

# GLOBAL & REGIONAL DAILY

March 27, 2024

## Global markets

The yen remained under pressure with the USD/JPY reaching a 34-year high of 151.97 in early Wednesday trading, before retreating modestly to around 151.77 at the time of writing. The weakening came after a BoJ board member said that monetary policy normalisation will follow a slow, steady course – comments which markets interpreted as dovish. Other major currency pairs for the most part remained range bound. Overall, the dollar rose 0.1% as measured by the DXY index which remained above 104. USTs also lacked clear direction, with the yield on the 10yr benchmark just 1bp lower than Tuesday's close at 4.23%. European government bonds gained slightly after ECB policymaker Madis Muller said that data in the coming weeks could confirm that inflation is slowing in time for the central bank's June meeting. The yield on 10yr German Bunds has fallen 4bps since Tuesday's close to 2.33% currently, while for Italian 10yr BTPs it has fallen 6bps to 3.63%. Later today the European Commission will publish economic sentiment data for March.

## Greece

According to the Jan- Feb-24 preliminary State Budget Execution data on a modified cash basis, Greece's state budget saw a surplus of €1.44bn, far surpassing the respecting 2-month target by €1.34bn. The primary surplus reached €3.38bn, exceeding the 2024 Budget target by 70.5%. Revenue hit €12.65bn, with tax receipts up by €0.86bn, reflecting strong gains in income and VAT taxes. Expenditures were contained at €11.21bn, under the budget by 2.1%. According to Eurostat flash estimate, in 2023, Greece's GDP per capita, when adjusted for purchasing power, stood at 67% of the EU average, marking it significantly below the bloc's midpoint. This positioned Greece among the lowest-ranked EU countries in terms of economic output per capita. According to press reports, the announcement of the new minimum wage (currently anticipated at €830), has been deferred to Friday. This postponement is attributed to the no-confidence motion submitted in the Greek Parliament, with proceedings expected to conclude by Thursday.

## CESEE

In line with market expectations, the Central Bank of Hungary yesterday cut its key policy rate by 75bps, bringing it to 8.25%. The monetary policy committee of the bank underlined that disinflation was stronger than expected during the past few months, allowing for continuous easing since October which sums up to 475bps to date. Along with its rate decision, the bank also released its Q1 2024 inflation report based on which, the upper and lower range of both the inflation and growth forecasts were revised down by 0.5ppts each, compared to the previous forecasts in December 2023. GDP growth forecast for 2024 ranges between 2.0% and 3.0%, heading higher around the level of 4% up to 2026. Average CPI inflation lies between 3.5% and 5.0% for the current year and averages close to 3.0% for the next two years. The remainder of the week is rather lightweight in terms of economic releases with Polish flash CPI data for March due on Friday drawing markets' attention.

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