CEE Insights

Fixed Income and Foreign Exchange

Looking ahead this week…

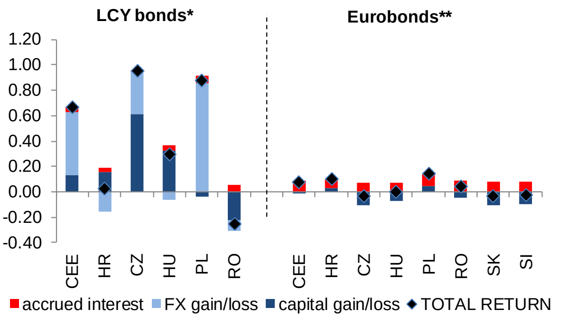
Monday	Tuesday	Wednesday	Thursday	Friday
Public holiday	**RO:** Unemployment, PPI	**HU**: Trade Balance **RS**: 1Q17 GDP (P)	**CZ:** No rate change **RO, HU, SK**: Retail Sales	**RO**: No rate change **HU**: Industry

Click for: this week's detailed releases/events, market forecasts, macro forecasts

The upcoming week is not just short (with Monday a holiday), but also rather thin in terms of new macro releases. Retail sales will come from Slovakia, Romania and Hungary on Thursday; we expect healthy growth figures. The Hungarian retail sales numbers may look a bit weak against the backdrop of the hefty wage increase, but a likely reason for that is the whitening of the economy, as a result of the regulated increase in wage minimums. The NBR will likely keep the base rate at 1.75% at Friday's monetary meeting in Romania, as fiscal uncertainties mount, while inflation figures could also rise in the second half of this year. Czech central bankers will also meet on Thursday, but we do not expect any change in the policy of CNB, as inflation should still remain within the upper bound around the inflation target in the coming months.

In case you missed it last week…

- Political uncertainties surfaced again in Croatia, as junior coalition partner might leave government
- MNB kept policy rate on hold in Hungary at 0.9%, as expected
- 1Q17 budget showed surplus of 0.2% of GDP in Romania, at expense of huge retreat in public investments
- Eurostat's first notification indicated better than expected fiscal and debt numbers in CEE everywhere but Romania in 2016
- For other events last week, please check respective countries: HR, CZ, HU, PL, RO, TR, SI, SK, SR



On Radar

Eurostat's data for last year's budget deficit and debt showed rather favorable developments for most CEE countries. Croatia and Serbia were the best performers in terms of deficit reduction as a percentage of GDP, as Croatia managed to cut its shortfall from 3.4% of GDP to just 0.8%, while Serbia cut it from 3.8% of GDP to 1.4%. Croatia may even exit the EDP in May, due to its favorable performance. Slovenia also strongly consolidated (1.8% in 2016 vs. 2.9% 2015). In the Czech Republic, there was a surplus last year, roughly as expected. Romania, however, posted a deficit figure above expectations in 2016 already (3% of GDP, exceeding our 2.8% forecast), and strong fiscal easing is also on the table. A lot will depend on policymakers if the country wishes to avoid EDP, to be launched already this year. The deficit is to widen in Hungary too, given the approaching elections that are to be held in 2018. The shortfall will very likely stay below 3% of GDP, however. Poland is on the edge, as the government expects rather strong GDP growth in the budget, while one-offs like last year (LTE sale, NBP profit) will not come in 2017. The country is also in a tricky situation, as public debt increased to above 54% of GDP, just marginally below the 55% of GDP constitutional threshold, which, if exceeded, could result in various cost cutting procedures. We think that public debt could be kept under this threshold, but this will not be an easy one for the government. (For further details, see the next page.)

Apart from Romania and Poland, all CEE countries improved their deficit figures last year

Good news on fiscal front for 2016 in CEE, apart from Romania

'What are the policy implications of the first notification of fiscal deficits and public debt data?'

