

GLOBAL & REGIONAL DAILY

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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%.

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