Global Markets Roundup

National Bank of Greece | Economic Analysis & Research Division | October 3, 2023

NATIONAL BANK OF GREECE

Euro area inflation rate decelerated further to +4.3% year-over-year in September from +5.2% in August and a record high of +10.6% in October 2022

- A major driver for global financial markets in September, and more broadly in Q3:2023, was the prospect of "higher-for-longer" monetary policy interest rates. As a result, government bond real yields surged across the board, with inflation expectations remaining broadly stable.
- All told, 10-Year US Treasury nominal yields rose by +48 bps in September and by +76 bps in Q3:2023, to 4.57%. In a similar vein, 10-Year German nominal yields rose by +35 bps in September and by +41 bps in Q3:2023, to +2.82%.
- Euro area periphery government bond yields spreads widened in Greece and Italy by +20 bps and +29 bps to 152 bps and 192 bps, respectively, in September. BTP/Bund spreads increased, *inter alia*, due to renewed concerns regarding Italian debt dynamics.
- Indeed, on September 27th, Italy updated its Economic and Financial document (NADEF). Real GDP projections were revised lower to +0.8% for 2023 and to +1.2% for 2024, from +1% and +1.5%, respectively, in April's projections. The general government deficit (as % of GDP) forecast was revised to -5.3% for 2023 (from -4.5%) and to -4.3% for 2024 (from -3.7%). Finally, the Government Debt-to-GDP ratio is projected to remain broadly stable over the next three years to 140%.
- Sharp gains for oil prices on the back of supply deficit concerns in view of reduced production from Saudi Arabia and Russia, was also a major theme in Q3:2023. Specifically, Brent prices rose by +28% in Q3:2023 to $95 per barrel, hovering at eleven-month highs (see graph page 3). The upside repercussions for inflation prospects contributed to the "higher-for-longer" rate theme.
- Higher interest rates and oil prices fed through to concerns regarding the global economic outlook and corporate profitability, consequently weighing on global equity markets (see graph below). The MSCI ACWI index lost -4.3% in September and -3.8% in Q3:2023.
- The US dollar appreciated across the board, with the DXY index recording gains of +2.5% in Q3:2023 due to strong US economic performance and widening real interest rate differentials. The Atlanta Fed's GDPNowcast model points to US real GDP growth of +4.9% qoq saar (+2.9% yoy) in Q3:2023. Against the Japanese yen, the USD appreciated by +3.2% in Q3:2023 to ¥149.23 (+13% YtD). Recall that these levels are in striking distance from the ¥150 threshold, which prompted intervention from the Japanese government in October 2022 to support the Yen.
- Solid net exports boosted the Japanese economy in Q2:2023, with real GDP growth of +4.8% qoq saar (+1.6% yoy). Looking forward, the Bank of Japan's quarterly Tankan survey that assesses business conditions pointed to improved (at robust levels) business confidence in September compared with three months ago. The headline business conditions index for large manufacturers was up by +4 pts to +9 and for large non-manufacturers by +4 pts to +27 (average of +4 & +6, respectively, since 2000).
- On a positive development, a partial federal government shutdown in the US was temporarily averted, with a stopgap bill securing sufficient funding until November 17th. By then, government funding bills for the fiscal year which started on October 1st will need to be approved.

Ilias Tsirigotakis[AC]
Head of Global Markets Research
210-3341517
tsirigotakis.hlias@nbg.gr

Panagiotis Bakalis
210-3341545
mpakalis.pan@nbg.gr

Vasiliki Karagianni
210-3341548
karagianni.vasiliki@nbg.gr

Leonidas Patsios
210-3341553
Patsios.Leonidas@nbg.gr

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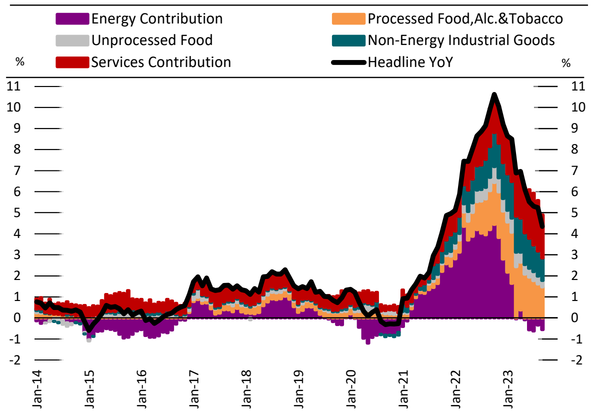
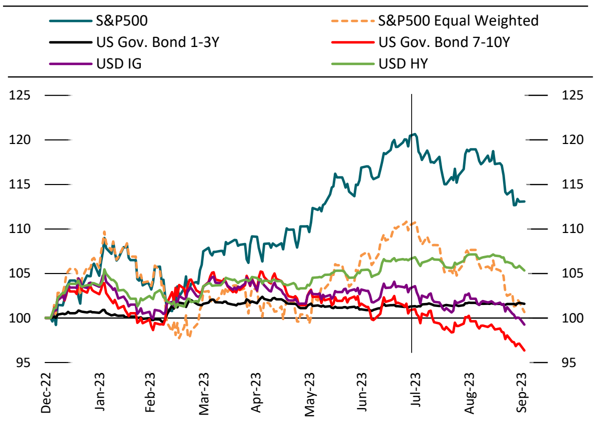
Charts of the week

EA CPI Inflation



Source: NBG Research, Eurostat

Total Return Indices Performance Year-to-Date



Source: NBG Research, Rebased at 100, 30 December 2020

See page 11 for disclosures and analyst certification

US GDP growth in Q2:2023 was roughly unrevised at +2.1% qoq sa annualized rate (saar)

- **The 3rd estimate for real GDP growth in Q2:23 was +2.1% qoq saar (+2.4% yoy),** from +2.1% qoq saar (+2.5% yoy) in the previous estimate and (an upward revised by +0.2 pps) +2.2% qoq saar in Q1:23 (+1.7% yoy), broadly in line with consensus estimates. Regarding the expenditure components, the most noteworthy takeaway was a substantial downward revision for private consumption growth (-0.9 pps to +0.8% qoq saar), which was offset by relatively more modest upward ones for business investment, inventories and net exports (the latter due to both an upward revision for exports and a downward one for imports).
- Regarding Q3:23, private consumption (70% of US GDP) on average in July and August was up by +3.6% versus Q2:2023 in annualized terms, while the Atlanta Fed's GDPNowcast model points to real GDP growth of +4.9% qoq saar (+2.9% yoy) in Q3:2023.

US corporate profitability was roughly stagnant in Q2:23 according to the national accounts

- **Corporate profits of public and private companies were up by 0.2% on a seasonally adjusted quarterly basis in Q2:2023.** Looking past the quarterly growth which often demonstrates high volatility, annual profit growth came out at a subdued -2.7% compared with +4.6% yoy in Q1:2023. The deceleration was broad based, with profits from domestic financial activities at -15.3% yoy from -8.2% yoy in Q1:2023, profits from domestic non-financial activities at -1.9% from +5.5% and profits from abroad at +7.4% from +16.4%.

Euro area inflation eased substantially in September

- **According to the "flash" estimate, the annual growth of CPI decelerated to +4.3% in September, a two-year low, from +5.2% in August.** The outcome was below consensus estimates for 4.5%. Energy prices rose by +1.4% mom (all figures in not-seasonally adjusted terms). Nevertheless, base effects (+2.9% mom in September 2022), resulted in the annual growth coming out at -4.7% (-0.6 pps contribution to the headline's year-over-year increase) from -3.3% in July. Prices of food, alcohol & tobacco were up by a modest +0.1% mom in September (+0.2% mom on average since 1996). Given also substantial negative effects (+0.9% mom in September 2022), the annual growth decelerated by -0.9 pps to +8.8% in September (+1.8 pps contribution to the headline figure).
- Core inflation, which excludes the effects of energy and food components, was up by +0.2% on a monthly basis, versus a 12-month average of +0.4% mom. Although the latest outcome was above an average of +0.1% mom since 1996, it should be noted that it was somewhat below its average since 1996 for the certain month (+0.4% mom), as in September a significant rise in retail goods prices is usually recorded, in the aftermath of summer sales. In the event, non-energy industrial goods were up by +2.2% mom (September average of +2.0% mom since 1996), with the annual growth at +4.2% from 4.7% in August. At the same time, services recorded a -0.9% mom in September 2023, versus a September average of -0.7% mom since 1996, with the annual growth at +4.7% from +5.5%, likely a welcome development for the ECB (the relatively more wages-sensitive services prices have recently been a major focal point as a metric of inflation persistence).

