

GLOBAL & REGIONAL DAILY

February 9, 2022

Global Markets

Bracing for tighter monetary policy, government bonds remained under selling pressure, with the 10yr Bund yield closing at 0.264% y-day and trading at a range of 0.230-0.267% at the time of writing and the French 10yr OAT yield closing at 0.718% y-day and currently trading between 0.681-0.697%, both rising for the 11th day in a row. Note that the last time the yield of the 10yr Bund increased for so many days in a row was around the beginning of 2000, hitting now post-2019 highs just as the 10yr OAT yield. Meanwhile, after widening in the past few days, peripheral spreads are currently filling the gap with the spread between the yields of the 10yr Bund and the 10yr Italian at 156bps from 159bps yesterday and the spread between the yields of the 10yr Bund and the 10yr Spanish currently at 86bps from 87bps yesterday.

Greece

The rating agency Scope Ratings kept Greece's sovereign credit rating at BB+ with a stable outlook, revising upwards the GDP growth outlook for 2021 to 9.3% (from 8.9%) and pinning it at 4.4% for 2022 and 2.5% for 2023. The agency also expects public debt to fall to 192.2% of GDP by end-2022, down from 198.7% of GDP at end-2021. Meanwhile, according to OECD data, real household income per capita in Greece increased by 5% in Q3-2021 (vs OECD average of 0.2%YoY), with Greece recording the second highest annual increase among the OECD countries. In other news, according to press, the Greek government will extend until February the financial support for households and businesses to deal with rising prices in electricity and gas, **at a cost of €400mn.**

CESEE

The Serbian Ministry of Finance raised yesterday RSD24.5bn in 2-year bonds, which were first offered on January 18, 2022. The initial scope of the auction was RSD50.1bn but the issuance was capped at RSD10bn as investors' bids lied below the initial target, i.e. ca at RSD35.2bn. The notes bear a 2.75% coupon and were sold at an average yield of 2.65%, which is below the yield of 2.75% achieved at the identical auction held on January 18. Looking more broadly at the region, the Bulgarian Prime Minister, Kiril Petkov, spoke yesterday during a press conference with his Serbian counterpart, Ana Brnabic, about the creation of a common gas market between Bulgaria, Serbia, North Macedonia, and Greece in an effort to maximise the regional diversification of energy resources.

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
+ 30 214 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

Περισσότερες εκδόσεις μας διαθέσιμες στην ηλεκτρονική διεύθυνση που ακολουθεί: <https://www.eurobank.gr/en/group/economic-research>

Εγγραφείτε ηλεκτρονικά, σε: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endiaferontos>

Ακολουθήστε μας στο twitter: https://twitter.com/Eurobank_Group

Ακολουθήστε μας στο LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

