



# Economic Analysis Division Emerging Markets Analysis

## Bi-Weekly Report 30 June - 13 July 2020



**NBG - Economic Analysis Division**  
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### Emerging Markets Analysis

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### TURKEY ..... 1

In view of limited room for rate cuts, monetary authorities shift into more unorthodox policies to counteract the recessionary trend and finance the budget deficit

### ALBANIA ..... 2

IMF concludes Remote Staff Visit to Albania, recommending post-crisis policy response

Despite weaker external demand due to the COVID-19 shock, the 4-quarter rolling current account deficit stabilized at 7.5% of GDP in Q1:20, reflecting normalization in electricity generation

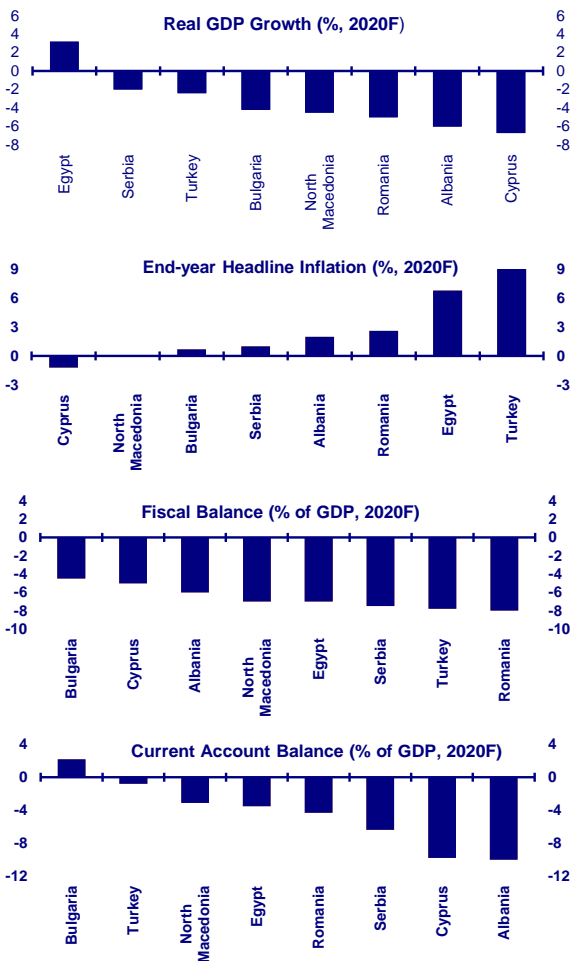
The current account deficit is set to widen to a 6-year high of 10.0% of GDP in FY:20, driven by the sharp drop in tourism receipts

### EGYPT ..... 3

Underlying pressures on the EGP deter the CBE from reducing further its key rate

The envisaged fiscal consolidation appears difficult to achieve, without additional measures

### APPENDIX: FINANCIAL MARKETS ..... 4

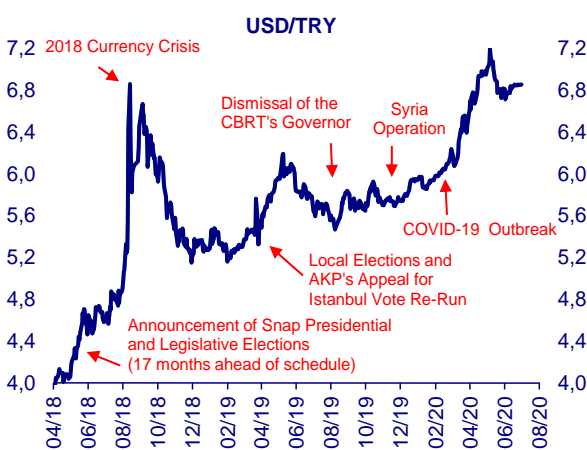
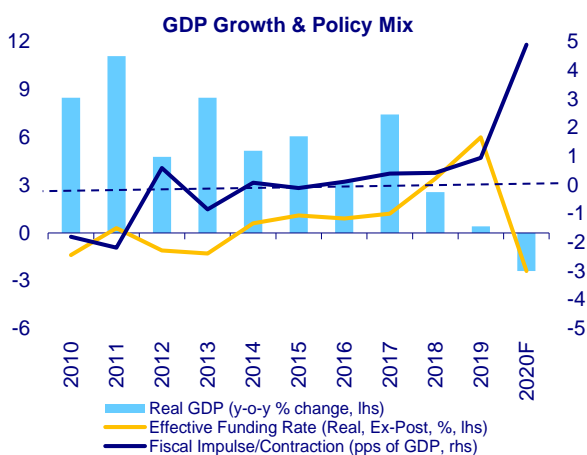
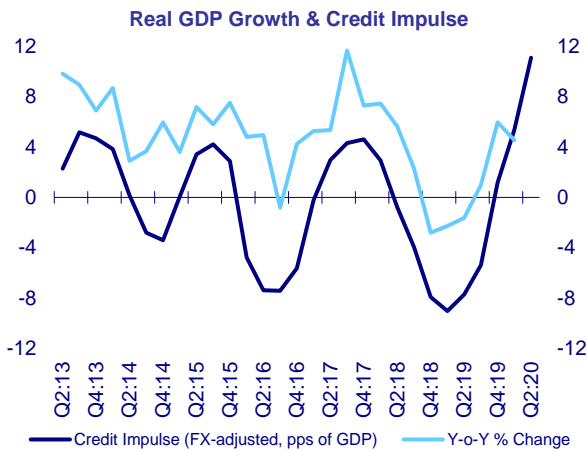


Sources: National authorities, IMF & NBG estimates



# Turkey

BB- / B1 / BB- (S&P / Moody's / Fitch)



	13 July	3-M F	6-M F	12-M F
1-m TRIBOR (%)	7.9	7.9	7.9	8.0
TRY/EUR	7.78	7.84	7.90	8.10
Sov. Spread (2025, bps)	595	525	475	360

	13 July	1-W %	YTD %	2-Y %
ISE 100	118,399	-0.1	3.5	31.7

	2017	2018	2019	2020F	2021F
Real GDP Growth (%)	7.5	2.8	0.9	-2.4	6.3
Inflation (eop, %)	11.9	20.3	11.8	10.0	10.6
Cur. Acct. Bal. (% GDP)	4.8	-2.7	1.2	-0.8	-0.5
Fiscal Bal. (% GDP)	-1.5	-1.9	-2.9	-7.8	-4.8

**In view of limited room for rate cuts, monetary authorities shift into more unorthodox policies to counteract the recessionary trend and finance the budget deficit.** At its meeting on June 25<sup>th</sup>, the CBRT maintained its 1-week repo rate unchanged at a low of 8.25%, halting an almost year-long easing cycle. Recall that the CBRT has cut its key rate by 1575 bps since the initiation of its easing cycle in mid-2019 and 250 bps since the outbreak of COVID-19 in March.