In all, core CPI's annual growth decelerated by -0.8 pps to +4.5% yoy in September (record high of +5.7% in March 2023), significantly below consensus estimates for +4.8% (contribution of +3.1 pps to the headline CPI year-over-year growth, see graph page 1).

Euro area bank lending growth eased substantially in August

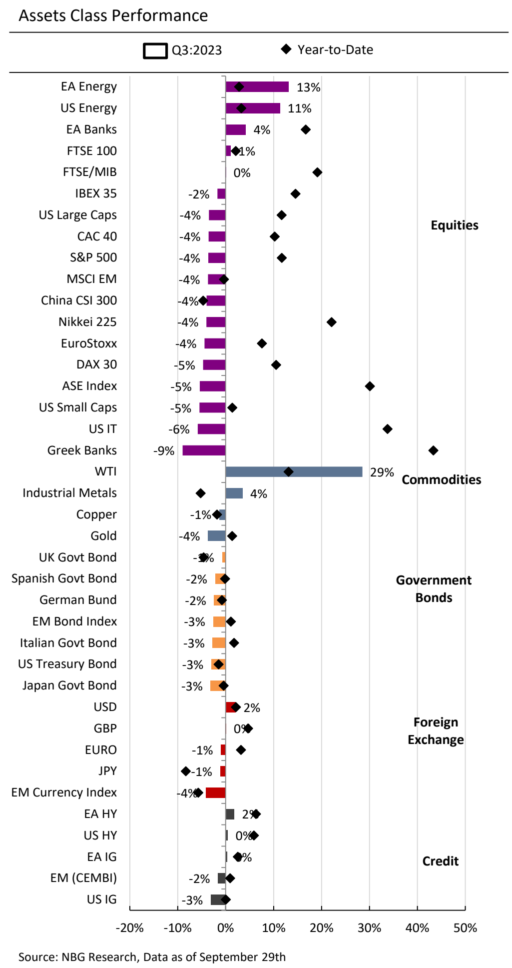
- **The annual pace of growth of overall private sector borrowing from commercial banks, decelerated for an 11th consecutive month in August,** to +0.6%, the weakest since September 2015, from +1.6% in July (+7.1% yoy in September 2022, the highest since November 2008).
- Regarding the two major private sector components, they performed as follows. Loan growth to households (adjusted for sales and securitizations) decelerated by -0.3 pps to +1.0% yoy, in view of both negative base effects and a weak take-up of new loans. In the event, the net monthly flow was +€5.1 bn in August 2023, versus a 12-month average of +€5.8 bn (and +€22.4 bn in August 2022). At the same time, the annual growth of loans to non-financial corporations (NFCs) decelerated sharply, by -1.6 pps to +0.6% in August, also due to both base effects (net monthly flow of +€59.0 bn in August 2022) and a soft momentum (net monthly flow of -€22.0 bn, versus a 12-month average of +€2.5 bn).
- Overall, rising interest rates are an important factor for subdued loan demand. Note that the composite cost of borrowing indicator for new loans to households for house purchases (calculated as a weighted average of interest rates on both short-term and long-term loans) was 3.75% in July versus a trough of 1.31% in December 2021, while the respective indicator for loans to non-financial corporations has increased to 4.93%, compared with an all-time low of 1.35% in December 2021 (increase of +244 bps & +358 bps, respectively, compared with ECB cumulative interest rate tightening of +425 bps up to July 2023).

The German economy continues on a soft path

- **The IFO business survey suggests that business sentiment remains depressed in Germany.** In the event, the business climate index was roughly stable at 85.7 (consensus: 85.2), well below an average of 96.5 since 2005. Both the expectations component (expectations for business conditions in the next six months) and the component regarding the assessment of current conditions were little changed, at subdued levels (82.9 and 88.7, respectively). Weakness was evident across all sectors (manufacturing, retail trade, construction).
- In all, German real GDP growth appears poised to have declined in Q3:2023, after five quarters (from Q1:2022 to Q2:2022) with cumulative real GDP growth of circa -0.25%. According to Autumn's Joint Economic Forecast (a joint research project conducted by several economic research institutes, including IFO) real GDP is forecast to decrease by -0.6% in 2023 (-0.2% according to the OECD), before recover in 2024 by +1.3% (OECD: +0.9%), as higher nominal wages, combined with slowing inflation, will support private consumption.

Equities

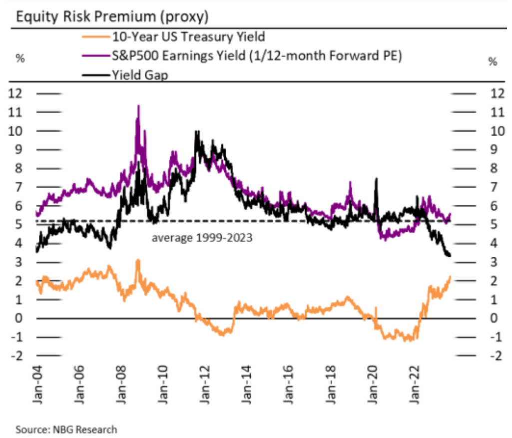
- **Global equity markets declined in the past week (MSCI ACWI: -1%), as the "higher for longer" narrative casts doubt on the global economic outlook.** In the US, the S&P500 ended the week down by -0.7% (+12 YtD), albeit still trading at a price-to-earnings ratio of 17.9x versus a 20-year average of 15.8x. Regarding sectors, Utilities declined by -7% wow, while the Energy sector was up by +1.3% wow, supported by higher oil prices. Markets are entering Q4 with the overhang of tighter-than-expected monetary policy, fiscal partisanship -- despite a last-minute deal to avoid a US government shutdown -- and elevated geopolitical risks. Note that equity-bond correlation is now anchored in positive territory and has sent a typical 60/40 portfolio in Q3 lower by -3.7% (+6.7% year-to-date). On the other side of the Atlantic, the EuroStoxx index decreased by -0.9% wow (+8% YtD), and fell by a further -1% on Monday, amid concerns about a prolonged period of higher interest rates and a weak Chinese economy, following some mixed data about September's PMIs. Finally, the Athens Stock Exchange index followed the global downward trend declining by -0.7% wow and by a further -1.5% on Monday.



Graph 1.

Fixed Income

- **Long-term government bond yields moved higher across the board, recording high volatility intra-week as investors adapt to the prospect that interest rates will remain higher for longer. Yield curves steepened, with short-term tenors retreating.** 10-Year US Treasury yields were up by 14 bps to 4.57%, and by further 11 bps on Monday to a fresh 16-year high, while 2-Year yield fell by 6 bps wow to 5.04% (+6 bps on Monday). In Germany, the 10-year Bund yield increased by +8 bps wow to 2.82% (+8 bps on Monday, re-testing 12-year highs). Periphery bond spreads widened, particularly in Greece (+5 bps to 152 bps) and in Italy (+9 bps to 194 bps), as the Italian Ministry of Economy and Finance revised lower (higher) its growth (deficit) estimates. **Corporate bond spreads widened in the past week, as investors were in risk-off mode.** Indeed, USD HY bond spreads were higher by +10 bps to 403 bps, and their EUR counterparts increased by +16 bps to 437 bps. In the investment grade spectrum, USD IG bonds increased by +4bps wow at 124 bps and EUR IG bonds rose by +3 bps wow to 149 bps.



Graph 2.

