

U.S. Stock Markets Closed for Juneteenth Holiday, Eurozone Faces Fiscal Challenges Amid ECB's Call for Deficit Reduction.

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The U.S. stock markets remained closed today in observance of the Juneteenth federal holiday. Investors awaited the reopening of markets tomorrow.

However, the European markets were open and closed higher, driven by better-than-expected inflation data from the United Kingdom. The U.K. Consumer Price Index fell to 2.00%, and the Core Consumer Price Index fell to 3.49%.

However, there has been a development within the Eurozone. European Central Bank (ECB) officials stated that the Eurozone countries must reduce their budget deficits by an average of 5% of GDP. Achieving this would necessitate savings or additional revenue totaling **€720 billion** at current output levels.

The European Commission's recent reprimand of France and six other countries for violating E.U. fiscal rules have raised concerns among investors about the sustainability of public finances. Eurozone countries' debt levels have surged due to increased government spending aimed at mitigating the impact of the coronavirus pandemic and the energy crisis triggered by Russia's invasion of Ukraine.

Investor anxiety has been further exacerbated by the upcoming snap election in France, where the far-right Rassemblement National and a new left-wing alliance are leading in opinion polls. These parties' ambitious spending promises could clash with debt investors and Brussels.

The ECB predicts that pressure on public finances within the bloc will continue to mount in the coming years. To address the challenges posed by aging populations, climate change, and higher defense expenditures, countries must make an average additional fiscal effort equivalent to 3% of GDP starting this year.

Key Economic Data:

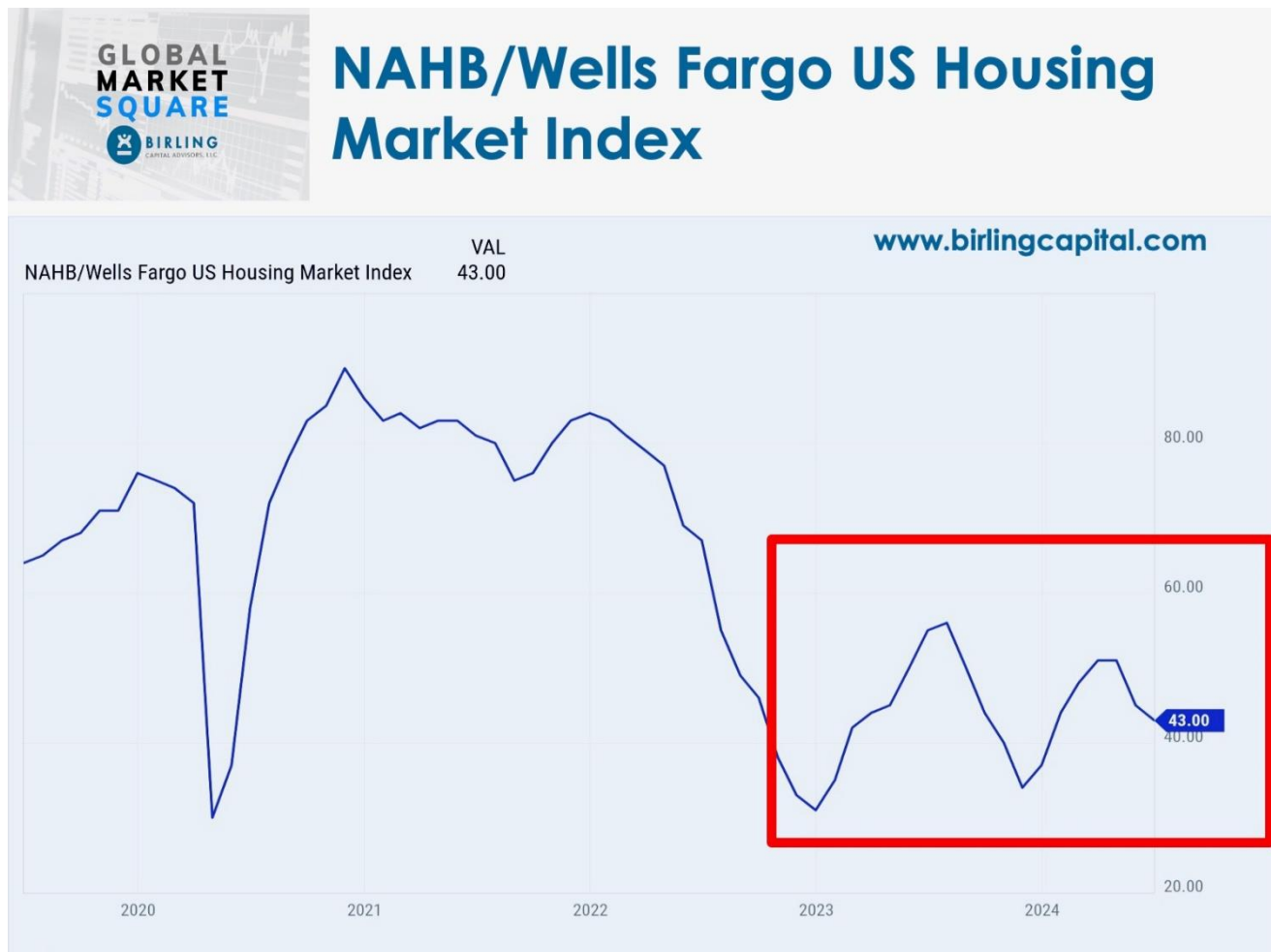
- **NAHB/Wells Fargo US Housing Market Index:** fell to 43.00, down from 45.00 last month, decreasing -4.44%.
- **U.K. Consumer Price Index YoY:** fell to 2.00%, compared to 2.30% last month.
- **U.K. Core Consumer Price Index YoY:** fell to 3.49%, compared to 3.84% last month.
- **U.K. Producer Price Index: Core Output YoY:** rose to 1.04%, compared to 0.37% last month.
- **U.K. Producer Price Index: Input YoY:** is at -0.07%, compared to -1.38% last month.
- **U.K. Average House Price YoY:** rose by 1.12%, compared to 0.93% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 515.01, up 3.52 points or 0.69%.
- **FTSE 100:** Closed at 8,191.29, up 49.14 points or 0.60%.
- **DAX Index:** Closed at 18,131.97, up 63.76 points or 0.35%.

Wall Street Summary:

- **US Stock markets were closed today.**





UK CPI, UK Core CPI, UK PPI Output, UK PPI Input and UK Average House Price

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UK Consumer Price Index YoY (I:UKCCXRBU)	2.00%
UK Core Consumer Price Index YoY (I:UKCCPIYY)	3.49%
UK Producer Price Index: Output YoY (I:UKPPIOYY)	1.63%
UK Producer Price Index: Input YoY (I:UKPPIIYY)	-0.07%
UK Average House Price YoY (I:UKAHPYY)	1.12%



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