

## COUNTRIES IN FOCUS:

### **BULGARIA**..... 1

Bulgaria to hold another snap parliamentary election in October

Worryingly, the forthcoming election is likely to deliver another hung Parliament, failing to resolve the political crisis

Political uncertainty is set to continue weighing on investment climate, constraining economic growth

Resilient private consumption should continue to drive GDP growth in the period ahead

### **NORTH MACEDONIA**..... 2

GDP growth is set to firm to 2.3% in FY:24 and 3.3% in FY:25, underpinned by real wage-driven private consumption growth and (mostly public) investment

While the May election brought political stability domestically, uncertainty as regards the country's EU accession is set to remain

### **EGYPT** ..... 3

GDP growth bottomed out to an estimated 2.4% in FY:23/24, down from 3.8% in FY:22/23, reflecting not only domestic headwinds from prolonged FX-led inflationary pressures, significant policy tightening and poor economic sentiment, but also repercussions from the conflict in neighbouring Gaza

Economic recovery is on the cards, with GDP growth picking up modestly to 3.8% in FY:24/25 and strengthening towards its long-term potential of c. 4<sup>1</sup>/<sub>2</sub>% in FY:25/26

### **APPENDIX:**

#### **DETAILED MACROECONOMIC DATA** ..... 4

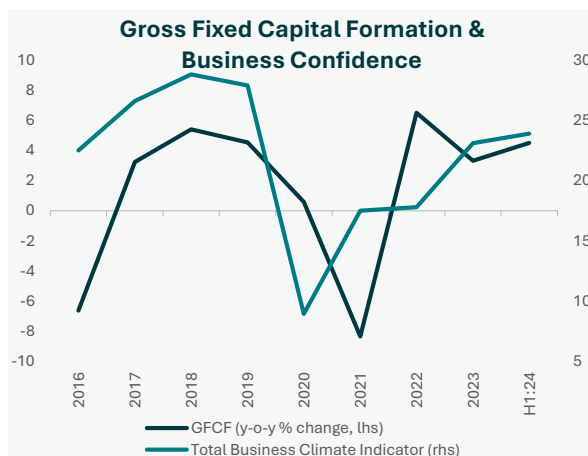
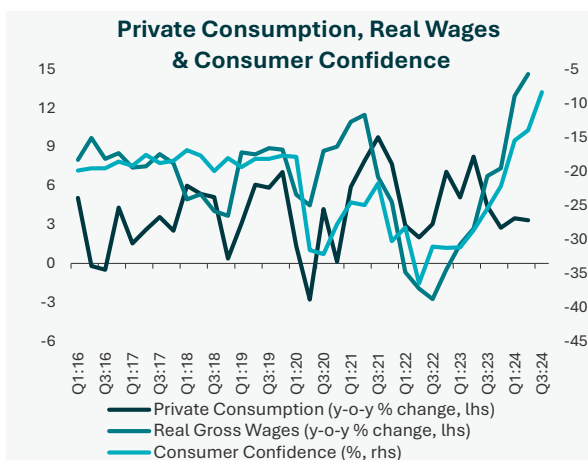
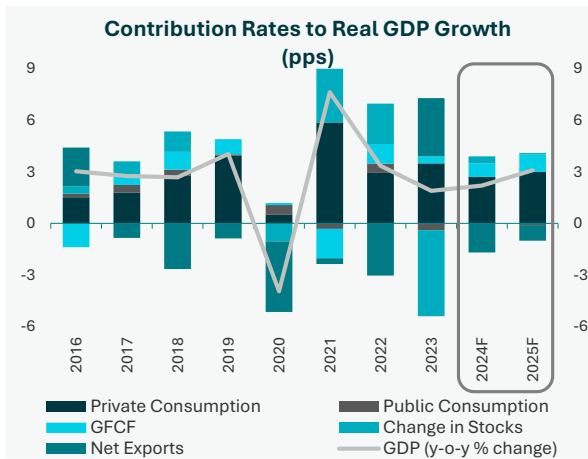
#### **REGIONAL SNAPSHOT:**

#### **MACROECONOMIC INDICATORS** ..... 7

#### **FINANCIAL MARKETS**..... 8

# Bulgaria

BBB / Baa1 / BBB (S&P / Moody's / Fitch)



	16 Sep.	3-M F	6-M F	12-M F
Base Interest Rate (%)	3.5	3.3	3.1	2.6
BGN/EUR	1.96	1.96	1.96	1.96
Sov. Spread (2030, bps)	126	125	120	110

	16 Sep.	1-W %	YTD %	2-Y %
SOFIX	860	-0.7	12.4	42.4

	2021	2022	2023	2024F	2025F
Real GDP Growth (%)	7.7	3.9	1.8	2.2	3.1
Inflation (eop, %)	7.8	16.9	4.7	3.0	2.6
Cur. Acct. Bal. (% GDP)	-1.7	-1.4	-0.3	0.3	0.4
Fiscal Bal. (% GDP)	-2.8	-0.8	-3.1	-3.2	-2.6

Sources: Reuters, NSI & NBG estimates

## Bulgaria to hold another snap Parliamentary election in October.

Following political parties' failure to cobble together a Government after the June election, President Radev called a new snap election for October 27, the 8<sup>th</sup> to be held since April 2021.

## Worryingly, the forthcoming election is likely to deliver another hung Parliament, failing to resolve the political crisis.

The latest opinion polls point to an outcome broadly similar to that of the previous election, with 6 parties entering the Parliament, but none of them securing an absolute majority of seats. With most players opting to keep distance from the frontrunner centre-right GERB, whose almost decade-long rule was marred by corruption allegations, the formation of the next Government remains a complicated exercise, given the high fragmentation of the political spectrum. Recall that the last Government, backed by the GERB (in collaboration with the UDF) and the liberal "We Continue the Change" - "Democratic Bulgaria" (WCC-DB) coalition, collapsed in March, following disagreement over rotation of Cabinet seats between the two partners. All said, political noise is unlikely to ease soon, in a country which has been in limbo since the 2020 anti-graft protests and has been governed by caretaker Governments for much of these years.

