

GLOBAL & REGIONAL DAILY

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Global markets

The ECB Governing Council convenes today and, after years of stimulus, is expected to mark the start of monetary policy normalization in July to combat inflation, which in May reached a record-high of 8.1%YoY (HICP, preliminary) in the euro area (EA). Separately, oil prices jumped yesterday (Brent crude futures exceeded USD124/bbl) on news that China's May exports surprised to the upside, climbing by 16.9%YoY, from 3.9%YoY in April, signaling a potential increase in oil demand. On latest economic data, according to the final estimate, Q1-2022 real GDP s.a. was revised upwards to 0.6%QoQ in the EA and 0.7%QoQ in the EU, from the previous estimate of 0.3%QoQ and 0.4%QoQ, respectively. The member states with the highest GDP increases on a quarterly basis were Ireland (+10.8%), Romania (+5.2%) and Latvia (+3.6%), while decreases were observed in Sweden (-0.8%), France (-0.2%) and Denmark (-0.1%). For the same period, the number of employed persons increased by 0.6%QoQ in the EA and by 0.5%QoQ in the EU.

Greece

According to ELSTAT provisional data on commercial transactions, in April, the total value of goods imports amounted to €6,854mn, increased by 36.2%YoY with the corresponding value excl. oil products increasing by 23.2%YoY. The total value of goods exports amounted to €4,107mn, higher by 28.5%YoY with the corresponding value excl. oil products increased by 12.7%YoY. As a result, the deficit of the trade balance in April amounted to €2,748mn, recording an increase of 49.5%YoY. Year-to-April, the total value of goods imports stood at €27,025mn (+45.6%YoY) and the total value of goods exports at €15,724mn (+31.3%YoY), bringing the deficit of the trade balance for the said period to €11,301mn, wider by 71.6%YoY. The corresponding deficit excluding oil products and ships increased by 46.8%YoY.

CESEE

The final Q1-2022 GDP print for the Bulgarian economy came in at 4.0%YoY in Q1-2022, slowing down from 5.0%YoY in Q4-2021 and 5.1%YoY in Q3-2021 and falling behind the recent flash estimate of 4.5%. In Romania, according to the revised estimate, GDP on a seasonally adjusted basis expanded by 6.5%YoY / 5.2QoQ in Q1-2022, up from 2.4%YoY / 1.0%QoQ in Q4-2021, confirming the recent flash estimate. In other news, in Hungary, inflation reached double-digit levels, accelerating by 10.7%YoY in May from 9.5%YoY in April, on the back of rising food prices (18.6%YoY). Finally, in yesterday's MPC meeting, the Central Bank of Poland (NBP) maintained its hawkish stance by deciding to raise the Key Policy Rate (KPR) by 75bps to 6.00% in a ninth straight hike, in line with market consensus.

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