NATIONAL BANK

South Eastern Europe and Mediterranean Emerging Market Economies

Weekly Report

NBG - Economic Analysis Division
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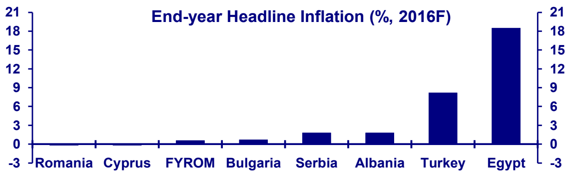
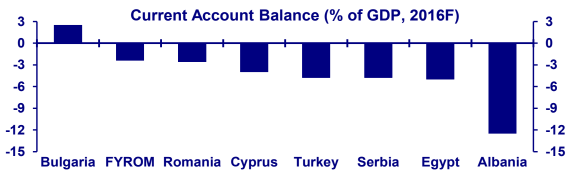
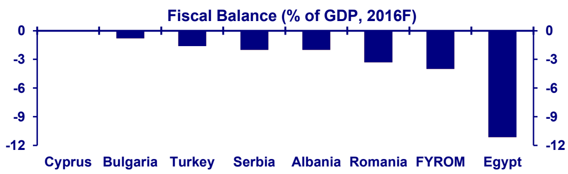




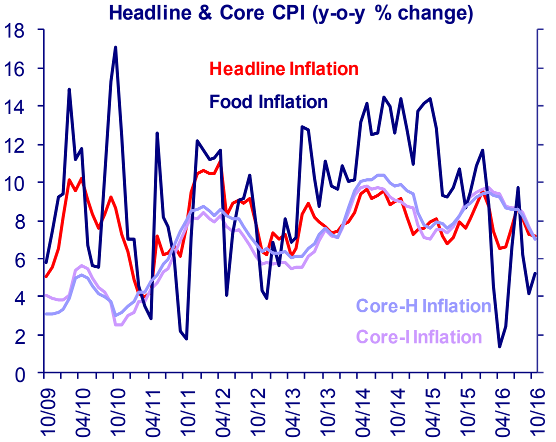


1 – 7 November 2016

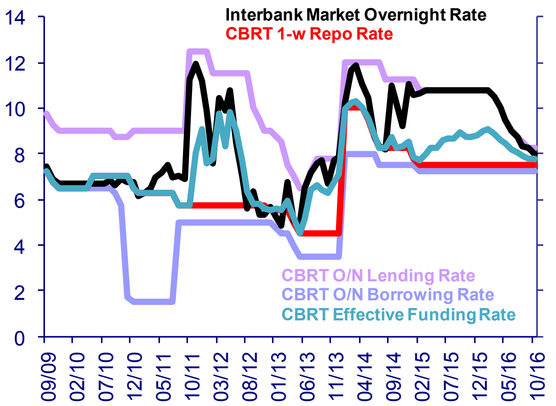
Turkey

BB+ / Ba1 / BBB- (S&P/ Moody's / Fitch)

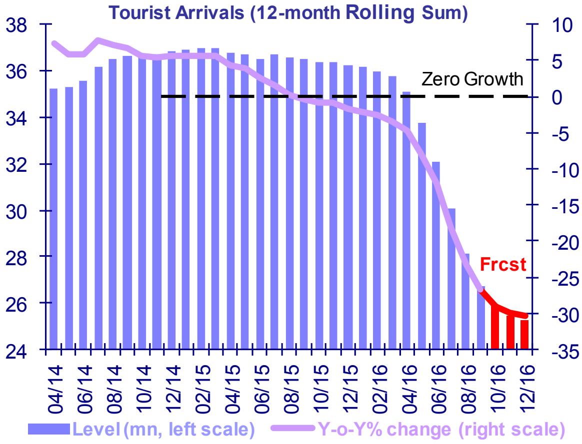
Headline & Core CPI (y-o-y % change)



Interest Rates (e-o-m, %)



Tourist Arrivals (12-month Rolling Sum)



	7 Nov.	3-M F	6-M F	12-M F
1-m TRIBOR (%)	8.9	9.2	9.5	9.8
TRY/EUR	3.50	3.36	3.32	3.30
Sov. Spread (2019, bps)	262	250	230	200

	7 Nov.	1-W %	YTD %	2-Y %
ISE 100	75,682	-3.6	3.4	-2.9

	2013	2014	2015	2016F	2017F
Real GDP Growth (%)	4.2	3.0	4.0	3.2	3.0
Inflation (eop, %)	7.4	8.2	8.8	8.2	7.5
Cur. Acct. Bal. (% GDP)	-7.7	-5.5	-4.5	-4.8	-5.2
Fiscal Bal. (% GDP)	-1.2	-1.3	-1.2	-1.6	-2.2

Headline inflation declines to 7.2% y-o-y in October from 7.3% in September, as the impact of unfavourable food prices was offset by lower core inflation. Food inflation (comprising 24.2% of the CPI basket) rose to 5.2% y-o-y in October from 4.2% in September, on the back of an upside correction in volatile unprocessed food prices. On the other hand, core inflation continued its downward trend, which started in March, with the CBRT's favourite measures, i.e., CPI-H and CPI-I, both declining to a 1½-year low of 7.0% y-o-y in October from 7.6% and 7.7%, respectively, in September, supported by weaker domestic demand and a favourable base.

Looking ahead, despite persistent weak domestic demand, headline inflation should accelerate in 11-12M:16, on the back of: i) the ongoing normalization in food prices and the resumption of agricultural exports to Russia (bringing food inflation from 5.2% y-o-y in October to 8.0% in December -- above the CBRT's revised forecast of 6.0% and slightly below its long-term average of 9.0%); ii) unfavourable global oil prices (we project the price of Brent to increase by c. 26.0% y-o-y in 11-12M:16 following a decline of 13.6% y-o-y in 10M:16 in TRY terms); and iii) increasing FX pass-through to prices from the weak domestic currency. Note that the TRY has weakened significantly since early-October, mainly due to deepening political uncertainty, as: i) the Nationalist Movement Party -- the smallest of the four Parliamentary parties -- indicated that it would not oppose a referendum on an executive presidency; and ii) the pro-Kurdish Peoples' Democratic Party -- the second-largest opposition party -- is considering its withdrawal from Parliament, following the arrest last Friday of its co-leaders, S. Demirtas and F. Yuksekdag, as well as 7 other lawmakers in the context of a terrorism investigation. Overall, we see headline inflation ending the year at 8.2% y-o-y, below the end-2015 outcome of 8.8% but above the upper bound of the CBRT's target range of 3.0%-7.0% and the CBRT's end-year forecast of 7.5%.

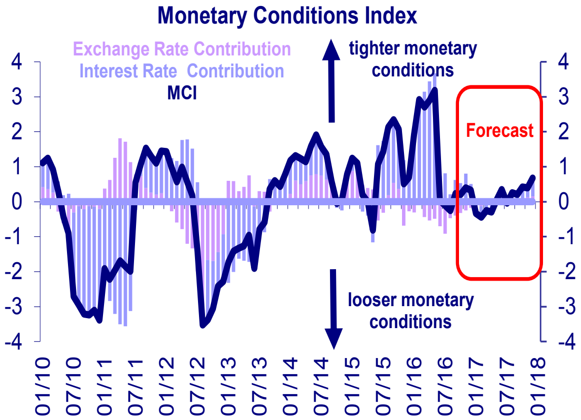
In view of the negative inflation outlook, the recent weakness of the TRY, and the latest MPC's communiqué, according to which the "*direction and timing of the next step in the monetary policy simplification process will be data-dependent*", we expect the CBRT to either keep its rates on hold or initiate a new cycle of monetary policy tightening at its MPC meeting on November 24th. Should depreciation pressures on the TRY continue until then, the CBRT will likely proceed with a 25 bp rise in its key rate -- the 1-week repo rate -- to 7.75% -- the mid-point of its interest rate corridor (7.25%-8.25%).

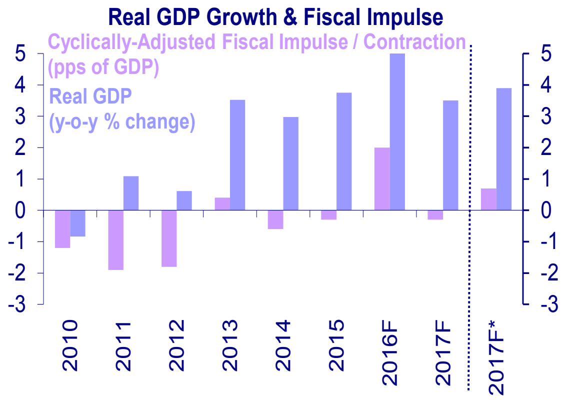
The pace of decline in tourist arrivals eased significantly following the resumption of Russian charter flights to Turkey in early-September. Tourist arrivals declined by 32.0% y-o-y in 9M:16, due to heightened domestic security concerns. Indeed, 96 terrorist attacks have been perpetrated since July 2015, including in the capital Ankara and the largest city of Istanbul, killing over 569 people and wounding more than 2,000 following the Government's involvement in the war against the ISIS and the collapse of a 2-year ceasefire with the Kurdistan Workers Party militant group.

Importantly, the pace of decline in tourist arrivals would have been even sharper in 9M:16 had charter flights from Russia, the second largest source country (c. 10.0% of total arrivals in 2015), not resumed on September 2nd. With the resumption of these flights, the pace of decline in the number of Russian tourists eased significantly to -60.7% y-o-y in September from a sharper drop of -88.0% y-o-y in 8M:16, primarily reflecting the Russian sanctions following the downing of a Russian military jet in late-November 2015.

