

# GLOBAL & REGIONAL DAILY

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## Global markets

According to yesterday's US data releases, job openings dropped by a lower than-expected 410k to 10.82mn in January, a still high level compared to pre-pandemic standards, and the February's ADP employment report showed a higher than anticipated increase of 242k in private sector jobs, adding to evidence of persistent labor market tightness. In reaction to strong US employment-related data, market terminal rate pricing reached a new high close to 5.70%, while market pricing for a 50bps rate hike at the March 22 FOMC policy meeting rose near 70%, although Fed Chair Jerome Powell noted during his semi-annual testimony before the House Financial Services Committee yesterday that "no decision has been made" on the pace of rate hikes ahead. Turning to markets, the short end of the UST curve remained under pressure, with the 2-yr yield trading close to yesterday's fresh post-2007 high of 5.08%, while the USD retained most of its recent hefty gains ahead of Friday's closely watched US non-farm payrolls report.

## Greece

Guarantees of securitized loans provided by governments shall be henceforward classified as general government debt, unless the risk-weighted exposure of private investors exceeds that of the government, as stipulated in Eurostat's updated Manual on Government Deficit and Debt. This, however, shall not apply retroactively, exempting thus outstanding guarantees of senior notes in excess of €18bn issued by Greek banks through the Hercules Asset Protection Scheme, according to a Eurostat memorandum cited in the Press. On the debt front, the PDMA raised €625mn by auctioning 52-week T-bills and an additional €187.5mn through non-competitive bidding yesterday, raising €812.5mn at a yield of 3.75%. Total bids amounted to €1,195mn, oversubscribing the initial offering 1.91 times. The yield was 102bps higher compared to a similar auction in December.

## CESEE

In Bulgaria, GDP growth eased further in Q4 2022, to 2.3%YoY from 3.2%YoY in the previous quarter, the slowest pace in the last two years. On the other hand, growth on a quarterly basis is stable in the latest three quarters, 0.6% in Q3-Q4 and 0.7% in Q2. Deceleration in the annualized print stemmed mainly from a stronger decline in gross capital formation, by 10%YoY after a 4.3%YoY fall in Q3 2022, due to diminishing inventories. The deterioration in net exports was the other cause of the slowdown, as exports expansion weakened to 9.0%YoY from 11.1%YoY, but imports increase was unabated (9.3%YoY). On the contrary, the rise in both components of consumption demand was stronger, as public consumption expanded by 4.4%YoY (vs. 2.0%YoY in Q3) and household consumption widened by 5.3%YoY, the highest increase since Q1 2022, despite soaring inflation at 17.1%YoY, on the back of wages and social transfer increases. Overall, in 2022, Bulgaria's GDP growth rate halved compared to 2021, to 3.4% from 7.6%.

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