Confirming the limited room available for rate cuts, the real *ex-post* policy rate remained deep in negative territory (estimated at c. -3.5% against a high of 9.7% in June 2019), well below that of Turkey's emerging market peers (0%-1.5%). As a result, the CBRT was prompted to resort to more "unconventional" policies to stimulate lending to support the economy. These initiatives include:

- i) a suspension of a regulation limiting the growth rate on banks' loan portfolios in return for lower reserve requirements and remuneration rates; and, more importantly,
- ii) a adjustment in its asset ratio (AR) requirements to force banks to expand their loan portfolio and holdings of Government debt, on the one hand, and avert further accumulation of deposits (especially in FX), on the other. Recall that the AR, which was first introduced in May, is calculated by dividing banks' weighted assets (including loans, securities and swaps with the CBRT) by their weighted deposits and needs to be maintained at or above 100%.

At the same time, the CBRT has boosted its purchases under its QE policy, with its securities' portfolio expanding to over TRY 75bn -- or 10% of its assets -- in June from slightly over TRY 15bn at end-2019.

Overall, the CBRT's policy should stimulate further bank credit, which is already expanding at a fast pace (up 24% y-o-y in FX-adjusted terms in May). We believe that state-owned banks, which currently offer mortgage and consumer loans at below-inflation interest rates, will lead credit expansion (as was the case after the 2018 currency crisis). We underline, however, that the extension of credit at inappropriately low interest rates and maturities exceeding those of deposits could exert pressure on banks' funding and liquidity positions, thus creating risks for their profitability and solvency in the medium term. On the other hand, privately-owned banks are expected to put relatively more emphasis on increasing their holdings of Government debt. Note that public financing needs are set to increase markedly this year. Indeed, the cost of the COVID-19 relief package, together with the impact of the recession on automatic stabilisers, are projected to inflate the budget to 7.8% of GDP in FY:20 from 2.9% in FY:19.

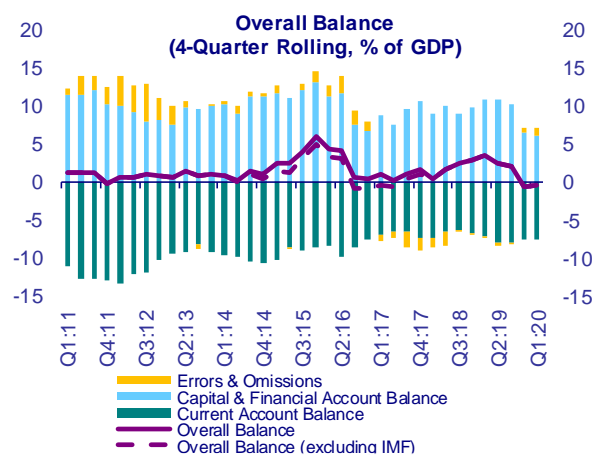
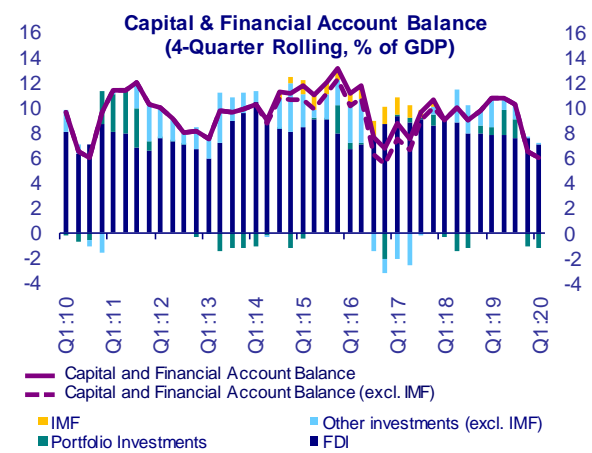
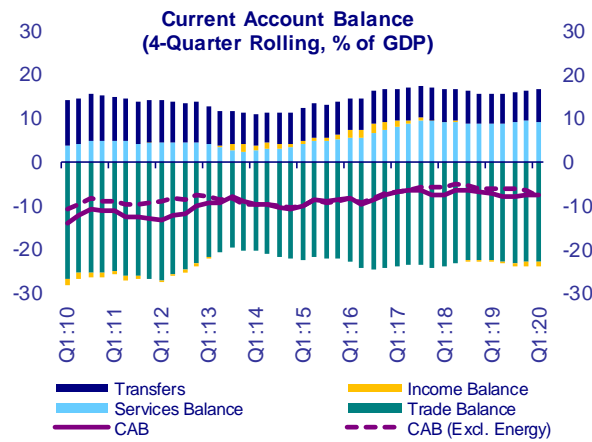
Worryingly, however, the CBRT's initiatives come at a time of increased market concerns over Turkey's fragile external position. Indeed, external financing requirements remain high (with USD 165bn of debt coming due over the next 12 months, mainly from the banking sector), while FX reserves have been depleted, mainly due to increased FX interventions. Excluding gold, FX reserves currently stand at c. USD 51bn (down USD 30bn since end-2019). However, adjusting for the CBRT's short-term borrowing (note that the latter has increased significantly its FX borrowing from banks through the swap market) and banks' required reserves, net FX reserves have turned negative (c. USD -20.0bn), leaving the economy highly vulnerable to adverse shifts in investor sentiment. In this context, the TRY has come under pressure, losing 13.3% of its value against the USD since the beginning of the year (following losses of 11% in 2019 and 29% in 2018). All said, as long as FX reserves remain subdued and the authorities continue with their aggressive credit-boosting policy, market volatility is unlikely to ease, jeopardizing macroeconomic and financial stability.

Sources: Reuters, CBRT, TurkStat, BDDK & NBG estimates



# Albania

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



**IMF concludes Remote Staff Visit to Albania, recommending post-crisis policy response.** Against the backdrop of the twin shock (i.e. the devastating end-2019 earthquake and the COVID-19 pandemic) that has hit Albania (we see GDP dropping 6.0% in FY:20), the IMF mission devised a series of policy recommendations, aimed at securing macroeconomic stability in the post-crisis period.

Specifically, although the mission recognised that fiscal easing is necessary to support the economy (we see the budget deficit rising to 6.0% of GDP in 2020 from 1.9% in 2019), it urged the authorities to resume revenue-based fiscal consolidation, once the shocks fade. To this end, it encouraged the authorities to: i) continue their preparation of a Medium-Term Revenue Strategy, focusing on the reform of the tax system; and ii) strengthen the quality of public investment management. However, concerns were raised over the authorities' proposals to introduce long-lasting profit tax and VAT exemptions for SMEs and a tax amnesty, mainly with a view to not undermine tax compliance.