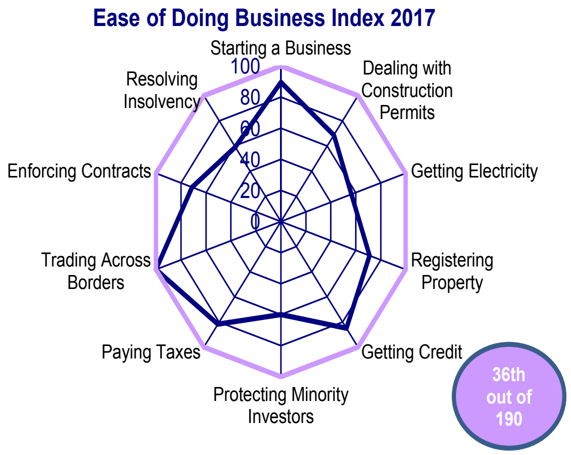
Romania

BBB- / Baa3 / BBB- (S&P / Moody's / Fitch)





*Assuming that the proposed cuts in social security contributions get passed by the Parliament



	7 Nov.	3-M F	6-M F	12-M F
1-m ROBOR (%)	0.6	0.9	1.2	1.5
RON/EUR	4.50	4.48	4.49	4.50
Sov. Spread (2024, bps)	181	175	165	150

	7 Nov.	1-W %	YTD %	2-Y %
BET-BK	1,292	-1.2	-3.7	-1.0

	2013	2014	2015	2016F	2017F
Real GDP Growth (%)	3.5	3.0	3.8	5.0	3.5
Inflation (eop, %)	1.6	0.8	-0.9	-0.2	2.0
Cur. Acct. Bal. (% GDP)	-1.1	-0.7	-1.2	-2.6	-3.2
Fiscal Bal. (% GDP)	-2.5	-1.7	-1.5	-3.3	-3.5

The NBR maintains its key interest rate on hold. At its last meeting for 2016, the NBR Board maintained its 1-week repo rate unchanged at 1.75%. Note that the policy rate has been unchanged at this level since May 2015. As a result, monetary conditions remain broadly neutral (see our MCI), with the impact of the slightly high *ex-post* real policy rate (estimated at c. 2.2%, well above its historical average of 1.7%) offsetting that of the weaker RON in real terms (the CPI-based REER is down by an estimated 2.0% y-o-y). The latter can be attributed to persistent deflation (-0.6% y-o-y in September) on the back of the 4 pp cut in the standard VAT rate (excluding food items and services) to 20.0% in January and low imported food and fuel inflation.

The NBR is set to embark on a tightening cycle in FY:17. The projected pick-up in headline inflation (to 2.0% at end-2017 from -0.2% at end-2016), combined with persistent fiscal imbalances, should prompt the NBR to tighten its policy stance. Recall that the already approved 1 pp cut in the standard VAT rate to 19%, together with the abolition of the special property tax and reductions in excise duties as well as further targeted increases in public sector wages, are set to keep the budget deficit high at 3.5% of GDP in FY:17 against a projected 3.3% in FY:16, still above the EU threshold of 3.0% of GDP. Worryingly, in the event Parliament passes the proposed cuts in social security contributions for employers and employees (by 2 pps and 3 pps, respectively), the FY:17 budget deficit could reach up to 4.5% of GDP. Under this scenario, real GDP growth would approach a 4.0% annual pace. Albeit below the projected outstanding FY:16 outcome of 5.0%, such a performance would still be markedly above the economy's long-term potential growth rate of c. 3.0%, suggesting persistent overheating pressures. As a result, we see the NBR raising its key rate by 225 bps to 4.0% (2.0% in real and compounded terms) by end-2017. In the event of appreciation pressures on the RON, rate hikes could be smaller than envisaged.

We expect interbank rates to converge to the policy rate before a rate hike is considered. Indeed, interbank rates are stuck at the bottom of the NBR's interest rate corridor (defined by the overnight deposit rate and the Lombard rate, currently at ±1.5 pps around the policy rate), reflecting the large liquidity surplus in the market. The latter can be attributed to increased government spending and, to a lesser extent, the cuts in minimum reserve requirement rates (currently at 8% and 10% on RON and FX-denominated liabilities, respectively, down from 10% and 14% in mid-2015). In this context, Governor Isarescu has hinted that the NBR stands ready to narrow further the interest rate corridor to ±1.0 pp around the policy rate, strengthening the monetary policy transmission framework.

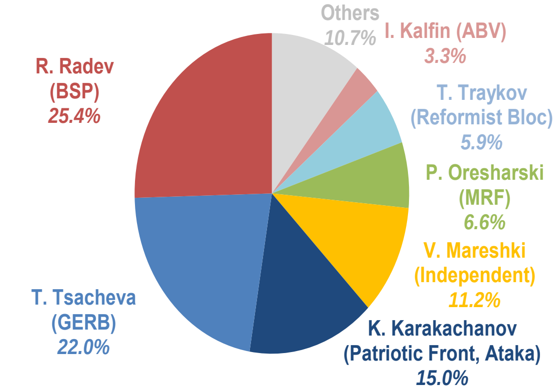
Romania fell 1 place to 36th in the World Bank's Ease of Doing Business Ranking 2017. This deterioration is mainly attributed to the increase in time required to register for VAT with the tax authorities, which made starting a business more difficult. According to the WB report, starting a business in Romania requires 6 procedures, takes 12 days and costs 2.0% of income per capita.

On a positive note, Romania benefitted from a lower total tax rate (as % of profit), following the cut in social security contributions, and the improvement in its commercial dispute resolution framework. At the same time, the WB report praised the lack of trade barriers, with Romania ranking 1st among 190 countries in the relevant category. All said, Romania remained the second best ranked economy in SEE-5, after FYROM (10th) but ahead of Bulgaria (39th), Serbia (47th) and Albania (58th).

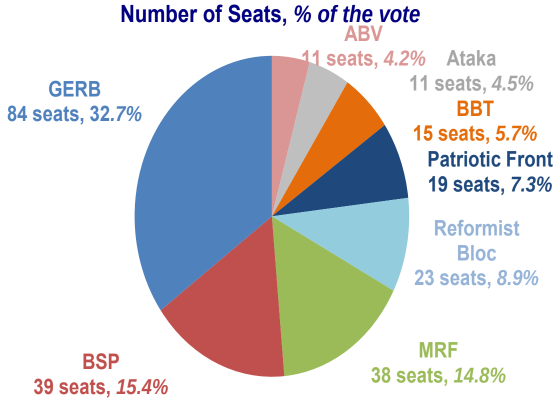
Bulgaria

BB+ / Baa2 / BBB- (S&P / Moody's / Fitch)

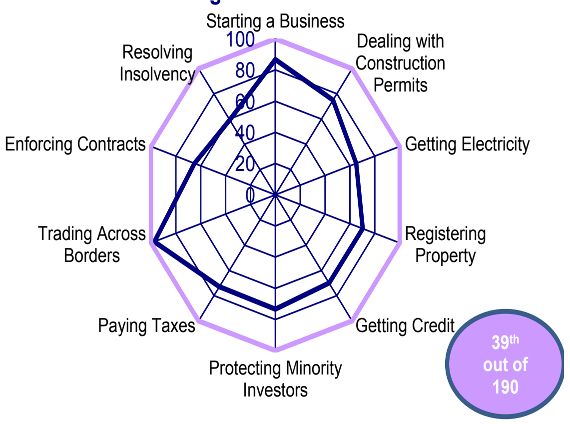
Results of the 2016 Presidential Elections
% of the vote



Results of the 2014 Parliamentary Elections
Number of Seats, *% of the vote*



Ease of Doing Business Index 2017



	7 Nov.	3-M F	6-M F	12-M F
1-m SOFIBOR (%)	0.0	0.1	0.1	0.1
BGN/EUR	1.96	1.96	1.96	1.96
Sov. Spread (2022, bps)	122	118	115	110

	7 Nov.	1-W %	YTD %	2-Y %
SOFIX	551	3.7	19.6	2.7

	2013	2014	2015	2016F	2017F
Real GDP Growth (%)	1.3	1.5	3.0	2.8	2.6
Inflation (eop, %)	-1.6	-0.9	-0.4	0.0	0.6
Cur. Acct. Bal. (% GDP)	1.3	0.1	0.4	2.5	1.3
Fiscal Bal. (% GDP)	-1.8	-3.7	-2.9	-0.4	-0.0

The surprise win of the opposition candidate in the first round of the Presidential elections increases political uncertainty and could lead to early parliamentary elections. None of the candidates obtained an outright majority, with R. Radev of the opposition centre-left ruling Bulgarian Socialist Party (BSP) coming first with 25.4% of the vote. His main rival, T. Tsacheva of the ruling centre-right "Citizens for the European Development of Bulgaria" (GERB) party was slightly behind with 22.0%. K. Karakachanov, who was supported by the nationalist Patriotic Front and the Ataka party, was third with 15.0%, followed by independent candidate V. Mareshki with 11.2%. None of the remaining candidates received more than 6.6% of the vote. The voter turnout was relatively high at 56.1%.

Tsacheva and Radev will now meet in a run-off scheduled for November 13th. With the votes from the Turkish minority party, MRF (6.6% in the first round), and the left-wing Alternative for Bulgarian Revival party (3.3% in the first round) going for Radev and the expected equal distribution of the votes from the nationalist Patriotic Front and Ataka alliance (15.0% in the first round) and Mareshki (with 11.2% in the first round) between the two candidates, according to the latest opinion polls, Radev is likely to secure a victory over Tsacheva, who is expected to be loosely supported by the divided Reformist Block (5.9% in the first round) -- the junior partner in the ruling coalition.