Croatia: According to the latest Eurostat figures, Croatia's budget deficit narrowed from 3.4% of GDP in 2015 towards 0.8% of GDP in 2016, suggesting another strong consolidation effort of 2.6pp, which also puts Croatia in second place among EU countries with the lowest deficit in the past year (after Ireland). The figure came in below official government estimates, where such strong improvement was mainly driven by the outperformance on the revenue side, with the biggest positive impact coming from an increase in tax revenues. Government debt also decreased vs. 2015 levels, with the figure declining to 84.2% of GDP in 2016. We see the released fiscal figures additionally favoring the expected EDP exit in May, while also paving the way for positive news flow in the upcoming credit rating assessments.

Czech Republic: In 2016, the general government surplus reached 0.6% of GDP and the debt to GDP ratio arrived at 37.2%. These figures were significantly influenced by the favorable development of the Czech economy and inflow of EU funds. The surplus of the central government budget reached CZK 62bn in 2016. Most importantly, the government decided recently to use this amount for amortizing part of the government debt. This means that the central government will issue a lower volume of bonds in the remainder of 2017. Only a small part of the surplus will be used for additional investment projects, with a need to issue bonds to finance them.

Hungary: The ESA-based budget deficit was 1.8% of GDP last year, while debt further mitigated to 74.1% of GDP. The favorable processes seen on the budget front in the last couple of years could create some room for the government to loosen this year, as the next Parliamentary elections are due in 2018. We do not expect that this year's deficit would exceed the 3% of GDP threshold. This is in line with the government's commitment to avoid EDP in the future. We expect this year's budget gap to be 2.7% of GDP, while the debt to GDP ratio may slightly mitigate further. There is an ongoing debate between Eurostat and the Hungarian authorities regarding the status of Eximbank, which should be reclassified inside the general government sector, according to Eurostat. We think that a change in the status of Eximbank would only result in a small increase in the historical debt level, while the declining trend should not change.

Poland: In Poland, the government deficit to GDP ratio has been decreasing since 2014 and amounted to 2.4% in 2016, according to Eurostat. On the other hand, the gross debt to GDP ratio has been increasing at that time and reached 54.4% in 2016 (a 3.3pp increase compared to 2015). This is slightly below the constitutional threshold of 55%, which, if exceeded, could result in various cost cutting procedures. According to the MinFin, the government deficit in 2017 should increase to 2.9% of GDP; however, the forecast of the EC and IMF is above 3% of GDP. It is assumed in the budget plan for 2017 that real GDP will grow by 3.6%. Increased government spending is mainly caused by the social 500+

program (the Ministry of Family, Labor and Social policy expects a further increase in 2017 by PLN 6bn) and lower retirement age, but the government expects it to be compensated for by increased tax income (mainly VAT and CIT). We should keep in mind that, in 2016, government non-tax income was higher than in 2015, as a result of the LTE sale (PLN 9.2bn, which will not take place in 2017) and NBP profit (PLN 7.9bn).

Romania: Eurostat data shows that, based on ESA 2010 methodology, Romania had a budget deficit of 3% of GDP in 2016 and public debt of 37.6% of GDP. The initial estimate published by the Ministry of Finance was 2.8%. To the extent that the difference between the two estimates is due to the recording of one-off liabilities (which is our current assumption), the Eurostat release implies an excess cash payment for future years, which the government can afford (based on its generous cash buffer), but it is rather neutral for this year's ESA budget deficit, as the expenditure is water under the bridge from the accrual perspective. Based on these numbers, we do not see a material risk that Romania would be put under the Excessive Deficit Procedure already this year. However, according to the official explanations given by EC representatives to the media, it seems that the EC could react to the breaching of the medium-term fiscal objective (structural budget deficit of 1% of GDP) quite soon.

