

## Central banks -- excluding the Bank of Japan -- are willing to tighten monetary policy rapidly to tackle elevated inflation

- The Federal Reserve increased the Federal Funds Rate (FFR) by 75 bps as expected, the largest single increase since 1994, to a range of 1.5% - 1.75%, while leaving the door open to a similar move in the next meeting (July 27<sup>th</sup>).
- The Federal Reserve now points to an FFR of 3.4% by end-2022 (median projection) instead of 1.9% in March's projections, suggesting a fast entry in restrictive territory (range of FOMC's estimates for the longer-run FFR: 2.0% – 3.0%), broadly aligning with markets' expectations for a range of 3.5% - 3.75%.
- The Bank of England (BoE), increased the Bank Rate for a 5<sup>th</sup> consecutive meeting, as expected, by 25 bps to 1.25%, with a vote majority of 6 versus 3 who opted for a 50 bps hike. Markets price-in the Bank Rate to reach 3.5% in the next 12 months.
- The European Central Bank announced, as expected, the end of net asset purchases as of July 1<sup>st</sup>, as well as its intention to increase the key policy interest rates by 25 bps in the July 21<sup>st</sup> meeting. The ECB left the door wide open for larger hike increments afterwards, supporting the view for a +50 bps to come on September 8<sup>th</sup> and indicated that hikes will continue after September. In all, markets price-in cumulative increase of circa 250 basis points over the next 12 months.
- To stem market fragmentation risks, apart from the "total" flexibility in PEPP re-investments across time and jurisdictions, the ECB held an ad hoc meeting on June 15<sup>th</sup>, pledging the immediate commencement of designing a new instrument. Euro area periphery spreads broke their rising trend following ECB's announcement.
- The Bank of Japan (BoJ) maintained its ultra-accommodative stance and showed no intention to deviate from it. The forward guidance "policy interest rates are expected to remain at their present or lower levels" was unchanged. Monetary policy divergence with major peers led to a sharp depreciation for the Yen following BoJ's meeting, -2.1% on Friday versus the US dollar to ¥135.30, the weakest since October 1998.
- Discounting rising probabilities that major central banks' aggressive monetary tightening could lead to a "hard landing", the S&P500 declined by 5.8% in the past week, recording losses in 10 of the past 11 weeks. US large-cap equities have declined by -23% since January 2022 high (4797).
- Similarly, the Eurostoxx ended the week down by 4.6%, standing 21% below its November 2021 high (488), with both indices dipping into "bear market" territory. Following the recent sell-off, equities attracted buying interest in the start of the current week.
- Valuations have reverted rapidly below their long-term means. Indeed, the 12-month forward Price to Earnings ratio for the S&P500 has retreated to 15.5x, falling below its 20-year average of 15.8x, for the first time since April 2020. Compared to the pre-pandemic levels, the ratio is 2.5 points lower than in January 2020. Regarding the Eurostoxx, the ratio stands at 11.9x, significantly below its 20-year average (13.3x) and its January 2020 level (15.0x).

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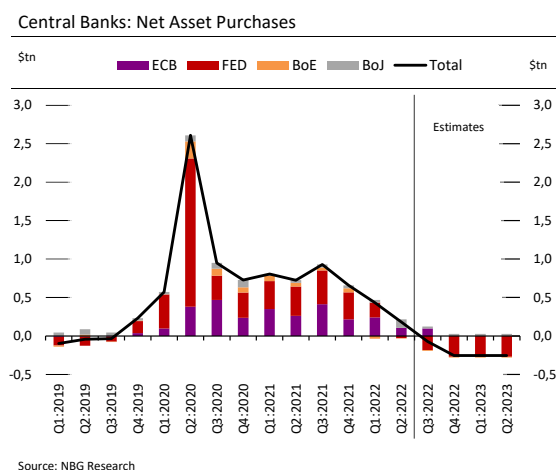
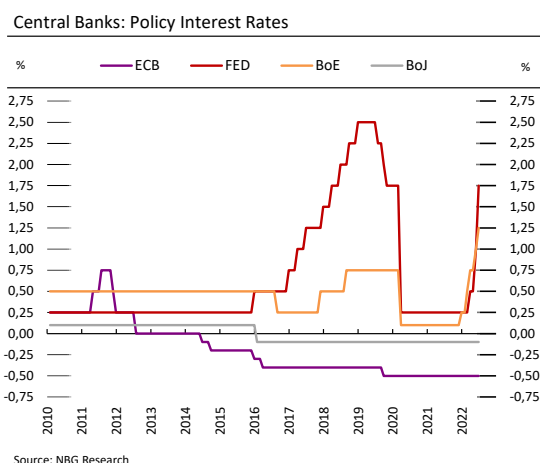
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Charts of the week



## The Fed revised significantly its projections for inflation (up) and GDP (down)

- **The 18 participants in the Federal Open Market Committee (FOMC) lowered their anticipated trajectory for GDP compared with three months ago**, on account, *inter alia*, of tighter financial conditions, larger and longer lasting than previously expected supply constraints (exacerbated among others from the war in Ukraine) and demand headwinds from elevated inflation (see below). In all, the median estimate for 2022 GDP growth (Q4/Q4) was revised down by 1.1 pp to +1.7% yoy. Further ahead, the FOMC participants' projections were also brought down for Q4:23 (by 0.5 pps to +1.7% yoy), were little changed for Q4:24 (-0.1 pp to +1.9% yoy), while the longer-run projection was stable at +1.8% yoy.
- The weaker path for GDP came alongside higher projections for the unemployment rate, albeit the new estimates are still viewed by the FOMC members as consistent with a "strong" labor market. In fact, that development is viewed as constructive in the context of restoring the demand/supply balance (both in the labor market and the broader economy), hence safeguarding the long term health of the labor market. Regarding the latter, recall that the Fed continued to characterize it as "extremely tight", highlighting the record (since 2000) high vacancy rate (i.e. the ratio of job openings to the number of unemployed excluding those on temporary layoff), which has been consistently above 2x since past December (reaching 2.3x on average in March and April). In all, the projections for the unemployment rate were revised upwards by 0.2 pps to 3.7% on average in Q4:22, by 0.4 pps to 3.9% in Q4:23 and by 0.5 pps to 4.1% in Q4:24, while the longer-run estimate was maintained at 4.0%.
- **On inflation, the FOMC substantially revised up its respective short-term projections, as expected, due to, *inter alia*, significantly higher than previously expected monthly outcomes and further upside pressures, particularly to prices of energy and food, from the war in Ukraine.** Indeed, headline PCE inflation is now anticipated at +5.2% yoy in 2022, +2.6% yoy in 2023 and at +2.2% yoy in 2024 (Q4 average, up by 0.9 pps, down by 0.1 pp and also down by 0.1 pp compared with March's projections, respectively). The longer-run projection was stable at +2.0% yoy). In a similar note, with price pressures having spread further to a broader range of goods and services, core PCE growth is now anticipated at +4.3% yoy in 2022 (Q4 average) versus +4.1% yoy previously, while the respective estimate for 2023 was revised up by 0.1 pp to +2.7% yoy and for 2024 it was left unchanged at +2.3% yoy.
- **The aforementioned macroeconomic outlook is conditioned on the Fed proceeding much more aggressively with hikes in the Federal Funds Rate (FFR), including the one undertaken in the last meeting (+75 bps to a target range of 1.5% - 1.75%, the first increase of such scale since 1994).** In the event, the median of FOMC participants' respective assumptions, points to +3.4% by end-2022 instead of 1.9% previously (with the longer-term FFR estimate from FOMC participants at a central tendency of 2.3% to 2.5%, the aforementioned level suggests that monetary policy will have entered restrictive territory probably well before year-end), 3.8% instead of 2.8% for end-2023, while a gradual move towards "neutrality" is anticipated to start later on (3.4% for end-2024).

