

# GLOBAL & REGIONAL DAILY

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## Global Markets

Following **last week's** above expectations Euro zone HICP reading of 5%YoY in Dec, ECB Chief Economist Philip Lane said in an interview that the bank does not see Euro zone inflation above its 2% target in the medium term. He added that a concentration of price pressures at the end of 2021 was expected, particularly due to the large increase in energy prices, but the narrative remains unchanged. Separately, in the Euro area the unemployment rate fell to 7.2% in Nov, its lowest level since Mar-20, and in Italy the said figure declined to 9.2% from 9.4% in the previous month. On monetary policy, Fed funds futures price-in almost four rate hikes in 2022, while the Fed is also likely to start the process of shrinking its balance sheet earlier than expected. **Fed Chair Powell's nomination hearing** today may shed more light on this.

## Greece

The seasonally adjusted Economic Sentiment Indicator declined by 3.1 units MoM in Dec-21, as depicted in EC survey data, with all subindexes except from the retail trade one receding compared to their November levels. It was nevertheless one of the highest recordings since the onset of the Greek debt crisis more than a decade ago, and 20% higher than the respective figure in Dec-20. According to provisional ELSTAT data, **November's** seasonally adjusted Industrial Production Index (IPI) declined by 1.2%MoM, interrupting a 4-month upward streak; the main drivers were the Electricity Supply (-7.7%MoM) and Manufacturing (-0.2%) subindexes. On a (working day-adjusted) yearly basis though, IPI recorded an increase of 8%, remaining on a strongly positive footing throughout 2021.

## CESEE

The Central Bank of Romania, decided yesterday a 25bps increase, setting the key policy interest rate (KPR) at 2.00% from 1.75%. This was the first rate hike this year, following two more in 2021, with the Central Bank sticking to a gradual rate hike approach, though to a lower extent than market expectations. In Bulgaria, retail sales continued to expand by 6.7% YoY in November, albeit at a lower pace compared to the increases of 7.6% YoY in October and 8.4% YoY in September. On a monthly basis, the volume picked up by 0.5% in November, following an upward trend for the third consecutive month. Industrial output growth accelerated by 13.2% YoY in November from 9.6% YoY in the previous month, while industrial sales rose by 51.7% YoY in November, speeding from 41.1% YoY in the previous month.

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