

**ZEW / Erste Group Bank - Financial Market Survey CEE: May 2016**

<b>Current economic situation</b>	<b>good</b>		<b>acceptable (normal)</b>		<b>bad</b>		<b>balance</b>									
Austria	22.2	(+11.7)	77.8	(-11.7)	0.0	(± 0.0)	22.2	(+11.7)								
Croatia	8.4	(+ 4.9)	83.3	(+ 4.7)	8.3	(- 9.6)	0.1	(+14.5)								
Czech Republic	52.2	(- 9.3)	47.8	(+ 9.3)	0.0	(± 0.0)	52.2	(- 9.3)								
Hungary	28.6	(+ 2.5)	57.1	(- 8.1)	14.3	(+ 5.6)	14.3	(- 3.1)								
Poland	34.8	(- 9.2)	52.2	(- 3.8)	13.0	(+13.0)	21.8	(-22.2)								
Romania	45.0	(- 5.0)	55.0	(+ 9.5)	0.0	(- 4.5)	45.0	(- 0.5)								
Slovakia	54.5	(+ 8.3)	45.5	(- 8.3)	0.0	(± 0.0)	54.5	(+ 8.3)								
Turkey	11.6	(+ 4.7)	69.2	(-10.1)	19.2	(+ 5.4)	-7.6	(- 0.7)								
CEE (incl. Turkey)	22.7	(- 6.5)	68.2	(+ 5.7)	9.1	(+ 0.8)	13.6	(- 7.3)								
Eurozone	7.4	(+ 0.5)	81.5	(- 4.7)	11.1	(+ 4.2)	-3.7	(- 3.7)								
<b>Economic expectations</b>	<b>improve</b>		<b>no change</b>		<b>worsen</b>		<b>balance</b>									
Austria	27.7	(- 9.2)	66.7	(+14.1)	5.6	(- 4.9)	22.1	(- 4.3)								
Croatia	33.3	(+ 1.2)	66.7	(- 1.2)	0.0	(± 0.0)	33.3	(+ 1.2)								
Czech Republic	26.1	(+10.1)	69.6	(+ 9.6)	4.3	(-19.7)	21.8	(+29.8)								
Hungary	28.6	(+15.5)	52.4	(- 4.1)	19.0	(-11.4)	9.6	(+26.9)								
Poland	21.8	(+ 1.8)	56.5	(-11.5)	21.7	(+ 9.7)	0.1	(- 7.9)								
Romania	30.0	(- 1.9)	70.0	(+ 6.4)	0.0	(- 4.5)	30.0	(+ 2.6)								
Slovakia	27.3	(+ 8.0)	72.7	(- 4.2)	0.0	(- 3.8)	27.3	(+11.8)								
Turkey	8.0	(- 8.7)	44.0	(+ 4.0)	48.0	(+ 4.7)	-40.0	(-13.4)								
CEE (incl. Turkey)	18.2	(- 2.6)	68.2	(+18.2)	13.6	(-15.6)	4.6	(+13.0)								
Eurozone	32.2	(+ 8.1)	57.1	(- 5.0)	10.7	(- 3.1)	21.5	(+11.2)								
<b>Inflation rate</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>									
Austria	38.9	(± 0.0)	61.1	(+11.1)	0.0	(-11.1)	38.9	(+11.1)								
Croatia	45.9	(+ 3.5)	45.8	(- 8.0)	8.3	(+ 4.5)	37.6	(- 1.0)								
Czech Republic	60.9	(+ 2.5)	39.1	(+ 5.8)	0.0	(- 8.3)	60.9	(+10.8)								
Hungary	52.3	(- 4.8)	42.9	(± 0.0)	4.8	(+ 4.8)	47.5	(- 9.6)								
Poland	47.9	(- 8.6)	47.8	(+ 4.3)	4.3	(+ 4.3)	43.6	(-12.9)								
Romania	52.6	(- 2.4)	42.1	(+ 2.1)	5.3	(+ 0.3)	47.3	(- 2.7)								
Slovakia	56.5	(+10.6)	43.5	(- 2.3)	0.0	(- 8.3)	56.5	(+18.9)								
Turkey	48.0	(- 0.2)	40.0	(+10.4)	12.0	(-10.2)	36.0	(+10.0)								
CEE (incl. Turkey)	40.9	(- 4.6)	59.1	(+ 4.6)	0.0	(± 0.0)	40.9	(- 4.6)								
Eurozone	42.9	(+ 3.6)	57.1	(+ 7.1)	0.0	(-10.7)	42.9	(+14.3)								
<b>Short-term interest rates</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>									
	<b>[abs.]</b>	<b>[rel.]</b>	<b>[abs.]</b>	<b>[rel.]</b>	<b>[abs.]</b>	<b>[rel.]</b>	<b>[abs.]</b>	<b>[rel.]</b>								
Croatia	0.0	(± 0.0)	81.8	(+ 1.0)	80.0	(-11.7)	18.2	(- 1.0)	20.0	(+11.7)	-18.2	(+ 1.0)	-20.0	(-11.7)		
Czech Republic	8.7	(+ 4.5)	4.8	(+ 0.1)	73.9	(- 9.4)	95.2	(+14.2)	17.4	(+ 4.9)	0.0	(-14.3)	-8.7	(- 0.4)	4.8	(+14.4)
Hungary	9.1	(+ 9.1)	10.0	(+10.0)	40.9	(+12.3)	45.0	(+ 8.2)	50.0	(-21.4)	45.0	(-18.2)	-40.9	(+30.5)	-35.0	(+28.2)
Poland	18.2	(+ 8.6)	15.8	(+ 0.8)	68.2	(+11.1)	73.7	(+13.7)	13.6	(-19.7)	10.5	(-14.5)	4.6	(+28.3)	5.3	(+15.3)
