

Volatility will continue as global markets digest the stress in the banking sector (Silicon Valley Bank, Credit Suisse) and its economic implications

- As investors digest recent pockets of stress in the banking sector and continued monetary policy tightening, equity market conditions remain excessively volatile. So far this month, the S&P500 has been broadly flat and the Eurostoxx50 has declined by -1.5%, with pressure on bank stocks (see graph page 3). On the other hand, Technology and defensive sectors have overperformed.
- The MOVE index, which measures bond market volatility, hit the 200s, as markets have increasingly started to price in interest rate cuts over the next one to two years, particularly in the US. So far this month, US Treasury yields have declined with the curve bull-steepening (see graph below). On the other side of the Atlantic, government bond yields have decreased across the board, with euro area periphery bond spreads broadly unperturbed.
- High-yield corporate bond spreads have widened by circa 90 basis points month-to-date, due to increased risk aversion rose, as well as due to repercussions of the 100% write-down of the nominal value of all AT1 shares of Credit Suisse (see graph page 3).
- The Federal Reserve increased interest rates by +25 bps to a range of 4.75% - 5.0%, with officials examining the option to remain on hold given recent concerns about the US banking sector, the cumulative tightening of 450 basis points in the past twelve months and bank stress leading to tighter lending standards and slower lending growth.
- Regarding macroeconomic projection, the Federal Reserve incorporated a high likelihood of the recent pockets of stress in the banking sector resulting in a tightening of credit conditions, in turn leading to downside effects on economic activity, employment, inflation and a more cautious path for the Federal funds rate (see Economics). The median of FOMC participants' assumptions points to FFR of 5.1% by end-2023 (unchanged compared with projections three months ago), suggesting one more hike of 25 bps following the one undertaken in the latest meeting.
- On a positive development, borrowing at the Fed's liquidity facilities was broadly stable in the week ending March 22nd suggesting that liquidity needs have not deteriorated further. The Fed has lent \$110 billion (\$153 billion on March 15th) in the primary lending program, where the Fed values securities collateral at fair value, with a variable cost broadly based on FFR. The decline was offset by increased borrowing at the newly announced Bank Term Funding Program (\$54 billion from \$12 billion on March 15th), where the Fed values securities collateral at nominal value, with a variable cost of 1-Year USD OIS plus 10 basis points, currently at 4.78%.
- Overall, Fed has circa \$354 billion in loans outstanding to depository institutions or 2% of total domestic deposits (see graph below) including \$180 billion in the FDIC-operated "bridge banks".
- The FDIC, on Sunday, entered into a purchase agreement with the First-Citizens Bank ("FCB"), for the latter to acquire all deposits and \$72 billion of loans at a discount of \$16.5 billion from the former Silicon Valley Bank ("SVB"). The bridge entity that the FDIC had established to facilitate the handling of the failed SVB, had \$119 billion in deposits and total assets of \$167 billion. The FDIC estimates the cost of the failure of Silicon Valley Bank to its Deposit Insurance Fund (with a balance of \$128 billion) to be approximately \$20 billion.

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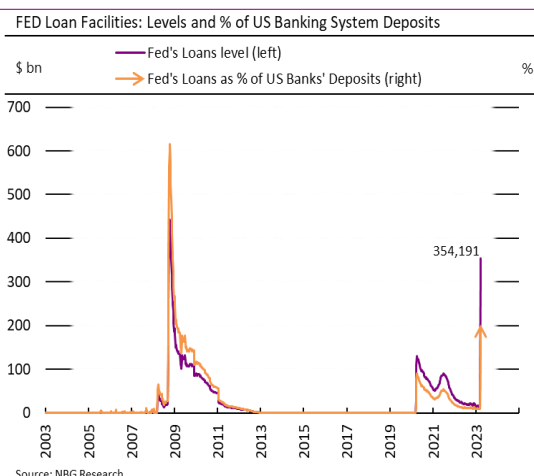
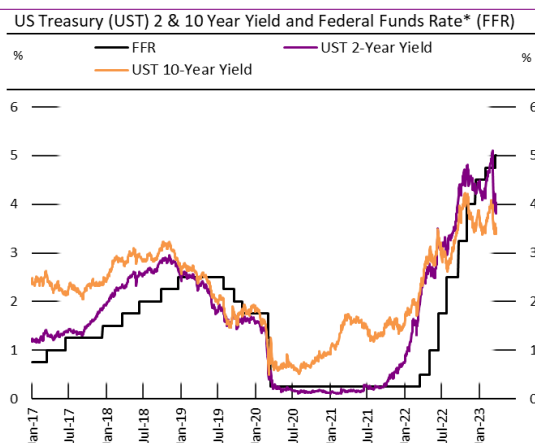
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Charts of the week



Fed macroeconomic projections are surrounded by higher uncertainty than usual due to the recent bank stress

- **The 19 participants in the Federal Open Market Committee (FOMC) lowered somewhat their anticipated trajectory for GDP growth compared with three months ago, on account, *inter alia*, of tighter credit conditions.** The median estimate for 2023 GDP growth (Q4/Q4) was revised down by -0.1 pps to +0.4% yoy. Nevertheless, significant negative base effects were at play, as the Q4:22 yoy growth (+0.9%) exceeded by a wide margin the FOMC estimate back in December (for +0.5%). For Q4:24, the projection was revised down by -0.4 pps to +1.2% yoy, whereas for Q4:25, it was revised up by +0.1 pp to +1.9% yoy. "Nearly all" participants see the risks to GDP growth as weighted to the downside. On the labor market (which the Fed continues to characterize as "extremely tight"), the median FOMC projection was broadly unchanged, continuing to foresee a substantial rise in the unemployment rate (from 3.6% in February), to 4.5% on average in Q4:23, while a 4.6% is estimated for both Q4:24 and Q4:25 (the longer-run estimate was maintained at 4.0%).
- **On inflation, the FOMC's outlook was roughly stable.** Indeed, regarding the headline PCE inflation, only the median projection for 2023 (Q4 average) was revised, by +0.2 pps to +3.3% yoy in view of recent strength, while later on, it is still anticipated at +2.5% yoy in Q4:24 and +2.1% yoy in Q4:25, suggesting a return to the target of +2.0% yoy (which was also maintained as the FOMC's longer-run projection), no sooner than in 2026. Core PCE growth is anticipated at +3.6% yoy in Q4:23 (+0.1 pp versus December projections), at 2.6% in Q4:24 (instead of 2.5% yoy) and at 2.1% yoy in Q4:25 (unrevised). **The macroeconomic outlook is conditioned on the Fed proceeding with a similar (compared with the one in December) path for the Federal Funds Rate (FFR).** Indeed, the median of FOMC participants' respective assumptions, points to 5.1% by end-2023, suggesting one more hike of 25 bps following the one undertaken in the latest meeting to a target range of 4.75% - 5.0% (4.3% versus December's assumption for 4.1% for end-2023 and 3.1% in end-2025 as also assumed in December, while the longer-run estimate was maintained at 2.5%).

US housing market data improved, albeit challenges remain

- **New residential construction improved in February.** In the event, housing starts rose by +9.8% mom (-18.4% yoy) to 1450k (annualized rate), while building permits increased by +13.8% on a monthly basis (-17.9% yoy) at 1524k (annualized rate). Both outcomes came out well above consensus estimates (for 1310k & 1340k, respectively). Housing starts came out above a long-term (since 1990) average of 1321k, albeit it should be noted that the rise was driven mainly by the highly volatile multifamily (5 units or more) component (+24.1% mom), while also remaining -19.7% below a peak of 1805k in April 2022.
- **Regarding demand, existing home sales surprised to the upside in February, rising sharply by +14.5% mom (-22.6% yoy) after falling for twelve consecutive months up to January,** to 4.58mn (annualized), overshooting by a wide margin consensus estimates for 4.19mn. Still, the latest reading is well below a long term (since 1990) average of 4.94mn (and -28.0% compared with a peak of 6.36mn in November 2021).