FX and Commodities

- **In foreign exchange markets, the US Dollar appreciated further,** gaining +0.8% wow against the euro to $1.06 in the past week, as robust growth momentum continues to provide support. On Monday, the USD appreciated further to $1.0477 (+0.9%), at the highest level since December 2022. Against the JPY, the USD rose by +0.8% wow to ¥149.23 (+13% ytd). The DXY index rose to a 10-month high on Monday against a basket of other currencies after the US government avoided a partial shutdown and economic data fueled expectations that the Fed will keep rates higher for longer. **In commodities, oil prices rose in the past week, due to concerns over the discrepancy between oil supply and demand.** In addition, a substantial fall in US crude oil inventories (-2.2 million barrels for the week ending September 22nd, to 416 million barrels), also supported oil prices. Overall, Brent rose by +2.2% wow to $95.3/barrel, while WTI increased by +0.8% wow to $90.8/barrel. However, on Monday Brent declined sharply by -4.8%, to a three-week low, *inter alia* due to technical factors and profit taking. Finally, Gold prices continued to retreat (-4.7% wow to $1849 per ounce), due to higher USD real interest rates and lower inflation readings. Note that gold has declined by -11% since its May peak of $2050.

Quote of the week: "Price increases are still well above 2%, we are not at the inflation target yet and therefore there is still work to be done in terms of bringing inflation down…", **Member of the ECB's Executive Board, Philip R. Lane, October 3rd 2023.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 29th	3-month	6-month	12-month	Official Rate (%)	September 29th	3-month	6-month	12-month
Germany	2,82	2,60	2,70	2,70	Euro area	4,00	4,00	4,00	4,00
US	4,57	4,10	4,20	4,20	US	5,50	5,75	5,75	5,50
UK	4,40	4,23	4,13	3,94	UK	5,25	5,55	5,55	5,10
Japan	0,76	0,75	0,74	0,86	Japan	-0,10	-0,10	-0,10	-0,05
Currency	**September 29th**	**3-month**	**6-month**	**12-month**		**September 29th**	**3-month**	**6-month**	**12-month**
EUR/USD	1,06	1,08	1,09	1,10	USD/JPY	149	147	144	139
EUR/GBP	0,87	0,87	0,88	0,88	GBP/USD	1,22	1,24	1,23	1,25
EUR/JPY	158	159	157	153					

Forecasts at end of period

Economic Forecasts

United States	2021a	Q1:22a	Q2:22a	Q3:22a	Q4:22a	2022a	Q1:23a	Q2:23a	Q3:23f	Q4:23f	2023f
Real GDP Growth (YoY) (1)	5,8	3,6	1,9	1,7	0,7	1,9	1,7	2,4	2,5	2,1	2,2
Real GDP Growth (QoQ saar) (2)	-	-2,0	-0,6	2,7	2,6	-	2,2	2,1	3,5	1,0	-
Private Consumption	8,4	0,0	2,0	1,6	1,2	2,5	3,8	0,8	3,8	1,4	2,5
Government Consumption	-0,3	-2,9	-1,9	2,9	5,3	-0,9	4,8	3,3	0,7	1,0	3,1
Investment	7,1	7,2	-0,2	-4,3	-5,4	1,3	3,1	5,2	8,7	1,6	0,2
Residential	10,7	-1,8	-14,1	-26,4	-24,9	-9,0	-5,3	-2,2	7,0	3,0	-10,9
Non-residential	5,9	10,7	5,3	4,7	1,7	5,2	5,7	7,4	0,9	1,3	3,0
Inventories Contribution	0,2	-0,2	-1,9	-0,4	1,5	0,5	-2,2	-0,2	0,4	-0,3	-0,6
Net Exports Contribution	-1,3	-2,6	0,5	2,5	0,3	-0,5	0,6	0,1	-0,1	-0,1	0,7
Exports	6,3	-4,6	10,6	16,2	-3,5	7,0	6,8	-9,3	3,0	1,6	2,0
Imports	14,5	14,7	4,1	-4,8	-4,3	8,6	1,3	-7,6	2,6	1,8	-2,3
Inflation (3)	4,7	8,0	8,7	8,3	7,1	8,0	5,8	4,0	3,5	3,7	4,3
Euro Area	**2021a**	**Q1:22a**	**Q2:22a**	**Q3:22a**	**Q4:22a**	**2022a**	**Q1:23a**	**Q2:23a**	**Q3:23f**	**Q4:23f**	**2023f**
Real GDP Growth (YoY)	5,6	5,4	4,2	2,3	1,7	3,4	1,1	0,5	0,6	0,9	0,8
Real GDP Growth (QoQ saar)	-	2,6	3,3	1,3	-0,2	-	0,3	0,5	1,3	1,3	-
Private Consumption	4,1	0,0	4,7	3,6	-2,8	4,3	0,1	0,1	1,3	1,4	0,6
Government Consumption	4,1	1,5	-1,1	-0,1	2,1	1,4	-2,4	1,0	0,8	1,8	0,1
Investment	3,6	-2,3	3,5	3,5	-0,8	2,9	1,3	1,1	1,9	1,9	0,3
Inventories Contribution	0,3	-0,4	0,7	1,0	-1,1	0,4	-2,1	1,7	-0,4	-0,1	0,1
Net Exports Contribution	1,4	3,2	-0,4	-2,3	2,1	-0,1	2,6	-1,6	0,5	-0,1	0,3
Exports	11,0	6,4	6,8	5,0	-1,4	7,2	0,1	-2,7	4,1	2,5	3,3
Imports	8,7	0,2	8,2	10,5	-5,6	8,1	-5,1	0,3	3,5	3,0	2,9
Inflation	2,6	6,1	8,0	9,3	10,0	8,4	8,0	6,2	4,9	3,6	5,6

a: Actual, f: Forecasts, 1. Seasonally adjusted YoY growth rate, 2. Seasonally adjusted annualized QoQ growth rate, 3. Year-to-year average % change

6-12-Month View & Key Factors for Global Markets

	US	Euro Area	Japan	UK
Equity Markets	+ Corporate profitability is expected to improve in 2024, with annual EPS growth of 12% + Households' balance sheets are healthy (low debt, still elevated excess savings) - Peaking profit margins - Recession risks remain - P/Es (Valuations) above long-term means, with a premium of 15%: Current P/E of 18.1x vs a 20-year average of 15.8x **Neutral**	+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) + China's policy support measures could accelerate an export-led recovery - Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify - The economic backdrop remains muted - Fiscal policy will turn restrictive in 2024 - **Neutral/Positive**	+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) + China's policy support measures could accelerate an export-led recovery + JPY depreciation from ¥132 to ¥148 (12%), if continues, could support exporters - Signs of policy fatigue regarding structural reforms and fiscal discipline - Yield-Curve Control twists, let alone a sustained shift in ultra-loose monetary policy, could hurt market benchmarks (but support Banks) **Neutral**	+ Significant exposure to commodities + Undemanding valuations in relative terms relative to other regions - Elevated domestic policy uncertainty - The BOE is expected to continue increasing interest rates as inflation remains very high and labor market extremely tight **Neutral**
Government Bonds	+ Valuations appear somewhat rich, with term-premium, albeit increasing to -0.1%, remaining below 2000-2015 averages (1.4%) + Fiscal deficits to remain sizeable in following years + Underlying inflation pressures remain acute + FED: passive (lower rollover) Quantitative Tightening + Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) could reverse - Safe-haven demand bid to support prices assuming geopolitical risks re-intensify - The FED is likely close to be done with rates **Slightly higher yields**	+ ECB to continue unwinding its balance sheet via its APP portfolio + Global spillovers from higher US interest rates - ECB QE "stock" effect, with government bond holdings of €3.9 trillion (27% of GDP) - The ECB is likely close to be done with rates - Fragile economic growth outlook due to the war in Ukraine **Slightly higher yields**	+ Sizeable fiscal deficits + The range of Yield-Targeting of 10-Year JGB at around 0% could widen further (implicitly @ +100 bps) + Global spillovers from higher US interest rates - Safe-haven demand - Monetary stance remains extremely dovish, despite the unexpected shifts in YCC policy QE "stock" effect, with government bond holdings of ¥594 trillion (102% of GDP) **Slightly Higher yields**	+ Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China) + The BOE is expected to continue increasing interest rates as inflation remains very high and labor market extremely tight + BOE: active (sales) Quantitative Tightening - Slowing economic growth post-Brexit **Slightly Higher yields**
Foreign Exchange	+ USD interest rate differential vs peers remain significant + Weak global economic growth + Safe-haven demand status - US political uncertainty to increase - The FED is close to be done, which reduces potential USD upside **Broadly Flat USD against G10 FX**	+ Lower geopolitical uncertainty (Ukraine-Russia, natural gas) is positive for EUR + Economic growth could accelerate in 2024, suggesting further interest rate hikes by the ECB - Global growth risks could abate **Range-bound with upside risks against the USD**	+ Safe haven demand + More balanced economic growth recovery (long-term) + Higher core Inflation rates could accelerate the shift of monetary policy (less accommodative) **Stronger JPY**	+ Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit **Broadly stable GBP**

