

## The ECB increased interest rates to 3.25% and is expected to discontinue the reinvestments under the APP as of July 2023

- The ECB on May 4<sup>th</sup> decelerated the pace of interest rate hikes to +25 bps, instead of +50 bps steps in each of the past three meetings, as the transmission of monetary tightening to financing conditions has been forceful, *inter alia* via tighter bank lending standards and lower loan demand (see Economics, ECB Bank Lending Survey). Following cumulative rate increases of 375 bps since July 2022, the Deposit Facility Rate (DFR) now stands at 3.25%.
- Looking forward, President Lagarde noted that the ECB has more ground to cover regarding interest rates due to strong underlying inflation pressures. Market pricing (according to overnight index swaps) now points to roughly additional hikes of +50 bps for euro policy interest rates, broadly unchanged compared with pre-ECB meeting estimates.
- At the same time, the ECB will discontinue the reinvestments under the Asset Purchase Programme (€3.2 trillion, with zero Greek Government Bond holdings) as of July 2023. The APP portfolio is expected to decline by circa €300 billion in the next twelve months or 3.5% of euro area marketable long-term government debt. The ECB will continue to reinvest maturing bonds under the Pandemic Emergency Purchase Programme (€1.7 trillion, with €38 billion Greek Government Bond holdings) at least until the end of 2024.
- 2-Year German Government bond yields moved lower in the past week by circa 20 bps to 2.54% and 10-Year yields decreased by 5 bps to 2.25%, while euro area periphery bond spreads were broadly unperturbed by the ECB's decision to halt APP reinvestments. The Greek/German 10-Year bond yield spread narrowed by 10 bps to 174 bps, while the Italian/German 10-Year yield spread widened slightly by 5 bps to 191 bps.
- The Federal Reserve proceeded with a 25 basis points increase in the federal funds rate on May 3<sup>rd</sup>, to a range of 5.0% - 5.25%. At the same time, the Fed removed the reference in the post-meeting statement that anticipates that further increases may be appropriate, suggesting that Fed delivered on Wednesday the final interest rate hike of a historically aggressive cycle (cumulative tightening of +500 bps since March 2022).
- The latest Fed Bank Lending Survey (May 8<sup>th</sup>) adds to the case for a pause, with banks further tightening their loan standards and loan demand heading south, particularly for commercial real estate (CRE) loans.
- Contrary to Fed guidance, investors' expectations now point to roughly 75 basis points of FFR cuts in the next six months (see graph below). With sticky core inflation (three-month annualized rate of 5.0%) and strong, albeit cooling, job growth (three-month NFP gains of 222k, see Economics) market expectations for rate cuts could turn wrong, hurting elevated equity multiples (S&P500 price-to-earnings ratio of 18x versus a 15-year average of 16x) and supporting demand for short-term fixed income securities, which offer yields of circa 5%.
- The US political saga regarding the debt limit (\$31.4 tn), increasingly gathers attention. According to Yellen, the government's ability to borrow using extraordinary measures could be exhausted as early as June 1<sup>st</sup>. The debt ceiling debate could add volatility as we approach the June deadline.

Ilias Tsirigotakis<sup>AC</sup>  
Head of Global  
Markets Research  
210-3341517  
tsirigotakis.ilias@nbg.gr

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

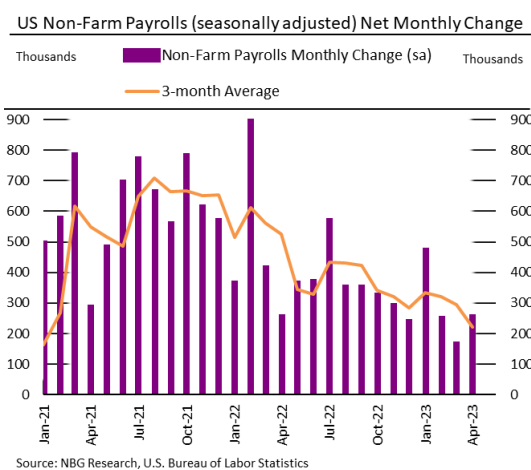
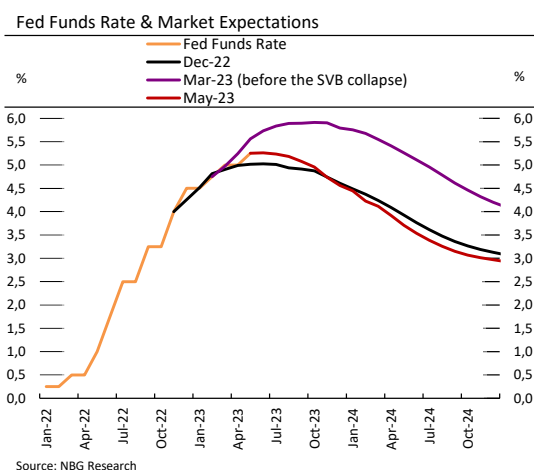
Vasiliki Karagianni  
210-3341548  
karagianni.vasiliki@nbg.gr

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

### Table of Contents

- Overview\_p1
- Economics & Markets\_p2,3
- Forecasts & Outlook\_p4
- Event Calendar\_p5
- Markets Monitor\_p6
- ChartRoom\_p7,8
- Market Valuation\_p9,10

### Charts of the week



## US labor market data for April were surprisingly strong

- **Headline job creation overshoot consensus estimates by a significant margin in April.** Specifically, non-farm payrolls were up by a solid +253k, from +165k in the previous month (6-month average of 278k), versus consensus estimates for +180k. It should also be noted though, that substantial negative net revisions for the previous two months took place (-149k, cumulatively). Sector-wise, professional & business services (+43k), health care (+40k) and leisure & hospitality (+31k) overperformed. Note though that the latter remains a significant laggard, with employment still being -402k below pre-pandemic levels (versus +3302k above pre-pandemic levels for total non-farm payrolls).
- **The (relatively more volatile) total household employment, including the self-employed and agricultural workers, increased by +139k in April from +577k in March.** Importantly, the unemployment rate decreased by 0.1 pp to 3.4%, the lowest since May 1969, versus consensus estimates for 3.6% (labor force participation rate: stable at 62.4%). Meanwhile, 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, also declined by 0.1 pp to 6.6% in April.
- **Average hourly earnings were resilient in April.** Indeed, the monthly growth was +0.5% mom, from +0.3% mom in March, above expectations for a stable performance (average of +0.25% mom since 2006). As a result, the annual growth accelerated to +4.4% from +4.3% in March, versus consensus estimates for 4.2% yoy (and well above an average of +3.0% yoy since 2007). The average weekly hours worked by total employees were stable at 34.4 in April (in line with the average since 2006). **Meanwhile, the Employment Cost Index (ECI) for Q1:2023 somewhat exceeded expectations.** Indeed, the ECI accelerated to +1.2% qoq (seasonally adjusted) in Q1:23 from +1.1% qoq in Q4:22, versus consensus expectations for +1.1% qoq. Both the wages & salaries as well as the benefits components, demonstrated a similar momentum (+1.2% qoq). The annual rate of growth for ECI came out at +4.8% from +5.1% in Q4:22.

## Euro area inflation was little changed in April

- **According to the “flash” estimate, the annual growth of CPI came out at 7.0% in April, from 6.9% in March (record, i.e. since 1997, high of 10.6% in October 2022), roughly as expected.** Energy prices fell by -0.8% mom in April. Positive base effects though (-4.0% mom in April | all figures in not-seasonally adjusted terms), resulted in the annual growth accelerating to +2.5% from -0.9% in March (+0.4 pps contribution to the headline’s year-over-year increase). The momentum for prices of food, alcohol & tobacco eased, up by +0.2% mom in April, from +1.2% mom on average in the previous 12 months (+1.3% mom in March | average of +0.2% mom since 1996), leading the annual growth to +13.6% from +15.5% in March (which had been the highest on record | +2.8 pps contribution to headline CPI).
- Importantly, core inflation, which excludes the effects of energy and food components, rose strongly on a monthly basis, by +1.0% nsa (average of +0.1% mom since 1998). Given a similar monthly growth in April 2022, the annual growth was little changed, at 5.6% in April from 5.7% in March, which had been a record, i.e. since 1998, high. Core CPI contributed +3.8 pps to the headline CPI year-over-year growth, representing the first signs of plateauing following 4 months of acceleration.

On the monthly pace of growth, the strength was broad based, with the non-energy industrial goods component up by +0.7% mom (+6.2% yoy from +6.6% yoy in March) and its services peer by +1.2% mom (+5.2% yoy from +5.1% yoy in March).

## Euro area bank credit standards continue to tighten substantially across the board, while loan demand eases

- **The quarterly ECB’s Bank Lending Survey for Q1:23, suggests a profoundly weaker appetite of commercial banks to extend new credit, across loan categories,** mainly due to: i) perceptions of increased risk related to the economic outlook; ii) worsened risk perceptions also for industry or firm-specific situation and; iii) reduced risk tolerance. In all, euro area banks’ credit standards (i.e. banks’ internal guidelines or loan approval criteria) on loans to corporations tightened substantially in Q1:23 (+27% for a 2<sup>nd</sup> consecutive quarter). Recall that a positive reading indicates that the fraction of banks tightening standards, is greater than those easing. The net tightening in the latest two quarters was the largest since the euro area sovereign debt crisis (net percentage of 35% in Q4:11).
- Regarding households, euro area banks’ standards also tightened significantly for mortgage loans (+19% after +21% in Q4:22) and somewhat more modestly for consumer credit (+10% from +17% in Q3:22).
- **Loan demand fell strongly across the board according to survey panelists, mostly due to higher interest rates.** Specifically, the share of banks reporting an increase in loan demand by corporations, minus the share of banks citing a decline, was -38% in Q1:23, following a -12% in Q4:22. Importantly, fixed investment plans also had a significantly dampening impact, suggesting reluctance for capital formation. Recall that the composite cost of borrowing indicator for loans to non-financial corporations has increased to 4.22% (March 2023) compared with an all-time low of 1.35% in December 2021 (an increase of +287 bps, compared with ECB cumulative interest rate tightening of +350 bps up to March 2023).
- The level of interest rates was also the major dampening factor for loan demand by households, alongside weaker consumer confidence and a worsened outlook for the housing market. In all, respondents overwhelmingly reported weaker demand for housing loans in Q1:23, specifically a net share of 72% (close to the 74% reported for Q4:22, the largest such percentage on record, i.e. since 2003) and a 39% expect the same also in Q2:23. Recall that the composite cost of borrowing indicator for loans to households for house purchase (calculated as a weighted average of interest rates on both short-term and long-term loans) stood at 3.37% in March, from 1.31% in December 2021 (an increase of +206 bps, compared with ECB cumulative interest rate tightening of +350 bps up to March 2023).
- Finally, note that the latest survey results for loan demand are largely in line with actual bank lending data. In the event, the annual pace of growth for loans to non-financial corporations was +5.2% in March from +5.7% in February (+8.9% in October 2022, the highest since January 2009). At the same time, the annual pace of growth for loans to households decelerated by 0.3 pps to +2.9% (peak of +4.6% in May 2022, the highest since October 2008).

