



Economic Analysis Division Emerging Markets Analysis

Bi-Weekly Report 16 - 29 June 2020



NBG - Economic Analysis Division
<https://www.nbg.gr/en/the-group/press-office/e-spot/reports>

Emerging Markets Analysis

Head: Konstantinos Romanos-Louizos
☎ : +30 210 33 41 225
✉ : romanos.louizos.k@nbg.gr

Louiza Troupi
☎ : +30 210 33 41 696
✉ : troupi.louiza@nbg.gr

Andromachi Papachristopoulou
☎ : +30 210 33 41 057
✉ : papachristopoulou.a@nbg.gr

SERBIA 1

The coalition led by the Pro-Presidential ruling Serbian Progressive Party secured a landslide victory in the Parliamentary election boycotted by the opposition

Broader political continuity is expected after the elections

The NBS cut further its key rate by 25 bps to 1.25% to spur economic recovery from COVID-19

ALBANIA 2

COVID-19 and the impact of the end-2019 earthquake weighed on GDP growth in Q1:20 (down 2.5% y-o-y)

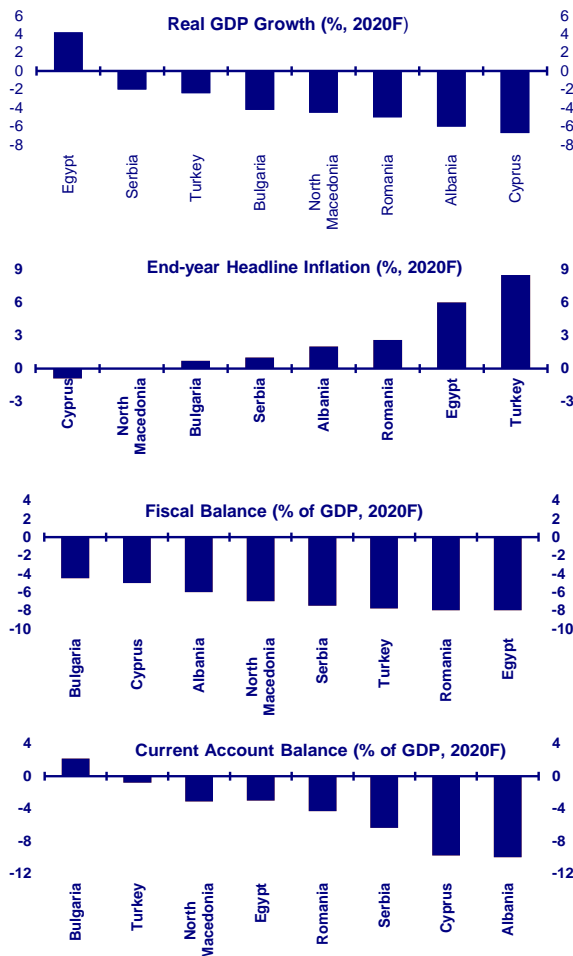
Albania is heading to a severe recession in Q2:20, driven by the services sector, before slowly recovering in H2:20

NORTH MACEDONIA 3

High uncertainty due to COVID-19 and lockdown measures suppressed Q1:20 GDP growth (up 0.2% y-o-y)

GDP is set to drop abruptly in Q2:20, driven by domestic demand, before gradually recovering in H2:20

APPENDIX: FINANCIAL MARKETS 4



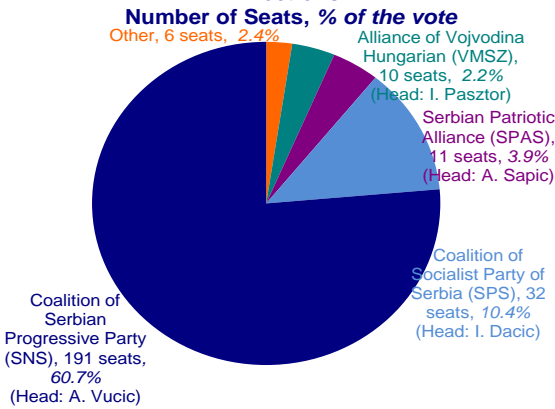
Sources: National authorities, IMF & NBG estimates



Serbia

BB+ / Ba3 / BB+ (S&P / Moody's / Fitch)

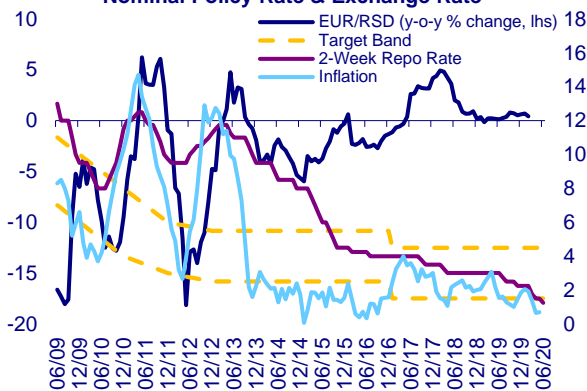
Preliminary Results of 2020 Parliamentary Elections



The coalition led by the pro-Presidential ruling Serbian Progressive Party (SNS) secured a landslide victory in the Parliamentary election boycotted by the opposition. According to the preliminary results of the election (initially due in April, but postponed to end-June, following the COVID-19 outbreak), President Vucic's SNS-led coalition received an overwhelming 60.7% of the vote, winning a constitutional majority in Parliament (191 out of 250 seats). The Socialist Party of Serbia (SPS) -- a junior coalition partner in the outgoing Government -- came second with 10.4% of the vote (32 seats), while the newcomer, populist Serbian Patriotic Alliance (SPAS) was third with 3.9% of the vote (11 seats). The remaining seats were allocated to minority parties as no other party managed to exceed the threshold of 3.0%. Note that election results are yet to be finalised, as the election commission ordered the repeat of the process in some polling stations, due to irregularities.

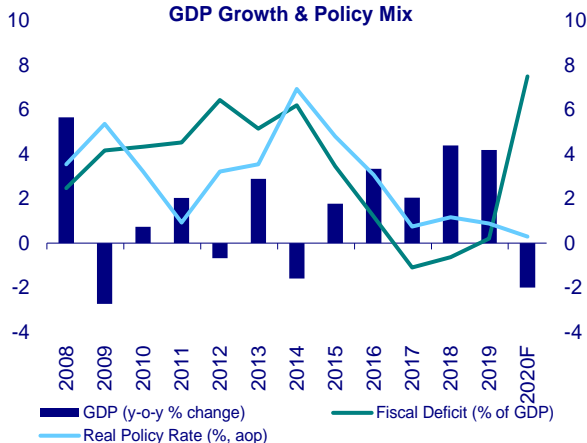
The SNS's victory came amid calls by several parties of the (highly fragmented) opposition (including the major opposition coalition, Alliance of Serbia) for an election boycott. These parties have been leading the anti-Government protests for the past 2 years, criticizing the SNS for corruption and deteriorating standards of media freedom.

