

GLOBAL & REGIONAL DAILY

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Global Markets

The multi-day rally of EGB yields came to a halt yesterday, while trading today hovers above **yesterday's** close with the yields of the 10yr Bund at 0.231%, the 10yr OAT at 0.691% and the 10yr BTP at 1.792% at the time of writing. 10yr UST yield movements have been softer since the beginning of the week and interest today turns to the US January CPI reading, after successive increases that surprised to the upside, and the December reading reaching an almost four-decade high of 7%YoY. The course of inflation along with labour market conditions, which remain tight based on the latest unemployment rate (4% in January), average hourly earnings (+USD0.23) and **nonfarm payroll data (+467K in January)**, are key to the Fed's decisions at the March FOMC meeting regarding the pace of the monetary policy tightening.

Greece

According to ELSTAT provisional data on commercial transactions, the total value of goods imports in Dec-21 reached €6,246mn (+37.8%YoY) and the total value of goods exports €3,561mn (+17.4%YoY), bringing the **deficit of the trade balance to €2,686mn (+79%YoY)**. In the period Jan-Dec 2021, goods imports amounted to €64,190mn (+31.1%YoY) and **goods exports to €39,895mn (+29.5%YoY)** raising the deficit of the trade **balance to €24,296mn (+33.8%YoY)**. The corresponding deficit excluding oil products increased by 20.9%YoY and the corresponding deficit excluding oil products and ships increased by 21.3%YoY. In other news, Greek government bond yield spreads against German Bunds are widening, with the 10YR bond spread standing at 222.5bps at the time of writing, after having fallen below 100bps in the summer.

CESEE

Continuing on the monetary policy tightening mode in the region, the National Bank of Romania (NBR) decided to increase the Key Policy Rate (KPR) to 2.5% from 2.0% at the monetary policy committee held yesterday. The NBR anticipates inflation to accelerate substantially, more than initially predicted, in Q2, mainly due to higher-than-expected price jumps for gas and electricity, which will have a more pronounced effect after the government support through the energy prices freeze scheme ends at the end of March. Note that the KPR was increased by 25bps on January 10, following two more hikes in 2021. On the same footing, the National Bank of Poland one day earlier delivered another 50bps KPR hike, in line with market expectations.

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