

GLOBAL & REGIONAL DAILY HIGHLIGHTS

March 1, 2022

Global markets

As the Russian-Ukrainian conflict continues to drive the markets, the 10yr UST yield sank y-day closing at 1.8216% and moderately recovering to 1.8560% at the time of writing, while the 10yr Bund yield is losing ground today at 0.128% from 0.159% at y-day's close. **Energy markets are still heavily impacted** by the turmoil with Brent crude closing above USD100/bbl y-day for the first time since 2014 but pulling back today at USD99.60/bbl currently. On FX, EUR/USD was kept close to 1.1200 and GBP/USD remains almost unchanged at 1.3419, while USD/JPY is somewhat receding at 114.87 after rising near 115.80 at some point y-day. **On monetary policy, Fed's Bostic says he favours a 25bps hike in March, dependent however on incoming data, while ECB's Panetta says ECB should take moderate and careful steps in adjusting policy.**

Greece

The European Commission deems Greece ready to receive its first payment from NextGenerationEU, said yesterday European Commission President Ursula von der Leyen. **Amounting to ca €3.6bn, the payment comprises grants of €1.72bn and low-interest loans of €1.85bn. According to ELSTAT, the overall industrial producer price index (PPI) increased by 4.0%MoM/31.6%YoY in Jan-22, climbing to its highest level in record. This hike was driven by PPI's two largest components: energy (+4.6%MoM/+61.5%YoY) and intermediate goods (+0.7%MoM/+10.1%YoY).** Moreover, the Overall Volume Index in Retail Trade in Dec-21 increased by 19.4%YoY or by 0.8%MoM in seasonally adjusted terms; Clothing and footwear, Books, stationary, and other goods, and Pharmaceuticals and cosmetics categories led this increase.

CESEE

The final Q4-2021 GDP print for the Serbian economy came in at 7.0%YoY, slowing down from 7.6% YoY in Q3 and 13.6% YoY in Q2 and picking up from 1.5% YoY in Q1. The figure released yesterday, surpassed the recent flash estimate of 6.9%YoY, bringing the FY 2021 GDP growth print at 7.4%. In other news, Fitch Ratings affirmed Serbia's sovereign rating at BB+, which is a level below investment grade, and maintained the outlook stable. According to the agency, the rating is supported by a credible macroeconomic policy framework and prudent fiscal policy, as well as stronger governance and higher level of economic development compared with 'BB' medians. **In Turkey, GDP rose by 9.1%YoY in Q4-2021, vs 7.5%YoY in Q3, 21.9%YoY in Q2 and 7.3%YoY in Q1, bringing the FY 2021 growth rate at 11%.**

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