

GLOBAL & REGIONAL DAILY

June 29, 2022

Global markets

G7 countries agreed yesterday to seek ways to put a price ceiling on Russian oil in order to limit Russia's oil export revenues, although now further work needs to be done on how this will be technically implemented. Meanwhile, as the oil market fluctuates amid concerns about reduced supply due to capacity constraints and reduced demand due to a possible slowdown in economic activity, oil prices are moderating today after three days of rising, with Brent crude futures at USD117.49/bbl from yesterday's peak of USD118.27bbl. On latest Fed speak, Fed officials Daly and Williams reiterated yesterday the need to act decisively against inflation and although they both expect unemployment to rise by a few tenths of a percentage point from its current 3.6% level, they do not expect a recession. Separately, Spain's June Flash HICP inflation hit 10%YoY / 1.8%MoM from 8.5%YoY / 0.7%MoM in May.

Greece

On privatisations, the HRADF launched yesterday an international tender for the exploitation of a sea front land plot located at the town of Kamena Vourla (Prefecture of Fthiotis), including the hotel "GALINI", three listed buildings and a recognized thermal spring. In other news, according to ELSTAT, the imports from Russia in April amounted to €492mn (with 88.2% of the value of imports being energy related) registering a 103.9% annual increase because of the recent energy price hikes. In the period Jan-Apr 2022 the imports from Russia amounted to €2,189.5mn, recording an increase of 125%YoY. On the pandemic front, new Covid-19 cases surged to 20,084 yesterday, reaching their highest level since April 2, against a 7-day average of 11,731. The positivity rate stood at 11.1% against a 7-day average of 12.1%.

CESEE

In yesterday's MPC meeting, the Central Bank of Hungary (MNB) decided to proceed with a more aggressive tightening by raising the Key Policy Rate (KPR) by 185bps to 7.75%, contrary to a previous hike of 50bps in May. In the statement released thereafter, the MNB stressed its intention to continue raising interest rates until the outlook for inflation stabilises around the 3.0% mid-term inflation target. In other news, the IMF completed on Monday the second review under the new Policy Coordination Instrument (PCI) for Serbia. The Fund kept its 2022 GDP growth forecast at 3.5%, on the back of the toll of high inflation on consumer demand, curtailed trade with Russia, and lower external demand. Finally, average inflation is expected to rise to 9.0% in 2022 due to soaring global food and energy prices.

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