

GLOBAL & REGIONAL DAILY

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Global markets

Coming on the heels of the second largest monthly decline ever in the NAHB survey's headline for July earlier this week, housing starts and permits fell further in June, adding to the view that tightened financial conditions, as a result of the Fed's hiking cycle, weigh heavily on the housing sector. In more detail, housing starts fell by 2.0% to a ten-month low of 1.559mn units saar following a drop of 11.9%MoM in May, while permits also fell by 0.6%MoM to 1.73mn units. Turning to Eurozone releases, the ECB's Q2 bank lending survey revealed a deterioration in demand and supply of credit on the back of tightened financial conditions and growth concerns amid expectations of higher ECB interest rates in the period ahead. Meanwhile, Asian bourses were firmer earlier today favored by positive US corporate earnings results and reports suggesting that Russian gas flows to Europe are seen restarting after the Nord Stream pipeline's scheduled maintenance period comes to an end on Thursday, while, in FX markets, the EUR gained on rumors conveying that the ECB will likely discuss the option of a 50bps rate hike at this week's policy meeting.

Greece

According to the preliminary results of the 2021 census released yesterday by ELSTAT, Greece's population has decreased by 3.5% to 10,432,481 people, compared to 2011. Data showed that 5,357,232 of the total population are women and 5,075,249 are men. In other news, the EFSF decided to reduce to zero the step-up margin accrued by Greece for the period between 1 January and 17 June 2022, as part of the medium-term debt relief measures agreed for the country in 2018. The value of this seventh successive reduction amounts to €103.3mn. Additionally, as part of the debt relief measures, the ESM completed last week the 7th transfer of income earned on SMP/ANFA holdings to Greece, amounting to €644.42mn.

CESEE

In Cyprus, tourist arrivals increased to 372.3K in June compared to 184.2K a year ago (i.e. up by 102.2%YoY), bringing the year-to-June arrivals to 1,221K, up by 258% YoY. However, arrivals in H1 2022 are still lower by 25% compared to their pre-pandemic level in 2019. Moving to the banking sector, the further reduction of non-performing loans (NPLs) remains a challenge for the Cypriot banking system, despite past progress. More specifically, NPL ratio stood at 11.4% in Q1 2022, slightly up from 11.1% in Q4 2021 and down from 17.9% in Q1 2021, continuing to lie above the respective EA average. The coverage ratio stood at 45.7% in Q1 2022 compared to 43.1% in the previous quarter. On the calendar front, market attention focuses on the MPC meeting the Central Bank of Turkey will hold on Thursday.

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