Serbia: As Serbia is still in a candidate status, there are no EDP related releases regarding fiscal developments. However, local MoF statistics show that Serbia also improved its fiscal position notably in 2016, as the deficit fell to only 1.4% of GDP and public debt was reduced to below 73% of GDP. Budget execution in the first four months of 2017 is better than expected (surplus) and, according to PM Vucic's statements, the state budget could record a surplus for the whole of 2017. As for the policy implications of the more favorable fiscal picture, Vucic already announced that we could see an increase in pensions, public wages and the minimum hourly wage in the second half of the year, meaning that fiscal savings will be aimed at an increase of the expenditure side and not debt reduction, which would be more preferable. However, given the better than expected fiscal developments and expected solid growth momentum, such an expansionary policy would not push the fiscal figures outside our baseline scenario, as we see the deficit at 1.2% of GDP.

Slovakia: According to Eurostat's spring notification, Slovak fiscal deficit fell 1pp to 1.7% of GDP last year, matching the EU average (and only slightly higher than the Eurozone average of 1.5% of GDP). Government debt reached 51.9% of GDP in 2016, marking a drop of 0.6pp. Both the fiscal deficit and sovereign debt remain comfortably below the Maastricht criteria and further consolidation of public finances is expected. Therefore, no major policy changes are expected. However, the government announced its intention to bring more benefits of the better economic performance (in general) to people by altering some aspects of the labor code. These should include higher surcharges for weekend and night work, overtime, as well as work in a hazardous environment. We expect the consolidation of public finances to continue this year, mostly on the back of higher tax revenues, as the fiscal deficit is projected to fall to 1.3% of GDP (our forecast stands a bit higher, at 1.5% of GDP).

Slovenia: Steady fiscal adjustment continued in 2016, with Eurostat data showing Slovenia's budget deficit decreased to below the 2% mark, landing at 1.8% of GDP (vs. 2.9% of GDP in 2015). We also saw positive developments on the public debt side, with the figure starting a downward trend by breaking a few notches below the 80% of GDP mark (79.7%). We do not expect any major changes to occur this year, with 2017 expected to bring further consolidation, but at a somewhat lower adjustment pace, while the public debt trajectory is seen further drifting below 80% of GDP, especially taking into account the ongoing restructuring of the Slovenian debt profile.

Looking ahead

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	Pre Comment
02. May		**RO**	**Unemployment Rate**	Mar		*4.71%*	5.4%	*Unemployment rate at historically low levels*
	8:00	**RO**	**PPI (y/y)**	Mar			3.9%	
03. May	9:00	**HU**	**Trade Balance**	Feb F			911	
	12:00	**RS**	**GDP (y/y)**	1Q P		*2.9%*	2.5%	*GDP staying on solid track, but stronger performance is expected after 1Q17, as first quarter performance is shaped by several base effects, which will keep growth figure on milder ground*
04. May	8:00	**RO**	**Retail Sales (y/y)**	Mar		*7.1%*	7.8%	*Retail sales are currently driven by stronger sales of non-food products*
	9:00	**HU**	**Retail Sales (y/y)**	Mar	***3.1%***		0.9%	
	9:00	**SK**	**Retail Sales (y/y)**	Mar		*4.5%*	5.6%	*Slightly milder than in early 2017, but still very solid growth of retail sales is expected in March*
	13:00	**CZ**	**Target Rate**	May 4	***0.05%***	*0.05%*	0.05%	*We do not expect any change in CNB policy, as inflation should remain within upper bound around inflation target in coming months*
05. May		**RO**	**Target Rate**	May 5	***1.75%***	*1.75%*	1.75%	*NBR could keep key rate unchanged, due to fiscal uncertainties*
	9:00	**HU**	**Industrial Production (y/y)**	Mar	***7.4%***	*8.9%*	7%	*Low base figures from last year suggest continuation of acceleration of yearly growth rate*

