

GLOBAL & REGIONAL DAILY

January 19, 2022

Global Markets

UST yields climbed to fresh post-pandemic highs as markets anticipate tighter Fed policy in the coming months, with the 2yr UST yield at 1.0735% and the 10yr UST yield at 1.8934% at the time of writing. 10yr Bund yields currently into positive territory at 0.023% for the first time since May 2019. Oil prices rose to a 7-year high over concerns about supply shocks after Yemen's Houthi group attacked the United Arab Emirates, with the Brent crude hitting 87.92 USD/bbl and WTI 86.17 USD/bbl at the time of writing. On economic data, UK unemployment declined to a post-pandemic low of 4.1% in the three months ending in Nov-21, from 4.1% in the previous three months ending in Oct-21, while the ZEW economic sentiment indicator in Germany exceeded expectations in Jan-22, as it jumped to 51.7 from 29.9 in Dec-21.

Greece

According to ELSTAT, for the enterprises of the economy as a whole, obliged to double-entry accounting bookkeeping, for which data are available on a monthly basis, the turnover in November 2021 amounted to €25.4bn, recording an increase of 40%YoY. The biggest annual increase in turnover was recorded by the enterprises of the section Arts, Entertainment and Recreation (+181.2%), while the smallest increase was recorded by the enterprises of the section Other Service Activities (+5.2%). In other news, according to press, the government is preparing a three-pronged intervention in favor of civil servants, namely a bonus for those working in selected agencies, the abolition of the solidarity levy, as of next year, and a new framework for attracting specialized executives from the private sector.

CESEE

Official data released yesterday in Bulgaria showed that inflation in the country spiraled to 7.8% YoY in December, reaching its highest print since December 2008. On a monthly basis, inflation picked up by 0.9%, mainly due to rising food, transport, utility, entertainment and culture prices. The acceleration of the annual headline reading was broad-based, reflecting the upward price trend of electricity, gas, and fuel prices. Note that the National Bank of Bulgaria forecast in December some deceleration in the first months of 2022, but the said forecast is broadly based on the strong base effects from 2021. The key determinant for the deflation of prices will be the ease of the pressure on the electricity, gas, and other basic commodities prices.

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