ISSN: 2241-4851

Eurobank Research

EUROBANK

GLOBAL & REGIONAL DAILY

April 11, 2022

Global markets

The incumbent President Emmanuel Macron and Marine Le Pen are the two candidates who will face each other in the second round of the presidential elections in France, on 24 April. In the first round, which took place yesterday, Macron received 27.6% of the vote and Le Pen 23.4% (97% of results counted), with turnout at almost 75%. Opinion polls for the runoff now predict Macron winning, but with a razor-thin victory. Jean-Luc Mélenchon, who came in third (21.95%), emerged as the 'regulator' of the second round, calling on his supporters to not cast a single vote for Le Pen, without however directly urging them to vote for Macron. In the aftermath of the first round of the elections, French OAT yields are gaining ground at the time of writing with the 10yr and the 2yr yields at 1.276% and 0.2123% respectively, while the EUR/USD stands at 1.0906 currently, slightly higher from Friday's close.

Greece

According to ELSTAT, the inflation rate (based on the CPI) in March surged to a new record high of 8.9%YoY (2.7%MoM), up from 7.2%YoY in February and 6.2%YoY in January, bringing the year-to-March average increase at 7.4%YoY. The steepest annual increases were recorded in housing (+29.9%), transport (+15.4%) and food and non-alcoholic beverages (+8.1%). Meanwhile, the annual inflation rate measured by the HICP accelerated to 8%YoY in March (Euro-area: 7.5%), up from 6.3%YoY in February. Given the long-term disruption that the war in Ukraine and sanctions on Russia are causing to the trade of key energy, agricultural and industrial commodities, the BoG recently revised upwards its inflation projections for 2022, i.e. at 5.2% in its baseline scenario and at 7% in its adverse scenario.

CESEE

In its April's Monetary Policy Committee (MPC) meeting, the National Bank of Serbia (NBS) decided to raise the key policy rate (KPR) by 50 bps to 1.50%. The NBS opted for further tightening of monetary conditions, if inflationary pressures in the global and domestic markets prove stronger and more persistent than initially anticipated. Following the Central Bank's decision, the EUR/RSD did not react and continued hovering around the same levels, closing Friday's session at 117.73/78. In the fixed income market, government bond yields continued their upward trend, increasing by an average of 30 bps on a weekly basis, with the 4-year, 6-year and 11-year RSD denominated bonds resuming their trading on Friday at 4.60%, 5.00% and 5.50%, respectively.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr

We would like to thank Djordje Lucic from Eurobank Beograd for his valuable contribution in today's issue.

Eurobank Research

EUROBANK

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 Stamatiou
Senior Economist
tstamatiou@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