

GLOBAL & REGIONAL DAILY

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Global markets

According to the US July CPI report, both the headline and core indices rose by 0.2%MoM, the same monthly increase as in June. Both prints were in line with market expectations and took the annual rates to 3.2% and 4.7% respectively, up from 3.0% and down from 4.8% in the prior month, both marginally below consensus. After the CPI report, San Francisco Fed President Daly mentioned in an interview that “the CPI data came in largely as expected and that is good news”, adding though that “it is not a data point that says victory is ours. There’s still more work to do”. Overall, she had a clearly data dependent tone. In other data releases, US initial jobless claims for the week ending August 5, rose more than expected to 248k, 21k higher comparing to previous week. However, continuing claims eased to 1.684mn from 1.692mn, against expectations for an increase.

Greece

Despite PMI’s manufacturing print (soft data) above 50 in Jun-23 (51.8 from 51.5 in May-23), reflecting an improvement in the operating conditions of the said sector, the manufacturing production index (hard data) decreased by 1.9% MoM / 0.5% YoY in Jun-23, from a rise of 2.7% MoM / 3.5% YoY in May-23. Moreover, in the 3-month period from Apr-23 to Jun-23, the average manufacturing production index shrunk by 3.4% on a quarterly basis, while it increased by 2.1% on an annual basis. In the same period, the industrial production index dropped by 1.3% on a quarterly basis, while it rose by 0.8% on an annual basis. Hence, the industrial sector may have a negative contribution on the quarterly real GDP growth rate in Q2 2023 and a positive one on the respective annual real GDP growth rate. Finally, in other data releases, the road motor cars licenses (both new and used from abroad) increased on an annual basis by 7.8% in Jul-23.

CESEE

Further deceleration of inflation in July in regional economies. In Czechia, headline annual inflation eased for the seventh consecutive month to 8.8%, a 18-month low, against 9.7% in June. However, the magnitude of the slowdown is smaller compared to those in the previous three months and is reflected at the MoM change, which was positive and bigger than in June (0.5% vs. 0.3%). Core inflation also weakened, to 6.8%YoY against 7.5%YoY a month ago, also the mildest deceleration in the last four months. In Romania, headline annual inflation eased for the fifth consecutive month to 9.4% against 10.3% in June, the slowest pace since March 2022. The July fall was much stronger compared to the previous two months, exceeding the average market forecast (9.7%). It also affected the monthly change, limiting the increase to 0.2% from 0.4% a month earlier. The deceleration in non-food inflation, a proxy to core inflation, was milder, to 4.3%YoY vs. 4.8%YoY.

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