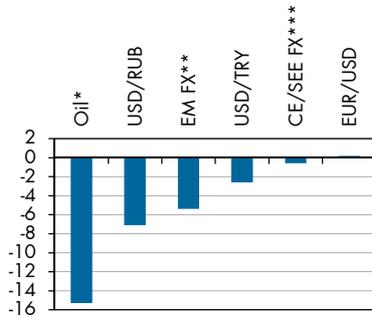


Price change (1 month)



* Brent (USD/bbl)
 ** BRL, ZAR, CNY, MXN vs. USD
 *** PLN, HUF, CZK, RON vs. USD
 Source: Bloomberg, RBI/Raiffeisen RESEARCH

Market snapshot

	curr.*	Mar-16	Jun-16	Sep-16
Poland				
EUR/PLN	4.33	4.25	4.20	4.20
Key rate	1.50	1.50	1.50	1.50
10y bond	3.0	3.3	3.4	3.4
Hungary				
EUR/HUF	314.7	310	315	315
Key rate	1.35	1.00	1.00	1.00
10y bond	3.5	3.0	3.2	3.3
Czech Rep.				
EUR/CZK	27.0	27.0	27.0	27.0
Key rate	0.05	0.05	0.05	0.05
10y bond	0.6	0.7	0.8	0.9
Romania				
EUR/RON	4.53	4.40	4.45	4.40
Key rate	1.75	1.75	1.75	1.75
10y bond	3.7	3.7	3.9	4.0
Croatia				
EUR/HRK	7.64	7.68	7.60	7.65
10y bond	4.0	4.2	4.3	4.3
Russia				
USD/RUB	74.4	70.0	66.0	60.0
Key rate	11.00	10.00	10.00	10.00
10y bond	9.7	10.3	10.5	10.4
Turkey				
USD/TRY	2.99	3.05	3.00	2.95
Key rate	7.50	9.50	9.50	9.50
10y bond	10.9	11.0	10.7	10.3
EUR/USD	1.09	1.05	1.03	1.01

Currencies per 1 EUR
 * prices as of 8 January 2016, 09:59 a.m. CET
 Source: Thomson Reuters, RBI/Raiffeisen RESEARCH

Content

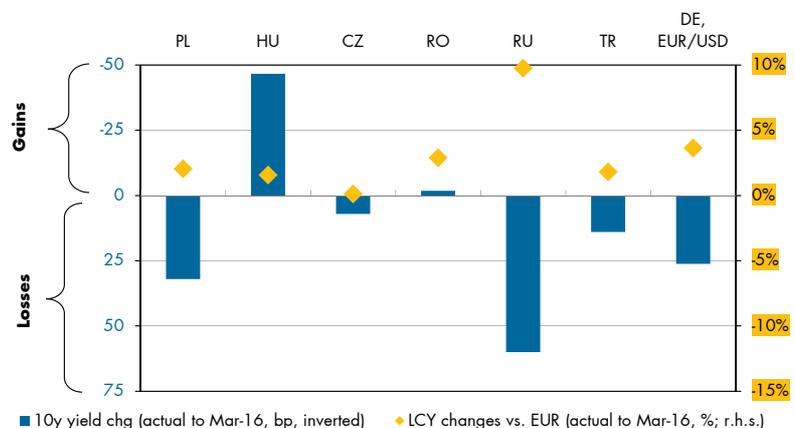
Focus on	p. 2
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Oil market weakness and pressure on global EM FX had an impact on the RUB over the last few weeks. Nevertheless, the fallout stemming from this adverse setting on the RUB had been modest up to now. Oil weakened some 15% over the last 4 weeks, USD/RUB just some 7%. That said short-term downside remains if oil markets are not returning to more stability quickly. Nevertheless, we would not expect a weakening to a USD/RUB rate around 80 (a level that would correspond to recent oil losses) as dramatic as indicated by a modest fallout of recent RUB selling on Russian markets. Nevertheless, the recent RUB weakening may still have significant medium-term market impact. The expected 2016 disinflation is likely to be more modest, which may translate into a much more cautious CBR monetary policy stance (for more details see our Focus on coverage on p. 2).

On other markets not that much has happened over the holidays. On a positive note there is now a fair chance for a functioning government to be appointed in Croatia within the next weeks. This news is slightly positive as there seems to be now room for some progress with regards to the much needed structural fiscal consolidation. The Ukrainian parliament has finally adopted an IMF-compliant budget end of 2015, which may help to secure a smooth disbursement of IMF funds. With regards to the bilateral Russian-Ukrainian debt quarrel there is not much news. Russia continues to threaten with a lawsuit, while the Ukrainian side still sees room to negotiate. PMIs published at the beginning of January for CE remained in solid territory (CE-3 avg. at 53.7pts) with some weakness in Hungary, while the Russian December PMI once again dropped below the 50 mark (48.7). Next week the rate setting meeting in Poland is unlikely to have a market impact as a neutral stance is likely to prevail for the time being.

Financial analyst: Gunter Deuber, RBI Vienna

Expected changes from today until March 2016



Source: Bloomberg, RBI/Raiffeisen RESEARCH

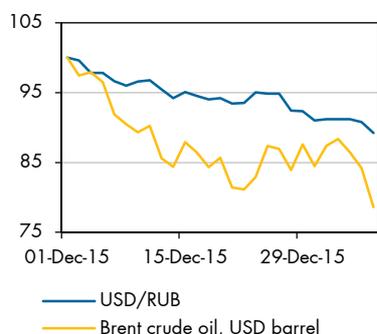
Data highlights upcoming week

Date	Indicator	Period	est.	High	Mean	Low	Prev.
11-Jan	CZ: CPI, % yoy	Dec	0.1	0.4	0.1	0.0	0.1
12-Jan	RS: Key rate, %	Jan	4.5	n.a.	n.a.	n.a.	4.50
14-Jan	PL: Key rate, %	Jan	1.50	1.50	1.50	1.50	1.50

Source: Bloomberg, RBI/Raiffeisen RESEARCH

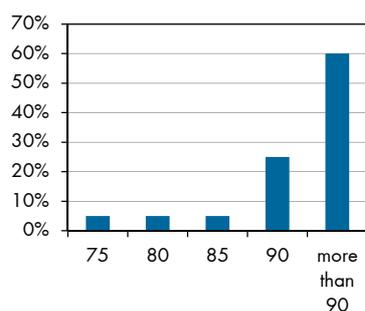
Focus on: Short-term RUB downside – limited fall-out up to now

Gap in oil and RUB decline



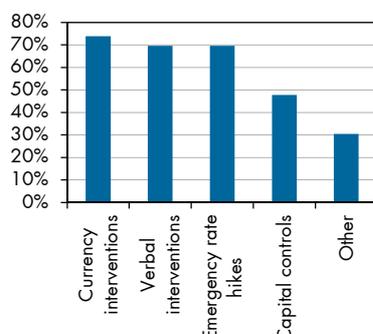
* Indexed chart: 1 December 2015 = 100
Source: Thomson Reuters, RBI/Raiffeisen RESEARCH

Level of endangered financial stability*



* Bloomberg December Russia survey: How low does the rouble (USD/RUB) need to fall to push Russia's economy into a full-blown crisis that threatens its financial system
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Options for CBR*



* Bloomberg December Russia survey: Which options remain in the CBRs anti-crisis toolkit that it might consider using in the coming months
Source: Bloomberg, RBI/Raiffeisen RESEARCH

With the oil price continuing its decline, global commodity-driven exchange rates are experiencing prolonged depreciation pressure. In this context, the Russian RUB stands out, as it shows an exceptionally strong correlation to the oil price since turning to a free-float regime, and this is bound to persist throughout 2016. While Russia was among the first to react to the pressure of falling oil prices on its currency by introducing a free float in November 2014, thereby preventing a continued drain of its FX reserves, other (regional) peers were forced to follow with the Azerbaijan manat being the latest to react. Nevertheless, the free-float comes with the price-tag of increased volatility and at its first peak in late 2014 this volatility necessitated a significant emergency rate hike to stabilise RUB. With USD/RUB now above the aforementioned peaks from late 2014/early 2015, but much calmer Russia fixed income markets (OFZ, Eurobonds, CDS), investors are asking themselves if and when a renewed reaction by the CBR might occur and what such a step could include.

