

# GLOBAL & REGIONAL DAILY

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## Global markets

According to yesterday's US data releases, the PPI unexpectedly fell by 0.5%MoM in July, the biggest monthly decline since April 2020, largely due to a 9.0%MoM drop in energy prices, while core PPI rose by a lower than expected of 0.2%MoM, with annual rates falling down to 9.8% and 7.6%, respectively, from 11.3% and 8.4% in June. Separately, initial jobless claims remained on an upward trend in the week ending August 6, increasing from a downwardly revised 248k to 262k, their highest level since November, and continuing claims moved up by 8k to 1.428mn during the week ending July 30, providing further evidence that the labor market, albeit still tight, appears to be slightly softening. In reaction to weaker than expected inflation readings and worsening labour data, the USD lost ground, while long-dated USTs remained under pressure in early trade today on market uncertainty about the pace of Fed rate tightening ahead.

## Greece

Greece will exit the enhanced surveillance framework on August 20, closing a 12-year chapter of economic crisis characterized by prolonged depression and weak recovery. However, challenges remain high, especially in the labour market. According to the press, Greece ranks 1st among the OECD countries in terms of the rate of increase of low-skilled and low-paid jobs as a share of the total workforce. This may explain the fact, that although employment has recovered by 18.3% relatively to its trough in 2013, real GDP has increased only by 7.7%. In other news, according to ELSTAT, issues of motor vehicle licenses in July 2022 stood at 20,456 road motor cars (new and used from abroad), lower by 2.7% YoY (+10.3% YoY in July 2021). The corresponding figure for the January-July 2022 period was +3.8% YoY (+28.7% YoY in January-July 2021).

## CESEE

The region continues to face persistently high inflationary pressure, as July's CPI prints keep being released. More specifically, in Czech Republic, headline inflation accelerated by 17.5% YoY in July up from 17.2% YoY in June, mainly on the back of rising food prices. However, the July's print was below market expectations (i.e., 17.9% YoY) and much lower than the Central Bank's forecast of 18.8% YoY. In Romania, headline inflation marginally decelerated to 15.0% YoY from 15.1% YoY in June, but above market expectations. with the slowdown coming on the back of lower non-food prices. In other news, in yesterday's MPC meeting, the National Bank of Serbia (NBS) continued its tightening policy, raising the key policy rate (KPR) by 25bps to 3.00%. Since the beginning of the year, the Central Bank has increased the reference rate by 200bps cumulatively.

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