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Global markets

US CPI rose by 0.1%MoM in August against expectations for a modest decline, with the annual rate decelerating to 8.3% from 8.5% in July. Core CPI also surprised to the upside, rising by a higher than expected 0.6%MoM, while the annual rate was up to 6.3% from July's 5.9%, not far from April's 40-year high of 6.5% supported by both goods and services. The stronger than expected CPI release led to a hawkish shift in Fed rate tightening expectations, with markets now assigning a meaningful probability of a 100bps hike at next week's policy meeting and the implied fed funds rate by the December meeting exceeding 4% for the first time. Against this background, the USD gained broadly ahead of today's US PPI figures for August, and global equity markets were under pressure earlier today, tracking Wall Street's sharp losses overnight. UST yields soared, with the 2-yr yield hitting a post-2007 high slightly above 3.80% and the entire yield curve coming under flattening pressure amid concerns over a hard landing of the US economy.

Greece

The non-seasonally adjusted number of Job vacancies – excluding primary sector and activities of households – more than doubled in Q2 2022, registering an annual increase of 123.7% (from 12,181 to 27,246). In terms of each year's Q2 data, the number of job vacancies in Q2 2022 was the highest since 2010. This result may be explained by the post-covid pick-up in demand, especially in sectors of services such as accommodation and food services activities, arts, entertainment and recreation, but also in construction. During the same quarter, the index of wages cost (hourly labour costs) increased marginally by 0.8% YoY from a rise of 2.1% YoY in Q2 2021. Finally, today ELSTAT is scheduled to announce the monthly LFS for July 2022. The unemployment rate stood at 12.1% in June 2022, with employment growing by 3.9% YoY.

CESEE

Upward annual trends in short-term indicators of economic activity in Turkey decelerated significantly in July. The retail sales volume index in calendar-adjusted terms rose by 2.0% YoY in July, down from 5.4% YoY in June. This was a two-year low increase, most possibly because of the strong inflationary pressures on real disposable income. Decelerating trends were more pronounced in pharmaceutical-medical goods (+5.2% YoY, against +15.4% in June) and clothing and footwear (-1.6% YoY, from +8.7% YoY in June). The calendar adjusted industrial production expansion also slowed down in July, to 2.4% YoY, from 8.8% YoY a month ago, marking also a two-year low. The increase in manufacturing activity fell to 4.1% YoY in July, from 10.4% YoY in June, whereas the trend in energy production changed from a +1.2% YoY increase in June (+1.2% YoY) to a -6.8% YoY fall in July (-6.8% YoY).

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