

GLOBAL & REGIONAL DAILY

July 17, 2023

Global markets

The University of Michigan's preliminary consumer sentiment index for July rose well above expectations at 72.6, picking up 8.2pts from previous month and marking the highest level since September 2021. Both the index of current economic conditions and consumer expectations improved. According to the commentary from the University of Michigan, sentiment improved across all demographic groups except for lower-income consumers, and the overall increase in consumer sentiment was largely attributable to disinflation and strong labor market. In contrast to softer than expected US inflation data releases last week, both the year-ahead and the long-run inflation expectations slightly rose from 3.3% to 3.4% and from 3.0% to 3.1% respectively. On economic data releases, focus this week turns to US retail sales and industrial production (Tue), US housing starts (Wed) and US existing home sales (Thu) for June.

Greece

The turnover for the enterprises obliged to double-entry accounting bookkeeping stood at €30.0bn in May-23, posting a decrease of 1.0% YoY, from a drop of 2.0% YoY in Apr-23. Out of the 17 categories of economic activity for which data were available in May-23, 3 recorded an annual decrease in their turnover (manufacturing -12.8%, electricity, gas, steam and air conditioning supply -36.0% and water supply, sewerage, waste management and remediation activities -5.4%), whereas the remaining 14 posted an annual increase, with the turnover in the category of financial and insurance activities recording the highest rise (66.0%). In other data releases, the overall import price index decreased by 20.8% YoY in May-23, with the categories of extraction of crude petroleum and natural gas (-41.6% YoY), manufacture of coke and refined petroleum products (-40.0% YoY) and electricity, gas, steam and air conditioning supply (-30.5% YoY), posting the highest decreases.

CESEE

The disinflation process continued in the region in June as Poland's and Slovakia's recent CPI prints were added to the streak of decreasing inflation prints from other countries, indicatively Czechia, Serbia and Romania. In Poland, the final CPI print confirmed the flash estimate at 11.5%YoY compared to 13.0%YoY in May with the monthly figure pointing to no change in the level of prices compared to the previous month. In Slovakia, CPI increased by 10.8%YoY, easing from 11.9%YoY in May and landing a tad below market expectations. Slovakia's A sovereign credit rating was affirmed by Fitch Ratings on Friday and so was the negative outlook on the ground of a relatively stable macroeconomic framework but also on medium-term vulnerabilities stemming from, inter alia, the relatively high dependence on the automotive manufacturing sector and a relatively large net external debt position. The week's calendar is rendered rather lightweight with unemployment data for Slovakia and Croatia from the middle of the week onwards standing out.

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