## Political uncertainty is set to continue weighing on investment climate, constraining economic growth.

Prolonged political uncertainty has been a key reason for the economy's underperformance, with the latter largely driven by persistent under-investment. Indeed, besides the delays in EU funds' absorption observed since 2021, there has been also a significant weakening in business confidence (see chart). Worryingly, in the absence of a stable, functioning Government, business confidence is unlikely to strengthen substantially, and further delays in policy and reform implementation could arise, hampering tapping of funds under the EU's Recovery & Resilience Facility and Multiannual Financial Framework 2021-27. Note that Bulgaria is one of the largest recipients of EU funds, with total grant funding by end-2027 amounting to c. 24.0% of its FY:23 GDP.

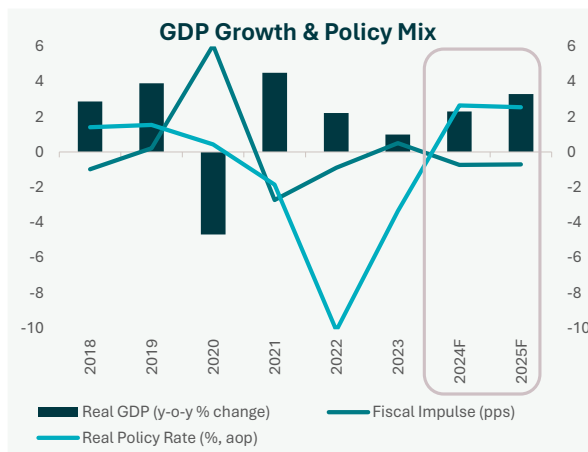
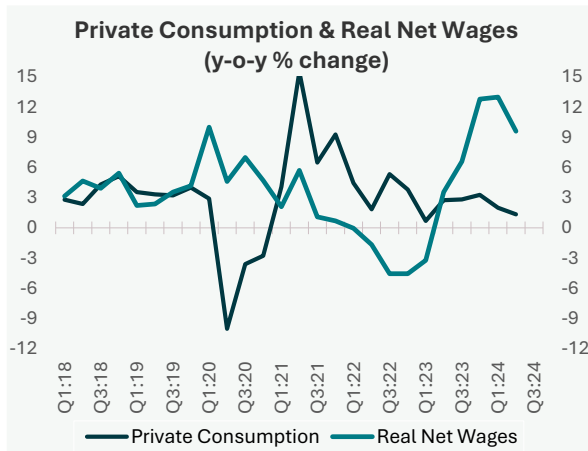
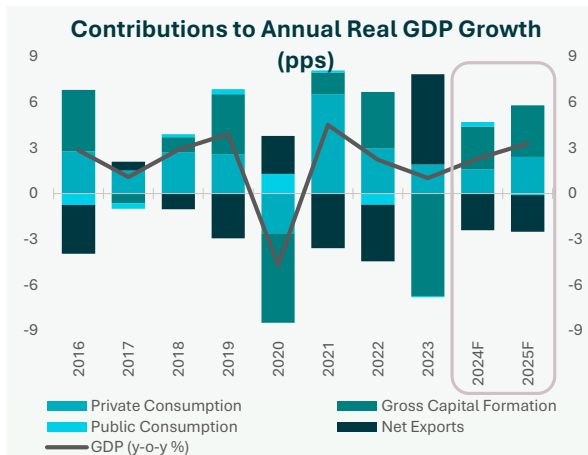
## Resilient private consumption should continue to drive GDP growth in the period ahead.

Easing inflation (to c. 3.0% on average in H1:24 against a sizeable 9.6% in FY:23), together with accelerating nominal wage growth, have boosted households' (real) disposable income, helping sustain a private consumption growth of c. 3.5%, a pace comparable to that seen prior to the pandemic, yet below the FY:23 outcome (up 5.0%). This moderation should be attributed, *inter alia*, to households' increased propensity to save, as suggested by their deposits growing at a pace exceeding that of consumer lending and nominal GDP. Looking ahead and considering improving consumer confidence (see chart) and the recent upturn in employment growth (up 0.5% y-o-y in Q2:24 following 4 quarters of negative growth), we expect growth in private consumption to maintain momentum, partly compensating for lackluster fixed investment growth. Worryingly, the envisaged sluggish recovery in the EU, Bulgaria's main trade partner, means that net exports would likely remain a (small) drag on overall growth over the forecast horizon. All said, we see GDP growth at 2.2% in FY:24, only slightly higher than its FY:23 outcome of 1.8%. Assuming a somewhat faster deployment of the RRF plan and easing financing conditions, GDP growth should pick up to 3.1% in FY:25, with output gap remaining negative, nonetheless.

Importantly, despite the prolonged political uncertainty, the risk of serious policy slippage appears to be limited, given the anchors provided by the long-standing currency board arrangement and the inclusion of the BGN into the ERM II, a precursor to the adoption of the euro, on the one hand, and political parties' broad consensus over the country's strategic goals, on the other hand.

# North Macedonia

BB- / NR / BB+ (S&P / Moody's / Fitch)



	16 Sep.	3-M F	6-M F	12-M F
1-m SKIBOR (%)	4.4	4.0	3.8	3.2
MKD/EUR	61.4	61.6	61.6	61.6
Sov. Spread (2028, bps)	319	315	300	275

	16 Sep.	1-W %	YTD %	2-Y %
MBI 100	8,642	0.5	41.3	51.0

	2021	2022	2023	2024F	2025F
Real GDP Growth (%)	4.5	2.2	1.0	2.3	3.3
Inflation (eop, %)	4.9	18.7	3.6	3.5	2.6
Cur. Acct. Bal. (% GDP)	-2.8	-6.1	0.7	-2.0	-2.5
Fiscal Bal. (% GDP)	-5.3	-4.4	-4.9	-4.5	-3.6

Sources: Reuters, NBRNM, MAKSTAT, Ministry of Finance & NBG estimates

**GDP growth is set to firm to 2.3% in FY:24 and 3.3% in FY:25, underpinned by real wage-driven private consumption growth and (mostly public) investment.** After hovering around 1.0% for 4 quarters in a row, the annual pace of economic expansion picked up to 2.3% in Q2:24. Seasonally adjusted sequential growth jumped to 0.8%, at the same time, from an average of c. 0.3% in Q2:23-Q1:24, suggesting a more modest strengthening in underlying dynamics, nonetheless.