## US private consumption posted signs of easing impetus, according to retail sales data for May

- **Nominal retail sales fell modestly, by 0.3% mom (seasonally adjusted) in May, below consensus estimates for +0.2%.** The negative surprise was somewhat more profound for the level or retail sales, given a downward revision for April (-0.2 pps to +0.7% mom) and March (-0.2 pps to +1.2% mom). Regarding the annual pace of growth, it accelerated to +8.1% from +7.8% in April, due to favorable base effects. At the same time, the so-called "control group", as it feeds into the calculation for GDP (i.e., excluding autos, gas, food services and building materials) was broadly unchanged on a monthly basis, below consensus for +0.5% mom. Again, the negative surprise was more profound for the level of the "control group", given a downward revision of 0.5 pps for both April's and March's outcomes (to +0.5% mom & +0.6% mom, respectively). The annual growth was +6.2% yoy in May from +5.6% yoy in the previous month.
- In all, the Atlanta Fed's GDPNowcast model points to stagnant real GDP in quarterly terms (+1.9% yoy) in Q2:22 from -1.5% qoq saar (+3.5% yoy) in Q1:22, with a significant drag from inventories, offsetting a positive contribution (mainly) from private consumption.

## China: economic activity data improved in May, modestly above expectations, albeit with significant challenges remaining

- **The momentum for economic activity was supported in May, *inter alia*, by an improving pandemic situation and a partial easing of respective restrictions.** In the event, the annual growth of retail sales (in nominal terms) came out at -6.7% from -11.1% in April, versus consensus estimates for -7.1%. In addition, industrial production growth was +0.7% yoy in May from -2.9% yoy in the previous month, overshooting expectations for -0.7%. The improvement was led by output of automobiles (-7.0% yoy from -31.8% yoy) and of general manufacturing equipment (-6.8% yoy from -15.8%), in view of an easing of lockdowns in respective major manufacturing hubs (mainly in the cities of Shanghai, Suzhou and Jilin). Finally, fixed assets investment growth came out at +6.2% yoy from +6.8% yoy previously, moderately above consensus estimates for +6.0%. Notably, the annual growth of investment in infrastructure, accelerated by 0.2 pps to +6.7%, likely boosted by policy support. Such support probably contributed to overall credit's (as measured by Total Social Financing) annual growth, accelerating by 0.3 pps to +10.5% in May (average of +10.4% yoy so far in 2022).
- In all, despite the improvement of momentum in May, the economic outlook remains highly uncertain in view of China's "zero-covid" policy which, combined with the extreme transmissibility of the coronavirus (which means that a relapse of the pandemic is probable) entails high risks of renewed stringent control measures. In the event, note that some new covid cases have spurred a fresh round of mass testing, *inter alia*, in Beijing and Shanghai.

## Equities

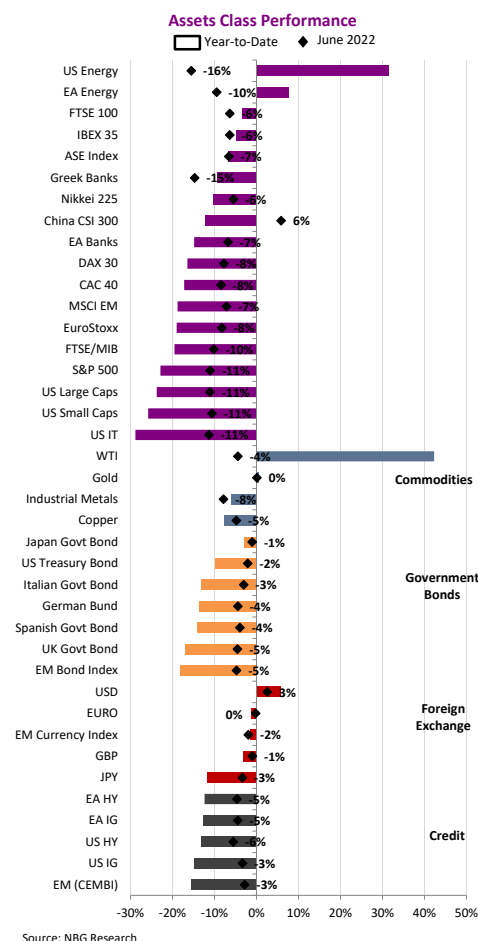
• **Global equity markets took a beating in the past week, in view of growth pessimism and more aggressive monetary policy tightening.** Specifically, the MSCI ACWI declined by 5.8% (-23% ytd). In the US, the S&P500 ended the week down by 5.8% w/w, entering “bear market” territory (-23% from its peak on January 3<sup>rd</sup>, which was also a record high). Option-implied equity volatility increased, with the CBOE VIX Index at 32% on average in the past week, versus an average of 26% so far in 2022. Sector-wise, Energy led the decline (-17.2% w/w), in view of a partial easing in prices of energy commodities (see below), remaining though by far the top performer so far in 2022 (+31%). On the other side of the Atlantic, the Eurostoxx fell by 4.6% in the past week, also entering “bear market” territory (-21% from its peak on January 5<sup>th</sup>). Notably, following the recent sell-off, equities attracted buying interest in the start of the current week, with the EuroStoxx up by 0.9% on Monday and by 0.9% on Tuesday and the S&P500 poised to move up on Tuesday according to futures by 2.6% (US markets were closed on Monday June 20<sup>th</sup> due to the Juneteenth holiday).

## Fixed Income

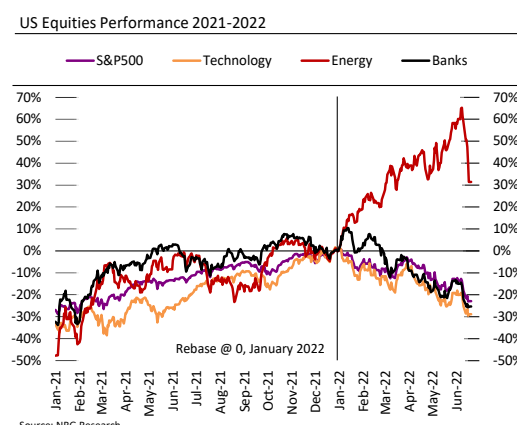
• **Government bond yields ended the week up, albeit off their intra-week highs,** with the US Treasury 10-year yield rising by 8 bps to 3.24% after having reached 3.48% intra-week, the highest since April 2011 and the Bund 10-year yield by 27 bps to 1.73% (at a c. 8-year high of 1.76% intra-week). Importantly, periphery government bond yield spreads over the Bund broke their rising trend after ECB’s announcement for a new anti-fragmentation instrument to be designed. In the 10-year tenor, in Italy, the spread narrowed by 33 bps w/w to 192 bps and in Greece by 61 bps w/w to 230 bps. **Corporate bond spreads widened, especially in the High Yield (HY) spectrum, due to weaker risk appetite.** Specifically, US HY spreads rose by 64 bps to 515 bps and their euro area counterparts by 66 bps to 542 bps. In the Investment Grade spectrum, the USD spreads rose by 9 bps to 150 bps and their EUR counterparts by 25 bps to 191 bps.

