

GLOBAL & REGIONAL DAILY

March 23, 2022

Global markets

On the geopolitical front, Western countries are mulling intensifying sanctions against Russia, while peace talks are making slow progress. Meanwhile, oil prices rose on Tuesday amid worries of US stockpiles decreasing, with Brent crude futures hitting USD119.48/bbl y-day and easing slightly today, trading at USD116.82/bbl at the time of writing. On economic data, UK inflation hit a 30-year high in February with the CPI coming in above expectations at 6.2%YoY, after a 5.5%YoY rise in January, driven primarily by household energy bills and petrol. The reading, which came just one week after the BoE increased interest rates by +25bps to 0.75%, likely puts further pressure on the central bank to raise rates further in the coming months. Focus today turns to US building permits and new house sales for February and EU flash consumer confidence for March.

Greece

According to the Bank of Greece, the residential property price index expanded by 9.1%YoY in Q4-2021 compared to an increase of 8.3%YoY in Q3-2021 and 3.2%YoY in Q4-2020. Broken down by age of property, the prices of new apartments (i.e. up to 5 years) increased by 9.8%YoY and of old apartments by 8.6%YoY in Q4-2021. Moreover, Athens was the region that recorded the biggest annual increase in prices of apartments, i.e. by 10.5%. In other news, the disbursement of the 1st installment of **€3.6 billion from the Recovery and Resilience Fund**, which breaks down into **€1.7 billion in grants and nearly €1.9 billion in loans**, is expected in April. It is reminded that the European Commission has already endorsed a positive preliminary assessment of Greece's payment request since late February.

CESEE

In yesterday's Monetary Policy Committee (MPC), the Central Bank of Hungary (MNB) maintained its hawkish stance by deciding to raise the Key Policy Rate (KPR) by 100bps to 3.40%, in line with market expectations. Meanwhile, the MNB reviewed its inflation report for Q1, due to the increased uncertainty in the macroeconomic outlook stemming from the Russian-Ukrainian war and the consequent sanction that have been introduced, as well as the latest wave of the coronavirus pandemic. More specifically, according to the March Inflation Report, the GDP projection for 2022 was revised downwards to a range of 2.5%-4.5% from 4%-5% in December, while inflation for 2022 was revised upwards to a range of 7.5%-9.8% from 4.7%-5.1% in December.

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