Global Markets Roundup

National Bank of Greece | Economic Research Division | January 17, 2023

NATIONAL BANK OF GREECE

Global equity markets enter 2023 on a strong footing as headline inflation decelerates

- 2022 was rough on multi-asset investors as aggressive monetary tightening, amid extremely low coupons and expensive equity valuations, contributed to an uncommon mix of bond and equity losses (see graph below). The classic 60/40 portfolio recorded losses of -17% in 2022, experiencing one of the worst drawdowns on record (see graph page 3).
- Looking at 2023, valuations for risk assets have fallen, while the repricing across reference interest rates has improved prospects for medium-term returns, particularly in high-grade fixed income, compared with one year ago.
- The percentage of fixed income instruments carrying negative yield has diminished due to policy interest rate increases and fewer asset purchases by central banks (see graph page 3). As a result, an investor is likely to earn some income in bonds, after almost a decade of negative interest rate policies.
- The Bank of Japan meeting on Wednesday could have repercussions not only for the JPY (+3% to ¥128 since December 20th), but for global assets as well (currencies, fixed income), assuming the BOJ provides further evidence that is shifting away from its ultra-ease policy. Following the unexpected adjustment in December of the upper range for its 10-Year JGB yield target of 0% to +0.5% from +0.25%, Japanese long-term yields have increased towards seven-year highs.
- Regarding valuations, the average 12-month forward price to earnings ratio of Developed and Emerging market equities stands at the 61st percentile of valuation since 1990 from 90th one year ago, whereas valuation divergence among regions and sectors offers tactical opportunities.
- In a similar vein, aggregate corporate bond spreads stand at the 37th percentile from 88th one year ago. Note, though, that valuations are no longer convincingly cheap, following the most recent rally (see graph page 3).
- Indeed, risk assets have increased in the past month on the back of decelerating inflation pressures on both sides of the Atlantic and relaxation of covid restrictions in China. US CPI slowed further in December to 6.5% (year-over-year) from a peak of 9.1% in June and euro area CPI increased by 9.2% in December from a peak of 10.6% in October (see graph below).
- In conjunction with signs of moderation in US wage growth, investors now price-in that the Federal Reserve will cut interest rates in H2.2023 as monetary policy will not need to be restrictive. Emerging market equities are up by +21% from their mid-October lows, with declining natural gas prices boosting euro area assets (equities, bonds, EUR).
- Having said that, while medium-term return/risk prospects have improved, tactical market reaction in Q1 will continue to be a tug of war between recession and "soft-landing", as the macroeconomic outlook (inflation evolution, central bank reaction and geopolitics) remains unusually uncertain. For central banks, is too early to declare victory in their fight against inflation, as underlying core price pressures are still strong.

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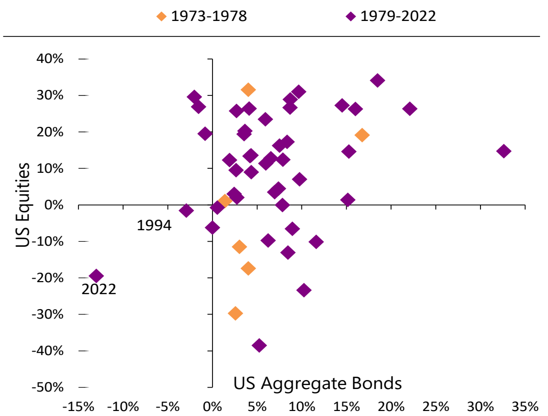
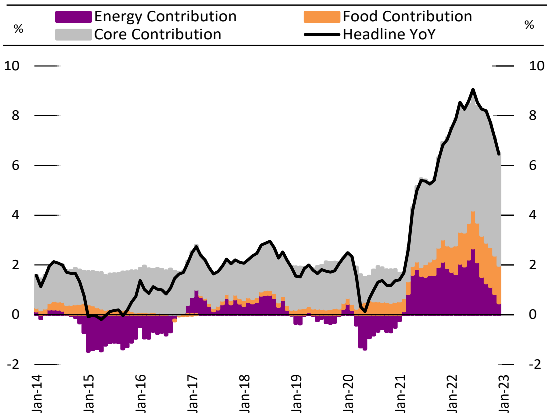
Charts of the week

US Equities vs Aggregate Bonds Annual Returns



Source: NBG Research, US Aggregate Index includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS

US CPI Inflation



Source:NBG Research, U.S. Bureau of Labor Statistics

See page 11 for disclosures and analyst certification

US job creation remains robust, albeit with wage growth posting signs of a partial easing

- **Headline job creation was stronger than expected in December.** Specifically, non-farm payrolls were up by a resilient +223k, from +256k in the previous month, versus consensus estimates for +200k. Nevertheless, negative net revisions for the previous two months took place (-28k, cumulatively). Sector-wise, leisure & hospitality overperformed (+67k). However, the sector remains a significant laggard, with employment still being -932k below pre-pandemic levels (versus +1239k above pre-pandemic levels for total non-farm payrolls). Health care (+55k), construction (+28k) and social assistance (+20k), also posted notable gains in December.
- **The (relatively more volatile) total household employment, including the self-employed and agricultural workers, increased by +717k in December from -66k in November.** As a result, the unemployment rate fell to 3.5% (matching the pre-pandemic levels in February 2020, the lowest since December 1969) from a downward revised (by -0.1 pp) 3.6% in November, below expectations for 3.7%. That development came despite the labor force participation rate increasing to 62.3% from an upward revised (by +0.1pp) 62.2% in November. 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, fell by 0.2 pps to 6.5% in December.
- **Average hourly earnings moderated, remaining though robust.** Indeed, the monthly growth was +0.3% mom, from a downward revised (by 0.2 pps) +0.4% mom in November, below expectations for +0.4% mom (average of +0.25% mom since 2006). As a result, the annual growth decelerated to +4.6% from a downward revised (by -0.3 pps) +4.8% in November, versus consensus estimates for +5.0% yoy, albeit still well above an average of +2.9% yoy since 2007.

US CPI inflation decelerated further in December

- **Headline CPI inflation decelerated for a 6th consecutive month in December.** Specifically, the annual pace of growth came out at 6.5% compared with 7.1% in November (and a peak of 9.1% in June 2022), in line with consensus estimates. On a monthly basis, the index fell by -0.1% in December (seasonally adjusted | "sa"), from +0.1% mom in the previous month, mostly due to gasoline prices decreasing by -9.4% mom.
- The latter led the energy index lower by -4.5% mom (sa) following a -1.6% mom in November, with the annual growth at 7.3% from 13.1% previously. At the same time, the momentum for food prices remained resilient, up by +0.3% mom (sa) from +0.5% mom in November (average monthly pace in 2022: +0.8% mom vs 20-year average of +0.2% mom). As a result, the annual pace of growth came out at 10.4% from 10.6% in November (peak of 11.4% in August, the highest since May 1979).
- Core CPI increased by +0.3% mom (sa) compared with +0.2% mom in November and an average of +0.5% mom in the past nine months, in line with consensus estimates (20-year average of +0.2% mom). As a result, core CPI's annual pace of growth decelerated by 0.3 pps to 5.7% in December, broadly as expected, from 6% in November and a peak of 6.6% yoy in September 2022.
- Nevertheless, a strong momentum is maintained for the relatively less volatile and predominantly determined by domestic economic developments, shelter prices (+0.8% mom from +0.6% mom in November | +0.7% mom on average in the past eight months, triple its 20-year average), which constitute c. ⅓ of the headline CPI and c. 40% of the core index, evident in both major components. In the event, the index for the rent of primary residence was up by +0.8% mom in December (8.3% yoy, the highest since January 1982) and the owners' equivalent rent of residences (i.e. the implicit rent that owner occupants would have to pay if they were renting their homes), also by +0.8% mom (7.5% yoy, a record high, i.e. since 1984).

