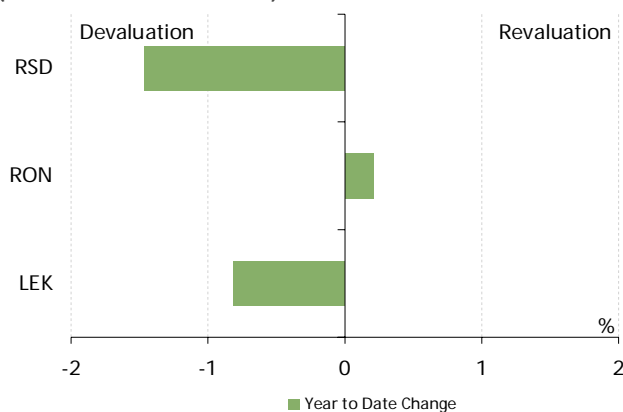




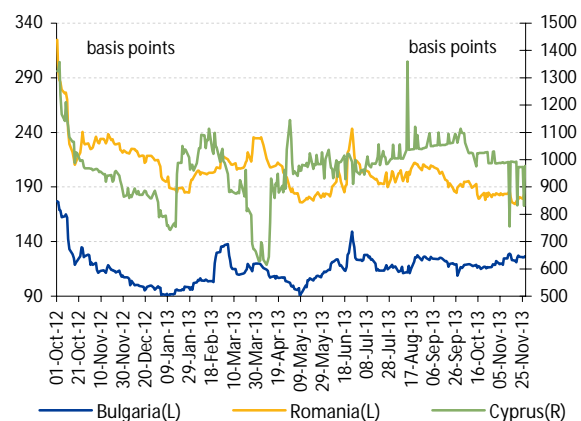
## ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

- On November 27th, the Bank of Albania (BoA) decided to cut its key policy rate by 25 basis points (bps) to the historically low level of 3.25%. The last rate cut, of 25 bps, was in July. The BoA estimates that inflation will remain subdued in the medium term due to weakening domestic and external economic growth.
- Bulgaria's foreign exchange reserves contracted in October by 1.3% YoY from an increase of 16.2% in October 2012, while in September reserves covered 124.7% of the short-term gross external debt from 133.4% in September last year.
- The international rating agency, Standard & Poor's, raised its long/short-term foreign and local currency sovereign ratings on the Republic of Cyprus to B-/B with stable outlook. S&P notes that the risks regarding the implementation of the financial assistance programme have improved, leading to the full and timely payment of debt service. The stable outlook reflects the balance between the implementation risks and the upside potential of the local economy.
- The international rating agency, Standard & Poor's, affirmed Romania's long/short-term foreign and local currency sovereign credit ratings at BB+/B with positive outlook. S&P estimates that Romania is making steady progress on fiscal consolidation, financial sector stability and higher exports – improving the country's competitiveness. The successful implementation of the fiscal consolidation and structural reforms may lead to an upward revision of the rating.
- Serbia's public debt in January-October totalled 58.5% of GDP from 59.3% in 2012.

Bilateral Exchange Rates vs. the Euro  
(28<sup>th</sup> November 2013)



CDS 5Y USD



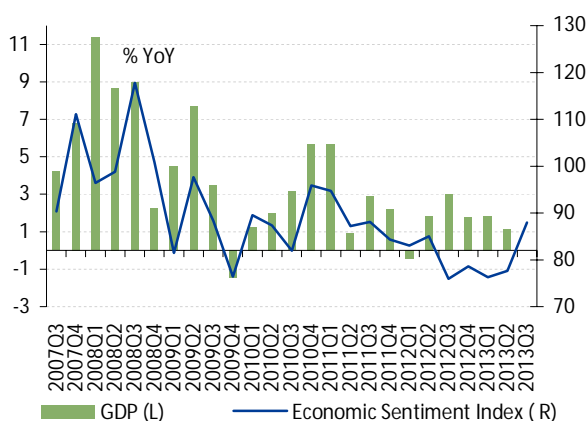
Macroeconomic Data								
	Real GDP (% YoY)		Inflation		Fiscal Balance (%)		Current Account Balance (% GDP)	
	2012	Jan-Sept'13	2012	Jan-Sept'13	2012	Jan-Sept'13	2012	Jan-Sept'13
Albania	1.5	1.5 (H1 2013)	2.0	2.1	-3.4	-4.2	-10.5	-5.2 (H1 2013)
Bulgaria	0.8	0.5	3.0	0.5	-0.5	-0.5	-1.3	3.4
Cyprus	-2.4	-5.3	2.4	0.7	-4.9	-2.3	-6.8	-0.9 (H1 2013)
Romania	0.5	2.6	3.3	4.5	-2.5	-1.3	-4.3	-0.4
Serbia	-1.8	2.0	7.3	9.8	-5.7	-4.0	-10.6	-3.2

Source: Piraeus Bank Research, Datastream, Bloomberg

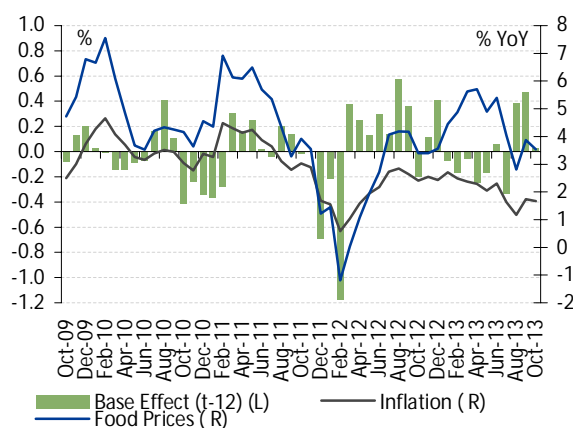
## A. ALBANIA

- The international rating agency, Moody's, notes in its annual report that the country's increasing levels of public debt and fiscal gap in 2013 are negative factors. However, a positive is that Albania has weathered the European crisis so far.
- In 2013Q3, the unemployment rate remained unchanged for the fifth consecutive quarter at 12.8%, while the registered employed persons in non-agricultural sectors increased due to the higher registration rate of private companies (mainly in Tirana) with the Tax Authorities. (Graph 1.5)

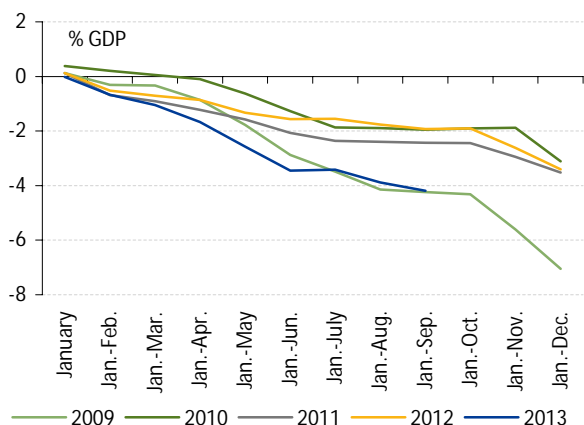
1.0 Real GDP & Economic Sentiment Index



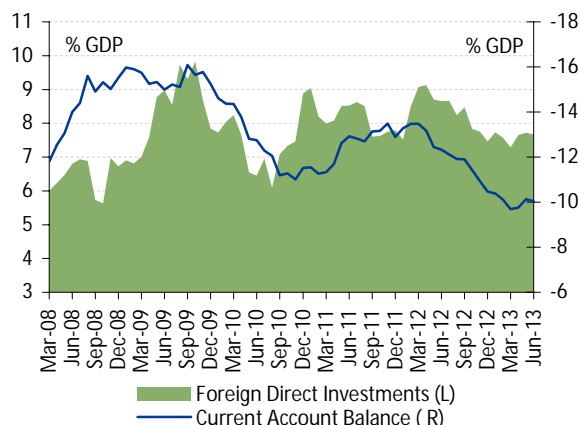
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