Romania	26.3	(+ 2.4)	23.5	(- 2.8)	57.9	(+ 0.8)	64.7	(+ 6.8)	15.8	(- 3.2)	11.8	(- 4.0)	10.5	(+ 5.6)	11.7	(+ 1.2)
Turkey	21.7	(- 9.1)	26.4	(- 0.8)	34.8	(+ 7.9)	36.8	(+ 9.5)	43.5	(+ 1.2)	36.8	(- 8.7)	-21.8	(-10.3)	-10.4	(+ 7.9)
Eurozone	7.4	(± 0.0)			85.2	(+ 3.7)			7.4	(- 3.7)			0.0	(+ 3.7)		
<b>Long-term interest rates</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>									
	<b>[abs.]</b>	<b>[rel.]</b>	<b>[abs.]</b>	<b>[rel.]</b>	<b>[abs.]</b>	<b>[rel.]</b>	<b>[abs.]</b>	<b>[rel.]</b>								
Croatia	22.7	(+ 7.3)	0.0	(- 4.3)	45.5	(-16.0)	45.0	(-15.9)	31.8	(+ 8.7)	55.0	(+20.2)	-9.1	(- 1.4)	-55.0	(-24.5)
Czech Republic	47.9	(+ 2.1)	9.5	(- 4.1)	39.1	(-10.9)	76.2	(- 1.1)	13.0	(+ 8.8)	14.3	(+ 5.2)	34.9	(- 6.7)	-4.8	(- 9.3)
Hungary	22.7	(-10.7)	5.0	(-10.8)	45.5	(- 2.1)	55.0	(- 2.9)	31.8	(+12.8)	40.0	(+13.7)	-9.1	(-23.5)	-35.0	(-24.5)
Poland	39.2	(-13.2)	15.0	(-20.0)	47.8	(+19.2)	60.0	(+25.0)	13.0	(- 6.0)	25.0	(- 5.0)	26.2	(- 7.2)	-10.0	(-15.0)
Slovakia	52.3	(+17.5)	10.0	(+ 0.4)	42.9	(- 9.3)	80.0	(+ 8.6)	4.8	(- 8.2)	10.0	(- 9.0)	47.5	(+25.7)	0.0	(+ 9.4)
Turkey	54.2	(+ 9.7)	45.0	(+ 2.2)	33.3	(± 0.0)	35.0	(+ 6.4)	12.5	(- 9.7)	20.0	(- 8.6)	41.7	(+19.4)	25.0	(+10.8)
Germany	52.0	(+21.2)			40.0	(-17.7)			8.0	(- 3.5)			44.0	(+24.7)		
<b>Stock market indices</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>									
EURO STOXX 50	39.1	(- 0.9)	34.8	(- 5.2)	26.1	(+ 6.1)	13.0	(- 7.0)								
ATX (Austria)	47.3	(- 8.9)	31.6	(+ 6.6)	21.1	(+ 2.3)	26.2	(-11.2)								
NTX (CEE)	29.4	(-10.6)	41.2	(+ 7.9)	29.4	(+ 2.7)	0.0	(-13.3)								
CROBEX (Croatia)	43.5	(+ 6.0)	43.5	(- 2.3)	13.0	(- 3.7)	30.5	(+ 9.7)								
PX 50 (Czech Rep.)	47.3	(- 5.4)	31.6	(- 5.2)	21.1	(+10.6)	26.2	(-16.0)								
BUX (Hungary)	35.3	(- 3.6)	35.3	(+ 7.5)	29.4	(- 3.9)	5.9	(+ 0.3)								
WIG (Poland)	38.9	(+ 2.1)	22.2	(- 9.4)	38.9	(+ 7.3)	0.0	(- 5.2)								
BET (Romania)	53.3	(- 0.1)	26.7	(- 6.6)	20.0	(+ 6.7)	33.3	(- 6.8)								
SAX (Slovakia)	23.6	(- 5.8)	52.9	(+ 5.8)	23.5	(± 0.0)	0.1	(- 5.8)								
ISE-100 (Turkey)	26.1	(-19.8)	30.4	(+22.1)	43.5	(- 2.3)	-17.4	(-17.5)								
<b>Exchange rates (vs. Euro)</b>	<b>appreciate</b>		<b>no change</b>		<b>depreciate</b>		<b>balance</b>									
Kuna (Croatia)	19.3	(- 5.7)	53.8	(-14.1)	26.9	(+19.8)	-7.6	(-25.5)								
Koruna (Czech Rep.)	9.1	(+ 1.4)	90.9	(- 1.4)	0.0	(± 0.0)	9.1	(+ 1.4)								
Forint (Hungary)	23.8	(+15.4)	47.6	(-10.7)	28.6	(- 4.7)	-4.8	(+20.1)								
Zloty (Poland)	36.4	(+11.4)	31.8	(- 9.9)	31.8	(- 1.5)	4.6	(+12.9)								
Lei (Romania)	20.0	(- 2.8)	65.0	(+ 1.4)	15.0	(+ 1.4)	5.0	(- 4.2)								
Lira (Turkey)	12.0	(+ 4.6)	28.0	(- 1.6)	60.0	(- 3.0)	-48.0	(+ 7.6)								
US-Dollar	48.2	(+ 6.8)	22.2	(- 1.9)	29.6	(- 4.9)	18.6	(+11.7)								

Note: 52 Financial market experts, 8 from which from Turkey, participated in the May survey which was conducted during the period of 5/9-5/23/2016. Analysts were asked about their expectations for the next 6 months. Numbers displayed are percentages (month-over-month percentage point changes compared to the survey in April 2016 in parentheses). Balances refer to the differences between positive and negative assessments.