

GLOBAL & REGIONAL DAILY

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Global markets

US Treasuries remained under pressure, while the USD retained a positive tone amid expectations for more aggressive rate moves from the Fed over the rest of the year to curb high inflation. The 10-yr UST yield was hovering close to y-days 2.67% three-year intraday peak earlier today and the DXY index edged nearer to the psychological 100 threshold for the first time since May 2020. Meanwhile, oil prices extended their recent decline, with Brent crude briefly dropping below USD100/bbl for the first time since 17 March, after the US Senate voted to discontinue normal trade with Russia and to ban Russian oil imports. On the data front, Euro area retail sales rose by a lower than expected 0.3%MoM in February, while US initial jobless claims fell by 5,000 to 166,000 last week, matching a more than 53-year low recorded in mid-March.

Greece

In the Governor's Annual Report 2021, published y-day, the BoG expects in the baseline scenario a GDP growth of 3.8% for 2022, compared to a 4.8% growth previously, while the adverse scenario foresees a 2.8% growth, depending on the extent and duration of the shocks in international energy and food prices, as well as the deterioration in confidence and financial market turmoil. According to the BoG, the main driver of growth is to be domestic demand and tourism this year, but there is considerable uncertainty pertaining to inflationary pressures. In other news, according to ELSTAT provisional data on commercial transactions, for the period Jan-Feb 2022, the deficit of the trade balance amounted to €6,092 mn, recording an increase of 131.5%YoY, while the corresponding deficit excluding oil products increased by 75.9%YoY.

CESEE

In Cyprus, headline inflation, measured by national standards, accelerated to a new record high of 7.1%YoY in March from 6.6%YoY in February, with the biggest annual increases recorded in the categories of Housing, Water, Electricity, Gas and Other Fuels (+16.6%YoY) and Transport (+14%YoY). Meanwhile, tourism revenues increased to €28.2mn in Jan-22 compared to only €2.8mn in Jan-21, i.e. up by 907.1%, but still lower by 29.9% from their respective reading in Jan-20. Finally, the number of registered unemployed on a seasonally adjusted basis decreased to 13,555 persons in March down from 13,664 in the previous month. On an annual basis, registered unemployment declined by 58% in March (down by 19,115 persons), with the sectors of accommodation and food service and retail trade recording the biggest decrease.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@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 40 63 453



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



Dr. Theodoros Rapanos
Economic Analyst
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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