## FX and Commodities

• **In foreign exchange markets, the impact from recent decisions from most central banks was measured as they were largely in line with expectations.** In the event, the US dollar rose by 0.7% w/w against the euro to \$1.046, giving up these gains on Monday June 20<sup>th</sup> (-0.8% to \$1.054). **On the other hand, the hike by the Swiss National Bank of its policy rate, by 50 bps to -0.25% was unexpected** and as a result (combined with “safe haven demand”), led the Swiss Franc substantially higher, by 2.3% w/w against the euro to EUR/CHF: 1.02 and by 1.6% w/w against the US dollar to USD/CHF: 0.97. The British Pound fell (-0.6% w/w in nominal effective exchange terms), mainly on account of weaker than expected economic data (GDP fell by 0.3% mom in April, from -0.1% mom in March and versus consensus estimates for +0.1% mom | the unemployment rate rose by 0.1 pp in April to 3.8%, versus expectations for 3.6%). Finally, the Japanese Yen whipsawed, giving up the gains (related to “safe haven” demand) earlier in the week, after the Bank of Japan decided to maintain its ultra-accommodative monetary policy stance. Overall, the Yen, declined by 0.8% w/w US dollar to ¥135.30. Against the euro it rose slightly, by 0.1% w/w to ¥141.48. **In commodities, oil prices fell, on account, *inter alia*, of demand concerns** (Brent: -7.3% w/w to \$113.1/barrel | WTI: -9.2% w/w to \$109.6/barrel). At the same time, natural gas prices moved in opposite directions in N.America (spot Henry Hub: -20.9% w/w to \$6.94/Mmbtu) and Europe (spot Dutch TTF: +42.8% w/w to €117.7/mwh), in view of: i) a major export plant in the US (Freeport LNG) staying out of line for longer than previously anticipated (thus, more supply is set to stay in the domestic market) and; ii) reduced flows from Gazprom to Europe (according to Gazprom, the reduction is due to technical reasons, associated, *inter alia*, with a sanctions-related delay in receiving critical equipment which was under repair and maintenance).



Graph 1.



Graph 2.

**Quote of the week:** “Demand is very hot still in the economy, we’d like to see the labor market getting better in balance between supply and demand..so we feel that there’s a role for us in moderating demand..we think the policy is going to need to be restrictive, and we don’t know how restrictive”, **Fed Chair, Jerome Powell, June 15<sup>th</sup> 2022.**

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	June 17th	3-month	6-month	12-month	Official Rate (%)	June 17th	3-month	6-month	12-month
<b>Germany</b>	1,73	1,70	1,80	2,00	<b>Euro area</b>	-0,50	0,25	1,25	2,25
<b>US</b>	3,24	3,20	3,30	3,40	<b>US</b>	1,75	3,00	3,50	4,00
<b>UK</b>	2,54	2,00	2,02	1,95	<b>UK</b>	1,25	1,85	2,10	2,25
<b>Japan</b>	0,24	0,23	0,24	0,28	<b>Japan</b>	-0,10	-0,10	-0,10	-0,10

Currency	June 17th	3-month	6-month	12-month	June 17th	3-month	6-month	12-month	
<b>EUR/USD</b>	1,05	1,06	1,08	1,10	<b>USD/JPY</b>	135	124	126	125
<b>EUR/GBP</b>	0,86	0,85	0,87	0,87	<b>GBP/USD</b>	1,22	1,24	1,25	1,26
<b>EUR/JPY</b>	142	132	136	138					

Forecasts at end of period

### Economic Forecasts

United States	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22f	Q3:22f	Q4:22f	2022f
<b>Real GDP Growth (YoY) (1)</b>	-3,4	0,5	12,2	4,9	5,5	5,7	3,6	2,6	2,8	1,7	2,7
<b>Real GDP Growth (QoQ saar) (2)</b>	-	6,3	6,7	2,3	6,9	-	-1,4	2,9	3,0	2,4	-
<b>Private Consumption</b>	-3,8	11,4	12,0	2,0	2,5	7,9	2,7	3,2	3,5	2,7	3,3
<b>Government Consumption</b>	2,5	4,2	-2,0	0,9	-2,6	0,5	-2,7	2,6	1,7	1,7	-0,4
<b>Investment</b>	-2,7	13,0	3,3	-0,9	2,7	7,8	7,3	4,9	4,1	3,7	4,1
<b>Residential</b>	6,8	13,3	-11,7	-7,7	2,2	9,2	2,1	2,6	2,7	2,2	0,1
<b>Non-residential</b>	-5,3	12,9	9,2	1,7	2,9	7,4	9,2	5,6	4,4	4,0	5,4
<b>Inventories Contribution</b>	-0,6	-3,7	-1,7	2,1	5,4	0,1	-0,7	-0,7	-0,7	-0,7	0,7
<b>Net Exports Contribution</b>	-0,2	-2,0	-0,4	-1,5	-0,7	-1,9	-3,8	0,0	0,2	0,2	-1,3
<b>Exports</b>	-13,6	-2,9	7,6	-5,3	22,4	4,5	-5,9	5,2	6,6	4,2	4,1
<b>Imports</b>	-8,9	9,3	7,1	4,7	17,9	14,0	17,7	3,0	2,8	1,3	9,5
<b>Inflation (3)</b>	1,2	1,9	4,9	5,4	6,7	4,7	8,0	7,6	7,2	6,7	7,3

Euro Area	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22f	Q2:22f	Q3:22f	Q4:22f	2022f
<b>Real GDP Growth (YoY)</b>	-6,5	-0,9	14,6	4,0	4,6	5,4	4,8	3,0	1,8	2,1	2,9
<b>Real GDP Growth (QoQ saar)</b>	-	-0,5	9,1	9,3	1,0	-	0,1	2,0	4,2	2,0	-
<b>Private Consumption</b>	-8,0	-8,9	16,5	19,1	-2,3	3,5	0,4	2,1	3,9	2,8	3,9
<b>Government Consumption</b>	1,1	-2,1	9,4	1,1	1,9	3,8	-0,1	0,7	0,9	0,9	1,3
<b>Investment</b>	-7,3	0,6	5,2	-3,7	14,9	4,3	3,7	-6,7	6,5	5,7	3,2
<b>Inventories Contribution</b>	-0,5	4,3	-2,2	-0,5	1,5	0,4	-0,3	-0,5	-0,5	0,2	-0,1
<b>Net Exports Contribution</b>	-0,4	0,4	0,0	0,9	-2,6	1,4	-0,7	2,7	1,1	-1,0	0,0
<b>Exports</b>	-9,4	5,1	11,8	7,0	12,1	10,9	2,1	2,2	6,0	1,6	5,6
<b>Imports</b>	-9,2	4,8	13,0	5,8	19,8	8,6	3,8	-3,2	4,2	4,1	6,0
<b>Inflation</b>	0,3	1,0	1,8	2,9	4,7	2,6	6,1	8,5	7,6	6,5	7,2

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

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

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

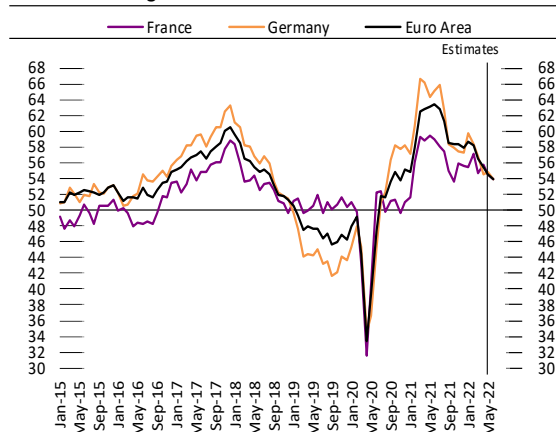
## Economic Calendar

In the US, durable goods orders and new home sales announcements for May, with gather investors' attention. On Thursday, the weekly initial and continuing jobless claims will provide a more updated view of labor market conditions.

In the UK, PMI manufacturing survey for June is released on Thursday. On Wednesday, attention turns to inflation data for May. CPI is expected at 9.2% yoy from 9.0% yoy in April, while the core figure is expected at 6.1% yoy from 6.2% yoy.

In the Euro area, attention turns to PMI (23/6) and consumer confidence (22/6) surveys for June, as they will provide valuable insight regarding the current economic momentum.