## Equities

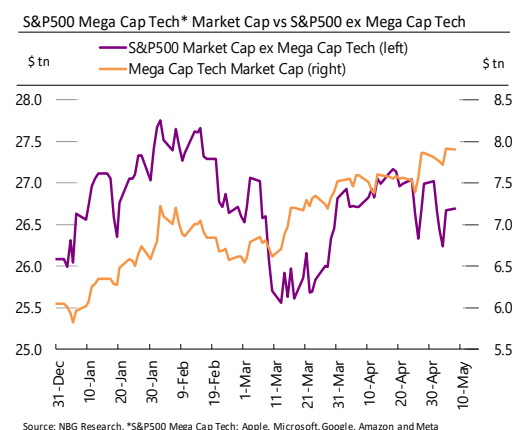
- Global equity markets were mixed (MSCI ACWI: -0.4%) in the past week**, with Emerging markets (MSCI EM: +0.5% wov) overperforming their Developed markets peers (-0.5% wov). In the US, the S&P500 ended the week lower by -0.8%, as investors weigh Federal Reserve's possible pause, renewed concerns regarding US regional banks and better-than-expected corporate earnings announcements. The Energy sector underperformed (-5.8% wov), while Banks declined by -4.6% wov. Notably, the S&P1500 Regional Banks, which includes the shares of 95 US regional banks, fell by -10% wov, following the failure of the First Republic Bank (about \$230 bn in total assets), with the Federal Deposit Insurance Corporation (FDIC) entering into a purchase and assumption agreement with JPMorgan Chase Bank (JPM). In addition, Pacific Western Bank declined by -43.3% wov, following reports that is considering strategic options (including a potential sale). Nevertheless, the trend reversed on Friday, with the bank's shares rising by +82% (-75% year-to-date), as the bank announced a quarterly cash dividend of \$0.01 per common share, down from \$0.25 in the previous quarter, to support its plan to reach a CET1 capital ratio of over 10%. The IT sector ended the week up by 0.6%, with Apple overperforming (+2.3% wov), following better-than-expected quarterly earnings results (EPS of \$1.52 versus consensus estimates for \$1.43), with the company announcing an increased quarterly dividend of \$0.24 (\$0.23 in the previous quarter) and an additional \$90 bn for share repurchases. Overall, regarding the S&P500 Q1:23 earning period, with 431 companies having reported results so far, 78% have surpassed analyst estimates, while according to analysts' estimates, the annual earnings growth is expected to be -2% in Q1:23, upwardly revised from -7% on March 31<sup>st</sup>. Looking forward, 2023 S&P500 EPS are now expected at \$220 (+2% compared with 2022 EPS).

## Fixed Income

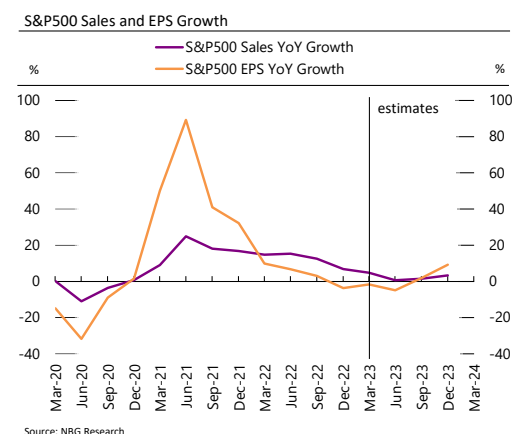
- Government bond yields were mixed in the US in the past week.** Specifically, the 10-year US Treasury yield ended the week broadly stable at 3.44%, while its 2-year peer declined by 14 bps to 3.91%, due to, *inter alia*, elevated expectations for a pause in monetary policy tightening. On the contrary, the 3-month bill increased by +16 bps to 5.22%, amid US federal debt limit stalemate concerns. In the UK, the 10-year gilt rose by 4 bps to 3.77%, with investors' attention turning to the forthcoming Bank of England's (BoE) meeting on Thursday, at which the BoE is expected to increase its Bank Rate by 25 bps to 4.50%. In Germany, the 10-year yield declined by -6 bps to 2.28% and the 2-year yield by -17 bps to 2.54%, following the ECB's decision to slow the pace of its policy rates increases to 25 bps on Thursday. Periphery bond yield spreads were mixed in the previous week. Specifically, in Italy it widened by +4 bps to 191 bps, in Spain by +5 bps to 109 bps, while in Greece it narrowed by -9 bps to 174 bps.
- Corporate bond spreads widened in the past week.** Indeed, USD HY bond spreads ended the week up by +27 bps wov to 477 bps and their EUR counterparts by +16 bp wov to 488 bps. In the investment grade spectrum, USD IG bond spreads widened by 8 bps to 148 bps and their EUR counterparts by +6 bps wov to 166 bps.

## FX and Commodities

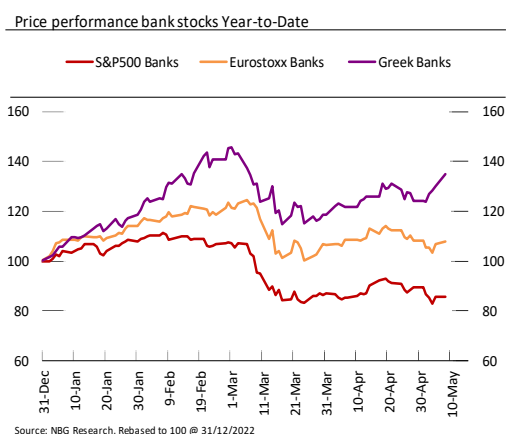
- In foreign exchange markets, the Japanese yen appreciated** by +0.9% wov against the US dollar in the past week to ¥134.9 and by +1.2% against the euro to ¥148.5, as, *inter alia*, the 2-Year nominal yield differentials (US-JP and GER-JPY) narrowed by -15 bps to 394 bps and by -18 bps to 257 bps, respectively, while also supported by the increased investors' demand for "safe haven" assets.
- In commodities, oil prices fell in the past week, due to, *inter alia*, lower global growth concerns and subsequently lower oil demand** (Brent: -5.3% wov to \$75.3/barrel, recording intra-week its lowest level since December 2021 | WTI: -7.1% wov to \$71.3/barrel). Nevertheless, the trend reversed at the end of the week, following stronger-than-expected US labor market data, with oil prices recording gains of c.+6.5% cumulatively on Friday and Monday.



Graph 1.



Graph 2.



Graph 3.

**Quote of the week:** "We have a view that inflation is going to come down, not so quickly, but it'll take some time. And in that world, if that forecast is broadly right, it would not be appropriate to cut rates, and we won't cut rates", **Chair of the Federal Reserve, J. Powell, May 3<sup>rd</sup> 2023.**

### Interest Rates & Foreign Exchange Forecasts

| 10-Yr Gov. Bond Yield (%) | May 5th | 3-month | 6-month | 12-month | Official Rate (%) | May 5th | 3-month | 6-month | 12-month |
|---------------------------|---------|---------|---------|----------|-------------------|---------|---------|---------|----------|
| <b>Germany</b>            | 2,28    | 2,60    | 2,70    | 2,80     | <b>Euro area</b>  | 3,25    | 3,50    | 3,50    | 3,50     |
| <b>US</b>                 | 3,44    | 4,00    | 4,10    | 4,10     | <b>US</b>         | 5,25    | 5,25    | 5,25    | 5,25     |
| <b>UK</b>                 | 3,77    | 3,74    | 3,64    | 3,40     | <b>UK</b>         | 4,25    | 4,50    | 4,60    | 4,40     |
| <b>Japan</b>              | 0,42    | 0,64    | 0,70    | 0,74     | <b>Japan</b>      | -0,10   | -0,10   | -0,10   | -0,10    |

| Currency       | May 5th | 3-month | 6-month | 12-month | May 5th        | 3-month | 6-month | 12-month |      |
|----------------|---------|---------|---------|----------|----------------|---------|---------|----------|------|
| <b>EUR/USD</b> | 1,10    | 1,08    | 1,09    | 1,10     | <b>USD/JPY</b> | 135     | 133     | 129      | 127  |
| <b>EUR/GBP</b> | 0,87    | 0,89    | 0,89    | 0,91     | <b>GBP/USD</b> | 1,26    | 1,22    | 1,22     | 1,21 |
| <b>EUR/JPY</b> | 148     | 143     | 140     | 139      |                |         |         |          |      |

Forecasts at end of period

### Economic Forecasts

| United States                         | 2021a | Q1:22a | Q2:22a | Q3:22a | Q4:22a | 2022a | Q1:23a | Q2:23f | Q3:23f | Q4:23f | 2023f |
|---------------------------------------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|-------|
| <b>Real GDP Growth (YoY) (1)</b>      | 5,9   | 3,7    | 1,8    | 1,9    | 0,9    | 2,1   | 1,6    | 2,2    | 1,5    | 0,9    | 1,6   |
| <b>Real GDP Growth (QoQ saar) (2)</b> | -     | -1,6   | -0,6   | 3,2    | 2,6    | -     | 1,1    | 0,8    | 0,7    | 0,0    | -     |
| <b>Private Consumption</b>            | 8,3   | 1,3    | 2,0    | 2,3    | 1,0    | 2,7   | 3,7    | 1,2    | 1,1    | 0,6    | 2,0   |
| <b>Government Consumption</b>         | 0,6   | -2,3   | -1,6   | 3,7    | 3,8    | -0,6  | 4,7    | 0,5    | 0,1    | 0,6    | 1,8   |
| <b>Investment</b>                     | 7,4   | 4,8    | -5,0   | -3,5   | -3,8   | -0,2  | -0,4   | 1,6    | 1,9    | 1,3    | 0,7   |
| <b>Residential</b>                    | 10,7  | -3,1   | -17,8  | -27,1  | -25,1  | -10,6 | -4,2   | -3,6   | -3,1   | -3,1   | -12,7 |
| <b>Non-residential</b>                | 6,4   | 7,9    | 0,1    | 6,2    | 4,0    | 3,9   | 0,7    | 2,6    | 2,8    | 2,1    | 2,9   |
| <b>Inventories Contribution</b>       | 0,2   | 0,3    | -2,1   | -1,4   | 2,0    | 0,7   | -2,7   | -0,3   | -0,5   | -0,8   | -0,5  |
| <b>Net Exports Contribution</b>       | -1,7  | -3,8   | 1,2    | 3,3    | 0,6    | -0,6  | 0,1    | -0,1   | 0,1    | 0,1    | 0,6   |
| <b>Exports</b>                        | 6,1   | -4,6   | 13,8   | 14,6   | -3,7   | 7,1   | 4,8    | 2,8    | 2,0    | 0,1    | 4,0   |
| <b>Imports</b>                        | 14,1  | 18,4   | 2,2    | -7,3   | -5,5   | 8,1   | 2,9    | 2,2    | 0,9    | -0,5   | -0,7  |
| <b>Inflation (3)</b>                  | 4,7   | 8,0    | 8,7    | 8,3    | 7,1    | 8,0   | 5,8    | 4,2    | 3,8    | 4,0    | 4,5   |

