Global Markets Roundup

National Bank of Greece | Economic Research Division | September 6, 2022

NATIONAL BANK OF GREECE

The market-implied expected path of euro area policy interest rates has shifted significantly higher ahead of the ECB meeting

- Global equity markets lost ground in the past week (MSCI ACWI: -3.3% wow), as interest rates were repriced higher due to increased expectations for a faster and more aggressive monetary policy tightening. The US Treasury 10-year yield ended the week up by 16 bps wow to 3.20%, and the 10-year Bund increased by 7 bps to 1.50%.
- Monetary policy remains in the spotlight (ECB meeting on September 8th). Strong CPI readings (9.1% yoy in August) as well as recent officials' commentary suggest that the possibility of a large hike is gaining ground. Financial markets now almost fully price-in a 75 bps hike in the upcoming ECB meeting, suggesting cumulative increases of 250 bps in the next 12 months versus 150 bps in mid-August (see graph below).
- Taming inflation has been top priority, even with a potential hit to activity in the short term. The quarterly ECB staff projections are set to show an upward revision for CPI inflation in 2022 and 2023 towards 8% and 4.5%, from 6.8% and 3.5%, respectively, in June's projections.
- At the same time, real GDP estimates for 2023 are expected to be revised significantly lower, in the range of +0.5% to +1% (from +2.1% in June's projections), and from +2.8% in 2022, as negative risks (particularly regarding energy supply and prices) are materializing.
- In the event, wholesale electricity prices in Europe have exhibited high volatility, with the benchmark year-ahead contract reaching €985/Mwh in Germany on August 26th (2.9x the average in July and c. 12x the price one year ago) and €1130/Mwh in France (2.5x the average in July and c. 13x the price one year ago), before easing towards €509/Mwh and €590/Mwh respectively on September 2nd. Nevertheless, prices rose again on Monday to €570/Mwh and €625/Mwh respectively, following the surge in European natural gas prices (Dutch TTF: +15% on Monday).
- In light, *inter alia*, of these developments, the EU Commission will hold an extraordinary meeting of Energy ministers on September 9th to discuss interventions in the energy market, especially regarding the price setting mechanism. Reportedly, the possibility of a price cap on natural gas or/and its decoupling from electricity prices will be discussed. Recall that natural gas plays a disproportionate role in EU's marginal pricing system for wholesale electricity.
- In that system, all electricity generators get the same price for the power they sell at a given moment. Electricity producers bid into the market and the bidding goes from the cheapest to the most expensive energy source. Once all demand is met, everybody obtains the price of the last producer (effectively the one with the most expensive energy source, which in the current juncture is natural gas) from which electricity was bought.
- The German government on Sunday announced a €65 bn relief package, bringing the total fiscal support since the start of the Ukraine war to €95 bn (3% of 2021 GDP). The new package includes, *inter alia*, one-off payments to pensioners and students, increased housing and child allowances, lower social security contributions, expanded KfW programs for companies and subsidized public transportation tickets.

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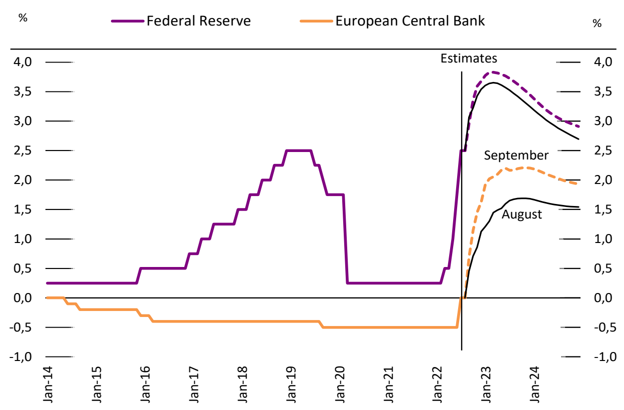
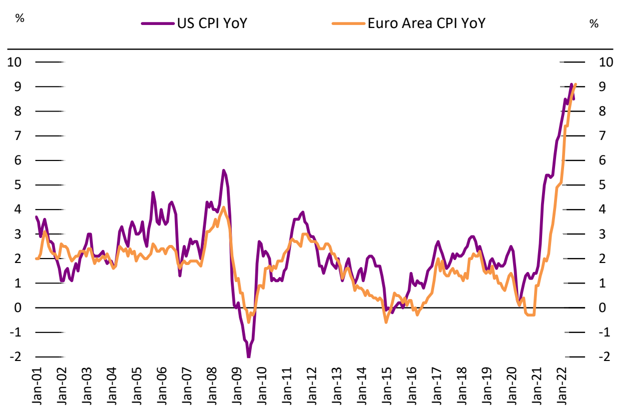
Charts of the week

Federal Reserve vs European Central Bank: Policy Rates & Market Estimates



Source: NBG Research

US vs Euro Area CPI Year-over-Year



Source: NBG Research

See page 11 for disclosures and analyst certification

US labor market data remained resilient in August

- **Headline job creation was robust in August, albeit with some sequential deceleration.** Specifically, non-farm payrolls were up by 315k (in seasonally adjusted terms | "sa"), from +526k in the previous month (and +402k in the previous three months on average). The headline outcome modestly exceeded consensus estimates for +300k. Nevertheless, taking also into account significant negative net revisions for the previous two months (-107k, cumulatively), the level of non-farm payrolls was actually somewhat lower than expected. Employment gains was reported in 62% of industries. Sector-wise, professional & business services (+68k), health care (+48k), retail trade (+44k) and manufacturing (+22k), led the overall gains. In all, compared with April 2020, non-farm payrolls are up by 22.2 million, having exceeded by 240k their pre-pandemic level.

- At the same time, total household employment, including the self-employed and agricultural workers, rose by 442k in August (+179k in July). Despite these (solid) gains, the unemployment rate increased to 3.7% in August from 3.5% previously (a joint low since December 1969), versus expectations for an unchanged reading (pre-pandemic levels of 3.5% in February 2020). That development though was solely due to a rise in the labor force participation rate by 0.3 pp to 62.4% (pre-pandemic levels of 63.4%). Similarly, the U-6 unemployment rate (which includes the unemployed, part-time workers for economic reasons, and those workers marginally attached to the labor force), which is considered a broader measure of slack, increased by 0.3 pps to 7.0% in August.

- Notably, the view for labor market tightness is reinforced by the Job Openings and Labor Turnover Survey for July. In the event, job openings stood at 11.24mn from 11.04mn in June, exceeding by a wide margin consensus estimates for 10.48mn. The difference with the number of hires (6.38mn) remained particularly elevated, highlighting the broad mismatches in the supply and demand of labor. Importantly, the prominent job vacancy rate (i.e. the ratio of job openings to the number of unemployed persons excluding those on temporary layoff | a metric closely watched as an indicator of labor market slack), stood at a record (since 2000) high of 2.3x in July, from 2.2x in June.

- **Average hourly earnings remained resilient in August, albeit with some easing of impetus,** up by 0.3% mom from +0.5% mom in July, slightly below expectations for +0.4% (still above though an average of +0.2% mom since 2006). The annual pace of growth was steady at a robust +5.2% (consensus: +5.3% yoy), well above an average of +2.9% yoy since 2007. The growth of wages of production and nonsupervisory employees (81% of total -- that also exhibit a higher propensity to consume) continued to over-perform, up by 0.4% mom (+0.5% mom in July). Having said that, the annual pace of growth decelerated for a 5th consecutive month, at (a still sold) +6.1% yoy in August, from +6.2% yoy in July and a peak of +6.7% yoy in March 2022.