Sources: Bloomberg, Reuters

Major markets

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- The next meeting of the FOMC is scheduled for this week. The decision and the statement will be published on Wednesday. The question for the upcoming meeting will be whether or not the FOMC will react to the significant slowdown of economic growth in the first quarter. Until now, there were no clear signals for the date of the next rate hike. However, the market predominantly expects a rate hike in June. We doubt this and think that, due to the weak economic data of the last months, the FOMC will wait for the time being. The FOMC could already communicate in this direction, or keep all its options open and leave the wording in the statement more or less unchanged. The most unlikely outcome is that the market expectations for a rate hike in June will be reassured. The FOMC statement could also contain hints on how the discussion about the end of the reinvestments of redemptions from the securities portfolio could develop. Most probably, however, the FOMC will wait with it until the next press conference of Chair Yellen, thus until June. Drawing on the protocol of the last FOMC meeting, a reduction of the reinvestments starting at the end of this year looks likely.
- This week (May 3), a first flash estimate of GDP growth of the Eurozone in 1Q17 is to be released. All main economic indicators performed quite strongly in 1Q17. We thus expect at least a slight acceleration of growth to +1.9% y/y. Since leading indicators improved further in April, our models currently indicate another slight acceleration of GDP growth for the Eurozone in 2Q17 to +2.0% y/y. For the entire year 2017, we continue to expect GDP growth for the Eurozone of +1.9%.

Croatia

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- The week started with positive news on the fiscal side, as the latest EDP report shows another strong consolidation effort, with the budget deficit figure narrowing to 0.8% of GDP in 2016 (for more information, please see the ‘Talking point’ section).
- March short-term data brought a mixed picture, with retail trade on the one hand expanding by a strong 7.7% y/y, followed by a flat performance on the industrial production side (0% y/y, amid an 8% decline in the energy sector y/y). Still, on the quarterly level, the March releases wrapped up the favorable 1Q17 performance on both the retail trade and industrial production sides (5.3% and 2.1%, respectively), thus supporting expectations of strong GDP growth in 1Q17.
- The political situation once again started to heat up last week, as PM Plenkovic set in motion the dismissal from the government of several MOST (junior coalition member) ministers, after they denied support to Minister of Finance Maric (following a no-confidence motion initiated by the opposition SDP, amid his ties with Agrokor, as a former Agrokor executive director, and the potential conflict of interest). At the moment, the outcome remains unclear, but the two main scenarios are that either the PM will be able to secure a majority and reshuffle the government without new elections, though this would water down the government position, majority-wise, hindering the reform potential, amid a more fragile majority setup. Another option, more snap elections, in our view still has a likelihood of below 50%, as none of the biggest parties may be thrilled with this outcome.

- Markets have thus far shown a limited reaction to the renewed political turmoil. While the exchange rate slightly weakened towards the upper part of the 7.45-7.50 band, yields on the bond market have so far shown a limited upward move (approx. 10bp), with 2026 LCY yields currently quoting close to 3.1%

Czech Republic

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- Confidence in the Czech economy increased slightly in April, as the main composite indicator arrived at 97.4 points (from 96.6 in March); the cyclical position of the Czech economy remains favorable.

Hungary

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- The unemployment rate rose slightly, by 0.1ppt q/q, to 4.5% in 1Q17. The moderate rise was mainly due to seasonal effects. In an annual comparison, the unemployment rate declined by 1.5%points. Overall, the labor market remains tight.
- The National Bank of Hungary (MNB) left the policy rate unchanged in April and did not introduce any new measures this time. The members reiterated in the statement that the current levels of interest rates should be kept stable for a prolonged period. The intake of the 3M depo in April was HUF 50bn, which meant an HUF 25bn reduction. By the end of June, the total sterilization amount within the 3M depo will be reduced to HUF 500bn, from 4Q16's HUF 750bn.
- The Fiscal Council approved the budget proposal for 2018. The targeted ESA deficit is 2.4% of GDP. The Parliament may vote on it and pass it by the end of May or early June.

