

GLOBAL & REGIONAL DAILY

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Global markets

As expected, at this week's two-day policy meeting that concluded y-day, the FOMC decided to raise the fed funds rate by 50bps in a target range of 0.75% to 1% and to begin reducing the size of the balance sheet on June 1. The decision was based on the fact that inflation remains well above the long-run 2% goal, the labour market is very tight and the US economy is seen as very strong and well-positioned to handle tighter monetary policy. According to Fed Chair Powell, 50 bps rate hikes are on the table for the next couple of meetings, but a 75bps hike is not something the Committee is actively considering. On this note, US Treasury yields slid in volatile trading yesterday, with the 2yr yield falling to session lows of 2.603% after rising to 2.844%, the highest since Nov-18. Over to the UK, at today's MPC meeting, the BoE is set for the 4th straight rate hike to fight inflation.

Greece

On reforms, a proposed Environment and Energy Ministry bill to simplify the licensing of renewable energy sources (RES), was submitted for public consultation recently. The new bill aims to reduce the average licensing time for new RES projects to 14 months from five years, increase the capacity of the electricity network to include more RES units and develop electricity storage projects with an installed capacity of at least 3.5GW by 2030. The public consultation period expires on 10 May 2022. In other news, Greek government bond yield spreads against German Bunds are widening, with the 10YR bond spread standing at 242bps at the time of writing, after having fallen below 100bps in the summer. On the data front, tomorrow ELSTAT is expected to announce the commercial transactions for Mar-22.

CESEE

According to the flash estimate released yesterday by the Serbian Statistics Office, the GDP growth came in at 4.3%YoY in Q1-2022, slowing down from 7.0% YoY in Q4-2021 and 7.6% YoY in Q3-2021. The print was better than anticipated, as the consensus pointed to an increase of 3.5%YoY. The detailed breakdown of the national accounts for the first quarter of the year will be published on May 31. On the fiscal front, according to the preliminary fiscal results released by the Statistical Service of Cyprus (CYSTAT), the general government recorded a €239.3mn surplus in the period Jan-Mar 2022 (accounting for 1.0% of the projected GDP for the year), against a deficit of €137.4mn in the same period last year, on the back of strong revenues growth (14.2%YoY).

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