- Meanwhile, the National Association of Home Builders (NAHB) survey index – that captures homebuilders' confidence for new home sales – improved for a 3rd consecutive month in March 2023, by +2 pts to 44, albeit remaining subdued (a reading below 50 indicates a negative stance).
- **Home prices posted signs of stabilization (at elevated levels) following a partial easing in recent months.** In the event, the median existing home sales price rose by +0.5% mom in February, after falling for seven consecutive months since July 2022 (the annual pace of growth came out at -0.2%).
- In all, despite the aforementioned rise in sales, the environment for housing demand remains very challenging, amid still elevated valuations. Although nominal price levels for existing homes in February were -12% below a peak in June 2022, they are still higher by +36% compared with January 2020. At the same time, nominal personal incomes have risen by +18% for the same period (January 2020 to January 2023).
- Furthermore, the particularly low availability of existing homes for sale (the respective inventory stood at 0.98mn in February, versus an average of 2.25mn since 1990), supports the bargaining power of sellers. At the same time, although the latest rise in housing starts is a welcome development and a large number of new houses is in the pipeline (1.69mn in the phase of construction, versus an average of 0.94mn since 1990), arguing in favor of the prospects for new home supply, still high construction costs limit the downside as to the respective pricing in which they will enter the market. In the event, note that prices paid for goods used in residential construction rose for a 2nd consecutive month in February, +0.4% mom from +1.5% mom in January, following a decline of -5.0% cumulatively from June 2022 to December 2022. Recall that the latter represented only a very modest downward correction, given the acute rise which had preceded. Overall, in February, prices paid for goods used in residential construction were up by +36.8% versus January 2020.
- **Finally, higher mortgage interest rates due to monetary policy tightening have limited the capacity of households to finance home purchases.** Indeed, according to data from Freddie Mac, the 30-year fixed mortgage rate stood at 6.42% for the week ending on March 23rd. Although a stabilization has taken place recently from a peak of 7.08% in past November 2022, the latest outcome remains far above an average of 4.1% since 2010. In that context, mortgage applications remain depressed according to the Mortgage Bankers Association, at -64.2% compared with late-January 2022 for the week ending March 17th.

Equities

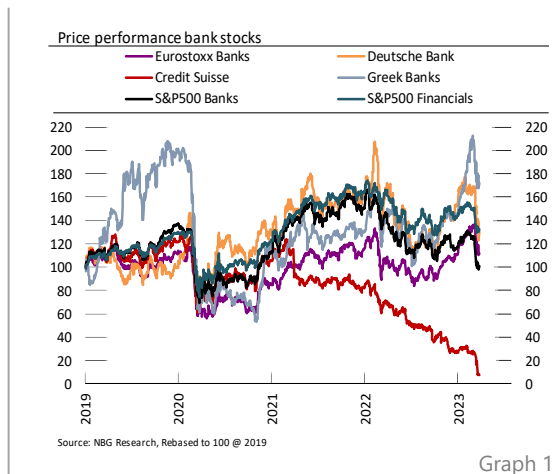
- Realized volatility in equity markets remains high**, as investors weigh recent bank developments (Silicon Valley Bank, Credit Suisse), support measures from authorities and ongoing rate hikes by major central banks. In the US, the S&P500 ended the past week up by +1.4%, recouping earlier losses to turn flat on the month. The Automobiles and Components sector overperformed (+4.8% wow), while on the contrary, Banks declined by -1.2% wow, due to, inter alia, investors' concerns over a potential contagion stemming from the recent banking crisis. Notably, deposits at small U.S. banks fell by a steep 1.9% last week after the collapse of Silicon Valley Bank, with investors shifting much of the withdrawn savings to larger institutions perceived as safer. Nevertheless, the sector entered the current week on a positive note (+3.1% on Monday), with sentiment improving, following the announcement that the First Citizens Bank will acquire all deposits and loans of Silicon Valley bridge bank and about \$72 billion of its assets at a discount of \$16.5 billion. On the other side of the Atlantic, the EuroStoxx increased by +1% wow and by a further +0.9% on Monday, with Banks ending the week down by -1.1% wow (sizable losses on Friday, +1.7% on Monday).

Fixed Income

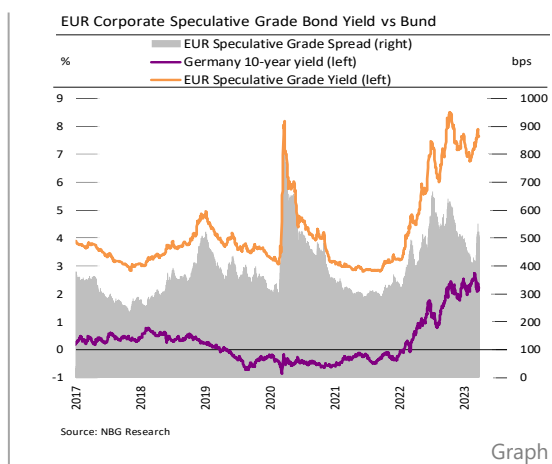
- Yields declined sharply following the Federal Reserve's meeting, albeit the trend reversed in the current week as concerns regarding the US banking sector subsided.** The 2-Year US Treasury yield declined significantly, reaching a 6-month low (3.81%), recording its biggest 3-week decline in 35 years. The Fed rose its interest rates for a ninth time in a row, though Fed Chair, J. Powell commented a change to the Bank's guidance, from "ongoing hikes" to "some additional hikes maybe". However, the trend reversed on Monday and Tuesday, with short-term yields rising by +31 bps cumulatively to 4.12%. The 10-year yield ended the previous week flat, while rising in the start of the current week (+18 bps cumulatively on Monday and Tuesday). In the UK the 10-year yield rose by 5 bps to 3.26%, following the Bank of England's decision to raise its policy rate for an 11th consecutive time from 4% to 4.25%, its highest level in 14 years. In Germany, the 10-year yield rose by 3 bps to 2.10%, with periphery bond yield spreads narrowing in the previous week. Specifically, in Italy it narrowed by -4 bps to 186 bps, in Spain by -4 bps to 104 bps, while in Greece by -12 bps to 191 bps, with the Republic announcing on Tuesday the issuance of new 5-year government bond, which will be the second issuance during 2023, following the 10-year bond issued in January. **Corporate bond spreads were mixed in the past week.** Indeed, USD HY bond spreads ended the week up by +5 bps wow to 522 bps and their EUR counterparts by +1 bp wow to 523 bps. In the investment grade spectrum, USD IG bond spreads narrowed by 8 bps to 154 bps and their EUR counterparts by -6 bps wow to 181 bps.