Poland

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- The unemployment rate decreased to 8.1% in March (a 0.4pp decrease on a monthly basis), below the market expectation of 8.2%. A further decrease is expected during the year, as a result of labor market tightening and improving market conditions.
- The budget and public debt ratios to GDP in 2016, released by Eurostat last week, were in line with the government's budget plan and amounted to 2.4% and 54.4%, respectively.
- The Polish zloty strengthened against the euro during the week and was the best performing currency in emerging markets since the French elections on Sunday, with a 1% gain vs. the EUR, arriving at 4.21 on Thursday, which is the lowest level since the beginning of the year.
- Flash CPI arrived at 2.0% y/y (0.3% m/m), in line with market consensus.

Romania

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- The first quarter ended with a budget surplus of 0.19% of GDP, compared to 0.4% of GDP in the corresponding period of 2016. March revenues rose by 8.7% y/y after excluding the impact of RON 2.7bn worth of agricultural EU funds that have moved through the budget on both the revenue and expenditure sides. Revenues from personal income tax and social contributions rose by 20% y/y each, boosted by hikes in wages, while VAT revenues were also on the rise, due to stronger retail sales. The highest impact on the spending side came from personnel and social expenditures. We maintain our current forecast for the consolidated budget deficit ending the year at 3.5% of GDP (in cash terms). The government's ability to improve the control of public spending is key for reaching this year's fiscal targets.

Serbia

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- Last week was marked by short-term data releases for March, which brought stronger developments after the weaker February performance. Industrial production recorded a mild recovery of 0.9% y/y, following negative February output, mainly carried out by the supportive manufacturing sector. Consumption also brought a strong release, as retail trade growth accelerated to 5.7% y/y. We also saw strong developments on the trade balance side, with both exports and imports increasing in the double-digit range at practically the same growth rates of 21.5% y/y and 21.4% y/y, respectively. We see the March releases as supportive for the upcoming 1Q17 GDP flash release (due this week), where we see the headline figure remaining on a solid growth track, landing around the 2.9% y/y mark.
- The bond market brought a calm past week, with the benchmark RSD 2023 yield remaining practically unchanged around the 5.7% level, while the exchange rate posted some gains, as the EUR/RSD currently moves below the 123.5 mark.

Slovakia

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- According to Eurostat's first notification, the Slovak fiscal deficit fell by 1pp to 1.7% of GDP last year, matching the EU average. Government debt reached 51.9% of GDP in 2016, marking a drop of 0.6pp. Slovak sovereign debt remains comfortably below the Maastricht criteria, as well as the EU and EA averages. The government expects the fiscal deficit to fall to 1.3% of GDP this year (our forecast stands a bit higher at 1.5% of GDP).
- Economic sentiment rose by 0.8 points to 103.2 in April, as all parts of the composite index apart from industrial sentiment increased. Most notably, service sector sentiment rose by 4.3 points. Consumer sentiment edged up by 0.5 points, as expectations were less pessimistic. The 3-month moving average stands at 104, down 0.6 points vs. March, which still suggests good growth in 1Q17.
- Producer prices increased by 3% y/y in March, slightly surpassing our expectation of 2.8%. Compared to the previous month, producer prices inched down 0.2% m/m.

Slovenia

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- April inflation fully matched our expectations, as CPI landed at 1.8% y/y, virtually unchanged vs. the March release. On the monthly level, inflation increased by 0.3%, with the strongest pressures coming from the still present seasonal effect in clothing and footwear prices. We see a similar pattern ahead, with inflation remaining around the current levels, amid reversed cost-side developments and intensified domestic-demand pressures.
- Preliminary data for retail trade revealed that the strong trends on the consumption side continued, with the headline figure increasing by 10.4% y/y in March, thus wrapping up the average 1Q17 performance at a robust 12.6% y/y. We see positive consumption trends as a reflection of the increasing consumer sentiment and ongoing improvement of labor market conditions, with strong 1Q output reiterating the importance of private consumption as one of the key growth pillars for the 2017 outlook.
- We saw no major changes on the bond market, with yields maintaining stable movements, as the EUR 2027 remained virtually unchanged w/w at the 1.25% mark.

