ISSN: 2241-4851

Eurobank Research

EUROBANK

GLOBAL & REGIONAL DAILY

February 15, 2022

Global Markets

St. Louis Fed President James Bullard, stated in an interview y-day that the planned tightening needs to be front-loaded with 100bps of rate increases until July 1st, as inflation has repeatedly surprised to the upside, adding that this can be done in an organised way that is not disruptive to markets. The hawkish tone from the Fed official drove the 2s10s yield spread to 41bps, the flattest since Aug-20. Separately, oil prices hit 7-year highs y-day, fueled by Russia's troop buildup near Ukraine, with Brent crude surpassing USD96/bbl, while today prices have slightly eased trading at USD95.59/bbl at the time of writing. On economic data, the UK unemployment rate stood at 4.1% in the three months to Dec-21, unchanged from the previous three-month period, while HICP in Spain rose slightly to 6.2%YoY in Jan-22, from 6.1% in Dec-22.

Greece

Greece's ranking in the digital maturity index improved by two places last year, according to the relevant index compiled by SEV (SEV Digital Maturity Index), with Greece ranking 25th among the EU countries. In other news, Finance Minister Christos Staikouras stated in an interview that Greece will repay the final tranches of bailout loans owed to the IMF by the end of March, two years ahead of schedule. Finally, Fitch Ratings revised gross financing needs (GFNs) for the Greek sovereign, pointing to lower GFNs in the next four years (cumulatively 4.5% of GDP). This revision also reflects repayments of outstanding IMF loans and prepayments of 2022 and 2023 installments of the Greek Loan Facility, amounting to 3.8% of forecast GDP.

CESEE

Regional markets resumed yesterday's session with losses amid mounting concerns over an escalation in the Russia – Ukraine jitters. Local currencies such as the Polish zloty, the Czech crown and the Hungarian forint, retreated against the Euro close to 1% with the Romanian leu and the Serbian dinar remaining less affected. On local equity markets, all major bourses concluded the day in the red with the Polish WIG sliding the most (-3.24%), also affected by current account data released on the day pointing to the biggest deficit in record. Sovereign bonds came under pressure as well with yields in the 2-, 5- and 10-year papers of Poland and the Czech Republic spiking notably. So far on today's trade, local markets are moving adrift looking for direction, waiting, most probably, news on the Russian – Ukrainian front.

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