

A valuation-driven equity market drop in Q2.2022, with S&P500 Price-to Earnings ratio declining to 16.1x from 19.6x

- Government bond nominal interest rates in core markets declined in the past week by circa 25 bps (10Y US Treasury: +2.9%, 10Y Bund: +1.15%) due to lower long-term inflation expectations (see graph page 3). In addition, market-implied expectations for the Fed's and ECB's interest rates one-year ahead, have retreated by circa 60 bps respectively versus mid-June, to 3.0% and 1.25%, respectively.
- US real GDP growth in Q1 was broadly unchanged at -1.6% (from -1.5% in the advance estimate), albeit the details were unfavorable. Indeed, real private consumption growth was revised to +1.8% qoq saar from +3.1%. In addition, US ISM manufacturing new orders contracted for the first time in two years. For Q2, the Atlanta Fed's GDPNowcast model points to near-stagnation (excluding inventories' negative contribution).
- In the euro area, an important risk and intensifying source of concern, as cited, *inter alia*, in Germany's prominent IFO business survey, is the possibility of natural gas flows from Russia being completely cut-off after having been reduced substantially recently, raising concerns for energy rationing and corporate defaults. According to Bundesbank, an abrupt halt to Russian energy deliveries could lead to a rationing of energy use, with 2022 real GDP declining by -2% under an unchanged fiscal policy scenario (European Commission baseline estimate for 2022: +1.6%).
- Note that natural gas storage levels as % of total capacity stand (as of July 3rd) at 62% in Germany. With electricity demand for air conditioning having entered peak summer period and, more importantly, with the flow of supplies increasingly at risk, the European Commission's guideline for reaching 80% by November 2022, appears challenging.
- Note that the Nord Stream 1 natural gas pipeline (the major route of gas from Russia to Europe) is set to shut down from July 11th to July 21st for maintenance. In that context, Uniper SE (one of the biggest importers of Russian gas in Germany) is in talks with the German government for support, reportedly, via, *inter alia*, state guarantees for loans. The stock of Uniper SE has lost circa 70% of its value since a peak on February 11th and 49% in the past two weeks.
- In the second quarter of 2022, most investment strategies, including commodities, posted negative returns, as markets are getting more concerned about growth prospects than inflation risks (see graph below). The S&P500 Energy index ended in negative territory (-6.1%, albeit for an excess return of +10% vs the headline index). The S&P/GSCI Industrial and Agricultural indices lost circa -25% and -12%, respectively.
- The prominent food price index from the Food and Agriculture Organization of the United Nations, have declined by 1.5% cumulatively in April & May, albeit still standing higher by +23% yoy. Wheat prices have declined by c. 26% as of July 4th, versus May's average of \$1228/bushel, in view of ongoing talks regarding a "grain export corridor" from Ukraine via Black Sea ports.
- Fixed income losses due to duration, as well as higher spreads, resulted in positive stock-bond correlation, with a typical 60/40 portfolio of US assets declining by -11% QtD. Since 1976, stock and bonds have declined simultaneously only in 19 out of 186 occurrences (quarters).

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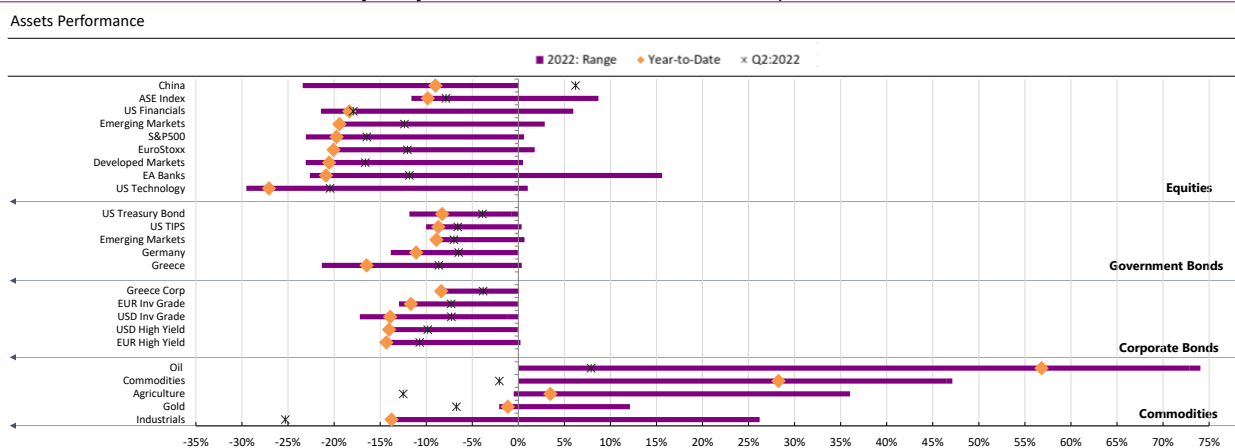
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Charts of the week



Source: NBG Research

US private consumption growth appears softer-than- previously estimated

- **The 3rd estimate for real GDP growth in Q1:22 was insignificantly revised, by -0.1 pp to -1.6% qoq saar, from +6.9% qoq saar in Q4:21.** The estimate for the annual growth was largely stable at +3.5% yoy in Q1:22. Nevertheless, the roughly unchanged headline estimate, masks a meaningful downward revision for the growth of personal consumption, by 1.3 pps to +1.8% qoq saar, which was offset mainly by an upward revision for inventories.
- Regarding Q2:22, private consumption (70% of US GDP) fell by 0.4% mom in May (in constant price terms), following an also downward revised (by 0.4 pps) +0.3% mom in April. The decline was mainly due to the durable goods component (-3.5% mom, led by a -8.2% mom for motor vehicles & parts). Combined with a (much more modest) fall in non-durable goods (-0.6% mom), an increase of 0.3% mom in services consumption was more than offset. In all, personal consumption is up by 1.2% qoq saar so far in Q2 (April – May average versus Q1:22), while the Atlanta Fed's GDPNowcast model points to real GDP growth of -2.1% qoq saar (+1.3% yoy) in Q2:22.

Euro area headline inflation accelerated sharply in June, at fresh record highs and above expectations

- **According to the “flash” estimate, the annual growth of CPI reached a new record (since 1997) high in June, at 8.6% from 8.1% in May, versus consensus estimates for 8.4%.** Energy prices increased sharply anew, by 3.3% mom (nsa) and as a result, the annual growth accelerated to 41.9% from 39.1% in May, contributing circa 4.2 pps to the headline's year-over-year increase. Furthermore, an acute momentum remained in place for the prices of food, alcohol & tobacco (+1.1% mom | +1.2% mom on average so far in 2022 versus an average of +0.2% mom since 1998), leading the annual growth to 8.9%, also the highest on record, from 7.5% previously (1.9 pps contribution to headline).
- Core inflation (which excludes the effects of energy and food components), demonstrated a relatively more modest impetus, up by 0.2% mom, with the annual growth slightly easing to 3.7% (2.6 pps contribution to headline), from a record high of 3.8% in May. However, temporary distortions (to the downside), likely played a role. In the event, the deceleration in the annual growth was due to the services component (+0.3% mom | 3.4% yoy from 3.5% yoy previously). That development was in part due to temporary government measures in Germany (intervention in the cost of public transportation and indirect effects from a reduction of taxes in fuels, which are set to be in place from June to August). In all, German CPI stood at 8.2% yoy in June from 8.7% yoy in May. Regarding prices of non-energy industrial goods in the euro area, they rose by 0.2% mom (4.3% yoy from 4.2% yoy in May).