Despite our medium-term expectation that oil prices will stabilise and have recovery potential during 2016, the current oil price trend suggests that we could be in for some more downside pressure before a possible stabilisation or even a rebound. That said, from a short-term perspective, the current weakness on the global EM FX and oil markets creates more downsides than possibly indicated by our 3-month or 6-month forecasts. This holds especially true as RUB has still only shown a modest reaction, in light of the recent downward-pressure on oil markets. However, it should be stressed that this time the broader impact of the RUB weakness on the domestic economy and markets seems to be more limited than in 2014 or the beginning of 2015. This is not only mirrored in the behaviour of the CBR up to now (i.e. the lack of activity), but likewise for instance in a recent Bloomberg Survey where most participants indicated that they would only consider USD/RUB levels of 85 or even weaker as challenging for financial stability. Accordingly, it seems that markets have adjusted to the strongly fluctuating and weakening RUB. Nevertheless, current developments certainly increase the pressure on Russian authorities, including the CBR, to think about the potential need to react. In this context, we expect the CBR to remain the first line of defence in case we see too much RUB depreciation in a short span of time. For now, we think the CBR may indicate that interest rate cuts will be postponed. Then the CBR could try to influence market expectations with verbal interventions, maybe even indicating the possibility of some (volatility smoothing) de facto interventions. However, even in the case of additional RUB depreciation towards levels of USD/RUB 80, we do not expect a return to (emergency) key rate hikes. Additionally, in reasonable scenarios we would not expect the CBR to step in with outright interventions unless we see mounting depreciation for the rouble towards levels above USD/RUB 85. This would mean once again tapping the FX reserves that have already been reduced by some USD 140 bn since early 2014 and just stabilised in recent months, thus possibly fuelling market speculation about the sustainability of such a policy

For now, a much more cautious CBR wording with regards to the disinflation outlook as well as the future key rate path seems increasingly likely to us given the recent and possibly more persistent short-term RUB weakness. Other measures by the CBR as indicated above would in our view only be an option in the case of additional significant weakening within a very short period of time.

Financial analyst: Gunter Deuber, Wolfgang Ernst, CEFA; RBI Vienna

Data releases and country coverage

This week, previous week: key data releases

Indicator	Period	Actual	Forecast	Prev.	Indicator	Period	est.	High	Mean	Low	Prev.
Friday, 18 December					Monday, 11 January						
UA: Industrial output, % yoy	Nov	-4.9	n.a.	-5.0	UA: FX reserves, USD bn	Dec	n.a.	n.a.	n.a.	n.a.	13.1
UA: GDP, % yoy final	Q3	-7.2	n.a.	-14.6	SK: Industrial output, % yoy	Nov	n.a.	n.a.	n.a.	n.a.	4.1
Tuesday, 22 December					Tuesday, 12 January						
TR: Key rate, %	Dec	7.50	n.a.	7.50	CZ: GDP, % yoy final	Q3	n.a.	n.a.	n.a.	n.a.	4.6
Wednesday, 23 December					CZ: Retail sales, % yoy						
HR: Unemployment rate, %	Nov	17.7	17.8	17.2	Nov	8.0	10.3	8.7	6.3	7.4	
HU: C/A balance, EUR bn nsa	Q3	1.7	n.a.	1.0	CZ: CPI, % yoy	Dec	0.1	0.4	0.1	0.0	0.1
HU: Trade balance, EUR mn final	Oct	605.0	n.a.	603.0	HR: Retail sales, % yoy final	Nov	n.a.	n.a.	n.a.	n.a.	1.5
PL: Unemployment rate, %	Nov	9.6	9.7	9.6	RS: Key rate, %	Jan	4.5	n.a.	n.a.	n.a.	4.50
Tuesday, 29 December					RS: CPI, % yoy						
HR: Industrial output, % yoy	Nov	2.7	n.a.	6.4	Dec	n.a.	n.a.	n.a.	n.a.	n.a.	1.3
Wednesday, 30 December					RU: CPI, % yoy final						
RS: Industrial output, % yoy	Nov	11.7	n.a.	7.8	Dec	n.a.	n.a.	n.a.	n.a.	n.a.	15.0
RS: Retail sales, % yoy	Nov	2.3	n.a.	2.4	BY: CPI, % yoy	Dec	n.a.	n.a.	n.a.	n.a.	11.3
RU: PMI, points	Dec	48.7	n.a.	50.1	Wednesday, 13 January						
RU: GDP, % yoy final	Q3	-4.1	-4.1	-4.6	CZ: C/A balance, CZK bn	Nov	2.0	3.6	-0.5	-2.0	3.1
Thursday, 31 December					PL: C/A balance, EUR mn						
HR: Retail sales, % yoy real	Nov	3.2	n.a.	1.5	Nov	n.a.	-87.0	-265.0	-589.0	-113.0	
RU: CPI, % yoy	Dec	12.9	13.0	12.1	PL: Trade balance, EUR mn	Nov	n.a.	500.0	375.0	242.0	483.0
RU: C/A balance, USD bn final	Q3	7.5	n.a.	15.9	RO: Industrial output, % yoy	Nov	n.a.	n.a.	n.a.	n.a.	2.8
Monday, 4 January					RO: CPI, % yoy						
CZ: PMI, points	Dec	55.6	54.5	54.2	Dec	-0.8	n.a.	n.a.	n.a.	n.a.	-1.1
HU: PMI, points	Dec	49.1	n.a.	55.8	Thursday, 14 January						
PL: PMI, points	Dec	52.1	52.2	52.1	HU: CPI, % yoy	Dec	1.1	0.9	0.9	0.8	0.5
PL: CPI, % yoy	Dec	-0.5	-0.4	-0.6	PL: Key rate, %	Jan	1.50	1.50	1.50	1.50	1.50
TR: CPI, % yoy	Dec	8.8	n.a.	8.1	BG: CPI, % yoy	Dec	n.a.	n.a.	n.a.	n.a.	-0.4
Wednesday, 6 January					Friday, 15 January						
UA: CPI, % yoy	Dec	43.3	n.a.	46.6	HR: CPI, % yoy	Dec	-0.4	n.a.	n.a.	n.a.	-0.9
Thursday, 7 January					PL: CPI, % yoy final						
HU: Retail sales, % yoy	Nov	4.4	n.a.	4.6	Dec	n.a.	n.a.	n.a.	n.a.	n.a.	-0.6
RO: Retail sales, % yoy	Nov	13.0	n.a.	12.7	RO: GDP, % yoy final	Q3	n.a.	n.a.	n.a.	n.a.	3.4
RO: Key rate, %	Jan	6.70	n.a.	6.80	RU: Trade balance, USD bn	Nov	11.5	11.5	9.6	8.7	10.1
SK: Retail sales, % yoy	Nov	3.2	n.a.	1.9	RU: FX reserves, USD bn	Dec	n.a.	375.0	370.0	369.0	364.7
Friday, 8 January					SK: CPI, % yoy						
CZ: Industrial output, % yoy	Nov	5.7	7.8	3.8	Dec	n.a.	-0.3	-0.3	-0.3	-0.3	-0.4
CZ: Trade balance, CZK bn	Nov	14.3	12.0	14.1							
HU: Industrial output, % yoy wda	Nov	7.0	n.a.	12.7							
BG: Retail sales, % yoy	Nov	2.0	n.a.	-1.3							
BG: Industrial output, % yoy	Nov	1.7	n.a.	1.2							
TR: Industrial output, % yoy	Nov	3.5	n.a.	4.7							