At first sight, that development may appear at odds with the cooling down of the US housing market in recent months. However, it should be noted that the slowdown has started to weigh on prices of new rent leases. The CPI rent index though, covers both new leases and existing ones. The latter respond with a substantial lag to market conditions for new leases and most likely, there remains a substantial catching-up to take place. The silver lining is that, barring an unwarranted renewed spike in prices of new rent leases, the CPI rent index should stabilize after the catching up concludes.

On the other hand, the downward correction for used cars & trucks, the prices of which had spiked in recent years as the market for new ones faced sharp supply chain disruptions, continues. Prices fell by -2.5% mom (sa) in December and by -11.6% compared with a peak in July 2022, when they stood at +57.0% above pre-pandemic levels. As a result, the annual growth came out at -8.8% from -3.3% in November. Recall that CPI excluding food, shelter, energy and used cars & trucks, stood at +5.7% yoy in December versus a peak of +6.7% yoy in September.

Looking forward, the Federal Reserve Bank of Cleveland's Inflation Nowcasting model points to 6.3% yoy for the headline CPI in January and to 5.6% yoy for the core index.

Euro area inflation decelerated significantly in December, due to lower energy prices

- **According to the "flash" estimate, the annual growth of CPI decelerated for a 2nd consecutive month in December, to 9.2%, from 10.1% in November and a record (since 1997) high of 10.6% in October.** The latest reading considerably undershot consensus estimates for 9.7% yoy. It should also be noted though that the deceleration was solely due to a partly distorted to the downside from government intervention measures in Germany outcome of -6.5% mom (nsa) for Energy prices, which led the annual growth to +25.7% yoy from +34.9% in November. The contribution to the headline's year-over-year increase was circa 2.8 pps.
- At the same time, the momentum for prices of food, alcohol & tobacco remained robust, up by +0.7% mom from +0.9% mom in November (+1.1% mom on average in 2022 versus an average of +0.2% mom since 1998), leading the annual growth to +13.8%, the highest on record, from +13.6% previously (2.9 pps contribution to headline CPI). Importantly, core inflation, which excludes the effects of energy and food components, surprised to the upside, +0.6% on a monthly basis (consensus for -0.1% mom % | +0.4% on average in 2022 versus an average of +0.1% since 1998), with both the services component (+0.7% mom) and its non-energy industrial goods peer (+0.4% mom), posting strong monthly growth. In all, the annual growth of core CPI accelerated by 0.2 pps to a fresh record high of 5.2% in December (3.5 pps contribution to headline CPI), above consensus estimates for a stable outcome.

Equities

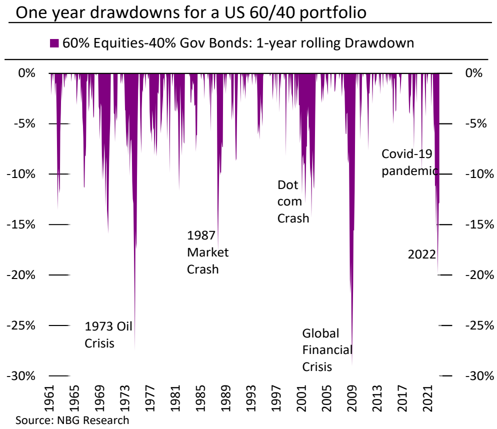
- **Global equity markets entered 2023 on a strong note (MSCI ACWI: +5%), after losses of -20% in 2022 (2008: -44%) due to concerns about the prospects of the global economy, as central banks increased sharply interest rates to fight double-digit inflation.** Emerging markets have outperformed (+8% ytd), with the MSCI EM index entering bull market (+22% from October lows). Chinese equities, which have the biggest weight in the MSCI EM index (32%) have increased by +12% ytd (MSCI China), supported by the U-turn in Covid policy and some favorable regulatory actions in the housing market. In the US, the S&P 500 has risen by 4%, with the rhetoric from Fed officials and market expectations for the path of interest rates shaping investor sentiment. US Earnings will attract investors' attention over the coming weeks as corporates are reporting their Q4:2022 results. Banks (JPM, BofA, WF) reported better-than-expected earnings on Friday, albeit warned of a "modest deterioration" of the macroeconomic outlook, ramping up credit provisions. According to analysts' estimates, the annual earnings growth is expected to be -4.3%, from +2.4% in the previous quarter (+4.7% in 2022). For 2023 the annual EPS growth is expected at +4.6% ($228), whereas EPS could decrease significantly if the likelihood of recession materializes (median EPS decline of 12 recessions since 1948: -15%). On the other side of the Atlantic, the EuroStoxx rose by 8.5% ytd, supported by i) the fall in European gas prices, driven, inter alia, by the mild winter, and ii) China's pivot vis-à-vis covid policy (c. 21% of EuroStoxx revenues stem from Asia, 5% from China). In Greece, the ASE Index is up 4% ytd, with Banks leading the increase (+10%). Regarding the latter, the Hellenic Financial Stability Fund (HFSF) announced the completion of the updating process for its divestment strategy, which includes the steps and procedures for the sale of the bank shares it holds in its portfolio, until the end of 2025.

Fixed Income

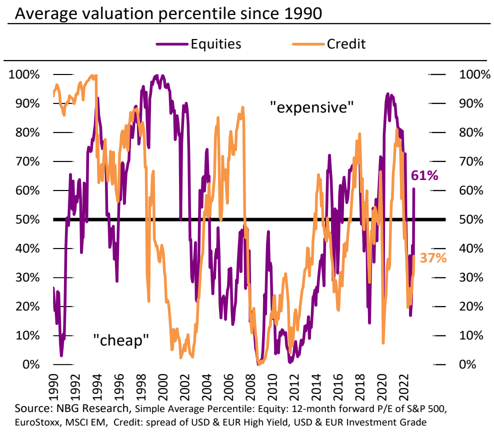
- **Government bond yields in the US have declined significantly since the beginning of the year** (10-year: -37 bps to 3.51%, 2-year: -21 bps to 4.27%), as inflation easing and subdued wage growth increased investors' confidence that the Fed will soon slow its interest rate increases. Similarly in Germany, the 10-year yield have declined by -44 bps to 2.09% ytd (2-year: -15 bp to 2.54%). Periphery bond yield spreads have narrowed significantly, particularly in Italy (-30 bps to 184 bps), as well as in Spain (-9 bps to 100 bps), and in Greece (-8 bps to 197 bps). **Corporate bond spreads have narrowed considerably ytd, especially in the High Yield spectrum due to the risk-on sentiment.** Indeed, USD HY bond spreads decreased by 58 bps to 421 bps and their EUR counterparts narrowed by 41 bps to 453 bps. In the investment grade spectrum declines were muted (EUR -7 bps to 159 bps, USD -6 bps to 132 bps).

FX and Commodities

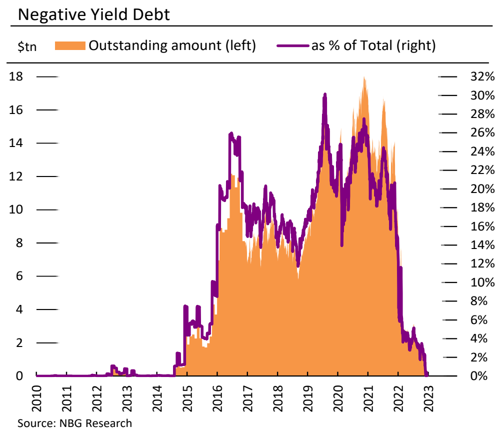
- **The US dollar entered 2023 on a weak footing, with the currency lower by -10% from its September highs** (DXY). Against the euro, the US dollar fell by 1.5% at $1.083 (9-month low), with the latter supported by better-than-expected economic data (i.e. consumer confidence, PMIs), as well as significantly lower natural gas prices (decreasing recession probability). **Oil prices remain highly volatile as the initial price decline due to concerns about global growth was offset following China's covid policy pivot.** Notably, the EIA on its monthly oil market outlook report downgraded its 2023 price forecasts (Brent: $83.1/barrel, from $99.9/barrel in 2022) as production will continue to increase in the US and internationally. Overall, both Brent and WTI are broadly stable ytd to $85/barrel and $80/barrel, respectively. Finally, European natural gas prices have declined significantly since the beginning of the year (TTF: -15% to €65/MWh), due to seasonally high temperatures in Europe that led to a reduction in heating demand, alongside increased inventories (storage levels are 83% full versus a 5-year average of 64%).



