



Economic Analysis Division Emerging Markets Analysis

Bi-Weekly Report 18 February - 2 March 2020



NBG - Economic Analysis Division

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Emerging Markets Analysis

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TURKEY 1

Annual GDP growth rose to a 7-quarter high of 6.0% y-o-y in Q4:19, driven by monetary stimulus and favourable base effects

The momentum is positive, but downside risks are increasing

NORTH MACEDONIA 2

Credit expansion remained strong in FY:19, amid an improving operating environment

Customer deposit growth maintained momentum in FY:19, due to improving confidence in the domestic economy and strong GDP growth

Residential real estate prices maintained their upward trend in FY:19

ALBANIA 3

The banking sector's ROAE strengthened to 13.5% in FY:19, remaining in double digits for a 3rd consecutive year, due to lower provisioning

EGYPT 4

GDP growth maintained its strong momentum in Q1:19/20

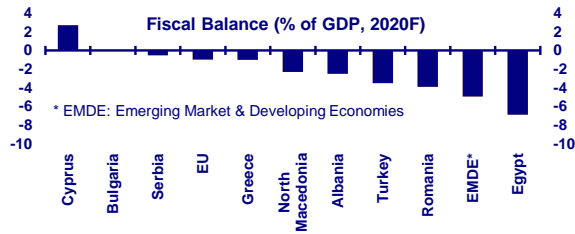
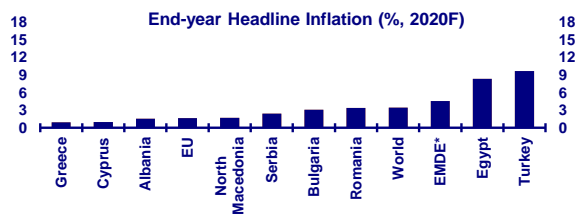
Activity should pick up slightly to a 12-year high of 5.8% this fiscal year (ending in June 2019) from 5.6% in FY:18/19 -- still above the economy's long-term potential (of 5.0%) for a 3rd successive year

The (underlying) fiscal balance improved in H1:19/20

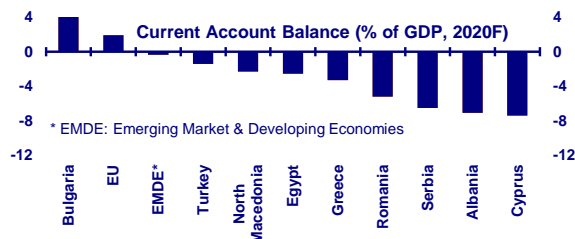
APPENDIX: FINANCIAL MARKETS 5



* EMDE: Emerging Market & Developing Economies



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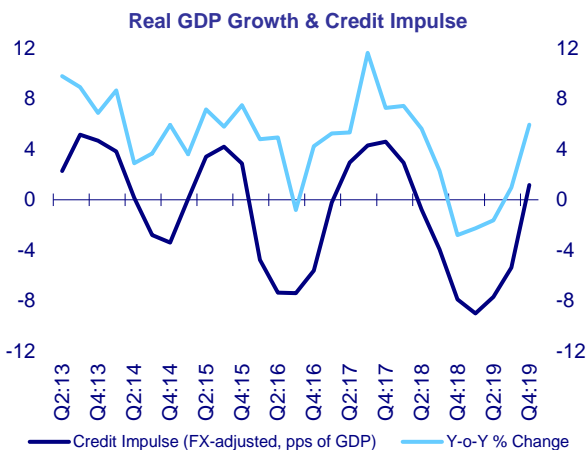
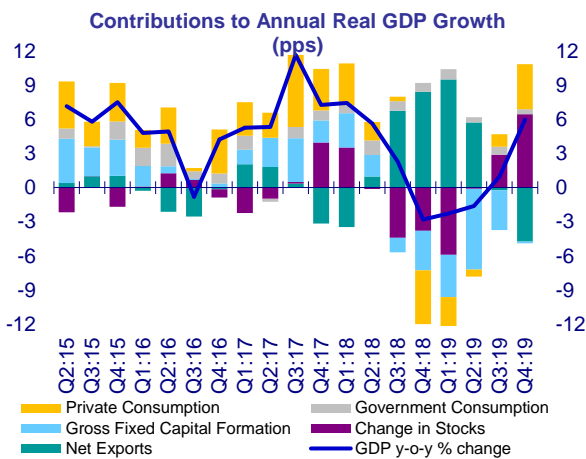
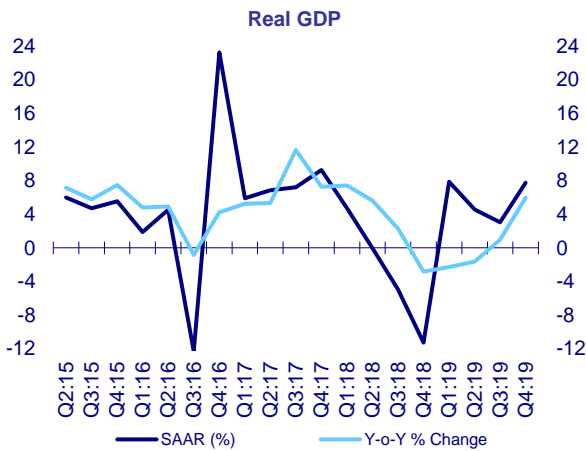
* EMDE: Emerging Market & Developing Economies

Sources: National authorities, IMF & NBG estimates



Turkey

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



	2 Mar.	3-M F	6-M F	12-M F
1-m TRIBOR (%)	10.3	10.3	10.2	10.0
TRY/EUR	6.87	7.00	7.10	7.35
Sov. Spread (2025, bps)	471	420	360	300

	2 Mar.	1-W %	YTD %	2-Y %
ISE 100	107,310	-6.5	-6.2	-8.2

	2017	2018	2019	2020F	2021F
Real GDP Growth (%)	7.5	2.8	0.9	4.2	4.0
Inflation (eop, %)	11.9	20.3	11.8	9.7	9.2
Cur. Acct. Bal. (% GDP)	-5.5	-3.7	0.2	-1.4	-2.2
Fiscal Bal. (% GDP)	-1.5	-1.9	-2.9	-3.5	-3.0

Sources: Reuters, CBRT, TurkStat & NBG estimates

Annual GDP growth rose to a 7-quarter high of 6.0% y-o-y in Q4:19, driven by monetary stimulus and favourable base effects. This marks the 2nd consecutive quarter of positive GDP growth (up 1.0% y-o-y in Q3:19), after three quarters of contraction that followed the 2018 currency crisis. With this outcome, economic growth reached a 10-year low of 0.9% in FY:19 against 2.8% in FY:18. Importantly, economic momentum strengthened markedly in Q4:19 (seasonally-adjusted GDP rose by 1.9% q-o-q following a rise of 0.8% in Q3:19), driven by monetary stimulus. Recall that the CBRT cut aggressively its key rate by 1200 bps in H2:19, compressing real interest rates (to virtually nil in *ex-post* terms at end-2019 from a high of 9.7% in June). Besides cutting rates, the CBRT has also been trying to stimulate credit activity (especially in the corporate segment) by tying banks' required reserves ratios and related remuneration rates to loan growth.

