

GLOBAL & REGIONAL DAILY

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Global Markets

Focus today turns to the US non-farm payrolls report with employment growth expected to have increased significantly in Dec, although rising Covid-19 infections may temporarily cause disruptions in the jobs market. Asian shares closed mostly higher today on expectations of a tighter US labour market that would lead the Fed to act quicker on interest rate hikes. At the same time, growing expectations of future rate hikes drove yields on 10yr Treasuries to rise above 1.70% just below the 2021 highs of 1.74% reached in Mar-21. 10yr Bund yields continued to edge close to zero with markets evidently pricing in a policy divergence between the Fed and the ECB, with the gap between 2yr Treasuries and Bunds hitting a post-pandemic high. Separately, German exports grew in Nov-21 but industrial output fell reflecting supply bottlenecks.

Greece

According to the Bank of Greece, in November 2021 the weighted average interest rates on outstanding amounts of deposits and loans remained unchanged compared to the previous month at 0.04% and 3.51% respectively. The weighted average interest rate on new deposits remained unchanged at 0.05%, while the weighted average interest rate on new loans decreased to 3.73% (i.e. by 21 bps), despite defined-maturity SMEs loan floating rate increasing to 3.29% (+13 bps). On the pandemic front, new cases reached 33,716 yesterday amid c.420K tests driving the positivity rate to 8.0%, while the 7-day average positivity rate stood at 12.4% from 5.5% one week earlier. Patients in ICUs stood at 639 yesterday from 636 one week earlier.

CESEE

Bulgaria's Prime Minister Kiril Petkov confirmed in an interview given at Bloomberg that the government remains committed to the January 1 2024 target date for the eurozone entry. The Bulgarian cabinet continues to view the Euro adoption as an favourable development from a macroeconomic perspective as, inter alia, it will reduce substantially monetary transactional fees and will raise the country's sovereign rating. Note that the exchange rate at which Bulgaria plans to join the eurozone remains at BGN 1.9558s per EUR 1. Based on the recent census of the Bulgarian population, according to recent preliminary results, the population has declined to a record low number of 6,520,314 people, contracting by 844,000 people or 11.5% compared to the 2011 census outcome when the population stood at 7.4mn.

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 33 18 708



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



Dr. Theodoros Rapanos
Economic Analyst
v-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

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