### Manufacturing PMIs



Source: NBG Research

#### Economic News Calendar for the period: June 14 - June 27, 2022

Tuesday 14					Wednesday 15					Thursday 16										
		S	A	P			S	A	P			S	A	P						
<b>UK</b>	ILO Unemployment Rate	April	3,7%	-	3,8%	3,7%	<b>US</b>	Fed announces its intervention rate	June 15	1,50%	+	1,75%	1,00%	<b>US</b>	Initial Jobless Claims (k)	June 11	218	-	229	232
<b>GERMANY</b>	ZEW survey current situation	June	-32,5	+	-27,6	-36,5	<b>US</b>	Continuing Claims (k)	June 4	1312	-	1312	1309	<b>US</b>	Continuing Claims (k)	June 11	1312	-	1312	1309
	ZEW survey expectations	June	-28,0	-	-28,0	-34,3	<b>US</b>	Empire Manufacturing	June	4,0	-	-1,2	-11,6	<b>US</b>	Building permits (k)	May	1800	-	1695	1823
							<b>US</b>	Net Long-term TIC Flows (\$ bn)	April	..	87,7	23,1	<b>US</b>	Housing starts (k)	May	1720	-	1549	1810	
							<b>US</b>	Retail Sales Advance MoM	May	0,2%	-	-0,3%	0,7%	<b>US</b>	Philadelphia Fed Business Outlook	June	5,0	-	-3,3	2,6
							<b>US</b>	Retail sales ex-autos (MoM)	May	0,7%	-	0,5%	0,4%	<b>UK</b>	BoE announces its intervention rate	June 16	1,25%	1,25%	1,00%	
							<b>US</b>	NAHB housing market confidence index	June	68	-	67	69	<b>JAPAN</b>	Exports YoY	May	13,2%	+	15,8%	12,5%
							<b>EURO AREA</b>	Industrial Production (sa, MoM)	April	0,7%	-	0,4%	-1,4%	<b>JAPAN</b>	Imports YoY	May	33,5%	+	48,9%	28,3%
							<b>EURO AREA</b>	Industrial Production (wda, YoY)	April	-0,6%	-	-2,0%	-0,5%							
							<b>EURO AREA</b>	Trade Balance SA (€ bn)	April	..	-31,7	-17,8								
							<b>CHINA</b>													
							<b>CHINA</b>	Retail sales (YoY)	May	-7,1%	+	-6,7%	-11,1%							
							<b>CHINA</b>	Industrial production (YoY)	May	-0,9%	+	0,7%	-2,9%							
Friday 17					Monday 20															
		S	A	P			S	A	P			S	A	P						
<b>US</b>	Industrial Production (MoM)	May	0,4%	-	0,2%	1,4%														
<b>JAPAN</b>	Bank of Japan announces its intervention rate	June 17	-0,10%	-	-0,10%	-0,10%														
Tuesday 21					Wednesday 22					Thursday 23										
		S	A	P			S	A	P			S	A	P						
<b>US</b>	Existing home sales (mn)	May	5,36	..	5,61	<b>UK</b>	CPI (YoY)	May	9,2%	..	9,0%	<b>US</b>	Initial Jobless Claims (k)	June 18	225	..	229			
						<b>UK</b>	Core CPI (YoY)	May	6,1%	..	6,2%	<b>US</b>	Continuing Claims (k)	June 11	1319	..	1312			
						<b>EURO AREA</b>	Consumer Confidence Indicator	June	-21,4	..	-21,1	<b>US</b>	S&P Global US Manufacturing PMI	June	56,3	..	57,0			
											<b>UK</b>	S&P Global / CIPS UK PMI	June	54,0	..	54,6				
											<b>UK</b>	Manufacturing SA	June	53,0	..	53,4				
											<b>JAPAN</b>	S&P Global / CIPS UK Services PMI	June	53,1	..	53,3				
											<b>JAPAN</b>	PMI manufacturing	June	54,0	..	54,6				
											<b>EURO AREA</b>	S&P Global Eurozone	June	55,5	..	56,1				
											<b>EURO AREA</b>	Manufacturing PMI	June	54,0	..	54,8				
											<b>EURO AREA</b>	S&P Global Eurozone Services PMI	June	54,0	..	54,8				
											<b>EURO AREA</b>	S&P Global Eurozone Composite	June	54,0	..	54,8				
Friday 24					Monday 27															
		S	A	P			S	A	P			S	A	P						
<b>US</b>	New home sales (k)	May	590	..	591	<b>US</b>	Durable goods orders (MoM)	May	0,5%	..	0,5%									
<b>UK</b>	Retail sales Ex Auto MoM	May	-0,5%	..	1,4%	<b>US</b>	Durable goods orders ex transportation (MoM)	May	..	..	0,4%									
<b>JAPAN</b>	CPI (YoY)	May	2,5%	..	2,5%	<b>US</b>	Pending home sales (MoM)	May	..	..	-3,9%									
	Core CPI (YoY) - ex. Fresh Food	May	2,1%	..	2,1%															
	Core CPI (YoY) - ex. Fresh Food and Energy	May	..	..	0,8%															
<b>GERMANY</b>	Ifo- Business Climate Indicator	June	92,5	..	93,0															
	Ifo-Expectations	June	86,9	..	86,9															
	Ifo- Current Assessment	June	99,1	..	99,5															

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>	3675	-5.8	-22.9	-13.0	18.0	MSCI Emerging Markets	59605	-4.1	-14.9	-21.5	4.0
Japan	<b>NIKKEI 225</b>	25963	-6.7	-9.8	-10.5	15.6	MSCI Asia	916	-4.2	-14.4	-22.4	4.2
UK	<b>FTSE 100</b>	7016	-4.1	-5.0	-1.9	12.2	China	71	-2.8	-14.4	-32.8	-17.9
Canada	<b>S&amp;P/TSX</b>	18930	-6.6	-10.8	-6.0	22.7	Korea	737	-5.9	-19.1	-26.6	10.0
Hong Kong	<b>Hang Seng</b>	21075	-3.4	-9.9	-26.2	-13.9	MSCI Latin America	86380	-4.1	-6.4	-17.8	4.1
Euro area	<b>EuroStoxx</b>	384	-4.6	-19.8	-16.4	7.7	Brazil	284039	-5.5	-7.3	-27.5	-6.4
Germany	<b>DAX 40</b>	13126	-4.6	-17.4	-16.5	6.0	Mexico	45018	-0.5	-9.8	-2.0	28.1
France	<b>CAC 40</b>	5883	-4.9	-17.8	-11.8	17.7	MSCI Europe	2294	-2.5	-66.9	-66.3	-57.1
Italy	<b>FTSE/MIB</b>	21789	-3.4	-20.3	-15.3	11.2	Russia*	2354	3.0	-37.8	-38.4	-14.1
Spain	<b>IBEX-35</b>	8146	-2.9	-6.5	-11.4	8.9	Turkey	2684170	-1.1	29.2	72.5	96.1

**World Market Sectors** (MSCI Indices)

in US Dollar terms						in local currency					
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	213.3	-15.3	22.3	25.7	65.6	Energy	223.3	-14.8	26.1	31.7	66.5
Materials	301.4	-8.5	-16.3	-13.6	21.5	Materials	299.4	-7.8	-12.2	-7.5	24.9
Industrials	267.2	-6.2	-23.7	-20.9	10.6	Industrials	277.4	-5.8	-20.0	-15.6	15.9
Consumer Discretionary	295.0	-5.8	-33.2	-27.9	5.1	Consumer Discretionary	294.6	-5.5	-31.1	-24.6	8.7
Consumer Staples	250.4	-3.7	-14.6	-9.6	5.5	Consumer Staples	258.3	-3.5	-11.3	-4.8	8.2
Healthcare	308.4	-4.5	-16.6	-9.0	9.6	Healthcare	311.0	-4.5	-14.4	-5.8	11.8
Financials	119.6	-4.7	-19.9	-16.3	21.9	Financials	123.1	-4.2	-17.2	-12.1	24.1
IT	392.9	-5.4	-31.4	-19.3	13.8	IT	385.5	-5.3	-30.5	-17.8	15.3
Telecoms	75.4	-4.6	-29.4	-30.1	-2.2	Telecoms	80.4	-4.5	-28.0	-28.3	-0.2
Utilities	144.0	-8.0	-12.3	-7.6	3.7	Utilities	151.2	-7.7	-9.7	-3.4	5.8

