

GLOBAL & REGIONAL DAILY

July 7, 2022

Global markets

Reflecting concerns about the risk of recession, the US 2/10-yr yield spread continued to trade in negative territory earlier today after inverting on Tuesday for the first time in three weeks and crude oil remained under pressure, with Brent retesting a three-month low below \$100/bbl. In FX markets, the USD retained a firm tone favored by its safe-haven appeal, pushing the EUR/USD below 1.02 for the first time since late 2002, while the GBP/USD was standing not far from yesterday's two-year low of 1.1873 also pressured by mounting UK political woes. Meanwhile, US data released yesterday were generally positive, showing that the headline ISM services PMI dropped less than expected in May, while the JOLTS data for June reflected continued strength in the labor market. In other news, according to the June FOMC minutes the Committee is concerned over a "significant" risk of elevated inflation becoming entrenched and is prepared to move to an "even more restrictive stance" if high inflation pressures persist.

Greece

According to ELSTAT the overall volume index in retail trade in April decelerated to 10.0% YoY compared to 12.3% YoY in March. The deceleration was mainly due to a slowdown in sales in the non-food sector, where they rose by 18.8% YoY, compared to 26.0% YoY in March. On a monthly basis, the seasonally adjusted overall volume index in retail trade in April increased by 0.9% (+1.8% in March). Separately, according to ELSTAT building activity survey, total building activity in Greece in March calculated by the number of issued building permits, increased by 2.8%YoY, with private building activity (99.4% of total) increasing by 3.2%YoY. Year-to-March, total building activity increased by 6.7% compared to the corresponding period of 2020.

CESEE

Amid persistently high inflationary pressures, the Central Bank of Romania (NBR) decided to proceed with a more aggressive pace of tightening in yesterday's MPC meeting, raising the Key Policy Rate (KPR) by 100bps to 4.75%, following a 75bps hike in May. Elsewhere in the region, tourism revenues increased in Cyprus to €185.1mn in April 2022 compared to just €31.7mn in April 2021. For the period Jan-Apr 2022, tourism revenues came in at €322mn compared to €46.3mn in the corresponding period of 2021, i.e. up by 595%, but still lower by 12.2% relative to their pre-pandemic level in Jan-Apr 2019. Finally, the European Commission adopted yesterday its Partnership Agreement with Bulgaria, laying down the country's Cohesion Policy investment strategy worth €11bn for the period 2021-2027.

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