Source: Bloomberg, RBI/Raiffeisen RESEARCH

Croatia (HR) – The process of forming a government is under way, but is only expected to be completed within two weeks. The distribution of ministries between the political parties is still unknown, at least for now. Proposed candidates for ministers are supposed to be confirmed by the PM designate and finally receive confirmation in the parliament that was constituted on 28 December. The intention is to make the government more focused on crucial reforms. According to the public announcement, the new government's first measures may be focused on reducing and rationalising public administration and reforming the healthcare system (as both suffer from relatively high inefficiency). Although it can be said that the political deadlock has come to an end, Croatia still faces a politically challenging period ahead as many uncertainties remain. The Croatian political system has no experience with non-partisan PMs, who have no political authority and experience. It should not be forgotten that the HDZ-led coalition, with the support of MOST and few minor parties, currently has 78 seats in Parliament which is only 2 seats over a parliamentary majority. This suggests a tougher political environment to implement reforms, potentially more tensions and instabilities. Eventually, in such an environment the functioning of public administration will certainly be weakened in 2016. However, for the first time, public sentiment and politicians are focused on reforms and this could bring some positive changes crucial for a sustainable recovery and improvement in the weak fiscal metrics. Besides the focus on politics, the week ahead will feature inflation data releases for CPI and PPI: both will confirm negative inflation rates which have lasted for a relatively long time, mostly due to the falling energy prices. In the meantime, the lat-

est retail trade and industrial production data for November confirmed that the recovery gained momentum (retail rose by 3.2% yoy (w.d.a) while industry increased by 2.7% yoy). As for the financial markets, we will see another calm week with low MM interest rates supported by ample HRK liquidity and the absence of a T-bill auction given the fact that no maturities fell due. According to the rating calendar, S&P may announce a renewed assessment of Croatia at the very end of the week. That said, we do not expect any changes until the new government presents its working plan and the budget for 2016.

Financial analyst: Zrinka Zivkovic Matijevic (+385 1 6174 338), Raiffeisenbank Austria d.d., Zagreb

Czech Republic (CZ) – The latest data showed that the level of CNB FX intervention was below EUR 1 bn in November as well as in December. EUR/CZK remains close to EUR/CZK 27.0. We expect faster inflation in 2016, which should lead to stronger speculation on CZK, and this in turn should provide more support for CZK-denominated bonds. However, price developments in the Czech Republic as well as abroad are subdued. Next week, CPI inflation for December will be released. As the oil price declined further, we expect the CPI to decline by 0.1% mom, which means year-on-year stagnation at only 0.1%. It was previously expected that the base effect will lift yoy inflation significantly, but due to the continuing fall in the oil price the CPI at the beginning of the year will be probably well below 1% yoy.

Financial analyst: Michal Brozka (+420 234 401 498), Raiffeisenbank a.s., Prague

Hungary (HU) – December inflation figures will be released by Hungary's Central Statistical Office on Thursday. We continue to expect the stronger pace of increase in oil-related goods and services from end-2015, as base effects are just coming into the picture from the significant decline in fuel prices a year ago. These should allow the annual inflation rate to start rising a bit faster from now, so we see the December number at 1.1% and the 2016 average at 1.9% according to that. Until the release of the CPI, moves in the market can be more pronounced than usual.

Financial analyst: Gergely Pálffy (+36 1 484 4313), Raiffeisen Bank Zrt., Budapest

Poland (PL) – For the upcoming week some interesting data publications are scheduled, with the final estimate for CPI probably the highlight. The flash estimate disappointed with a reading of -0.5% compared to -0.6% in November. Although it may be still revised, it is clear that the deflation period is continuing and may end no sooner than in January/February. We think that price dynamics were dampened by falling fuel prices (about 3% mom) and lower food price growth than usually observed at this time of year. The NBP will publish also the current account reading for November (Wed), which may show a wider deficit as we expect the trade balance surplus to narrow. The rate-setting meeting which ends on Wednesday will be a non-event again. It will be the last meeting which will be attended by all of the current MPC members. In February, there will be a first meeting with 5 newly appointed members.

Financial analyst: Michal Burek (+48609921092), Raiffeisen Polbank, Warsaw

Romania (RO) – Recently, it was stated in a document released by the Ministry of Finance (MoF) that the 2016 public budget deficit target (roughly RON 21 bn) would be financed in equal shares through issuances on the domestic and international markets. On the domestic market, the total volume of redemptions in 2016 amounts to roughly RON 38 bn (as of December 2015) and in 2016 the Ministry of Finance (MoF) is planning to issue a volume of roughly RON 48-50 bn (RON and EUR government securities). Also, MoF intends to tap the international markets to borrow around EUR 3 bn in Eurobonds in 2016.

At the first monetary policy meeting in 2016, the National Bank of Romania (NBR) kept the key interest rate unchanged at 1.75%. However, contrary to our expectations, the NBR cut the MRR rate for FCY-denominated liabilities by 2pp to 12% starting from the 24 January – 23 February 2016 maintenance period. This reduction will release roughly EUR 0.5 bn in the banking system. This would give the MoF the opportunity to roll-over a domestic T-bond denominated in EUR which matures at the end of February (EUR 1.6 bn).

*Financial analysts: Nicolae Covrig (+40 799 718 476), Raiffeisen BANK S.A., Bucharest
Silvia Rosca (+40 799 718 083), Raiffeisen BANK S.A., Bucharest*

Serbia (RS) – From a macro data perspective, the basket is pretty much empty, given the holiday season. The year started with renewed EUR/RSD depreciation, which came as no surprise to us. Depreciation sentiment has been supported on the one hand by the holiday season with lower economy activity until mid-January and on the other hand by the lack of supply of RSD-denominated Ministry of Finance T-bills. We think the weaker local currency sentiment against the euro will prevail in the course of Q1 as it looks like non-residents will be reluctant to take long positions in the local debt market unless the MoF pays a higher risk premium. The assumption is flanked by the FED key rate hike on the one hand and the difficult re-

form agenda in 2016 on the other. The NBS will continue with FX interventions to offset any major volatility. According to the Economy Minister the plan B for Telekom will be reorganisation, meaning either selecting professional management or the company will be managed by the current management, but according to Mr Sertic "in which case some things would need to change". Telekom is the second best ranked by net profit earned in 2014 as the net profit increased by 10.1% yoy. Yet, despite the nice profitability, the profit generation capacity will fall in the medium term, unless the state decides to invest more in new mobile technology. Next week (12 January) the Executive Board of the National Bank of Serbia will hold its first rate-setting meeting in 2016: we expect the Board will maintain the key rate unchanged at 4.5% amidst dinar weakening against the euro and still high external risks.

Financial analyst: Ljiljana Grubic (+381 11 2207178), Raiffeisenbank a.d., Belgrade

