



OESTERREICHISCHE NATIONALBANK

# Financial Market Crisis and Global Imbalances

## Consequences for CEE and SEE countries

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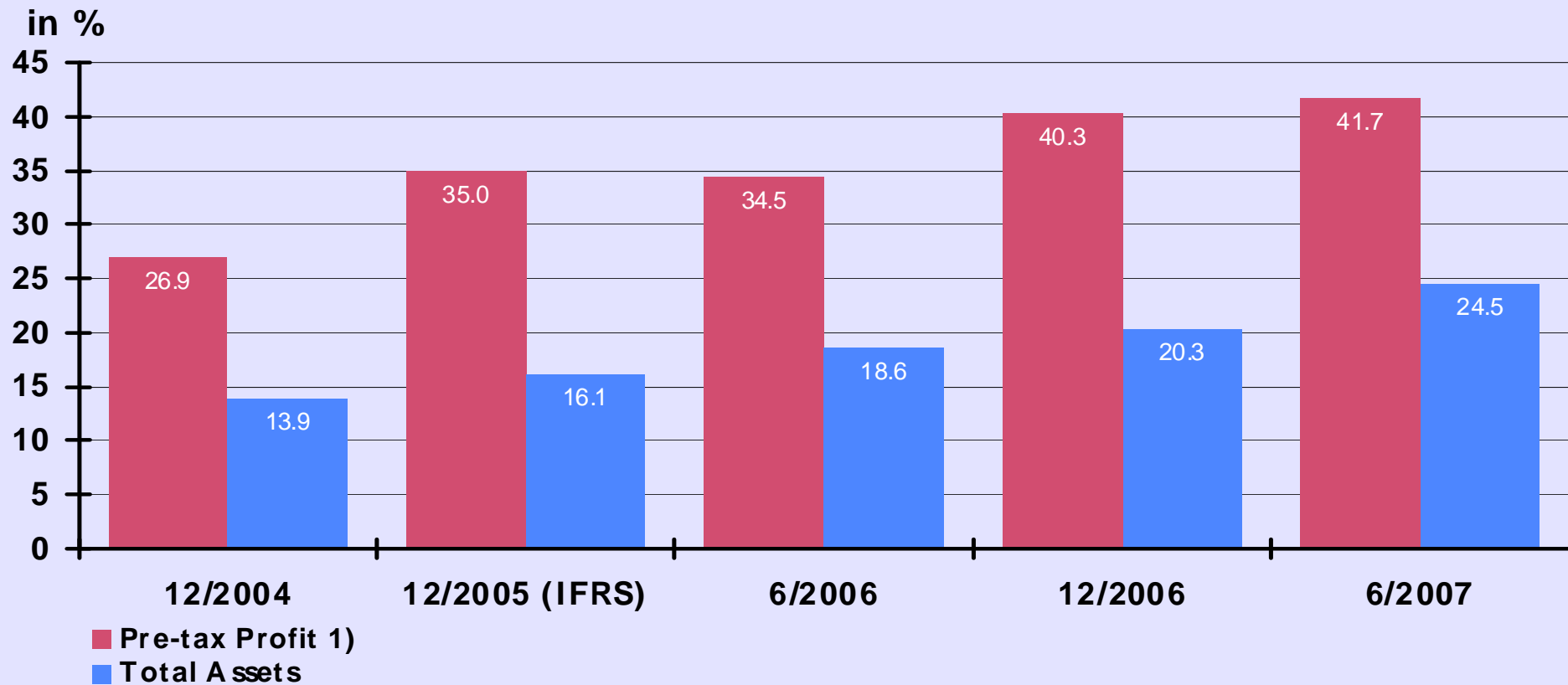
# **1. Banking Issues**

