



NBG - Economic Analysis Division

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Emerging Markets Analysis

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TURKEY 1

The fiscal deficit widened significantly by 0.3 pps y-o-y to 0.9% of GDP in Q1:19, mainly on the back of higher primary spending ahead of the end-March local elections

External rebalancing continued, for an eighth consecutive month, in February, with the 12-month rolling current account deficit declining to a 9-year low of 2.2% of GDP from 3.6% in December and a 6-year high of 7.1% in June

Though weakening on an annual basis in the first 2 months of the year, the capital and financial account covered the current account deficit and boosted FX reserves

ROMANIA 2

Tax hikes, higher volatile food and energy prices as well as a weaker RON pushed up headline inflation to 4.0% y-o-y in March from 3.3% at end-2018

The NBR remains on hold

BULGARIA 3

The ruling GERB party is shaken by corruption scandals

Headline inflation rose to 3.6% y-o-y in March from 2.7% at end-2018, mainly on the back of higher volatile food prices

SERBIA 4

Headline inflation rose to a 15-month high (of 2.8% y-o-y) in March, reflecting unfavourable fruit & vegetable prices

The benign inflation outlook should strengthen the NBS' hand to lower its central rate by 25 bps to an all-time low of 2.75% in the summer

NORTH MACEDONIA 5

No candidate secured an outright victory in the first round of Presidential elections; the May 5th run-off outcome will be deemed valid only if the turnout exceeds the threshold of 40% of registered voters

Headline inflation rose to 1.4% y-o-y in March from 0.9% at end-2018, driven by higher volatile food and energy inflation

The Central Bank is likely to maintain its key rate unchanged at a record low of 2.25% throughout the rest of the year

ALBANIA 6

Headline inflation declined sharply to a 3-year low of 1.1% y-o-y in March, mainly due to a downside correction in volatile prices of fruit & vegetables

The BoA is set to maintain its key rate on hold at a record low of 1.0% this year

CYPRUS 7

Headline inflation declined modestly from 1.7% y-o-y at end-2018 to 1.4% in March, on the back of softer energy inflation

The current account deficit narrowed by 1.4 pps to 7.0% of GDP in FY:18, due to a less unfavourable ship trade balance

EGYPT 8

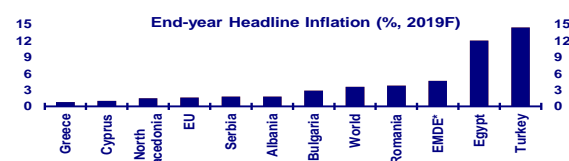
President el-Sissi could remain in office until 2030

Moody's upgrades Egypt's sovereign credit rating by one notch to B2 -- 5 notches below investment grade

APPENDIX: FINANCIAL MARKETS 9



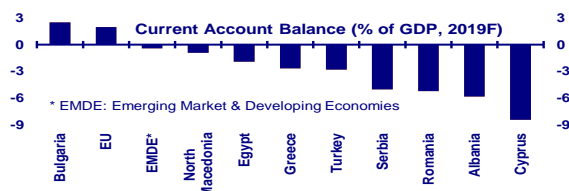
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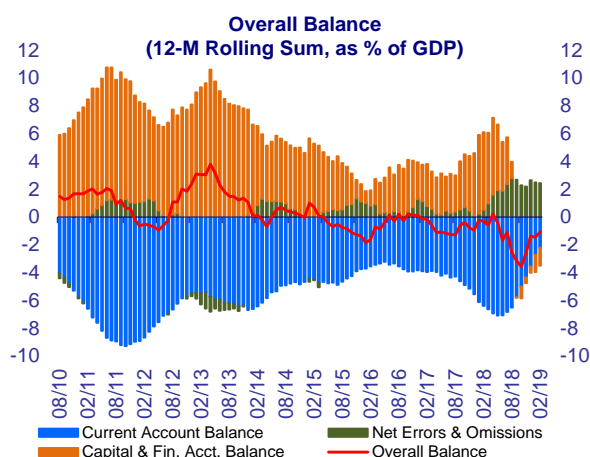
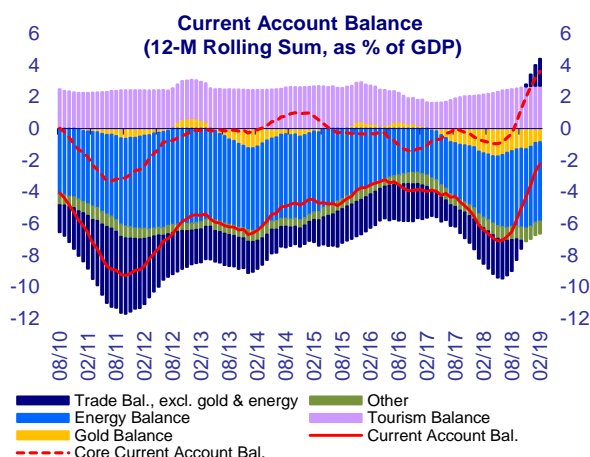
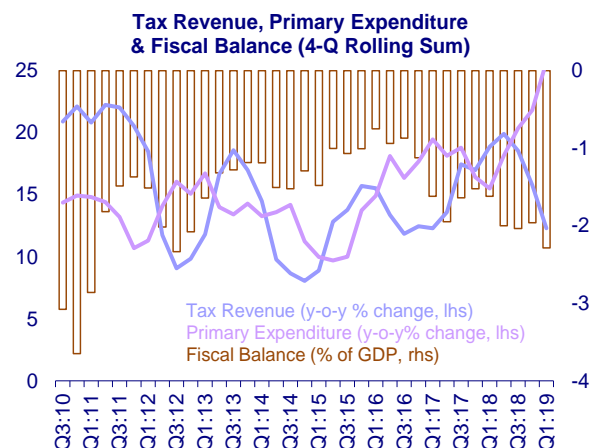
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Turkey

BB- / Ba2 / BB (S&P / Moody's / Fitch)



	22 Apr.	3-M F	6-M F	12-M F
1-m TRIBOR (%)	25.5	23.5	22.0	18.5
TRY/EUR	6.55	6.60	6.70	6.80
Sov. Spread (2025, bps)	516	420	380	340

	22 Apr.	1-W %	YTD %	2-Y %
ISE 100	95,953	0.8	6.1	3.8

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.2	7.4	2.6	0.2	3.0
Inflation (eop, %)	8.5	11.9	20.3	14.5	11.5
Cur. Acct. Bal. (% GDP)	-3.8	-5.6	-3.6	-2.8	-3.6
Fiscal Bal. (% GDP)	-1.1	-1.5	-1.9	-3.0	-3.0

The fiscal deficit widened significantly by 0.3 pps y-o-y to 0.9% of GDP in Q1:19, mainly on the back of higher primary spending ahead of the end-March local elections. The fiscal balance deteriorated by 0.3 pps y-o-y to a deficit of 0.9% of GDP in Q1:19, due to a significant rise in expenditure (up 0.8 pps of GDP y-o-y) and, to a lesser extent, a decline in tax revenue (down 0.4 pps of GDP y-o-y). The deterioration in Q1:19 would have been sharper had non-tax revenue not risen sharply (up 0.9 pps of GDP y-o-y), due to early profit transfers by the CBRT to the Treasury (usually occurring in April). Note that this year's transfer was far higher than that envisaged in the budget (0.5% of GDP) and the past year's outcome (0.3% of GDP). Specifically, primary expenditure rose by 0.6 pps of GDP y-o-y, due to a higher wage bill, as well as increased: i) capital expenditure; ii) transfers to social security funds; iii) capital transfers; and iv) lending to public enterprises; ahead of the end-March local elections, while the interest bill rose by 0.2 pps of GDP y-o-y, mainly reflecting higher funding costs. On the other hand, tax revenue declined, due to the ongoing recession and, to a lesser extent, the extension to end-Q1:19 of the temporary tax cuts on white goods, automobiles and furniture -- initially envisaged for the last 2 months of 2018.

The FY:19 fiscal deficit target of 1.8% of GDP is out of reach. Despite the higher-than-budgeted transfer of CBRT profits to the Treasury and the extension of tax and illegal construction amnesties, the FY:19 fiscal deficit target appears overly optimistic in view of the Q1:19 outcome, weaker-than-projected economic growth and unsupportive base effects (the impressive one-off non-tax revenue of 1.4% of GDP from tax and illegal construction amnesties and the paid military service in FY:18). Overall, in the absence of corrective measures, we see the FY:19 deficit surpassing 3.0% of GDP -- above its target of 1.8% and the FY:18 outcome of 1.9%.

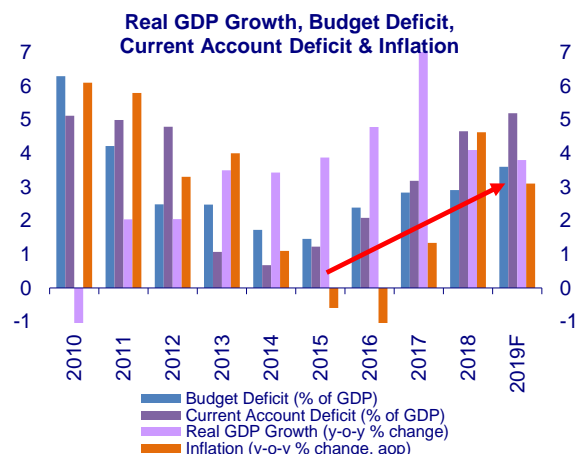
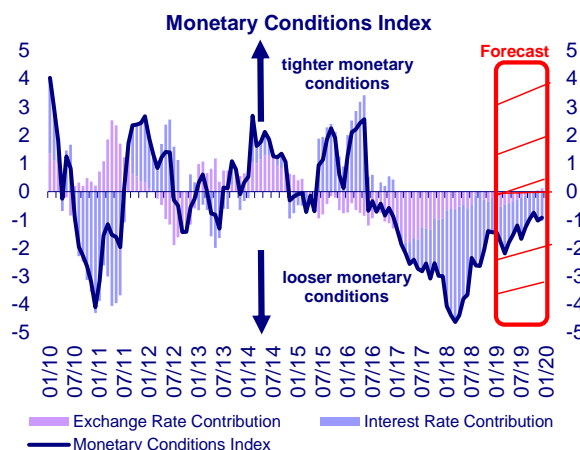
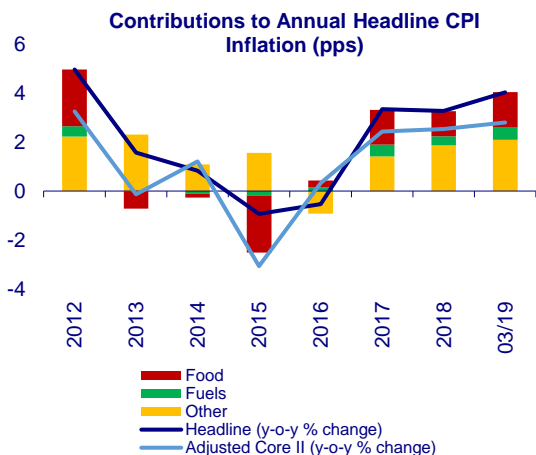
External rebalancing continued for an eighth consecutive month in February, with the 12-month rolling current account deficit (CAD) declining to a 9-year low of 2.2% of GDP from 3.6% in December and a 6-year high of 7.1% in June. The decline in the 12-month rolling CAD since June 2018 (by 4.8 pps of GDP y-o-y) was driven by a stronger underlying current account balance (excluding energy and gold, up 4.5 pps of GDP y-o-y), reflecting decelerating domestic demand, more competitive Turkish goods in global markets, buoyant tourism activity and, to a lesser extent, the favourable gold balance (up 0.8 pps of GDP y-o-y), stemming from a normalization in gold imports. Not surprisingly, the energy balance deteriorated (by 0.5 pps of GDP y-o-y), due to higher global oil prices.