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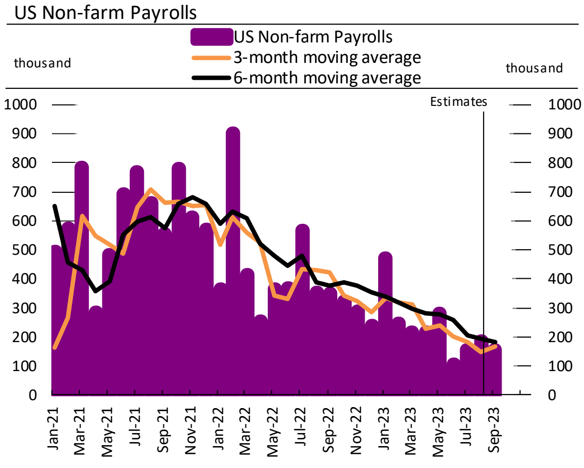
Economic Calendar

In the US, attention turns to the labor report for September that is released on October 6th. Consensus expects NFPs of +157k from +187k in August and unemployment rate of 3.7% from 3.8%. On Wednesday, ISM Services survey (latest: 54.5 | consensus of 53.6) will offer insight regarding the momentum in the business sector.

In the euro area, retail sales for August are released on Wednesday. The monthly figure is expected at -0.3% mom from -0.2% mom in the previous month.

In Germany, industrial production for August is released on Monday. Note that in July, industrial production was down by -0.8% mom (-2.3% yoy).

US Non-farm Payrolls



Source: NBG Research

Economic News Calendar for the period: September 26 - October 09, 2023

Tuesday 26

US		S		A	P
S&P Case/Shiller house price index 20 (YoY)	July	-0.3%	+	0.1%	-1.2%
Consumer Confidence Index	September	105.5	-	103.0	108.7
New home sales (k)	August	700	-	675	739

Wednesday 27

US		S		A	P
Durable goods orders (MoM)	August	-0.5%	+	0.2%	-5.6%
Durable goods orders ex transportation (MoM)	August	0.1%	+	0.4%	0.1%
EURO AREA					
M3 money supply (YoY)	August	-1.0%	-	-1.3%	-0.4%

Thursday 28

US		S		A	P
GDP (QoQ, annualized)	Q2:23	2.1%		2.1%	2.1%
Pending home sales (MoM)	August	-0.8%	-	-7.1%	0.5%
Initial Jobless Claims (k)	September 23	215	+	204	202
Continuing Claims (k)	September 16	1675	+	1670	1658
EURO AREA					
Business Climate Indicator	September	..		-0.4	-0.4
Economic confidence indicator	September	92.5	+	93.3	93.6
ECB publishes its Economic bulletin	September 28				

Friday 29

US		S		A	P
Personal income (MoM)	August	0.4%		0.4%	0.2%
Personal spending (MoM)	August	0.4%		0.4%	0.9%
PCE Deflator (YoY)	August	3.5%		3.5%	3.4%
PCE Core Deflator (YoY)	August	3.9%		3.9%	4.3%
EURO AREA					
CPI flash estimate (YoY)	September	4.5%		4.3%	5.2%
CPI Core flash estimate (YoY)	September	4.8%		4.5%	5.3%
UK					
GDP (QoQ)	Q2:23	0.2%		0.2%	0.3%
GDP (YoY)	Q2:23	0.4%	+	0.6%	0.5%
GERMANY					
Retail sales (MoM)	August	0.5%	-	-1.2%	-0.8%
Retail sales (YoY)	August	-0.7%	-	-2.3%	-2.2%

JAPAN		S		A	P
Retail sales (MoM)	August	..		0.1%	2.2%
Retail sales (YoY)	August	6.6%	+	7.0%	7.0%
Construction Orders YoY	August	..		-4.3%	8.7%
Unemployment rate	August	2.6%	-	2.7%	2.7%
Industrial Production (MoM)	August	-0.8%	+	0.0%	-1.8%
Industrial Production (YoY)	August	-3.7%		-3.7%	-2.4%

Monday 02

US		S		A	P
Construction spending	August	0.5%		0.5%	0.9%
ISM Manufacturing	September	47.8	+	49.0	47.6
EURO AREA					
Unemployment Rate	August	..		6.4%	6.5%
UK					
Nationwide House Px NSA YoY	September	..		-5.3%	-5.3%
JAPAN					
Tankan - large manufacturers current index	Q3:23	6	+	9	5
Tankan - large manufacturers outlook index	Q3:23	5	+	10	9
CHINA					
Caixin PMI Manufacturing	September	51.2	-	50.6	51.0
NBS Manufacturing PMI	September	50.0	+	50.2	49.7

Tuesday 03

EURO AREA		S	A	P
House Price Index (YoY)	Q2:23	..	..	0.4%

Wednesday 04

US		S	A	P
ADP Employment Change (k)	September	160	..	177
Factory Goods Orders (MoM)	August	0.3%	..	-2.1%
ISM Services PMI	September	53.6	..	54.5
EURO AREA				
Retail sales (MoM)	August	-0.3%	..	-0.2%
Retail sales (YoY)	August	..	..	-1.0%

Thursday 05

US		S	A	P
Initial Jobless Claims (k)	September 30	210	..	204
Continuing Claims (k)	September 23	1678	..	1670
Trade balance ($bn)	August	..	..	-65.0
UK				
S&P Global/CIPS UK Construction PMI	September	49.9	..	50.8

Friday 06

US		S	A	P
Change in Nonfarm Payrolls (k)	September	157	..	187
Change in Private Payrolls (k)	September	160	..	179
Unemployment rate	September	3.7%	..	3.8%
Average Hourly Earnings MoM	September	0.3%	..	0.2%
Average Hourly Earnings YoY	September	4.3%	..	4.3%
Average weekly hours (hrs)	September	34.4	..	34.4
Underemployment rate	September	..	..	7.1%
Labor Force Participation Rate	September	..	..	62.8%
JAPAN				
Coincident Index	August	..	..	114.2
Leading Index	August	..	..	108.2

Monday 09

GERMANY		S	A	P
Industrial Production (sa, MoM)	August	..	..	-0.8%
Industrial Production (wda, YoY)	August	..	..	-2.3%

Source: NBG Research
S: Consensus Analysts Survey, A: Actual Outcome, P: Previous Outcome

Equity Markets (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	4288	-0.7	11.7	17.8	-1.6	MSCI Emerging Markets	58515	-0.8	1.8	8.0	-17.4
Japan	NIKKEI 225	31858	-1.7	22.1	20.6	7.8	MSCI Asia	892	-0.9	1.9	9.3	-17.7
UK	MSCI UK	2180	-0.9	1.7	9.9	9.3	China	59	-1.2	-8.2	2.9	-33.2
Euro area	EuroStoxx	441	-0.9	7.5	22.7	-3.3	Korea	759	-1.9	13.2	16.4	-17.6
Germany	DAX 40	15387	-1.1	10.5	28.5	0.1	MSCI Latin America	89367	0.0	1.2	2.9	-5.8
France	CAC 40	7135	-0.7	10.2	25.7	8.8	Brazil	298397	0.5	1.0	0.6	-9.2
Italy	MSCI Italy	897	-1.2	18.6	38.6	10.9	Mexico	46817	-1.2	4.0	10.5	-1.1
Spain	IBEX-35	9428	-0.8	14.6	29.1	6.2	MSCI Europe	3468	0.5	23.2	63.4	-51.7
Hong Kong	Hang Seng	17810	-1.4	-10.0	3.8	-27.8	Russia	3133	2.8	45.5	60.4	-22.8
Greece	ASE	1209	-0.7	30.1	53.4	39.6	Turkey	8207775	4.3	52.4	149.9	426.8

