



## The ECB is expected to lower interest rates due to decelerating inflation and subpar growth

- Markets stabilized on Monday (S&P500: +1.2%, Eurostoxx50: +0.9%) after a rough week amid concerns that the Fed will remain behind the curve despite weak labor market data. Non-farm payrolls have decelerated significantly to circa 115k and the unemployment rate was little changed, at 4.2% in August (see graph below). The S&P500 fell by -4.2% wow, posting its largest weekly decline since March 2023 (regional US banking crisis).
- US Government bond yields retreated significantly in the past week (10-Year: -20 bps to 3.71% | 2-Year: -28 bps to 3.65%), with the yield curve dis-inverting for the first time in 26 months (see graph page 3) as expectations for Fed cuts have been pulled forward. Corporate bond spreads in the USD High Yield spectrum widened significantly by +26 bps to 339 bps (EUR: +11 bps to 359 bps).
- Oil prices also declined severely (Brent: -9.8% wow to \$71, its lowest level since December 2021) amid demand concerns due to weak Chinese data and expectations for a restoration of Libyan shut-in production. Notably, OPEC+’s decision to delay until December 1<sup>st</sup> its plan to gradually roll back 2.2 million barrels per day of voluntary cuts did little to reverse the downward trend.
- Attention will turn to US political developments, with the first presidential debate between the Vice President Harris and the former President Trump being held on Tuesday.
- On the other side of the Atlantic, the European Central Bank on September 12<sup>th</sup> is expected to reduce interest rates by -25 bps to 3.50% as inflation has decelerated considerably and output, in real terms, has disappointed somewhat in recent months. Attention will also turn to the forward guidance, combined with President Lagarde’s Press conference as well as the quarterly economic projections.
- ECB staff’s technical assumptions in June 2024 called for average Brent oil prices of €79/barrel from 2024 to 2026, natural gas prices of €32/Mwh, EUR/USD of \$1.08 and an average 3-month Euribor of +3.0%. Based on futures and FRA average prices in the two-week period ending on a probable cut-off date for the upcoming ECB staff projections (August 21<sup>st</sup>) mean expected values for 2024-2026 are €76/barrel (-3.5% compared with June), €37/Mwh (+15%), \$1.11 (+3%) and +2.8% (-20 bps).
- In all, technical assumptions will be inadequate to move medium term inflation forecasts meaningfully, with the headline CPI reaching 2% possibly in H2:2025. Taking also into account still persistent inflation pressures for Services (4.2% yoy), which account for 45% of the headline CPI index, the ECB will probably maintain a cautious stance towards the timing and the magnitude of further easing.
- Financial markets, according to overnight index swaps, are increasingly leaning towards -75 bps of cumulative cuts by end-2024. Such pricing has come on the back of rather soft economic activity.
- Indeed, euro area’s quarterly real GDP growth of +0.2% in Q2:2024 (revised down by -0.1 pp in the 3<sup>rd</sup> estimate), undershot ECB staff’s forecast back in June 2024 for +0.4%. In addition, business leading indicators (PMIs) so far, suggest downside risks to ECB’s latest projections for +0.4% qoq in Q3:2024. As a result, a modest downward revision by 0.1 to 0.2 pps appears probable, from forecasts of +0.9% real GDP growth in 2024.

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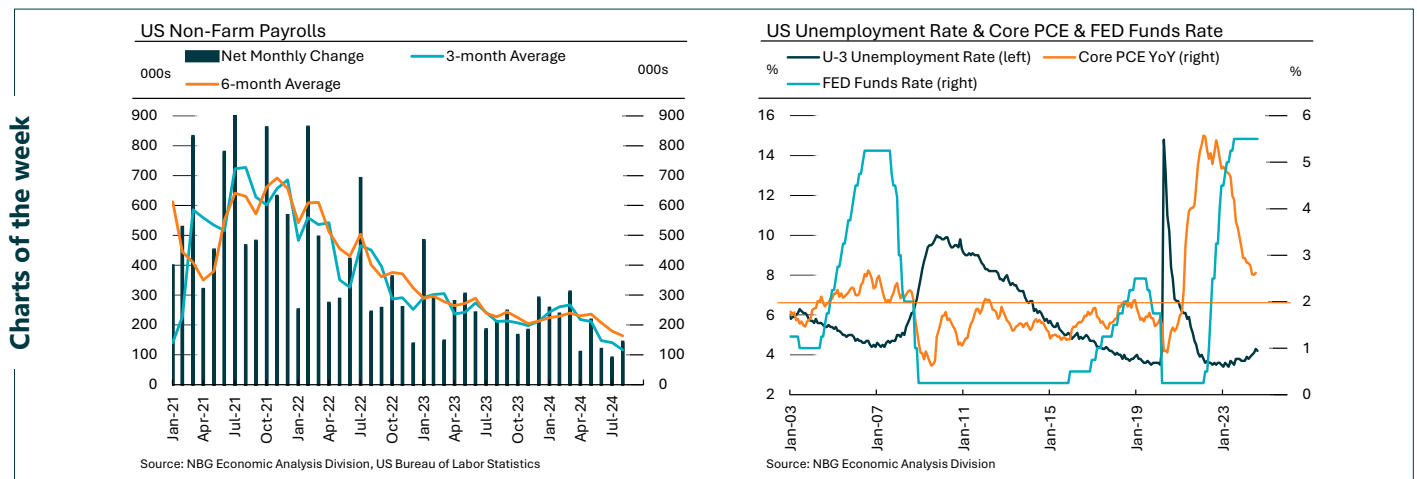
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Charts of the week