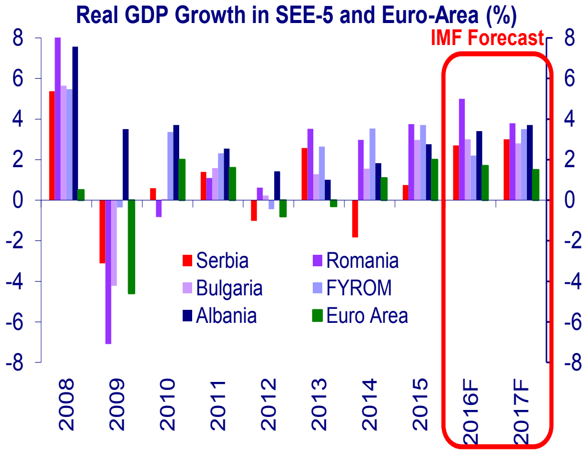
Although the presidency is mostly a ceremonial post in Bulgaria, the November 6th presidential elections have taken on a wider significance after PM B. Borisov threatened to resign if the GERB's candidate does not win the first round. Following the unfavourable first round result, though, Borisov deferred the question of resignation until after the presidential run-off. Note that the GERB-led ruling coalition has lost its parliamentary majority since May, when the ABV withdrew from Government, and now relies on support from the Patriotic Front and independent deputies. All said, regardless of the result of the run-off, we expect Borisov to come under increasing pressure to resign and early elections to be called. The risk remains, however, that early elections lead to another fragmented parliament, failing to end the political stalemate. Worryingly, a prolonged period of political uncertainty could slow the reform drive and lead to a deterioration in investor and consumer sentiment, constraining economic growth.

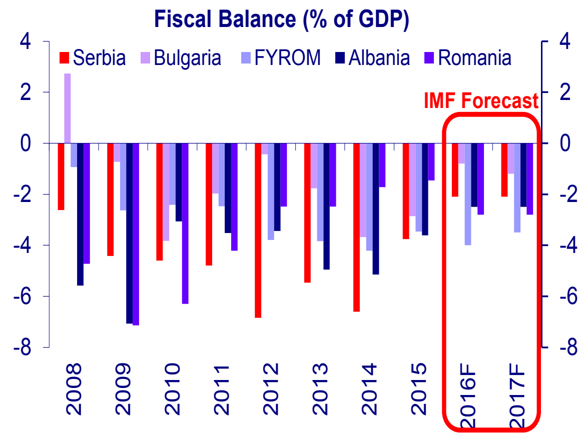
On a separate note, a referendum on extensive electoral reforms was held simultaneously with the first round of the presidential elections. According to the final results, voters strongly endorsed the replacement of the current proportional voting system with a "first-past-the-post" system in two rounds, the introduction of mandatory voting and the reduction in state subsidies for political parties. The three proposals will be now forwarded to Parliament.

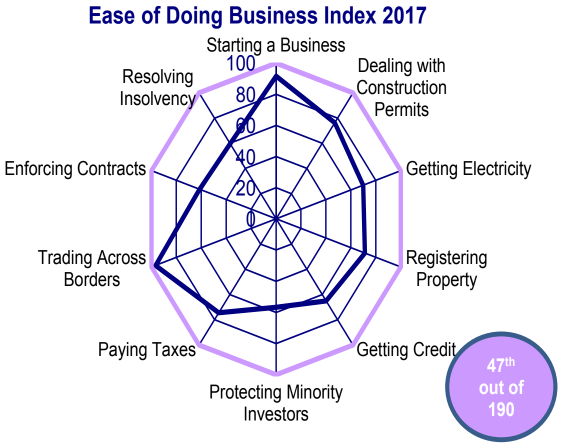
Bulgaria falls 2 places to 39th in the World Bank's Ease of Doing Business Ranking. The main factors behind this deterioration were: i) the slow progress in reforming the process for business start-ups (requiring 6 procedures, taking 23 days and costing 1.3% of income per capita); ii) the relatively weaker protection of minority investors, which remains, however, far better than that offered by its peers; and iii) still limited access to credit information by financing institutions. On the other hand, the WB report noted a significant improvement in the reliability of the country's power supply system, the cost-efficiency of which, however, still remains among the lowest in the region. All said, Bulgaria remained the third best ranked economy in SEE-5, well below FYROM (10th), but close to Romania (36th) and ahead of Serbia (47th) and Albania (58th).

Serbia

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







	7 Nov.	3-M F	6-M F	12-M F
1-m BELIBOR (%)	3.3	3.4	3.5	3.8
RSD/EUR	123.1	125.1	125.4	125.7
Sov. Spread (2021, bps)	261	230	220	180

	7 Nov.	1-W %	YTD %	2-Y %
BELEX-15	662	-2.4	4.9	-4.4

	2013	2014	2015	2016F	2017F
Real GDP Growth (%)	2.6	-1.8	0.7	2.5	2.7
Inflation (eop, %)	2.2	1.7	1.5	1.8	2.2
Cur. Acct. Bal. (% GDP)	-6.1	-6.0	-4.8	-4.8	-5.0
Fiscal Bal. (% GDP)	-5.5	-6.6	-3.8	-2.0	-2.0

The IMF reached a staff-level agreement with the authorities on the 6th review of the ongoing 3-year EUR 1.2bn precautionary SBA (3.6% of GDP). Following a 2-week visit ending on November 1st, the IMF mission commended Serbia's strong performance under the SBA. This is reflected in:

i) the faster-than-expected economic recovery, with the real GDP growth forecast revised up by 0.2 pps for both 2016 and 2017, to 2.7% and 3.0%, respectively.

ii) the robust fiscal performance, with the consolidated fiscal deficit overperforming markedly the programme targets, due to stronger-than-expected revenue. The IMF expects the fiscal deficit to overperform significantly, for a 2nd successive year, reaching 2.1% of GDP this year -- well below the budgeted 4.0% -- and fiscal consolidation to continue in 2017, with the fiscal deficit expected at 1.7% of GDP. This should lead to a lower-than-expected public debt-to-GDP ratio and, more importantly, to the reversal of its upward trend a year ahead of schedule (down to 74.0% of GDP this year from 77.4% at end-2015).

In view of this year's fiscal overperformance, the mission agreed with the Government to use part of the fiscal space in 2016 for once-off expenditures (including a bonus for pensioners and the resolution of state-owned companies' arrears). Moreover, the mission agreed to a targeted public wage and pension increase (with public wages reportedly set to rise by 5.0-7.0% next year).

iii) well-anchored inflation (standing at just 0.6% y-o-y in September). The mission supports the NBS' decision to lower the inflation target range to 3±1.5% (from 4±1.5% previously), following the significant improvement in macroeconomic fundamentals. It also indicated that the cautious accommodative monetary policy stance remains consistent with the new inflation target.

Regarding structural reforms, the mission stressed the need for further progress. It recommended, *inter alia*, the acceleration of public sector reforms and the preparation of precise plans for the restructuring or resolution of utility companies and other large state-owned companies.

The approval of the review by the IMF Board is expected in mid-December. However, although this completion will enable the disbursement of an additional EUR 68.5mn (0.2% of GDP, bringing total funds available to EUR 832.1mn since the approval of the SBA in February 2015), the Serbian authorities are expected to continue to treat the arrangement as precautionary.

Serbian competitiveness improved in the World Bank Ease of Doing Business Report for 2017. Serbia rose 7 places to 47th among 190 economies. The improvement was the result of the implementation of three business reforms in the past year:

i) "starting a business" (up 15 places to 47th), as a simplified process reduced the days needed to register a company (to 7 from 12, well below the global average of 21 days);

ii) "dealing with construction permits" (up 116 places to 36th), following the launch of a (mandatory) online system and the streamlining of the process for obtaining building permits (with the days needed for obtaining a permit more than halved to 156); and

iii) "registering property" (up 16 paces to 56th), as the introduction of effective time limits for registering property rights reduced the days needed to complete a property transfer to 21 from 54, less than ½ of the global average (51 days).

The report, however, highlights the need for further progress in "getting electricity" ranked 92nd (with 125 days needed to receive an electricity connection, well above the 90 days in the EU), and "paying taxes" ranked 78th (as 226 hours per year are needed to comply with tax obligations, well above the 176 hours in the EU).

F.Y.R.O.M.

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

Consolidated Fiscal Balance (% of GDP)	2015	9M:15	9M:16	2016 Rev. Budget	NBG 2016 Forecast
Revenue	28.9	21.0	21.4	29.6	29.2
Tax Revenue	25.2	18.5	19.0	25.4	25.4
Personal Inc.	2.3	1.6	1.7	2.4	2.4
Corporate Inc.	2.2	1.7	1.4	1.7	1.7
VAT	7.5	5.5	5.9	8.0	8.0
Excises	3.5	2.6	2.8	3.4	3.4
Import Duties	0.8	0.6	0.6	0.8	0.8
Other Taxes	0.4	0.3	0.3	0.6	0.6
Soc. Contrib.	8.6	6.3	6.3	8.5	8.5
Non-Tax revenue	3.7	2.5	2.4	4.2	3.8
Expenditure	32.4	23.5	22.9	33.6	33.2
Cur. Expenditure	29.0	21.5	21.1	29.8	29.6
Personnel	4.4	3.3	3.3	4.5	4.5
G. & Services	3.2	2.3	1.9	3.7	3.4
Transfers	20.2	15.0	15.1	20.4	20.5
Int.Payments	1.2	0.9	0.8	1.2	1.2
Capital Expend.	3.3	2.0	1.8	3.8	3.6
Fiscal Balance	-3.5	-2.5	-1.5	-4.0	-4.0
Primary Balance	-2.3	-1.6	-0.7	-2.8	-2.8

	7 Nov.	3-M F	6-M F	12-M F
1-m SKIBOR (%)	1.7	1.7	1.7	1.7
MKD/EUR	61.3	61.3	61.3	61.3
Sov. Spread (2021. bps)	426	415	380	350

	7 Nov.	1-W %	YTD %	2-Y %
MBI 100	2,096	0,8	14,3	12,4

	2013	2014	2015	2016F	2017F
Real GDP Growth (%)	2.7	3.5	3.7	2.4	3.6
Inflation (eop. %)	1.4	-0.5	-0.3	0.6	1.3
Cur. Acct. Bal. (% GDP)	-1.6	-0.5	-2.1	-2.4	-2.8
Fiscal Bal. (% GDP)	-3.8	-4.2	-3.5	-4.0	-3.2

The 12-month rolling budget deficit narrowed significantly to 2.5% of GDP in September from 3.5% in December, mainly due to postponed spending. In 9M:16, the fiscal deficit narrowed by 1.0 pp y-o-y to 2.5% of GDP. Specifically, total expenditure declined in 9M:16 (by 0.6 pps of GDP y-o-y), mainly on the back of lower current expenditure (down 0.4 pps of GDP y-o-y), due to a significant decrease in spending on goods and services, as well as a cut in capital expenditure (down 0.2 pps of GDP y-o-y), reflecting under-execution of the public investment programme.

