



## ECB is more confident of inflation returning to the target

- The ECB stood pat on March 7<sup>th</sup> (DFR: +4.0% | MRO: +4.5%), as expected. The outlook for inflation was revised down. Indeed, headline CPI projections moved lower by -0.4 pps in 2024 to +2.3%, by -0.1 pp to +2.0% in 2024 and were left unchanged for 2026 at +1.9% (on average). Core CPI projections were revised down as well (see graph below).
- In addition, President Lagarde highlighted that officials are more confident that inflation will eventually revert to the target of 2%, suggesting that the commencement of interest rate cuts is coming closer.
- Market expectations, according to overnight index swaps, are in tandem with the first rate cut coming in June, while pricing in cumulative cuts of -100 bps by end-2024 compared with -85 bps prior to the meeting and -145 bps in early January. Expectations have converged better with officials' views.
- Government bond yields declined modestly post-ECB, with German 10-year Bund yield down by -14 bps week-over-week, to 2.27% and periphery bond spreads narrowing in Italy by -17 bps to 131 bps and in Greece by -12 bps to 92 bps ahead of the DBRS announcement. The latter maintained the Hellenic Republic's credit rating at BBB (low) with stable outlook.
- Attention now turns to the respective rating from Moody's, due on March 15<sup>th</sup>. Current rating is Ba1, one notch below investment grade. Moody's is the sole from the most prominent rating agencies (Fitch, S&P), still assigning below investment-grade status to the Hellenic Republic, with a potential upgrade leaving room for additional long-term investment inflows.
- Government bond yields retreated on the other side of the Atlantic as well (US 10-Year Treasury yield declined by -9 bps to 4.09%), as Chair Powell, during the semiannual monetary policy report to the US Congress, broadly reiterated that cuts in the Federal Funds Rate are very likely to come in the course of 2024 and noted that the Fed is not "far from it".
- The US labor market report for February had mixed takeaways for monetary policy prospects, with non-farm payrolls increasing by 275k, albeit with -167k downward revisions in the past month (see Economics). Attention now turns to the US CPI report for February, due on March 12<sup>th</sup> (NBG estimates: +3.1% yoy for a 2<sup>nd</sup> consecutive month).
- In the UK, the Spring Budget had modest and mutually offsetting (in terms of cost) measures. Modest consolidation remains the central narrative, with public sector net borrowing projected at -3.1% of GDP in fiscal year 2024-2025 from -4.2% in 2023-24. The public sector net debt is projected to peak at 93% of GDP in 2026-27 from 85% in 2022-23.
- At the same time, UK economic projections by the Office for Budget Responsibility (OBR) were broadly unchanged compared with November 2023. The OBR foresees improving real GDP growth in 2024 (+0.8% from +0.1% in 2023), as real household incomes recover and financial costs ease.
- Moreover, CPI inflation is projected to ease to +2.2% in 2024 (on average) from +4.0% in January 2024 and from +7.3% in 2023 and to +1.5% in 2025. All told, 10-Year UK Gilts declined by 13 bps to 4.06% in the past week, in tandem with other core bond markets.

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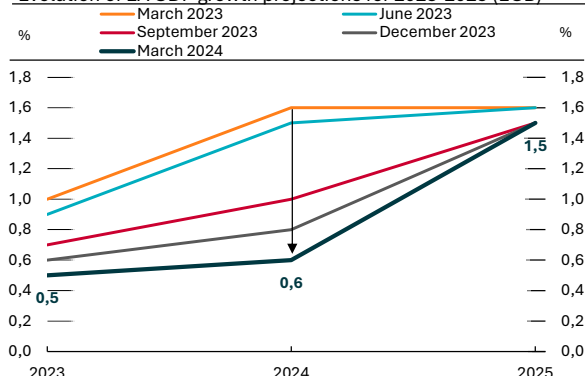
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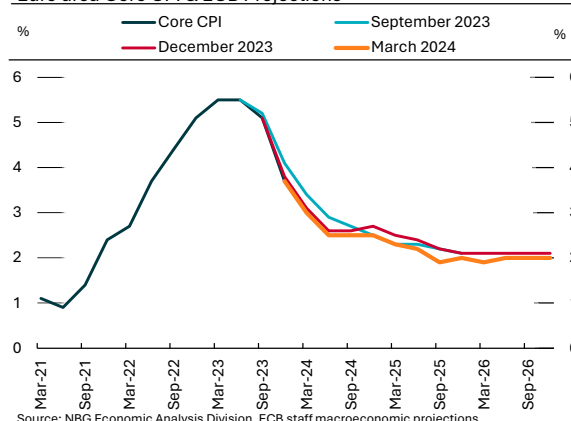
Charts of the week

Evolution of EA GDP growth projections for 2023-2025 (ECB)



Source: NBG Economic Analysis Division, ECB staff macroeconomic projections

Euro area Core CPI & ECB Projections



Source: NBG Economic Analysis Division, ECB staff macroeconomic projections

## The US labor market report had something for everyone

- **Headline NFP job creation was solid in February.** Specifically, non-farm payrolls (NFP) were up by +275k, from an also robust +229k in January (+251k on average in 2023). The latest reading exceeded by a meaningful margin consensus estimates for +200k. It should also be noted though, that substantial negative net revisions took place for the previous two months (-167k, cumulatively). In all, the 3-month average stood at +265k from +234k in January (+302k in February 2023), a strong outcome by historical standards (monthly average of +93k since 2000). Sector-wise, the most notable gains occurred in health care (+67k), government (+52k) as well as food services & drinking places (+42k).
- On the other hand, the relatively more volatile total household employment, which includes the self-employed and agricultural workers, decreased by -184k in February, from -31k in January. Taking also into account an increase of +150k in the labor force (the respective participation rate held steady at 62.5% due to a similar increase in the civilian population), the number of unemployed increased by +334k. As a result, the unemployment rate rose to 3.9% in February from 3.7% in January, versus consensus for a stable reading. At the same time, 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 slightly, by +0.1 pp to 7.3% in February.
- The momentum for average hourly earnings eased in February. In the event, the monthly growth was +0.1% mom, from a downward revised (by -0.1 pp) +0.5% mom in January and somewhat below consensus estimates for +0.2% mom (average of +0.25% mom since 2006). As a result, the annual growth decelerated by -0.1 pp to +4.3% (average of +3.1% yoy since 2007). The three month-average of the monthly annualized growth, was a still robust +4.05% from +5.0% in the previous month. It should also be noted that the average weekly hours worked by total employees increased by +0.1 to 34.3 in February (average of 34.4 since 2006), suggesting somewhat larger gains for workers' overall compensation.

## Healthy gains for US labor productivity in Q4:2023

- **Labor productivity in the non-farm business sector rose by +3.2% qoq saar in Q4:2023 (+2.6% yoy)** from +4.7% qoq saar in Q3 (+2.3% yoy), as output increased by +3.5% qoq saar (+3.2% yoy) and hours worked by +0.3% qoq saar (+0.6% yoy). At the same time, unit labor costs, an indicator of inflationary pressures, increased by +0.4% qoq saar (+2.5% yoy) following +0.1% qoq saar in Q3:2023 (+1.9% yoy), as strong employee hourly compensation gains of +3.6% qoq saar (+5.1% yoy) more than offset the aforementioned gains for productivity. In constant price terms, hourly compensation increased by +0.8% qoq saar in Q4 (+1.8% yoy).

## The ECB revised down its short-term forecasts for inflation and real GDP growth

Economic data recently have been more subdued than envisaged at the time of December's quarterly ECB staff's estimates, resulting in a downward revision for GDP projections in the short terms at the latest forecast round. In the event, the estimate for real GDP growth in FY:2024, was revised down by -0.2 pps to +0.6%, after +0.4% in 2023. The quarterly profile points to +0.1% qoq growth in Q1:2024 and by +0.2% qoq in Q2:2024, returning to trend growth in H2. For 2025, ECB's forecast was maintained at +1.5%, while the respective one for 2026 was slightly revised up, by +0.1 pp to +1.6% yoy. The anticipated improvement is linked to estimates for rising real incomes, as well as improving foreign demand.

