

GLOBAL & REGIONAL DAILY

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Global markets

Government bonds were firmer earlier today, recovering part of their recent losses, partially thanks to a risk-off move into safe havens. Fixed income markets were also helped by lower oil prices, which fell despite geopolitical concerns. Brent crude closed at a near three-week low of \$87.29/bbl yesterday after the latest EIA report revealed that US crude inventories are currently at a nine-month high. EGBs bull-flattened amid continued inflation concerns, and peripheral EGBs outperformed, with the 10-yr Bund-BTP yield spread narrowing to 140bps earlier today. UST yields also declined, though to a lesser extent, with the 10-yr UST/Bund yield spread widening by more than 2bps to around 214bps in early European trade. Meanwhile, the USD was a tad weaker, with the DXY index moving slightly below 106. The EUR/USD was consolidating around 1.0680 in early European trade, and the USD/JPY fell below 154.50 amid a higher chance of Japanese FX intervention after a trilateral meeting among US, Japanese and South Korean Ministers of Finance.

Greece

According to the updated labour market situation survey published by the OECD yesterday, the employment rate in Greece in the age bracket of 15-64 years old stood at 62% in Q4 2023, a rate translating to 4.086mn persons. Despite this improvement, the employment rate in Greece was the third lowest among the OECD countries, with Costa Rica (58.1%) and Turkey (54.2%) recording the lowest rates (OECD average at 70.1%). The participation rate, that is the labour force over population in the age bracket of 15-64 years old, stood at 69.3% in Q4 2023, lower compared to the OECD (73.8%), the EU-27 (75.2%) and the Eurozone average (75.2%). In other news, yesterday, Greece submitted a request to the European Commission to receive the 4th loan payment of the RRF, amounting €2.3bn.

CESEE

In Cyprus, annual growth in tourist arrivals recovered further in March after the January fall, to 9.8% from 5.0% in February, bringing the average rise in Q1 2024 to 5.4%. The increase in the first quarter, despite the implications of the war in Gaza for arrivals from Israel (-26.3%YoY) that drove the overall 20.1% rise in 2023, came mainly from much higher inflows from Poland (+45.2%YoY), Germany (+31.4%YoY) and Hungary (+53.7%YoY). Also in Cyprus, headline HICP inflation decelerated to 1.6%YoY in March, a 34-month low, from 2.1%YoY in both January-February, with the monthly pace at 0.8%, same as in February. The slowdown in the annual print came from deflation in housing-utility-water supply (-2.2%YoY from +0.3%YoY in February), on the back of the state subsidy on electricity consumption, and clothing-footwear (-0.4%YoY after +2.8%YoY). In Romania, industrial sales rose in February by 8.2%YoY, a 14-month high, from 2.5%YoY the month before, with the spike due to both a stronger increase in manufacturing and a smaller fall in mining.

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