FX and Commodities

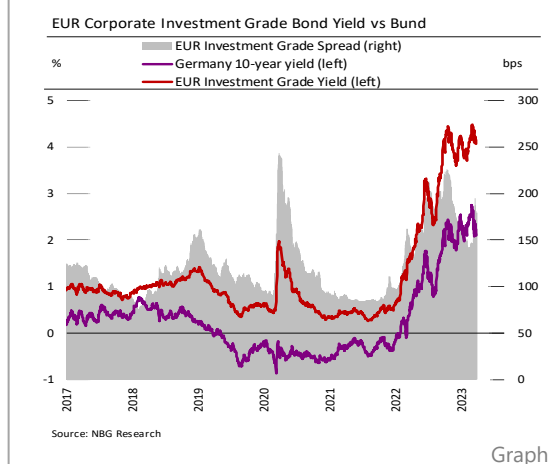
- In foreign exchange markets, the euro rose by 1.1% wow to \$1.08 against the US dollar**, while reaching \$1.09 on Thursday, recording its highest level since early February, as market expectations regarding policy rates (ECB, Fed) diverged, pricing in significant interest rate cuts in USD rates. **In commodities, oil prices increased in the past week**, supported by the ease of concerns regarding the recent bank developments that investors feared it could weigh on the global growth outlook (Brent: +2.8% wow to \$75/barrel | WTI: +3.8% wow to \$69.3/barrel). The build-up of US crude oil inventories (+1.1 million barrels for the week ending March 17th to 481 million barrels) and the US Energy Secretary J. Granholm's comments that it could take years to refill the US Strategic Petroleum Reserve had only temporary downward effects on prices.



Graph 1.



Graph 2.



Graph 3.

Quote of the week: "The events of the last two weeks are likely to result in some tightening credit conditions for households and businesses and thereby weigh on demand on the labor market and on inflation. Such a tightening in financial conditions would work in the same direction as rate tightening...", **Chair of the Federal Reserve, J.Powell, March 22nd 2023.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	March 24th	3-month	6-month	12-month	Official Rate (%)	March 24th	3-month	6-month	12-month
Germany	2.10	2.60	2.70	2.80	Euro area	3.00	3.00	3.25	3.25
US	3.38	4.00	4.10	4.10	US	5.00	5.00	5.00	5.00
UK	3.26	3.60	3.58	3.38	UK	4.25	4.25	4.40	4.35
Japan	0.29	0.47	0.71	0.70	Japan	-0.10	-0.10	-0.10	-0.10

Currency	March 24th	3-month	6-month	12-month	March 24th	3-month	6-month	12-month	
EUR/USD	1.08	1.05	1.08	1.10	USD/JPY	131	131	128	126
EUR/GBP	0.88	0.90	0.90	0.91	GBP/USD	1.22	1.17	1.20	1.20
EUR/JPY	141	138	138	138					

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	Q4:22a	2022a
Real GDP Growth (YoY) (1)	-2,8	1,2	12,5	5,0	5,7	5,9	3,7	1,8	1,9	1,0	2,1
Real GDP Growth (QoQ saar) (2)	-	6,3	7,0	2,7	7,0	-	-1,6	-0,6	3,2	2,9	-
Private Consumption	-3,0	10,8	12,1	3,0	3,1	8,3	1,3	2,0	2,3	2,1	2,8
Government Consumption	2,6	6,5	-3,0	-0,2	-1,0	0,6	-2,3	-1,6	3,7	3,7	-0,6
Investment	-2,3	9,7	5,8	-1,1	0,6	7,4	4,8	-5,0	-3,5	-6,7	-0,3
Residential	7,2	11,6	-4,9	-5,8	-1,1	10,7	-3,1	-17,8	-27,1	-26,7	-10,7
Non-residential	-4,9	8,9	9,9	0,6	1,1	6,4	7,9	0,1	6,2	0,7	3,6
Inventories Contribution	-0,7	-3,0	-1,3	2,0	5,1	0,2	0,3	-2,1	-1,4	1,8	0,7
Net Exports Contribution	-0,2	-1,3	-0,8	-1,3	-0,6	-1,7	-3,8	1,2	3,3	0,7	-0,6
Exports	-13,2	0,4	4,9	-1,1	23,5	6,1	-4,6	13,8	14,6	-1,3	7,2
Imports	-9,0	7,6	7,9	6,6	18,6	14,1	18,4	2,2	-7,3	-4,6	8,1
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	Q4:22a	2022a
Real GDP Growth (YoY)	-6,3	-0,8	14,2	4,0	4,8	5,3	5,5	4,4	2,4	1,8	3,5
Real GDP Growth (QoQ saar)	-	-0,1	8,1	9,4	2,2	-	2,5	3,6	1,5	-0,1	-
Private Consumption	-7,8	-7,6	13,8	18,8	1,1	3,7	0,4	4,3	3,7	-3,4	4,3
Government Consumption	1,0	-1,3	8,9	1,8	1,4	4,3	0,3	-0,3	-0,8	3,0	1,1
Investment	-6,4	-9,0	7,8	-2,5	14,3	3,9	-2,7	3,8	16,7	-13,6	3,8
Inventories Contribution	-0,3	2,6	-2,4	-0,2	3,0	0,2	-1,3	0,6	0,8	0,3	0,3
Net Exports Contribution	-0,5	3,7	0,1	0,4	-4,4	1,3	4,2	0,0	-4,4	4,0	-0,1
Exports	-9,2	4,9	10,9	7,1	10,7	10,5	5,8	7,1	7,0	0,3	7,2
Imports	-8,7	-2,9	12,0	6,8	22,8	8,3	-2,5	7,9	17,8	-7,4	8,0
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	<ul style="list-style-type: none"> + 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%) <p>● Neutral/Negative</p>	<ul style="list-style-type: none"> + Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) despite the recent rally of +20% since October 2022 lows are low, despite the recent rally (plus RRF) + Fiscal policy will remain supportive in 2023 + China's covid policy pivot could accelerate an export-led recovery + Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + 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) <p>● Neutral</p>	<ul style="list-style-type: none"> + 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 <p>● Neutral</p>
Government Bonds	<ul style="list-style-type: none"> + 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 <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> + 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) <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> + 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) <p>▲ Slightly Higher yields</p>	<ul style="list-style-type: none"> + 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 <p>▲ Slightly Higher yields</p>
Foreign Exchange	<ul style="list-style-type: none"> + 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 <p>● Broadly Flat USD against G10 FX</p>	<ul style="list-style-type: none"> + 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 <p>● Range-bound (around 1.05) with upside risks against the USD</p>	<ul style="list-style-type: none"> + Safe haven demand + More balanced economic growth recovery (long-term) + Higher core Inflation rates could accelerate the shift of monetary policy (less accommodative) <p>▲ Stronger JPY</p>	<ul style="list-style-type: none"> + Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit <p>● Broadly stable GBP</p>

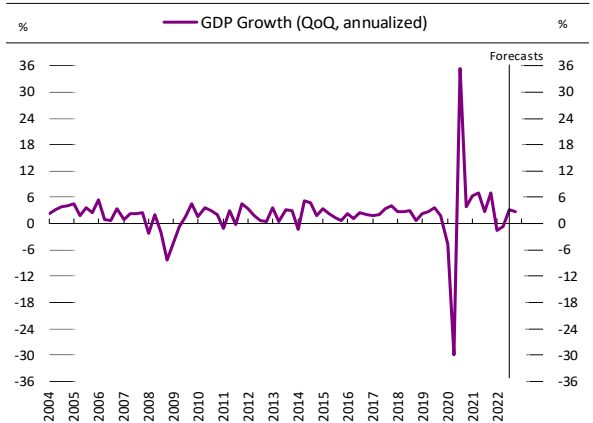
Economic Calendar

In the US, the main macro event next week is the final estimate of GDP for Q4:22, which is released on Thursday. GDP growth is expected to be unchanged compared with the previous estimate at +2.7% qoq saar. On Friday, February’s personal income and consumption along with PCE data (the Fed’s preferred measure for gauging inflation developments) for February will gather investors’ attention.

In the Euro area, attention turns to inflation data for March. CPI is expected at 7.8% yoy from 8.5% in the previous month, while the core figure is expected at 5.5% yoy from 5.6%. On the same day, the unemployment rate for February is expected stable at 6.7%.

In China, PMI data for March will provide valuable insight regarding the current economic momentum.

