

GLOBAL & REGIONAL DAILY

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Global markets

According to yesterday's US data releases, nonfarm hourly productivity dropped by 4.6%QoQ saar in Q2, with output falling by 2.1%QoQ saar despite a 2.6%QoQ saar increase in hours worked. Unit labor costs, meanwhile, surged by 10.8%QoQ saar in Q2 following a hefty increase of 12.7%QoQ saar in Q1 while hourly compensation rose by 5.4%QoQ saar, making clear that a tight labor market exerts pressure on compensation growth. Turning to markets, Asian bourses ended mostly lower, taking their cue from Wall Street's modest losses overnight and the USD was little changed ahead of today's all important US inflation report for July, with markets pricing in a 70% probability of a third consecutive 75bps rate increase at the upcoming 20-21 September FOMC policy meeting. Meanwhile, oil prices moved lower, with Brent crude hovering around \$95.40/bbl at the time of writing following a spike at a multi-session high of \$98.40 yesterday on news that Russian oil flows via the southern portion of the Druzhba pipeline were suspended last week.

Greece

According to the Bank of Greece, the weighted average interest rate on new loans to households and non-financial corporations increased by 13 bps to 3.98% in June. More specifically, the defined-maturity corporate loan floating rate increased to 3.01% (+12 bps), while the defined-maturity SMEs loan floating rate decreased to 3.25% (-32 bps). Meanwhile, the weighted average interest rate on new deposits remained almost unchanged at 0.03%. On privatisations, the HRADF received three binding offers for the acquisition of a majority stake of 67% of the company "Igoumenitsa Port Authority S.A.". The HRADF is expected to initiate the evaluation process promptly. On the calendar front, tomorrow ELSTAT is expected to announce the Industrial Production Index of Jun-22.

CESEE

In Hungary, headline inflation accelerated by 13.7% in July up from 11.7% YoY in June, in line with Central Bank's expectations (within the range of 13%-14% YoY). The highest price rises, on an annual basis, were recorded in food (+27%) and consumer durables (+14%). In other news, according to the August Inflation Report, the National Bank of Romania (NBR) revised upwards its CPI forecast for 2022 to 13.9% YoY (from 12.5% YoY in May) and for 2023 to 7.5% YoY (from 6.7% YoY in May). Moreover, inflation is estimated to reach 2.3% YoY in June 2024, returning within the target tolerance band of 2.5%+/-1pp. As for GDP growth, the NBR worsened its 2023 projection due to higher inflation, war extension, gloomier short-term outlook, fiscal consolidation and deteriorating outlook of Romania's main trading partners.

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