Note that, after being temporarily sustained by net exports (Q3:18-Q2:19), the economy has reverted to its traditional consumption-driven growth model. Indeed, private consumption strengthened in Q4:19 (adding 4.0 pps to overall growth following 1.1 pp in Q3:19), in line, *inter alia*, with rapidly easing inflationary pressures, amid a more stable FX environment. At the same time, public consumption, which has consistently supported domestic demand since 2007, expanded further (adding 0.4 pps to overall growth), albeit at a slower pace compared with Q3:19 (when it contributed 0.7 pps to overall growth).

On other hand, after declining for 5 quarters (including a drag of 3.5 pps of GDP in Q3:19), fixed investment stalled in Q4:19. In fact, despite improved economic sentiment, investment activity continued to be held back by increased corporate sector indebtedness. The stagnation in investment was more than compensated, however, by stock rebuilding (adding 6.5 pps to overall growth following 2.9 pps in Q3:19).

Unsurprisingly, net exports were a large drag on overall growth in Q4:19 (shaving 4.7 pps off overall growth against just 0.2 pps in Q3:19), in line with stronger domestic demand.

The momentum is positive, but uncertainties are increasing. With limited room for further fiscal easing (adjusted for one-off transfers of profits and reserve funds from the CBRT, the budget deficit widened to 4.4% of GDP in FY:19 from 1.9% in FY:18), the authorities are relying on monetary stimulus to support the economy. Indeed, the CBRT has proceeded with additional cuts to its key rate since the beginning of the year (down 125 bps to 10.75%), pushing real rates deep into negative territory (to -1.5% in *ex-post* terms, well below that of the country's EM peers – c. 2.0%). Against this backdrop, and in view of (slowly) moderating inflation, domestic demand should gain further momentum in the period ahead.

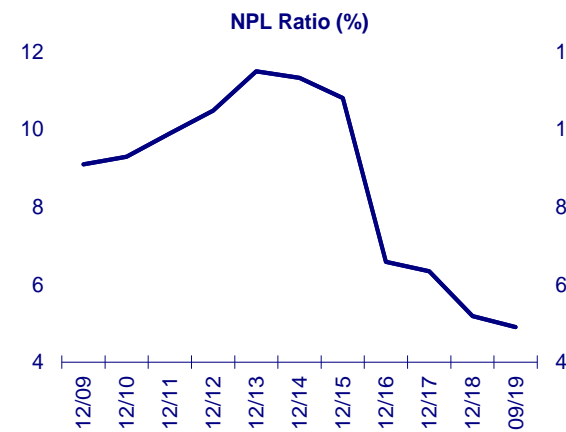
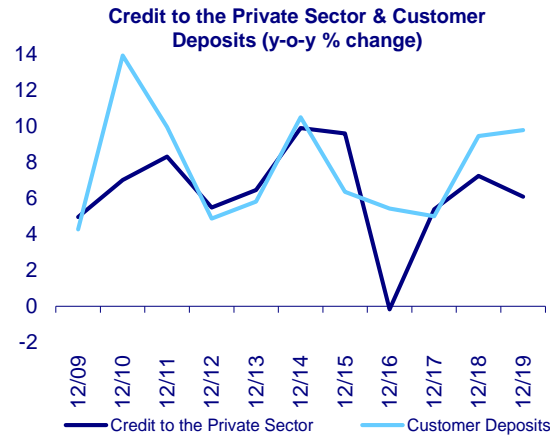
Worryingly, net exports are set to remain a drag on overall growth, reflecting weak global trade and the waning effects of the sharp TRY depreciation in 2018 on the one hand, and a further recovery in domestic demand, on the other. All said, in view of the strong carry-over from Q4:19 (2.1 pps), we see GDP growth rebounding to 4.2% in FY:19 from 0.9% in FY:18, below the Government's ambitious growth target of 5%.

Risks to our forecast are tilted to the downside, mainly reflecting geopolitical risks (note Turkey's deepening engagement in the Syria conflict) and a deeper-than-expected slowdown in external demand -- especially from the euro area -- and capital flows against the backdrop of increased uncertainty and market volatility due to the COVID-19 outbreak. Confirming the country's high risk profile, the TRY has lost c. 8% of its value against the USD over the past 3 months, despite reported interventions by state-owned banks, which makes it one of the worst performers worldwide. In this context, it is important for the CBRT to maintain a prudent stance and avoid excessive rate cuts.



North Macedonia

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



Credit expansion remained strong in FY:19, amid an improving operating environment. Growth in credit to the private sector eased to 6.1% y-o-y at end-2019 from a 3-year high of 7.2% at end-2018. The weaker performance was mainly the result of increased write-offs (especially of corporate loans) as of July, when the central bank (NBRNM) shortened the period during which banks can keep fully-12 provisioned NPLs on their balance sheet to 1 year (from 2 years previously). Adjusted for the impact of regulatory changes, we estimate credit expansion to have accelerated to c. 8.0% y-o-y at end-2019.

From a segment perspective, retail lending (accounting for c. 50% of total lending) remained the main driver (up 10.2% y-o-y at end-2019 following a broadly similar increase in 2018), with corporate lending expanding at a much slower pace (up 1.9% y-o-y – or c. 5.0% adjusted for write-offs -- at end-2019 against 4.5% at end-2018).

In our view, the strong pace of credit expansion is attributed to both demand and supply-side factors. Indeed, improved economic sentiment, following the finalisation of the name agreement with Greece, which is expected to open the door to the EU, together with low lending interest rates, reflecting not only the NBRNM's looser monetary policy but also stronger bank competition for market shares, have boosted demand for loans. At the same time, banks have eased credit standards to reflect: i) a strong capital base; ii) ample liquidity (the loan-to-deposit ratio stood at 88.1% at end-2019); as well as iii) low credit risk (the NPL ratio continued to decline, albeit at a slow pace, reaching 5.0% in September 2019 against a high of 12.5% in mid-2013). Against this backdrop, and in view of a moderate penetration rate (49.2% of GDP), we expect credit activity to gain momentum in the period ahead, sustaining economic growth.

Customer deposit growth maintained momentum in FY:19, due to improving confidence in the domestic economy and strong GDP growth. Deposit growth stood at 9.8% y-o-y at end-2019 -- broadly unchanged from end-2018 -- despite historically low remuneration rates (the blended deposit rate fell by 8 bps to 1.4%, on average, in FY:19).

Specifically, corporate deposits (accounting for c. 30% of total deposits) overperformed (up 14.6% y-o-y at end-2019 against an increase of 9.5% at end-2018), reflecting strong export growth and rising corporate profits. At the same time, retail deposits continued to expand at a robust pace (up 7.9% y-o-y at end-2019 against a rise of 9.5% at end-2018), supported by strong disposable income growth.

Residential real estate prices maintained their upward trend in FY:19. The House Price Index (HPI) rose by 3.3% in FY:19, marking the 2nd consecutive year of increase (up 2.6% in FY:18) after a long period of stagnation (2014-17). At current levels, the HPI is just 2% short of its 2011 peak. The recovery in the real estate market is underpinned by accelerating economic growth (up 3.5% in FY:19 against 2.7% in FY:18) and double-digit mortgage lending growth (up by a CAGR of 14.0% in FY:18-19). The latter was supported by declining interest rates and relaxed bank lending standards, on the back, *inter alia*, of easing credit risk. Indeed, the non-performing retail loans ratio is low and banks' recovery of real estate collateral has improved sharply, as pointed by banks' record low stock of foreclosed property assets (with a net book value of 1.0% of equity in September 2019 against a peak of 18.6% at end-2011). Note that the domestic real estate market appears to be relatively overvalued compared with other markets in the region, with the price-to-income ratio estimated at 12.7 against 11.8 for the SEE-4, suggesting little scope for a sustained future overperformance. All said, we expect residential real estate prices to continue their mild upward trend, growing broadly in line with inflation.

