

GLOBAL & REGIONAL DAILY

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Global markets

On geopolitical developments, interest today turns to the back-to-back three summits of NATO, G7 and the EU in Brussels with attention focusing on energy restrictions, while the US is expected to tighten sanctions on Russian political figures and oligarchs. Asian shares fell earlier today, while oil prices are rising further with Brent futures trading above USD122/bbl at the time of writing. Bonds are taking a breather with the yields of the 10yr UST at 2.3572% and the 2yr UST at 2.1429%, both below **yesterday's** highs. On monetary policy, several Fed policymakers signaled yesterday that they are prepared to make more aggressive steps to tackle high inflation, not excluding a 50bps hike at the next policy meeting in May. Markets now price in seven to eight hikes until the end of the year and a year-end policy rate range of 2.25%-2.50%.

Greece

According to the Bank of Greece, in January 2022 the current account deficit widened on an annual basis **by €1,563mn standing at €1,995mn, mainly** due to a deterioration in the goods balance (-€1,463mn) and less so in the primary income account (-€246.7mn), **which was partly offset by an improvement in the services balance (+€126.2mn) and the secondary income account (+20.4mn).** Travel receipts strongly **rebounded to €140mn (+310%YoY), standing at 60.8% of their corresponding 2019 level.** On the pandemic front, new Covid-19 cases reached 23,106 yesterday against a 7-day average of 21,923, with the positivity rate standing at 7.6% against a 7-day average of 9.3%. ICU patients were 338 yesterday against 348 one week earlier

CESEE

During the week, data on bank lending for both Bulgaria and Serbia were released. In Bulgaria, bank lending growth accelerated to 9.6%YoY in nominal terms in February from 8.5%YoY in the previous month. Improvement was recorded in both retail (13.8%YoY) and corporate (6.6%YoY) segments. In Serbia, bank lending growth decelerated to 10.6%YoY in February from 10.7%YoY in the previous month. Lending to households rose by 10.4%YoY compared to 10.5%YoY in January, while corporate lending growth remained unchanged at 10.8%YoY compared to January. Meanwhile, in Serbia, the current account (CA) recorded a deficit of EUR141.7 mn in Jan-22 against a surplus of EUR249.8 mn in Jan-21, with the deterioration stemming from the trade balance deficit, which rose by 138.8%YoY.

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