ISSN: 2241-4851

Eurobank Research

EUROBANK

GLOBAL & REGIONAL DAILY

March 14, 2022

Global markets

Glimmers of hope on some progress in Russia-Ukraine peace talks boost risk-on sentiment, while oil loses some of its gains with Brent crude trading at USD109.05/bbl at the time of writing, below Friday's close of USD112.67/bbl. Meanwhile, the more hawkish than expected ECB policy stance gave rise to higher European sovereign bond yields, with the 10yr Bund yield at 0.223%, the 10yr OAT yield at 0.756% and the 10yr Gilt yield at 1.490% at the time of writing, all above last week's average levels. Focus this week turns to the Fed with the FOMC expected to raise the Fed funds rate by 25bps, in line with Fed Chair Powell's comments before the U.S. House of Representatives Financial Services Committee a couple of weeks ago. Remaining on central banks, the BoE convenes on Thursday and is expected to proceed with a 25bps hike and the Bank of Japan on Friday.

Greece

According to ELSTAT provisional data on commercial transactions, in January 2022, the total value of goods' imports amounted to €6,318mn, higher by 57.9%YoY with the corresponding value excl. oil products increasing by 42.8%YoY. The total value of goods' exports amounted to €3,374mn higher by 33.9%YoY with the corresponding value excl. oil products increasing by 20.4%YoY. As a result, the deficit of the trade balance in January 2022 amounted to €2,944 mn, recording an increase of 98.7%YoY. In other news, according to press, the Inter-Ministerial Committee for Public-Private Partnerships (ICPPP) approved five PPP projects with a total budget of €425.2 mn, among which are the integrated solid waste treatment system in Santorini and the irrigation networks in the regional unit of Karditsa and in areas of Messinia.

CESEE

SERBIA: Pressure on the Serbian dinar eased last week as markets have started to price in the Ukraine invasion. At the same time, the Central Bank of Serbia (NBS) continued to intervene on the FX market, albeit at a slower pace. The NBS reduced its reserves by roughly EUR 150mn in order to keep the EUR/RSD under control, which has been trading within the range of 117.62 – 117.68 during the previous week. 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 3.80%, 4.20% and 4.50%, respectively.

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

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