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

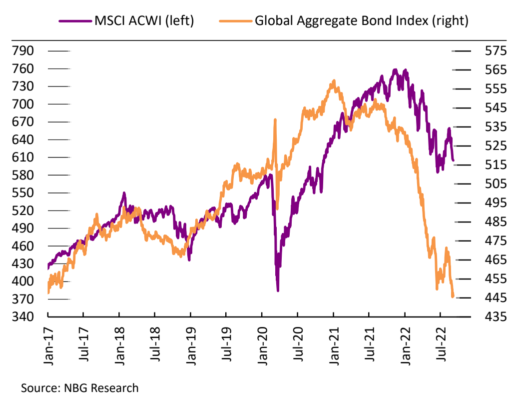
- **According to the "flash" estimate, the annual growth of CPI reached a new record (since 1997) high in August, at 9.1% from 8.9% in July, versus consensus estimates for 9.0%.** Energy prices were largely stable on a monthly basis and as a result, the annual growth decelerated to 38.3% from 39.6% in July (both the monthly and the annual paces of growth are reported on a not-seasonally adjusted basis), contributing circa 3.9 pps to the headline's year-over-year increase. At the same time, an acute momentum remained in place for the prices of food, alcohol & tobacco (+1.0% mom | +1.1% mom on average so far in 2022 versus an average of +0.2% mom since 1998), leading the annual growth to 10.6%, also the highest on record, from 9.8% previously (2.25 pps contribution to headline).
- Core inflation (which excludes the effects of energy and food components), demonstrated a solid impetus in August, up by 0.5% mom, with the annual growth accelerating by 0.3 pps to a record-high of 4.3% yoy (2.95 pps contribution to headline), notably above consensus estimates for 4.1% yoy. Both the services (+0.4% mom | 3.8% yoy from 3.7% yoy previously) and (more so) the non-energy industrial goods (+0.8% mom | 5.0% yoy from 4.5% yoy previously) components, posted strong readings.
- Looking forward, a further acceleration in the CPI is expected in September, *inter alia*, in view of temporary government measures in Germany (intervention to lower the cost of public transportation and a reduction of taxes in fuels), coming to an end as of September 1st (the German CPI stood at 8.8% yoy in August from 8.5% yoy in July).

China's PMIs suggest a continued subdued momentum for business activity

- **PMIs posted mixed changes in August.** In the event, the Caixin manufacturing PMI was down by 0.9 pts to 49.5, below consensus estimates for 50.2. At the same time, the "official" manufacturing PMI, i.e. the one from the National Bureau of Statistics (NBS) of China, increased by 0.4 pts to 49.4, albeit remaining below the expansion/contraction threshold of 50.0 (consensus: 49.2). The output component was stable at 49.8, with some electric power shortages likely continuing to weigh on production (extreme heat and drought, with the Yangtze river's level having receded to a record – since 1865 – low, have substantially restrained shipping and hydropower generation).
- Meanwhile, an improvement in the new orders component (+0.7 pts to 49.2), suggests a partial stabilization of demand. Finally, the official nonmanufacturing PMI (which covers the services and construction sectors) fell by 1.2 to 52.6, modestly above expectations for 52.1. The services sub-index shed 0.9 pts to 51.9, with some Covid-19 outbreaks probably weighing. In addition, according to the NBS, real estate services contracted, in view of headwinds in the property sector (*inter alia*, delays in the completion of housing construction projects). In the event, the construction sub-index was a strong 56.5, albeit the decline compared with July (59.2) suggests a somewhat more cautious stance by property developers. On the other hand, NBS cited a still strong impetus for infrastructure building.

Equities

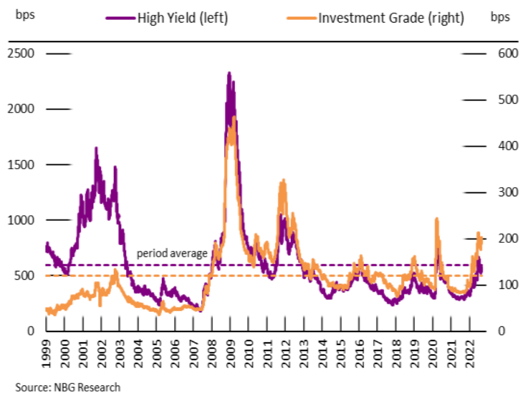
- **Global equity markets declined in the past week, due to investors' growing expectations that major central banks will act more aggressively to curb the elevated inflation.** Overall, the MSCI ACWI ended the week down by -3.3% (-20% ytd), with both Developed (-3.3% wow | -19% ytd) and Emerging Markets (-3.4% wow | -21% ytd), recording losses. The S&P500 fell by 3.3% wow (-18% ytd), declining for a 3rd consecutive week (cumulative decrease of 9% since August 16th), while falling below the 4000-points milestone (3924). As the earnings season for Q2:2022 is over, S&P500 companies reported EPS growth of +6.2% yoy. Nevertheless, it should be noted that analysts have lowered their EPS estimates for Q3:2022 by 5.4% (to $56.21 from $59.44) and for Q4:2022 by 3.5% (to $58.60 from $60.73) since the end of June. On the other side of the Atlantic, the Eurostoxx decreased by 1.6% wow (-18% ytd), and by a further -1.8% on Monday, following the Gazprom's announcement on Friday (post-close) that the North Stream 1 natural gas pipeline will remain closed. The MSCI China ended the week down by 3.1% wow, with the imposition of new restrictive measures to mitigate the spread of covid-19 in 33 cities (including seven provincial capitals) affecting more than 65 million residents, weighing on sentiment.



Graph 1.

Fixed Income

- **Government bond yields rose in the past week, amid expectations for further large interest-rate increases by major central banks.** Specifically, the US Treasury 10-year yield ended the week up by 16 bps wow to 3.20% (+168 bps ytd) and the 2-year yield increased by 4 bps to 3.48%, while recording its highest level since November 2007 on Thursday. The UK 10Yr Gilt yield rose by 27 bps to 2.90%, its highest level since 2014, amid double-digit inflation, tighter monetary policy and prospects for an increase in fiscal support that could lead to higher government borrowing. Similarly, the 2-year yield increased by 28 bps to 3.08%, its highest level since 2008. Liz Truss, the country's Foreign Secretary, won the Conservative Party leadership contest by 57% to 43% against the former Chancellor Rishi Sunak and formally replaced Boris Johnson as Prime Minister on Tuesday. Now investors' attention turns to her plan to deal with surging energy costs due to be announced in the following days. **Corporate bond spreads widened, especially in the High Yield (HY) spectrum, in account of risk aversion.** In the event, US HY spreads rose by 41 bps to 506 bps, while their euro area counterparts increased by 39 bps to 575 bps. In the Investment Grade spectrum, the USD and the EUR spreads rose by 8 & 11 bps to 150 bps and 200 bps, respectively.

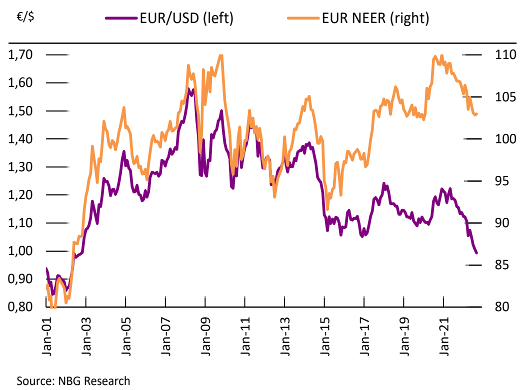


Graph 2.

