

GLOBAL & REGIONAL DAILY

June 25, 2024

Global markets

The weakening yen has led to renewed market expectation that the Japanese government could intervene in foreign currency markets as the USD/JPY has been trading for a third day today near the key 160 level of that prompted the last intervention in April. After reaching as high as 159.92 on Friday, the USD/JPY is currently trading at 159.446. In Europe, German business sentiment unexpectedly declined for a second month in June, data released Monday showed. The Ifo business climate indicator slipped to 88.6 from 89.3 in May, compared to the consensus estimate that it would rise to 89.7. Meanwhile, the 10yr OAT-Bund spread – a barometer of how markets feel about French political risk ahead of Sunday’s first round of parliamentary elections – narrowed 4bps to 72bps so far this week. Jordan Bardella, president of the far-right RN party that is predicted to finish first, pledged on Monday that his party would follow “reasonable” spending plans. The US Conference Board will later today release consumer confidence for June.

Greece

According to ELSTAT the turnover of enterprises in Retail Trade in Apr-24 stood at €3.84bn, i.e., 0.41bn or 12.1% higher compared to Apr-23 (€3.43bn). Compared to Mar-24 (€3.39bn) the turnover recorded an increase of 13.6%. The sub-sectors with the highest increase were the Sale of other motor vehicles (+101.9%, to €67.7mn) and the Retail sale of carpets, rugs, wall and floor coverings in specialized stores (+34.8%, to €1.34mn), whereas those with the deepest drop were the Retail sale of audio and video equipment in specialized stores (-3.9%, to €3.3mn) and the Retail sale of computers, peripheral units and software in specialized stores (-1.9%, to €77.3mn). The sub-sectors with the highest share in the Retail Trade turnover were the Retail sale in non-specialized stores with food, beverages or tobacco (+2.7% YoY, to €1.35bn in Apr-24) and the Sale of cars and light motor vehicles (+23.5% YoY, to €724.1mn). Attica and Central Greece were the regions with the highest increase in the retail trade turnover (+13.0% and +12.6%, respectively).

CESEE

In Bulgaria, the Ministry of Finance, under the facilitation of the central bank of the country, successfully placed yesterday BGN200mn of three-year domestic government securities at an annual coupon rate set at 3.00%. The bid-to-cover ratio was shaped at 1.1x and the weighted average yield was 3.44%. The highlight of this week’s economic calendar is the monetary policy committee meeting held by the Central Bank of Czechia (CNB) on Thursday. Market consensus is for a 25bps interest rate cut that will bring the key policy rate to 5.00%. The expectations of monetary easing come on the back of the continuing disinflation process with the latest headline print of May coming in at 2.57%YoY, lower than that of April at 2.85%YoY while the course of the core print towards the same direction (continuously decreasing from 14.74%YoY in Sep-22 to 2.57%YoY in May) strengthens expectations for such a move.

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