



Economic Analysis Division Emerging Markets Analysis

Bi-Weekly Report 15 – 28 October 2019



NBG - Economic Analysis Division

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Emerging Markets Analysis

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TURKEY 1

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SERBIA 2

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NORTH MACEDONIA 3

PM Zaev called snap elections after the EU failed to open membership talks

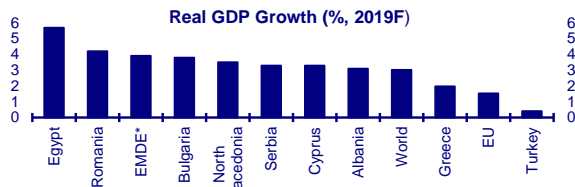
The 4-quarter rolling current account deficit (CAD) rebounded to 1.0% of GDP in Q2:19 from a low of 0.3% in Q4:18, mainly due to lower remittances

ALBANIA 4

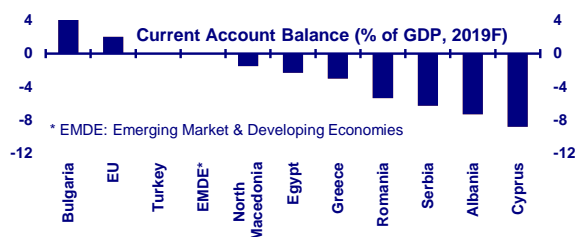
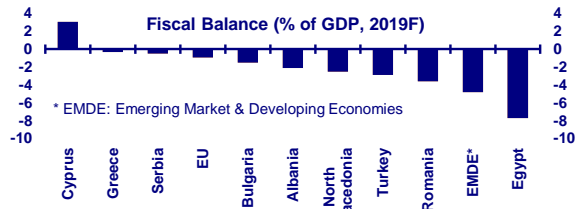
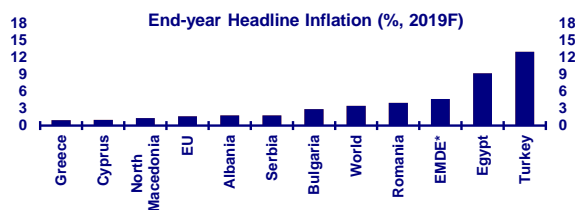
The EU postponed a decision on granting Albania a starting date for EU membership negotiations until May 2020

The pace of GDP growth moderated to 2.4% y-o-y in H1:19, as the impact from the past year's spike in energy production fades

APPENDIX: FINANCIAL MARKETS 5



* EMDE: Emerging Market & Developing Economies

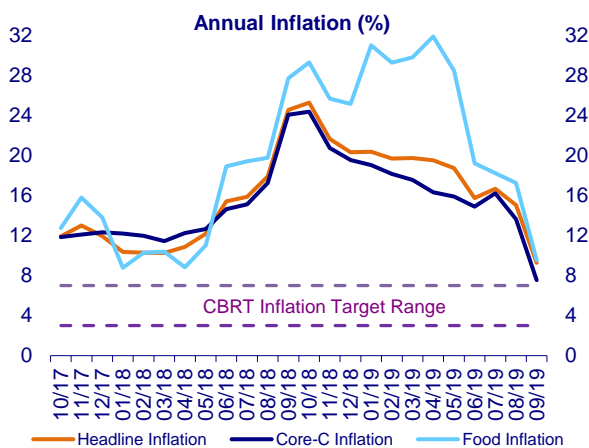
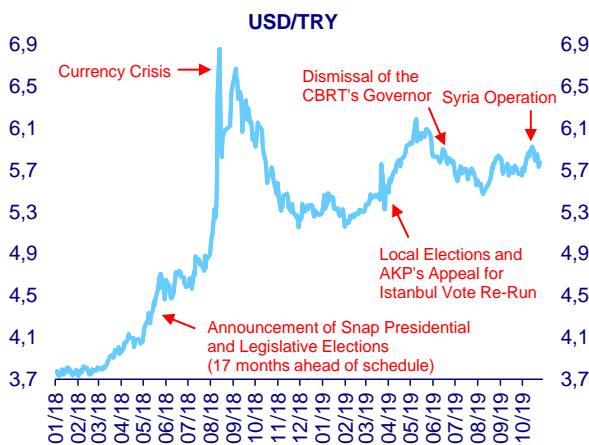
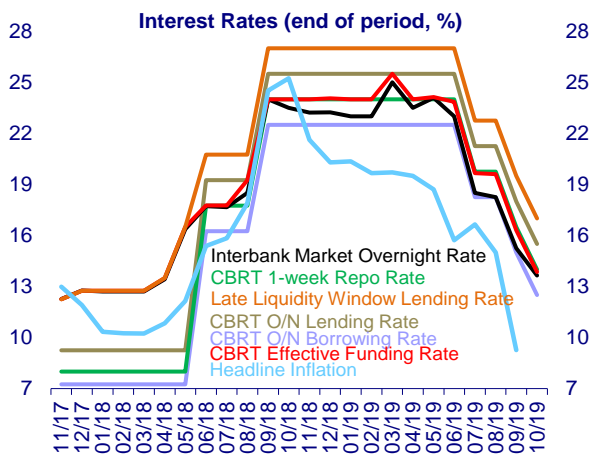


Sources: National authorities, IMF & NBG estimates



Turkey

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



The CBRT cut its key rate by 250 bps to 14.0%, on the back of easing geopolitical tensions and an accommodative monetary policy environment globally. The rate cut, which was well above consensus expectations of 100 bps, followed a cumulative easing of 750 bps at the previous two MPC meetings (July, September). With these cuts, the CBRT has more than reversed the 625 bp hike delivered in September 2018 to support the TRY in the face of a currency crisis that brought the economy into recession.

Despite the improving inflation outlook (see below), expectations for further monetary easing had been curtailed over recent weeks, when the TRY came under pressure over concerns about US sanctions on Turkey due to its Syria operation. However, following Turkey's agreement to pause military operations and the concomitant roll-back of the (admittedly soft) sanctions imposed by the US, the TRY recovered, paving the way for further rate cuts.

Considering the inflation outlook (we see headline inflation at 13.0% y-o-y at end-year) and the real *ex-post* policy rate of its major EM peers (2.5-3.0%), we believe that there is no for scope for further rate cuts this year (assuming that the key rate remains unchanged until end-year, the implied real *ex-post* policy rate should stand at 0.9%). Indeed, in view of Turkey's fragile external position, any further monetary easing could put the currency under renewed pressure. Worryingly, in the event, the CBRT's ability to defend the TRY would be limited, in view of its precarious net FX reserves position. The latter currently stand at USD c. 76bn, covering 4 months of GNFS imports and 110% of short-term debt, excluding trade credits (versus the critical levels of 3 months and 100% of short-term external debt).

Assuming no shocks to either the exchange rate or inflation next year, the CBRT could resume its easing cycle, cutting gradually its key rate by an additional 300 bps to 11.0% by end-year.

Headline inflation reached an almost 3-year low of 9.3% y-o-y in September against 15.0% in August, mainly due to base effects from the sharp depreciation of the TRY last year. Recall that the TRY reached historically low levels against the USD in September 2018 (implying a sizeable loss of 40% in 1-9M:18), reflecting, *inter alia*, concerns over an inadequate policy response to widening twin deficits, a vulnerable external financing position amid tightening global liquidity, and heightened tensions with the US. Since then, it has recovered modestly (up 19% in 10-12M:18, but down 7% in 9M:19).

