

GLOBAL & REGIONAL DAILY

May 21, 2024

Global markets

Equity markets took a pause from their recent strong run as investor attention turns to Nvidia's Q1 earnings report tomorrow, with the S&P 500 closing less than 0.1% higher yesterday and Asian markets ending lower earlier today. Government bonds continued to weaken on Monday as Cleveland Fed President Loretta Mester reiterated the line that central bank officials needed more evidence about the course of inflation before cutting interest rates, becoming the latest in a string of officials in the past few days to play down rate easing expectations. The yield on 10yr USTs closed 2bps higher at 4.44% yesterday, though it has moved slightly lower in early trading today. The yield on 10yr Bunds rose just 1bp yesterday, reversing that today as Germany's PPI print came in slightly weaker than expected. Today features another heavy slate of Fed speakers, with the publication of the minutes from the FOMC's last meeting scheduled for tomorrow. ECB President Christine Lagarde also scheduled to speak today.

Greece

According to ELSTAT, the Overall Turnover Index in Industry dropped by 6.0% YoY in Mar-24 following an increase of 3.4% YoY in Mar-23. The main drivers of the annual drop of the Overall Turnover Index were the decrease in Mining and quarrying (-15.7% YoY) – due to the strong decline in Mining of coal and lignite (-45.1% YoY) and in Mining of metal ores (-35.0% YoY) – and in Manufacturing (-5.9% YoY) – due to the significant decline in Paper and paper products (-24.7% YoY), in Textiles (-20.8% YoY) and in Wearing apparel (-20.5% YoY), despite the increase in Computers, electronic and optical products and in Coke and refined petroleum products by 21.8% YoY and 6.9% YoY, respectively. On the employment front, according to data released by the Greek Public Employment Service (DYPA), the number of registered unemployed persons in Apr-24 dropped for the first time after 13 years below 900K, i.e., to 871.3K from 927.8 in Apr-23 (-6.1% or -56.5K). About half of them have been out of the labour market for more than a year.

CESEE

The governor of the central bank of Bulgaria stated to the press that Bulgaria still has strong chances to join the eurozone in 2025 under a series of conditions. As a first step the governor underlined the need for the reestablishment of ties between the cabinet of the caretaker government and the high-level representatives at EU institutions engaged with the eurozone. The second condition is the return of Bulgaria towards fiscal consolidation and the third one is the voting of the euro adoption law along with the speed up in the technical preparation for the adoption of the currency. Turning to data releases, today the central bank of Hungary convenes to decide the level of its Key Policy Rate (KPR) with an additional rate cut of 50bps anticipated by market participants that will bring the KPR at 7.25%. The calendar of the week is also filled with labour markets data (wages and unemployment) for Croatia, Poland and Hungary.

Contributing Authors:

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr

Dr. Konstantinos Peppas
Research Economist
kpeppas@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



Dr. 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



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



Michail Vassiliadis
 Research Economist
mvasileiadis@eurobank.gr
 + 30 214 40 59 709

More available research at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-entiaferontos>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

