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GLOBAL ECONOMIC &

August 12, 2016





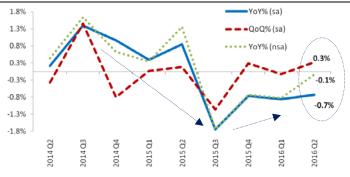
FOCUS NOTES

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Greece: Recession milder than expected in 2016 Q2 (-0.7YoY%, +0.3%QoQ)

- The Hellenic Statistical Authority (EL.STAT.) published earlier today the flash estimates of the national accounts for the 2nd quarter of 2016. The respective provisional data, along with the breakdown of GDP, are scheduled to be released on August 29th 2016.
- The Greek economy performed better than expected in 2016 Q2. Although it contracted by -0.7% on a yearly basis (the 4th consecutive quarter with negative real GDP growth), it expanded by +0.3% on a quarterly basis. Furthermore, there was an upward revision of the 2016 Q1 real GDP growth rate from -1.4YoY% to -0.8YoY% and from -0.5QoQ% to -0.1QoQ%.
- For the 1st semester of 2016 real GDP growth rate stood at -0.7YOY% from -1.2YOY% in 2015 H2. Overall, the latest data support expectations for a mild real GDP contraction (i.e. stagnation) in 2016 in the vicinity of -o.5ppts. This would be equivalent to the negative statistical carry over from last year, without which real output growth would remain broadly flat for the full year.

Figure 1: Real Gross Domestic Product



Source: (a) Hellenic Statistical Authority (EL.STAT.)

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Seasonally Adjusted (YoY%) Real GDP in Chained-Linked Volumes EUR bn

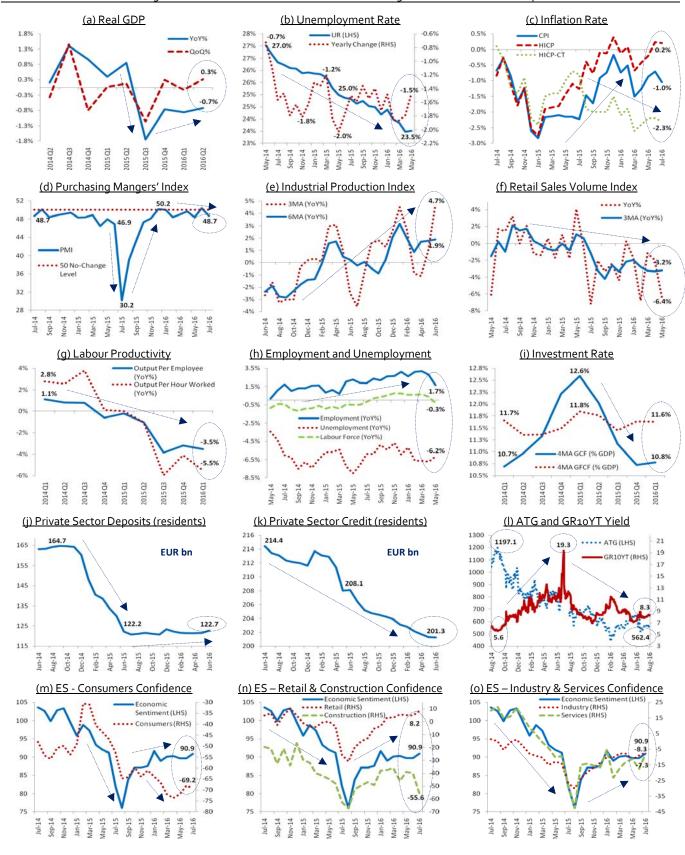
Seasonally Adjusted (QoQ%) Real GDP in Chained-Linked Volumes EUR bn

During the last three months a lot of high frequency (e.g. monthly) hard and soft data signaled a continuation of the recession-stagnation on a yearly basis. For example: (1) retail trade volume index decreased by -6.44YoY% in May 2016 from -1.96YoY% in April 2016. (2) exports of goods (merchandise trade) dropped by -7.29YoY% in 2016 Q2. The respective figure for imports was +0.11%. As a result, the goods balance deteriorated by -€504.46 mn. Moreover, according to the Bank of Greece (BoG), the goods and services balance decreased by -€385.14 mn in the period of April 2016 - May 2016. (3) the unemployment rate remained almost constant in May 2016 (23,52% from 23,48% in April 2016) and the increase in employment decelerated. (4) the economic sentiment indicator slightly decreased in 2016 Q2 while the purchasing managers' index remained on average below the 50 units no-change level.

August 12, 2016

FOCUS NOTES

Figure 2: Basic Macroeconomic - Microeconomic Figures of the Greek Economy



Source: (a) EL.STAT., (b) Eurostat, (c) BoG, (d) EC, (e) Markit, (f) Thomson Reuters Eikon.