Against this backdrop, the improvement in inflation was across the board in September, with core inflation easing sharply (to 7.5% y-o-y from 13.6% in August), in line with still weak domestic demand. Similarly, energy inflation subsided in September (to 15.8% y-o-y from 20.8% in August), supported by a favourable base effect from the rise in global oil prices a year ago, amid concerns over global supply, while food inflation also moderated (to 9.5% y-o-y from 17.2% in August), due to positive supply-side effects from the agricultural sector.

Headline inflation is set to remain broadly at current levels in October, but then reverse course, due to the elimination of the favourable TRY-linked base effects, ending the year at 13.0% y-o-y, well below its end-2018 outcome of 20.3%.

The disinflation process is set to resume next year, albeit at a slow pace, in view of the ongoing monetary policy easing, the absence of significant base effects and high inertia. Overall, assuming that global oil prices stabilise at USD 65 per barrel, we see headline inflation at 10.0% y-o-y at end-2020, above the latest New Economic Programme's projection of 8.5%. The TRY's high sensitivity to geopolitical risks and global financial developments, together with unanchored inflation expectations, poses upside risks to our forecast.

	28 Oct.	3-M F	6-M F	12-M F
1-m TRIBOR (%)	14.2	14.0	13.0	11.5
TRY/EUR	6.35	6.72	6.90	7.35
Sov. Spread (2025, bps)	410	500	460	400

	28 Oct.	1-W %	YTD %	2-Y %
ISE 100	99,838	2.6	10.4	-7.5

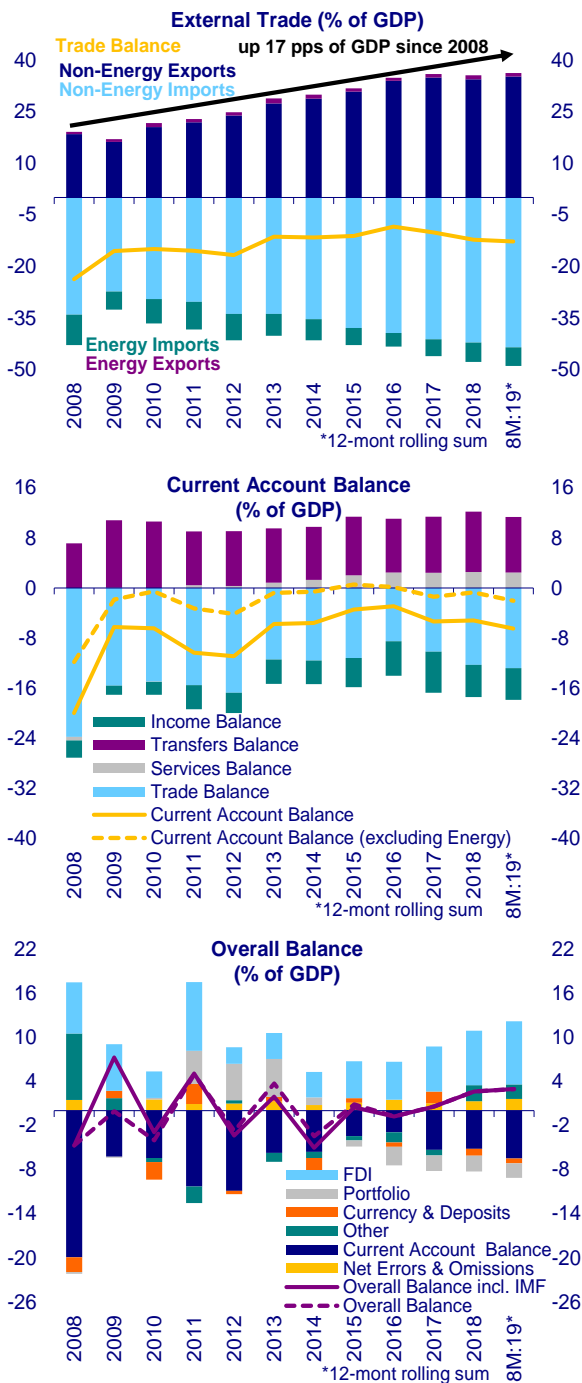
	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.2	7.5	2.8	0.4	3.5
Inflation (eop, %)	8.5	11.9	20.3	13.0	10.0
Cur. Acct. Bal. (% GDP)	-3.8	-5.5	-3.5	0.0	-1.4
Fiscal Bal. (% GDP)	-1.1	-1.5	-1.9	-2.9	-3.5

Sources: Reuters, CBRT, TurkStat & NBG estimates



Serbia

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



The IMF reached a staff-level agreement with the Serbian authorities on the completion of the 3rd review of the 30-month (non-financing) Policy Coordination Instrument (PCI). Following a 12-day visit that ended on October 15th, the IMF mission confirmed that Serbia's economic programme is broadly on track. It commended:

- i) *solid GDP growth*, with the IMF foreseeing real GDP growth at a post-crisis high of 3.5% this year and strengthening further to 4.0% in 2020.
- ii) *strong fiscal performance*. Note that, in view of this year's fiscal overperformance, on the back of stronger-than-budgeted revenue, the Government agreed with the IMF mission to use the fiscal space for an expenditure hike (including higher capital spending, a bonus for pensioners and a rise in public sector wages). A small fiscal deficit (of 0.5% of GDP) was agreed for 2020 (as in 2019), ensuring the continued reduction of the public debt-to-GDP ratio.
- iii) *progress on structural reforms*, including tax administration and steps towards the privatization of Komercijalna Bank. Nevertheless, the IMF mission stressed the need for further progress on: i) reforming public employment and wage systems; ii) strengthening state-owned enterprises management; and iii) ensuring electricity tariff hikes to cost-recovery levels.

The approval of the (non-financing) PCI by the IMF Board is expected in mid-December, and it should signal Serbia's continued commitment to the agreed reform agenda.

The current account deficit (CAD) widened to 6.5% of GDP, on a 12-month rolling basis, in August from a trough of 5.2% of GDP at end-2018. The CAD increased by 1.3 pps y-o-y to 4.6% of GDP in 8M:19, due to: i) weaker transfers (down 0.9 pps of GDP y-o-y), mainly due to lower remittances, reflecting the slowdown in activity in Germany, Austria and Switzerland (accounting for c. 1/2 of private transfers); and ii) a higher trade deficit (up 0.6 pps of GDP).

The widening in the trade deficit was due to higher imports (up by a strong 9.8% y-o-y, in EUR terms, in 8M:19), on the back of stronger domestic demand, especially consumption. At the same time, exports continued to grow at a solid pace (up 8.6% y-o-y in 8M:19), benefiting from past years' FDIs (diversified, and largely directed towards export-oriented sectors) and a rebound in agricultural exports (up sharply by 22.6% y-o-y in 8M:19 and accounting for 5.5% of exports). Export growth would have been stronger, had it not been for: i) the imposition by Kosovo of a 100% tariff on imports from Serbia in Q4:18, effectively halting trade with Kosovo (the latter accounts for 3.0% of Serbia's exports); and ii) the interruption in production by the Pancevo oil refinery and Petrohemija chemical plant, following factory maintenance (together accounting for c. 5.0% of exports).

The capital and financial account (CFA) improved markedly and more than covered the CAD in 8M:19. The CFA surplus rose by 1.2 pps to 6.7% of GDP in 8M:19, on the back of strong FDI inflows (up 1.2 pps y-o-y to 5.4% of GDP, 36.5% of which is intercompany lending).

