CEE Insights

Fixed Income and Foreign Exchange

Looking ahead this week…

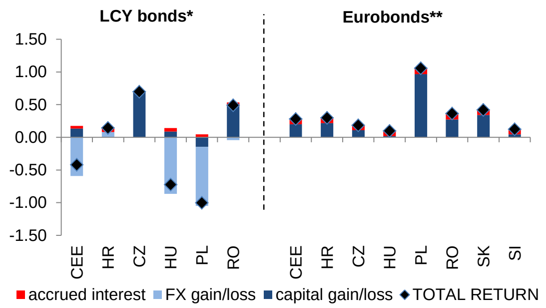
Monday	**Tuesday**	**Wednesday**	**Thursday**	**Friday**
TR: Business conf., Capacity util.	**SK**: PPI, CA balance	**HU**: Unemployment **HR**: Industry	**SI**: Retail Sales **HR**: Real Wages	**RS:** Industry, Trade Balance, Retail Sales **SI**: Inflation

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

More important macro releases are due only from Croatia, Slovenia and Serbia this week, and are expected towards the second half of the week. It would be good to see some encouraging signs with regard to the real economy in Croatia and Serbia, where economic growth and fiscal shortfall are still unsolved challenges. Due to the lack of local data and announcements, markets in CEE could be more influenced by international news and releases this week.

In case you missed it last week…

- Hungarian central bank cut base rate to 1.35% in surprise move; bottom of rates likely reached
- CNB updated FX rate commitment on its determination to prevent excessive fall of EURCZK below 27
- NBR governor expressed a strong negative view on the new Fiscal Code in Romania
- CBT left interest rates unchanged in Turkey, as expected
- For other events last week, please check respective countries: HR, CZ, HU, PL, RO, TR, SI, SK, SR



On Radar

Apart from Serbia in CEE, it seems that it was the MNB that was the last of the Mohicans to fall in the easing cycle of CEE central banks in Hungary. However, we still do not expect to see rate hikes in CEE anytime soon. In Poland, the economic situation should actually allow for a lower base rate, but the hawkish bias of the NBP prevents further hikes (this naturally means that rates could remain low for an extended time period). In Hungary, the MNB also has strong incentives not to hike, and not just because of the dampened inflation outlook, but also because of the unconventional policy tools of the central bank. In the Czech Republic, although the FX rate commitment now looks much more like an anchor than a floor, the exchange rate could still remain the most important policy tool, at least until 2H16 – the earliest point at which any alteration to the policy rate could be imagined. Perhaps the Romanian central bank has the highest chance of tightening in the foreseeable future, due to the expected strong fiscal loosening and rapidly declining negative output gap, as was already hinted at by their chief economist last week. However, in our view, a rate increase will not come before 4Q16 in Romania. (For further details, see the next page.)

Apart from Serbia, monetary easing should be off the table in CEE; however, rates are likely to remain low for a long time; the Romanian central bank might increase rates first due to fiscal risks

Rate cuts mainly over, but rates are likely to remain low for a long time in CEE

'What is the outlook for monetary policy in the upcoming quarters in CEE?'

Croatia: We do not expect to see any changes in the monetary policy setup, as the CNB is expected to keep its focus on maintaining high liquidity in the system and boosting still subdued credit activity and economic growth. The stable exchange rate pattern also supports the current course, with FX movements in line with expectations and currently under the influence of seasonal patterns. Still, the exchange rate is expected to again trend higher as the seasonal pattern reverses towards YE, although we see the CNB as having enough ammo to tackle stronger depreciation pressures, without putting too much stress on the currently historically low MM rates.

Czech Republic: Despite a recent slight increase in the risk of a Swiss-style exit from the FX intervention regime, the exchange rate, in the form of the EURCZK being defended close to the current level of 27, will remain the no.1 CNB monetary policy tool at least until the end of 1H16, in our baseline scenario. As the fundamental factors (e.g. strongly positive balance of trade) – remaining tilted towards further CZK appreciation against the EUR below the level of 27 – are expected to be counterbalanced by the CNB being forced to continue buying the EUR, we expect the EURCZK to remain less volatile in the coming quarters and to hover near the 27 threshold.