World Market Sectors and Styles (MSCI Indices*)

in US Dollar terms	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Investment Styles	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	256.5	0.9	4.2	23.3	51.7	Growth	4072.9	-0.5	20.1	24.2	-9.1
Materials	309.0	-0.5	-0.6	16.9	-6.0	Value	3100.4	-1.4	-0.1	13.2	-3.8
Industrials	319.6	-0.7	6.8	24.8	-4.7	Large Cap	1801.7	-1.0	11.0	19.8	-3.9
Consumer Discretionary	350.4	-1.1	20.3	15.4	-15.1	Small Cap	471.5	-0.5	1.5	12.0	-17.8
Consumer Staples	257.8	-2.3	-4.4	5.2	-5.1	US Growth	2761.2	-0.4	16.9	16.3	-8.2
Healthcare	334.6	-1.0	-3.1	8.5	-3.1	US Value	1519.9	-1.2	5.9	18.1	4.0
Financials	131.3	-1.5	0.3	15.2	-9.9	US Large Cap	4288.1	-0.7	11.7	17.8	-1.6
IT	510.5	0.0	29.7	33.8	0.4	US Small Cap	1151.3	0.4	-0.5	7.4	-15.0
Telecoms	86.8	-0.2	30.3	28.8	-20.4	US Banks	289.6	-0.3	-11.7	-3.6	-32.0
Utilities	135.5	-6.0	-11.3	-3.3	-9.6	EA Banks	111.9	1.1	16.7	45.1	11.5
Real Estate	180.2	-1.6	-8.2	-2.7	-27.1	Greek Banks	918.2	-3.0	43.3	79.2	69.2

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	4.57	4.43	3.88	3.75	2.27
Germany	2.82	2.74	2.53	2.23	0.52
Japan	0.76	0.74	0.42	0.25	0.17
UK	4.40	4.24	3.66	4.12	1.62
Greece	4.34	4.18	4.59	4.94	4.89
Ireland	3.22	3.16	3.06	2.78	1.12
Italy	4.74	4.57	4.64	4.68	2.19
Spain	3.90	3.81	3.61	3.40	1.61
Portugal	3.57	3.47	3.57	3.25	2.19
EM	5.00	4.97	5.04	5.12	4.66

US Mortgage Market	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	7.41	7.31	6.42	6.52	4.36
vs 30Yr Treasury (bps)	267.7	276.7	240.1	276.0	154.8

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	-47	-66	-54	-42	78
US Treasuries 10Y/5Y	-4	-13	-13	-24	39
Bunds 10Y/2Y	-39	-50	-16	39	64
Bunds 10Y/5Y	4.9	-0.8	-0.4	14	46

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US IG	124	120	138	168	131
US High yield	403	393	481	550	444
Euro area IG	149	146	167	217	121
Euro area High Yield	437	421	498	613	401
EM	257	256	295	364	318
EUR Senior Financial	183	177	204	262	N/A
EUR Subordinated Financial	303	293	311	412	N/A
EUR AT1	795	745	718	1072	N/A

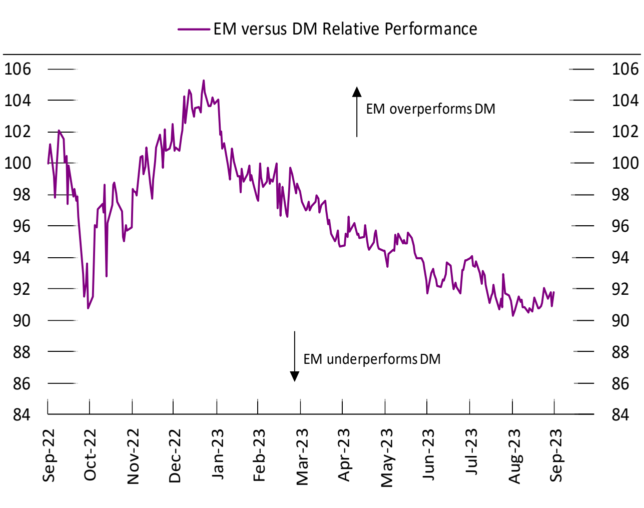
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1.06	-0.7	-3.1	8.4	-0.8
EUR/CHF	0.97	0.3	1.1	1.1	-1.9
EUR/GBP	0.87	-0.2	1.0	-2.0	-2.2
EUR/JPY	157.99	0.1	-0.9	11.9	12.2
EUR/NOK	11.27	-1.4	-2.4	7.3	7.2
EUR/SEK	11.50	-2.8	-2.7	5.0	3.4
EUR/AUD	1.64	-0.6	-2.5	8.8	4.2
EUR/CAD	1.43	-0.2	-3.2	6.9	-1.0
USD-based cross rates					
USD/CAD	1.35	0.5	-0.1	-1.4	-0.2
USD/AUD	1.55	0.1	0.6	0.3	5.1
USD/JPY	149.23	0.8	2.3	3.2	13.1

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	386	-2.5	-4.3	-19.1	-18.0
Energy	303	0.5	8.1	0.7	5.3
West Texas Oil ($/bbl)	91	0.8	11.2	11.8	13.1
Crude brent Oil ($/bbl)	95	2.2	11.0	7.7	10.9
HH Natural Gas ($/mmbtu)	2.9	11.1	18.1	-55.4	-16.8
TTF Natural Gas (EUR/mwh)	42	5.2	16.3	-77.7	-45.1
Industrial Metals	420	1.8	1.1	4.0	-6.8
Precious Metals	2427	-4.3	-5.9	12.6	1.3
Gold ($)	1849	-4.0	-4.8	11.3	1.3
Silver ($)	22	-5.8	-9.9	17.8	-7.4
Baltic Dry Index	1701	6.8	55.5	-3.2	12.3
Baltic Dirty Tanker Index	827	4.7	8.2	-44.3	-55.8

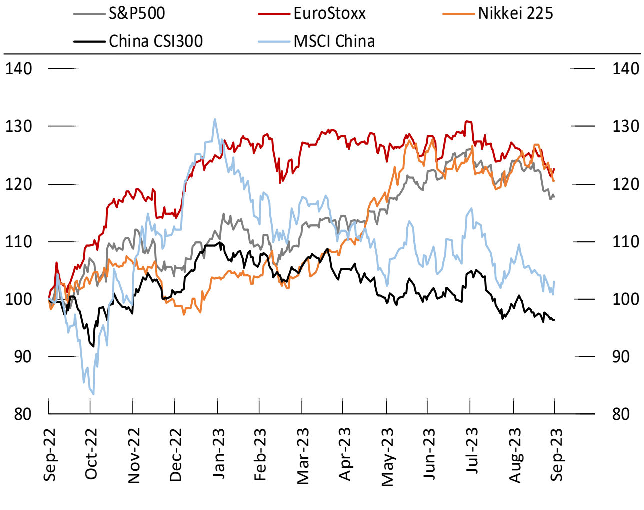
Source: NBG Research, Data as of September 29th, *: Unless otherwise noted, [1] Fixed-rate Mortgage

EM vs DM Performance in $



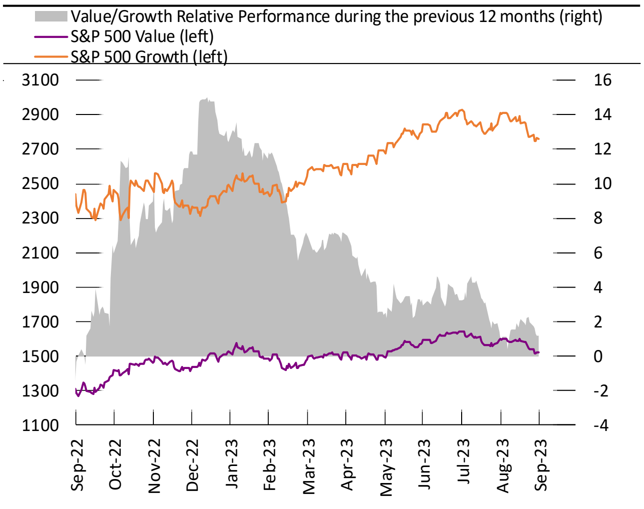
Data as of September 29th – Rebased @ 100

