

GLOBAL & REGIONAL DAILY

February 28, 2024

Global markets

In markets that have generally been quiet before inflation data from the US and Eurozone later this week, government bonds continue to show weakness, with the yield on the German 10yr Bunds closing at a three-month high of 2.46% on Tuesday. The yield on UK 10yr gilts also closed near its three-month high after BoE Deputy Governor Ramsden said that inflation pressures remained elevated, while in the US, strong demand at an auction of 7yr USTs didn't provide much of a boost as the 10yr yield crept up 1.5bps to 4.32% at yesterday's close. On the data front, US consumer confidence unexpectedly declined in February, while durable goods orders decreased by a greater-than-consensus 6.1%MoM in January. Later today the EC will release economic sentiment data for the eurozone, while the US will release the second Q4 GDP estimate. However, this week's key releases affecting fixed income markets are the January PCE price index from the US, to be released tomorrow, and February HICP data for the Eurozone, which comes out on Friday.

Greece

After closing at their highest level since May-11 at the end of 2023, non-financial private sector deposits at domestic MFIs retreated to €185.3bn in Jan-24, recording a monthly drop of 2.8%MoM, according to data released by the Bank of Greece yesterday. This monthly decrease was the result by declines in the deposits of non-financial corporations (-7.6%MoM) and households (-1.3%MoM). On the other side of the ledger, credit to the non-financial private sector, adjusted for write-offs, reclassifications, and FX fluctuations, declined by 2.1%MoM following a drop in credit to non-financial corporations (-3.0%MoM) and households (0.6%MoM). The aforementioned drops can be largely attributed to seasonal factors. On other data, the Volume Index in Wholesale Trade posted a robust annual increase of 5.1% in 2023 despite the respective Turnover Index being lower by 1.6% compared to 2022, according to the Hellenic Statistical Authority.

CESEE

The Hungarian central bank (CB) decided to cut the Key Policy Rate (KPR) by 100bps bringing it to 9.0% at yesterday's monetary policy meeting. Since September 2023 when the rate stood at 13%, the CB has eased vigorously its monetary stance, proceeding with consecutive cuts which sum up to 400bps in less than half a year. The easing came on the back of sizable disinflation as core CPI has been on a continuously retreating mode since March 2023 when it had climbed to 25.7%, landing to 6.1% in last January. Yesterday Croatia's Q4 2023 GDP estimate was also released. Growth came in at 4.3%YoY from 2.8%YoY in Q3, with the print standing above the expectations of the Ministry of Finance for a 2.8%YoY growth rate. Expansion was also spotted in quarterly terms as GDP grew by 1.3% in Q4 compared to 0.5% in Q3 and Q4's forecast by the EC for a 0.9% increase of output.

Contributing Authors:

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr

Dr. Theodoros Rapanos
Research Economist
trapanos@eurobank.gr

Maria Kasola
Research Economist
mkasola@eurobank.gr

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Marcus Bensasson
 Research Economist
mbensasson@eurobank.gr
 + 30 214 40 65 113



Dr. Stylianos Gogos
 Research Economist
sgogos@eurobank.gr
 + 30 214 40 63 456



Maria Kasola
 Research Economist
mkasola@eurobank.gr
 + 30 214 40 63 453



Konstantinos Peppas
 Research Economist
kpeppas@eurobank.gr
 + 30 214 40 63 520



Paraskevi Petropoulou
 Senior Economist
ppetropoulou@eurobank.gr
 + 30 214 40 63 455



Dr. Theodoros Rapanos
 Research Economist
trapanos@eurobank.gr
 + 30 214 40 59 711



Symeoni – Eleni Soursou
 Junior Economic Analyst
ssoursou@eurobank.gr
 + 30 214 40 65 120



Dr. Theodoros Stamatou
 Senior Economist
tstamatiou@eurobank.gr
 + 30 214 40 59 708



Michail Vassileiadis
 Research Economist
mvasseleiadis@eurobank.gr
 + 30 214 40 59 709

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