

GLOBAL & REGIONAL DAILY

July 9, 2024

Global markets

Asian equity markets ended mostly higher earlier today, tracking modest overnight gains on Wall Street spurred by increased Fed rate easing expectations following a string of weaker-than-expected US data recently. Futures are now fully pricing in two 25bps cuts by year-end, exceeding the one cut indicated in the Fed's June median dot plot. Meanwhile, UST yields opened slightly higher today and the USD remained under pressure ahead of Fed Chair Jerome Powell's semi-annual testimony before the Senate Banking Committee at 16:00 CET and Thursday's US CPI data release. EGB yields were also slightly higher earlier today, with the 10-yr OAT-Bund spread hovering around 65.7bps at the time of writing after closing at 64.9bps yesterday, the narrowest in around four weeks. Despite this, the spread remained wider than the levels around 48bps that it held before the snap election announcement, as French political uncertainty remains elevated after the second round of the parliamentary election resulted in a hung parliament.

Greece

According to ELSTAT provisional data released yesterday, the total value of imports in May-24 amounted to €7.55bn, from €7.07bn in May-23 (+€481.8mn or +6.8% YoY) and €8.20bn in May-22. Excluding oil products and ships, the total value of imports stood at €5.10bn, i.e., 7.0% (or €383.6mn) lower compared to May-2023 (€5.49bn). As far as exports are concerned, their value increased at a lower rate at 1.9% or €77.1mn, to €4.16bn in May-24 from €4.08bn in May-23 and €4.84bn in May-22. The corresponding value excluding oil products and ships dropped by €203.1mn or 6.5% to €2.90bn in May 2024 from €3.10bn in May-23 and €3.02bn in May-22. As a result of the above developments, the trade deficit increased in May-24 to €3.39bn from €2.99bn in May-23 (+€404.7mn or +13.6%) and €3.36bn in May-22. The trade deficit for the first 5-months period of 2024 (Jan-24 – May-24) increased by 15.0% or €1.88bn to €14.4bn (€35.4bn imports and €21.0bn exports) from €12.5bn a year earlier.

CESEE

Signs of weakening economic activity in May in Czechia from short-term indicators. Industrial production continued falling for the third consecutive month, by 3.1%YoY, down from -0.3%YoY a month ago and the second strongest fall so far in 2024. The stronger decline is entirely due to a contraction in manufacturing output by 4.0%YoY, in contrast to its moderate increase by 0.8%YoY in April, which overshoot the output expansion in both mining-quarrying and utilities for the first time in 2024. In construction, the output drop surged in May to 6.3%YoY after slowing down to 0.2%YoY in April from 7.6%YoY in March. The stronger decline stemmed mainly from a change of trend in civil engineering works, to -5.5%YoY from +4.7%YoY, with the pace of fall in construction of buildings accelerating to 6.8%YoY from 2.1%YoY. Building activity resumed its increase in April in Cyprus, by 25%YoY in terms of licenses and 29%YoY in surface terms (m²), mainly due to construction of non-residential buildings (+43%YoY and +149%YoY, respectively).

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
mvasileiadis@eurobank.gr
 + 30 214 40 59 709

More available research at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-entiaferontos>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