Monetary policy and money markets overview

CEE key interest and money markets outlook

Poland	curr.*	Mar-16	Jun-16	Sep-16	5y high	5y low
Key interest rate (% eop)	1.50	1.50	1.50	1.50	4.75	1.50
1m money market rate (% eop)	1.55	1.63	1.63	1.63	4.82	1.53
3m money market rate (% eop)	1.62	1.70	1.70	1.71	5.04	1.55
6m money market rate (% eop)	1.77	1.75	1.75	1.76	5.07	1.56
Hungary						
Key interest rate (% eop)	1.35	1.00	1.00	1.00	7.00	1.35
1m money market rate (% eop)	1.35	1.00	1.05	1.05	7.30	1.34
3m money market rate (% eop)	1.35	1.00	1.05	1.05	7.65	1.35
6m money market rate (% eop)	1.35	1.10	1.15	1.15	7.93	1.35
Czech Republic						
Key interest rate (% eop)	0.05	0.05	0.05	0.05	0.75	0.05
1m money market rate (% eop)	0.20	0.22	0.22	0.20	1.00	0.19
3m money market rate (% eop)	0.29	0.30	0.30	0.30	1.25	0.28
6m money market rate (% eop)	0.37	0.40	0.40	0.45	1.58	0.36
Romania						
Key interest rate (% eop)	1.75	1.75	1.75	1.75	6.25	1.75
1m money market rate (% eop)	0.63	1.10	1.55	1.70	6.33	0.43
3m money market rate (% eop)	0.98	1.30	1.60	1.75	6.20	0.77
6m money market rate (% eop)	1.34	1.40	1.65	1.80	6.40	1.04
Russia						
Key interest rate (% eop)	11.00	10.00	10.00	10.00	17.00	5.50
1m money market rate (% eop)	11.71	10.65	10.70	10.80	29.16	3.43
3m money market rate (% eop)	11.79	10.70	10.80	10.90	29.93	3.75
6m money market rate (% eop)	11.80	10.75	10.90	11.00	30.31	4.12
Turkey						
Key interest rate (% eop)	7.50	9.50	9.50	9.50	10.00	4.50
1m money market rate (% eop)	11.39	12.00	11.50	11.00	12.04	4.61
3m money market rate (% eop)	11.56	12.10	11.60	11.10	12.15	4.74
6m money market rate (% eop)	11.70	12.10	11.60	11.10	12.48	5.12
Benchmark key rates (% eop)						
ECB key interest rate (% eop)	0.05	0.05	0.05	0.05	1.50	0.05
Fed key interest rate (% eop)	0.34	0.75	1.00	1.25	0.37	0.01

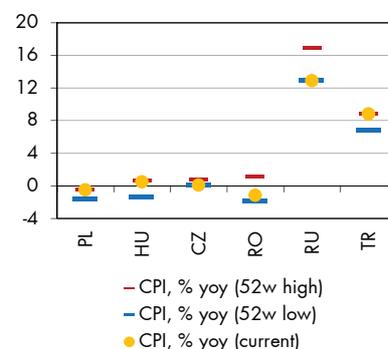
* Bid rates (for Hungary ask rates) as of 8 January 2016, 09:45 a.m. CET;
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Central bank watch

Poland (NBP)	Although increasingly moderate, FRA market pricing is still for resumption of rate cuts in Q2 2016, particularly after a more dovish MPC will take office in Q1 2016. Unless resumed rate cuts, we delayed NBP liftoff to Q3 2017. ECB-style LTRO cheap loan programme seems in the pipeline.
Hungary (MNB)	MNB remains in easing mood in light of relabeled cheap loan program. More unconventional easing in the pipeline in Q1. Furthermore, in contrast to consensus, we expect another downward adjustment to the base rate in Q1 2016.
Czech Republic (CNB)	Exit from FX intervention regime – introduced to keeping CZK above EUR/CZK 27.00 – could be delayed beyond Q4 2016 which is the target date of the CNB. Excessive CZK appreciation major challenge for CNB in times of exit; rate liftoff not earlier than Q2 2017 expected.
Romania (BNR)	Rate cutting cycle likely over despite dramatic tax-cut-induced fall in CPI. More cuts to MRR expected following most recent cut to FX MRR, although deterioration in fiscal outlook weighs increasingly on MP outlook. Exit from ultra-loose liquidity conditions as early as Q2-16 major monetary policy challenge in 2016.
Serbia (NBS)	Central bank remained on-hold in December, which eases somewhat our concerns in terms of overdoing rate cuts and of related financial stability. Rate cutting cycle likely over, low-rate environment intended to be maintained as long as possible.
Russia (CBR)	CBR continued pausing its rate cuts due to RUB weakness and/or inflationary risks. Most recent CPI-negative news in terms of Turkey import ban and bearish oil market underscores our view that resumption of rate cuts only likely in Q1 once disinflation finally materialises and inflation expectations stabilise.
Turkey (TCMB)	According to CB governor Basci TCMB is likely to shifting into tightening mode in line with US rate hikes. Simplification of MP toolkit focusing on 1w repo would be a side effect of upward adjusted rates which could finally stabilise TRY under the assumption of calming geopolitical and inflationary risks.

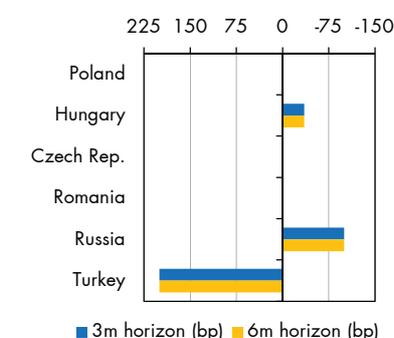
Source: Bloomberg, Reuters, RBI/Raiffeisen RESEARCH

Inflation snapshot



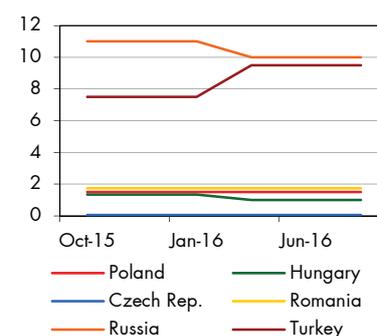
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Key rate forecast (chg., bp)



Source: Bloomberg, RBI/Raiffeisen RESEARCH

Key rate trends



Source: Bloomberg, RBI/Raiffeisen RESEARCH

Rate setting meetings

	Jan	Feb
Poland (NBP)	14	3
Hungary (MNB)	26	23
Czech Rep. (CNB)		4
Romania (BNR)	7	5
Serbia (NBS)	12	11
Russia (CBR)	29	18
Turkey (TCMB)	19	23

Source: National Central Banks, RBI/Raiffeisen RESEARCH

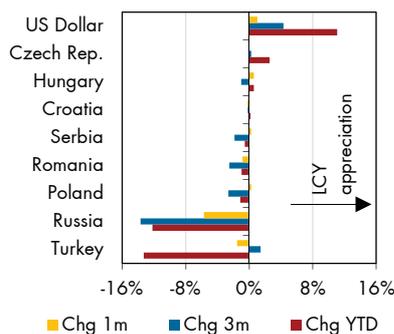
Foreign exchange market overview

FX forecasts

EUR vs	current ¹	Mar-16	Jun-16	Sep-16	5y high	5y low	Comment
PLN	4.33	4.25	4.20	4.20	4.57	3.84	EUR/PLN at elevated levels due to external news-flow (especially China) and political uncertainties (influence on monetary policy, conflict with EU over laws)
HUF	314.6	310.0	315.0	315.0	322.6	262.3	Despite short-term break-outs EUR/HUF expected to remain in 310-315 range; but 2016 likely to bring moderate depreciation for forint on central bank policy and US rate hikes
CZK	27.03	27.00	27.00	27.00	28.37	23.99	EUR/CZK to remain near intervention level of 27.0; CNB wording seems to change towards a later abandoning of the FX regime (we currently estimate Q1 2017); CPI and intervention amounts could give further indication on the FX regime abandoning
RON	4.53	4.40	4.45	4.40	4.64	4.07	RON affected by external topics such as tumbling financial markets in China and monetary policy in US
HRK	7.65	7.68	7.60	7.65	7.72	7.36	We do not expect any significant changes on the FX market; therefore EUR/HRK could be traded predominantly within 7.63 and 7.65
RSD	122.1	123.0	122.0	124.0	123.7	96.7	Further central bank interventions possible as RSD is also effected by external market developments
RUB	81.15	73.50	67.98	60.60	84.96	38.43	see USD/RUB below
UAH	26.16	25.20	25.75	27.27	37.78	9.74	see USD/UAH below
BYR	20,378	22,470	22,506	22,523	20,382	3,903	see USD/BYR below
TRY	3.26	3.20	3.09	2.98	3.46	2.04	see USD/TRY below
USD	1.09	1.05	1.03	1.01	1.49	1.05	Expectation on further US Fed rate hikes to support USD against euro
USD vs	current ¹	Mar-16	Jun-16	Sep-16	5y high	5y low	Comment
RUB	74.37	70.00	66.00	60.00	74.63	27.28	RUB is expected to continue following the oil price movement closely; with a projected oil price increase for 2016 we would expect to see some recovery in RUB; volatility for RUB to remain elevated
UAH	23.24	24.00	25.00	27.00	33.75	7.89	Prolongation of most critical administrative FX restrictions until 4 March 2016 will prevent stronger depreciation pressure for UAH; for 2016 central bank commitment will determine how fast and when we will see more depreciation
BYR	18,724	21,400	21,850	22,300	18,810	3,002	Central Bank announced that Belarussian rouble will be redenominated from 1 July 2016, depreciation tendency of BYR to remain
TRY	2.99	3.05	3.00	2.95	3.06	1.51	Security concerns, political statements, tensions between Russia and Turkey, rate hikes in US, troubles in China might keep TRY under pressure

