

GLOBAL & REGIONAL DAILY

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Global markets

Aiming at stemming financial market concerns, UBS agreed to take over Credit Suisse for CHF 3bn, about 60% less than the bank was worth when markets closed on Friday. The above government-backed deal was announced yesterday and did not need the approval of shareholders. After the Swiss government agreed to change the law to remove any uncertainty about the merger before the financial markets opened today. Meanwhile, the Fed and five other central banks - including the BoE, the BoC, the BoJ, the ECB and the SNB - announced late on Sunday coordinated action to enhance dollar swap lines, i.e., to increase the frequency of dollar swap operations from weekly to daily. Despite the above actions, risk-off sentiment returned today, the JPY outperformed its major currency peers in FX markets thanks to its enhanced safe-haven appeal, and global yield curves bull-steepened as investors are skeptical over whether major central banks will continue to tighten monetary policy amid prevailing financial sector woes.

Greece

Last Friday, the government announced an increase in the minimum wage by 9.4%, effective from April 1st onwards (in 2022 the average annual inflation rate based on the HICP was 9.3%). The new minimum wage was set at €780 from €713 in May-22, €663 in Jan-22 and €650 in Feb-19 (a cumulative increase of 20% since Feb-19). Approximately 585 out of 2,500 thousand employees are paid the minimum wage. Moreover, the rise on the minimum wage will drag upward 19 allowances, with the unemployment allowance increasing to €479 from €438. Regarding data releases, the turnover of the enterprises in accommodation activities increased on annual basis by 18.0% in Jan-23.

CESEE

In the aftermath of the tumultuous developments in the continental banking sector with UBS announcing yesterday that it will take over Credit Suisse, regional markets have opened nervously today. Indicatively, equity markets in Poland and Romania are trading in the red at the time of writing, recording losses at the tune of 2% compared to Friday's closing price. Local currencies are also under pressure today, with both the Romanian leu and the Hungarian forint losing ground against the euro, while the Polish zloty proves more resilient. On the data front, this week's calendar is rather lightweight with no major data announcements expected except of wages and unemployment data in Croatia, Poland, and Hungary. On a broader tone regarding the EM sphere, the OECD's economic outlook, released on Friday, cites "the less affection of Asian emerging economies by the global slowdown, helped by the rebound in China and more moderate inflation pressures".

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