

GLOBAL & REGIONAL DAILY

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Global markets

The Eurozone composite PMI fell from 52.0 in June to a 17-month low of 49.4 in July, while several forward-looking indicators plunged, pointing to further deterioration of growth momentum in the period ahead. The decline was broad-based, with services and manufacturing PMIs moving sharply lower to 50.6 and 49.6, respectively, from 53.0 and 52.1 in the prior month on the back of tightening financial conditions, the rising costs of living and high input prices while US July PMIs also disappointed. In reaction to increased global growth concerns following weak PMIs in both sides of the Atlantic, Asian bourses were weaker today, while yields of German Bunds and US Treasuries, though higher on the day, remained well below last week's peak. In FX markets, the EUR/USD managed to hold close to 1.02 ahead of US and Eurozone Q2 GDP reports, on Thursday and Friday, respectively, and despite expectations of another 75bps at this week's two-day FOMC policy meeting which concludes on Wednesday.

Greece

According to the Bank of Greece, travel receipts rose to €1,414.2mn in May-22, i.e. higher by 536.4% YoY, but still lower by 9.7% relative to their pre-pandemic level. The annual increase in travel receipts was due to a 672.5% increase in inbound traveler flows, as average expenditure per trip declined by 18.2%. In the period Jan-May 2022, travel receipts came in at €2,508.7mn compared to €387.2mn in the corresponding period of 2021, i.e. up by 548%, but still lower by 12.2% compared to their pre-pandemic level in Jan-May 2019. Meanwhile according to the latest Civil Aviation Authority data, international passenger arrivals in Greece's airports in June-22 reached 3,480.8k, up from 1,198.4k in June-21 (+190.5%YoY) and marginally higher (by +0.1%) compared to their pre-pandemic level in June-19.

CESEE

The Euro gained some ground against the Serbian dinar during the previous week, with the EUR/RSD closing Friday's session at 117.40/45, 12 paras higher compared to the previous week closing. In the fixed income market, the sovereign yield curve changed a little compared to one week ago, with 4-year, 6-year and 11-year bond yields traded at 6.20%, 6.60% and 7.00%, respectively. In Bulgaria, local bond yields on the short-end of the curve showed minor movements during the previous week, with the 3-year tenor increasing by 6bps, while the 5-year tenor fell by 37bps. On the mid- and long-end of the curve, the 10-year and the 20-year tenors rose by 1bp respectively. In other news, the Bulgarian Socialist Party (BSP) is likely to retain the third mandate for the formation of a government until August 15, when a new chairman of the Energy and Water Regulatory Commission (EWRC) will be elected.

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