

GLOBAL & REGIONAL DAILY

July 22, 2024

Global markets

US President Joe Biden announced his intention to drop out of the presidential race and threw his support behind Vice President Kamala Harris to replace him as the party's candidate against Republican Donald Trump. Biden's endorsement of Harris gives her a leg up to succeed him, though delegates are not bound to vote for any particular candidate at the 19-22 August Democratic National Convention. In terms of the polls, odds of a Democratic victory edged up after Biden's decision, but Trump continues to lead, although by a narrower margin. Markets barely reacted to the news. 10-yr UST yields were around 3bps lower on the day after rising some 5bps last week following upside surprises in US economic data, while futures point to a slightly lower opening for Wall Street after Friday's losses driven by the global cyber outage. In FX, the USD retained Friday's gains ahead of global flash PMIs for July (Wednesday), US Q2 GDP (Thursday) and US June core PCE deflator (Friday), as the risk-off sentiment continues to favor its safe-haven appeal.

Greece

According to ELSTAT, the Overall Turnover Index in Industry increased by 4.6% YoY in May-24, from a decrease of 12.5% YoY in May-23. This recovery is attributed to a notable rise in the sub-indices of Mining and Quarrying, which increased by 8.0% due to growth in other mining and quarrying products, and Manufacturing, which saw a 4.6% increase driven by gains in coke and refined petroleum products, tobacco products, and beverages. However, compared to Apr-24, the index experienced a decline of 5.7%, with Mining and Quarrying falling by 10.0% and Manufacturing dropping by 5.7%. In other data, in May-24, the turnover in Accommodation Activities of firms, obliged to double-entry bookkeeping, rose by 15.8%, while the respective turnover in the Food and Beverage Services increased by 11.8%. Combined, these sectors saw a 14.8% YoY growth. The highest regional growth was in Iraklio at 24.5%, with Achaia having the smallest increase at 3.8%.

CESEE

In the aftermath of the unfruitful return of the first mandate by the WCC-DB, the second largest party in the parliament, President Rumen Radev announced on Friday that he will hand a second government formation mandate again to WCC-DB today. Today's move is also expected not to bear fruit, resulting into a procedure of a third mandate to follow towards another party with slim chances of a government formation ultimately. Along these lines, the central bank of the country (BNB) released its quarterly macroeconomic forecasts, according to which growth forecasts for both 2024 and 2025 were slightly trimmed. Specifically, growth for 2024 is expected at 2.1% with a sizable rebound at 3.2% in 2025. The BNB grounded the 0.1ppts haircut in its forecasts for both years on the back of lower external demand for Bulgarian goods and services than formerly (March 2024) anticipated. The annual HICP inflation is expected to decelerate to 2.2% at end-2024 with the average annual forecast inflation standing a bit higher at 2.5%.

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