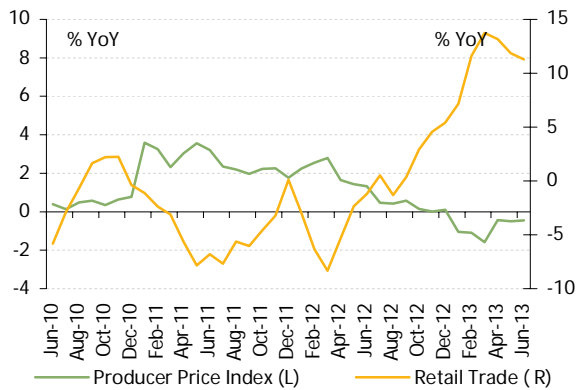
1.3 Current Account Balance & FDIs (12m rolling sum)



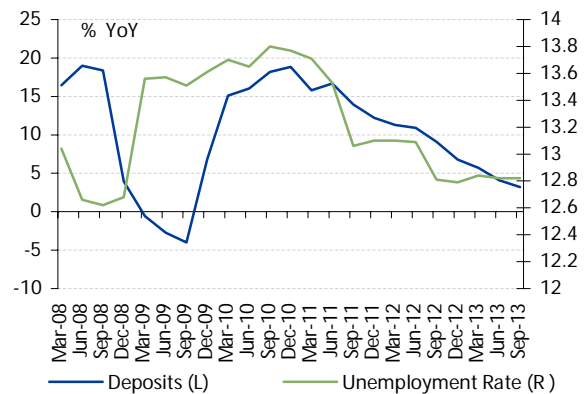
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

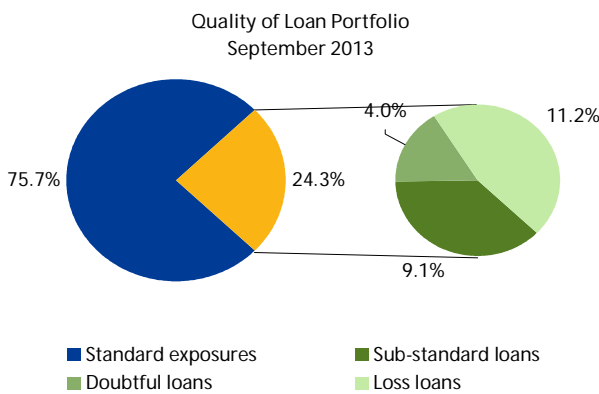
### 1.4 Producer Price Index & Retail Trade



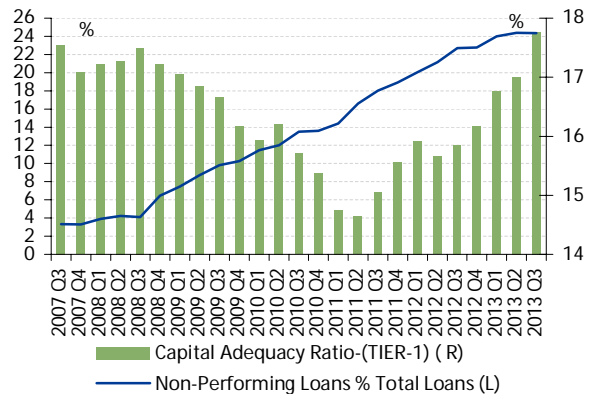
### 1.5 Total Deposits & Unemployment Rate



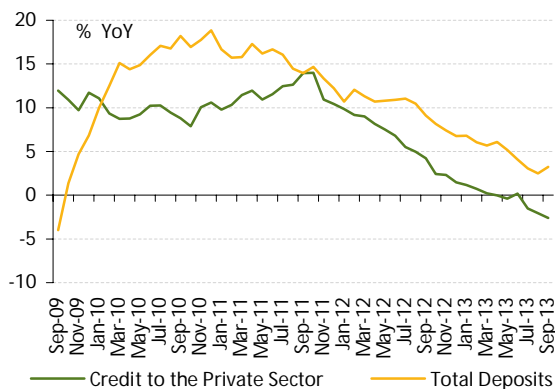
### 1.6 Quality of Loan Portfolio



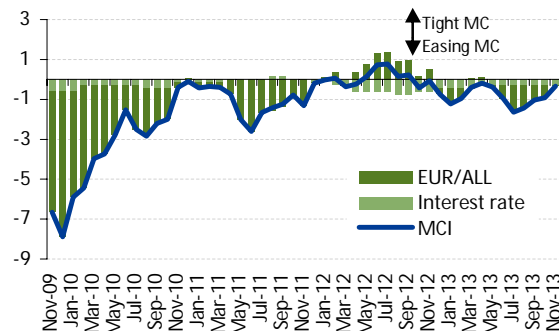
### 1.7 NPLs & Capital Adequacy Ratio



### 1.8 Credit Expansion & Total Deposits

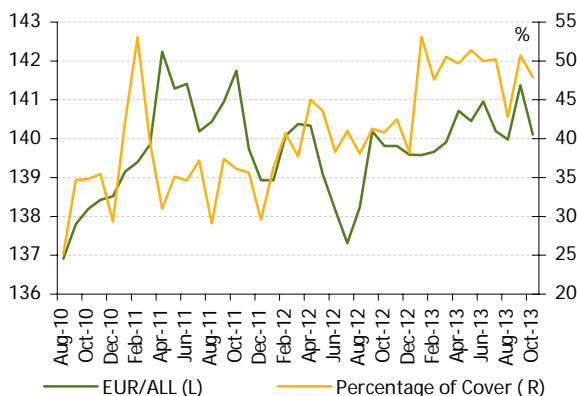


### 1.9 Monetary Conditions Index (MCI)

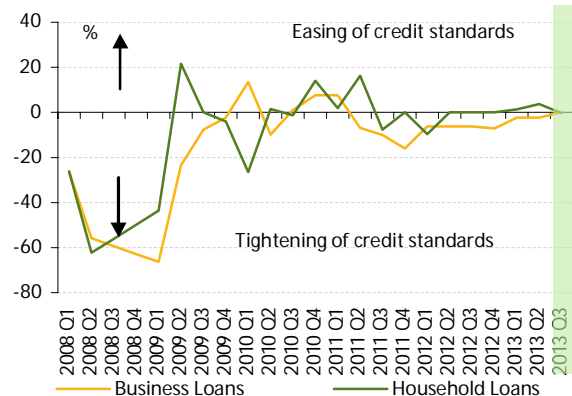


Note: The index is a weighted sum of the annual change in the policy rate (60% weight) and the fx rate (-40% weight)