FX and Commodities

- **In foreign exchange markets, the US dollar appreciated in the past week by 0.7% wow against a basket of trade-weighted currencies, with the DXY Index at a fresh 20-year high.** The USD rose by 2% wow against the Japanese Yen to ¥140.04, its highest level since 1998, supported, *inter alia*, by the widening of interest rate differentials. Meanwhile, the USD remained broadly stable against the euro (-0.1% wow to $0.99), as investors have upscaled their expectations regarding ECB's tightening path.

  In commodities, oil prices declined, with WTI down by 6.7% wow at $86.9/barrel (+16% ytd), while the Brent fell by -7.9% wow to $93/barrel (+20% ytd) due to increased demand concerns, in view of the new lockdown measures imposed in China and expectations for slower global growth. However, the trend reversed on Friday, when the G7 Finance Ministers agreed to finalize and implement a cap on the price of Russian oil, with Russia responding that no oil will be sent to countries that impose price caps. Moreover, the Brent rose by 2.9% on Monday, following the OPEC+ decision for a production cut of 100k barrels per day in October, reversing the previous month's increase. Meanwhile, European natural gas prices declined significantly in the past week (Dutch TTF: -36.7% wow to €272.6/Mwh), as Europe seems to achieve gas storage capacity targets 2 months earlier than planned. However, prices rebounded on Monday (+14.6%), following Gazprom's announcement that Nord Stream 1 will remain closed.



Graph 3.

Quote of the week: "I don't think we are done tightening. Inflation remains too high, and our policy stance will need to move into restrictive territory if inflation is to come down expeditiously", **President of the Federal Reserve Bank of Atlanta, Raphael Bostic, August 30th 2022.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 2nd	3-month	6-month	12-month	Official Rate (%)	September 2nd	3-month	6-month	12-month
Germany	1.50	1.40	1.60	1.90	Euro area	0.00	0.50	1.25	1.75
US	3.20	3.20	3.30	3.40	US	2.50	3.00	3.50	4.00
UK	2.90	2.21	2.18	2.03	UK	1.75	2.10	2.50	2.60
Japan	0.24	0.22	0.23	0.27	Japan	-0.10	-0.10	-0.10	-0.10

Currency	September 2nd	3-month	6-month	12-month		September 2nd	3-month	6-month	12-month
EUR/USD	1.00	1.02	1.05	1.10	USD/JPY	140	141	137	134
EUR/GBP	0.87	0.86	0.86	0.87	GBP/USD	1.15	1.19	1.23	1.27
EUR/JPY	140	144	144	147					

Forecasts at end of period

Economic Forecasts

United States	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22a	Q3:22f	Q4:22f	2022f
Real GDP Growth (YoY) (1)	-3.4	0.5	12.2	4.9	5.5	5.7	3.5	1.7	1.3	0.3	1.7
Real GDP Growth (QoQ saar) (2)	-	6.3	6.7	2.3	6.9	-	-1.6	-0.6	1.2	2.6	-
Private Consumption	-3.8	11.4	12.0	2.0	2.5	7.9	1.8	1.5	1.0	2.2	2.3
Government Consumption	2.5	4.2	-2.0	0.9	-2.6	0.5	-2.9	-1.8	0.9	0.9	-0.9
Investment	-2.7	13.0	3.3	-0.9	2.7	7.8	7.4	-4.5	2.5	3.1	2.6
Residential	6.8	13.3	-11.7	-7.7	2.2	9.2	0.4	-16.2	-1.4	1.1	-3.4
Non-residential	-5.3	12.9	9.2	1.7	2.9	7.4	10.0	0.0	3.4	3.5	4.5
Inventories Contribution	-0.6	-3.7	-1.7	2.1	5.4	0.1	-0.1	-2.1	-1.5	-0.3	0.6
Net Exports Contribution	-0.2	-2.0	-0.4	-1.5	-0.7	-1.9	-3.9	1.4	1.3	0.6	-1.1
Exports	-13.6	-2.9	7.6	-5.3	22.4	4.5	-4.8	17.6	7.6	2.4	5.0
Imports	-8.9	9.3	7.1	4.7	17.9	14.0	18.9	2.8	-2.1	-1.7	9.1
Inflation (3)	1.2	1.9	4.9	5.4	6.7	4.7	8.0	8.7	9.0	8.1	8.3

Euro Area	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22a	Q3:22f	Q4:22f	2022f
Real GDP Growth (YoY)	-6.5	-0.9	14.6	3.9	4.8	5.3	5.4	3.9	0.9	0.9	2.6
Real GDP Growth (QoQ saar)	-	-0.4	8.5	9.7	1.6	-	2.0	2.5	-0.5	0.9	-
Private Consumption	-7.9	-8.8	16.2	19.5	-0.9	3.6	-1.6	1.8	0.8	0.2	2.7
Government Consumption	0.9	0.1	7.6	0.8	1.3	3.9	-0.9	2.4	0.7	0.4	1.1
Investment	-6.7	-7.1	6.0	-2.8	15.1	3.9	-2.1	0.9	0.3	0.2	2.5
Inventories Contribution	-0.5	4.1	-2.1	-1.1	1.9	0.3	1.7	-1.4	-1.4	-1.0	0.1
Net Exports Contribution	-0.5	2.0	-0.3	1.5	-3.1	1.4	1.8	0.4	0.3	1.7	0.3
Exports	-9.3	1.0	12.4	8.7	11.5	10.4	1.5	3.0	2.6	2.9	5.2
Imports	-8.8	-3.2	14.5	6.1	20.5	8.1	-2.0	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	+ Households' balance sheets are healthy + Service-oriented sectors are re-opening + Sentiment (e.g. AAII) 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 Neutral/Negative	+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 Neutral	+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 decelaration Neutral	+Significant exposure to commodities +Undemanding valuations in relative terms relative to other regions - Elevated domestic policy uncertainty Neutral/Positive
Government Bonds	+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 ▲ Slightly higher yields expected	+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 ▲ Slightly higher yields expected	+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% Stable yields expected	+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 ▲ Slightly higher yields expected
Foreign Exchange	+Weak global growth / Safe-haven demand status + USD interest rate differential vs peers remain significant + Aggresive Fed tightening - Global political uncertainty to decline Broadly Flat USD against G10 FX	+Current account surplus - Still negative interest rates - Global growth risks remain to the downside Broadly Flat/Stronger EUR against the USD	+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% ▲Slightly higher JPY	+Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit Broadly stable GBP expected

Economic Calendar

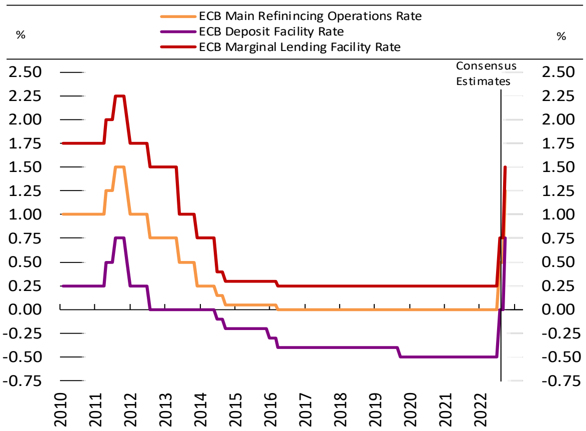
In the US, August's PMI from the ISM for the services sector, will provide further insight into the momentum of business activity.

In the euro area, the main macro event next week is the 3rd estimate for Q2:22 GDP as it will be the first to include a breakdown per expenditure component. Attention though turns predominantly to the ECB's meeting on September 8th.

In Japan, the 2nd estimate for Q2:22 GDP will be watched, as it often includes meaningful revisions compared with the initial estimates.

In China, August's data on international trade will offer valuable information regarding the economic momentum.

