

GLOBAL & REGIONAL DAILY

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Global markets

US equities extended recent gains overnight, with the S&P 500 recording its sixth straight record closing high, while USTs consolidated within a narrow range, as market participants await today's US June CPI release. During the second day of his semi-annual testimony before the House Financial Services Committee, Fed Chair Jerome Powell reiterated his earlier comments to the Senate Banking Committee, continuing to emphasize the two-sided risks associated with the policy rate. Meanwhile, EGBs retained most of yesterday's gains, Asian bourses ended mostly in positive territory, and futures point to a positive opening for European bourses. In FX, the USD lost some ground, as reflected in the DXY index moving back below 105. The GBP was among the main outperformers, rising above 1.2850 against the USD and towards 0.84 against the EUR, supported by hawkish comments from BoE Chief Economist Huw Pill and monthly UK GDP data showing a stronger than expected growth rate of 0.4%MoM in May.

Greece

Despite retreating by 3.4%MoM in seasonally adjusted terms, the Overall Industrial Production Index (IPI) was up by 6.7%YoY in May-24 according to ELSTAT, pushing the 5-month average change to 5.8%YoY. This increase was primarily driven by annual increases of 4.4% and 21.2% in IPI's two largest industries, Manufacturing and Electricity generation respectively. In terms of good types, the index was carried by Energy (+17.3%YoY) and Consumer non-durables (+5.4%YoY), with Consumer durables (+11.5%YoY) also contributing, despite representing a small share in industrial output. On the 2024 OECD Survey on Trust in Public Institutions, Greece ranked 23rd out of 30 countries, with 33.7% of respondents placing high or moderately high trust in their government, versus an OECD average of 39.3%, with the respective share among people under 30 (17.4%) being the lowest in the organization. On the flipside, Greeks trust their government to heed citizens' feedback, innovate, and improve as much or even slightly more than the OECD average.

CESEE

In Cyprus, the goods trade deficit widened significantly in May for the second consecutive month, by 19.9%YoY after a 26.4%YoY increase in April. The worsening in May is mainly due to a strong decline in exports, by 19.8%YoY, compared to a stronger rise in imports relative to exports in the previous month. Despite the deterioration in April – May, the goods trade deficit in January – May 2024 is smaller relative to a year ago (-16.5%YoY), from a stronger fall in imports (-14.3%YoY) compared to that in exports (-9.5%YoY). In Bulgaria, industrial production resumed falling in May, as it declined by 3.3%YoY after the rise in April for the first time in 2024, by 2.8%YoY. The May fall came mainly from the output collapse in mining – quarrying by 10.2%YoY, in contrast to its 4.0%YoY increase in April, and, to a smaller extent, by the 2.3%YoY decline in manufacturing instead of a 0.5%YoY rise a month ago. The country's goods trade deficit widened in the same month by 57.8%YoY, however, the expansion was smaller than in April (+115.8%YoY).

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Theodoros Rapanos
Research Economist
trapanos@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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