

GLOBAL & REGIONAL DAILY

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Global Markets

US producer prices increased by 1%MoM in Jan-22, the highest increase in eight months with final demand less foods, energy and trade rising by 0.9%MoM, the highest in twelve months, indicating persisting inflation. Meanwhile, seemingly easing tensions in Ukraine drove longer-dated bond yields upwards, with the 10yr UST yield closing above 2% y-day and trading above this threshold at the time of writing and the 2yr10yr yield curve steepening to 47bps reversing five consecutive days of flattening. In Europe, the 10yr Bund yield closed above the 0.3% level for the first time since Nov-18 and currently trades at 0.320%, while the 10yr OAT yield exceeded 0.8% at some point y-day and currently stands slightly below this level at 0.792%. On economic news, UK CPI inflation surged to 5.5%YoY in Jan-22, a nearly 30-year high.

Greece

According to ELSTAT, the inflation rate (based on the CPI) in Jan-22 accelerated to a multi-year high of 6.2%YoY from 5.1%YoY in Dec-21 and 4.8%YoY in Nov-21. The steepest annual increases were recorded in housing (+22.6%), transport (+11.1%), clothing and footwear (+7.0%) and food and non-alcoholic beverages (+5.2%). On a monthly basis, CPI decreased by 0.3% in January after remaining in positive territory for four consecutive months. Meanwhile, the Harmonized Index of Consumer Prices (HICP) accelerated to 5.5%YoY in Jan-22 (Euro area HICP flash estimate at 5.1%YoY), up from 4.4%YoY in Dec-21. The said increase was driven by energy, which increased by 52.1%YoY. On a monthly basis, the HICP decreased by 0.2% in Jan-22 against +0.5% in Dec-21.

CESEE

In Bulgaria, inflation picked up to 9.1% YoY in January from 7.8% YoY in December, hitting the highest reading since November 2008. The acceleration of the annual print was broadly driven by rising food prices (+10.9% YoY), under the pressure of persistently increasing prices in soft commodities. The volatility of the industrial electricity prices may have also weighed on the increase of both food and non-food prices (+10.0% YoY) during the past months. In Serbia, President Aleksandar Vucic called yesterday for an early parliamentary election on April 3, signing a decree that dissolves the parliament upon a proposal by the government and Parliament Speaker Ivica Dacic called local elections to be held on the same date with the presidential elections expected to be announced in early March.

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