

GLOBAL & REGIONAL DAILY

December 20, 2021

Global Markets

Risk-off sentiment prevailed earlier today on market concerns about the rapid spread of the Omicron variant which has resulted in tighter restrictions across several European countries, including the Netherlands which went back into lockdown as of y-day. News that US Democratic Senator Joe Manchin couldn't support the Build Back Better package, may have also had an impact. Oil prices moved lower amid heightened Covid-19 uncertainty, with Brent crude hovering around \$70.30/bbl at the time of writing, more than 4% lower on the day. Meanwhile, US Treasury yields were lower today, with the 2/10-yr yield curve undertaking some further flattening. In FX, the USD retained a firm tone following the Fed's decision last week to accelerate the pace of tapering, pushing the EUR/USD to a multi-session low near 1.1230 earlier today.

Greece

According to ELSTAT, the seasonally adjusted index of wages cost for Q3-2021 recorded a change of -2.7%QoQ / 1.2%YoY, while in Q3-2020 the respective changes were -1.5%QoQ / 3.0%YoY. Meanwhile, according to the Ministry of Labour and Social Affairs, in Nov-21, recruitments amounted to 202,790 while the departures to 281,919 (92,390 voluntary departures and 189,529 terminations of indefinite contracts or expiration of fixed term contracts). As a result, the balance in that month was negative by 79,129 jobs and is likely linked to the gradual removal of the Covid-19 related support measures. For the period January to November 2021, recruitments reached 2,202,421 and departures 2,066,741 shaping a positive balance of 135,680 in employment flows for the first 11 months of 2021.

CESEE

CYPRUS: The Central Bank revised upwards its 2021 GDP growth forecast to 5.6%, against 3.8% projected in June. GDP growth is expected to accelerate to a range between 3.6% and 3.8% for the period 2022-2024. The key drivers of the upward revision is the better than expected economic performance in Q2-2021, the higher vaccination coverage of the population compared to the pre-summer period, as well as the significant support of the economic activity expected from the funding of the EU Recovery and Resilience Fund. The HICP increased sharply to +0.1% MoM/+4.7% YoY in November vs. +0.9% MoM/+4.4% YoY in October, bringing the year-to-November performance at 2.0%YoY. The biggest increases on an annual basis were observed in the categories of Utilities (+17.5%YoY) and Transportation (+15.9%YoY).

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