Headline Inflation, Inflation Target, Nominal Policy Rate & Exchange Rate



However, the mass election boycott, the opposition was hoping for, did not materialize, with the turnout reportedly standing at 48.0% against the 2016 election outcome of 56.7% (note that the law does not set a minimum threshold). In fact, the SNS managed to consolidate its voters, capitalising on: i) Serbia's strong pre-COVID-19 macroeconomic performance, reflected in robust economic growth, low inflation, RSD stability and the sharp drop in unemployment; and ii) its pro-EU agenda (that has led to the opening of 18 Chapters out of 35 since end-2015), while retaining close ties with Russia. The handling of the COVID-19 crisis, including the adoption of a large stimulus package (worth 6.7% of GDP, above the EU average of 4.0%, with measures varying from tax reliefs and wage subsidies to a universal payment of EUR 100 to adult citizens and an one-off bonus to pensioners), appears also to have boosted the SNS's popularity.

GDP Growth & Policy Mix



Broader political continuity is expected after the elections. In the near term, the main challenge for the Government will be to mitigate the impact of COVID-19 and restart the economy. Looking further ahead, the strong renewed mandate should enable the SNS to continue the widely commended policy, including fiscal discipline. At the same time, the Government should accelerate a wide-range of EU-related reforms and proceed with normalizing Serbia's relations with Kosovo, a *sine qua non* condition for the successful completion of EU accession talks. Note that, following the mediation of the US, Serbia and Kosovo have agreed to sit again at the table of negotiations.

The NBS cut further its key rate to 1.25% to spur economic recovery from COVID-19. At its meeting in mid-June, the NBS lowered its 2-week repo rate by another 25 bps to a historic low of 1.25%, bringing the total rate cuts to 100 bps since March, when the pandemic erupted. Recall that, besides lowering its key rate, the NBS has responded to the crisis by increasing the amount of liquidity provided to banks through repo operations and FX swaps.

	29 June	3-M F	6-M F	12-M F
1-m BELIBOR (%)	0.9	0.9	0.9	1.0
RSD/EUR	117.5	117.5	117.5	117.5
Sov. Spread (2029, bps)	362	325	280	220

	29 June	1-W %	YTD %	2-Y %
BELEX-15	672	0.7	-16.2	-9.7

	2017	2018	2019F	2020F	2021F
Real GDP Growth (%)	2.0	4.4	4.2	-2.0	6.2
Inflation (eop, %)	3.0	2.0	1.9	1.0	2.2
Cur. Acct. Bal. (% GDP)	-5.2	-4.8	-6.9	-6.4	-6.7
Fiscal Bal. (% GDP)	1.1	0.6	-0.2	-7.5	-3.0

Sources: Reuters, NBS, OPBC & NBG estimates

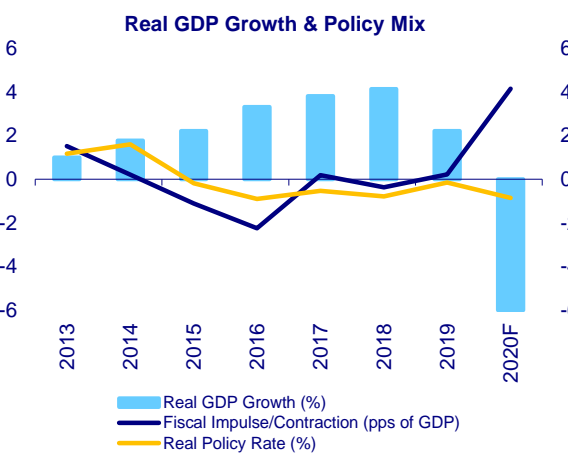
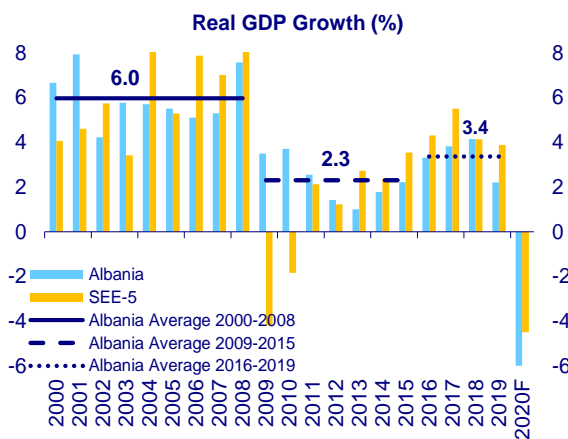
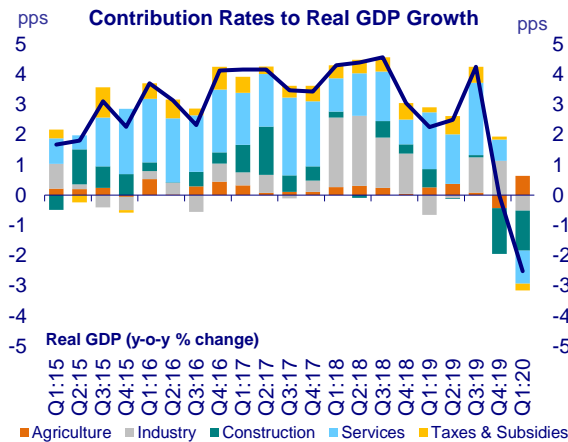
Importantly, the (further) easing of monetary policy by the NBS is supported by fundamentals. Indeed, headline inflation remains subdued (up 0.7% y-o-y in May, below the lower end of the 3±1.5% target range) and the RSD remains stable, while FX reserves stand at a high of EUR 14.3bn in May (covering 6 months of GNFS imports).

All said, considering the broadly stable inflation outlook and the slightly positive real *ex-post* policy rates of Serbia's peers, we believe that the NBS has limited room for further easing.



Albania

B+ / B1 / NR (S&P / Moody's / Fitch)



COVID-19 and the impact of the end-2019 earthquake weighed on GDP growth in Q1:20 (down of 2.5% y-o-y). Following a cautious start to the year, due to the impact of the devastating earthquake that hit Albania at end-2019, economic activity was hit hard in March, when the pandemic erupted and the first lockdown measures were introduced. Note that, due to Albania's proximity and close links to Italy, the authorities have adopted some of the toughest containment measures in Europe. As a result, GDP dropped 2.5% y-o-y in Q1:20 from 0% in Q4:19, with the main drags on growth coming from the services and the industrial sectors. The drop in GDP would have been less abrupt had it not been for the negative base effects from the finalization of some large energy projects.

