

GLOBAL & REGIONAL DAILY

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Global markets

USTs began to undertake some bull-steepening earlier today, although they continued to trade within a narrow range in the absence of major data releases and as the Fed blackout period has started ahead of the July 30-31 FOMC policy meeting. Meanwhile, without any clear driver, EGBs remained under some selling pressure, with the curve bear-flattening and yield spreads continuing to tighten. Elsewhere, the majority of Asian bourses ended modestly firmer earlier today, taking their lead from Wall Street's gains overnight following Friday's sell-off in response to the global cyber outage. In FX, range trading prevails, with EUR/USD still struggling just below 1.09 ahead of a speech from the ECB's chief economist Philip Lane at 9:00 CET at the opening of an ECB-IMF conference. Oil prices remained close to recent lows, with Brent crude hovering slightly below \$82.50/bbl within distance from yesterday's over a month low of \$81.60/bbl amid heightened political uncertainty following President Biden's withdrawal from the US electoral race.

Greece

Based on the balance of payments data from Bank of Greece (BoG) released yesterday, exports of goods, after performing poorly in Q1 2024 (-10.7% YoY), rebounded at a rate of 7.2% YoY in Apr-24 to May-24. Exports of oil increased by 18.1% YoY, from -14.5% YoY in Q1 2024, whereas exports of goods excluding oil and ships rose mildly by 3.8% YoY, from -8.6% YoY in Jan-24 to Mar-24. Exports of services increased by 8.1% YoY in Apr-24 to May-24 (6.8% YoY in Q1 2024), with all three categories posting positive growth rates (travel 9.4% YoY, transport 1.9% YoY and other services 24.1%). On the debit side of the ledger, imports of goods rebounded more steeply than exports (14.1% YoY, from -1.9% YoY), leading to a widening of the balance of goods deficit by 24.5% YoY (or €1,299.2mn YoY) in Apr-24 to May-24. Imports of services increased strongly too, reducing the improvement in the surplus of services to 4.1% YoY (or €107.5mn YoY), from 22.3% YoY in Q1 2024.

CESEE

As was expected, WCC-DB, the second largest party in Bulgaria, received and returned yesterday the second government formation mandate. The president of the country has now one week to pick the party to receive the third and last mandate. WCC-DB stated that it is ready to take again a mandate, nonetheless, it remains sceptical about the possibility of forming a stable government. So far, the fifth party, BSP, and the sixth party, TISP, have declared willingness to take the last mandate. Turning to trends in economic activity, in Poland, construction output declined in June by 8.9%YoY, a stronger fall than these in the two previous months (6.5%YoY and 2.0%YoY), which came from buildings construction (-17.9%YoY from -5.4%YoY), as the decline weakened in civil engineering works (-0.9%YoY from -6.6%YoY). Also in Poland, growth in the volume of retail sales decelerated further in May, to 4.4%YoY from 5.0%YoY in April, due to a stronger fall in food-beverages (-4.0%YoY from -1.0%YoY) and clothing-footwear (-19.3%YoY vs. -13.5%YoY).

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