Equity Market Performance



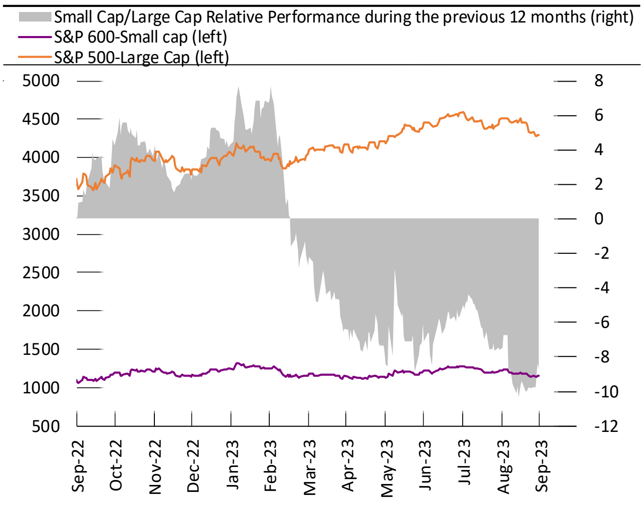
Data as of September 29th – Rebased @ 100

S&P 500 Value & Growth Index



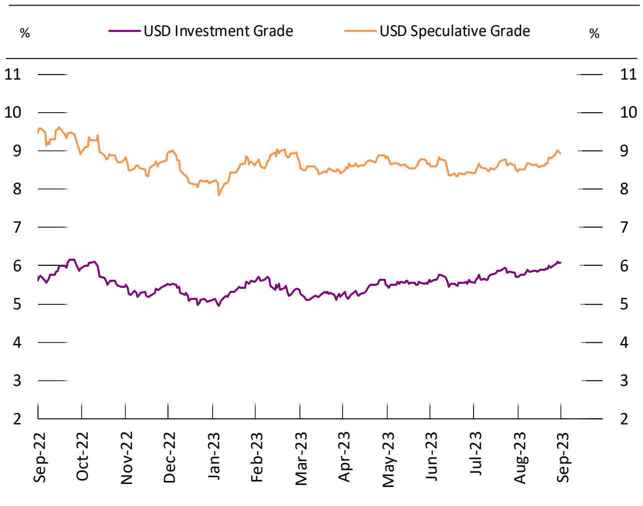
Data as of September 29th

S&P 500 & S&P 600 Index



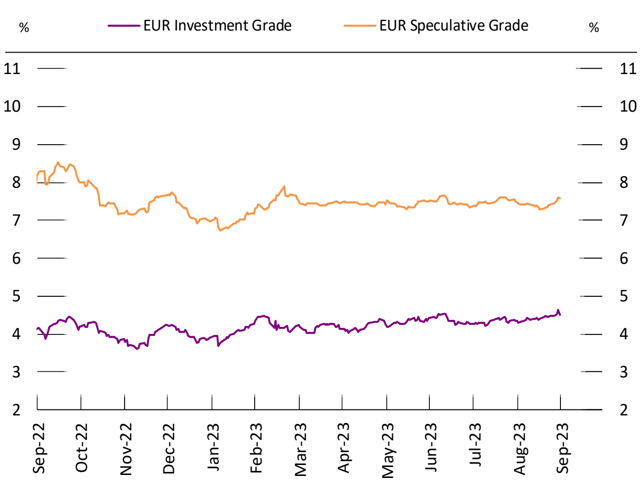
Data as of September 29th

USD Corporate Bond Yields



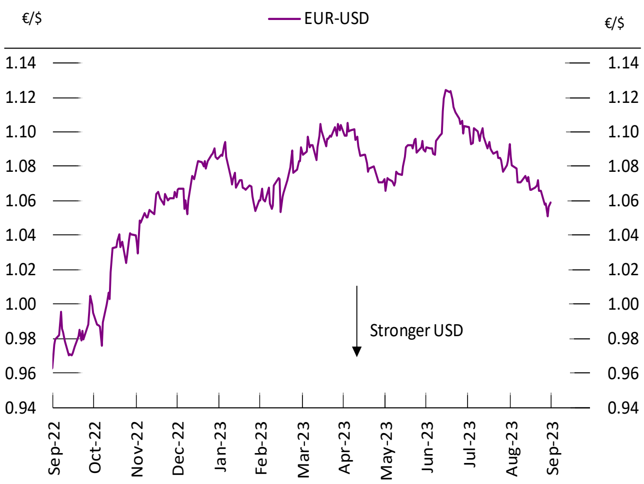
Data as of September 29th

EUR Corporate Bond Yields



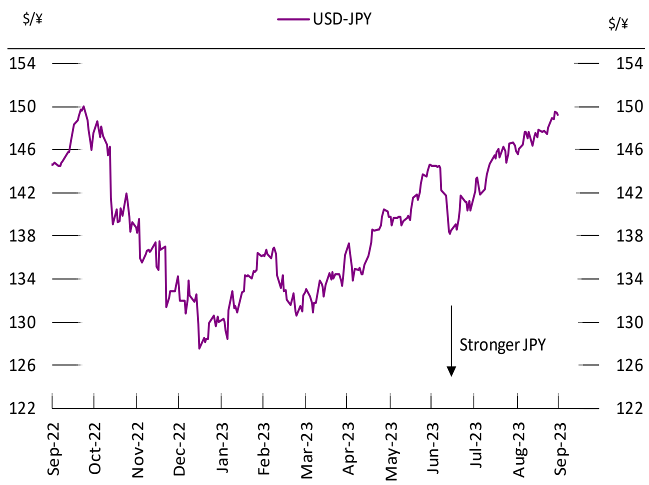
Data as of September 29th

EUR/USD



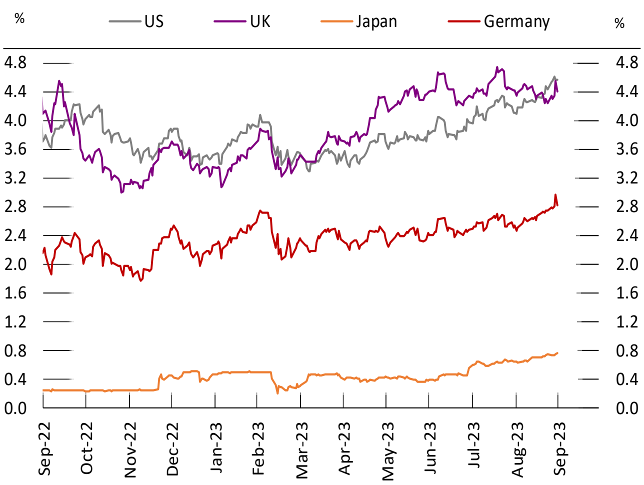
Data as of September 29th

JPY/USD



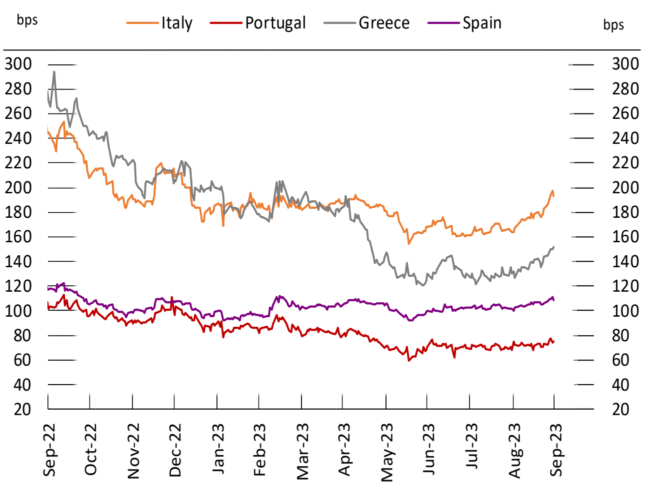
Data as of September 29th

10- Year Government Bond Yields



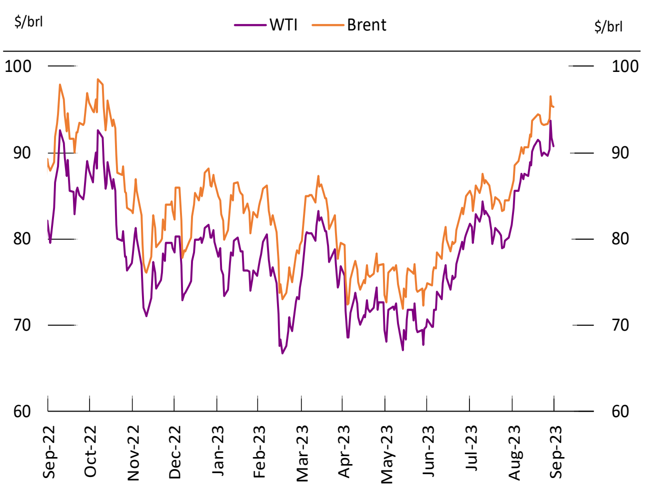
Data as of September 29th

10- Year Government Bond Spreads



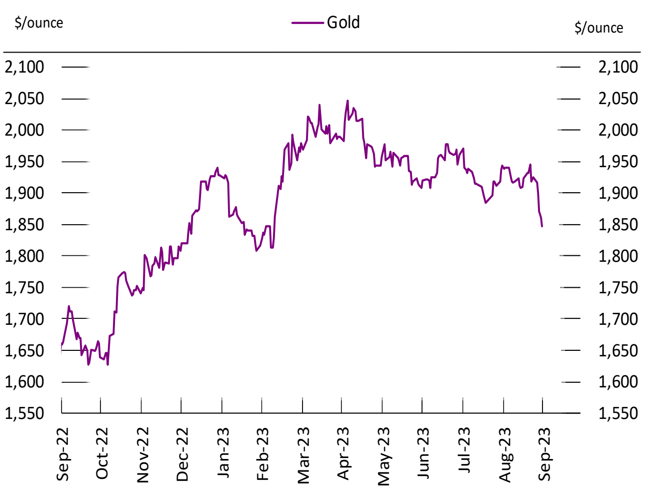
Data as of September 29th

West Texas Intermediate and Brent ($/brl)



Data as of September 29th

Gold ($/ounce)



Data as of September 29th

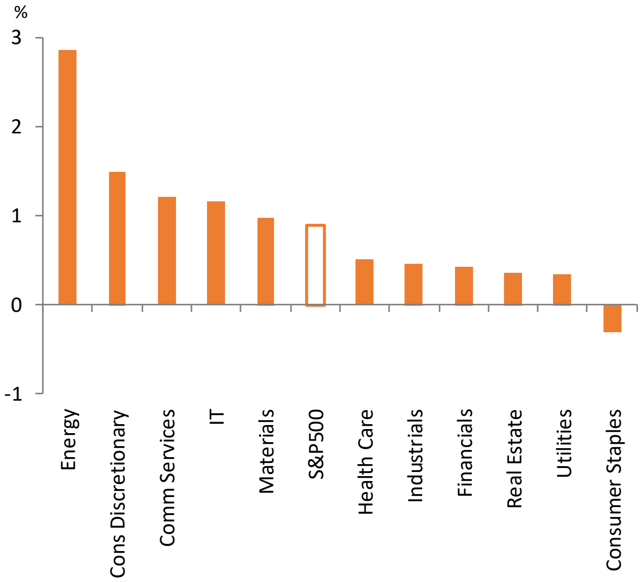
US Sectors Valuation

	Price ($)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	29/9/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	20Yr Avg	2022	2023	Current	20Yr Avg
S&P500	4288	-0.7	11.7	5.0	1.9	1.7	1.6	18.4	19.5	17.9	15.8	3.9	3.9	3.9	2.9
Energy	694	1.3	3.2	154.4	-27.0	3.4	3.3	8.1	12.1	11.8	15.1	2.3	2.3	2.3	2.0
Materials	495	0.2	1.0	5.4	-20.9	2.2	2.1	14.6	17.7	16.9	15.1	2.9	2.7	2.7	2.8
Financials															
Diversified Financials	970	-1.9	1.4	-8.4	1.8	1.3	1.5	18.9	18.3	16.5	16.0	2.7	2.4	2.4	2.3
Banks	290	-0.3	-11.7	-21.3	10.3	3.0	3.8	11.2	8.3	8.6	11.8	1.2	0.9	0.9	1.2
Insurance	601	-2.4	1.0	-10.0	15.3	1.7	1.9	16.8	14.6	12.5	11.2	2.2	2.1	2.1	1.4
Real Estate	213	-1.6	-8.1	11.8	0.7	3.8	4.2	17.4	15.3	14.8	18.6	2.6	2.5	2.5	2.7
Industrials															
Capital Goods	893	-0.3	2.3	12.8	19.2	1.6	1.8	22.8	19.1	17.4	16.1	5.0	4.5	4.5	3.6
