

GLOBAL & REGIONAL DAILY

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Global markets

The ECB stayed put on rates at yesterday's policy meeting, as expected. The Governing Council reiterated its commitment to a data-dependent and meeting-by-meeting approach in determining the appropriate level and duration of monetary policy restrictions, avoiding any pre-commitment to a specific rate path. While no explicit guidance was provided, the implicit message was that an additional 25bps rate cut remains a possibility at the next policy meeting in September. President Christine Lagarde expressed confidence that wage inflation will slow down next year and continue to decelerate into 2026. She noted that risks to economic growth are seen as tilted to the downside over the medium term, while described the upcoming September meeting as "wide open" and acknowledged that incoming data broadly support the ECB's inflation assessment provided in June. Short-dated EGBs saw modest gains and the EUR weakened, dipping below 1.09 against the broadly firmer USD amid diminishing risk appetite.

Greece

ELSTAT released the final data on arrivals and nights spent of residents and non-residents in hotels-similar establishments, tourist campsites and short-stay accommodation establishments in 2023. Arrivals stood at 35.8mn and nights spent at 147.2mn, recording an increase of 13.9% and 10.9% respectively, compared to the 2022 figures (31.4mn and 132.8mn). In more detail, the arrivals and the nights spent of residents increased by 14.4% (to 9.5mn in 2023 from 8.3mn in 2022) and 13.7% (to 24.1mn from 21.2mn) respectively, and those of non-residents by 13.7% (to 26.3mn in 2023 from 23.1mn in 2022) and 10.4% (to 123.1mn from 111.6mn). The higher share in arrivals is observed in hotels-similar establishments which increased from 79.2% in 2022 to 79.6% in 2023 and follows the short stay arrivals (19.1% in 2023 from 19.4% in 2022) and the arrivals in campsites (1.3% both in 2022 and 2023). Regarding the nights spent the corresponding shares in 2023 were 76.4% (from 76.8% in 2022), 22.1% (from 21.9%) and 1.5% (from 1.4%).

CESEE

In Bulgaria, WCC-DB, the second largest party in the parliament, officially declared that it is not going to try to form a government and will return the government formation mandate immediately upon receiving it from the president of the country. WCC-DB took this decision as other political parties did not support its project for anti-corruption legislation, although it had initially claimed that its political opponents were well-intentioned to its invitation for talks and negotiations. In Turkey, the deficit in net international investment position expanded further in May, by 1.3% relative to April (+\$4.3bn), reaching \$333.5bn, with the expansion stemming entirely from higher liabilities, by 3.2% (+\$20.9bn), as assets also increased significantly (+5.2%, +\$16.7bn). The rise in liabilities is mainly due to a spike in portfolio investment, by 8.9% (+\$9.7bn), which brought their stock to \$118.3bn, but also to the continuation of foreign direct investment inflows in the country, reaching \$189.7bn (+4.3%/+\$7.7bn from April, +16.1%/+\$24.5bnYtD).

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Konstantinos Peppas
Research Economist
kpeppas@eurobank.gr

Michail Vassileiadis
Research Economist
mvasileiadis@eurobank.gr

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Marcus Bensasson
 Research Economist
mbensasson@eurobank.gr
 + 30 214 40 65 113



Dr. Stylianos Gogos
 Research Economist
sgogos@eurobank.gr
 + 30 214 40 63 456



Maria Kasola
 Research Economist
mkasola@eurobank.gr
 + 30 214 40 63 453



Dr. Konstantinos Peppas
 Research Economist
kpeppas@eurobank.gr
 + 30 214 40 63 520



Paraskevi Petropoulou
 Senior Economist
ppetropoulou@eurobank.gr
 + 30 214 40 63 455



Dr. Theodoros Rapanos
 Research Economist
trapanos@eurobank.gr
 + 30 214 40 59 711



Dr. Theodoros Stamatou
 Senior Economist
tstamatou@eurobank.gr
 + 30 214 40 59 708



Michail Vassiliadis
 Research Economist
mvassiliadis@eurobank.gr
 + 30 214 40 59 709

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