- A slightly upward revised path for the unemployment rate is envisaged. After unemployment rate averaged 6.5% in 2023 and reached a record low of 6.4% in January 2024, the projections for 2024 & 2025 were up by +0.1 pp to 6.7% & 6.6%, respectively (on average). An upward revision by +0.2 pps to 6.6% for 2026 took place. Still, the unemployment rate is expected to remain low by historical standards (2001-2019 average of 9.5%).
- **Inflation projections were revised down**, mostly for the short term, due to lower assumptions for energy commodities (mainly regarding natural gas) and for pipeline cost pressures. Note that the shipping disruptions in the Red Sea are estimated to have only a very limited upward impact, albeit based on the assumption of a quick resolution to the tensions combined with the fact that shipping costs are often based on longer-term contracts. In all, oil prices are assumed to average €79.7/barrel in 2024 instead of €80.1/barrel in December's projections, €74.9/barrel in 2025 instead of €76.5/barrel and €72.2/barrel in 2026 instead of €73.6/barrel, down by -1.5%, on average, for the period 2024-2026 compared with the same period in December's projections. More significantly, the assumptions for natural gas prices were sharply revised down (by -28% cumulatively) following price developments in recent months, to an average of €30/MWh in 2024, €32/MWh in 2025 and €30/MWh in 2026 instead of €47/MWh, €44/MWh and €37/MWh, respectively.
- In all, headline inflation projections were revised down by -0.4 pps in 2024 to +2.3% (+5.4% in 2023), by -0.1 pp to +2.0% in 2024 and were left unchanged for 2026 at +1.9% (on average). The ECB still expects inflation to meet the target of 2% in Q3:2025. Core CPI inflation estimates also came down, albeit modestly, due to second-round effects from lower assumed energy prices and a weaker GDP growth outlook. Specifically, following an outcome of +4.9% in 2023 (on average), the projection for core CPI came out at +2.6% in 2024 (-0.1 pp versus December's projections), +2.1% in 2025 (-0.2 pps versus the previous estimates) and +2.0% (instead of +2.1%) for 2026.

## Euro area real GDP stagnation continues

- **According to the 3<sup>rd</sup> estimate** (the first including analytical breakdown per expenditure component), real GDP was roughly unchanged on a quarterly basis in Q4:2023 (+0.1% yoy), following a decline of -0.1% qoq in Q3:2023 (+0.1% yoy). In the details, gross Fixed Capital Formation ("GFCF") posed the major positive contribution to the headline quarterly growth (+0.2 pps), being up by +1.0% qoq (+1.4% yoy), after being roughly stable on a quarterly basis (+0.4% yoy) in Q3:2023. A strong increase in business investment (% of GFCF) by +1.5% qoq (+2.4% yoy), offset a decline for residential investment (% of GFCF), by -0.6% qoq (-1.6% yoy). Government consumption also increased robustly, by +0.6% qoq and +1.2% yoy, following identical performances in Q3:2023 and contributing +0.1 pp to overall growth. On the other hand, the most profound subtraction from quarterly growth in Q4:2023 (-0.3 pps) came from net exports, with imports rising by +0.6% qoq (-2.5% yoy) and exports being unchanged qoq (-2.8% yoy). Inventories also subtracted (-0.1 pp) from growth. **Finally, private consumption was up by +0.1% qoq (+0.6% yoy)** following a +0.3% qoq (-0.3% yoy) in Q3:2023, being roughly neutral to overall growth. Note that early signs for the current quarter's momentum have been anemic. In the event, retail sales increased by +0.1% mom (in seasonally adjusted volume terms | -0.8% yoy) in January, standing -0.2% below their average in Q4:2023. At the same time, new passenger car registrations (seasonally adjusted) fell by -0.9% mom (+7.1% yoy) in January and stood at -1.4% versus the Q4:2023 average.

## Equities

- **Global equity markets were mixed in the past week.** In the US, the S&P500 took a breather, down by -0.3% (+7% ytd). In Japan, the Nikkei225 lost -0.6% wow (+19% ytd), while also entering the current week in the red (-2.2% on Monday March 11<sup>th</sup>), with a stronger Yen weighing. Recall that a stronger Yen is a headwind for export-oriented firms (60% of the revenues of the companies comprising the index, stem from abroad). Chinese bourses were mixed, with the MSCI China down by -1.9% wow in the past week (-4.0% ytd) and the onshore CSI300 up by +0.2% wow (+3.3% ytd). The EuroStoxx gained +1.1% wow (+7% ytd). The pan-European Stoxx600 was up by +1.1% wow (+5% ytd), with the pharmaceutical giant Novo Nordisk (weight of 3.16% in the Stoxx600) at +6.4% wow (+30% ytd) following promising results in phase I trials of an experimental anti-obesity drug. Meanwhile, Q4:2023 earnings announcements continue to demonstrate a rather “typical” performance against expectations, in the aggregate. With 241 companies having reported, EPS has surpassed analysts’ estimates by +4.8%, versus an average “beat rate” of +5.8% since 2012. According to analysts’ estimates, the annual earnings growth is expected to be -6% in Q4:2023 from -11% in Q3:2023, versus estimates for -6.5% a week ago (and for -5% in early-January). The ASE Index increased by +0.3% wow (+10% ytd). The public offering of the Hellenic Financial Stability Fund’s (HFSF) stake in Piraeus Bank (+1.6% wow to €4.05 | +27% ytd) concluded with strong demand. As a result, the total stake of 27% was sold (22% + 5% was up for grasps depending on the demand). An oversubscription of 8x took place, with the price settling at €4.0, at the upper limit of the provisional price range of €3.70 - €4.00 (on Friday March 1<sup>st</sup>, just prior to the commencement of the public offering, the price closed at €3.99 | +1.8% wow). The total value of the transaction came out at €1.35 bn.

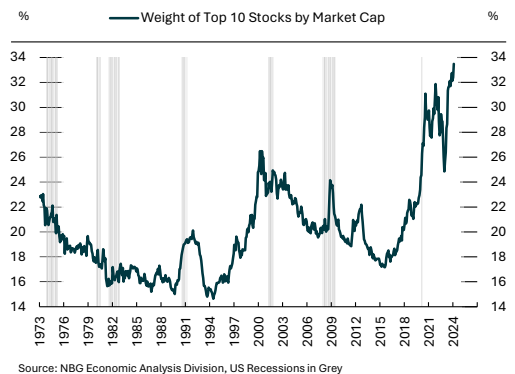
## Fixed Income

- **Government bond yields were down in the past week.** The 10-Year US Treasury yield decreased by -9 bps wow to 4.09% and its 2-year peer by -5 bps wow to +4.49%. In Germany, the 10-year Bund yield fell by -14 bps wow, to 2.27%, with spreads coming down in Italy (-17 bps to 131 bps), Spain (-9 bps to 81 bps) and Greece (-12 bps to 92 bps), while being stable at 66 bps in Portugal. Recall that the 2-year Bund yield fell by -14 bps cumulatively on Thursday-Friday following the ECB meeting (-14 bps wow), to +2.74% as policymakers opened slightly the door for less restrictive stance in due course. **Corporate bond spreads in the high yield spectrum were mixed in the past week** (EUR: +3 bps wow to 349 | USD: -6 bps wow to 326 bps). In the investment grade spectrum, both EUR and USD spreads were little changed, -2 bps to 118 bps and -2 bps wow to 99 bps. Regarding issuance, activity in the USD IG and HY markets remains strong so far in 2024. Indeed, gross issuance of US IG corporate bonds stood at \$393 bn in January and February 2024 cumulatively, versus \$310 bn in the same period in 2023 (+27%). In the US HY spectrum, volumes stood at €61 bn from \$36 bn (+69%).