Looking ahead, we expect the external adjustment to reverse course in H2:19, with the recovery of economic activity. We see the CAD easing to 2.8% of GDP in FY:19 from 3.6% in FY:18.

Though weakening on an annual basis in the first 2 months of the year, the capital and financial account (CFA) covered the CAD and boosted FX reserves. The CFA balance deteriorated by 0.8 pps y-o-y to a surplus of 1.1% of GDP in the first 2 months of the year, reflecting elevated uncertainty ahead of the end-March local elections. The deterioration of the CFA would have been even sharper had (net) FDI inflows not strengthened (up 0.2 pps of GDP y-o-y), exclusively due to higher non-resident real estate investments stemming from a sharp decline in house prices in USD terms. However, despite its weaker performance in 2M:19, the CFA surplus not only covered the CAD (0.2% of GDP), but also boosted gross FX reserves (up USD 7.0bn y-t-d to a 7-month high of USD 100.0bn in February (5.2 months of imports of GNFS and 146.0% of the stock of short-term external debt excluding trade credits).

Romania

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



	22 Apr.	3-M F	6-M F	12-M F
1-m ROBOR (%)	3.4	3.0	3.0	3.0
RON/EUR	4.75	4.80	4.82	4.85
Sov. Spread (2024, bps)	135	130	120	110

	22 Apr.	1-W %	YTD %	2-Y %	
BET-BK	1,597	0.8	9.6	3.5	
	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	4.8	7.0	4.1	3.8	3.4
Inflation (eop, %)	-0.5	3.3	3.3	3.8	3.2
Cur. Acct. Bal. (% GDP)	-2.1	-3.2	-4.6	-5.2	-5.5
Fiscal Bal. (% GDP)	-2.4	-2.8	-2.9	-3.6	-3.8

Tax hikes, higher volatile food and energy prices, as well as a weaker RON, pushed up headline inflation to 4.0% y-o-y in March from 3.3% at end-2018. Food prices accelerated in March (to 4.5% y-o-y from 3.1% at end-2018), mainly due to negative supply-side effects from bad weather conditions. The rise in tobacco inflation (up 9.2% y-o-y in March against 4.9% at end-2018), on the back of the hike in the underlying excise duty, also added to inflationary pressures. Moreover, fuel inflation strengthened modestly in March (up 6.2% y-o-y against 4.6% at end-2018), in line with developments in global oil markets. Adjusting for volatile food, energy and regulated prices, core II inflation picked up in March (to 2.7% y-o-y in March from 2.5% at end-2018), reflecting the depreciation of the RON (down 2.2% y-t-d against the EUR), as well as the adjustment in phone bills, in view of a forthcoming levy of a turnover tax on telecommunication companies.

Headline inflation is set to remain elevated by end-year, breaching the upper band of the NBR's target range (2.5±1%). Looking ahead, strong demand-side pressures, on the back, *inter alia*, of a large fiscal impulse (see below), should push up core inflation further. The latter should be broadly offset, however, by easing energy inflation, on the back of the stabilization in global oil prices at current levels and a positive base effect (c. 0.3 pps) from the hike in gas and electricity prices in Q2-Q4:18. The envisaged normalization in volatile food prices should also help. All said, we see headline inflation at 3.8% y-o-y at end-year, with adjusted core II inflation trailing behind at 3.2%.

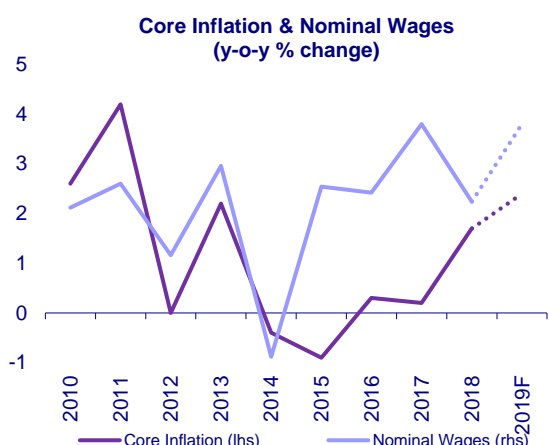
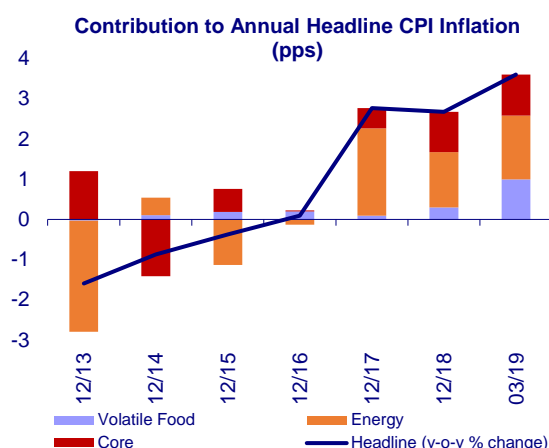
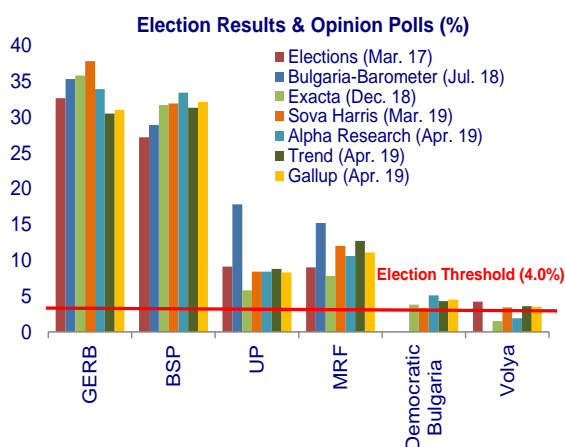
The NBR remains on hold. At its April meeting, the NBR Board maintained its 2-week repo rate unchanged at 2.5%. Recall that the NBR raised its key rate by 75 bps in H1:18 and has remained on hold since then, engaging, at the same time, in active liquidity management, mainly with a view to containing the exchange rate. In this context, and in light of the ongoing pressure on the RON, the banking system's liquidity position has moved into a deficit since February, reflecting, *inter alia*, large unsterilized FX interventions by the NBR (estimated at EUR 2.5bn in Q1:19). As a result, money market rates have rebounded and are now close to the NBR's lending facility rate (i.e. 100 bps over the key rate). Nevertheless, in real *ex-post* terms, market rates remain relatively low (-0.6% on a 1-month basis against a historical 7-year average of 0.8%), suggesting that monetary conditions are still loose.

The NBR needs to raise rates further to attenuate overheating pressures. Indeed, the economy still appears overheated, with GDP growth well above its long-term potential (of c. 3.0%) for a 7th consecutive year, headline inflation elevated and the current account deficit up sharply (to a projected 5.2% of GDP in FY:19 from a low of 0.4% in FY:14). More worryingly, FX reserves have been declining and are now close to critical levels (currently covering slightly more than 3 months of GNFS imports). At the same time, fiscal policy remains expansionary (under no policy change, the budget deficit is set to widen to 3.6% of GDP in FY:19 -- above the EU threshold of 3.0% -- from 2.9% in FY:18 and a low of 1.5% in FY:15).

Against this backdrop, the NBR appears to be significantly behind the curve. Our "Taylor rule" estimates suggest that rates should be raised to 4.5% from 2.5% currently to address these challenges. Importantly, following the decoupling of the new bank tax from the evolution of ROBOR, the NBR has room for manoeuvre in monetary policy. However, in view of the authorities' reluctance to proceed with aggressive rate hikes, especially in the context of limited or no tightening by other central banks in the region, we expect the NBR to tighten its stance gradually. Overall, we see the NBR hiking its key rate by 50 bps to 3.0% by end-2019.

Bulgaria

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



	22 Apr.	3-M F	6-M F	12-M F
Base Interest Rate (%)	0.0	0.0	0.0	0.1
BGN/EUR	1.96	1.96	1.96	1.96
Sov. Spread (2022, bps)	48	45	43	40

	22 Apr.	1-W %	YTD %	2-Y %
SOFIX	575	0.0	-3.2	-12.6

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.9	3.8	3.1	3.6	3.2
Inflation (eop, %)	0.1	2.8	2.7	2.9	2.7
Cur. Acct. Bal. (% GDP)	2.6	6.5	4.6	2.5	1.8
Fiscal Bal. (% GDP)	1.6	0.8	0.1	-0.5	-0.5

The ruling GERB party is shaken by corruption scandals. A number of high-ranked officials from the GERB, including T. Tsvetanov, Vice-President of the party and head of its parliamentary group, T. Tsacheva, Minister of Justice, and two deputy ministers, recently resigned from Parliament in a scandal over purchases of luxurious apartments at favourable prices. At the same time, another deputy minister of the GERB resigned amid an investigation over misuse of EU funds.

The scandals appear to have affected the popularity of the centre-right GERB, which saw its lead over its main rival, the centre-left BSP, weaken in the latest opinion polls. The BSP, which has been boycotting Parliament sessions since mid-February, reiterated its call for early elections, accusing the Government of failing to fight high-level corruption. On the other hand, the junior partner in the ruling coalition, the nationalist United Patriots alliance (UP), continues to support the GERB.