Hungary: The National Bank of Hungary finished the easing cycle started in March at 1.35% in July. During the five-month period, the MPC carried out a cumulative 75bp rate reduction. According to Governor Matolcsy, the key rate is line with the economy's medium-term inflation outlook and the MPC aims to keep the key rate unchanged for a prolonged period. Despite seeing negative real rates from 4Q15 onwards, we believe that the council is highly unlikely to pull the trigger in 2015 and also in 2016 and hike the key rate. As long as the ECB's accommodative stance is sustained, the NBH may not come under pressure to start tightening monetary conditions.

Poland: In our view, the policy rate will remain stable at 1.5% for at least another year. Although economic growth has been robust, demand pressure is limited (core inflation close to zero) and headline inflation is expected to miss the inflation target for another two years. We thus see no reason to consider tightening in the near future. On the other hand, despite lowering policy rate to the historically low level of 1.5%, the MPC has done everything it could to avoid unconventional monetary policy instruments and keep the policy rate positive and as high as possible, given the economic conditions. As the economic outlook has improved since then, the MPC's rather conservative and relatively hawkish mindset would not allow for any further easing, even if high real interest theoretically leaves room for a lower level of the policy rate.

Romania: As Romania seems to be increasingly close to embarking on substantial fiscal relaxation as of next year – after the parliament in late June amended the Fiscal Code by a landslide vote – we expect the central bank to hold fire at the next monetary meetings scheduled for this year. The faster than expected narrowing of the output gap this year, followed by prospective overheating in 2016 (boosted by broad fiscal relaxation), suggest a less accommodative stance for monetary policy. In June, RON household loans picked up to their fastest pace since November 2008 (+24.7% y/y), as a result of substantial monetary easing conducted by the central bank over the past two years. Our baseline scenario is consistent with the first key rate hike in late-2016 (2%). The central bank's chief economist said very recently that the monetary policy rate could be raised next year in response to the looser fiscal policy.

Serbia: After four consecutive cuts and one month on hold, we expect the NBS to maintain its cautious stance despite more favorable macro, fiscal and FX developments. Our view is supported by the official NBS inflation report and Fiscal Council wording, as they see the baseline figure moving towards the middle of the target band in 2H15. Also, we saw no major developments on the SOE restructuring path agreed under the IMF precautionary arrangement, so the NBS could see this as a signal for a more cautious stance.

Turkey: Although some deceleration in headline CPI is possible in the short term, we expect inflation to edge up to 7.7% by the end of 2015, from the current 7.2%. The CBT has no room to cut the policy rate from the current 7.5%. Any easing on the interest rate corridor and liquidity management is also very unlikely, as long as the political uncertainties and the Fed's expected tightening weigh on the currency. Sticky inflation and growth concerns may put the CBT between a rock and a hard place later in the year, with some macroprudential easing, such as reserve requirement cuts, becoming an option. Any substantial currency weakness, meanwhile, could lead to upper boundary hikes in the interest rate corridor.

