

GLOBAL & REGIONAL DAILY

June 22, 2022

Global markets

On FX, the safe haven dollar gains against most peers on Wednesday with the USD index rising to a multi-session high near 104.950 earlier today, while the JPY hit a 24-year low of 136.71 against the USD in early trade. On latest economic data, US existing home sales dropped by 3.4%MM in May – the fourth consecutive monthly decline – while the median existing home sales price climbed to USD407.6k, higher by 14.8%YY and above USD400k for the first time. Meanwhile, UK May headline CPI inflation came in at 9.1%YY (the highest CPI 12-month inflation rate in the National Statistic series, which began in January 1997) / 0.7%MM from 9.0%YY / 2.5%MM in April. The largest upward contributions to the monthly rate came from rising prices for food and non-alcoholic beverages. Core CPI in May retreated slightly to 5.9%YY / 0.5%MM, from 6.2%YY / 0.7%MM previously.

Greece

According to the Bank of Greece, in Apr-22 travel receipts stood at €647mn, up from €58.8mn in Apr-21 and higher by 19% compared to Apr-19. The April-22 travel receipts originated by 48% from Euro area countries, 43% from non-EU27 countries, 5.3% from non-Euro area countries within the EU27 and 3.7% from cruises. The largest origin markets were Germany (17.3% of total), France (11.7%), UK (12.5%) and USA (5.1%). Meanwhile, according to the latest Civil Aviation Authority data, international passenger arrivals in Greece's airports in May-22 reached 2,433.5k, up from 386.2k in May-21 (+530%YoY) and higher – for the first time since the beginning of the pandemic – by 3.2% compared to their pre-pandemic level in May-19. Finally, yesterday the PM Kyriakos Mitsotakis announced an extension of the fuel subsidy for three months, effective from July 1st, in order to fight the effects of price hikes on citizens' incomes.

CESEE

During the week, data for the current account (CA) balances for both Bulgaria and Serbia were released. In Bulgaria, the CA surplus expanded by 87.5%YoY to EUR163mn in April, due to an improvement in the primary income balance, on the back of reduced non-residents' investment income repatriation from Bulgaria, and in the secondary income balance, which was partly offset by a deterioration in the goods and services balances. On a cumulative basis, the CA posted a EUR626.8mn deficit in Jan-Apr 2022 compared to a EUR122.1mn surplus in the same period of 2021. In Serbia, the CA deficit widened by 160%YoY to EUR460mn in April, with the deterioration stemming from the trade balance as a result of higher energy imports.

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