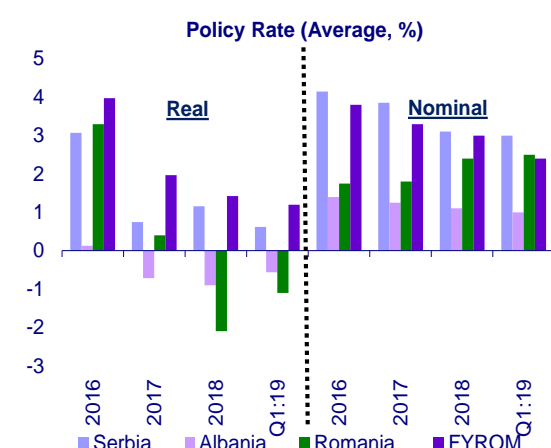
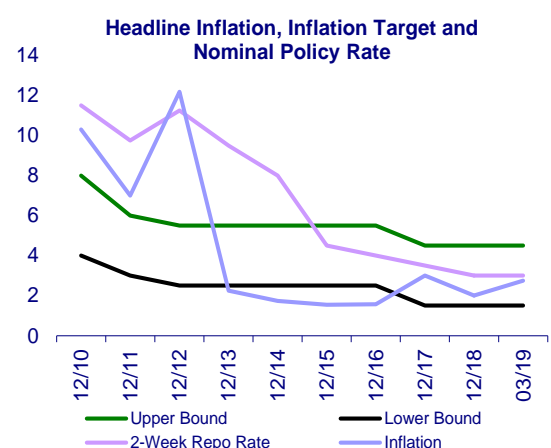
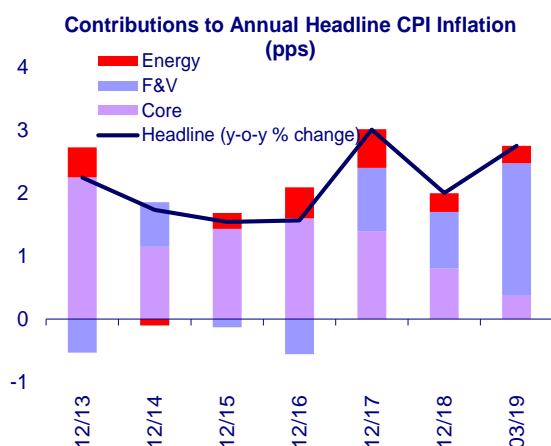
In this context, the elections for the European Parliament (EP), scheduled for May 26th, are seen as a litmus test for the viability of the Government. Recall that the ruling coalition is mired by tensions not only between the two partners, but also within the UP alliance. Indeed, disagreements between the UP and the GERB have arisen over a series of issues, including the reform of the electoral code, immigration policy and minority rights, as well as the orientation of Bulgaria's foreign policy (the UP has a pro-Russian stance, which is in contrast to the GERB's firm pro-EU position). At the same time, conflicts within the UP alliance have been heightened, with its three constituent parties registering separately for the upcoming elections for the EP. All said, political noise is set to be elevated in the period ahead, affecting policy implementation and hurting economic sentiment. Note that the next legislative elections are due in early-2021.

Headline inflation rose to 3.6% y-o-y in March from 2.7% at end-2018, mainly on the back of higher volatile food prices. Volatile food inflation rose sharply in March (to 16.3% y-o-y from 5.0% at end-2018), mainly due to negative supply-side effects from adverse weather conditions in Q1:19. Energy inflation also picked up in March, albeit modestly (up 4.4% y-o-y against 3.8% at end-2018), in line with developments in global oil markets. Adjusting for volatile food and energy prices, core inflation (comprising a sizeable 75% of the CPI basket) was contained in March (up 1.8% y-o-y against 1.7% at end-2018), held back by poor consumer confidence (according to Eurostat, the relevant indicator dropped further to -26.0 in Q1:19 from -24.8 in Q4:18 and -18.5 in 9M:18).

Headline inflation is set to ease modestly by end-year, while at the same time, core inflation should pick up. Looking ahead, the envisaged normalization in volatile food prices, combined with the stabilization in global oil prices at current prices and a positive base effect from the hikes in regulated energy prices in Q2-Q4:18 (which added 0.4 pps to headline inflation), should more than compensate for stronger demand-side pressures. Indeed, we expect core inflation to gradually embark on an upward trend, as the impact of the ongoing easing in incomes policy (public sector wages were raised across-the-board by 10% in January and pensions are set to rise by 5.7% in July), amid particularly tight labour market conditions (seasonally-adjusted unemployment fell to a historical low of 4.9% in Q4:18), feeds into domestic demand. All said, we see headline inflation easing to 2.9% y-o-y at end-2019, slightly higher than its end-2018 outcome. At the same time, core inflation is set to converge towards that level, albeit from a lower starting point.

Serbia

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



	22 Apr.	3-M F	6-M F	12-M F
1-m BELIBOR (%)	2.6	2.7	2.8	3.0
RSD/EUR	117.9	116.5	116.0	115.0
Sov. Spread (2021, bps)	117	125	118	110

	22 Apr.	1-W %	YTD %	2-Y %
BELEX-15	748	1.0	-1.8	2.0

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.3	2.0	4.3	3.6	3.8
Inflation (eop, %)	1.6	3.0	2.0	1.8	2.0
Cur. Acct. Bal. (% GDP)	-2.9	-5.3	-5.2	-5.0	-4.5
Fiscal Bal. (% GDP)	-1.2	1.1	0.6	-0.5	-0.4

Headline inflation rose to a 15-month high (of 2.8% y-o-y) in March, reflecting unfavourable fruit & vegetable prices. Headline inflation has embarked on a sharp upward trend since the turn of the year, rising to a 15-month high of 2.8% y-o-y in March from 2.0% in December. Importantly, and despite the increase, it remained well anchored -- still standing below the midpoint of the NBS target range (of 3±1.5%).

Elevated inflationary pressures in Q1:19 solely reflect the pick-up in vegetable prices, with all the other CPI components slowing. In fact, (volatile) fruit & vegetable prices rose markedly (by 24.7% y-o-y in March from 11.0% in December, contributing 2.1 pps to March inflation against 0.9 pps in December), reflecting a sharp rise in vegetable prices, due to a base effect (low prices in early-2018 on the back of a bumper harvest) and adverse weather conditions in early-2019 that restricted supply.

Importantly, core inflation (that excludes prices of fruit & vegetables and energy, and accounts for 78% of the CPI basket) moderated significantly, to a record low of 0.5% y-o-y in March from 1.0% at end-2018. This occurred due to the decline in the food component included in the core inflation (subtracting 0.6 pps from March headline inflation after subtracting 0.1 pp at end-2018), in line with declining international food prices and a stable exchange rate. Non-food core inflation remained broadly stable, suggesting subdued demand-side pressures, as well as stable non-energy regulated prices.

Inflation has likely reached its peak and is set to decline to a 3-year low of 1.8% y-o-y at end-2019 -- remaining well within its target band. Looking ahead, headline inflation is set to embark on a downward path in the remainder of the year, reaching a trough of 1.1% y-o-y in August -- temporarily falling below the lower bound of the NBS target band -- mainly due to a normalization in volatile prices of fruit & vegetables. We expect inflation to increase gradually, thereafter, due to higher regulated prices (contributing an expected 0.8 pps to end-2019 inflation compared with 0.4 pps at end-2018) and increasing demand-side pressures amid significant fiscal easing, ending the year at 1.8% y-o-y -- slightly below the end-2018 outcome of 2.0% and within its target range.

The benign inflation outlook should strengthen the NBS' hand to lower its central rate by 25 bps to an all-time low of 2.75% in the summer. The NBS has maintained its 2-week repo rate unchanged at a record low of 3.0% (still well above that of neighbouring countries, see chart) since its last policy rate cut a year ago.

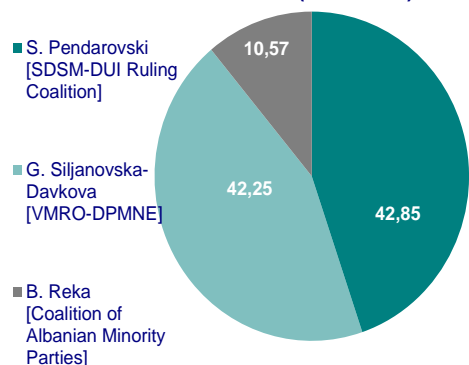
Going forward, as inflation reaches a trough in August (temporarily falling below the lower bound of the NBS target band) and in view of moderating economic activity (to 3.6% in FY:19 from 4.3% in FY:18), we expect the NBS to proceed with a 25 bp cut to its 2-week repo rate in August, to a record low of 2.75%. The move should also be motivated by the expected RSD stability this year, supported by improved fundamentals, as well as a drop in rates in neighbouring countries and a slower-than-initially-expected pace in ECB and FED policy rate normalization. Should our forecast materialise, the *ex post* policy rate, in real and compounded terms, should stand at 1.1% at end-2019, broadly unchanged from 1.2% at end-2018.

However, should domestic political stability be jeopardised by rising public discontent (with the Government facing weekly protests since December) and subsequently the announcement of snap general elections, the NBS would keep its key policy rate on hold or even initiate a new cycle of monetary policy rate tightening by end-year.

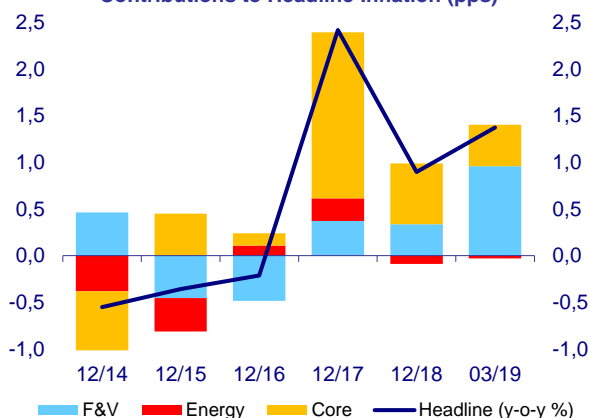
North Macedonia

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

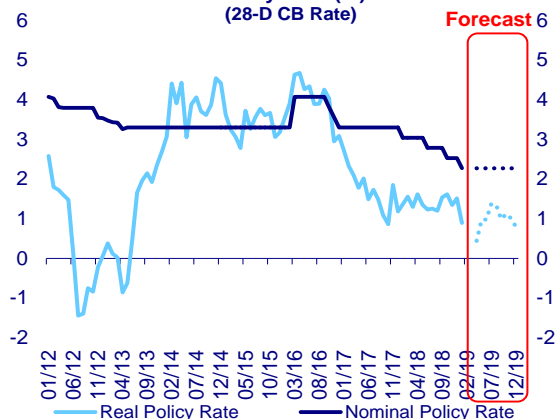
Results of the First Round of Presidential Elections (% of Votes)



Contributions to Headline Inflation (pps)



Policy Rate (%)
(28-D CB Rate)



	22 Apr.	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)	172	210	190	160

	22 Apr.	1-W %	YTD %	2-Y %
MBI 100	3,637	-1.0	4.8	64.8

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	2.8	0.2	2.7	3.8	4.0
Inflation (eop. %)	-0.2	2.4	0.9	1.5	1.7
Cur. Acct. Bal. (% GDP)	-2.8	-1.0	-0.3	-0.9	-1.5
Fiscal Bal. (% GDP)	-2.7	-2.7	-1.8	-2.6	-2.7

No candidate secured an outright victory in the first round of Presidential elections; the May 5th run-off outcome will be deemed valid only if the turnout exceeds the threshold of 40% of registered voters. In the first round of Presidential elections, held on April 21st, S. Pendarovski, the joint candidate of the ruling SDSM and its junior ethnic Albanian coalition partner, DUI, was first, with 324k votes (42.85%) but fell short of the Constitutional threshold (half of the electorate or 905k votes). His main rival, G. Siljanovska-Davkova, supported by the conservative opposition VMRO-DPMNE, was second with 319k votes (42.25%). B. Reja, backed by two small ethnic-Albanian opposition parties -- Alliance for Albanians and BESA -- finished last with c. 80k votes (10.57%).

