Economic Analysis Division
Emerging Markets Research

Bi-Weekly Report 4 – 17 April 2017

NBG - Economic Analysis Division
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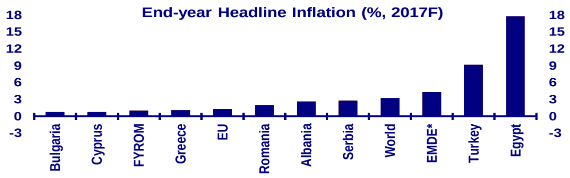
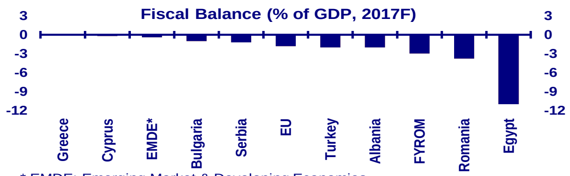
* EMDE: Emerging Market & Developing Economies





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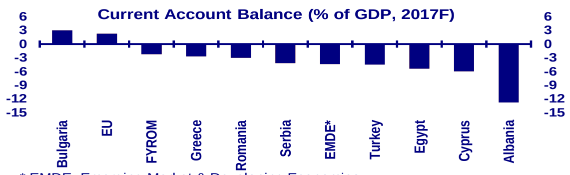

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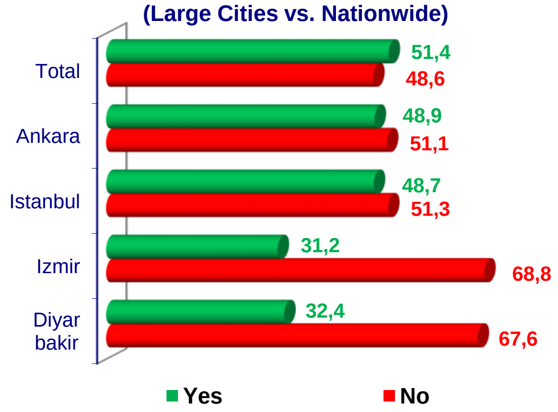
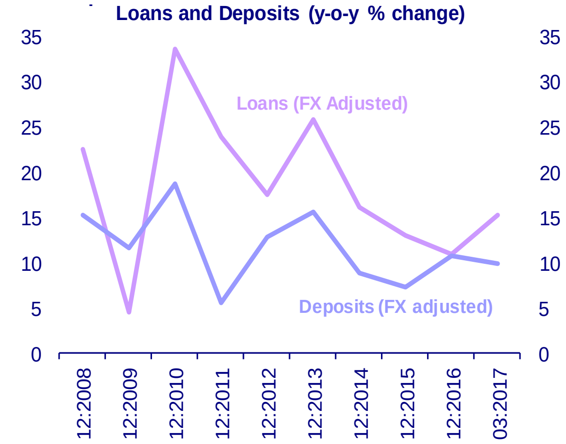
Turkey

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

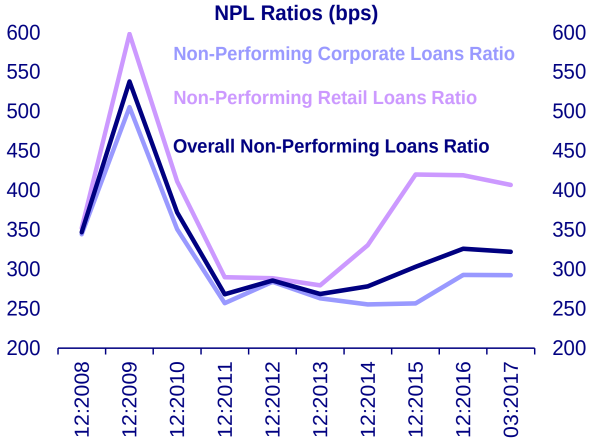
Referendum Results
(Large Cities vs. Nationwide)



Loans and Deposits (y-o-y % change)



NPL Ratios (bps)



	17 Apr.	3-M F	6-M F	12-M F
1-m TRIBOR (%)	12.3	12.5	11.5	10.5
TRY/EUR	3.94	3.92	3.91	3.80
Sov. Spread (2020, bps)	229	225	210	200

	17 Apr.	1-W %	YTD %	2-Y %
ISE 100	90,654	-0.6	16.0	10.0

	2014	2015	2016	2017F	2018F
Real GDP Growth (%)	5.2	6.1	2.9	3.5	4.2
Inflation (eop, %)	8.2	8.8	8.5	9.2	7.8
Cur. Acct. Bal. (% GDP)	-4.7	-3.7	-3.8	-4.5	-4.5
Fiscal Bal. (% GDP)	-1.1	-1.0	-1.1	-2.0	-1.5

Political and economic uncertainty to ease following the "Yes" vote on contentious constitutional changes. Turkish voters voted narrowly in favour of 18 constitutional amendments (51.4% of the vote), replacing the current parliamentary system of government by a presidential one. The close vote, despite the heavily biased re-election support for the "Yes" vote by the media as well as the impressive polarization of the country (with the large cities and the Kurdish east voting clearly "No") deprives Erdogan from claiming a clear triumph. The constitutional reform package stipulates that the President will: i) be the head of state and head of government and can also be head of a political party; and ii) have the power to dissolve the national assembly, appoint cabinet ministers without requiring a confidence vote from parliament, impose states of emergency, propose budgets, and nominate half the members of the country's highest judicial body. 15 of the amendments will come into effect after the dual elections (presidential and parliamentary) scheduled for November 2019 (the other three immediately, including the President being allowed to be head of a party).

Importantly, the referendum outcome is market friendly, as it is set to ease political and economic uncertainty, at least in the short term. Indeed, following the "Yes" vote, a call for early general elections has been ruled out and the Government is expected to focus on the economy. Note that protracted political and economic uncertainty since the July failed coup has resulted in a sharp slowdown in economic activity (growth declined to 1.2% y-o-y in H2:16 from 4.7% in H1:16), a significant increase in the seasonally-adjusted unemployment rate (from 11.0% in June 2016 to 11.8% in January), a marked widening of the fiscal deficit (to 1.9% of GDP in March, on a 12-month rolling basis, from 0.9% in June 2016), and a sharp depreciation of the domestic currency (by c.18.5% against the basket of "50%*TRY/USD+50%*TRY/EUR" since end-June 2016).

Lending activity (FX-adjusted) accelerated in Q1:16, supported by loosening macro-prudential measures and the Government's credit guarantees. Lending growth, adjusted for FX variations, accelerated to a 20-month high of 15.2% y-o-y at end-March from 10.8% at end-2016 – compared with the CBRT's implicit reference level of 15.0%.

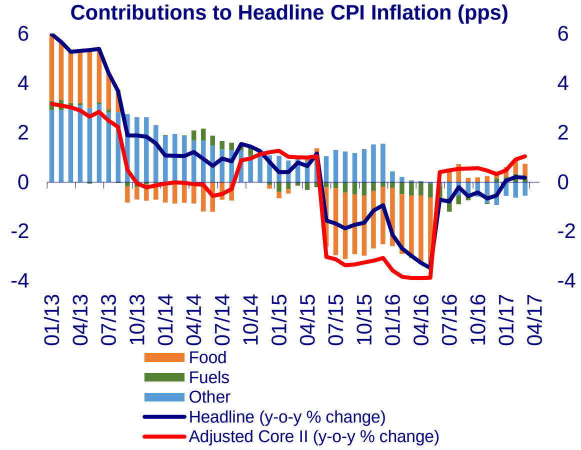
The acceleration was largely driven by the relaxation of some of the macro-prudential measures, designed over the past 5 years, to curb domestic demand and thus prevent an overheating of the economy and preserve financial stability. Indeed, in a bid to revive economic activity, which has slowed sharply since the mid-July failed coup attempt, the BRSA increased the term limits for consumer loans and credit cards and lowered the provisioning on unsecured retail loans. As a result, retail lending growth reached a 3-year high of 13.9% y-o-y in March from 10.1% in December and a 7-year low of 5.7% in the wake of the July failed coup. Moreover, the Government's Credit Guarantee Fund, established last October to stimulate lending to SMEs, has also contributed to the rebound of corporate lending growth to 15.7% y-o-y in March from 11.2% in December and a recent low of 9.7% in July.

The NPL ratio has remained broadly stable on an annual basis at 3.2% in Q1:16, amid an adverse operating environment. The overall NPL ratio rose slightly, by 6 bps y-o-y, to 3.2% at end-March, despite a sharp slowdown in economic activity and a significant depreciation of the domestic currency following the July failed coup. The stabilisation was mainly underpinned by: i) regular sales of retail unsecured NPLs by private banks; and ii) relaxed regulations on the restructuring of corporate loans in shipping, tourism and energy industries.

