

# GLOBAL & REGIONAL DAILY

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## Global Markets

Ahead of the conclusion of this week's two-day FOMC policy meeting tomorrow when an announcement of a faster pace of tapering is widely expected, risk-off sentiment prevailed earlier today. Continued concerns about further Covid-19 restrictions in light of the rapid spread of the Omicron coronavirus variant and the announcement from the UK over the first death from the new variant, had also had an impact. Against this background, sovereign bonds gained on both sides of the Atlantic, with the 2/10-yr UST yield curve undertaking some flattening again after its steepening moves last week. Meanwhile, European gas prices surpassed October's record highs amid increasing uncertainty over whether the Nord Stream 2 pipeline will be given the green light any time soon following the escalating tensions at the Ukrainian border.

## Greece

According to the Bank of Greece, in H1-2021 prime office prices and prime retail prices for the entire country increased by 1.4% and 1.1% respectively, compared with H2-2020. Meanwhile, according to ELSTAT, in Sep-21 total building activity measured by the number of issued building permits, amounted to 1,982, reflecting an 11.2%YoY increase. Year-to-September, total building activity increased by 26.8% compared to the corresponding period of 2020. By region, the biggest annual increases in building permits were recorded in Northern Aegean and Western and Central continental Greece. Finally, Greek government bond yield spreads against German Bunds are widening, with the 10YR bond spread currently standing at 171.5 basis points, after having fallen below 100bpts in the summer.

## CESEE

Fitch Ratings stated yesterday that the successful formation of a regular government coalition between WCC, DB, BSP and TISP will reduce the short-term political uncertainty in Bulgaria. The post-election outcome supports the agency's view that the domestic political instability in 2021 will not result in significant risks for the economic policies or the euro adoption commitment. The new cabinet's commitment to improving governance could be credit positive in the medium term, Fitch added. Nevertheless, the political uncertainty remains a risk due to the policy differences between the four parties participating in the new coalition, the agency warned. However, it will not result in changes in the broad-based political commitment to prudent fiscal policies and the Eurozone entry.

## Contributing Authors:

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Anna Dimitriadou**  
Economic Analyst  
[andimitriadoul@eurobank.gr](mailto:andimitriadoul@eurobank.gr)

**Maria Kasola**  
Economic Analyst  
[mkasola@eurobank.gr](mailto:mkasola@eurobank.gr)

## Research Team



**Dr. Tasos Anastasatos** | Group Chief Economist  
tanastasatos@eurobank.gr | + 30 214 40 59 706



**Anna Dimitriadou**  
Economic Analyst  
andimitriadou@eurobank.gr  
+ 30 210 37 18 793



**Dr. Stylianos Gogos**  
Research Economist  
sgogos@eurobank.gr  
+ 30 210 37 18 733



**Maria Kasola**  
Economic Analyst  
mkasola@eurobank.gr  
+ 30 210 33 18 708



**Olga Kosma**  
Research Economist  
okosma@eurobank.gr  
+ 30 210 37 18 728



**Paraskevi Petropoulou**  
Senior Economist  
ppetropoulou@eurobank.gr  
+ 30 210 37 18 991



**Dr. Theodoros Rapanos**  
Economic Analyst  
v-trapanos@eurobank.gr  
+ 30 214 40 59 711



**Dr. Theodoros Stamatiou**  
Senior Economist  
tstamatiou@eurobank.gr  
+ 30 214 40 59 708



**Elia Tsiampaou**  
Economic Analyst  
etsiampaou@eurobank.gr  
+ 30 214 40 59 712

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