The resulting surplus (2.1% of GDP) along with large positive (net) errors & omissions (1.3% of GDP) and valuation effects, prompted a sizeable increase in FX reserves (up EUR 1.8bn or 4.1% of GDP y-t-d), to a record high of EUR 13.1bn (covering 6 months of imports).

A more favourable energy bill during the remainder of the year should help contain the FY:19 CAD to a 7-year high of 6.3% of GDP. Indeed, global oil prices are projected to fall by c. 10.0% y-o-y, in EUR terms, in 9-12M:19 against an increase of 21.3% in 9-12M:18. Importantly, filling the external financing gap should not be a problem, in view of strong FDI inflows. Overall, we see FX reserves rising markedly by EUR 1.7bn to EUR 13.0bn at end-2020.

	28 Oct.	3-M F	6-M F	12-M F
1-m BELIBOR (%)	1.7	2.0	2.2	2.3
RSD/EUR	117.4	116.5	116.0	115.0
Sov. Spread (2021, bps)	149	155	152	150

	28 Oct.	1-W %	YTD %	2-Y %
BELEX-15	747	-0.2	-1.9	2.9

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.3	2.0	4.3	3.3	3.6
Inflation (eop, %)	1.6	3.0	2.0	1.8	2.0
Cur. Acct. Bal. (% GDP)	-2.9	-5.3	-5.2	-6.3	-5.8
Fiscal Bal. (% GDP)	-1.2	1.1	0.6	-0.5	-0.4

Sources: Reuters, IMF, NBS & NBG estimates



North Macedonia

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

Key Dates in North Macedonia's Path towards EU Membership (2018-2019)	
Oct. 2019	The European Council postpones the launch of EU membership talks until before May 2020
Jun. 2019	The European Council postpones the launch of EU membership talks until October 2019
May 2019	The European Commission (EC) repeats its unconditional recommendation for the opening of accession negotiations
Feb. 2019	The EC is officially notified about the entry into force of the Prespa Agreement
June 2018	The European Council sets out the path towards opening accession negotiations, depending on the progress made
Apr. 2018	The EC repeats its unconditional recommendation for the opening of accession negotiations, in light of the resolution of the 2017 political crisis

PM Zaev called snap elections after the EU failed to open membership talks. The European Council failed for a 3rd time in 16 months to reach a consensus on launching accession talks with the country, prompting PM Zaev to call snap elections on April 12th, 8 months before the end of the Government's term. Note that, after the resolution of its name dispute with Greece, there had been high expectations that North Macedonia would be granted a date to start entry talks with the EU. However, France vetoed the opening of talks, seeking reforms in EU policies before further enlargement is considered.

Following talks with the President and major political leaders, it was decided that the current SDSM-led Government will remain in office until January 3rd, when it will be replaced by a caretaker Government. The latter will include technocrats as well as representatives of political parties and will take over until the April elections. Note that the latest opinion polls give the main opposition party, the right-wing VMRO/DPMNE, a clear lead over the ruling centre-left SDSM.

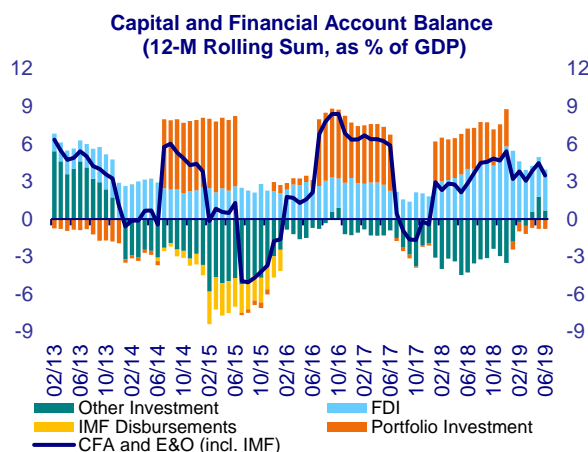
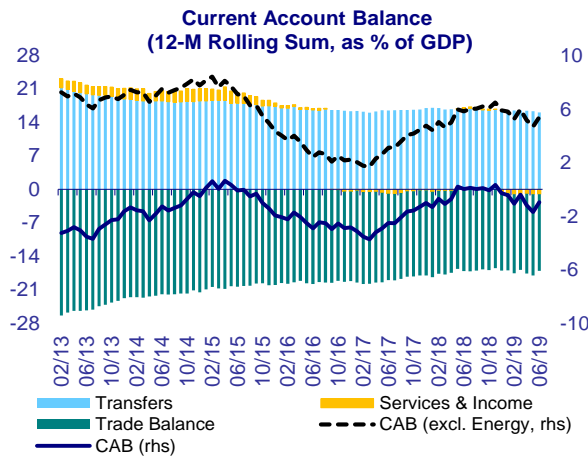
All said, with all political parties committed to the country's EU path, we expect no backtracking on EU-related reforms, although we acknowledge that their pace of implementation may slow. At the same time, we highlight the risk of a deterioration in consumer and business confidence, weighing on economic growth.

The 4-quarter rolling current account deficit (CAD) rebounded to 1.0% of GDP in Q2:19 from a low of 0.3% in Q4:18, mainly due to lower remittances. The external adjustment reversed course in H1:19, with the CAD widening by 0.6 pps y-o-y to 1.7% of GDP. Indeed, private transfers fell markedly in H2:19 (down 0.7 pps of GDP y-o-y), as the global economic slowdown depressed remittances from migrants (estimated at 25% of total population). Moreover, despite stronger domestic demand, the trade deficit narrowed marginally in H1:19 (down 0.1 pp of GDP y-o-y), supported by the expansion of the FDI-related industries' export base (mainly automotive parts and chemicals).

Although the capital and financial account (CFA) weakened in H1:19, due to base effects, it continued to fully cover the CAD. The CFA balance deteriorated by 2.1 pps y-o-y to a surplus of 2.0% of GDP in H1:19. Specifically, net portfolio investment dropped sharply in H1:19 (down 3.8 pps of GDP y-o-y), due to a negative base effect from the placement of a 7-year sovereign Eurobond worth 4.7% of GDP in H1:18. Similarly, after overperforming in FY:18, reflecting the return of investor confidence following the resolution of the 2017 political crisis, net FDI moderated in H1:19 (down 2.5 pps of GDP y-o-y). These factors were partly offset by higher net lending to the private sector (up by 4.1 pp of GDP y-o-y). As a result, the overall balance deteriorated in H1:19 (by 2.6 pps y-o-y), but remained in surplus (0.4% of GDP).

The CAD is set to widen further to a still manageable 2.0% of GDP in FY:20 from a projected 1.5% in FY:19. Looking ahead, amid weak external demand from the EU (absorbing 80% of North Macedonia's exports), the trade deficit is set to widen not only due to solid domestic demand, but also to increasing supply constraints of foreign companies operating in the country (accounting for more than 50% of its exports).

Despite elevated political uncertainty, financing the CAD should not be a problem, in view of accommodative global financing conditions. In fact, FDI should remain the key driver, reflecting a favourable business environment (North Macedonia ranks 10th in the World Bank's Ease of Doing Business Index) and strong price competitiveness. All said, we see FX reserves rising by EUR 300mn in FY:20 -- following an expected rise of EUR 380mn in FY:19 -- to EUR 3.5bn, covering 5 months of GNFS imports.