	2 Mar.	3-M F	6-M F	12-M F
1-m SKIBOR (%)	1.2	1.4	1.6	2.0
MKD/EUR	61.3	61.3	61.3	61.3
Sov. Spread (2021. bps)	185	177	170	160

	2 Mar.	1-W %	YTD %	2-Y %
MBI 100	4,855	-2.6	4.4	73.8

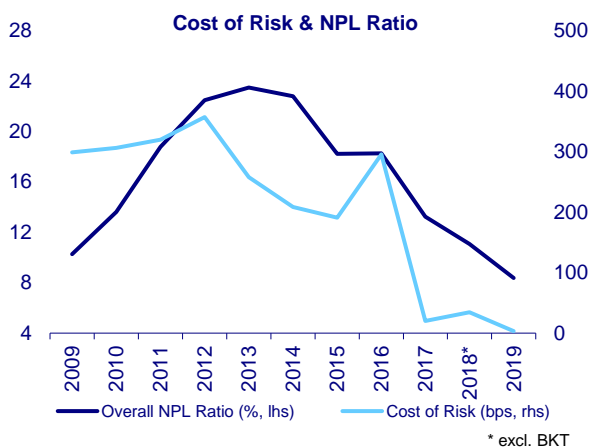
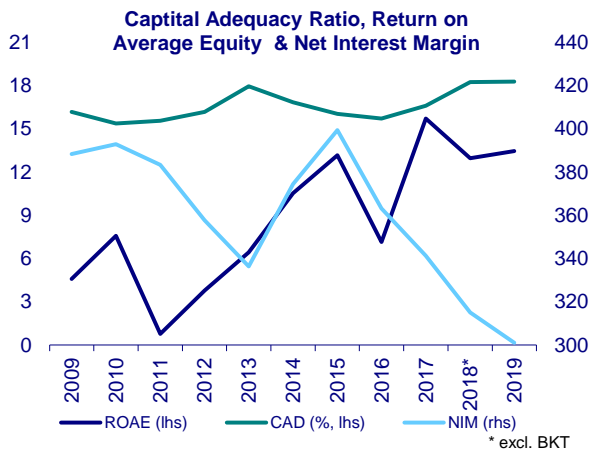
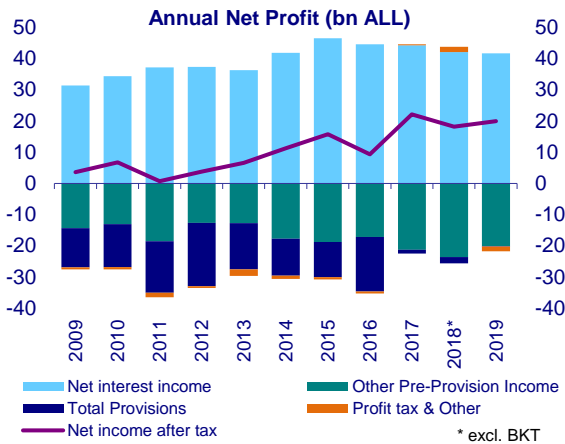
	2017	2018	2019F	2020F	2021F
Real GDP Growth (%)	1.1	2.7	3.5	3.5	3.3
Inflation (eop. %)	2.4	0.9	0.4	1.7	2.2
Cur. Acct. Bal. (% GDP)	-1.0	-0.1	-2.8	-2.3	-1.7
Fiscal Bal. (% GDP)	-2.7	-1.8	-2.0	-2.3	-2.0

Sources: Reuters, NBRNM & NBG estimates



Albania

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



	2 Mar.	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.3	1.3	1.3	1.3
ALL/EUR	122.8	121.7	121.6	121.5
Sov. Spread (bps)	226	215	205	190

Stock Market	2 Mar.	1-W %	YTD %	2-Y %
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	2017	2018	2019E	2020F	2021F
Real GDP Growth (%)	3.8	4.1	3.0	4.2	4.0
Inflation (eop, %)	1.8	1.8	1.1	1.5	1.8
Cur. Acct. Bal. (% GDP)	-7.5	-6.8	-7.3	-7.1	-6.9
Fiscal Bal. (% GDP)	-2.0	-1.6	-1.9	-2.5	-1.8

Sources: Reuters, BoA & NBG estimates

The banking sector's ROAE strengthened to 13.5% in FY:19, remaining in double digits for a 3rd consecutive year, due to lower provisioning. Net profit (after tax) increased by 9.6% to ALL 19.9bn (EUR 163.6mn or c. 1.2% of GDP) in FY:19, adjusted for the impact of the transformation of the National Commercial Bank's (BKT) Kosovo Branch into a subsidiary. As a result, ROAE and ROAA increased slightly to 13.5% and 1.5%, respectively, in FY:19 from 13.0% and 1.2% in FY:18.

Pre-provision income (PPI) improved in FY:19. After declining for 3 years, PPI picked up in FY:19 (adjusted for BKT, up 16.8%), driven by stronger net non-interest income (mainly gains from securities revaluation and, to a lesser extent, higher net fees and commissions) that more than offset the continued decline in net interest income (NII) and higher operating expenses (see below).

Specifically, NII (accounting for 75% of gross operating income) declined for a 4th consecutive year, albeit marginally (down 1.0% in FY:19 following a broadly similar drop in FY:18), as the increase in average interest earning assets (up 3.0% in FY:19) was more than offset by the continued compression of the Net Interest Margin (NIM, down 11 bps to a record low of 304 bps). The latter has been declining since 2016, reflecting: i) the narrowing of loan spreads at a faster pace than deposit spreads, in an environment of low interest rates and strong competition for market shares; as well as ii) the drop in domestic debt yields (the 12-month T-bill rate fell to a historic low of 1.6% in FY:19 from 2.0% in FY:18).

On the other hand, operating expenses continued to increase in FY:19 (up 3.5% -- well above the average inflation rate of 1.4% -- following a rise of 1.4% in FY:18), despite further consolidation in the sector (International Commercial Bank was acquired by Union Bank and Credit Bank of Albania was liquidated during FY:19).

All said, banking sector efficiency improved in FY:19, with the cost-to-income ratio declining by 2.9 pps to 60.9%, still above its historical average (c. 55.0%).

The cost of risk eased significantly in FY:19. P/L provisions decreased sharply in FY:19 (adjusted for BKT, to ALL 0.2bn from ALL 2.0bn in FY:18), absorbing just 0.8% of pre-provision earnings. The decline in provisioning costs was in line with the continued drop in the NPL ratio (down 2.7 pps y-o-y to a 10½-year low of 8.4% at end-2019 -- well below its post-crisis peak of 25.0% in Q3:14) and past overprovisioning. The sustained downward trend in the NPL ratio was underpinned by: i) strengthening activity and improved collection (reinforced by solid economic activity, rising wages ALL appreciation and persistently low interest rates); ii) credit restructuring (motivated by the BoA, which, in July 2019, allowed the out-of-court debt restructuring for large borrowers -- effective until end-2020); and iii) large write-offs following, *inter alia*, the BOA's regulation mandating the write-off of fully-provisioned loans held in "loss" category for more than 2 years (from 3 years previously). Note that a total of c. ALL 60bn in NPLs (equivalent to c. 45% of its end-2014 stock) has been written off banks' balance sheets since 2015.