## **2. Financial Market Indicators**

### **3. Inflation**

## The Role of CEE-business for the Austrian Banking Sector

### Share of CEE in Pre-tax Profit and Total Assets



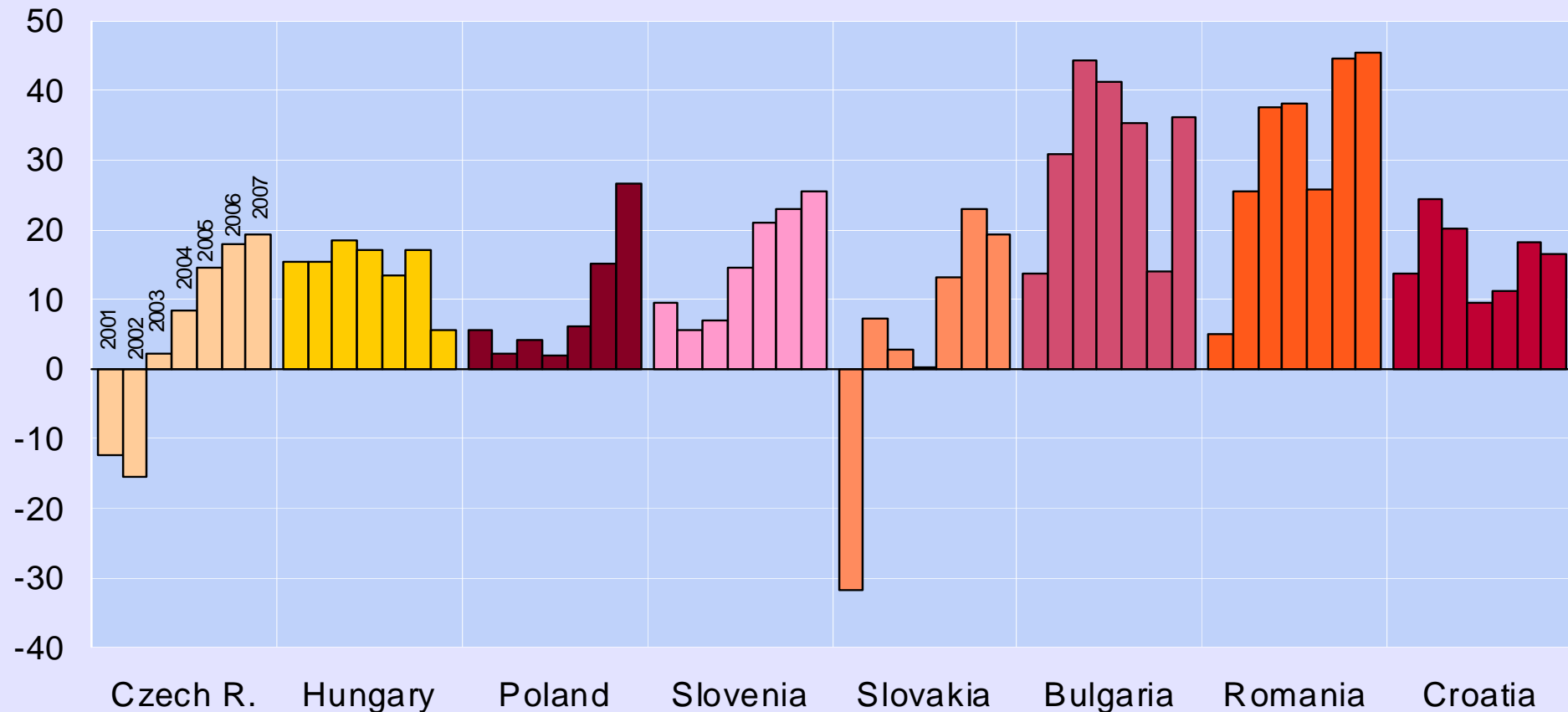
Source: OeNB.

1) Pre-tax Profit excluding extraordinary items

## Credit to the Private Sector: Robust Growth

Domestic credit to non-bank non-government residents, deflated by CPI

% year-on-year, period average

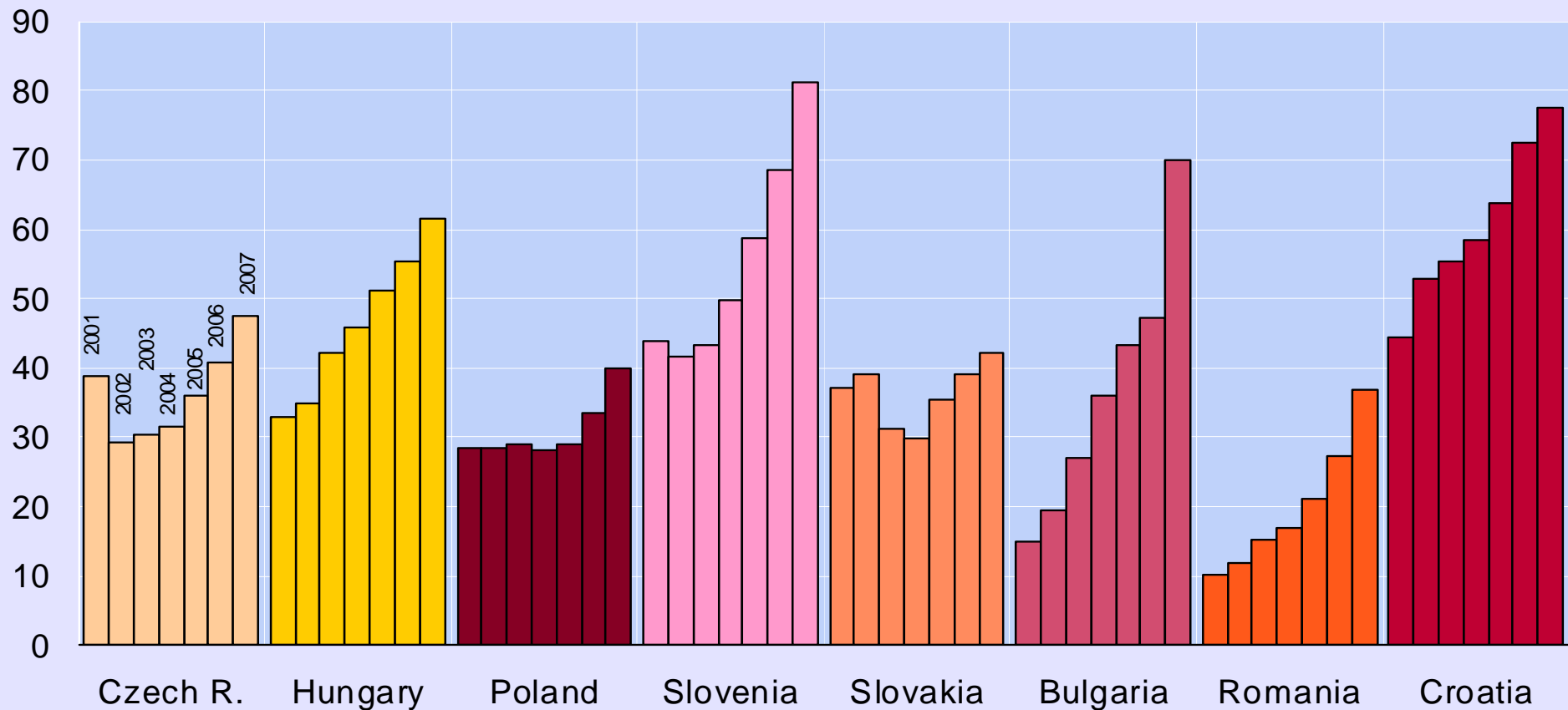


Source: National central banks, OeNB.