Looking ahead

Date	Time	Ctry	Release	Period	Erste	Survey	Prior	Pre Comment
27. Jul.	9:00	**TR**	**Bus. Conf.**	Jul			101.5 pts	*May become important reference point for potential impact of prolonged political uncertainty*
	9:00	**TR**	**Cap Util**	Jul		*75%*	74.5%	*Any decline could be perceived as dismal repercussions from political uncertainties*
28. Jul.	9:00	**SK**	**PPI y/y**	Jun	***-3.5%***		-3.50%	*Continuation of trend expected*
	14:30	**SK**	**CA Balance**	May			-79 m	
29. Jul.	9:00	**HU**	**Unempl. Rate**	Jun	***6.9%***	*7.0%*		*Rapidly expanding public works scheme may amplify downward seasonal effects*
	11:00	**HR**	**Industrial Output y/y**	Jun	***4.0%***		4.4%	*Industrial production further extending positive trends*
30. Jul.	10:30	**SI**	**Retail sales y/y**	Jun	***2.0%***		3.0%	*Consumption maintaining positive footprint*
	11:00	**HR**	**Real wages y/y**	May			1.3%	
31. Jul.	9:00	**TR**	**Trade Balance**	Jun	***-6300 m***		-6800 m	*Sharp drop in gold imports set to amplify y/y improvement in deficit*
	9:00	**HU**	**PPI y/y**	Jun			1.0%	
	10:30	**SI**	**CPI y/y**	Jun	***-0.1%***		-0.7%	*Seasonal movements shaping headline figure*
	12:00	**RS**	**Industrial Output y/y**	Jun	***1.1%***		17.7%	
	12:00	**RS**	**Trade Balance**	Jun	***-470mn***		-259.9	
	12:00	**RS**	**Retail sales y/y**	Jun	***-0.4%***		1.5%	

Sources: Bloomberg, Reuters

Major markets

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- Last week's July PMI flash estimates have, as expected, softened slightly. The data nevertheless indicates continued growth of industrial production in the Eurozone for 3Q15. On a regional basis, the survey data weakened in France and Germany, while in the remaining countries of the Eurozone, the data once again accelerated. In China, the manufacturing survey data dropped to a 16-month low in July. This prolonged weakness in manufacturing activity shows that the outlook for China's economy remains uncertain. We will monitor the situation closely in order to identify any potential risks for the Eurozone economy as soon as possible. This week, the publication of unemployment data (July 31) for the Eurozone for June will be of interest. Due to the positive dynamic, we expect a stabilization or a further slight decline (last value 11.1%) of the unemployment rate.
- As demanded by its creditors, the Greek Parliament approved (Tsipras once again had to rely on support from the opposition) last week a civil justice reform and enacted the BRRD (Bank Recovery and Resolution Directive). The BRRD will be important for the reopening of Greece's banks. Consequently, concrete talks with the European partners regarding a third support program can start. Greece is under pressure, since the next major bond payment (EUR 3.2bn) is due August 20. The situation remains tense, since Tsipras continues to rely on support from the opposition in order to drive the reform process. Thus, snap elections cannot be ruled outIt remains to be seen for how long the unstable Greek government can stick to a tough reform path.

Croatia

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- The unemployment rate for June was in line with expectations, with the headline figure further declining to 16.1%, representing a robust fall of 1pp and 2pp for monthly and annual levels, respectively. With favorable seasonal effects taking place, we continue to see the unemployment figures following a downward trajectory in the coming months.
- We saw no major developments on the market side – bond yields maintained a stable footprint, showing no changes vs. the previous week, with the newly introduced local 10Y tenor remaining flat at the 4.3% mark. The exchange rate also stayed put in the middle of the 7.55-7.60 band, where we see seasonal factors remaining in play over the coming weeks.

Czech Republic

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- Tomas Holub, head of the Czech National Bank monetary department, sees the recent EURCZK decline closer to the CNB's 27 FX intervention target as an anti-inflationary factor which may nudge the CNB into a further postponement of the exit from the 'weak crown' regime (presently seen by central bankers to arrive in 2H16).
- Aiming to decrease the risk of a loss of credibility from any sudden EURCZK decrease below the 27 floor, the CNB recently stressed that it is determined to prevent any excessive appreciation of the koruna below the 27 threshold, instead of committing itself to a full-fledged defense.

- IMF revised up its forecast for Czech GDP growth to 3% from previous 2.5% in 2015. In our slightly more optimistic view, the Czech economy will expand 3.7% this year.