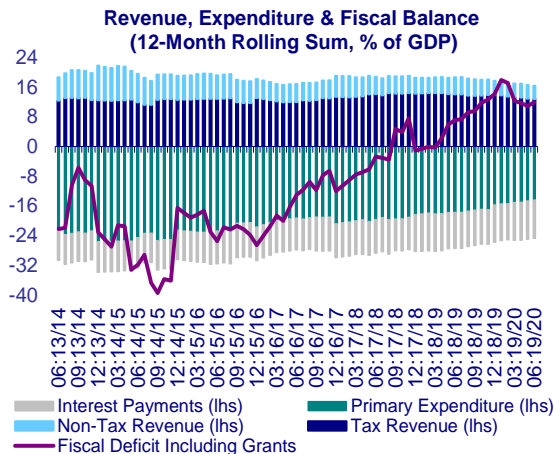
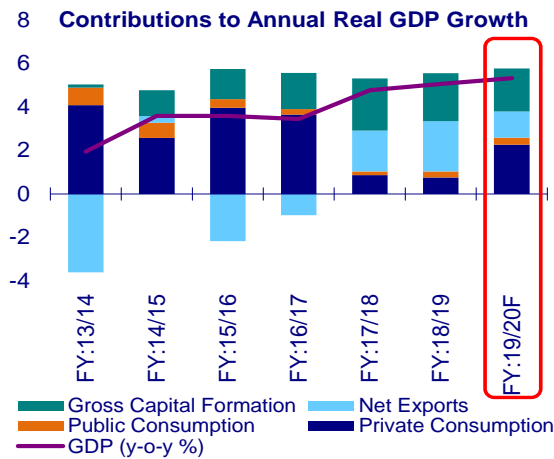
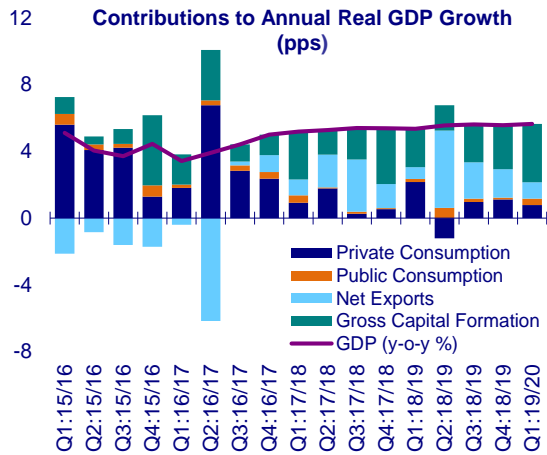
Despite the drop in provisioning costs, the NPL coverage ratio remained adequate at 59.9% at end-2019 -- albeit down from 67.9% at end-2018 -- broadly in line with the CESEE average (63.0%) and still well above that of the EU (c. 45.0%).

Overall, the banking sector is well capitalised (with a CAR of 18.2% -- above the regulatory floor of 12%) and liquid (with a total loans-to-total deposits ratio of just 53.8%), with little reliance on FX financing (the FX loans-to-FX deposits ratio stood at 48.0% at end-2019).



Egypt

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



	2 Mar.	3-M F	6-M F	12-M F
O/N Interbank Rate (%)	12.4	11.0	11.0	10.4
EGP/USD	15.6	15.9	16.1	16.5
Sov. Spread (2025, bps)	368	350	330	290

	2 Mar.	1-W %	YTD %	2-Y %
HERMES 100	1,110	-8.6	-13.5	-27.3

	16/17	17/18	18/19	19/20F	20/21F
Real GDP Growth (%)	4.2	5.3	5.6	5.8	6.0
Inflation (eop. %)	29.8	14.4	9.4	8.0	8.8
Cur. Acct. Bal. (% GDP)	-6.1	-2.4	-2.7	-2.7	-2.4
Fiscal Bal. (% GDP)	-10.9	-9.7	-8.1	-7.2	-6.5

Sources: Reuters, CBE, MoF & NBG estimates

GDP growth maintained its strong momentum in Q1:19/20. Activity grew by a solid 5.6% y-o-y in Q1:19/20 (July-September 2019), broadly unchanged from 5.7% in H2:18/19 (January-June 2019), as weaker net exports broadly offset the pick-up in gross capital formation (GCF).

Specifically, GCF grew by an 8-quarter high of 22.2% y-o-y in Q1:19/20 following a rise of 14.0% in H2:18/19 (with its contribution to overall GDP growth increasing to 3.5 pps in Q1:19/20 from 2.5 pps in H2:18/19), driven by large investments, especially in the oil, natural gas and construction sectors. Indeed, the steady implementation of the 2016-19 USD 12bn IMF arrangement, together with improved security conditions and several sovereign rating upgrades in H2:18/19 (by 1 notch by Fitch and Moody's to "B+" and "B2", respectively), have led to a sharp improvement in business confidence and the return of foreign investors.

Unsurprisingly, against the backdrop of strong import-intensive investment projects, on the one hand, and normalising export growth following the past years' overperformance (reflecting improved competitiveness after the mid-2016 FX market liberalisation, rising natural gas production at the Zohr field and the post-Revolution rebound in tourism activity), on the other hand, net exports' contribution to overall growth shrank in Q1:19/20 (to 1.0 pp from 2.0 pps in H2:18/19).

Activity should pick up slightly to a 12-year high of 5.8% this fiscal year (ending in June 2019) from 5.6% in FY:18/19 -- still above the economy's long-term potential (of 5.0%) for a 3rd successive year.

The structure of economic growth this year is expected to shift from investment and net exports to private consumption. Indeed, following an abrupt IMF-mandated adjustment over recent years, private consumption should rebound from a low base, reflecting a record low unemployment rate, easing inflation and a looser monetary policy. At the same time, albeit normalizing, growth in GCF should be sustained by the ongoing investments in the energy sector and public infrastructure. Worryingly, the contribution of net exports to overall growth is set to diminish further, as domestic demand strengthens and export growth moderates. Importantly, the expected cooperation with the IMF through a non-financing programme should anchor investor confidence. Downside risks to our forecast arise from the impact of the COVID-19 outbreak on tourism demand and Suez Canal receipts, due to the slowdown in international trade.

The (underlying) fiscal balance improved in H1:19/20. The budget deficit -- adjusted for the different timing of payments to Pension Funds (estimated at 0.8 pps of GDP) -- narrowed by c. 0.4 pps y-o-y to 3.1% of GDP in H1:19/20 (July-December 2019). The improvement was driven by the significant decline in expenditure (by c. 1.2 pps of GDP y-o-y) following the IMF-mandated phase-out of subsidies and social welfare payments (down 0.9 pps and 0.2 pps of GDP y-o-y, respectively). The fiscal performance would have been stronger had revenue not weakened in H1:19/20 (down 0.8 pps of GDP), mainly due to the impact of the strong appreciation of the EGP (by 9.6% y-o-y against the USD in H1:19/20) on revenue from custom and excise duties, VAT and Suez Canal receipts, as well as still subdued consumption.

The envisaged fiscal consolidation for this fiscal year -- 0.9 pps of GDP -- is on track. The 2019/20 Budget envisages fiscal tightening, for a 4th successive year, targeting (an 11-year low) deficit of 7.2% of GDP compared with the FY:18/19 outcome of 8.1%. Considering the y-t-d budget performance, the target appears to be attainable. The expected turnaround in tax revenue, in line with strengthening consumption and improving tax collection, together with a faster decline in interest payments (accounting for a sizeable 39% of total spending), on the back of the ongoing easing in monetary policy, should also help to this end.