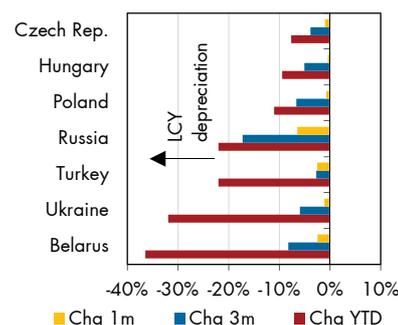
¹ as of 8 January 2016, 09:20 a.m. CET;
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Change of LCY value to EUR (%)



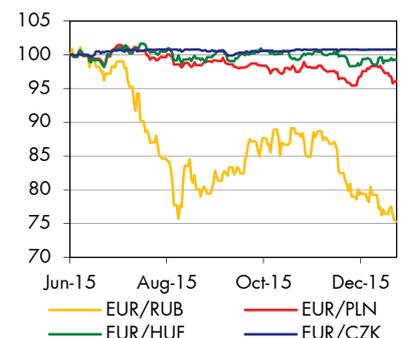
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Change of LCY value to USD (%)



Source: Bloomberg, RBI/Raiffeisen RESEARCH

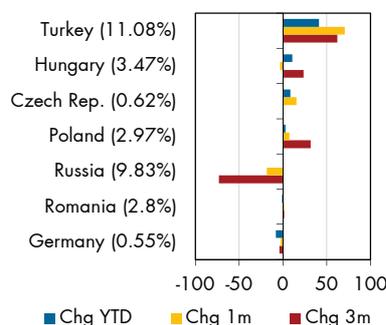
Exchange rate comparison



Indexed Jun 2015 = 100
Source: Bloomberg, RBI/Raiffeisen RESEARCH

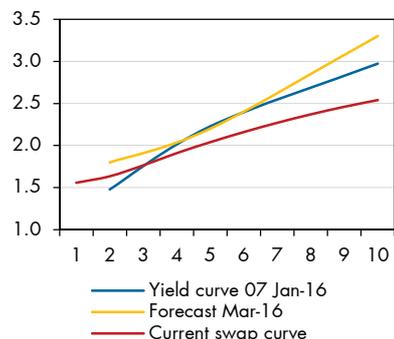
Local currency bond market overview

Change of LCY 10y bond yields (bp)



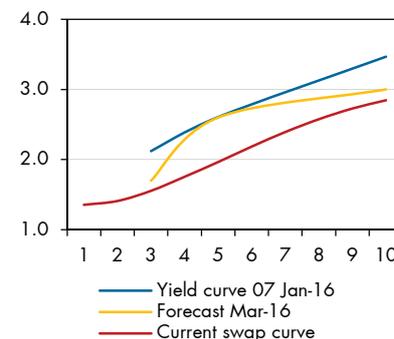
Source: Bloomberg, RBI/Raiffeisen RESEARCH

PLN yield curve



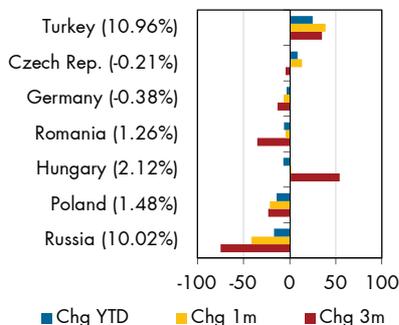
Source: Bloomberg, Thomson Reuters, RBI/Raiffeisen RESEARCH

HUF yield curve



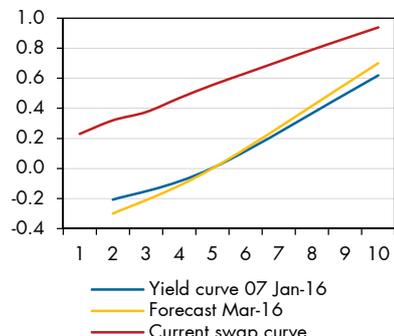
Source: Bloomberg, Thomson Reuters, RBI/Raiffeisen RESEARCH

Change of LCY 2y bond yields (bp)



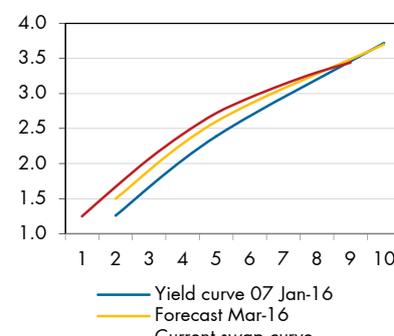
Source: Bloomberg, RBI/Raiffeisen RESEARCH

CZK yield curve



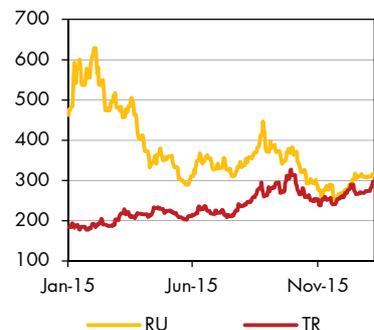
Source: Bloomberg, Thomson Reuters, RBI/Raiffeisen RESEARCH

RON yield curve



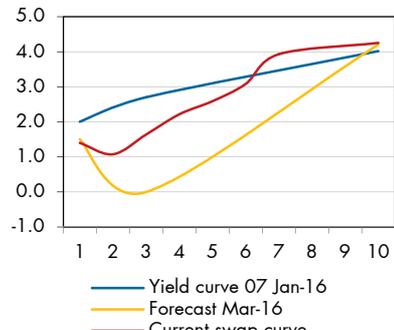
Source: Bloomberg, Thomson Reuters, RBI/Raiffeisen RESEARCH

5y USD CDS spreads



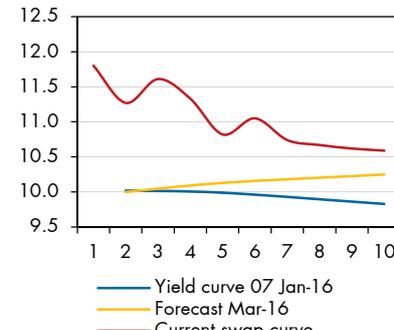
Turkey 5y high 343.7, 5y low 111.7; Russia 5y high 628.7, 5y low 118.7
Source: Bloomberg, RBI/Raiffeisen RESEARCH

