

GLOBAL & REGIONAL DAILY

March 8, 2022

Global markets

Oil prices firmed on poor progress in Ukraine talks and the possibility of a ban on Russian oil imports, with Brent crude, which briefly rose above USD139/bbl in the previous session, opening above **y-day's close** and trading even higher at USD127.48/bbl at the time of writing. The yield on 10yr USTs rose to 1.8080% earlier today above its close of 1.7768% on Monday, while the 2yr UST yield, which increases with **markets'** expectations of higher Fed fund rates, currently trades at 1.5785% above **y-day's** close of 1.5563%. Focus this week turns to US CPI, the last reading before next **week's** FOMC meeting, with the committee now in a blackout period, and the ECB Governing Council on Thursday, which comes after the Euro area flash CPI print for February last week came in at +5.8% (vs. +5.6% expected), the highest level in the single currency's history.

Greece

According to ELSTAT, real GDP increased by 8.3% in 2021 from a decrease of 9.0% in 2020. Domestic demand had the lion's share of the 2021 recovery, followed by net exports. More specifically, private consumption, public consumption and investment increased by 7.8%, 3.7% and 9.3% respectively. Exports rebounded by 21.9% and imports rose by 16.1%. In what concerns the 4th quarter of 2021, real GDP growth stood at 0.4% QoQ / 7.7% YoY, creating a positive carry-over effect of 1.6 pts for 2022. All in all, the Greek economy, due to its resilience in the 2nd lockdown, the **government's** support measures, the reopening of the economy and the better-than-expected tourist season, recovered steeply in 2021. However, the aforementioned performance was accompanied by the persistence of the "twin deficits".

CESEE

In Cyprus, headline inflation, measured by national standards accelerated to a record high of 6.6%YoY in February from 5.4%YoY in January, bringing the year-to-February average change to 6%YoY. The biggest increases on an annual basis were observed in the categories of Transport (+14.8%YoY) and Housing, Water, Electricity, Gas and Other Fuels (+13.3%YoY). Elsewhere in the region, the Central Bank of Czechia (CNB) announced on Friday that it had launched interventions in the FX market against depreciation of the koruna. The move is in line with high volatility for emerging market currencies after Russia invaded Ukraine. Finally, **this week's calendar is rather hefty with attention** focusing on the MPC meetings of the Central Banks (CBs) of the region.

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