

GLOBAL & REGIONAL DAILY

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Global Markets

According to the press release following the FOMC 25-26 January meeting, indicators of economic activity and employment in the US are improving, whilst pandemic-related supply and demand imbalances continue to augment inflation. At the same time, despite progress in vaccinations and easing supply constraints, the pandemic still poses a downside risk to the outlook. Consequently, the Committee decided to keep the target range for the federal funds rate at 0-0.25%, noting that it will soon be appropriate to raise the target range, while Fed Chair Jerome Powell, clarified that the hike will take place in Mar-22 **“assuming that the conditions are appropriate for doing so”**. Additionally, the Committee decided to continue to reduce the monthly pace of its net asset purchases, bringing them to an end in early Mar-22.

Greece

According to the latest forecast by the Center for Planning and Economic Research (KEPE), Greece's GDP will grow by 7% in Q1-2022 and then slow down to 3.5% in Q2-2022, bringing the H1-2022 growth rate to 5.2%. These estimates reflect the overall economic recovery from the pandemic and the strong growth momentum of the Greek economy. According to the latest Civil Aviation Authority provisional data, **international passenger arrivals in Greece's airports in Dec-21** reached 457.7k, up from 89.2k in Dec-20 (+413.1%YoY), but still lower by 38.4% compared to their pre-pandemic level in Dec-19. On privatisations, the HRADF launched an international tender for the concession concerning financing, operation, maintenance, and exploitation of Attica Motorway for a duration of twenty-five years.

CESEE

The Serbian Ministry of Finance sold EUR200mn in **2-year bonds at yesterday's auction**. The Ministry had planned to borrow up to EUR100mn, but investors' interest was strong as they placed bids for EUR 251.5mn, resulting in doubling the sold amount of papers. The notes bear a 0.75% coupon and were sold at an average yield of 0.75%. The next auction is scheduled for February 8, when 2-year dinar bonds amounting to RSD10bn will be offered. In Bulgaria, the outstanding stock of loans in the banking system increased by 8.3% YoY in December, picking up from 7.6% YoY in November. However, the real credit growth stands at **substantially lower levels given December's CPI print at 7.8% YoY**.

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