FOREIGN EXCHANGE MARKETS, MARCH 2ND 2020

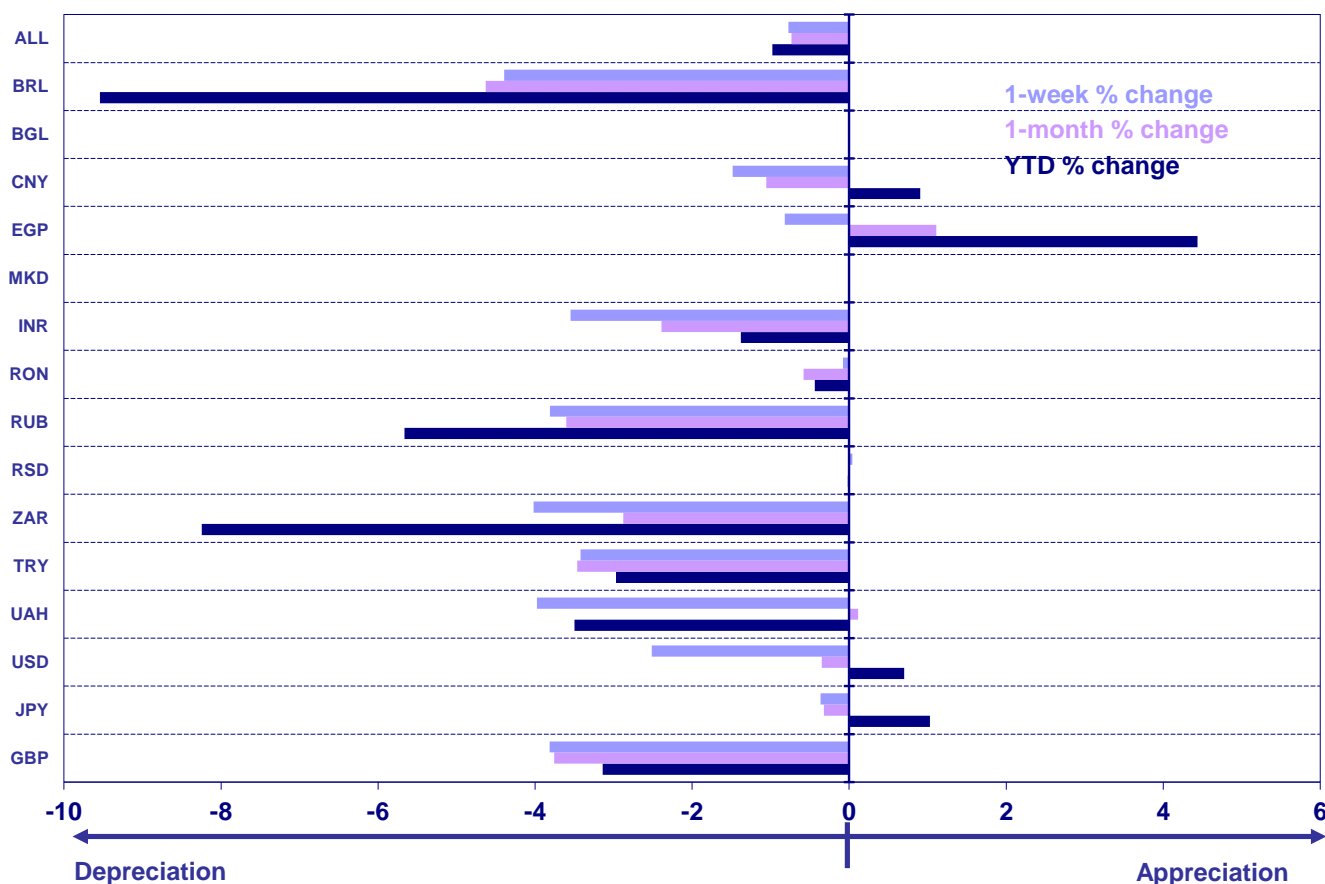
Against the EUR

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	122.8	-0.8	-0.7	-1.0	1.4	121.9	122.8	122.9	123.0	123.1	1.4	7.8
Brazil	BRL	4.98	-4.4	-4.6	-9.5	-14.1	4.48	5.02	---	---	5.19	-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	7.74	-1.5	-1.1	0.9	-1.8	7.54	7.83	---	---	7.96	0.6	-0.8
Egypt	EGP	17.16	-0.8	1.1	4.4	15.2	16.32	18.14	---	---	---	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	81.1	-3.5	-2.4	-1.4	-1.0	77.2	81.5	---	---	---	-0.3	-3.9
Romania	RON	4.81	-0.1	-0.6	-0.4	-1.4	4.76	4.82	4.84	4.89	4.97	-2.8	0.6
Russia	RUB	73.6	-3.8	-3.6	-5.7	1.2	67.7	75.0	75.0	76.2	78.6	15.1	-13.4
Serbia	RSD	117.5	0.0	0.0	0.0	0.4	117.5	117.6	117.7	117.9	---	0.6	0.2
S. Africa	ZAR	17.1	-4.0	-2.9	-8.2	-5.9	15.61	17.50	17.5	17.8	18.4	4.8	-9.9
Turkey	YTL	6.87	-3.4	-3.5	-3.0	-11.4	6.51	6.96	7.14	7.40	7.98	-9.2	-24.9
Ukraine	UAH	27.7	-4.0	0.1	-3.5	10.7	26.35	27.82	---	---	---	18.6	6.0
US	USD	1.11	-2.5	-0.4	0.7	1.8	1.1	1.1	1.12	1.12	1.13	4.6	0.7
JAPAN	JPY	120.6	-0.4	-0.3	1.0	5.1	118.4	122.9	120.7	120.7	120.8	7.5	0.6
UK	GBP	0.87	-3.8	-3.8	-3.1	-1.4	0.8	0.9	0.87	0.88	0.88	-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 (March 2nd 2020)



Sources: Reuters & NBG estimates



MONEY MARKETS, MARCH 2ND 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
O/N	1.1	4.1	0.0	1.7	---	12.4	---	---	2.6	7.3	---	10.8	7.3	10.8	---	1.6
T/N	---	---	---	---	---	12.6	---	---	2.6	6.5	1.1	---	7.5	---	---	---
S/W	1.1	4.1	---	2.1	-0.5	12.6	1.0	---	---	6.6	1.1	---	7.5	11.1	-0.5	1.6
1-Month	1.3	4.1	---	2.3	-0.5	---	1.2	5.6	2.7	6.6	1.3	10.3	7.0	13.3	-0.5	1.4
2-Month	---	4.1	---	---	---	---	---	---	---	7.1	1.4	10.3	7.0	---	---	1.3
3-Month	1.5	4.1	---	2.4	---	---	1.3	5.8	2.9	6.4	1.6	10.3	7.0	14.5	---	1.3
6-Month	1.6	4.1	---	2.5	---	---	1.5	---	3.1	6.4	1.8	10.3	7.0	---	---	1.2
1-Year	2.0	4.1	---	2.7	-0.1	---	1.8	---	3.2	6.5	---	10.3	7.1	---	-0.1	1.2

