

# GLOBAL & REGIONAL DAILY

July 19, 2022

## Global markets

According to yesterday's US data release, the NAHB survey's headline fell by a higher-than-expected 12ppts in July to 55, the second largest monthly decline ever, reflecting a sharply weaker homebuilder sentiment as the Fed's tightening cycle has a material effect on housing activity. Turning to markets, the DXY index extended recent losses, moving further below recent two-decade highs, after a number of FOMC officials downplayed expectations of a 100bps rate hike at the July 26-27 policy meeting late last week and signaled, instead, their preference for a second consecutive 75bp increase. Against a broadly weaker USD, the EUR/USD continued to consolidate above parity, while core European government bond yields were lower on the day, as investors await the details of an anti-fragmentation tool from the ECB at the policy meeting on Thursday, the same day when the Nord Stream pipeline's 10-day scheduled maintenance period comes to an end and a day before the appearance of Italy's Prime Minister Mario Draghi before parliament.

## Greece

According to the January-June 2022 preliminary State Budget execution data, the overall fiscal balance registered a deficit of €6.55bn, compared to a targeted deficit of €7.98bn, while the primary fiscal balance registered a deficit of €3.43bn, against a targeted deficit of €4.89bn. Tax revenues overperformed by €3.64bn (or by +17.3%) against the target, due to the extension of the deadline of the payment of road duties until the end of February 2022, the better performance of the previous year taxes collected in installments until the end of February 2022, the better performance of the collection of taxes of the current year, as well as, the collection of the first and second installment of ENFIA in the months of May and June which were initially estimated to be collected in September and October respectively.

## CESEE

The Bulgarian President Rumen Radev handed yesterday to the candidate Prime Minister from the Bulgarian Socialist Party (BSP) the third and final mandate to make all possible efforts for the formation of a ruling coalition. BSP leader Kornelia Ninova said that her party will hold negotiations with the partners from the previous four-party coalition – i.e. the WCC, DB, and TISP – while, according to press, today it is expected to start negotiations for a new coalition firstly with the largest party WCC. If BSP's negotiations with WCC, DB, and TISP for a new coalition fail and BSP returns the mandate to the President unfulfilled, the latter will dissolve the parliament, schedule new general elections, most likely for the beginning of October according to his recent words, and appoint an interim cabinet.

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