Transportation	919	-0.7	1.4	123.7	4.1	1.9	2.2	16.0	14.9	N/A	15.0	5.5	4.4	4.4	3.7
Commercial Services	533	-0.8	9.6	16.4	10.4	1.5	1.6	27.8	27.9	25.6	21.7	8.1	8.1	8.1	4.8
Consumer Discretionary															
Retailing	3362	-1.3	22.1	-43.9	60.4	0.8	0.7	43.6	31.7	27.9	23.0	10.9	10.1	10.1	8.1
Consumer Services	1438	-0.7	13.2	N/A	198.2	1.1	1.1	67.2	23.4	N/A	28.3	152.6	112.5	N/A	12.5
Consumer Durables	357	2.1	-3.5	3.5	-5.3	1.6	1.7	13.1	12.9	12.1	16.4	3.3	2.8	2.8	3.2
Automobiles and parts	137	1.9	75.5	28.6	-3.6	0.3	0.3	24.2	29.0	N/A	11.4	4.7	4.8	4.8	2.3
IT															
Technology	3191	-1.6	26.8	5.0	0.1	0.9	0.8	21.8	24.7	23.2	16.1	15.8	15.9	15.9	5.8
Software & Services	3588	-0.7	26.2	10.8	10.7	1.0	0.9	26.0	28.5	26.1	18.5	8.8	9.0	9.0	6.2
Semiconductors	2707	2.8	63.1	-5.8	-2.4	1.4	1.0	20.3	28.1	23.0	18.0	5.1	6.5	6.5	3.8
Communication Services	222	0.0	39.4	-20.6	25.7	1.0	0.8	18.2	18.6	16.4	17.5	2.9	3.3	3.3	2.8
Media	910	0.1	50.1	-23.0	31.5	0.3	0.3	21.1	21.8	18.8	21.4	3.3	4.0	4.0	3.2
Consumer Staples															
Food & Staples Retailing	627	-0.4	1.2	-3.5	-1.5	1.5	1.6	21.9	22.1	20.8	17.2	5.3	4.9	4.9	3.7
Food Beverage & Tobacco	785	-2.5	-8.9	5.9	3.0	3.1	3.5	18.7	17.2	16.4	17.0	5.2	4.6	4.6	4.7
Household Goods	785	-3.2	-9.1	-3.4	6.8	2.5	2.6	25.2	23.1	21.7	19.7	9.6	8.2	8.2	6.1
Health Care															
Pharmaceuticals	1225	-1.2	-5.4	5.5	-24.3	2.0	2.0	14.1	19.0	17.1	14.5	5.3	5.2	5.2	4.1
Healthcare Equipment	1751	-1.0	-5.2	4.3	3.6	1.2	1.3	18.7	18.0	16.8	15.8	3.8	3.6	3.6	3.1
Utilities	299	-7.0	-16.5	1.2	6.1	3.2	3.7	18.5	15.9	15.0	15.5	1.9	1.7	1.7	1.8

Blue box indicates a value more than +2standard devation from average, light blue a value more than +1standard devation from average. Orange box indicates a value less than -2standard devation from average, light orange a value less than -1standard devation from average