Capital market forecasts

Government bond yields	current	2017Q2	2017Q3	2017Q4	2018Q1
Croatia 10Y	2.97	2.80	2.80	2.90	2.90
spread (bps)	262	228	216	216	206
Czech Rep. 10Y	0.76	0.80	0.84	0.83	0.88
spread (bps)	41	28	20	9	4
Hungary 10Y	3.22	3.60	3.67	3.67	3.67
spread (bps)	288	308	303	293	283
Poland 10Y	3.43	3.65	3.82	3.98	4.11
spread (bps)	309	313	318	324	327
Romania10Y	3.87	4.25	4.35	4.50	4.75
spread (bps)	352	373	371	376	391
Slovakia 10Y	1.03	1.20	1.23	1.25	1.35
spread (bps)	68	68	59	51	51
Slovenia 10Y	1.26	1.40	1.50	1.60	1.70
spread (bps)	91	88	86	86	86
Serbia 7Y	5.51	5.80	6.00	6.00	6.25
spread (bps)	516	528	536	526	541
DE10Y (BBG)*	***0.35***	***0.52***	***0.64***	***0.74***	***0.84***

3M Money Market Rate	current	2017Q2	2017Q3	2017Q4	2018Q1
Croatia	0.58	0.45	0.45	0.45	0.45
3M forwards		-	-	-	-
Czech Republic	0.29	0.27	0.27	0.26	0.26
3M forwards		0.34	0.40	0.48	0.61
Hungary	0.16	0.05	0.05	0.05	0.05
3M forwards		0.25	0.29	0.39	0.48
Poland	1.73	1.75	1.79	1.83	1.99
3M forwards		1.78	1.78	1.84	1.93
Romania	0.89	1.30	1.50	1.90	2.10
3M forwards		0.86	1.09	1.46	2.09
Serbia	3.53	3.60	3.80	4.00	4.00
3M forwards		-	-	-	-
Eurozone	-0.33	-0.30	-0.30	-0.30	-0.30

FX	current	2017Q2	2017Q3	2017Q4	2018Q1
EURHRK	7.47	7.42	7.50	7.55	7.55
forwards		7.48	7.49	7.51	7.52
EURCZK	26.97	26.50	26.40	26.30	26.20
forwards		26.95	26.93	26.88	26.85
EURHUF	312.4	315.0	315.0	315.0	315.0
forwards		312.8	313.2	313.6	314.1
EURPLN	4.22	4.32	4.29	4.27	4.28
forwards		4.24	4.26	4.28	4.30
EURRON	4.53	4.57	4.60	4.62	4.65
forwards		4.54	4.56	4.57	4.59
EURRSD	123.1	124.0	124.5	124.5	124.5
forwards		-	-	-	-
EURUSD	1.09	1.08	1.10	1.12	1.12

Key Interest Rate	current	2017Q2	2017Q3	2017Q4	2018Q1
Croatia	0.50	0.30	0.30	0.30	0.30
Czech Republic	0.05	0.05	0.05	0.05	0.05
Hungary	0.90	0.90	0.90	0.90	0.90
Poland	1.50	1.50	1.50	1.50	1.75
Romania	1.75	1.75	1.75	1.75	1.75
Serbia	4.00	4.00	4.00	4.25	4.25
Eurozone	0.00	0.00	0.00	0.00	0.00

Macro forecasts

Real GDP growth (%)	2015	2016f	2017f	2018f
Croatia	1.6	2.9	3.2	2.9
Czech Republic	4.6	2.3	2.7	2.9
Hungary	3.1	2.0	3.4	2.8
Poland	3.6	2.8	3.3	3.4
Romania	3.9	4.8	4.3	2.8
Serbia	0.8	2.8	3.1	3.4
Slovakia	3.8	3.3	3.1	3.7
Slovenia	2.3	2.5	3.1	3.0
CEE8 average	**3.5**	**3.0**	**3.3**	**3.1**