Hungary

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- The National Bank of Hungary cut the key rate by 15bp to 1.35% in July. The decision of the MPC was somewhat surprising, as both we and the market expected a 10bp cut and further easing in the coming months of 3Q15. In our view, the MPC will not hike the key rate this year, and it is also highly unlikely that we will see any hikes in 2016. Forward rate agreements do not price in any changes in the key rate for the next one-year period.
- We believe that the replacement of the two-week deposit with a three-month one as the primary monetary instrument from September onwards (announced in June) has not yet been priced in, i.e. further decline is expected in HTB yields and some mild weakening of the forint. However, the change should not affect the policy rate's path.
- Deputy Governor Adam Balog left the MPC and his replacement, Mr. Marton Nagy has been sworn in by the Economic Committee of the Parliament. The change is unlikely to affect the MPC's behavior, thus the dovish bias should remain intact.
- The second estimate of the May retail sales working-day adjusted figure came in at 5.4% y/y. The momentum of non-food products sales was sustained, while fuel retailing reflected some deceleration on an annual basis. May was the second consecutive month when the segment's growth rate was surprisingly enervated. With regard to this sudden deceleration of food retail sales growth, it is our view that the mandatory closure of stores on Sundays may be one of the main factors.

Poland

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- The unemployment rate dropped more than expected, to 10.3% in June. Labor market conditions have been continuously improving, which allows for optimism with regard to growth of private consumption in the upcoming quarters. As the purchasing power of households remains high, we expect domestic demand to be the pillar of growth this year.
- The Ministry of Finance sold PLN 3.18bn in 5Y fixed-rate paper and PLN 2.67bn in 10Y fixed-rate paper. Poland has almost 80% of this year's borrowing needs financed and we expect these to be fully financed by fall. While in August we may a somewhat lower supply, it is likely that the financing of this year's borrowing needs will end in September and that the Ministry of Finance will be ready for pre-financing in 4Q15. We continue to see yields somewhat higher than current level, as our forecast points to upward movement of 10Y yields toward 3.4% at the end of the year.

Romania

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- The NBR's chief economist suggested a possible rate hike in 2016 after the announcement of an ambitious fiscal easing package by the government. He said that monetary policy should be anti-cyclical in order to prevent any slippage in the economy. He also warned about the possibility of an asset bubble in real estate due to low interest rates and rising household revenues. We foresee the key rate remaining unchanged at 1.75% for the remainder of 2015 and standing at 2% in December 2016.

- Loans in the local currency gained speed significantly in June, driven by the retail component (+5% m/m and +24.7% y/y), while corporate loans were slower (+3% m/m and +5.4% y/y). Lower interest rates for new loans after the NBR's monetary easing measures and strengthening economic growth boosted lending in RON. FX loans remained deeply in negative territory (-11.6% y/y adjusted for FX movements). Total loans (RON+FX) limited their fall to -0.1% y/y in June and it seems that after more than two years they could register positive annual growth rates in the next months.

Serbia

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- June brought an additional 2.6% decrease in real wages, bringing the YTD figure to -1.7% y/y. These developments are in line with our expectations, driven by weak domestic demand, and supported by expectations of an electricity price hike in August.
- On the bond market we saw no major developments, as yields were driven by systemic factors. As for the FX market, the NBS continued to tame the appreciation pressures on the dinar, with a EUR 20mn intervention. We still see the EUR/RSD moving in a 120-122.5 interval.

Slovakia

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- According to Eurostat, Slovak government debt reached 54% of GDP in 1Q15. Compared to the end of last year, debt increased slightly, by 0.4pp. However, an annual comparison shows a decrease from 57.6% of GDP to the current 54% of GDP.
- The Ministry of Finance has released the new draft budget for 2016-18. According to the report, the fiscal deficit should decrease to 1.93% of GDP next year and gradually decrease to 0.53% of GDP in 2018. Some consolidation of public finances is expected to continue. However, a substantial part of the improvement in the 2016 deficit is expected to come from the revenue side, resulting from better macroeconomic and tax intake forecasts. Due to the better development of the economy, the ministry now expects a fiscal deficit in the vicinity of 2.44% of GDP instead of the budgeted 2.49% of GDP in 2015. Sovereign debt should reach 53% and 52.1% of GDP in 2015 and 2016, respectively. Later on, government debt is expected to gradually decrease below 50% of GDP in 2018.

