

# GLOBAL & REGIONAL DAILY

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## Global Markets

US job market remains tight with total nonfarm payroll employment rising by 467K in January – significantly above expectations for 150K – and the unemployment rate standing at 4.0%, little changed from 3.9% in the previous month. UST 10yr bond yields jumped at the news reaching a more than a two-year high of 1.9360% mid-session on Friday and hovering at 1.8990% at the time of writing. 10YR German Bund yields also hit a three-year high on Friday reaching 0.229% mid-session and closing 21bps lower, while at the time of writing, they trade a tad lower at 0.198%. Looking ahead, interest today turns to ECB President **Christine Lagarde's** hearing before the Committee on Economic and Monetary Affairs of the European Parliament in the afternoon.

## Greece

According to press, the Greek government, in the following days, will announce the relief measures (subsidies) for households and firms, regarding their electricity bills of Feb-21. Moreover, the Minister of Finance, Christos Staikouras, in an interview on Saturday, stated that he does not rule out a cut of the value-added tax rate on food (in Dec-21 the CPI sub-index of food and non-alcoholic beverages increased by 4.3% YoY). He also pointed out that the **government's decisions** are based: 1<sup>st</sup> on the fiscal cost, 2<sup>nd</sup> on **society's direct benefit** and 3<sup>rd</sup> on social justice criteria. On the data front, ELSTAT is expected to announce the commercial transactions of Dec-21 on Wednesday. In Jan-Nov 21, the deficit of the trade balance increased by €5.0bn YoY from a drop of €3.6bn YoY in Jan-Nov 20.

## CESEE

SERBIA: The EUR/RSD closed almost unchanged at 117.59 on Friday, continuing to trade in a quite limited range of 117.57-61. In the fixed income market, government bond yields continued to move lower, decreasing by 10-15bps on a weekly basis, with the 4-year, 6-year and 11-year RSD denominated bonds resuming their trading on Friday at 3.20%, 3.50% and 3.90%, respectively. In other news, the central government budget deficit fell by 37.7%YoY to RSD286.1bn in January-December 2021, accounting for 4.6% of the projected GDP against the revised 2022 budget target for a deficit of RSD304.5bn or 4.9% of GDP. Budget revenues increased by 16.5%YoY, while expenditures increased at a lower rate of 2%YoY. Finally, central government debt increased by 0.8%MoM in December to €30.1bn, shaping the debt-to-GDP ratio at 56.9%.

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