### 2.0 EUR/ALL & Imports to Exports Coverage



### 2.1 Central Bank's Lending Survey

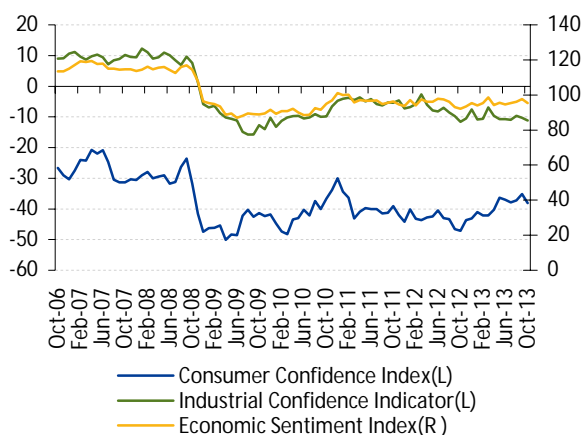


Source: Piraeus Bank Research, Datastream, National Sources

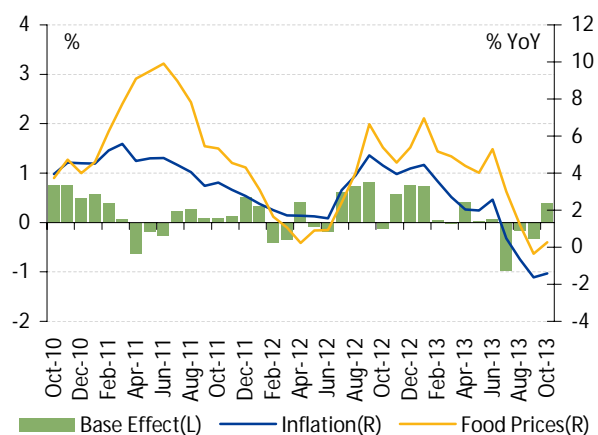
## B. BULGARIA

- The current account balance in the first nine months of the year turned to a surplus of 3.4% of the expected annual GDP, compared to a deficit of 0.1% in January-September 2012 due to the moderation in the trade deficit to 4.0% from 6.6% for the same periods. The current account balance was financed as net FDIs stood at 2.1% of GDP in January-September from 4.2% in the same period last year. (Graph 1.3)
- In October, foreign exchange reserves contracted by 1.3% YoY from an increase of 16.2% in October 2012, while in September reserves covered 124.7% of the short-term gross external debt from 133.4% in September last year. (Graph 1.8)
- In October, private sector credit increased at a slower rate of 0.7% YoY from 3.0% in October last year, while business loans increased by 1.4% from 5.7% for the same months. Household lending contracted by 0.6% in October from -1.7% in October 2012, while private sector deposits increased at a faster rate of 7.8% YoY from 4.2% for the same months. Finally, the liquidity ratio (loans/deposits) in October moderated to 77.8% from 83.2% in October last year. (Graph 2.0)

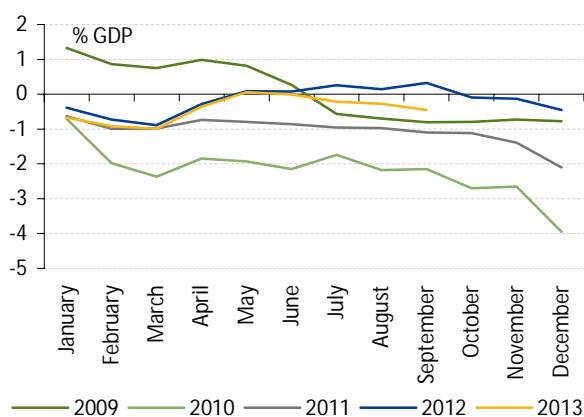
### 1.0 Leading Indicators



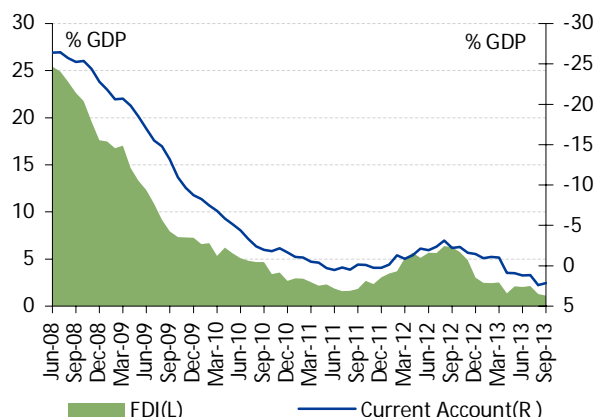
### 1.1 Inflation & Base Effect



### 1.2 Fiscal Balance



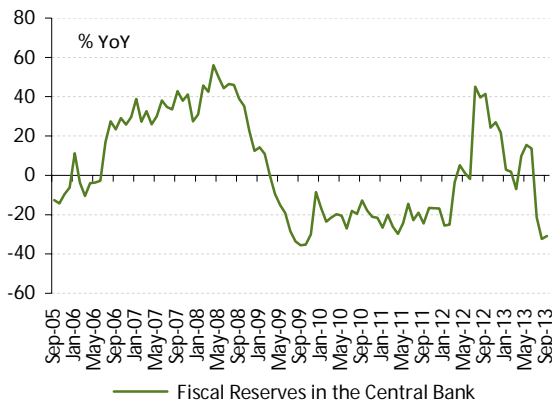
### 1.3 Current Account Balance & FDIs (12m rolling sum)



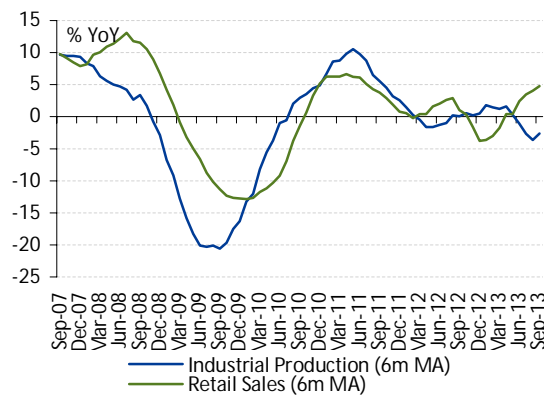
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

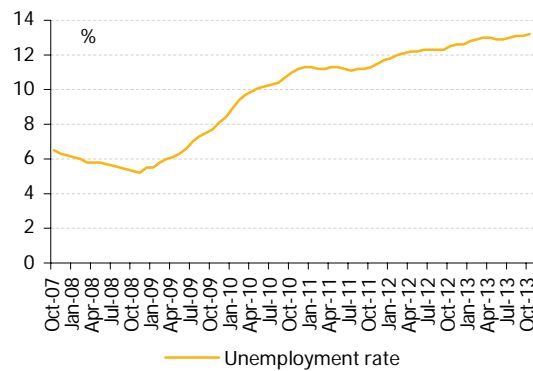
### 1.4 Fiscal Reserves



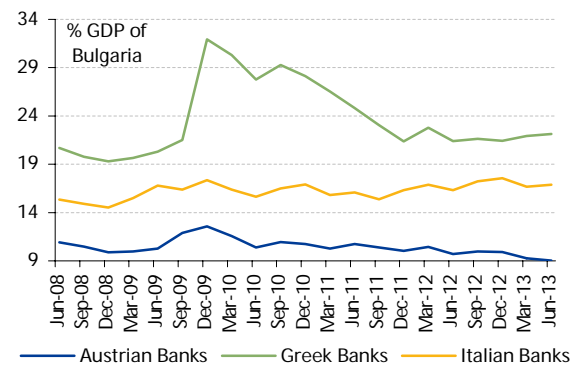
### 1.5 Industrial Production & Retail Sales



