

GLOBAL & REGIONAL DAILY

March 4, 2022

Global markets

The US ratchets up financial pressure on Russia, imposing blocking sanctions on Russian wealthy individuals and officials. Early today, Asian shares and the Euro (EUR/USD at 1.1010 at the time of writing) lose ground as investors' fears escalate on news that Russia took hold of Ukrainian nuclear facility. Oil prices jumped again today reaching USD114.23/bbl earlier after ending **close to the day's low** yesterday, with the market also focused on whether the OPEC+ producers, would increase output. Gold prices also rose on Friday (around USD1.937/oz at the time of writing), eyeing their best weekly gain since May 2021. Safe haven sovereign bonds maintain their appeal with 10yr UST yields dropping to 1.7000% at some point today, albeit regaining ground later, and the 10yr Bund yield slightly below zero, lower from **yesterday's** close.

Greece

The IHS Markit Manufacturing PMI stood at 57.8 in February **a tick lower than January's level of 57.9**, nevertheless remaining well above the 50-unit threshold. The sector remained deep into expansion territory for a 12th consecutive month, underpinned by robust output growth but employment, new orders and stock of purchases continued to lose their momentum amid faltering demand conditions. Separately, according to the ELSTAT building activity survey, total building activity in Greece in November 2021, calculated by the number of issued building permits, increased by 42.9%YoY, with private building activity (99.7% of total) increasing by 43.5%YoY. Year-to-November, total building activity increased by 24.9% compared to the corresponding period of 2020.

CESEE

Bulgarian National Bank's (BNB) Governor, Dimitar Radev, stated in an interview that the country's banking sector is not facing direct risks from the Russia-Ukraine war as there are no Russian banks in the country and the local banks' exposure to Russia is less than 0.5% of the system's **balance sheet**. **The consequences** from the conflict for Bulgaria are correlated with the dynamics of the global economic growth and inflationary prospects and further escalation will be key for the extent of any deterioration, he added. The statement came along a remarkable development in the banking sector of the country, as the competition regulator allowed KBC Bank to acquire 100% of the Raiffeisenbank Bulgaria and all of its Bulgarian units for EUR1.0bn. According to press, the acquisition is expected to be completed by mid-2022.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 40 63 453



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Rapanos
Economic Analyst
trapanos@eurobank.gr
+ 30 214 40 59 711



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

Περισσότερες εκδόσεις μας διαθέσιμες στην ηλεκτρονική διεύθυνση που ακολουθεί: <https://www.eurobank.gr/en/group/economic-research>
Εγγραφείτε ηλεκτρονικά, σε: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endarferontos>
Ακολουθήστε μας στο twitter: https://twitter.com/Eurobank_Group
Ακολουθήστε μας στο LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