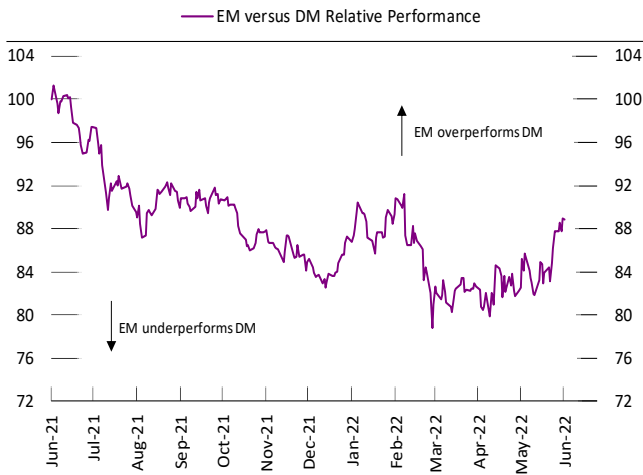
**Bond Markets (%)**

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	3.24	3.16	1.51	1.51	2.05	US Treasuries 10Y/2Y	1	10	78	127	106
Germany	1.73	1.46	-0.18	-0.23	0.44	US Treasuries 10Y/5Y	-11	-10	25	62	54
Japan	0.24	0.25	0.07	0.06	0.22	Bunds 10Y/2Y	58	53	46	44	85
UK	2.54	2.38	0.97	0.80	1.41	Bunds 10Y/5Y	20	19	28	36	58
Greece	4.03	4.37	1.32	0.79	6.26	<b>Corporate Bond Spreads (in bps)</b>					
Ireland	2.33	2.16	0.25	0.18	1.60		Current	Last week	Year Start	One Year Back	10-year average
Italy	3.65	3.71	1.17	0.83	2.27	EM Inv. Grade (IG)	175	158	139	145	193
Spain	2.82	2.70	0.57	0.43	1.88	EM High yield	735	670	618	509	623
Portugal	2.70	2.77	0.46	0.41	2.75	US IG	150	141	98	87	134
<b>US Mortgage Market (1. Fixed-rate Mortgage)</b>						<b>US High yield</b>					
	Current	Last week	Year Start	One Year Back	10-year average		515	451	310	315	452
30-Year FRM <sup>1</sup> (%)	5.65	5.40	3.31	3.11	4.02	<b>Euro area IG</b>					
vs 30Yr Treasury (bps)	232.5	217.1	138.9	99.6	130.5		191	166	98	84	119
						<b>Euro area High Yield</b>					
							542	476	331	292	412

**Foreign Exchange & Commodities**

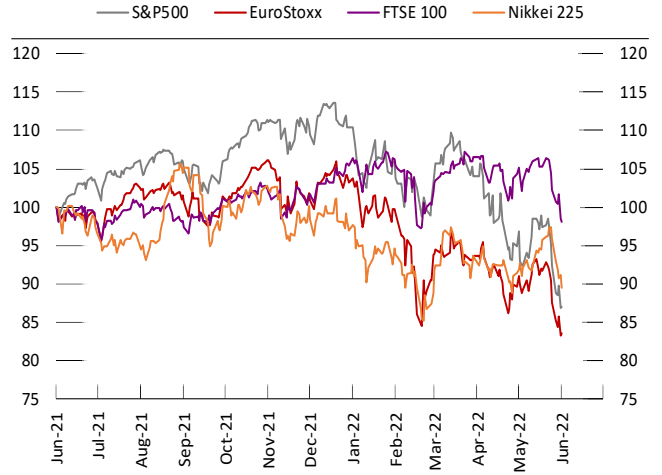
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
<b>Euro-based cross rates</b>						Agricultural	535	-2.6	-9.4	39.0	20.2
EUR/USD	1.05	-0.7	-0.5	-12.4	-8.0	Energy	388	-8.2	3.3	66.0	53.9
EUR/CHF	1.02	-2.3	-2.3	-7.0	-1.9	West Texas Oil (\$/bbl)	110	-9.2	0.0	54.2	45.7
EUR/GBP	0.86	0.6	1.4	0.3	2.3	Crude Brent Oil (\$/bbl)	113	-7.3	3.7	54.8	45.4
EUR/JPY	141.48	0.1	4.8	7.5	8.0	HH Natural Gas (\$/mmbtu)	6.9	-20.9	-18.6	114.3	81.8
EUR/NOK	10.51	3.2	2.5	3.6	4.8	TTF Natural Gas (EUR/mwh)	118	42.8	24.5	315.9	67.4
EUR/SEK	10.68	1.4	2.0	5.1	3.8	Industrial Metals	468	-5.7	-6.2	4.8	-6.2
EUR/AUD	1.51	1.4	1.0	-4.0	-3.2	Precious Metals	2389	-1.8	1.0	1.5	-0.1
EUR/CAD	1.37	1.5	1.5	-7.1	-4.8	Gold (\$)	1840	-1.7	1.3	3.7	1.0
<b>USD-based cross rates</b>						Silver (\$)	22	-1.0	1.1	-16.4	-6.5
USD/CAD	1.31	2.2	2.0	6.1	3.5	Baltic Dry Index	2578	11.1	-19.2	-21.1	16.3
USD/AUD	1.45	2.1	1.6	9.6	5.3	Baltic Dirty Tanker Index	1205	7.0	11.3	104.9	53.3
USD/JPY	135.30	0.8	5.3	22.7	17.5						

EM vs DM Performance in \$



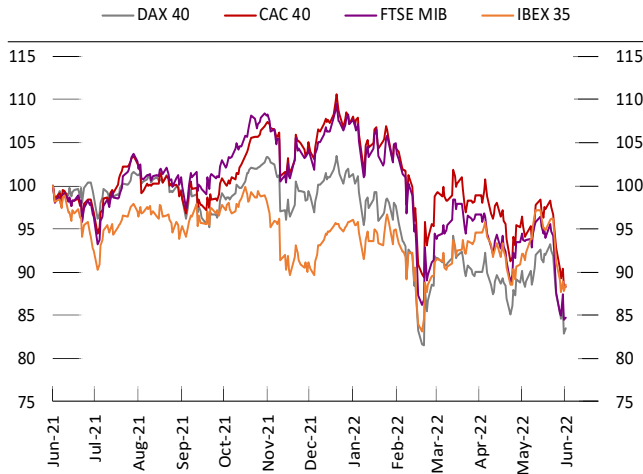
Data as of June 17<sup>th</sup> – Rebased @ 100

Equity Market Performance - G4



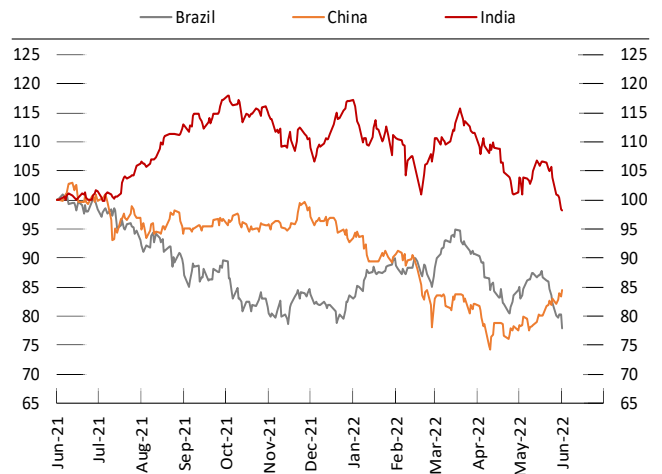
Data as of June 17<sup>th</sup> – Rebased @ 100

