

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

March 16, 2021

Global Markets

Taking their lead from Wall Street's advance to new highs overnight, thanks to mass vaccinations in the US and the congressional approval of the Biden Administration's stimulus plan, Asian bourses ended higher today and major European equity markets opened in positive territory. Meanwhile, 10-yr UST yields were lower from y-day's more than one year peak of 1.6740%, but still above the 1.4750% recent low, as investors remain concerned about the likelihood of higher inflation. In FX markets, the EUR/USD was hovering slightly above 1.1900 in early European trade following a peak near 1.1990 last week, pressured by news that several major EA economies have suspended the administration of the AstraZeneca vaccine. Today's data releases include March's ZEW survey for Germany and US February's retail sales.

Greece

The Eurogroup that convened yesterday, among others affirmed its commitment to avoid the premature withdrawal of fiscal support and maintain its supportive stance in 2021 and 2022. The Eurogroup also noted the Commission's preliminary indication that the general escape clause will continue to apply next year. On reforms, the Minister of Environment and Energy Kostas Skrekas, stated in an interview that in the coming weeks the government intends to bring forward a recycling bill, the institutional framework for marine wind farms and the new national plan for the circular economy. Finally, according to ELSTAT, the overall turnover index in accommodation and food service activities in Q4-2020 decreased by 57.6%YoY, while the index in the corresponding period of 2019 had increased by 4.8%YoY.

CESEE

SERBIA: The EUR/RSD pair remained virtually unchanged at 117.55 in the past week. The average daily volume in the FX market fell to an all-time low of just €5mn/day. Despite general concerns that inflation is ramping up in the US, Serbia's SERBG managed to make a minor upshift of roughly 5 bps in the past week. Both the near and high end of the curve traded a few pips higher, with the 1Y tenor trading at 1.08% vs. 1.05% in the prior week, the 3Y at 1.75% vs. 1.70% and the 12Y at 3.35% vs. 3.30%. According to the NBS, the latest available monthly indicator releases in January (i.e. industrial production: +2.5% YoY and retail trade: +3.2% YoY) suggest that the economy continued to recover in early 2021.

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