	28 Oct.	3-M F	6-M F	12-M F
1-m SKIBOR (%)	1.2	1.8	2.3	2.8
MKD/EUR	61.3	61.3	61.3	61.3
Sov. Spread (2021. bps)	185	210	190	160

	28 Oct.	1-W %	YTD %	2-Y %
MBI 100	4,295	5.1	23.8	63.9

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	2.8	0.2	2.7	3.5	3.7
Inflation (eop. %)	-0.2	2.4	0.9	1.5	1.7
Cur. Acct. Bal. (% GDP)	-2.8	-1.0	-0.3	-1.5	-2.3
Fiscal Bal. (% GDP)	-2.7	-2.7	-1.8	-2.3	-2.5

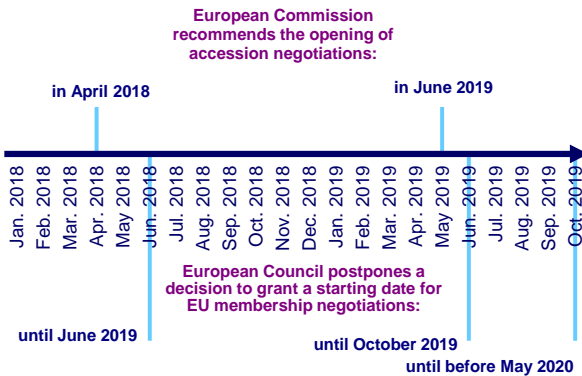
Sources: Reuters, NBRNM, EC & NBG estimates



Albania

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

Key Dates in Albania's Path towards EU Membership (2018-19)



The EU postponed a decision on granting Albania a starting date for EU membership negotiations until May 2020. Against the backdrop, *inter alia*, of the domestic political turmoil (including the opposition's parliamentary boycott since February and the launch of impeachment proceedings against the President by the ruling Socialist Party), the European Council deferred, at its October summit, the decision on launching EU membership talks with Albania to H1:20.

Recall that, although the European Commission has recommended twice during the past two years the opening of talks with Albania -- a candidate country since mid-2014 -- following its significant progress on the implementation of 5 key priorities, especially the enactment of a profound judicial reform, the European Council failed, once again, to reach a consensus on the issue. The main opposition came from France (supported by The Netherlands and Denmark), which cited the need for a complete reform of the enlargement process

The pace of GDP growth moderated to 2.4% y-o-y in H1:19, as the impact from the past year's spike in energy production fades.

GDP growth slowed to 2.4% y-o-y in H1:19 from (a post-global crisis high of) 4.3% in H1:18, due to the normalization in electricity production, following exceptionally high output in H1:18.

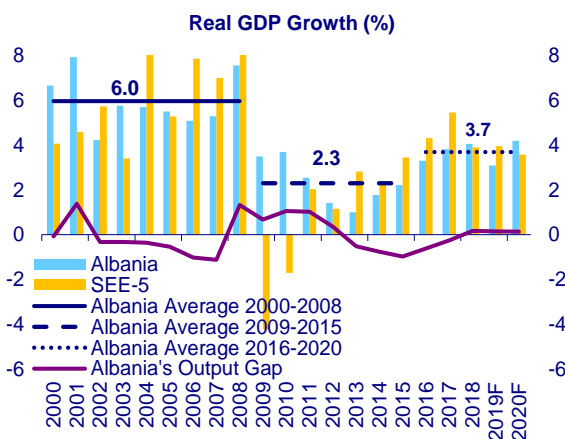
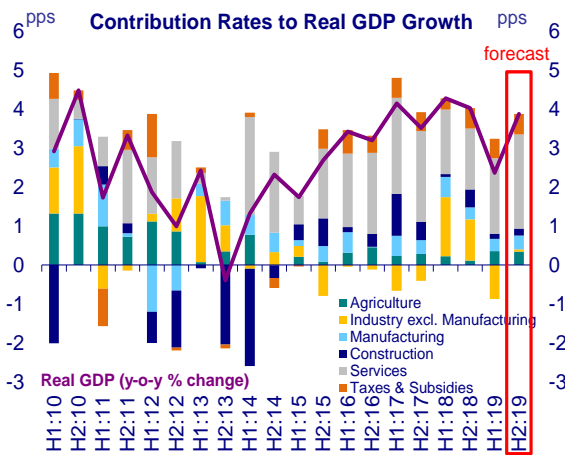
Specifically, industrial output contracted by 4.0% y-o-y in H1:19 (subtracting 0.6 pps from overall growth) against an expansion of 16.5% in H1:18 (adding a sizeable 2.0 pps to overall growth). The deterioration was driven by the sharp decline in electricity generation (fully based on hydroelectric production) in H1:19 (by 56.7% y-o-y to 2.6GWh, subtracting an estimated 1.6 pps from GDP growth), due to limited rainfall, following a sharp rise in H1:18 (up 96.6%, adding 1.9 pps to overall growth), on the back of favourable weather conditions.

Importantly, economic activity was supported by the strengthening in the services sector (up 4.2% y-o-y in H1:19, and contributing 2.4 pps to overall growth, against a rise of 3.3% in H1:18, which added 1.9 pps to GDP growth), despite the negative impact from the ban on betting operations imposed at end-2018 (subtracting an estimated 0.5 pps from overall growth). The improvement was underpinned by: i) stronger private consumption, on the back of a tightening labour market and increasing remittances; and ii) a favourable policy mix, as suggested by easing fiscal policy and accommodative monetary conditions.

GDP growth is set to slow (temporarily) to a still solid 3.1% in FY:19 from (a 10-year high of) 4.1% in FY:18.

Assuming a fading negative base effect from the less abrupt increase in energy production in H2:18, we see GDP growth strengthening to 3.5% y-o-y in H2:19 from 2.4% y-o-y in H1:19, still lower than its H2:18 outcome of 3.9%. In fact, economic activity in H2:19 is set to be supported by stronger private consumption, on the back of solid credit expansion and tighter labour market conditions. As a result, we see FY:19 GDP growth moderating to a still strong 3.0% against 4.1% in FY:18. Note that our forecast was revised down by 0.3 pps, in view of the weaker-than-initially-expected H1:19 performance and recent trends.

GDP growth is set to rebound to 4.2% in FY:20 – slightly above its long-term potential of 4.0%. The improvement should be underpinned by: i) a normalization in electricity production, assuming return of rainfall to historical averages (projected to add 0.4 pps to FY:20 GDP growth after subtracting 0.4 pps in FY:19); and ii) a somewhat better growth outlook for the country's main trading partners (GDP growth in Italy, accounting for 1/2 of total exports, is set to rebound to 0.5% in FY:20 from 0.0% in FY:19, according to the latest IMF forecasts -- October 2019).