US GDP Growth and Consensus Forecasts



Source: NBG Research

Economic News Calendar for the period: March 21 - April 03, 2023

Tuesday 21					Wednesday 22					Thursday 23				
US		S	A	P	US		S	A	P	US		S	A	P
Existing home sales (mn)	February	4.2	+ 4.6	4.0	Fed announces its intervention rate	March 22	5.00%	5.00%	4.75%	New home sales (k)	February	640	640	633
GERMANY					CPI (YoY)	February	9.9%	10.4%	10.1%	Initial Jobless Claims (k)	March 18	195	+ 191	192
ZEW survey current situation	March	-45.0	- 46.5	-45.1	UK					Continuing Claims (k)	March 11	1690	- 1694	1680
ZEW survey expectations	March	17.1	- 13.0	28.1	Core CPI (YoY)	February	5.7%	6.2%	5.8%	BoE announces its intervention rate	March 23	4.25%	4.25%	4.00%
					EURO AREA					Consumer Confidence Indicator	March	-18.4	- -19.2	-19.1
Friday 24					Monday 27									
US		S	A	P	EURO AREA		S	A	P	EURO AREA		S	A	P
S&P Global US Manufacturing PMI	March	47.3	+ 49.3	47.3	S&P Global Eurozone Manufacturing PMI	March	49.0	- 47.1	48.5	M3 money supply (YoY)	February	3.0%	- 2.9%	3.5%
Durable goods orders (MoM)	February	0.5%	- -1.0%	-5.0%	S&P Global Eurozone Services PMI	March	52.5	+ 55.6	52.7	GERMANY				
Durable goods orders ex transportation (MoM)	February	0.3%	- 0.0%	0.4%	S&P Global Eurozone Composite PMI	March	51.9	+ 54.1	52.0	IFO- Business Climate Indicator	March	90.9	+ 93.3	91.1
UK					JAPAN					IFO- Current Assessment	March	94.1	+ 95.4	93.9
S&P Global/CIPS UK PMI Manufacturing SA	March	49.8	- 48.0	49.3	PMI manufacturing	March	..	48.6	47.7	IFO-Expectations	March	88.0	+ 91.2	88.4
S&P Global/CIPS UK Services PMI	March	53.0	- 52.8	53.5	CPI (YoY)	February	..	3.3%	4.3%					
Retail sales Ex Auto MoM	February	0.0%	+ 1.5%	0.9%	Core CPI (YoY) - ex. Fresh Food	February	..	3.1%	4.2%					
					Core CPI (YoY) - ex. Fresh Food and Energy	February	..	3.5%	3.2%					
Tuesday 28					Wednesday 29					Thursday 30				
US		S	A	P	US		S	A	P	US		S	A	P
S&P Case/Shiller house price index 20 (YoY)	January	3.7%	..	4.6%	Pending home sales (MoM)	February	..	..	8.1%	GDP (QoQ, annualized)	Q4:22	2.7%	..	2.7%
Consumer Confidence Index	March	101.0	..	102.9						Initial Jobless Claims (k)	March 25	..	..	191
										Continuing Claims (k)	March 18	..	..	1694
										EURO AREA				
										Business Climate Indicator	March	..	..	0.72
										Economic Confidence	March	100.0	..	99.7
Friday 31					Monday 03									
US		S	A	P	CHINA		S	A	P	US		S	A	P
Personal income (MoM)	February	0.3%	..	0.6%	Manufacturing PMI	March	51.2	..	52.6	ISM Manufacturing	March	47.5	..	47.7
Personal spending (MoM)	February	0.3%	..	1.8%	JAPAN					Construction spending	February	-0.1%	..	-0.1%
PCE (YoY)	February	5.3%	..	5.4%	Unemployment rate	February	2.5%	..	2.4%	JAPAN				
PCE Core (YoY)	February	4.4%	..	4.7%	Retail sales (MoM)	February	..	..	1.9%	Tankan - large manufacturers current index	Q1:23	5	..	7
EURO AREA					Retail sales (YoY)	February	..	..	5.0%	Tankan - large manufacturers outlook index	Q1:23	..	..	6
CPI flash estimate (YoY)	March	7.8%	..	8.5%	Industrial Production (MoM)	February	0.6%	..	-5.3%	CHINA				
CPI Core flash estimate (YoY)	March	5.5%	..	5.6%	Industrial Production (YoY)	February	..	..	-3.1%	Caixin PMI Manufacturing	March	52.9	..	51.6
Unemployment Rate	February	6.7%	..	6.7%										
UK														
GDP (QoQ)	Q4:22	0.0%	..	0.0%										
GDP (YoY)	Q4:22	0.4%	..	0.4%										
GERMANY														
Retail sales (MoM)	February	-0.1%	..	-0.3%										
Retail sales (YoY)	February	-5.2%	..	-6.9%										

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	S&P 500	3971	1.4	3.4	-12.1	2.1	MSCI Emerging Markets	58501	1.7	1.8	-10.6	-20.1
Japan	NIKKEI 225	27385	0.2	4.9	-2.6	-3.6	MSCI Asia	903	1.9	3.1	-8.8	-21.3
UK	FTSE 100	7405	1.0	-0.6	-0.8	10.3	China	66	2.9	2.7	-8.4	-37.7
Euro area	EuroStoxx	438	1.0	6.8	1.8	3.3	Korea	737	0.9	10.0	-11.4	-22.9
Germany	DAX 40	14957	1.3	7.4	4.8	2.4	MSCI Latin America	84224	-1.1	-4.6	-18.5	-13.3
France	CAC 40	7015	1.3	8.4	7.0	18.0	Brazil	263640	-3.1	-10.7	-24.4	-24.3
Italy	FTSE/MIB	25892	1.6	9.2	6.1	7.0	Mexico	49259	1.8	9.4	-5.5	14.8
Spain	IBEX-35	8793	0.8	6.8	5.9	4.1	MSCI Europe	2758	-0.9	-2.0	6.7	-55.1
Hong Kong	Hang Seng	19916	2.0	0.7	-9.3	-28.7	Russia	2392	3.0	11.0	-7.3	-31.4
Greece	ASE	1021	0.1	9.8	21.1	22.0	Turkey	5120638	-1.7	-4.9	105.7	242.7

World Market Sectors and Styles (MSCI Indices*)

in US Dollar terms						Investment Styles					
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	
Energy	222.2	1.7	-9.7	-2.0	41.6	Growth	3765.1	1.8	11.0	-13.0	-4.5
Materials	311.9	1.6	0.4	-14.4	-5.0	Value	2993.1	0.9	-3.5	-10.7	-2.2
Industrials	306.2	0.8	2.3	-6.8	-3.9	Large Cap	1689.4	1.5	4.1	-11.0	-1.0
Consumer Discretionary	321.4	1.1	10.4	-17.7	-15.6	Small Cap	464.2	0.7	-0.1	-14.1	-14.3
Consumer Staples	271.2	2.0	0.5	-1.9	4.9	US Growth	2504.7	1.9	6.1	-18.6	-2.5
Healthcare	330.3	1.7	-4.3	-6.0	7.0	US Value	1442.2	0.8	0.5	-5.9	5.4
Financials	123.0	0.6	-6.0	-16.7	-7.6	US Large Cap	2174.1	1.3	3.2	-12.9	-0.7
IT	459.0	1.8	16.7	-10.5	4.6	US Small Cap	1734.9	0.5	-1.5	-16.4	-18.7
Telecoms	77.2	2.9	15.9	-19.4	-22.7	US Banks	273.2	-1.2	-16.7	-31.9	-27.5
Utilities	147.1	-0.4	-3.7	-7.7	-2.4	EA Banks	95.9	-1.1	0.1	6.4	9.5
Real Estate	188.5	-1.5	-4.0	-23.3	-15.3	Greek Banks	736.2	0.0	14.9	21.7	40.3