| Euro Area                         | 2021a | Q1:22a | Q2:22a | Q3:22a | Q4:22a | 2022a | Q1:23a | Q2:23f | Q3:23f | Q4:23f | 2023f |
|-----------------------------------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|-------|
| <b>Real GDP Growth (YoY)</b>      | 5,3   | 5,5    | 4,4    | 2,5    | 1,8    | 3,5   | 1,3    | 0,6    | 0,6    | 0,9    | 0,9   |
| <b>Real GDP Growth (QoQ saar)</b> | -     | 2,4    | 3,7    | 1,5    | -0,2   | -     | 0,3    | 0,9    | 1,3    | 1,3    | -     |
| <b>Private Consumption</b>        | 3,7   | 0,4    | 4,3    | 3,7    | -3,4   | 4,3   | 0,3    | 1,5    | 1,3    | 1,4    | 0,6   |
| <b>Government Consumption</b>     | 4,3   | 0,6    | 0,2    | -0,3   | 3,3    | 1,4   | -0,6   | -1,9   | 0,8    | 1,8    | 0,1   |
| <b>Investment</b>                 | 3,9   | -2,8   | 3,7    | 16,9   | -13,5  | 3,8   | 0,9    | 1,8    | 1,9    | 1,9    | 0,3   |
| <b>Inventories Contribution</b>   | 0,2   | -1,3   | 0,6    | 0,8    | 0,4    | 0,3   | 0,0    | -0,3   | -0,4   | -0,1   | 0,1   |
| <b>Net Exports Contribution</b>   | 1,3   | 4,0    | -0,1   | -4,4   | 3,8    | -0,1  | 0,1    | 0,4    | 0,5    | -0,1   | 0,3   |
| <b>Exports</b>                    | 10,5  | 5,5    | 7,2    | 6,9    | -0,1   | 7,1   | 2,2    | 3,9    | 4,1    | 2,5    | 3,3   |
| <b>Imports</b>                    | 8,3   | -2,5   | 8,0    | 17,9   | -7,4   | 8,0   | 2,1    | 3,5    | 3,5    | 3,0    | 2,9   |
| <b>Inflation</b>                  | 2,6   | 6,1    | 8,0    | 9,3    | 10,0   | 8,4   | 8,0    | 6,4    | 4,9    | 3,6    | 5,7   |

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

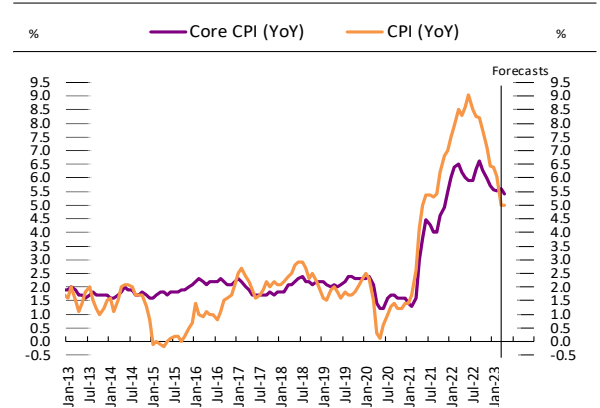
|                         | US   | Euro Area  | Japan  | UK  |
|-------------------------|--|--|--|---|
| <b>Equity Markets</b>   | <ul style="list-style-type: none"> <li>+ Households' balance sheets are healthy (low debt, still elevated excess savings)</li> <li>+ Sentiment (e.g. AAI) and positioning indicators are low, despite the recent rally</li> <li>- Peaking profit margins</li> <li>- Recession risks remain considerable</li> <li>- P/E's (Valuations) above long-term means</li> </ul> <p>● <b>Neutral/Negative</b></p>  | <ul style="list-style-type: none"> <li>+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) despite the recent rally of +27% since October 2022 lows</li> <li>+ Fiscal policy will remain supportive in 2023 (plus RRF)</li> <li>+ China's covid policy pivot could accelerate an export-led recovery</li> <li>- Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify</li> </ul> <p>● <b>Neutral/Positive</b></p>                             | <ul style="list-style-type: none"> <li>+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US)</li> <li>+ China's covid policy pivot could accelerate an export-led recovery</li> <li>+ JPY appreciation from ¥150 to ¥135, if continues, could hurt exporters</li> <li>- Signs of policy fatigue regarding structural reforms and fiscal discipline</li> <li>- Yield-Curve Control twists, let alone a sustained shift in ultra-loose monetary policy, could hurt market benchmarks (but support Banks)</li> </ul> <p>● <b>Neutral</b></p> | <ul style="list-style-type: none"> <li>+ Significant exposure to commodities</li> <li>+ Undemanding valuations in relative terms relative to other regions</li> <li>- Elevated domestic policy uncertainty</li> <li>- The BOE is expected to continue increasing interest rates aggressively as inflation remains very high and labor market extremely tight</li> </ul> <p>● <b>Neutral</b></p>   |
| <b>Government Bonds</b> | <ul style="list-style-type: none"> <li>+ Valuations appear somewhat rich (18.2x), with term-premium @ -0.5% (1% for 2000-2015)</li> <li>+ Fiscal deficits to remain sizeable in following years</li> <li>+ Underlying inflation pressures remain acute</li> <li>+ FED: passive (lower rollover) Quantitative Tightening</li> <li>+ Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) could reverse</li> <li>- Safe-haven demand bid to support prices assuming geopolitical risks re-intensify</li> <li>- The FED is likely close to be done with rates</li> </ul> <p>▲ <b>Slightly higher yields</b></p> | <ul style="list-style-type: none"> <li>+ Valuations (13.1x) are close to historical averages</li> <li>+ ECB to halt the reinvestments under the APP as of July 2023</li> <li>+ ECB to continue with interest rate hikes in 2023 as core inflation pressures remain strong</li> <li>- Fragile economic growth outlook due to the war in Ukraine</li> <li>- ECB QE "stock" effect, with government bond holdings of €4.2 trillion (32% of GDP)</li> </ul> <p>▲ <b>Slightly higher yields</b></p> | <ul style="list-style-type: none"> <li>+ Sizeable fiscal deficits</li> <li>+ The range of Yield-Targeting of 10-Year JGB at around 0% could widen further (current: +/- 50 bps)</li> <li>- Safe-haven demand</li> <li>- Monetary stance remains extremely dovish, despite the unexpected shift in YCC range in December 2022</li> <li>- QE "stock" effect, with government bond holdings of ¥581 trillion (104% of GDP)</li> </ul> <p>▲ <b>Slightly Higher yields</b></p>  | <ul style="list-style-type: none"> <li>+ Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China)</li> <li>+ The BOE is expected to continue increasing interest rates aggressively as inflation remains very high and labor market extremely tight</li> <li>+ BOE: active (sales) Quantitative Tightening</li> <li>- Slowing economic growth post-Brexit</li> </ul> <p>▲ <b>Slightly Higher yields</b></p> |
| <b>Foreign Exchange</b> | <ul style="list-style-type: none"> <li>+ USD interest rate differential vs peers remain significant</li> <li>+ Weak global economic growth</li> <li>+ Safe-haven demand status</li> <li>- Global political uncertainty to decline</li> <li>- The FED is close to be done, which reduces potential USD upside</li> </ul> <p>● <b>Broadly Flat USD against G10 FX</b></p>  | <ul style="list-style-type: none"> <li>+ ECB to continue with interest rate hikes in 2023 as core inflation pressures remain strong</li> <li>+ Lower geopolitical uncertainty (Ukraine-Russia, natural gas) is positive for EUR</li> <li>- Global growth risks remain to the downside</li> </ul> <p>● <b>Range-bound with upside risks against the USD</b></p>   | <ul style="list-style-type: none"> <li>+ Safe haven demand</li> <li>+ More balanced economic growth recovery (long-term)</li> <li>+ Higher core Inflation rates could accelerate the shift of monetary policy (less accommodative)</li> </ul> <p>▲ <b>Stronger JPY</b></p>   | <ul style="list-style-type: none"> <li>+ Valuations appear undemanding with REER below its 15-year average</li> <li>- Sizeable Current account deficit</li> </ul> <p>● <b>Broadly stable GBP</b></p>  |

## Economic Calendar

In the US, attention turns to inflation data for April, due to be released on Wednesday. CPI is expected at +5% yoy unchanged from the previous month, while the core figure is expected at +5.4% yoy from +5.6% yoy. On Friday, attention turns to the University of Michigan consumer confidence survey for May, which also include data for the consumers' inflation expectations.

In the UK, the BoE meets on May 11<sup>th</sup> and is expected to increase its Bank Rate by 25 bps to 4.50%. Moreover, Q1:23 GDP is due on May 12<sup>th</sup>. Consensus expect GDP growth of +0.1% qoq (-0.2% yoy), compared with +0.1% qoq (+0.6% yoy) in Q4:22.

