

GLOBAL & REGIONAL DAILY

April 25, 2024

Global markets

EGBs remained under pressure earlier today with peripheral bonds underperforming after Bundesbank President Joachim Nagel emphasized in a speech yesterday that a rate cut in June would not necessarily be followed by further easing. In addition, coming on the heels of a 2.8pts jump in the April composite PMI earlier this week, Germany's IFO business climate index recorded a hefty gain of 1.5pts to a near one-year high of 89.4 over the same month, reinforcing optimism for a return of GDP growth to positive territory in early Q2. Meanwhile, the 10-yr UST yield was little changed on the day standing close to 4.65% at the time of writing, with the spread against its German counterpart tightening to 206.5bps, some 5bps narrower so far this week. In FX, ahead of the advance estimate for US Q1 GDP later today, the USD/JPY moved above the 155 level, intensifying speculation about potential currency intervention by Japanese authorities to halt the JPY's weakening momentum, while the EUR/USD continued to trade above 1.07.

Greece

According to ELSTAT, the turnover of enterprises in Retail trade amounted to €3.22bn in Feb-24, 8.6% (or €254mn) higher compared to Feb-23 (€2.96bn). This increase was weaker compared to the annual increase of the said turnover in Feb-23 (+14.2%) and in Feb-22 (+19.9%). The highest increases in turnover were observed in Retail sale of music and video recordings in specialized stores (+32.6%), in Sale of other motor vehicles (+29.7%) and in Retail sale of furniture, lighting equipment and other household articles in specialized stores (+25.1%). On the contrary, the steeper drop was observed in Retail sale of audio and video equipment in specialized stores (-14.6%) and in Retail sale of newspapers and stationery in specialized stores (-3.2%). In other news Hellenic Republic issued yesterday a 30-year bond. Greece received offers of 33.0bn and raised €3.0 bn. The coupon rate was lower than originally estimated, i.e., at 4.15% instead of 4.30%.

CESEE

In Romania, the nominal growth of domestic credit moderated to 8.2%YoY in March from 10.3%YoY in February, according to data published by the Romanian Central Bank. The slowdown came after an uptick in February that was driven by faster retail lending growth. The same component accelerated in March too, but its growth rate was not high enough to overcome the moderation in corporate lending. At the same time, credit to the public sector slowed down to 65.4%YoY in March from 98.7%YoY in the previous month. Lending to the public sector continued to report strong jumps on the back of efforts by the public administration to cover deficits, still its share remains low in the total domestic credit. On the flipside, in Serbia, while credit expansion proceeds at slower rates compared to Romania, it peaked in March by 1.3%YoY from 0.4%YoY in February with corporate loans growth lagging behind yet improving.

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