

GLOBAL & REGIONAL DAILY

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Global markets

Fuel prices continue surging with Brent crude at USD118.64/bbl, almost 20%WoW and Dutch gas at record-high EUR195/MWh, while other commodities prices such as coal, aluminum and wheat also soar. On monetary policy, speaking to the U.S. House of Representatives Financial Services Committee, Fed Chair Powell reiterated the core Fed stance that high inflation and an "extremely tight" labor market warrant higher interest rates and that rates would likely be raised only by 25bps this month, while the war in Ukraine has **made the outlook "highly uncertain"**. He added however, that the Fed may tighten more aggressively if inflation keeps rising, which led safe-haven sovereign bonds to lose some of their appeal, with the 10yr and 2yr UST yields trading somewhat higher, around 1.8525% and 0.700% respectively, at the time of writing.

Greece

According to Eurostat's flash estimate, inflation in Greece – in HICP terms – is expected at 6.3% in February 2022 on an annual basis from a realized figure of 5.5% in January 2022. (Euro-area: 5.1% and 5.8% in January and February 2022 respectively). The said increase is driven mainly by energy, which is expected to have increased by 43.1% in February 2022 from 40.5% in January 2022 (Euro-area: 28.8% and 31.7% in January and February 2022 respectively). The overall index excluding energy is expected to have increased by 2.9% in February 2022 from 2.4% in January 2022 (Euro-area: 2.5% and 3.0% in January and February 2022 respectively).

CESEE

CYPRUS: Real GDP on a seasonally adjusted basis expanded by 0.7% QoQ in Q4 2021, compared to 1.7% QoQ in Q3 2021, 1.6% QoQ in Q2 2021 and 1.7% QoQ in Q1 2021. The latter translates into +5.9% YoY in Q4 compared to +5.7% YoY in Q3, +13.3% YoY in Q2 and -2.0% YoY in Q1, bringing the GDP growth rate to 5.7% YoY in 2021. Tourist arrivals increased to 43.9K in Jan-22 compared to 3.9K a year ago, however they are still lower by -48.7% compared to their pre-pandemic level in Jan-20. Finally, the Labour Force Survey for Q4-2021 showed a decrease in the unemployment rate to 6.3% against 6.6% in Q3-2021 and 8.0% in Q4-2020. The number of employed persons increased by 0.7%QoQ/5.8%YoY, while the number of unemployed persons decreased by 5.6%QoQ/19.3%YoY.

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