### US Inflation



Source: NBG Research

### Economic News Calendar for the period: May 2 - May 15, 2023

| Tuesday 2        |  |       |       | Wednesday 3         |       |                  |                                     | Thursday 4         |       |       |       |                  |   |          |       |       |       |
|------------------|--|-------|-------|---------------------|-------|------------------|-------------------------------------|--------------------|-------|-------|-------|------------------|---|----------|-------|-------|-------|
|                  |  | S     | A     | P                   |       | S                | A                                   | P                  |       | S     | A     | P                |   |          |       |       |       |
| <b>US</b>        | Factory Goods Orders (MoM)                 | March | 1.0%  | -0.9%               | -1.1% | <b>US</b>        | Fed announces its intervention rate | May 3              | 5.25% | 5.25% | 5.0%  | <b>US</b>        | Unit labor costs (QoQ, annualized)      | Q1:23    | 5.5%  | +6.3% | 3.3%  |
| <b>EURO AREA</b> | CPI flash estimate (YoY)                   | April | 7.0%  | 7.0%                | 6.9%  | <b>EURO AREA</b> | ISM Services PMI                    | April              | 51.8  | +51.9 | 51.2  | <b>EURO AREA</b> | Initial Jobless Claims (k)              | April 29 | 240   | -242  | 229   |
|                  | CPI Core flash estimate (YoY)              | April | 5.7%  | 5.6%                | 5.7%  |                  | ADP Employment Change (k)           | April              | 148   | +296  | 142   |                  | Continuing Claims (k)                   | April 22 | 1865  | +1805 | 1843  |
|                  | M3 money supply (YoY)                      | March | 2.5%  | 2.5%                | 2.9%  | <b>EURO AREA</b> | Unemployment rate                   | March              | 6.6%  | +6.5% | 6.6%  |                  | Trade balance (\$bn)                    | March    | -63.3 | -64.2 | -70.6 |
| <b>UK</b>        | Nationwide House Px NSA YoY                | April | -3.6% | +2.7%               | -3.1% | <b>EURO AREA</b> | ECB announces its intervention rate | May 4              | 3.75% | 3.75% | 3.50% | <b>EURO AREA</b> | ECB announces its deposit facility rate | May 4    | 3.25% | 3.25% | 3.00% |
| <b>GERMANY</b>   | Retail sales (MoM)                         | March | 0.4%  | -2.4%               | -0.3% | <b>CHINA</b>     | Caixin PMI Manufacturing            | April              | 50.3  | -49.5 | 50.0  |                  |   |          |       |       |       |
|                  | Retail sales (YoY)                         | March | -6.1% | -8.6%               | -7.1% |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
| <b>Friday 5</b>  |  |       |       | <b>Monday 8</b>     |       |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
| <b>US</b>        | Unemployment rate                          | April | 3.6%  | +3.4%               | 3.5%  | <b>US</b>        | Industrial Production (sa, MoM)     | March              | -1.3% | -3.4% | 2.1%  |                  |   |          |       |       |       |
|                  | Average Hourly Earnings MoM                | April | 0.3%  | +0.5%               | 0.3%  |                  | Industrial Production (wda, YoY)    | March              | 0.9%  | +1.8% | 0.7%  |                  |   |          |       |       |       |
|                  | Average Hourly Earnings YoY                | April | 4.2%  | +4.4%               | 4.3%  |                  | Wholesale trade (MoM)               | May                | 1.0%  | -2.1% | 0.4%  |                  |   |          |       |       |       |
|                  | Average weekly hours (hrs)                 | April | 34.4  | 34.4                | 34.4  | <b>GERMANY</b>   | Industrial Production (sa, MoM)     | March              | -1.3% | -3.4% | 2.1%  |                  |   |          |       |       |       |
|                  | Labor Force Participation Rate             | April | 62.5% | +62.6%              | 62.6% |                  | Industrial Production (wda, YoY)    | March              | 0.9%  | +1.8% | 0.7%  |                  |   |          |       |       |       |
|                  | Underemployment Rate                       | April | 6.7%  | +6.6%               | 6.7%  |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
|                  | Change in Nonfarm Payrolls (k)             | April | 180   | +253                | 165   |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
|                  | Change in Private Payrolls (k)             | April | 160   | +230                | 123   |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
| <b>EURO AREA</b> | Retail sales (MoM)                         | March | -0.1% | -1.2%               | -0.2% |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
|                  | Retail sales (YoY)                         | March | -3.1% | -3.8%               | -2.4% |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
| <b>UK</b>        | S&P Global/CIPS UK Construction PMI        | April | 51.0  | +51.1               | 50.7  |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
| <b>Tuesday 9</b> |  |       |       | <b>Wednesday 10</b> |       |                  |                                     | <b>Thursday 11</b> |       |       |       |                  |   |          |       |       |       |
| <b>CHINA</b>     | Imports (YoY)                              | April | 0.0%  | ..                  | -1.4% | <b>US</b>        | CPI (YoY)                           | April              | 5.0%  | ..    | 5.0%  | <b>US</b>        | Initial Jobless Claims (k)              | May 6    | 245   | ..    | 242   |
|                  | Exports (YoY)                              | April | 8.0%  | ..                  | 14.8% |                  | Core CPI (YoY)                      | April              | 5.4%  | ..    | 5.6%  |                  | Continuing Claims (k)                   | April 29 | 1829  | ..    | 1805  |
|                  |  |       |       |                     |       | <b>JAPAN</b>     | Coincident Index                    | March              | ..    | ..    | 98.6  | <b>UK</b>        | BoE announces its intervention rate     | May 11   | 4.50% | ..    | 4.25% |
|                  |  |       |       |                     |       |                  | Leading Index                       | March              | ..    | ..    | 98.0  | <b>CHINA</b>     | CPI (YoY)                               | April    | 0.3%  | ..    | 0.7%  |
|                  |  |       |       |                     |       |                  |                                     |                    |       |       |       | <b>JAPAN</b>     | Eco Watchers Current Survey             | April    | 52.8  | ..    | 53.3  |
|                  |  |       |       |                     |       |                  |                                     |                    |       |       |       |                  | Eco Watchers Outlook Survey             | April    | 52.6  | ..    | 54.1  |
| <b>Friday 12</b> |  |       |       | <b>Monday 15</b>    |       |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
| <b>US</b>        | University of Michigan consumer confidence | May   | 63.0  | ..                  | 63.5  | <b>US</b>        | Empire Manufacturing                | May                | -14.1 | ..    | 10.8  |                  |   |          |       |       |       |
|                  |  |       |       |                     |       |                  | Net Long-term TIC Flows (\$ bn)     | March              | ..    | ..    | 71.0  |                  |   |          |       |       |       |
| <b>UK</b>        | GDP (QoQ)                                  | Q1:23 | 0.1%  | ..                  | 0.1%  | <b>EURO AREA</b> | Industrial Production (sa, MoM)     | March              | -0.1% | ..    | 1.5%  |                  |   |          |       |       |       |
|                  | GDP (YoY)                                  | Q1:23 | 0.2%  | ..                  | 0.6%  |                  | Industrial Production (wda, YoY)    | March              | 1.4%  | ..    | 2.0%  |                  |   |          |       |       |       |
|                  | GDP (MoM)                                  | March | 0.0%  | ..                  | 0.0%  |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
|                  | Industrial Production (MoM)                | March | 0.1%  | ..                  | -0.2% |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |
|                  | Industrial Production (YoY)                | March | -2.9% | ..                  | -3.1% |                  |                                     |                    |       |       |       |                  |   |          |       |       |       |

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                | <b>S&amp;P 500</b> | 4136              | -0.8                    | 7.7               | -0.3              | -0.8             | <b>MSCI Emerging Markets</b> | 59001                   | 0.2               | 2.6               | -5.1 | -20.9 |
| Japan             | <b>NIKKEI 225</b>  | 29158             | 1.0                     | 11.7              | 8.7               | 1.2              | <b>MSCI Asia</b>             | 903                     | 0.4               | 3.1               | -4.2 | -22.5 |
| UK                | <b>FTSE 100</b>    | 7778              | -1.2                    | 4.4               | 3.7               | 10.5             | <b>China</b>                 | 65                      | 0.7               | 0.4               | -4.0 | -39.5 |
| Euro area         | <b>EuroStoxx</b>   | 459               | -0.5                    | 11.9              | 10.6              | 3.5              | <b>Korea</b>                 | 765                     | -0.4              | 14.1              | -5.7 | -22.7 |
| Germany           | <b>DAX 40</b>      | 15961             | 0.2                     | 14.6              | 14.8              | 5.2              | <b>MSCI Latin America</b>    | 87276                   | 0.1               | -1.1              | -4.5 | -13.3 |
| France            | <b>CAC 40</b>      | 7433              | -0.8                    | 14.8              | 16.7              | 17.2             | <b>Brazil</b>                | 273659                  | 0.3               | -7.3              | -9.9 | -25.9 |
| Italy             | <b>FTSE/MIB</b>    | 27349             | 1.0                     | 15.4              | 15.1              | 11.8             | <b>Mexico</b>                | 50960                   | -0.5              | 13.2              | 8.3  | 15.2  |
| Spain             | <b>IBEX-35</b>     | 9147              | -1.0                    | 11.2              | 8.4               | 2.0              | <b>MSCI Europe</b>           | 2894                    | 0.0               | 2.8               | 19.7 | -54.8 |
| Hong Kong         | <b>Hang Seng</b>   | 20049             | 0.8                     | 1.4               | -3.6              | -29.4            | <b>Russia</b>                | 2538                    | -3.7              | 17.8              | 5.5  | -30.3 |
| Greece            | <b>ASE</b>         | 1111              | 2.4                     | 19.5              | 25.1              | 21.9             | <b>Turkey</b>                | 4535128                 | -3.4              | -15.8             | 66.3 | 202.2 |

**World Market Sectors and Styles** (MSCI Indices\*)

| in US Dollar terms     |               |                   |                         |                   |                   | Investment Styles   |                   |                         |                   |                   |       |
|------------------------|---------------|-------------------|-------------------------|-------------------|-------------------|---------------------|-------------------|-------------------------|-------------------|-------------------|-------|
|                        | 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                 | 233.0         | -4.6              | -5.3                    | -0.7              | 41.5              | <b>Growth</b>       | 3959.7            | 0.2                     | 16.8              | 4.6               | -5.3  |
| Materials              | 324.6         | 0.0               | 4.4                     | -5.1              | -10.6             | <b>Value</b>        | 3125.6            | -1.2                    | 0.7               | -2.2              | -3.5  |
| Industrials            | 320.2         | -0.1              | 7.0                     | 7.6               | -5.6              | <b>Large Cap</b>    | 1773.0            | -0.5                    | 9.3               | 2.2               | -2.0  |
| Consumer Discretionary | 337.8         | -0.1              | 16.0                    | 0.3               | -16.2             | <b>Small Cap</b>    | 480.0             | -0.2                    | 3.3               | -2.9              | -16.3 |
| Consumer Staples       | 288.2         | -0.1              | 6.8                     | 3.7               | 6.7               | <b>US Growth</b>    | 2609.1            | -0.2                    | 10.5              | -3.1              | -5.3  |
| Healthcare             | 351.0         | 0.4               | 1.7                     | 4.4               | 7.4               | <b>US Value</b>     | 1502.2            | -1.5                    | 4.7               | 2.0               | 2.6   |
| Financials             | 128.5         | -2.3              | -1.9                    | -3.2              | -10.3             | <b>US Large Cap</b> | 2261.3            | -0.8                    | 7.4               | -0.9              | -3.5  |
| IT                     | 478.1         | 0.7               | 21.5                    | 6.0               | 3.5               | <b>US Small Cap</b> | 1759.9            | -0.5                    | -0.1              | -5.9              | -21.5 |
| Telecoms               | 79.2          | -1.9              | 18.8                    | -5.0              | -24.8             | <b>US Banks</b>     | 280.3             | -4.6                    | -14.5             | -20.4             | -32.4 |
| Utilities              | 157.1         | 0.2               | 2.8                     | -1.1              | 0.8               | <b>EA Banks</b>     | 102.3             | -1.2                    | 6.7               | 21.5              | 9.7   |
| Real Estate            | 198.6         | -0.5              | 1.1                     | -15.6             | -15.7             | <b>Greek Banks</b>  | 833.8             | 4.9                     | 30.2              | 36.5              | 34.9  |