# Increasing Financial Intermediation

## Credit to non-bank non-government residents

% of GDP

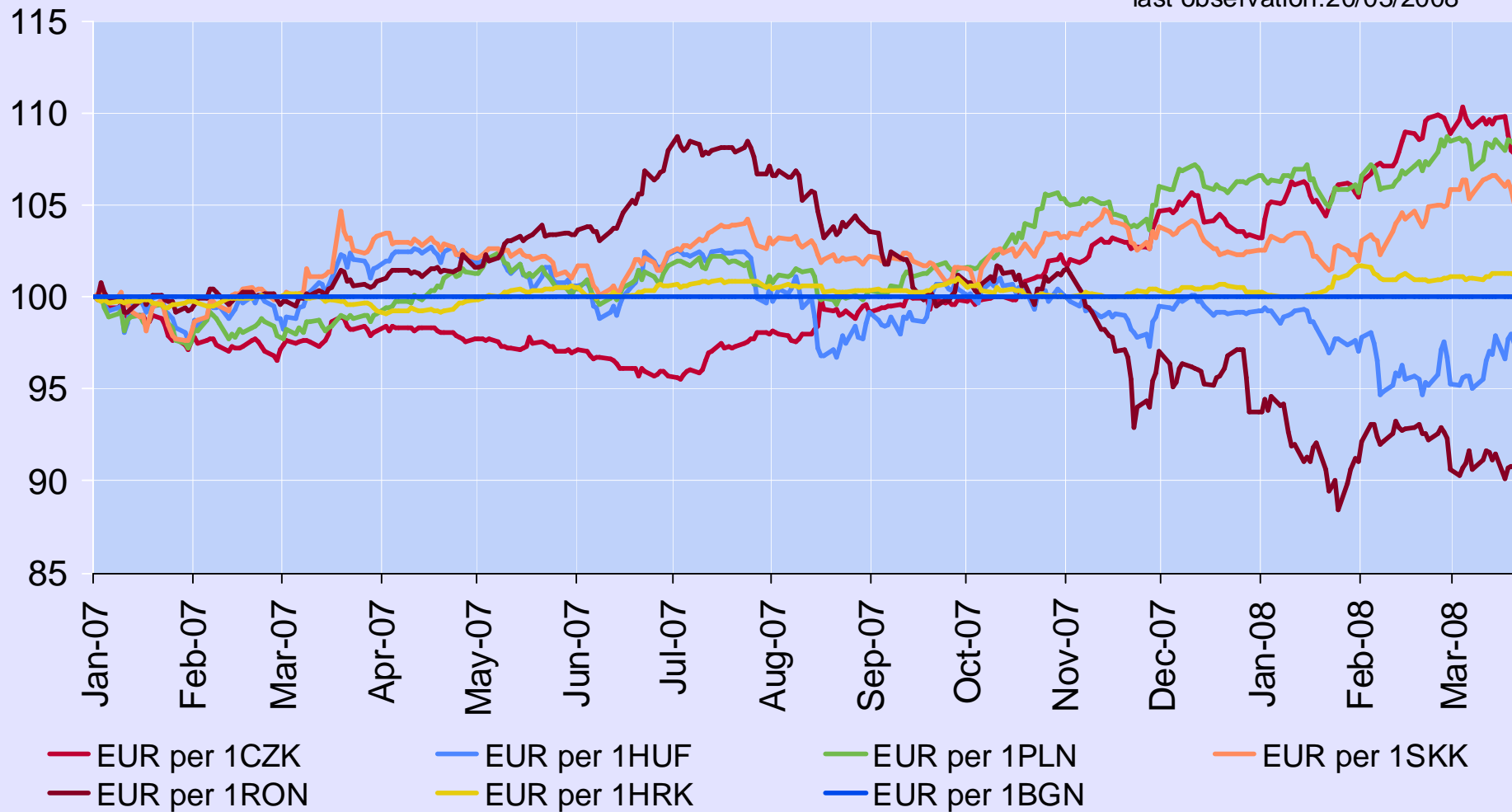


Source: IMF, OeNB.

