

# GLOBAL & REGIONAL DAILY

May 6, 2022

## Global markets

Markets intense volatility after Wednesday's FOMC meeting, may indicate skepticism about the Fed's ability to control inflation without causing a recession, as well as the pace of tightening ahead. As equity markets take a hit, the dollar's safe-haven appeal strengthens with the EUR/USD below the 1.05 area and the USD/JPY hovering around 130 at the time of writing. US Treasury yields soar with the 10yr yield hitting a fresh-high of 3.1080% yesterday and trading around 3.0532% at the time of writing and the 2yr yield at 2.7185% currently, from an opening of 2.7320%, whilst the 2yr10yr yield curve whipsaws. In Europe, peripheral spreads widen with the Italian 10yr benchmark and the Spanish 10yr benchmark yield spreads against the respective Bund yield exceeding 200bps and 110bps respectively, for the first time in around two years.

## Greece

The PM Kyriakos Mitsotakis announced yesterday a package of relief measures to tackle soaring energy prices, including a reimbursement of 60% of all increased electricity bill charges imposed on each owner or renter of a primary residence from December 2021 through May 2022. On the privatizations front, eight interested parties submitted yesterday their expressions of interest for Attica Motorway. Finally, according to the Bank of Greece, deposits placed by the private sector maintained their downward trend for the third consecutive month, reaching €176.6mn in March down from €177.5bn in February and €177.8bn in January. On an annual basis, deposits' growth rate decelerated to 7.0% in March from 8.7% in February, due to an easing in both household and corporate deposit growth rates.

## CESEE

April's CPI prints for both Turkey and Cyprus were released yesterday, reaching new record highs. In Turkey, headline inflation accelerated to 70%YoY up from 61.1%YoY in March, on the back of rising fuel prices (+105.9% YoY) and food prices (+89.1%YoY). In Cyprus, headline inflation accelerated to 8.8%YoY, up from 7.1% in March, bringing the year-to-April average change to 7.0%. In other news, the Central Banks of Czechia (CNB) and Poland (NBP) maintained their hawkish stance in yesterday's MPC meetings. In particular, the CNB decided to raise the Key Policy Rate (KPR) by 75bps to 5.75%, beating to the upside the market consensus, which was expecting a second straight 50bps KPR hike. On the same footing, the NBP raised the Key Policy Rate (KPR) by 75bps to 5.75%, in an eighth straight hike.

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