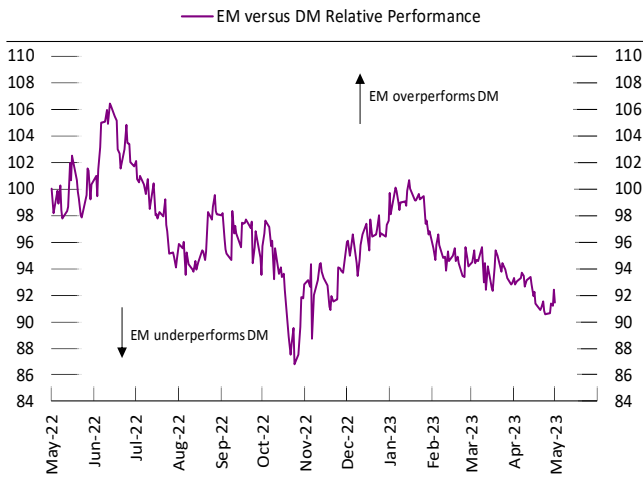
**Bond Markets (%)**

| 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                                 | 3.44    | 3.45      | 3.88       | 3.06          | 2.21            | <b>US Treasuries 10Y/2Y</b>            | -47       | -61        | -54           | 34              | 89  |
| Germany                            | 2.28    | 2.35      | 2.53       | 1.01          | 0.49            | <b>US Treasuries 10Y/5Y</b>            | 3         | -9         | -13           | 4               | 44  |
| Japan                              | 0.42    | 0.43      | 0.42       | 0.23          | 0.18            | <b>Bunds 10Y/2Y</b>                    | -26       | -37        | -16           | 74              | 73  |
| UK                                 | 3.77    | 3.73      | 3.66       | 1.92          | 1.54            | <b>Bunds 10Y/5Y</b>                    | 6         | 0          | 0             | 28              | 50  |
| Greece                             | 4.02    | 4.17      | 4.59       | 3.38          | 5.14            | <b>Corporate Bond Spreads (in bps)</b> |           |            |               |                 |     |
| Ireland                            | 2.74    | 2.70      | 3.06       | 1.70          | 1.15            |  |           |            |               |                 |     |
| Italy                              | 4.19    | 4.22      | 4.64       | 2.98          | 2.19            | <b>US IG</b>                           | 151       | 140        | 138           | 139             | 132 |
| Spain                              | 3.37    | 3.38      | 3.61       | 2.10          | 1.65            | <b>US High yield</b>                   | 495       | 450        | 481           | 403             | 447 |
| Portugal                           | 3.13    | 3.13      | 3.57       | 2.18          | 2.31            | <b>Euro area IG</b>                    | 167       | 160        | 167           | 152             | 120 |
| EM                                 | 4.86    | 4.89      | 5.04       | 4.86          | 4.67            | <b>Euro area High Yield</b>            | 495       | 472        | 498           | 469             | 404 |
| <b>US Mortgage Market</b>          |         |           |            |               |                 | <b>EM</b>                              | 308       | 304        | 295           | 301             | 321 |
|                                    |         |           |            |               |                 | <b>EUR Senior Financial</b>            | 216       | 207        | 204           | 179             | N/A |
| <b>30-Year FRM<sup>1</sup> (%)</b> | 6.50    | 6.55      | 6.42       | 5.36          | 4.26            | <b>EUR Subordinated Financial</b>      | 343       | 327        | 311           | 274             | N/A |
| <b>vs 30Yr Treasury (bps)</b>      | 271.6   | 283.9     | 240.1      | 218.5         | 146.8           | <b>EUR AT1</b>                         | 937       | 887        | 718           | 645             | N/A |

**Foreign Exchange & Commodities**

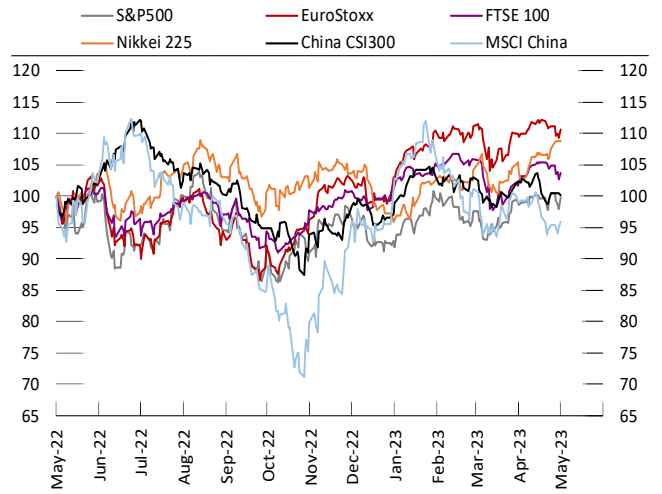
| Foreign Exchange              |         |                   |                    |                   |                         | Commodities                      |                   |                    |                   |                         |       |
|-------------------------------|---------|-------------------|--------------------|-------------------|-------------------------|----------------------------------|-------------------|--------------------|-------------------|-------------------------|-------|
|                               | 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 (%) |       |
| <b>Euro-based cross rates</b> |         |                   |                    |                   |                         |                                  |                   |                    |                   |                         |       |
| EUR/USD                       | 1.10    | -0.3              | 0.9                | 4.5               | 3.1                     | <b>Agricultural</b>              | 446               | 2.3                | -2.8              | -22.2                   | -5.2  |
| EUR/CHF                       | 0.98    | 0.0               | -0.5               | -5.3              | -0.5                    | <b>Energy</b>                    | 240               | -6.2               | -12.1             | -38.7                   | -16.7 |
| EUR/GBP                       | 0.87    | -0.7              | -0.4               | 2.5               | -1.7                    | <b>West Texas Oil (\$/bbl)</b>   | 71                | -7.1               | -11.5             | -34.1                   | -11.1 |
| EUR/JPY                       | 148.47  | -1.2              | 4.0                | 8.3               | 5.4                     | <b>Crude Brent Oil (\$/bbl)</b>  | 75                | -5.3               | -11.4             | -32.1                   | -12.4 |
| EUR/NOK                       | 11.64   | -1.4              | 2.2                | 16.6              | 10.7                    | <b>HH Natural Gas (\$/mmbtu)</b> | 2.1               | -5.9               | -1.5              | -74.6                   | -39.3 |
| EUR/SEK                       | 11.20   | -1.1              | -1.3               | 7.2               | 0.7                     | <b>TTF Natural Gas (EUR/mwh)</b> | 37                | -5.1               | -17.9             | -65.7                   | -52.1 |
| EUR/AUD                       | 1.63    | -2.3              | 0.4                | 10.6              | 3.7                     | <b>Industrial Metals</b>         | 436               | -0.5               | -0.5              | -16.4                   | -3.4  |
| EUR/CAD                       | 1.48    | -1.2              | 0.6                | 9.6               | 2.3                     | <b>Precious Metals</b>           | 2654              | 1.6                | 0.0               | 8.9                     | 10.8  |
| <b>USD-based cross rates</b>  |         |                   |                    |                   |                         |                                  |                   |                    |                   |                         |       |
| USD/CAD                       | 1.34    | -0.9              | -0.2               | 4.8               | -0.8                    | <b>Gold (\$)</b>                 | 2017              | 1.4                | -0.2              | 7.4                     | 10.5  |
| USD/AUD                       | 1.48    | -2.0              | -0.5               | 5.8               | 0.6                     | <b>Silver (\$)</b>               | 26                | 2.4                | 2.6               | 13.9                    | 7.1   |
| USD/JPY                       | 134.90  | -0.9              | 3.1                | 3.6               | 2.2                     | <b>Baltic Dry Index</b>          | 1558              | -1.1               | 2.2               | -41.1                   | 2.8   |
|                               |         |                   |                    |                   |                         | <b>Baltic Dirty Tanker Index</b> | 1072              | 2.5                | -19.5             | -9.3                    | -42.8 |

EM vs DM Performance in \$



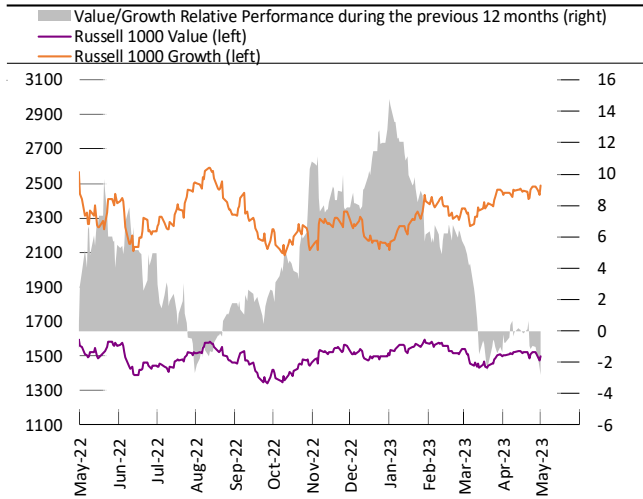
Data as of May 5<sup>th</sup> – Rebased @ 100