Bond Markets (%)

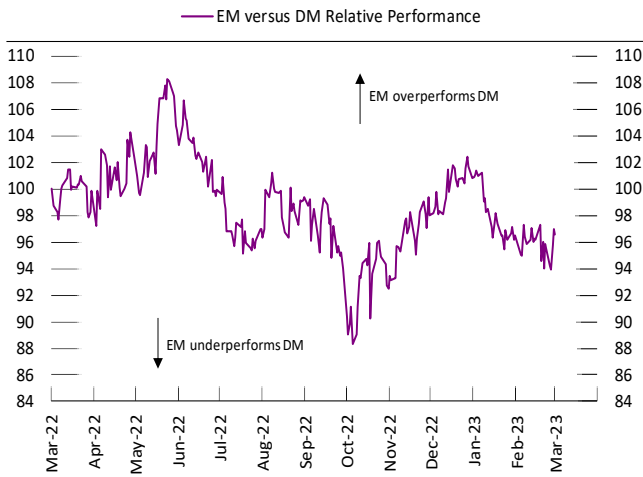
10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)					
	Current	Last week	Year Start	One Year Back	10-year average	Current	Last week	Year Start	One Year Back	10-year average	
US	3.38	3.39	3.88	2.34	2.19	US Treasuries 10Y/2Y	-43	-51	-58	20	91
Germany	2.10	2.07	2.53	0.52	0.47	US Treasuries 10Y/5Y	-3	-7	-13	-3	45
Japan	0.29	0.30	0.42	0.23	0.19	Bunds 10Y/2Y	-26	-32	-16	75	75
UK	3.26	3.21	3.66	1.65	1.52	Bunds 10Y/5Y	3	-2	0	26	51
Greece	4.03	4.12	4.59	2.79	5.22	Corporate Bond Spreads (in bps)					
Ireland	2.54	2.58	3.06	1.09	1.17	US IG	154	162	138	132	132
Italy	4.00	4.00	4.64	2.04	2.19	US High yield	522	517	481	367	447
Spain	3.17	3.19	3.61	1.40	1.67	Euro area IG	181	187	167	143	120
Portugal	2.99	3.02	3.57	1.29	2.35	Euro area High Yield	523	522	498	424	404
EM	4.83	4.88	5.04	4.53	0.00	EM	320	319	295	370	145

US Mortgage Market					
	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM¹ (%)	6.48	6.71	6.42	4.50	4.22
vs 30Yr Treasury (bps)	287.6	305.9	240.1	197.3	144.6

Foreign Exchange & Commodities

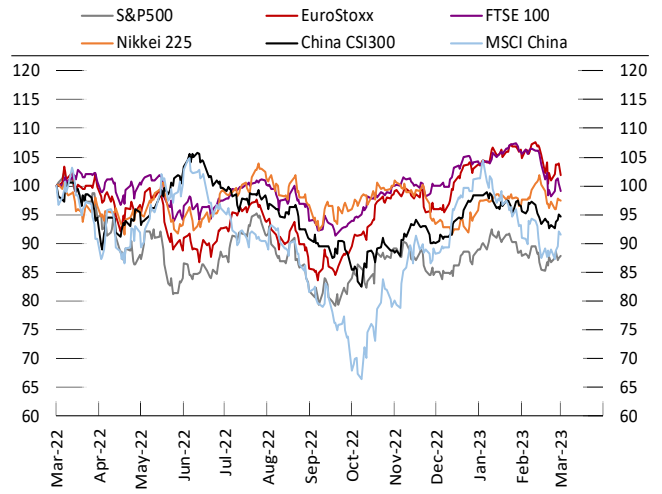
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	
Euro-based cross rates						Agricultural	445	-0.5	-4.8	-19.9	-5.4
EUR/USD	1.08	1.1	1.3	-2.2	0.8	Energy	243	2.2	-5.7	-36.6	-15.6
EUR/CHF	0.99	-0.1	0.0	-3.6	0.1	West Texas Oil (\$/bbl)	69	3.8	-6.3	-38.3	-13.7
EUR/GBP	0.88	0.4	-0.1	5.4	-0.8	Crude Brent Oil (\$/bbl)	75	2.8	-7.0	-37.0	-12.7
EUR/JPY	140.60	0.0	-1.7	4.6	-0.2	HH Natural Gas (\$/mmbtu)	2.2	-11.0	4.1	-58.5	-38.8
EUR/NOK	11.29	-0.9	2.9	18.6	7.4	TTF Natural Gas (EUR/mwh)	41	-4.1	-18.7	-63.2	-46.2
EUR/SEK	11.22	0.4	1.6	8.5	0.9	Industrial Metals	445	2.8	-3.7	-25.9	-1.3
EUR/AUD	1.62	1.7	3.9	10.4	2.9	Precious Metals	2596	0.9	8.5	0.5	8.3
EUR/CAD	1.48	1.2	2.9	7.3	2.4	Gold (\$)	1978	-0.5	8.4	1.1	8.4
USD-based cross rates						Silver (\$)	23	2.7	7.9	-9.0	-3.1
USD/CAD	1.38	0.1	1.6	9.8	1.6	Baltic Dry Index	1489	-3.0	120.9	-42.0	-1.7
USD/AUD	1.51	0.6	2.6	12.9	2.1	Baltic Dirty Tanker Index	1622	2.7	24.4	48.4	-13.4
USD/JPY	130.64	-1.1	-3.0	7.0	-1.0						

