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GLOBAL & REGIONAL DAILY

HIGHLIGHTS

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Global Markets

US non-farm payrolls for February rose by a higher-than-expected 379k, with businesses in the leisure and hospitality sector generating most of the new jobs, while the unemployment rate dropped from January's 6.3% to a new post-pandemic low of 6.2%. Adding to recent positive news from the US, the Senate approved the Biden Administration's $1.9trn stimulus package. Meanwhile, Brent crude rose above $70/bbl for the first time since January 2020, after Saudi Arabia reported an attack on the world's largest crude terminal. Against this background, USTs remained under pressure, with the 10-yr yield hovering around 1.60% at the time of writing in European trade, not far from Friday's fresh one-year peak above 1.62%. In FX markets, the EUR/USD extended recent losses moving below 1.1900 for the first time since November 2020.

Greece

According to the 1st estimate of Greece's annual national accounts, real GDP decreased by -8.2% YoY in 2020 from 1.9% YoY in 2019. This performance was better relative to EC's winter forecasts (-10.0%). From a demand perspective, exports of services and private consumption had the highest negative contribution on growth (-43.0% YoY and -5.2% YoY respectively), while exports of goods and government consumption counterbalanced the recessionary effect with positive growth rates of 4.3% YoY and 2.7% YoY respectively. Finally, fixed investment dropped marginally by -0.6% YoY.

CESEE

SERBIA: The EUR/RSD pair continued to move sideways, remaining bound within its narrow range of 117.50-65 in the past week. The pair closed almost unchanged on a daily basis at 117.55/58 on Friday. The trading in government bonds generated a turnover of €33.6mn on the secondary market, which is mostly owed to the 5Y and 12Y RSD-denominated tenors. These bond yields were traded at 2.20% and 3.35%, respectively.
CYPRUS: Standard & Poor's affirmed the long-term sovereign rating of Cyprus at BBB- with a stable outlook. The stable outlook balances risks from the pandemic's protracted adverse economic impact against benefits of the EU's transfers, as well as further improvement in the public debt profile. S&P's baseline projection suggests a relatively strong recovery in H2-2021, with full-year GDP expanding by 3.8%.

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