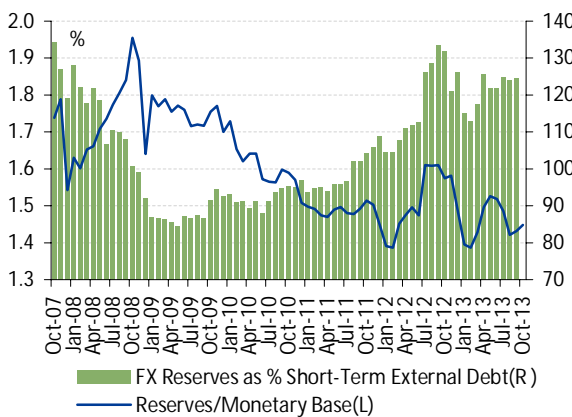
### 1.6 Unemployment Rate



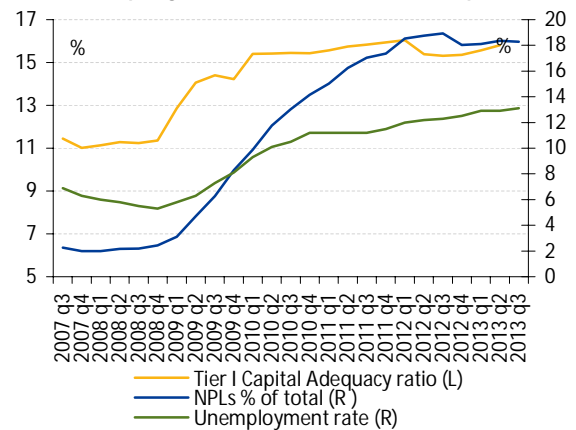
### 1.7 Foreign Claims



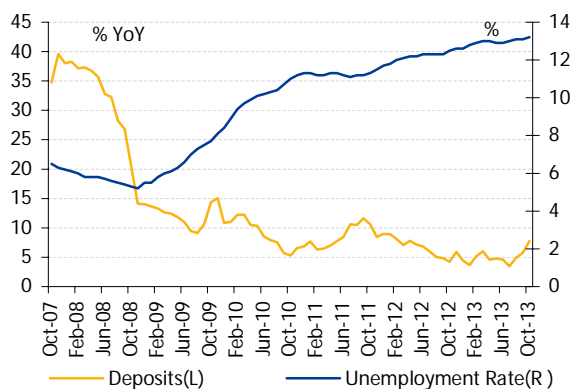
### 1.8 FX Reserves & Monetary Base



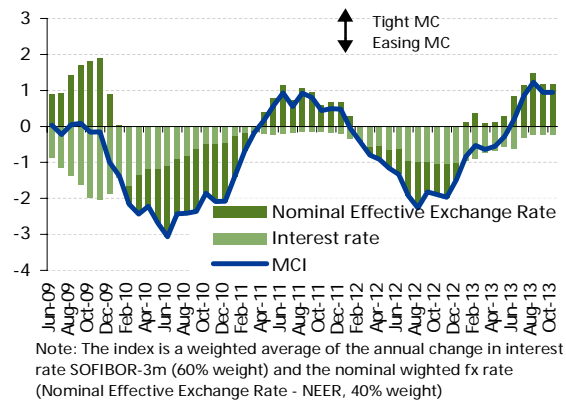
### 1.9 Unemployment Rate, NPLs & Capital Adequacy



### 2.0 Deposits & Unemployment Rate



### 2.1 Monetary Conditions Index (MCI)

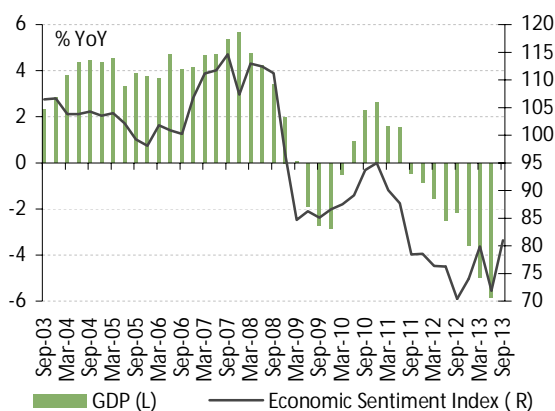


Source: Piraeus Bank Research, Datastream, National Sources, BIS

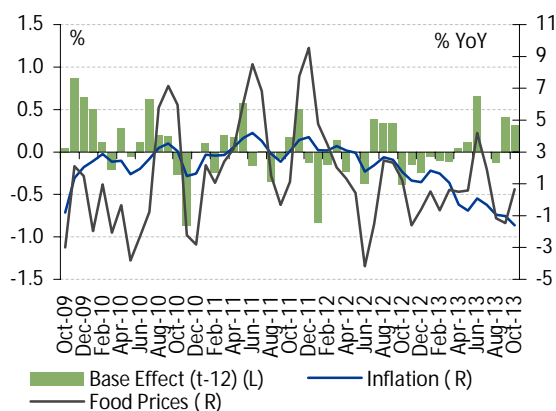
## C. CYPRUS

- The fiscal deficit in January-October moderated to 2.7% of the expected annual GDP from 3.6% in January-October 2012, due to the contraction of public expenditures by 5.0% YoY as wages decreased further. Revenues decreased by 1.8% YoY in January-October as tax revenues declined. (Graph 1.2)
- In September, industrial production contracted by 11.5% from decreases of 9.5% in August and 11.8% in September 2012. (Graph 1.5)
- Private sector credit contracted by 12.0% YoY in October, compared to a decrease of 12.0% in September and an increase of 4.7% in October 2012, as business and household loans both contracted. Private sector deposits contracted by 22.7% YoY in October from a decrease of 23.1% in September and an increase of 1.2% in October 2012, as residents deposits contracted by 16.6% from -15.1% and -1.3% for the same months. (Graph 2.0)

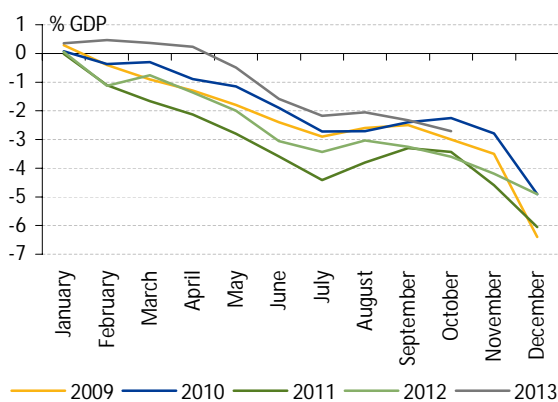
1.0 Real GDP & Economic Sentiment Indicator (ESI)



