

GLOBAL & REGIONAL DAILY HIGHLIGHTS

March 19, 2021

Global Markets

USTs remained under some pressure in early European trade, as investors appear to have shrugged off the **dovish FOMC message at this week's monetary policy meeting that the majority of FOMC participants still sees rates stable through end-2023** in spite of substantial upgrades to the US outlook. Against this background, Asian bourses were **mostly in the red today, taking their lead from Wall Street's sell off overnight**. Poor US data **y-day showing an unexpected increase in jobless claims, the announcement by France's PM that Paris will go back into a new lockdown and news over a harsh tone in US/China high-level talks y-day**, also weighed on risk sentiment. Meanwhile, oil prices dropped, with Brent crude hovering not far from **y-day's \$61.45/bbl four-week low**, partially pressured by concerns that recent gains have been too rapid.

Greece

According to ELSTAT, the annual average of the overall index of persons employed in the retail sector (provisional data) increased in 2020 by 0.5%YoY, but the annual average of the overall index excluding the food and automotive fuel sector decreased by 2.9%YoY. Meanwhile, Greece proceeded yesterday to the **early repayment of another €3.3bn of IMF loans to enhance the debt profile and gross financing needs. The total outstanding amount now stands at €1.8bn. Covid-19 cases receded to 3,037 yesterday from 3,465 the previous day, with the positivity rate however rising to 5.7% from 5.4% previously and the number of intubated patients climbing to 645 from 630. The health experts' committee convenes later today to examine potential modifications or even relaxation of the existing restrictive measures.**

Emerging Markets

Central Banks' (CB) meetings held y-day in several EMs point to a fledging monetary tightening cycle, amid surging inflationary pressures. In Turkey, the MPC raised the one-week repo interest rate by 2pps to 19%. The hike was not surprising but its magnitude was higher than the 1pp expected interest rate increase, assisting the lira to gain ground against the dollar standing at around 7.26 at the time of writing, extending further y-day's post-MPC gains. On the same footing, the CB of Brazil increased its Key Policy Rate (KPR) by 75bps to 2.75% from a record low of 2.00%. The Russian CB convenes later today, and while the KPR is broadly anticipated to be kept unchanged at 4.25%, the communiqué is expected to support expectations for higher interest rates ahead, as inflation is on an upward trajectory in the last 6 months.

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