Graph 1.



Graph 2.



Graph 3.

Quote of the week: "Interest rates will still have to rise significantly at a steady pace to reach levels that are sufficiently restrictive to ensure a timely return of inflation to our 2% medium-term target. Inflation will not subside by itself", **member of the Executive Board of the European Central Bank, Isabel Schnabel, January 10th 2023.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	January 13th	3-month	6-month	12-month	Official Rate (%)	January 13th	3-month	6-month	12-month
Germany	2,09	2,15	2,25	2,25	Euro area	2,00	3,00	3,25	3,25
US	3,51	4,00	4,10	4,10	US	4,50	5,00	5,00	5,00
UK	3,31	3,69	3,64	3,49	UK	3,50	4,25	4,40	4,35
Japan	0,51	0,47	0,47	0,48	Japan	-0,10	-0,10	-0,10	-0,10
Currency	January 13th	3-month	6-month	12-month		January 13th	3-month	6-month	12-month
EUR/USD	1,08	1,05	1,08	1,10	USD/JPY	128	139	138	134
EUR/GBP	0,89	0,89	0,90	0,91	GBP/USD	1,22	1,17	1,20	1,21
EUR/JPY	138	146	149	147					

Forecasts at end of period

Economic Forecasts

United States	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22a	Q3:22a	Q4:22f	2022f
Real GDP Growth (YoY) (1)	-2,8	1,2	12,5	5,0	5,7	5,9	3,7	1,8	1,9	1,2	2,1
Real GDP Growth (QoQ saar) (2)	-	6,3	7,0	2,7	7,0	-	-1,6	-0,6	3,2	3,7	-
Private Consumption	-3,0	10,8	12,1	3,0	3,1	8,3	1,3	2,0	2,3	3,5	2,9
Government Consumption	2,6	6,5	-3,0	-0,2	-1,0	0,6	-2,3	-1,6	3,7	1,0	-0,7
Investment	-2,3	9,7	5,8	-1,1	0,6	7,4	4,8	-5,0	-3,5	4,1	0,3
Residential	7,2	11,6	-4,9	-5,8	-1,1	10,7	-3,1	-17,8	-27,1	-24,0	-10,5
Non-residential	-4,9	8,9	9,9	0,6	1,1	6,4	7,9	0,1	6,2	6,7	4,0
Inventories Contribution	-0,7	-3,0	-1,3	2,0	5,1	0,2	0,3	-2,1	-1,4	0,8	0,7
Net Exports Contribution	-0,2	-1,3	-0,8	-1,3	-0,6	-1,7	-3,8	1,2	3,3	0,2	-0,7
Exports	-13,2	0,4	4,9	-1,1	23,5	6,1	-4,6	13,8	14,6	-0,4	7,3
Imports	-9,0	7,6	7,9	6,6	18,6	14,1	18,4	2,2	-7,3	-1,2	8,4
Inflation (3)	1,2	1,9	4,9	5,4	6,7	4,7	8,0	8,7	8,3	7,1	8,0
Euro Area	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22a	Q3:22a	Q4:22f	2022f
Real GDP Growth (YoY)	-6,3	-0,8	14,2	3,9	4,8	5,3	5,5	4,2	2,3	1,7	3,4
Real GDP Growth (QoQ saar)	-	-0,2	8,2	9,3	2,2	-	2,5	3,2	1,3	-0,2	-
Private Consumption	-7,8	-7,2	14,3	19,1	-0,5	3,7	-0,1	4,2	3,5	-1,0	4,1
Government Consumption	1,0	-1,3	8,9	1,8	1,4	4,3	0,2	-0,4	0,6	3,3	1,3
Investment	-6,5	-9,0	7,4	-3,2	14,3	3,7	-2,9	3,8	15,4	-12,6	3,5
Inventories Contribution	-0,3	2,4	-2,1	0,1	2,7	0,2	-1,2	0,9	0,7	-1,2	0,3
Net Exports Contribution	-0,5	3,6	-0,3	-0,1	-3,4	1,3	4,4	-0,5	-4,4	3,8	0,0
Exports	-9,2	4,4	10,4	7,7	10,9	10,4	5,9	7,0	7,2	-4,4	7,0
Imports	-8,7	-3,1	12,4	8,6	20,3	8,2	-2,9	8,9	18,2	-11,7	7,7
Inflation	0,3	1,0	1,8	2,9	4,7	2,6	6,1	8,0	9,3	10,0	8,4

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

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

	US	Euro Area	Japan	UK
Equity Markets	+ Households' balance sheets are healthy (low debt, still elevated excess savings) + Sentiment (e.g. AAII) and positioning indicators are low, despite the recent rally - Peaking profit margins - Recession risks remain considerable - P/Es (Valuations) above long-term means, with EPS consensus expectations ($228 for EPS) only slightly lower compared with end Q3 (-3%) **Neutral/Negative**	+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) despite the recent rally of +20% since October 2022 lows + Fiscal policy will remain supportive in 2023 (plus RRF) + China's covid policy pivot could accelerate an export-led recovery - Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify **Neutral/Positive**	+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) + China's covid policy pivot could accelerate an export-led recovery + JPY appreciation from ¥150 to ¥130, if continues, could hurt exporters - Signs of policy fatigue regarding structural reforms and fiscal discipline - Yield-Curve Control twists, let alone a sustained shift in ultra-loose monetary policy, could hurt market benchmarks (but support Banks) **Neutral**	+ Significant exposure to commodities + Undemanding valuations in relative terms relative to other regions - Elevated domestic policy uncertainty - The BOE is expected to continue increasing interest rates aggressively as inflation remains very high and labor market extremely tight **Neutral**
Government Bonds	+ Valuations appear somewhat rich despite the 237bps increase in 2022, with term-premium @ -0.5% (1% for 2000-2015) + Fiscal deficits to remain sizeable in following years + Underlying inflation pressures remain acute + FED: passive (lower rollover) Quantitative Tightening + Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) could reverse - Safe-haven demand bid to support prices assuming geopolitical risks re-intensify - The FED is likely close to be done with rates **Slightly higher yields**	+ Valuations still appear excessive compared with long-term fundamentals + ECB to start unwinding its government and corporate bond holdings (APP) in March 2023 + ECB to continue with interest rate hikes in 2023 as core inflation pressures remain strong - Fragile economic growth outlook due to the war in Ukraine - ECB QE "stock" effect, with government bond holdings of €4.2 trillion (32% of GDP) **Slightly higher yields**	+ Sizeable fiscal deficits + The range of Yield-Targeting of 10-Year JGB at around 0% could widen further (current: +/- 50 bps) - Safe-haven demand - Monetary stance remains extremely dovish, despite the unexpected shift in YCC range in December 2022 - QE "stock" effect, with government bond holdings of ¥556 trillion (100% of GDP) **Slightly Higher yields**	+ Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China) + The BOE is expected to continue increasing interest rates aggressively as inflation remains very high and labor market extremely tight + BOE: active (sales) Quantitative Tightening - Slowing economic growth post-Brexit **Slightly Higher yields**
Foreign Exchange	+ USD interest rate differential vs peers remain significant + Weak global economic growth + Safe-haven demand status - Global political uncertainty to decline - The FED is close to be done, which reduces potential USD upside **Broadly Flat USD against G10 FX**	+ ECB to continue with interest rate hikes in 2023 as core inflation pressures remain strong + Lower geopolitical uncertainty (Ukraine-Russia, natural gas) is positive for EUR - Global growth risks remain to the downside **Range-bound (around 1.05) with upside risks against the USD**	+ Safe haven demand + More balanced economic growth recovery (long- term) + Higher core Inflation rates could accelerate the shift of monetary policy (less accommodative) **Stronger JPY**	+ Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit **Broadly stable GBP**