Average inflation (%)	2015	2016f	2017f	2018f
Croatia	-0.5	-1.1	1.5	1.9
Czech Republic	0.3	0.7	2.7	1.9
Hungary	-0.1	0.4	2.5	3.4
Poland	-0.9	-0.6	1.8	1.9
Romania	-0.6	-1.5	1.4	2.7
Serbia	1.4	1.1	2.4	3.1
Slovakia	-0.3	-0.5	1.0	2.0
Slovenia	-0.5	-0.1	1.6	2.0
CEE8 average	**-0.4**	**-0.4**	**1.9**	**2.2**

Unemployment (%)	2015	2016f	2017f	2018f
Croatia	16.3	12.8	10.6	9.4
Czech Republic	5.1	4.1	3.6	3.6
Hungary	6.8	5.1	4.3	4.1
Poland	10.6	8.9	7.9	7.7
Romania	6.8	6.0	5.9	5.8
Serbia	17.7	16.0	14.1	12.8
Slovakia	11.5	9.7	8.7	7.8
Slovenia	9.0	7.9	7.4	6.9
CEE8 average	**9.3**	**7.7**	**6.9**	**6.6**

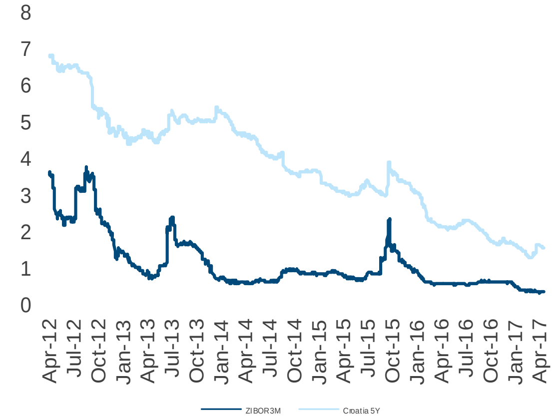
Public debt (% of GDP)	2015	2016f	2017f	2018f
Croatia	86.7	84.0	81.6	79.2
Czech Republic	40.3	37.2	35.7	35.9
Hungary	74.7	74.3	74.0	72.5
Poland	51.5	54.3	54.9	54.1
Romania	37.9	37.1	39.2	40.8
Serbia	74.7	70.7	69.4	68.9
Slovakia	52.5	51.9	51.7	50.9
Slovenia	83.4	79.2	77.9	75.9
CEE8 average	**53.7**	**53.5**	**53.5**	**53.0**

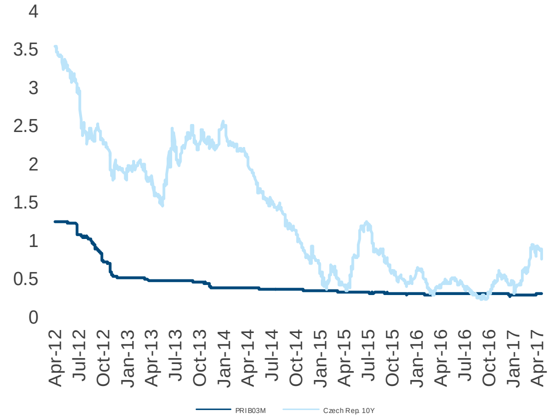
C/A (%GDP)	2015	2016f	2017f	2018f
Croatia	5.1	2.9	2.4	1.5
Czech Republic	0.9	2.1	1.2	1.4
Hungary	3.4	4.9	4.1	3.8
Poland	-0.2	-0.3	-0.6	-0.9
Romania	-1.2	-2.4	-3.3	-3.8
Serbia	-4.8	-4.2	-4.6	-4.8
Slovakia	-1.3	0.1	1.2	2.7
Slovenia	5.2	6.8	6.4	5.8
CEE8 average	**0.4**	**0.6**	**0.2**	**0.0**