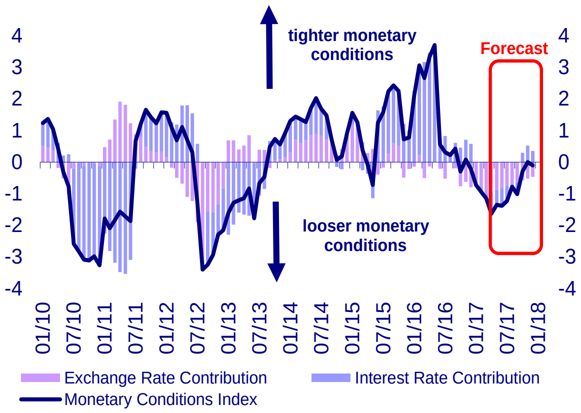
Romania

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

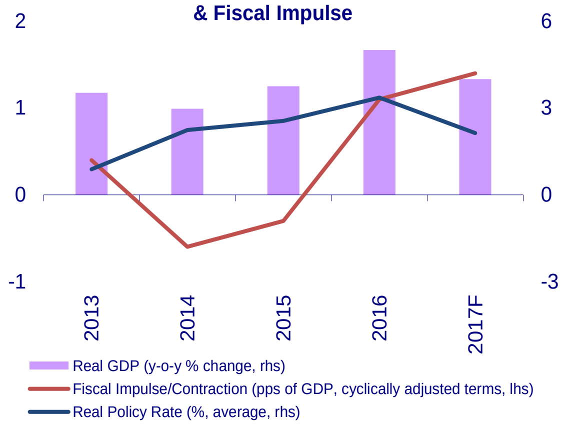
Contributions to Headline CPI Inflation (pps)



Monetary Conditions Index



Real GDP Growth, Real Policy Rate & Fiscal Impulse



	17 Apr.	3-M F	6-M F	12-M F
1-m ROBOR (%)	0.6	2.0	3.8	4.0
RON/EUR	4.52	4.49	4.49	4.50
Sov. Spread (2024, bps)	196	180	165	150

	17 Apr.	1-W %	YTD %	2-Y %	
BET-BK	1,539	-0.2	14.5	10.9	
	2014	2015	2016E	2017F	2018F
Real GDP Growth (%)	3.1	3.9	4.8	4.0	3.4
Inflation (eop, %)	0.8	-0.9	-0.5	2.0	2.6
Cur. Acct. Bal. (% GDP)	-0.7	-1.2	-2.4	-3.0	-3.4
Fiscal Bal. (% GDP)	-1.7	-1.5	-2.4	-3.8	-3.0

Headline inflation remains subdued at 0.2% y-o-y in March. Recall that after more than 1½ years of deflation, headline inflation has moved into positive territory since January, due to the "dropping out" of the base effect from the 4 pp cut in the VAT rate in January 2016. Headline inflation was affected by a pick-up in food inflation (to 1.7% y-o-y in March from 0.7% in December), on the back of stronger-than-usual seasonal patterns for volatile food prices, which was partly offset by the deceleration in energy inflation (including fuel and administered electricity and gas prices, to -2.1% y-o-y from -2.8% in December), in line with developments in global oil markets. Excluding volatile and regulated prices, adjusted core II inflation rose to 1.0% y-o-y in March from 0.3% at end-2016, reflecting stronger demand-side pressures.

Inflation is set to pick up rapidly during the remainder of the year. Looking ahead, stronger domestic demand, on the back of a further easing in fiscal policy (see below), together with higher global commodity prices (excluding energy) and imported inflation should put pressure on inflation. Overall, we see headline inflation rising to 2.0% at end-2017, still within the NBR's target range (2.5±1%). Adjusted core II inflation could rise even further to 2.6% at end-2017.

The NBR maintains its key interest rate on hold. At its meeting in early-April, the NBR Board maintained unchanged its 1-week repo rate at 1.75%. Note that the policy rate has been unchanged at this level since May 2015. As a result, although the *ex-post* real policy rate (estimated at c. 1.9%) is close to its historical average (1.8%), monetary conditions have loosened significantly during H2:16 (see our MCI), mainly reflecting the weaker RON in real terms (the CPI-based REER is down by an estimated 2.6% y-o-y). The latter is attributed to persistently weak inflation as well as the nominal depreciation of the RON (by 1.8% y-o-y against the EUR), mainly on the back of heightened concerns over the ongoing fiscal slippage (see below).

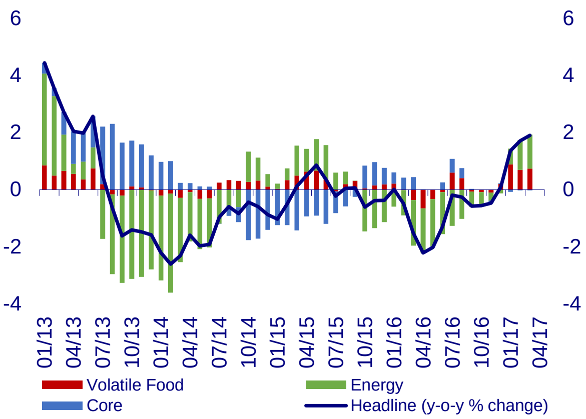
The NBR is set to embark on a tightening cycle later this year. The projected pick-up in headline inflation, combined with a looser fiscal policy, should prompt the NBR to tighten its policy stance. Indeed, the budget deficit is set to widen significantly in FY:17, fueled by tax cuts and a looser incomes policy. The tax cuts include: i) a 1pp cut in the VAT to 19%; ii) the elimination of special excise duties on fuel; iii) the elimination of the special property tax and several small taxes; as well as iv) tax deductions for low-income pensioners. At the same time, the targeted hikes in public sector wages at end-2016, together with a 20% rise in wages in local administration in February and a 9.0% rise in pensions in July, should boost personnel costs and social spending. As a result, we see the budget deficit widening to 3.8% of GDP in FY:17 from 2.4% in FY:16, breaching the EU threshold of 3.0%. At the same time, real GDP growth should reach a robust 4.0% (against 4.8% in FY:16), above its long-term potential of c. 3.0% for a 3rd consecutive year, while the current account deficit should widen to 3.0% of GDP, more than quadrupling -- albeit from a low base – in just 4 years (0.7% of GDP in FY:14). All said, we expect the NBR to raise its key rate by 300 bps to 4.75% by end-2017 (2.8% in real and compounded terms). In the event of appreciation pressures on the RON, rate hikes could be smaller than envisaged. This would bring the MCI to broadly neutral levels by end-2017.

Importantly, interbank rates should converge to the policy rate, to increase the effectiveness of a rate hike. Indeed, interbank rates are stuck at the bottom of the NBR's interest rate corridor (IRC, currently at ±1.5 pps around the policy rate), reflecting the large liquidity surplus in the market. In this context, Governor Isarescu has hinted that the NBR stands ready to narrow the IRC to ±1.0 pp around the policy rate.

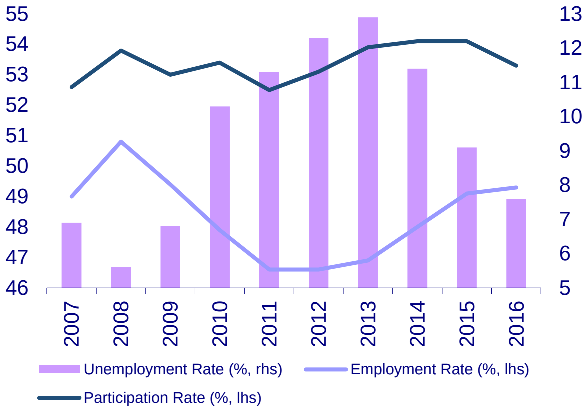
Bulgaria

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

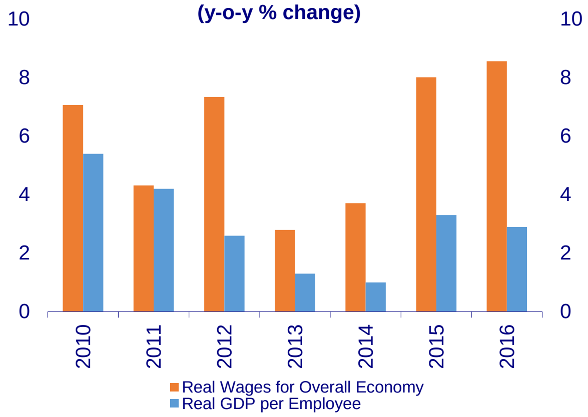
Contribution to Headline CPI Inflation (pps)



Labour Market Indicators



Real Wages & Real GDP per Employee (y-o-y % change)



	17 Apr.	3-M F	6-M F	12-M F
1-m SOFIBOR (%)	0.0	0.1	0.1	0.2
BGN/EUR	1.96	1.96	1.96	1.96
Sov. Spread (2022, bps)	121	120	116	110

	17 Apr.	1-W %	YTD %	2-Y %
SOFIX	658	0.5	12.2	30.0

	2014	2015	2016E	2017F	2018F
Real GDP Growth (%)	1.3	3.6	3.4	3.7	3.5
Inflation (eop, %)	-0.9	-0.4	0.1	0.8	1.4
Cur. Acct. Bal. (% GDP)	0.1	0.4	3.8	3.3	2.8
Fiscal Bal. (% GDP)	-3.7	-2.8	1.6	-1.0	-0.5

Headline inflation rises to 1.9% y-o-y in March from 0.1% in December due to higher volatile food and energy prices. Volatile food inflation continued its upward trend in March (reaching 12.2% y-o-y against 3.5% at end-2016), mainly due to supply-side effects from bad weather conditions in Q1:17. At the same time, energy inflation picked up (to 3.5% y-o-y in March from -0.1% in December), reflecting the lagged pass-through of the recent hike in global oil prices to domestic prices. Excluding volatile food and energy prices, core inflation stood at 0% in March, broadly flat since September 2016.

Headline inflation is set to return to lower levels by end-year. Looking ahead, stronger domestic demand, on the back of a sizeable fiscal impulse (2.6 pps of GDP in FY:17 against a contraction of 4.4 pps in FY:16), together with the hike in gas prices in April (by 30%, adding c. 0.3 pps to headline inflation) should put upward pressure on inflation. However, this pressure should be more than offset by the envisaged normalization in volatile food prices and the slowdown in energy inflation (the price of Brent is projected to remain at current levels throughout the year, implying an almost zero annual growth rate at end-year compared with 37.8% y-o-y in March in euro terms). All said, we see headline inflation ending 2017 at a 5-year high of 0.8%. At the same time, core inflation should converge towards headline inflation.

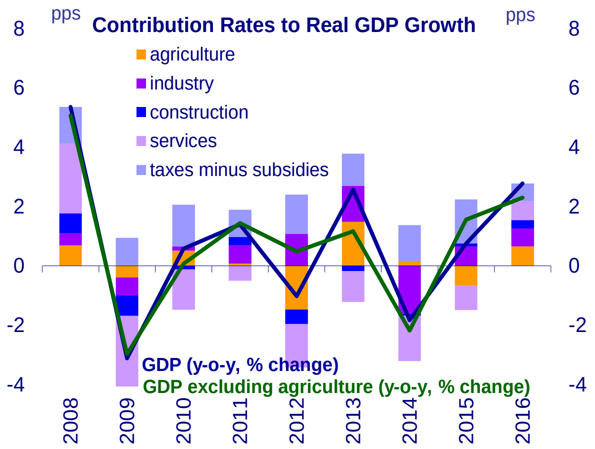
The unemployment rate improved in FY:16, albeit mainly due to a decline in the participation rate. The unemployment rate fell for a 3rd consecutive year to 7.6% in FY:16 from 9.1% in FY:15 and its peak of 12.9% in FY:13. Worryingly, however, the improvement in the unemployment rate in FY:16 was mainly due to a decline in the number of unemployed seeking work, as suggested by the lower participation rate (down 0.8 pps y-o-y to 53.3%, which is broadlyequal to those of Romania and Serbia, but below that of FYROM – 56.5%), rather than an increase in employment. Indeed, following robust growth during the past 2 years (by a CAGR of 1.6%), employment declined slightly in FY:16 (by 0.5%). Nevertheless, the employment rate rose marginally (by 0.2 pps to a high of 49.3%), in line with the continuing drop in the working age population (by 0.7%, see below).