At the same time, the IMF mission commended the Bank of Albania for its appropriate accommodative monetary policy stance and emphasized the need to adhere to a flexible exchange rate. Moreover, it recognized the risks for the banking system, especially those stemming from a likely rise in the still high stock of NPLs, calling the authorities to maintain stringent loan classification and provisioning rules.

**Despite weaker external demand due to the COVID-19 shock, the 4-quarter rolling current account deficit (CAD) stabilised at 7.5% of GDP in Q1:20, reflecting normalization in electricity generation.** In Q1:20, the CAD stood at 1.7% of GDP, unchanged compared with the same period in 2019, as the normalization in electricity generation (the energy balance is estimated to have improved by a sizeable 1.2 pps of GDP y-o-y) compensated for the sharp drop in exports. Exports fell as a result of weaker demand from the EU (especially hard-hit Italy), Albania's main trade partner, and COVID-19 related disruptions in supply chains. Note that electricity generation (fully based on hydroelectric production) had declined sharply in FY:19, due to the drought.

**The capital and financial account (CFA) surplus narrowed in Q1:20, in line with lower net FDI inflows.** The CFA surplus narrowed by 0.5 pps y-o-y to 1.8% of GDP in Q1:20, mainly driven by the decline in net FDI inflows (down 0.5 pps y-o-y to 1.6% of GDP), following the completion of some large energy projects. Worryingly, the deterioration in external financing may be understated as unrecorded capital outflows (net errors and omissions) stood at 0.5% in Q1:20. As a result, the overall balance turned negative (-0.4% of GDP), with FX reserves dropping slightly (down EUR 35mn y-t-d) to EUR 3.3bn in March.

**The CAD is set to widen to a 6-year high of 10.0% of GDP in FY:20, driven by the sharp drop in tourism receipts.** Amid a collapse in demand for tourism services, due to COVID-19, the services balance is set to deteriorate markedly during the remainder of 2020. Note that Albania is strongly dependent on tourism, with receipts amounting to 15.2% of GDP in 2019, among the highest in the region. The sharp drop in remittances (5.1% of GDP in 2019) is also set to weigh on the CAD. These factors should be partly offset, however, by a lower trade deficit, reflecting weaker domestic demand and a favourable energy balance.

Worryingly, higher external financing needs, on the one hand, and lower capital inflows (mainly FDI), on the other, should leave a sizeable financing gap this year (projected at EUR 750mn or 5.8% of GDP). Importantly, part of these needs will be covered by an IMF loan (EUR 172mn) and an earthquake-related grant and lending support (c. EUR 250mn). All said, we see FX reserves falling to c. EUR 3.0bn at year-end, covering an adequate 6½ months of GNFS imports.

	13 Jul.	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.1	1.0	0.9	0.9
ALL/EUR	124.0	124.5	125.0	126.0
Sov. Spread (bps)	385	365	345	290

	14 Jul.	1-W %	YTD %	2-Y %
Stock Market	---	---	---	---

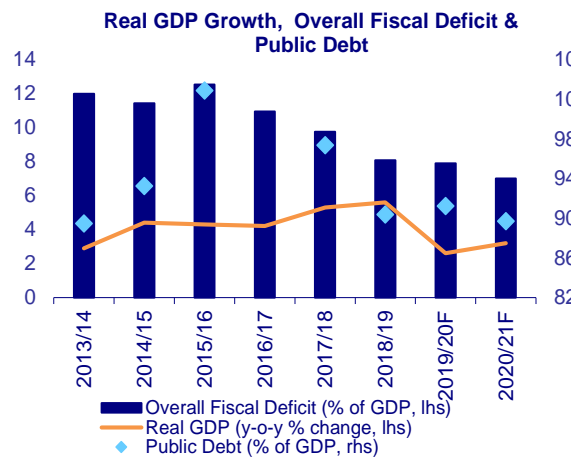
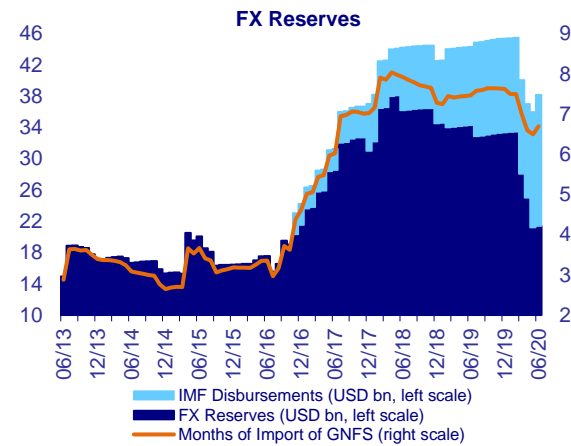
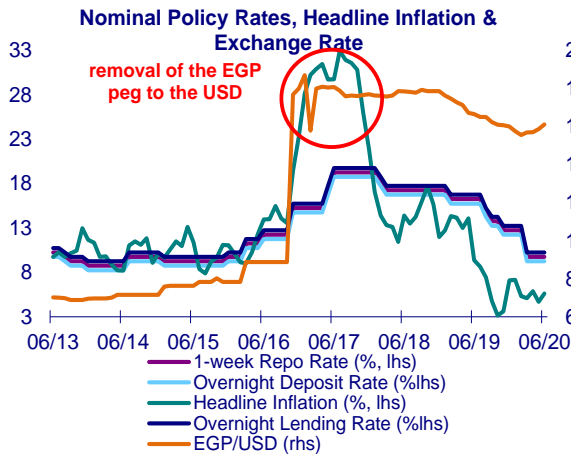
	2017	2018	2019	2020F	2021F
Real GDP Growth (%)	3.8	4.1	2.2	-6.0	7.3
Inflation (eop, %)	1.8	1.8	1.1	2.0	2.5
Cur. Acct. Bal. (% GDP)	-7.5	-6.7	-7.6	-10.0	-8.4
Fiscal Bal. (% GDP)	-2.0	-1.6	-1.9	-6.0	-3.0

Sources: Reuters, EC, INSTAT & NBG estimates



# Egypt

B / B2 / B+ (S&P / Moody's / Fitch)



**Underlying pressures on the EGP deter the CBE from reducing further its key rate.** Recall that, in a pre-emptive policy move, the CBE cut its overnight deposit, 1-week repo, and overnight lending rates by 300 bps to 9.25%, 9.75%, and 10.25%, respectively, in mid-March to mitigate the impact of COVID-19 on economic activity. In light of heightened global uncertainty and the concomitant sell-off in emerging markets, however, the CBE has remained on hold since then, mainly with a view to containing the EGP. The latter, helped by interventions in the FX market, has remained relatively resilient so far (broadly flat against the USD y-t-d). Note, however, that a black market has reportedly re-emerged, suggesting stronger-than-officially-assumed pressures on the EGP. According to the latest data, the CBE's FX reserves (adjusted for IMF disbursements, see below) stood at USD 21.4bn in June, down from USD 33.4bn at end-2019.