1-month revisions to 12-month Forward EPS

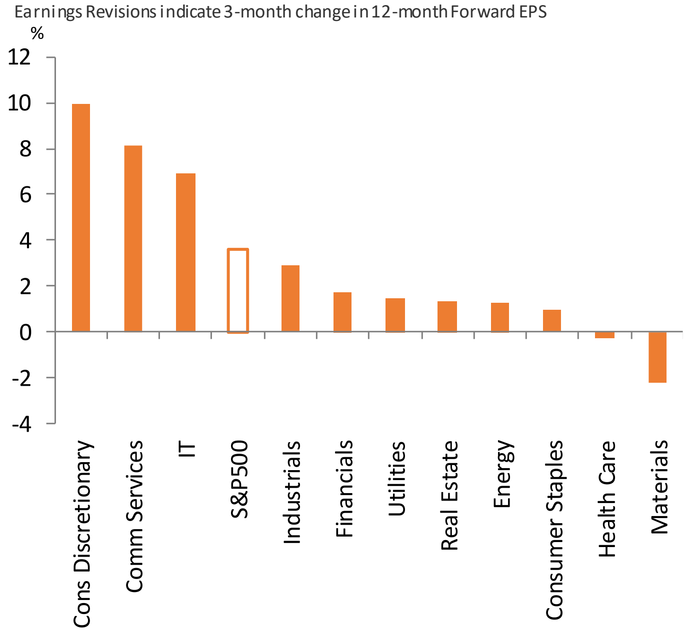
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of September 29th
12-month forward EPS are 25% of 2023 EPS and 75% of 2024 EPS

3-month revisions to 12-month Forward EPS

Earnings Revisions indicate 3-month change in 12-month Forward EPS



Data as of September 29th
12-month forward EPS are 25% of 2023 EPS and 75% of 2024 EPS

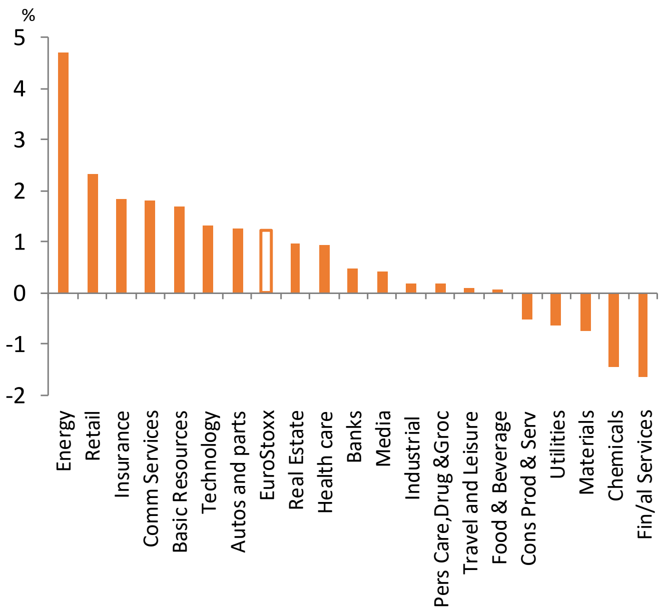
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	29/9/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	20Yr Avg	2022	2023	Current	20Yr Avg
EuroStoxx	441	-0.9	7.5	21.6	3.7	3.1	3.5	13.3	12.4	11.8	13.1	1.8	1.6	1.6	1.6
Energy	357	-0.2	2.8	121.8	-31.0	5.6	5.0	5.2	7.7	7.5	11.1	1.3	1.2	1.2	1.5
Materials	948	0.2	2.8	13.4	-42.8	3.8	3.5	8.9	14.7	13.4	13.4	1.4	1.2	1.2	1.6
Basic Resources	210	2.0	-6.0	-11.2	-49.5	2.9	3.1	5.0	8.6	8.5	10.4	0.8	0.6	0.6	0.9
Chemicals	1400	-0.2	4.5	28.3	-38.9	4.0	3.5	11.2	17.7	15.5	14.3	1.7	1.6	1.6	2.1
Financials															
Banks	112	1.1	16.7	18.4	29.0	5.3	7.5	8.6	6.3	6.1	9.8	0.8	0.7	0.7	0.9
Insurance	333	-2.7	8.3	-17.4	40.5	5.2	5.4	13.3	9.5	8.7	9.4	1.5	1.4	1.4	1.0
Financial Services	502	0.1	3.0	31.5	20.6	3.1	3.5	11.3	9.0	10.0	15.4	1.3	1.1	1.1	1.3
Real Estate	122	-3.2	-7.2	2.1	-4.4	5.5	5.2	11.6	10.2	10.3	16.2	0.6	0.6	0.6	1.0
Industrials															
Industrial Goods & Services	1006	1.1	4.6	18.5	14.6	2.2	2.7	19.5	15.9	14.7	15.3	2.8	2.4	2.4	2.3
Construction & Materials	548	0.1	18.5	1.5	2.7	3.6	3.8	12.2	12.1	11.4	13.5	1.7	1.6	1.6	1.6
Consumer Discretionary															
Retail	626	-1.2	22.3	2.5	17.4	3.7	4.1	23.1	20.8	19.2	22.5	4.7	5.0	5.0	5.5
Automobiles and parts	580	-1.4	14.6	9.6	0.0	4.9	5.4	5.9	5.7	5.8	8.4	0.9	0.8	0.8	1.1
Travel and Leisure	212	-3.4	15.4	N/A	57.0	1.0	1.5	19.1	12.0	N/A	N/A	2.7	2.3	2.3	2.0
Consumer Products & Services	465	-2.3	9.0	2.3	14.8	1.4	1.7	33.4	27.7	25.2	21.3	6.8	5.8	5.8	3.7
Media	293	0.9	12.5	21.4	13.6	2.2	2.5	22.5	20.0	18.6	15.5	3.0	3.2	3.2	2.0
Technology	815	-0.4	14.1	-3.6	27.9	1.0	1.2	28.3	21.9	19.7	21.2	4.0	3.8	3.8	3.5
Consumer Staples															
Food, Beverage & Tobacco	154	-2.3	-6.8	11.7	-5.1	1.8	2.3	19.6	18.3	16.5	17.8	2.2	1.8	1.8	2.6
Personal Care, Drug & Grocery	178	-2.7	6.6	6.8	-0.4	2.4	2.5	16.0	15.8	14.4	16.2	2.3	2.2	2.2	2.6
Health care	806	-1.7	3.7	7.2	-4.3	2.4	2.4	15.9	16.8	15.3	15.0	2.0	1.9	1.9	2.1
Communication Services	275	-3.5	4.9	27.8	-4.0	3.8	4.3	14.4	14.0	13.0	13.2	1.5	1.3	1.3	1.9
Utilities	351	-3.5	0.4	23.1	5.3	5.3	5.6	11.9	11.0	11.4	13.2	1.8	1.6	1.6	1.5

Blue box indicates a value more than +2standard deviation from average, light blue a value more than +1standard deviation from average. Orange box indicates a value less than -2standard deviation from average, light orange a value less than -1standard deviation from average

1-month revisions to 12-month Forward EPS

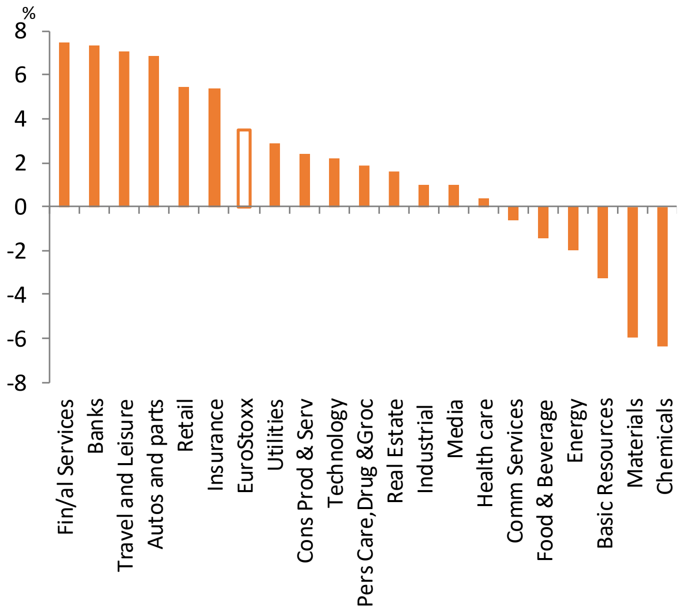
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of September 29th
12-month forward EPS are 25% of 2023 EPS and 75% of 2024 EPS

3-month revisions to 12-month Forward EPS

Earnings Revisions indicate 3-month change in 12-month Forward EPS



Data as of September 29th
12-month forward EPS are 25% of 2023 EPS and 75% of 2024 EPS

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