco products and Motor vehicles, trailers and semi-trailers indices rose by 19.0% and 14.9%, respectively.

CESEE

In Cyprus, tourist arrivals decreased slightly in January for the first time in 32 months, by 2.9%YoY, after a 12.3%YoY increase in December and a FY2023 expansion by 20.1%. The decline partially reflects the implications of the war in Gaza, as arrivals from Israel, the main source of the increase in 2023, fell in January by 63.9%YoY. However, tourist inflows declined in January also from other countries that contributed to the rise last year, namely from the UK (-14.2%YoY) and Romania (-56.2%YoY). In other regional news, in Poland industrial output rose in January by 1.6%YoY after two successive months of decline (Dec-23: -3.5%YoY, Nov-23: -0.3%YoY). Among the main industrial sectors, the change of trend is exclusively due to manufacturing (+1.6%YoY from -5.3%YoY), as output growth in utility-water supply eased significantly (+1.5%YoY from +12.4%YoY) and contraction strengthened in mining-quarrying (-4.9%YoY from -3.6%YoY).

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