### US job creation has eased recently

- **Headline NFP job creation was modestly below expectations in August.** Specifically, non-farm payrolls (NFP) were up by +142k, above the respective figure of +89k in July, albeit meaningfully below an average of +202k in the prior 12 months. The latest reading somewhat undershot consensus estimates for +160k. In addition, substantial negative net revisions took place for the previous two months (-86k, cumulatively). In all, the 3-month average stood at +116k from +141k in July, modestly above a monthly average of +94k since 2000. Sector-wise, construction led the overall gains (+34k versus +19k on average in the prior 12 months), followed by health care (+31k, albeit much lower than the +60k on average in the prior 12 months).
- At the same time, the (relatively more volatile) total household employment, which includes the self-employed and agricultural workers, increased by +168k in August from +67k in July. **The unemployment rate was little changed, at 4.2% in August from a 33-month high of 4.3% in July**, in line with consensus estimates. The labor force participation rate was roughly stable at 62.7%. Meanwhile, the U-6 unemployment rate (which includes the unemployed, part-time workers for economic reasons, and those workers marginally attached to the labor force), which is considered a broader measure of slack, rose slightly, by +0.1 pp to 7.9%, the highest since October 2021.
- On further metrics contributing to an assessment of labor market slack, according to the Job Openings and Labor Turnover Survey for July, job openings decreased to 7.67mn from a downward revised (by -0.27mn) 7.91mn in June, meaningfully below consensus estimates for 8.10mn (record – i.e. since 2000 – high of 12.18mn in March 2022 | average of 5.38mn since 2000). The job vacancy rate (i.e. the ratio of job openings to the number of unemployed persons excluding those on temporary layoff, a metric closely watched as an indicator of labor market slack), was down to 1.26x from 1.31x in June, having decreased substantially compared with a peak of 2.24x in December 2022, albeit still above the average of 0.82x since 2000.
- Meanwhile, **the growth of average hourly earnings accelerated somewhat in August.** In the event, the monthly pace was +0.4% mom, from +0.2% mom in July, versus expectations for +0.3% mom and above an average of +0.3% mom since 2006. As a result, the annual growth accelerated by +0.2 pps to +3.8% (average of +3.1% yoy since 2007). The three month-average of the monthly annualized growth, was +3.8% in August from +3.7% in the previous month. Finally, the average weekly hours worked by total employees were slightly up by +0.1 to 34.3 in August (average of 34.4 since 2006), suggesting somewhat larger gains for workers' overall compensation.

### Healthy gains for US labor productivity in Q2:2024

- **Labor productivity in the non-farm business sector rose by +2.5% qoq saar in Q2:2024 (+2.7% yoy)** from +0.4% qoq saar in Q1:2024 (+2.9% yoy), as output increased by +3.5% qoq saar (+3.5% yoy) and hours worked by +1.0% qoq saar (+0.7% yoy). At the same time, unit labor costs, an indicator of inflationary pressures, increased rather modestly, by +0.4% qoq saar (+0.3% yoy) following a +3.8% qoq saar in Q1:2024 (+0.9% yoy), with resilient employee hourly compensation gains of +3.0% qoq saar (+3.1% yoy) more than offsetting the aforementioned gains for productivity. In constant price terms, hourly compensation was roughly stable, up slightly by +0.1% qoq saar in Q2:2024 (-0.1% yoy).

### US PMIs were little changed in August

- **PMIs from the Institute for Supply Management (ISM) continued to suggest an anemic impetus for overall business activity in August.** In the event, the ISM manufacturing PMI came out at 47.2 from an 8-month low of 46.8 in July, below the expansion/contraction threshold of 50.0 for a 5<sup>th</sup> consecutive month and slightly undershooting consensus for 47.5. At the same time, the ISM services PMI was little changed, +0.1 pt to 51.5 in August, versus expectations for 51.3. In all, respondents in the aforementioned surveys, cited high costs and interest rates, as well as monetary policy and political uncertainty (the latter ahead of the November elections), as weighing factors for business confidence. Notably, on the prices front, pipeline pressures remained sharp across sectors according to the latest PMI surveys, with the prices paid index up by +1.1 pt to 54.0 in manufacturing and +0.3 pts to 57.3 in services.

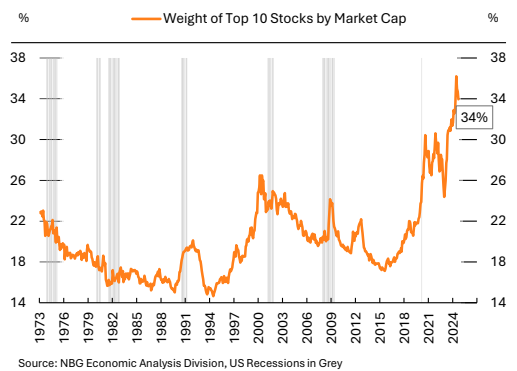
### The US trade deficit widened entering Q3:2024

- **The US goods trade deficit widened in July.** In constant price terms, exports declined by -1.2% mom whereas imports rose by +1.9% mom. Recall that compared with pre-pandemic (February 2020) levels, exports stood higher by +6.1% versus +23.2% for imports, in view of solid US domestic demand significantly outpacing the foreign one, on the back of large fiscal transfers and strong investment initiatives by the Federal Government. In all, the (goods) trade deficit in constant price terms stood at \$97.6 bn in July from \$91.4 in June and \$93.0 bn on average in Q2:2024. In nominal terms, the goods trade deficit was \$103.1 bn from \$97.5 bn in June and \$99.0 bn on average in Q2:2024. **As percent of GDP, on a 12-month rolling basis, i.e. the 12-month sum of the goods trade deficit divided by the average of the last four quarterly (annualized) GDP readings, the trade deficit reached a 10-month high of -3.95% in July**, from -3.9% in June. Having said that, the latest reading is still at the bottom end of the very tight range of -3.9% to -4.3% since 2014 and up to the pandemic and well below a -4.8% in July 2022 which had been the widest since March 2009. Country-wise, against China, the aforementioned ratio was -1.0% in July versus -1.9% in 2017 before the imposition of bilateral tariffs and trade restrictions, as the latter have led to a re-routing of trade flows.

## Equities

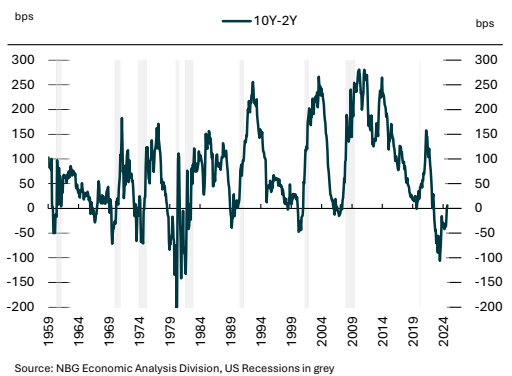
- Global equity markets retreated sharply in the past week, with the MSCI ACWI down by -3.7% wow.** The S&P500 decreased by -4.2% wow (+13% ytd), recording its largest weekly decline since March 2023, amid concerns regarding a possible slowdown of economic growth. Meanwhile, the equity volatility index (VIX index) rose to 22% from 15% in the previous week, at the highest level in a month (average during 2024: 15%), albeit remaining well below its August 5<sup>th</sup> intra-day high (65%). Regarding sectors, the Semiconductor & Semiconductor Equipment (industry) index underperformed, down by -13.1% wow (+41% ytd). That development was predominantly due to NVIDIA (-13.9% wow | +108% ytd) that recorded its largest weekly decline since September 2022. Renewed skepticism of possible overheating in the AI rally and press reports that the company had received a subpoena from the Department of Justice as part of antitrust investigation weighed, although NVIDIA denied these allegations. At a company level, Berkshire Hathaway declined by -3.5% wow, nevertheless earlier it had surpassed the \$1 trillion in market capitalization, being the first nontechnology company in the US to reach this milestone. At the same time, the Q2:2024 corporate earnings season has all but concluded. EPS annual growth came out at +11.4%, above expectations for +9% yoy expected at the beginning of the earnings season. Notably, regarding breadth, excluding the Magnificent 7 (APPLE, Amazon, Alphabet, Microsoft, META, Tesla, Nvidia), the annual growth of S&P500 EPS would be +7.9%, the highest pace since Q2:2022. Meanwhile, the technology-heavy Nasdaq declined by -5.8% wow, with the index standing -10.5% below its July 10<sup>th</sup> peak (18647) but still +3% above its early-August low. On the other side of the Atlantic, the Eurostoxx was down by -3.7% wow, with the IT sector recording significant losses (-9.7% wow). In Greece, the ASE Index overperformed in the past week (+0.8% wow), while Banks declined by -0.9%, despite that Fitch Ratings upgraded the credit rating of the four systemically important banks (to BB+ for NBG and Eurobank and to BB for Alpha Bank and Piraeus Bank). All four banks have been assigned a positive outlook.