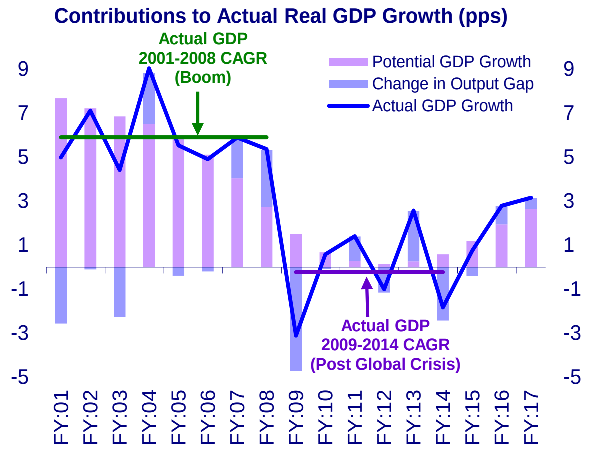
Tighter labour market conditions have translated into significant wage pressures. Indeed, real wage growth for the overall economy accelerated to 8.6% in FY:16 from 8.0% in FY:15, far surpassing productivity gains (real GDP per employee rose by 2.9% in FY:16 following 3.3% in FY:16). Moroever, unit labour costs for wage earners have risen by a cumulative 28% in real terms over the past 5 years.

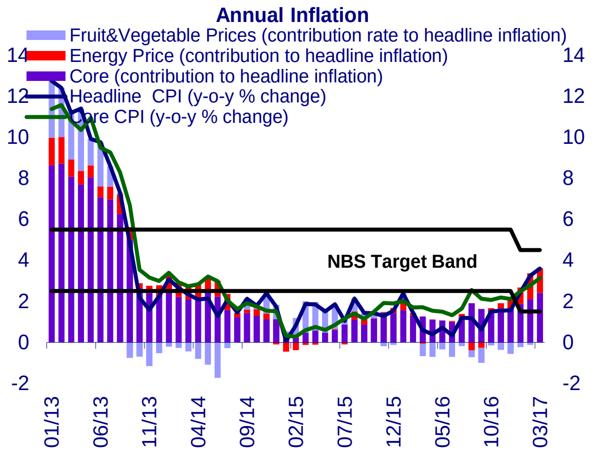
Structural problems cloud the outlook for the labour market. Long-term unemployment remains high (at c. 6.0%, well above the EU average of 4.5%), reflecting labour market rigidities and mismatches of skills, sectors and regions, as well as poor activation policies. At the same time, the labour force is shrinking due, *inter alia*, to outward migration and ageing (note that the country's population has declined by c. 12.0% over the past 15 years). In this context, and despite strong economic activity for a 3rd consecutive year in FY:17 (real GDP growth is seen at 3.7%, above its long-term potential of c. 3.0%), we expect labour market conditions to improve at a slower pace compared with previous years. Specifically, we see employment unchanged in FY:17, with the unemployment rate falling by 0.4 pps to 7.2% at the same time. Worryingly, wage pressures are set to persist in FY:17 (we see real wage growth for the overall economy at 7.0-8.0%). Importantly, however, with total hourly costs in Bulgaria being roughly one sixth of the EU-28 average, competitiveness still remains strong as reflected in a current account surplus exceeding 3% of GDP.

Serbia

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







	17 Apr.	3-M F	6-M F	12-M F
1-m BELIBOR (%)	3.3	3.4	3.5	3.8
RSD/EUR	123.5	124.3	124.7	125.0
Sov. Spread (2021, bps)	181	185	180	170

	17 Apr.	1-W %	YTD %	2-Y %
BELEX-15	732	0.9	2.1	-0.5

	2014	2015	2016	2017F	2018F
Real GDP Growth (%)	-1.8	0.8	2.8	3.2	3.6
Inflation (eop, %)	1.7	1.5	1.6	2.8	3.0
Cur. Acct. Bal. (% GDP)	-6.0	-4.7	-4.0	-4.2	-4.2
Fiscal Bal. (% GDP)	-6.6	-3.7	-1.4	-1.2	-1.0

GDP growth reached a post-global crisis high of 2.8% in FY:16. GDP increased sharply, by an 8-year high of 2.8% in FY:16, following a modest rise of 0.8% in FY:15 and a flood-related decline of 1.8% in FY:14. As a result, real GDP surpassed its peaks reached before the devastating May 2014 floods (by 1.6%) and the global crisis (by 2.0%).

The services and agricultural sectors were the main drivers of the improvement. Strong growth in the services sector provided a significant boost to activity, turning positive for the first time since 2008 (contributing 0.6 pps to overall GDP growth in FY:16 after subtracting 0.8 pps in FY:15). This performance reflects the waning negative impact of the austerity measures implemented in FY:15. The strong performance of the services sector is also attributed to the positive impact from a looser monetary policy stance. This was combined with a continued sharp decline in oil prices and the improvement in labour market conditions (with real wages increasing by 2.5% in FY:16 following a drop of -1.5% in FY:15, while the unemployment rate fell to 15.3% in FY:16 from 17.7% in FY:15).

Strong growth in agricultural output also boosted activity in FY:16, following a severe drought in FY:15. In fact, growth in the primary sector turned positive (up 8.3%, contributing 0.7 pps to GDP growth, in FY:16), supported by a bumper harvest due to favourable weather conditions, after having remained in negative territory throughout 2015 (declining by 7.7% and subtracting 0.7 pps from GDP growth). Excluding agriculture, the rebound in real GDP growth was milder (up 2.3% in FY:16 from 1.6% in FY:15).

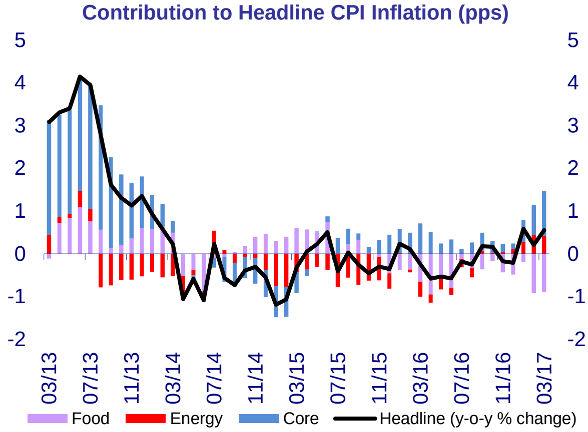
GDP growth is set to accelerate further, reaching 3.2% in FY:17 -- its highest level since 2008 and closer to its long-term potential (of 3.5%). Looking ahead, we expect output growth to strengthen further, underpinned by: i) strong private consumption, on the back of the increase in public sector wages and pensions and their spillover to the private sector (set to contribute 0.8 pps to FY:17 GDP growth, according to the NBS); and ii) higher production in the steel plant, Smederevo, following its privatisation in April 2016. Economic activity should also be supported this year by: i) a less contractionary fiscal stance; and ii) significant monetary policy easing.

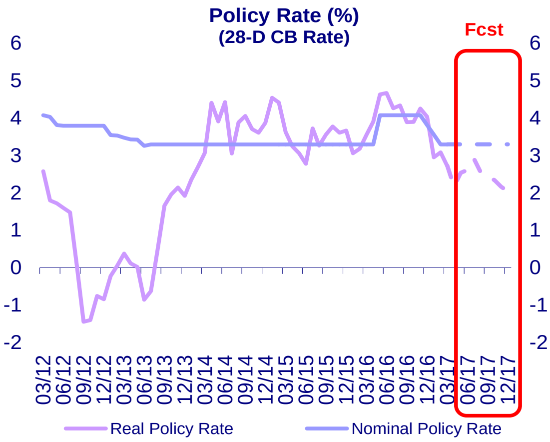
Headline inflation continued to increase in March. Inflation rose to (a 3½-year high of) 3.6% in March from 1.6% at end-2016 and has moved within the NBS' target band, for the first time since Q4:13. Mounting inflationary pressures reflect unfavourable energy prices, due to the recent rise in global oil prices (contributing 1.2 pps to March inflation against 0.5 pps in December), and higher fruit & vegetable prices from their end-2016 low (prompted by unusually cold winter this year). Moreover, core inflation (that excludes prices of fruit & vegetables and energy, and accounts for 77.5% of the CPI basket) has gradually picked up to a 3-year high of 3.1% y-o-y in March from 2.8% in February and 2.1% in December. The rise in core inflation was due to increases in regulated prices and excise duties (cigarettes, coffee and telecommunication services prices contributed 0.8 pps to inflation in March versus 0.3 pps in December), and mounting demand-side pressures. Looking ahead, inflation is set to decline to 2.8% by end-2017, mainly due to favourable energy prices, but remain well above the end-2016 outcome of 1.6%.

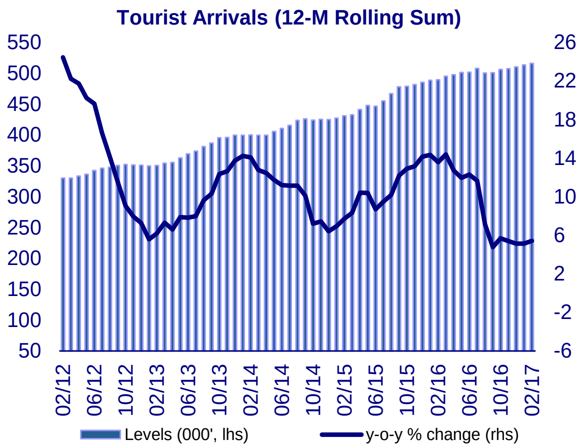
NBS to initiate a new cycle of monetary policy tightening in Q2:17. The NBS maintained unchanged its 2-week repo rate, for a 9th successive month, at its April meeting, at a record low of 4.0%. Going forward, with end-year inflation reaching a 5-year high, we expect the NBS to gradually increase the key policy rate by 100 bps by end-2017, to 5.0% (2.2% in *ex post* compounded real terms).