Euro area bank lending remained strong in May

- **The annual pace of growth of overall private sector borrowing from commercial banks, accelerated by 0.4 pps in May, to +5.7% yoy, the highest since February 2009.** Regarding the two major private sector components, they performed as follows: Loan growth to households (adjusted for sales and securitizations) was broadly unchanged at +4.6% yoy, the highest since October 2008, with a continuing strong momentum regarding lending for

house purchases at +5.3% yoy, whereas the annual pace of growth of consumer credit accelerated by 0.5 pps to +3.5%, mostly due though to favorable base effects. That development is closely linked to the strong impetus for the housing market. Recall that house prices in the euro area rose by 9.4% yoy in Q4:21 (Eurostat's House Price Index), a record (since 2005) high, with an increase of 15.5% from pre-pandemic (Q4:19) levels.

In a similar vein, the annual growth of loans to non-financial corporations (NFCs) accelerated sharply, by 0.6 pps to +5.8%, both due to favorable base effects and a robust net monthly flow (+€25.5 bn, versus an average of +€12.4 bn since 2003). Recall that country-wise, the annual growth rate of loans to non-financial corporations stood at +8.5% in Germany, +7.9% in France, +2.6% in Italy and +1.7% in Spain.

Japan: Mixed business sentiment data

- **The Bank of Japan's quarterly Tankan survey that assesses business conditions, pointed to a weaker confidence in June compared with three months ago for manufacturers and a stronger one for non-manufacturers, albeit investment plans are robust across the board.** Specifically, the headline business conditions index for large manufacturers was down by 5 pts to +9, below consensus estimates for +13, still though above an average of +3 since 2000. At the same time, the index for large non-manufacturers was up by 4 pts to +13 (average of +6 since 2000), roughly in line with expectations. Regarding respondents' outlook for activity for three months ahead, the respective index for manufacturers was little changed (+1 pt to +10 | consensus: 14), whereas improving among non-manufacturers (+6 pts to +13 | consensus: +17). Importantly, companies' fixed investment plans (including all surveyed large enterprises | excluding software and R&D investment) for the fiscal year 2022 (i.e. April 2022-March 2023) stood at a solid +18.6% yoy, the highest reported in this time of the year in the survey's history (i.e. since 1983) and well above consensus estimates for +8.9% yoy (software: +13.8% yoy | R&D: +6.0% yoy).

China's PMIs suggest business activity expanded for the first time since February 2022

- **PMIs rose significantly for a 2nd consecutive month in June in view of an improved pandemic situation and an alleviation of respective restrictions, above the expansion/contraction threshold of 50.0.** In the event, the Caixin manufacturing PMI was up by 3.6 pts to 51.7, meaningfully above consensus estimates for 50.1. At the same time, the “official” manufacturing PMI, i.e. the one from the National Bureau of Statistics (NBS) of China, increased by 0.6 pts to 50.2, largely in line with expectations. The improvement was led by the output component (+3.1 pts to 52.8), in view of an easing of lockdowns in major manufacturing hubs (*inter alia*, in the cities of Shanghai, Suzhou and Jilin). In the event, according to the NBS, the output indexes of sectors most heavily impacted by pandemic-related restrictions (e.g. equipment making, automobiles), over-performed (>54 in June). Finally, the official nonmanufacturing PMI (which covers the services and construction sectors) rose sharply, by 6.9 to 54.7, well above expectations for 52.5, led by the services sub-index (+7.2 pts to 54.3 | construction sub-index: +4.4, to 56.6 in June). Again, the improvement of epidemiological data was the main driver, with PMIs in airline and railway transportation rising above 65.

Equities

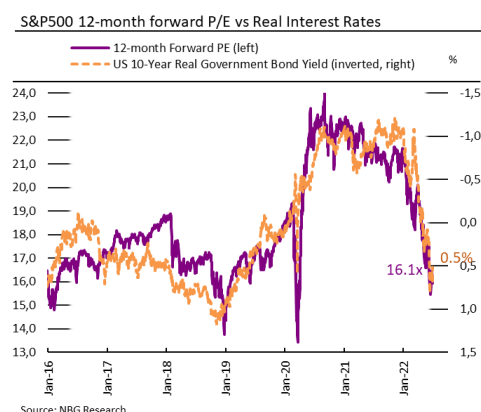
- Global equity markets recorded losses overall in the past week, with economic growth pessimism setting the tone for the most part.** Specifically, the MSCI ACWI fell by 2.2% wov (-21% ytd), with Developed (-2.3% wov | -21% ytd) and Emerging Markets (-1.8% wov | -19% ytd) performing similarly. In the US, the S&P500 fell by 2.2% overall in the past week, albeit rising by 1.1% on Friday after having recorded the worst 1st half of a year since 1970 (-21%). Notably, in Q2:22 sharp losses were particularly broad based (22 out of the 24 industry groups were deep in negative territory). Sector-wise, Automobiles led the decrease (-7.3% wov), led by Tesla (-7.5%) in view of nervousness for personnel cuts and reduced car deliveries (-18% qoq in volume terms) in Q2:22 (albeit both developments were anticipated, with the latter being distorted by pandemic-related lockdowns in Shanghai which hampered production). On the other side of the Atlantic, the EuroStoxx declined by 2.1% wov (-20% ytd). Overall in Q2:22 sharp losses were recorded in 17 of the 19 industry groups. Finally, Chinese bourses over-performed in the past week (CSI300: +1.6% wov | -10% ytd), on the back of better than expected PMIs. In Q2, the small-cap equity index decreased by 17%, whereas Growth underperformed Value by a significant margin of 1100 basis points, albeit both recorded negative returns on an absolute basis (-21% and -11%, respectively).

Fixed Income

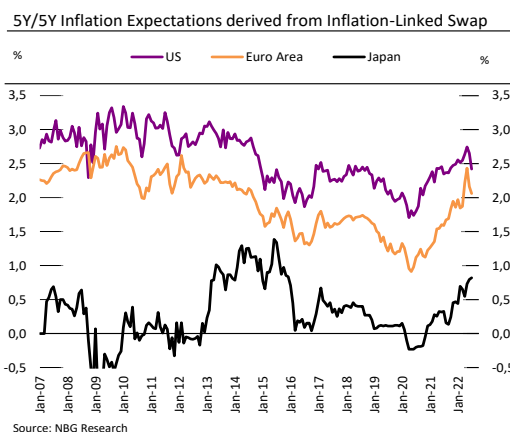
- Government bond yields fell further in the past week, in view of economic growth pessimism.** In all, in the US, the 10-year yield decreased by 23 bps wov to 2.89% and in Germany by 27 bps to 1.17% (albeit the latter partially recovered on Monday July 4th, by 14 bps to 1.31%). Euro area periphery government bond yields tracked core markets for the most part. Specifically, in Italy, the 10-year yield fell by 42 bps in the past week, to 3.00% (+22 bps on July 4th to 3.22%), in Spain, it declined by 35 bps wov to 2.18% (followed by +20 bps to 2.38% on Monday), while in Greece, it decreased by 21 bps wov to 3.55% (-5 bps to 3.50% on Monday). **Corporate bond spreads widened, especially in the EUR High Yield (HY) spectrum, in account of risk aversion.** In the event, US HY spreads rose by 74 bps to 592 bps, while their euro area counterparts increased by 73 bps to 653 bps. In the Investment Grade spectrum, the USD and the EUR spreads rose by 10 & 16 bps to 165 bps and 212 bps, respectively.