A run-off will be held on May 5th between the two frontrunners Pendarovski -- a pro-European and firm supporter of the Prespa Agreement -- and Siljanovska-Davkova -- a fierce opponent of the Prespa Agreement who has pledged to battle it on legal grounds. Importantly, the outcome of the run-off will be deemed valid only if the turnout exceeds the threshold of 723k votes or 40% of registered voters. Otherwise, the entire election process will have to be repeated, plunging the country into political uncertainty and likely pushing back the date for starting EU accession talks and joining NATO.

Headline inflation rose to 1.4% y-o-y in March from 0.9% at end-2018, driven by higher volatile food and energy inflation. Indeed, a sharp increase in prices of volatile fruit & vegetables (F&V, up 13.4% y-o-y from 4.9% at end-2018) and, to a lesser extent, higher energy prices, together contributed 0.7 pps to the overall increase in headline inflation between December and March. The increase was, however, tempered by a moderation in core inflation (excluding volatile food and energy and accounting for c. 80.0% of the CPI basket), reflecting lower imported inflation and a slowdown in prices of services amid stronger competition.

Looking ahead, we expect annual headline inflation to fluctuate around its current level until mid-year, as a gradual normalization in volatile food prices will be broadly offset by increasing demand-side pressures stemming from tightening labour market conditions and improving confidence ahead of the start of EU accession talks. Thereafter, inflationary pressures are set to ease, reaching a trough of c. 1.0% by end-summer due to base effects (from elevated energy prices at end-Q3:18) before picking up, pushing the headline figure to 1.5% at end-year -- above the end-2018 outcome of 0.9%.

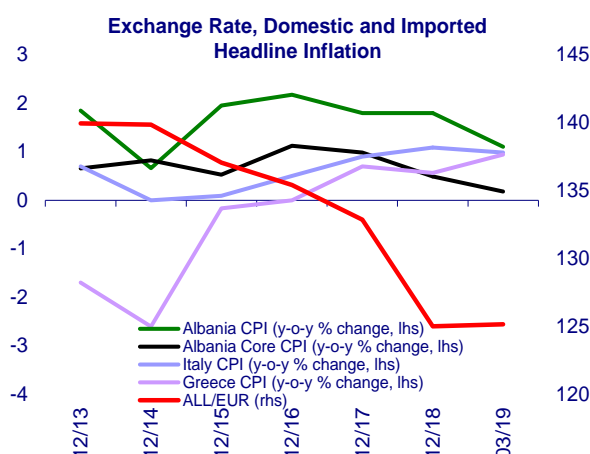
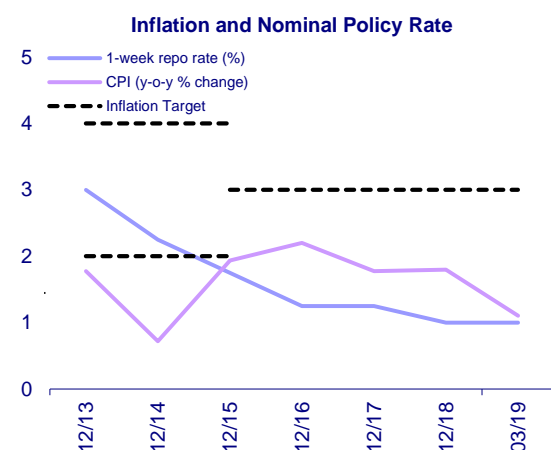
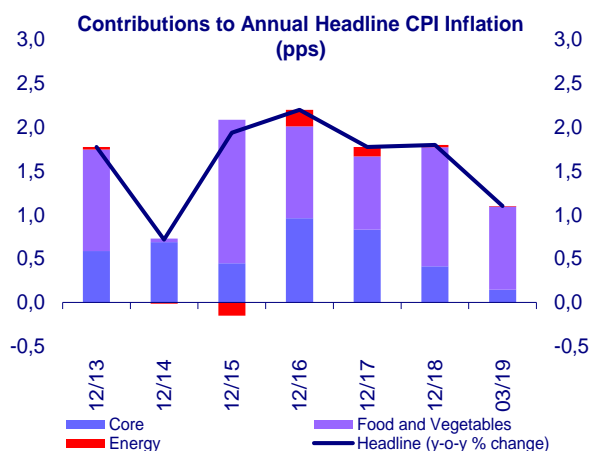
The Central Bank is likely to maintain its key rate unchanged at a record low of 2.25% throughout the rest of the year. Recall that the NBRNM proceeded with a 25 bp cut to its key 28-day CB bill rate, to an all-time low of 2.25%, at its March MPC meeting, bringing total cuts to 175 bps since the initiation of the cycle of monetary policy easing in December 2016.

Looking ahead, despite the expected rise in headline inflation by end-year, we see the NBRNM maintaining its central rate unchanged at 2.25% throughout the rest of the year, in view of a persistently negative, albeit closing, output gap (-0.3 pps on a 4-quarter rolling basis in Q4:19), continued fiscal prudence and a less-than-initially-expected tightening in global financial conditions.

Importantly, the current low policy rate is set to strengthen credit activity further this year. We expect lending growth to rise to 8.5% by end-year from 6.6% at end-2018, implying a credit impulse (defined as the change in the flow of bank credit scaled by nominal GDP) of c. 1.0 pp, which should contribute 0.2 pps to GDP growth in FY:19.

Albania

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



	22 Apr.	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.3	2.2	2.2	2.2
ALL/EUR	123.4	123.8	123.5	122.0
Sov. Spread (bps)	176	215	200	180

	22 Apr.	1-W %	YTD %	2-Y %
Stock Market	---	---	---	---

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.3	3.8	4.1	3.8	4.0
Inflation (eop, %)	2.2	1.8	1.8	1.8	2.0
Cur. Acct. Bal. (% GDP)	-7.6	-7.5	-6.7	-5.8	-5.6
Fiscal Bal. (% GDP)	-1.8	-2.0	-1.6	-2.1	-2.1

Headline inflation eased sharply to a 3-year low of 1.1% y-o-y in March, mainly due to a downside correction in volatile prices of fruit & vegetables. Headline inflation declined to a 3-year low of 1.1% y-o-y in March from 1.8% in December, remaining well below the BoA's target (of 3.0%) for more than 8 successive years.

This decline was largely driven by moderating prices of fruit & vegetables, as well as lower core inflation (excl. prices of fruit & vegetables and energy, and accounts for c. 86.0% of the CPI basket). Indeed, core inflation declined to just 0.2% y-o-y in March from 0.5% at end-2018, supported by: i) the fade out of the 17.6% increase in tap water prices in early 2018 (with a zero contribution to March inflation after adding 0.2 pps to end-2018 inflation); ii) a lower excise hike on tobacco (contributing zero to March inflation against 0.1 pp at end-2018); iii) the absence of demand-side inflationary pressures; and iv) low imported inflation. The latter was contained on the back of continuing favourable international food prices, low inflation in the country's major trading partners -- Italy and Greece (1.0% and 0.9% y-o-y, respectively, in March, broadly unchanged from their end-2018 level), combined with the lagged impact from the past year's large appreciation of the ALL (by 6.3% y-o-y against the EUR at end-2018). Inflationary pressures were also held back by a correction in volatile prices of fruit & vegetables (contributing 0.9 pps to inflation in March against 1.4 pps at end-2018), reflecting a normalization from Q1:18 highs (stemming from floods and heavy snowfall in early-2018).

Headline inflation to remain below the BoA's target throughout 2019, ending the year at 1.8% y-o-y -- unchanged from its end-2018 outcome. Headline inflation is set to embark on a mild upward trend in the rest of this year, fluctuating around 1.4% y-o-y until September, before picking up in Q4:19, ending 2019 at 1.8% y-o-y. The expected rise in Q4:19 should be driven by higher core inflation, due to base effects and firming demand-side pressures, as well as the waning impact of the past year's ALL appreciation. Inflationary pressures should, however, be held back by: i) low global food prices and still low inflation in the country's major trading partners, Greece and Italy, in 2019; ii) the appreciation of the LEK (by an expected 2.6% y-o-y against the EUR at end-2019); and iii) continued normalization in fruit & vegetable prices, following a sharp flood-induced rise in 2018.

