

GLOBAL & REGIONAL DAILY

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Global markets

According to the ECB Governing Council that convened yesterday, the Euro area economic activity is still supported by the post-pandemic reopening, fiscal measures and accumulated savings, while unemployment has fallen to an historic-low of 6.8% in February. Nevertheless, downside risks to the growth outlook and upside risks to the inflation outlook have increased substantially due to the war in Ukraine. Against this background, the Governing Council maintained its monetary policy stance and its decision to conclude net asset purchases under the APP in Q3-2022. The exact timing will be determined by the projection exercise at the next monetary policy meeting. The decision on interest rate hikes will be made some time after the completion of net asset purchases, which could be anywhere from a week to several months, consistent with the decision to maintain optionality, gradualism and flexibility.

Greece

According to the Bank of Greece final data, the balance of travel services in 2021 posted a surplus of €9,390.2mn compared to a surplus of €3,525.9mn in 2020, increasing by 166.3%YoY. This improvement was due to a stronger increase in travel receipts, which rose by 143.2%YoY – standing, however, at 60.8% of 2019 levels - than in travel payments, which increased by 40.3%YoY. The rise in travel receipts in 2021 compared with 2020 was driven by a 105.9% increase in the number of non-resident inbound travellers, which stood at 15,246k, as well as a rise in average expenditure per overnight stay by 16.7% (at €78.5). On vaccinations, 7.7mn people have been fully vaccinated, corresponding to 72% of the population, while 53% of the population has received booster shots.

CESEE

The Monetary Policy Committee (MPC) of the Central Bank of Turkey (CBRT) decided yesterday to keep the one-week repo policy rate unchanged at 14.0% for the fourth month in a row, in line with market expectations. Moreover, the MPC decided to strengthen the macro prudential policy set, as it assessed that the credit growth, including the long-term investment loans and targeted usage of accessed funds for real economic activity, is important for financial stability. On the data front, the current account (CA) posted a deficit of USD5.15bn in February, widening by 110.6%YoY, with the deterioration stemming from the goods trade deficit, which almost tripled on a yearly basis. On a twelve-month rolling basis, the CA deficit rose for the third month in a row reaching USD21.8bn.

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