Albania is heading to a severe recession in Q2:20, driven by the services sector, before slowly recovering in H2:20. From a sectoral point of view, the services sector will be hit hardest by the pandemic. Indeed, increased uncertainty, together with the impact of containment measures and lower remittances (c. 5.0% of GDP in FY:19), are set to suppress demand, particularly in the segments related to travel and recreational activities. Note that Albania is strongly dependent on tourism, with the sector's total contribution to GDP amounting to a sizeable 27% of GDP, the highest in the region. Similarly, the industrial sector will be affected by disruptions in supply chains and a sharp drop in demand, although the recovery of hydropower production after a drought in FY:19 should compensate somewhat for the impact of COVID-19. The construction sector is also set to suffer losses, albeit smaller compared with other sectors, due to post-earthquake reconstruction needs (see below). Importantly, the agriculture sector, which accounts for a significant 17% of GDP, should not be affected by COVID-19, helping to mitigate the effect of the latter on GDP growth.

The authorities' response to the crisis includes a relatively small fiscal relief package, worth c. 1.3% of GDP. Key measures comprise: i) increased spending to the healthcare system; ii) financial support to SMEs, self-employed and employees affected by the pandemic (with particular emphasis on the tourism sector); and iii) corporate tax deferrals. A state guarantee scheme, worth 1.6% of GDP, for loans to affected entities at favourable terms was also approved. All said, the cost of the discretionary measures and the effect of automatic stabilisers, together with substantial post-earthquake spending needs (c. 1.5 pps of GDP), should inflate the budget deficit to 6.0% of GDP in FY:20 from 1.9% in FY:19.

Regarding monetary policy, the Bank of Albania cut its key rate by 50 bps to a historic low of 0.5% and adopted a series of temporary capital-relief measures for banks. Moreover, in a bid to enhance liquidity in the real sector, it announced a 3-month deferral of debt service for affected borrowers. Considering the inflation outlook (annual headline inflation is set to hover around current levels of c. 2.0% throughout the remainder of 2020) and Albania's highly negative real *ex-post* policy rate (c. -1.6% versus the marginally positive rates of its peers), we believe that there is limited scope for further rate cuts.

Assuming that the COVID-19 pandemic fades gradually, we expect economic activity to start recovering from Q3:20 onwards. Note that, as of June, the authorities have removed all restrictions on movement and travel. However, in view of Albania's large trade exposure to hard-hit Italy (absorbing c. 50% of the country's exports) and strong dependency on tourism, we expect the recovery to be sluggish. The weak social safety nets pose an additional downside risk. All said, we see GDP falling by 6.0% in FY:20 against an expansion of 2.2% in FY:19.

	29 June	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.1	1.0	0.9	0.9
ALL/EUR	123.6	124.3	125	126
Sov. Spread (bps)	410	385	360	290

Stock Market	29 June	1-W %	YTD %	2-Y %
	---	---	---	---

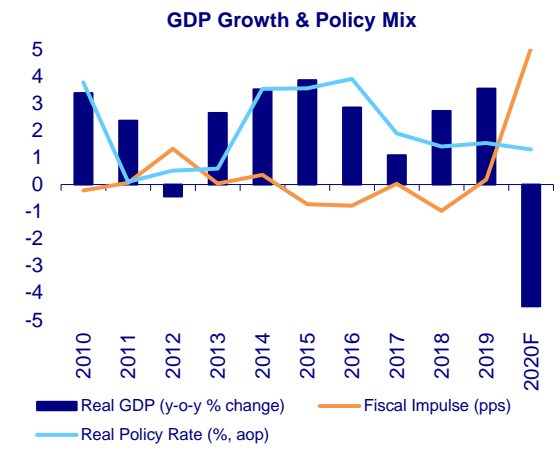
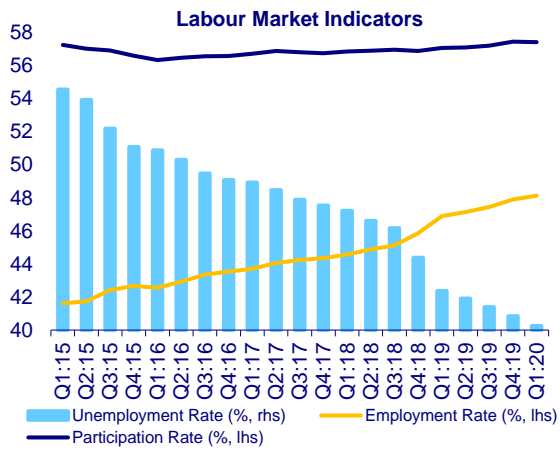
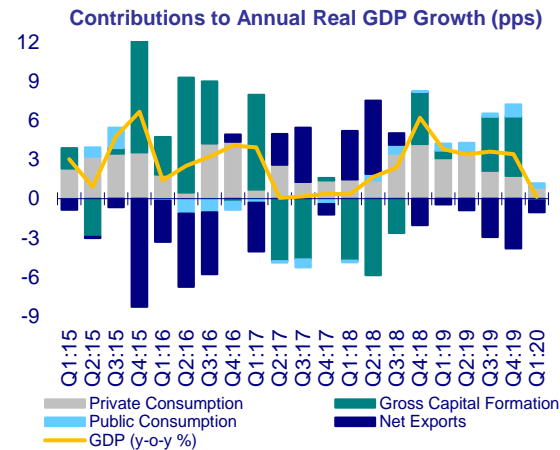
	2017	2018	2019	2020F	2021F
Real GDP Growth (%)	3.8	4.1	2.2	-6.0	7.3
Inflation (eop, %)	1.8	1.8	1.1	2.0	2.5
Cur. Acct. Bal. (% GDP)	-7.5	-6.7	-7.6	-10.0	-8.4
Fiscal Bal. (% GDP)	-2.0	-1.6	-1.9	-6.0	-3.0

Sources: Reuters, EC, INSTAT & NBG estimates



North Macedonia

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



High uncertainty due to COVID-19 and lockdown measures suppressed Q1:20 GDP growth (up 0.2% y-o-y).

Strong economic sentiment and an improving labour market, together with continuing investment activity (largely underpinned by corporate credit expansion), signalled solid economic growth in the first two months of 2020. However, following the outbreak of COVID-19 and the enforcement of containment measures, economic momentum weakened sharply in March. As a result, GDP growth decelerated to 0.2% y-o-y in Q1:20 from 3.4% in Q4:19, still above that of the EU (down 2.5% y-o-y).

Gross Capital Formation was the main driver behind the deceleration in GDP growth in Q1:20 (subtracting 0.1 pp against a large positive contribution of 4.6 pps in Q4:19, with the abrupt deterioration believed to be mostly due to the halt in the build-up of inventories). The sharp moderation in domestic demand was only partly offset by an improvement in net exports (shaving just 0.9 pps off overall growth in Q1:20 against a negative contribution of 3.8 pps in Q4:19).

GDP is set to drop abruptly in Q2:20, driven by domestic demand, before gradually recovering in H2:20.