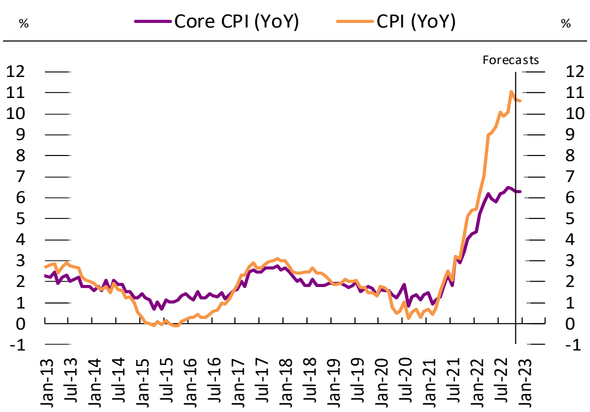
Economic Calendar

In the US, industrial production for December is released on Wednesday (consensus for -0.1% mom vs -0.2% mom in the previous month). In addition, December's housing data (housing starts & building permits) and retail sales will gather investors' attention.

In the UK, attention turns to inflation data for December, due to be released on Wednesday. CPI is expected at 10.6% yoy from 10.7% yoy in October, while the core figure is expected to remain stable at 6.3% yoy.

Finally, on Wednesday, the Bank of Japan's meeting will be closely watched following the unexpected decision at the end of 2022 to widen the target range for the 10-year bond yields by 25 bps to ±0.50%. Swap markets are expecting the first-rate hike by 25 bps in September 2023.

UK Inflation



Source: NBG Research

Economic News Calendar for the period: January 10 - January 23, 2022

Tuesday 10

		S		A	P
US					
Wholesale trade (MoM)	November	0.0%	-	-0.6%	0.0%
CHINA					
Money Supply M0 (YoY)	December	..		15.3%	14.1%
Money Supply M1 (YoY)	December	4.3%		3.7%	4.6%
Money Supply M2 (YoY)	December	12.2%		11.8%	12.4%
New Yuan Loans (RMB bn)	December	..		1400	1210
Aggregate Financing (RMB bn)	December	..		1310	1990

Wednesday 11

		S	A	P
JAPAN				
Leading Index	November	..	97.6	98.6
Coincident Index	November	..	99.1	99.6

Thursday 12

		S		A	P
US					
CPI (YoY)	December	6.5%		6.5%	7.1%
Core CPI (YoY)	December	5.7%		5.7%	6.0%
Initial Jobless Claims (k)	January 7	220	+	205	206
Continuing Claims (k)	December 31	1715	+	1634	1697
JAPAN					
Eco Watchers Current Survey	December	..		47.9	48.1
Eco Watchers Outlook Survey	December	..		47.0	45.1
CHINA					
CPI (YoY)	December	1.8%		1.8%	1.6%

Friday 13

		S		A	P
US					
University of Michigan consumer confidence	January	60.2	+	64.6	59.7
UK					
GDP (MoM)	November	-0.2%	+	0.1%	0.5%
Industrial Production (MoM)	November	-0.2%		-0.2%	-0.1%
Industrial Production (YoY)	November	-3.2%	-	-5.1%	-4.7%
EURO AREA					
Trade Balance SA (€ bn)	November	..		-15.2	-28.1
Industrial Production (sa, MoM)	November	0.3%	+	1.0%	-1.9%
Industrial Production (wda, YoY)	November	0.5%	+	2.0%	3.4%
CHINA					
Exports YoY	December	-9.5%	-	-9.9%	-8.7%
Imports YoY	December	-6.1%	-	-7.5%	-10.6%

Monday 16

		S	A	P

Tuesday 17

		S	A	P
US				
Empire Manufacturing	January	-7.5	..	-11.2
UK				
ILO Unemployment Rate	November	3.7%	..	3.7%
GERMANY				
ZEW survey current situation	January	-58.5	..	-61.4
ZEW survey expectations	January	-15.0	..	-23.3
CHINA				
GDP (sa, QoQ)	Q4:22	..	..	3.9%
GDP (YoY)	Q4:22	..	..	3.9%
Retail sales (YoY)	December	-8.5%	..	-5.9%
Industrial production (YoY)	December	0.3%	..	2.2%

Wednesday 18

		S	A	P
US				
Retail Sales (MoM)	December	-0.8%	..	-0.6%
Retail sales ex-autos (MoM)	December	-0.5%	..	-0.2%
Industrial Production (MoM)	December	-0.1%	..	-0.2%
Net Long-term TIC Flows ($ bn)	November	..	..	67.8
NAHB housing market confidence index	January	31	..	31
UK				
CPI (YoY)	December	10.6%	..	10.7%
Core CPI (YoY)	December	6.3%	..	6.3%
JAPAN				
Bank of Japan announces its intervention rate	January 18	-0.10%	..	-0.10%

Thursday 19

		S	A	P
US				
Initial Jobless Claims (k)	January 14	215	..	205
Continuing Claims (k)	January 7	..	..	1634
Building permits (k)	December	1370	..	1351
Housing starts (k)	December	1360	..	1427
Philadelphia Fed Business Outlook	January	-11.0	..	-13.8
JAPAN				
Exports YoY	December	9.3%	..	20.0%
Imports YoY	December	..	..	30.3%

Friday 20

		S	A	P
US				
Existing home sales (mn)	December	3.95	..	4.09
UK				
Retail sales Ex Auto MoM	December	0.7%	..	-0.3%
JAPAN				
CPI (YoY)	December	4.0%	..	3.8%
Core CPI (YoY) - ex. Fresh Food	December	4.0%	..	3.7%
Core CPI (YoY) - ex. Fresh Food and Energy	December	..	..	2.8%

Monday 23

		S	A	P
EURO AREA				
Consumer Confidence Indicator	January	..	..	-22.2

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

NATIONAL BANK OF GREECE

Equity Markets (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	3999	2.7	4.2	-14.2	5.0
Japan	NIKKEI 225	26120	0.6	0.1	-8.3	-8.2
UK	FTSE 100	7844	1.9	5.3	3.7	16.3
Canada	S&P/TSX	20360	2.8	5.0	-4.4	13.5
Hong Kong	Hang Seng	21739	3.6	9.9	-11.0	-23.0
Euro area	EuroStoxx	445	2.9	8.5	-7.1	9.5
Germany	DAX 40	15087	3.3	8.4	-5.9	8.2
France	CAC 40	7024	2.4	8.5	-2.5	24.0
Italy	FTSE/MIB	25783	2.4	8.8	-7.4	13.4
Spain	IBEX-35	8882	2.1	7.9	0.7	6.2

Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
MSCI Emerging Markets	61102	2.9	6.3	-14.7	-19.5
MSCI Asia	937	3.2	7.0	-14.2	-21.7
China	72	3.9	11.7	-14.7	-35.9
Korea	726	3.9	8.3	-20.3	-29.2
MSCI Latin America	91747	2.3	3.9	-2.8	-11.3
Brazil	298082	1.6	0.9	-4.5	-22.5
Mexico	49967	3.8	11.0	-0.9	18.5
MSCI Europe	2856	0.2	1.4	-58.9	-54.8
Russia	2200	2.0	2.1	-40.1	-36.6
Turkey	4935415	-5.2	-8.4	111.5	180.0