F.Y.R.O.M

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







	17 Apr.	3-M F	6-M F	12-M F
1-m SKIBOR (%)	1.5	1.8	2.3	2.8
MKD/EUR	61.3	61.3	61.3	61.3
Sov. Spread (2021. bps)	409	475	450	350

	17 Apr.	1-W %	YTD %	2-Y %
MBI 100	2,248	-0.8	5.3	27.7

	2014	2015	2016	2017F	2018F
Real GDP Growth (%)	3.5	3.8	2.4	2.8	3.4
Inflation (eop. %)	-0.5	-0.3	-0.2	1.0	2.0
Cur. Acct. Bal. (% GDP)	-0.5	-2.1	-3.1	-2.9	-2.8
Fiscal Bal. (% GDP)	-4.2	-3.5	-2.6	-3.0	-2.8

Domestic political crisis continues for a third consecutive year. President G. Ivanov continues to refuse to grant Z. Zaev, the leader of the second political force in Parliament, SDSM (controlling 49 out of 120 seats), a mandate to form a new Government following the failure of N. Gruevski, the leader of largest party, VMRO-DPMNE, by the end-January deadline. The "unacceptable Albanian platform", endorsed by the SDSM, was behind the President's decision. The Albanian platform requests, *inter alia*, the official use of the Albanian language across the country, a "*full economic parity through equal regional development*", and a debate on the change of the anthem, coat of arms and flag. Encouragingly, Parliament convened on March 27th for the first time since the December 11th elections and the debates continue to be focused on the Albanian platform.

Headline inflation rose to 0.6% y-o-y in March from -0.2% at end-2016 on the back of higher core inflation. Core inflation (excluding volatile food and energy prices and accounting for 80% of the CPI basket) rose to 1.3% y-o-y in March, up from 0.2% at end-2016. The underlying price pressures reflect, *inter alia*: i) improving labour market conditions (the unemployment rate reached a record low of 23.7% in FY:16 and employment increased by 2.5% in the same period); ii) solid consumer credit growth (up 13.5% y-o-y in the first 2 months of this year); and iii) higher imported inflation.

Looking ahead, we expect continued inflationary pressures from recovering domestic demand and, to a lesser extent, an upside correction in volatile food prices to be tempered by a sharp slowdown in energy prices throughout the rest of the year (we expect the price of the Brent to decline by c. 5.0% y-o-y by December 2017 compared with a rise of 37.8% in March in MKD terms). Overall, we see headline and core inflation ending FY:17 at 1.0% and 0.8%, respectively, up from -0.2% and 0.2% at end-FY:16.

The Central Bank is set to maintain unchanged its key policy rate at 3.25%, at least until the normalization of the political situation. Despite subdued inflation, the Central Bank maintained on hold its key rate (28-day Central Bank bill rate) at 3.25%, for a second consecutive month, at its April MPC meeting. Recall that, in view of the easing of political uncertainty following the December 11th elections, the Central Bank had cut the policy rate three times by a total of 75 bps to 3.25% between December and February, reversing the sharp 75 bp hike carried out last May, in an effort to contain large deposit outflows and dampen FX pressures, amid the escalating domestic political crisis.

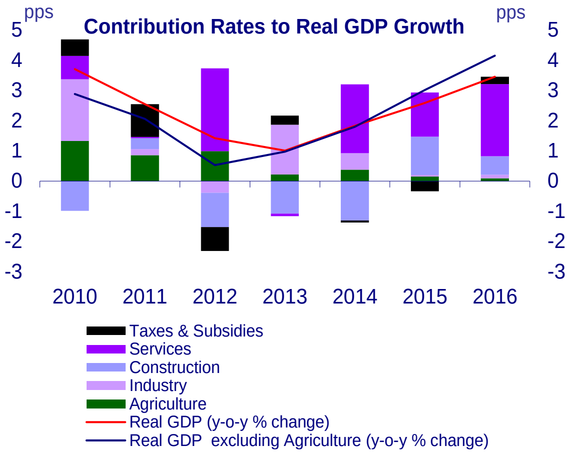
Looking ahead, in view of the positive inflation outlook, the Central Bank has room to cut its key rate further by the end of this year. However, such a move depends on the normalization of the political environment. In the event, we see the Central Bank proceeding with an additional cut of its key rate to 3.0% -- 2.0% in *ex post*, real and compounded terms by end-2017.

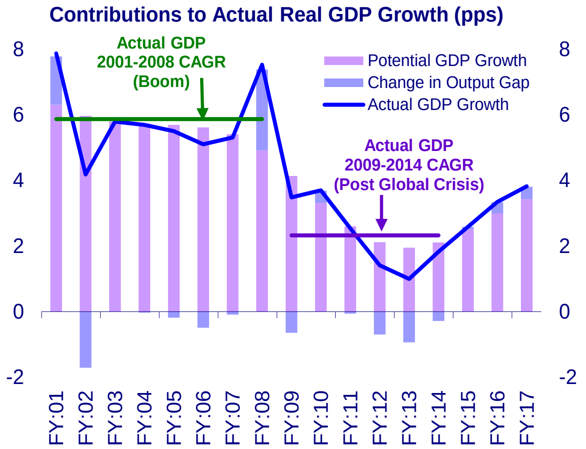
Tourist arrival growth recovered, on a 12-month rolling basis, to 5.4% y-o-y in February from a 5-year low of 5.1% in December. The improvement was exclusively driven by a milder decline in the number of EU visitors (down 4.8% y-o-y in February compared with a decline of 6.5% in December, on a 12-month rolling basis).

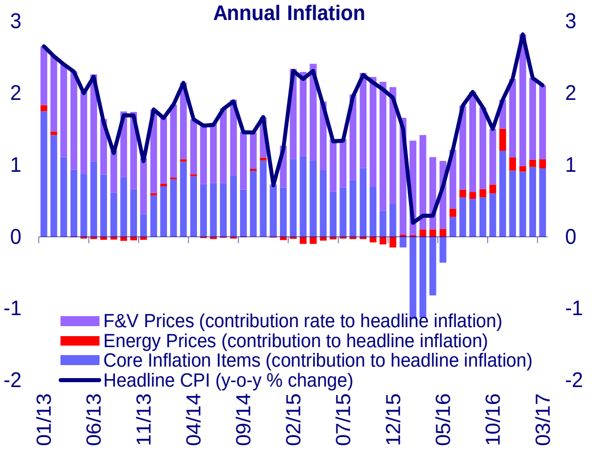
Going forward, we expect tourist arrivals to increase at a faster pace in 3-12M:17 (up 7.4% y-o-y) compared with the same period a year earlier (4.6%), bringing up FY:17 arrivals growth to c. 8.0% from 5.1% in FY:16. This should be supported, *inter alia*, by government incentives, including the promotion of 3 distinct tourist destinations (Ohrid, Mavrovo and Krushevo), and a stronger focus on attracting tourists from Russia.

Albania

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







	17 Apr.	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.8	2.2	2.2	2.2
ALL/EUR	135.2	138.5	138.7	138.0
Sov. Spread (bps)	330	340	320	300

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

	2014	2015	2016	2017F	2018F
Real GDP Growth (%)	1.8	2.6	3.5	3.8	4.2
Inflation (eop, %)	0.7	2.0	2.2	2.6	2.8
Cur. Acct. Bal. (% GDP)	-12.9	-10.7	-9.5	-11.2	-10.7
Fiscal Bal. (% GDP)	-5.2	-4.1	-1.7	-1.5	-1.6

Economic growth strengthened to a 6-year high of 3.5% in FY:16 from 2.6% in FY:15. In an adverse external environment, economic activity rose by 3.5% in FY:16 -- the second best performance in SEE-5 (after Romania) -- from 2.6% in FY:15 and a trough of 1.0% in FY:13. The improvement reflects the sharp rise in the services sector (growing by 5.2% in FY:16 against 3.2% in FY:15, and contributing 2.4 pps to GDP growth in FY:16 compared with 1.5 pps in FY:15), due to a rebound in private consumption. Recall that private consumption decelerated sharply in FY:15, reflecting the compulsory payment of electricity bills in H1:15, following the implementation of the power sector reform, and lower remittances from Greece in H2:15 due to the imposition of capital controls. The rebound in private consumption in FY:16 was also attributed to low inflation, which boosted real disposable income, as well as the continued improvement in the labour market (with the unemployment rate falling to a 4-year low of 15.6% in FY:16 from 17.5% in FY:15). Consumption was also boosted by higher tourism inflows (net receipts increased by 1.3 pps of GDP y-o-y in FY:16, according to BoP data).

Economic growth is set to reach 3.8% this year. Growth in 2017 is set to be underpinned, *inter alia*, by: i) intensified construction of the two ongoing major energy projects (i.e. the largest part of the Trans-Adriatic natural gas pipeline and the two Statkraft/Devoll hydropower plants); ii) the expected rebound in extraction industries (both due to recovering oil prices and the acquisition of the Canadian-based oil company, Bankers Petroleum, by China's Geo-Jade Petroleum Corporation at end-September 2016); and iii) stronger agricultural production, that remained weak in FY:16. Activity will also be supported by the rebound in credit, pension and public sector wage increases, the recovery in activity in the country's main trading partners, as well as improved confidence in the domestic economy, on the back of steady progress on structural reforms in view of the start of EU accession talks. Although gradually moving towards its long-term potential (of 4.0%), GDP growth will remain below the pre-crisis pace (a CAGR of 6.0% in 2001-08). Our projection assumes continued political stability and commitment to economic reforms after the formation of a new Government following the June 18th general elections.