A look at the breakdown reveals a quite mixed picture, with private consumption losing further steam in Q2:24, gross capital formation (GCF) turning negative after a strong rebound in Q1:24 and net exports boosting overall growth after contracting sharply over the previous quarter. Note that the H1:24 economic performance would have been weaker had public consumption not surged ahead of the May Parliamentary election.

Looking ahead, we expect economic growth to strengthen, with (more balanced) domestic demand emerging as the main driver. Indeed, with inflation consolidating gradually at lower levels, private consumption growth is due to recover, underpinned by strengthening confidence (which has only now exceeded pre-pandemic levels), (already) reviving consumer lending and robust real (*ex-post*) wage growth. Note that labour market conditions have been tightening, due not only to (slowly) growing employment but also to falling participation and shrinking labour force.

At the same time, growth in fixed investment is set to gain momentum, with public sector holding the lead role, following construction of the Corridor 8/10d highway. Private investment should also contribute to overall growth, albeit modestly, in view, *inter alia*, of the envisaged gradual easing in financing conditions (note that corporates have seen a much more acute hike in their borrowing costs compared to households). Moreover, the need to replenish inventories, which have been depleted, following past years' disruptions in global supply chains, should add to GCF.

Worryingly, amid sluggish growth in the EU, especially in Germany (which absorbs c. 45% of the country's exports and whose economy is projected to stagnate in FY:24 and expand by a mere 1.0% in FY:25, well below the pre-pandemic average of c. 1¾%) and firming domestic demand, net exports are envisaged to turn into a (significant) drag on overall growth.

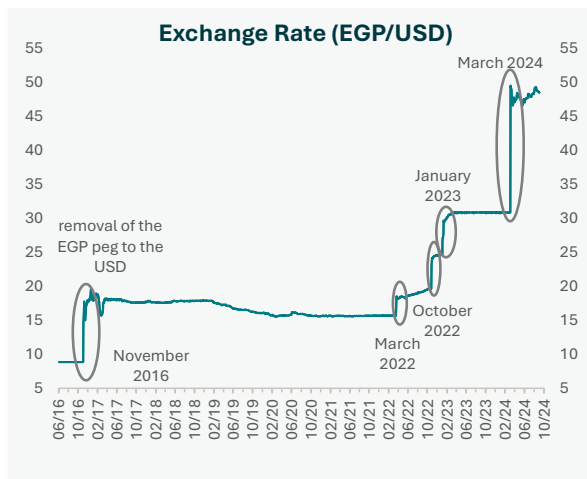
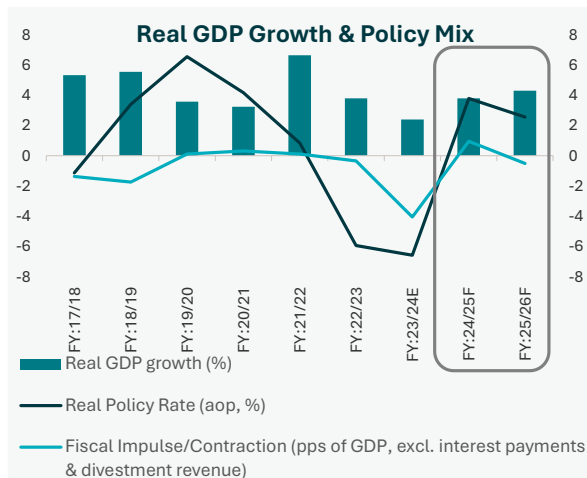
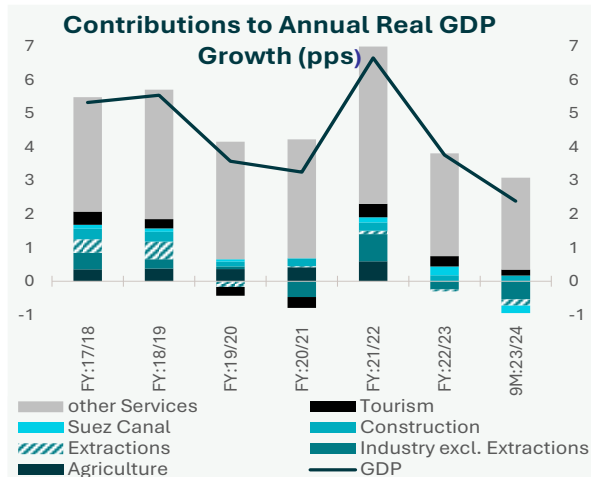
Policies are not expected to provide much support to GDP growth. Indeed, higher-than-initially-envisaged public wage and pension bills suggest that fiscal consolidation is projected to advance slowly this year, before accelerating next year, following the streamlining of the wage-setting process. At the same time, upside risks to inflation and the need to avoid maintaining significant price differentials with euro area should prompt the NBRNM -- which lowered its key rate by 25 bps (to 6.05%) this week, for the first time since September '23 -- to proceed cautiously with further easing.

All said, we see GDP growth strengthening to 2.3% in FY:24 and 3.3% in FY:25 from just 1.0% in FY:23. In the event the Corridor 8/10d project faces implementation delays or price pressures re-emerge, GDP growth could come in lower than projected. Similarly, should increasing household income be largely channeled to savings instead of consumption, economic growth would remain subdued. On the other hand, inflow of funds under the EU's Growth Plan for Western Balkans (amounting to up to 6.0% of GDP by end-2027) could lift the economy's growth trajectory upwards.