We expect the bulk of the impact of COVID-19 to be felt in Q2:20, reflecting increased uncertainty and severe disruptions from the lockdown. In this context, private consumption is set to be hit hard, reflecting a deterioration in the labour market, a sharp drop in remittances (amounting to a sizeable 15.5% of GDP in FY:19) and increased savings. Amid weaker business confidence and a liquidity squeeze, investment activity is also projected to decline, despite the extension of tax incentives. Importantly, although exports are set to collapse, due to weaker demand from the EU (accounting for 80% of the country's exports, with Germany taking a lion's share) and disruptions in supply chains, especially in the automotive sector, net exports' contribution to overall growth should improve, in line with weaker domestic demand (note that imports account for 90% of GDP as compared with 70% for exports).

The impact of the pandemic should be partially mitigated by the adopted fiscal stimulus. Key measures include: i) wage and social security contribution subsidies; ii) postponement of CIT payments; and iii) income support for informal workers. The cost of the discretionary fiscal measures, together with the effect of automatic stabilisers, are set to boost the budget deficit to 7.0% of GDP in FY:20 from 2.0% in FY:19.

On the monetary front, the NBRNM responded with a 50 bp cut to its key rate (to a low of 1.5%) and a series of financial and liquidity-enhancing measures. Although there is scope for additional rate cuts, as suggested by the high real *ex-post* policy rate (currently at 2.2%, well above that of North Macedonia's peers), we believe that the NBRNM will remain cautious, in view of high external financing needs (c. 10% of GDP). Note that, in a bid to boost FX reserves and safeguard financial stability, the authorities turned to the IMF, which approved a 1.6% of GDP disbursement under its Rapid Financing Instrument.

Financial assistance at favourable terms from the state-owned Development Bank has also been made available to affected businesses.

Assuming no second wave of the pandemic, we expect economic activity to recover gradually, starting from Q3:20. The large corporate debt burden (c. 70% of GDP) and the structurally weak labour market (unemployment stood at 16.2% in Q1:20, the highest in the region) pose downside risks. At the same time, an inconclusive outcome in the July 15th Parliamentary elections could heighten political uncertainty. On the other hand, the recent launch of EU accession negotiations should provide a policy anchor and a strong incentive to accelerate reforms, as soon as normality resumes. All said, we expect GDP to fall by 4.5% in FY:20 against an expansion of 3.6% in FY:19.

	29 June	3-M F	6-M F	12-M F
1-m SKIBOR (%)	1.3	1.3	1.3	1.5
MKD/EUR	61.6	61.6	61.5	61.5
Sov. Spread (2021. bps)	437	400	360	270

	29 June	1-W %	YTD %	2-Y %
MBI 100	4,299	-1.7	-7.5	45.5

	2017	2018	2019F	2020F	2021F
Real GDP Growth (%)	1.1	2.7	3.6	-4.5	6.0
Inflation (eop. %)	2.4	0.9	0.5	-0.3	1.0
Cur. Acct. Bal. (% GDP)	-1.0	-0.1	-2.8	-3.2	-3.6
Fiscal Bal. (% GDP)	-2.7	-1.8	-2.0	-6.0	-3.5

Sources: Reuters, State Statistical Office, Ministry of Finance, NBRNM & NBG estimates



