

GLOBAL & REGIONAL DAILY

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Global markets

The USD holds firm, with the DXY index hitting two-year highs of 100.23 earlier today, while treasury yields hover around multi-year highs with the 10yr UST yield at 2.8167% (highest since December 2018) and the 2yr UST yield at 2.5431%, close to last **week's high of 2.6020%**, which was a more than 3-year high. The movement came **ahead of today's US CPI data, which are expected to show** a further increase in inflation in March, reinforcing expectations for more aggressive Fed tightening ahead. **Meanwhile, UK's latest jobless rate fell further below its pre-pandemic level, fueling the Bank of England's concerns about inflationary pressures in the labour market.** The unemployment rate in the three months to February fell to 3.8%, down from 3.9% in the three months to January and below the level of 4.0% just before the pandemic started in early 2020.

Greece

According to ELSTAT, the overall industrial production index (IPI) increased by 4.8%YoY in February, rebounding from a slight decline of 0.2%YoY in January, mainly due to an increase of 7.9%YoY in the manufacturing index. In the same month, the seasonally adjusted overall IPI increased by 2.0%MoM. On Greece 2.0, the country has officially received the first instalment of **€3.6 bn** from the RRF, of which **€1.72 bn** relate to the part of the non-repayable support of the Fund (i.e. subsidies) and **€1.84 bn** to the part of loans. At the same time, the implementation of a series of projects that have been included in the Recovery Fund has begun, among which are the electrical interconnection of Cyclades (Phase D), large digital projects for the modernization of the Public Sector and the digitization of the files of e-EFKA.

CESEE

The Bulgarian National Bank (BNB) cut its GDP growth forecast to 2.1% in 2022 and 3.9% in 2023 compared to previously projected growth of 3.6% for 2022 and 4.5% for 2023. The downward revision reflects the increasing uncertainty regarding the economic activity and inflation after Russia's invasion in Ukraine, with the BNB explaining that the deceleration in GDP growth will be mostly due to the expected slowdown of private consumption growth and the increase of the net exports' negative contribution. On the same footing, the World Bank, yesterday, in the Europe and Central Asia Economic Update cut its GDP growth forecast for Bulgaria to 2.6% in 2022, down from 3.8% previously, while it projected an acceleration in GDP growth to 4.3% in 2023 and to 3.7% in 2024, on the back of EU-funded public investment.

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