August 12, 2016

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Update: 12/8/2016		Basic Macroeconomic - Microe			economic Figures of the Greek Economy Latest Previous												
Variables	Frequency	y Source Presentation		Seasonal Adjustment	Period		Period Observation				Observa	Observations From Previo					
Basic Overview Real Gross Domestic Product		(1) (7)	Δ (yoy, %)		-0.23%	2015	0.65%	2014	-3.20%	2013	-7.30%	2012	-9.13%	2011	-5.48%	2010	
Real Gross Domestic Product	У	(1), (7)	Δ (yoy, %) € bn	-	185.08	2015	185.51	2014	184.31	2013	190.39	2012	205.39	2011	226.03	2010	
Real Gross Domestic Product Unemployment Rate			%		176.02 24.99%		177.56 26.55%		180.39 27.51%		191.20 24.54%		207.03 17.90%		226.03 12.72%		
Consumer Price Index Harmonized Index of Consumer Prices			∆ (yoy, %)		-1.73% -1.09%		-1.31% -1.39%		-0.92% -0.85%		1.51% 1.04%		3.34% 3.13%		4.71% 4.70%		
Gross Domestic Product Deflator					-0.62%		-2.25%		-2.49%		-0.36%		0.81%		0.76%		
Real Gross Domestic Product Real Gross Domestic Product	q		∆ (qoq, %)	No Yes	-0.09% 0.27%	2016 Q2	-0.77% -0.07%	2016 Q1	1.31% 0.13%	2015 Q2	0.39% -0.32%	2014 Q2	-3.59% -0.04%	2013 Q2	-8.64% -1.72%	2012 Q2	
Unemployment Rate	m		%		23.52%	May-16	23.48%	Apr-16	24.99%	May-15	27.02%	May-14	27.75%	May-13	24.02%	May-12	
Consumer Price Index Harmonized Index of Consumer Prices			∆ (yoy, %)	No	-1.04% 0.20%	Jul-16	-0.71% 0.23%	Jun-16	-2.23% -1.26%	Jul-15	-0.68% -0.84%	Jul-14	-0.69% -0.46%	Jul-13	1.34% 0.91%	Jul-12	
Gross Domestic Product Deflator	q				-0.27%	2016 Q1	-0.36%	2015 Q4		2015 Q1		2014 Q1	-0.57%	2013 Q1	1.31%	2012 Q1	
Gross Domestic Product Components Real Private Consumption	q	(1), (7)	Δ (yoy, %)	No	-2.02%	2016 Q1	-1.16%	2015 Q4	1.28%	2015 Q1	1.00%	2014 Q1	-6.63%	2013 Q1	-6.77%	2012 Q1	
Real Government Consumption Real Gross Fixed Capital Fromation					-1.45% -1.57%		2.77% 4.94%		0.37% 13.36%		0.36% -8.33%		-12.92% -11.12%		-0.97% -29.45%		
Real Exports of Goods and Services					-14.29%		-10.38%		4.32%		6.33%		-1.17%		3.61%		
Real Imports of Goods and Services Efficiency					-11.54%		-11.94%		9.66%		-0.13%		-4.37%		-7.97%		
Real Labour Productivity (per employee)	q	(4), (7)	∆ (yoy, %)	No	-3.53%	2016 Q1		2015 Q4		2015 Q1		2014 Q1		2013 Q1		2012 Q1	
Real Labour Productivity (per hour worked) Unit Labour Cost (per employee)					-5.50% 3.99%		-4.09% 1.89%		0.00%		2.77% -3.41%		0.22% -6.87%		-3.74% -1.61%		
Unit Labour Cost (per hour worked) Labour Market					3.72%		2.88%		0.68%		-4.24%		-5.74%		-1.22%		
Employment	m	(1), (7)	000' People	Yes	3653.79	May-16	3669.67			May-15		May-14		May-13		May-12	
Unemployment Labour Force					1123.50 4777.28		1126.05 4795.72		1197.34 4791.40		1301.37 4816.17		1347.74 4856.93		1174.25 4888.31		
Inactive Population	_				3274.39		3259.09		3300.92		3325.25		3332.26		3368.29		
Real Estate Index of Apartment Prices	q	(2), (7)	Δ (yoy, %)	No	-5.09%	2016 Q1	-5.22%	2015 Q4	-4.12%	2015 Q1	-9.02%	2014 Q1	-11.53%	2013 Q1	-10.54%	2012 Q1	
Building Activity (Issued Building Permits)	m	(1), (7)	., ,, ,		-5.33%	Apr-16	-11.49%		6.24%	Apr-15	-35.62%				-27.97%		
Industry and Commerce Purchasing Managers' Indexes (PMI)	m		Index Units	Yes	48.7	Jul-16	50.4	Jun-16	30.2	Jul-15	48.7	Jul-14	47	Jul-13	41.90	Jul-12	
