

GLOBAL & REGIONAL DAILY

March 21, 2022

Global markets

As fighting continues in Ukraine, investor sentiment is rather subdued, while oil prices rise as the European Union appears to be considering a Russian oil ban, which has already been imposed by the US and the UK. Brent crude futures trade at **USD112.30/bbl at the time of writing, from USD107.93/bbl at Friday's close**. On economic data, German producer prices kept their record-breaking rise in February, rising by 25.9%YoY mostly because of energy prices. Focus this week turns to **Thursday's March flash manufacturing and services PMIs** (Germany, France and UK among others), where we will have a first impression of the impact of the Russian-Ukrainian crisis, especially in Europe. In the US, the main economic releases that draw attention are **Wednesday's new home sales, Thursday's durable goods and Friday's pending home sales**.

Greece

On Friday, DBRS upgraded **Greece's Long-Term Foreign and Local Currency – Issuer Ratings** to BB (high) from BB and changed the trend to Stable from Positive. According to the rating agency, the upgrade reflects the view that the country continues to make progress on economic reforms and remains fully **committed to fiscal consolidation**. Moreover, **Greece's economic growth is now very close to its pre-pandemic level**, while the fiscal overperformance and cash management strategy in 2021 led to liquid cash reserves remaining very high. However, the agency views that several credit uncertainties remain, including the global economic implications of the situation in Ukraine, the asset quality of the financial sector and the extent to which the ECB will provide support to Greek bonds in a situation of market disruption.

CESEE

Despite a new intervention by the National Bank of Serbia (NBS), the Serbian dinar remained under pressure during the last week. The EUR/RSD reached a new 2.5-year high, trading within the range of 117.70 – 117.75. In the fixed income market, the 4-year, 6-year and 11-year RSD denominated bonds resumed their trading on Friday at 3.80%, 4.20% and 4.50%, respectively. In other news, the Finance Ministry of Turkey confirmed on Friday that it sold USD2 bn of dollar-denominated bonds on the international markets, maturing in 2027. The yield stood at 8.625%, while the demand for Islamic notes was more than three times of the finally sold amount. With this transaction, the amount of funds that have been raised from the international capital markets in 2022 has reached a total of USD5 bn.

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

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