Equity Market Performance



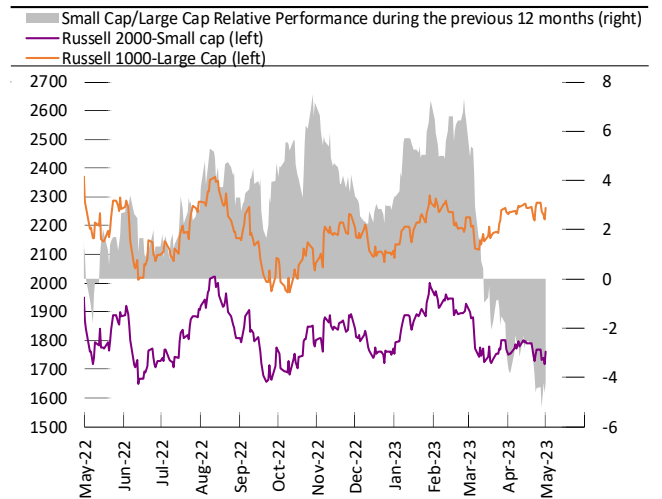
Data as of May 5<sup>th</sup> – Rebased @ 100

Russell 1000 Value & Growth Index



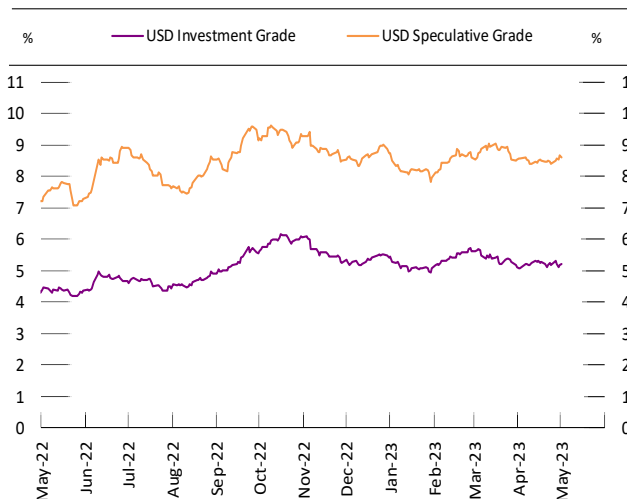
Data as of May 5<sup>th</sup>

Russell 2000 & Russell 1000 Index



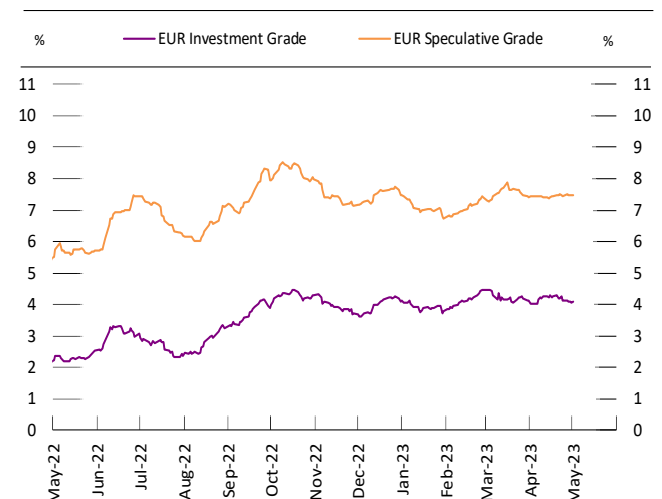
Data as of May 5<sup>th</sup>

USD Corporate Bond Yields



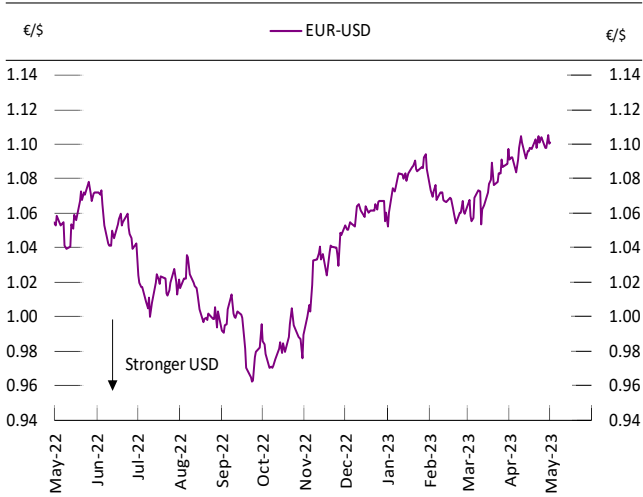
Data as of May 5<sup>th</sup>

EUR Corporate Bond Yields



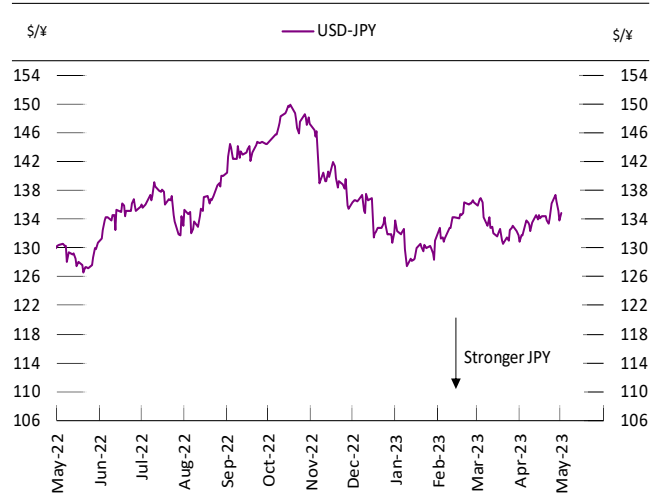
Data as of May 5<sup>th</sup>

### EUR/USD



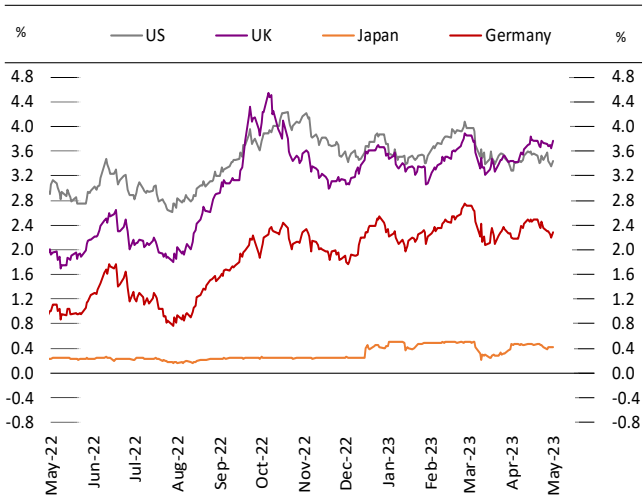
Data as of May 5<sup>th</sup>

### JPY/USD



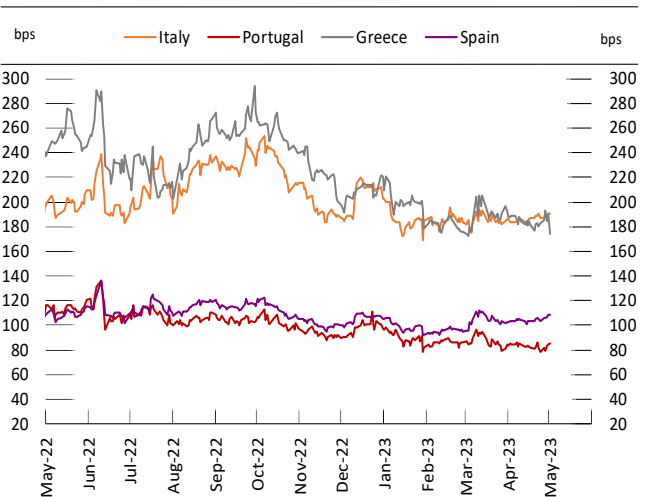
Data as of May 5<sup>th</sup>

### 10- Year Government Bond Yields



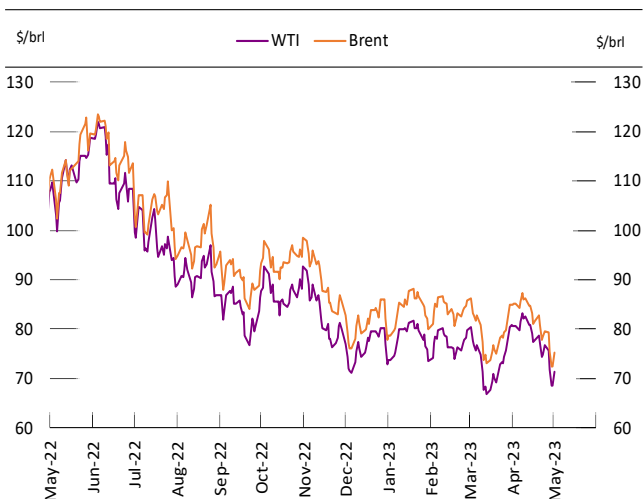
Data as of May 5<sup>th</sup>

### 10- Year Government Bond Spreads



Data as of May 5<sup>th</sup>

### West Texas Intermediate and Brent (\$/bbl)



Data as of May 5<sup>th</sup>

### Gold (\$/ounce)



Data as of May 5<sup>th</sup>



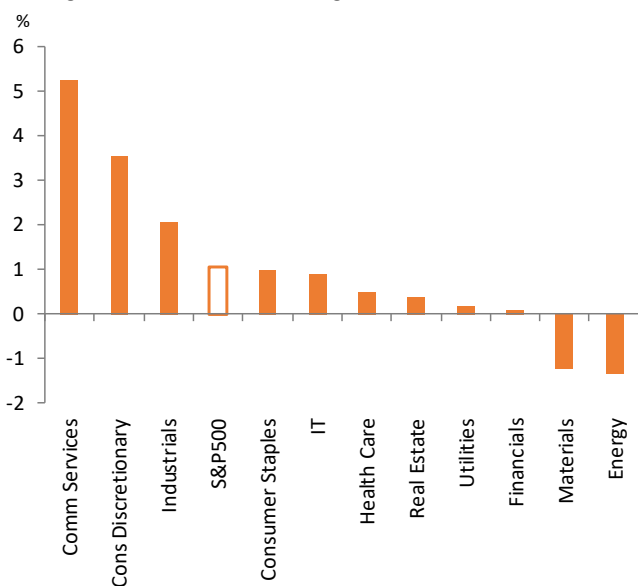
### US Sectors Valuation

|                                     | Price (\$) |                 |       | EPS Growth (%) |       | Dividend Yield (%) |      | P/E Ratio |      |         |          | P/BV Ratio |       |         |          |
|-------------------------------------|------------|-----------------|-------|----------------|-------|--------------------|------|-----------|------|---------|----------|------------|-------|---------|----------|
|                                     | 5/5/23     | % Weekly Change | %YTD  | 2022           | 2023  | 2022               | 2023 | 2022      | 2023 | 12m fwd | 20Yr Avg | 2022       | 2023  | Current | 20Yr Avg |
| <b>S&amp;P500</b>                   | 4136       | -0.8            | 7.7   | 4.8            | 1.8   | 1.7                | 1.7  | 18.4      | 18.8 | 18.2    | 15.7     | 3.9        | 3.8   | 3.8     | 2.9      |
| <b>Energy</b>                       | 617        | -5.8            | -8.2  | 154.4          | -22.6 | 3.4                | 3.5  | 8.1       | 10.1 | 10.2    | 15.2     | 2.3        | 2.1   | 2.1     | 2.0      |
| <b>Materials</b>                    | 501        | -1.1            | 2.4   | 5.4            | -16.5 | 2.2                | 2.1  | 14.6      | 17.0 | 16.7    | 15.2     | 2.9        | 2.7   | 2.7     | 2.8      |
| <b>Financials</b>                   |            |                 |       |                |       |                    |      |           |      |         |          |            |       |         |          |
| <b>Diversified Financials</b>       | 950        | -2.2            | -0.7  | -9.4           | 4.0   | 1.3                | 1.4  | 19.0      | 17.5 | 16.8    | 16.0     | 2.7        | 2.4   | 2.4     | 2.3      |
| <b>Banks</b>                        | 280        | -4.6            | -14.5 | -21.3          | 8.9   | 3.0                | 3.9  | 11.2      | 8.2  | 8.1     | 11.8     | 1.2        | 0.9   | 0.9     | 1.3      |
| <b>Insurance</b>                    | 574        | -1.5            | -3.6  | -13.1          | 25.4  | 1.7                | 2.0  | 17.2      | 13.1 | 12.4    | 11.1     | 2.2        | 1.9   | 1.9     | 1.4      |
| <b>Real Estate</b>                  | 235        | -0.8            | 1.1   | 12.4           | -0.3  | 3.8                | 3.8  | 18.1      | 17.8 | 17.5    | 18.9     | 2.6        | 2.9   | 2.9     | 2.7      |
| <b>Industrials</b>                  |            |                 |       |                |       |                    |      |           |      |         |          |            |       |         |          |
| <b>Capital Goods</b>                | 876        | -0.9            | 0.3   | 12.8           | 16.0  | 1.6                | 1.8  | 22.8      | 19.2 | 18.4    | 16.1     | 5.0        | 4.4   | 4.4     | 3.6      |
| <b>Transportation</b>               | 927        | 1.0             | 2.3   | 123.7          | 9.2   | 1.9                | 2.2  | 16.0      | 14.4 | N/A     | 15.1     | 5.5        | 4.5   | 4.5     | 3.7      |
| <b>Commercial Services</b>          | 507        | -0.6            | 4.3   | 15.5           | 8.2   | 1.4                | 1.5  | 28.6      | 27.9 | 26.8    | 22.0     | 7.7        | 7.3   | 7.3     | 4.7      |