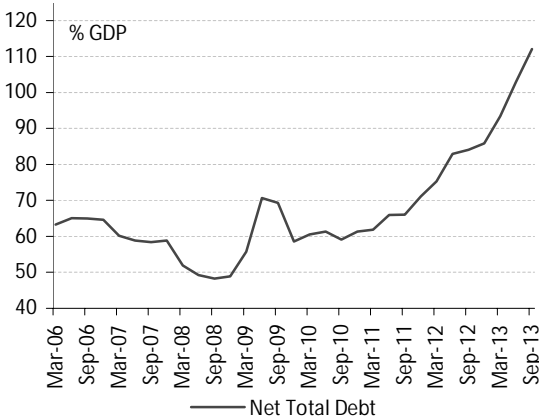
1.1 Inflation & Base Effect



1.2 Fiscal Balance



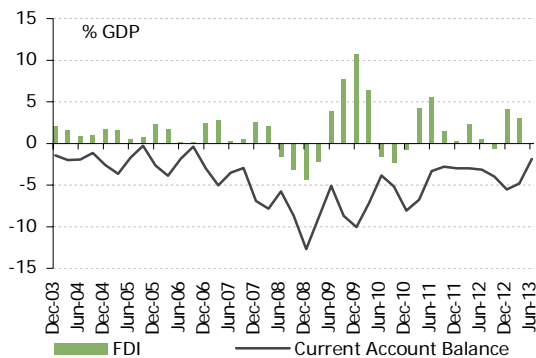
1.3 Public Debt



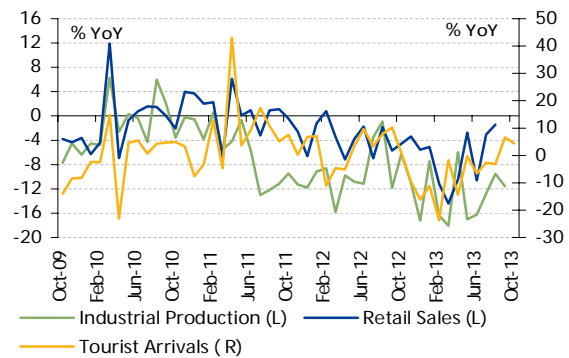
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

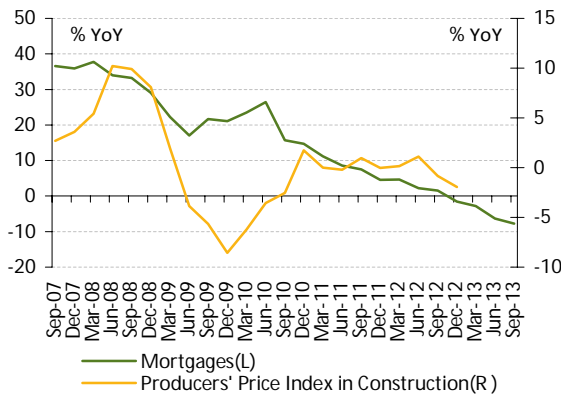
### 1.4 Current Account Balance (6m MA)



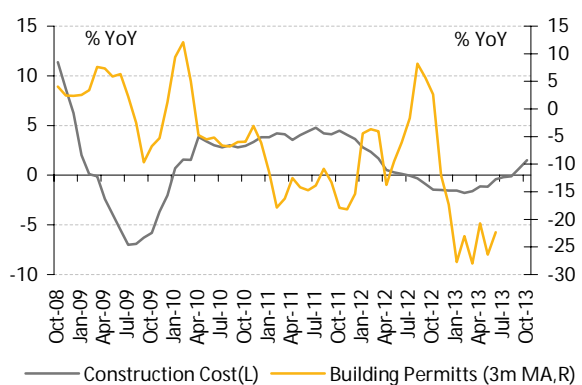
### 1.5 Industrial Production, Retail Sales & Tourist Arrivals



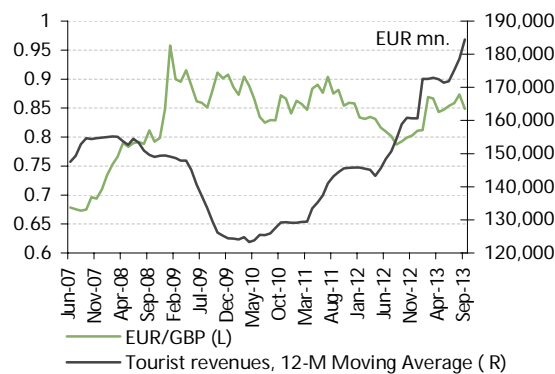
### 1.6 Mortgage Loans & Producer's Price Index in Construction



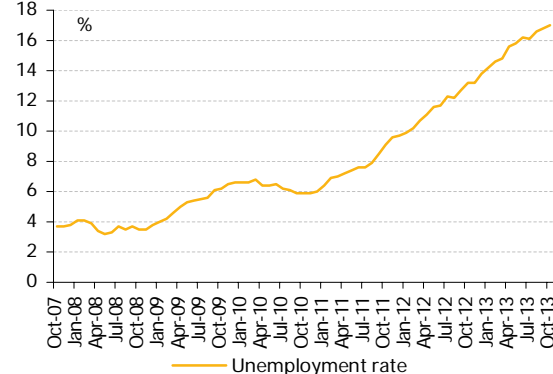
### 1.7 Construction Cost & Building Permits



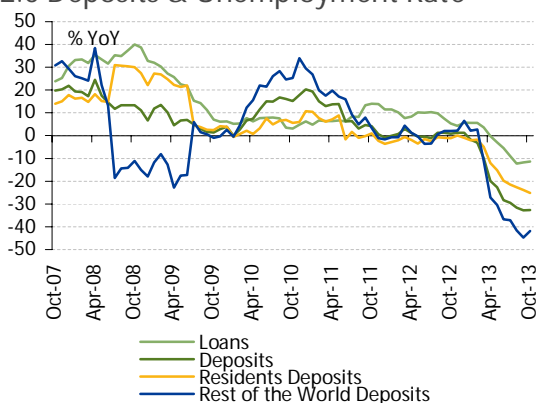
### 1.8 EUR/GBP & Tourism Revenues



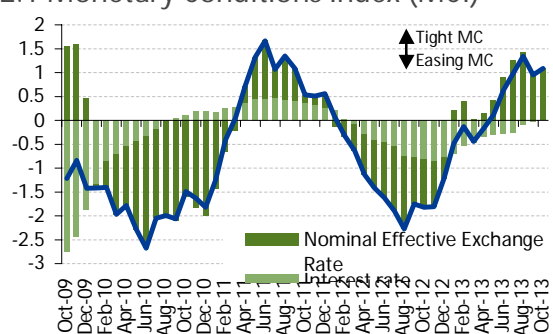
### 1.9 Unemployment Rate



### 2.0 Deposits & Unemployment Rate



### 2.1 Monetary Conditions Index (MCI)



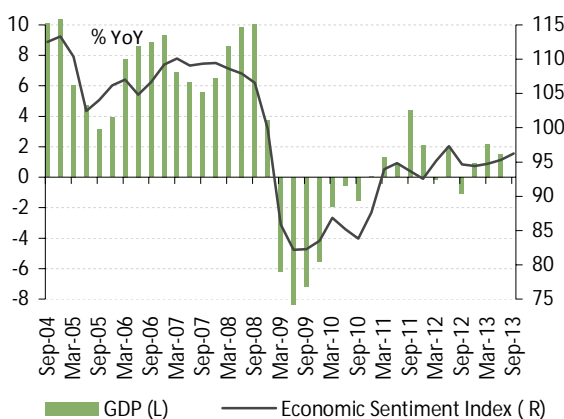
Note: The index is a weighted average of the annual change in interest rate EURIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