At the same time, total revenue strengthened in 9M:16 (up 0.4 pps of GDP), as a significant increase in tax revenue (up 0.5 pps of GDP y-o-y), mainly due to higher VAT revenue, reflecting strong base effects from the weak performance in 9M:15, more than offset the decline in non-tax revenue (down 0.1 pp of GDP y-o-y), mainly reflecting lower dividends from public entities.

The observance of the revised 2016 Budget deficit target of 4.0% of GDP appears attainable. In mid-September, Parliament approved a new supplementary 2016 Budget, envisaging higher-than-initially-projected expenditure (by 0.4% of GDP), to be used for the compensation of flood damages in August, thereby raising the fiscal deficit target to 4.0% of GDP from 3.6% previously, and an initial Budget target of 3.2% of GDP.

On the revenue side, despite the strong y-t-d tax revenue overperformance (+7.1% y-o-y in 9M:16 against the FY:16 target of 6.2%), the FY:16 revenue growth target, although downwardly-revised to 8.1% (from 10.0% previously) appears unattainable. First, the non-tax revenue target is overly-optimistic (21.2% compared with a broadly flat performance in 9M:16, an all-time high of c. 23% in FY:15 and a 7-year average of 0%). Second, VAT revenue is likely to normalize in Q4:16, with the fading-out of favourable base effects. According to our baseline scenario, which includes a milder-than-budgeted recovery in non-tax revenue growth in FY:16 (c. 10% y-o-y), the revenue shortfall should amount to 0.4 pps of GDP for the full year.

Importantly, in view of the y-t-d expenditure performance (up 2.7% y-o-y in 9M:16) and the expected FY:16 revenue slippage, the authorities have room to increase expenditure significantly in Q4:16, ahead of the December 11th early parliamentary elections, without missing the FY:16 fiscal deficit target of 4.0% of GDP. Indeed, expenditure could be increased by 17.3% y-o-y in Q4:16 (compared with a rise of 2.7% y-o-y in 9M:16), bringing FY:16 expenditure growth to 6.7% compared with its target of 8.1% y-o-y (excluding the planned 0.4 pps of GDP once-off compensation for flood damages) and preserving the FY:16 fiscal deficit target. Excluding the above-mentioned compensation for flood damages, the fiscal stance will remain broadly neutral this year.

FYROM rose to 10th place in the World Bank's Ease of Doing Business Ranking. FYROM climbed six places from last year, on the back of improved access to credit (ranked 16th), strengthened protection of minority investors (ranked 13th), and progress on simplifying resolutions to insolvency (ranked 32nd).

The improvement of the overall ranking would have been even higher if the indicator related to "enforcing contracts" had not deteriorated (ranked 36th), due to the longer judicial proceedings.

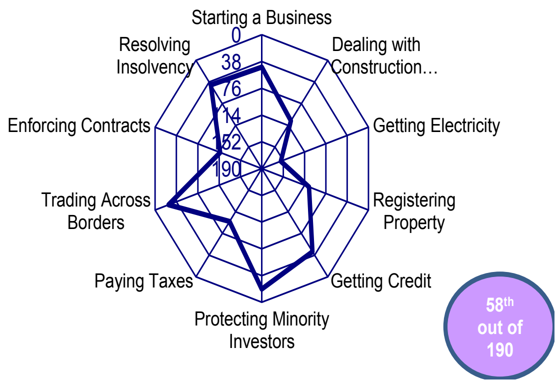
Note that FYROM is currently the best ranked economy in its income category and among SEE-5 countries (well ahead of Romania (36th), Bulgaria (39th), Serbia (47th) and Albania (58th)).

Albania

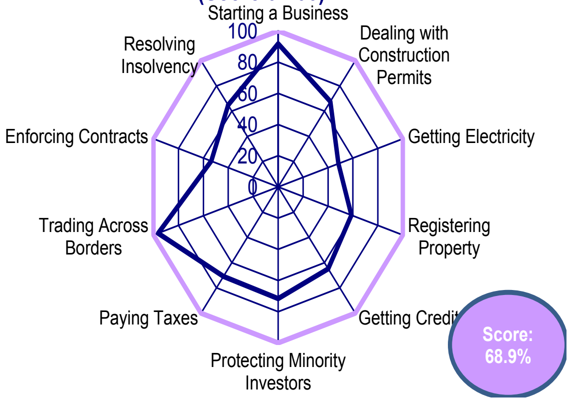
B+ / B1 / NR (S&P / Moody's / Fitch)

External Financing (EUR mn)	2015	2016F	2017F
Current Account Deficit	1,105	1,354	1,469
FDI	818	810	810
Other (net) inflows	628	204	194
Financing Gap	-342	340	464
IFI Financing	346	262	138
IMF	96	144	71
WB, EU, EBRD	250	118	67
Change in FX Reserves	688	-78	-326

Ease of Doing Business Index 2017 (Rank out of 190 economies)



Ease of Doing Business Index 2017 (Score 0-100)



	7 Nov.	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.6	2.2	2.2	2.2
ALL/EUR	136.5	138.5	138.7	139.0
Sov. Spread (bps)	361	340	320	300

	7 Nov.	1-W %	YTD %	2-Y %
Stock Market	- - -	- - -	- - -	- - -

	2013	2014	2015	2016F	2017F
Real GDP Growth (%)	1.0	1.8	2.8	3.3	3.7
Inflation (eop, %)	1.9	0.7	2.0	1.8	2.4
Cur. Acct. Bal. (% GDP)	-10.9	-12.9	-10.7	-12.5	-13.0
Fiscal Bal. (% GDP)	-5.0	-5.2	-3.6	-2.0	-2.0

The EC grants Albania a conditional recommendation to open EU accession talks. Albania -- a candidate country since June 2014 -- secured a positive recommendation from the EC, on November 9th, for the start of EU membership talks, following the launch of a comprehensive judiciary reform. Indeed, on November 3rd, Parliament passed a law enabling the creation of new executive institutions to run the judicial system and institute judicial reforms. Moreover, it had previously approved seven other laws, including the "Vetting Law", that allows the assessment of property holdings and professional efficiency of judges and prosecutors, in an attempt to remove corrupt judges, as well as other key laws providing for the institutional reorganisation of the judicial structures. The recommendation is, however, "*subject to credible progress in the implementation of the justice reform*", especially following the recent suspension of the "Vetting Law" by the Constitutional Court, after its challenge by the main opposition party.

An IMF mission reached an agreement with the authorities on the 2017 fiscal package. Following a 2-week visit ending on November 2nd, the IMF mission agreed with the authorities on the 2017 budget, targeting a fiscal deficit of 2.0% of GDP (a primary deficit of 0.7% of GDP), and allowing increases in public sector wages and pensions (reportedly by 10.0% and 3.0%, respectively). The authorities committed to higher oil revenue and property taxes, a tightening of tax exemptions, and the avoidance of the accumulation of new arrears.

The parliamentary approval of the agreed budget and the related fiscal package are prior actions for the completion of the combined last two reviews of Albania's 36-month EUR 370.6mn Extended Fund Facility, expiring in February 2017. This would enable the disbursement of the last two tranches totalling EUR 72mn (0.6% of GDP) in early 2017. Note that large IFI support of 2.4% and 1.2% of GDP, respectively, this year and in 2017 is needed to fill the sizeable external financing gap.

Albania's competitiveness improved markedly in the World Bank Ease of Doing Business Report 2017. Albania climbed 32 places to 58th among 190 economies in World Bank's report on the ease of doing business, due to 3 significant regulatory changes, making easier: *i) "dealing with construction permits"* (improving by as much as 80 positions to 106th), following the Constitutional Court decision, in June 2015, to lift the moratorium on the issuance of construction permits. The improvement also reflects streamlined procedures for receiving final inspection and compliance certificates.

ii) "getting electricity" (up 8 places, ranking at a still low 156th), by speeding up the process for obtaining a new connection. As a result, days required to obtain an electricity connection were reduced to 134 from 177 a year ago, but still above the 90 days needed in the EU.

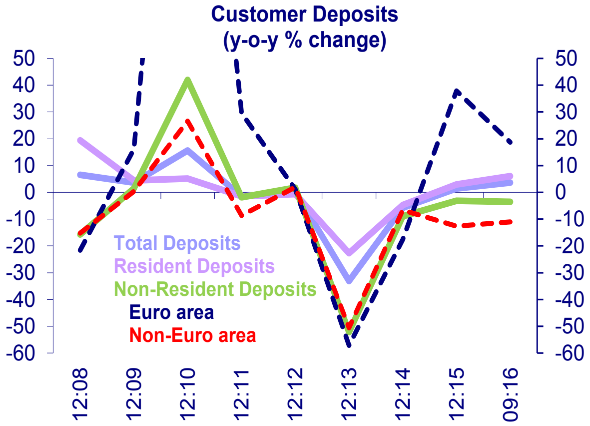
iii) "paying taxes" (improving 12 places to 97th) by launching, as of January 2015, an online system for filing and paying taxes. This prompted a sharp decline in hours required to comply with tax obligations to 261 from 357, still above the 176 hours in the EU.

