

GLOBAL & REGIONAL DAILY

June 14, 2022

Global markets

US May CPI surprised to the upside again, registering 8.6%YY – a 40-year high – and core CPI (all items less food and energy) coming in at 6%YY, fueling expectations for more aggressive policy tightening by the Fed ahead, with market participants now anticipating a 75bps, instead of a 50bps, rate hike at the FOMC meeting tomorrow. In this background, UST yields soared, with the 2yr and 10yr yields exceeding 3.4% mid-session yesterday and the 2yr10yr yield spread closing in negative territory (-0.5bps) again, for the first time since early April. The USD index also gained, surging to 105.285 yesterday and slipping only slightly at the time of writing. Looking at this week's calendar, interest turns to the FOMC meeting (today and tomorrow) and the Bank of England meeting (Thu). On economic data, attention turns to Germany's ZEW Economic Sentiment (today), Euro area April industrial production, France CPI inflation and US May retail sales (Wed), Italy May CPI inflation (Thu), Euro area May final HICP (Fri). On the political front, the second round of the French legislative elections takes place on Sunday, 19 June, with the recently re-elected president Emmanuel Macron's party facing a challenge by the new leftist alliance led by Jean-Luc Mélenchon.

Greece

According to ELSTAT, the Overall Industrial Production Index (IPI) that measures movements in production output and highlights structural developments in the economy, was at 112.82 index points (ip) registering a 4.5% YoY decrease in April 2022 (118.10 ip in April 2021), mainly as a result of a 21.7% and a 19.7%YoY decrease in the Mining and Quarrying Index and the Electricity Supply Index respectively. The average IPI increase in the January-April 2022 period was at 1.9%YoY. The IPI registered a decrease of 7.5% MoM in April 2022, mainly as a result of a decrease by 29.8% in the Electricity Supply Index. In other news, the German Minister of Finance Christian Lindner is expected in Athens today, ahead of the 16 June 2022 Eurogroup meeting. The exit from the Enhanced Surveillance framework is expected to be among the main issues in his meeting with Greek Finance Minister Chirstos Staikouras and Prime Minister Kyriakos Mitsotakis.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Dr. Theodoros Stamatiou
Senior Economist
tstamatiou@eurobank.gr

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 40 63 453



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Rapanos
Economic Analyst
trapanos@eurobank.gr
+ 30 214 40 59 711



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

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