

GLOBAL & REGIONAL DAILY

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Global markets

Speaking at the National Association for Business Economics conference yesterday, Fed Chair Jerome Powell acknowledged a very tight labour market and much too high inflation and said that the central **bank must move “expeditiously** to return the stance of monetary policy to a more neutral level”. He added that “if we conclude that it is appropriate to move more aggressively by raising the federal funds rate by more than 25 basis points at a meeting or meetings, we will do so.” The more hawkish tone of yesterday's statement compared to last week, when the FOMC decided to raise the fed funds target rate by 25bps, caused a bond sell-off, driving 10yr UST and 2yr UST yields to 2.3460% and 2.1930% respectively earlier today, both at the highest levels since 2019. The moves kept the 2s10s yield curve below 20bps, to 15bps earlier today.

Greece

According to ELSTAT, the overall turnover index in industry (domestic and non-domestic market) in Jan-22 increased by 35.4%YoY, when in Jan-21 it had decreased by 12.3%YoY. The average overall turnover index in industry for the 12-month period from Feb-21 to Jan-22 increased by 29.5%, compared with the corresponding index for the period from Feb-20 to Jan-21. Moreover, according to ELSTAT, for the enterprises in Accommodation Activities obliged to double-entry bookkeeping, for which data are available on a monthly basis, the turnover in Jan-22 **amounted to €67.5mn**, higher by 246.4%YoY. For the respective enterprises in the Food and Beverage Service Activities, the turnover in Jan-22 **amounted to €97.7mn**, higher by 83.8%YoY.

CESEE

In Bulgaria, the current account (CA) deficit stood at EUR433 mn in Jan-22 widening significantly from EUR39.2 mn in Jan-21, mainly due to a deterioration in the goods balance by EUR499.4 mn and less so in the services balance by EUR23.8 mn, on an annual basis. On the other hand, the deficits of the primary and the secondary account narrowed by EUR62.2 mn and EUR67.1 mn respectively. On a twelve-month rolling basis, the CA deficit amounted to EUR665.3mn, accounting for 0.9% of the projected GDP for 2022. In other news, in Romania, the government approved an emergency bill capping natural gas and electricity prices. The aforementioned emergency plan, the fiscal cost of which has not been estimated yet, will be implemented for one year, from April 2022 until end-March 2023.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr

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 40 63 453



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 Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



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

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