ECB Main Policy Rates



Source: NBG Research

Economic News Calendar for the period: August 30 - September 12, 2022

Tuesday 30

US		S		A	P
S&P Case/Shiller house price index 20 (YoY)	June	19.4%	-	18.6%	20.5%
Conference board consumer confidence	August	97.4	+	103.2	95.3
JAPAN					
Unemployment rate	July	2.6%		2.6%	2.6%
EURO AREA					
Business Climate Indicator	August	..		0.8	1.1
Economic confidence indicator	August	97.8	-	97.6	98.9

Wednesday 31

US		S		A	P
ADP Employment Change (k)	August	300	-	132	268
JAPAN					
Retail sales (MoM)	July	..		0.8%	-1.3%
Retail sales (YoY)	July	1.9%	+	2.4%	1.5%
Industrial Production (MoM)	July	-0.5%	+	1.0%	9.2%
Industrial Production (YoY)	July	-2.5%	+	-1.8%	-2.8%
Construction Orders YoY	July	..		2.8%	15.5%
EURO AREA					
CPI estimate (YoY)	August	9.0%	+	9.1%	8.9%
Core CPI (YoY)	August	4.1%	+	4.3%	4.0%
CHINA					
Manufacturing PMI	August	49.3	+	49.4	49.0

Thursday 1

US		S		A	P
ISM Manufacturing	August	52.0	+	52.8	52.8
Initial Jobless Claims (k)	August 27	250	+	232	237
Continuing Claims (k)	August 20	1440	+	1438	1412
Construction spending (MoM)	July	0.0%	-	-0.4%	-0.5%
UK					
Nationwide House Px NSA YoY	August	..		10.0%	11.0%
EURO AREA					
Unemployment Rate	July	6.6%		6.6%	6.6%
GERMANY					
Retail sales (MoM)	July	..		1.9%	-1.5%
Retail sales (YoY)	July	..		-2.6%	-9.6%
CHINA					
Caixin PMI Manufacturing	August	50.2	-	49.5	50.4

Friday 2

US		S		A	P
Change in Nonfarm Payrolls (k)	August	300	+	315	526
Change in Private Payrolls (k)	August	295	+	308	477
Unemployment rate	August	3.5%	-	3.7%	3.5%
Average weekly hours (hrs)	August	34.6	-	34.5	34.6
Average Hourly Earnings MoM	August	0.4%	-	0.3%	0.5%
Average Hourly Earnings YoY	August	5.3%	-	5.2%	5.2%
Labor Force Participation Rate	August	..		62.4%	62.1%
Underemployment Rate	August	..		7.0%	6.7%
Factory Goods Orders (MoM)	July	0.2%	-	-1.0%	1.8%

Monday 5

EURO AREA		S		A	P
Retail sales (MoM)	July	0.4%	-	0.3%	-1.0%
Retail sales (YoY)	July	-0.9%		-0.9%	-3.2%

Tuesday 6

US		S	A	P
ISM Services Index	August	55.0	..	56.7
UK				
S&P Global/CIPS UK Construction PMI	August	48.0	..	48.9

Wednesday 7

US		S	A	P
Trade balance ($bn)	July	-70.2	..	-79.6
JAPAN				
Leading Index	July	..	..	100.9
Coincident Index	July	..	..	98.6
EURO AREA				
GDP (QoQ)	Q2:22	0.6%	..	0.6%
GDP (YoY)	Q2:22	3.9%	..	3.9%
Gross Fixed Capital Formation (QoQ)	Q2:22	1.0%	..	0.1%
Household Consumption (QoQ)	Q2:22	0.6%	..	-0.7%
Government expenditure (QoQ)	Q2:22	0.3%	..	-0.3%
GERMANY				
Industrial Production (sa, MoM)	July	-0.5%	..	0.4%
Industrial Production (wda, YoY)	July	-1.6%	..	-0.5%
CHINA				
Exports YoY	August	12.4%	..	18.0%
Imports YoY	August	1.8%	..	2.3%

Thursday 8

US		S	A	P
Initial Jobless Claims (k)	September 3	236	..	232
Continuing Claims (k)	August 27	1432	..	1438
JAPAN				
GDP (QoQ)	Q2:22	0.6%	..	0.5%
Eco Watchers Current Survey	August	..	..	43.8
Eco Watchers Outlook Survey	August	..	..	42.8
EURO AREA				
ECB announces its intervention rate	September 8	1.25%	..	0.50%
ECB announces its deposit facility rate	September 8	0.75%	..	0.00%

Friday 9

US		S	A	P
Wholesale trade (MoM)	July	..	..	1.8%
CHINA				
CPI (YoY)	August	2.8%	..	2.7%

Monday 12

UK		S	A	P
GDP (MoM)	July	..	..	-0.6%
Industrial Production (MoM)	July	..	..	-0.9%
Industrial Production (YoY)	July	..	..	2.4%

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 (%)
US	S&P 500	3924	-3.3	-17.7	-13.5	9.6
Japan	NIKKEI 225	27651	-3.5	-4.0	-3.1	18.9
UK	FTSE 100	7281	-2.0	-1.4	1.6	22.6
Canada	S&P/TSX	19271	-3.0	-9.2	-7.3	15.4
Hong Kong	Hang Seng	19452	-3.6	-16.9	-25.4	-22.6
Euro area	EuroStoxx	392	-1.4	-18.1	-17.3	6.9
Germany	DAX 40	13050	0.6	-17.8	-17.6	-1.5
France	CAC 40	6168	-1.7	-13.8	-8.8	22.6
Italy	FTSE/MIB	21921	0.1	-19.8	-16.4	10.4
Spain	IBEX-35	7932	-1.6	-9.0	-11.7	13.4

Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
MSCI Emerging Markets	58813	-2.8	-16.0	-19.9	-8.1
MSCI Asia	895	-2.6	-16.4	-20.7	-10.7
China	65	-3.1	-21.5	-31.2	-36.1
Korea	722	-3.3	-20.8	-24.7	-0.8
MSCI Latin America	89341	-1.8	-3.2	-11.0	4.1
Brazil	304450	-1.5	-0.7	-14.3	-5.3
Mexico	42963	-2.8	-13.9	-10.9	25.3
MSCI Europe	2274	-4.4	-67.2	-68.2	-57.5
Russia*	2471	8.9	-34.7	-38.1	-16.4
Turkey	3398878	1.2	63.6	101.7	163.5

World Market Sectors (MSCI Indices)

in US Dollar terms	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	229.6	-3.5	31.6	46.5	93.9
Materials	286.7	-5.7	-20.4	-19.7	0.5
Industrials	281.8	-3.4	-19.6	-20.0	4.0
Consumer Discretionary	327.7	-2.8	-25.7	-22.0	-3.8
Consumer Staples	261.8	-2.5	-10.7	-7.3	1.9
Healthcare	318.3	-2.3	-13.9	-13.2	6.0
Financials	123.6	-2.0	-17.3	-16.3	20.0
IT	417.8	-5.1	-27.0	-22.4	-1.5
Telecoms	74.8	-2.4	-29.9	-35.3	-15.6
Utilities	157.0	-2.4	-4.4	-3.5	9.0

in local currency	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	242.7	-3.1	37.1	54.2	101.7
Materials	288.9	-5.2	-15.3	-13.2	7.9
Industrials	296.7	-3.0	-14.5	-13.5	12.6
Consumer Discretionary	330.6	-2.5	-22.6	-17.7	1.7
Consumer Staples	273.5	-2.0	-6.1	-1.5	8.0
Healthcare	323.4	-2.0	-11.0	-9.6	10.4
Financials	128.4	-1.6	-13.6	-11.6	25.9
IT	411.4	-5.0	-25.9	-20.8	0.7
Telecoms	80.3	-2.2	-28.1	-33.2	-12.7
Utilities	166.6	-2.2	-0.5	1.8	14.6