Equity Market Performance – Euro Area G4



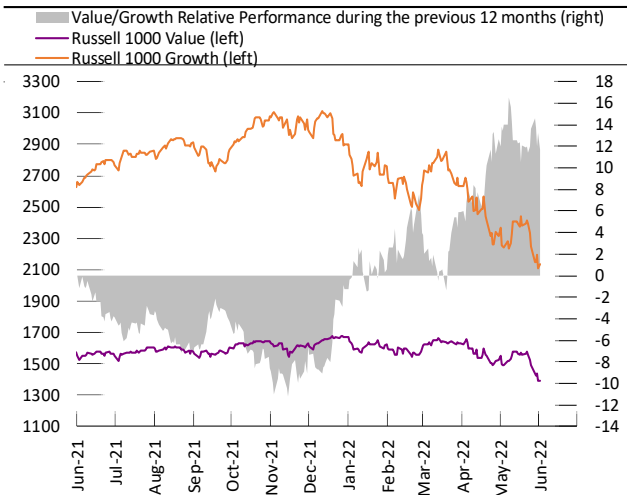
Data as of June 17<sup>th</sup> – Rebased @ 100

Equity Market Performance – Emerging Markets



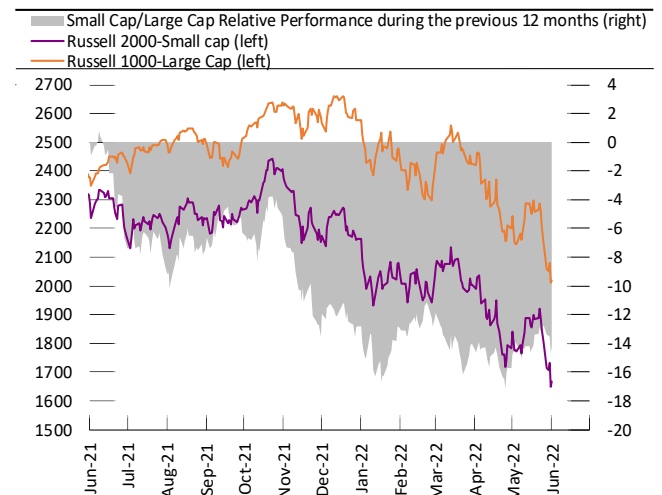
Data as of June 17<sup>th</sup> – Rebased @ 100

Russell 1000 Value & Growth Index



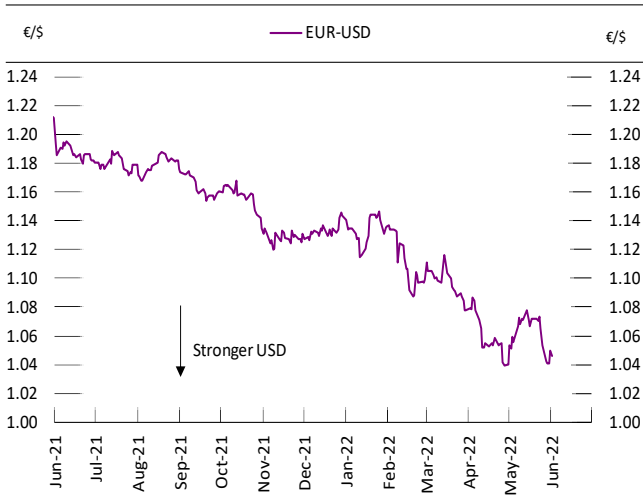
Data as of June 17<sup>th</sup>

Russell 2000 & Russell 1000 Index



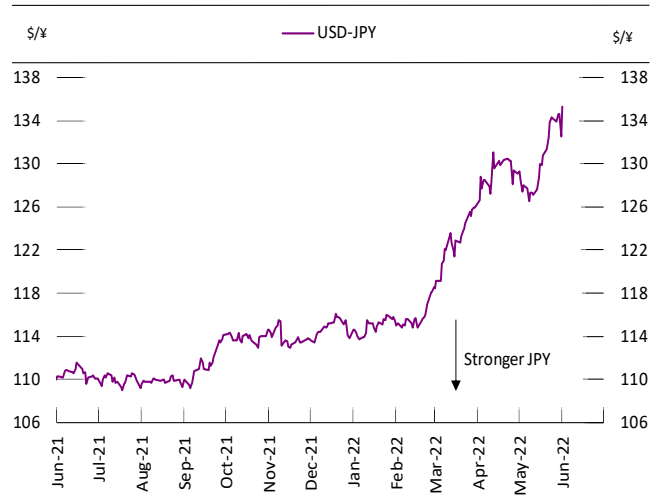
Data as of June 17<sup>th</sup>

EUR/USD



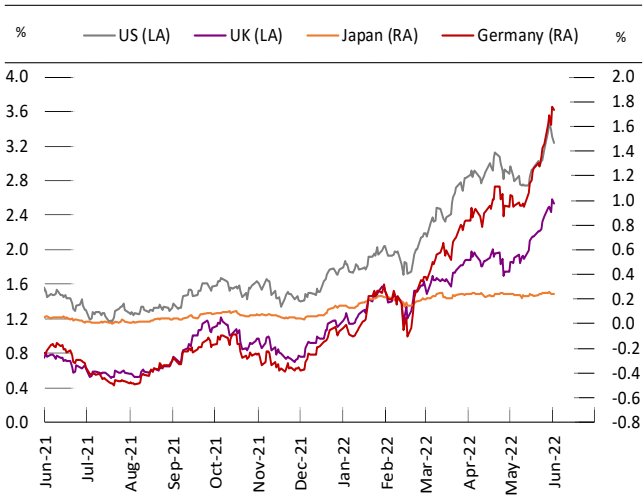
Data as of June 17<sup>th</sup>

JPY/USD



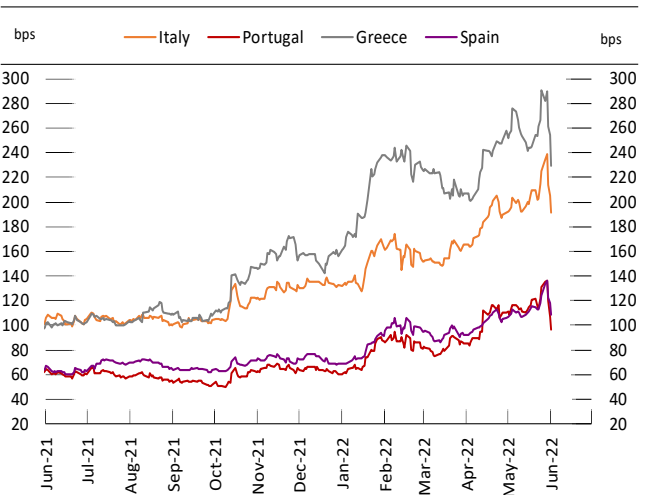
Data as of June 17<sup>th</sup>

10- Year Government Bond Yields



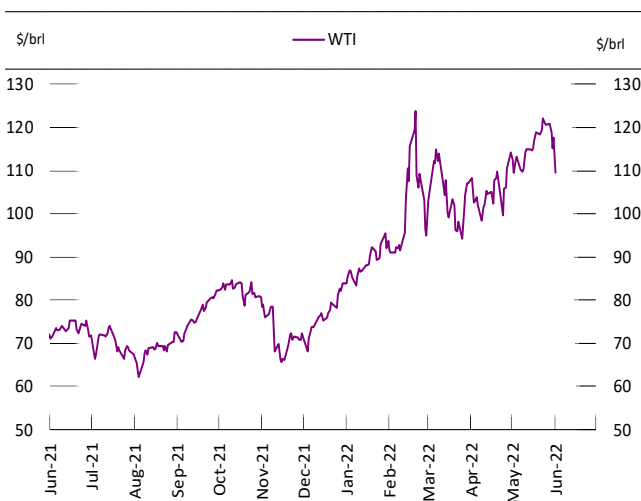
Data as of June 17<sup>th</sup>  
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



