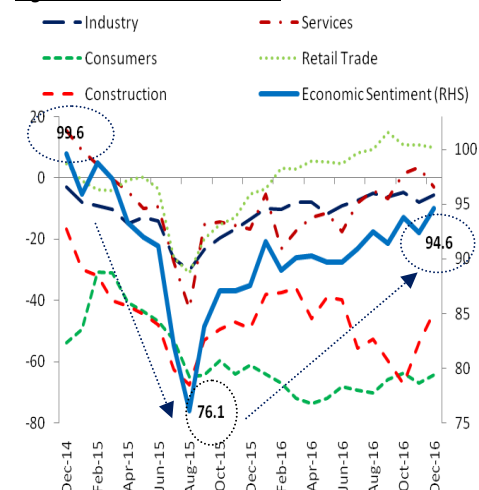


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Greece: positive signs from economic sentiment (Dec-16), industrial production (Nov-16) and commercial transactions (Nov-16)

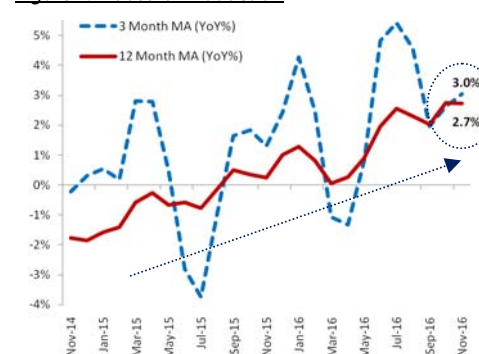
✓ The economic sentiment indicator (ESI) increased in December 2016 both in monthly (+2.2 units) and annual terms (+7.0 units), coming in at a 21-month high of 94.6 units. The December improvement - in monthly terms - reflects an increase in the confidence indicators of industry (+2.1 units), consumers (+2.5 units) and construction (+9.8 units). The corresponding indicators in services and retail trade decreased by -6.6 and -1.1 units respectively. Furthermore, the average (per month) value of the ESI increased in 2016 Q4 both in quarterly (+2.0 units) and yearly terms (+6.3 units). A more robust improvement in economic sentiment is a necessary condition for the Greek economy to enter into a sustainable growth path.

Figure 1: Economic Sentiment



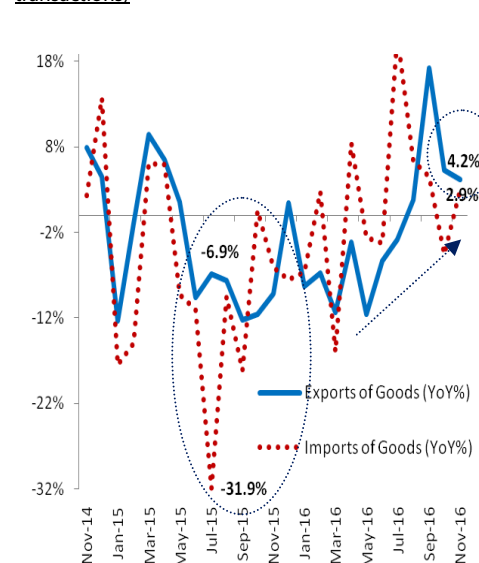
✓ The industrial production index (mining and quarrying, manufacturing, electricity and water supply) increased (decreased) by +2.0 YoY% (-0.8% MoM%) in November 2016 mainly affected by the performance of the manufacturing sector (+1.7 YoY% and -2.1 MoM%). Moreover, the 3 and 12 month moving average YoY% stood at +3.0% and +2.7% respectively. In 2015, the industrial sector in Greece contributed 12.2% of total gross value added. The respective figure for the manufacturing sector was 9.5%.

Figure 2: Industrial Production



✓ Greek exports in nominal terms (commercial transactions) increased in November 2016 for a fourth month in a row (4.2 YoY% from +5.3 YoY% in October 2016). This positive development came from the category of goods excluding oil products and ships (+12.3 YoY%). Oil products and ships recorded a decrease of -12.2% and -53.4% respectively. For the whole period of Jan-Nov 2016, exports of goods decreased by -2.1% due to a drop in oil products (-12.2%) and ships (-53.4%). The category of goods excluding oil products and ships rose by +2.3%. In what concerns the debit side of the accounts, imports increased by +2.9 YoY% in November 2016 and +0.5 YoY% in the period of Jan-Nov 2016. Finally, taking into account the above figures, the deficit in the trade balance increased on a yearly basis by +18.8 mn in November 2016 and +698.4 mn in the period of Jan-Nov 2016.