FX and Commodities

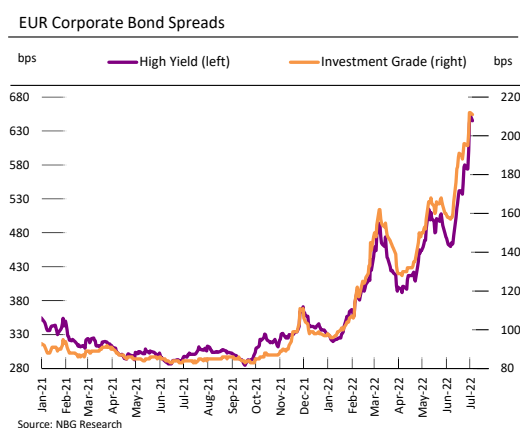
- In foreign exchange markets, the euro lost 1.5% wov against the US Dollar, to \$1.039, with the latter benefitting from risk aversion.** In addition, latest officials' commentary suggest that the ECB will stick to its planned 25 bps hike of interest rates on July 21st (resisting a larger one). Finally, on Monday July 4th, the Australia Dollar posted a partial recovery (+1.2% against the US Dollar to USD/AUD: 1.46, after having fallen by 2.5% in the past week), in view of a hike by 50 bps to 1.35% from the Reserve Bank of Australia of its main policy interest rate (cash rate). **In commodities, oil prices were modestly changed in the past week (Brent: -1.3% wov to \$111.6/barrel | WTI: +0.8% wov to \$108.4/barrel), with demand concerns being offset by ongoing supply challenges.** Regarding the latter, media reports suggest that OPEC continues to fall well short of its planned increases of output, while strikes in the oil & gas industry in Norway during the current week are set to further weigh on oil supply. These strikes, alongside the shutdown of the Nord Stream 1 natural gas pipeline (the major route of gas from Russia to Europe) from July 11th to July 21st for maintenance, added to nervousness regarding the supply of natural gas to Europe, leading the respective prices sharply higher (spot Dutch TTF: +15.0% in the past week and further +10.3% on Monday July 4th, to €162.9/MWh. Finally, copper prices fell by 4.1% in the past week and further by 0.5% on Monday to a 17-month low of \$7999/mt (-23.5% since early-April), a development indicative of mounting concerns for a slowdown in global economic activity.



Graph 1.



Graph 2.



Graph 3.

Quote of the week: "For two equally sound firms in the euro area, a change in the monetary policy stance should lead to a similar reaction in their financing conditions, no matter in which country they are domiciled. Should that not be the case, we will react to prevent fragmentation, with suitable safeguards to prevent moral hazard.", **Vice-President of the ECB, Luis De Guindos, July 4th 2022.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	July 1st	3-month	6-month	12-month	Official Rate (%)	July 1st	3-month	6-month	12-month
Germany	1,17	1,70	1,80	2,00	Euro area	-0,50	0,25	1,25	2,25
US	2,89	3,20	3,30	3,40	US	1,75	3,00	3,50	4,00
UK	2,01	2,00	2,02	1,95	UK	1,25	2,00	2,30	2,40
Japan	0,23	0,23	0,24	0,28	Japan	-0,10	-0,10	-0,10	-0,10

Currency	July 1st	3-month	6-month	12-month	July 1st	3-month	6-month	12-month	
EUR/USD	1,04	1,06	1,08	1,10	USD/JPY	135	124	126	125
EUR/GBP	0,83	0,85	0,87	0,87	GBP/USD	1,21	1,24	1,25	1,26
EUR/JPY	141	132	136	138					

Forecasts at end of period

Economic Forecasts

United States	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22f	Q3:22f	Q4:22f	2022f
Real GDP Growth (YoY) (1)	-3.4	0.5	12.2	4.9	5.5	5.7	3.5	1.6	1.3	0.3	1.7
Real GDP Growth (QoQ saar) (2)	-	6.3	6.7	2.3	6.9	-	-1.6	-1.1	1.2	2.6	-
Private Consumption	-3.8	11.4	12.0	2.0	2.5	7.9	1.8	1.0	1.0	2.2	2.3
Government Consumption	2.5	4.2	-2.0	0.9	-2.6	0.5	-2.9	1.1	0.9	0.9	-0.9
Investment	-2.7	13.0	3.3	-0.9	2.7	7.8	7.4	-1.5	2.5	3.1	2.6
Residential	6.8	13.3	-11.7	-7.7	2.2	9.2	0.4	-10.3	-1.4	1.1	-3.4
Non-residential	-5.3	12.9	9.2	1.7	2.9	7.4	10.0	0.6	3.4	3.5	4.5
Inventories Contribution	-0.6	-3.7	-1.7	2.1	5.4	0.1	-0.1	-1.9	-1.5	-0.3	0.6
Net Exports Contribution	-0.2	-2.0	-0.4	-1.5	-0.7	-1.9	-3.9	0.2	1.3	0.6	-1.1
Exports	-13.6	-2.9	7.6	-5.3	22.4	4.5	-4.8	8.5	7.6	2.4	5.0
Imports	-8.9	9.3	7.1	4.7	17.9	14.0	18.9	3.8	-2.1	-1.7	9.1
Inflation (3)	1.2	1.9	4.9	5.4	6.7	4.7	8.0	8.4	9.0	8.1	8.3

Euro Area	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22f	Q3:22f	Q4:22f	2022f
Real GDP Growth (YoY)	-6.5	-0.9	14.7	4.0	4.7	5.4	5.4	3.4	0.9	0.9	2.6
Real GDP Growth (QoQ saar)	-	-0.5	8.9	9.6	1.0	-	2.5	0.5	-0.5	0.9	-
Private Consumption	-7.9	-8.6	16.3	19.3	-1.0	3.6	-2.7	1.8	0.8	0.2	2.7
Government Consumption	0.9	-0.6	7.7	1.5	1.4	3.9	-1.4	2.4	0.7	0.4	1.1
Investment	-7.2	0.4	5.5	-3.6	13.2	4.1	0.2	0.9	0.3	0.2	2.5
Inventories Contribution	-0.5	4.4	-2.4	-0.9	1.8	0.3	2.3	-1.4	-1.4	-1.0	0.1
Net Exports Contribution	-0.4	-0.2	0.4	1.3	-3.1	1.3	1.9	0.4	0.3	1.7	0.3
Exports	-9.5	3.5	13.5	7.8	11.2	10.8	1.5	3.0	2.6	2.9	5.2
Imports	-9.4	4.2	14.0	5.6	20.3	8.7	-2.3	2.5	2.1	-0.4	5.2
Inflation	0.3	1.0	1.8	2.9	4.7	2.6	6.1	8.0	8.8	8.0	7.7

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

12-Month View & Key Factors for Global Markets

	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Households' balance sheets are healthy + Service-oriented sectors are re-opening + Sentiment (e.g. AAI) and positioning indicators are hitting extreme lows - Peaking profit margins - Recession risks are increasing - P/Es (Valuations) still remain above l-t means, despite the recent correction 	<ul style="list-style-type: none"> + Still high equity risk premium relative to other regions + Still loose fiscal policy in 2022 (plus RRF) - Geopolitical uncertainty (Ukraine-Russia, natural gas) could intensify - Logistic disruptions (vaccine) and renewed lockdowns in China delay the export-led recovery 	<ul style="list-style-type: none"> + Still aggressive QE and "yield-curve" targeting by the BoJ + JPY depreciation @ 20Y highs (¥130) support exporters - Signs of policy fatigue regarding structural reforms and fiscal discipline - Chinese growth deceleration 	<ul style="list-style-type: none"> + Significant exposure to commodities + Undemanding valuations in relative terms relative to other regions - Elevated domestic policy uncertainty
Government Bonds	<ul style="list-style-type: none"> + Valuations appear rich despite the 200bps increase, with term-premium @ 0% (1% for 2000-2015) + Sizeable fiscal deficit + Underlying inflation pressures under Average Inflation Targeting + Fed: End of asset purchases - Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) continues - Safe haven demand 	<ul style="list-style-type: none"> + Valuations still appear excessive compared with long-term fundamentals + ECB: End of APP purchases in June 2022, interest rate hikes in H2 - Political Risks - Fragile growth outlook - ECB QE "stock" effect 	<ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% 	<ul style="list-style-type: none"> + Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China) + The BoE is expected to raise rates towards 2% - Slowing economic growth post-Brexit
Foreign Exchange	<ul style="list-style-type: none"> + Slightly higher yields expected + Weak global growth / Safe-haven demand status + USD interest rate differential vs peers remain significant + Aggressive Fed tightening - Global political uncertainty to decline 	<ul style="list-style-type: none"> + Slightly higher yields expected + Current account surplus - Still negative interest rates - Global growth risks remain to the downside 	<ul style="list-style-type: none"> + Stable yields expected + Safe haven demand + More balanced economic growth recovery (long-term) + Inflation is bottoming out - Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2% 	<ul style="list-style-type: none"> + Slightly higher yields expected + Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit
	● Broadly Flat USD against G10 FX	● Broadly Flat/Stronger EUR against the USD	▲ Slightly higher JPY	● Broadly stable GBP expected