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	3.20	3.04	1.51	1.29	2.08
Germany	1.50	1.43	-0.18	-0.39	0.44
Japan	0.24	0.22	0.07	0.03	0.21
UK	2.90	2.63	0.97	0.59	1.43
Greece	4.17	3.88	1.32	0.74	5.80
Ireland	2.14	2.01	0.25	-0.01	1.47
Italy	3.82	3.74	1.17	0.67	2.22
Spain	2.68	2.63	0.57	0.32	1.79
Portugal	2.60	2.47	0.46	0.20	2.58

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	5.80	5.65	3.31	3.03	4.06
vs 30Yr Treasury (bps)	242.5	242.0	138.9	110.7	133.5

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	-28	-40	78	107	103
US Treasuries 10Y/5Y	-10	-16	25	52	52
Bunds 10Y/2Y	43	43	46	34	83
Bunds 10Y/5Y	22	21	28	31	56

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
EM Inv. Grade (IG)	176	185	139	137	191
EM High yield	786	727	618	562	622
US IG	150	142	98	92	133
US High yield	506	465	310	316	450
Euro area IG	200	189	98	86	118
Euro area High Yield	575	536	331	301	407

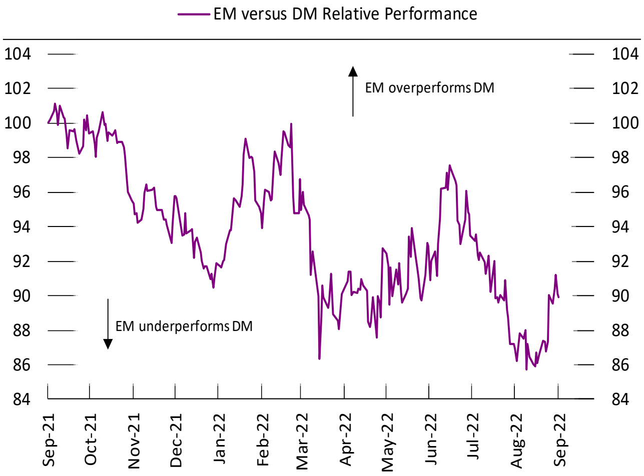
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1.00	0.1	-1.0	-15.5	-11.8
EUR/CHF	0.98	1.8	0.5	-9.5	-5.2
EUR/GBP	0.87	1.9	3.5	0.9	3.1
EUR/JPY	140.42	2.1	3.1	7.6	7.2
EUR/NOK	9.98	2.8	1.1	-2.7	-0.5
EUR/SEK	10.73	1.1	3.4	5.4	4.2
EUR/AUD	1.46	1.4	-0.1	-8.6	-6.4
EUR/CAD	1.31	0.8	0.5	-12.0	-8.7
USD-based cross rates					
USD/CAD	1.31	0.7	1.5	4.1	3.6
USD/AUD	1.46	1.3	0.9	8.2	6.2
USD/JPY	140.04	2.0	4.2	27.3	21.6

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	470	-1.6	7.4	15.0	5.7
Energy	328	-6.9	-2.4	36.4	30.1
West Texas Oil ($/bbl)	87	-6.7	-4.2	24.1	15.5
Crude brent Oil ($/bbl)	93	-7.9	-3.9	27.4	19.6
HH Natural Gas ($/mmbtu)	8.8	-7.3	12.5	88.9	130.0
TTF Natural Gas (EUR/mwh)	215	-36.7	7.8	313.5	205.2
Industrial Metals	412	-7.3	-3.0	-13.1	-17.5
Precious Metals	2211	-1.8	-3.7	-7.0	-7.6
Gold ($)	1712	-1.5	-3.0	-5.4	-6.0
Silver ($)	18	-4.5	-10.0	-24.5	-22.1
Baltic Dry Index	1086	0.4	-37.3	-72.9	-51.0
Baltic Dirty Tanker Index	1489	-4.2	2.4	141.3	89.4

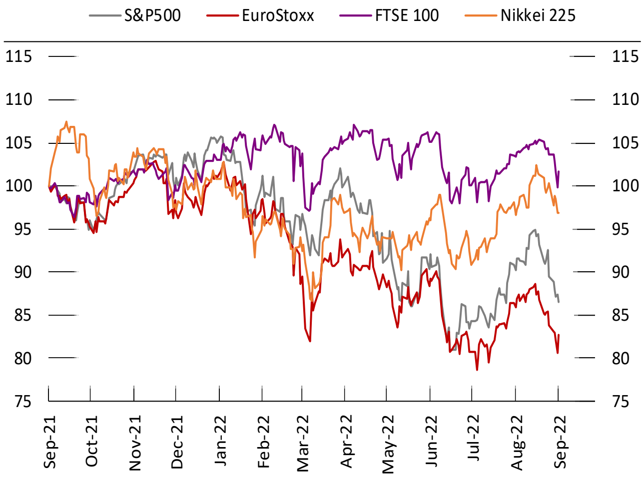
Source: NBG Research, Data as of September 2nd, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads, *Stock trading on MOEX Index partially resumed on March 24th after being halted since February 25th

EM vs DM Performance in $



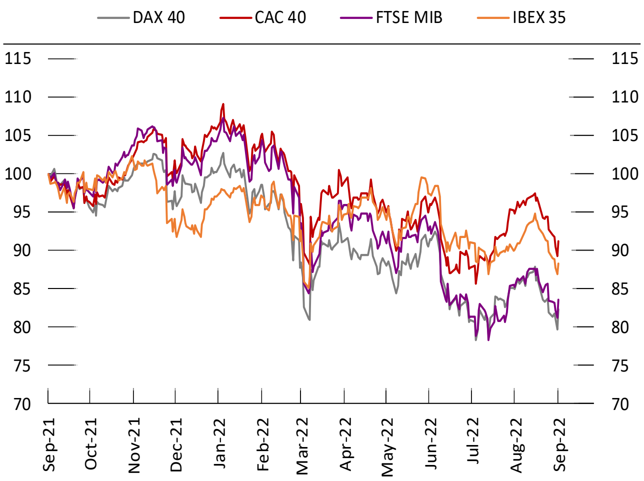
Data as of September 2nd – Rebased @ 100

Equity Market Performance - G4



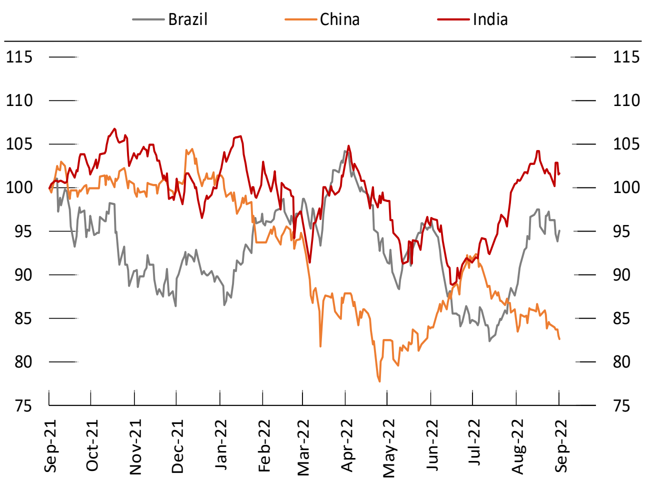
Data as of September 2nd – Rebased @ 100

