



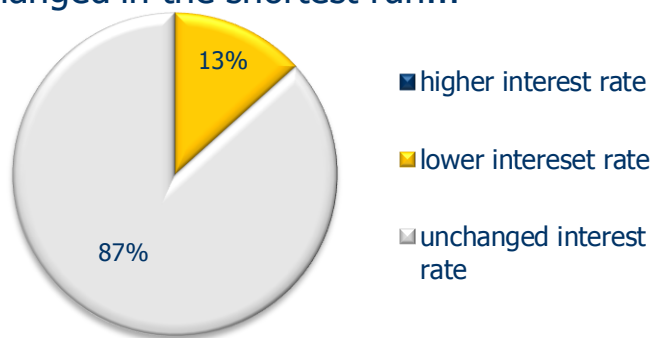
Financial Market Operations Department
National Bank of the Republic of Macedonia

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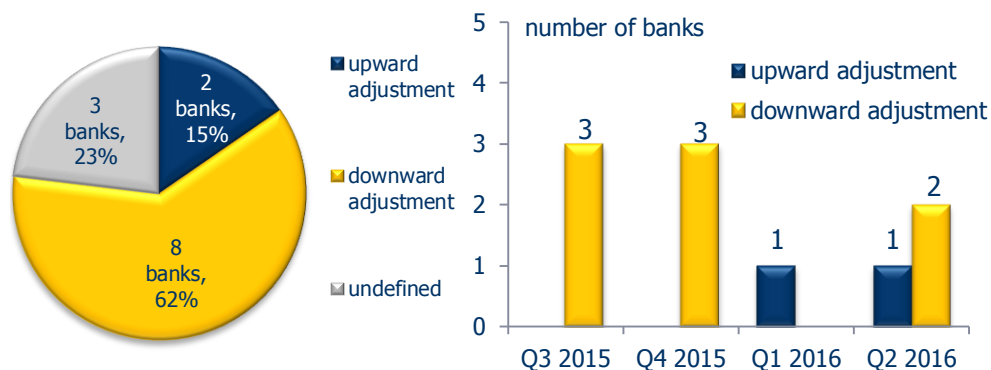


I. Monetary policy and financial market expectations

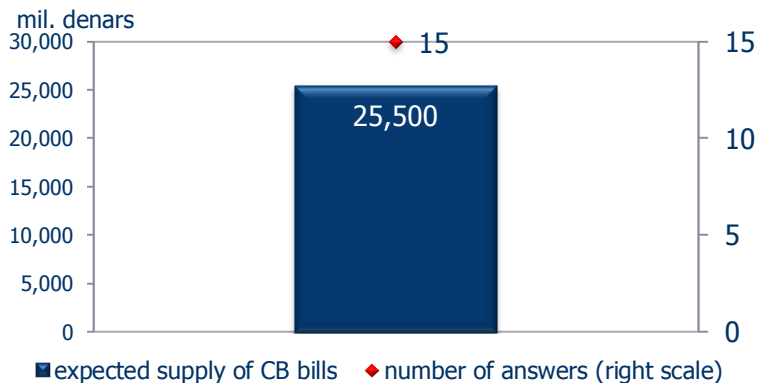
Banks expect the monetary policy to remain unchanged in the shortest run...



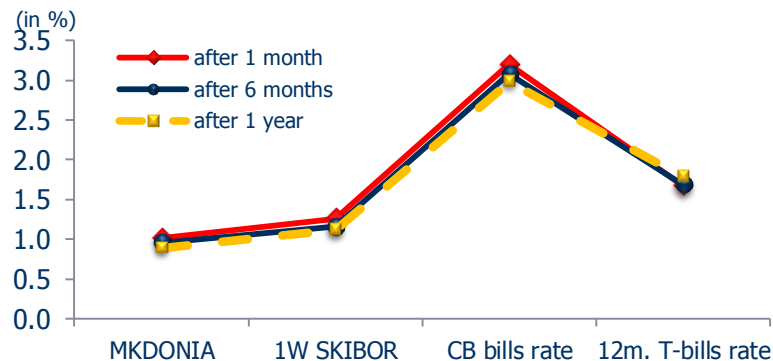
...with dominant expectations for downward adjustment in the second half of the year...