Data as of June 17<sup>th</sup>

West Texas Intermediate (\$/bbl)



Data as of June 17<sup>th</sup>

Gold (\$/ounce)



Data as of June 17<sup>th</sup>



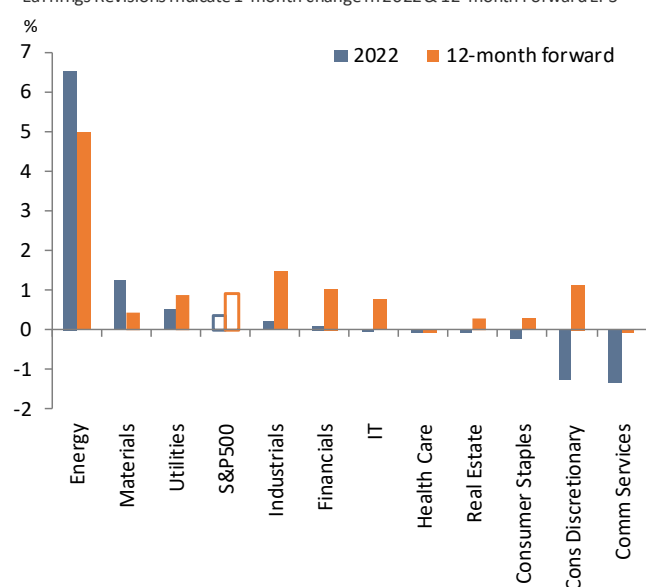
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	17/6/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
<b>S&amp;P500</b>	3675	-5.8	-22.9	10.5	9.6	1.8	1.9	16.1	14.7	15.5	17.2	3.4	3.1	3.3	3.0
<b>Energy</b>	556	-17.2	31.4	118.6	-13.3	3.5	3.4	8.1	9.3	8.7	15.7	2.1	1.9	2.0	1.7
<b>Materials</b>	469	-8.3	-17.7	19.9	-6.0	2.2	2.3	12.1	12.9	12.5	16.1	2.6	2.3	2.5	2.7
<b>Financials</b>															
<b>Diversified Financials</b>	843	-5.7	-23.0	-8.4	11.8	1.9	2.0	13.3	11.9	12.7	14.9	1.6	1.5	1.5	1.6
<b>Banks</b>	312	-4.3	-25.3	-15.5	16.0	3.4	3.7	9.5	8.2	8.9	11.5	1.0	0.9	1.0	1.1
<b>Insurance</b>	510	-4.0	-7.3	-0.2	14.8	2.2	2.5	12.8	11.1	12.0	11.7	1.6	1.5	1.5	1.2
<b>Real Estate</b>	243	-5.4	-25.1	11.5	5.8	3.4	3.6	17.5	16.5	17.0	18.8	2.9	3.0	3.0	3.3
<b>Industrials</b>															
<b>Capital Goods</b>	726	-6.8	-18.5	21.5	18.2	2.0	2.2	17.1	14.4	15.9	17.2	3.8	3.5	3.7	4.0
<b>Transportation</b>	894	-2.8	-20.7	127.9	24.6	2.0	2.1	14.9	11.9	N/A	13.9	5.0	4.1	4.6	4.1
<b>Commercial Services</b>	425	-5.9	-21.8	10.3	10.8	1.4	1.5	22.8	20.6	21.8	21.6	5.1	4.6	4.9	4.0
<b>Consumer Discretionary</b>															
<b>Retailing</b>	2820	-4.3	-33.3	-26.0	41.2	0.9	0.9	30.6	21.7	26.5	27.2	9.2	7.5	8.4	9.1
<b>Consumer Services</b>	1110	-6.0	-26.5	3115.6	101.5	1.4	1.5	35.8	17.8	N/A	28.9	22.3	15.6	19.2	10.5
<b>Consumer Durables</b>	341	-7.8	-36.0	19.5	6.6	1.9	2.0	10.1	9.5	9.8	17.4	2.6	2.3	2.5	3.4
<b>Automobiles and parts</b>	120	-7.5	-39.8	26.6	18.7	0.2	0.2	24.8	20.9	N/A	15.4	4.5	3.8	4.2	2.7
<b>IT</b>															
<b>Technology</b>	2502	-4.1	-26.7	9.1	7.2	1.0	1.1	18.7	17.4	18.1	15.4	12.7	11.0	12.0	6.6
<b>Software &amp; Services</b>	2836	-4.0	-27.2	13.9	15.2	1.0	1.1	23.5	20.4	22.1	21.4	7.3	6.2	6.8	6.2
<b>Semiconductors</b>	1696	-8.2	-35.5	13.9	10.3	1.6	1.8	14.2	12.9	13.6	15.5	4.1	3.6	3.9	3.8
<b>Communication Services</b>	183	-4.6	-31.4	-2.3	16.4	0.9	1.0	15.6	13.4	14.6	19.1	2.7	2.5	2.6	3.2
<b>Media</b>	701	-4.6	-35.3	0.3	18.5	0.3	0.4	17.0	14.3	15.8	22.5	3.3	2.9	3.2	3.7
<b>Consumer Staples</b>															
<b>Food &amp; Staples Retailing</b>	578	-3.9	-17.6	6.4	8.1	1.7	1.8	19.3	17.9	18.7	18.3	4.2	3.8	4.0	3.6
<b>Food Beverage &amp; Tobacco</b>	788	-3.9	-3.4	3.0	6.5	3.3	3.5	18.5	17.3	17.9	18.4	5.1	5.1	5.1	5.2
<b>Household Goods</b>	775	-5.9	-20.7	1.7	9.2	2.6	2.7	23.1	21.2	22.2	21.4	9.5	9.2	9.3	6.7
<b>Health Care</b>															
<b>Pharmaceuticals</b>	1143	-3.2	-12.0	6.3	-5.1	2.1	2.2	13.4	14.1	13.7	15.3	4.8	4.2	4.5	4.3
<b>Healthcare Equipment</b>	1613	-6.3	-19.4	3.1	9.9	1.3	1.4	17.3	15.7	16.6	16.8	3.3	3.0	3.2	3.0
<b>Utilities</b>	327	-9.2	-10.0	2.1	7.6	3.3	3.5	18.7	17.3	18.1	17.2	2.0	1.9	1.9	1.8