Slovenia

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- After successfully placing a 20Y bond in March, Slovenia decided to test the waters again after the reduced Grexit concerns, opting for a 10Y bond issuance. Interest remained strong, with a book size reported in excess of EUR 2.6bn, while the final deal was closed with a EUR 1.25bn placement, priced at MS+115bp. With this latest transaction, Slovenia continued pre-financing for 2016, clearly aiming to front-load the issuance in an environment still supported by ECB QE (though the spread vs. MS widened compared to the last 20Y tenor, which was priced at 72.5bp in March). We like the fact that Slovenia is not taking any chances and is remaining prudent with regard to financing and cash buffer positions. An expected fiscal gap trimmed to below 3% of GDP adds to the fading fiscal risks profile, although the medium-term balanced budget target remains challenging.

- After performing well in recent weeks, bond yields maintained a stable pattern by remaining practically flat on a weekly basis across the board, i.e. the benchmarked EUR yield remained below the 2% level, while the newly-introduced 10Y tenor is currently quoting around the 2.1% mark.

Turkey

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- The CBT left interest rates unchanged by underlining the necessity to remain cautious. The CBT has turned a tad less dovish on the inflation front compared to the previous statement. The prolonged political uncertainty and geopolitical risks may keep the TRY fragile, leading to a cautious monetary policy stance for a longer period. We maintain our no rate change call for this year.
- Republican People's Party (CHP) leader Kemal Kilicdaroglu said that a snap election is more likely than a coalition government. The CHP and the Justice and Development Party (AKP) initiated coalition talks last week. Whether there will eventually be a coalition government of CHP and AKP or not may only become clear within the next 5-10 days, according to guidance provided by CHP and AKP officials. A recent opinion poll indicated that a snap election may once again necessitate a coalition government and that political uncertainties may be extended.
- A suicide bomber and a member of ISIL attacked a Turkish town near the Syrian border and killed more than 30 people who had gathered to call for more assistance in reconstructing the Syrian Kurdish city of Kobani. Following this incidence, policemen were murdered by the Kurdistan Workers Party (PKK). In response, Turkish fighter jets and ground forces hit ISIL militants in Syria and PKK camps in Iraq during the weekend. Turkey has called for an emergency Nato meeting on Tuesday.

Capital market forecasts

Government bond yields	current	2015Q3	2015Q4	2016Q1	2016Q2
Croatia 5Y	3.22	3.30	3.40	3.40	3.50
Czech Rep. 10Y	0.95	1.31	1.47	1.64	1.80
Hungary 10Y	3.55	3.80	4.00	4.10	4.20
Poland 10Y	2.88	3.29	3.40	3.45	3.60
Romania 5Y	2.76	3.00	3.10	3.20	3.30
Slovakia 10Y	1.08	1.20	1.30	1.30	1.30
Slovenia 10Y	2.11	2.10	2.20	2.30	2.30
Serbia 10Y	4.78	4.40	4.20	4.20	4.25
Turkey 2Y	9.81	9.87	9.84	10.21	10.14

3M Money Market Rate	current	2015Q3	2015Q4	2016Q1	2016Q2
Croatia	1.10	0.90	0.90	0.90	0.90
3M forwards		-	-	-	-
Czech Republic	0.30	0.31	0.30	0.29	0.28
3M forwards		0.28	0.25	0.24	0.24
Hungary	1.35	1.35	1.35	1.35	1.35
3M forwards		1.40	1.44	1.52	1.60
Poland	1.72	1.69	1.71	1.70	1.76
3M forwards		1.70	1.67	1.67	1.71
Romania	1.28	1.30	1.30	1.30	1.30
3M forwards		1.52	1.57	1.59	1.90
Serbia	5.68	5.90	5.80	5.50	5.50
3M forwards		-	-	-	-
Turkey	11.11	10.30	9.75	10.00	10.25
3M forwards		10.75	10.67	10.47	10.90
Eurozone	-0.02	-0.02	-0.02	-0.02	-0.02