Equity Market Performance – Euro Area G4



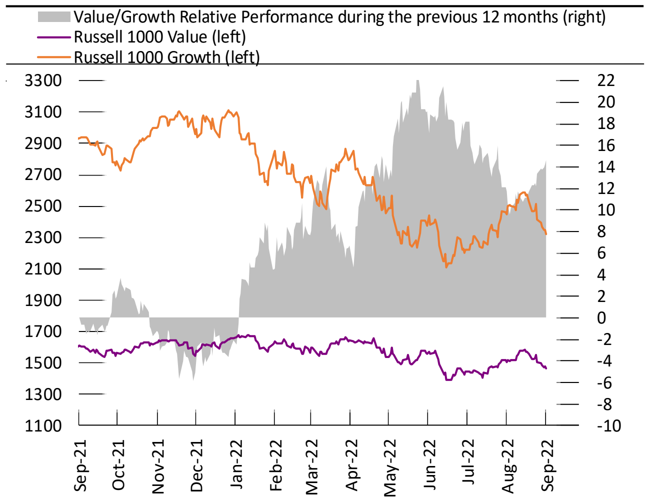
Data as of September 2nd – Rebased @ 100

Equity Market Performance – Emerging Markets



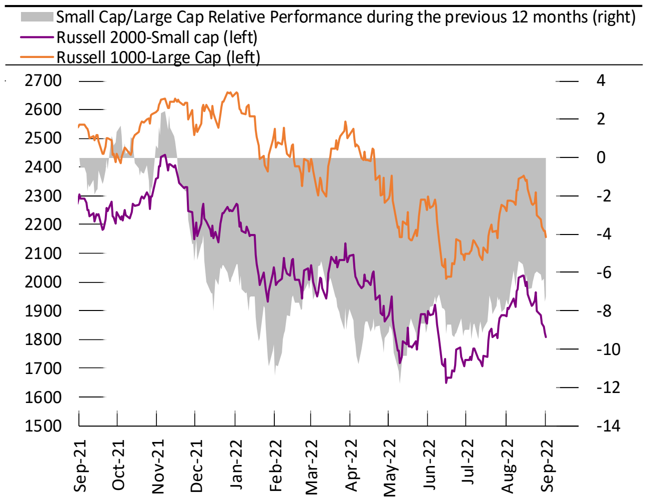
Data as of September 2nd – Rebased @ 100

Russell 1000 Value & Growth Index



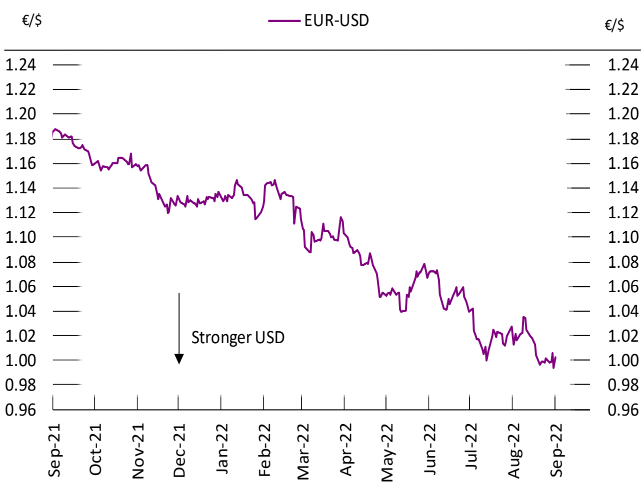
Data as of September 2nd

Russell 2000 & Russell 1000 Index



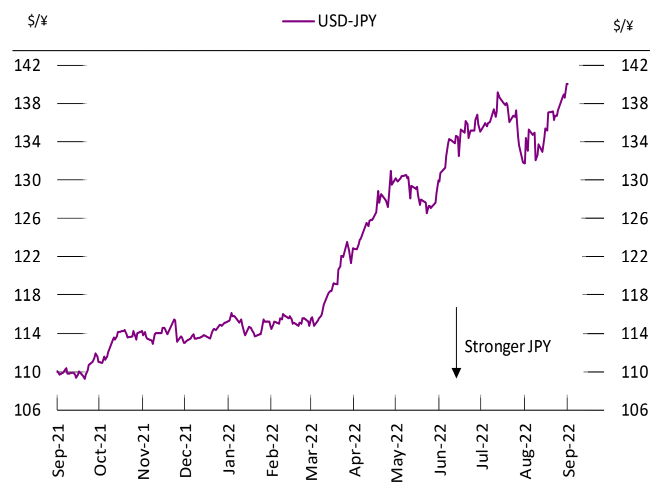
Data as of September 2nd

EUR/USD



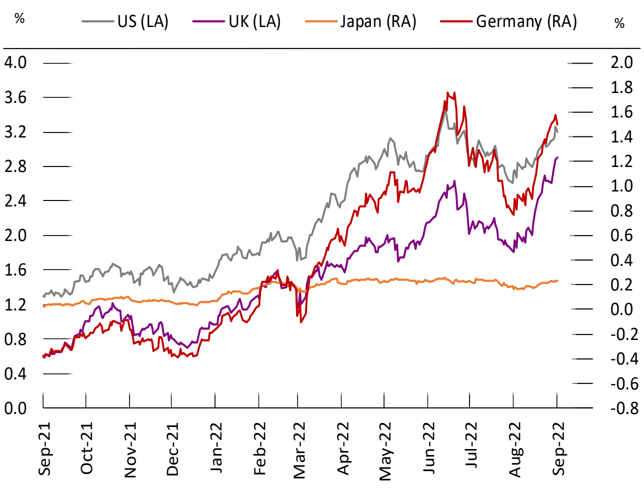
Data as of September 2nd

JPY/USD



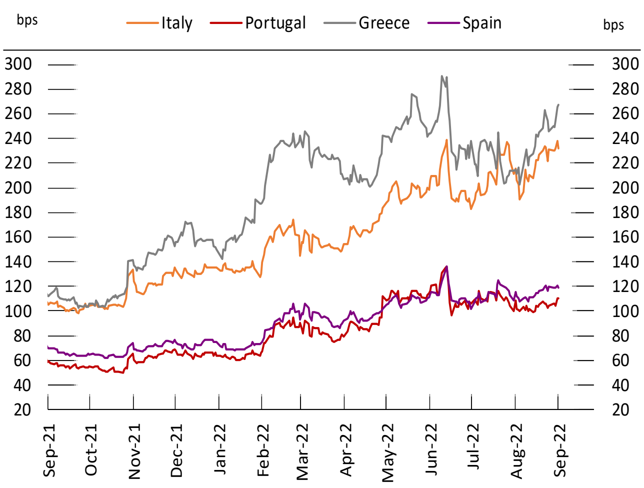
Data as of September 2nd

10- Year Government Bond Yields



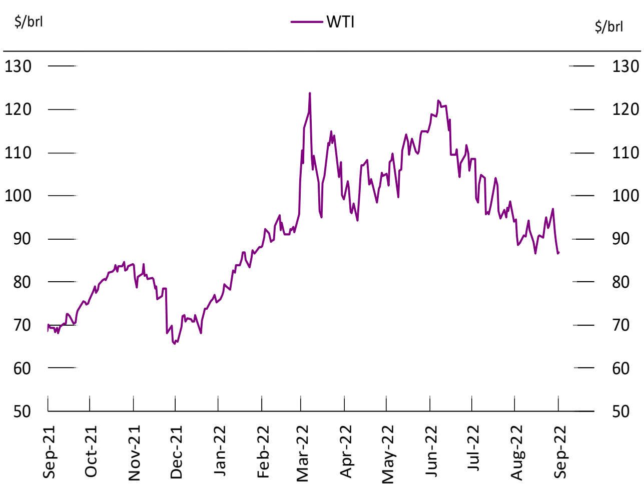
Data as of September 2nd
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