## FX and Commodities

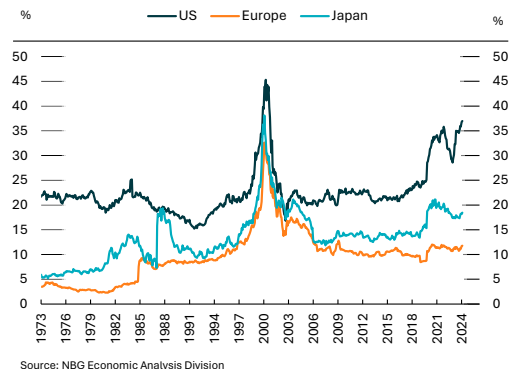
- **In foreign exchange markets, the US Dollar lost ground in the past week,** depreciating by -1.1% wow against the euro (+1% ytd) to \$1.10. At the same time, the Japanese Yen was up on a weekly basis, +0.9% wow against the euro (-3.0% ytd) at ¥161.2 and +2.1% wow against the US Dollar (-4% ytd) at ¥147.0, after comments from a Bank of Japan official suggesting that an exit of the short-term policy rate from negative territory (current: -0.1%), could be close. The Yen was recording some further gains on Monday March 11<sup>th</sup>. **In commodities, oil prices fell in the past week** (Brent: -1.8% wow to \$82.1/barrel | WTI: -2.4% to \$79.0), in view of a renewed increase in US crude oil inventories (+1.4 million barrels to 449 million barrels for the week ending March 1<sup>st</sup>, just shy of a 7-month high of 450 mn recorded back in November 2023). Meanwhile, gold prices rose sharply in the past week, by +4.5% wow to a record high of \$21678/ounce, in view of a weaker US Dollar and lower US real rates (-7 bps wow to 1.80% in the 10-year spectrum).

The 10 Largest Companies Market Cap as % of S&P 500



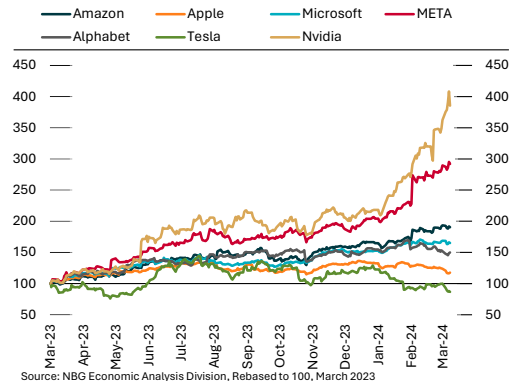
Graph 1.

Weight of Technology, Media & Communication as % of Index



Graph 2.

Magnificent-7: One Year Price Performance



Graph 3.

**Quote of the week:** “We are just beginning to discuss the dialing back of our restrictive stance...we will know a little more in April, but we will know a lot more in June”, **President of the European Central Bank, Cristine Lagarde, March 7<sup>th</sup> 2024**

## Interest Rates &amp; Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	March 8th	3-month	6-month	12-month	Official Rate (%)	March 8th	3-month	6-month	12-month
Germany	2,27	2,30	2,25	2,20	Euro area	4,00	4,00	3,75	3,00
US	4,09	4,20	4,15	4,10	US	5,50	5,50	5,25	4,75
UK	3,98	4,10	4,00	3,80	UK	5,25	5,25	5,00	4,50
Japan	0,74	0,80	0,80	0,90	Japan	-0,10	-0,10	0,00	0,10
Currency	March 8th	3-month	6-month	12-month		March 8th	3-month	6-month	12-month
EUR/USD	1,10	1,08	1,09	1,10	USD/JPY	147	147	144	140
EUR/GBP	0,85	0,85	0,85	0,86	GBP/USD	1,29	1,27	1,28	1,28
EUR/JPY	161,76	159	157	154					
Forecasts at end of period									

Forecasts at end of period

## Economic Forecasts

United States	Q1:22a	Q2:22a	Q3:22a	Q4:22a	2022a	Q1:23a	Q2:23a	Q3:23a	Q4:23a	2023a	2024f
Real GDP Growth (YoY) (1)	3,6	1,9	1,7	0,7	1,9	1,7	2,4	2,9	3,1	2,5	2,1
Real GDP Growth (QoQ saar) (2)	-2,0	-0,6	2,7	2,6	-	2,2	2,1	4,9	3,2	-	-
Private Consumption	0,0	2,0	1,6	1,2	2,5	3,8	0,8	3,1	3,0	2,2	1,9
Government Consumption	-2,9	-1,9	2,9	5,3	-0,9	4,8	3,3	5,8	4,2	4,0	2,4
Investment	7,2	-0,2	-4,3	-5,4	1,3	3,1	5,2	2,6	2,5	0,6	3,5
Residential	-1,8	-14,1	-26,4	-24,9	-9,0	-5,3	-2,2	6,7	2,9	-10,6	2,3
Non-residential	10,7	5,3	4,7	1,7	5,2	5,7	7,4	1,4	2,4	4,4	2,8
Inventories Contribution	-0,2	-1,9	-0,4	1,5	0,5	-2,2	-0,2	1,1	-0,2	-0,4	0,0
Net Exports Contribution	-2,6	0,5	2,5	0,3	-0,5	0,6	0,1	0,0	0,3	0,6	-0,1
Exports	-4,6	10,6	16,2	-3,5	7,0	6,8	-9,3	5,4	6,4	2,7	2,1
Imports	14,7	4,1	-4,8	-4,3	8,6	1,3	-7,6	4,2	2,7	-1,6	2,4
Inflation (3)	8,0	8,7	8,3	7,1	8,0	5,8	4,0	3,5	3,2	4,1	2,6
Euro Area	Q1:22a	Q2:22a	Q3:22a	Q4:22a	2022a	Q1:23a	Q2:23a	Q3:23a	Q4:23a	2023a	2024f
Real GDP Growth (YoY)	5,4	4,1	2,5	1,9	3,4	1,3	0,6	0,1	0,1	0,4	0,7
Real GDP Growth (QoQ saar)	2,5	3,3	1,9	0,0	-	0,2	0,5	-0,2	-0,2	-	-
Private Consumption	-0,1	3,1	5,1	-3,1	4,2	0,5	0,3	1,3	0,3	0,6	1,1
Government Consumption	1,4	-0,5	-0,5	2,5	1,6	-1,5	1,4	2,6	2,4	0,7	0,9
Investment	-3,2	2,1	5,1	-0,1	2,6	1,1	0,7	-0,1	4,1	1,4	0,7
Inventories Contribution	0,0	0,8	0,2	-0,6	0,4	-2,1	2,2	-1,6	-0,6	-0,4	0,0
Net Exports Contribution	3,0	0,6	-1,9	1,8	0,0	2,1	-2,2	0,2	-1,1	0,2	-0,2
Exports	6,3	8,1	5,3	-0,8	7,4	-1,9	-4,4	-4,8	0,1	-0,9	1,4
Imports	0,5	7,6	10,0	-4,3	8,1	-6,3	-0,3	-5,7	2,5	-1,4	1,9
Inflation	6,1	8,0	9,3	10,0	8,4	8,0	6,2	4,9	2,7	5,5	2,3

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 &amp; Key Factors for Global Markets