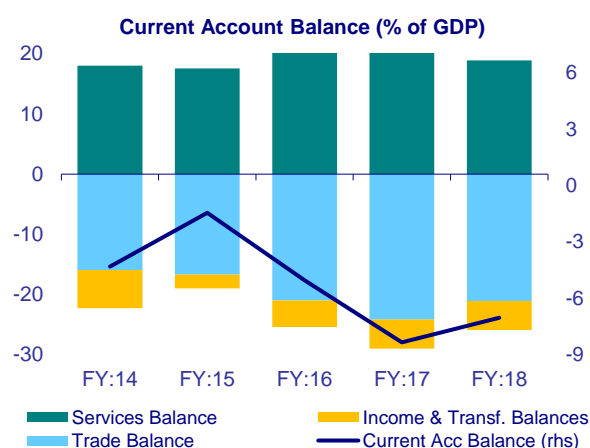
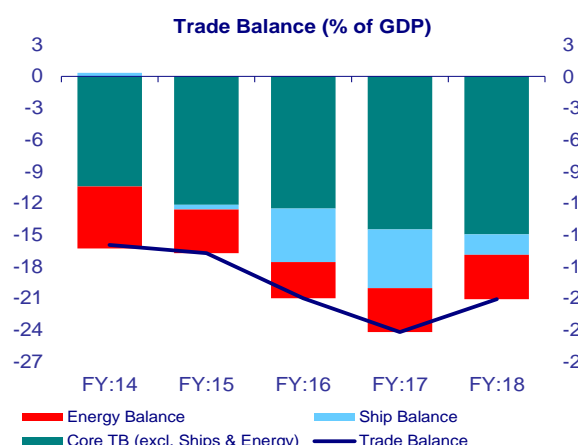
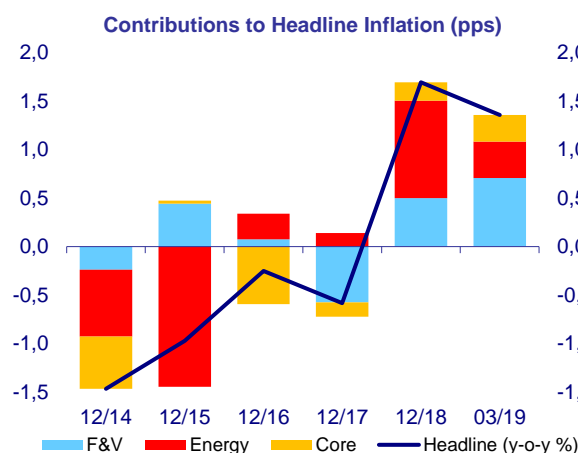
The BoA is set to maintain its key rate on hold at a record low of 1.0% this year. The BoA has maintained its key policy rate unchanged, at a record low of 1.0%, since its last 25 bp rate cut in June 2018. Recall that the latest policy rate cut, that followed a pause of 2 years, was largely motivated by persisting appreciation pressures on the ALL (prompting the BoA to launch FX purchases in the FX market in mid-2018 -- amounting to EUR 179.9mn in FY:18, or 6.0% of end-2017 FX reserves).

Looking ahead, we expect the BoA to maintain its key rate on hold throughout the rest of the year, due to persistently subdued inflation (significantly undershooting its target and BoA, which expects inflation to reach its target next year). Should our forecasts materialise, monetary policy should remain accommodative, with the *ex post* policy rate at -0.8% at end-2019 (in real and compounded terms), unchanged from its end-2018 level.

The BoA would, however, turn hawkish should domestic political uncertainty heighten due to persisting anti-Government protests (since December) and the resignation of opposition MPs from Parliament in February (calling for early elections), which could delay the local elections (scheduled for June) and, more importantly, postpone the start of EU accession talks at the end of this year.

Cyprus

BBB- / Ba2 / BBB- (S&P / Moody's / Fitch)



	22 Apr.	3-M F	6-M F	12-M F
1-m EURIBOR (%)	-0.37	-0.37	-0.37	-0.37
EUR/USD	1.13	1.22	1.24	1.26
Sov. Spread (2025. bps)	118	130	120	100

	22 Apr.	1-W %	YTD %	2-Y %
CSE Index	71	-0.7	6.9	0.7

	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	4.8	4.5	3.9	3.6	3.2
Inflation (eop. %)	-0.3	-0.6	1.7	1.0	1.2
Cur. Acct. Bal. (% GDP)	-5.1	-8.4	-7.0	-8.4	-7.8
Fiscal Bal. (% GDP)	0.3	1.8	-4.8	3.1	3.0

Headline inflation declined modestly from 1.7% y-o-y at end-2018 to 1.4% in March, on the back of softer energy inflation. Inflationary pressures eased in the first three months of the year, with the headline figure slipping to 1.4% y-o-y in March from 1.7% at end-2018. The decline was due to a moderation in energy inflation (to 4.2% y-o-y in March from 11.5% at end-2018, contributing 0.6 pps to the overall decline). The drop in headline inflation would have been sharper had it not been for an acceleration in F&V prices (up 21.2% y-o-y from 15.9% at end-2018) and, to a lesser extent, a mild rise in core inflation (excluding volatile food and energy, up 0.3% y-o-y from 0.2% at end-2018).

Looking ahead, we expect headline inflation to moderate further during the rest of the year. The deceleration should result from a normalization in volatile F&V prices and, to a lesser extent, more benign energy inflation, which altogether should outweigh a modest build-up in core inflation. The latter should be supported by increasing demand-side pressures stemming from higher wages in the public sector and their spillover to the private sector and a continued recovery in employment. These pressures should also be sustained due to lower-than-initially-expected servicing of retail loans, reflecting delays in the roll-out of the recently-adopted “*Estia*” subsidy scheme (aimed at “vulnerable” distressed borrowers with loans secured by their primary residence). Overall, we expect annual headline inflation to reach a trough of c. 0.0% by end-summer on the back of base effects (from elevated energy prices at end-Q3:18), before picking up modestly to 1.0% at end-year -- below the end-2018 outcome of 1.7%.

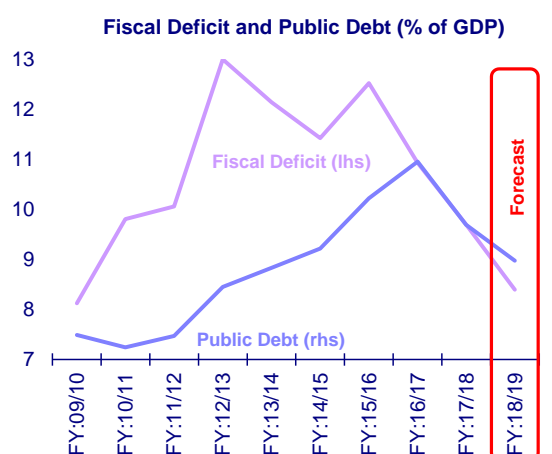
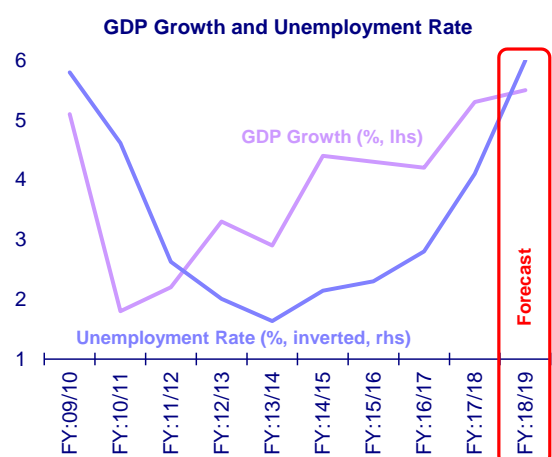
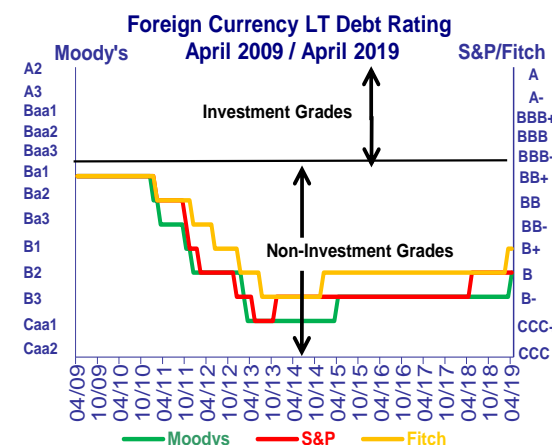
The current account deficit (CAD) narrowed by 1.4 pps to 7.0% of GDP in FY:18, due to a less unfavourable ship trade balance. The ship trade deficit declined sharply to 1.9% of GDP in FY:18 from 5.6% of GDP in FY:17, mainly due to a sharp rise in exports of ships (up c. 84.0%, reflecting de-registration of ships). The moderation in the FY:18 CAD was, however, tempered by: i) a smaller services surplus (down 1.8 pps of GDP), led by a slowdown in receipts from transport, tourism and financial services, reflecting base effects from a robust recovery in the past two years; ii) a larger underlying (core) trade deficit (excluding ship transactions and energy -- up 0.5 pps of GDP), driven by weaker exports; and iii) a slightly higher energy trade deficit (up 0.1 pp of GDP). Note that tourist receipts as a percentage of GDP declined by 0.3 pps in FY:18, as their rise in absolute terms (up 2.5%) fell short of that of nominal GDP (5.5%).

As a result, the overall CAD declined from a 7-year high of 8.4% of GDP in FY:17 to 7.0% of GDP in FY:18. However, excluding ships and energy, the underlying (core) current account balance turned from a surplus of 1.4% of GDP in FY:17 to a deficit of 0.9% of GDP in FY:18.

For this year, we expect the overall CAD to widen, mainly due to a less favourable external environment, which is set to weigh on both goods and services balances. The deterioration in trade and services' balances in FY:19 should reflect mainly the expected economic slowdown in the EU -- Cyprus' main trading partner and source of tourists -- and strong competition from neighbouring countries -- Turkey and Egypt. Overall, we expect the past year's external adjustment to be fully reversed this year, with the CAD rebounding to its FY:17 peak of 8.4% of GDP. Downside risks to our forecast stem from a disorderly Brexit (the UK is the island's second largest EU trading partner after Greece and largest tourist source) and the country's efforts to increase (mostly-imported) net investment in shipping.

Egypt

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



	22 Apr.	3-M F	6-M F	12-M F
O/N Interbank Rate (%)	15.8	15.5	14.0	12.0
EGP/USD	17.1	17.6	17.8	18.0
Sov. Spread (2025, bps)	364	350	330	290

	22 Apr.	1-W %	YTD %	2-Y %
HERMES 100	1,428	-1.3	12.4	23.4

	15/16	16/17	17/18E	18/19F	19/20F
Real GDP Growth (%)	4.3	4.2	5.3	5.5	5.8
Inflation (eop. %)	14.0	29.8	14.4	12.5	9.0
Cur. Acct. Bal. (% GDP)	-6.0	-6.0	-2.4	-2.0	-1.8
Fiscal Bal. (% GDP)	-12.5	-10.9	-9.7	-8.4	-7.2

President el-Sissi could remain in office until 2030. A series of amendments to the constitution were endorsed in a national referendum on April 20th-22nd after having been approved by Parliament on April 16th. According to the revised constitution:

- the President of the republic shall be elected for 6 instead of 4 years and cannot remain in office for more than 2 consecutive terms.
 - the term of the incumbent president, el-Sissi, is to end after 6 years following the date of his election as president in 2018, and he can be re-elected for another 6-year term.
 - the post of vice president (removed in 2012) is reinstated. Specifically, the president of the republic may name one or more vice-presidents, specify their duties, dismiss them from their posts and accept their resignation.
 - an upper house of parliament (senate, abolished in 2014) is re-established. It shall be responsible for studying and proposing all that is necessary to uphold the principles of the two revolutions of January 25th 2011 and June 30th 2013, support national unity and social peace; and take charge of deepening the democratic system and broadening its scope. It shall comprise 180 members, and its term will be 5 years. Two thirds of its members shall be elected in a secret ballot and a third will be appointed by the president.
 - the number of elected MPs in the lower house of parliament (House of Representatives) is reduced from 596 to 450, with at least 25% of the seats to be reserved for female representatives.
 - the President of the republic shall appoint the heads of judicial authorities and a higher council for judicial authorities will be created. The latter will be headed by the President of the republic and will oversee the judiciary.
- Supporters of the amendments believe the changes are important for the stability of a country hit by years of political turmoil and will allow the incumbent President more time to complete major development projects and economic reforms. On the other hand, critics of the amendments argue that the changes will place more power into one man's hand and lead Egypt deeper into authoritarianism.