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

LOCAL DEBT MARKETS, MARCH 2ND 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
3-Month	---	---	---	---	---	14.3	1.6	5.1	---	5.8	---	10.6	---	9.4	-0.6	1.2
6-Month	---	---	---	---	---	13.8	2.3	5.2	3.2	5.9	3.3	11.1	---	9.8	-0.6	1.0
12-Month	1.9	---	0.0	2.1	---	14.1	2.6	5.2	3.1	5.7	1.9	12.2	---	9.9	-0.7	0.9
2-Year	---	---	---	2.3	---	---	2.8	5.4	3.3	5.7	---	12.0	6.4	10.0	-0.8	0.8
3-Year	2.7	---	0.0	2.4	-0.1	---	2.7	5.6	3.4	5.8	---	12.0	7.1	10.1	-0.8	0.8
5-Year	---	5.8	---	2.5	0.0	13.7	2.7	5.8	3.7	6.2	2.6	12.4	8.2	10.0	-0.8	0.9
7-Year	---	---	0.1	---	0.3	13.7	---	6.5	3.6	6.2	---	---	---	10.0	-0.8	1.0
10-Year	---	6.6	0.3	2.8	---	13.7	3.9	6.3	4.1	6.5	---	12.4	9.2	---	-0.6	1.1
15-Year	---	---	---	---	---	---	4.3	6.8	---	6.7	---	---	9.9	---	-0.5	---
25-Year	---	---	---	---	---	---	---	---	---	---	---	---	10.3	---	---	---
30-Year	---	---	---	---	---	---	---	6.8	---	---	---	---	10.3	---	-0.2	1.6

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

CORPORATE BONDS SUMMARY, MARCH 2ND 2020

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Bulgaria							
	Bulgaria Energy Hold EAD 4.875% '21	NA/NA	2/8/2021	550	0.6	131	115
South Africa							
	Standard Bank of S. Africa Ltd '23	BB/Baa3	15/8/2023	7	2.5	119	113
Romania							
	Banca Transylvania SA 3.419% '28	NA/NA	28/6/2028	285	N/A	N/A	N/A
	Arcelik AS 3.875% '21	BB+/NA	16/9/2021	350	2.7	350	323
	Garanti Bank 5.25% '22	NA/Ba3	13/9/2022	750	5.1	431	420
	Turkiye Is Bankasi 6% '22	NA/B2	24/10/2022	1,000	4.9	416	411
Turkey							
	Vakifbank 5.75% '23	NA/B1	30/1/2023	650	6.2	542	524
	TSKB 5.5% '23	NA/B2	16/1/2023	350	6.4	557	534
	Petkim 5.875% '23	NA/B1	26/1/2023	500	6.1	526	510
	Koc Holding 5.25% '23	BBB-/Ba2	15/3/2023	750	4.8	386	377

CREDIT DEFAULT SWAP SPREADS, MARCH 2ND 2020

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine
5-Year	---	125	42	49	100	324	---	75	72	81	98	359	198	372
10-Year	---	204	92	86	113	384	---	83	114	143	122	405	269	393

