

GLOBAL & REGIONAL DAILY

March 30, 2022

Global markets

On geopolitical developments, a pledge made by Russia to scale down military operations in certain areas of Ukraine has been met with caution by Ukraine, while the US Pentagon argues that the moving of Russian troops is more a repositioning rather than a withdrawal. Nevertheless, hopes for a peace deal boosted risk sentiment with equities rising around the globe and the EUR/USD increasing to 1.1127 at the time of writing. Separately, UST bond yields fuel worries over a potential recession as the 2yr10yr UST yield curve briefly inverted yesterday for the first time since September 2019 and is at 4bps at the time of writing. Oil prices rebound today on worries over reduced supplies and new sanctions against Russia, with Brent futures currently at USD112.63/bbl, above yesterday's close of USD110.23/bbl. On economic data, flash HICP for Spain skyrocketed to 9.8%YoY in March.

Greece

According to the Bank of Greece, deposits placed by the private sector **stood at €177.5mn in February**, decreasing by **€260mn** (or -0.2%MoM) for the second consecutive month. On an annual basis, the said growth rate decelerated to 8.7% in February from 9.3% in January, due to an easing in both household and corporate deposit growth rates. Meanwhile, the monthly net flow of credit to the private sector was **positive by €969mn, compared to a negative net flow of €1,303mn** in January. Separately, according to the ELSTAT building activity survey, total building activity in Greece in December 2021, calculated by the number of issued building permits, increased by 18.3%YoY, with private building activity (99.2% of total) increasing by 18.2%YoY. For the full year 2021, total building activity increased by 26.6% compared to 2020.

CESEE

The Romanian Minister of Finance, Adrian Caciu, stated yesterday in a conference that the GDP growth rate might slow down to 3.8% in 2022 from 5.9% in 2021 recently announced by the state statistical office. The lower print very likely reflects the negative effects of inflation and the Ukraine war. In other news, DBRS left its baseline projection for the GDP growth rate in Cyprus unchanged at 4.1% for 2022, compared with its December 2021 estimate. However, the rating agency sees risk for deterioration especially for Europe **following Russia's invasion in Ukraine and the ensuing sanctions imposed on Russia by the West**. Finally, it marginally reduced the GDP growth projection for 2023 by 0.1% to 3.3%.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@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
+ 30 210 37 18 793



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 210 37 18 733



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



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



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-endaferontos>
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.