HRK yield curve



Source: Bloomberg, Thomson Reuters, RBI/Raiffeisen RESEARCH

RUB yield curve



Source: Bloomberg, Thomson Reuters, RBI/Raiffeisen RESEARCH

Yield forecasts

2y T-bond yields (%)							10y T-bond yields (%)						
	current*	Mar-16	Jun-16	Sep-16	5y high	5y low		current*	Mar-16	Jun-16	Sep-16	5y high	5y low
Poland	1.48	1.8	1.9	2.0	5.1	1.4	Poland	2.97	3.3	3.4	3.4	6.4	2.0
Hungary**	2.12	1.7	1.7	1.8	10.2	1.5	Hungary	3.47	3.0	3.2	3.3	10.7	2.7
Czech Rep.	-0.21	-0.3	-0.3	-0.2	2.0	-0.4	Czech Rep.	0.62	0.7	0.8	0.9	4.3	0.3
Romania	1.26	1.5	1.6	1.7	7.3	1.2	Romania	3.72	3.7	3.9	4.0	7.6	2.6
Croatia	2.34	2.5	2.5	2.6	6.3	1.6	Croatia	4.02	4.2	4.3	4.3	4.3	3.9
Russia	10.02	10.0	10.0	10.0	17.5	5.5	Russia	9.65	10.3	10.5	10.4	16.1	6.5
Turkey	10.74	11.0	10.5	10.0	11.3	4.9	Turkey	10.86	11.0	10.7	10.3	11.0	6.0
Eurozone	-0.38	-0.3	-0.3	-0.3	1.9	-0.4	Eurozone	0.54	0.8	0.9	1.1	3.5	0.1
USA	0.99	1.2	1.4	1.6	1.1	0.2	USA	2.18	2.6	2.8	2.9	3.7	1.4

*Bid yields as of 8 January 2016, 09:25 a.m. CET; ** 3y
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Local currency bond market overview

CEE local currency bond market snapshot

	Maturity	Coupon, %	Ask Price	YTM, %	Spread to Bunds, bp	MDur.	Comment
Poland							
PLN 2y Gov. Bond	25/10/2017	5.25	106.69	1.42	181	1.7	Local bonds remain well supported despite weaker zloty due to reintensifying rate cut bets and bond-market-friendly regulatory easing. The related bull steepening of the POLGB curve is expected to run out of steam, though, since we continue to assume that no rate cuts will be delivered by the new MPC in Q2.
PLN 5y Gov. Bond	25/10/2020	5.25	113.77	2.19	230	4.4	
PLN 10y Gov. Bond	25/07/2025	3.25	102.42	2.95	241	8.3	
Hungary							
HUF 3y Gov. Bond	22/06/2018	2.50	101.17	2.00	236	2.4	LCY debt curve shifted downwards in post-FOMC trading again following ECB-induced correction during first half of December. Going forward LCY debt market should remain supported by expected rate cuts and bond-market-friendly MNB.
HUF 5y Gov. Bond	24/06/2020	3.50	103.95	2.55	266	4.1	
HUF 10y Gov. Bond	24/06/2025	5.50	117.15	3.35	281	7.6	
Czech Republic							
CZK 2y Gov. Bond	09/11/2017	0.00	100.56	-0.30	9	n.a.	CZGB market continues to trade in the vicinity of Bunds against expectations of strong CZK appreciation once the FX cap was to be removed. In the longer run, i.e. after the exit from the FX regime in late-2016 at the earliest, upward momentum in yields to intensify due to likely profit-taking of CZK appreciation bettors.
CZK 5y Gov. Bond	12/09/2020	3.75	117.80	-0.06	6	n.a.	
CZK 10y Gov. Bond	17/09/2025	2.40	117.41	0.55	1	8.8	
Croatia							
HRK 2y Gov. Bond	25/11/2017	6.25	108.05	1.84	196	1.8	Calm week is expected as market participants are waiting for the New Government formation and its working plan.
HRK 10y Gov. Bond	09/07/2025	4.50	105.10	3.85	331	7.8	
Romania							
RON 3y Gov. Bond	17/01/2018	3.25	103.69	1.38	174	1.9	In line with CE peers, Romanian local debt market shrugged-off EM sell-off and remained on solid footing most recently. Front-end remains hardly cemented on excess liquidity conditions, especially in light of further expected MRR cuts by the BNR. Short-term positioning at the back-end recommended since ROMGB curve seems steep enough.
RON 5y Gov. Bond	29/04/2020	5.75	114.03	2.28	240	3.8	
Russia							
RUB 2y Gov. Bond	15/03/2018	7.50	96.00	9.80	1019	2.0	LCY bond market is aggressively pricing rate cuts, which we see as premature. Should the CBR deliver and resume rate cuts in Q1 2016 current tight valuations when compared to base rate could prove justified. We tend to Hold RUB bonds in the short-term, whilst room for further near-term price gains should only be possible at the front-end. FX risks elevated, though.
RUB 5y Gov. Bond	03/08/2016	6.90	98.60	9.73	985	0.6	
RUB 8y Gov. Bond	24/11/2021	6.50	91.97	8.50	796	5.0	
Turkey							
TRY 2y Gov. Bond	14/06/2017	9.60	98.50	10.49	1088	1.3	LCY debt market the underperformer hit by recent GEM jitters in contrast to the CEE markets. In light of expected rate hikes on inflation risks and lira weakness we maintain our bearish view on TURKGBs, especially since local politics remain a huge risk factor.
TRY 5y Gov. Bond	08/07/2020	9.40	94.75	10.90	1102	3.7	
TRY 10y Gov. Bond	12/03/2025	8.00	83.75	10.83	1029	6.1	

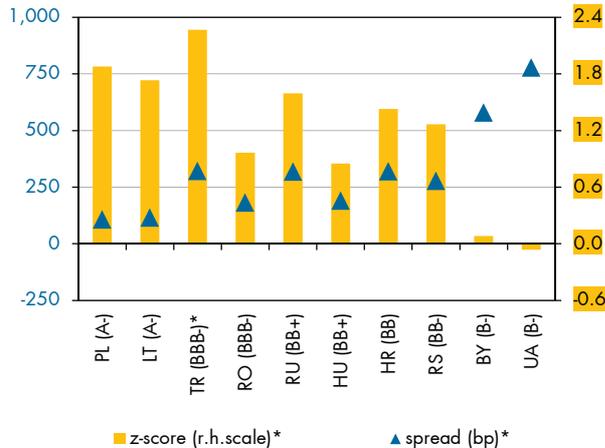
Data as of 8 January 2016, 09:25 a.m. CET
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Bond auctions

		ISIN	Coupon	Maturity	Volume
11 January 2016					
RO	6y T-bonds	RO1522DBN056	3.50%	19 Dec-22	RON 300 mn
RU	T-bonds	n.a.	n.a.	n.a.	n.a.
13 January 2016					
CZ	3y T-bonds	n.a.	n.a.	17 Jul-19	CZK 10 bn
CZ	10y T-bonds	CZ0001004469	1.00%	26 Jun-26	CZK 5 bn
CZ	4y T-bonds	CZ0001004113	floating	09 Dec-20	CZK 5 bn
14 January 2016					
HU	T-bonds	n.a.	floating	n.a.	n.a.
RO	3y T-bonds	RO1519DBN037	2.50%	29 Apr-19	RON 600 mn
AL	T-bonds	n.a.	n.a.	n.a.	n.a.

