

GLOBAL & REGIONAL DAILY

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Global markets

Market focus today is on the Fed which is widely expected to raise rates by 25bps, the first rate hike since December 2018, and signal further tightening in the coming months, amid persistently elevated inflation and an extremely tight labor market. Awaiting the Fed's verdict, risk-on sentiment prevailed earlier today following comments by Ihor Zhovkva, President Zelensky's deputy chief of staff, that Russia has softened its negotiation stance, and talks between Russian and Ukrainian representatives have become "more constructive". USTs remained under pressure, with the 10-yr yield rising by c. 5bps on the day to 2.20%, while the USD retained a positive tone against its major currency peers, favored by higher US long-term yields and widening interest rate differentials amid expectations for a steady Fed rate tightening path ahead.

Greece

On "Greece 2.0", 70 additional projects were approved for inclusion in the RRF with a budget of €2.4bn, thus increasing the total number of the projects the Fund currently has to 173, at a total budget of €8.5bn. The bulk of the aforementioned resources will be channeled into interventions aiming to improve urban environment and public space, digital transformation of SMEs, modernization and renovation of Health Infrastructure and economic transformation of the agricultural sector. According to ELSTAT, for the enterprises of the economy as a whole obliged to double-entry accounting bookkeeping, the turnover in January amounted to €20.8bn, recording an increase of 30.5%YoY. The biggest annual increase in turnover was recorded by the enterprises of the section Arts, Entertainment and Recreation (+728%).

CESEE

In Cyprus, tourism revenues increased to €54mn in December 2021 compared to only €9.1mn in December 2020. For the period January-Dec 2021, tourism revenues came in at €1,513.6mn compared to €392mn in the corresponding period of 2020, i.e. up by 286.1%, but still lower by 43.6% compared to their pre-pandemic level in Jan-Dec 2019. In other news, the FX reserves of the National Bank of Serbia (NBS) stood at €15.6bn in February down by €549.3mn compared to January. The FX reserves were sufficient to finance more than six months of imports and covered M1 by 134%. The net FX reserves, which exclude mandatory reserves of commercial banks and other requirements, stood at EUR 12.9bn in February.

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