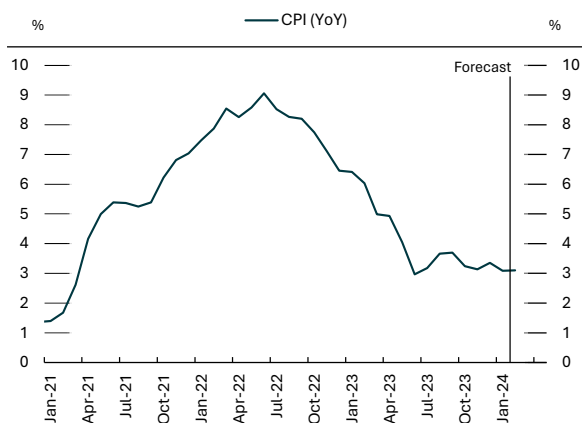
	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"><li>+ Corporate profitability is expected to improve in 2024, with annual EPS growth of 10%</li><li>+ Households' balance sheets are healthy (low debt, still elevated excess savings)</li><li>- Peaking profit margins</li><li>- Recession risks remain</li><li>- P/Es (Valuations) above long-term means, with a premium of 15%: Current P/E of 20x vs a 20-year average of 15.8x</li></ul> <p>● Neutral</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 policy support measures could accelerate an export-led recovery</li><li>- Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify</li><li>- The economic backdrop remains muted</li><li>- Fiscal policy will turn restrictive in 2024</li></ul> <p>● Neutral/Positive</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 policy support measures could accelerate an export-led recovery</li><li>- JPY depreciation from ¥132 to ¥149 (15%), if continues, could support 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>● Neutral</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></ul> <p>● Neutral</p>
Government Bonds	<ul style="list-style-type: none"><li>+ Valuations appear somewhat rich, with term-premium, albeit increasing to -0.1%, remaining below 2000-2015 averages (1.4%)</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 set to cut rates this year</li></ul> <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"><li>+ ECB to continue unwinding its balance sheet via its APP portfolio</li><li>+ Global spillovers from higher US interest rates</li><li>- ECB QE "stock" effect, with government bond holdings of €3.8 trillion (27% of GDP)</li><li>- The ECB is set to cut rates this year</li><li>- Fragile economic growth outlook due to the war in Ukraine</li></ul> <p>▲ Slightly higher yields</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 (implicitly @ +100 bps)</li><li>+ Global spillovers from higher US interest rates</li><li>- Safe-haven demand</li><li>- Monetary stance remains extremely dovish, despite the unexpected shifts in YCC policy QE "stock" effect, with government bond holdings of ¥591 trillion (102% of GDP)</li></ul> <p>▲ Slightly Higher yields</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>+ BOE: active (sales) Quantitative Tightening</li><li>- Slowing economic growth post-Brexit</li><li>- The BoE is set to cut rates this year</li></ul> <p>▲ Slightly Higher yields</p>
Foreign Exchange	<ul style="list-style-type: none"><li>+ USD interest rate differential vs peers remain significant</li><li>+ Weaker global economic growth</li><li>+ Safe-haven demand status</li><li>- US political uncertainty to increase</li><li>- The FED is set to cut rates this year, which reduces potential USD upside</li></ul> <p>● Broadly Flat USD against G10 FX</p>	<ul style="list-style-type: none"><li>+ Lower geopolitical uncertainty (Ukraine-Russia, natural gas) is positive for EUR</li><li>+ Economic growth could accelerate in 2024</li><li>- Global growth risks could abate</li></ul> <p>● Range-bound with upside risks against the USD</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>▲ Stronger JPY</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>● Broadly stable GBP</p>

## Economic Calendar

**In the US**, the focus will be on the CPI report for February. The Federal Reserve Bank of Cleveland's Inflation Nowcasting model points to +0.4% mom (+3.1% yoy for a 2<sup>nd</sup> consecutive month) for the headline CPI and to +0.3% mom (+3.7% yoy from +3.9% yoy in January) for the core index. Attention will also turn to economic activity data for February, especially regarding retail sales.

**In China**, house price data for February will be closely monitored.

## US CPI



Source: NBG Economic Analysis Division

## Economic News Calendar for the period: March 04 - March 15, 2024

Monday 04					Tuesday 05					Wednesday 06								
					US		S	A	P	US		S	A	P				
					ISM non-manufacturing		February	53.0	-	52.6	53.4	ADP Employment Change (k)		February	150	-	140	111
					Factory Goods Orders (MoM)		January	-2.9%	-	-3.6%	-0.3%	Wholesale trade		January	0.5%	-	-1.7%	0.3%
												EURO AREA						
												Retail sales (MoM)		January	0.1%		0.1%	-0.6%
												Retail sales (YoY)		January	-1.3%	+	-1.0%	-0.5%
												UK						
												S&P Global / CIPS UK						
												Construction PMI		February	49.0	+	49.7	48.8



## Equity Markets (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Emerging Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	5124	-0.3	7.4	30.8	19.8	MSCI Emerging Markets	63052	0.8	2.5	7.6	0.0	
Japan	NIKKEI 225	39689	-0.6	18.6	38.7	60.6	MSCI Asia	962	1.4	3.5	7.4	0.9	
UK	MSCI UK	2197	-0.4	-0.8	-2.8	6.8	China	54	-1.9	-4.0	-16.5	-22.7	
Euro area	EuroStoxx	506	1.1	6.8	10.3	21.8	Korea	842	1.7	1.4	14.9	4.9	
Germany	DAX 40	17815	0.4	6.3	14.0	28.6	MSCI Latin America	95658	-1.8	-4.9	8.2	-3.5	
France	CAC 40	8028	1.2	6.4	9.7	25.7	Brazil	314974	-2.2	-6.1	11.8	-5.8	
Italy	MSCI Italy	1063	1.6	10.5	22.3	40.8	Mexico	50411	-1.6	-5.4	0.8	0.4	
Spain	IBEX-35	10306	2.4	2.0	9.4	26.2	MSCI Europe	4082	-0.7	8.2	37.0	67.1	
Hong Kong	Hang Seng	16353	-1.4	-4.1	-17.9	-20.7	Russia	3316	1.5	7.0	44.8	34.2	
Greece	ASE	1427	0.3	10.4	31.7	73.4	Turkey	9359707	2.1	20.9	69.4	299.5	

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

in US Dollar terms		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Investment Styles		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy		250.3	1.1	2.5	4.3	14.3	Growth (Developed)	5026.1	-0.1	9.0	37.8	24.6	
Materials		346.8	2.1	-0.1	8.1	1.0	Value (Developed)	3514.7	1.2	4.2	13.8	9.0	
Industrials		388.4	1.2	7.1	23.0	24.2	Large Cap (Developed)	2140.9	0.3	7.1	27.7	19.3	
Consumer Discretionary		406.6	-1.7	4.5	27.4	12.9	Small Cap (Developed)	540.2	1.1	2.2	11.2	4.0	
Consumer Staples		275.2	1.2	1.9	4.2	1.7	US Growth	3339.6	-1.2	10.2	37.7	16.6	
Healthcare		377.3	0.9	6.8	16.7	12.2	US Value	1791.1	1.0	4.2	23.2	21.4	
Financials		158.6	1.9	7.1	18.7	14.2	US Large Cap	5123.7	-0.3	7.4	30.8	19.8	
IT		667.9	-0.7	11.5	52.7	39.4	US Small Cap	1310.8	0.0	-0.6	9.0	0.7	
Telecoms		103.6	-0.5	7.6	28.1	10.8	US Banks	380.4	3.0	8.3	21.6	-1.5	
Utilities		146.4	3.5	-1.7	0.6	-7.0	EA Banks	127.4	2.9	7.6	9.5	46.0	
Real Estate		1015.6	1.7	-0.6	5.9	-13.7	Greek Banks	1230.7	-0.6	15.9	46.4	120.3	