## Exchange rate developments versus the euro

29.12.2006 = 100

last observation: 20/03/2008

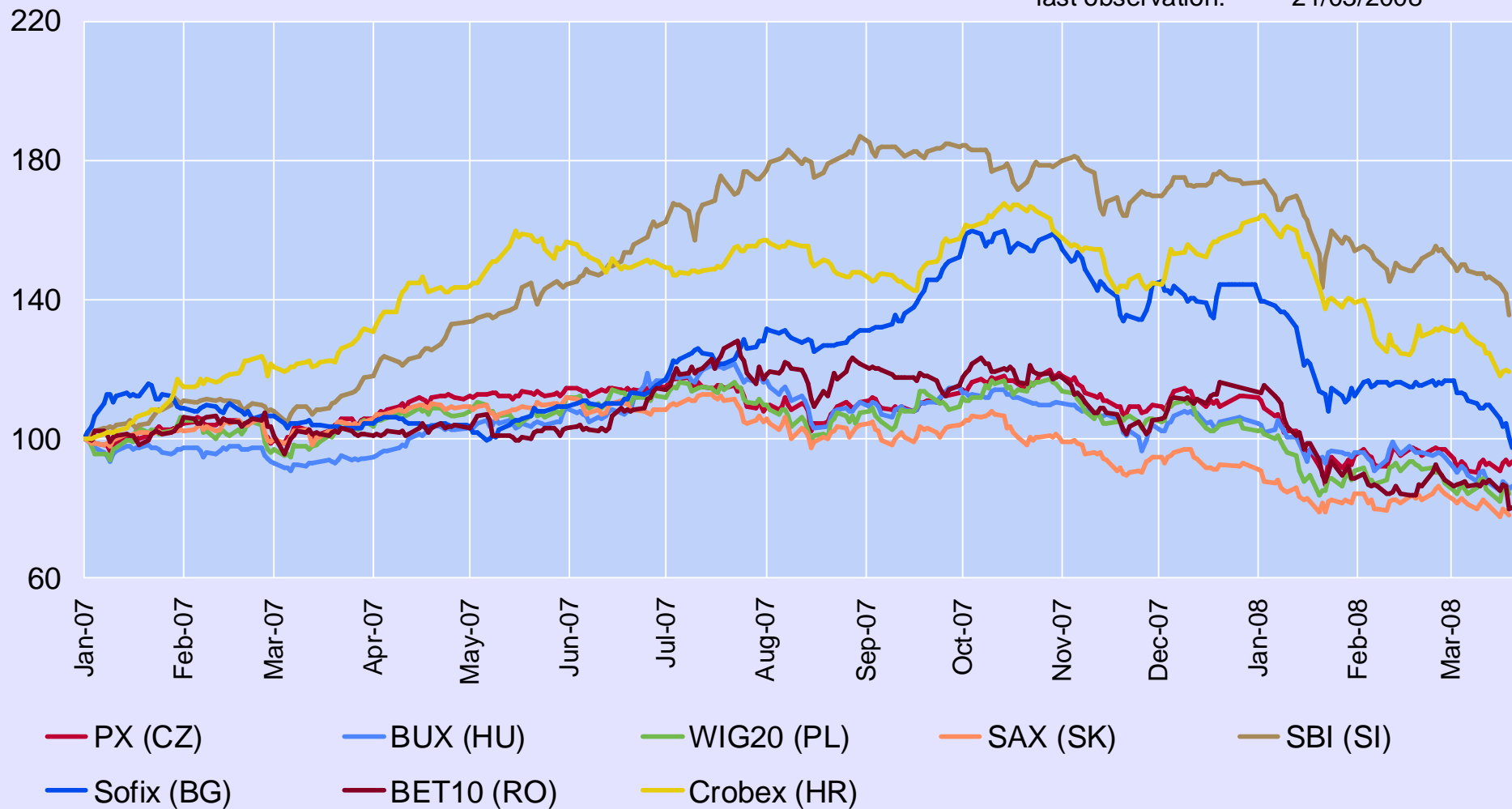


Source: Eurostat, OeNB.