EM vs DM Performance in \$



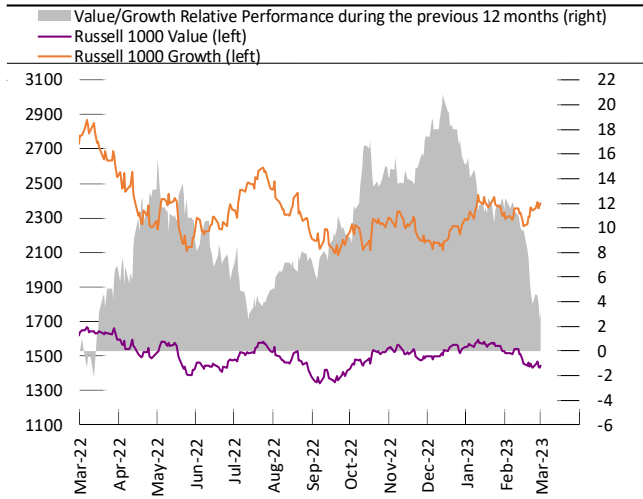
Data as of March 24th – Rebased @ 100

Equity Market Performance



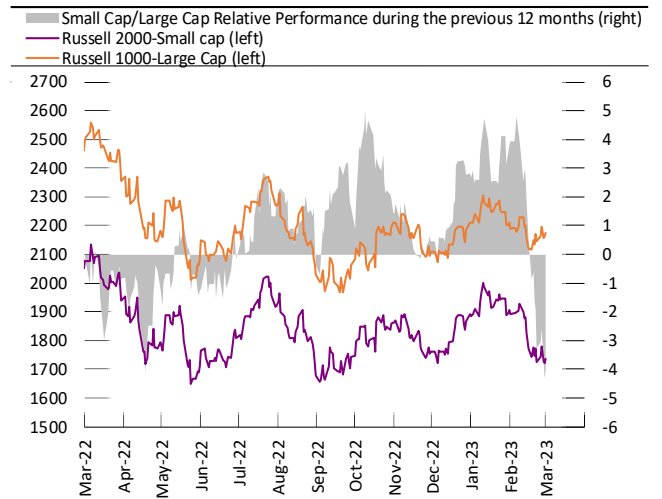
Data as of March 24th – Rebased @ 100

Russell 1000 Value & Growth Index



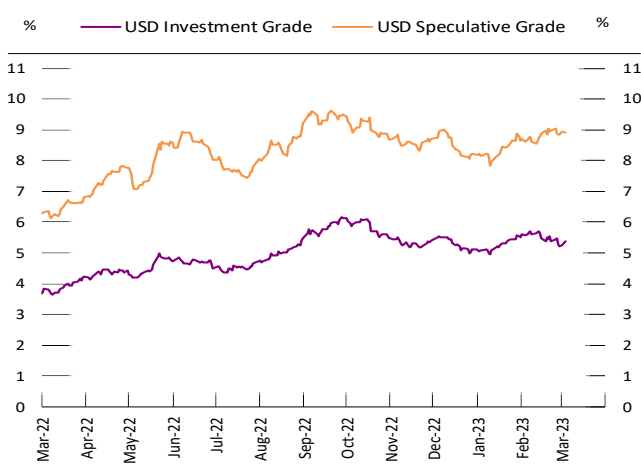
Data as of March 24th

Russell 2000 & Russell 1000 Index



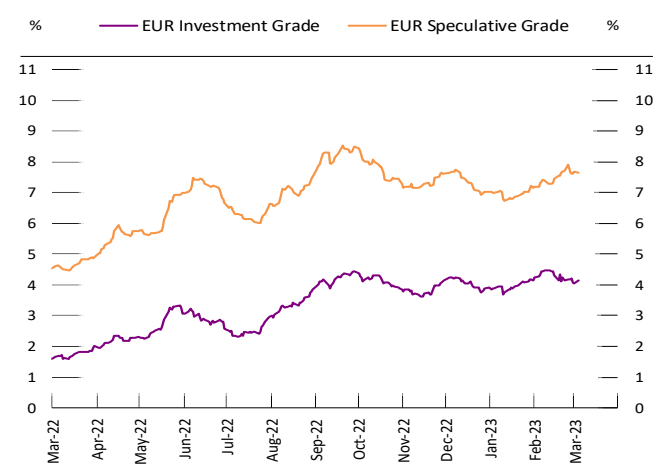
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USD Corporate Bond Yields



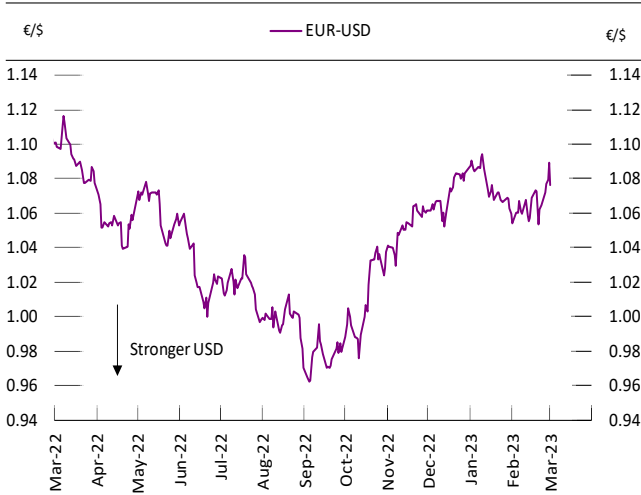
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EUR Corporate Bond Yields