	28 Oct.	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.3	1.3	1.3	1.3
ALL/EUR	123.1	123.8	123.5	122.0
Sov. Spread (bps)	260	270	250	220

Stock Market	28 Oct.	1-W %	YTD %	2-Y %
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	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.3	3.8	4.1	3.0	4.2
Inflation (eop, %)	2.2	1.8	1.8	1.8	2.0
Cur. Acct. Bal. (% GDP)	-7.6	-7.5	-6.7	-7.3	-7.1
Fiscal Bal. (% GDP)	-1.8	-2.0	-1.6	-2.1	-2.1

Sources: Reuters, EC, INSTAT & NBG estimates



FOREIGN EXCHANGE MARKETS, OCTOBER 28TH 2019

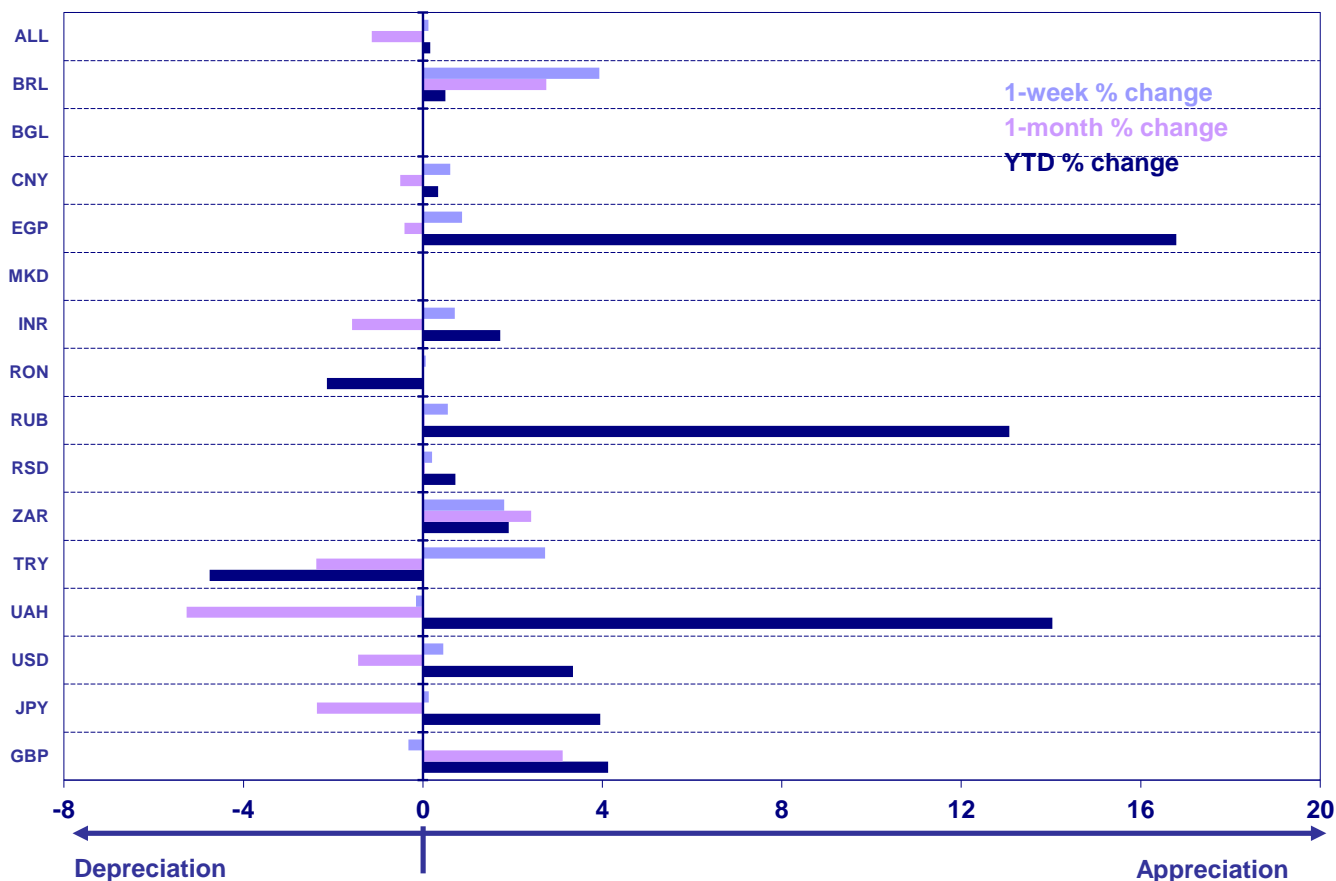
Against the EUR

Currency	2019											2018	2017
	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	123.1	0.1	-1.1	0.2	1.1	120.9	125.9	123.0	122.9	122.5	7.8	1.9
Brazil	BRL	4.43	3.9	2.8	0.5	-4.5	4.16	4.65	---	---	4.63	-10.7	-13.9
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	7.83	0.6	-0.5	0.3	1.0	7.49	7.97	---	---	8.09	-0.8	-6.0
Egypt	EGP	17.83	0.9	-0.4	16.8	13.9	17.70	21.16	---	---	---	0.0	-9.4
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	78.5	0.7	-1.6	1.7	6.4	76.2	82.3	---	---	---	-3.9	-6.7
Romania	RON	4.75	0.1	0.0	-2.1	-1.9	4.71	4.78	4.79	4.83	4.92	0.6	-3.0
Russia	RUB	70.7	0.6	0.0	13.1	5.9	69.9	80.1	71.9	73.3	75.4	-13.4	-6.8
Serbia	RSD	117.4	0.2	0.0	0.7	0.7	117.5	118.5	117.8	118.2	---	0.2	4.2
S. Africa	ZAR	16.2	1.8	2.4	1.9	3.6	15.16	17.31	16.5	16.7	17.3	-9.9	-2.7
Turkey	YTL	6.35	2.7	-2.4	-4.8	-0.5	5.91	7.03	6.54	6.73	7.13	-24.9	-18.4
Ukraine	UAH	27.8	-0.2	-5.3	14.0	15.5	26.25	32.66	---	---	---	6.0	-15.2
US	USD	1.11	0.5	-1.4	3.3	2.5	1.1	1.2	1.12	1.12	1.14	4.6	-12.4
JAPAN	JPY	120.9	0.1	-2.4	4.0	5.7	115.9	127.5	121.0	121.0	121.0	7.5	-8.9
UK	GBP	0.86	-0.3	3.1	4.1	3.0	0.8	0.9	0.87	0.87	0.87	-1.1	-4.1

* Appreciation (+) / Depreciation (-)

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

Currencies against the EUR (October 28th 2019)



Sources: Reuters & NBS estimates



MONEY MARKETS. OCTOBER 28TH 2019

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
O/N	1.1	5.4	0.0	2.5	---	13.4	---	---	2.9	6.8	---	13.7	7.3	15.2	---	1.8
T/N	---	---	---	---	---	---	---	---	2.9	7.1	1.4	---	7.3	---	---	---
S/W	1.2	5.3	---	2.7	-0.5	---	1.1	---	---	7.0	1.4	---	7.4	16.1	-0.5	1.8
1-Month	1.3	5.0	---	2.8	-0.4	---	1.2	5.6	2.9	6.8	1.7	14.2	7.0	17.3	-0.4	1.8
2-Month	---	4.8	---	---	---	---	---	---	---	6.8	1.9	14.2	7.0	---	---	1.9
3-Month	1.6	4.7	---	2.8	---	---	1.5	5.9	3.0	8.0	2.0	13.9	7.0	18.0	---	1.9
6-Month	1.8	4.5	---	2.9	---	---	1.7	---	3.1	8.0	2.2	13.7	7.0	---	---	1.9
1-Year	2.4	4.4	---	3.1	-0.1	---	2.0	---	3.2	6.5	---	13.7	7.1	---	-0.1	2.0

