

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

March 17, 2021

Global Markets

Market focus today is on the conclusion of the two-day FOMC monetary policy meeting and the subsequent press conference from Chair Jerome Powell. The Fed Chair is anticipated to reiterate that any discussion of monetary policy normalization is premature as significant uncertainties prevail and the Committee can look through an expected temporary move up in inflation, while it has the tools to address premature tightening of financial conditions as necessary. Furthermore, investors are expected to scrutinize the median dot plot and, particularly, on whether it indicates stable interest rates at least through the end of 2023. Awaiting the Fed's verdict, the majority of Asian bourses ended slightly lower today, UST and Bund yields were modestly higher but still off recent highs and the EUR/USD was struggling at around 1.1900.

Greece

The Minister of Finance Christos Staikouras presented yesterday to the ECOFIN thirteen key reforms and investments that are included in Greece's national recovery plan. These relate among others, to the labour market and social integration, digitization, energy efficiency, incentives for investments and simplification of the business environment. On the pandemic front, new cases stood at 1,533 yesterday against a 7-day average of 2,059 but intubated patients continue to increase reaching 605 yesterday against a 7-day average of 540. Finally, Greece is expected to tap the markets anew today with the issuance of a 30YR GGB to reportedly raise €2-2.5bn. This constitutes the second deal of the year after Greece raised €3.5bn in the end of January through the issue of a 10YR bond at a record low yield of 0.807%.

CESEE

Bulgaria: Consumer prices deflation softened in February. Headline inflation climbed to 0.6% MoM/-0.1% YoY in February compared to 0.2% MoM/-0.6% YoY in January and 0.5% MoM/+0.1% YoY in December. Food and Transportation prices were the items that posted the largest monthly increase. Food and Nonalcoholic beverages expanded by +1.2% MoM/+0.2% YoY in February up from +0.3% MoM/-0.4% YoY in January on higher vegetables, fruit and cereal prices. Transportation prices moderated to +2.0% MoM/-6.0% YoY in February vs. +1.3% MoM/-8.3%YoY in January driven by higher fuel prices. The phasing out of negative base effects from last year's lower international oil prices, together with the regulated utility gas price hikes are expected to boost energy prices pushing headline in positive territory in the following months.

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