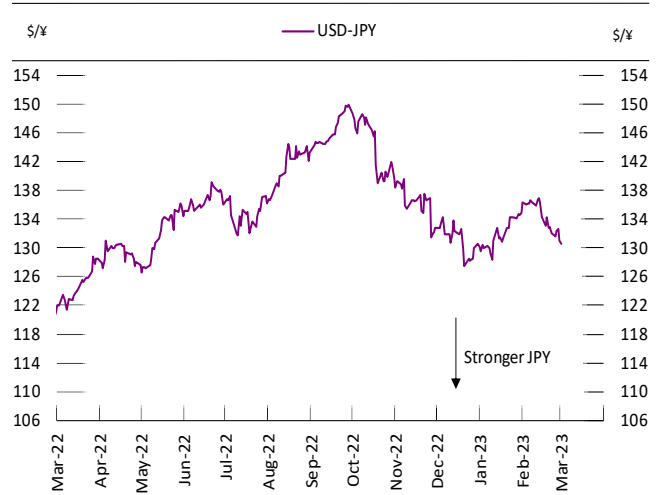
Data as of March 24th

EUR/USD



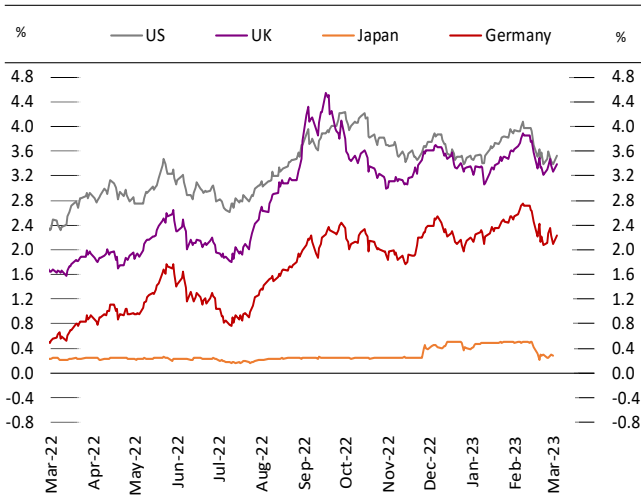
Data as of March 24th

JPY/USD



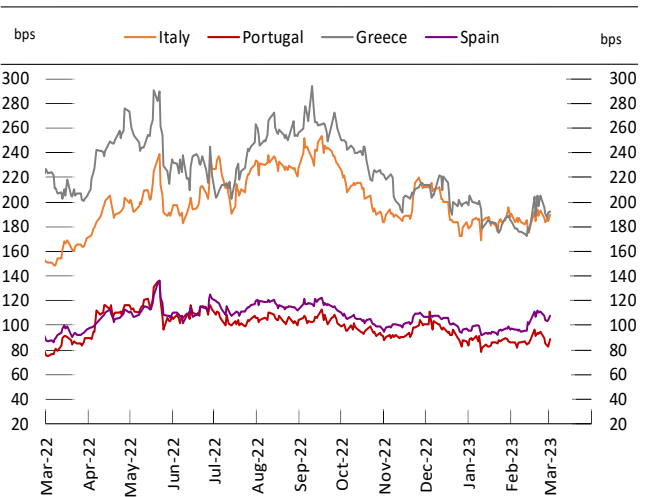
Data as of March 24th

10- Year Government Bond Yields



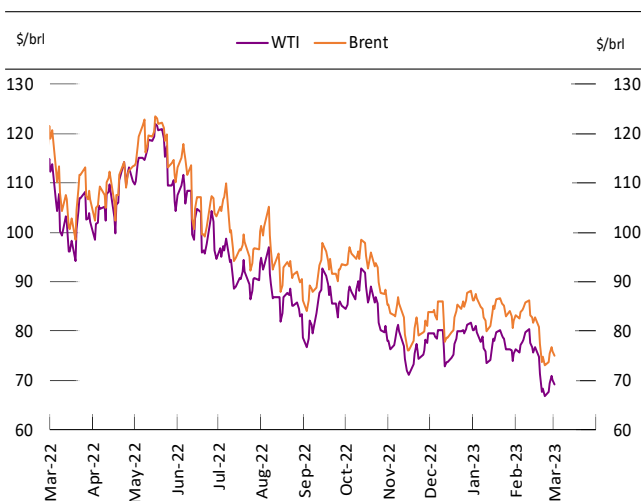
Data as of March 24th

10- Year Government Bond Spreads



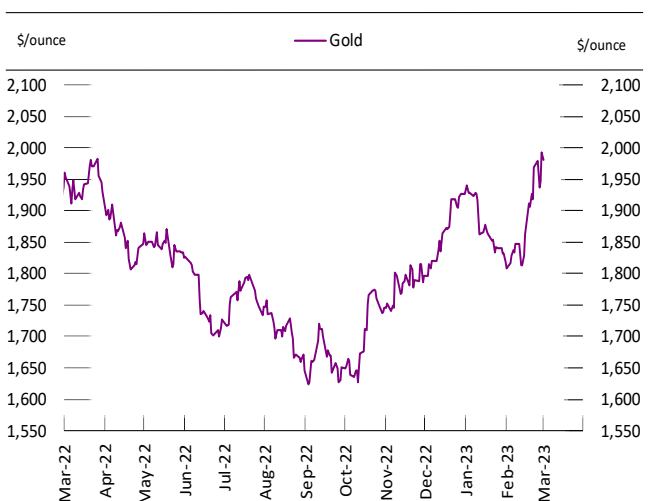
Data as of March 24th

West Texas Intermediate and Brent (\$/bbl)



Data as of March 24th

Gold (\$/ounce)



Data as of March 24th

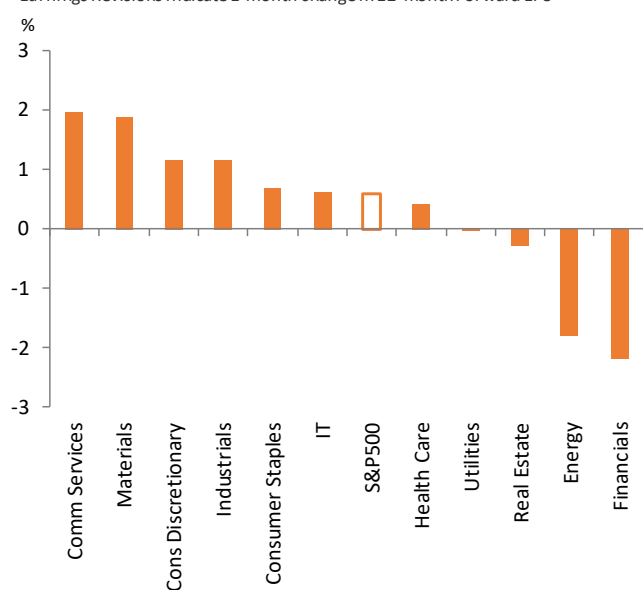
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	24/3/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	20Yr Avg	2022	2023	Current	20Yr Avg
S&P500	3971	1.4	3.4	4.8	2.2	1.7	1.7	18.4	18.0	17.5	15.7	3.9	3.6	3.9	2.9
Energy	598	2.3	-11.1	154.5	-18.1	3.4	3.4	8.1	9.3	9.4	15.2	2.3	2.0	2.2	2.0
Materials	484	2.1	-1.1	5.3	-15.9	2.2	2.2	14.6	16.4	16.1	15.2	2.9	2.6	2.9	2.8
Financials															
Diversified Financials	913	1.0	-4.6	-9.4	6.6	1.3	1.5	19.0	16.4	16.0	16.0	2.7	2.3	2.6	2.3
Banks	273	-1.2	-16.7	-20.7	9.4	3.0	4.1	11.2	8.0	7.8	11.9	1.2	0.9	1.1	1.3
Insurance	541	1.8	-9.1	-13.1	28.9	1.7	2.2	17.2	12.1	11.7	11.1	2.2	1.8	2.1	1.4
Real Estate	224	-1.2	-3.8	12.4	-0.1	3.8	4.0	18.1	16.9	16.7	18.8	2.6	2.7	2.7	2.7
Industrials															
Capital Goods	860	1.2	-1.5	13.1	14.4	1.7	1.8	22.7	19.1	18.5	16.1	5.0	4.3	4.8	3.6
Transportation	896	-1.3	-1.1	123.7	9.7	1.9	2.3	16.0	13.8	N/A	15.1	5.5	4.3	5.2	3.7
Commercial Services	482	1.0	-0.8	13.6	6.4	1.5	1.6	27.7	26.2	25.5	21.7	7.5	6.7	7.3	4.7
Consumer Discretionary															
Retailing	2847	-1.1	3.4	-43.4	44.9	0.8	0.9	43.0	29.3	28.0	22.6	10.7	8.9	10.3	8.0
Consumer Services	1360	0.6	7.1	N/A	174.8	1.1	1.3	69.6	24.9	N/A	27.0	456.7	607.0	N/A	13.2
Consumer Durables	385	0.0	3.9	3.7	-19.4	1.7	1.7	13.0	16.2	15.8	16.1	3.2	3.0	3.2	3.2
Automobiles and parts	110	4.8	40.4	28.6	-8.9	0.3	0.4	24.2	24.6	N/A	11.0	4.7	3.9	4.5	2.8
IT															
Technology	3005	3.0	19.4	5.0	0.6	0.9	0.9	21.8	23.2	22.6	16.0	15.8	14.7	15.5	5.4
Software & Services	3148	1.4	10.7	10.9	7.9	1.0	1.0	25.9	25.5	24.8	18.4	8.7	7.8	8.5	6.2
Semiconductors	2178	1.8	31.2	-5.7	-14.0	1.4	1.4	20.2	25.6	24.4	18.4	5.1	5.4	5.2	3.8
Communication Services	189	3.4	18.4	-20.4	16.5	1.0	0.9	18.1	16.9	16.3	17.6	2.9	2.9	2.9	2.8
Media	742	3.6	22.4	-22.8	20.2	0.3	0.3	20.9	19.3	18.5	21.6	3.3	3.3	3.3	3.2
Consumer Staples															
Food & Staples Retailing	635	1.1	2.4	-3.5	4.0	1.5	1.6	21.9	21.2	20.7	17.3	5.3	4.8	5.1	3.7
Food Beverage & Tobacco	829	1.1	-3.9	6.0	2.4	3.1	3.3	18.6	18.2	18.0	16.9	5.2	4.8	5.1	4.7
Household Goods	840	2.6	-2.8	-3.4	4.2	2.5	2.5	25.2	25.3	24.7	19.6	9.6	9.7	9.7	6.1
Health Care															
Pharmaceuticals	1209	1.7	-6.6	5.5	-16.3	2.0	2.1	14.1	17.0	16.7	14.6	5.3	4.9	5.2	4.2
Healthcare Equipment	1737	1.2	-6.0	4.3	3.0	1.2	1.3	18.7	17.9	17.5	15.8	3.9	3.5	3.8	3.2
Utilities	334	-1.2	-6.9	1.2	6.8	3.2	3.3	18.5	17.6	17.3	15.3	1.9	1.9	1.9	1.7

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

1-month revisions to 12-month Forward EPS

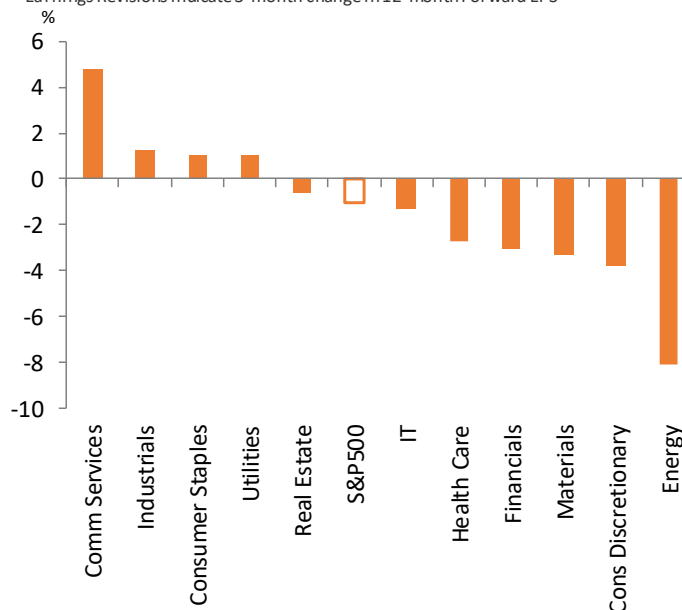
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of March 24th
12-month forward EPS are 77% of 2023 EPS and 23% of 2024 EPS