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

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

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

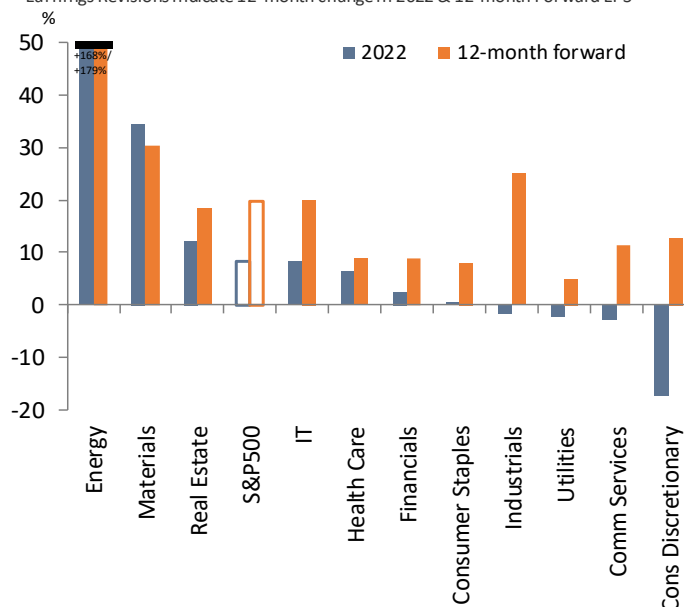


Data as of June 17<sup>th</sup>

12-month forward EPS are 54% of 2022 EPS and 46% of 2023 EPS

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

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



Data as of June 17<sup>th</sup>

12-month forward EPS are 54% of 2022 EPS and 46% of 2023 EPS

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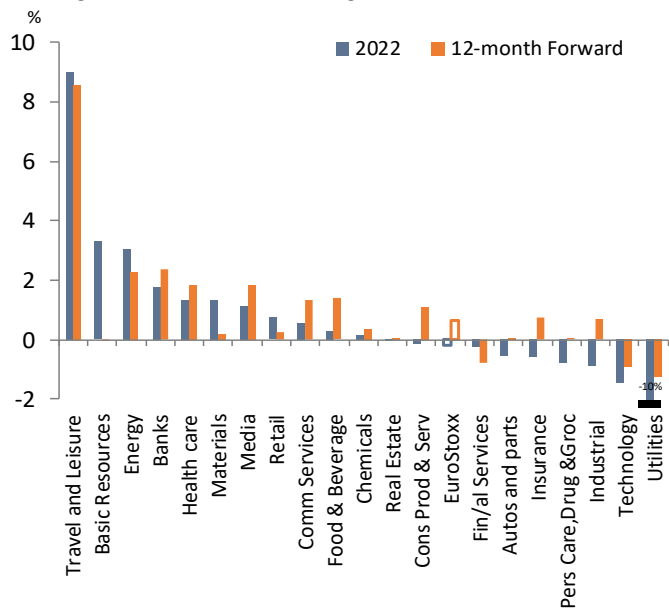
### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	17/6/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
<b>EuroStoxx</b>	384	-4.6	-19.8	10.6	9.4	3.4	3.8	12.3	11.3	11.9	14.6	1.5	1.4	1.4	1.5
<b>Energy</b>	306	-8.7	6.2	92.8	-16.9	5.0	5.3	5.5	6.6	6.0	13.1	1.1	1.0	1.1	1.2
<b>Materials</b>	886	-7.2	-15.1	7.8	-12.5	2.9	3.1	10.5	11.9	11.1	15.7	1.6	1.5	1.5	1.7
<b>Basic Resources</b>	219	-7.6	-11.8	7.8	-37.4	3.2	3.5	3.7	5.9	4.7	10.0	0.6	0.6	0.6	0.8
<b>Chemicals</b>	1283	-7.1	-15.5	8.7	3.3	2.9	3.0	14.7	14.3	14.5	16.7	2.0	1.9	2.0	2.3
<b>Financials</b>															
<b>Banks</b>	83	-0.6	-17.1	-2.6	11.2	6.6	7.5	7.2	6.5	6.9	9.9	0.5	0.5	0.5	0.7
<b>Insurance</b>	269	-0.6	-12.1	-1.2	15.6	6.2	6.6	9.0	7.8	8.5	9.7	0.9	0.8	0.8	0.9
<b>Financial Services</b>	474	-3.0	-18.2	25.8	-9.3	3.3	3.4	10.3	11.4	10.8	14.6	1.2	1.2	1.2	1.2
<b>Real Estate</b>	163	-5.4	-27.0	6.8	6.1	5.4	6.2	12.6	11.8	12.2	17.1	0.6	0.6	0.6	1.0
<b>Industrials</b>															
<b>Industrial Goods &amp; Services</b>	878	-5.1	-25.0	18.6	16.6	2.6	3.0	15.9	13.7	14.9	17.3	2.3	2.1	2.2	2.6
<b>Construction &amp; Materials</b>	449	-5.4	-17.3	-8.2	11.1	3.9	4.3	11.8	10.6	11.3	14.8	1.5	1.4	1.5	1.5
<b>Consumer Discretionary</b>															
<b>Retail</b>	435	-8.2	-37.1	-2.7	8.6	4.7	5.3	17.9	16.5	17.3	26.2	3.6	3.4	3.5	5.7
<b>Automobiles and parts</b>	503	-5.5	-20.2	0.0	5.6	6.3	6.2	5.4	5.1	5.3	8.6	0.7	0.7	0.7	1.0
<b>Travel and Leisure</b>	152	-4.6	-21.5	N/A	67.1	1.2	2.1	22.3	13.4	N/A	N/A	1.9	1.8	1.8	2.2
<b>Consumer Products &amp; Services</b>	370	-4.8	-29.8	9.5	14.4	1.9	2.1	23.6	20.7	22.3	24.5	4.9	4.4	4.7	4.1
<b>Media</b>	229	-4.5	-19.7	12.4	15.4	2.7	3.0	18.1	15.7	17.0	17.5	2.4	2.3	2.4	2.2
<b>Technology</b>	653	-6.4	-33.6	8.0	19.0	1.2	1.4	20.0	16.8	18.5	21.3	3.0	2.7	2.9	3.6
<b>Consumer Staples</b>															
<b>Food, Beverage &amp; Tobacco</b>	162	-2.9	-15.3	14.3	13.0	1.9	2.3	18.3	16.2	17.3	20.0	2.0	1.9	1.9	2.6
<b>Personal Care, Drug &amp; Grocery</b>	164	-3.7	-18.2	1.7	9.5	2.7	2.9	15.1	13.7	14.4	17.6	2.1	1.9	2.0	2.4
<b>Health care</b>	806	-3.8	-13.6	11.1	8.0	2.4	2.6	15.5	14.3	14.9	16.7	2.0	1.8	1.9	2.3
<b>Communication Services</b>	286	-1.3	-0.8	18.3	13.5	3.9	4.2	15.6	13.7	14.7	14.5	1.5	1.5	1.5	1.7
<b>Utilities</b>	339	-4.7	-13.9	-41.1	79.0	4.6	5.3	21.2	11.9	16.9	13.8	1.5	1.4	1.5	1.2

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

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

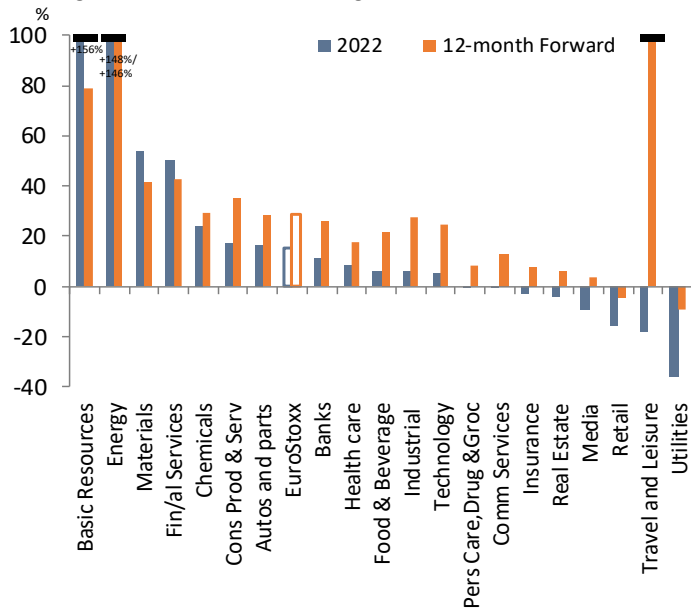
Earnings Revisions indicate 1-month change in 2022 & 12-month Forward EPS



Data as of June 17<sup>th</sup>  
12-month forward EPS are 54% of 2022 EPS and 46% of 2023 EPS

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

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



Data as of June 17<sup>th</sup>  
12-month forward EPS are 54% of 2022 EPS and 46% of 2023 EPS

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