

GLOBAL & REGIONAL DAILY

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Global markets

On geopolitics, the first direct talks in more than two weeks between Ukraine and Russia are scheduled to take place today but statements of officials from both sides do not indicate much optimism so far. Separately, US President Joe Biden submitted yesterday to Congress a USD5.79 trillion budget proposal for the FY2023, which among others, includes increased military spending and taxes for billionaires and foresees a decreasing deficit-to-GDP ratio of 4.5% in 2023 and below 5% over the next decade, from an estimated 5.8% in 2022 and 12.4% in 2021. In other news, oil dropped further today as Ukraine and Russia resume peace talks and on worries over lower demand, as Shanghai goes into lockdown to tackle soaring Covid-19 cases. Brent futures currently trade at USD112.06/bbl, **below yesterday's** close of USD112.48bbl.

Greece

According to the final data of the State Budget execution, for the period Jan-Feb 2022, the overall fiscal **balance registered a deficit of €0.91 bn**, compared to a targeted deficit of **€2.0 bn**. The primary fiscal **balance registered a surplus of €0.84 bn, against a targeted deficit of €0.24 bn**. State Budget net revenues underperformed by **€1.1 bn** (or by 10.9%) against the target, mainly due to the rescheduling of the RRF installment of **€1.72 bn**. VAT revenues increased by **€0.28 bn** (or 8.7%), income tax revenues increased by **€0.22 bn** (or 9.1%) and revenues from road duties – initially scheduled for 2021 – by **€0.28 bn** (or 194.4%) compared to their respective 2022 Budget targets. The state budget expenditure undershot the target by **€2.19 bn** (or by 18.3%), mainly as a result of the postponement of payments for military procurement.

CESEE

Following payments on principal and interest of active Eurobonds that took place in March by the Bulgarian government and reached the total amount of EUR1.38bn, the public debt fell by EUR748mn during Q12022, landing at EUR 15.2bn at the end of March 2022 and bringing the public debt-to-GDP ratio to 20.8% from 23.5% at the end of December. Regarding new issuances in Q2, the government will place BGN500mn of 10.5-year domestic government securities at an auction facilitated by the Bulgarian National Bank (BNB) on April 4 at an annual interest rate of 1.50%. In Serbia, the Ministry of Finance will offer 2-year dinar bonds for RSD5bn with an annual coupon payment of 2.5% on April 5 with an identical auction scheduled for April 19.

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