

GLOBAL & REGIONAL DAILY

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Global Markets

Eurozone flash Q4-2021 GDP growth came in at 0.3%QoQ/4.6%YoY from 2.3%QoQ/3.9%YoY broadly in line with expectations, while for the FY 2021 real GDP annual growth is estimated at 5.2%. Focus in the continent now turns to the ECB Governing Council monetary policy meeting on Thursday. Turning to the US, treasury yields are relatively calm, as the 2yr yield **trades at 1.1831% close to previous days' levels**, while the 10yr yield at 1.7911%. The 2s10s curve closed beneath 60bps yesterday for the first time since Oct-20. Oil prices hover around multi-year highs as markets expect only a small increase in production by OPEC countries against a likely strong post-pandemic demand. Brent crude reached USD91.48/bbl mid-session yesterday and is currently trading at USD89.24/bbl. Geopolitical tensions heat up as the UK warns Russia of sanctions.

Greece

According to ELSTAT, the seasonally adjusted (s.a.) overall volume index in retail trade in Nov-21 increased by 14.7%YoY, from 7.9%YoY in Oct-21. Books, stationery & other goods (+47.2%YoY) and furniture, electrical equipment & household equipment (+44.3%YoY) were the two main store categories driving this increase. On a monthly basis, the s.a. overall volume index in retail trade in Nov-21 decreased by 2.6% (+1.6% in Oct-21). Meanwhile, according to ELSTAT building activity survey, total building activity in Oct-21, calculated by the number of issued building permits, increased by 18.4%YoY, accelerating further from the September increase of 11.2%YoY, with private building activity (99.7% of total) increasing by 19.2%YoY. Year-to-October, total building activity increased by 25.9% compared to the corresponding period of 2020.

CESEE

Based on yesterday's flash estimate, Serbia's real GDP expanded by 6.9% YoY in Q4 2021, slowing down from 7.7% YoY in Q3 and 13.6% YoY in Q2 and picking up from 1.6% YoY in Q1. Assuming that the flash estimate is confirmed by the final print with further breakdown of national accounts due in late February, the FY 2021 GDP growth print stands at 7.5%, confirming the recent statistical estimate and beating the forecasts of local authorities and IFIs. That said, the latest 2021 GDP growth forecast by the Ministry of Finance stood at 7.0% YoY with the National Bank of Serbia having identical expectations. On a more conservative tone, the IMF and the EBRD projected a GDP growth rate at 6.5% in 2021, the European Commission at 6.7% and the World Bank at 6.0%.

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