## Bond Markets (%)

10-Year Government Bond Yields		Current	Last week	Year Start	One Year Back	10-year average	Government Bond Yield Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
US		4.09	4.18	3.86	3.92	2.34	US Treasuries 10Y/2Y	-40	-35	-39	-98	65	
Germany		2.27	2.41	2.03	2.64	0.55	US Treasuries 10Y/5Y	3	2	3	-30	33	
Japan		0.74	0.72	0.62	0.50	0.18	Bunds 10Y/2Y	-47	-47	-37	-64	55	
UK		3.98	4.12	3.54	3.78	1.67	Bunds 10Y/5Y	-1	-2	8	-16	41	
Greece		3.27	3.48	3.08	4.45	4.71	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
Ireland		2.66	2.84	2.38	3.08	1.10							
Italy		3.58	3.90	3.70	4.39	2.20	US IG	99	101	104	130	130	
Spain		3.08	3.32	2.99	3.64	1.59	US High yield	326	332	334	427	442	
Portugal		2.93	3.07	2.79	3.51	2.07	Euro area IG	118	120	135	144	122	
Emerging Markets (LC)**		4.59	4.65	4.67	5.00	4.61	Euro area High Yield	349	346	395	408	403	
US Mortgage Market		Current	Last week	Year Start	One Year Back	10-year average	Emerging Markets (HC)	210	212	244	271	313	
							EUR Senior Financial	140	143	163	183	127	
30-Year FRM <sup>1</sup> (%)		7.02	7.04	6.71	6.79	4.48	EUR Subordinated Financial	220	226	258	281	247	
vs 30Yr Treasury (bps)		276.0	269.0	273.0	291.0	164.7	iTraxx Senior Financial 5Y <sup>2</sup>	60	64	67	85	78	

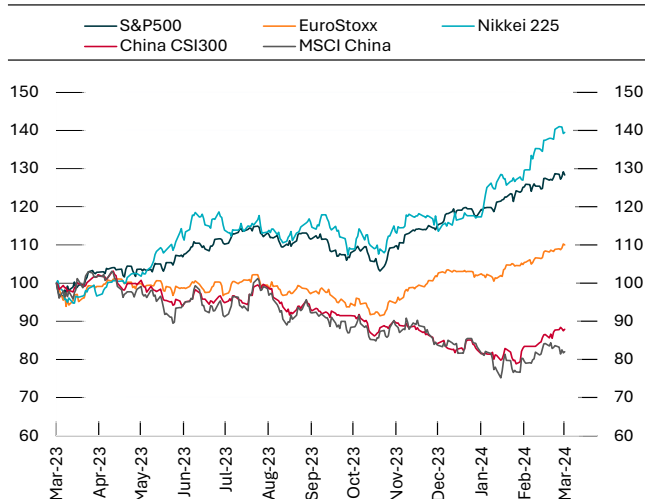
## Foreign Exchange &amp; Commodities

Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates							Agricultural		371	1.4	-2.3	-15.5	-4.0
EUR/USD		1.10	1.1	1.9	3.7	-0.8	Energy		261	-2.5	2.5	-0.5	6.4
EUR/CHF		0.96	0.0	2.3	-3.1	3.2	West Texas Oil (\$/bbl)		79	-2.4	6.3	4.4	9.8
EUR/GBP		0.85	-0.6	-0.1	-4.1	-1.8	Crude Brent Oil (\$/bbl)		82	-1.8	3.6	0.6	6.5
EUR/JPY		161.16	-0.9	1.3	11.8	3.5	HH Natural Gas (\$/mmbtu)		1.8	-1.6	-8.1	-27.3	-27.9
EUR/NOK		11.37	-0.2	-0.1	1.2	1.4	TTF Natural Gas (EUR/mwh)		27	3.7	-5.3	-35.4	-15.7
EUR/SEK		11.16	-0.1	-0.9	-1.5	0.3	Industrial Metals		415	1.0	3.1	-6.3	-1.8
EUR/AUD		1.65	-0.5	0.2	3.3	2.0	Precious Metals		2835	4.7	7.1	19.2	5.5
EUR/CAD		1.47	0.4	1.8	1.4	1.2	Gold (\$)		2178	4.5	7.0	18.9	5.6
USD-based cross rates							Silver (\$)		24	5.1	9.5	21.2	2.3
USD/CAD		1.35	-0.6	0.1	-2.5	1.8	Baltic Dry Index		2345	6.4	57.7	70.1	12.0
USD/AUD		1.51	-1.6	-1.7	-0.4	2.8	Baltic Dirty Tanker Index		1186	3.9	-5.4	-21.5	-1.2
USD/JPY		147.05	-2.1	-0.6	7.9	4.3							

Source: NBG Economic Analysis Division, Data as of March 08<sup>th</sup>, \*: Unless otherwise noted, <sup>1</sup> Fixed-rate Mortgage, \*\*: Emerging Markets Sovereign Bond index has an effective duration of c.7 years,

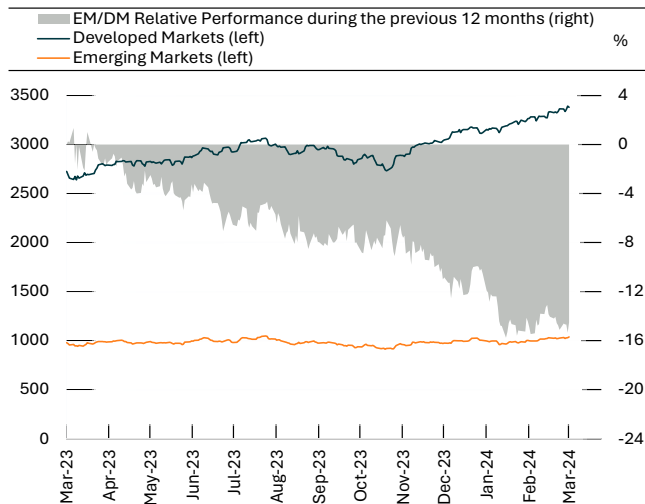
<sup>2</sup> The Markit iTraxx Europe Senior Financials index is made up of 5-yr CDS spreads on European financial companies.

### Equity Market Performance



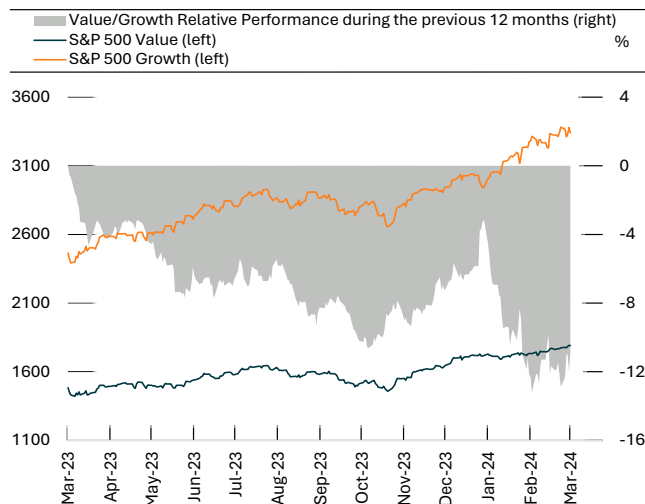
Data as of March 08<sup>th</sup> – Rebased @ 100