While the May election brought political stability domestically, with the installation of a broadly backed coalition Government (led by the nationalist right-wing VMRO-DPMNE, and also comprising the ethnic-Albanian VREDI/VLEN alliance and the left-wing nationalist ZNAM), uncertainty as regards the country's EU accession is set to remain. Indeed, although the VMRO-DPMNE officially supports EU integration, its hard-line stance against the agreed constitutional amendments, providing, among others, for the recognition of a Bulgarian minority in the country, should deter Bulgaria from lifting the veto on North Macedonia's EU accession. Failure to meet the obligations resulting from the 2018 Prespa agreement with Greece, providing for the change of the country's official name, could further complicate North Macedonia's path to the EU.

# Egypt

B- / Caa1 / B- (S&amp;P / Moody's / Fitch)



	16 Sep.	3-M F	6-M F	12-M F
O/N Interbank Rate (%)	27.3	27.3	27.3	23.3
EGP/USD	48.4	47.0	46.2	44.8
Sov. Spread (2029, bps)	558	540	510	450

	16 Sep.	1-W %	YTD %	2-Y %
HERMES 100	3,438	-1.0	15.1	203.5

	21/22	22/23	23/24E	24/25F	25/26F
Real GDP Growth (%)	6.7	3.8	2.4	3.8	4.3
Inflation (eop, %)	13.2	35.7	27.5	19.8	9.8
Cur. Acct. Bal. (% GDP)	-3.5	-1.2	-4.3	-3.7	-3.3
Fiscal Bal. (% GDP)	-6.2	-6.0	-3.6	-8.0	-6.2

Sources: Reuters, CBE &amp; NBG estimates

**GDP growth bottomed out to an estimated 2.4% in FY:23/24 (ending in June '24), down from 3.8% in FY:22/23, reflecting not only domestic headwinds from prolonged FX-led inflationary pressures, significant policy tightening and poor economic sentiment, but also repercussions from the conflict in neighbouring Gaza.** GDP growth moderated abruptly to (a still satisfactory considering the backdrop) 2.4% y-o-y in 9M:23/24, almost half its outcome in 9M:22/23. As regards domestic factors, this performance was mainly attributed: i) to the adverse impact of record-high inflation (33.6% on average in FY:23/24, up from 24.1% in FY:22/23), in the wake of the sharp depreciation of the EGP (with the official rate against the USD losing 38% in March to converge with the rate on the parallel market) and, to a much lesser extent, the IMF-backed hikes in regulated prices (mainly fuel and electricity) to reach their cost recovery levels; and ii) the concomitant aggressive tightening in monetary policy (including sizeable rate hikes of 1900 bps over the past 2½ years). Significant material shortages created by the capital controls imposed prior to the EGP depreciation and a cyclical downturn in domestic gas production also took a toll on the non-oil private sector's activity. Note that labour market has remained resilient, helping moderate the impact of the economic adjustment policies.

On top of these factors, bearish global activity, which dampened demand for (non-oil) manufacturing exports, on the one hand, and the repercussions from the conflict in Gaza (including trade disruptions in the Red Sea -- which, in turn, prompted a sizeable reduction in Suez Canal receipts -- and a squeeze in tourist inflows, due to security concerns) brought an additional blow to the ailing economy.

**Economic recovery is on the cards, with GDP growth picking up modestly to 3.8% in FY:24/25 and strengthening towards its long-term potential of c. 4½ in FY:25/26.** Despite clearance of the huge import backlog and (slowly) improving economic sentiment (with the S&P PMI index for the non-oil private sector breaking the 50 mark in August for the first time since end-2020), economic momentum is unlikely to strengthen materially in the short-term, reflecting the impact of still high inflation and tight financing conditions.

Looking further ahead, assuming no FX shock and an anchoring in expectations, inflation is set to embark on a sustainable downward trend as of the mid of the fiscal year, allowing the central bank to ease its stance, fostering domestic demand. In this context, private consumption should remain the engine of economic growth, following, *inter alia*, a rebound in remittance inflows (which suffered a sharp drop in the past 2 years amid expectations of EGP devaluation). At the same time, fixed investment is due to increase its (historically low) contribution to GDP growth, benefitting from the advancing of IMF-mandated structural reforms to improve the business environment and the gradual substitution of public for private sector activity, through a large-scale privatization programme. The deployment of the huge investment by UAE in the Ras El Hekma region should also help. Importantly, competitiveness gains from the EGP depreciation and a more favourable external environment should help stimulate exports.

The main downside risk to our forecast would be authorities' failure to stick to the abrupt IMF-mandated adjustment programme, including fiscal consolidation (to help lower high public debt -- currently standing at slightly below 100% of GDP), shift to a liberalised foreign exchange system and a series of politically sensitive structural reforms (such as subsidy cuts and hikes in regulated prices), amid a highly fragile social environment (with 1/3<sup>rd</sup> of the country's over 100mn population falling below the poverty line). In the event, we could see a new round of capital outflows and heightened uncertainty sending the economy into recession. Worryingly, the uncertain geopolitical backdrop exacerbates further downside risks.

