

# GLOBAL & REGIONAL DAILY

July 2, 2024

## Global markets

The US June ISM manufacturing index unexpectedly edged lower to 48.5 from May's 48.7, marking the 19th sub-50 reading in the last 20 months. On the inflation front, the prices paid component fell by 4.9pts to a six-month low of 52.1. In reaction, USTs gained some ground, with the 10-yr yield trading around 4.45% in early European trade today, some 4bps lower than Monday's two-week session highs. However, it remained more than 18bps higher than last Friday's session lows after soft core PCE data, amid rising uncertainty over the election outcome in November following last week's presidential debate. Meanwhile, improved risk sentiment amid expectations of a hung parliament in France after the second round of elections, rather than an outright majority by the far-right RN party, kept EGBs under some pressure. The EUR/USD continued to trade above 1.07, though off Monday's high near 1.0780, while the USD/JPY rose further to a fresh 38-year high of 161.75 despite some verbal intervention from Japanese authorities.

## Greece

According to ELSTAT, the unadjusted unemployment rate in May-24 dropped for a third consecutive month on an annual basis and reached 10.4%, i.e., 0.4pp lower compared to May-23 (10.8%). The number of unemployed persons declined to 490.7K in May-24 from 506.0K a year earlier (-15.3K or -3.0%) – reaching its lowest levels since Sep-09 – whereas the number of employed persons increased by 0.8% or 33.0K to 4.23mn from 4.20mn. During the same period labour force reported an increase of 17.7K (or +0.4%) reaching 4.72mn people from 4.70mn while the number of people outside the labour force, i.e., persons under the age of 75, that neither work nor look for a job, declined to 3.06mn from 3.10 mn, reporting a decrease of 1.3% (or 41.1K persons). Finally, the seasonally adjusted unemployment rate dropped to 10.6% in May 2024 from 11.2% a year before and on a monthly basis reported a drop of 0.1pp compared to Apr-24 (10.7%) and Mar-24 (10.7%).

## CESEE

In Poland, the manufacturing PMI remained in June at the same level as in May, i.e. at 45.0, failing to break above the 50 benchmark that separates contraction from expansion for a 26th month in a row. The June print ranks as the lowest since October 2023 with the S&P Global noting that further declines were seen in production, new orders, exports, and employment, while purchasing activity fell for a record 25th month in a row. In Hungary, the same index released by the logistics association MLBKT, slid by 1.9pts to 49.4pts in June while the PMI reading for May, released yesterday, was revised down by 0.5pts. The PMI returned into contractionary territory below 50pts for the first time since September 2023. Finally, in Hungary, the respective index eased to 45.3 in June from 46.1 in May, according to S&P Global. The print was weaker than anticipated, as markets expected the PMI to ease less to 45.8.

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