

GLOBAL & REGIONAL DAILY

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Global markets

European equities opened higher and S&P futures pointed upwards, after Nvidia's long-awaited Q1 earnings report, after yesterday's US close, showed another strong set of results for the chipmaker. Prior to the earnings release, the S&P 500 closed lower, snapping a four-day rising streak, after publication of the minutes from the FOMC's last meeting revealed that the prospect for higher rate hikes was discussed at the meeting. The UST yield curve bear flattened yesterday as the yield on 2yr bonds rose 4bps to 4.83% and the yield on 10yr bonds increased 1bp to 4.42%. However, most of that movement came before the release of the Fed minutes and was part of a selloff in government bonds on both sides of the Atlantic prompted by the hotter-than-expected UK CPI print, which tempered markets' rate easing expectations in Europe. Sticking with the UK, Prime Minister Rishi Sunak called elections for July 4, earlier than anticipated, with his party trailing the opposition by around 20ppts in opinion polls.

Greece

Travel receipts were up by €207mn or 28.2%YoY in Q1 2024 according to data released yesterday by the Bank of Greece. Inbound traveler flows increased by 24.5%YoY, accounting for the largest part (ca 85%) of the increased receipts, while the average spending per visitor rose by a mere 3.4%YoY, accounting for just 12% of the increase. In 2023 travel receipts comprised more than one fifth of Greek exports of goods and services. On other news, the Public Debt Management Agency, aiming to boost liquidity in the secondary market, tapped the bond markets yesterday for an eighth time this year by reopening a 10-year bond for €250mn. Total bids amounted to €835mn, oversubscribing the initial offering 3.34 times, with the yield closing at 3.51%, lower than the 3.61% in a similar auction five weeks ago, but marginally higher than the 3.48% in the initial issue in late Jan-24. At the end of the day, the spread of the 10-year Greek benchmark over its German counterpart stood slightly short of 100bps, versus a 3-month moving average of 103bps.

CESEE

Industrial production rose in April in Poland by 7.9%YoY – a 19-month high pace – recovering from the 5.6%YoY decline in March. The rebound is mainly due to the 8.2%YoY spike in manufacturing output, in contrast to the 6.0%YoY fall a month earlier. It was also supported by the 6.2%YoY rise in mining-quarrying after a 13.1%YoY fall the month before. Output in utility-water supply stagnated for the second month in a row. In Turkey, the consumer confidence index was unchanged in May relative to the previous month, at 80.5pts, remaining at the 79-80.5 range for a fifth consecutive month, a possible indication of the implications of rampant inflation for the financial situation of households. Construction activity spiked in Q1, rising 19.9%YoY in permits terms from +10.6%YoY in Q4 2023, and 33.4%YoY in surface (m2) terms after +12.1%YoY a quarter earlier. The Q1 increase is not due to base effects from the February 2023 quakes, as activity in the sector was significantly higher also relative to Q1 2022 (+9.7% in permits, +30.8% in m2).

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