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Global Markets

Risk appetite remains hinged on uncertainty today after Russian President Putin recognized separatist regions in Ukraine, while the response in terms of sanctions by western countries is awaited later today. Investors turned to safe-haven assets on the back of geopolitical tensions, with the 10yr UST yield around 1.860% today, and the 10yr Bund yield around 0.156%, both at multi day lows. Oil prices are on the rise for the third consecutive day, with Brent crude at USD98.46bbl at the time of writing. On Fed speak, Governor Bowman left y-day open the option of raising interest rates by either 25bps or 50bps at the March meeting, depending on incoming economic data. Focus today turns to Fed's Bostic and BoE's Ramsden, while data releases include German IFO and US Conference Board consumer confidence.

Greece

According to the Bank of Greece, in Dec-21 the current account (CA) deficit widened on an annual basis by €1,067mn due to a deterioration in the goods balance (-€1,259.3mn) and the primary income account (-€63.8mn), which was partly offset by an improvement in the services balance (+€215.5mn) and the secondary income account (+40.4mn). January to December 2021, the CA deficit contracted by €356.6mn year-on-year, mainly because of an increase in the services surplus of €5,856mn, driven by a strong rebound in travel receipts (+146.7%YoY) which at 10,653.1mn stood at 58.6% of the corresponding 2019 level. The contraction was also supported by an improvement in the primary and secondary income accounts (+€919.1mn and +€676.7mn respectively), while the goods deficit expanded by €7,095.2mn.

CESEE

Regional markets opened the week on a risk averse mode with the sentiment remaining broadly the same today amid mounting tension between Russia and Ukraine. Most local bourses ended yesterday's session on the red while local fixed income markets firmed slightly with yields of the 5- and 10- year sovereign papers of Poland and the Czech Republic receding only by a tad. The fx space holds a more steady tone as continuing tightening by several regional Central Banks support local currencies from depreciating further against the euro. On the data front, Serbia's inflation print for January is due today. After a more than 10-year high for December's reading (+7.9% YoY), market expectations over the one year inflation remain high at 6%, according to a recently released survey by the Central Bank of the country.

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