

GLOBAL & REGIONAL DAILY

May 25, 2022

Global markets

Based on the latest Flash PMIs, the Eurozone business activity moderated in May amid mounting headwinds (May Flash Eurozone PMI Composite Output Index standing at 54.9 from 55.8 in April), although overall growth remained fairly resilient. The outlook in manufacturing worsened, weighed primarily by decreased new orders, whilst services were buoyed mainly by robust activity in the recreation and tourism sectors. Price pressures eased slightly compared to the previous month. In the US, the Flash PMI Composite Output Index retreated to 53.8 in May from 56.0 in April, with manufacturing expanding more compared to services. Meanwhile, concerns for a recession in the US fuel expectations that the Fed will follow a less aggressive than expected rate-hiking path, boosting demand for Treasuries, with 10yr UST yields ending the day down -10.6bps at 2.7542% yesterday and trading around that level at the time of writing.

Greece

According to ELSTAT, for the enterprises in Accommodation Activities obliged to double-entry bookkeeping, for which data are available on a monthly basis, the turnover in Mar-22 amounted to €91.9mn, higher by 240.7% compared to Mar-21 and standing at 99.5% of its pre-pandemic level in Mar-19. For the respective enterprises in the Food and Beverage Service Activities, the turnover in Mar-22 amounted to €123.8mn, higher by 115.2% compared to Mar-21, but still lower by 4.2% compared to their pre-pandemic level. In other news, on Monday, the Hellenic Republic raised €500mn through the reopening of GGB 3.90%, at a yield of 3.61%, maturing in January 30, 2033. The total bids amounted to €1,595mn (i.e. coverage ratio of 3.19x) and the settlement date is Monday 30 May 2022.

CESEE

According to the May Survey of Market Participants, conducted by the Central Bank of Turkey (CBRT), the market CPI inflation forecast increased to 57.9%YoY for 2022, compared to 46.4%YoY in April. Market participants revised upwards longer-term inflation expectations as well, namely the 12-month ahead inflation to 33.3%YoY and the 24-month ahead inflation to 19.5%. On the debt front, according to the Turkish Ministry of Finance, the central government debt increased by 0.5%MoM to TRY3,125.3bn at end-April, mainly due to an increase of domestic debt by 1.4%MoM to TRY1,503.8bn, which was partly offset by a decrease of external debt by 0.4%MoM to TRY 1,621.5bn. On the calendar front, our attention focuses on the MPC meeting the CBRT will hold on Thursday.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@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 Stamatios
Senior Economist
tstamatios@eurobank.gr
+ 30 214 40 59 708



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

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