

GLOBAL & REGIONAL DAILY

May 27, 2024

Global markets

Asian equities rose modestly earlier today at the start of what's likely to be a quiet day in markets due to public holidays in the US and the UK. They tracked small gains in the S&P 500 on Friday as the University of Michigan survey of consumer inflation expectations came in lower than expected. However, European stocks were little changed at the open after ECB chief economist Philip Lane said in an interview to the FT that although the central bank was on course to start cutting interest rates next month, monetary policy will probably stay in restrictive territory for the rest of the year. EGBs were little changed on Monday. The USD, as measured by the DXY index, also barely moved on Monday, at around the 104.7 level, after falling 0.4% on Friday. The EUR and GBP both gained 0.3% against the USD on Friday. The economic data highlights of the week ahead agenda are the US release of the April PCE inflation print on Friday – the Federal Reserve's preferred measure of inflation – and eurozone May CPI due on the same day.

Greece

According to the press, in the General Assembly of the Federation of Hellenic Food Industries the Minister of Finance Mr. Kostis Hatzidakis stressed the need for a structural change in the Greek economy, with a reduction of the consumption share over GDP and an increase in the investment share over GDP. Based on the first estimate of the 2023 annual national accounts, private consumption over GDP in Greece stood at 68.4%, the highest share in the Euro Area where the average was 52.4%, whereas the respective share of fixed investment stood at 13.9% (vs 22.1% in the Euro Area). On the data front, the Overall Material Costs Index in the Construction of New Residential Buildings rose on an annual basis by 5.6% in Apr-24, from 8.4% in Apr-23. The respective average index for the 12-month period from May-23 to Apr-24 increased on an annual basis by 6.4%.

CESEE

The week opens with a new issue of retail T-bills in Croatia with a target amount of EUR900mn. The Prime Minister, Andrej Plenkovic stated on Friday that the issue will be divided into two parts: a quarterly part which aims to gather EUR250mn and an annual one which is expected to raise EUR650mn, with yields of 3.75% and 3.65% respectively. The date of issue of T-bills is June 6 with the subscription for investors starting today and ending on June 4. The release of minutes of the May's meeting of the central bank of Romania showed that the monetary policy committee voted unanimously to hold the key policy rate at 7%, as all board members agreed that inflation is expected to remain on a downward path in the following months, yet milder than previously anticipated. The week's calendar is filled with labour data for Poland and Romania, Q1 GDP estimates for Croatia, Czechia and Serbia and May's flash inflation estimates for Poland and Croatia.

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