FX	current	2015Q3	2015Q4	2016Q1	2016Q2
EURHRK	7.58	7.65	7.70	7.75	7.60
forwards		7.60	7.63	7.64	7.66
EURCZK	27.04	27.30	27.30	27.20	27.10
forwards		27.00	26.80	26.65	26.56
EURHUF	311.2	309.0	313.0	314.0	315.0
forwards		311.8	312.5	313.3	314.2
EURPLN	4.13	4.08	4.06	4.06	4.05
forwards		4.14	4.16	4.17	4.19
EURRON	4.42	4.48	4.49	4.49	4.47
forwards		4.43	4.45	4.47	4.49
EURRSD	120.3	122.5	122.5	123.0	123.0
forwards		-	-	-	-
USDTRY	2.75	2.72	2.71	2.70	2.71
forwards		2.8	2.9	2.9	3.0
EURUSD	1.09	1.05	1.08	1.10	1.12

Key Interest Rate	current	2015Q3	2015Q4	2016Q1	2016Q2
Croatia	6.00	5.00	5.00	5.00	5.00
Czech Republic	0.05	0.05	0.05	0.05	0.05
Hungary	1.35	1.35	1.35	1.35	1.35
Poland	1.50	1.50	1.50	1.50	1.50
Romania	1.75	1.75	1.75	1.75	1.75
Serbia	6.00	5.75	5.50	5.25	5.25
Turkey	7.50	7.50	7.50	7.50	7.75
Eurozone	0.05	0.05	0.05	0.05	0.05

Macro forecasts

Real GDP growth (%)	2013	2014	2015f	2016f
Croatia	-1.1	-0.4	0.2	0.8
Czech Republic	-0.5	2.0	3.7	2.2
Hungary	1.5	3.6	2.8	2.4
Poland	1.6	3.4	3.5	3.6
Romania	3.4	2.8	3.2	3.5
Serbia	2.6	-1.8	-0.5	1.0
Slovakia	1.4	2.4	3.0	3.5
Slovenia	-1.0	2.6	2.2	1.8
Turkey	4.2	2.9	3.0	3.5
CEE8 average	**1.3**	**2.7**	**3.1**	**3.0**
CEE8+Turkey	**2.4**	**2.7**	**3.0**	**3.2**

Average inflation (%)	2013	2014	2015f	2016f
Croatia	2.3	-0.2	-0.2	1.4
Czech Republic	1.4	0.4	0.7	1.6
Hungary	1.7	-0.2	0.3	2.3
Poland	0.9	0.0	-0.6	1.1
Romania	4.0	1.1	-0.3	-0.2
Serbia	7.9	2.1	2.2	3.3
Slovakia	1.4	-0.1	0.0	1.0
Slovenia	1.8	0.2	-0.3	0.5
Turkey	7.5	8.9	7.3	7.2
CEE8 average	**1.9**	**0.3**	**-0.1**	**1.1**
CEE8+Turkey	**4.1**	**3.6**	**2.7**	**3.5**

Unemployment (%)	2013	2014	2015f	2016f
Croatia	17.3	17.2	17.2	17.0
Czech Republic	6.8	5.9	5.5	5.4
Hungary	10.3	7.7	7.4	7.2
Poland	13.9	12.5	10.7	10.4
Romania	7.1	6.7	6.6	6.5
Serbia	22.1	18.9	18.5	17.6
Slovakia	14.2	13.2	12.3	11.8
Slovenia	10.1	9.7	9.3	8.9
Turkey	9.7	9.9	9.8	9.4
CEE8 average	**11.7**	**10.5**	**9.6**	**9.2**
CEE8+Turkey	**10.9**	**10.3**	**9.6**	**9.3**