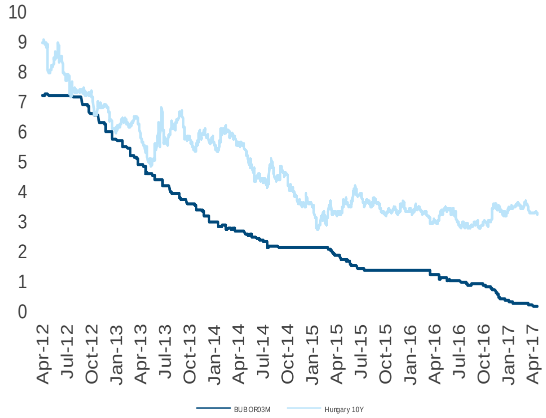
Budget Balance (%GDP	2015	2016f	2017f	2018f
Croatia	-3.2	-1.4	-1.6	-1.6
Czech Republic	-0.4	0.5	-0.6	-0.6
Hungary	-2.0	-2.2	-2.7	-2.5
Poland	-2.5	-2.7	-3.0	-2.9
Romania	-0.8	-2.8	-3.5	-3.6
Serbia	-3.8	-1.4	-1.2	-1.0
Slovakia	-2.7	-1.7	-1.5	-1.2
Slovenia	-2.9	-2.0	-1.7	-1.5
CEE8 average	**-2.0**	**-2.0**	**-2.4**	**-2.3**

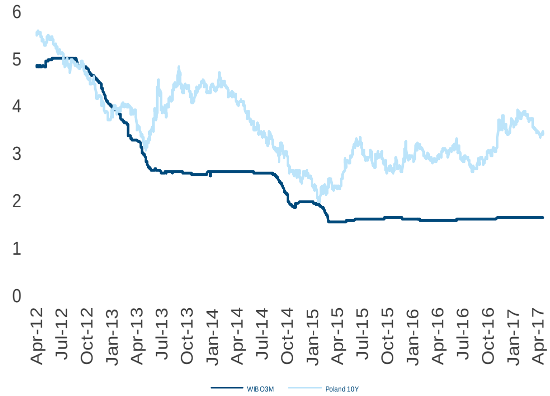
Note:*Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

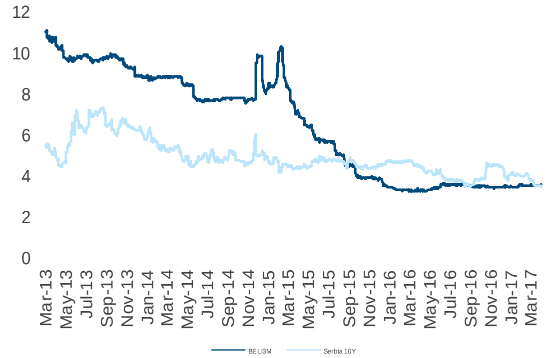
Appendix

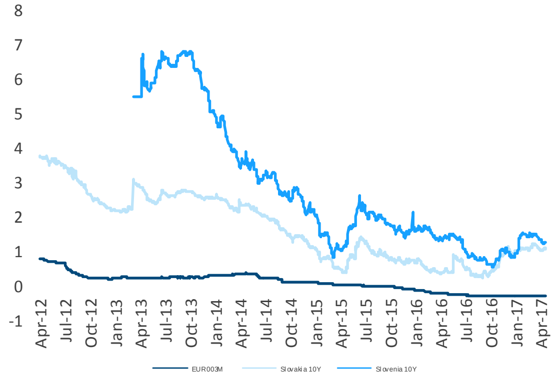












Note:*Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

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