## DETAILED MACROECONOMIC DATA

BULGARIA					
	2021	2022	2023	2024f	2025f
<b>Real Sector</b>					
Nominal GDP (EUR million)	71,059	85,799	93,947	100,142	106,447
GDP per capita (EUR)	10,390	12,621	13,904	14,909	15,945
GDP growth (real, %)	7.7	3.9	1.8	2.2	3.1
Unemployment rate(ILO definition, %, aop)	5.3	4.2	4.3	4.5	4.3
<b>Prices and Banking</b>					
Inflation (% eop)	7.8	16.9	4.7	3.0	2.6
Inflation (% aop)	3.3	15.2	9.6	2.8	3.1
Loans to the Private Sector (% change, eop)	8.3	12.2	11.1		
Customer Deposits (% change, eop)	9.0	14.4	9.6		
Loans to the Private Sector (% of GDP)	47.6	44.3	44.9		
Retail Loans (% of GDP)	20.5	19.5	20.7		
Corporate Loans (% of GDP)	27.1	24.8	24.2		
Customer Deposits (% of GDP)	69.1	65.5	65.5		
Loans to Private Sector (% of Deposits)	69.0	67.6	68.6		
Foreign Currency Loans (% of Total Loans)	28.7	25.7	23.3		
<b>External Accounts</b>					
Merchandise exports (EUR million)	34,405	47,145	43,334	43,334	45,199
Merchandise imports (EUR million)	37,291	52,219	46,962	47,680	49,968
Trade balance (EUR million)	-2,887	-5,074	-3,628	-4,345	-4,769
Trade balance (% of GDP)	-4.1	-5.9	-3.9	-4.3	-4.5
Current account balance (EUR million)	-1,225	-1,200	0,251	0,332	0,412
Current account balance (% of GDP)	-1.7	-1.4	-0.3	0.3	0.4
Net FDI (EUR million)	1,249	2,098	3,066	3,158	3,316
Net FDI (% of GDP)	1.8	2.4	3.3	3.2	3.1
International reserves (EUR million)	34,597	38,424	41,706	43,696	45,923
International reserves (Months <sup>a</sup> )	9.8	7.8	9.2	9.4	9.4
<b>Public Finance</b>					
Primary balance (% of GDP)	-2.4	-0.4	-2.6	-2.8	-2.0
Fiscal balance (% of GDP)	-2.8	-0.8	-3.1	-3.2	-2.6
Gross public debt <sup>b</sup> (% of GDP)	23.9	22.6	23.1	25.1	26.0
<b>External Debt</b>					
Gross external debt (EUR million)	41,317	44,249	45,414	45,865	45,559
Gross external debt (% of GDP)	58.1	51.6	48.3	45.8	42.8
External debt service (EUR million)	7,000	8,200	7,100	7,250	7,500
External debt service (% of reserves)	20.2	21.3	17.0	16.6	16.3
External debt service (% of exports)	16.0	13.8	12.4	12.4	12.3
<b>Financial Markets</b>					
Base Interest Rate (% eop)	0.0	1.3	3.8	3.2	2.4
Base Interest Rate (% aop)	0.0	0.2	2.9	3.5	2.8
10-Y Bond Yield (% eop)	0.7	6.0	4.5	3.8	3.6
Exchange rate: EUR (eop)	1.956	1.956	1.956	1.956	1.956
Exchange rate: EUR (aop)	1.956	1.956	1.956	1.956	1.956

