

GLOBAL & REGIONAL DAILY

April 28, 2022

Global markets

Amid concerns over a broadening of the conflict between Russia and Ukraine, as Russia threatens to retaliate countries that “intervene in the ongoing events and create strategic threats for Russia”, US President Biden is expected to deliver remarks today, while France is expected to host an energy meeting on May 2. The halt of gas supplies to Bulgaria and Poland drove Europe’s benchmark front-month gas contract up to EUR118/MWh intra-session yesterday, while it is receding to EUR101/MWh at the time of writing. On monetary policy, ECB Vice President Luis De Guindos stated today that inflation expectations have been rising in recent months and initial signs of above target revisions warrant close monitoring. On economic data, Spanish flash HICP in April came in at 8.3%YoY compared to 9.0%YoY expected and 9.8%YoY in March.

Greece

After the upgrade of Greece’s credit rating by S&P on 22nd April 2022 (by one notch to BB+ with a stable outlook), yesterday, the Hellenic Republic reopened the 7-year government bond – initially issued in April 2020 – and raised €1.5bn at a re-offer yield of 2.366%. The transaction was mainly supported by Fund Managers (44.6%) and Banks / PBs (40.1%), with the 68.1% of the investors’ base allocated in foreign countries. Year-to-date the Public Debt Management Agency has raised €4.5bn, with an intention to draw another €7.5bn until year’s end. In other news, according to ELSTAT non-financial sector accounts, households’ disposable income increased by 5.8%YoY in 2021. The savings rate (savings/disposable income), returned to a negative territory to -0.1% from +2.8% in 2020 and -3.8% in 2019, reflecting the increase of consumption by 8.9%YoY.

CESEE

Russian state-owned Gazprom’s decision to halt natural gas flows towards Poland and Bulgaria took a toll on regional markets yesterday. Most local bourses closed the session in the red, recording intraday losses of almost 1% in Poland and Bulgaria and 1.5% in Hungary. Local currencies remained under pressure as well, with the Polish zloty and the Hungarian forint receding modestly against the euro, with the stress on the zloty stemming from the natural gas cut off and with the forint being affected by the soaring inflation. Market worries on the forint failed to ease despite the brave 100bps key policy interest rate (KPR) increase by the Central Bank of Hungary on Tuesday, setting the KPR at 4.4% as March’s core CPI reading came in at 9.1% YoY from 8.1% in February.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@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
+ 30 214 40 63 438



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 214 40 63 456



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 40 63 453



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 214 40 63 455



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

Περισσότερες εκδόσεις μας διαθέσιμες στην ηλεκτρονική διεύθυνση που ακολουθεί: <https://www.eurobank.gr/en/group/economic-research>
Εγγραφείτε ηλεκτρονικά, σε: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endiaterontos>
Ακολουθήστε μας στο **twitter**: https://twitter.com/Eurobank_Group
Ακολουθήστε μας στο **LinkedIn**: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