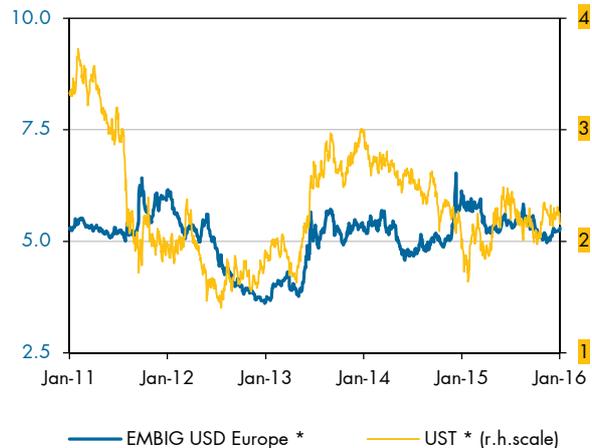
Eurobond market overview

CEE USD EMBIG spread valuation*



* z-score - EMBIG USD country spread deviation from mean normalised by 1 standard deviation, score at or below minus 1 = expensive, at or above 1 = cheap
Source: Thomson Reuters, RBI/Raiffeisen RESEARCH

CEE EMBIG USD vs. UST YTM*



* YTM - yield to maturity EMBI Global USD, UST - 10-year US Treasury note
Source: Thomson Reuters, RBI/Raiffeisen RESEARCH

Issuer/rate/due	Market Price				YTM mid. % p. a.	Spread vs. Bmk, bp	Mdur. years	ISIN
	Bid	Ask	5y max	5y min				
EUR								
BGARIA 4 1/4 07/09/17	106.2	106.5	111.8	100.3	-0.01	37	1.5	XS0802005289
CROATI 5 7/8 07/09/18	108.9	109.4	112.2	87.7	2.07	243	2.3	XS0645940288
REPHUN 3 1/2 07/18/16	101.6	101.7	104.6	76.8	0.37	77	0.5	XS0240732114
REPHUN 5 3/4 06/11/18	111.6	112.2	115.1	79.7	0.75	112	2.2	XS0369470397
REPHUN 6 01/11/19	114.8	115.1	118.4	86.4	0.92	125	2.8	XS0625388136
LITHUN 4.85 02/07/18	110.1	110.4	114.3	94.5	-0.09	29	1.9	XS0327304001
POLAND 3 5/8 02/01/16	100.1	100.3	109.0	97.8	-0.02	41	0.1	XS0242491230
POLAND 1 5/8 01/15/19	104.4	104.6	105.5	98.0	0.13	46	2.9	XS0874841066
POLAND 3 3/4 01/19/23	119.1	119.5	125.5	99.9	0.91	76	6.1	XS0794399674
POLAND 3 3/8 07/09/24	116.4	117.7	125.6	99.6	1.25	88	7.4	XS0841073793
ROMANI 5 1/4 06/17/16	102.2	102.4	108.7	95.8	-0.11	30	0.4	XS0638742485
ROMANI 4 7/8 11/07/19	115.4	115.8	117.8	99.3	0.72	98	3.5	XS0852474336
TURKEY 5 7/8 04/02/19	112.2	113.0	119.4	101.2	1.82	213	2.9	XS0285127329
TURKEY 5 1/8 05/18/20	110.7	111.5	115.9	95.4	2.39	257	3.8	XS0503454166
USD								
BELRUS 8.95 01/26/18	102.7	103.8	111.2	70.0	7.20	623	1.8	XS0583616239
CROATI 6 3/8 03/24/21	106.9	107.5	117.8	86.7	4.79	315	4.4	XS0607904264
CROATI 5 1/2 04/04/23	102.1	102.8	108.6	94.4	5.09	313	5.8	XS0908769887
REPHUN 5 3/8 02/21/23	109.3	109.7	113.9	93.1	3.84	185	5.8	US4455454AH91
REPHUN 7 5/8 03/29/41	136.5	137.5	150.3	79.5	5.02	225	12.9	US4455454AF36
LITHUN 7 3/8 02/11/20	118.3	118.8	130.7	104.8	2.56	113	3.5	XS0485991417
LITHUN 6 5/8 02/01/22	119.6	120.1	128.6	101.0	3.02	123	5.0	XS0739988086
LATVIA 2 3/4 01/12/20	101.2	101.7	102.7	91.4	2.36	95	3.8	XS0863522149
LATVIA 5 1/4 06/16/21	113.2	113.8	117.2	90.9	2.57	89	4.8	XS0638326263
POLAND 6 3/8 07/15/19	114.3	114.5	125.9	107.4	2.10	74	3.1	US731011AR30
POLAND 3 03/17/23	99.2	99.5	103.6	87.6	3.10	111	6.3	US731011AT95
ROMANI 6 3/4 02/07/22	118.1	118.5	124.4	99.2	3.38	155	5.0	US77586TAA43
ROMANI 4 3/8 08/22/23	104.8	105.2	109.5	90.8	3.62	159	6.4	US77586TAC09
RUSSIA 4 1/2 04/04/22	99.6	100.3	114.7	82.0	4.51	270	5.3	XS0767472458
RUSSIA 7 1/2 03/31/30	119.9	120.2	128.7	99.6	2.92	61	4.2	XS0114288789
RUSSIA 5 5/8 04/04/42	92.7	93.6	124.9	76.0	6.15	337	13.0	XS0767473852
SERBIA 5 1/4 11/21/17	103.4	104.1	107.1	96.8	3.16	225	1.8	XS0856951263
SERBIA 4 7/8 02/25/20	102.2	102.9	104.6	89.6	4.20	276	3.6	XS0893103852
TURKEY 6 1/4 09/26/22	107.7	108.3	127.0	101.0	4.84	290	5.4	US900123BZ27
TURKEY 6 7/8 03/17/36	110.1	110.9	139.6	99.2	5.97	340	11.1	US900123AY60
TURKEY 6 3/4 05/30/40	109.0	109.8	139.4	97.3	6.01	327	12.3	US900123BG46

* w/w - week on week, 5y - 5-year low and high, YTM mid - yield to maturity based on mid market price, Bmk - benchmark, Mdur - modified duration, ISIN - international security identification number; prices as of 8 January 2016, 10:10 a.m. CET
Source: Bloomberg, RBI/Raiffeisen RESEARCH

Summary: Ratings & macro data

Country ratings: CE, SEE, EE

	S&P			Moody's			Fitch		
	LCY	FCY	Outlook	LCY	FCY	Outlook	LCY	FCY	Outlook
CE									
Poland	A	A-	positive	A2	A2	stable	A	A-	stable
Hungary	BB+	BB+	stable	Ba1	Ba1	positive	BBB-	BB+	positive
Czech Republic	AA	AA-	stable	A1	A1	stable	AA-	A+	stable
Slovakia *	A+	A+	stable	A2	A2	stable	A+	A+	stable
Slovenia *	A-	A-	stable	Baa3	Baa3	stable	BBB+	BBB+	stable
SEE									
Romania	BBB-	BBB-	stable	Baa3	Baa3	stable	BBB	BBB-	stable
Bulgaria	BB+	BB+	stable	Baa2	Baa2	stable	BBB	BBB-	stable
Croatia	BB	BB	negative	Ba1	Ba1	negative	BB+	BB	negative
Serbia	BB-	BB-	negative	B1	B1	stable	B+	B+	positive
CIS									
Russia	BBB-	BB+	negative	Ba1	Ba1	stable	BBB-	BBB-	negative
Ukraine	B-	B-	stable	Caa3	Caa3	stable	CCC	CCC	stable
Belarus	B-	B-	stable	Caa1	Caa1	negative	NR	NR	n.a.
Kazakhstan	BBB	BBB	negative	Baa2	Baa2	stable	A-	BBB+	stable
Turkey	BBB-	BB+	negative	Baa3	Baa3	negative	BBB	BBB-	stable

* Euro area (Euro currency) members; positive rating/outlook changes (in previous week) in green, negative changes in red; NA - not applicable; NR - not rated
Source: rating agencies websites