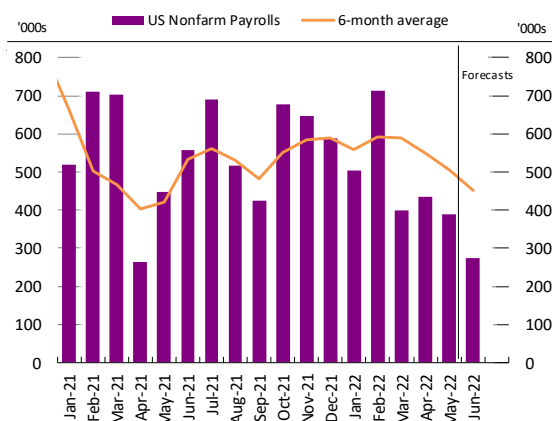
Economic Calendar

In the US, the main macro event next week is the labor market report for June, with consensus estimates for a satisfactory (albeit with a gradually easing impetus) job creation. The services PMI from the ISM for June will offer additional valuable information on the economic momentum. Meanwhile, the minutes of the meetings of the FOMC on June 14th – 15th, will be watched for a better gauge of monetary policy prospects.

In the Euro area, the accounts of ECB's meeting on June 9th, are due in the next week.

In Japan, the Economy Watchers survey for June, will inform the outlook for the economic momentum.

US Nonfarm Payrolls



Source: NBG Research

Economic News Calendar for the period: June 28 - July 11, 2022

Tuesday 28					Wednesday 29					Thursday 30						
	S	A	P		S	A	P		S	A	P		S	A	P	
US				US				US				US				
S&P Case/Shiller house price index 20 (YoY)	April	21.0%	+ 21.2%	21.1%	GDP (QoQ, annualized)	Q1:22	-1.5%	-	-1.6%	-1.5%	Initial Jobless Claims (k)	June 25	228	-	231	233
Conference board consumer confidence	June	101.0	-	98.7	103.2	JAPAN					Continuing Claims (k)	June 18	1315	-	1328	1331
					Retail sales (MoM)	May	...	0.6%	1.0%	Personal income (MoM)	May	0.5%	0.5%	0.5%		
					Retail sales (YoY)	May	3.5%	+ 3.6%	3.1%	Personal spending (MoM)	May	0.2%	0.2%	0.6%		
					EURO AREA					PCE Deflator (YoY)	May	6.5%	-	6.3%	6.3%	
					M3 money supply (YoY)	May	5.8%	5.6%	6.1%	PCE Core Deflator (YoY)	May	4.8%	-	4.7%	4.9%	
					Business Climate Indicator	June	1.1	+ 1.5	1.3	UK						
					Economic confidence indicator	June	103	+ 104	105	GDP (QoQ)	Q1:22	0.8%	0.8%	0.8%		
										GDP (YoY)	Q1:22	8.7%	8.7%	8.7%		
										Nationwide House Px NSA YoY	June	..	10.7%	11.2%		
										JAPAN						
										Industrial Production (MoM)	May	-0.4%	-	-7.2%	-1.5%	
										Industrial Production (YoY)	May	0.4%	-	-2.8%	-4.9%	
										Construction Orders YoY	May	..	19.5%	30.5%		
										EURO AREA						
										Unemployment Rate	May	6.8%	+ 6.6%	6.7%		
										GERMANY						
										Retail sales (MoM)	May	..	0.6%	-5.4%		
										Retail sales (YoY)	May	..	-3.6%	-0.4%		
										CHINA						
										Manufacturing PMI	June	50.2	50.2	49.6		

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

Equity Markets (in local currency)

Developed Markets							Emerging Markets					
		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	
US	S&P 500	3825	-2.2	-19.7	-11.4	22.8	MSCI Emerging Markets	59263	-1.4	-15.4	-22.5	2.7
Japan	NIKKEI 225	25936	-2.1	-9.9	-9.7	17.2	MSCI Asia	912	-1.8	-14.8	-23.4	2.8
UK	FTSE 100	7169	-0.6	-2.9	0.6	16.4	China	74	-0.5	-11.0	-31.7	-15.6
Canada	S&P/TSX	18861	-1.1	-11.1	-6.5	21.6	Korea	699	-2.8	-23.3	-30.7	5.4
Hong Kong	Hang Seng	21860	0.6	-6.6	-24.2	-10.5	MSCI Latin America	85810	0.5	-7.0	-17.4	3.3
Euro area	EuroStoxx	383	-2.1	-20.0	-15.8	8.6	Brazil	282743	0.7	-7.7	-26.7	-7.5
Germany	DAX 40	12813	-2.3	-19.3	-17.9	4.5	Mexico	44974	0.6	-9.9	-1.9	29.1
France	CAC 40	5931	-2.3	-17.1	-9.5	20.4	MSCI Europe	2238	-3.0	-67.7	-67.3	-57.6
Italy	FTSE/MIB	21355	-3.5	-21.9	-15.5	10.5	Russia*	2207	-7.7	-41.7	-42.8	-19.6
Spain	IBEX-35	8176	-0.8	-6.2	-8.5	13.1	Turkey	2580614	-4.6	24.2	68.6	84.1

World Market Sectors (MSCI Indices)

in US Dollar terms						in local currency					
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	
Energy	213.0	0.7	22.1	25.1	73.6	Energy	223.2	1.2	26.1	30.8	74.6
Materials	289.6	-3.7	-19.6	-17.5	16.4	Materials	288.6	-2.9	-15.4	-11.9	20.1
Industrials	271.8	-1.2	-22.4	-20.1	14.6	Industrials	282.4	-0.8	-18.6	-14.9	20.3
Consumer Discretionary	302.1	-4.2	-31.5	-27.2	6.4	Consumer Discretionary	302.0	-3.9	-29.3	-24.1	10.2
Consumer Staples	264.0	-0.4	-10.0	-4.0	12.8	Consumer Staples	272.8	0.2	-6.4	0.7	15.8
Healthcare	331.6	-0.1	-10.3	-3.3	17.4	Healthcare	334.5	0.3	-7.9	-0.2	19.9
Financials	122.1	-1.7	-18.3	-14.7	28.5	Financials	125.9	-1.2	-15.3	-10.7	31.0
IT	401.5	-4.8	-29.9	-19.6	13.6	IT	394.0	-4.7	-29.0	-18.2	15.2
Telecoms	77.1	-4.1	-27.8	-29.8	0.2	Telecoms	82.3	-3.9	-26.3	-28.0	2.3
Utilities	155.2	2.4	-5.5	1.9	12.8	Utilities	163.2	2.9	-2.6	6.4	15.2

Bond Markets (%)