f: NBG forecasts; a: months of imports of GNFS; b: ESA 2010

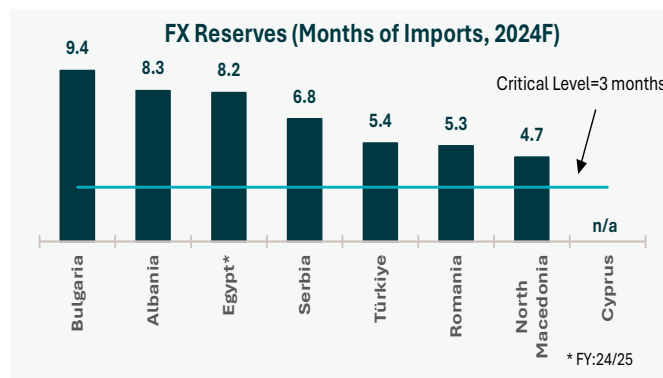
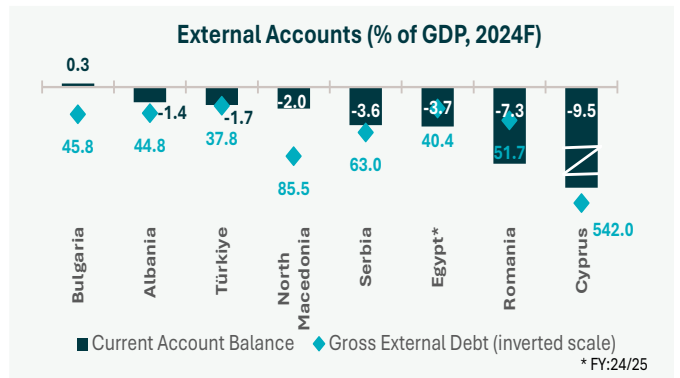
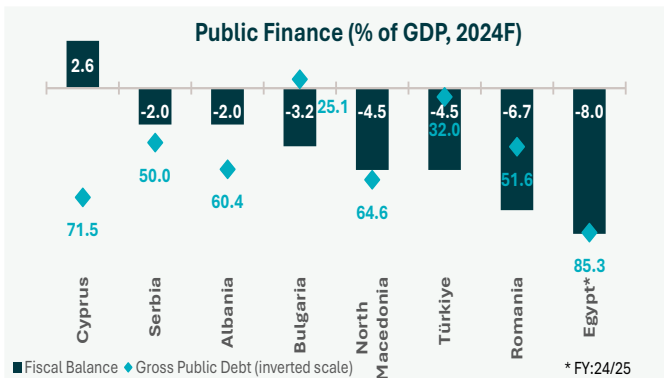
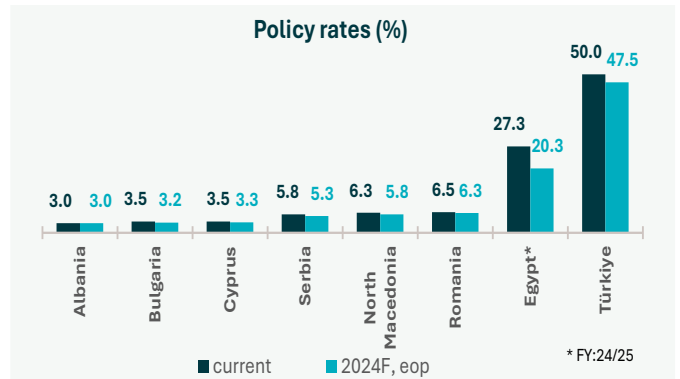
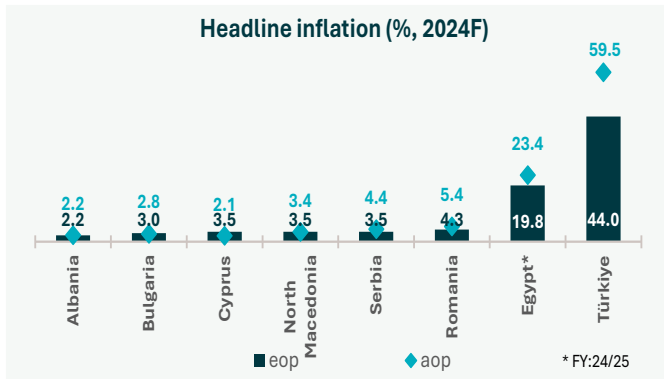
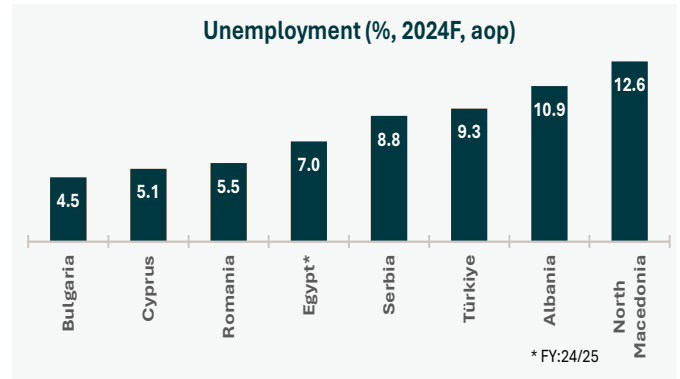
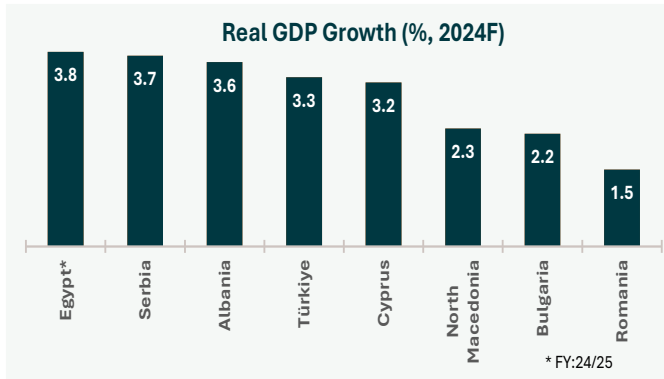
NORTH MACEDONIA					
	2021	2022	2023	2024f	2025f
<b>Real Sector</b>					
Nominal GDP (EUR million)	11,855	13,053	13,667	14,447	15,311
GDP per capita (EUR)	6,454	7,135	7,501	7,961	8,471
GDP growth (real, %)	4.5	2.2	1.0	2.3	3.3
Unemployment rate (% aop)	15.4	14.4	13.1	12.6	12.3
<b>Prices and Banking</b>					
Inflation (% eop)	4.9	18.7	3.6	3.5	2.6
Inflation (% aop)	3.2	14.0	9.5	3.4	2.6
Loans to the Private Sector (% change, eop)	8.0	8.8	5.2		
Customer Deposits (% change, eop)	8.5	5.1	9.5		
Loans to the Private Sector (% of GDP)	52.5	51.9	52.1		
Retail Loans (% of GDP)	27.5	26.4	26.9		
Corporate Loans (% of GDP)	25.0	25.3	25.1		
Customer Deposits (% of GDP)	60.7	58.0	60.7		
Loans to Private Sector (% of Deposits)	86.5	89.5	85.9		
Foreign Currency Loans (% of Total Loans)	40.7	42.6	42.0		
<b>External Accounts</b>					
Merchandise exports (EUR million)	6,041	7,320	7,292	7,355	7,655
Merchandise imports (EUR million)	8,378	10,801	9,868	10,404	10,919
Trade balance (EUR million)	-2,337	-3,481	-2,576	-3,049	-3,264
Trade balance (% of GDP)	-19.7	-26.7	-18.9	-21.1	-21.3
Current account balance (EUR million)	-0,329	-0,797	-0,095	-0,294	-0,385
Current account balance (% of GDP)	-2.8	-6.1	0.7	-2.0	-2.5
Net FDI (EUR million)	0,388	0,654	0,523	0,471	0,499
Net FDI (% of GDP)	3.3	5.0	3.8	3.3	3.3
International reserves (EUR million)	3,643	3,863	4,538	4,838	5,088
International reserves (Months <sup>a</sup> )	4.5	3.7	4.6	4.7	4.6
<b>Public Finance</b>					
Primary balance (% of GDP)	-4.1	-3.3	-3.4	-2.6	-1.7
Fiscal balance (% of GDP)	-5.3	-4.4	-4.9	-4.5	-3.6
Gross public debt <sup>b</sup> (% of GDP)	59.8	58.5	61.5	64.6	64.8
<b>External Debt</b>					
Gross external debt (EUR million)	9,577	10,856	11,453	12,352	12,708
Gross external debt (% of GDP)	80.8	83.2	83.8	85.5	83.0
External debt service (EUR million)	2,689	2,558	4,043	3,761	4,342
External debt service (% of reserves)	73.8	66.2	89.1	77.7	85.3
External debt service (% of exports)	34.5	26.5	40.7	36.9	40.6
<b>Financial Markets</b>					
28-d CB bill rate (% eop)	1.3	4.8	6.3	5.8	4.6
28-d CB bill rate (% aop)	1.3	2.5	5.8	6.2	5.3
1-Y T-bill rate <sup>c</sup> (% eop)	0.7	3.5	4.3	3.5	3.0
Exchange rate: EUR (eop)	61.6	61.6	61.6	61.6	61.6
Exchange rate: EUR (aop)	61.5	61.5	61.5	61.6	61.6

f: NBG forecasts; a: months of imports of GNFS; b: incl. guaranteed debt; c: primary market