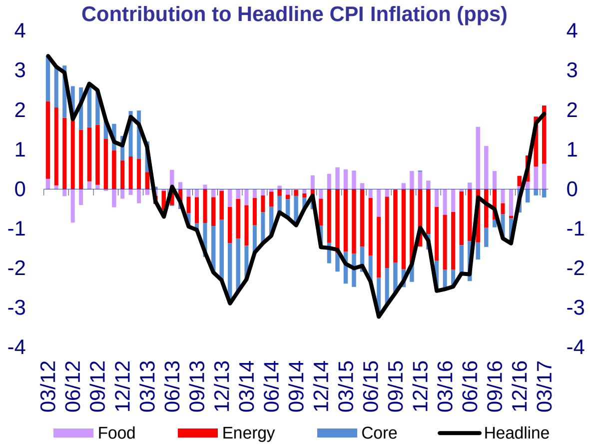
Headline inflation remained broadly flat at 2.1% y-o-y in March. Inflation slowed marginally to 2.1% y-o-y in March from 2.2% in December -- well below its target of 3.0%. Importantly, core inflation (that excludes prices of fruit & vegetables and energy, and accounts for 85.8% of the CPI basket) also remained unchanged at 1.1% in March, as pressures from the gradual recovery in domestic demand were offset by a relatively stable exchange rate, a persistent negative output gap, and a tight fiscal policy stance.

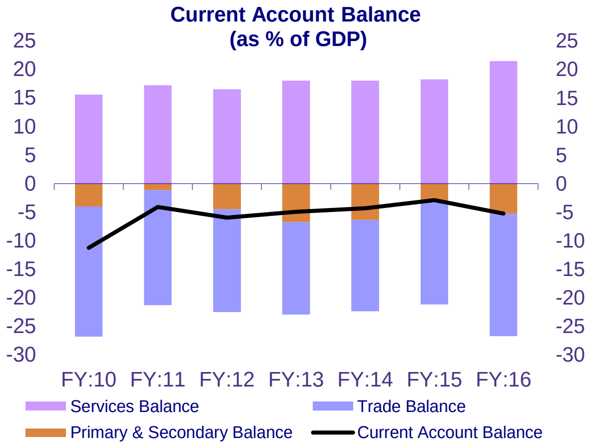
Headline inflation to reach 2.6% y-o-y in December -- the highest end-year inflation since 2010 -- moving towards the BoA's target. The acceleration should result from the gradual pick-up in core inflation, due to the recovery in domestic demand and mounting external inflationary pressures (due to higher global food prices and rising inflation in major trading partners). However, although continuing on an upward trend for a 3rd successive year, inflation should remain well-anchored (below BoA's target of 3.0% for a 7th successive year).

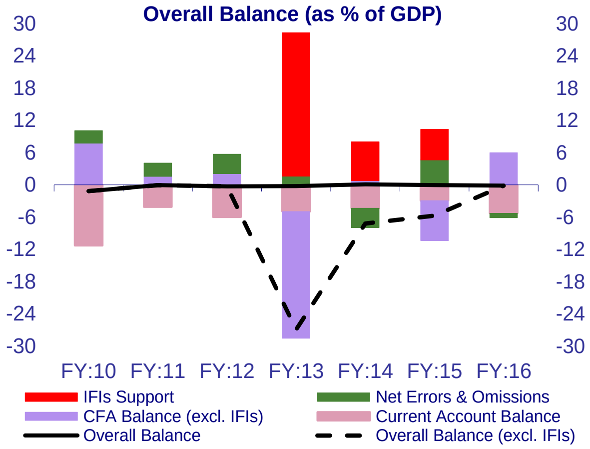
The BoA is set to initiate a cycle of policy tightening. The BoA has maintained its key policy rate unchanged since May 2016, at a record low of 1.25%, following two cuts in Q2:16 by a cumulative 50 bps. Looking ahead, we expect the BoA to hike its 1-week repo rate by 225 bps to 3.5% by end-2017 (1% in *ex post* and real terms), in its effort to contain the overheating of the economy and preserve financial stability.

Cyprus

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







	17 Apr.	3-M F	6-M F	12-M F
1-m EURIBOR (%)	-0.37	-0.37	-0.37	-0.37
EUR/USD	1.06	1.09	1.08	1.05
Sov. Spread (2020. bps)	245	260	250	230

	17 Apr.	1-W %	YTD %	2-Y %
CSE Index	70	1.2	5.0	-13.3

	2014	2015	2016	2017F	2018F
Real GDP Growth (%)	-1.5	1.7	2.8	2.6	2.4
Inflation (eop. %)	-1.5	-1.0	-0.3	0.8	1.5
Cur. Acct. Bal. (% GDP)	-4.3	-2.9	-5.3	-6.0	-5.8
Fiscal Bal. (% GDP)	-8.8	-1.1	0.1	-0.2	0.4

Headline inflation reached a high of 1.9% in March, driven by recovering energy prices. CPI inflation reached a 54-month high of 1.9% in March, up from 1.7% in February and -0.3% at end-2016. The acceleration was driven exclusively by higher energy prices (accounting for 9% of the CPI basket and up 18.9% y-o-y in March from 16.0% y-o-y in February and 3.2% y-o-y at end-FY:16), in line with developments in global oil prices.

The sharp rise in headline inflation in March would have been stronger had volatile food prices not broadly stabilized and core inflation not remained subdued.

For the rest of the year, we expect headline inflation to embark on a downward trend on the back of favourable energy prices, which will more than offset upward pressures stemming from recovering domestic demand and higher imported inflation. Overall, we see headline and core inflation ending FY:17 at 0.8% and 0.7%, respectively, up from -0.3% and -0.7% at end-FY:16.

The current account deficit (CAD) widened markedly by 2.3 pps y-o-y to 5.3% of GDP in FY:16. The negative performance is due to a significant deterioration in the trade and income balances, which more than offset a sharp improvement in the services balance.

The trade deficit rose sharply by 3.5 pps to 21.5% of GDP in FY:16, driven by higher imports (up 11.3% or 3.1 pps to 35.1% of GDP) and, to a lesser extent, by lower exports (down 1.7% or 0.4 pps to 13.6% of GDP). The rise in imports in FY:16 reflects stronger domestic demand (up 3.9% in real terms compared with a rise of 3.0% in FY:15), and would have been stronger had energy imports not declined (down 5.2% in FY:16) due to favourable energy prices. Excluding energy, imports rose by 15.4% or 3.5 pps of GDP in FY:16.

The negative CAD performance in FY:16 also reflects a weaker income balance. Indeed, the income deficit rose by 2.3 pps to 2.7% of GDP, largely due to higher repatriation of dividends and profits by foreign companies established in Cyprus.

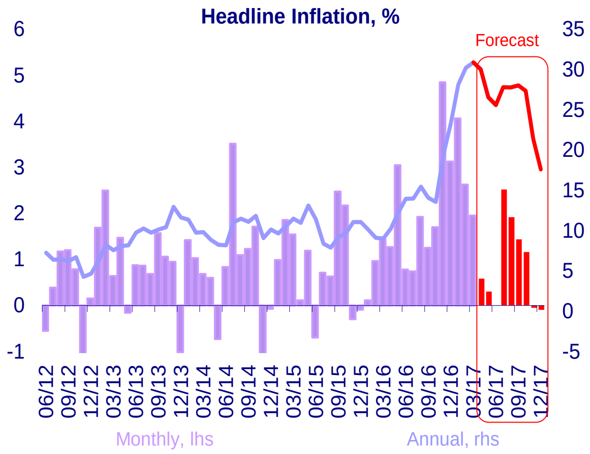
On a positive note, the services surplus rose markedly by 19.2% or 3.2 pps to a recent high of 21.5% of GDP in FY:16, compared with a mild increase of 1.7% in FY:15. The increase reflects significant improvements in the balances for: i) business services (most notably in computer and information services); and ii) tourism (up 10.9% or 0.6 pps of GDP in FY:16). The latter was driven by a sharp rise in tourist arrivals (up 21.2% in FY:16) and would have been stronger had outflows from residents travelling abroad not increased as well (up 0.6 pps of GDP, reflecting a 9-year-high increase of 13.3% in the number of Cypriots travelling overseas).

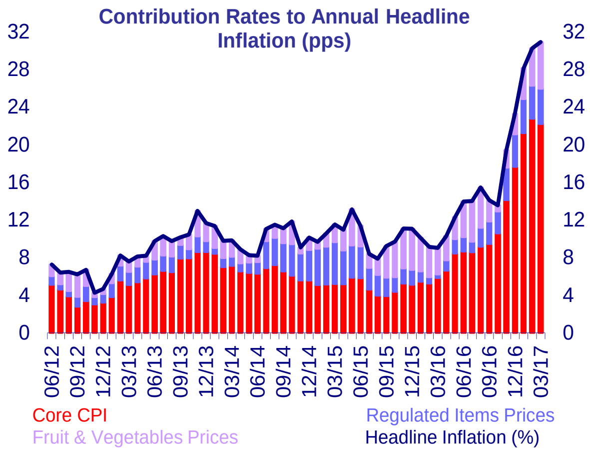
The capital and financial account (CFA) turned into surplus in FY:16 and covered the CAD. Importantly, the wider CAD was almost fully covered by private inflows for the first time in 4 years, following the successful completion of the 3-year adjustment programme in Q1:16. Recall that the programme's financial support to the island's balance of payments amounted to EUR 7.2bn (c. 40.0% of 2013 GDP) in the period Q1:13-Q1:16.

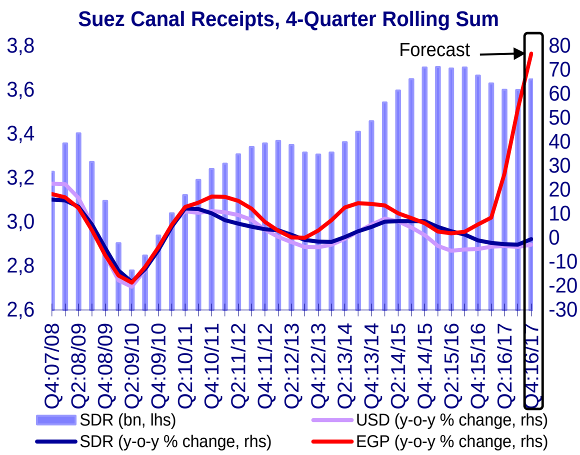
Looking ahead, pressures on the trade balance are set to persist in FY:17, in view of still robust domestic demand and higher global oil prices (we expect the price of the Brent to increase significantly by c. 28.0% in EUR terms this year, following a decline of 15.7% in FY:16). Overall, we see the CAD widening further to a worrisome level of 6.0% of GDP in FY:17 from 5.3% in FY:16, signalling that the economy is overheating.