Figure 3: Exports and Imports (commercial transactions)

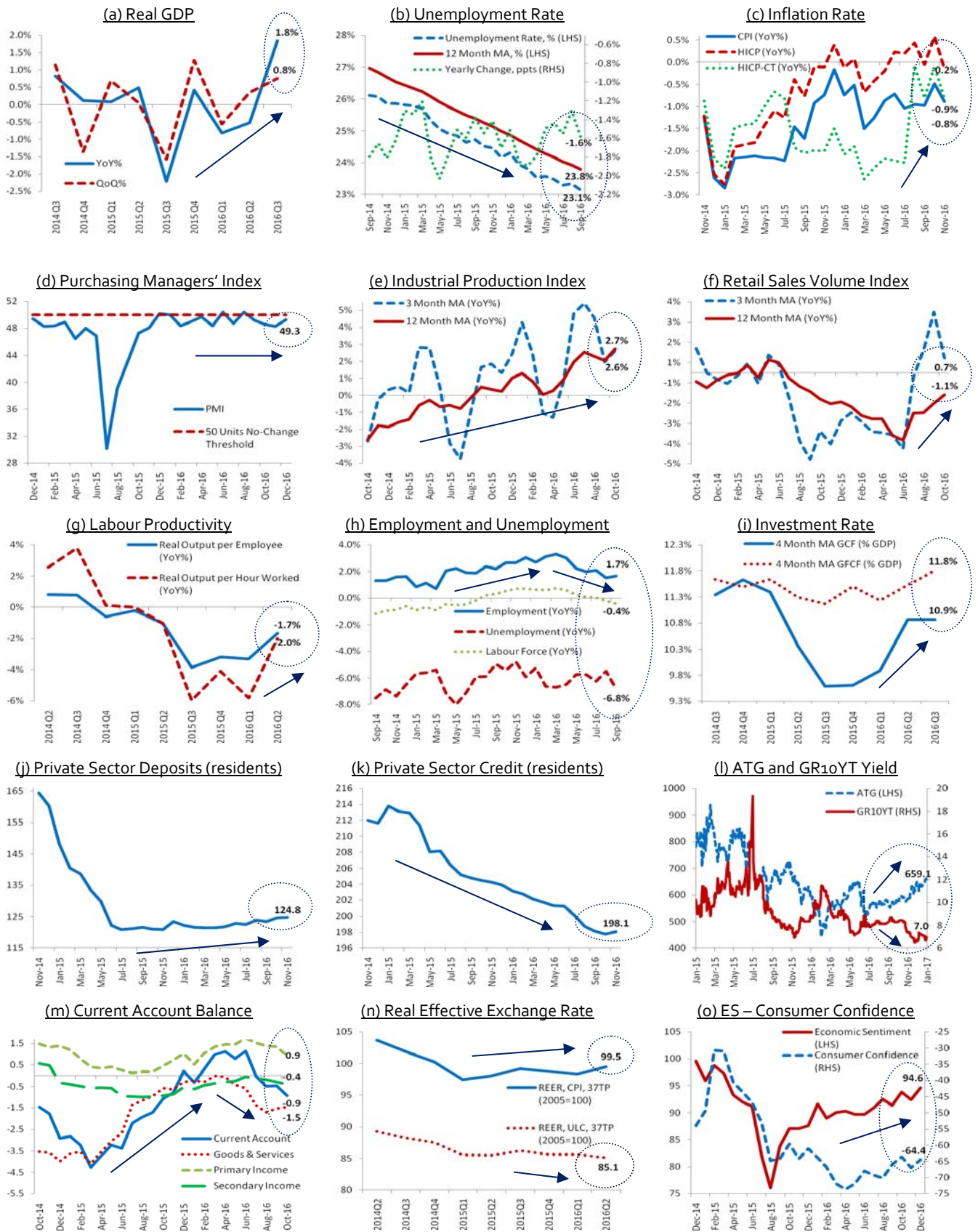


Source: (a) ELSTAT, (b) EC, (c) Eurobank Research.

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Figure 4: Basic Macroeconomic – Microeconomic Figures of the Greek Economy



Source: (a) ELSTAT., (b) Eurostat, (c) BoG, (d) EC, (e) Markit, (f) Thomson Reuters Eikon, (g) Eurobank Research.

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