

GLOBAL & REGIONAL DAILY

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Global markets

Fed Chair Jerome Powell reiterated that the central bank doesn't need to rush to cut rates, despite February's PCE print showing inflation cooling. The headline PCE index rose 0.3%MoM, compared with an upwardly revised 0.4%MoM the month before. Core PCE price growth – which is the Fed's preferred inflation gauge – slowed to 0.3%MoM from an upwardly revised 0.5%MoM in January. In comments to lawmakers later on Friday, Powell said that the data was “pretty much in line with our expectations” and noted that the strength of the US economy meant the Fed could take a little more time to be sure that inflation is sustainably returning to 2% before easing monetary policy. Elsewhere, the Bank of Japan's quarterly Tankan report showed that service-sector optimism is at its highest in three decades, but that confidence is weakening among manufacturers. Markets have been quiet due to much of Europe remaining on holiday. In terms of today's agenda, the key data release highlight is the March ISM manufacturing PMI for the US.

Greece

The seasonally adjusted retail trade volume index dropped steeply in Jan-24, recording a monthly and an annual decrease of 5.8% and 8.2% respectively (+2.2% MoM and 0.0% YoY in Dec-23). The said result reflects, first, the high base in Jan-23, and second, the poor monthly performance of retail trade at the start of 2024. Additionally, the confidence indicator in retail trade deteriorated to 11.2 units from 20.6 units in Jan-23. Regarding the 8 basic categories of specialized stores in retail trade, the department stores posted the highest decline in their sales at constant prices (-18.6% YoY), followed by clothing and footwear (-7.5% YoY), furniture, electrical and household equipment (-6.6% YoY), super markets (-6.1% YoY), pharmaceutical products, cosmetics (-6.1% YoY), books stationery, other goods (-4.1% YoY) and food beverages, tobacco (-3.9% YoY). The category of automotive fuel recorded a marginal increase of 0.2% YoY, reflecting the annual decline in energy prices.

CESEE

In Poland, the flash CPI inflation print for March surprised to the downside, as it came in below the 2.3%YoY market expectation, at 1.9%YoY -the slowest pace since March 2019- from 2.8%YoY in February. Deceleration was strong also on a monthly basis, to 0.2% from 1.1% the month before, below the consensus estimate of 0.4%. In Turkey, the general government debt according to Eurostat definition fell slightly in Q4 2023, to 29.5% of GDP from 30.5% of GDP in the previous quarter and 30.8% of GDP a year ago, with the latest print being a 5.5-year low. Yesterday's local elections in the country resulted in the main opposition party CHP winning municipal elections in the three biggest cities, as in the previous local elections in 2019, with higher vote shares in Istanbul and Ankara. Furthermore, according to the preliminary results, in contrast to the previous elections, CHP elected yesterday more city mayors than the ruling party AKP, 35 vs. 24, as the former party won in 13 more cities compared to 2019 and the latter party in 15 fewer cities.

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