

GLOBAL & REGIONAL DAILY

July 15, 2024

Global markets

The USD DXY index was slightly firmer earlier today, futures pointed to a positive opening for US equity markets and USTs weakened, giving back some of their post-CPI gains, as investors reacted to the failed assassination attempt on former US President Donald Trump in Pennsylvania. This incident has led to speculation that it might increase his odds of winning the upcoming November 5 presidential election. Investors argue that a Trump victory would be positive for stock markets due to the prospect of renewed deregulation and an extension of corporate and personal tax cuts, although it may lead to a further increase in the budget deficit. They also anticipate looser regulations related to cryptocurrency and more restrictions on trade. Aside from the assassination attempt, focus this week turns to Fed Chair Powell's interview at the Economic Club of Washington, DC today (18:00 CET), and the ECB policy meeting on Thursday, where the Governing Council is expected to stay on hold and reiterate its data-dependent approach.

Greece

The Import Price Index (MPI) in Industry, i.e. an index measuring the prices of products in the sectors of mining, manufacturing and energy that are imported from abroad, recorded an annual increase of 2.8% in May-24, from an annual decrease of 20.8% in May-23. The sub-indices with the highest positive contribution to the aforementioned result were the following: manufacture of tobacco products (8.7% YoY), manufacture of coke and refined petroleum products (7.3% YoY) and extraction of crude petroleum and natural gas (7.1% YoY). According to the Governor of the Bank of Greece (BoG) Mr. Yannis Stournaras, 80% of the inflation rate in Greece is imported. The latest observation of the HICP annual inflation rate stood at 2.5% in Jun-24, from 2.8% in Jun-23.

CESEE

The June inflation data stream continues, indicating in some cases a halt in the deceleration of the core inflation, despite the further decline in the headline figure. In Serbia, headline inflation decelerated to 3.8%YoY from 4.5%YoY in May, with the monthly print also easing, to 0.1% from 0.4%. But, core inflation inched up for the second consecutive month, to 5.1%YoY from 5.0%YoY in May and 4.8%YoY in April, as the deceleration in the headline print came from food - beverages prices, which fell in June (-0.1%YoY) after a 1.3%YoY rise a month ago. In Turkey, the current account balance resumed significantly improving in May, by 84.1%YoY (-\$6.54bn), after a small deterioration in April (-6.9%YoY). The improvement is almost exclusively due to the reduced goods deficit (-60.0% or -\$6.31bn), mainly on the back of falling imports (-13.3%YoY). This week the flow of June inflation data will continue in the region (Poland, Croatia), accompanied by releases of current account data (Romania, Serbia, Slovakia).

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