World Market Sectors (MSCI Indices)

in US Dollar terms	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	253.6	3.3	3.1	29.2	75.6
Materials	337.8	4.5	8.7	-8.0	0.7
Industrials	315.1	2.8	5.3	-10.0	1.2
Consumer Discretionary	317.5	5.6	9.0	-26.4	-17.8
Consumer Staples	274.9	0.2	1.9	-5.6	5.8
Healthcare	347.7	0.5	0.8	-1.1	8.6
Financials	139.8	3.3	6.7	-11.6	11.5
IT	415.4	5.0	5.6	-22.8	-6.8
Telecoms	71.6	4.0	7.5	-31.1	-22.6
Utilities	156.5	1.3	2.4	-3.1	0.7

in local currency	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	265.7	2.8	2.5	34.0	83.5
Materials	332.3	3.4	7.6	-4.0	7.6
Industrials	323.0	1.8	4.5	-6.4	8.0
Consumer Discretionary	312.9	4.7	8.3	-24.8	-14.4
Consumer Staples	280.7	-0.5	1.3	-2.6	10.9
Healthcare	347.3	0.1	0.4	0.7	12.1
Financials	142.9	2.5	6.0	-8.8	16.8
IT	405.6	4.7	5.3	-22.1	-5.2
Telecoms	75.8	3.5	7.0	-30.2	-20.8
Utilities	162.9	0.7	1.9	-0.8	4.9

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	3.51	3.56	3.88	1.71	2.15
Germany	2.09	2.21	2.53	-0.10	0.46
Japan	0.51	0.50	0.42	0.13	0.19
UK	3.31	3.47	3.66	1.11	1.49
Greece	4.09	4.41	4.59	1.51	5.35
Ireland	2.56	2.68	3.06	0.28	1.26
Italy	3.93	4.21	4.64	1.21	2.20
Spain	3.11	3.27	3.61	0.59	1.70
Portugal	3.05	3.20	3.57	0.53	2.41

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	6.42	6.58	6.42	3.52	4.17
vs 30Yr Treasury (bps)	275.6	283.5	241.8	143.9	140.8

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	-76	-75	-60	79	95
US Treasuries 10Y/5Y	-11	-14	-13	23	48
Bunds 10Y/2Y	-45	-36	-16	51	78
Bunds 10Y/5Y	-6	-5	0	32	53

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
EM Inv. Grade (IG)	166	180	167	141	190
EM High yield	599	622	640	645	624
US IG	132	140	138	97	133
US High yield	421	447	481	310	448
Euro area IG	159	167	167	99	120
Euro area High Yield	453	485	498	324	405

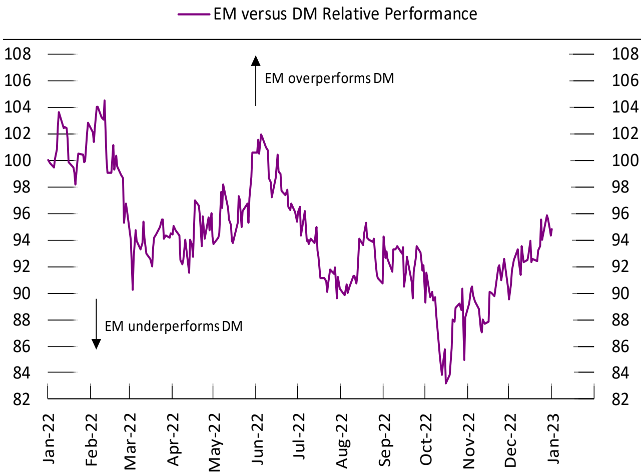
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1.08	2.1	1.7	-5.5	1.5
EUR/CHF	1.00	1.6	2.0	-3.8	1.6
EUR/GBP	0.89	0.7	3.3	6.2	-0.1
EUR/JPY	138.09	-1.6	-3.8	5.6	-1.9
EUR/NOK	10.70	0.6	3.0	7.6	1.7
EUR/SEK	11.26	0.4	3.7	10.1	1.3
EUR/AUD	1.56	0.4	0.3	-0.9	-1.1
EUR/CAD	1.45	1.5	0.5	1.4	0.3
USD-based cross rates					
USD/CAD	1.34	-0.6	-1.2	7.3	-1.1
USD/AUD	1.44	-1.7	-1.4	4.9	-2.6
USD/JPY	127.52	-3.7	-5.4	11.7	-3.4

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	461	1.7	1.2	4.0	-2.1
Energy	282	7.1	-1.2	3.2	-2.1
West Texas Oil ($/bbl)	80	8.3	3.3	-2.8	-0.5
Crude brent Oil ($/bbl)	85	8.5	3.1	1.0	-0.7
HH Natural Gas ($/mmbtu)	3.4	-0.3	-47.7	-28.5	-2.9
TTF Natural Gas (EUR/mwh)	65	-6.8	-50.7	-24.2	-15.1
Industrial Metals	481	7.7	5.1	-7.0	6.6
Precious Metals	2532	3.5	6.0	6.2	5.7
Gold ($)	1920	2.9	6.3	5.4	5.3
Silver ($)	24	1.8	1.2	5.1	1.2
Baltic Dry Index	946	-16.3	-32.5	-49.5	-37.6
Baltic Dirty Tanker Index	1445	3.9	-30.5	107.0	-22.9

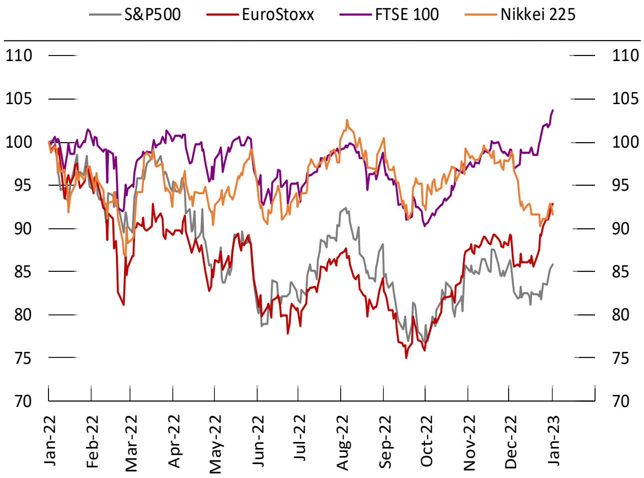
Source: NBG Research, Data as of January 13th, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