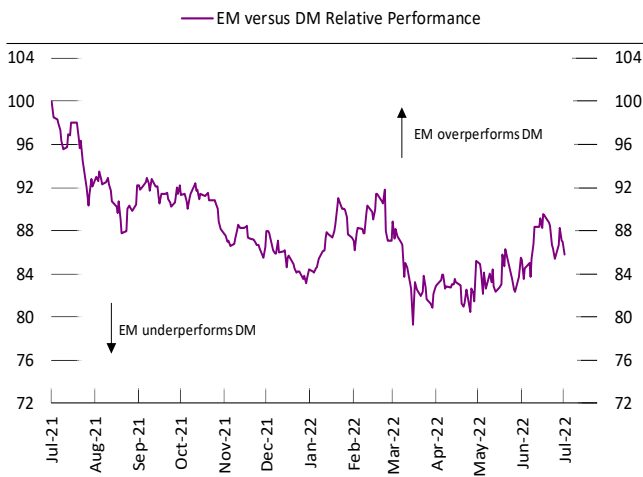
10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)					
	Current	Last week	Year Start	One Year Back	10-year average	Current	Last week	Year Start	One Year Back	10-year average	
US	2.89	3.13	1.51	1.47	2.06	US Treasuries 10Y/2Y	-3	4	78	120	106
Germany	1.17	1.44	-0.18	-0.21	0.44	US Treasuries 10Y/5Y	1	-5	25	57	54
Japan	0.23	0.23	0.07	0.04	0.22	Bunds 10Y/2Y	77	63	46	47	85
UK	2.01	2.31	0.97	0.72	1.42	Bunds 10Y/5Y	33	27	28	39	57
Greece	3.55	3.76	1.32	0.82	6.18	Corporate Bond Spreads (in bps)					
Ireland	1.82	2.08	0.25	0.16	1.58	EM Inv. Grade (IG)	197	182	139	142	192
Italy	2.99	3.42	1.17	0.80	2.26	EM High yield	839	784	618	519	622
Spain	2.19	2.54	0.57	0.40	1.87	US IG	165	155	98	87	133
Portugal	2.23	2.50	0.46	0.38	2.72	US High yield	592	518	310	302	452
US Mortgage Market (1. Fixed-rate Mortgage)						Euro area IG	212	196	98	84	118
30-Year FRM¹ (%)	5.84	5.98	3.31	3.20	4.03	Euro area High Yield	653	580	331	298	411
vs 30Yr Treasury (bps)	267.2	268.8	138.9	109.9	131.1						

Foreign Exchange & Commodities

Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	
Euro-based cross rates						Agricultural	461	-6.2	-16.5	11.2	3.5
EUR/USD	1.04	-1.5	-2.6	-12.4	-8.6	Energy	381	-1.1	-7.6	54.2	51.1
EUR/CHF	1.00	-0.6	-2.6	-8.8	-3.4	West Texas Oil (\$/bbl)	108	0.8	-5.9	44.1	44.2
EUR/GBP	0.87	0.9	1.4	0.5	3.1	Crude brent Oil (\$/bbl)	112	-1.3	-4.0	47.2	43.5
EUR/JPY	140.40	-1.5	1.3	6.1	7.2	HH Natural Gas (\$/mmbtu)	5.7	-1.2	-32.3	52.4	50.0
EUR/NOK	10.37	-0.4	3.0	1.5	3.4	TTF Natural Gas (EUR/mwh)	148	15.0	72.7	308.9	110.1
EUR/SEK	10.76	0.7	2.6	5.8	4.5	Industrial Metals	430	-3.0	-14.6	-5.9	-13.8
EUR/AUD	1.53	1.0	3.4	-3.3	-1.9	Precious Metals	2322	-2.1	-3.3	-1.5	-2.9
EUR/CAD	1.34	-1.4	-0.5	-8.7	-6.5	Gold (\$)	1811	-0.9	-1.9	2.0	-0.6
USD-based cross rates						Silver (\$)	20	-5.9	-8.8	-23.7	-14.2
USD/CAD	1.29	0.1	2.2	4.3	2.3	Baltic Dry Index	2214	-5.0	-15.9	-33.7	-0.1
USD/AUD	1.48	2.5	6.1	10.4	7.4	Baltic Dirty Tanker Index	1224	0.4	10.9	106.8	55.7
USD/JPY	135.12	-0.1	4.0	21.1	17.3						

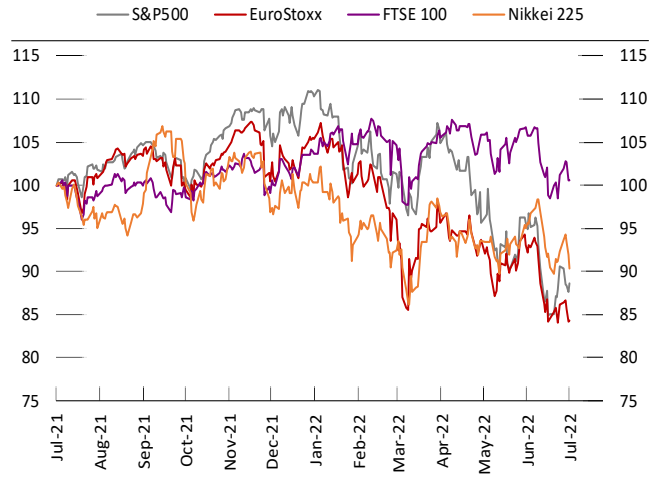
Source: NBG Research, Data as of July 1st, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads, *Stock trading on MOEX Index partially resumed on March 24th after being halted since February 25th