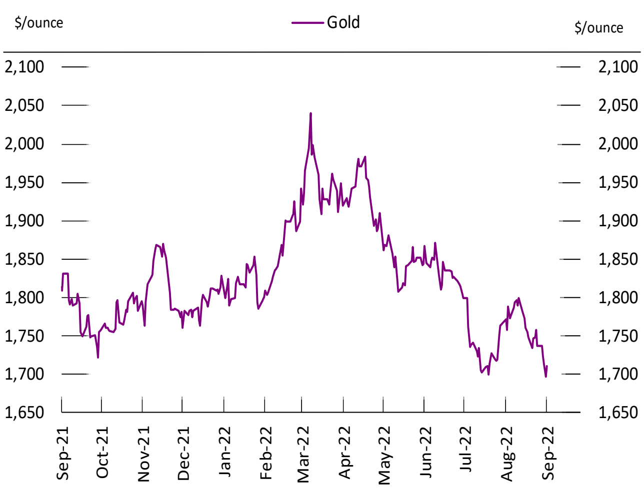
Data as of September 2nd

West Texas Intermediate ($/brl)



Data as of September 2nd

Gold ($/ounce)



Data as of September 2nd

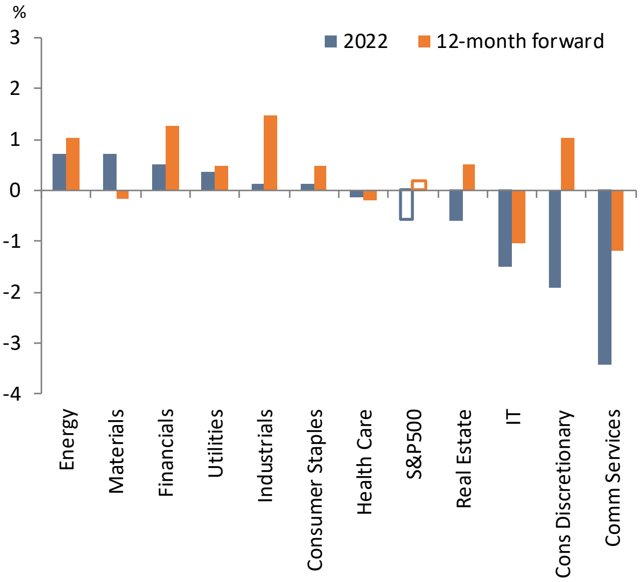
US Sectors Valuation

	Price ($)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	2/9/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
S&P500	3924	-3.3	-17.7	8.0	8.4	1.6	1.7	17.6	16.3	16.7	17.2	3.8	3.4	3.6	3.0
Energy	609	-3.3	44.0	148.0	-14.2	3.3	3.1	7.8	9.1	8.7	15.7	2.2	2.0	2.1	1.7
Materials	466	-5.0	-18.1	16.2	-7.5	2.2	2.3	12.5	13.5	13.1	16.2	2.6	2.4	2.5	2.7
Financials															
Diversified Financials	913	-3.0	-16.6	-12.0	10.8	1.7	1.9	15.0	13.6	14.1	15.0	1.8	1.7	1.7	1.6
Banks	325	-1.9	-22.2	-16.6	16.5	3.2	3.4	10.0	8.6	9.1	11.5	1.1	1.0	1.0	1.1
Insurance	541	-2.4	-1.8	-2.6	16.1	2.1	2.3	13.9	11.9	12.6	11.8	1.9	1.7	1.7	1.3
Real Estate	258	-3.9	-20.5	10.6	6.5	3.2	3.4	18.7	17.6	17.9	18.8	3.2	3.3	3.2	3.3
Industrials															
Capital Goods	777	-3.8	-12.8	18.3	18.1	1.9	2.0	18.8	15.9	16.8	17.3	4.3	3.9	4.0	4.0
Transportation	963	-3.4	-14.6	126.0	20.4	1.9	2.0	16.1	13.4	N/A	14.0	5.4	4.5	4.8	4.1
Commercial Services	481	-3.0	-11.4	10.1	10.4	1.2	1.3	25.9	23.5	24.3	21.8	5.9	5.3	5.5	4.1
Consumer Discretionary															
Retailing	3244	-1.7	-23.2	-36.7	52.9	0.7	0.8	41.2	26.9	31.6	27.5	11.5	9.3	10.0	9.2
Consumer Services	1205	-1.8	-20.2	2516.4	125.3	1.3	1.4	47.8	21.2	N/A	29.2	44.0	30.7	N/A	10.9
Consumer Durables	346	-2.8	-35.1	12.4	-2.4	1.9	2.0	10.8	11.0	11.0	16.9	2.7	2.4	2.5	3.3
Automobiles and parts	149	-5.5	-25.3	28.0	17.7	0.2	0.3	30.4	25.9	N/A	15.8	5.7	4.8	5.1	2.8
IT															
Technology	2895	-4.7	-15.2	6.9	5.7	0.9	0.9	22.1	20.9	21.3	15.6	15.9	13.7	14.4	6.9
Software & Services	2971	-3.9	-23.7	12.1	13.8	0.9	1.0	25.0	22.0	23.0	21.6	7.8	6.6	7.0	6.3
Semiconductors	1669	-8.3	-36.5	2.0	5.9	1.7	1.8	15.6	14.7	15.0	15.5	4.2	3.8	3.9	3.9
Communication Services	183	-2.4	-31.6	-11.3	16.5	0.9	1.0	17.2	14.7	15.5	19.1	2.9	2.6	2.7	3.2
Media	711	-2.2	-34.3	-10.3	18.4	0.3	0.4	19.3	16.3	17.3	22.6	3.4	3.0	3.2	3.7
Consumer Staples															
Food & Staples Retailing	643	-1.1	-8.3	1.6	8.3	1.6	1.6	22.5	20.8	21.4	18.5	4.8	4.3	4.5	3.6
Food Beverage & Tobacco	823	-2.6	0.8	3.4	6.0	3.2	3.3	19.3	18.2	18.6	18.5	5.1	4.7	4.8	5.0
Household Goods	808	-3.2	-17.3	-1.1	7.2	2.5	2.6	24.8	23.2	23.7	21.5	9.5	9.1	9.3	6.9
Health Care															
Pharmaceuticals	1158	-2.2	-10.9	4.9	-5.5	2.1	2.2	13.7	14.5	14.2	15.4	4.9	4.4	4.6	4.3
Healthcare Equipment	1754	-1.2	-12.4	3.3	7.8	1.2	1.3	18.8	17.4	17.8	16.9	3.7	3.4	3.5	3.0
Utilities	377	-1.6	3.7	4.8	4.9	2.9	3.0	21.0	20.0	20.3	17.3	2.3	2.2	2.2	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 2022 & 12-month Forward EPS

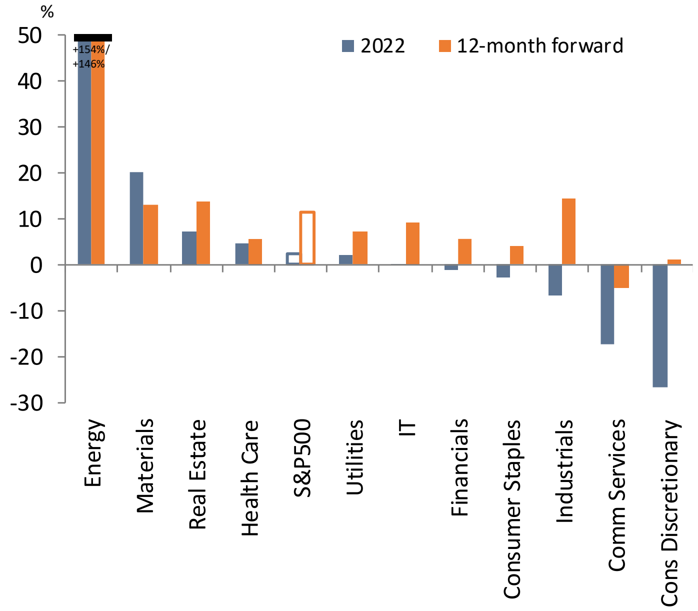
Earnings Revisions indicate 1-month change in 2022 & 12-month Forward EPS