EM vs DM Performance in $



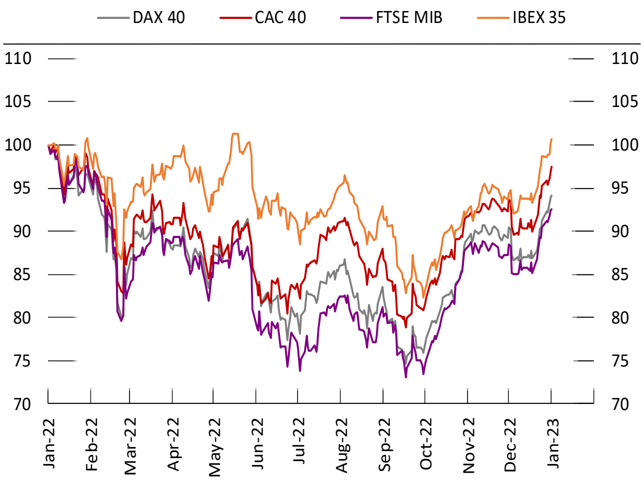
Data as of January 13th – Rebased @ 100

Equity Market Performance - G4



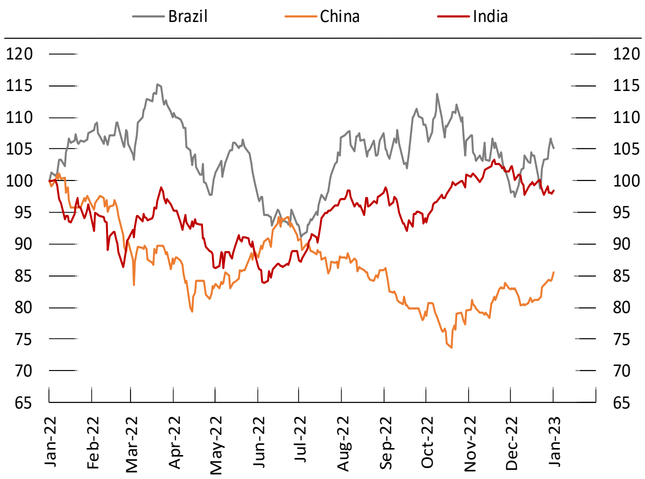
Data as of January 13th – Rebased @ 100

Equity Market Performance – Euro Area G4



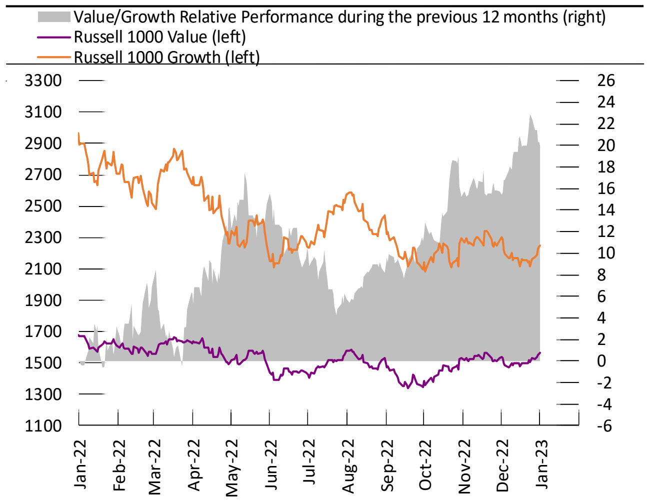
Data as of January 13th – Rebased @ 100

Equity Market Performance – Emerging Markets



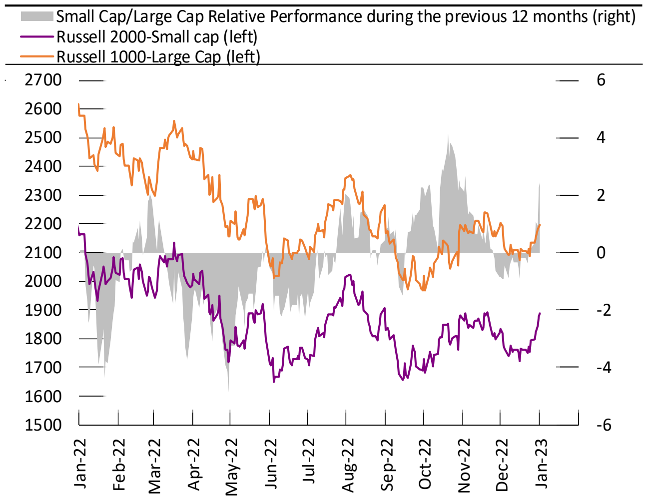
Data as of January 13th – Rebased @ 100

Russell 1000 Value & Growth Index



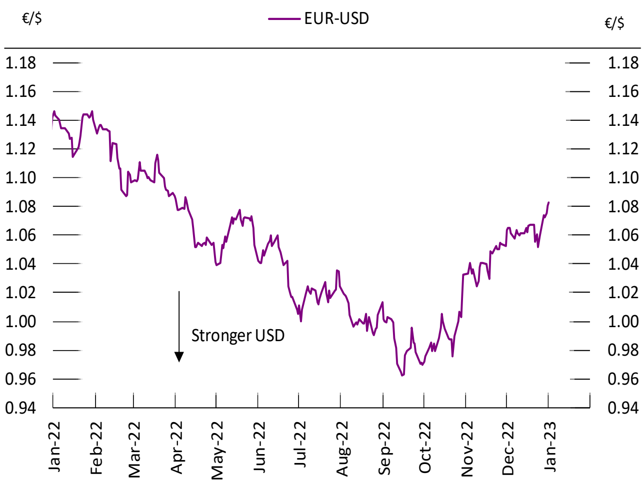
Data as of January 13th

Russell 2000 & Russell 1000 Index



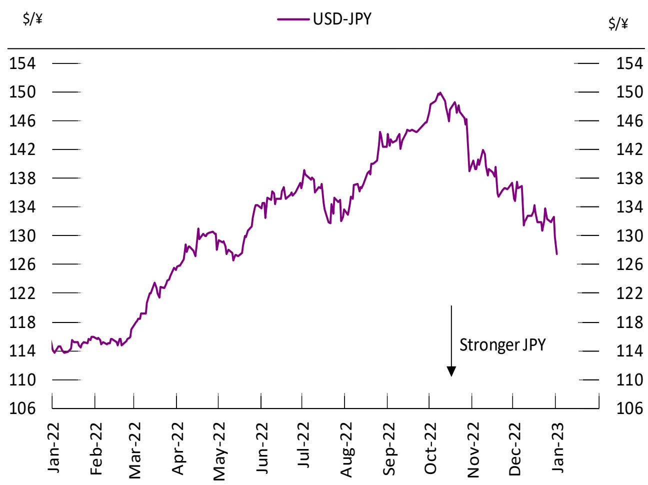
Data as of January 13th

EUR/USD



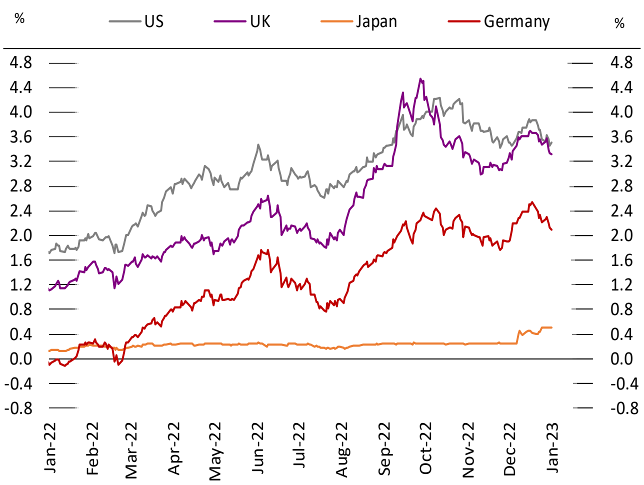
Data as of January 13th

JPY/USD



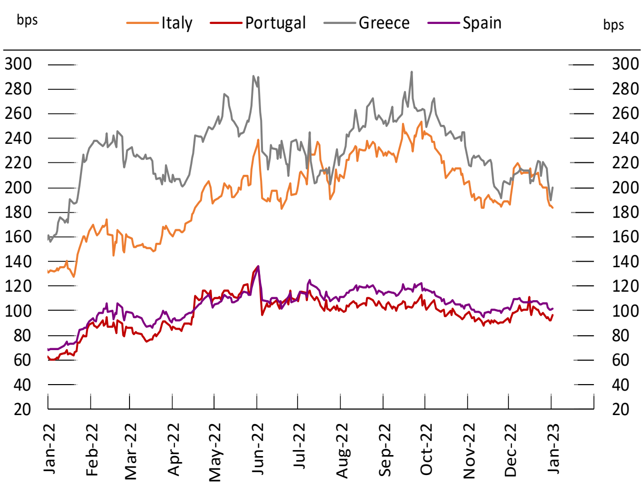
Data as of January 13th

10- Year Government Bond Yields



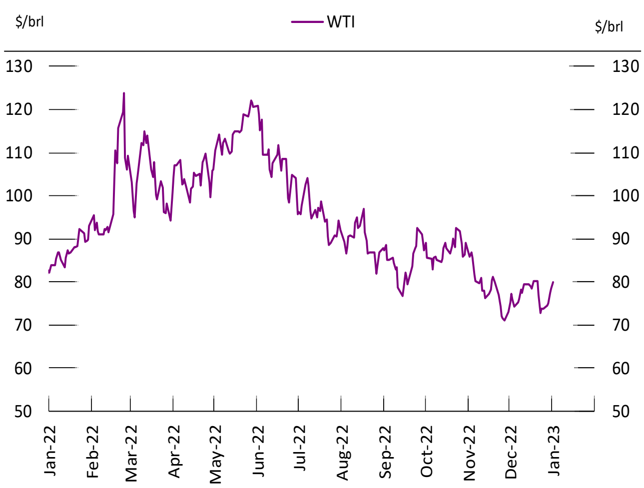
Data as of January 13th

10- Year Government Bond Spreads



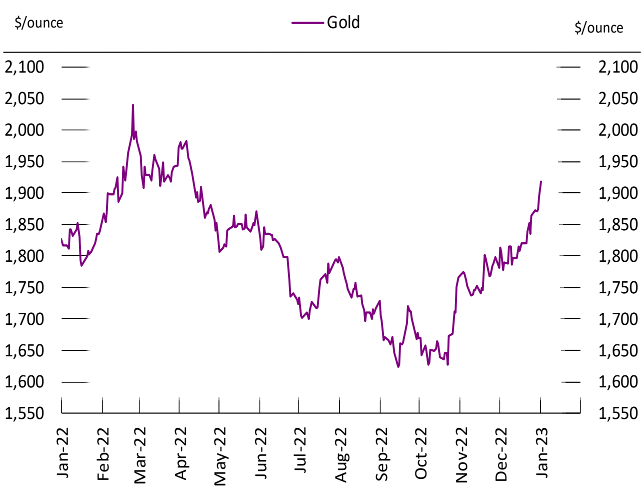
Data as of January 13th

West Texas Intermediate ($/brl)



Data as of January 13th

Gold ($/ounce)



Data as of January 13th

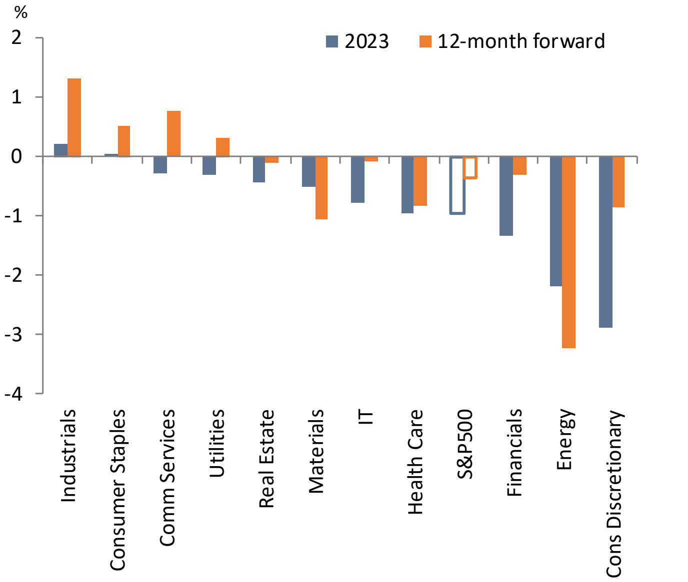
US Sectors Valuation

	Price ($)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	13/1/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
S&P500	3999	2.7	4.2	5.6	4.6	1.6	1.7	18.3	17.5	17.5	17.4	3.9	3.6	3.6	3.1
Energy	690	2.7	2.7	156.7	-15.4	3.1	3.0	8.7	10.3	10.3	19.5	2.5	2.3	2.3	1.8
Materials	528	4.3	7.9	5.1	-11.6	2.0	2.0	15.0	17.0	17.0	16.1	3.1	2.8	2.8	2.7
Financials															
Diversified Financials	1009	2.4	5.5	-14.5	7.8	1.6	1.7	17.1	15.9	15.8	15.0	2.0	1.9	1.9	1.7
Banks	350	2.8	6.8	-18.0	13.9	3.0	3.2	11.0	9.6	9.6	11.5	1.2	1.1	1.1	1.1
Insurance	614	0.0	3.2	-13.0	29.2	1.7	1.9	17.6	13.6	13.6	12.0	2.2	2.1	2.0	1.3