## Equity indices

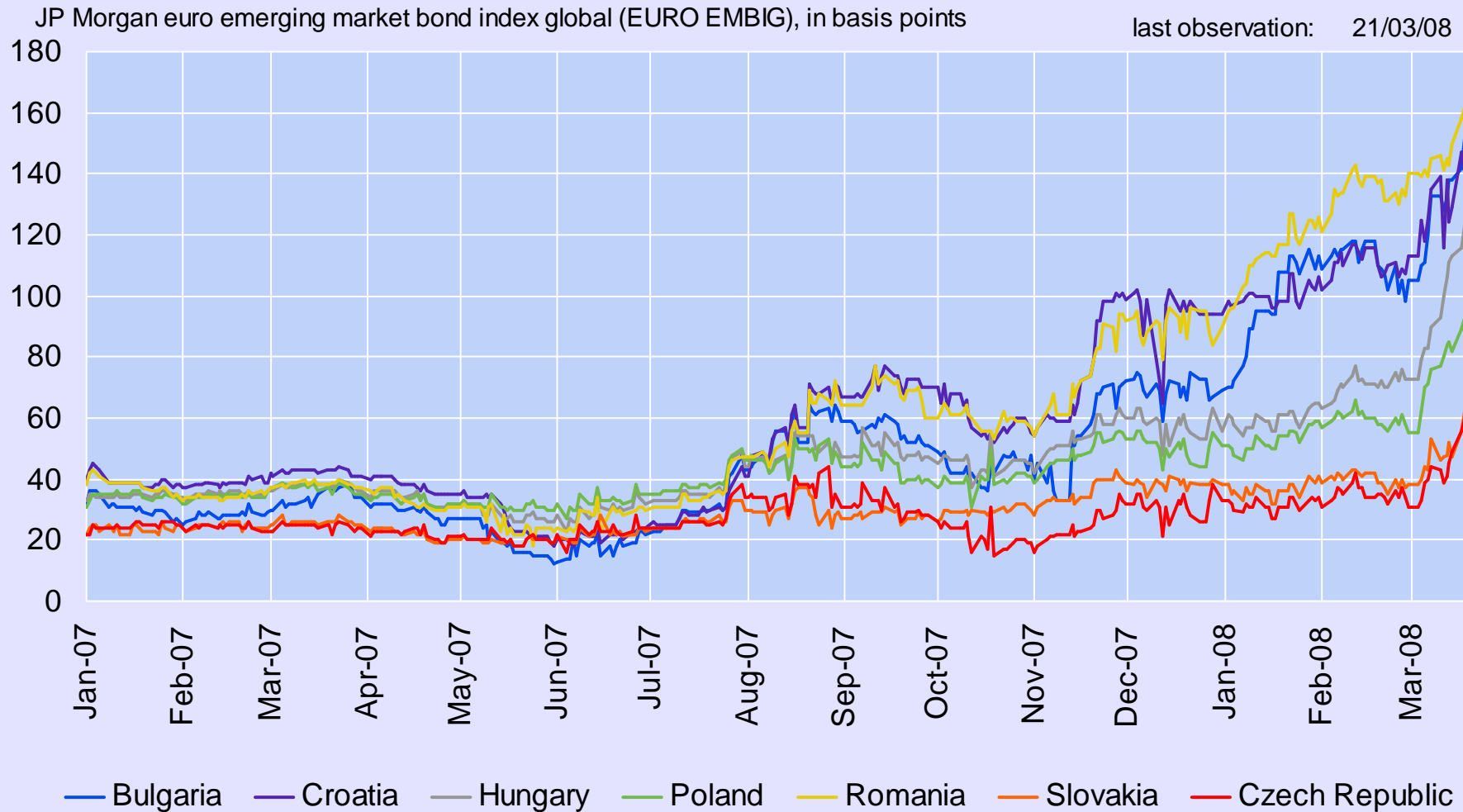
beginning 2007 = 100

last observation: 21/03/2008



Source: Bloomberg

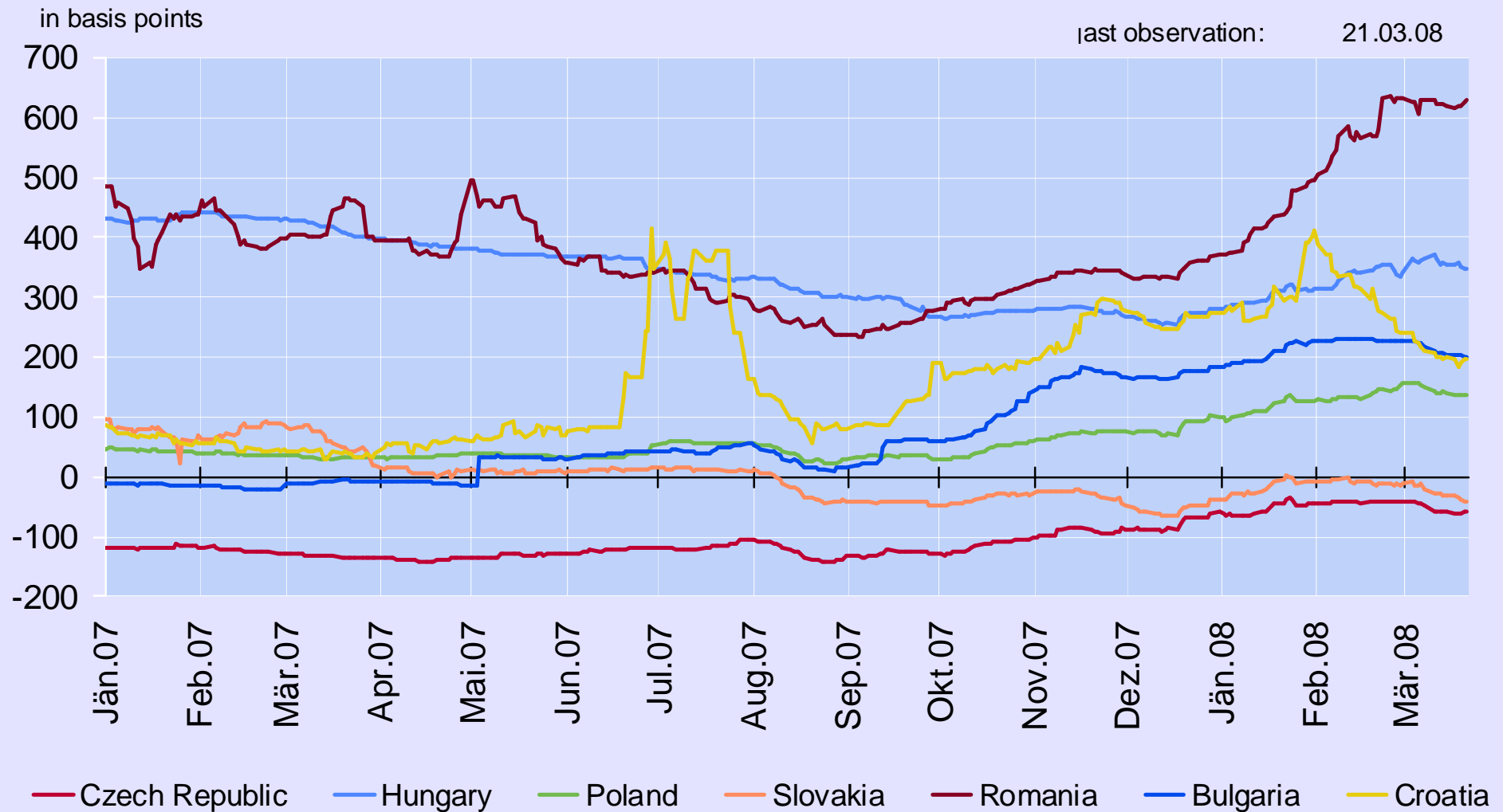
## Euro denominated sovereign eurobond yield spreads versus euro area



Source: Bloomberg.