Looking ahead, despite the gradual improvement in global financing conditions (confirmed by the successful sale of Egyptian eurobonds, worth USD 5bn, on the international market at end-May), the outlook for the EGP remains clouded by the sharp drop in tourism revenue, lower remittances and the decline in revenue from the Suez Canal. We estimate an external financing gap of over USD 15bn (4.0% of GDP) over the next 12 months. Importantly, the new agreement with the IMF should help plug the gap, catalysing, at the same time, capital inflows from other sources. Recall that, following the emergency disbursement of USD 2.8bn in May, under the IMF's Rapid Financing Instrument, Egypt agreed with the lender over a new 12-month stand-by agreement, worth USD 5.2bn, in June, with the first tranche, worth USD 2bn, made immediately available. All said, we expect the CBE to remain cautious over the following months and focus on maintaining liquidity in the banking system. In the event, however, of persistently lower-than-targeted inflation (May's reading stood at 4.7% y-o-y against the target of 9±3%), and assuming a further improvement in global financing conditions, the CBR could proceed with an additional 50-75 bp rate cut.

**The envisaged fiscal consolidation appears difficult to achieve, without additional measures.** Under its baseline scenario, the Government projects the budget deficit to narrow to 6.3% of GDP in FY:20/21 from an estimated 7.9% in FY:19/20. We believe, however, that the budget deficit is unlikely to be contained as planned this fiscal year (beginning on July 1<sup>st</sup>), reflecting:

- i) the optimistic macroeconomic assumptions on which the budget is built (GDP up 4.5% in FY:20/21 against our forecast of 3.2% and market consensus of 2.9%), which will, in turn, have negative implications on the eventual cost of automatic stabilisers;
- ii) the significant fiscal burden of the measures adopted in March to mitigate the impact of COVID-19. Besides increasing healthcare spending, the measures include, *inter alia*, a 14% hike in pensions and higher targeted cash social transfers, as well as interest rate subsidies and tax exemptions and deferrals for affected industries; and
- iii) a further easing in incomes policy, with public sector wages rising by 7-12%.

These factors will be only partly offset by a decline in interest payments (accounting for 1/3 of budget spending), in the aftermath of the sharp cut in interest rates in March 2020, and lower energy subsidies, following their IMF-mandated phase-out and favourable global energy prices.

Under no policy change, we see the budget deficit narrowing for a 5<sup>th</sup> consecutive year in FY:20/21 to c. 7.0% GDP, falling short, however, of the target of 6.3%. In the event, gross public debt should narrow to 89.5% of GDP in June 2021 from an estimated 91.2% in June 2020, helped by a favourable "snowball" effect (strong nominal GDP growth).

	13 July	3-M F	6-M F	12-M F
O/N Interbank Rate (%)	9.7	9.6	9.5	9.2
EGP/USD	15.9	16.1	16.2	16.5
Sov. Spread (2025, bps)	529	485	430	330

	13 July	1-W %	YTD %	2-Y %
HERMES 100	1,059	-0.2	-17.4	-31.2

	16/17	17/18	18/19	19/20E	20/21F
Real GDP Growth (%)	4.2	5.3	5.6	2.6	3.2
Inflation (eop. %)	29.8	14.4	9.4	5.9	7.7
Cur. Acct. Bal. (% GDP)	-6.1	-2.4	-2.7	-3.3	-3.7
Fiscal Bal. (% GDP)	-10.9	-9.7	-8.1	-7.9	-7.0