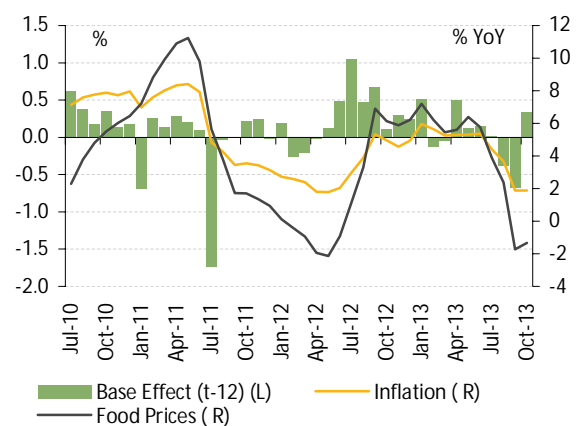
## D. ROMANIA

- In January-October 2013, the fiscal deficit contracted marginally to 1.21% of GDP from 1.23% in January-October 2012 due to a decline in public spending to 27.8% of GDP from 28.4% for the same periods. In January-October, revenues amounted to 26.6% of GDP from 27.1% in the same period in 2012. (Graph 1.2)
- In September, gross external debt moderated to 69.9% of GDP from 73.4% in 2012. Both medium and short-term external debt decreased. (Graph 1.7)
- In October, foreign exchange reserves increased by 4.5% YoY from a reduction of 1.7% in September and -0.3% in October 2012, while, on a monthly basis, reserves in October rose by 3.9% from 2.0% in September. (Graph 1.7)
- Private sector credit contracted in October for the eighth consecutive month, falling by 3.9% YoY compared to an increase of 4.1% in October 2012, as local currency loans increased at a slower rate in October, and foreign currency loans contracted for the eleventh consecutive month. Business loans contracted in October by 4.7% YoY from an increase of 8.5% in October last year, while household loans contracted for the tenth consecutive month, falling by 3.0% YoY compared to an increase of 2.1% in the same months. In October, private sector deposits increased by 6.7% YoY from 8.5% in October 2012, while the liquidity ratio (loans/ deposits) was 106.3% from 118.0% in the same months. (Graphs 1.8 & 1.9)

