

GLOBAL & REGIONAL DAILY

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Global Markets

The threatened ignition in Ukraine had increased the safe-haven appeal of sovereign bonds last week, driving yields down on Friday with the 10yr UST yield closing at 0.9268% (-4.2bps) and the 10yr Bund yield at 0.205% (-2.8bps) falling below 0.2% at some point but gaining ground today and standing at 0.231% at the time of writing. Risk-on sentiment returned on news this morning that US President Biden and Russian President Putin have agreed in principle to French President **Macron's** summit proposal. Meanwhile, the economic data releases calendar is hefty this week, including flash PMIs for the US, Euro area, Germany, France and UK, US GDP 2nd estimate and US PCE price index. In other news, UK PM Johnson is expected to **lay out plans today to scrap pandemic restrictions as part of the “living with Covid” strategy.**

Greece

According to ELSTAT, the overall turnover index in industry (domestic and non-domestic market) in Dec-21 increased by 22.9%YoY, owing to an annual increase of 23.0% in manufacturing and 17.9% in mining and quarrying. The average overall turnover index in industry for the period January-December 2021 increased by 25.6%YoY. On privatizations, HRADF has launched an international tender process for the construction and exploitation of the mega yachts marina in Corfu for a minimum duration of thirty-five years. Finally, according to press, the government is preparing an intervention package in real estate and income taxation, namely new property tax ENFIA, receipts that will give an extra tax deduction **of up to €2,200, tax incentives for mergers of professionals and regulation for encroached areas of the public sector.**

CESEE

The EUR/RSD remained resilient from the market-moving geopolitical conflict between Russia and Ukraine that remains on the news headlines. The stability of the Serbian dinar was succeeded with the involvement of the Central Bank of Serbia (NBS) in the FX market that soothed any concerns from traders and investors with exposure on the local currency. The EUR/RSD kept floating around 117.56-117.60 during the previous week and remains within this trading range at the time of writing. Interventions in the Serbian economy are not only driven by the pursued stability in the FX market, but by developments in the energy trade. In the fixed income market, the sovereign yield curve changed little on a weekly basis, with the 4-year, 6-year and 11-year bond yields trading at around 3.05%, 3.35% and 3.75%, respectively.

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