

GLOBAL & REGIONAL DAILY

June 3, 2022

Global markets

The decision of OPEC+ to adjust July and August production upwards by 0.648mb/d was deemed insufficient by the market to meet the increased demand and make up for the lower supply from Russia, pushing the price of oil upwards, with Brent crude futures rising from yesterday's low of USD112.45/bbl. On monetary policy, Fed Vice Chair Brainard signaled yesterday that the two 50bps rate hikes anticipated by the markets in June and July seem reasonable, while in September, unless there is tangible deceleration in inflation, it might be appropriate to proceed at the same pace of tightening. On economic data, in the US, in the week ending May 28, initial jobless claims stood at 200k, 11k less compared to the previous week's revised figure, while nonfarm private employment rose by 128k in May, slowing down for the 3rd month in a row. In Germany, exports in April surprised to the upside jumping by 4.4%MM from a drop of 3.3%MM in March.

Greece

According to Eurostat, the unemployment rate for Greece was 12.7% in April from 12.2% in March and 16.9% in April 2021. This was the second highest rate among the EU countries and well above the Euro area and EU27 averages of 6.8% and 6.2% respectively. Youth unemployment (under 25s) was at 36.8% in April (Euro area & EU27: 13.9%) compared to 26.0% in March and 47.7% in April 2021. Meanwhile, according to ELSTAT, the overall industrial producer price index (PPI) hit a new record-high in April, increasing by 48.8%YoY (+2.5%MoM). This hike was driven by PPI's two largest components: energy (+90.3%YoY/+3.1%MoM) and intermediate goods (+15.7%YoY/+2.3%MoM). The average Overall Index for the twelve-month period from May 2021 to April 2022 increased by 26.2%YoY.

CESEE

CYPRUS: Headline inflation accelerated to a new record-high of 9.1% in May from 8.8%YoY in April, with the biggest annual increases recorded in the categories of Housing, Water, Electricity, Gas and Other Fuels (22.2%YoY) and Transport (20%YoY). Meanwhile, according to the Labour Force Survey, unemployment rate in Q1-2022 stood at 6.6% compared to 6.3% in Q4-2021 and 8.6% in Q1-2021. The number of employed persons increased by 6.9%YoY (-0.1%QoQ), while the number of unemployed persons decreased by 19.7%YoY (+5.8%QoQ). Finally, the final Q1-2022 GDP print came in at +5.6%YoY (after seasonal and calendar adjustments) down from +5.9% in Q4-2020, confirming the recent flash estimate. On a quarterly basis, GDP expanded by 1.0% in Q1-2022 compared to 0.9% in Q4-2021.

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