EM vs DM Performance in \$



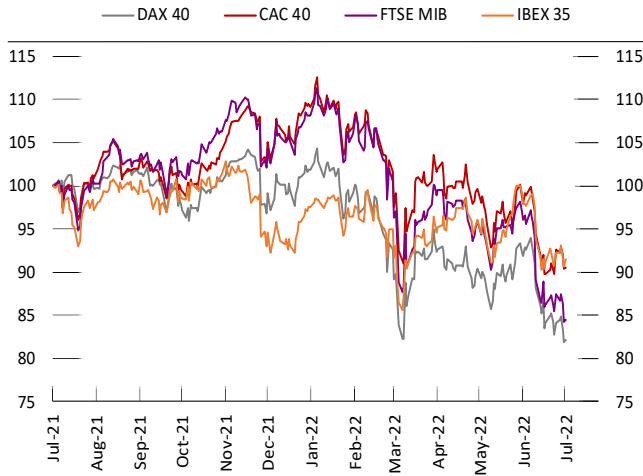
Data as of July 1st – Rebased @ 100

Equity Market Performance - G4



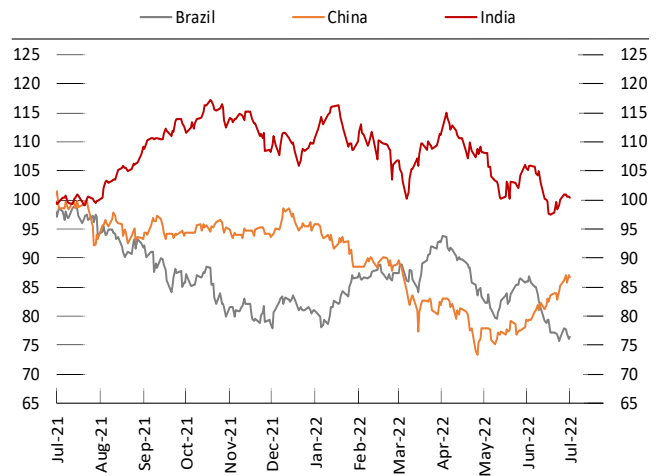
Data as of July 1st – Rebased @ 100

Equity Market Performance – Euro Area G4



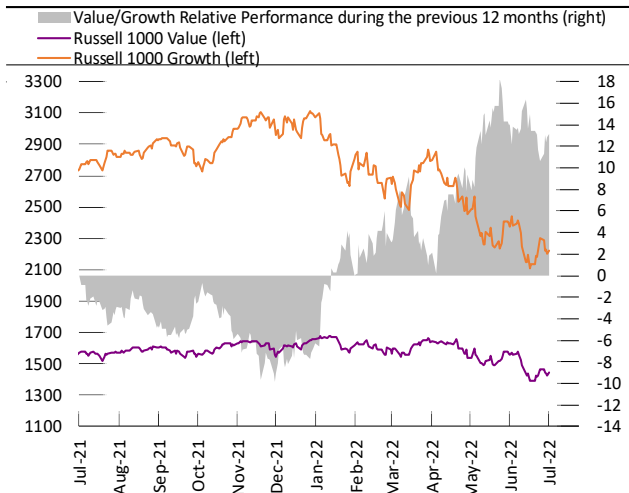
Data as of July 1st – Rebased @ 100

Equity Market Performance – Emerging Markets



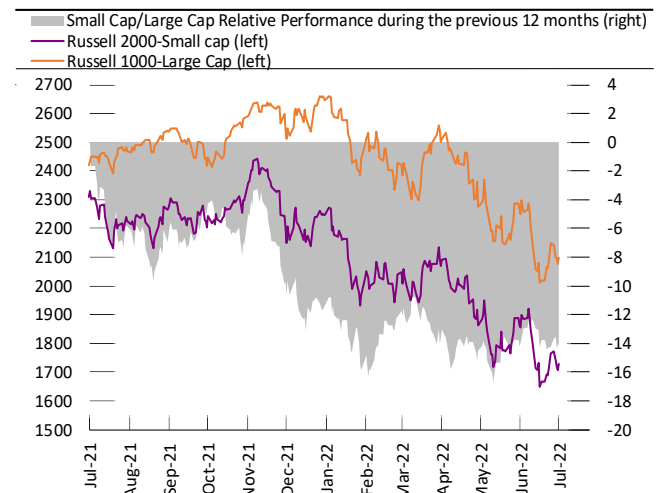
Data as of July 1st – Rebased @ 100

Russell 1000 Value & Growth Index



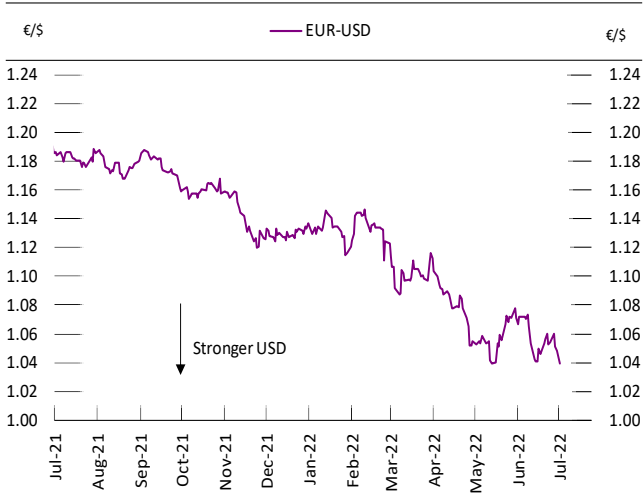
Data as of July 1st

Russell 2000 & Russell 1000 Index



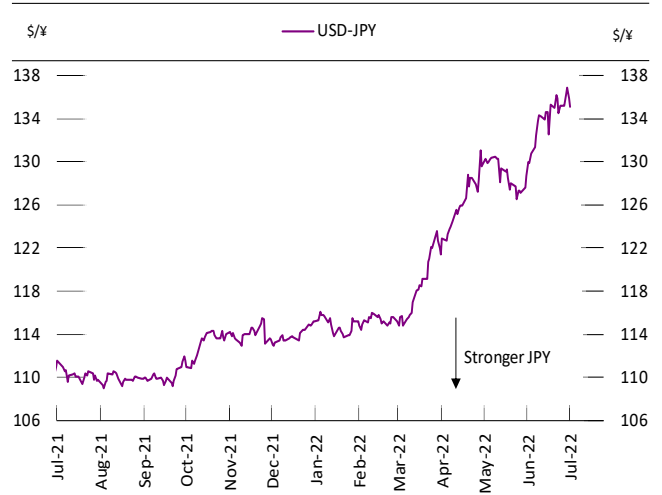
Data as of July 1st

EUR/USD



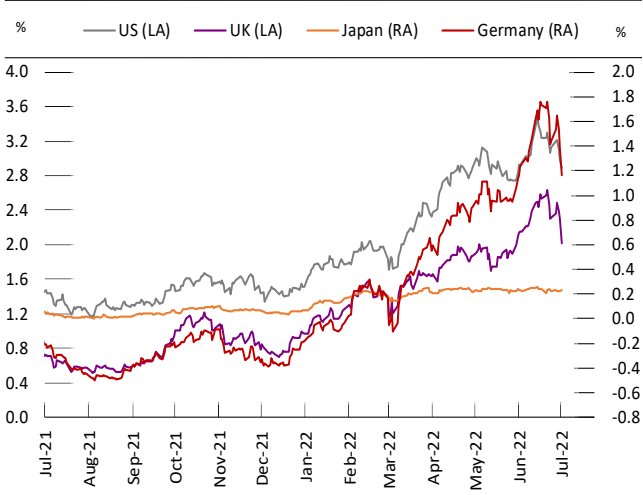
Data as of July 1st

JPY/USD



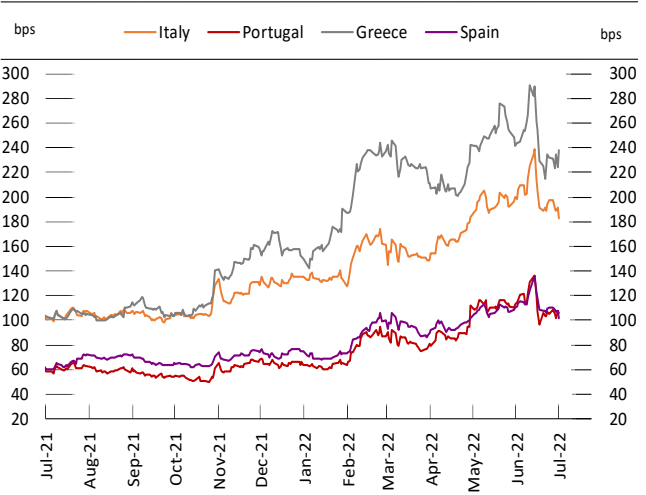
Data as of July 1st

10- Year Government Bond Yields



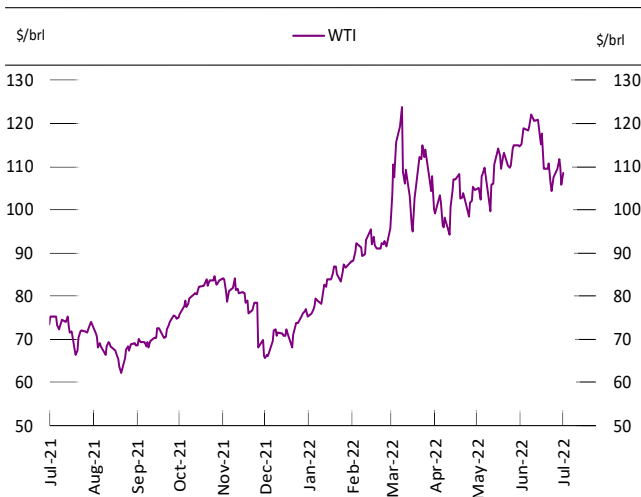
Data as of July 1st
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