| <b>Consumer Discretionary</b>       |            |                 |       |                |       |                    |      |           |      |         |          |            |       |         |          |
| <b>Retailing</b>                    | 3037       | -0.7            | 10.3  | -43.4          | 45.9  | 0.8                | 0.8  | 43.0      | 31.0 | 29.0    | 22.7     | 10.7       | 9.4   | 9.4     | 7.8      |
| <b>Consumer Services</b>            | 1485       | -1.4            | 16.9  | N/A            | 190.2 | 1.1                | 1.2  | 69.6      | 25.7 | N/A     | 27.1     | 456.7      | 221.9 | N/A     | 15.7     |
| <b>Consumer Durables</b>            | 411        | -0.5            | 11.0  | 3.7            | -14.4 | 1.7                | 1.6  | 13.0      | 16.3 | 15.8    | 16.1     | 3.2        | 3.2   | 3.2     | 3.2      |
| <b>Automobiles and parts</b>        | 100        | 2.2             | 27.8  | 28.6           | -10.4 | 0.3                | 0.5  | 24.2      | 22.7 | N/A     | 11.1     | 4.7        | 3.5   | 3.5     | 2.3      |
| <b>IT</b>                           |            |                 |       |                |       |                    |      |           |      |         |          |            |       |         |          |
| <b>Technology</b>                   | 3169       | 1.4             | 25.9  | 5.0            | 0.1   | 0.9                | 0.8  | 21.8      | 24.6 | 23.7    | 16.0     | 15.8       | 15.7  | 15.7    | 5.5      |
| <b>Software &amp; Services</b>      | 3357       | -0.2            | 18.1  | 10.9           | 8.9   | 1.0                | 0.9  | 25.8      | 26.8 | 25.7    | 18.3     | 8.7        | 8.3   | 8.3     | 6.1      |
| <b>Semiconductors</b>               | 2166       | 0.9             | 30.5  | -5.7           | -17.5 | 1.4                | 1.2  | 20.2      | 26.6 | 24.6    | 18.3     | 5.1        | 5.4   | 5.4     | 3.8      |
| <b>Communication Services</b>       | 194        | -2.3            | 21.6  | -20.4          | 20.6  | 1.0                | 0.9  | 18.1      | 16.8 | 15.9    | 17.6     | 2.9        | 2.9   | 2.9     | 2.8      |
| <b>Media</b>                        | 768        | -2.3            | 26.7  | -22.8          | 25.6  | 0.3                | 0.3  | 20.9      | 19.1 | 17.9    | 21.6     | 3.3        | 3.4   | 3.4     | 3.2      |
| <b>Consumer Staples</b>             |            |                 |       |                |       |                    |      |           |      |         |          |            |       |         |          |
| <b>Food &amp; Staples Retailing</b> | 657        | -0.5            | 6.1   | -3.5           | 3.2   | 1.5                | 1.6  | 21.9      | 22.1 | 21.4    | 17.3     | 5.3        | 4.9   | 4.9     | 3.7      |
| <b>Food Beverage &amp; Tobacco</b>  | 886        | 0.1             | 2.7   | 5.9            | 3.3   | 3.1                | 3.1  | 18.7      | 19.3 | 18.9    | 16.9     | 5.2        | 5.2   | 5.2     | 4.7      |
| <b>Household Goods</b>              | 883        | -1.6            | 2.2   | -3.4           | 3.4   | 2.5                | 2.4  | 25.2      | 26.8 | 25.9    | 19.6     | 9.6        | 10.1  | 10.1    | 6.1      |
| <b>Health Care</b>                  |            |                 |       |                |       |                    |      |           |      |         |          |            |       |         |          |
| <b>Pharmaceuticals</b>              | 1255       | 0.6             | -3.1  | 5.5            | -16.6 | 2.0                | 2.0  | 14.1      | 17.7 | 17.2    | 14.6     | 5.3        | 5.0   | 5.0     | 4.1      |
| <b>Healthcare Equipment</b>         | 1848       | -0.7            | 0.0   | 4.3            | 3.4   | 1.2                | 1.2  | 18.7      | 19.0 | 18.4    | 15.8     | 3.8        | 3.8   | 3.8     | 3.1      |
| <b>Utilities</b>                    | 350        | 0.0             | -2.2  | 1.2            | 6.1   | 3.2                | 3.2  | 18.5      | 18.6 | 18.1    | 15.4     | 1.9        | 2.0   | 2.0     | 1.7      |

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

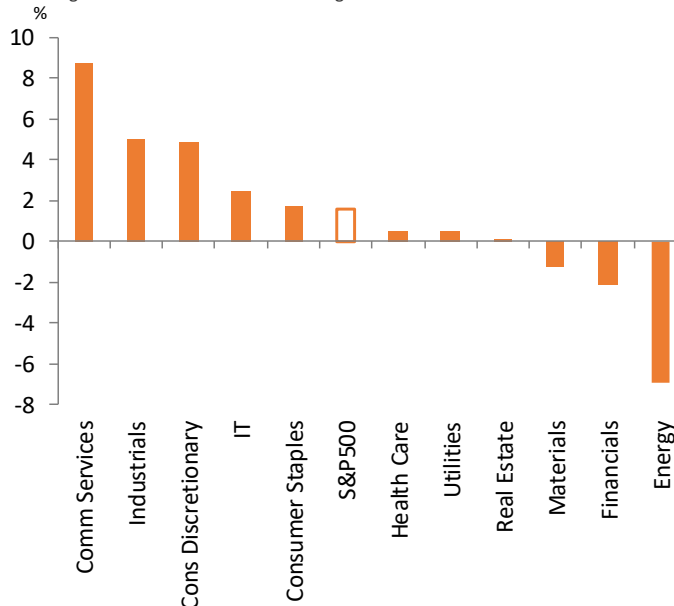
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of May 5<sup>th</sup>  
12-month forward EPS are 65% of 2023 EPS and 35% 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 May 5<sup>th</sup>  
12-month forward EPS are 65% of 2023 EPS and 35% of 2024 EPS