Data as of September 2nd
12-month forward EPS are 33% of 2022 EPS and 67% 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 September 2nd
12-month forward EPS are 33% of 2022 EPS and 67% of 2023 EPS

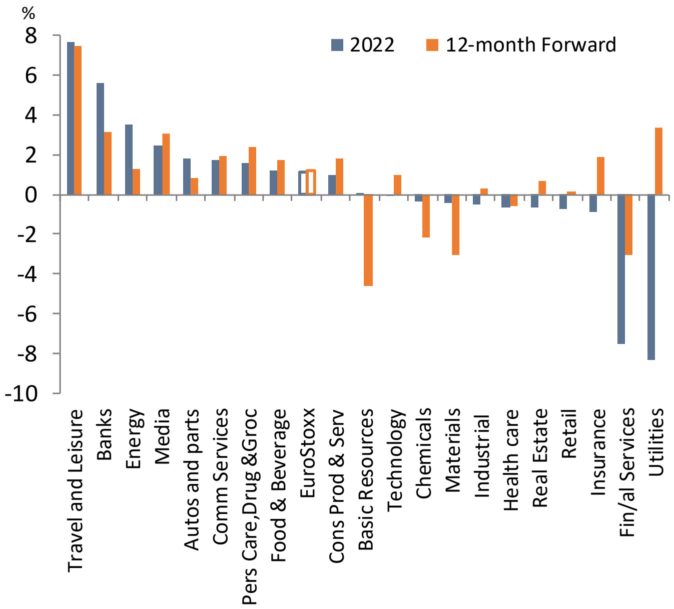
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	2/9/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
EuroStoxx	392	-1.4	-18.1	13.1	5.7	3.4	3.6	12.3	11.6	11.9	14.6	1.5	1.4	1.4	1.5
Energy	316	-3.4	9.4	130.0	-19.6	5.0	5.2	4.8	6.0	5.6	13.0	1.1	1.0	1.0	1.2
Materials	879	-1.3	-15.8	13.7	-23.4	3.3	3.2	9.7	12.7	11.7	15.7	1.5	1.4	1.5	1.7
Basic Resources	215	-2.3	-13.4	11.3	-46.3	3.4	3.5	3.5	6.6	5.6	9.9	0.6	0.5	0.6	0.8
Chemicals	1275	-1.2	-16.1	16.7	-10.6	3.3	3.2	13.2	14.8	14.2	16.8	2.0	1.9	1.9	2.2
Financials															
Banks	80	3.3	-20.1	6.3	3.5	7.2	7.7	6.4	6.2	6.3	9.9	0.5	0.5	0.5	0.7
Insurance	272	1.9	-11.1	-4.8	20.8	6.1	6.5	9.5	7.9	8.4	9.7	1.0	0.9	0.9	0.9
Financial Services	494	0.1	-14.7	23.5	-10.9	3.2	3.3	11.0	12.3	11.9	14.6	1.3	1.4	1.4	1.2
Real Estate	148	-0.8	-33.5	6.3	5.6	5.9	6.7	11.5	10.9	11.1	17.0	0.6	0.6	0.6	1.0
Industrials															
Industrial Goods & Services	906	-1.3	-22.6	17.2	15.0	2.5	2.8	16.7	14.5	15.2	17.4	2.4	2.2	2.2	2.6
Construction & Materials	455	0.2	-16.3	-5.1	3.8	3.9	4.1	11.6	11.2	11.3	14.9	1.5	1.4	1.4	1.5
Consumer Discretionary															
Retail	428	-2.0	-38.1	-5.5	7.6	4.8	5.4	18.1	16.9	17.3	26.1	3.5	3.4	3.4	5.6
Automobiles and parts	506	2.5	-19.7	6.3	-2.2	6.4	6.0	5.1	5.2	5.2	8.0	0.7	0.7	0.7	1.0
Travel and Leisure	169	-1.9	-12.6	N/A	57.0	1.1	1.7	24.7	15.7	N/A	N/A	2.1	1.9	1.9	2.2
Consumer Products & Services	419	-3.5	-20.6	9.6	13.4	1.7	1.9	26.7	23.6	24.6	24.7	5.7	5.0	5.2	4.1
Media	241	-3.8	-15.8	17.3	14.1	2.7	2.9	18.2	16.0	16.7	17.6	2.5	2.4	2.4	2.2
Technology	693	-4.3	-29.4	-1.5	25.1	1.2	1.3	23.2	18.5	20.1	21.5	3.2	2.9	3.0	3.6
Consumer Staples															
Food, Beverage & Tobacco	167	-2.0	-12.9	17.6	10.3	1.9	2.3	18.3	16.6	17.2	20.1	2.0	1.9	1.9	2.6
Personal Care, Drug & Grocery	172	-1.1	-14.3	2.1	8.1	2.5	2.7	15.9	14.7	15.1	17.6	2.3	2.1	2.2	2.3
Health care	768	-1.6	-17.7	8.2	6.6	2.4	2.6	15.2	14.2	14.5	16.7	2.0	1.8	1.9	2.3
Communication Services	288	0.5	-0.2	23.0	9.3	4.0	4.3	15.4	14.1	14.5	15.3	1.5	1.4	1.5	1.7
Utilities	339	-3.6	-14.0	-53.1	113.6	4.6	5.1	26.7	12.5	17.1	14.0	1.6	1.5	1.5	1.2

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

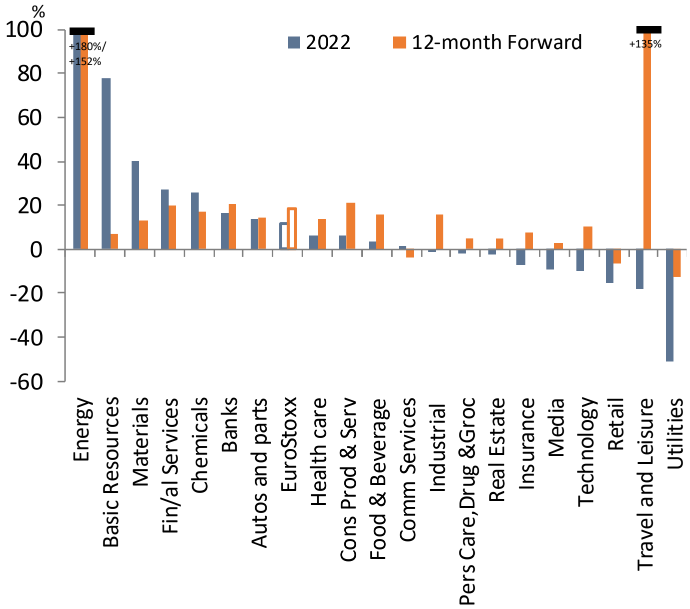
1-month revisions to 2022 & 12-month Forward EPS

Earnings Revisions indicate 1-month change in 2022 & 12-month Forward 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 September 2nd
12-month forward EPS are 33% of 2022 EPS and 67% of 2023 EPS

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