

# GLOBAL & REGIONAL DAILY

July 17, 2024

## Global markets

The GBP strengthened to a one-year high against the USD and traders decreased bets for an August rate cut by the BoE after June inflation data for the UK came in slightly stickier than expected earlier today. Headline CPI rose 2.0%YoY and core by 3.5%YoY, both readings unchanged from May, with the consensus expectation being that they would each drop by 0.1ppt. The GBP/USD rate rose 0.3% to just above the 1.3 level after the release, its highest since July 2023. Gilts fell slightly, while futures markets now imply 37% odds of a BoE cut next month, down 12bps from before the release. In the US, retail sales data for June released yesterday showed the headline figure unchanged in the month following a 0.1%MoM increase in May, which was better than the consensus estimate for a 0.3%MoM drop in June. In other economic news, the IMF kept its global growth forecast for this year unchanged at 3.2%. Meanwhile, Donald Trump said in an interview that if elected he would let Jerome Powell complete his term as Fed chair, which runs until 2026. However, he also said that the Fed should not cut rates before November's election.

## Greece

According to ELSTAT, the turnover of the enterprises of the economy as a whole, obliged to double-entry accounting bookkeeping, stood at €30.8bn in current prices in May-24, posting an annual increase of 1.5%, from 16.1% in Apr-24. Among all the sectors of economic activity, accommodation and food service activities, a sector which is closely related to tourism, registered the highest increase (14.8% YoY, from 9.0% YoY in Apr-24), followed by administrative and support service activities (12.8% YoY, from 31.4% YoY in Apr-24). On the contrary, the sector of electricity, gas, steam and air conditioning supply posted the highest decline in terms of turnover (-9.8% YoY), followed by agriculture, forestry and fishing (-4.5% YoY).

## CESEE

In its World Economic Outlook (WEO) Update, the IMF left unchanged its GDP growth forecasts for Poland compared to the April 2024 WEO, at 3.1% for 2024 and 3.5% for 2025, respectively, while it revised upwards its 2024 projection for Turkey, to 3.6% (+0.5ppts, most strong upgrade together with Spain), and downwards its forecast for the next year, to 2.7% (-0.5ppts). In Cyprus, residential property prices continued rapidly increasing in Q1 2024, as the relevant index surged by 7.8%YoY, slightly slower than in Q4 2023 (8.3%YoY) and with the same pace as on average in 2023 (7.7%). For another quarter, the prices rise came mainly from flats, where they surged by 13.9%YoY from 12.7%YoY in Q4 and 10.7% in 2023. In contrast, the increase in house prices weakened to 4.7%YoY from 5.7% both in Q4 and on average in 2023. After these appreciations, the overall residential property price index stood in Q1 2024 at a 12.5-year high, the flats price index reached a new all-time high and the houses price index was at its highest since Q2 2013.

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