Real Estate	249	4.4	7.0	10.4	2.3	3.5	3.5	18.1	17.7	17.6	18.7	2.9	3.0	3.0	3.3
Industrials															
Capital Goods	908	1.5	4.0	14.0	18.0	1.6	1.7	22.8	19.4	19.3	17.5	5.2	4.7	4.7	4.1
Transportation	966	2.4	6.6	122.5	10.6	1.9	2.0	16.4	14.9	N/A	14.0	5.6	4.7	4.7	4.2
Commercial Services	494	0.2	1.7	10.4	5.8	1.1	1.2	28.7	27.2	27.1	23.9	6.1	5.5	5.5	4.3
Consumer Discretionary															
Retailing	3013	7.0	9.4	-40.4	47.6	0.8	0.9	40.6	27.5	27.3	27.8	10.8	9.1	9.0	9.4
Consumer Services	1375	3.3	8.3	N/A	162.1	1.1	1.2	67.2	25.6	N/A	36.1	283.0	169.2	N/A	14.5
Consumer Durables	407	3.3	9.9	2.5	-17.6	1.6	1.7	14.0	17.0	16.9	17.0	3.4	3.1	3.1	3.4
Automobiles and parts	80	6.3	2.1	30.0	2.1	0.5	0.6	16.1	15.8	N/A	16.3	3.1	2.7	2.7	2.9
IT															
Technology	2615	3.5	3.9	5.7	2.6	1.0	1.0	20.1	19.6	19.6	16.0	14.9	13.1	13.1	7.3
Software & Services	2937	4.7	3.3	9.9	10.8	1.0	1.0	25.3	22.8	22.7	21.9	7.9	6.7	6.7	6.4
Semiconductors	1827	6.0	10.0	-5.5	-6.6	1.5	1.6	18.4	19.7	19.6	15.7	4.7	4.5	4.5	3.9
Communication Services	172	4.1	7.9	-16.5	10.0	1.0	1.0	17.0	15.5	15.4	18.9	2.7	2.5	2.5	3.2
Media	656	4.9	8.2	-17.3	10.7	0.3	0.4	19.1	17.3	17.2	22.4	3.2	2.9	2.9	3.7
Consumer Staples															
Food & Staples Retailing	644	-0.1	4.0	1.3	5.8	1.5	1.6	22.7	21.4	21.4	18.7	5.2	4.9	4.9	3.7
Food Beverage & Tobacco	851	-2.0	-1.4	5.0	2.5	3.0	3.2	19.7	19.2	19.2	18.6	5.5	5.2	5.2	5.1
Household Goods	869	-1.5	0.6	-3.3	4.7	2.3	2.4	27.3	26.1	26.0	21.8	10.4	10.1	10.1	7.1
Health Care															
Pharmaceuticals	1300	-0.4	0.3	4.1	-9.2	1.8	1.9	15.5	17.1	17.0	15.5	5.7	5.1	5.1	4.4
Healthcare Equipment	1822	0.2	-1.4	2.6	5.0	1.2	1.2	19.5	18.6	18.5	17.1	4.0	3.6	3.6	3.1
Utilities	363	0.5	1.2	1.4	7.4	2.9	3.1	20.4	19.0	18.9	17.2	2.2	2.1	2.1	1.8

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

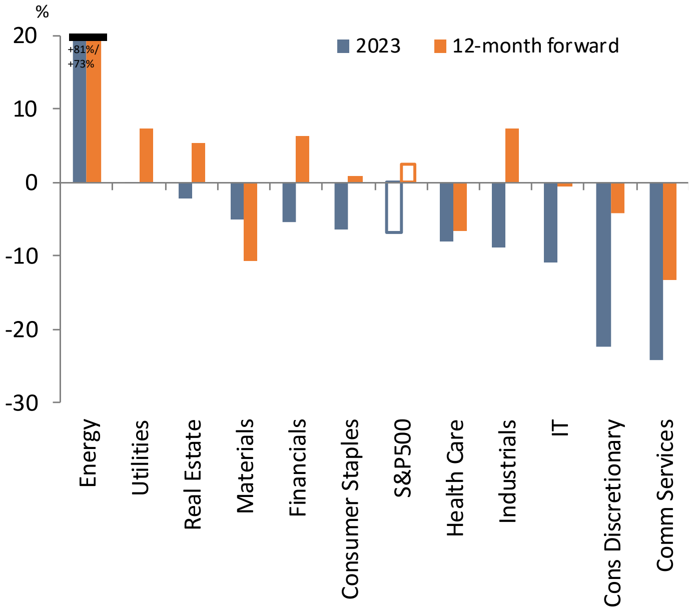
1-month revisions to 2023 & 12-month Forward EPS