The 10 Largest Companies Market Cap as % of S&P500



Graph 1.

US Treasury Interest rate differentials

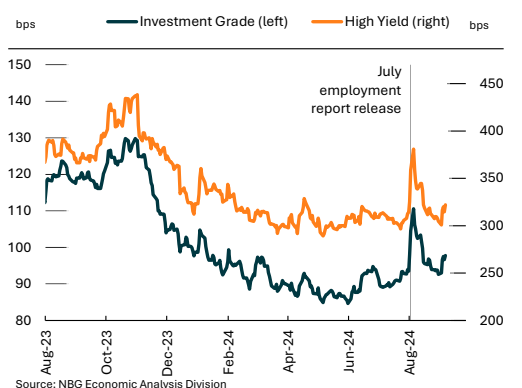


Graph 2.

## Fixed Income

- US Treasury bond yields declined significantly in the past week.** The 10-year yield decreased by -20 bps wow to 3.71% and its 2-year peer by -28 bps wow to 3.65%. As a result, the yield curve slope turned positive, with the 10Y/2Y spread at +6 bps, ending 26 months of inversion. Note that investors assign broadly equal probabilities for cumulative cuts of either -100 bps or -125 bps in the US Federal Funds Rate by the end of the year (current range: 5.25% - 5.50%). Regarding the forthcoming meeting (September 18<sup>th</sup>) the futures markets price-in a 75% chance of a 25-bps cut compared to 25% chance of a 50-bps cut. In Germany, the 10-year Bund yield was down by -12 bps on a weekly basis to 2.17%, while periphery bond spreads were broadly flat in Italy (-2 bps wow to 139 bps) and in Greece (+1 bp wow to 106 bps). Notably, DBRS Morningstar maintained the Hellenic Republic's credit rating at BBB (low) but upgraded the outlook to positive from stable. **Corporate bond spreads in the high yield spectrum widened significantly in the past week, in view of higher risk aversion** (USD: +26 bps to 339 bps | EUR: +11 bps to 359 bps). In the investment grade spectrum, both EUR and USD spreads increased slightly by +2 bps to 116 bps and by +4 bps 99 bps, respectively.

USD Corporate Bond Spreads



Graph 3.

## FX and Commodities

- In foreign exchange markets, the Japanese yen appreciated significantly by +2.3% wow against the US dollar in the past week to ¥142.3 and by +1.8% against the euro to ¥158.3,** amid increased investors' expectations for further policy rate hikes by the Bank of Japan (BoJ), following BoJ officials' comments and a larger-than-expected increase of nominal wages. **In commodities, oil prices recorded heavy losses on a weekly basis** (Brent: -9.8% wow to \$71.1, its lowest level since December 2021 | WTI: -8.0% wow to \$68.6/barrel, its lowest level since December 2023), due to increased concerns regarding global demand outlook and press reports that shut-in Libyan production could be restored.

**Quote of the week:** "The market expects interest rates in the euro area next year between 2% and 2.5%. Seen today, that seems reasonable to me, without that being a forecast.", **Governor of the Bank of France, François Villeroy de Galhau, August 30<sup>th</sup> 2024**

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 6th	3-month	6-month	12-month	Official Rate (%)	September 6th	3-month	6-month	12-month
Germany	2,17	2,20	2,15	2,10	Euro area	3,75	3,25	3,00	2,50
US	3,71	3,90	3,80	3,70	US	5,50	4,75	4,25	3,50
UK	3,89	3,90	3,80	3,70	UK	5,00	4,75	4,50	4,00
Japan	0,85	1,30	1,40	1,60	Japan	0,25	0,35	0,50	0,60

Currency	September 6th	3-month	6-month	12-month	September 6th	3-month	6-month	12-month	
EUR/USD	1,11	1,08	1,09	1,10	USD/JPY	142	151	145	144
EUR/GBP	0,84	0,84	0,84	0,84	GBP/USD	1,32	1,29	1,31	1,31
EUR/JPY	158	163	158	158					