### EM vs DM Performance in \$



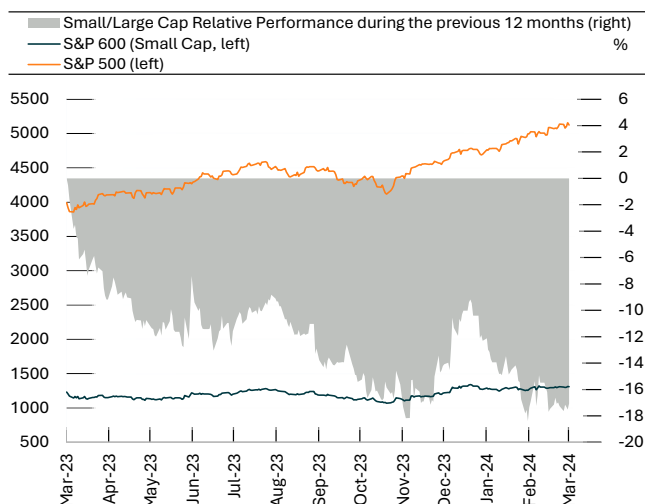
Data as of March 08<sup>th</sup>

### S&P 500 Value & Growth Index



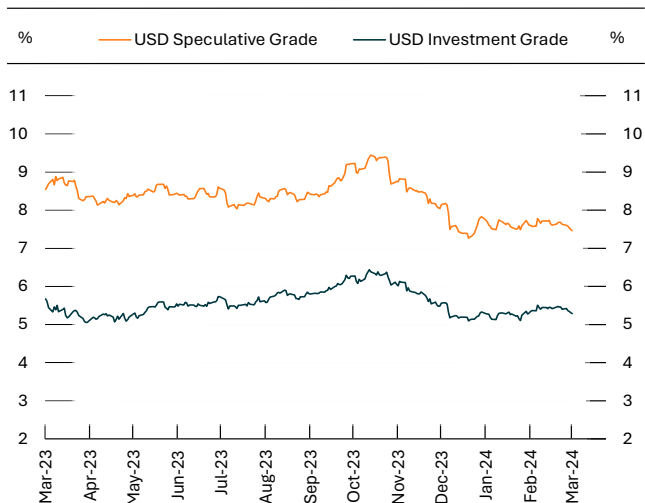
Data as of March 08<sup>th</sup>

### S&P 500 & S&P 600 Index



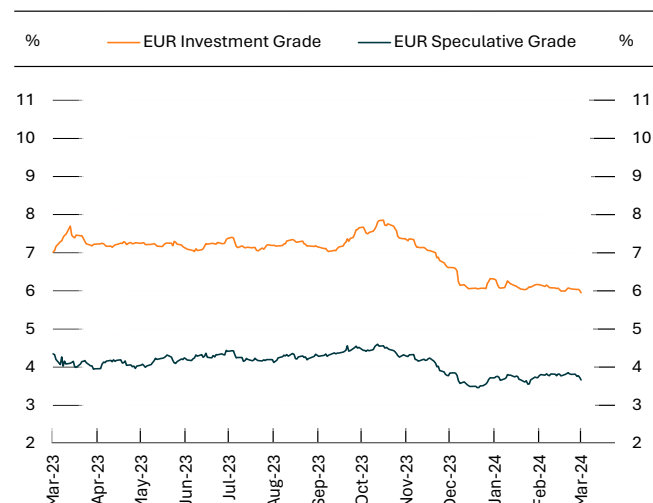
Data as of March 08<sup>th</sup>

### USD Corporate Bond Yields



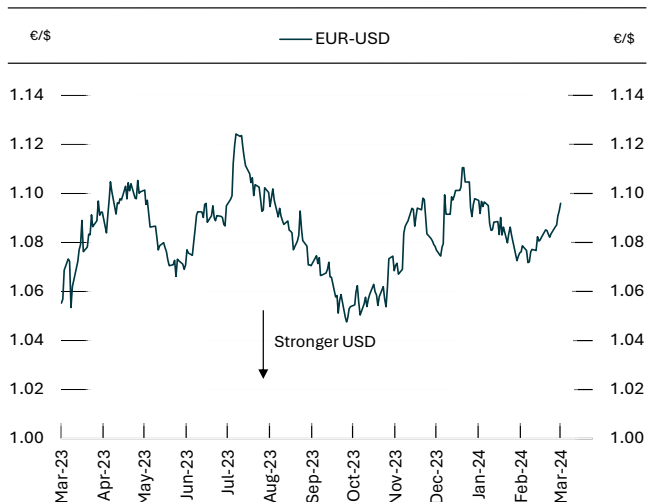
Data as of March 08<sup>th</sup>

### EUR Corporate Bond Yields



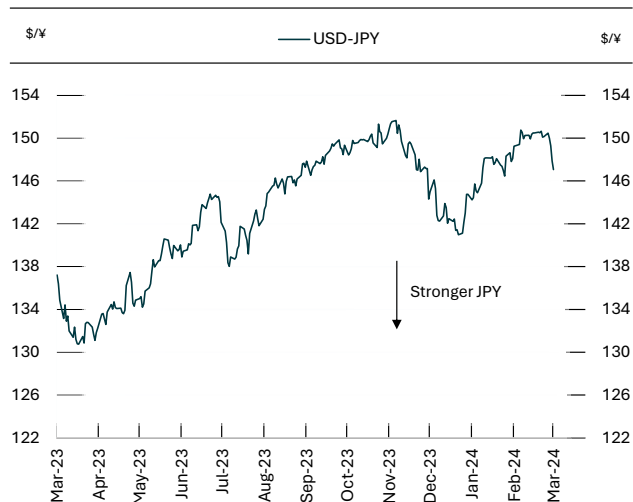
Data as of March 08<sup>th</sup>

## EUR/USD



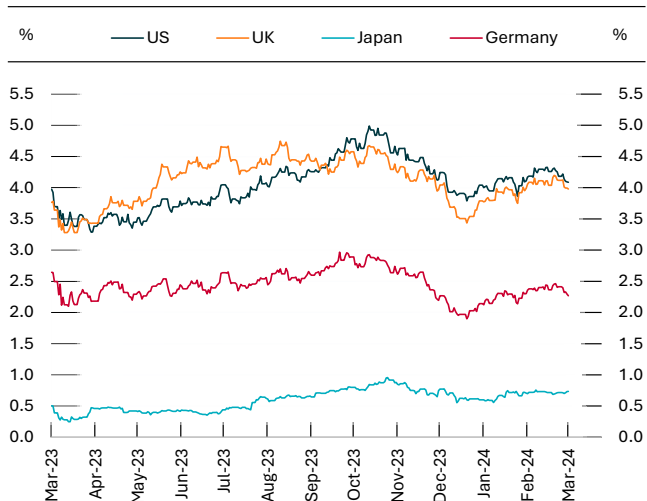
Data as of March 08<sup>th</sup>

## JPY/USD



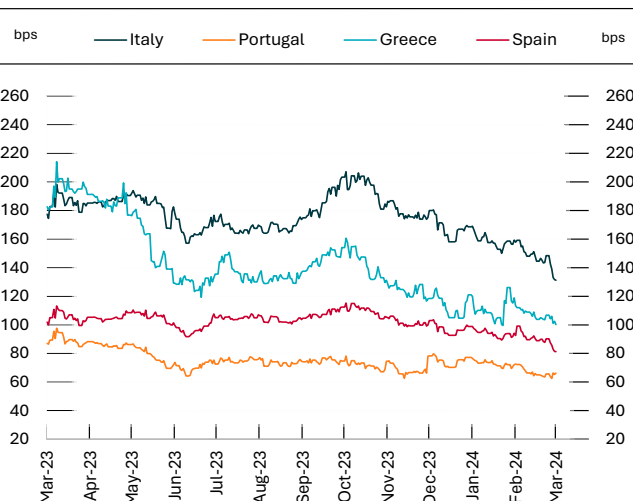
Data as of March 08<sup>th</sup>

## 10- Year Government Bond Yields



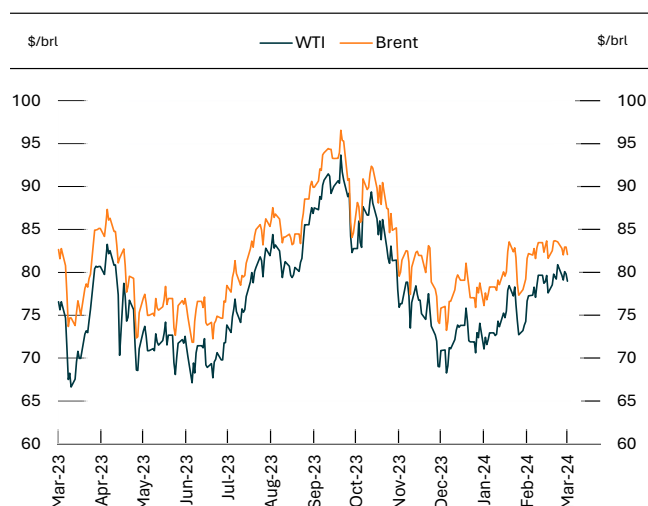
Data as of March 08<sup>th</sup>

## 10- Year Government Bond Spreads



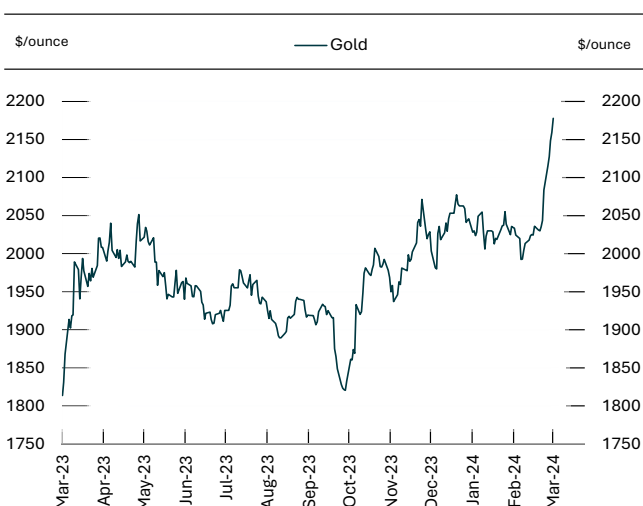
Data as of March 08<sup>th</sup>

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



Data as of March 08<sup>th</sup>

## Gold (\$/ounce)



Data as of March 08<sup>th</sup>



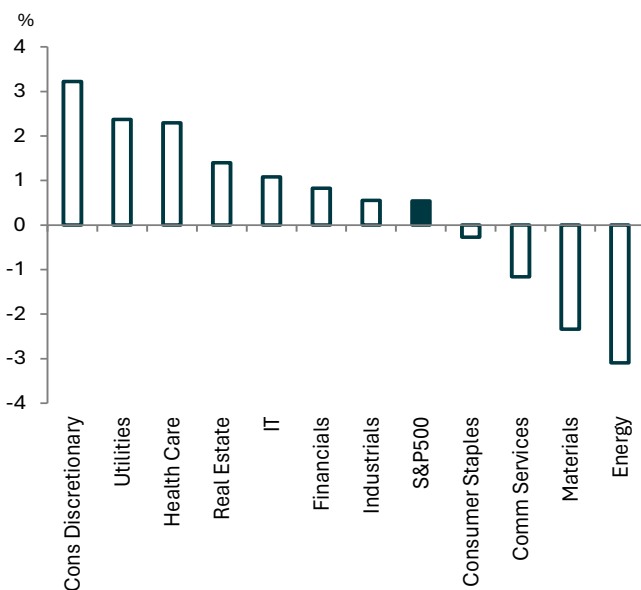
## US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	8/3/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
S&P500	5124	-0.3	7.4	9.8	13.6	1.5	1.5	21.2	18.7	20.6	15.9	4.2	3.8	4.1	2.9
Energy	669	1.2	4.4	-8.0	12.1	3.5	3.8	12.3	10.9	12.0	17.7	1.9	1.8	2.1	2.1
Materials	562	1.6	4.1	-2.3	15.5	2.0	2.0	20.6	17.8	20.0	15.6	2.8	2.6	2.9	2.8
Financials															
Diversified Financials	1159	-0.4	6.2	11.7	12.7	1.2	1.3	20.0	17.8	19.5	13.6	2.6	2.4	1.8	1.5
Banks	380	3.0	8.3	-6.1	9.2	3.2	3.4	10.9	10.0	10.7	12.2	1.1	1.0	1.1	1.3
Insurance	713	1.7	11.6	20.2	12.0	1.7	1.8	13.4	12.0	13.1	11.1	2.2	2.0	2.4	1.4
Real Estate	252	1.5	0.0	-2.4	10.5	3.7	3.8	37.1	33.6	36.5	15.5	2.8	2.9	2.8	N/A