Earnings Revisions indicate 1-month change in 2023 & 12-month Forward EPS



12-month revisions to 2023 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2023 & 12-month Forward EPS



Data as of January 13th
12-month forward EPS are 96% of 2023 EPS and 4% of 2024 EPS

Data as of January 13th
12-month forward EPS are 96% of 2023 EPS and 4% of 2024 EPS

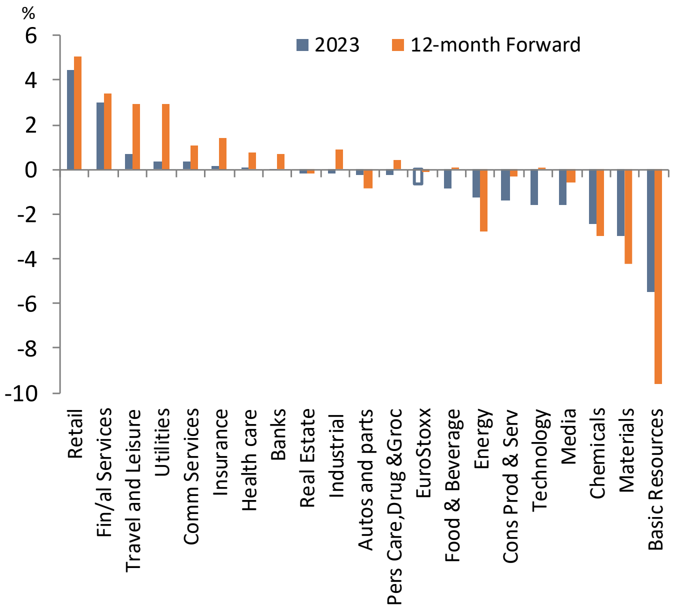
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	13/1/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
EuroStoxx	445	2.9	8.5	16.0	2.6	3.1	3.2	13.7	13.3	13.3	14.7	1.7	1.6	1.6	1.5
Energy	357	1.9	3.0	125.9	-18.3	5.3	4.7	5.2	6.4	6.4	12.7	1.3	1.1	1.1	1.2
Materials	971	1.7	5.3	7.3	-27.6	3.0	2.9	11.4	15.7	15.6	15.8	1.7	1.6	1.6	1.7
Basic Resources	237	1.2	5.9	-10.4	-52.6	2.8	3.0	4.8	10.2	10.1	9.7	0.7	0.7	0.7	0.8
Chemicals	1409	1.8	5.2	18.0	-16.0	3.1	2.9	14.4	17.2	17.1	16.9	2.2	2.1	2.1	2.2
Financials															
Banks	105	1.2	9.9	13.6	3.7	5.8	6.3	8.0	7.7	7.6	10.2	0.7	0.6	0.6	0.7
Insurance	324	1.0	5.5	-4.1	23.4	5.2	5.6	11.2	9.1	9.1	9.7	1.4	1.3	1.3	0.9
Financial Services	512	3.9	5.2	33.6	-3.4	2.9	3.0	11.5	11.9	11.8	16.1	1.3	1.2	1.2	1.3
Real Estate	151	7.0	15.0	5.6	-0.3	5.6	6.0	11.8	11.8	11.8	16.9	0.6	0.6	0.6	1.0
Industrials															
Industrial Goods & Services	1042	2.9	8.3	22.0	11.3	2.2	2.5	18.6	16.7	16.6	17.5	2.6	2.4	2.4	2.7
Construction & Materials	509	2.5	10.1	-4.2	0.4	3.5	3.7	12.8	12.7	12.7	14.8	1.7	1.6	1.5	1.5
Consumer Discretionary															
Retail	584	3.8	14.0	3.9	6.8	3.9	4.1	22.5	21.1	21.0	25.9	4.5	4.4	4.4	5.5
Automobiles and parts	556	1.4	9.9	7.7	-15.9	5.2	4.9	5.6	6.6	6.6	8.0	0.9	0.9	0.9	1.0
Travel and Leisure	203	3.7	10.7	N/A	22.9	1.0	1.1	22.9	18.7	N/A	N/A	2.2	2.0	2.0	2.2
Consumer Products & Services	486	4.5	13.9	4.9	14.7	1.4	1.6	32.4	28.3	28.1	25.0	6.7	5.9	5.9	4.2
Media	269	0.0	3.1	18.7	12.9	2.3	2.5	21.3	18.9	18.8	18.7	2.9	2.8	2.8	2.2
Technology	826	6.8	15.7	-5.1	23.2	1.0	1.1	28.7	23.3	23.1	22.0	3.9	3.6	3.6	3.7
Consumer Staples															
Food, Beverage & Tobacco	170	0.5	3.0	10.8	8.1	1.8	2.1	19.8	18.4	18.3	20.2	2.2	2.0	2.0	2.6
Personal Care, Drug & Grocery	176	2.1	5.4	2.0	6.0	2.5	2.6	16.3	15.4	15.3	17.6	2.4	2.2	2.2	2.3
Health care	826	3.4	6.2	8.8	4.2	2.3	2.4	16.2	15.6	15.5	16.7	2.1	2.0	2.0	2.3
Communication Services	281	2.0	7.3	21.7	6.6	3.9	4.2	15.3	14.3	14.3	15.5	1.5	1.4	1.4	1.7
Utilities	364	1.9	4.1	-39.7	77.6	4.5	4.6	22.7	12.8	12.7	14.2	1.7	1.6	1.6	1.3

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

1-month revisions to 2023 & 12-month Forward EPS

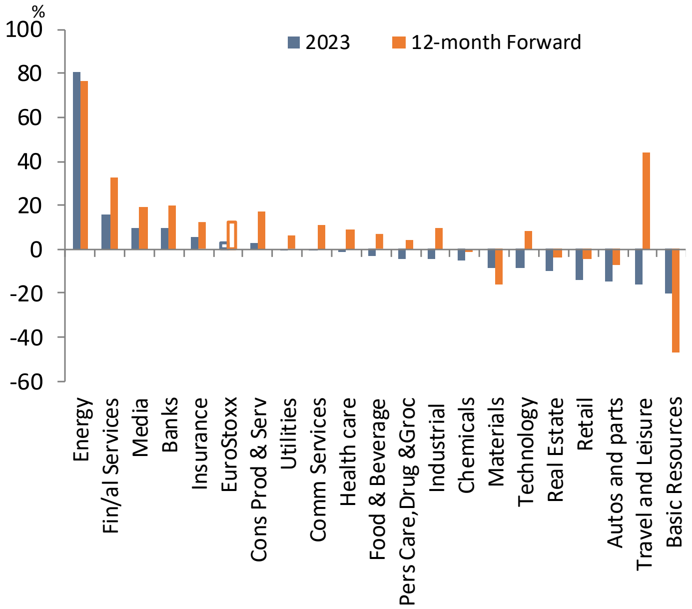
Earnings Revisions indicate 1-month change in 2023 & 12-month Forward EPS



Data as of January 13th
12-month forward EPS are 96% of 2023 EPS and 4% of 2024 EPS

12-month revisions to 2023 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2023 & 12-month Forward EPS



Data as of January 13th
12-month forward EPS are 96% of 2023 EPS and 4% of 2024 EPS

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