## 3-month money market rate spreads versus euro area

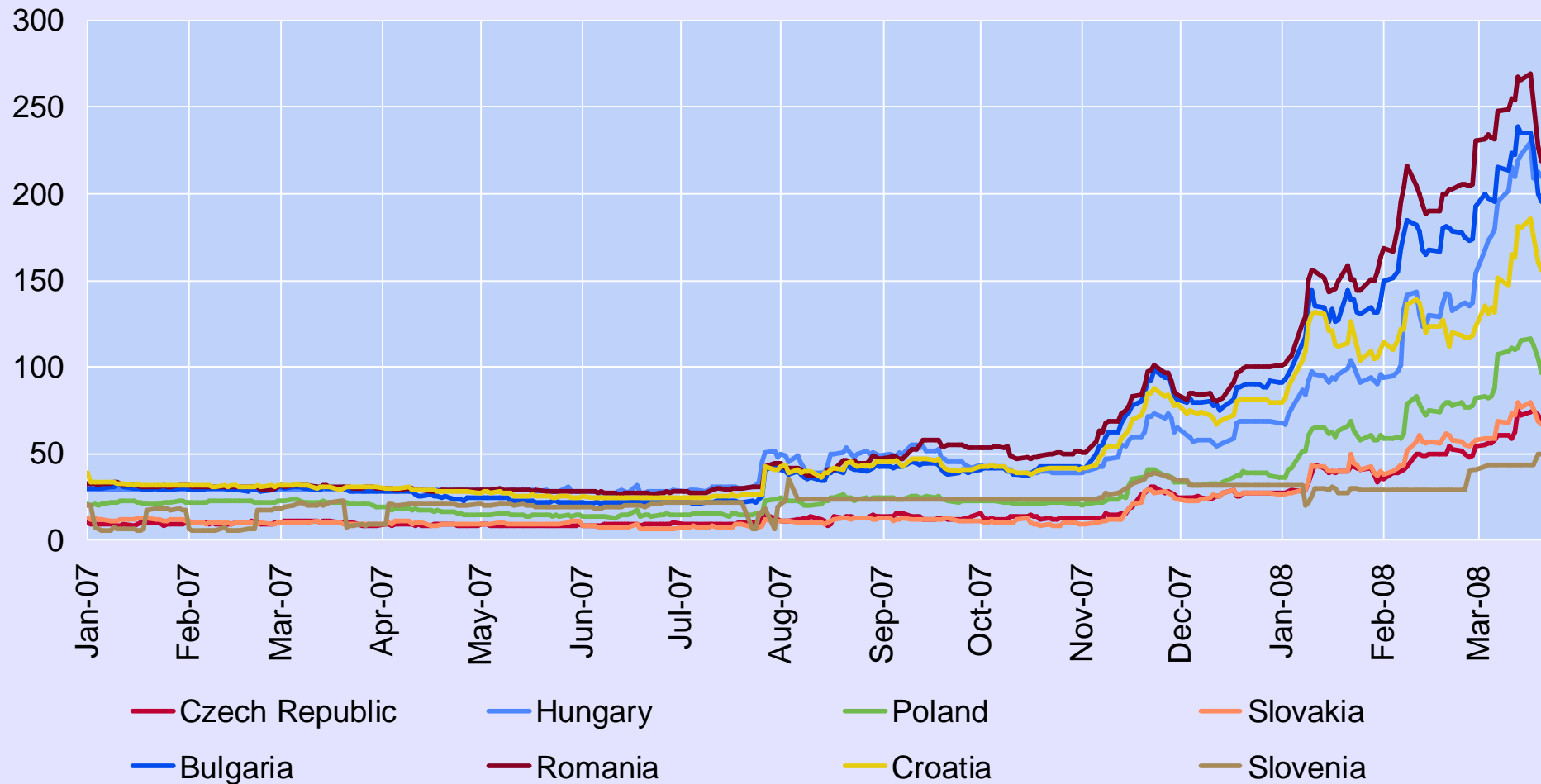


Source: Thomson Financial, OeNB.