Moody's upgrades Egypt's sovereign credit rating by one notch to B2 -- 5 notches below investment grade. The move reflects primarily the Agency's expectations that:

- the ongoing economic and fiscal reforms will reduce gradually the debt burden from its current high level and strengthen economic growth. Indeed, the Agency sees the general government debt-to-GDP ratio declining below 80% by end-FY:20/21 from 92.6% at end-FY:17/18 and real GDP growth converging to 6.0% in the next few years from 5.5% in FY:18/19;
- the large domestic funding base will support Egypt's resilience to external refinancing shocks despite its very high gross borrowing requirements (30-40% of GDP). The Agency stated that the domestic financial sector had helped preserve financial stability, with the exchange rate and foreign exchange reserves remaining broadly stable, amid a broader global sell-off in emerging markets in the second half of 2018.

According to the Agency, over the medium term, a further upgrade will hinge mainly on a significant reduction in gross financing needs and a continued improvement in the labour market and in non-hydrocarbon exports, while a negative rating action will be prompted by a deterioration in policy effectiveness and credibility and/or the Government's failure to mitigate an eventual negative financing shock. Currently, Moody's rates Egypt on par with S&P and one notch below Fitch.

FOREIGN EXCHANGE MARKETS, APRIL 22ND 2019

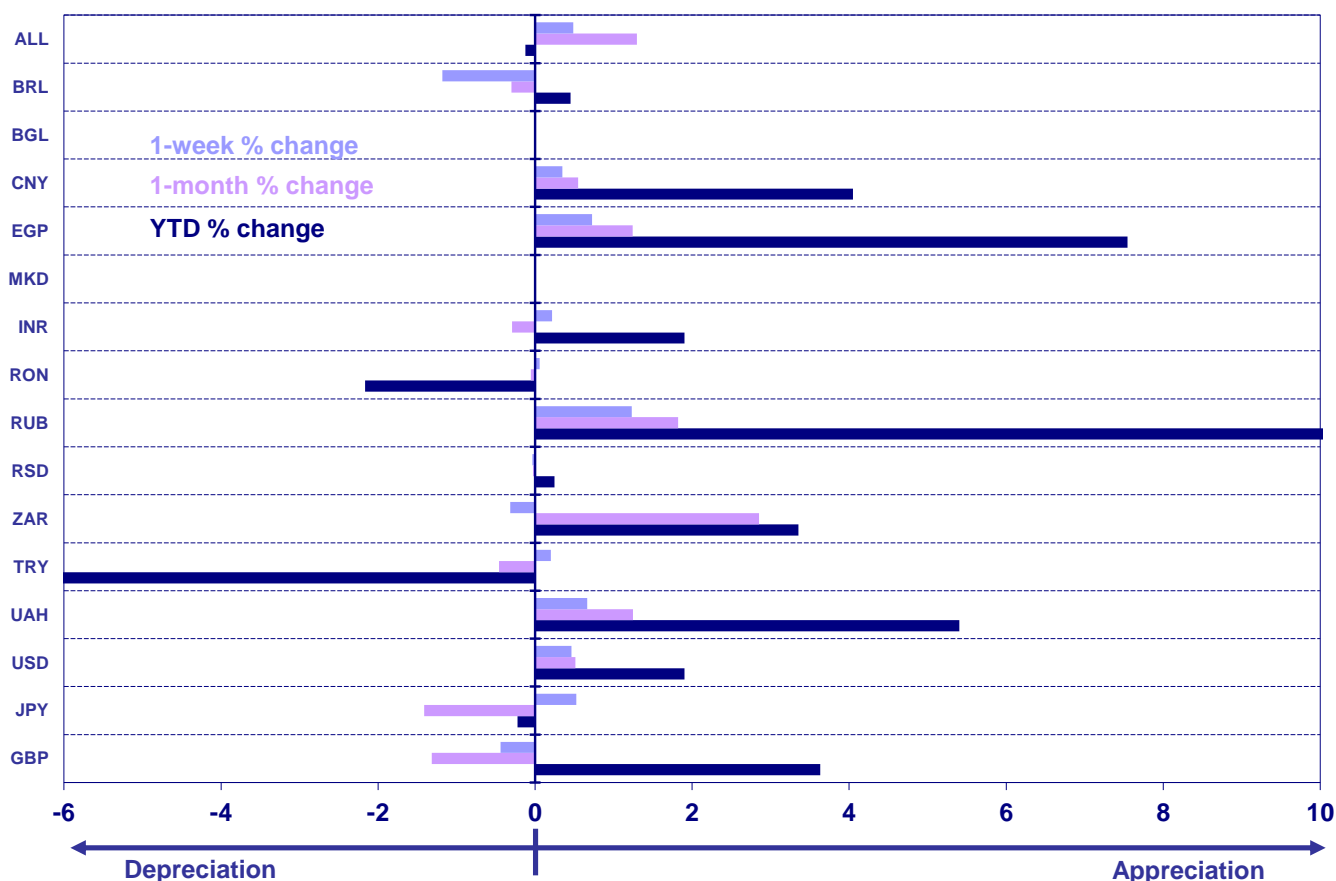
Against the EUR

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	123.4	0.5	1.3	-0.1	4.5	123.4	125.9	123.7	123.5	122.2	7.8	1.9
Brazil	BRL	4.43	-1.2	-0.3	0.5	-4.9	4.16	4.51	---	---	4.72	-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	7.55	0.3	0.5	4.0	2.1	7.51	7.88	---	---	7.80	-0.8	-6.0
Egypt	EGP	19.37	0.7	1.2	7.5	11.3	19.26	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	78.3	0.2	-0.3	1.9	3.7	76.8	82.3	---	---	---	-3.9	-6.7
Romania	RON	4.75	0.1	-0.1	-2.2	-2.1	4.75	4.78	4.81	4.87	4.97	0.6	-3.0
Russia	RUB	71.8	1.2	1.8	11.4	5.3	71.7	80.1	73.3	74.7	77.6	-13.4	-6.8
Serbia	RSD	117.9	0.0	0.0	0.2	0.1	117.9	118.5	118.7	119.5	---	0.2	4.2
S. Africa	ZAR	15.9	-0.3	2.9	3.4	-5.3	15.16	16.66	16.2	16.5	17.1	-9.9	-2.7
Turkey	YTL	6.55	0.2	-0.5	-7.6	-23.4	5.91	6.60	6.97	7.42	8.37	-24.9	-18.4
Ukraine	UAH	30.1	0.7	1.2	5.4	6.0	29.55	32.66	---	---	---	6.0	-15.2
US	USD	1.13	0.5	0.5	1.9	8.5	1.1	1.2	1.13	1.14	1.16	4.6	-12.4
JAPAN	JPY	126.0	0.5	-1.4	-0.2	5.3	118.8	127.5	126.0	126.1	126.1	7.5	-8.9
UK	GBP	0.87	-0.4	-1.3	3.6	1.0	0.8	0.9	0.87	0.87	0.88	-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 (April 22nd 2019)



MONEY MARKETS, APRIL 22ND 2019

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
O/N	1.1	6.4	---	2.6	---	15.8	---	---	3.5	7.7	---	24.7	7.5	17.2	---	2.4
T/N	---	---	---	---	---	---	---	---	3.5	7.8	2.3	---	7.0	---	---	---
S/W	1.2	6.4	---	2.7	-0.4	---	1.1	---	---	8.2	2.3	---	7.9	17.6	-0.4	2.4
1-Month	1.3	6.4	0.0	2.8	-0.4	---	1.2	6.7	3.4	8.3	2.6	25.5	7.1	19.1	-0.4	2.5
2-Month	---	6.4	---	---	---	---	---	---	---	8.3	2.7	25.7	7.1	---	---	2.5
3-Month	1.4	6.4	---	2.8	---	---	1.5	7.0	3.4	8.3	3.0	26.3	7.1	19.6	---	2.6
6-Month	1.4	6.4	---	2.9	---	---	1.7	---	3.4	8.3	3.1	26.5	8.3	---	---	2.6
1-Year	1.6	6.5	---	3.1	-0.1	---	2.0	---	3.6	13.5	---	26.8	9.0	---	-0.1	2.7

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

LOCAL DEBT MARKETS, APRIL 22ND 2019

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
3-Month	---	---	---	---	---	17.5	---	6.4	---	7.7	---	20.9	---	---	-0.5	2.4
6-Month	---	---	---	---	---	17.5	---	6.5	3.3	7.8	3.3	21.1	---	---	-0.5	2.5
12-Month	1.0	---	-0.1	2.7	---	17.4	0.9	6.6	3.3	7.6	2.7	21.6	---	19.2	-0.5	2.5
2-Year	1.5	---	---	2.9	---	---	1.3	6.8	3.6	7.7	---	21.5	6.9	---	-0.6	2.4
3-Year	1.8	---	0.0	3.0	0.2	---	---	7.1	3.9	7.9	---	20.8	7.1	18.0	-0.6	2.4
5-Year	---	8.1	---	3.2	0.7	16.6	---	7.4	4.3	7.9	3.8	20.1	7.7	---	-0.4	2.4
7-Year	---	---	0.4	---	1.0	16.5	---	7.5	4.6	8.1	---	---	---	---	-0.3	2.5
10-Year	5.2	9.0	0.6	3.4	---	16.5	---	7.5	5.0	8.3	---	17.3	8.5	---	0.0	2.6
15-Year	---	---	---	---	---	---	3.0	7.8	---	8.5	---	---	9.9	---	0.2	---
25-Year	---	---	---	---	---	---	---	---	---	---	---	---	9.7	---	---	---
30-Year	---	---	---	---	---	---	---	7.7	---	---	---	---	9.6	---	0.6	3.0

