

GLOBAL & REGIONAL DAILY

January 17, 2022

Global Markets

After a considerable sell off on Friday 10YR UST yields ended the week at new 2-year highs closing at 1.7930%, while their trading is halted today due to a US holiday. Brent crude closed at USD86.06/bbl on Friday and is currently trading at USD86.17/bbl, approaching the multi-year closing high of USD86.40/bbl hit in Oct-21. On economic data, US retail sales climbed by a further 16.95%YoY in Dec-21 from 18.24%YoY in Nov-21, while on a monthly basis they fell by 1.9% against increasing by 0.2% in Nov-21. Industrial production in Dec-21 increased by 3.7%YoY from 5% in Nov-21, while on a monthly basis it contracted by 0.1% against +0.7% in Nov. Focus this week turns to the Bank of Japan monetary decision, where no change is expected and the UK CPI print for Dec, the last reading ahead of the **BoE's next policy decision of Feb 3rd**.

Greece

On Friday, Fitch revised **Greece's outlook to positive from stable, although it kept the country's rating at BB**, two levels below investment grade. Fitch estimates real GDP growth for 2021 at 8.3%, while it expects the recovery in economic activity to continue in 2022, as the deployment of the NGEU funds gathers pace, and for the economy to expand by a further 4.1%, with a similar growth rate forecast for 2023. In other news, the PM Kyriakos Mitsotakis announced that the minimum wage will be raised for a second time in 2022 on 1 May by 4-8%, in addition to January's 2% raise **to €663**. Finally, in an effort to aid businesses hurt by the ongoing wave of the Covid-19 pandemic, the government decided to extend the special purpose compensation to other sectors of the economy such as theaters, event venues, etc. until the end of January.

CESEE

The EUR/RSD managed to hold its ground last week, closing **Friday's session at 117.58/61**. The National Bank of Serbia (NBS) continued to sell euros directly in the FX market, intervening during the week with roughly EUR100mn sales in efforts to alleviate the persistent upside pressure on the EUR/RSD. In the local fixed income space, trading in bonds generated a turnover of EUR59.2mn on the secondary market during the week, mostly attributed to the 4-year, 6-year and 11-year RSD denominated government securities, which were traded at 3.40%, 3.75% and 4.10%, respectively. Elsewhere in the region, **this week's calendar is rather lightweight with Croatia's CPI reading for December due today giving the last print on the region's inflationary status**.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

We would like to thank Djordje Lucic from Eurobank Direktna for his valuable contribution in today's issue.

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 33 18 708



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Rapanos
Economic Analyst
trapanos@eurobank.gr
+ 30 214 40 59 711



Dr. Theodoros Stamatios
Senior Economist
tstamatios@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

Περισσότερες εκδόσεις μας διαθέσιμες στην ηλεκτρονική διεύθυνση που ακολουθεί: <https://www.eurobank.gr/en/group/economic-research>
 Εγγραφείτε ηλεκτρονικά, σε: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endaferontos>
 Ακολουθήστε μας στο twitter: https://twitter.com/Eurobank_Group
 Ακολουθήστε μας στο LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