Industrials															
Capital Goods	1096	1.2	7.0	9.8	12.2	1.6	1.6	20.4	18.2	19.9	16.2	5.1	4.6	5.6	3.6
Transportation	1071	-0.5	7.3	6.5	19.1	1.7	1.8	19.1	16.1	18.7	16.4	5.1	4.4	5.8	3.8
Commercial Services	617	-0.3	6.5	9.4	11.7	1.3	1.3	29.2	26.2	28.3	19.2	8.7	7.6	9.5	4.1
Consumer Discretionary															
Retailing	4377	-1.6	12.5	17.9	18.2	0.7	0.7	30.8	26.1	30.0	21.9	9.5	7.5	12.2	7.1
Consumer Services	1679	0.3	2.8	7.5	16.1	1.2	1.2	23.1	19.9	22.4	22.2	N/A	N/A	N/A	N/A
Consumer Durables	428	-0.4	-1.0	7.1	12.1	1.2	1.3	16.1	14.4	16.0	15.9	3.5	3.1	3.8	3.1
Automobiles and parts	103	-11.3	-24.6	4.5	12.3	0.5	0.5	22.3	19.8	21.8	14.7	3.2	2.8	3.7	3.3
IT															
Technology	3270	-3.8	-8.0	5.5	11.2	0.8	0.9	24.9	22.4	23.7	16.2	14.8	13.0	15.8	6.2
Software & Services	4552	-2.1	7.2	15.2	13.6	0.7	0.7	32.8	28.8	30.8	20.3	9.4	7.9	10.6	5.8
Semiconductors	4510	2.3	37.5	32.3	30.1	0.7	0.7	30.5	23.4	28.4	17.6	8.8	7.2	9.8	4.1
Communication Services	272	-0.6	10.6	17.3	13.5	0.9	0.9	18.6	16.4	18.1	15.5	3.6	3.2	3.2	2.6
Media	1118	-0.7	11.5	8.0	9.2	2.5	2.7	10.2	9.3	10.0	5.9	1.8	1.7	2.0	N/A
Consumer Staples															
Food & Staples Retailing	790	1.0	11.9	4.7	9.6	2.2	1.4	25.2	23.0	24.7	17.4	5.7	5.0	6.0	3.5
Food Beverage & Tobacco	784	0.5	-1.8	3.8	7.6	3.7	3.9	16.4	15.3	16.2	17.0	4.7	4.3	4.9	5.2
Household Goods	866	1.6	7.6	5.4	9.9	2.5	2.7	24.5	22.3	23.3	19.7	8.2	7.6	8.5	6.2
Health Care															
Pharmaceuticals	1394	-0.5	9.3	22.3	12.7	2.0	2.1	19.8	17.6	19.4	14.5	5.5	4.9	6.0	4.4
Healthcare Equipment	1980	0.8	4.2	6.8	12.4	1.2	1.3	19.1	17.0	18.7	16.1	3.7	3.4	4.0	3.1
Utilities	321	3.2	-0.2	12.0	7.4	3.8	4.1	15.1	14.1	14.9	15.8	1.7	1.6	1.8	1.9

The prices data are as of 08/03/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 29/02/2024. 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