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

LOCAL DEBT MARKETS. OCTOBER 28TH 2019

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
3-Month	---	---	---	---	---	15.9	---	5.1	---	6.4	---	12.2	---	---	-0.6	1.6
6-Month	---	---	---	---	---	16.0	---	5.3	3.2	6.4	3.3	12.2	---	15.4	-0.6	1.7
12-Month	2.1	---	-0.2	2.7	---	15.3	0.6	5.6	3.2	6.0	2.2	13.0	---	14.8	-0.6	1.6
2-Year	2.5	---	---	2.8	---	---	---	5.7	3.5	6.0	---	12.6	6.6	---	-0.6	1.7
3-Year	2.3	---	0.0	2.9	0.0	---	---	5.9	3.6	6.0	---	12.5	7.1	15.1	-0.7	1.7
5-Year	---	5.9	---	3.0	0.1	14.3	1.5	6.3	3.9	6.2	3.1	12.7	7.3	---	-0.6	1.7
7-Year	---	---	0.3	---	0.3	14.3	---	6.8	4.0	6.3	---	---	---	---	-0.5	1.8
10-Year	---	6.5	0.4	3.3	---	14.2	---	6.7	4.3	6.4	---	12.8	8.2	---	-0.3	1.9
15-Year	---	---	---	---	---	---	3.1	7.0	---	6.6	---	---	9.9	---	-0.2	---
25-Year	---	---	---	---	---	---	---	---	---	---	---	---	9.8	---	---	---
30-Year	---	---	---	---	---	---	4.2	7.2	---	---	---	---	9.8	---	0.2	2.3

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

CORPORATE BONDS SUMMARY. OCTOBER 28TH 2019

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Bulgaria	Bulgaria Energy Hold 4.875% '21	EUR	NA/NA	2/8/2021	550	0.7	137
South Africa	FirstRand Bank Ltd 4.25% '20	USD	BB/Baa3	30/4/2020	500	2.9	553
	FirstRand Bank Ltd 2.25% '20	EUR	NA/NA	30/1/2020	100	0.6	121
Turkey	Arcelik AS 3.875% '21	EUR	BB+/NA	16/9/2021	350	1.6	228
	Garanti Bank 5.25% '22	USD	NA/Ba3	13/9/2022	750	5.2	354
	Turkiye Is Bankasi 6% '22	USD	NA/B2	24/10/2022	1,000	7.3	567
	Vakifbank 5.75% '23	USD	NA/B1	30/1/2023	650	6.8	513
	TSKB 5.5% '23	USD	NA/B2	16/1/2023	350	6.8	516
	Petkim 5.875% '23	USD	NA/B1	26/1/2023	500	6.3	469
	KOC Holding 5.25% '23	USD	BBB-/Ba2	15/3/2023	750	4.9	326

CREDIT DEFAULT SWAP SPREADS. OCTOBER 28TH 2019

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine
5-Year	---	117	80	40	100	325	---	75	90	75	98	321	163	494
10-Year	---	195	105	78	113	370	---	83	126	135	122	363	231	514

