

# GLOBAL & REGIONAL DAILY

July 6, 2023

## Global markets

Investors retained a cautious stance against risk assets earlier today following the release of the minutes of the FOMC 13-14 June meeting yesterday which revealed a hawkish tilt, reflecting the adjustment to the median dot plot for 2023 which increased by 50bps compared to March. Escalating trade tensions between China and the US also weighed on risk sentiment. Meanwhile, USTs remained under pressure, while the USD was broadly firmer, with the EUR/USD moving lower to levels around 1.0850, weighed down by the 0.4pts downward revision of the Eurozone's June Composite PMI to 49.9, and the release of the ECB's Consumer Expectations Survey for May which showed a further decline in inflation expectations. Meanwhile, oil prices retained most of recent gains, with Brent crude standing close to yesterday's two-week session high of \$76.95/bbl at the time of writing, ahead of a string of major data releases from the US today, including the JOLT survey for May, the ADP employment survey and the ISM non-manufacturing PMI, both for June.

## Greece

Yesterday, the Public Debt Management Agency (PDMA) auctioned €625mn of 13W T-Bills. The total bids stood at €1.226bn, whereas the amount finally accepted was €812.5mn at a yield of 3.59%, from 3.20% and 3.04% in the previous auctions on May 3rd and April 5th respectively. In other news, the Parliament Budget Office (PBO) expects real GDP to grow on an annual basis by 2.2% in 2023 and 2024 (baseline scenario), from 5.9% in 2022. Regarding the inflation rate, the PBO foresees a deceleration to 4.6% and 2.3% in 2023 and 2024 respectively, from 9.3% in 2022. Finally, according to the Bank of Greece (BoG), the weighted average interest rates on new deposits and new loans in May-23 stood at 0.28% and 6.04% respectively.

## CESEE

In Turkey, the slowdown in headline inflation weakened further in June, with the print at 38.2%YoY against 39.6%YoY in May and 43.7%YoY in April. The ease in core inflation was somewhat weaker, to 46.6%YoY vs. 47.7%YoY. On a monthly basis the CPI increased by 3.9%, the strongest rise in the last five months. The yearly deceleration is mainly due to the trend in prices of housing-water-electricity (+14.8%YoY, -6.0ppts from May) and transport (+20.7%YoY, -2.9ppts), however, their effects were limited by the acceleration in alcoholic beverages-tobacco inflation for the first time in the last 7 months, by 10.8ppts, to 40.9%YoY. In other news from the region, the National Bank of Romania (NBR) kept yesterday the policy rate at 7% for the sixth consecutive month, in line with market expectations, as the fall in the CPI inflation weakened significantly in May (10.6%YoY against 11.2%YoY in April and 14.5% in March). The NBR also maintained interest rates on its lending facility (Lombard) at 8% and the deposit facility rate at 6%.

## Contributing Authors:

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Dr. Stylianos Gogos**  
Research Economist  
[sgogos@eurobank.gr](mailto:sgogos@eurobank.gr)

**Michail Vassiliadis**  
Research Economist  
[mvasileiadis@eurobank.gr](mailto:mvasileiadis@eurobank.gr)

## Research Team



**Dr. Tasos Anastasatos** | Group Chief Economist  
tanastasatos@eurobank.gr | + 30 214 40 59 706



**Dr. Dimitris Exadaktylos**  
Economic Analyst  
v-dexadaktylos@eurobank.gr  
+ 30 214 40 63 449



**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



**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 Vassileiadis**  
Research Economist  
mvassileiadis@eurobank.gr  
+ 30 214 40 59 709

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