EGYPT					
	2020/21*	2021/22*	2022/23*	2023/24f*	2024/25f*
<b>Real Sector</b>					
Nominal GDP (USD million)	424,516	476,690	394,921	383,605	365,949
GDP per capita (USD)	4,158	4,601	3,754	3,559	3,329
GDP growth (real, %)	3.3	6.7	3.8	2.4	3.8
Unemployment rate (% aop)	7.3	7.3	7.2	7.1	7.0
<b>Prices and Banking</b>					
Inflation (% eop)	4.9	13.2	35.7	27.5	19.8
Inflation (% aop)	4.5	8.4	24.1	33.6	24.3
Loans to the Private Sector (% change, eop)	21.2	23.6	25.4		
Customer Deposits (% change, eop)	19.2	24.7	24.4		
Loans to the Private Sector (% of GDP)	26.5	27.8	26.9		
Retail Loans (% of GDP)	8.4	8.9	8.3		
Corporate Loans (% of GDP)	18.0	18.9	18.8		
Customer Deposits (% of GDP)	70.8	75.0	72.5		
Loans to Private Sector (% of Deposits)	37.4	37.0	37.4		
Foreign Currency Loans (% of Total Loans)	12.7	11.3	15.7		
<b>External Accounts</b>					
Merchandise exports (USD million)	28,677	43,906	39,624	32,541	34,718
Merchandise imports (USD million)	70,736	87,302	70,784	68,086	70,339
Trade balance (USD million)	-42,060	-43,396	-31,160	-35,545	-35,621
Trade balance (% of GDP)	-9.9	-9.1	-7.9	-9.3	-9.7
Current account balance (USD million)	-18,436	-16,551	-4,710	-16,510	-13,683
Current account balance (% of GDP)	-4.3	-3.5	-1.2	-4.3	-3.7
Net FDI (USD million)	4,835	8,591	9,701	30,073	12,029
Net FDI (% of GDP)	1.1	1.8	2.5	7.8	3.3
International reserves (USD million)	40,584	33,376	34,807	46,384	49,884
International reserves (Months <sup>a</sup> )	6.5	4.2	5.3	8.4	8.2
<b>Public Finance</b>					
Primary balance (% of GDP)	1.4	1.3	1.6	6.2	2.0
Fiscal balance (% of GDP)	-7.1	-6.2	-6.0	-3.6	-8.0
Gross public debt (% of GDP)	91.3	91.6	98.3	99.0	85.3
<b>External Debt</b>					
Gross external debt (USD million)	137,860	155,709	164,728	146,500	148,000
Gross external debt (% of GDP)	32.5	32.7	41.7	38.1	40.4
External debt service <sup>b</sup> (USD million)	15,400	24,500	24,700	33,700	36,800
External debt service <sup>b</sup> (% of reserves)	37.9	73.4	71.0	72.7	117.5
External debt service (% of exports <sup>c</sup> )	37.5	38.1	36.7	58.3	96.8
<b>Financial Markets</b>					
Policy rate (O/N deposit rate, % eop)	8.3	11.3	18.3	27.3	20.3
Policy rate (O/N deposit rate, % aop)	8.5	8.9	15.3	22.0	24.8
3-M T-bill rate (% eop)	13.2	15.4	23.0	27.5	20.0
Exchange rate: USD (eop)	15.66	18.76	30.85	47.98	50.00
Exchange rate: USD (aop)	15.70	16.45	25.72	36.21	48.99

\*: fiscal year starting in July and ending in June; f: NBS forecasts; a: months of imports of GNFS