FOREIGN EXCHANGE MARKETS. JUNE 29TH 2020

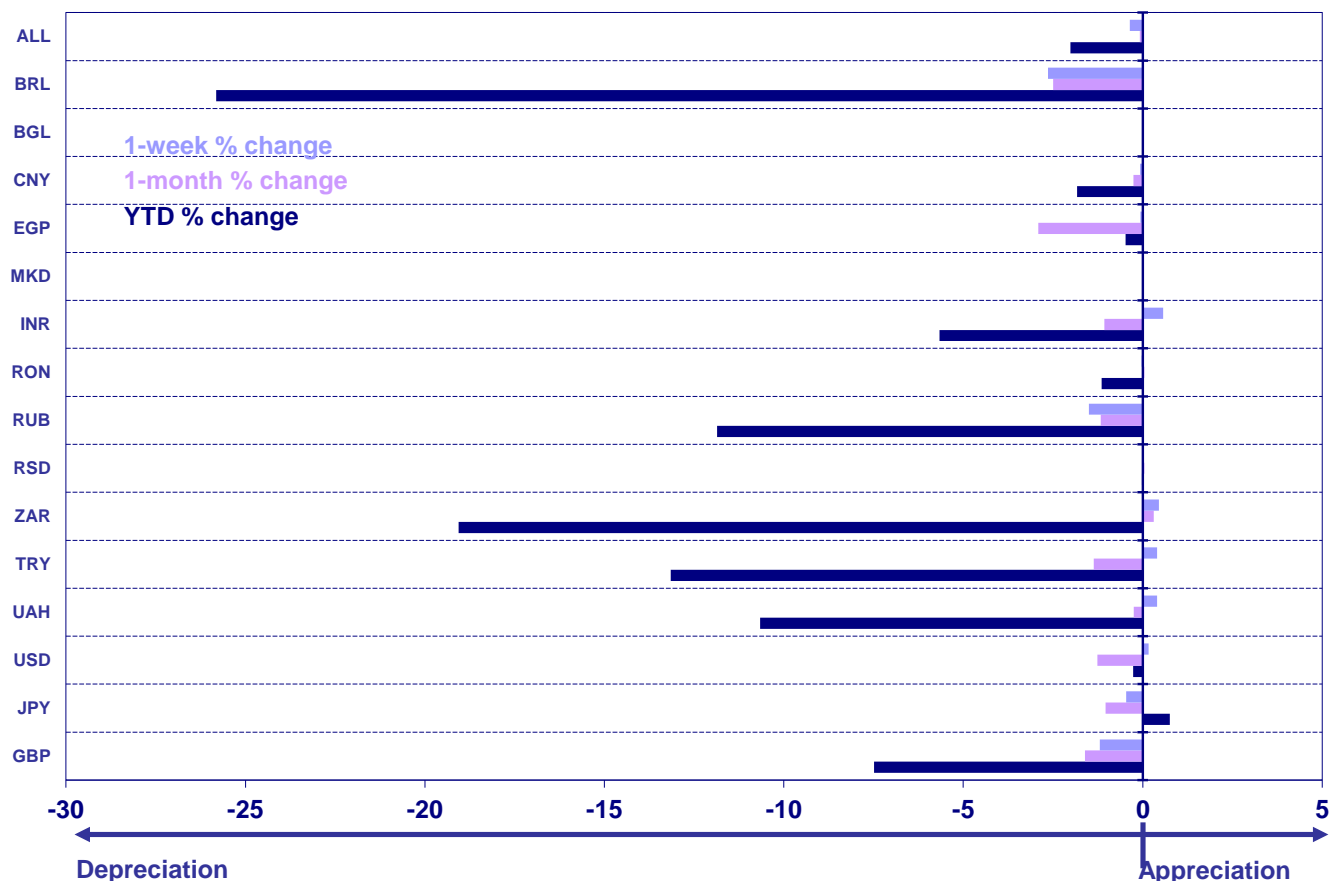
Against the EUR

Currency	2020											2019	2018
	SPOT	1-week %change	1-month %change	YTD %change*	1-year %change	Year-Low	Year-High	3-month Forward rate**	6-month Forward rate**	12-month Forward rate**	% change*	% change*	
Albania	ALL	124.1	-0.4	-0.1	-2.0	-1.7	121.9	129.3	124.1	124.1	123.9	1.4	7.8
Brazil	BRL	6.07	-2.6	-2.5	-25.8	-28.6	4.48	6.49	---	---	6.23	-1.2	-10.7
Bulgaria	BGL	1.96	0.0	0.0	0.0	0.0	1.96	1.96	1.96	1.96	1.96	0.0	0.0
China	CNY	7.96	-0.1	-0.3	-1.8	-2.6	7.54	8.08	---	---	8.16	0.6	-0.8
Egypt	EGP	18.00	-0.1	-2.9	-0.5	4.3	16.28	18.39	---	---	---	16.2	0.0
North Macedonia	MKD	61.3	0.0	0.0	0.0	0.0	61.3	61.3	61.3	61.3	61.3	0.0	0.0
India	INR	84.8	0.6	-1.1	-5.7	-8.2	77.2	86.8	---	---	---	-0.3	-3.9
Romania	RON	4.84	0.0	0.0	-1.1	-2.3	4.82	4.87	4.87	4.91	5.00	-2.8	0.6
Russia	RUB	78.8	-1.5	-1.2	-11.9	-9.8	67.7	90.1	79.7	80.7	82.5	15.1	-13.4
Serbia	RSD	117.5	0.0	0.0	0.0	0.2	117.5	117.7	117.5	117.5	---	0.6	0.2
S. Africa	ZAR	19.4	0.5	0.3	-19.1	-17.9	15.61	20.91	19.6	19.8	20.2	4.8	-9.9
Turkey	YTL	7.68	0.4	-1.4	-13.2	-17.1	6.51	7.85	7.92	8.24	8.88	-9.2	-24.9
Ukraine	UAH	29.9	0.4	-0.2	-10.7	-1.3	26.35	31.29	---	---	---	18.6	6.0
US	USD	1.12	0.2	-1.3	-0.3	0.4	1.1	1.1	1.13	1.13	1.13	4.6	0.7
JAPAN	JPY	120.9	-0.5	-1.0	0.8	1.2	114.4	124.4	120.9	120.9	121.0	7.5	0.6
UK	GBP	0.91	-1.2	-1.6	-7.5	-2.3	0.8	1.0	0.91	0.92	0.92	-1.1	1.4

* Appreciation (+) / Depreciation (-)

** Forward rates have been calculated using the uncovered interest rate parity for Brazil, China, Egypt, India and Ukraine

Currencies against the EUR (June 29th 2020)



Sources: Reuters & NBG estimates



MONEY MARKETS. JUNE 29TH 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
O/N	0.7	2.2	0.0	1.0	---	9.7	---	---	2.2	5.1	---	7.6	5.6	---	---	0.1
T/N	---	---	---	---	---	---	---	---	2.2	5.0	0.5	---	5.5	---	---	---
S/W	0.8	2.2	---	2.2	-0.5	---	1.1	---	---	4.6	0.5	---	4.2	---	-0.5	0.1
1-Month	1.1	2.2	---	2.1	-0.5	---	1.3	4.3	2.2	4.8	0.7	7.9	4.3	10.4	-0.5	0.2
2-Month	---	2.1	---	---	---	---	---	---	---	5.0	0.9	7.9	4.2	---	---	0.2
3-Month	1.5	2.1	---	2.1	---	---	1.4	4.7	2.2	5.2	1.0	7.9	4.1	12.0	---	0.3
6-Month	1.9	2.1	---	2.2	---	---	1.6	---	2.3	5.2	1.2	8.1	3.9	---	---	0.4
1-Year	2.2	2.4	---	2.4	-0.1	---	1.8	---	2.4	4.8	---	8.1	3.9	---	-0.1	0.6

*For Bulgaria. The Base Interest Rate (BIR) is reported. For Egypt. The O/N Interbank Rate is reported.

LOCAL DEBT MARKETS. JUNE 29TH 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
3-Month	---	---	---	---	---	12.9	---	3.2	---	4.3	---	8.1	---	7.2	-0.5	0.1
6-Month	---	---	---	---	---	12.9	---	3.4	2.9	4.2	3.3	8.4	---	7.7	-0.6	0.2
12-Month	1.9	---	0.1	2.2	---	12.9	---	3.7	3.0	4.3	1.8	8.7	---	9.7	-0.6	0.2
2-Year	2.6	---	---	2.3	---	---	---	4.2	3.1	4.6	---	9.3	5.0	10.4	-0.7	0.2
3-Year	2.7	---	0.3	2.4	0.5	---	---	4.4	3.4	4.5	---	9.7	7.1	10.5	-0.7	0.2
5-Year	---	5.6	---	2.6	0.8	13.6	---	5.3	3.6	5.2	2.5	9.9	7.7	---	-0.7	0.3
7-Year	4.1	---	0.7	---	0.8	13.8	---	5.8	3.7	5.4	---	---	---	---	-0.6	0.5
10-Year	---	6.8	0.4	2.9	---	14.0	---	5.9	4.0	5.8	---	11.5	9.2	---	-0.5	0.6
15-Year	---	---	---	---	---	---	---	6.4	---	6.0	---	---	9.9	---	-0.3	---
25-Year	---	---	---	---	---	---	---	---	---	---	---	---	11.3	---	---	---
30-Year	---	---	---	---	---	---	---	6.6	---	---	---	---	11.2	---	0.0	1.4

*For Albania. North Macedonia and Ukraine primary market yields are reported

CORPORATE BONDS SUMMARY. JUNE 29TH 2020

		Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Bulgaria	Bulgaria Energy Hold EAD 4.875% '21	EUR	NA/NA	2/8/2021	550	3.3	385	371
South Africa	Standard Bank of S. Africa Ltd '23	EUR	BB/Baa3	15/8/2023	7	---	---	---
Romania	Banca Transylvania SA 3.419% '28	EUR	NA/NA	28/6/2028	285	---	---	---
	Arcelik AS 3.875% '21	EUR	BB+/NA	16/9/2021	350	3.4	394	369
	Garanti Bank 5.25% '22	USD	NA/Ba3	13/9/2022	750	5.3	514	500
	Turkiye Is Bankasi 6% '22	USD	NA/B2	24/10/2022	1,000	6.7	654	633
Turkey	Vakifbank 5.75% '23	USD	NA/B1	30/1/2023	650	7.1	698	668
	TSKB 5.5% '23	USD	NA/B2	16/1/2023	350	6.9	678	647
	Petkim 5.875% '23	USD	NA/B1	26/1/2023	500	6.2	608	589
	Koc Holding 5.25% '23	USD	BBB-/Ba2	15/3/2023	750	5.0	484	471

CREDIT DEFAULT SWAP SPREADS. JUNE 29TH 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine
5-Year	---	260	44	53	100	459	---	76	145	108	102	487	308	579
10-Year	---	321	93	89	113	604	---	84	177	165	122	497	366	596