Sources: Reuters, CBE, MoF & NBG estimates





**FOREIGN EXCHANGE MARKETS. JULY 13<sup>TH</sup> 2020**

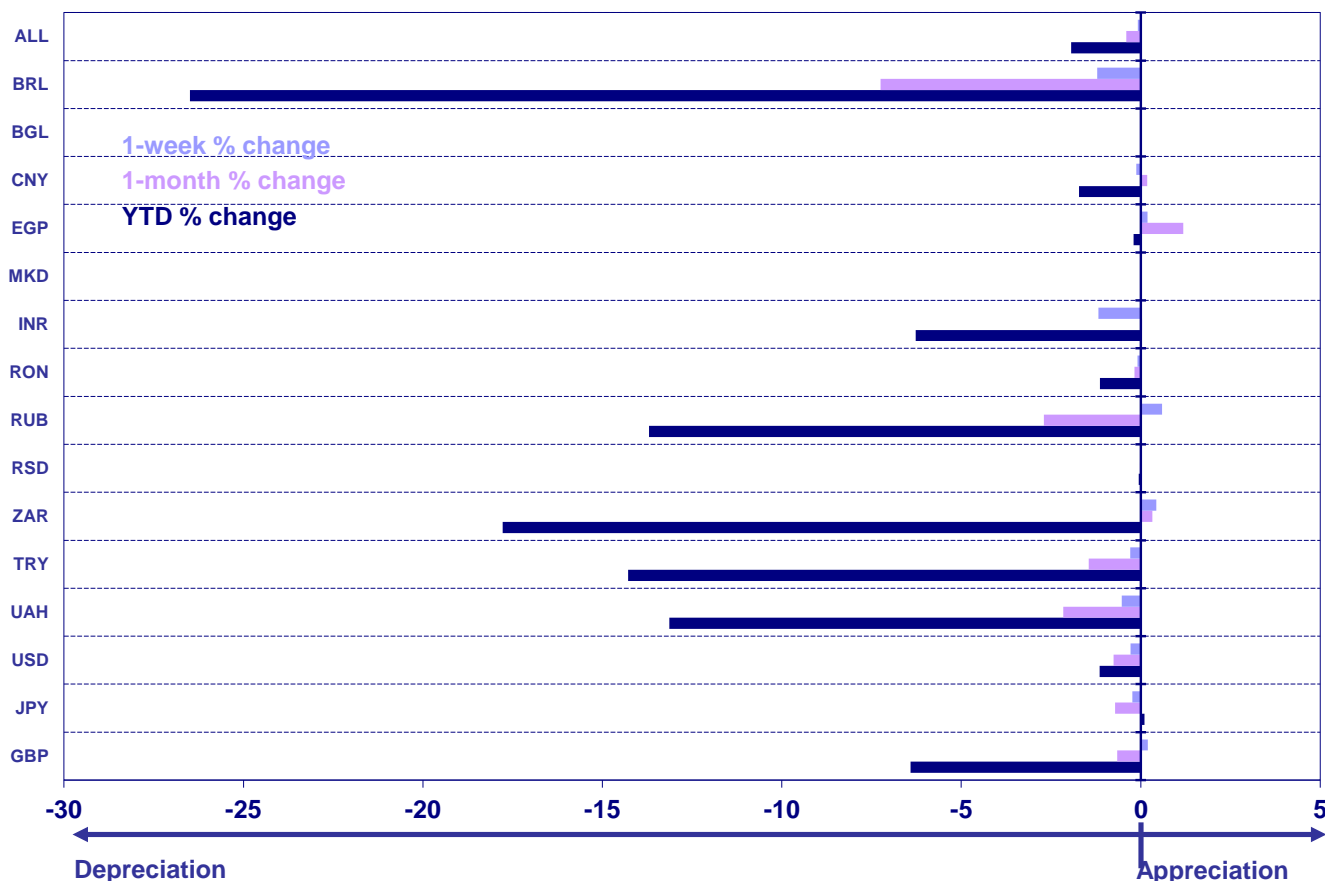
*Against the EUR*

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	124.0	-0.1	-0.4	-1.9	-1.9	121.9	129.3	123.9	123.8	123.3	1.4	7.8
Brazil	BRL	6.13	-1.2	-7.3	-26.5	-31.0	4.48	6.49	---	---	6.29	-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	7.95	-0.1	0.2	-1.7	-2.7	7.54	8.08	---	---	8.16	0.6	-0.8
Egypt	EGP	17.95	0.2	1.2	-0.2	3.9	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	85.4	-1.2	0.0	-6.3	-9.6	77.2	86.8	---	---	---	-0.3	-3.9
Romania	RON	4.84	-0.1	-0.2	-1.1	-2.3	4.82	4.87	4.87	4.91	4.99	-2.8	0.6
Russia	RUB	80.5	0.6	-2.7	-13.7	-12.4	67.7	90.1	81.2	82.2	84.0	15.1	-13.4
Serbia	RSD	117.5	0.0	0.0	-0.1	0.1	117.5	117.7	117.6	117.5	---	0.6	0.2
S. Africa	ZAR	19.1	0.4	0.3	-17.8	-18.1	15.61	20.91	19.3	19.5	19.9	4.8	-9.9
Turkey	YTL	7.78	-0.3	-1.4	-14.3	-17.5	6.51	7.85	8.09	8.46	9.17	-9.2	-24.9
Ukraine	UAH	30.7	-0.5	-2.2	-13.1	-5.8	26.35	31.29	---	---	---	18.6	6.0
US	USD	1.13	-0.3	-0.8	-1.1	-0.7	1.1	1.1	1.14	1.14	1.14	4.6	0.7
JAPAN	JPY	121.7	-0.2	-0.7	0.1	-0.2	114.4	124.4	121.8	121.8	121.9	7.5	0.6
UK	GBP	0.90	0.2	-0.7	-6.4	-0.4	0.8	1.0	0.90	0.91	0.91	-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 (July 13<sup>th</sup> 2020)**



Sources: Reuters & NBG estimates



### MONEY MARKETS. JULY 13<sup>TH</sup> 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
<b>O/N</b>	0.6	2.1	0.0	2.1	---	9.8	---	---	2.1	5.1	---	7.6	5.3	6.3	---	0.1
<b>T/N</b>	---	---	---	---	---	---	---	---	2.1	4.9	0.4	---	5.6	---	---	---
<b>S/W</b>	0.7	2.1	---	2.2	-0.5	---	1.1	---	---	4.4	0.4	---	4.6	6.6	-0.5	0.1
<b>1-Month</b>	1.1	2.1	---	2.1	-0.5	---	1.2	4.3	2.2	4.8	0.7	7.9	4.2	8.8	-0.5	0.2
<b>2-Month</b>	---	2.1	---	---	---	---	---	---	---	5.1	0.8	7.9	4.1	---	---	0.2
<b>3-Month</b>	1.5	2.1	---	2.2	---	---	1.4	4.7	2.2	5.6	1.0	7.9	4.1	10.8	---	0.3
<b>6-Month</b>	1.9	2.1	---	2.3	---	---	1.6	---	2.2	5.4	1.2	8.1	3.9	---	---	0.3
<b>1-Year</b>	2.2	2.5	---	2.5	-0.1	---	1.8	---	2.4	5.2	---	8.2	4.0	---	-0.1	0.5

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

### LOCAL DEBT MARKETS. JULY 13<sup>TH</sup> 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
<b>3-Month</b>	---	---	---	---	---	12.4	---	3.2	---	4.2	---	8.1	---	7.2	-0.6	0.1
<b>6-Month</b>	---	---	---	---	---	13.2	---	3.4	3.1	4.2	3.3	8.7	---	---	-0.6	0.2
<b>12-Month</b>	1.8	---	0.1	2.2	---	13.1	0.6	3.6	3.2	4.1	1.8	9.2	---	9.5	-0.6	0.2
<b>2-Year</b>	2.1	---	---	2.5	---	---	0.9	4.2	3.1	4.5	---	10.1	5.0	10.2	-0.7	0.2
<b>3-Year</b>	---	---	0.3	2.7	0.6	---	---	4.3	3.4	4.6	---	11.2	7.1	10.5	-0.7	0.2
<b>5-Year</b>	---	5.4	---	2.9	0.7	13.7	---	4.8	3.6	5.1	2.5	11.7	7.7	---	-0.6	0.3
<b>7-Year</b>	---	---	0.7	---	0.8	13.8	---	5.6	3.9	5.5	---	---	---	---	-0.6	0.5
<b>10-Year</b>	---	6.5	0.4	3.1	---	14.1	---	5.8	4.2	5.8	---	12.3	9.5	---	-0.4	0.6
<b>15-Year</b>	---	---	---	---	---	---	3.0	6.3	---	6.0	---	---	9.9	---	-0.2	---
<b>25-Year</b>	---	---	---	---	---	---	---	---	---	---	---	---	11.6	---	---	---
<b>30-Year</b>	---	---	---	---	---	---	---	6.4	---	---	---	---	11.5	---	0.0	1.3

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

### CORPORATE BONDS SUMMARY. JULY 13<sup>TH</sup> 2020

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
<b>Bulgaria</b>	Bulgaria Energy Hold EAD 4.875% '21	EUR	NA/NA	2/8/2021	550	3.1	345
<b>South Africa</b>	Standard Bank Group Ltd 5.95% '29	USD	BB/Baa3	31/5/2029	400	5.6	526
	FirstRand Bank Ltd 6.25% '28	USD	NA/NA	23/4/2028	500	5.6	535
	Arcelik AS 3.875% '21	EUR	BB+/NA	16/9/2021	350	3.4	373
	Garanti Bank 5.25% '22	USD	NA/Ba3	13/9/2022	750	5.6	524
	Turkiye Is Bankasi 6% '22	USD	NA/B2	24/10/2022	1,000	6.7	635
<b>Turkey</b>	Vakifbank 5.75% '23	USD	NA/B1	30/1/2023	650	7.0	657
	TSKB 5.5% '23	USD	NA/B2	16/1/2023	350	6.8	639
	Petkim 5.875% '23	USD	NA/B1	26/1/2023	500	6.3	595
	Koc Holding 5.25% '23	USD	BBB-/Ba2	15/3/2023	750	5.2	486