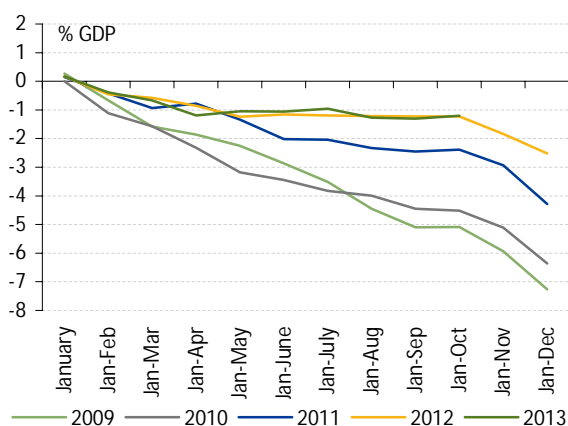
### 1.0 Leading Indicators



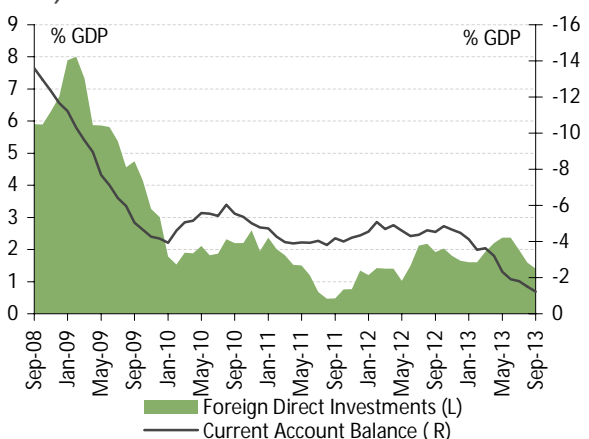
### 1.1 Inflation & Base Effect



### 1.2 Fiscal Balance



### 1.3 Current Account Balance & FDIs (12m rolling sum)

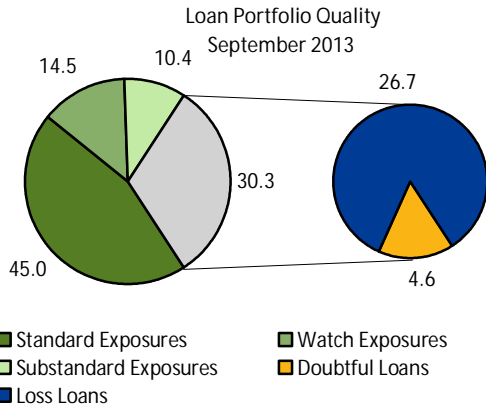


Source: Piraeus Bank Research, Datastream, National Sources

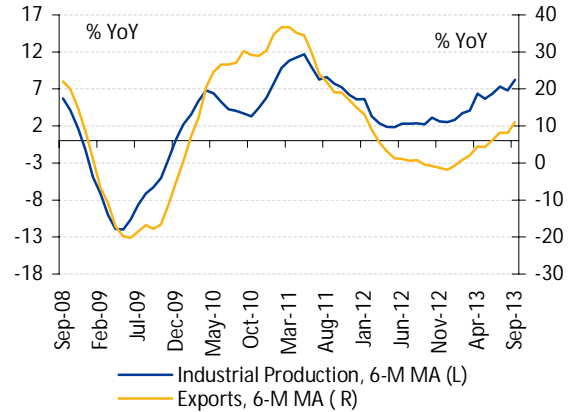


ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

### 1.4 Loan Portfolio Quality



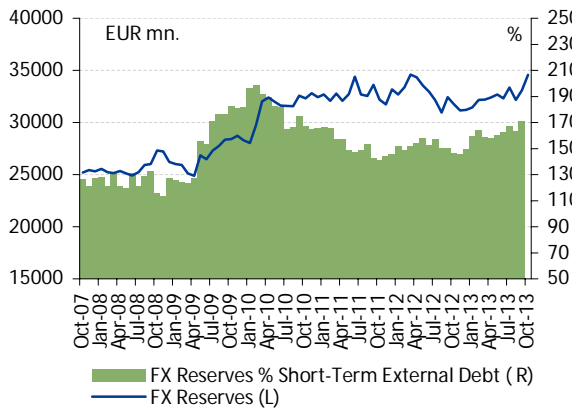
### 1.5 Industrial Production & Exports



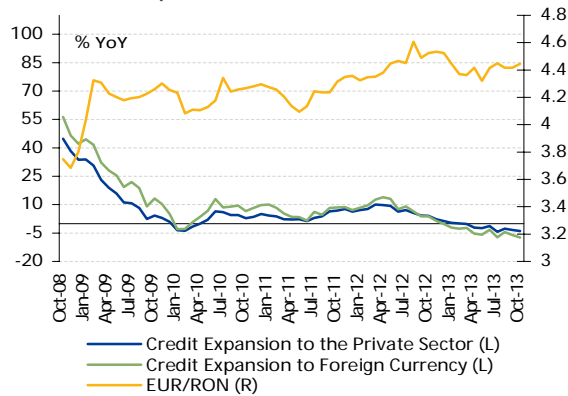
### 1.6 Unemployment Rate



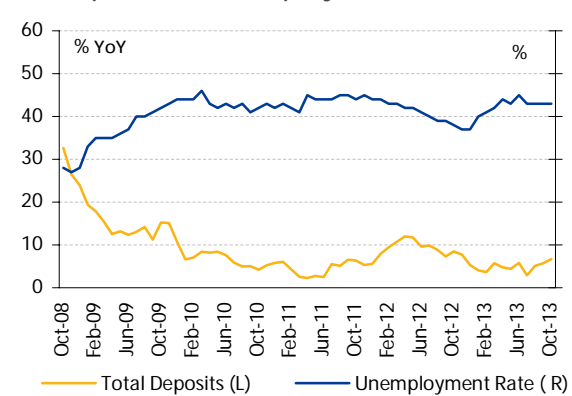
### 1.7 FX Reserves as % of Short-Term External Debt



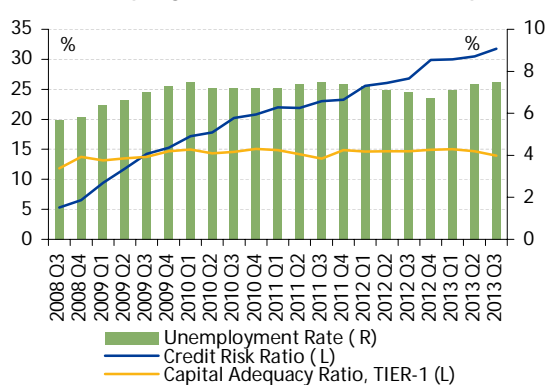
### 1.8 Credit Expansion & FX Rate



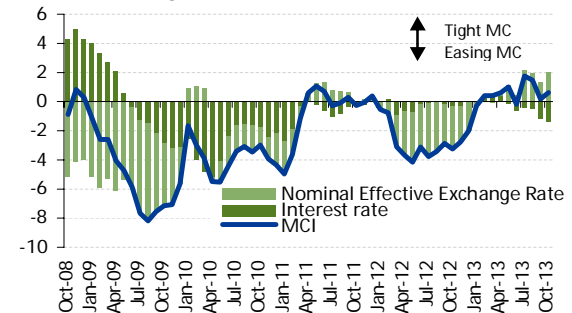
### 1.9 Deposits & Unemployment Rate



### 2.0 Unemployment Rate, NPLs & Capital Adequacy



### 2.1 Monetary Conditions Index (MCI)

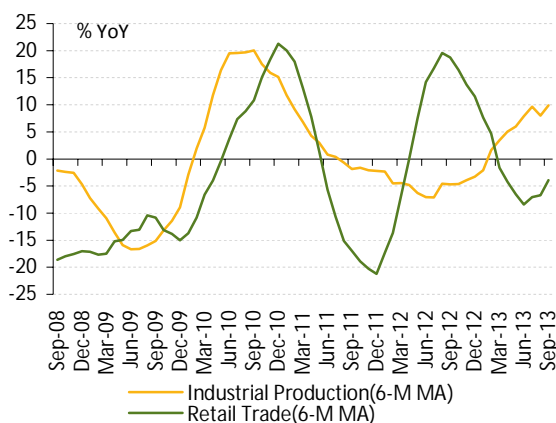


Note: The index is a weighted average of the annual change in interest rate BUBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

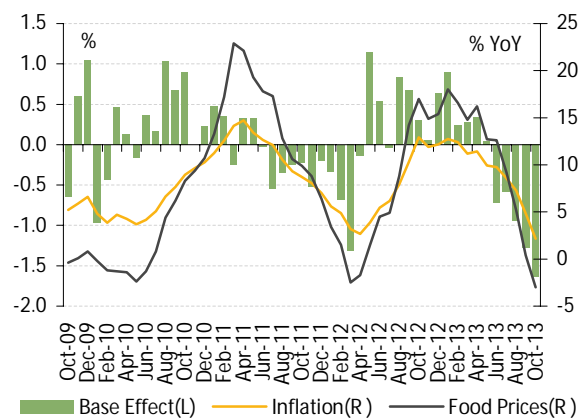
## E. SERBIA

- The fiscal deficit moderated to 4.2% of the expected annual GDP in January-October compared to 4.4% in January-October 2012 due to a decrease in public expenditures. (Graph 1.2)
- The current account deficit improved significantly, reaching 3.2% of GDP in January-September from 10.6% in January-September 2012. This was due to the narrowing of the trade deficit to 8.5% from 18.2% in the same periods. The services' surplus and income deficit improved accordingly, while the current account deficit was comfortably financed by net FDIs, as the latter reached 1.6% of GDP in January-September compared to almost zero investment for the same period last year. (Graph 1.3)
- Private sector credit contracted in October for the seventh consecutive month, falling at a slower rate of 4.4% YoY from 4.9% in September and an increase of 14.3% in October last year, as loans to businesses contracted. However, loans to households increased for the second consecutive month, rising at a higher rate in October, while private sector deposits increased by 7.3% YoY from 7.2% in September and 9.4% in October 2012. (Graph 2.0)