## Credit default swaps spreads (10Y)

in basis points

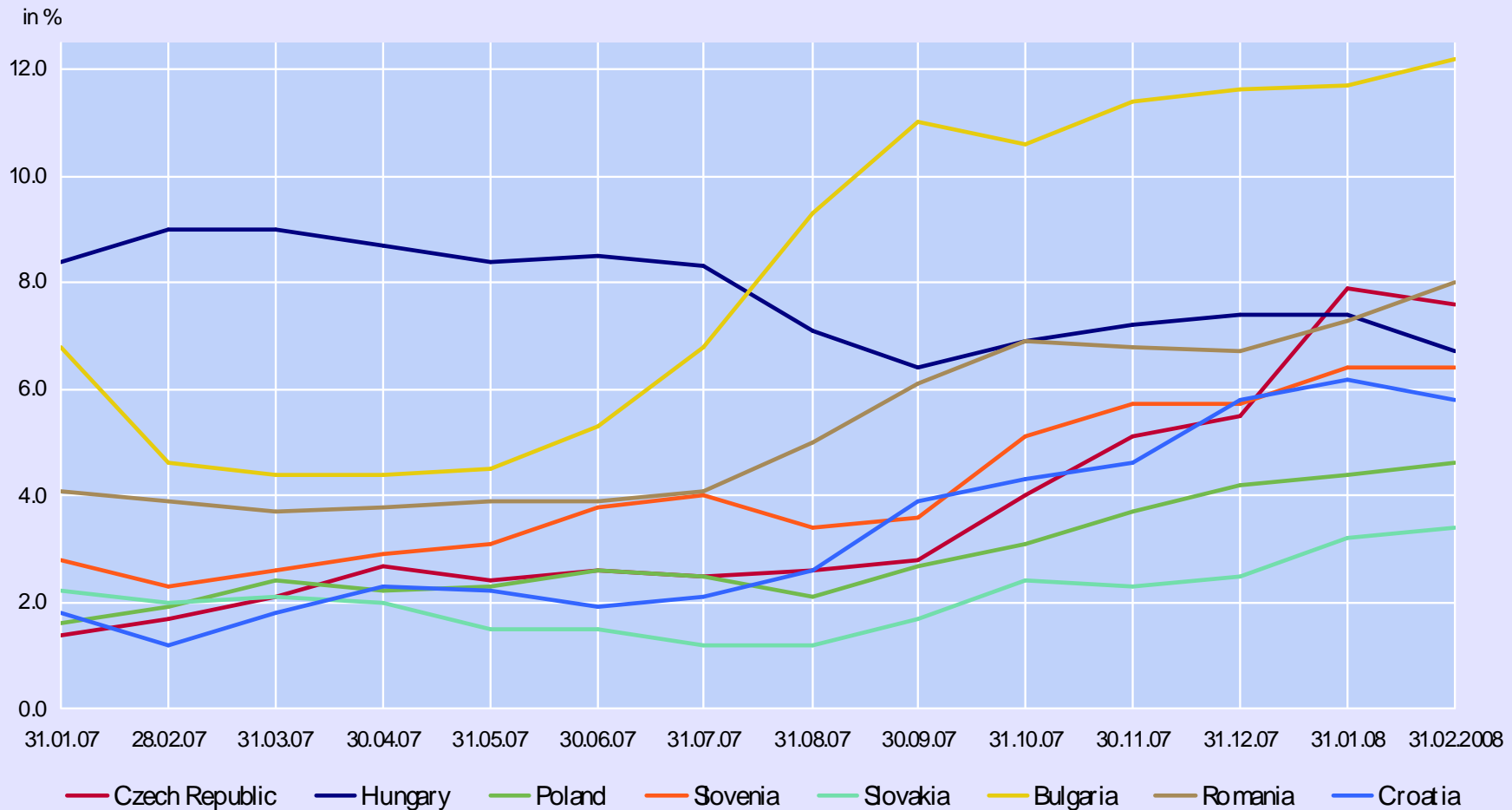
last observation: 20/03/2008



Source: Thomson Financial.

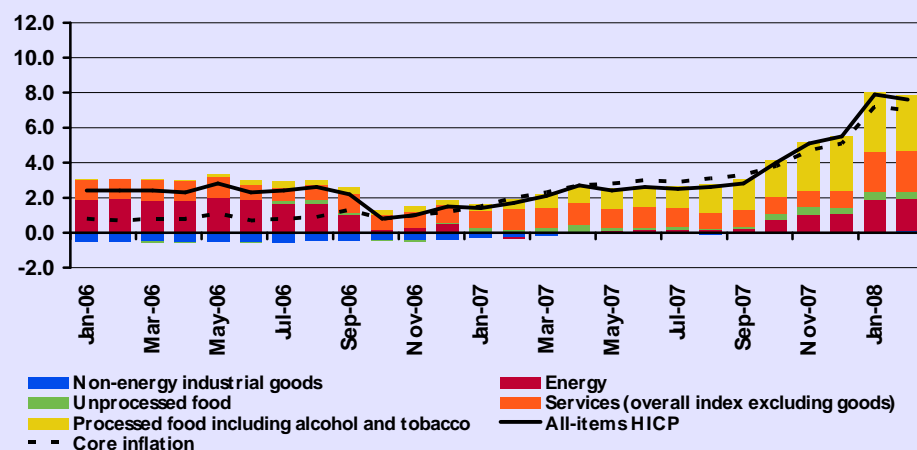
# Increasing Price Pressure in CESEE-8

## HICP inflation rates



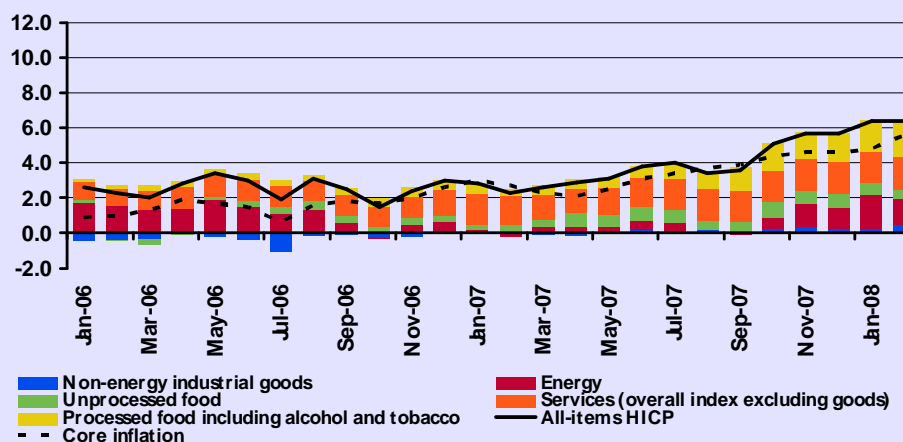
Source: Eurostat.

**Components of the HICP in the Czech Republic: Contributions to inflation**  
in percentage points, lines in percent



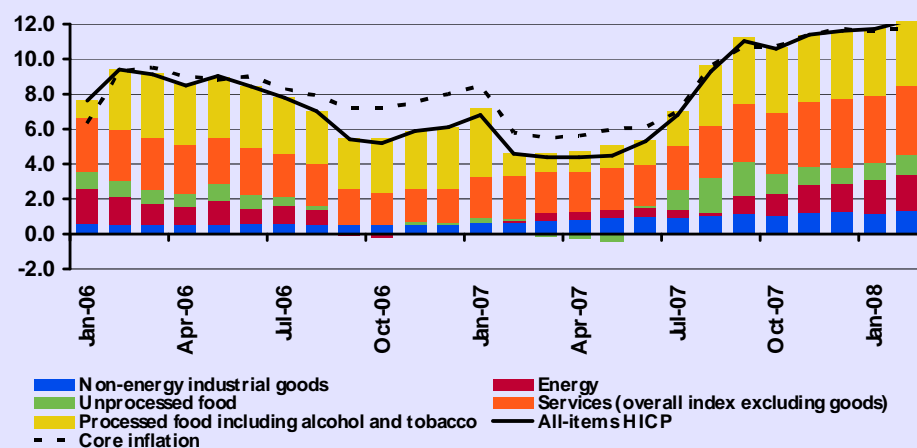
Source: Eurostat.