...amid expectations for stable supply at the CB bill auction...



...which would have appropriate effects on interbank interest rates.



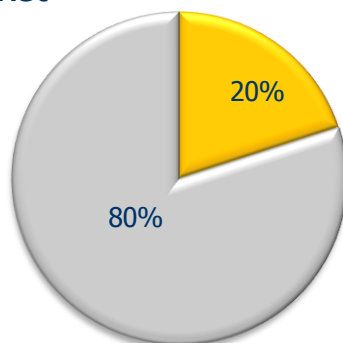


I. Monetary Policy and Financial Market Expectations

Expected movement of selected interest rates on financial markets, for three periods...

Interest rates level												
after 1 month					after 6 months				after 1 year			
	MKDONIA	1W SKIBOR	CB bills rate	12m. T- bills rate	MKDONIA	1W SKIBOR	CB bills rate	12m. T-bills rate	MKDONIA	1W SKIBOR	CB bills rate	12m. T- bills rate
current level	1.00	1.27	3.25	1.70	1.00	1.27	3.25	1.70	1.00	1.27	3.25	1.70
min	0.70	1.00	2.50	1.25	0.60	0.90	2.00	1.50	0.40	0.70	1.50	1.40
avg	1.01	1.26	3.20	1.67	0.96	1.16	3.08	1.68	0.89	1.11	2.97	1.78
max	1.40	1.50	3.25	1.75	1.40	1.30	3.25	2.00	1.40	1.60	3.50	2.50
avg-current level	0.01	-0.01	-0.05	-0.03	-0.04	-0.11	-0.17	-0.02	-0.11	-0.16	-0.28	0.08
banks with expected downward adjustment	4	7	1	1	8	10	6	5	8	13	10	5

...and potential intensification of the secondary market

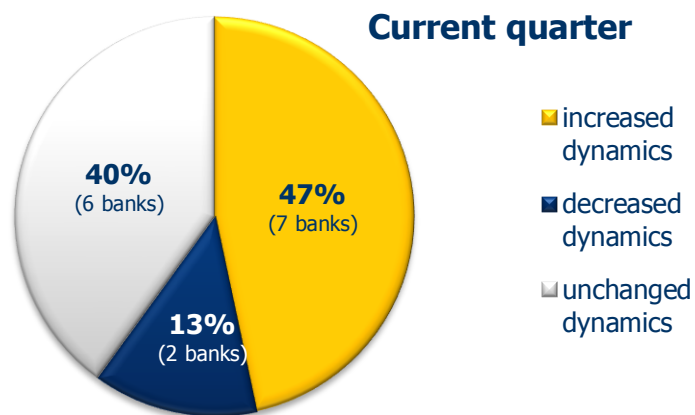


- increased turnover
- unchanged turnover



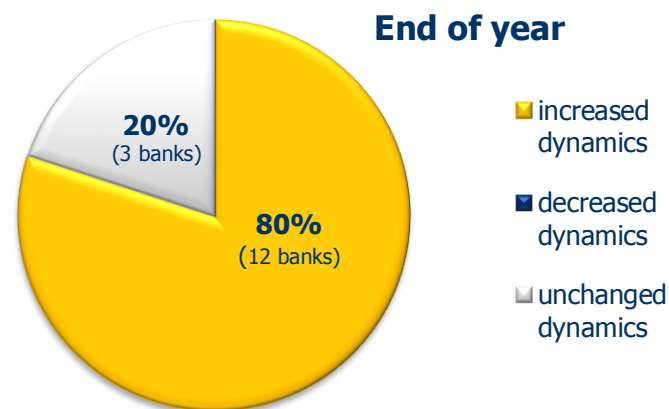
II. Economic Indicator Expectations

Banks expect potential boost of lending activity by the end of the year...



...amid low inflation...

Inflation (annual rate)				
	Big banks	Middle banks	Small banks	Banking system
increase	1	3	1	5
decrease	0	0	0	0
current level	2	5	3	10



...and stable economic growth.

GDP (end of year)				
	Big banks	Middle banks	Small banks	Banking system
min	3.5	3.4	2.9	2.9
avg	4.0	4.1	3.6	3.9
max	4.5	5.7	4.0	5.7
avg may-april	0.30	-0.19	0.32	0.06