National Bank of Greece | Economic Research Division | Global Markets Analysis

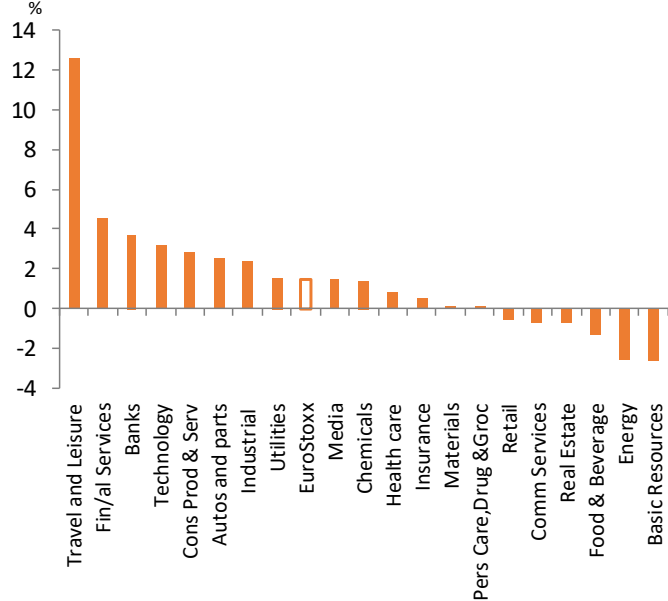
### Euro Area Sectors Valuation

|  | Price (€) |                 |      | EPS Growth (%) |       | Dividend Yield (%) |      | P/E Ratio |      |         |          | P/BV Ratio |      |         |          |
|--|-----------|-----------------|------|----------------|-------|--------------------|------|-----------|------|---------|----------|------------|------|---------|----------|
|  | 5/5/23    | % Weekly Change | %YTD | 2022           | 2023  | 2022               | 2023 | 2022      | 2023 | 12m fwd | 20Yr Avg | 2022       | 2023 | Current | 20Yr Avg |
| <b>EuroStoxx</b>                         | 459       | -0.5            | 11.9 | 21.7           | -0.3  | 3.1                | 3.2  | 13.3      | 13.5 | 13.1    | 13.2     | 1.8        | 1.7  | 1.7     | 1.6      |
| <b>Energy</b>                            | 336       | -2.6            | -3.2 | 121.8          | -25.1 | 5.6                | 5.3  | 5.2       | 6.7  | 6.8     | 11.2     | 1.3        | 1.2  | 1.2     | 1.5      |
| <b>Materials</b>                         | 992       | 0.4             | 7.6  | 13.5           | -34.2 | 3.8                | 3.4  | 8.9       | 13.4 | 13.0    | 13.4     | 1.4        | 1.3  | 1.3     | 1.6      |
| <b>Basic Resources</b>                   | 212       | 1.1             | -5.2 | -11.2          | -47.8 | 2.9                | 3.2  | 5.0       | 8.4  | 8.3     | 10.6     | 0.8        | 0.6  | 0.6     | 0.9      |
| <b>Chemicals</b>                         | 1476      | 0.3             | 10.2 | 28.7           | -26.6 | 4.0                | 3.4  | 11.1      | 15.5 | 14.9    | 14.2     | 1.7        | 1.7  | 1.7     | 2.1      |
| <b>Financials</b>                        |           |                 |      |                |       |                    |      |           |      |         |          |            |      |         |          |
| <b>Banks</b>                             | 102       | -1.2            | 6.7  | 18.4           | 12.9  | 5.3                | 7.2  | 8.6       | 6.6  | 6.3     | 9.9      | 0.8        | 0.6  | 0.6     | 1.0      |
| <b>Insurance</b>                         | 324       | -2.5            | 5.3  | -17.3          | 41.1  | 5.2                | 5.6  | 13.3      | 9.2  | 8.9     | 9.5      | 1.5        | 1.4  | 1.4     | 1.0      |
| <b>Financial Services</b>                | 524       | 0.8             | 7.7  | 31.5           | -0.5  | 3.1                | 3.3  | 11.3      | 11.4 | 11.3    | 15.6     | 1.3        | 1.3  | 1.3     | 1.3      |
| <b>Real Estate</b>                       | 120       | -3.4            | -8.8 | 4.8            | -4.0  | 5.7                | 6.8  | 11.3      | 9.8  | 9.8     | 16.3     | 0.6        | 0.6  | 0.6     | 1.0      |
| <b>Industrials</b>                       |           |                 |      |                |       |                    |      |           |      |         |          |            |      |         |          |
| <b>Industrial Goods &amp; Services</b>   | 1084      | -1.1            | 12.7 | 18.8           | 13.7  | 2.2                | 2.5  | 19.4      | 17.2 | 16.5    | 15.3     | 2.8        | 2.5  | 2.5     | 2.3      |
| <b>Construction &amp; Materials</b>      | 540       | -0.8            | 16.8 | 3.1            | -2.7  | 3.4                | 3.5  | 12.6      | 13.0 | 12.6    | 13.5     | 1.7        | 1.6  | 1.6     | 1.6      |
| <b>Consumer Discretionary</b>            |           |                 |      |                |       |                    |      |           |      |         |          |            |      |         |          |
| <b>Retail</b>                            | 615       | -1.4            | 20.0 | 2.5            | 8.8   | 3.7                | 4.0  | 23.1      | 22.1 | 21.4    | 22.5     | 4.7        | 4.8  | 4.8     | 5.5      |
| <b>Automobiles and parts</b>             | 583       | 0.5             | 15.1 | 9.3            | -11.8 | 4.9                | 4.9  | 5.9       | 6.5  | 6.4     | 8.5      | 0.9        | 0.9  | 0.9     | 1.1      |
| <b>Travel and Leisure</b>                | 231       | -1.9            | 25.8 | N/A            | 36.9  | 1.0                | 1.3  | 19.1      | 15.0 | N/A     | N/A      | 2.7        | 2.4  | 2.4     | 2.0      |
| <b>Consumer Products &amp; Services</b>  | 543       | 0.3             | 27.3 | 1.8            | 14.7  | 1.4                | 1.4  | 33.6      | 32.6 | 31.0    | 21.1     | 6.8        | 6.7  | 6.7     | 3.6      |
| <b>Media</b>                             | 274       | -6.1            | 5.2  | 21.4           | 15.4  | 2.2                | 2.7  | 22.5      | 18.4 | 17.9    | 15.5     | 3.0        | 2.8  | 2.8     | 2.0      |
| <b>Technology</b>                        | 838       | 0.8             | 17.3 | -3.5           | 27.5  | 1.0                | 1.1  | 28.1      | 22.4 | 21.2    | 21.3     | 3.9        | 3.7  | 3.7     | 3.5      |
| <b>Consumer Staples</b>                  |           |                 |      |                |       |                    |      |           |      |         |          |            |      |         |          |
| <b>Food, Beverage &amp; Tobacco</b>      | 186       | 0.6             | 12.9 | 11.7           | 3.1   | 1.8                | 2.0  | 19.6      | 20.3 | 19.5    | 17.7     | 2.2        | 2.1  | 2.1     | 2.6      |
| <b>Personal Care, Drug &amp; Grocery</b> | 190       | -0.6            | 14.0 | 6.6            | 1.4   | 2.4                | 2.3  | 16.1      | 16.6 | 16.0    | 16.2     | 2.3        | 2.3  | 2.3     | 2.6      |
| <b>Health care</b>                       | 852       | 1.2             | 9.6  | 7.2            | -1.2  | 2.4                | 2.3  | 15.9      | 17.2 | 16.5    | 15.0     | 2.0        | 2.0  | 2.0     | 2.1      |
| <b>Communication Services</b>            | 299       | -1.4            | 14.0 | 27.0           | -1.4  | 3.8                | 3.9  | 15.4      | 15.8 | 15.2    | 13.8     | 1.6        | 1.5  | 1.5     | 1.9      |
| <b>Utilities</b>                         | 387       | -0.3            | 10.6 | 23.0           | -4.1  | 5.2                | 4.7  | 12.0      | 13.5 | 13.4    | 13.2     | 1.8        | 1.7  | 1.7     | 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

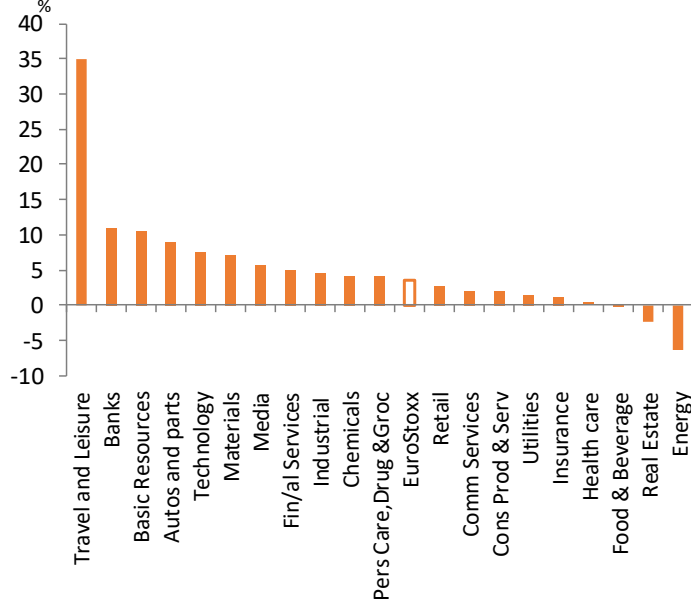
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of May 5<sup>th</sup>  
12-month forward EPS are 65% of 2023 EPS and 35% 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 May 5<sup>th</sup>  
12-month forward EPS are 65% of 2023 EPS and 35% of 2024 EPS

National Bank of Greece | Economic Research Division | Global Markets Analysis

**DISCLOSURES:**

This report has been produced by the Economic Research Division of the National Bank of Greece, which is regulated by the Bank of Greece, and is provided solely as a sheer reference for the information of experienced and sophisticated investors who are expected and considered to be fully able to make their own investment decisions without reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. The information contained in this report does not constitute the provision of investment advice and under no circumstances is it to be used or considered as an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any security, product, service or investment. No information or opinion contained in this report shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Past performance is not necessarily a reliable guide to future performance. National Bank of Greece and/or its affiliates shall not be liable in any matter whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance on or usage of this report and accepts no legal responsibility to any investor who directly or indirectly receives this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor.

Any data provided in this report has been obtained from sources believed to be reliable but has not been independently verified. Because of the possibility of error on the part of such sources, National Bank of Greece does not guarantee the accuracy, timeliness or usefulness of any information. Information and opinions contained in this report are subject to change without notice and there is no obligation to update the information and opinions contained in this report. The National Bank of Greece and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no responsibility, or liability as to the accuracy, or completeness of the information contained in this report, or for any loss in general arising from any use of this report including investment decisions based on this report. This report does not constitute investment research or a research recommendation and as such it has not been prepared in accordance with legal requirements designed to promote investment research independence. This report does not purport to contain all the information that a prospective investor may require. Recipients of this report should independently evaluate particular information and opinions and seek the advice of their own professional and financial advisers in relation to any investment, financial, legal, business, tax, accounting or regulatory issues before making any investment or entering into any transaction in relation to information and opinions discussed herein.

National Bank of Greece has prepared and published this report wholly independently of any of its affiliates and thus any commitments, views, outlook, ratings or target prices expressed in these reports may differ substantially from any similar reports issued by affiliates which may be based upon different sources and methodologies.

This report is not directed to, or intended for distribution to use or use by, any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation or rule.

This report is protected under intellectual property laws and may not be altered, reproduced or redistributed, or passed on directly or indirectly, to any other party, in whole or in part, without the prior written consent of National Bank of Greece.

**ANALYST CERTIFICATION:**

The research analyst denoted by an "AC" on page 1 holds the certificate (type Δ) of the Hellenic Capital Market Commission/Bank of Greece which allows her/him to conduct market analysis and reporting and hereby certifies that all of the views expressed in this report accurately reflect his or her personal views solely, about any and all of the subject issues. Further, each of these individuals also certifies that no part of any of the report analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. Also, all opinions and estimates are subject to change without notice and there is no obligation for update.