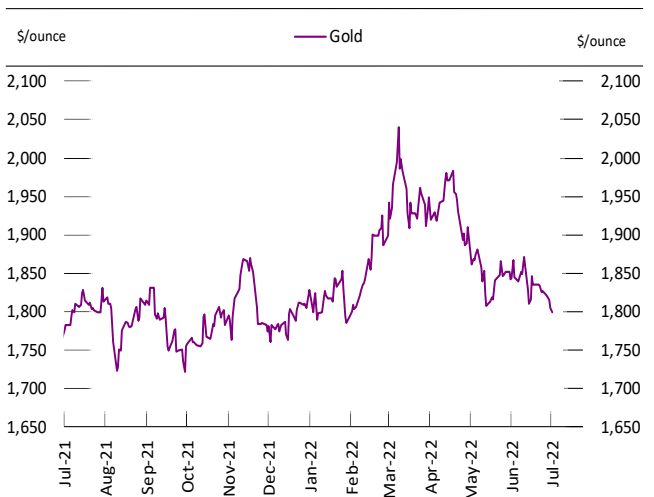
Data as of July 1st

West Texas Intermediate (\$/bbl)



Data as of July 1st

Gold (\$/ounce)



Data as of July 1st

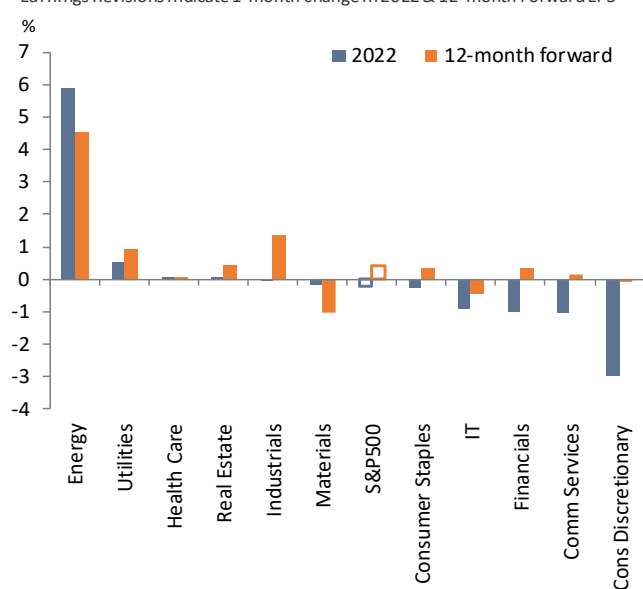
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	1/7/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
S&P500	3825	-2.2	-19.7	10.1	9.4	1.7	1.8	16.8	15.4	16.1	17.2	3.6	3.3	3.4	3.0
Energy	554	1.3	31.1	122.8	-13.1	3.5	3.4	7.9	9.1	8.5	15.7	2.1	1.9	2.0	1.7
Materials	466	-3.1	-18.1	19.4	-6.3	2.2	2.3	12.1	12.9	12.5	16.1	2.6	2.3	2.4	2.7
Financials															
Diversified Financials	878	-1.6	-19.8	-10.2	12.5	1.8	1.9	14.2	12.6	13.4	14.9	1.7	1.5	1.6	1.6
Banks	317	-2.4	-24.3	-15.5	16.3	3.3	3.6	9.6	8.3	9.0	11.5	1.0	1.0	1.0	1.1
Insurance	542	0.5	-1.5	-0.1	14.6	2.1	2.3	13.6	11.8	12.7	11.7	1.7	1.6	1.6	1.2
Real Estate	261	-0.5	-19.8	11.5	5.6	3.1	3.3	18.7	17.7	18.2	18.8	3.2	3.3	3.2	3.3
Industrials															
Capital Goods	744	-0.9	-16.5	21.3	18.1	1.9	2.1	17.5	14.8	16.2	17.2	3.9	3.6	3.8	4.0
Transportation	929	-1.4	-17.7	127.8	24.6	1.9	2.1	15.4	12.4	N/A	13.9	5.2	4.3	4.7	4.1
Commercial Services	460	1.0	-15.4	10.1	10.7	1.3	1.3	24.8	22.4	23.6	21.6	5.6	5.0	5.3	4.0
Consumer Discretionary															
Retailing	2906	-4.5	-31.2	-26.8	42.2	0.8	0.9	31.9	22.4	27.2	27.2	9.6	7.9	8.8	9.1
Consumer Services	1148	-1.4	-24.0	2903.6	113.0	1.3	1.5	39.7	18.6	N/A	28.9	23.6	16.8	20.2	10.5
Consumer Durables	343	-5.8	-35.6	16.1	1.8	1.9	2.0	10.4	10.2	10.3	17.0	2.6	2.3	2.5	3.3
Automobiles and parts	125	-7.3	-37.2	24.9	19.7	0.2	0.2	26.2	21.9	N/A	15.4	4.7	4.0	4.4	2.7
IT															
Technology	2609	-2.4	-23.5	8.9	6.9	1.0	1.0	19.5	18.3	18.9	15.5	13.4	11.7	12.6	6.7
Software & Services	2955	-3.8	-24.1	13.9	15.1	1.0	1.0	24.5	21.3	22.9	21.4	7.6	6.5	7.1	6.2
Semiconductors	1620	-9.4	-38.4	11.0	7.4	1.7	1.8	13.9	13.0	13.4	15.5	3.9	3.5	3.7	3.8
Communication Services	187	-4.5	-30.0	-3.0	16.3	0.9	1.0	16.1	13.8	14.9	19.1	2.8	2.5	2.7	3.2
Media	710	-5.6	-34.5	-0.6	18.4	0.3	0.4	17.4	14.7	16.0	22.5	3.4	3.0	3.2	3.7
Consumer Staples															
Food & Staples Retailing	612	-0.6	-12.6	6.9	7.7	1.6	1.7	20.4	18.9	19.7	18.4	4.5	4.0	4.2	3.6
Food Beverage & Tobacco	832	0.4	1.9	3.2	6.7	3.1	3.3	19.6	18.3	19.0	18.5	5.0	4.9	5.0	5.0
Household Goods	857	0.7	-12.2	1.5	9.3	2.3	2.4	25.7	23.5	24.6	21.4	10.5	10.1	10.3	6.8
Health Care															
Pharmaceuticals	1239	-0.3	-4.6	6.2	-5.1	1.9	2.0	14.5	15.3	14.9	15.3	5.2	4.6	4.9	4.3
Healthcare Equipment	1756	1.4	-12.3	3.2	9.8	1.2	1.3	18.8	17.1	18.0	16.8	3.6	3.3	3.5	3.0
Utilities	365	4.1	0.4	2.1	7.6	3.0	3.1	20.8	19.4	20.1	17.2	2.2	2.1	2.2	1.8

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 2022 & 12-month Forward EPS

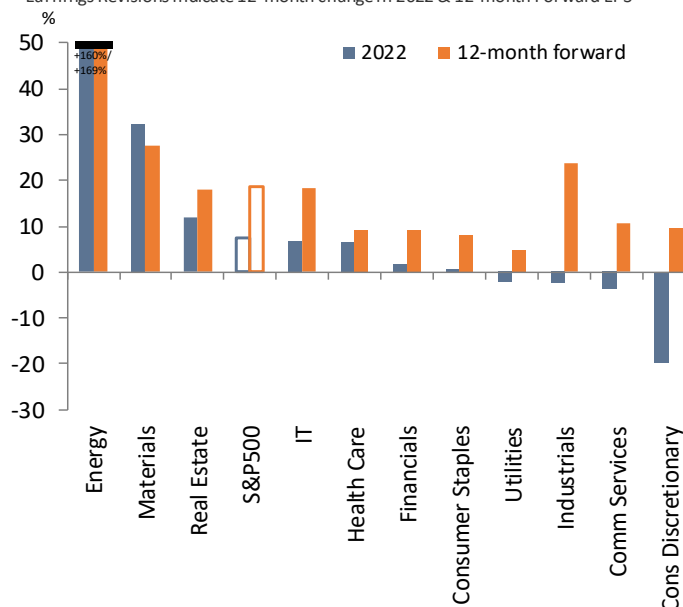
Earnings Revisions indicate 1-month change in 2022 & 12-month Forward EPS