Forecasts at end of period

### Economic Forecasts

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

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

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

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

	US	Euro Area	Japan	UK
<b>Equity Markets</b>	<ul style="list-style-type: none"> <li>+ Corporate profitability is expected to improve in 2024, with annual EPS growth of 10%</li> <li>+ Households' balance sheets are healthy (low debt, still elevated excess savings)</li> <li>- Peaking profit margins</li> <li>- Recession risks remain</li> <li>- P/Es (Valuations) above long-term means, with a premium of 31%: Current P/E of 21x vs a 20-year average of 16x</li> </ul> <p>● Neutral</p>	<ul style="list-style-type: none"> <li>+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US)</li> <li>+ China's policy support measures could accelerate an export-led recovery</li> <li>- Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify</li> <li>- The economic backdrop remains muted</li> <li>- Fiscal policy will turn restrictive in 2024</li> </ul> <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> <li>+ Higher equity risk premium (lower P/E ratio) relative to benchmark market (US)</li> <li>+ China's policy support measures could accelerate an export-led recovery</li> <li>- JPY appreciation from ¥162 to ¥149 (+8%), if continues, could hurt exporters</li> <li>- Signs of policy fatigue regarding structural reforms and fiscal discipline</li> </ul> <p>● Neutral</p>	<ul style="list-style-type: none"> <li>+ Significant exposure to commodities</li> <li>+ Undemanding valuations in relative terms relative to other regions</li> <li>- Elevated domestic policy uncertainty</li> </ul> <p>● Neutral</p>
<b>Government Bonds</b>	<ul style="list-style-type: none"> <li>+ Valuations appear somewhat rich, with term-premium, albeit increasing to -0.1%, remaining below 2000-2015 averages (1.4%)</li> <li>+ Fiscal deficits to remain sizeable in following years</li> <li>+ Underlying inflation pressures remain acute</li> <li>+ FED: passive (lower rollover) Quantitative Tightening</li> <li>+ Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) could reverse</li> <li>- Safe-haven demand bid to support prices assuming geopolitical risks re-intensify</li> <li>- The Fed is set to cut rates this year</li> </ul> <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> <li>+ ECB to continue unwinding its balance sheet via its APP portfolio</li> <li>+ Global spillovers from higher US interest rates</li> <li>- ECB QE "stock" effect, with government bond holdings of €3.6 trillion (26% of GDP)</li> <li>- The ECB has started cutting rates this year</li> <li>- Fragile economic growth outlook due to the war in Ukraine</li> </ul> <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> <li>+ Sizeable fiscal deficits</li> <li>+ Global spillovers from higher US interest rates</li> <li>- Safe-haven demand</li> <li>- Monetary stance remains extremely dovish, despite the unexpected shifts in YCC policy QE "stock" effect, with government bond holdings of ¥590 trillion (102% of GDP)</li> </ul> <p>▲ Slightly Higher yields</p>	<ul style="list-style-type: none"> <li>+ Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China)</li> <li>+ BOE: active (sales) Quantitative Tightening</li> <li>- Slowing economic growth post-Brexit</li> <li>- The BoE has started cutting rates this year</li> </ul> <p>▲ Slightly Higher yields</p>
<b>Foreign Exchange</b>	<ul style="list-style-type: none"> <li>+ USD interest rate differential vs peers remain significant</li> <li>+ Weaker global economic growth</li> <li>+ Safe-haven demand status</li> <li>- US political uncertainty to increase</li> <li>- The FED is set to cut rates this year, which reduces potential USD upside</li> </ul> <p>● Broadly Flat USD against G10 FX</p>	<ul style="list-style-type: none"> <li>+ Lower geopolitical uncertainty (Ukraine-Russia, natural gas) is positive for EUR</li> <li>+ Economic growth could accelerate in 2024</li> <li>- Global growth risks could abate</li> </ul> <p>● Range-bound with upside risks against the USD</p>	<ul style="list-style-type: none"> <li>+ Safe haven demand</li> <li>+ More balanced economic growth recovery (long-term)</li> <li>+ Higher core Inflation rates could accelerate the shift of monetary policy (less accommodative)</li> </ul> <p>▲ Stronger JPY</p>	<ul style="list-style-type: none"> <li>+ Valuations appear undemanding with REER close its 15-year average</li> <li>- Sizeable Current account deficit</li> </ul> <p>● Broadly stable GBP</p>

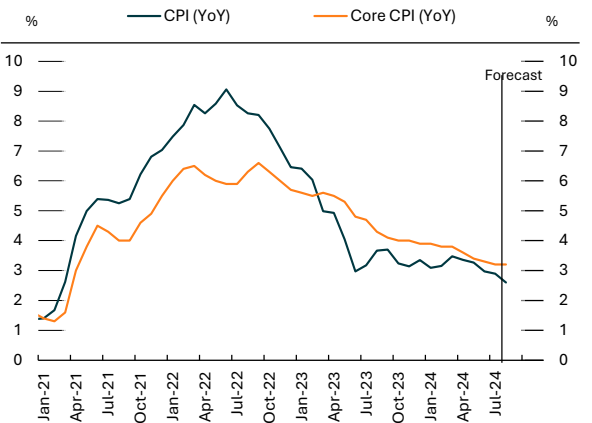
### Economic Calendar

In the **US**, attention turns to August’s CPI. The Federal Reserve Bank of Cleveland’s Inflation Nowcasting model, points to a significant deceleration for the annual growth of the headline CPI to 2.6% (monthly gains of +0.2%) from 2.9% in July, albeit in a big part due to base effects related to energy prices. Indeed, the same model suggests a steady annual pace of growth for the core, at 3.2% (monthly gains of +0.3%).

In the **euro area**, all eyes on the ECB. Apart from monetary policy decisions, the forward guidance combined with the quarterly economic projections, will be closely monitored.

Finally, in the **UK**, the monthly GDP estimate for July is due.

US CPI



Source: NBG Economic Analysis Division

Economic News Calendar for the period: September 2 - September 13, 2024

Monday 2				Tuesday 3				Wednesday 4									
<b>CHINA</b>				<b>US</b>				<b>US</b>									
NBS Manufacturing PMI	August	49.5	-	49.1	49.4	Construction spending	July	-0.1%	-	-0.3%	0.0%	Factory Goods Orders (MoM)	July	4.7%	+	5.0%	-3.3%
Caixin PMI Manufacturing	August	50.0	+	50.4	49.8	ISM Manufacturing PMI	August	47.5	-	47.2	46.8	Trade balance (\$bn)	July	-79.0	-	-78.8	-73.0
<b>Thursday 5</b>				<b>Friday 6</b>				<b>Wednesday 11</b>									
<b>US</b>				<b>US</b>				<b>UK</b>									
Initial Jobless Claims (k)	August 31	230	+	227	232	Change in Nonfarm Payrolls (k)	August	160	-	142	89	GDP (MoM)	July	0.2%	..	..	0.0%
Continuing Claims (k)	August 24	1865	+	1838	1860	Change in Private Payrolls (k)	August	139	-	118	74	CPI (YoY)	August	2.6%	..	..	2.9%
ADP Employment Change (k)	August	145	-	99	111	Unemployment rate	August	4.2%	4.2%	4.3%	Core CPI (YoY)	August	3.2%	..	..	3.2%	
ISM Services PMI	August	51.1	+	51.5	51.4	Average Hourly Earnings MoM	August	0.3%	0.4%	0.2%	<b>US</b>						
S&P Global / CIPS UK	August	54.9	-	53.6	55.3	Average Hourly Earnings YoY	August	3.7%	3.8%	3.6%	<b>EURO AREA</b>						
Construction PMI	August	54.9	-	53.6	55.3	Average weekly hours (hrs)	August	34.3	34.3	34.2	GDP (QoQ)						
<b>EURO AREA</b>				<b>EURO AREA</b>				<b>GERMANY</b>				GDP (YoY)					
Retail sales (MoM)	July	0.1%	0.1%	-0.4%		GDP (YoY)	Q2:24	0.3%	-	0.2%	0.3%	Industrial Production (sa, MoM)					
Retail sales (YoY)	July	0.1%	-	-0.1%	-0.4%	Industrial Production (wda, YoY)	July	-0.3%	-	-2.4%	1.7%	Industrial Production (wda, YoY)					
<b>Monday 9</b>				<b>Tuesday 10</b>				<b>Friday 13</b>									
<b>CHINA</b>				<b>UK</b>				<b>EURO AREA</b>									
Exports (YoY)	August	6.5%	..	7.0%		ILO Unemployment Rate	July	4.1%	..	4.2%	Industrial Production (sa, MoM)						
Imports (YoY)	August	2.0%	..	7.2%		<b>US</b>				Industrial Production (wda, YoY)							
CPI (YoY)	August	0.7%	..	0.5%		University of Michigan consumer confidence				July							
PPI (YoY)	August	-1.4%	..	-0.8%		July				68.0				..	67.9		
<b>JAPAN</b>				<b>EURO AREA</b>				<b>US</b>									
GDP (QoQ)	Q2:24	0.8%	..	0.8%		Initial Jobless Claims (k)				September 7							
Private Consumption (QoQ)	Q2:24	..	..	1.0%		Continuing Claims (k)				August 31							
Business Spending (QoQ)	Q2:24	1.0%	..	0.9%		September 7				230				..	227		
Eco Watchers Current Survey	August	..	..	47.5		August 31				1850				..	1838		

