

GLOBAL & REGIONAL DAILY

July 12, 2024

Global markets

The US June CPI report, released yesterday, came in weaker than expected for the second consecutive month, likely increasing the Fed's confidence that inflation is on a sustained move down towards the 2% target. Headline CPI inflation unexpectedly fell by 0.1%MoM after a flat reading in May, while core CPI eased to 0.1%MoM, marking the lowest monthly print since January 2021. The downside surprise in core inflation was entirely due to core services, particularly shelter inflation. The index for rent and owners' equivalent rent increased by 0.3%MoM, the smallest monthly rise since mid-2021, down from 0.4%MoM in May. In reaction, the USD broadly weakened, and USTs firmed, especially the short end of the curve, before giving back a small part of their post-CPI gains earlier today. Futures are now fully pricing in a 25bps Fed rate cut by September, whereas it was only fully priced in by November beforehand, and they assign 60bps of cumulative rate easing by year-end compared to around 50bps before the CPI report release.

Greece

The Greek merchant fleet, i.e. the total number of the merchant ships under Greek flag, stood at 1,823 ships in May-24 (for vessels over 100 gross tonnage), marginally higher by 0.2% compared to May-23 (-3.5% YoY in terms of tonnage). Out of the 1,823 ships, 360 were of cargo type (-1.1% YoY), 412 were tankers (-3.1% YoY), 775 were passenger ships (+2.1% YoY) and 276 were other ships (+1.5% YoY). In terms of age distribution, the 46.6% of the merchant fleet was in the age bracket of 30+ years, whereas in terms of tonnage distribution, the 48.4% belonged to the 100-500 tonnage group (21.3% in the 30,000+ tonnage group). In other data releases, the issuing of road motor cars licenses posted an annual increase of 0.9% in Jun-24, from 10.8% in Jun-23.

CESEE

The June inflation data stream continued yesterday, with headline CPI inflation in Romania posting a small weakening relative to May, at 4.9%YoY from 5.1%YoY. The monthly print turned again positive (+0.2%), after a marginal, one-off contraction in May (-0.1%). Among the main CPI components, the slowdown in the headline figure came mainly from services, where inflation eased to 8.8%YoY from 9.3%YoY, however it remained much higher than the other components (food: 1.2%YoY, non-food: 6.3%YoY). In Serbia, the national bank (NBS) proceeded yesterday to the second consecutive key rate cut, again by 25bps, which brought it to 6.0%. In the press release following the rate reduction, the NBS justified its decision based on a prolonged period of decelerating domestic inflation, resulting to its return within the NBS's target band (3%+/-1.5ppts) in May, easing global inflationary pressures and the disinflationary impact of up-to-now restrictive monetary measures globally.

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