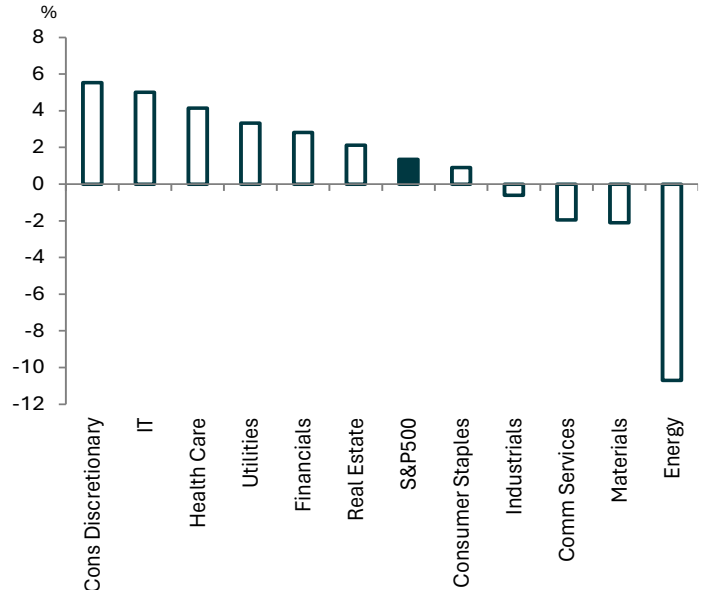


Data as of February 29<sup>th</sup>

12-month forward EPS are 81% of 2024 EPS and 19% of 2025 EPS

### 3-month revisions to 12-month Forward EPS

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



Data as of February 29<sup>th</sup>

12-month forward EPS are 81% of 2024 EPS and 19% of 2025 EPS

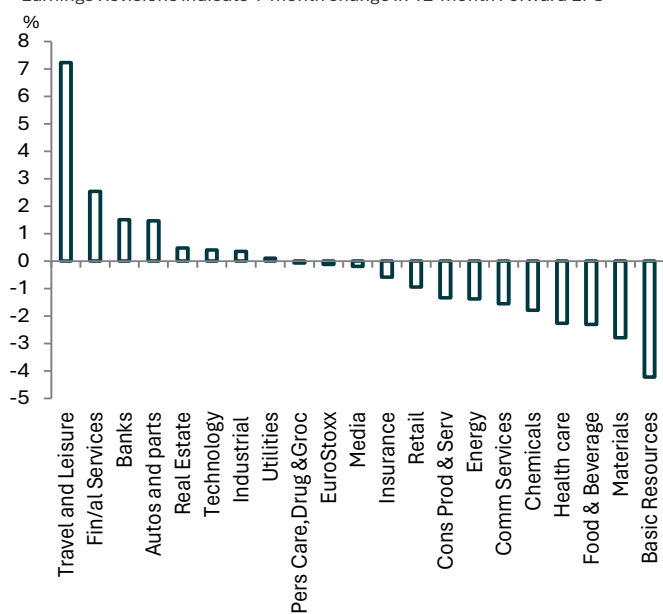
## Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	8/3/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
EuroStoxx	506	1.1	6.8	2.7	10.0	3.5	3.7	13.1	11.9	12.8	12.8	1.6	1.5	1.7	1.6
Energy	121	0.7	-1.6	-0.7	3.8	5.4	5.8	7.4	7.1	7.4	10.5	1.1	1.0	1.2	1.5
Materials	1041	1.8	0.1	16.1	19.4	3.2	3.4	17.0	14.2	16.5	14.2	1.5	1.4	1.5	1.8
Basic Resources	199	-0.9	-10.1	-3.0	20.4	3.4	3.7	10.0	8.3	9.7	11.7	0.7	0.6	0.7	1.0
Chemicals	1587	2.4	2.4	26.5	19.0	3.2	3.3	19.9	16.7	19.3	15.0	2.0	1.9	2.0	2.2
Financials															
Banks	127	2.9	7.6	2.7	5.2	7.7	8.1	6.3	6.0	6.3	9.4	0.7	0.6	0.7	0.9
Insurance	386	2.3	10.2	9.4	7.4	5.5	5.8	9.5	8.9	9.4	9.2	1.4	1.3	1.5	1.0
Financial Services	580	-0.9	4.0	4.7	1.8	3.0	3.2	12.0	11.8	11.9	14.3	1.5	1.4	1.6	1.5
Real Estate	138	2.2	-7.7	-0.6	3.0	5.4	5.6	11.7	11.3	11.6	12.2	0.7	0.7	0.7	1.0
Industrials															
Industrial Goods & Services	1250	0.3	9.9	10.2	14.1	2.4	2.6	18.2	15.9	17.7	15.4	2.9	2.6	3.1	2.5
Construction & Materials	637	1.6	4.8	3.2	9.7	3.6	3.8	12.8	11.7	12.6	13.2	1.7	1.6	1.8	1.6
Consumer Discretionary															
Retail	714	-0.8	2.5	12.3	10.1	3.8	4.1	20.4	18.5	20.2	16.7	4.4	4.1	4.6	2.8
Automobiles and parts	676	-0.8	11.6	-2.8	6.5	5.1	5.4	6.4	6.0	6.3	11.3	0.8	0.7	0.8	1.1
Travel and Leisure	237	-0.1	6.1	8.6	10.0	3.6	4.0	10.6	9.7	10.5	27.5	2.0	1.7	2.3	2.1
Consumer Products & Services	540	0.3	9.6	12.4	15.8	1.6	1.7	30.3	26.1	29.5	20.3	5.7	5.1	6.2	3.8
Media	363	-1.0	10.9	7.3	8.6	2.3	2.5	21.0	19.4	20.7	15.9	3.6	3.4	3.7	2.3
Technology	1133	1.5	19.3	-9.1	30.7	1.0	1.2	28.9	22.1	27.6	19.1	5.1	4.5	5.4	3.4
Consumer Staples															
Food, Beverage & Tobacco	162	0.3	-1.7	5.9	12.5	2.5	2.7	18.9	16.8	18.5	17.7	1.9	1.8	1.9	2.9
Personal Care, Drug & Grocery	168	-1.4	-1.7	3.4	12.8	3.4	3.7	12.9	11.4	12.6	N/A	1.8	1.7	1.9	2.3
Health care	764	0.8	0.6	1.3	15.7	2.8	3.1	14.7	12.7	14.3	14.9	1.7	1.6	1.7	2.1
Communication Services	284	0.3	2.3	12.9	10.1	4.6	4.9	13.5	12.2	13.3	13.1	1.3	1.3	1.4	1.9
Utilities	359	3.5	-8.2	-8.8	-1.8	5.8	5.9	11.2	11.4	11.2	13.0	1.4	1.3	1.5	1.5

The prices data are as of 08/03/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 29/02/2024. 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

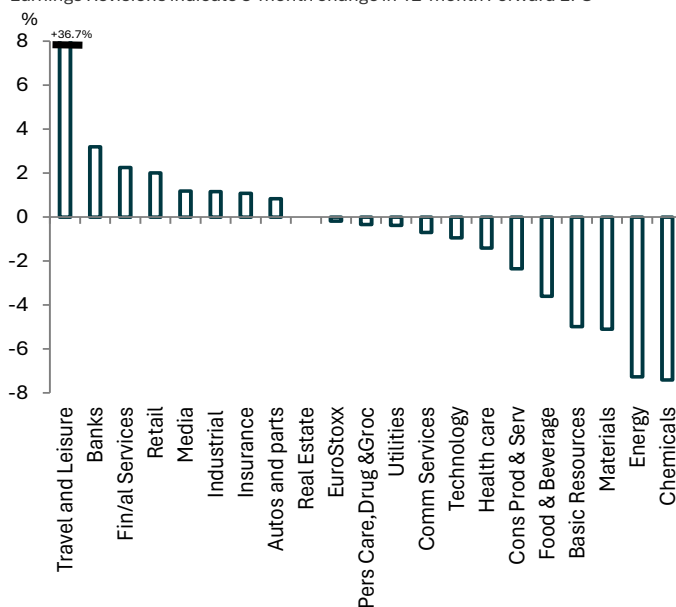


Data as of February 29<sup>th</sup>

12-month forward EPS are 81% of 2024 EPS and 19% of 2025 EPS

### 3-month revisions to 12-month Forward EPS

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



Data as of February 29<sup>th</sup>

12-month forward EPS are 81% of 2024 EPS and 19% of 2025 EPS

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