**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 (%)
US	S&P 500	5408	-4,2	13,4	21,1	38,4	MSCI Emerging Markets	66039	-2,4	7,3	9,9
Japan	NIKKEI 225	36391	-5,8	8,7	9,5	31,7	MSCI Asia	1018	-2,6	9,6	10,7
UK	MSCI UK	2339	-2,4	5,6	10,4	11,4	China	56	-2,5	-0,7	-9,5
Euro area	EuroStoxx	492	-3,7	3,8	9,6	27,1	Korea	788	-5,6	-5,2	-0,4
Germany	DAX 40	18302	-3,2	9,3	16,3	42,2	MSCI Latin America	94782	-2,3	-5,8	5,4
France	CAC 40	7352	-3,7	-2,5	2,2	20,4	Brazil	319256	-2,3	-4,8	7,7
Italy	MSCI Italy	1077	-2,9	12,0	20,7	58,0	Mexico	48074	-1,5	-9,8	-0,7
Spain	IBEX-35	11173	-2,0	10,6	20,0	42,5	MSCI Europe	4204	-1,8	11,5	19,5
Hong Kong	Hang Seng	17444	-3,0	2,3	-5,5	-9,2	Russia	3216	0,0	3,8	-0,9
Greece	ASE	1443	0,8	11,6	13,3	72,8	Turkey	10642581	-1,2	37,5	31,9

**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 (%)
Energy		247,3	-5,4	1,2	-3,2	9,1	Growth (Developed)	5179,2	-5,1	12,3	21,2
Materials		342,2	-4,9	-1,5	7,3	20,3	Value (Developed)	3696,4	-2,6	9,6	16,7
Industrials		396,0	-4,2	9,2	18,9	41,6	Large Cap (Developed)	2237,3	-4,0	11,9	19,9
Consumer Discretionary		396,8	-3,3	2,0	8,5	22,2	Small Cap (Developed)	546,9	-4,0	3,5	11,2
Consumer Staples		298,9	0,4	10,7	12,4	15,2	US Growth	3553,7	-5,5	17,3	23,6
Healthcare		402,1	-2,4	13,8	17,7	26,7	US Value	1878,4	-2,7	9,3	18,7
Financials		170,8	-2,5	15,4	28,1	39,4	US Large Cap	5408,4	-4,2	13,4	21,1
IT		689,0	-7,1	15,0	26,6	66,2	US Small Cap	1338,3	-5,3	1,5	11,5
Telecoms		106,9	-2,4	11,0	19,0	33,6	US Banks	412,0	-5,6	17,3	40,3
Utilities		170,5	0,3	14,5	21,5	9,2	EA Banks	138,9	-3,1	17,3	28,7
Real Estate		1096,7	0,3	7,3	17,5	5,2	Greek Banks	1254,2	-0,9	18,1	25,9

**Bond Markets (%)**

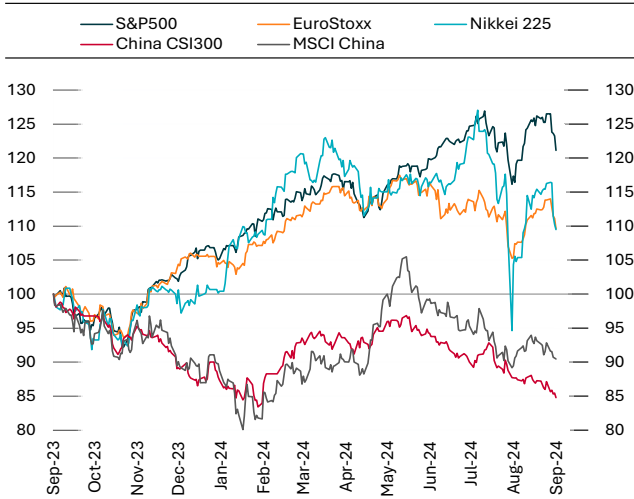
10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)				
	Current	Last week	Year Start	One Year Back	10-year average		Current	Last week	Year Start	One Year Back
US	3,71	3,91	3,86	4,29	2,42	US Treasuries 10Y/2Y	6	-2	-39	-74
Germany	2,17	2,29	2,03	2,66	0,60	US Treasuries 10Y/5Y	22	20	3	-15
Japan	0,85	0,89	0,62	0,66	0,19	Bunds 10Y/2Y	-6	-9	-37	-46
UK	3,89	4,02	3,54	4,54	1,74	Bunds 10Y/5Y	13	11	8	-1
Greece	3,23	3,33	3,08	4,00	4,57					
Ireland	2,61	2,68	2,38	3,06	1,11	Corporate Bond Spreads (in bps)				
Italy	3,56	3,69	3,70	4,41	2,24	US IG	99	95	104	123
Spain	3,00	3,12	2,99	3,71	1,61	US High yield	339	313	334	386
Portugal	2,80	2,90	2,79	3,41	2,04	Euro area IG	116	114	135	153
Emerging Markets (LC)**	4,32	4,36	4,67	4,89	4,57	Euro area High Yield	359	348	395	435
						Emerging Markets (HC)	201	187	244	254
US Mortgage Market						EUR Senior Financial	131	131	163	185
						EUR Subordinated Financial	209	208	258	302
30-Year FRM <sup>1</sup> (%)	6,43	6,44	6,71	7,21	4,60	iTraxx Senior Financial 5Y <sup>2</sup>	64	60	67	83
vs 30Yr Treasury (bps)	240,0	223,0	273,0	284,0	172,1					

