

GLOBAL & REGIONAL DAILY

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Global markets

On geopolitical developments, Ukraine warned yesterday that Russia is stepping up operations in Mariupol, while Western countries pledge more military help. On inflation, signs that it may have peaked in the US, drive Treasury yields lower with the 10yr UST yield at 2.6825% currently, away from the three-year peak of 2.8360% on Tuesday and the 2yr UST yield at 2.3424% after almost 2.6% on Monday. Easing UST yields offered some relief to the yen on Thursday, with the safe haven currency rising slightly against the dollar after having weakened past the USD/JPY 126 mark in the previous session. Separately, oil prices are slightly retreating at the time of writing, after Brent futures hit USD109/bbl intraday on Wednesday, on the basis of larger-than-expected oil reserves against tightening global supply.

Greece

According to the ELSTAT labour force survey, the seasonally adjusted unemployment rate in Feb-2022 stood at 12.8% compared to 16.1% in Feb-2021 and to the upwards revised 12.9% in Jan-2022. The number of employed persons amounted to 4,119k increasing by 12.4%YoY, while the number of unemployed persons amounted to 603k decreasing by 14.2%YoY. On the pandemic front, the Health Minister announced y-day the gradual lift of the containment measures, effective after the Easter break. More specifically, starting on May 1, the display of Covid vaccination or recovery certificates will not be needed, while all restrictions concerning the number of customers in venues will be lifted and they can operate at 100% capacity. However, according to the Health Minister all measures will be re-evaluated in September.

CESEE

In its latest medium-term budgetary forecast, the Bulgarian Ministry of Finance slightly cut the budget deficit target to 4.0% of GDP in 2022, down from 4.1% of GDP previously, taking into account the recently revised macroeconomic projections following the onset of the war in Ukraine and its impact on the regional economy. However, the expected revenues for 2022 compared to the budget 2022 law were not revised, remaining at BGN 57.25bn. The MinFin argued that gradual steps towards fiscal consolidation will start as of 2023, thus setting the budget deficit targets at 3.3% of GDP for 2023, 3.0% of GDP for 2024 and 2.8% of GDP for 2025. Finally, the minimum wage has been set to remain at BGN 710 in the next three years, while no changes to the tax policy have been envisaged either until 2025.

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