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

CORPORATE BONDS SUMMARY, APRIL 22ND 2019

		Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Bulgaria	Bulgaria Energy Hld 4.875% '21	EUR	NA/NA	2/8/2021	550	1.7	225	192
South Africa	FirstRand Bank Ltd 4.25% '20	USD	BB/Baa3	30/4/2020	500	4.0	151	136
	FirstRand Bank Ltd 2.25% '20	EUR	NA/NA	30/1/2020	100	0.9	143	113
Turkey	Arcelik AS 3.875% '21	EUR	BB+/NA	16/9/2021	350	3.5	410	366
	Garanti Bank 5.25% '22	USD	NA/Baa3	13/9/2022	750	7.5	514	480
	Turkiye Is Bankasi 6% '22	USD	NA/B2	24/10/2022	1,000	11.0	866	773
	Vakifbank 5.75% '23	USD	NA/B1	30/1/2023	650	9.2	683	624
	TSKB 5.5% '23	USD	NA/B2	16/1/2023	350	9.9	755	677
	Petkim 5.875% '23	USD	NA/B1	26/1/2023	500	8.3	591	551
	KOC Holding 5.25% '23	USD	BBB-/Ba2	15/3/2023	750	6.5	415	393

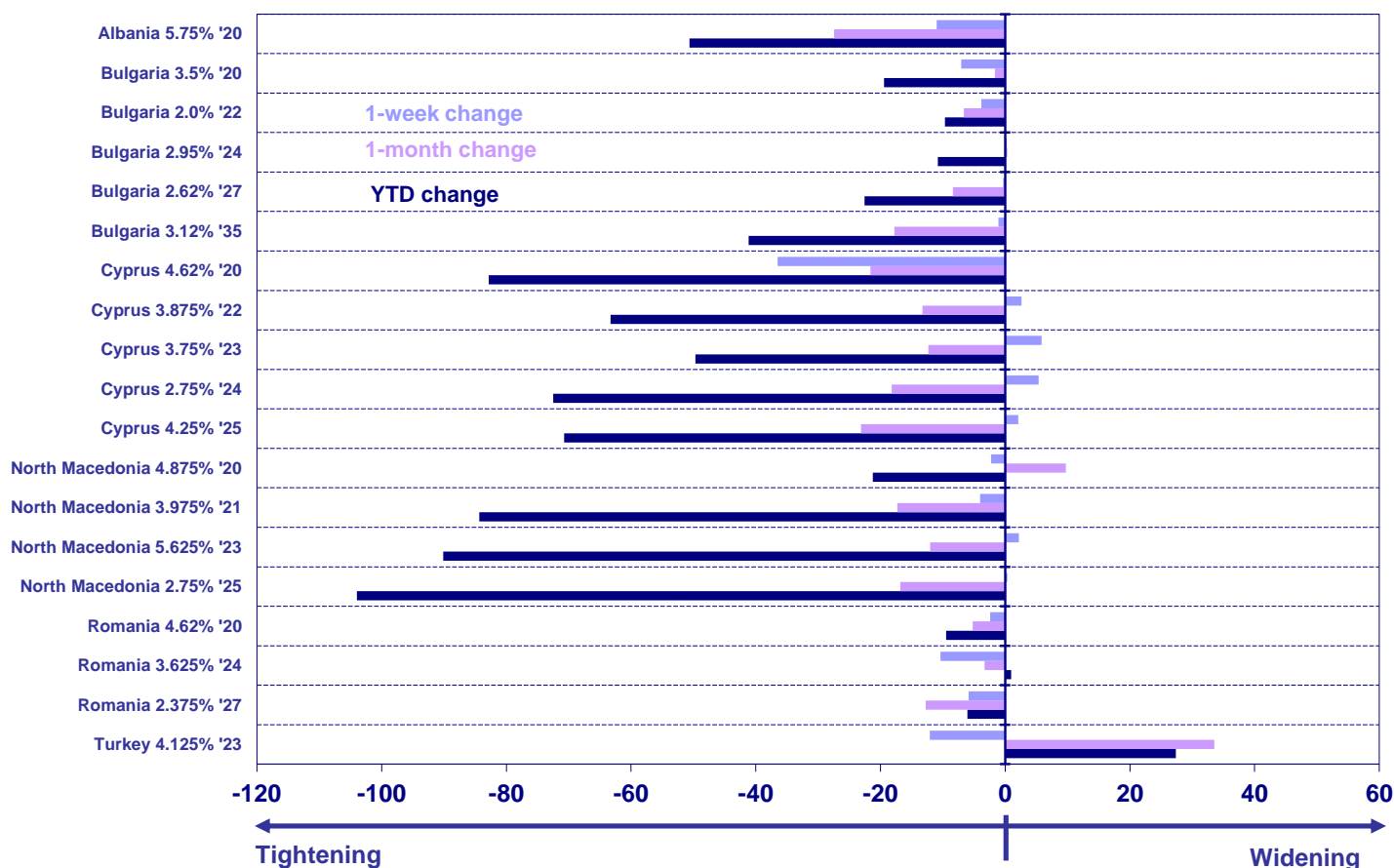
CREDIT DEFAULT SWAP SPREADS, APRIL 22ND 2019

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	North Macedonia	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine
5-Year	---	170	76	41	83	315	---	95	106	129	121	429	178	651
10-Year	---	248	104	78	96	380	---	104	145	184	148	464	242	673

EUR-DENOMINATED SOVEREIGN EUROBOND SUMMARY. APRIL 22ND 2019

	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	1.2	176	152
Bulgaria 3.5% '20	EUR	NA/NA	16/1/2020	145	-0.2	39	8
Bulgaria 2.0% '22	EUR	BBB-/Baa2	26/3/2022	1,250	-0.1	48	8
Bulgaria 2.95% '24	EUR	BBB-/Baa2	3/9/2024	1,493	0.2	60	17
Bulgaria 2.62% '27	EUR	BBB-/Baa2	26/3/2027	1,000	0.8	93	49
Bulgaria 3.12% '35	EUR	BBB-/Baa2	26/3/2035	900	2.0	173	119
Cyprus 4.62% '20	EUR	BBB-/Ba2	3/2/2020	668	0.1	61	32
Cyprus 3.875% '22	EUR	NA/Baa2	6/5/2022	1,000	0.2	72	33
Cyprus 3.75% '23	EUR	NA/Baa2	26/7/2023	1,000	0.4	90	49
Cyprus 2.75% '24	EUR	NA/Baa2	27/6/2024	850	0.7	105	65
Cyprus 4.25% '25	EUR	NA/Baa2	4/11/2025	1,000	0.9	118	83
North Macedonia 4.875% '20	EUR	BB-/NA	1/12/2020	178	0.9	154	127
North Macedonia 3.975% '21	EUR	BB-/NA	24/7/2021	500	1.1	172	449
North Macedonia 5.625% '23	EUR	BB-/NA	26/7/2023	450	1.8	226	197
North Macedonia 2.75% '25	EUR	BB-/NA	18/1/2025	500	2.0	237	193
Romania 4.62% '20	EUR	BBB-/BBB-	18/9/2020	2,000	0.0	54	28
Romania 3.625% '24	EUR	BBB-/BBB-	24/4/2024	1,250	1.0	135	100
Romania 2.375% '27	EUR	BBB-/BBB-	19/4/2027	2,000	2.1	228	178
Turkey 4.125% '23	EUR	NR/Ba3	11/4/2023	1,000	4.4	493	440

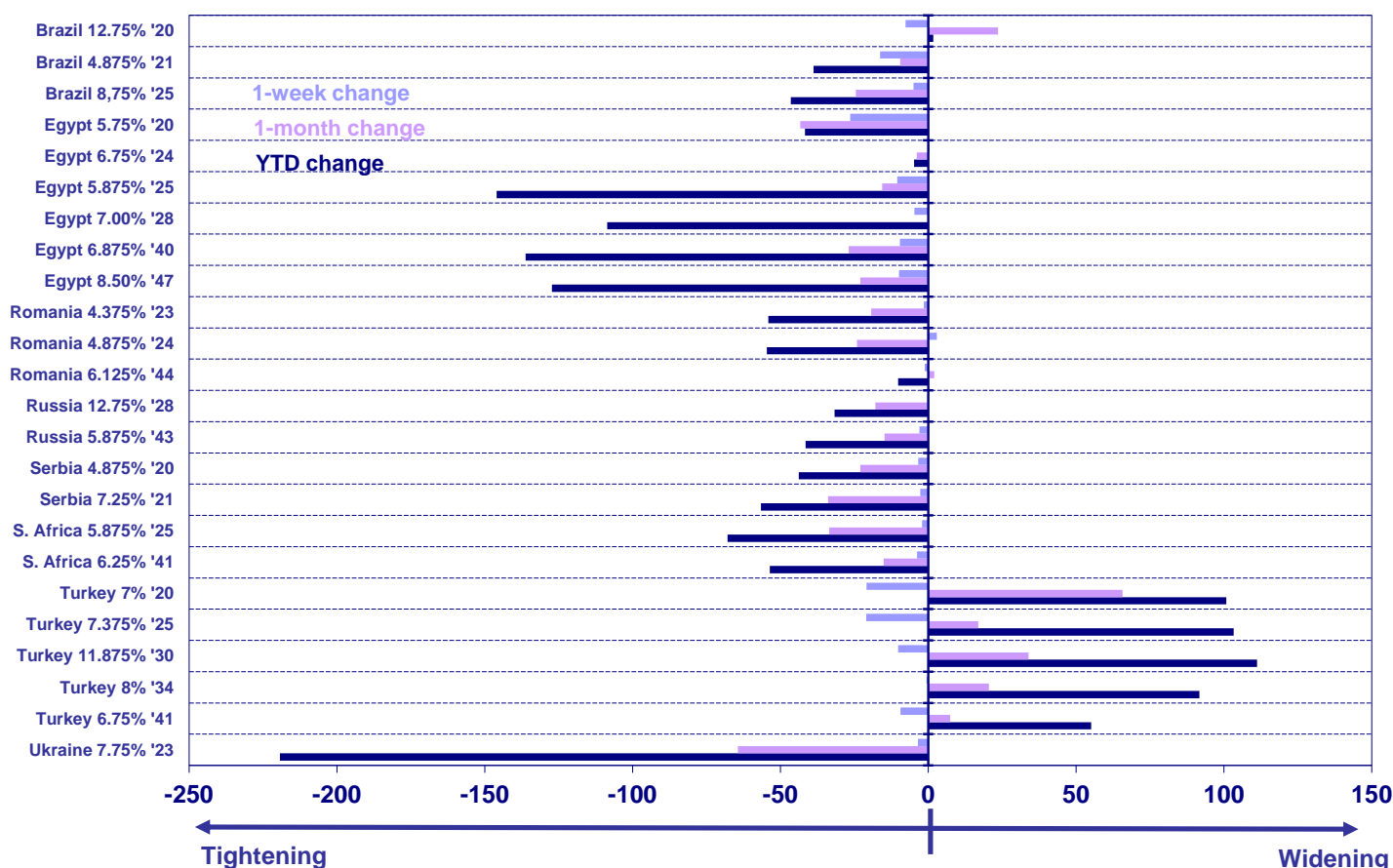
EUR-Denominated Eurobond Spreads (April 22nd 2019)