### CREDIT DEFAULT SWAP SPREADS. JULY 13<sup>TH</sup> 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine
<b>5-Year</b>	---	235	44	46	100	437	---	76	145	102	102	516	311	559
<b>10-Year</b>	---	298	93	81	113	595	---	84	183	159	122	540	369	577

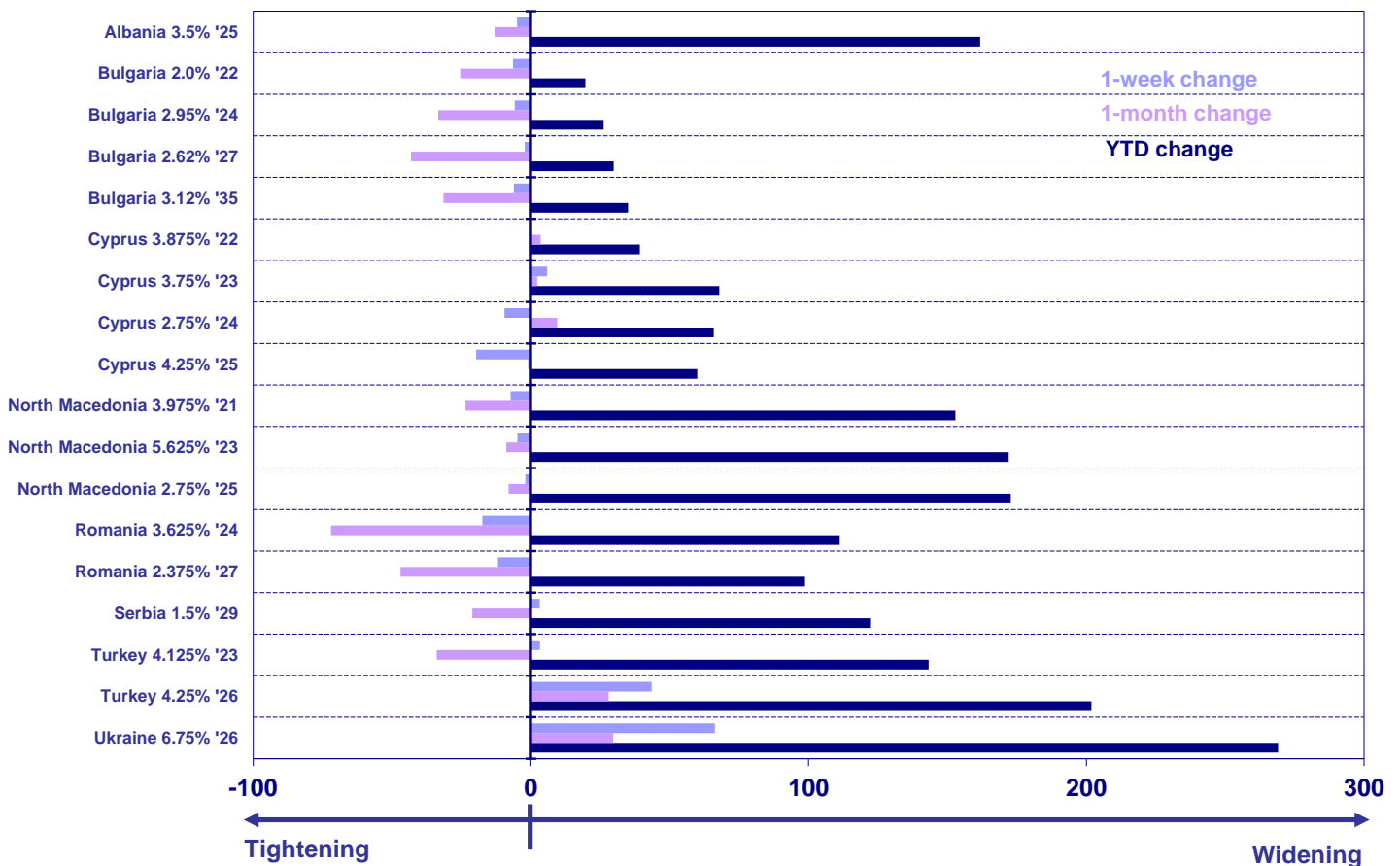
Sources: Reuters & NBG estimates



**EUR-DENOMINATED SOVEREIGN EUROBOND SUMMARY. JULY 13<sup>TH</sup> 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	3.2	385	353
Bulgaria 2.0% '22	EUR	BBB-/Baa2	26/3/2022	1,250	0.0	68	41
Bulgaria 2.95% '24	EUR	BBB-/Baa2	3/9/2024	1,493	0.0	73	42
Bulgaria 2.62% '27	EUR	BBB-/Baa2	26/3/2027	1,000	0.2	80	49
Bulgaria 1.12% '35	EUR	BBB-/Baa2	26/3/2035	900	1.1	135	129
Cyprus 1.875% '22	EUR	NA/Ba2	6/5/2022	1,000	0.3	92	67
Cyprus 1.75% '23	EUR	NA/Ba2	26/7/2023	1,000	0.6	126	85
Cyprus 2.75% '24	EUR	NA/Ba2	27/6/2024	850	0.5	122	94
Cyprus 4.25% '25	EUR	NA/Ba2	4/11/2025	1,000	0.7	128	108
FYROM 1.975% '21	EUR	BB-/NA	24/7/2021	500	2.2	270	638
FYROM 5.625% '23	EUR	BB-/NA	26/7/2023	450	2.7	343	325
FYROM 2.75% '25	EUR	BB-/NA	18/1/2025	500	3.0	367	327
Romania 1.625% '24	EUR	BBB-/BBB-	24/4/2024	1,250	1.2	186	160
Romania 2.375% '27	EUR	BBB-/BBB-	19/4/2027	2,000	1.8	239	212
Serbia 1.5% '29	EUR	BB-/Ba3	26/6/2029	1,550	2.2	271	230
Turkey 4.125% '23	EUR	NR/Ba3	11/4/2023	1,000	3.6	428	395
Turkey 5.2% '26	EUR	NA/Ba3	16/2/2026	1,500	6.4	608	556
Ukraine 6.75% '26	EUR	B-/Caa2	20/6/2026	1,000	7.0	761	714