Data as of July 1st
12-month forward EPS are 50% of 2022 EPS and 50% of 2023 EPS

12-month revisions to 2022 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2022 & 12-month Forward EPS



Data as of July 1st
12-month forward EPS are 50% of 2022 EPS and 50% of 2023 EPS

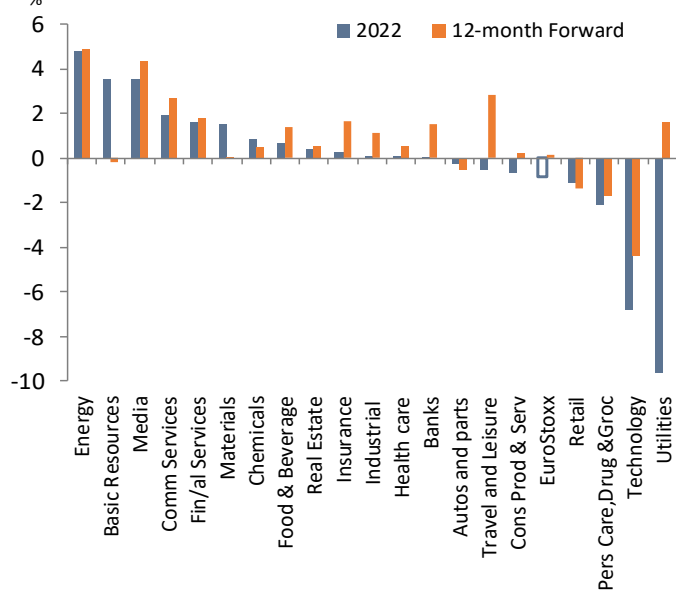
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	1/7/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
EuroStoxx	383	-2.1	-20.0	9.7	9.2	3.4	3.7	12.4	11.4	11.9	14.6	1.5	1.4	1.4	1.5
Energy	305	-0.2	5.6	95.7	-16.3	5.1	5.3	5.4	6.5	6.0	13.0	1.1	1.0	1.1	1.2
Materials	852	-3.6	-18.3	9.7	-14.4	3.3	3.3	9.8	11.4	10.6	15.7	1.5	1.4	1.5	1.7
Basic Resources	202	-2.1	-18.7	7.6	-37.8	3.6	3.8	3.4	5.5	4.5	10.0	0.6	0.5	0.6	0.8
Chemicals	1241	-3.7	-18.3	12.3	-1.2	3.3	3.2	13.4	13.5	13.4	16.7	2.0	1.9	1.9	2.2
Financials															
Banks	80	-5.0	-20.6	-2.4	11.9	6.8	7.8	6.9	6.2	6.6	9.9	0.5	0.5	0.5	0.7
Insurance	268	0.2	-12.5	-1.0	15.5	6.2	6.6	9.0	7.8	8.4	9.7	0.9	0.8	0.8	0.9
Financial Services	475	-2.1	-17.9	26.4	-7.9	3.3	3.4	10.3	11.2	10.8	14.6	1.2	1.3	1.3	1.2
Real Estate	153	-6.4	-31.5	7.5	5.3	5.8	6.7	11.7	11.1	11.4	17.1	0.6	0.5	0.6	1.0
Industrials															
Industrial Goods & Services	867	-1.7	-26.0	19.3	16.0	2.6	3.0	15.7	13.5	14.6	17.3	2.3	2.1	2.2	2.6
Construction & Materials	431	-2.8	-20.6	-8.3	9.9	4.1	4.4	11.4	10.4	10.9	14.8	1.5	1.3	1.4	1.5
Consumer Discretionary															
Retail	440	0.9	-36.5	-5.2	9.2	4.7	5.3	18.6	17.0	17.8	26.2	3.6	3.5	3.5	5.7
Automobiles and parts	474	-3.9	-24.8	0.0	4.6	6.6	6.5	5.1	4.9	5.0	8.1	0.7	0.6	0.7	1.0
Travel and Leisure	150	-4.8	-22.7	N/A	78.9	1.2	2.1	24.2	13.5	N/A	N/A	1.9	1.8	1.8	2.2
Consumer Products & Services	391	-1.7	-26.0	9.1	13.6	1.8	2.0	25.0	22.0	23.5	24.6	5.2	4.6	4.9	4.1
Media	233	-1.5	-18.3	13.6	14.8	2.7	3.0	18.3	15.9	17.1	17.5	2.4	2.3	2.4	2.2
Technology	651	-5.6	-33.7	0.2	22.8	1.2	1.4	21.4	17.4	19.4	21.4	3.1	2.8	2.9	3.6
Consumer Staples															
Food, Beverage & Tobacco	168	0.8	-12.6	15.0	12.0	1.9	2.2	18.8	16.8	17.8	20.0	2.0	1.9	2.0	2.6
Personal Care, Drug & Grocery	169	1.7	-15.8	-0.2	9.0	2.5	2.7	16.0	14.7	15.3	17.6	2.3	2.1	2.2	2.3
Health care	827	-0.3	-11.3	9.6	7.9	2.3	2.5	16.1	14.9	15.5	16.6	2.1	1.9	2.0	2.3
Communication Services	298	1.1	3.2	19.3	13.5	3.8	4.1	16.4	14.4	15.4	15.2	1.6	1.5	1.5	1.7
Utilities	342	-0.1	-13.3	-41.3	78.8	4.6	5.3	21.5	12.0	16.7	13.8	1.5	1.4	1.5	1.2

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1-month revisions to 2022 & 12-month Forward EPS

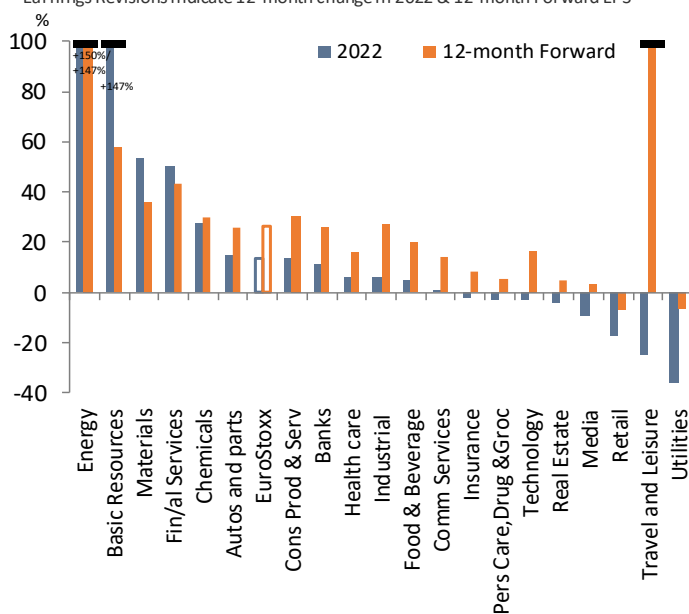
Earnings Revisions indicate 1-month change in 2022 & 12-month Forward EPS



Data as of July 1st
12-month forward EPS are 50% of 2022 EPS and 50% of 2023 EPS

12-month revisions to 2022 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2022 & 12-month Forward EPS



Data as of July 1st
12-month forward EPS are 50% of 2022 EPS and 50% of 2023 EPS

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