**Components of the HICP in Slovenia: Contributions to inflation**  
in percentage points, lines in percent



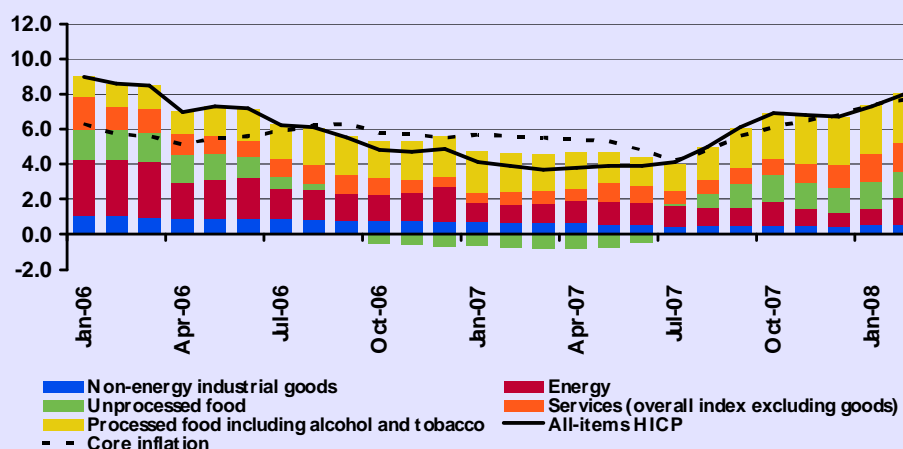
Source: Eurostat.

**Components of the HICP in Bulgaria: Contributions to inflation**  
in percentage points, lines in percent



Source: Eurostat.

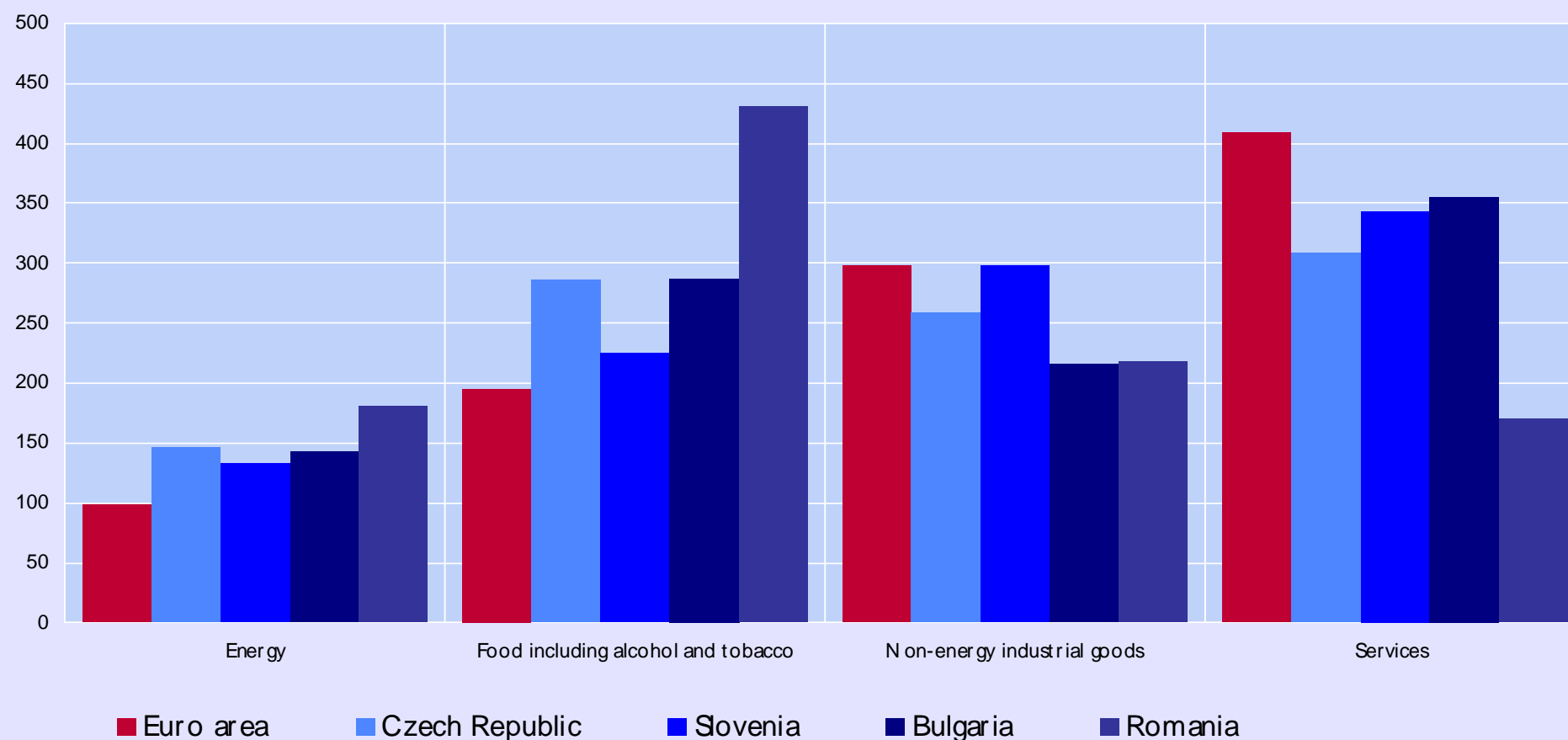
**Components of the HICP in Romania: Contributions to inflation**  
in percentage points, lines in percent



Source: Eurostat.

# Energy and Food Prices: Key for Inflation in CESEE

## Weights (2008) for Calculating the Harmonised Index of Consumer Prices (HICP)



Source: Eurostat



**Thank you for  
your attention!**