**EUR-Denominated Eurobond Spreads (July 13<sup>th</sup> 2020)**



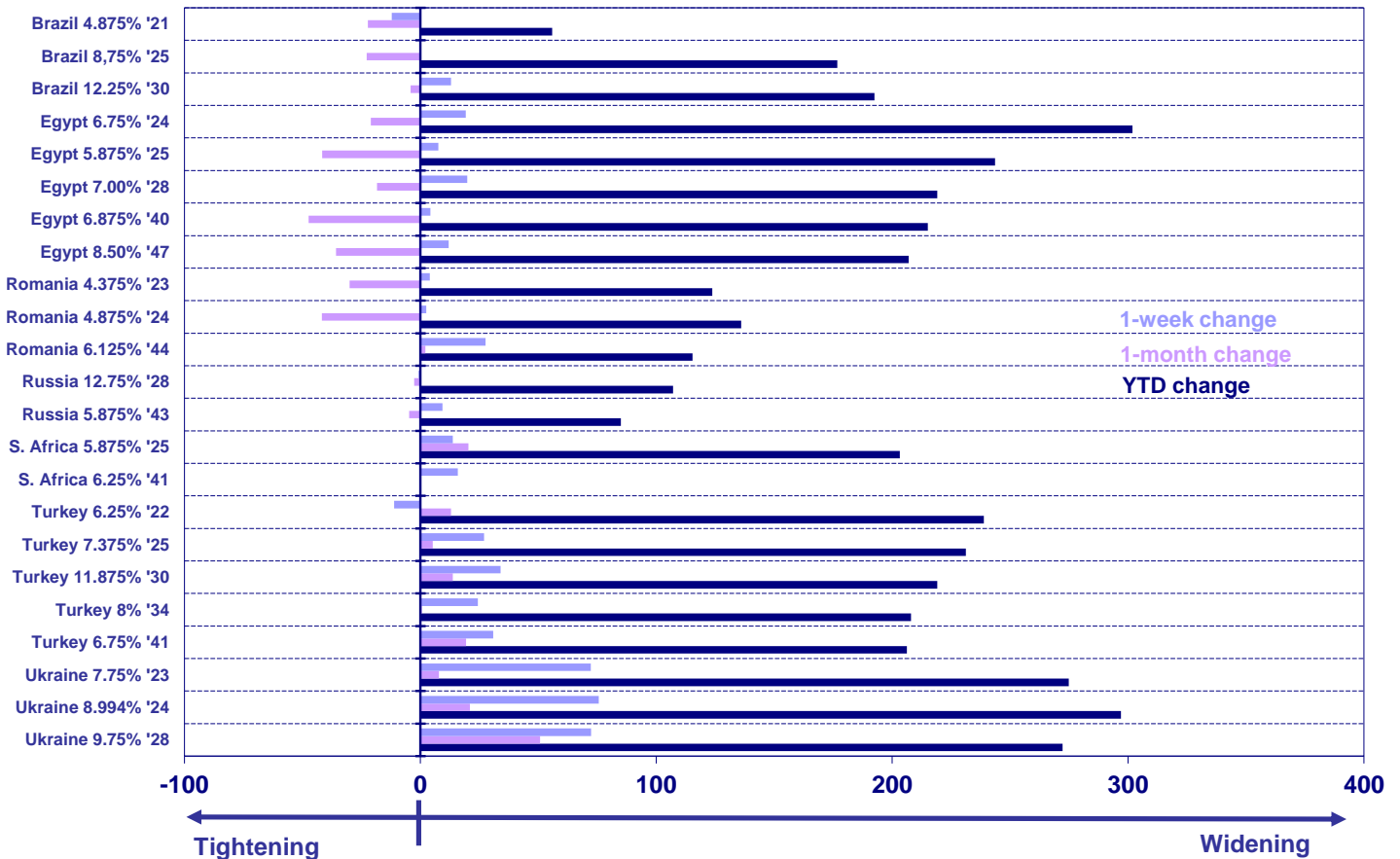
Sources: Reuters & NBG estimates



**USD-DENOMINATED SOVEREIGN EUROBOND SUMMARY. JULY 13<sup>TH</sup> 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	1.2	109	98
Brazil 8.75% '25	USD	NA/Ba2	4/2/2025	688	3.2	291	324
Brazil 12.25% '30	USD	NA/Ba2	6/3/2030	238	- - -	420	556
Egypt 6.75% '24	USD	NA/B2	10/11/2024	1.320	6.0	574	574
Egypt 5.875% '25	USD	B/B2	11/6/2025	1.500	5.6	529	523
Egypt 7.00% '28	USD	NA/B2	10/11/2028	1.320	6.7	619	611
Egypt 6.875% '40	USD	B/B2	30/4/2040	500	7.7	660	638
Egypt 8.50% '47	USD	NA/B2	31/1/2047	2.500	8.6	723	753
Romania 4.375% '23	USD	BBB-/BBB-	22/8/2023	1.500	2.3	209	209
Romania 4.875% '24	USD	BBB-/BBB-	22/1/2024	1.000	2.2	202	202
Romania 6.125% '44	USD	BBB-/BBB-	22/1/2044	1.000	4.1	297	379
Russia 12.75% '28	USD	BBB-/Baa3	24/6/2028	2.500	2.6	213	294
Russia 5.875% '43	USD	BBB-/Baa3	16/9/2043	1.500	3.3	216	299
S. Africa 5.875% '25	USD	BB/Baa3	16/9/2025	2.000	4.6	425	429
S. Africa 6.25% '41	USD	BB/Baa3	8/3/2041	750	6.5	536	544
Turkey 6.25% '22	USD	NR/Ba3	26/9/2022	2.500	5.5	537	528
Turkey 7.375% '25	USD	NR/Ba3	5/2/2025	3.250	6.3	595	600
Turkey 11.875% '30	USD	NR/Ba3	15/1/2030	1.500	7.0	638	758
Turkey 8% '34	USD	NR/Ba3	14/2/2034	1.500	7.3	662	666
Turkey 6.75% '41	USD	NR/Ba3	14/1/2041	3.000	7.4	630	583
Ukraine 7.75% '23	USD	B-/Caa1	1/9/2023	1.355	6.6	638	637
Ukraine 8.994% '24	USD	B-/Caa1	1/2/2024	750	7.0	681	689
Ukraine 9.75% '28	USD	B-/Caa1	1/11/2028	1.600	8.0	751	780