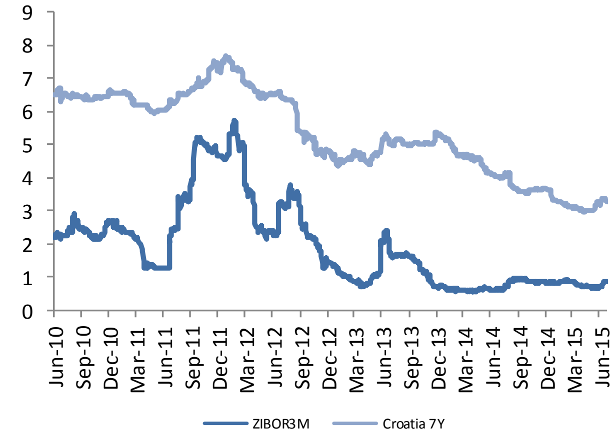
Public debt (% of GDP)	2013	2014	2015f	2016f
Croatia	80.8	85.1	89.7	92.8
Czech Republic	45.7	42.6	41.1	41.2
Hungary	77.3	76.9	76.5	75.3
Poland	57.0	50.1	50.6	49.5
Romania	38.0	39.7	39.9	40.3
Serbia	64.4	70.9	76.0	81.0
Slovakia	54.6	54.9	53.5	53.3
Slovenia	70.4	81.9	83.0	81.7
Turkey	36.1	33.5	34.1	32.3
CEE8 average	**56.2**	**53.9**	**54.1**	**53.6**
CEE8+Turkey	**48.4**	**46.0**	**46.6**	**45.4**

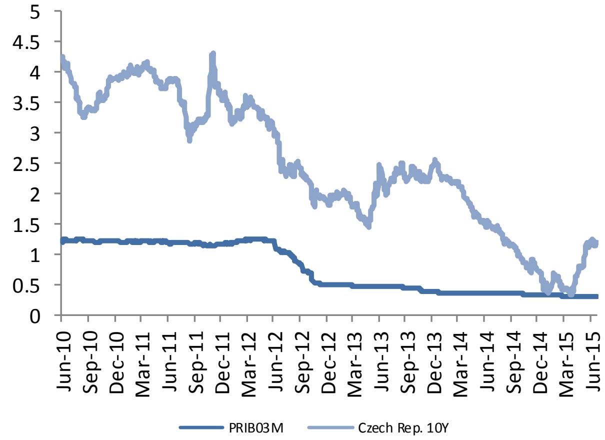
C/A (%GDP)	2013	2014	2015f	2016f
Croatia	0.8	0.7	1.7	1.4
Czech Republic	-0.5	0.6	1.4	1.5
Hungary	4.1	4.4	4.8	5.1
Poland	-1.5	-1.0	-0.7	-2.1
Romania	-0.8	-0.5	-0.7	-0.8
Serbia	-6.5	-6.3	-6.5	-6.9
Slovakia	2.1	3.1	3.8	4.1
Slovenia	5.6	5.9	6.6	6.7
Turkey	-7.9	-5.7	-4.6	-4.9
CEE8 average	**-0.2**	**0.3**	**0.7**	**0.2**
CEE8+Turkey	**-3.2**	**-2.0**	**-1.3**	**-1.8**

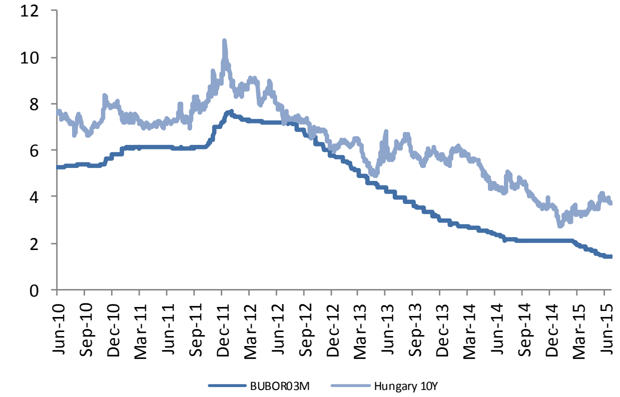
Budget Balance (%GDP	2013	2014	2015f	2016f
Croatia	-5.4	-5.7	-5.2	-4.5
Czech Republic	-1.3	-2.0	-2.0	-1.4
Hungary	-2.4	-2.6	-2.5	-2.5
Poland	-4.4	-3.2	-2.9	-2.5
Romania	-2.2	-1.5	-1.6	-2.8
Serbia	-5.0	-6.6	-5.5	-4.5
Slovakia	-2.6	-2.9	-2.5	-2.0
Slovenia	-14.6	-5.5	-3.0	-2.8
Turkey	-1.2	-1.3	-1.9	-1.3
CEE8 average	**-3.7**	**-3.0**	**-2.7**	**-2.5**
CEE8+Turkey	**-2.7**	**-2.3**	**-2.4**	**-2.0**