Production Index in Industry Turnover Index in Industry		(1), (7)	∆ (yoy, %)	No	7.49% -13.40%	Jun-16 May-16	3.05% -14.30%	May-16 Apr-16	-4.14% -3.81%	Jun-15 May-15	-5.16% -4.05%	Jun-14 May-14	2.26% 0.49%	Jun-13 May-13	0.89% -3.56%	Jun-12 May-12	
Turnover Index in Retail Trade					-8.05%	Way-10	-4.43%	Api-10	2.37%	iviay-13	-8.21%	IVIAY-14	-2.61%	iviay-13	-8.97%	IVIAY-12	
Volume Index in Retail Trade Turnover Index in Wholesale Trade	q	(1), (7)			-6.44% -4.48%	2016 Q1	-1.96% -1.96%	2015 Q4	4.08% -0.95%	2015 Q1	-6.09% -0.28%	2014 01	-2.31% -14.17%	2013 Q1	-10.04% -17.39%	2012 Q1	
Turnover Index for Motor Trade	_ '	(-// (-/			-5.13%		8.29%		17.93%		22.81%		-16.15%		-40.84%		
Foreign Sector Current Account Balance (A+B+C+D)	m	(2), (7)	Σ12m € bn	No	0.80	May-16	1.07	Apr-16	-3.82	May-15	-2.58	May-14	-5.68	May-13	-17.11	May-12	
A. Balance of Goods (A1+A2+A3) A1. Oil					-16.00 -3.23		-16.09 -3.20		-21.27 -5.71		-21.20 -6.41		-20.10 -7.10		-24.65 -8.82		
A2. Ships					-0.19		-0.36		-1.37		-2.03		-1.09		-2.44		
A3. Other Goods B. Services (B1+B2+B3)					-12.58 15.60		-12.53 16.04		-14.19 18.23		-12.76 16.56		-11.90 14.03		-13.39 14.04		
B1. Travel					11.94		12.05		11.59		10.41		8.82		8.29		
B2. Transportation B3. Other Services					3.22 0.45		3.50 0.49		6.70 -0.06		6.08 0.07		5.48 -0.26		6.37 -0.62		
C. Primary Income (C1+C2+C3)					1.45		1.40		-0.21		0.20		0.97		-5.03		
C1. Compensation of Employees C2. Investment and Income					-0.10 -1.13		-0.12 -1.24		-0.36 -2.62		-0.23 -2.48		-0.25 -1.25		-0.30 -6.91		
C3. Other Primary Income D. Secondary Income (D1+D2)					2.68 -0.26		2.76 -0.29		2.77 -0.58		2.91 1.87		2.47 -0.59		2.18 -1.47		
D1. General Government					-0.45		-0.46		-0.64		1.47		-0.93		-1.38		
D2. Other Sectors Fiscal Data (General Government)					0.20		0.18		0.06		0.40		0.34		-0.09		
General Government Balance % of GDP	у	(1), (7)	%	-	-7.20%	2015	-3.60%	2014	-13.00%	2013	-8.80%	2012	-10.20%	2011	-11.20%	2010	
General Government Primary Balance % of GDP General Government Debt % of GDP	_				-3.40% 176.90%		0.40% 180.10%		-9.00% 177.70%		-3.70% 159.60%		-2.90% 172.00%		-5.30% 146.20%		
State Budget Execution A. State Budget Net Revenue (Realized)		(5), (7)	€bn		22.99	Jun-16	19.21	May-16	16.01	Apr-16	12.50	Mar-16	9.62	Feb-16	4.21	Jan-16	
B. State Budget Net Revenue (Target)		(5), (1)	0.0		22.85	7011 10	18.88	11107 20	16.16	71p. 10	12.57	11101 10	8.66		3.82	3011 10	
Divergence in Net Revenue (A-B) C. State Budget Expenditure (Realized)					0.13 24.00		0.33 20.02		-0.15 16.17		-0.08 12.28		0.96 8.30		0.39 3.14		
D. State Budget Expenditure (Target)					27.35		22.76		18.45		13.91		9.28		3.63		
Divergence in Expenditure (C-D) State Budget Primary Balance (Realized)					-3.35 2.47		-2.74 2.28		-2.28 2.72		-1.63 2.67		-0.98 3.04		-0.48 1.19		
State Budget Primary Balance (Target) State Budget Balance (Realized)					-1.03 -1.01		-0.82 -0.81		0.57 -0.15		1.10 0.22		1.07 1.32		0.31 1.07		
State Budget Balance (Target)	_				-4.49		-3.88		-2.28		-1.34		-0.62		0.20		
European Central Bank Interest Rates Deposit Facility Rate		(2), (7)	%		-0.40%	Mar-16	-0.30%	Dec-14	-0.20%	Sep-14	-0.10%	Jun-14	0.00%	Nov-13	0.00%	May-13	