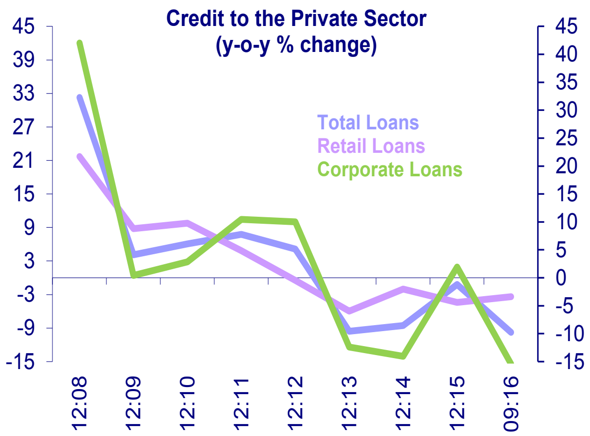
Despite the marked improvement and the subsequent closing gap with its regional peers, Albania lags far behind other SEE-5 countries.

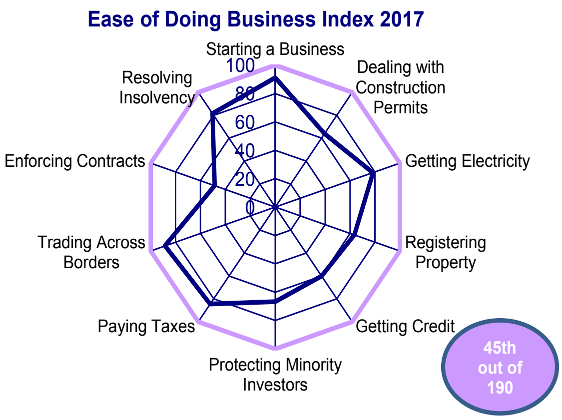
Looking ahead, key challenges remain for Albania in order to strengthen its competitiveness. They comprise: i) fighting the informal sector; ii) widespread corruption; iii) weak institutions; and iv) infrastructure gaps, that remain main obstacles for businesses. Moreover, unclear land ownership, along with high regulatory costs, further burden Albania's competitiveness convergence. Last, Albania's electricity supply remains highly unreliable, due to the country's full dependence on weather-reliant hydropower production. Note that power outages averaged 122 hours per consumer in 2015 according to the report, far above the 2014 CESEE average of 3 hours).

Cyprus

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







	7 Nov.	3-M F	6-M F	12-M F
1-m EURIBOR (%)	-0.37	-0.37	-0.37	-0.37
EUR/USD	1.10	1.09	1.08	1.05
Sov. Spread (2020. bps)	260	245	240	230

	7 Nov.	1-W %	YTD %	2-Y %
CSE Index	67	0.3	-1.3	-27.6

	2013	2014	2015	2016F	2017F
Real GDP Growth (%)	-6.0	-1.5	1.7	2.6	2.2
Inflation (eop. %)	-2.3	-1.5	-1.2	-0.2	1.0
Cur. Acct. Bal. (% GDP)	-4.9	-4.3	-2.9	-4.0	-4.3
Fiscal Bal. (% GDP)	-4.7	-0.2	0.0	0.3	0.2

Growth in customer deposits improves in September, underpinned by the return of confidence in the banking sector. Following an improving trend in the aftermath of the bail-in of uninsured deposits of the two largest banks in early 2013 (Bank of Cyprus and Laiki Bank), customer deposit growth increased to a 5-year high of 3.7% y-o-y in September from 1.4% in December 2015.

The acceleration in overall deposit growth was driven by a significant increase in resident deposits (up 6.0% y-o-y in September from 2.9% y-o-y in December 2015), despite the removal of all restrictions on transferring money abroad since early-April 2015 and moderating interest rates. Non-resident deposits, accounting for c. 23% of total deposits, continued to be a drag on overall deposit growth – down 3.5% y-o-y in September similar to its December 2015 pace (3.1%), despite a strong increase in deposits from euro area countries (up 18.7% y-o-y in September compared with an increase of 37.9% in December 2015), on the back of rising confidence in the Cypriot economy and still attractive interest rates for households. The decline in non-resident deposits was driven by deposits from third countries, which declined sharply (down 11.0% y-o-y in September against a drop of 12.8% y-o-y in December 2015.

Due to the acceleration in overall deposit growth, the expensive ELA funding has been significantly reduced (down by EUR 3.6bn y-o-y to EUR 1.3bn at end-9M:16), thus supporting net interest margin (NIM) and, therefore, the banking sector performance.

Banking sector deleveraging accelerates in September. The pace of decline in credit to the private sector accelerated in September (down 9.8% y-o-y) compared with December 2015 (down 1.2% y-o-y). This reflects the acceleration of restructuring, including debt for property and debt for equity swaps, due to the entry into force of the new foreclosure and insolvency legislation and bank efforts to increase the pace of reduction of NPLs. According to the latest Central Bank figures, non-performing exposures (NPEs), mainly comprising loan balances (90 dpd), restructured loan balances (60 dpd), as well as all performing restructured balances for a 1-year probation period after the restructuring date, declined by 11.7% y-o-y in August to EUR 25.1bn (or 141% of GDP) following a drop of 3.9% y-o-y in December 2015. Loan write-offs and sales, as well as higher loan repayments than new lending, also contributed to the sharp decline in overall loans in the first 9 months of the year. Note that the ongoing banking sector deleveraging has reduced the loans-to-GDP ratio to 254% of GDP in September from 287% in December 2015 and 315% in December 2012 -- still well above the euro area average of c.122% of GDP in September.

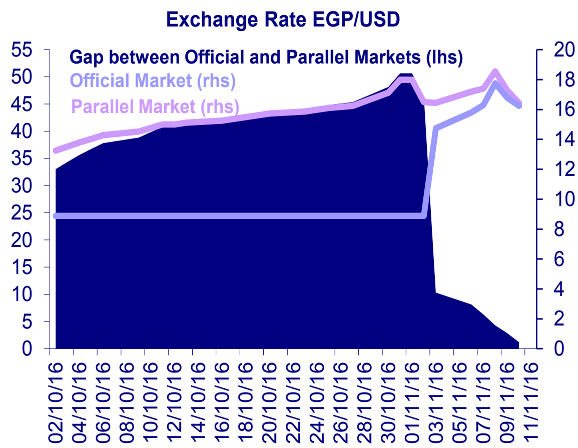
Cyprus deteriorates in the 2017 Ease of Doing Business Ranking. In the WB's Ease of Doing Business Ranking for 2017, Cyprus fell by 4 places to 45th among 190 economies. The deterioration was driven by a negative assessment of the country's indicator related to "getting credit" (ranked 36th) – see above.

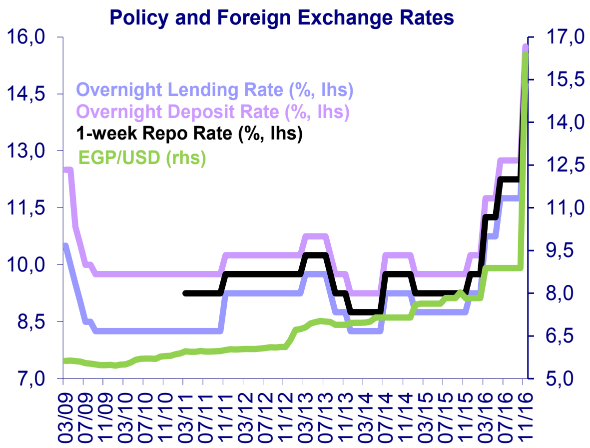
The island's ease of doing ranking would have been even lower had the indicators related to "starting a business" and "paying taxes" not improved significantly; the former through the merging of the procedures to register for taxes and VAT, a faster method for company name search and registration, as well as progress on amending labour market legislation by allowing shops and supermarkets to operate seven days a week, the latter through the introduction of improvements in its internal processes and the increase in the discount rate applied on immovable property tax (from 15% to 20% in 2015).

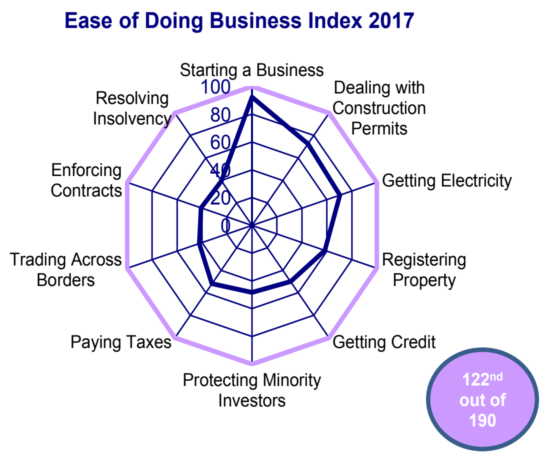
Note that Cyprus is currently ranked 15th among euro area countries, ahead of Italy (50th), Luxembourg (59th), Malta (76th) and Greece (61st).

Egypt

B- / B3 / B (S&P / Moody's / Fitch)







	7 Nov.	3-M F	6-M F	12-M F
O/N Interbank Rate (%)	14.9	17.0	17.0	16.5
EGP/USD	16.3	16.5	16.3	16.0
Sov. Spread (2020. bps)	389	350	300	220

	7 Nov.	1-W %	YTD %	2-Y %
HERMES 100	860	15.6	36.6	-4.5

	13/14	14/15	15/16	16/17F	17/18F
Real GDP Growth (%)	2.2	4.4	4.3	3.5	4.5
Inflation (eop. %)	8.2	11.4	14.0	18.0	13.5
Cur. Acct. Bal. (% GDP)	-0.8	-3.7	-5.5	-4.0	-3.0
Fiscal Bal. (% GDP)	-12.2	-11.5	-12.2	-10.5	-9.0

The IMF Executive Board set to approve a USD 12bn financing programme for Egypt. The Central Bank floated the domestic currency and raised its policy rates, while the Government cut fuel and gas subsidies (through price increases), completing the last three prior actions needed for the approval by the IMF Executive Board of a USD 12bn (SDR 8.6bn or 422% of Egypt's quota) 3-year extended fund facility (EFF). The EFF will support the financing of a USD 21bn 3-year government reform programme, aiming to restore confidence in the domestic economy, revive growth, bring down the budget deficit and government debt, strengthen official foreign currency reserves, and reduce inflation to single digits. Specifically:

i) The Central Bank decided to fully float the EGP. This move aims primarily to put an end to the parallel foreign currency market, in which the USD was exchanged for EGP 18 in the past week, against EGP 8.88 in the official market, amid acute foreign currency shortages and expectations of an imminent sharp devaluation. As a result, the EGP has depreciated by c. 45.0% to c. EGP 16.0 in the official market and the gap between the official and parallel foreign currency market appears to have closed.

