

# GLOBAL & REGIONAL DAILY

April 29, 2024

## Global markets

US real personal consumption expenditure (PCE) rose strongly in March, up 0.5%MoM for the second consecutive month, partially supported by personal income which rose 0.5%MoM, accelerating from February's 0.3%MoM. On the inflation front, the headline PCE price index rose 0.3%MoM (2.7%YoY), broadly in pace with February's figure (2.5%YoY). Meanwhile, core PCE was up 0.3%MoM (2.8%YoY), almost unchanged from the prior month, but far less than markets feared after last week's materially higher than expected increase in the Q1 core PCE price index. In reaction, Asian bourses ended higher earlier today, taking their cue from Wall Street's gains on Friday, and sovereign bonds were firmer on both sides of the Atlantic, though still slightly lower on a weekly basis. In FX, the EUR/USD continued to trade above 1.07 ahead of the FOMC policy outcome on Wednesday and tomorrow's Eurozone preliminary April CPI report, while the USD/JPY has dropped below 156 after briefly rising above 160 amid concerns about potential FX intervention.

## Greece

Based on ELSTAT's quarterly non-financial sector accounts, households' nominal disposable income increased to €145.8bn in 2023, recording an annual growth rate of 7.3%, higher by 3.1ppts compared to the HICP inflation rate. As a result, households' real disposable income increased for a second year in a row. The said improvement mainly came from the components of primary incomes. Analytically, compensation of employees, gross operating surplus and mixed income (i.e., the income earned by the self-employed) and property income rose by €2.3bn (3.8%), €4.5bn (6.4%) and €3.2bn (28.0%) respectively. Final consumption expenditure increased to €150.7bn in current prices in 2023, posting an annual growth rate of 6.5%. Consequently, household's gross saving stood at -4.8bn (-3.3% of disposable income), from -5.5bn (-4.0% of disposable income) in 2022.

## CESEE

In Romania, the general government ran a deficit of RON35.9bn in Q1 (2.1% of projected GDP), a print 13.1% below a target of RON41.3bn (2.4% of GDP). Fiscal overperformance came on the back of expenditure savings relative to target, by 8.0%, reaching RON168bn, however, they were higher 22.7%YoY, fuelled by double-digit growth in state transfers (+18.8%YoY), personnel cost (+19.6%YoY) and spending on goods-services (+23.8%YoY). Although 15.8%YoY higher in Q1, budget revenue fell short of the target by 6.5%. In Cyprus, credit expansion continued for a fourth consecutive month in March, up by 1.8%YoY, a 19-month high pace, after a 1.5%YoY rise in February. Credit crunch weakening towards non-financial businesses, to 0.3%YoY from 1.0%YoY a month earlier, was the main source of acceleration in credit supply, accompanied by a slightly faster pace towards households (+1.5%YoY from +1.4%YoY).

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