

# GLOBAL & REGIONAL DAILY

June 2, 2022

## Global markets

The dollar hit a three-week high of 130.23 yen earlier today, while it slips slightly against the euro at 1.0679 at the time of writing, from yesterday's close of 1.0646. Oil continues to fall sharply today, with Brent crude futures at USD114.22/bbl currently, from this week's high of USD125.28/bbl, ahead of the OPEC+ meeting later today and on press reports that Saudi Arabia is prepared to raise oil production, if Russian oil output decreases significantly. Meanwhile, 10yr Bund and OAT yields continue their upward trend climbing to 1.198% and 1.718% respectively at the time of writing, while the German – Italian 10yr bond yield spread widens further to 201.6bps. On economic data, in May, the Euro area S&P Manufacturing PMI inched down to 54.6 from 55.5 in April, while in the US the ISM Manufacturing PMI surprised to the upside registering 56.1 from 55.4 in the previous month.

## Greece

The S&P Global Greece Manufacturing PMI inched down to a 14-month low of 53.8 in May from 54.8 in April, reflecting subdued demand conditions, nevertheless remaining well above the 50-unit threshold. New orders stayed unchanged compared to April, while new export orders expanded at only a marginal pace, as the war in Ukraine weighed on export growth. At the same time, the rate of cost inflation was historically elevated as prices of fuel, energy, and material costs continued to grow significantly, however, it eased to the lowest level since last August. On reforms, a higher education bill which aims to modernize and enhance the organizational and educational autonomy, flexibility and efficiency of higher education institutions and decentralize and streamline their governance, was submitted for public consultation on Sunday.

## CESEE

The region's economic calendar had many releases for Serbia this week. Retail sales slowed down to 6.9%YoY in April from 18.7%YoY in March and 7.7%YoY in February, on the back of food and non-food sales, whereas fuel sales growth accelerated. Industrial production decelerated to 2.0%YoY in April from 7.7%YoY in March, mainly due to the manufacturing sector, where production fell by 0.1%YoY in April compared to a 9.9%YoY expansion in the previous month. Finally, the external trade deficit widened by 82.7%YoY to €1,038.5mn in April, bringing the year-to-April trade gap expansion to 115.9%YoY. Both exports and imports continued to increase at vigorous growth rates, with exports marking an increase of 23.8%YoY and imports growing by 38.1%YoY, reflecting price increases of energy and intermediate products.

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