**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 (%)
Euro-based cross rates						Agricultural	349	-0,1	1,2	-14,0
EUR/USD	1,11	0,5	1,7	3,9	0,7	Energy	225	-7,2	-9,7	-23,8
EUR/CHF	0,94	-0,3	-1,0	-2,1	0,7	West Texas Oil (\$/bbl)	69	-8,0	-10,6	-21,7
EUR/GBP	0,84	0,2	-1,8	-1,6	-2,6	Crude Brent Oil (\$/bbl)	71	-9,8	-9,3	-21,6
EUR/JPY	158,26	-1,8	-1,8	0,1	1,6	HH Natural Gas (\$/mmbtu)	2,3	7,5	9,0	-8,8
EUR/NOK	11,85	1,0	0,8	3,0	5,6	TTF Natural Gas (EUR/mwh)	36	-6,9	-5,7	17,8
EUR/SEK	11,39	0,5	-0,3	-4,4	2,3	Industrial Metals	427	-3,9	2,5	3,4
EUR/AUD	1,66	1,5	-0,7	-1,4	2,3	Precious Metals	3262	-0,4	3,8	28,9
EUR/CAD	1,51	0,9	0,3	2,9	3,3	USD-based cross rates				
						Gold (\$)	2517	0,5	5,6	31,3
USD/CAD	1,36	0,6	-1,3	-0,5	2,5	Silver (\$)	28	-3,2	5,0	20,4
USD/AUD	1,49	1,1	-2,3	-5,0	1,6	Baltic Dry Index	1941	7,0	14,3	79,6
USD/JPY	142,31	-2,3	-3,4	-3,6	0,9	Baltic Dirty Tanker Index	870	-1,2	-6,5	20,0

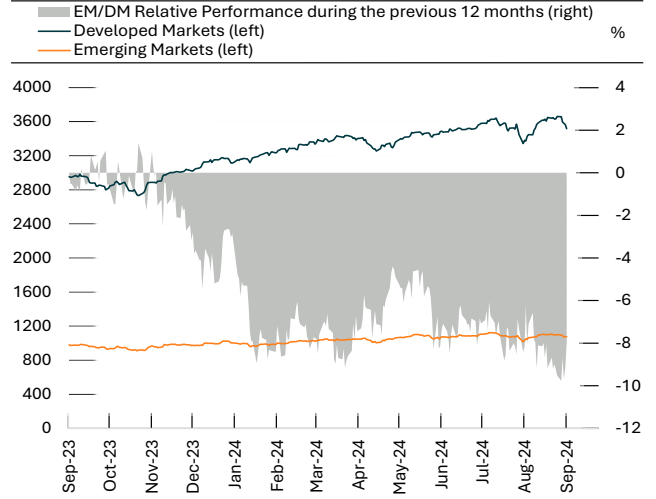
Source: NBG Economic Analysis Division, Data as of September 6<sup>th</sup>. \*: Unless otherwise noted, <sup>1</sup> Fixed-rate Mortgage, \*\*: Emerging Markets Sovereign Bond index has an effective duration of c.7 years, <sup>2</sup> The Markit iTraxx Europe Senior Financials index is made up of 5-yr CDS spreads on European financial companies.

### Equity Market Performance



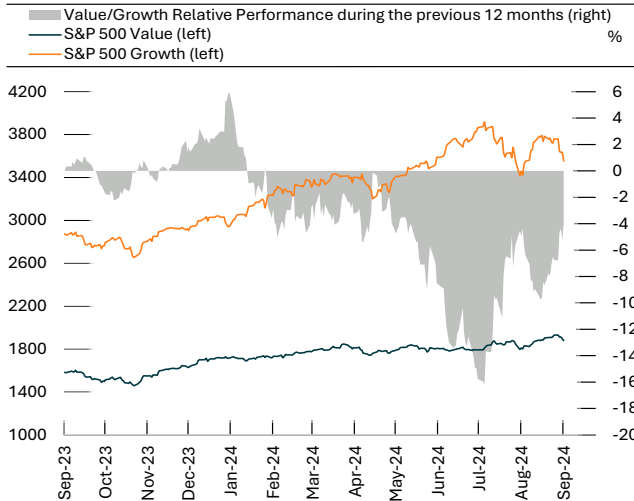
Data as of September 6<sup>th</sup> – Rebased @ 100