Egypt

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







	17 Apr.	3-M F	6-M F	12-M F
O/N Interbank Rate (%)	15.7	17.0	17.0	16.5
EGP/USD	17.8	17.8	18.0	18.0
Sov. Spread (2020. bps)	297	270	265	240

	17 Apr.	1-W %	YTD %	2-Y %
HERMES 100	1,163	1.2	6.8	44.2

	13/14	14/15	15/16	16/17F	17/18F
Real GDP Growth (%)	2.1	4.2	3.8	3.5	4.5
Inflation (eop. %)	8.2	11.4	14.0	25.6	13.5
Cur. Acct. Bal. (% GDP)	-0.8	-3.7	-5.5	-6.1	-5.0
Fiscal Bal. (% GDP)	-12.2	-11.3	-12.1	-10.0	-8.1

Headline inflation may have reached its peak in March. Headline inflation rose to a 3-decade high of 30.9% y-o-y in March, having accelerated sharply from 13.6% in October, following an across-the-board deterioration in its components. Indeed, core inflation (excluding fruit & vegetables as well as regulated items) rose to a 3-year high of 32.3% y-o-y in March from 15.7% in October, reflecting mainly the pass-through of a weaker currency to prices and the second-round effects from a rise in regulated fuel prices (see below). Recall that on November 3rd, the Central Bank decided to fully float the EGP so as to make the country more competitive and help rebuild its foreign exchange reserves, leading to a sharp depreciation in the domestic currency (by c. 50.0% to EGP 18.0 per USD). Moreover, regulated prices increased by a 2-year high of 20.3% y-o-y from 12.6% in October, mainly due to a sharp rise in fuel prices by 30%-50% on November 3rd, in line with the Government's plan to reduce its petroleum subsidy bill in the FY:16/17 Budget by 43.5% to reach EGP 35bn (1.1% of GDP). Finally, volatile prices of fruit & vegetables also increased sharply by a 15-month high of 39.0% y-o-y in March compared with a rise of only 4.6% y-o-y in October).

Looking ahead, based on the 2017/18 draft Budget assumptions, we expect headline inflation to fluctuate within the 27%-30% range until October, before declining sharply to 17.6% in December on the back of the fading impact of the November-December 2016 EGP depreciation and energy price increases. The 2017/18 draft Budget assumptions include: i) a stable domestic currency at its current level (EGP 18 per USD); ii) a moderate increase of 5.0% in the wage bill; iii) a second wave of energy (fuel and electricity) price adjustments (to take place in July); and iv) a 1 pp increase in the VAT rate (expected in August).

SDR-denominated Suez Canal receipts (SCR) to boost budget revenue by 0.4 pps of GDP in FY:16/17, on the back of large currency valuation effects. SCR stabilised on an annual basis at SDR 882mn in Q3:16/17 (January-March 2017) following 3 consecutive quarters of decline (averaging 3.6% y-o-y) reflecting the slowdown in global trade in 2016 (when growth of world trade volume of goods and services moderated to 1.9% from 2.7% in 2015, according to the latest IMF WEO Update -- January 2017). Note that the SDR (which is a basket of currencies) is the currency unit used by the Canal Authority to collect transit fees in order to avoid sharp fluctuations in its revenue.

The stabilisation in SCR in Q3:16/17 is in line with the anticipated rebound in global trade in 2017 (according to the latest IMF WEO Update, the world trade volume of goods and services is set to accelerate to 3.8% in 2017 from 1.9% in 2016). Moreover, the stabilisation in SCR in Q3:16/17 reflects exclusively developments in total (net) tonnage of ships crossing the Canal, as transit tolls have not been changed since May 2013.

Looking ahead, in view of the ongoing rebound in global trade, we expect SCR to rise by c. 3.0% y-o-y during Q4:16/17 (April-June 2017), reversing the bulk of their 9M:16/17 losses. Importantly, due to currency valuation effects (a c. 2% depreciation of the SDR against the USD and a c. 75% appreciation of the SDR against the EGP in FY:16/17, according to consensus forecasts), FY:16/17 SCR support to:

i) FX reserves should decline by c. 3.5% (USD 170mn y-o-y) to around USD 4,950mn (c. 28.0% of end-2015/16 stock of FX reserves) after having declined -- for the first time in 3 years -- by 4.6% (or USD 247mn) in FY:15/16; and

ii) budget revenue, through the corporate income tax and dividends, should rise sharply to EGP 51.0bn (1.5% of GDP) from EGP 29.7bn (1.1% of GDP) in FY:15/16.

FOREIGN EXCHANGE MARKETS, APRIL 17TH 2017

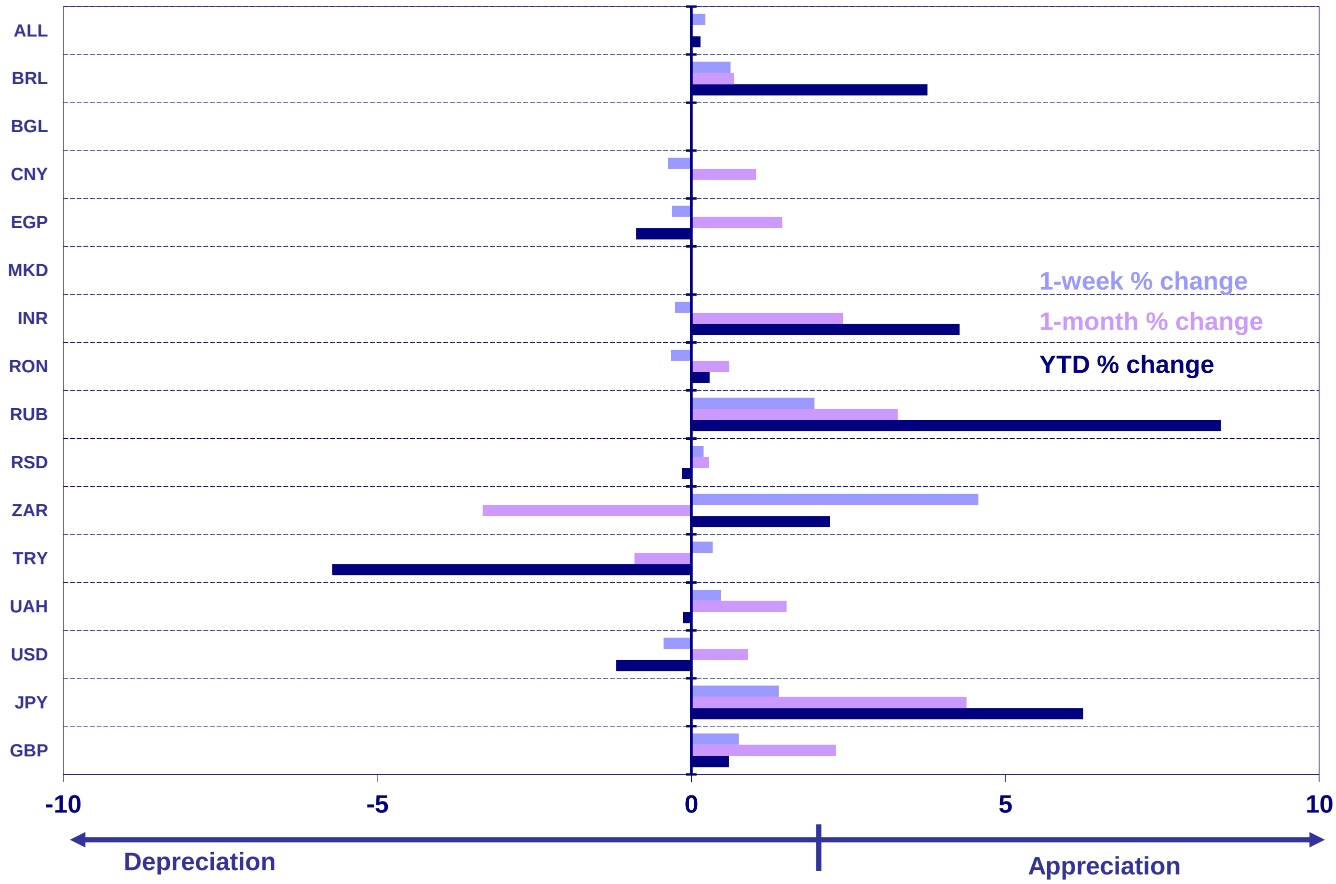
Against the EUR

	Currency	2017										2016	2015
		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	135.2	0.2	0.0	0.1	2.1	134.8	137.3	135.6	135.5	134.9	1.2	2.0
Brazil	BRL	3.30	0.6	0.7	3.8	24.0	3.23	3.46	3.66	3.63	3.61	25.7	-25.2
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	7.33	-0.4	1.0	0.0	-0.2	7.20	7.49	7.67	7.67	7.65	-4.0	6.7
Egypt	EGP	19.03	-0.3	1.5	-0.9	-47.5	16.62	20.32	- - -	- - -	- - -	-55.0	2.1
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	68.6	-0.3	2.4	4.3	9.7	68.2	73.3	73.3	- - -	- - -	0.4	6.6
Romania	RON	4.52	-0.3	0.6	0.3	-1.1	4.49	4.57	4.53	4.54	4.58	-0.4	-0.8
Russia	RUB	59.5	2.0	3.3	8.4	26.0	59.5	65.1	61.0	62.3	65.1	22.9	-15.1
Serbia	RSD	123.5	0.2	0.3	-0.2	-0.6	123.3	124.1	124.1	124.4	- - -	-1.5	-0.1
S. Africa	ZAR	14.1	4.6	-3.3	2.2	15.8	13.38	14.86	14.4	14.7	15.3	16.2	-16.6
Turkey	YTL	3.94	0.3	-0.9	-5.7	-18.4	3.70	4.17	4.07	4.19	4.45	-14.7	-10.8
Ukraine	UAH	28.5	0.5	1.5	-0.1	0.8	27.22	29.55	33.6	- - -	- - -	-8.6	-27.5
US	USD	1.06	-0.4	0.9	-1.2	6.3	1.0	1.1	1.07	1.07	1.09	3.3	11.4
JAPAN	JPY	115.9	1.4	4.4	6.2	6.2	114.9	123.7	116.2	116.2	116.3	6.0	11.0
UK	GBP	0.85	0.8	2.3	0.6	-6.5	0.8	0.9	0.85	0.85	0.85	-13.5	5.3