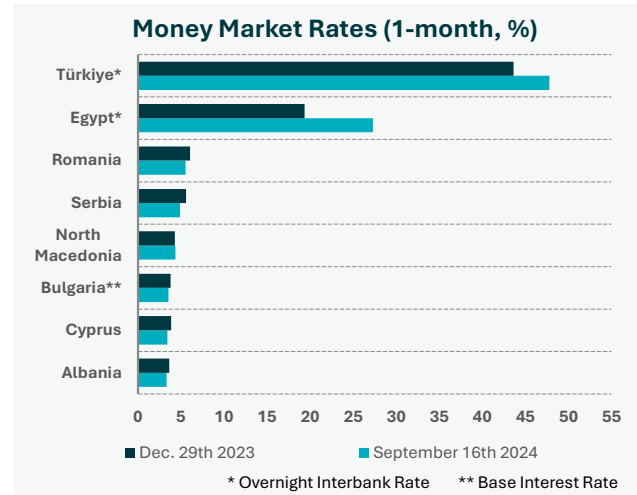
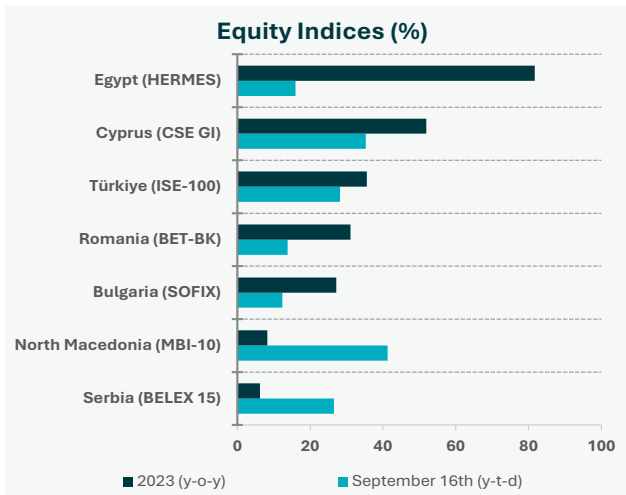
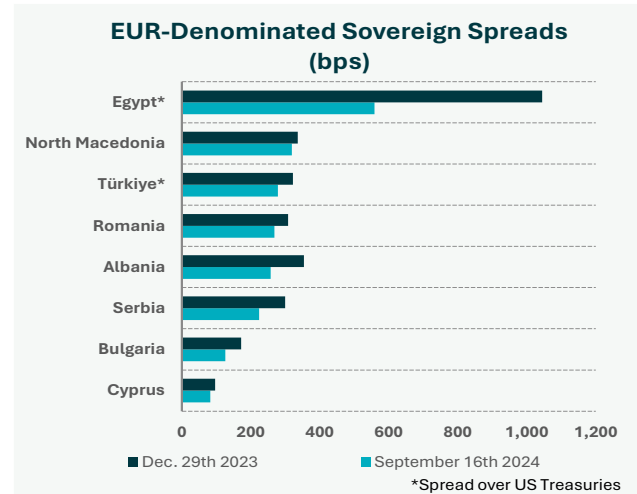
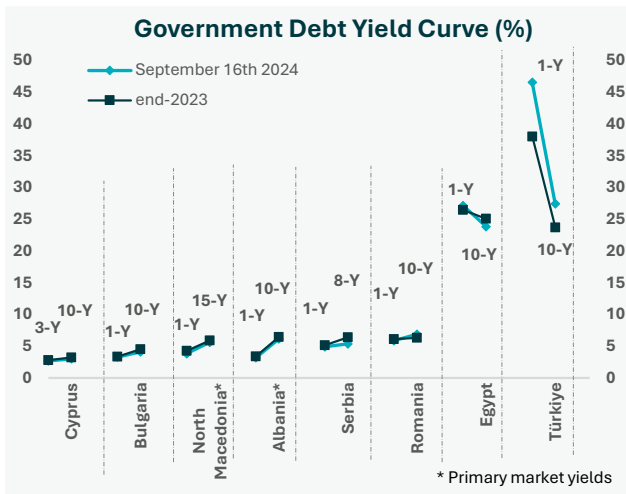
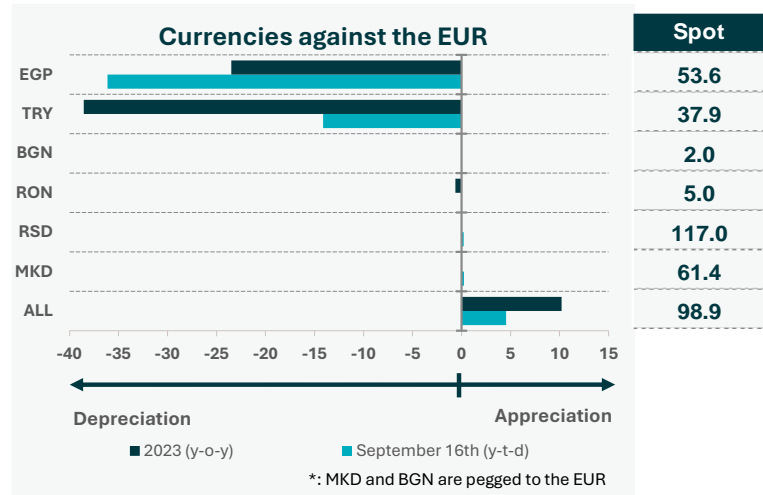
# REGIONAL SNAPSHOT: MACROECONOMIC INDICATORS



Sources: National Sources & NBS estimates



# REGIONAL SNAPSHOT: FINANCIAL MARKETS



Sources: Reuters & NBG estimates



**DISCLAIMER:** This report has been produced by the Economic Research Division of National Bank of Greece S.A., which is regulated by the Bank of Greece and the Hellenic Capital Market Commission, and is provided solely as a sheer reference for the information of experienced and sophisticated investors who are expected and considered to be fully able to make their own investment decisions without reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. This report does not constitute investment research or a research recommendation, and as such, it has not been prepared under legal requirements designed to promote investment research independence. The information contained in this report does not constitute the provision of investment advice and under no circumstances is it to be used or considered as an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any security, product, service or investment. No information or opinion contained in this report is sufficient to support an investment decision – and should constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Past performance is not necessarily a reliable guide to future performance. It is duly stated that investments products include investment risks, among which the risk of losing part of or the entire capital invested. National Bank of Greece S.A. and/or its affiliates shall not be liable in any matter whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance on or usage of this report and accepts no legal responsibility to any investor who directly or indirectly receives this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor.

Any data provided in this report has been obtained from sources believed to be reliable but has not been independently verified. Because of the possibility of error on the part of such sources, National Bank of Greece S.A. does not guarantee the accuracy, timeliness or usefulness of any information. Information and opinions contained in this report are subject to change without notice and there is no obligation to update the information and opinions contained in this report. The National Bank of Greece S.A. and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no responsibility, or liability as to the accuracy, or completeness of the information contained in this report, or for any loss in general arising from any use of this report including investment decisions based on this report. This report does not purport to contain all the information that a prospective investor may require. Recipients of this report should independently evaluate particular information and opinions and seek the advice of their own professional and financial advisers in relation to any investment, financial, legal, business, tax, accounting or regulatory issues before making any investment or entering into any transaction in relation to information and opinions discussed herein.

National Bank of Greece S.A. has prepared and published this report wholly independently of any of its affiliates and thus any commitments, views, outlook, ratings or target prices expressed in these reports may differ substantially from any similar reports issued by affiliates which may be based upon different sources and methodologies. This report is not directed to, or intended for distribution to use or use by, any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation or rule. This report is protected under intellectual property laws and may not be altered, reproduced or redistributed, or passed on directly or indirectly, to any other party, in whole or in part, without the prior written consent of National Bank of Greece. All the views expressed in this report accurately reflect author's personal views solely, about any and all of the subject issues. Further, it is certified that no part of any of the report author's compensation was, is, or will be directly or indirectly related to the specific or views expressed in this report.