The switch from a fixed to a flexible exchange rate regime is expected to improve the competitiveness of Egypt's exports, attract foreign investment, unlock private sector activity that has been hindered by the severe foreign exchange shortage, and increase the economy's flexibility in response to external shocks. However, the resulting sharp depreciation could add 6-7 pps to headline inflation, assuming a pass-through of 15% to prices over the next 12 months.

ii) The Central Bank tightened significantly the monetary policy stance. It raised key interest rates by 300 pps to contain heightening inflationary pressures and enhance demand for the domestic currency. As a result, the overnight deposit rate, the overnight lending rate and the 1-week repo rate reached multi-year highs of 15.75%, 15.25% and 15.25%, respectively.

iii) The Government increased the prices of petrol and gas by between 30% and 50%. The move comes as part of the Government's plan to reduce sharply its petroleum subsidy bill in the FY:16/17 Budget by 43.5% to reach EGP 35bn (1.1% of GDP). We estimate the increase in energy prices to add 3 pps to headline inflation.

Recall that the long-awaited VAT – another prior action -- was introduced on September 9th at a rate of 13%. It is expected to boost tax revenue by an additional EGP 30bn (0.9% of GDP) and add only 1.2 pps to headline inflation, due to the exemption of 56 commodities, including all essential food goods, dairy products, baby formula and all local and imported medicine.

With all prior actions completed, we expect the IMF Executive Board authorities to approve the USD 12bn 3-year EFF on November 11th, paving the way for the the disbursement of the first USD 2.75bn tranche.

Egypt rises in the 2017 Ease of Doing Business Ranking. Egypt rose 4 places to 122nd among 190 countries in this year's World Bank's Ease of Doing Business Ranking. The improvement came on the back of significant progress in simplifying procedures to set up one-person companies and strengthening the level of investor protection for minority shareholders. On a negative note, Egypt retreated even further in the "trading across borders' category (ranked 168th), reflecting the CBE's imposition of stricter rules on FX deposits and financing imports, amid acute FX shortages. Looking ahead, in view of the recent reforms and provided that the IMF-supported 3-year economic programme is steadily implemented, Egypt should improve significantly its ranking in future reports.

FOREIGN EXCHANGE MARKETS, NOVEMBER 7TH 2016

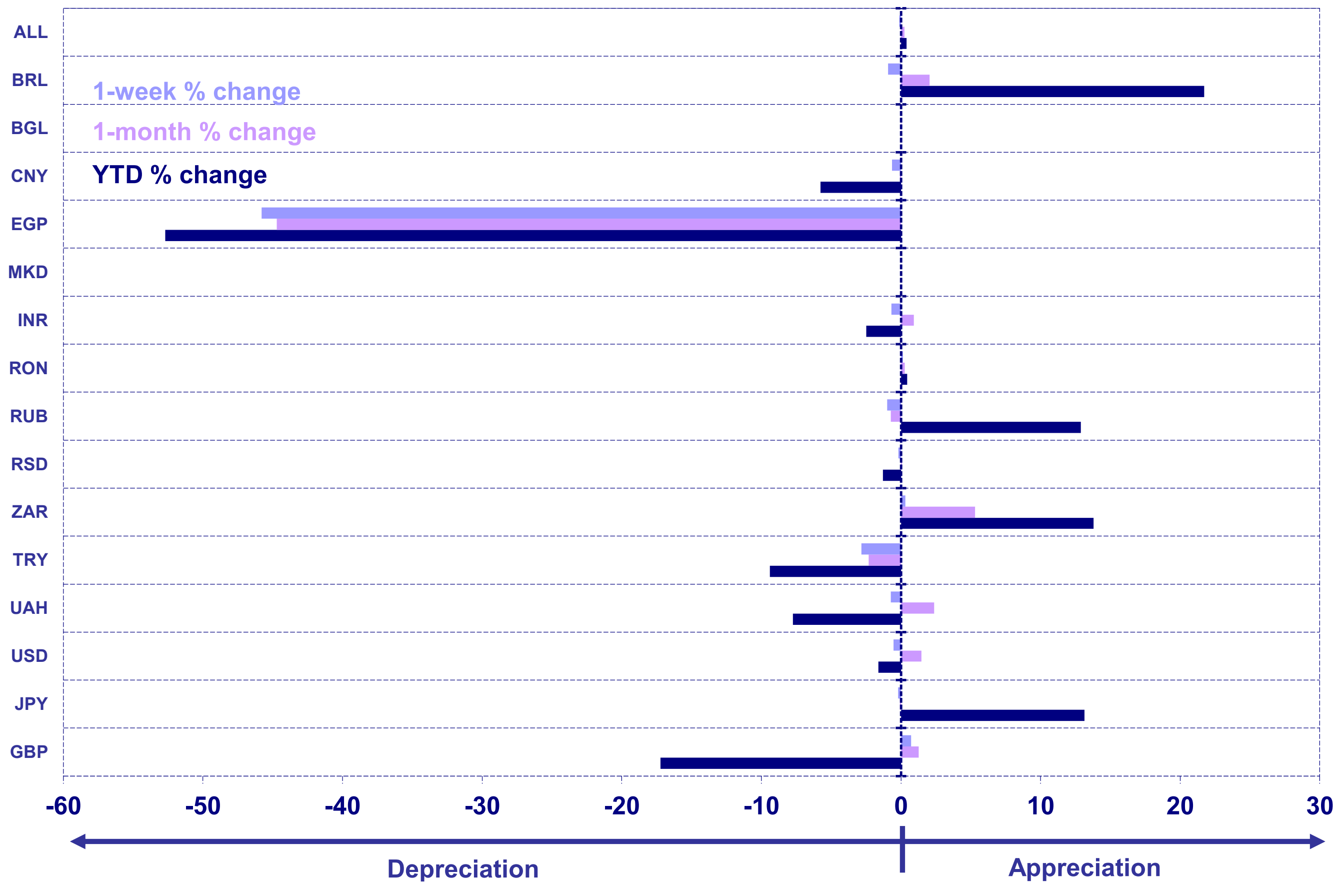
Against the EUR

	Currency	2016										2015	2014
		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	136.5	-0.1	0.3	0.4	1.2	135.9	139.5	136.9	136.8	135.9	2.0	0.1
Brazil	BRL	3.53	-0.9	2.0	21.7	15.6	3.38	4.55	4.02	4.01	3.97	-25.2	1.0
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	7.47	-0.6	-0.1	-5.8	-8.5	6.99	7.56	7.71	7.70	7.70	6.7	10.8
Egypt	EGP	17.94	-45.8	-44.7	-52.7	-52.1	8.26	19.04	- - -	- - -	- - -	2.1	10.6
FYROM	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	73.6	-0.7	0.9	-2.5	-2.9	71.3	77.8	78.8	- - -	- - -	6.6	12.3
Romania	RON	4.50	0.1	0.3	0.5	-0.9	4.49	4.56	4.51	4.51	4.53	-0.8	-0.5
Russia	RUB	70.2	-1.0	-0.7	12.9	-1.2	67.4	75.1	72.1	73.3	77.4	-15.1	-32.8
Serbia	RSD	123.1	-0.2	0.1	-1.3	-2.1	121.6	124.3	123.6	123.9	- - -	-0.1	-5.6
S. Africa	ZAR	14.7	0.3	5.3	13.8	4.2	14.71	18.58	15.1	15.4	16.1	-16.6	3.0
Turkey	YTL	3.50	-2.8	-2.3	-9.4	-10.2	3.12	3.53	3.59	3.67	3.87	-10.8	4.4
Ukraine	UAH	28.2	-0.7	2.4	-7.7	-13.8	25.06	30.32	33.4	- - -	- - -	-27.5	-40.8
US	USD	1.10	-0.5	1.5	-1.6	-2.6	1.1	1.2	1.11	1.11	1.12	11.4	13.6
JAPAN	JPY	115.3	-0.2	-0.1	13.1	14.9	109.6	132.3	115.4	115.3	115.3	11.0	-0.1
UK	GBP	0.89	0.7	1.3	-17.2	-20.1	0.7	0.9	0.89	0.89	0.90	5.3	7.0

* Appreciation (+) / Depreciation (-)

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

Currencies against the EUR (November 7th 2016)



Money Markets, November 7th 2016

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	FYROM	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
O/N	1.3	13.9	0.0	2.2	- - -	14.9	- - -	- - -	0.6	9.5	- - -	8.4	7.3	13.3	- - -	0.4
T/N	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0.6	8.6	3.1	- - -	7.8	- - -	- - -	- - -
S/W	1.3	13.9	0.0	2.4	-0.4	- - -	1.3	- - -	- - -	9.3	3.1	- - -	7.6	14.3	-0.4	0.5
1-Month	1.6	13.9	0.0	2.7	-0.4	- - -	1.7	6.6	0.6	10.0	3.3	8.9	8.0	16.3	-0.4	0.5
2-Month	- - -	13.7	0.1	- - -	-0.3	- - -	- - -	- - -	- - -	9.6	3.5	9.2	8.3	- - -	-0.3	0.7
3-Month	1.8	13.6	0.1	2.9	-0.3	- - -	2.0	6.7	0.7	9.7	3.5	9.3	8.4	17.8	-0.3	0.9
6-Month	2.0	13.2	0.4	2.9	-0.2	- - -	2.4	- - -	0.9	9.9	3.7	9.8	8.7	- - -	-0.2	1.3
1-Year	2.3	12.4	0.7	3.0	-0.1	- - -	3.0	- - -	1.1	10.0	- - -	10.1	9.1	- - -	-0.1	1.6