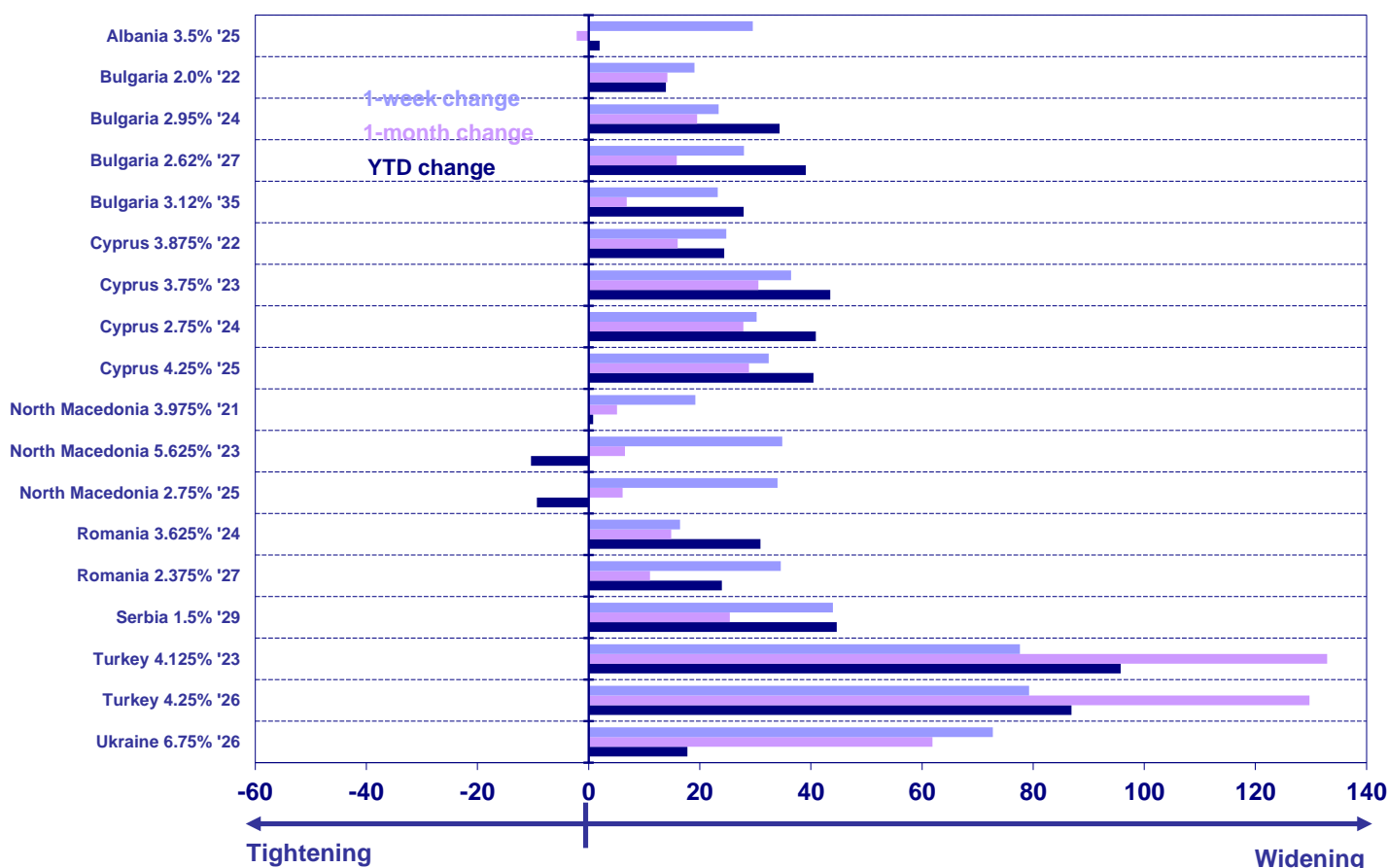
Sources: Reuters & NBG estimates



EUR-DENOMINATED SOVEREIGN EUROBOND SUMMARY, MARCH 2ND 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	1.5	226	196
Bulgaria 2.0% '22	EUR	BBB-/Baa2	26/3/2022	1,250	-0.2	62	30
Bulgaria 2.95% '24	EUR	BBB-/Baa2	3/9/2024	1,493	0.0	81	46
Bulgaria 2.62% '27	EUR	BBB-/Baa2	26/3/2027	1,000	0.1	89	52
Bulgaria 1.12% '35	EUR	BBB-/Baa2	26/3/2035	900	0.8	128	93
Cyprus 1.875% '22	EUR	NA/Baa2	6/5/2022	1,000	-0.1	77	43
Cyprus 1.75% '23	EUR	NA/Baa2	26/7/2023	1,000	0.2	101	63
Cyprus 2.75% '24	EUR	NA/Baa2	27/6/2024	850	0.2	97	65
Cyprus 4.25% '25	EUR	NA/Baa2	4/11/2025	1,000	0.3	109	77
FYROM 1.975% '21	EUR	BB-/NA	24/7/2021	500	0.4	118	566
FYROM 5.625% '23	EUR	BB-/NA	26/7/2023	450	0.8	161	135
FYROM 2.75% '25	EUR	BB-/NA	18/1/2025	500	1.1	185	153
Romania 1.625% '24	EUR	BBB-/BBB-	24/4/2024	1,250	0.3	105	74
Romania 2.375% '27	EUR	BBB-/BBB-	19/4/2027	2,000	0.9	164	128
Serbia 1.5% '29	EUR	BB/Baa3	26/6/2029	1,550	1.3	194	151
Turkey 4.125% '23	EUR	NR/Baa3	11/4/2023	1,000	3.0	380	347
Turkey 5.2% '26	EUR	NA/Baa3	16/2/2026	1,500	6.0	493	466
Ukraine 6.75% '26	EUR	B-/Caa2	20/6/2026	1,000	4.3	510	499

EUR-Denominated Eurobond Spreads (March 2nd 2020)



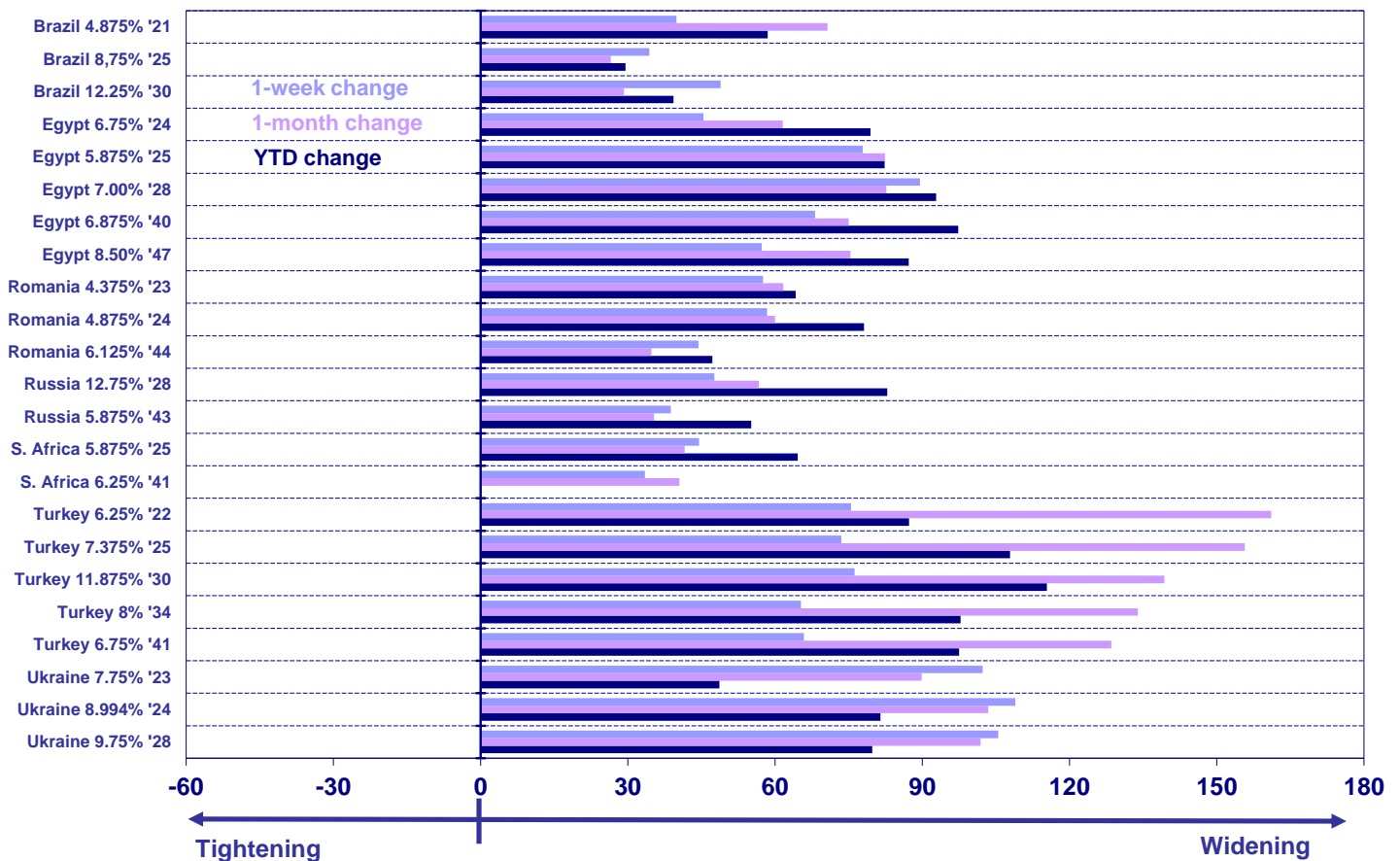
Sources: Reuters & NBG estimates



USD-DENOMINATED SOVEREIGN EUROBOND SUMMARY, MARCH 2ND 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	2.0	111	99
Brazil 8.75% '25	USD	NA/Ba2	4/2/2025	688	2.3	143	158
Brazil 12.25% '30	USD	NA/Ba2	6/3/2030	238	N/A	267	372
Egypt 6.75% '24	USD	NA/B2	10/11/2024	1,320	4.4	351	360
Egypt 5.875% '25	USD	B/B2	11/6/2025	1,500	4.6	368	365
Egypt 7.00% '28	USD	NA/B2	10/11/2028	1,320	6.0	493	510
Egypt 6.875% '40	USD	B/B2	30/4/2040	500	7.1	542	566
Egypt 8.50% '47	USD	NA/B2	31/1/2047	2,500	7.7	603	671
Romania 4.375% '23	USD	BBB-/BBB-	22/8/2023	1,500	2.3	150	146
Romania 4.875% '24	USD	BBB-/BBB-	22/1/2024	1,000	2.3	144	142
Romania 6.125% '44	USD	BBB-/BBB-	22/1/2044	1,000	3.9	229	319
Russia 12.75% '28	USD	BBB-/Baa3	24/6/2028	2,500	2.9	189	259
Russia 5.875% '43	USD	BBB-/Baa3	16/9/2043	1,500	3.5	186	273
S. Africa 5.875% '25	USD	BB/Baa3	16/9/2025	2,000	3.8	286	288
S. Africa 6.25% '41	USD	BB/Baa3	8/3/2041	750	5.6	391	442
Turkey 6.25% '22	USD	NR/Ba3	26/9/2022	2,500	4.8	386	381
Turkey 7.375% '25	USD	NR/Ba3	5/2/2025	3,250	5.7	471	475
Turkey 11.875% '30	USD	NR/Ba3	15/1/2030	1,500	6.5	534	652
Turkey 8% '34	USD	NR/Ba3	14/2/2034	1,500	6.7	551	572
Turkey 6.75% '41	USD	NR/Ba3	14/1/2041	3,000	6.9	521	518
Ukraine 7.75% '23	USD	B-/Caa1	1/9/2023	1,355	4.9	412	419
Ukraine 8.994% '24	USD	B-/Caa1	1/2/2024	750	5.5	466	483
Ukraine 9.75% '28	USD	B-/Caa1	1/11/2028	1,600	6.6	558	623