Fixed Rate Tenders		(// (/			0.00%		0.05%		0.05%	·	0.15%		0.25%		0.50%	,	
Marginal Lending Facility Rate Greek Government Securities and Bank D/L IR					0.25%		0.30%		0.30%		0.40%		0.75%		1.00%		
Government Benchmark Bond Yield (10 Years) Average Bank Interest Rates on New Deposits	m	(2), (7)	%	-	7.99% 0.42%	Jul-16 Jun-16	7.92% 0.43%	Jun-16 May-16	1.09%	Jul-15 Apr-16	6.10% 1.51%	Jul-14 Jun-14	10.53% 2.40%	Jul-13 Jun-13	25.82% 2.94%	Jul-12 Jun-12	
Average Bank Interest Rates on New Loans					4.87%	Juli-10	4.84%	iviay-10	4.75%	Api-10	5.17%	Juli-14	5.54%	Juli-13	6.29%	Juli-12	
Average Bank Interest Rates on Outstanding Deposits Average Bank Interest Rates on Outstanding Loans					0.41% 4.90%		0.42% 4.94%		1.01% 5.08%		1.74% 5.46%		2.67% 5.74%		2.80% 6.09%		
Credit																	
Total Credit (A+B+C+D) A. General Government	m	(2), (7)	€bn	No	223.40 22.12	Jun-16	224.60 23.26	May-16	230.57 22.44	Jun-15	232.47 18.06	Jun-14	244.84 21.41	Jun-13	266.64 26.88	Jun-12	
B. Private Corporations C. Individuals and Private Non-Profit Institutions					95.71		95.68		98.58		101.66		106.80		114.53		
D. Sole Proprietors					92.27 13.29		92.38 13.28		95.95 13.61		99.44 13.30		103.26 13.36		110.21 15.01		
Deposits and Repos Total Deposits and Repos (A+B+C)	m	(2), (7)	€bn	No	154.05	Jun-16	154.02	May-16	159.25	Jun-15	213.69	Jun-14	214.66	Jun-13	205.71	Jun-12	
A. Domestic Residents (A1+A2+A3)		(-,, (,)	2311	.,0	132.17	20.7 10	130.68		130.50	74.1 13	177.63	Juli 14	175.89	2011 13	158.58	50.1 12	
A1.General Government A2.Private Corporations (A2.1+A2.2+A2.3)					9.43 20.97		8.98 20.29		8.27 18.07		14.57 28.15		13.22 26.08		7.99 23.17		
A2.1 Insurance Corporations and Pension Funds					1.19		1.38		1.59		2.93		2.97		2.04		
A2.2 Other Financial Institutions A2.3 Non-Financial Corporations					3.67 16.11		3.56 15.35		3.62 12.86		4.48 20.73		4.13 18.98		3.24 17.90		
A3. Households and Non-Profit Institutions					101.77		101.41		104.16		134.92		136.59		127.41		
B. Other Euro Area Residents C. Non-Euro Area Residents					1.94 19.94		1.63 21.71		1.36 27.39		1.41 34.64		1.42 37.35		1.43 45.69		
Economic Sentiment Economic Sentiment Indicator		(2) (7)	Index Units	Yes	90.9	Jul-16	89.7	Jun-16	82.1	Jul-15	103.6	Jul-14	92.5	Jul-13	79.9	Jul-12	
Industrial Confidence Indicator (weight 40%)	m	(3), (7)	muex Units	162	-7.3	Jui-10	-9.1	Juli-10	-26.4	Jul-15	1.5	Jul-14	-10.6	Jul-15	-25.5	Jul-12	
Services Confidence Indicator (weight 30%) Consumer Confidence Indicator (weight 20%)					-8.3 -69.2		-17.5 -68.0		-27.6 -52.9		19.7 -48.1		-4.6 -71.0		-42.8 -64.7		
Retail Trade Confidence Indicator (weight 5%)					8.2		4.7		-25.9		4.8		-21.0		-31.0		
Construction Confidence Indicator (weight 5%)					-55.6		-39.8		-62.5		-19.6		-32.2		-56.3		

Source: (1) Hellenic Statistical Authority (ELSTAT.), (2) Bank of Greece (BoG), (3) European Commission, (4) Eurostat, (5) Greek Ministry of Finance, (6) Markit, (7) Eurobank Research.

Note: (1) as y, q and m we define the yearly, quarterly and monthly data respectively, (2) as Δ(yoy%), Δ(qoq%) and Σ12m we define the yearly percentage change, the quarterly percentage and the 12 month sum respectively.



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