Local Debt Markets, November 7th 2016

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	FYROM	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
3-Month	1.3	- - -	- - -	- - -	- - -	18.9	1.6	6.4	- - -	10.1	3.2	8.6	- - -	- - -	-0.7	0.4
6-Month	- - -	- - -	- - -	- - -	- - -	14.7	2.3	6.5	0.6	10.1	3.1	8.8	- - -	- - -	-0.7	0.5
12-Month	2.0	- - -	0.2	2.2	- - -	20.4	2.6	6.5	0.7	8.9	4.0	9.3	- - -	15.3	-0.7	0.6
2-Year	2.0	- - -	- - -	2.4	- - -	- - -	2.0	6.6	0.7	8.6	- - -	9.4	7.8	- - -	-0.6	0.8
3-Year	- - -	- - -	0.4	2.4	1.7	- - -	2.7	6.6	1.4	8.8	- - -	9.4	8.0	15.8	-0.6	1.0
5-Year	- - -	11.3	- - -	2.5	- - -	20.5	2.7	6.7	2.3	8.7	5.8	10.2	8.1	- - -	-0.4	1.3
7-Year	- - -	- - -	1.2	- - -	3.2	20.5	- - -	6.9	2.8	8.6	- - -	- - -	- - -	- - -	-0.3	1.6
10-Year	- - -	11.4	1.9	2.8	3.5	20.6	3.8	6.8	3.1	8.5	- - -	10.3	8.7	- - -	0.2	1.8
15-Year	- - -	- - -	- - -	- - -	- - -	- - -	4.3	7.3	- - -	8.6	- - -	- - -	9.1	- - -	0.3	- - -
25-Year	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9.3	- - -	- - -	- - -
30-Year	- - -	- - -	- - -	- - -	- - -	- - -	- - -	7.3	- - -	- - -	- - -	- - -	9.4	- - -	0.8	2.6

*For Albania. FYROM and Ukraine primary market yields are reported

Corporate Bonds Summary, November 7th 2016

		Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Bulgaria	**Bulgaria Energy Hld 4.25% '18**	EUR	NA/NA	7/11/2018	500	2.7	334	290
	Bulgarian Telecom. 6.625% '18	EUR	B-/B1	15/11/2018	400	5.9	592	546
Cyprus	**Aroundtown Property 3% '21**	EUR	NA/NA	9/12/2021	200	2.8	333	282
Russia	**Gazprom 8.2% '19**	RUB	BB+/NA	9/4/2019	10.000	9.5	51	- - -
	Gazprom 8.9% '21	RUB	BB+/NA	26/1/2021	10.000	9.7	80	- - -
South Africa	**FirstRand Bank Ltd 4.25% '20**	USD	BBB-/Baa2	30/4/2020	500	3.5	258	238
	FirstRand Bank Ltd 2.25% '20	EUR	NA/NA	30/1/2020	100	0.6	124	75
Turkey	**Vakiflar Bankasi 3.5% '19**	EUR	NA/Baa3	17/6/2019	500	3.9	450	393
	Garanti Bankasi 3.38%'19	EUR	NA/Baa3	8/7/2019	500	3.3	387	334
	Arcelik AS 3.875% '21	EUR	BB+/NA	16/9/2021	350	3.6	402	357
	Turkiye Is Bankasi 6% '22	USD	NA/Ba3	24/10/2022	1.000	6.5	523	496

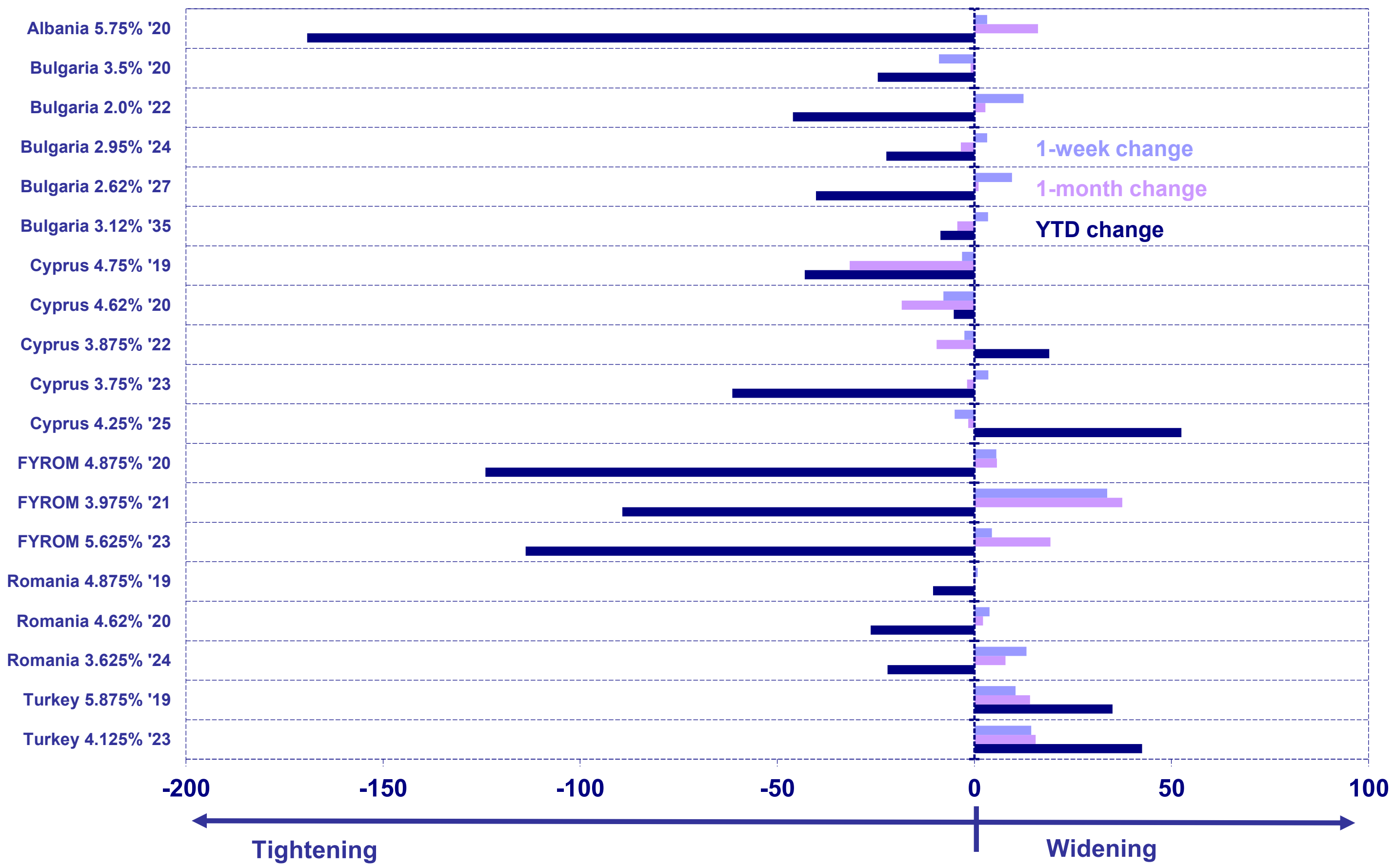
Credit Default Swap Spreads, November 7th 2016

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	FYROM	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine
5-Year	- - -	262	140	108	251	480	- - -	136	106	223	204	267	229	- - -
10-Year	- - -	331	186	156	278	491	- - -	144	147	283	246	324	286	- - -

EUR-DENOMINATED SOVEREIGN EUROBOND SUMMARY, NOVEMBER 7TH 2016

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Albania 5.75% '20	EUR	B+/B1	12/11/2020	450	3.1	361	330
Bulgaria 3.5% '20	EUR	NA/NA	16/1/2020	145	0.6	117	69
Bulgaria 2.0% '22	EUR	BB+/Baa2	26/3/2022	1,250	0.9	122	83
Bulgaria 2.95% '24	EUR	BB+/Baa2	3/9/2024	1,493	1.6	169	131
Bulgaria 2.62% '27	EUR	BB+/Baa2	26/3/2027	1,000	2.0	185	149
Bulgaria 3.12% '35	EUR	BB+/Baa2	26/3/2035	900	3.0	242	202
Cyprus 4.75% '19	EUR	BB-/NA	25/6/2019	566	1.7	227	185
Cyprus 4.62% '20	EUR	BB-/B1	3/2/2020	770	2.0	260	217
Cyprus 3.875% '22	EUR	NA/B1	6/5/2022	1,000	3.0	334	296
Cyprus 3.75% '23	EUR	NA/NA	26/7/2023	1,000	3.2	351	307
Cyprus 4.25% '25	EUR	NA/B1	4/11/2025	1,000	3.5	346	310
FYROM 4.875% '20	EUR	BB-/NA	1/12/2020	270	3.4	392	352
FYROM 3.975% '21	EUR	BB-/NA	24/7/2021	500	3.8	426	511
FYROM 5.625% '23	EUR	BB-/NA	26/7/2023	450	4.6	490	454
Romania 4.875% '19	EUR	BBB-/Baa3	7/11/2019	1,500	0.3	89	42
Romania 4.62% '20	EUR	BBB-/Baa3	18/9/2020	2,000	0.4	88	47
Romania 3.625% '24	EUR	BBB-/Baa3	24/4/2024	1,250	1.7	181	152
Turkey 5.875% '19	EUR	NR/Baa3	11/4/2023	1,250	2.0	262	224
Turkey 4.125% '23	EUR	B+/B1	12/11/2020	1,000	3.2	351	313