USD-Denominated Eurobond Spreads (March 2nd 2020)



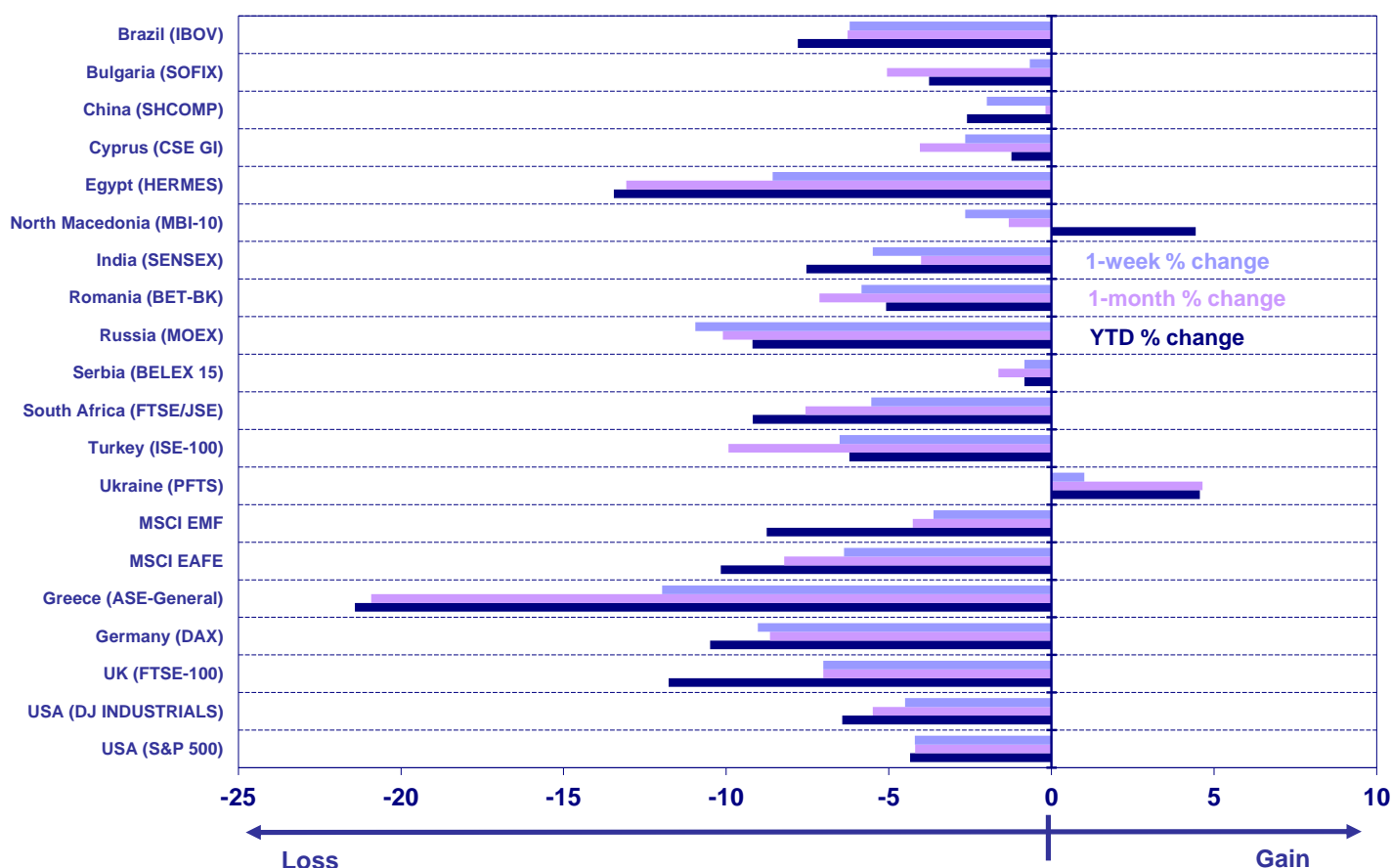
Sources: Reuters & NBG estimates



STOCK MARKETS PERFORMANCE, MARCH 2ND 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	
Brazil (IBOV)	106,625	-6.2	-6.3	-7.8	12.7	99,951	119,593	-16.7	31.6	0.8	15.0	2.5
Bulgaria (SOFIX)	547	-0.7	-5.1	-3.8	-6.5	522	587	-3.8	-4.4	-4.4	-12.3	-12.3
China (SHCOMP)	2,971	-2.0	-0.2	-2.6	-1.9	2,685	3,127	-1.9	22.3	0.8	-24.6	-25.2
Cyprus (CSE GI)	64	-2.7	-4.0	-1.2	0.3	63	68	-1.2	-2.6	-2.6	-3.9	-3.9
Egypt (HERMES)	1,110	-8.6	-13.1	-13.5	-22.2	1,104	1,290	-9.6	0.4	0.8	-11.1	-11.1
North Macedonia (MBI)	4,855	-2.6	-1.3	4.4	32.4	4,617	5,007	4.4	34.0	34.0	36.6	36.6
India (SENSEX)	38,144	-5.5	-4.0	-7.5	5.8	35,988	42,274	-8.8	14.4	0.9	5.9	1.6
Romania (BET-BK)	1,796	-5.8	-7.1	-5.1	17.2	1,394	1,979	-5.6	29.7	0.9	-11.6	-11.1
Russia (MOEX)	2,766	-11.0	-10.1	-9.2	11.8	2,714	3,227	-14.4	30.8	0.8	10.3	-3.9
Serbia (BELEX-15)	795	-0.8	-1.6	-0.8	14.6	783	819	-0.9	5.3	0.8	0.2	0.5
South Africa (FTSE/JSE)	51,840	-5.5	-7.6	-9.2	-7.8	50,875	59,105	-16.7	8.2	0.9	-11.4	-20.1
Turkey (ISE 100)	107,310	-6.5	-9.9	-6.2	3.0	99,332	124,537	-9.0	25.4	0.9	-20.9	-40.5
Ukraine (PFTS)	533	1.0	4.6	4.6	-4.2	504	534	0.2	-8.9	0.8	77.5	88.1
MSCI EMF	1,017	-3.6	-4.3	-8.8	-3.5	999	1,151	-8.1	15.4	0.9	-16.6	-12.8
MSCI EAFE	1,830	-6.4	-8.2	-10.2	-2.6	1,810	2,058	-9.5	18.4	0.9	-16.1	-12.3
Greece (ASE-General)	720	-12.0	-20.9	-21.4	2.3	719	949	-21.4	49.5	49.5	-23.6	-23.6
Germany (XETRA DAX)	11,858	-9.0	-8.7	-10.5	2.3	11,625	13,795	-10.5	25.5	25.5	-18.3	-18.3
UK (FTSE-100)	6,655	-7.0	-8.7	-11.8	-6.7	6,460	7,690	-14.5	12.1	0.9	-12.5	-13.5
USA (DJ INDUSTRIALS)	26,703	-4.5	-5.5	-6.4	3.4	24,681	29,569	-5.8	22.3	0.9	-5.6	-1.3
USA (S&P 500)	3,090	-4.2	-4.2	-4.4	10.6	2,856	3,394	-3.7	28.9	0.9	-6.2	-1.9

Equity Indices (March 2nd 2020)



Sources: Reuters & NBG estimates



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