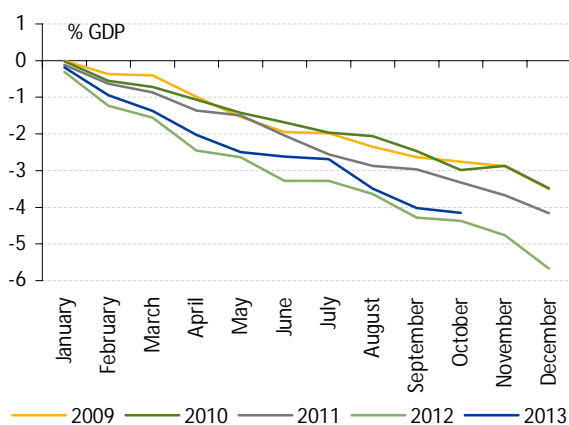
### 1.0 Leading Indicators



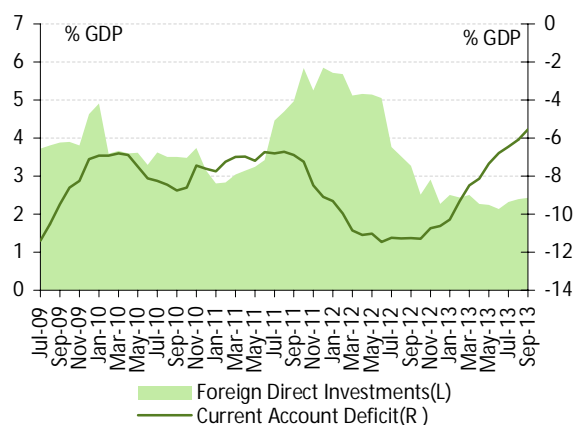
### 1.1 Inflation & Base Effect



### 1.2 Fiscal Balance



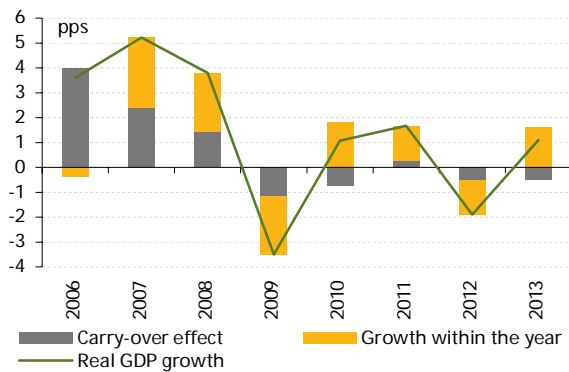
### 1.3 Current Account Balance & FDIs (12m rolling sum)



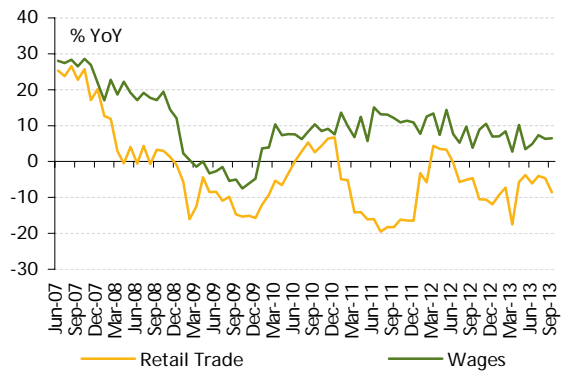
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

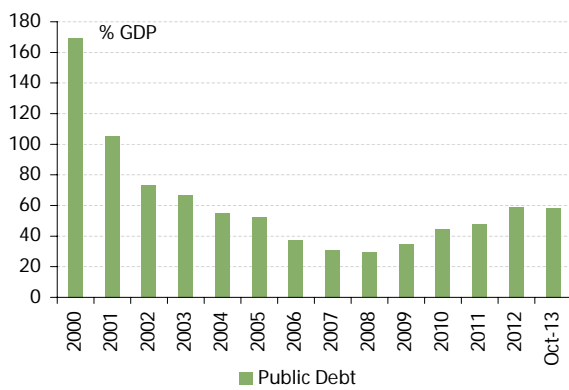
### 1.4 Carry Over Effect



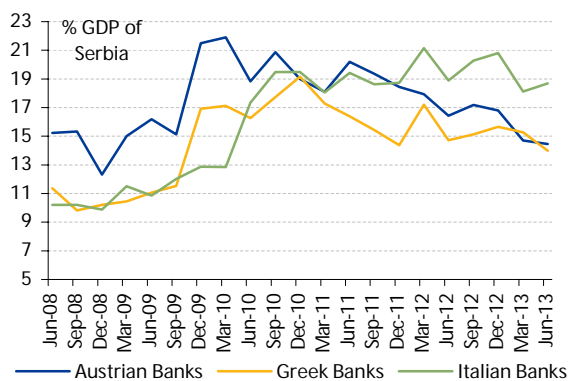
### 1.5 Retail Sales & Real Wages



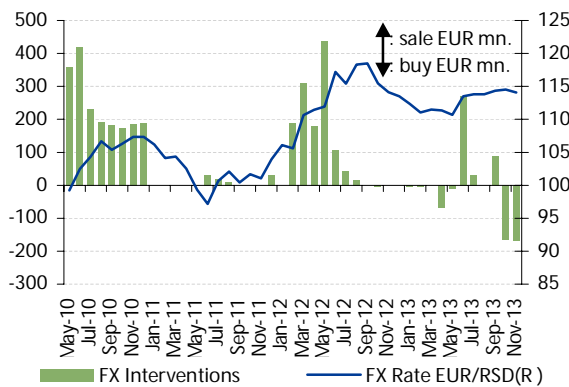
### 1.6 Public Debt



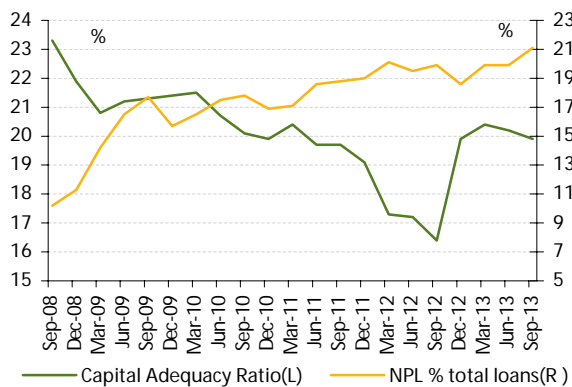
### 1.7 Foreign Claims



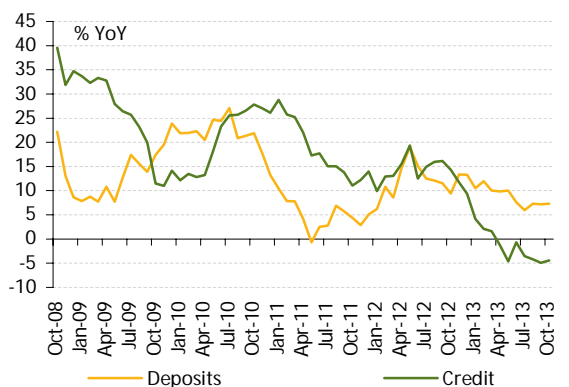
### 1.8 Central Bank Interventions in the Domestic FX Market & EUR/RSD



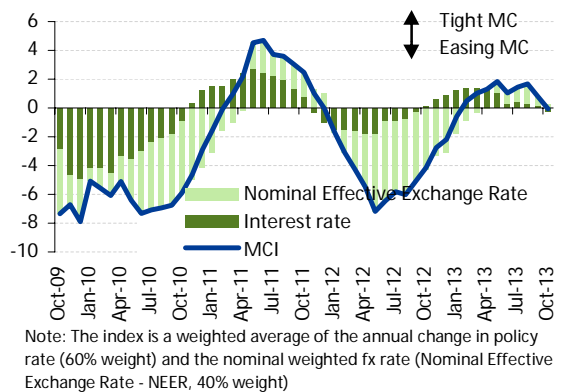
### 1.9 Capital Adequacy & NPLs



### 2.0 Private Sector Deposits & Credit



### 2.1 Monetary Conditions Index (MCI)



Source: Piraeus Bank Research, Datastream, National Sources, BIS

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