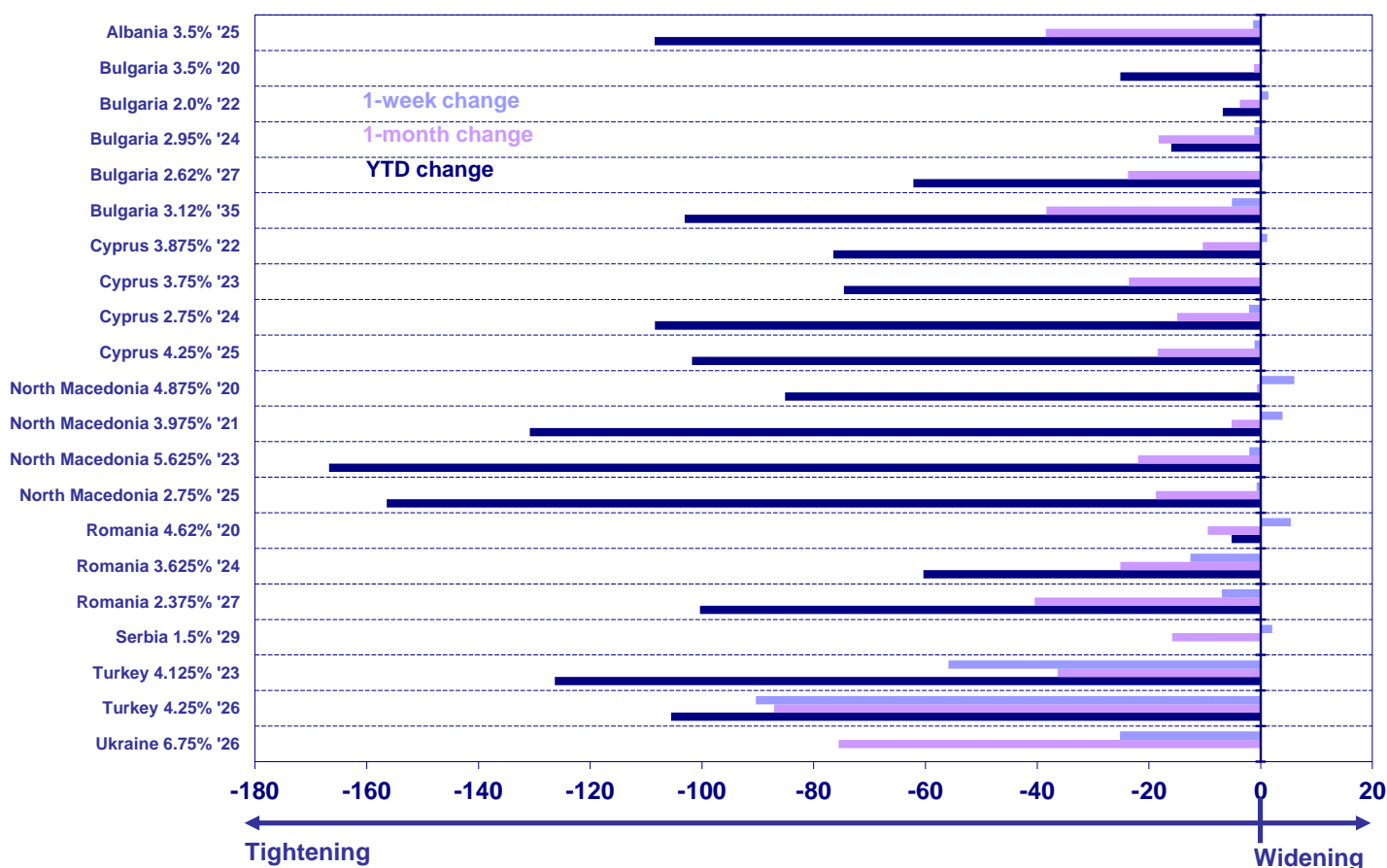
Sources: Reuters & NBG estimates



EUR-DENOMINATED SOVEREIGN EUROBOND SUMMARY. OCTOBER 28TH 2019

	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	450	2.0	260	229
Bulgaria 3.5% '20	EUR	NA/NA	16/1/2020	145	-0.3	33	16
Bulgaria 2.0% '22	EUR	BBB-/Baa2	26/3/2022	1,250	-0.2	51	17
Bulgaria 2.95% '24	EUR	BBB-/Baa2	3/9/2024	1,493	0.0	55	21
Bulgaria 2.62% '27	EUR	BBB-/Baa2	26/3/2027	1,000	0.1	53	18
Bulgaria 3.12% '35	EUR	BBB-/Baa2	26/3/2035	900	0.9	111	71
Cyprus 3.875% '22	EUR	NA/Baa2	6/5/2022	1,000	-0.1	58	25
Cyprus 3.75% '23	EUR	NA/Baa2	26/7/2023	1,000	0.0	66	33
Cyprus 2.75% '24	EUR	NA/Baa2	27/6/2024	850	0.1	69	36
Cyprus 4.25% '25	EUR	NA/Baa2	4/11/2025	1,000	0.3	87	54
North Macedonia 4.875% '20	EUR	BB-/NA	1/12/2020	178	0.3	90	69
North Macedonia 3.975% '21	EUR	BB-/NA	24/7/2021	500	0.6	126	503
North Macedonia 5.625% '23	EUR	BB-/NA	26/7/2023	450	0.9	150	126
North Macedonia 2.75% '25	EUR	BB-/NA	18/1/2025	500	1.2	185	151
Romania 4.62% '20	EUR	BBB-/BBB-	18/9/2020	2,000	0.0	58	37
Romania 3.625% '24	EUR	BBB-/BBB-	24/4/2024	1,250	0.1	74	44
Romania 2.375% '27	EUR	BBB-/BBB-	19/4/2027	2,000	0.9	134	101
Serbia 1.5% '29	EUR	BB/Baa3	26/6/2029	1,000	1.2	149	110
Turkey 4.125% '23	EUR	NR/Baa3	11/4/2023	1,000	2.8	339	311
Turkey 5.2% '26	EUR	NR/Baa3	16/2/2026	1,500	6.0	428	408
Ukraine 6.75% '26	EUR	B-/Caa1	20/6/2026	1,000	4.8	532	518

EUR-Denominated Eurobond Spreads (October 28th 2019)



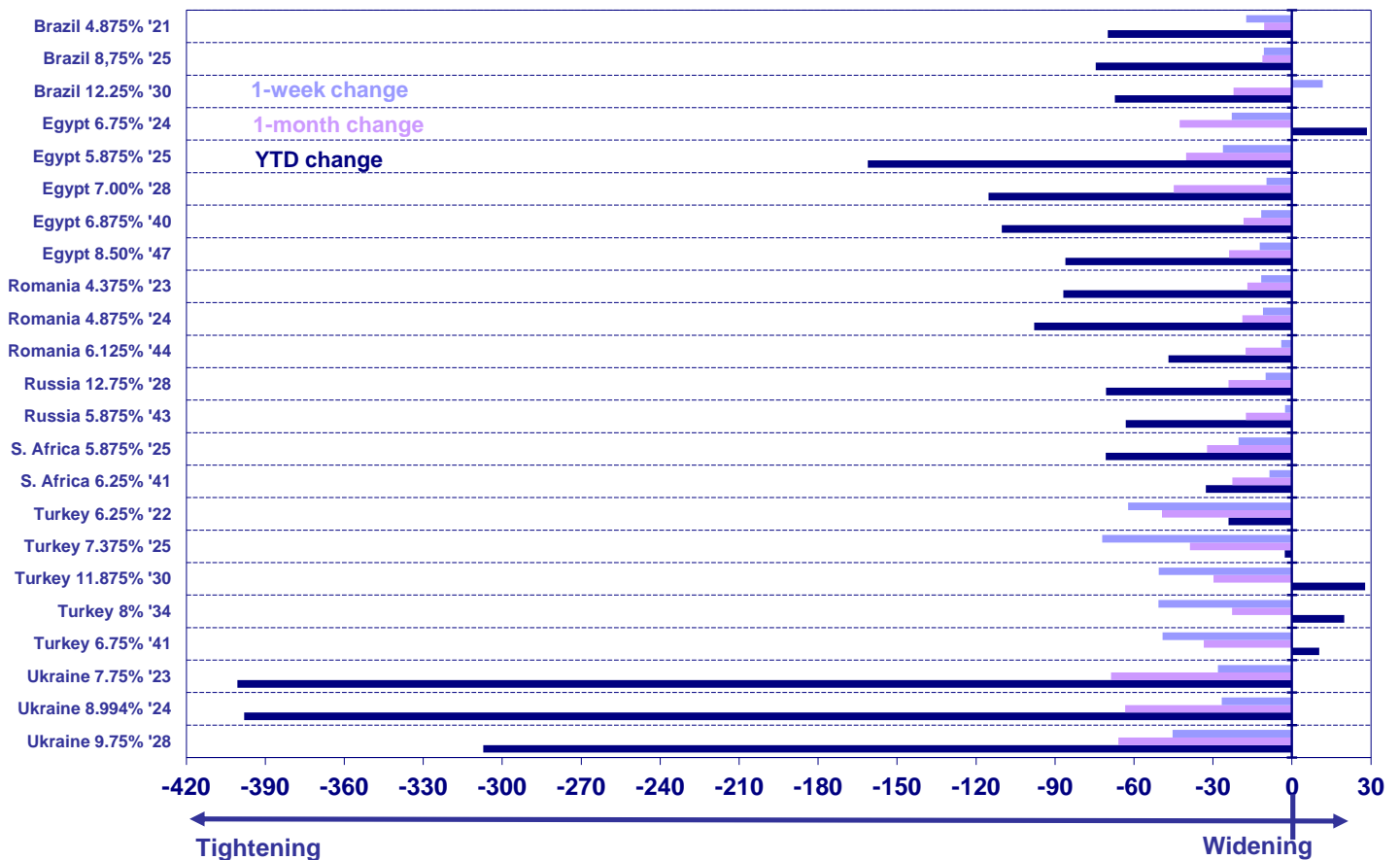
Sources: Reuters & NBG estimates



USD-DENOMINATED SOVEREIGN EUROBOND SUMMARY. OCTOBER 28TH 2019

	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	2.1	46	32
Brazil 8.75% '25	USD	NA/Ba2	4/2/2025	688	2.9	128	149
Brazil 12.25% '30	USD	NA/Ba2	6/3/2030	240	3.0	240	339
Egypt 6.75% '24	USD	NA/B2	10/11/2024	1,320	5.7	402	408
Egypt 5.875% '25	USD	B/B2	11/6/2025	1,500	5.2	349	352
Egypt 7.00% '28	USD	NA/B2	10/11/2028	1,320	6.2	441	459
Egypt 6.875% '40	USD	B/B2	30/4/2040	500	7.1	480	503
Egypt 8.50% '47	USD	NA/B2	31/1/2047	2,500	8.0	562	615
Romania 4.375% '23	USD	BBB-/BBB-	22/8/2023	1,500	2.5	83	87
Romania 4.875% '24	USD	BBB-/BBB-	22/1/2024	1,000	2.4	73	80
Romania 6.125% '44	USD	BBB-/BBB-	22/1/2044	1,000	4.2	182	260
Russia 12.75% '28	USD	BBB-/Baa3	24/6/2028	2,500	3.4	153	229
Russia 5.875% '43	USD	BBB-/Baa3	16/9/2043	1,500	4.1	179	251
S. Africa 5.875% '25	USD	BB/Baa3	16/9/2025	2,000	4.0	229	240
S. Africa 6.25% '41	USD	BB/Baa3	8/3/2041	750	5.5	315	371
Turkey 6.25% '22	USD	NR/Ba3	26/9/2022	2,500	5.0	330	333
Turkey 7.375% '25	USD	NR/Ba3	5/2/2025	3,250	5.8	410	423
Turkey 11.875% '30	USD	NR/Ba3	15/1/2030	1,500	6.7	484	594
Turkey 8% '34	USD	NR/Ba3	14/2/2034	1,500	6.8	498	521
Turkey 6.75% '41	USD	NR/Ba3	14/1/2041	3,000	6.9	453	453
Ukraine 7.75% '23	USD	B-/Caa1	1/9/2023	1,355	5.6	397	409
Ukraine 8.994% '24	USD	B-/Caa1	1/2/2024	750	5.8	416	441
Ukraine 9.75% '28	USD	B-/Caa1	1/11/2028	1,600	6.9	502	563