* 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 17th 2017)



MONEY MARKETS, APRIL 17TH 2017

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	FYROM	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
O/N	1.4	11.1	0.0	2.4	- - -	15.7	- - -	- - -	0.4	9.5	- - -	12.3	7.3	13.3	- - -	0.9
T/N	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0.5	9.8	3.0	- - -	7.3	- - -	- - -	- - -
S/W	1.4	11.1	0.0	2.7	-0.4	- - -	1.2	- - -	- - -	10.1	3.0	- - -	7.4	14.2	-0.4	0.9
1-Month	1.8	11.2	0.0	4.0	-0.4	- - -	1.5	6.4	0.6	10.2	3.3	12.3	7.6	16.1	-0.4	1.0
2-Month	- - -	11.0	0.1	- - -	-0.3	- - -	- - -	- - -	- - -	10.2	3.4	12.4	7.7	- - -	-0.3	1.0
3-Month	2.3	10.6	0.1	4.3	-0.3	- - -	1.8	6.5	0.9	10.0	3.5	12.5	7.8	17.3	-0.3	1.2
6-Month	2.6	10.0	0.3	4.3	-0.2	- - -	2.0	- - -	1.1	10.0	3.7	12.6	8.0	- - -	-0.2	1.4
1-Year	3.2	9.4	0.8	4.2	-0.1	- - -	2.4	- - -	1.3	10.0	- - -	13.0	8.2	- - -	-0.1	1.8

LOCAL DEBT MARKETS, APRIL 17TH 2017

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	FYROM	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine	EU	US
3-Month	- - -	- - -	- - -	- - -	- - -	19.4	- - -	6.0	- - -	9.7	3.4	10.4	- - -	- - -	-0.9	0.8
6-Month	1.5	- - -	- - -	- - -	- - -	19.4	- - -	6.1	0.8	9.6	3.5	10.8	- - -	- - -	-0.9	0.9
12-Month	1.8	- - -	0.2	3.1	- - -	19.2	1.9	6.4	1.0	9.0	4.2	11.2	- - -	15.0	-0.8	1.0
2-Year	3.0	- - -	- - -	3.1	- - -	- - -	2.1	6.5	1.6	8.4	- - -	11.1	7.6	- - -	-0.9	1.2
3-Year	- - -	- - -	0.5	3.1	0.8	- - -	- - -	6.7	1.6	8.4	- - -	10.7	7.7	15.5	-0.8	1.4
5-Year	- - -	9.9	- - -	3.2	- - -	17.2	- - -	7.0	2.8	8.1	5.7	10.8	7.9	- - -	-0.5	1.8
7-Year	- - -	- - -	1.0	- - -	2.8	17.2	- - -	7.0	3.4	8.1	- - -	- - -	- - -	- - -	-0.3	2.1
10-Year	- - -	10.1	1.6	3.4	3.3	17.1	3.8	6.8	3.8	7.9	- - -	10.6	8.8	- - -	0.2	2.3
15-Year	- - -	- - -	- - -	- - -	- - -	- - -	- - -	7.5	- - -	8.2	- - -	- - -	9.3	- - -	0.4	- - -
25-Year	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9.7	- - -	- - -	- - -
30-Year	- - -	- - -	- - -	- - -	- - -	- - -	- - -	7.5	- - -	- - -	- - -	- - -	9.7	- - -	0.9	2.9

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

CORPORATE BONDS SUMMARY, APRIL 17TH 2017

		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	1.6	240	185
	Bulgarian Telecom. 6.625% '18	EUR	B-/B1	15/11/2018	400	4.3	514	456
Cyprus	**Aroundtown Property 3% '21**	EUR	NA/NA	9/12/2021	200	3.0	347	284
Russia	**Gazprom 8.2% '19**	RUB	BB+/NA	9/4/2019	10,000	9.6	65	- - -
	Gazprom 8.9% '21	RUB	BB+/NA	26/1/2021	10,000	9.7	76	- - -
South Africa	**FirstRand Bank Ltd 4.25% '20**	USD	BBB-/Baa2	30/4/2020	500	3.9	248	219
	FirstRand Bank Ltd 2.25% '20	EUR	NA/NA	30/1/2020	100	0.5	125	57
Turkey	**Vakiflar Bankasi 3.5% '19**	EUR	NA/Baa3	17/6/2019	500	2.8	364	292
	Garanti Bankasi 3.38%'19	EUR	NA/Baa3	8/7/2019	500	2.0	285	216
	Arcelik AS 3.875% '21	EUR	BB+/NA	16/9/2021	350	2.8	351	283
	Turkiye Is Bankasi 6% '22	USD	NA/Ba3	24/10/2022	1,000	6.3	456	429

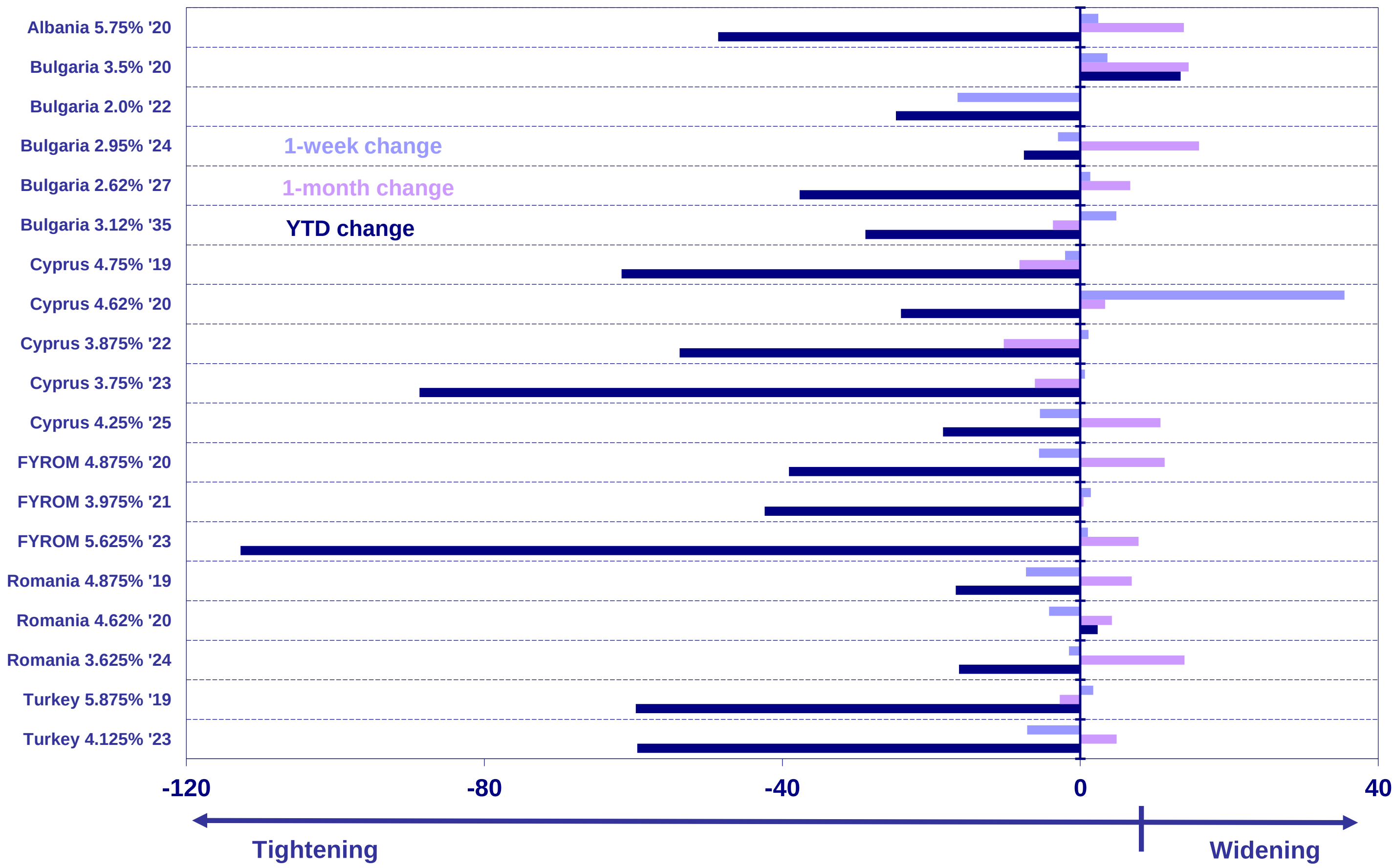
CREDIT DEFAULT SWAP SPREADS, APRIL 17TH 2017

	Albania	Brazil	Bulgaria	China	Cyprus	Egypt	FYROM	India	Romania	Russia	Serbia	Turkey	S. Africa	Ukraine
5-Year	- - -	222	115	88	220	327	- - -	136	104	168	199	229	210	- - -
10-Year	- - -	306	160	138	247	363	- - -	144	145	240	238	311	278	- - -

EUR-Denominated Sovereign Eurobond Summary, April 17th 2017

	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	2.6	330	282
Bulgaria 3.5% '20	EUR	NA/NA	16/1/2020	145	0.6	136	69
Bulgaria 2.0% '22	EUR	BB+/Baa2	26/3/2022	1,250	0.7	121	60
Bulgaria 2.95% '24	EUR	BB+/Baa2	3/9/2024	1,493	1.4	163	106
Bulgaria 2.62% '27	EUR	BB+/Baa2	26/3/2027	1,000	1.9	171	126
Bulgaria 3.12% '35	EUR	BB+/Baa2	26/3/2035	900	2.8	218	172
Cyprus 4.75% '19	EUR	BB/NA	25/6/2019	566	0.8	162	96
Cyprus 4.62% '20	EUR	BB/B1	3/2/2020	770	1.7	245	184
Cyprus 3.875% '22	EUR	NA/B1	6/5/2022	1,000	2.8	330	271
Cyprus 3.75% '23	EUR	NA/B1	26/7/2023	1,000	2.8	323	271
Cyprus 4.25% '25	EUR	NA/B1	4/11/2025	1,000	3.3	325	282
FYROM 4.875% '20	EUR	BB-/NA	1/12/2020	270	3.1	373	317
FYROM 3.975% '21	EUR	BB-/NA	24/7/2021	500	3.4	409	463
FYROM 5.625% '23	EUR	BB-/NA	26/7/2023	450	4.5	491	436
Romania 4.875% '19	EUR	BBB-/Baa3	7/11/2019	1,500	0.2	100	35
Romania 4.62% '20	EUR	BBB-/Baa3	18/9/2020	2,000	0.3	106	36
Romania 3.625% '24	EUR	BBB-/Baa3	24/4/2024	1,250	1.7	196	146
Turkey 5.875% '19	EUR	NR/Ba1	11/4/2023	1,250	1.0	187	127
Turkey 4.125% '23	EUR	NR/Ba1	12/11/2020	1,000	3.0	336	281

