

GLOBAL & REGIONAL DAILY

July 21, 2023

Global markets

US initial jobless claims for the week ending July 15 fell to 228k, lower by 9k compared to the previous week, against expectations for a slight increase. In addition, the 4-week moving average dropped for the third consecutive week, coming in at 237.50k, down by 9.25k, signaling a decreasing trend. Continuing claims for the week ending July 8 came in above expectations to 1.754mn, up by 33k from the previous week, but the 4-week moving average fell to 1.732mn (1.75k down from the previous week) and there is also a clear downward trend over the last weeks. The Philadelphia Fed manufacturing index for July grew less than expected, coming at -13.5 from -13.7 in June. However, there was some positive news on the expectations side, with the diffusion index for future general activity jumping to 29.1 from 12.7 in June, marking the highest level since August 2021. Finally, US existing home sales in June dropped by 3.3% to a five-month low seasonally adjusted annual rate of 4.16mn, declining slightly more than expected.

Greece

According to ELSTAT, the overall turnover index in industry (sales in current prices) decreased by 13.7% YoY in May-23, from an increase of 54.0% YoY in May-22. This strong variation stems from the variation in the energy prices. Analytically, the turnover index in the category of coke and refined petroleum products, a category with a relatively high share in manufacturing, posted a decrease of 46.0% YoY, from an increase of 119.0% a year ago. Separating the industrial sector in five main industrial groups, the turnover in energy and intermediate goods decreased by 46.0% YoY and 6.2% YoY respectively, whereas in capital goods, consumer durables and consumer non-durables (e.g. food) it increased by 12.6% YoY, 6.9% YoY and 13.8% YoY respectively. In the data releases ahead, today the Bank of Greece is scheduled to announce the current account balance for May-23.

CESEE

Further tightening of the monetary policy in Turkey after the May elections. The Monetary Policy Committee (MPC) has raised yesterday the policy (one-week repo) rate for a second consecutive month, to 17.5% from 15%. The new increase was reasoned by the MPC on the basis of establishing the disinflation course as soon as possible, anchoring inflation expectations and controlling the deterioration in pricing behavior. On the other hand, the rate hike came below the market consensus forecast for a 5ppts rise. Despite the rate increase falling short of market expectations, the lira (TRY) exchange rate vis-à-vis USD did not deteriorate further, with the TRY/USD hovering around 0.0371 at the time of writing, 30.5% down since the beginning of the year and -34.2%YoY. The MPC repeated its guidance for as much further monetary tightening as needed until a significant improvement in the inflation outlook is achieved, especially with respect to its new 5% medium-term inflation target.

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