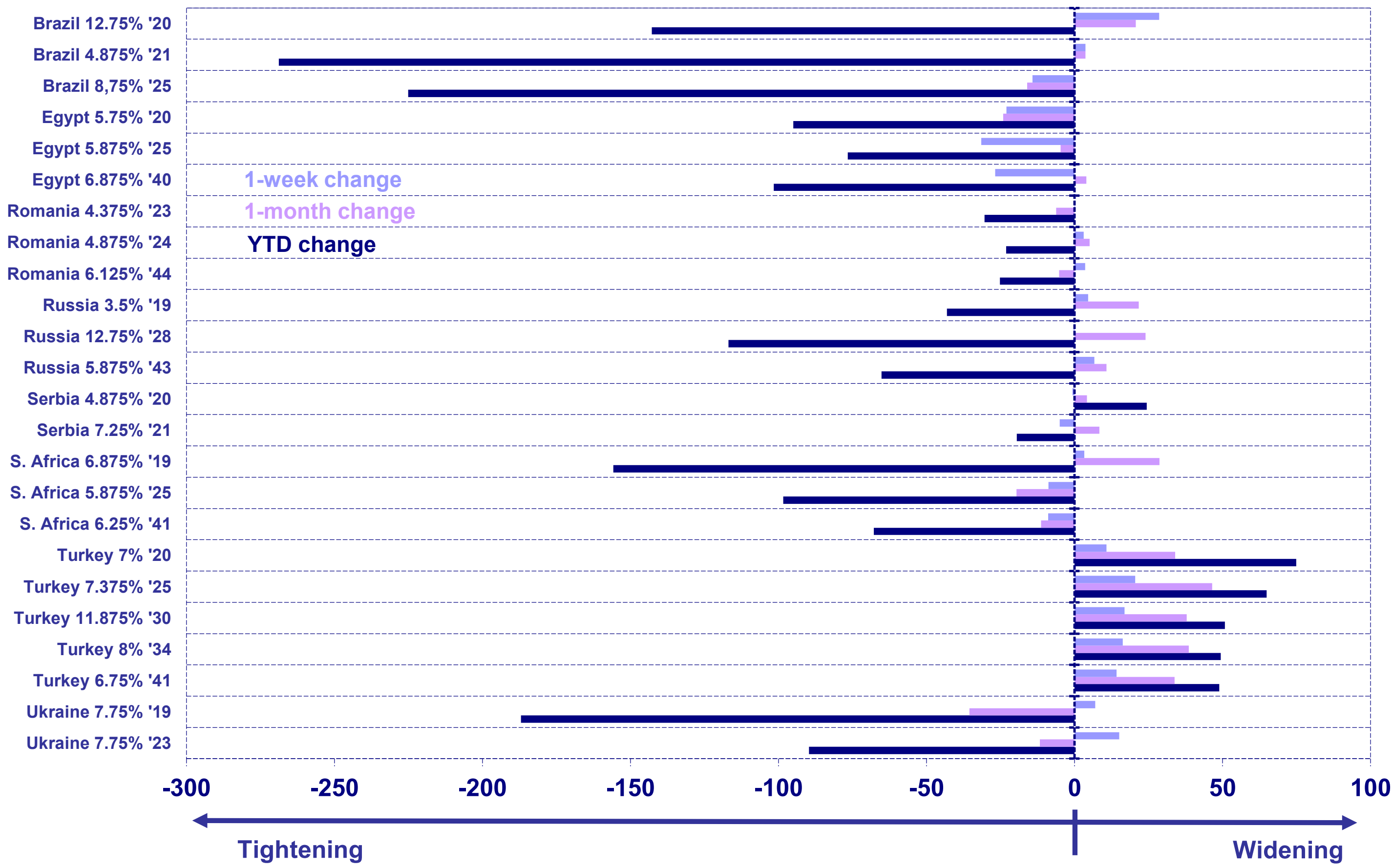
EUR-Denominated Eurobond Spreads (November 7th 2016)



USD-DENOMINATED SOVEREIGN EUROBOND SUMMARY, NOVEMBER 7TH 2016

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Brazil 12.75% '20	USD	BB/Ba2	15/1/2020	234	3.2	223	239
Brazil 4.875% '21	USD	BB/Ba2	22/1/2021	2,988	3.4	210	218
Brazil 8.75% '25	USD	BB/Ba2	4/2/2025	969	4.4	283	331
Egypt 5.75% '20	USD	B-/B3	11/6/2025	1,000	4.9	389	369
Egypt 5.875% '25	USD	B-/B3	30/4/2040	1,500	6.8	495	491
Egypt 6.875% '40	USD	BBB-/Baa3	22/8/2023	500	7.4	485	511
Romania 4.375% '23	USD	BBB-/Baa3	22/1/2024	1,500	2.9	130	149
Romania 4.875% '24	USD	BBB-/Baa3	22/1/2044	1,000	3.0	143	161
Romania 6.125% '44	USD	BB+/Ba1	16/1/2019	1,000	4.3	171	268
Russia 3.5% '19	USD	BB+/Ba1	24/6/2028	1,500	2.7	185	160
Russia 12.75% '28	USD	BB+/Ba1	16/9/2043	2,500	4.4	260	384
Russia 5.875% '43	USD	BB-/B1	25/2/2020	1,500	5.0	238	315
Serbia 4.875% '20	USD	BB-/B1	28/9/2021	1,500	3.7	274	257
Serbia 7.25% '21	USD	BBB-/Baa2	27/5/2019	2,000	3.9	261	277
S. Africa 6.875% '19	USD	BBB-/Baa2	16/9/2025	2,000	2.7	173	169
S. Africa 5.875% '25	USD	BBB-/Baa2	8/3/2041	2,000	4.1	231	267
S. Africa 6.25% '41	USD	NR/Baa3	5/6/2020	750	5.0	239	327
Turkey 7% '20	USD	NR/Baa3	5/2/2025	2,000	4.1	314	305
Turkey 7.375% '25	USD	NR/Baa3	15/1/2030	3,250	5.0	342	371
Turkey 11.875% '30	USD	NR/Baa3	14/2/2034	1,500	5.4	356	485
Turkey 8% '34	USD	NR/Baa3	14/1/2041	1,500	5.8	397	439
Turkey 6.75% '41	USD	B-/Caa3	1/9/2019	3,000	5.9	332	386
Ukraine 7.75% '19	USD	B-/Caa3	1/9/2023	1,744	8.0	702	673
Ukraine 7.75% '23	USD	BB/Ba2	15/1/2020	1,355	8.4	680	668

USD-Denominated Eurobond Spreads (November 7th 2016)



STOCK MARKETS PERFORMANCE, NOVEMBER 7TH 2016

	2016								2015		2014	
	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	
Brazil (IBOV)	64,052	-1.3	4.8	47.8	38.7	37,046	65,291	81.0	-13.3	-35.3	-2.9	-2.0
Bulgaria (SOFIX)	551	3.7	8.6	19.6	22.4	432	551	19.6	-11.7	-11.7	6.2	6.2
China (SHCOMP)	3,133	1.1	4.3	-12.3	-14.1	2,638	3,539	-16.8	9.4	16.5	52.9	69.5
Cyprus (CSE GI)	67	0.3	0.9	-1.3	-8.8	64	70	-1.3	-20.9	-20.9	-17.0	-17.0
Egypt (HERMES)	860	15.6	15.9	36.6	34.1	521	822	32.4	-24.4	-25.7	23.5	36.6
F.Y.R.O.M (MBI)	2,096	0.8	6.4	14.3	22.3	1,699	2,097	14.3	-0.6	-0.6	6.1	6.1
India (SENSEX)	27,459	-1.7	-2.1	5.8	5.1	22,495	29,077	4.3	-5.0	0.7	29.9	44.7
Romania (BET-BK)	1,292	-1.2	-1.3	-3.7	-6.1	1,150	1,329	-3.1	2.6	1.6	3.7	3.5
Russia (RTS)	4,322	-3.2	-4.1	9.1	6.9	3,509	4,688	24.5	30.3	9.5	-6.9	-37.4
Serbia (BELEX-15)	662	-2.4	3.4	4.9	9.2	570	689	3.6	-3.4	-3.5	19.5	12.8
South Africa (FTSE/JSE)	50,304	-0.6	-2.6	-1.0	-5.7	45,976	54,704	14.1	1.9	-15.1	7.6	10.9
Turkey (ISE 100)	75,682	-3.6	-2.9	3.4	-7.8	68,230	86,931	-5.7	-16.3	-25.4	26.4	32.0
Ukraine (PFTS)	268	1.3	10.4	11.4	1.9	215	269	3.1	-37.8	-54.8	28.7	-24.2
MSCI EMF	895	-1.1	-2.2	13.1	6.1	687	930	11.9	-17.0	-7.5	-4.6	8.2
MSCI EAFE	1,648	-1.1	-2.4	-4.6	-5.1	1,492	1,735	-5.6	-3.3	7.7	-7.3	5.8
Greece (ASE-General)	581	-1.8	0.6	-5.0	-15.1	421	659	-5.0	-23.6	-23.6	-28.9	-28.9
Germany (XETRA DAX)	10,457	-2.0	-0.3	-2.7	-3.3	8,699	10,828	-2.7	-4.9	-4.9	2.7	2.7
UK (FTSE-100)	6,807	-2.1	-3.4	8.5	8.1	5,500	7,130	-10.1	-4.9	0.1	-2.7	4.1
Japan (NIKKEI-225)	17,177	-1.4	1.9	-9.8	-12.6	14,864	18,951	3.1	9.1	20.2	7.1	7.0
USA (DJ INDUSTRIALS)	18,260	0.6	0.1	3.7	3.0	15,451	18,668	2.7	-2.2	9.3	7.5	22.2
USA (S&P 500)	2,132	0.3	-1.0	3.3	2.5	1,810	2,194	2.3	-0.7	10.9	11.4	26.6

Equity Indices (November 7th 2016)