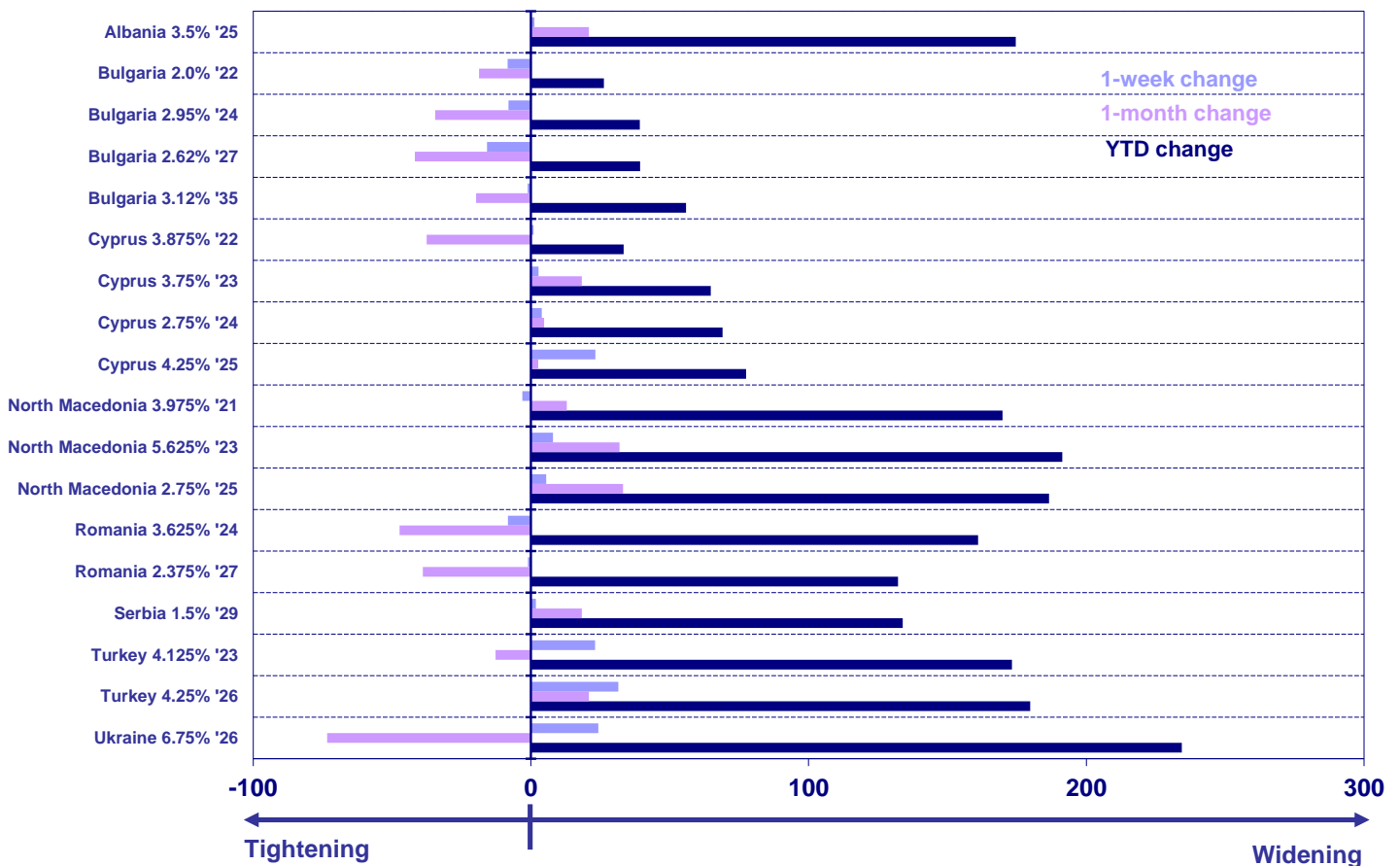
Sources: Reuters & NBG estimates



EUR-DENOMINATED SOVEREIGN EUROBOND SUMMARY. JUNE 29TH 2020

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Albania 3.5% '25	EUR	B+/B1	9/10/2025	500	3.3	398	360
Bulgaria 2.0% '22	EUR	BBB-/Baa2	26/3/2022	1.250	0.1	74	41
Bulgaria 2.95% '24	EUR	BBB-/Baa2	3/9/2024	1.493	0.1	86	54
Bulgaria 2.62% '27	EUR	BBB-/Baa2	26/3/2027	1.000	0.2	89	56
Bulgaria 1.12% '35	EUR	BBB-/Baa2	26/3/2035	900	1.3	156	148
Cyprus 1.875% '22	EUR	NA/Baa2	6/5/2022	1.000	0.2	86	56
Cyprus 1.75% '23	EUR	NA/Baa2	26/7/2023	1.000	0.5	123	96
Cyprus 2.75% '24	EUR	NA/Baa2	27/6/2024	850	0.5	125	95
Cyprus 4.25% '25	EUR	NA/Baa2	4/11/2025	1.000	0.8	146	121
FYROM 1.975% '21	EUR	BB-/NA	24/7/2021	500	2.3	287	650
FYROM 5.625% '23	EUR	BB-/NA	26/7/2023	450	2.9	363	344
FYROM 2.75% '25	EUR	BB-/NA	18/1/2025	500	3.1	381	339
Romania 1.625% '24	EUR	BBB-/BBB-	24/4/2024	1.250	1.6	235	208
Romania 2.375% '27	EUR	BBB-/BBB-	19/4/2027	2.000	2.1	272	241
Serbia 1.5% '29	EUR	BB/Baa3	26/6/2029	1.550	2.3	283	239
Turkey 4.125% '23	EUR	NR/Baa3	11/4/2023	1.000	3.9	458	424
Turkey 5.2% '26	EUR	NA/Baa3	16/2/2026	1.500	6.2	586	538
Ukraine 6.75% '26	EUR	B-/Caa2	20/6/2026	1.000	6.6	727	685

EUR-Denominated Eurobond Spreads (June 29th 2020)