USD-DENOMINATED SOVEREIGN EUROBOND SUMMARY. APRIL 22ND 2019

	Currency	Rating S&P / Moody's	Maturity	Amount Outstanding (in million)	Bid Yield	Gov. Spread	Asset Swap Spread
Brazil 12.75% '20	USD	NA/Ba2	15/1/2020	87	3.2	78	65
Brazil 4.875% '21	USD	NA/Ba2	22/1/2021	2,713	3.2	77	66
Brazil 8.75% '25	USD	NA/Ba2	4/2/2025	688	3.9	156	170
Egypt 5.75% '20	USD	B/B2	29/4/2020	1,000	4.5	202	187
Egypt 6.75% '24	USD	NA/B2	10/11/2024	1,500	6.1	369	364
Egypt 5.875% '25	USD	B/B2	11/6/2025	500	6.1	364	359
Egypt 7.00% '28	USD	NA/B2	10/11/2028	1,000	7.0	448	442
Egypt 6.875% '40	USD	B/B2	30/4/2040	1,500	7.5	454	449
Egypt 8.50% '47	USD	NA/B2	31/1/2047	500	8.2	521	548
Romania 4.375% '23	USD	BBB-/BBB-	22/8/2023	1,500	3.6	116	115
Romania 4.875% '24	USD	BBB-/BBB-	22/1/2024	1,000	3.5	117	116
Romania 6.125% '44	USD	BBB-/BBB-	22/1/2044	1,000	5.2	219	260
Russia 12.75% '28	USD	BBB-/Baa3	24/6/2028	2,500	4.5	192	264
Russia 5.875% '43	USD	BBB-/Baa3	16/9/2043	1,500	5.0	200	239
Serbia 4.875% '20	USD	BB/Baa3	25/2/2020	1,500	3.5	104	87
Serbia 7.25% '21	USD	BB/Baa3	28/9/2021	2,000	3.6	117	115
S. Africa 5.875% '25	USD	BB/Baa3	16/9/2025	2,000	4.8	232	238
S. Africa 6.25% '41	USD	BB/Baa3	8/3/2041	750	5.9	294	321
Turkey 7.00% '20	USD	NR/Baa3	5/6/2020	2,000	6.5	400	383
Turkey 7.375% '25	USD	NR/Baa3	5/2/2025	3,250	7.6	516	500
Turkey 11.875% '30	USD	NR/Baa3	15/1/2030	1,500	8.3	567	645
Turkey 8.00% '34	USD	NR/Baa3	14/2/2034	1,500	8.3	570	542
Turkey 6.75% '41	USD	NR/Baa3	14/1/2041	3,000	8.0	497	441
Ukraine 7.75% '23	USD	B-/Caa1	1/9/2023	1,355	8.2	578	561

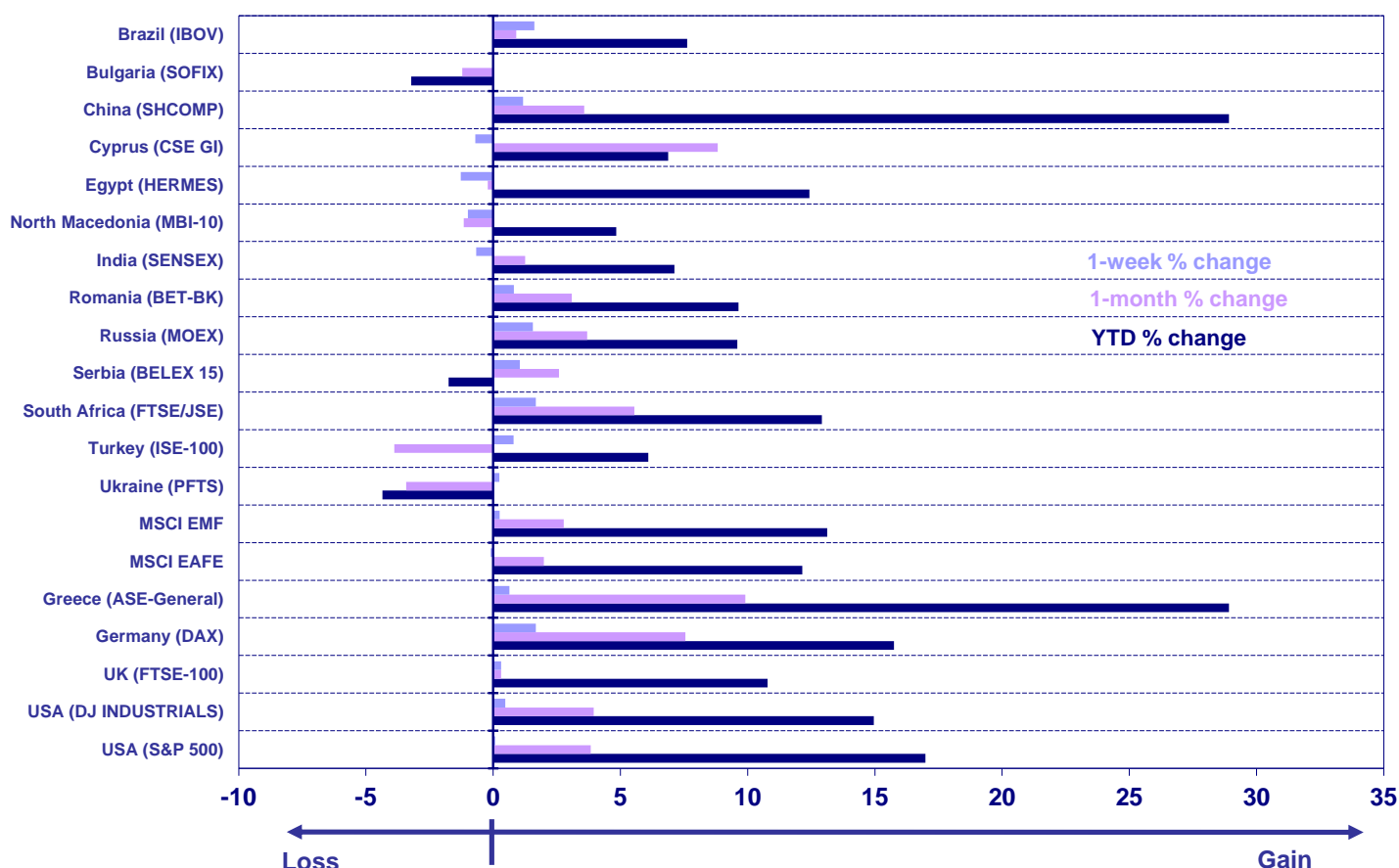
USD-Denominated Eurobond Spreads (April 22ND 2019)



STOCK MARKETS PERFORMANCE. APRIL 22ND 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	
Brazil (IBOV)	94,588	1.6	0.9	7.6	10.5	87,536	100,439	7.9	15.0	2.5	26.9	9.5
Bulgaria (SOFIX)	575	0.0	-1.2	-3.2	-12.7	560	622	-3.2	-12.3	-12.3	15.5	15.5
China (SHCOMP)	3,215	1.2	3.6	28.9	4.8	2,441	3,288	34.2	-24.6	-25.2	6.6	-0.3
Cyprus (CSE GI)	71	-0.7	8.8	6.9	3.7	60	71	6.9	-3.9	-3.9	4.7	4.7
Egypt (HERMES)	1,428	-1.3	-0.2	12.4	-16.9	1,290	1,467	17.6	-11.1	-11.1	32.0	18.7
North Macedonia (MBI)	3,637	-1.0	-1.2	4.8	30.2	3,467	3,708	4.8	36.6	36.6	18.9	18.9
India (SENSEX)	38,645	-0.7	1.3	7.1	12.2	33,292	39,487	9.2	5.9	1.6	27.9	19.3
Romania (BET-BK)	1,597	0.8	3.1	9.6	-10.0	1,394	1,597	7.3	-11.6	-11.1	22.8	19.1
Russia (MOEX)	2,585	1.6	3.7	9.6	14.8	2,350	2,592	21.4	0.9	-12.3	-16.2	-21.9
Serbia (BELEX-15)	748	1.0	2.6	-1.8	1.1	668	760	-1.6	0.2	0.5	5.9	10.3
South Africa (FTSE/JSE)	59,222	1.7	5.6	12.9	2.7	50,907	59,222	18.1	-11.4	-20.1	17.5	14.3
Turkey (ISE 100)	95,953	0.8	-3.9	6.1	-13.5	87,399	105,930	-2.4	-20.9	-40.5	47.6	20.5
Ukraine (PFTS)	535	0.2	-3.4	-4.3	44.1	530	582	0.9	77.5	88.1	18.8	0.8
MSCI EMF	1,089	0.3	2.8	13.1	-6.0	946	1,099	15.0	-16.6	-12.8	34.3	17.7
MSCI EAFE	1,920	-0.1	2.0	12.2	-6.1	1,709	1,928	14.0	-16.1	-12.3	21.8	6.7
Greece (ASE-General)	778	0.6	9.9	28.9	-7.2	600	778	28.9	-23.6	-23.6	24.7	24.7
Germany (XETRA DAX)	12,222	1.7	7.6	15.8	-2.8	10,387	12,244	15.8	-18.3	-18.3	12.5	12.5
UK (FTSE-100)	7,460	0.3	3.5	10.8	0.8	6,599	7,486	15.5	-12.5	-13.5	7.6	3.2
USA (DJ INDUSTRIALS)	26,511	0.5	4.0	15.0	8.4	21,713	26,952	16.8	-5.6	-1.3	25.1	9.6
USA (S&P 500)	2,908	0.1	3.8	17.0	8.9	2,444	2,918	18.9	-6.2	-1.9	19.4	4.7

Equity Indices (April 22ND 2019)



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