USD-Denominated Eurobond Spreads (October 28th 2019)



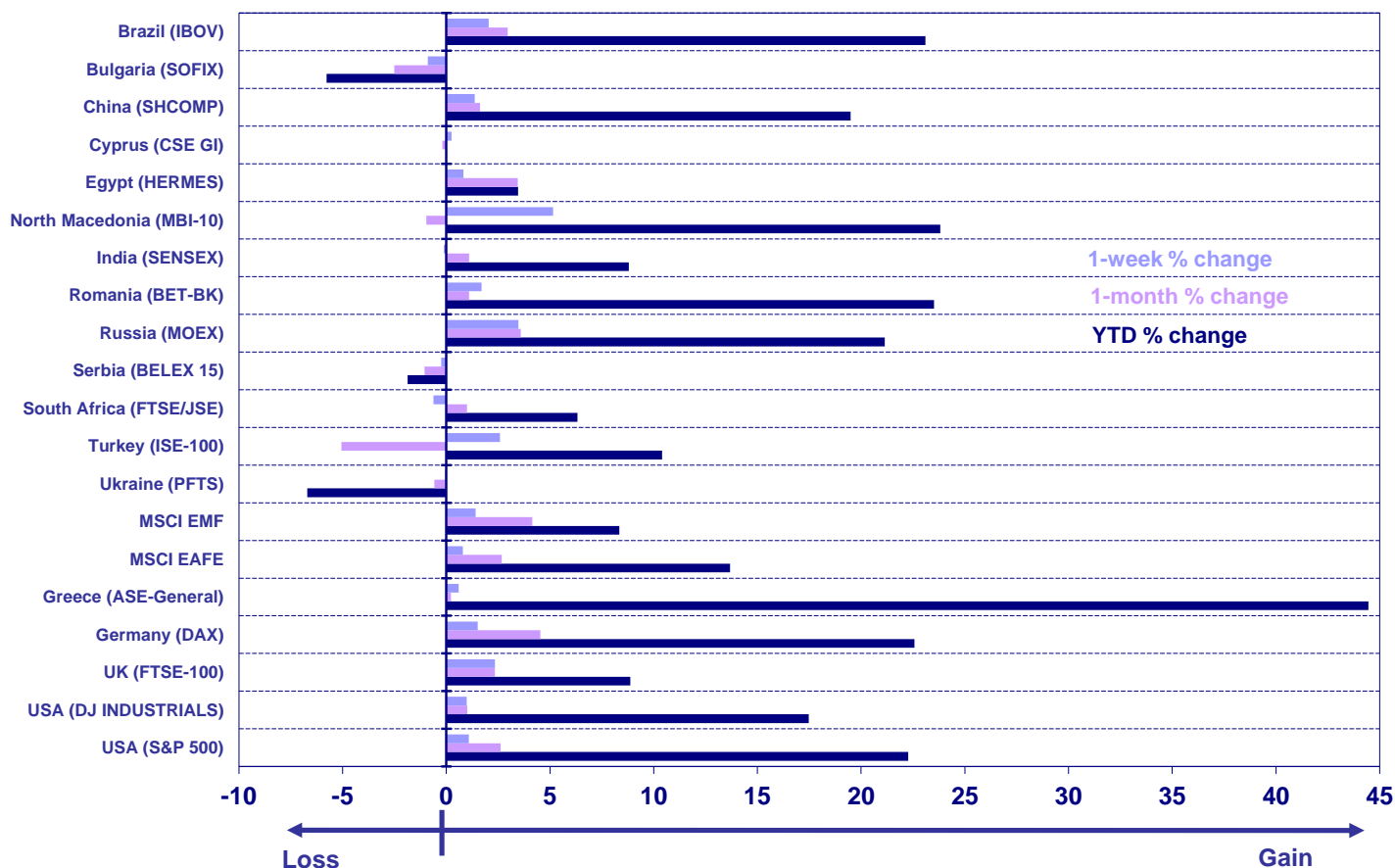
Sources: Reuters & NBG estimates



STOCK MARKETS PERFORMANCE. OCTOBER 28TH 2019

	2019							2018		2017		
	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)	108,187	2.0	3.0	23.1	29.1	87,536	108,393	23.4	15.0	2.5	26.9	9.5
Bulgaria (SOFIX)	560	-0.9	-2.5	-5.8	-7.0	557	622	-5.8	-12.3	-12.3	15.5	15.5
China (SHCOMP)	2,980	1.4	1.6	19.5	17.2	2,441	3,288	19.9	-24.6	-25.2	6.6	-0.3
Cyprus (CSE GI)	66	0.3	-0.2	0.0	-1.0	60	74	0.0	-3.9	-3.9	4.7	4.7
Egypt (HERMES)	1,314	0.8	3.5	3.5	5.0	1,217	1,467	17.5	-11.1	-11.1	32.0	18.7
North Macedonia (MBI)	4,295	5.1	-1.0	23.8	20.9	3,467	4,452	23.8	36.6	36.6	18.9	18.9
India (SENSEX)	39,250	-0.1	1.1	8.8	15.2	34,303	40,312	11.0	5.9	1.6	27.9	19.3
Romania (BET-BK)	1,799	1.7	1.1	23.5	12.8	1,394	1,799	20.9	-11.6	-11.1	22.8	19.1
Russia (MOEX)	2,857	3.5	3.6	21.1	23.3	2,350	2,900	36.3	0.9	-12.3	-16.2	-21.9
Serbia (BELEX-15)	747	-0.2	-1.1	-1.9	1.5	668	765	-1.2	0.2	0.5	5.9	10.3
South Africa (FTSE/JSE)	55,762	-0.6	1.0	6.3	8.7	50,907	59,545	8.6	-11.4	-20.1	17.5	14.3
Turkey (ISE 100)	99,838	2.6	-5.1	10.4	10.3	83,535	105,930	4.6	-20.9	-40.5	47.6	20.5
Ukraine (PFTS)	522	-0.1	-0.6	-6.7	-6.0	513	582	6.5	77.5	88.1	18.8	0.8
MSCI EMF	1,043	1.4	4.1	8.3	11.6	946	1,099	11.6	-16.6	-12.8	34.3	17.7
MSCI EAFE	1,946	0.8	2.7	13.7	9.0	1,709	1,950	17.1	-16.1	-12.3	21.8	6.7
Greece (ASE-General)	872	0.6	0.2	44.5	36.3	600	902	44.5	-23.6	-23.6	24.7	24.7
Germany (XETRA DAX)	12,942	1.5	4.5	22.6	14.2	10,387	12,986	22.6	-18.3	-18.3	12.5	12.5
UK (FTSE-100)	7,331	2.3	-1.3	8.9	4.3	6,599	7,727	13.7	-12.5	-13.5	7.6	3.2
USA (DJ INDUSTRIALS)	27,091	1.0	1.0	17.5	10.8	21,713	27,399	21.0	-5.6	-1.3	25.1	9.6
USA (S&P 500)	3,039	1.1	2.6	22.3	15.1	2,444	3,028	26.0	-6.2	-1.9	19.4	4.7

Equity Indices (October 28th 2019)



Sources: Reuters & NBG estimates



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