### EM vs DM Performance in \$



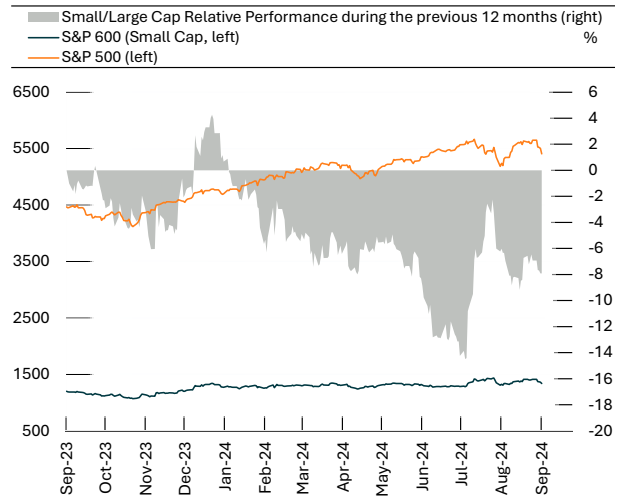
Data as of September 6<sup>th</sup>

### S&P 500 Value & Growth Index



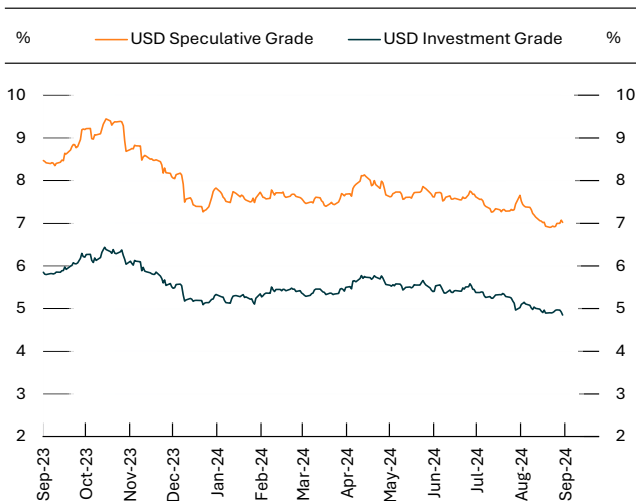
Data as of September 6<sup>th</sup>

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



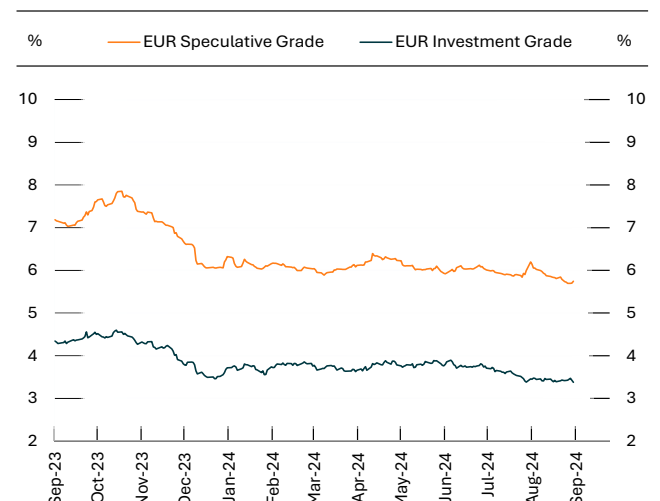
Data as of September 6<sup>th</sup>

### USD Corporate Bond Yields



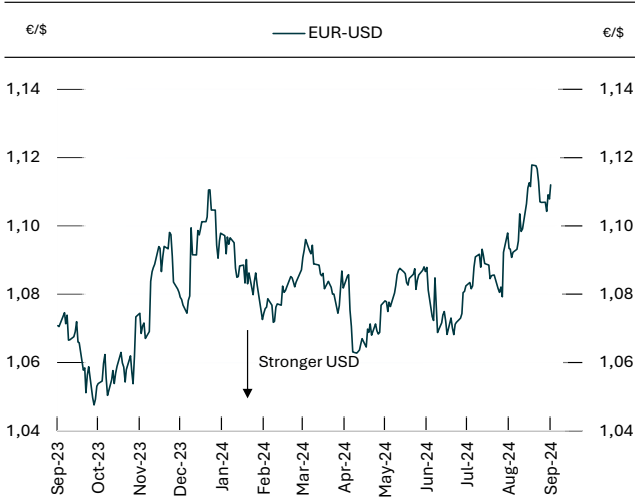
Data as of September 6<sup>th</sup>

### EUR Corporate Bond Yields



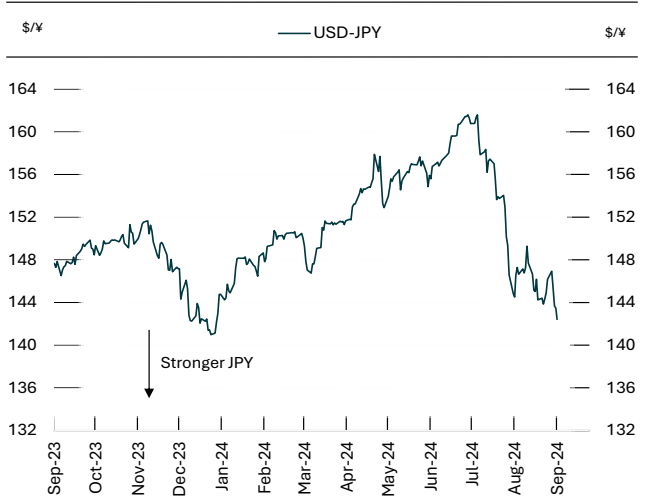
Data as of September 6<sup>th</sup>

### EUR/USD



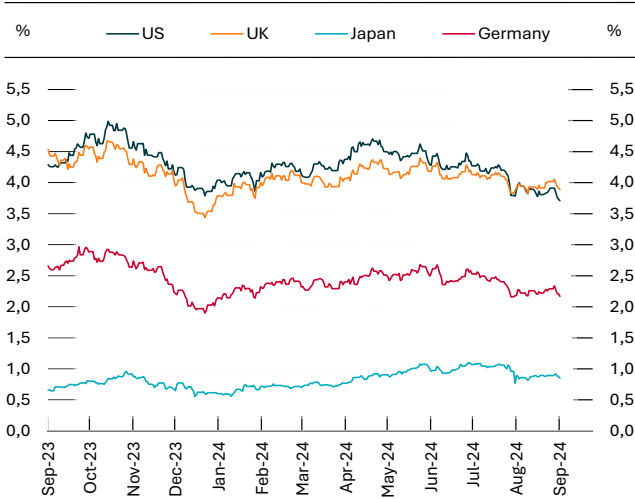
Data as of September 6<sup>th</sup>

### USD/JPY



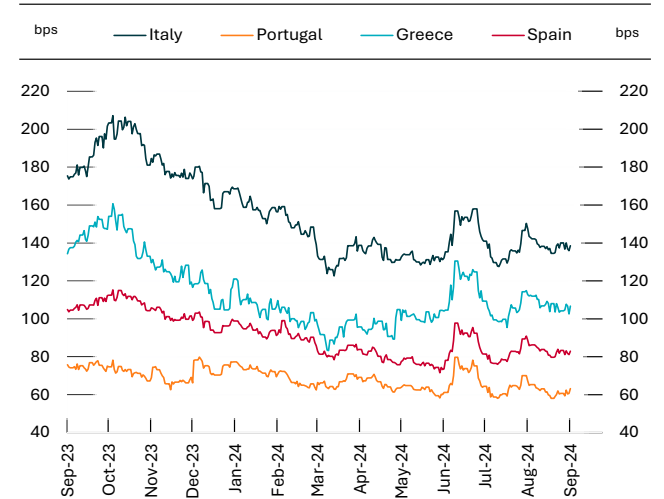
Data as of September 6<sup>th</sup>

### 10- Year Government Bond Yields



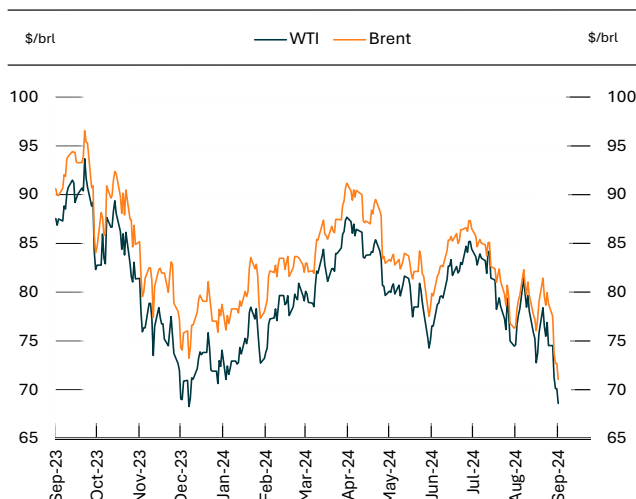
Data as of September 6<sup>th</sup>

### 10- Year Government Bond Spreads



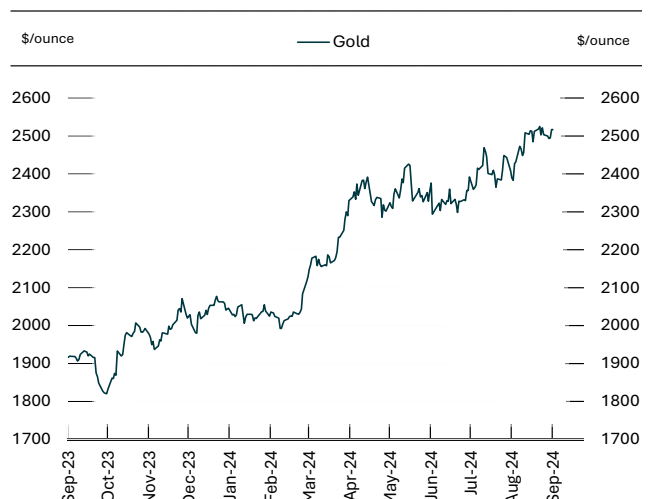
Data as of September 6<sup>th</sup>

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



Data as of September 6<sup>th</sup>

### Gold (\$/ounce)



Data as of September 6<sup>th</sup>



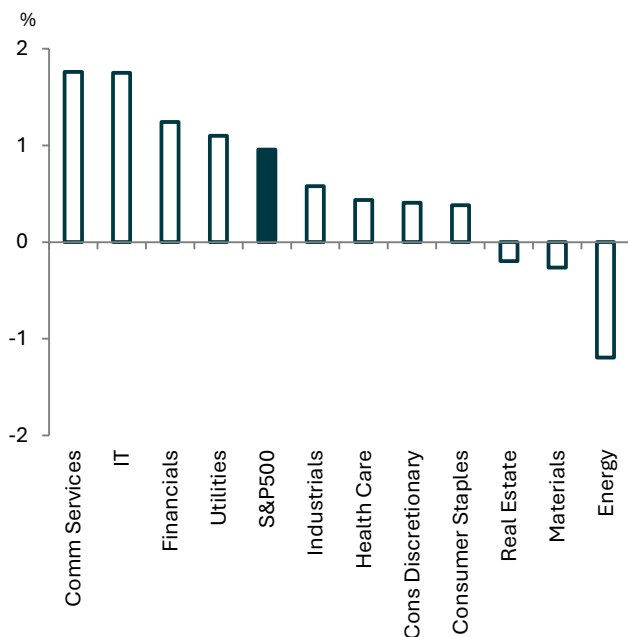
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	6/9/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
<b>S&amp;P500</b>	5648	0,2	18,4	10,0	15,3	1,3	1,4	23,5	20,4	21,2	16,0	4,7	4,2	4,7	3,0
<b>Energy</b>	696	1,0	8,7	-11,6	14,2	3,3	3,5	13,4	11,7	12,2	17,7	2,0	1,9	2,1	2,0