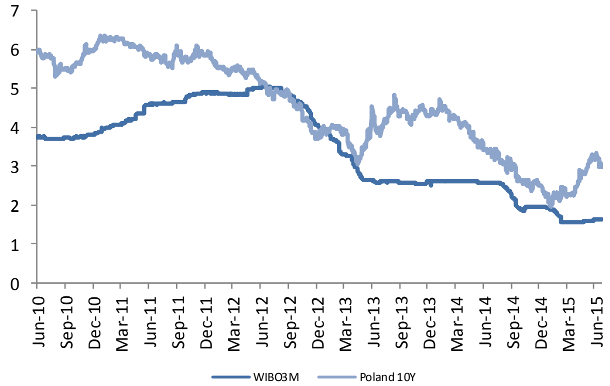
Note:*Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

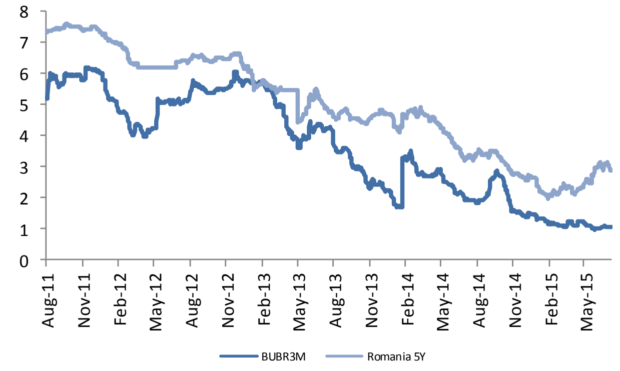
Appendix

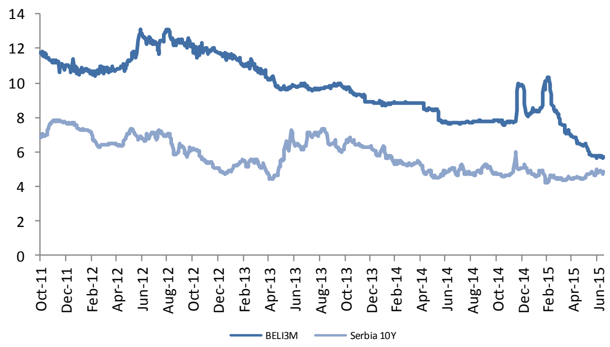


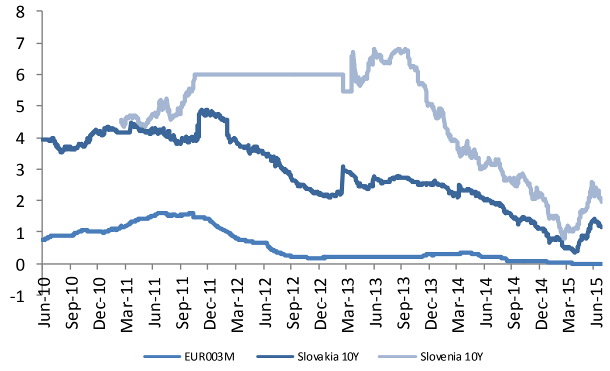












Note:*Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

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