

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

March 5, 2021

### Global Markets

Speaking y-day at a virtual event hosted by the WSJ, Fed Chair Jerome Powell adopted a dovish tone once again, but fell short of providing any specific detail on what the Central Bank may do to push down long-dated rates. In reaction, UST yields moved further up, with the 10-yr yield hovering around 1.56% in early European trade, some 8bps higher than the levels that prevailed y-day before the Fed Chair's interview, approaching last week's one-year peak of 1.61%. Meanwhile, oil prices surged, with Brent crude rising to \$68/bbl, the highest level since early January 2020, after the OPEC+ group unexpectedly agreed y-day to keep output unchanged through April. In FX markets, the USD firmed on higher UST yields, pushing the EUR/USD down close to 1.1920, ahead of today's US non-farm payrolls for February.

### Greece

On Covid-19, new cases fell slightly to 2,219 yesterday from 2,709 the day before with the positivity rate also dropping to 4% from 5%. Nevertheless, patients in ICUs reached 449 yesterday recording a 4.2% daily growth rate, above the 7-day M.A. of 2.9%. As a result, restrictions will remain in place at least until 16 March, with the Minister of Finance Christos Staikouras pinning the cost of this extension at €1.2bn, while the total cost of the economic support measures for the whole year is estimated to reach €11.6bn from €7.5bn foreseen in the 2021 Budget. Meanwhile, according to press, the Deputy Minister to the Prime Minister for Government Coordination Akis Skertsos, stated that in May the population over 60 and vulnerable groups will have been vaccinated, building thus an immunity wall.

### CESEE

In Bulgaria, the long-term convergence interest rate fell by 4bp to 0.15% in February compared to January. The rate kept moving in a downward trend, which is at play for more than 15 years and has its roots back in the preparation period of Bulgaria to enter the EU. The aforementioned trend was interrupted only for a small period during the first wave of the Covid-19 crisis between March and June 2020. The Serbian PM, Ana Brnabic stated yesterday that 95% of the priority groups have been vaccinated, adding that the number of administered doses of Covid-19 vaccines has approached 1.6mn with the country's total population standing at 7mn. Coming from such a high level official, the said statement could imply the avoidance of a new curfew, despite the pressure on the health system from the current Covid-19 wave.

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