**USD-Denominated Eurobond Spreads (July 13<sup>th</sup> 2020)**



Sources: Reuters & NBG estimates

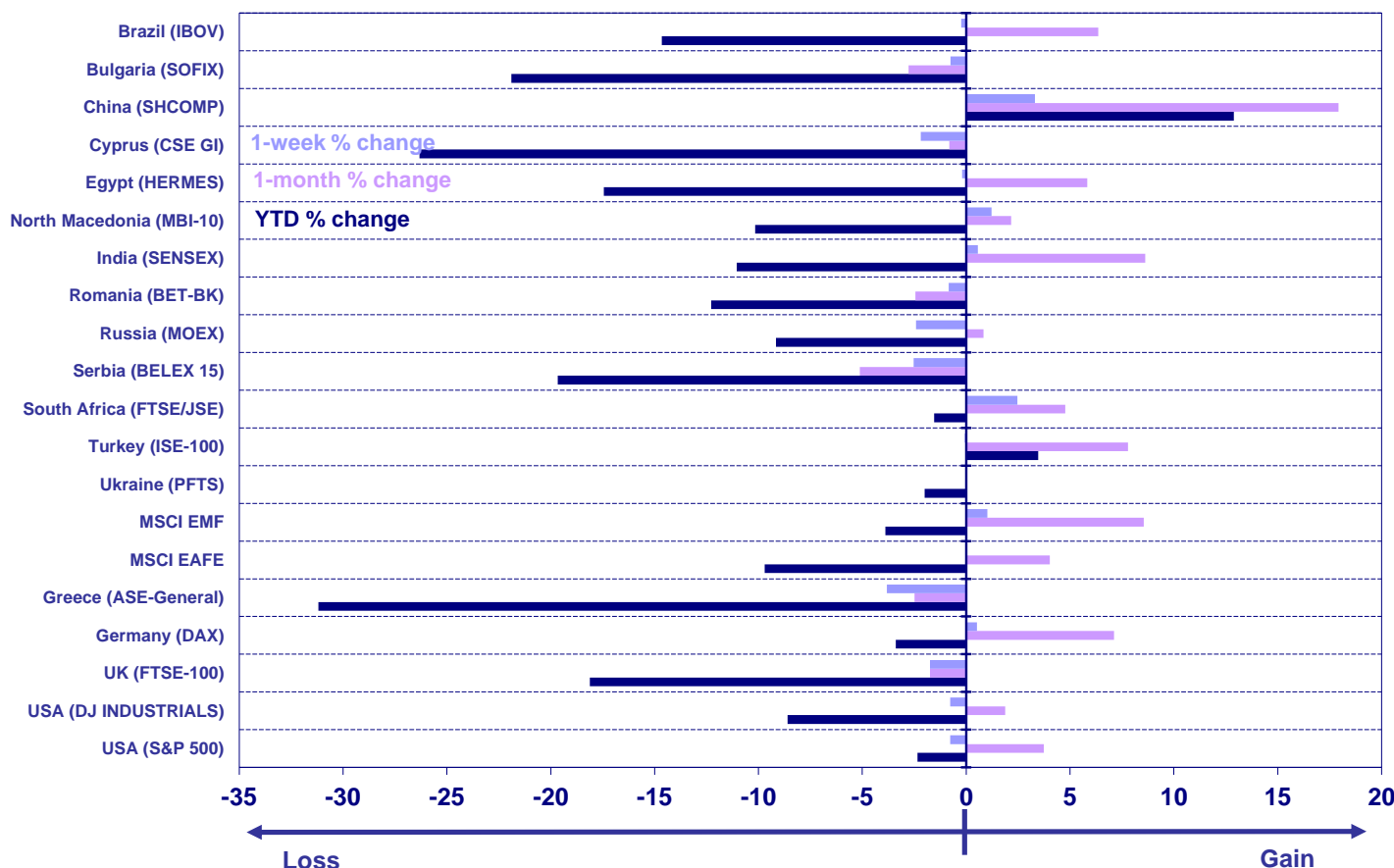




**STOCK MARKETS PERFORMANCE. JULY 13<sup>TH</sup> 2020**

	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)	98,697	-0.2	6.4	-14.7	-4.9	61,691	119,593	-37.3	31.6	0.8	15.0	2.5
Bulgaria (SOFIX)	444	-0.8	-2.8	-21.9	-23.5	401	587	-21.9	-4.4	-4.4	-12.3	-12.3
China (SHCOMP)	3,443	3.3	17.9	12.9	17.0	2,647	3,459	11.0	22.3	0.8	-24.6	-25.2
Cyprus (CSE GI)	48	-2.2	-0.8	-26.3	-32.9	46	68	-26.3	-2.6	-2.6	-3.9	-3.9
Egypt (HERMES)	1,059	-0.2	5.8	-17.4	-17.7	756	1,290	-17.6	0.4	0.8	-11.1	-11.1
North Macedonia (MBI)	4,177	1.2	2.2	-10.2	8.8	3,256	5,015	-10.2	34.0	34.0	36.6	36.6
India (SENSEX)	36,694	0.6	8.6	-11.1	-5.7	25,639	42,274	-16.6	14.4	0.9	5.9	1.6
Romania (BET-BK)	1,660	-0.8	-2.4	-12.3	-3.3	1,356	1,979	-13.3	29.7	0.9	-11.6	-11.1
Russia (MOEX)	2,767	-2.4	0.8	-9.2	0.4	2,074	3,227	-21.7	30.8	0.8	10.3	-3.9
Serbia (BELEX-15)	644	-2.5	-5.1	-19.7	-15.2	605	819	-19.7	5.3	0.8	0.2	0.5
South Africa (FTSE/JSE)	56,199	2.5	4.8	-1.5	-2.3	37,178	59,105	-19.1	8.2	0.9	-11.4	-20.1
Turkey (ISE 100)	118,399	-0.1	7.8	3.5	21.9	81,936	124,537	-11.3	25.4	0.9	-20.9	-40.5
Ukraine (PFTS)	499	0.0	0.0	-2.0	-7.3	499	537	-15.5	-8.9	0.8	77.5	88.1
MSCI EMF	1,071	1.0	8.5	-3.9	1.3	752	1,151	-5.0	15.4	0.9	-16.6	-12.8
MSCI EAFE	1,839	0.0	4.0	-9.7	-4.4	1,354	2,058	-10.7	18.4	0.9	-16.1	-12.3
Greece (ASE-General)	631	-3.8	-2.5	-31.2	-25.9	470	949	-31.2	49.5	49.5	-23.6	-23.6
Germany (XETRA DAX)	12,800	0.5	7.1	-3.4	3.3	8,256	13,795	-3.4	25.5	25.5	-18.3	-18.3
UK (FTSE-100)	6,176	-1.7	1.2	-18.1	-18.0	4,899	7,690	-23.4	12.1	0.9	-12.5	-13.5
USA (DJ INDUSTRIALS)	26,086	-0.8	1.9	-8.6	-4.7	18,214	29,569	-9.6	22.3	0.9	-5.6	-1.3
USA (S&P 500)	3,155	-0.8	3.7	-2.3	4.7	2,192	3,394	-3.5	28.9	0.9	-6.2	-1.9

**Equity Indices (July 13<sup>th</sup> 2020)**



Sources: Reuters & NBG estimates



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