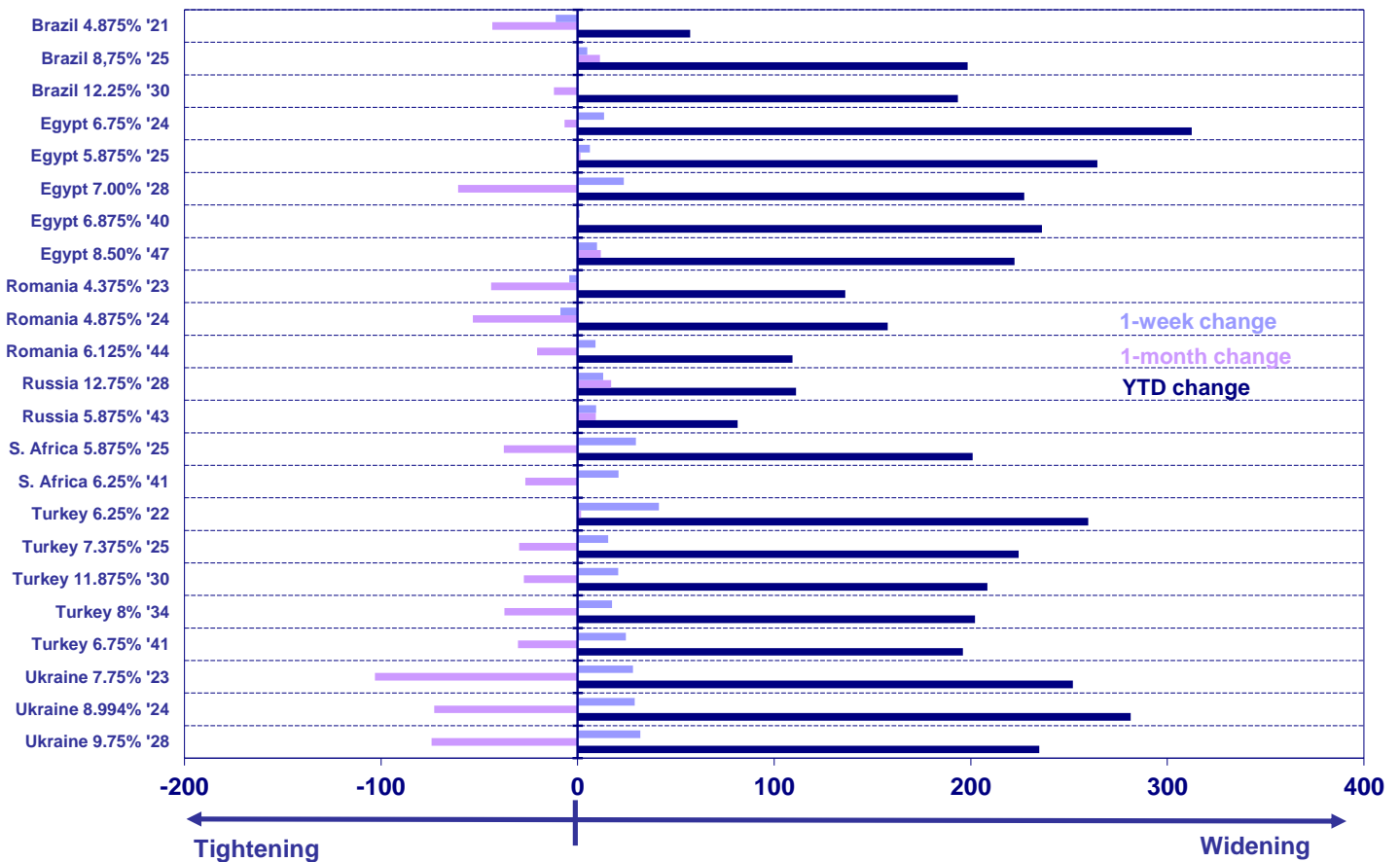
Sources: Reuters & NBG estimates



USD-DENOMINATED SOVEREIGN EUROBOND SUMMARY. JUNE 29TH 2020

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Brazil 4.875% '21	USD	NA/Ba2	4/2/2025	2.713	1.3	110	99
Brazil 8,75% '25	USD	NA/Ba2	4/2/2025	688	3.4	312	346
Brazil 12.25% '30	USD	NA/Ba2	6/3/2030	238	- - -	421	557
Egypt 6.75% '24	USD	NA/B2	10/11/2024	1.320	6.1	584	583
Egypt 5.875% '25	USD	B/B2	11/6/2025	1.500	5.8	550	540
Egypt 7.00% '28	USD	NA/B2	10/11/2028	1.320	6.7	627	618
Egypt 6.875% '40	USD	B/B2	30/4/2040	500	8.0	681	650
Egypt 8.50% '47	USD	NA/B2	31/1/2047	2.500	8.8	738	761
Romania 4.375% '23	USD	BBB-/BBB-	22/8/2023	1.500	2.4	222	220
Romania 4.875% '24	USD	BBB-/BBB-	22/1/2024	1.000	2.4	223	223
Romania 6.125% '44	USD	BBB-/BBB-	22/1/2044	1.000	4.1	291	376
Russia 12.75% '28	USD	BBB-/Baa3	24/6/2028	2.500	2.7	217	299
Russia 5.875% '43	USD	BBB-/Baa3	16/9/2043	1.500	3.3	213	298
S. Africa 5.875% '25	USD	BB/Baa3	16/9/2025	2.000	4.5	423	426
S. Africa 6.25% '41	USD	BB/Baa3	8/3/2041	750	6.5	535	546
Turkey 6.25% '22	USD	NR/Ba3	26/9/2022	2.500	5.7	558	548
Turkey 7.375% '25	USD	NR/Ba3	5/2/2025	3.250	6.2	588	594
Turkey 11.875% '30	USD	NR/Ba3	15/1/2030	1.500	6.9	627	750
Turkey 8% '34	USD	NR/Ba3	14/2/2034	1.500	7.2	656	663
Turkey 6.75% '41	USD	NR/Ba3	14/1/2041	3.000	7.3	620	580
Ukraine 7.75% '23	USD	B-/Caa1	1/9/2023	1.355	6.3	615	615
Ukraine 8.994% '24	USD	B-/Caa1	1/2/2024	750	6.8	666	675
Ukraine 9.75% '28	USD	B-/Caa1	1/11/2028	1.600	7.6	714	751

USD-Denominated Eurobond Spreads (June 29th 2020)



