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# GLOBAL & REGIONAL DAILY

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**Global markets**

The ECB Governing Council announced yesterday that it will deliver a 25bps rate hike in July – the first since 2011 – and proceed with a possibly higher interest rate hike in September, unless the inflation outlook improves in the meantime. Furthermore, it will end quantitative easing on 1 July. Separately, the price of oil is falling today on fresh Covid-19 lockdowns in Shanghai despite increased demand from the US, but remains close to recent three-month highs, with Brent crude futures at USD122.32/bbl at the time of writing, from USD123.07/bbl at yesterday's close. Meanwhile, the dollar gained yesterday against the euro with the EUR/USD falling to an almost three-week low of 1.0609 and trading slightly above at the time of writing but slips against the yen at 133.50 currently. On economic data, US jobless claims for the week ending 4 June surprised to the upside standing at 229K from 202K in the previous week.

**Greece**

According to ELSTAT, the inflation rate (based on the CPI) jumped to its highest level since Sep-1994, accelerating by 11.3% in May up from 10.2% in April and bringing the year-to-May average to 8.8%YoY. The steepest annual increases were recorded in housing (+35% - the main component of which is energy), transport (+18.8%) and food and non-alcoholic beverages (+12.1%). In other news, in the latest Economic Outlook report, the OECD cut its GDP growth projections to 2.8% in 2022 and 2.5% in 2023, down from 4.8% and 2.9% respectively in Dec-2021. The downward revision reflects the surging energy prices, the disruptions in global trade and the tightening monetary conditions which are, however, expected to be partly offset by the disbursements from the Recovery and Resilience Facility, the fiscal support to households and firms and the rising exports and investments.

**CESEE**

BULGARIA: In the latest Economic Outlook report, the OECD revised downwards its 2022 and 2023 GDP growth projections to 2.5% and 2.3% respectively, from 4.2% and 4.5% in Dec-2021. According to OECD, soaring energy and food prices, growing uncertainty and supply difficulties for certain raw materials will weigh on activity and only be partly offset by the expected increase in public investment and the measures taken by the government to protect households from rising prices. On the same footing, the World Bank, in the latest Global Economic Prospects report, cut its GDP growth forecast to 2.6% in 2022, down from 3.8% in January, rendering the influx of Ukrainian refugees, the rising commodity prices and the lower external demand from the eurozone, as the main economic transmission channels from the war.

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