

# GLOBAL & REGIONAL DAILY

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## Global markets

Most equity markets were closed in Asia overnight due to Chinese New Year and public holidays after major stock indices hit fresh highs last week, with the S&P 500 reaching another record high on Friday and closing above the level of 5000 for the first time ever on solid earnings results. Meanwhile, ahead of Tuesday's US CPI data for January, government bonds remained under pressure earlier today. Yields were hovering not far from last week's fresh highs following another string of firm US data pointing to continued resilience in the economy and remarks from central bank speakers communicating their caution about early interest rate cuts. Investors continued to reduce their rate easing expectations, pushing the expected Fed rate for the December meeting up to 4.20%, while the implied probability of an ECB cut by April has dropped to around 50%. Elsewhere, major FX currency pairs were trapped within recent ranges, while oil prices were standing close to Friday's highs on fading hopes over a cease-fire in the Israel-Hamas war.

## Greece

ELSTAT released on Friday data on the Industrial Production Index (IPI) for Dec-23 and for the period from Jan-23 to Dec-23. According to the relevant data, the adjusted-for-working-days overall IPI increased by 4.3% YoY in Dec-23 compared to a decline of -1.2% YoY in Dec-22. This was the result of the increase by 14.4% in the Mining-Quarrying Index – mainly due to Mining of metal ores (+38.2%) – and by 4.9% in the Manufacturing Index – mainly due to Motor vehicles, trailers, and semi-trailers (+34.0%). The annual increase in the adjusted overall IPI index in 2023 came in at 2.2%, slightly lower than the rise of 2.4% in 2022. This was the result of the increase both in Mining-Quarrying (+8.7% from -7.9% in 2022) and Manufacturing (+4.1% from +4.6%) indices despite the drop in Electricity supply (-5.5% from -3.7%). The increase in the first two indices was mainly due to the increase in Other mining-quarrying (+9.0%) and in Basic pharmaceutical products and preparations (+20.6%) sub-indices, respectively.

## CESEE

Positive signals from Bulgaria's short-term indicators of economic activity in December ahead of the Q4 GDP release. Industrial production decline eased to 6.9%YoY from 12.3%YoY a month earlier, the second lowest fall in 10 months. The slowdown is mainly due to the change of trend in utility production, from -34.5%YoY in November to +4.6%YoY the next month, and to the weakening fall in mining to 8.8%YoY from 12.1%YoY. The downturn eased also in construction, to 2.3%YoY from 3.5%YoY. Nonetheless, those were the two strongest falls last year, which brought annual contraction in Q4 to 2.6% from 1.0% in Q3. In Hungary, headline CPI inflation further slowed down in January, to 3.8%YoY from 5.5%YoY the month before, marking a 34-month year low and coming below market expectations of 4.3%YoY. In contrast, on a monthly basis, inflation rose by 0.7% after a 0.3% fall in December. The deceleration in the annual print came mainly from inflation in transport (-4.8%YoY from +0.7%YoY), food and non-alcoholic beverages (+1.0%YoY from +2.3%YoY).

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