Main macro data & forecasts*

Country	Year	GDP, % avg. yoy	CPI, % avg. yoy	Unemployment, %	Nominal wages, EUR	Fiscal balance, % GDP	Public debt, % GDP	Export**, % GDP	C/A, % GDP	Ext. debt, % GDP	FXR*** % ext. debt	Import cover, months
Croatia	2014	-0.4	-0.2	17.3	1042	-5.7	85.1	22.7	0.8	108.5	27.3	9.5
	2015e	1.5	-0.4	16.2	1058	-5.0	89.9	24.9	4.7	108.9	27.4	9.1
	2016f	1.0	1.1	16.0	1061	-4.5	93.1	26.0	1.5	109.5	27.0	8.8
Czech Rep.	2014	2.0	0.4	7.7	933	-2.0	42.6	73.9	0.6	66.6	43.7	5.0
	2015e	4.3	0.4	6.5	972	-1.5	40.7	75.0	1.0	65.6	58.1	6.4
	2016f	2.4	1.3	6.1	1023	-1.5	40.1	77.4	1.1	63.6	82.0	8.5
Hungary	2014	3.7	-0.2	7.9	770	-2.6	76.2	81.1	3.9	113.9	29.3	5.3
	2015e	2.8	0.0	7.0	795	-2.3	75.8	80.3	3.7	104.6	28.3	4.8
	2016f	2.2	1.9	6.2	818	-2.2	75.0	81.3	3.7	96.9	26.1	4.0
Poland	2014	3.3	0.0	12.3	904	-3.2	50.4	38.3	-2.0	71.1	28.4	6.3
	2015e	3.5	-0.9	10.5	939	-3.1	51.9	39.1	-0.1	70.3	28.3	6.0
	2016f	3.6	1.3	9.4	977	-3.2	52.9	40.2	-1.1	71.2	24.7	5.1
Romania	2014	2.8	1.1	6.8	524	-1.4	39.9	31.2	-0.5	63.2	37.7	8.1
	2015e	3.7	-0.6	6.8	566	-1.2	38.9	31.6	-1.0	59.3	34.0	6.7
	2016f	4.0	-0.3	6.5	619	-3.0	39.7	32.2	-2.5	57.8	33.7	6.1
Russia	2014	0.6	7.8	5.3	640	-1.2	11.5	26.6	3.5	32.2	70.7	16.5
	2015e	-4.0	15.6	5.5	502	-3.5	12.7	27.1	5.2	41.1	73.5	23.9
	2016f	0.0	8.8	5.5	542	-3.5	13.5	27.6	5.5	37.1	79.6	21.9
Ukraine	2014	-6.8	12.1	9.3	240	-4.6	70.5	42.2	-4.0	96.4	6.5	1.6
	2015e	-10.0	48.5	11.5	172	-4.0	87.0	37.4	-0.8	128.7	11.5	4.3
	2016f	1.5	16.0	11.0	n.a.	-3.5	94.0	42.7	-1.0	133.3	13.7	4.7
Turkey	2014	2.9	8.9	9.8	n.a.	-1.5	35.0	21.1	-5.8	50.3	34.7	7.2
	2015e	3.5	7.6	10.5	n.a.	-1.5	34.0	21.6	-5.0	59.9	23.8	5.8
	2016f	2.5	8.1	10.0	n.a.	-1.5	32.0	22.9	-5.7	62.6	24.7	5.9

* only for countries regularly included in CEE Weekly

** Export of goods only; *** FXR - Foreign exchange reserves

Source: Thomson Reuters, National Statistics, RBI/Raiffeisen RESEARCH

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Bonds

Financial instruments/Company	Date of the first publication
Eurobonds	01/01/2001
LCY bonds	01/01/1997

Recommendations history: Local currency government bonds (I: no change)*

Date of change	CZ				HU				PL				RO				RU				TR			
	2y	5y	10y	CZK	2y	5y	10y	HUF	2y	5y	10y	PLN	2y	5y	10y	RON	2y	5y	10y	RUB	2y	5y	10y	TRY
09/12/2014	Hold	Hold	Buy	Hold	Hold	Hold	Hold	Sell	Buy	Buy	Buy	Hold	Buy	Hold	Hold	Hold	Sell	Sell	Sell	Sell	Buy	Buy	Buy	Buy
09/02/2015			Hold		Buy	Buy	Buy		Hold	Hold	Hold		Buy	Buy	Buy									
24/03/2015						Hold	Hold					Sell					Hold					Hold	Hold	Sell
28/04/2015												Hold	Hold	Hold	Hold	Hold	Buy	Hold	Hold					Hold
15/05/2015		Buy	Buy																					
02/06/2015		Hold	Hold		Hold			Hold												Hold		Buy	Buy	Buy
24/06/2015			Buy				Sell				Sell				Sell			Buy	Buy		Sell	Sell	Sell	Sell
06/08/2015			Hold			Sell				Sell				Sell			Hold	Hold	Hold		Hold			Hold
03/09/2015																				Buy				Buy
22/09/2015																					Sell			
04/11/2015					Buy	Buy	Buy			Hold	Hold			Hold	Hold					Hold	Hold	Hold	Hold	Hold
17/12/2015								Buy	Buy	Buy			Buy	Buy	Buy	Buy	Buy	Buy		Buy				

* recommendations based on absolute expected performance in LCY; FX vs EUR; Source: RBI/Raiffeisen RESEARCH

Recommendations history: Sovereign Eurobonds (I: no change)*

Date of change	BG		HR		CZ		HU		KZ		LT		PL		RO	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD
09/12/2014	Hold	-	Sell	Sell	Hold	Hold	Buy	Hold	-	-	Hold	Hold	Buy	Buy	Hold	Hold
09/02/2015		-							-	-			Hold	Hold	Buy	
05/03/2015		-	Hold	Hold					-	-						
24/03/2015		-					Hold		-	-	Buy	Buy	Buy	Hold		Buy
17/04/2015		-							-	-						
28/04/2015		-							-	-						
02/06/2015	Sell	-							-	-	Hold	Hold		Buy	Hold	Hold
24/06/2015	Hold	-							-	-				Hold		
06/08/2015		-	Sell	Sell					-	Buy	Buy		Hold			
03/09/2015		-							-		Hold					
22/09/2015		-							-				Buy		Buy	Buy
07/10/2015		-					Buy	Buy	-	Hold						
04/11/2015		-							-		Buy			Buy		
03/12/2015		-							-	Buy						
17/12/2015		-							-		Hold					

* recommendations based on absolute expected performance, i.e. expected spread change; Source: RBI/Raiffeisen RESEARCH

Recommendations history: Sovereign Eurobonds (I: no change)*

Date of change	RU		RS		SK		SI		TR		UA		BY	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD
16/09/2014	Hold	Hold	-	Hold	-	-	-	-	Buy	Buy	Sell	Sell	-	Hold
09/12/2014	Sell	Sell	-		-	-	-	-	Hold	Hold			-	
09/02/2015			-	Sell	-	-	-	-					-	Sell
05/03/2015	Hold	Hold	-	Hold	-	-	-	-					-	
24/03/2015	Buy	Buy	-	Hold	-	-	-	-					-	Hold
17/04/2015	Hold	Hold	-		-	-	-	-					-	
28/04/2015			-		Hold	-	Buy	-	Buy	Buy	Hold	Hold	-	Buy
02/06/2015			-	Sell		-		-					-	
24/06/2015			-			-		-		Hold			-	
06/08/2015			-			-	Hold	-	Hold		Sell	Sell	-	Sell
03/09/2015			-			-		-			Hold	Hold	-	
22/09/2015			-			-		-	Sell	Sell			-	
07/10/2015			-			-		-					-	
04/11/2015	Buy	Buy	-			-		-	Hold	Hold	-		-	Hold
03/12/2015	Hold	Hold	-			-		-			-	Sell	-	
17/12/2015			-			-		-	Buy	Hold	-		-	

* recommendations based on absolute expected performance, i.e. expected spread change, under revision; Source: RBI/Raiffeisen RESEARCH

Sovereign Eurobonds: Relative value pair trades (B: buy; S: sell; I: no change)*

Date of change	USD		USD		EUR	
	KZ'44	RU'43	LT'21	LV'21	LT'24	LV'24
05/03/2015	Buy	Sell	Buy	Sell	Buy	Sell
24/06/2015	-	-	-	-	-	-
16/07/2015		Opened		Opened		Opened
06/08/2015						
03/09/2015						
04/11/2015		Closed (-)				
03/12/2015				Closed (0)		Closed (0)

* recommendations based on relative expected performance, i.e. expected spread widening or tightening between two bonds over ~1 to 3 months, (+) - profit, (-) - loss
Source: RBI/Raiffeisen RESEARCH

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