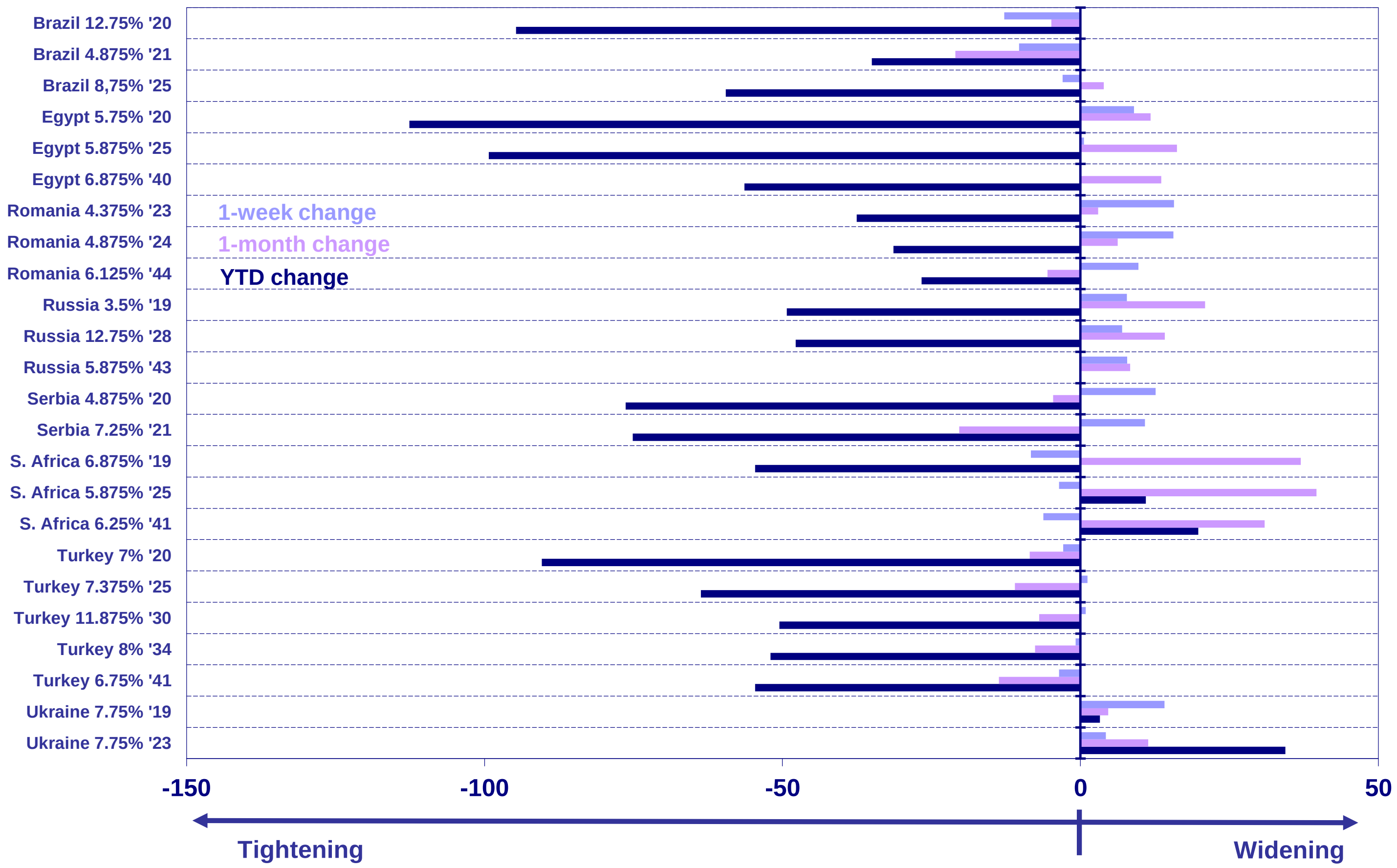
EUR-Denominated Eurobond Spreads (April 17th 2017)



USD-DENOMINATED SOVEREIGN EUROBOND SUMMARY, APRIL 17TH 2017

	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	2.6	124	117
Brazil 4.875% '21	USD	BB/Ba2	22/1/2021	2,988	3.2	177	146
Brazil 8.75% '25	USD	BB/Ba2	4/2/2025	969	4.5	247	277
Egypt 5.75% '20	USD	B-/B3	11/6/2025	1,000	4.4	297	273
Egypt 5.875% '25	USD	B-/B3	30/4/2040	1,500	6.1	402	387
Egypt 6.875% '40	USD	B-/B3	22/8/2023	500	7.4	447	463
Romania 4.375% '23	USD	BBB-/Baa3	22/1/2024	1,500	3.3	132	141
Romania 4.875% '24	USD	BBB-/Baa3	22/1/2044	1,000	3.4	138	146
Romania 6.125% '44	USD	BBB-/Baa3	16/1/2019	1,000	4.6	166	239
Russia 3.5% '19	USD	BB+/Ba1	24/6/2028	1,500	2.1	92	64
Russia 12.75% '28	USD	BB+/Ba1	16/9/2043	2,500	4.2	193	280
Russia 5.875% '43	USD	BB+/Ba1	25/2/2020	1,500	5.0	206	266
Serbia 4.875% '20	USD	BB-/B1	28/9/2021	1,500	3.4	204	181
Serbia 7.25% '21	USD	BB-/B1	27/5/2019	2,000	3.6	181	189
S. Africa 6.875% '19	USD	BBB-/Baa2	16/9/2025	1,748	2.7	155	127
S. Africa 5.875% '25	USD	BBB-/Baa2	8/3/2041	2,000	4.8	260	279
S. Africa 6.25% '41	USD	BBB-/Baa2	5/6/2020	750	5.6	267	323
Turkey 7% '20	USD	NR/Ba1	5/2/2025	2,000	3.7	229	210
Turkey 7.375% '25	USD	NR/Ba1	15/1/2030	3,250	5.0	299	317
Turkey 11.875% '30	USD	NR/Ba1	14/2/2034	1,500	5.6	332	435
Turkey 8% '34	USD	NR/Ba1	14/1/2041	1,500	5.9	366	394
Turkey 6.75% '41	USD	NR/Ba1	1/9/2019	3,000	5.9	302	342
Ukraine 7.75% '19	USD	B-/Caa3	1/9/2023	1,744	7.3	609	565
Ukraine 7.75% '23	USD	B-/Caa3	15/1/2020	1,355	8.9	681	654

USD-Denominated Eurobond Spreads (April 17th 2017)



Stock Markets Performance, April 17th 2017

	2017								2016		2015	
	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)	64,335	-0.5	0.2	6.8	21.6	59,371	69,488	10.6	38.9	76.2	-13.3	-35.3
Bulgaria (SOFIX)	658	0.5	3.6	12.2	51.2	583	661	12.2	27.2	27.2	-11.7	-11.7
China (SHCOMP)	3,222	-1.4	-0.5	3.8	6.2	3,044	3,295	3.5	-12.3	-15.3	9.4	16.5
Cyprus (CSE GI)	70	1.2	5.1	5.0	3.9	65	71	5.0	-2.0	-2.0	-20.9	-20.9
Egypt (HERMES)	1,163	1.2	-0.1	6.8	66.0	1,071	1,187	4.5	72.7	-21.8	-24.4	-22.8
F.Y.R.O.M (MBI)	2,248	-0.8	-1.2	5.3	27.2	2,135	2,316	5.3	16.5	16.5	-0.6	-0.6
India (SENSEX)	29,414	-0.5	-0.8	10.5	13.9	25,058	30,007	15.1	1.9	2.6	-5.0	0.7
Romania (BET-BK)	1,539	-0.2	2.7	14.5	23.2	1,365	1,541	14.8	0.2	0.0	2.6	1.6
Russia (RTS)	4,253	-0.4	-3.8	-13.5	1.1	4,151	5,089	-6.3	24.2	54.3	30.3	9.5
Serbia (BELEX-15)	732	0.9	-1.6	2.1	19.9	694	753	1.8	11.4	9.7	-3.4	-3.5
South Africa (FTSE/JSE)	53,510	0.7	1.8	5.6	0.6	50,338	54,003	6.8	-0.1	16.1	1.9	-15.1
Turkey (ISE 100)	90,654	-0.6	0.2	16.0	5.0	75,657	91,832	9.4	8.9	-7.0	-16.3	-25.4
Ukraine (PFTS)	272	-0.3	-0.7	2.5	16.8	265	276	2.4	10.2	1.0	-37.8	-54.8
MSCI EMF	963	0.5	-0.3	11.6	14.1	858	980	10.3	8.6	12.2	-17.0	-6.9
MSCI EAFE	1,788	0.4	-0.6	6.2	6.6	1,677	1,812	4.9	-1.9	1.4	-3.3	7.7
Greece (ASE-General)	684	0.3	6.0	6.2	19.0	602	686	6.2	1.9	1.9	-23.6	-23.6
Germany (XETRA DAX)	12,109	-0.8	0.1	5.5	19.7	11,415	12,376	5.5	6.9	6.9	4.9	4.9
UK (FTSE-100)	7,328	-0.3	-1.3	2.6	15.3	7,094	7,447	3.0	14.4	-1.0	-4.9	0.1
USA (DJ INDUSTRIALS)	20,637	-0.1	-1.3	4.4	14.6	16,166	21,169	3.2	13.4	16.7	-2.2	9.3
USA (S&P 500)	2,349	-0.3	-1.2	4.9	12.2	2,245	2,401	3.7	9.5	13.2	-0.7	10.6

Equity Indices (April 17th 2017)