3-month revisions to 12-month Forward EPS

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



Data as of March 24th
12-month forward EPS are 77% of 2023 EPS and 23% of 2024 EPS

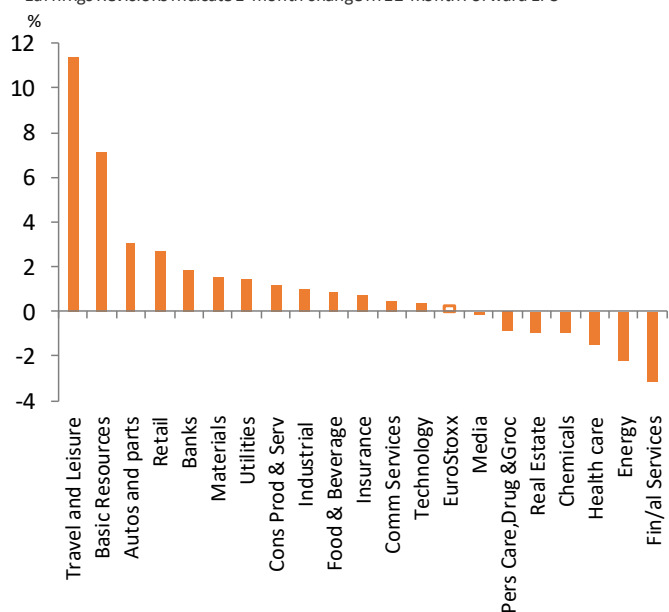
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	24/3/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	20Yr Avg	2022	2023	Current	20Yr Avg
EuroStoxx	438	1.0	6.8	15.6	3.8	3.1	3.4	14.0	12.9	12.7	13.2	1.8	1.6	1.7	1.6
Energy	315	-0.9	-9.2	121.8	-20.4	5.6	5.6	5.2	5.9	6.0	11.2	1.3	1.0	1.2	1.6
Materials	944	1.1	2.4	13.5	-34.7	3.8	3.7	8.9	12.9	12.5	13.4	1.4	1.2	1.3	1.6
Basic Resources	217	1.5	-3.2	-11.2	-47.9	2.9	3.3	5.0	8.6	8.3	10.6	0.8	0.6	0.7	0.9
Chemicals	1386	1.0	3.4	28.7	-27.2	4.0	3.7	11.1	14.7	14.3	14.2	1.7	1.6	1.7	2.1
Financials															
Banks	96	-1.1	0.1	18.4	9.2	5.3	7.5	8.6	6.4	6.2	10.0	0.8	0.6	0.7	1.0
Insurance	304	2.7	-1.2	-17.3	41.5	5.2	6.0	13.3	8.6	8.5	9.5	1.5	1.3	1.5	1.1
Financial Services	512	2.7	5.1	31.5	-4.0	3.1	3.4	11.3	11.6	11.7	15.6	1.3	1.4	1.3	1.3
Real Estate	114	-7.8	-13.2	4.9	-1.9	5.7	7.4	11.3	9.1	9.1	16.3	0.6	0.5	0.6	1.0
Industrials															
Industrial Goods & Services	1039	0.8	8.0	18.4	12.1	2.2	2.5	19.5	16.8	16.3	15.2	2.8	2.5	2.7	2.4
Construction & Materials	507	-2.0	9.7	3.1	-3.4	3.4	3.7	12.6	12.3	12.0	13.5	1.7	1.5	1.7	1.6
Consumer Discretionary															
Retail	579	1.2	13.0	2.5	10.0	3.7	4.3	23.1	20.5	20.2	22.5	4.7	4.4	4.7	5.6
Automobiles and parts	573	0.4	13.1	9.4	-14.4	4.9	4.9	5.9	6.6	6.5	8.5	0.9	0.9	0.9	1.1
Travel and Leisure	212	1.2	15.9	N/A	21.8	1.0	1.4	19.1	15.6	N/A	N/A	2.7	2.3	2.6	2.0
Consumer Products & Services	503	3.5	17.8	1.8	12.7	1.4	1.5	33.6	30.7	29.7	21.0	6.8	6.3	6.7	3.7
Media	285	1.1	9.5	21.4	14.0	2.2	2.4	22.5	19.4	19.0	15.5	3.0	3.0	3.0	2.0
Technology	839	1.2	17.5	-3.5	23.2	1.0	1.1	28.1	23.2	22.3	21.3	3.9	3.8	3.9	3.6
Consumer Staples															
Food, Beverage & Tobacco	178	2.1	7.9	11.7	7.3	1.8	2.1	20.2	19.2	18.7	17.5	2.2	2.1	2.1	2.5
Personal Care, Drug & Grocery	179	1.4	7.4	6.6	2.3	2.4	2.5	16.1	15.5	15.2	16.2	2.3	2.2	2.3	2.6
Health care	802	2.1	3.1	6.5	-0.7	2.4	2.5	16.0	16.2	15.7	15.0	2.0	1.9	2.0	2.2
Communication Services	294	1.0	12.3	27.1	-0.5	3.8	4.0	15.3	15.4	15.0	13.8	1.6	1.5	1.6	2.0
Utilities	357	1.1	2.1	-58.2	157.2	4.6	4.8	32.3	12.5	12.3	13.4	1.7	1.6	1.7	1.5

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

1-month revisions to 12-month Forward EPS

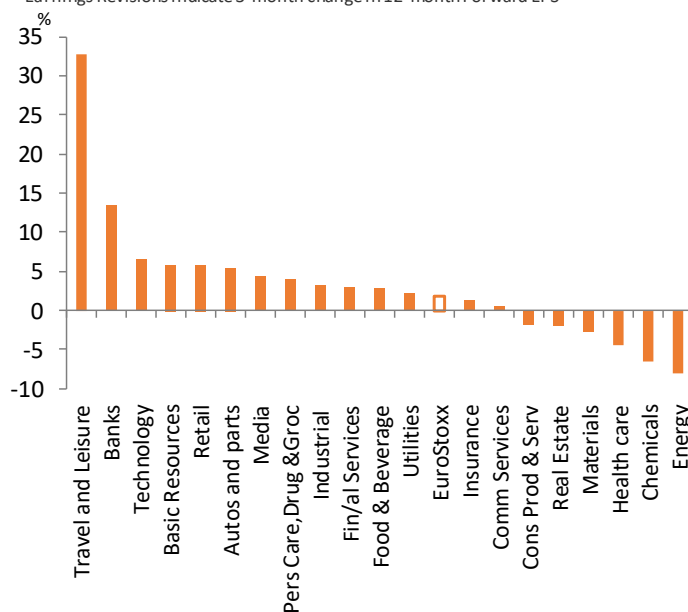
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of March 24th
12-month forward EPS are 77% of 2023 EPS and 23% of 2024 EPS

3-month revisions to 12-month Forward EPS

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



Data as of March 24th
12-month forward EPS are 77% of 2023 EPS and 23% of 2024 EPS

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

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