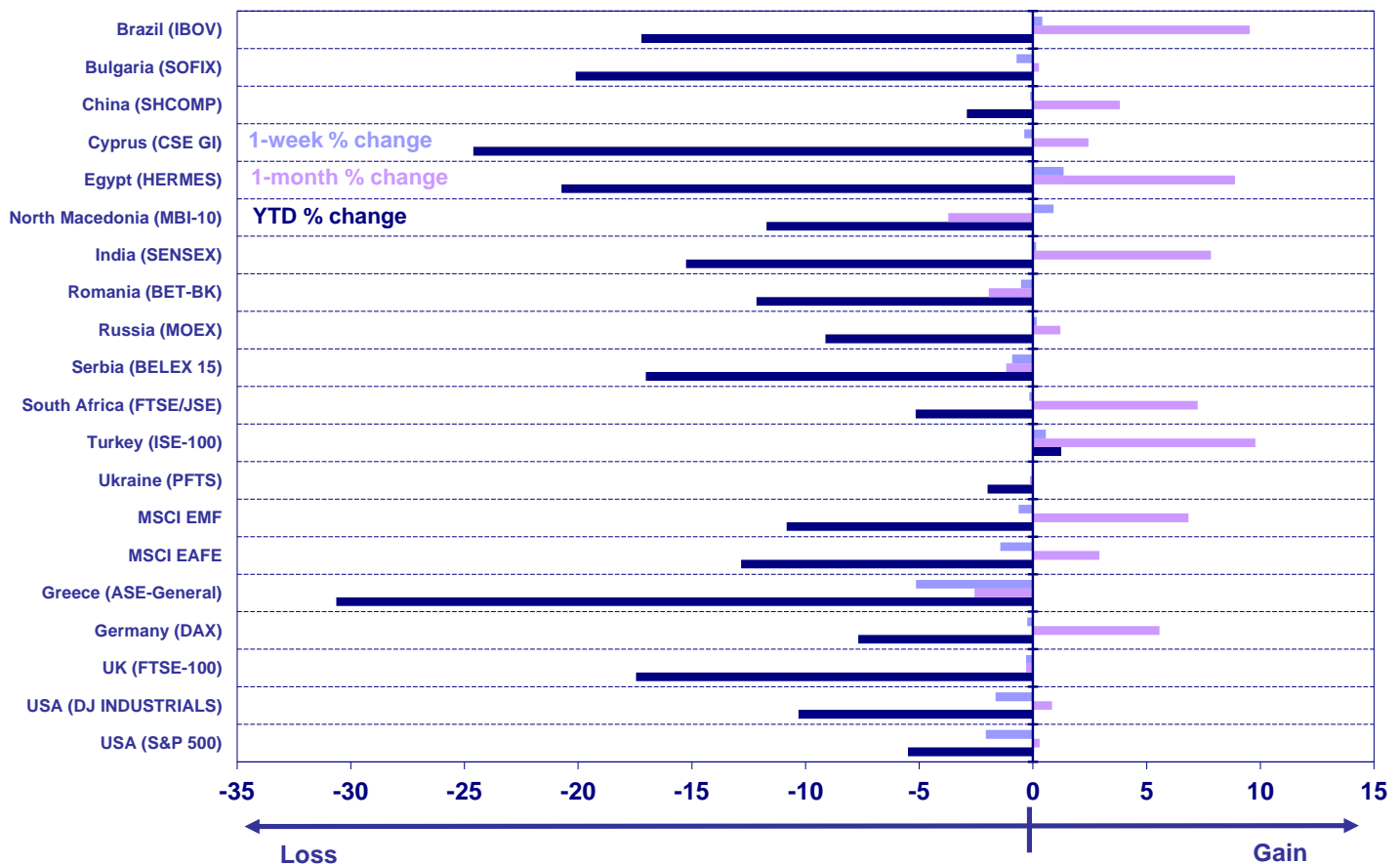
Sources: Reuters & NBG estimates



STOCK MARKETS PERFORMANCE. JUNE 29TH 2020

	2020							2019		2018		
	Local Currency Terms							EUR Terms	Local Currency Terms	EUR terms	Local Currency terms	EUR terms
	Level	1-week % change	1-month % change	YTD % change	1-year % change	Year-Low	Year-High	YTD % change	% change	% change	% change	% change
Brazil (IBOV)	95,735	0.4	9.5	-17.2	-5.5	61,691	119,593	-38.7	31.6	0.8	15.0	2.5
Bulgaria (SOFIX)	454	-0.7	0.3	-20.1	-22.1	401	587	-20.1	-4.4	-4.4	-12.3	-12.3
China (SHCOMP)	2,962	-0.1	3.8	-2.9	-2.7	2,647	3,127	-4.8	22.3	0.8	-24.6	-25.2
Cyprus (CSE GI)	49	-0.4	2.4	-24.6	-32.8	46	68	-24.6	-2.6	-2.6	-3.9	-3.9
Egypt (HERMES)	1,017	1.3	8.9	-20.7	-24.5	756	1,290	-21.1	0.4	0.8	-11.1	-11.1
North Macedonia (MBI)	4,104	0.9	-3.7	-11.7	7.1	3,256	5,015	-11.7	34.0	34.0	36.6	36.6
India (SENSEX)	34,962	0.1	7.8	-15.3	-11.9	25,639	42,274	-20.1	14.4	0.9	5.9	1.6
Romania (BET-BK)	1,662	-0.5	-1.9	-12.2	-0.3	1,356	1,979	-13.2	29.7	0.9	-11.6	-11.1
Russia (MOEX)	2,768	0.2	1.2	-9.1	-1.2	2,074	3,227	-20.0	30.8	0.8	10.3	-3.9
Serbia (BELEX-15)	665	-0.9	-1.2	-17.0	-9.7	605	819	-17.0	5.3	0.8	0.2	0.5
South Africa (FTSE/JSE)	54,142	-0.2	7.2	-5.2	-7.4	37,178	59,105	-23.2	8.2	0.9	-11.4	-20.1
Turkey (ISE 100)	115,843	0.6	9.8	1.2	16.2	81,936	124,537	-12.1	25.4	0.9	-20.9	-40.5
Ukraine (PFTS)	499	0.0	-0.1	-2.0	-9.1	499	537	-13.1	-8.9	0.8	77.5	88.1
MSCI EMF	994	-0.6	6.8	-10.8	-6.6	752	1,151	-11.1	15.4	0.9	-16.6	-12.8
MSCI EAFE	1,776	-1.4	2.9	-12.8	-8.1	1,354	2,058	-13.1	18.4	0.9	-16.1	-12.3
Greece (ASE-General)	636	-5.1	-2.6	-30.6	-27.3	470	949	-30.6	49.5	49.5	-23.6	-23.6
Germany (XETRA DAX)	12,232	-0.3	5.6	-7.7	-2.3	8,256	13,795	-7.7	25.5	25.5	-18.3	-18.3
UK (FTSE-100)	6,226	-0.3	2.5	-17.5	-17.0	4,899	7,690	-23.6	12.1	0.9	-12.5	-13.5
USA (DJ INDUSTRIALS)	25,596	-1.6	0.8	-10.3	-4.2	18,214	29,569	-10.6	22.3	0.9	-5.6	-1.3
USA (S&P 500)	3,053	-2.1	0.3	-5.5	3.0	2,192	3,394	-5.7	28.9	0.9	-6.2	-1.9

Equity Indices (June 29th 2020)



Sources: Reuters & NBG estimates



DISCLOSURES: *This report has been produced by the Economic Analysis Division of the National Bank of Greece, which is regulated by the Bank of Greece, and is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. 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 financial asset, service or investment. Any data provided in this report has been obtained from sources believed to be reliable but have to be not been independently verified. Because of the possibility of error on the part of such sources, National Bank of Greece does not guarantee the accuracy, timeliness or usefulness of any information. The National Bank of Greece and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no liability for any direct or consequential loss arising from any use of this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor. This report is not directed to nor intended for distribution to use or used by any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such a distribution, publication, availability or use would be contrary to any law, regulation or rule. The report is protected under intellectual property laws and may not be altered, reproduced or redistributed, to any other party, in whole or in part, without the prior written consent of National Bank of Greece.*