<b>Materials</b>	593	1,6	10,0	-3,5	18,4	1,8	1,9	22,5	19,0	20,0	15,7	3,0	2,8	3,1	2,8
<b>Financials</b>															
Diversified Financials	1288	3,0	18,1	16,7	9,2	1,1	1,2	21,0	19,3	19,8	13,8	2,8	2,6	2,8	1,5
Banks	436	2,6	24,3	1,0	5,6	2,8	3,0	12,0	11,4	11,6	12,2	1,3	1,2	1,3	1,3
Insurance	818	3,0	28,0	23,0	11,4	1,5	1,6	15,0	13,5	14,0	11,1	2,5	2,2	2,6	1,4
Real Estate	273	0,3	8,5	2,7	7,9	3,3	3,4	40,0	37,1	38,0	16,4	3,1	3,2	3,1	N/A
<b>Industrials</b>															
Capital Goods	1212	1,9	18,4	4,5	13,6	1,4	1,5	23,5	20,7	21,5	16,3	5,9	5,4	6,0	3,7
Transportation	1028	1,1	3,0	-3,8	24,2	1,8	1,8	20,2	16,2	17,5	16,3	5,0	4,3	5,2	3,9
Commercial Services	680	1,4	17,5	12,2	10,8	1,2	1,3	31,3	28,3	28,9	19,5	9,7	8,6	10,0	4,2
<b>Consumer Discretionary</b>															
Retailing	4459	0,1	14,7	24,2	15,4	0,6	0,7	29,4	25,5	26,7	22,2	9,3	7,3	10,3	7,3
Consumer Services	1667	1,0	2,1	4,8	14,2	1,3	1,4	23,6	20,7	21,5	22,2	N/A	N/A	N/A	N/A
Consumer Durables	418	-1,3	-3,4	2,0	9,9	1,1	1,2	17,0	15,5	16,1	16,0	3,7	3,2	3,6	3,2
Automobiles and parts	122	-2,2	-10,4	2,1	10,2	0,5	0,5	24,8	22,5	23,3	15,1	3,5	3,1	3,7	2,9
<b>IT</b>															
Technology	4164	0,5	17,1	8,1	12,9	0,7	0,7	29,7	26,3	26,6	16,2	18,5	16,4	18,6	6,5
Software & Services	4634	0,5	9,1	16,1	11,0	0,7	0,8	32,6	29,4	29,4	20,5	10,1	8,0	10,0	5,9
Semiconductors	5327	-4,9	62,4	39,0	41,2	0,5	0,5	37,5	26,6	29,0	17,8	10,0	8,1	10,7	4,3
Communication Services	301	-0,7	22,3	19,4	16,8	1,0	1,1	20,3	17,4	18,2	15,5	4,1	3,6	3,9	2,6
Media	1234	-0,9	23,0	8,2	4,9	2,5	2,7	10,3	9,8	9,9	6,5	1,8	1,7	1,8	N/A
<b>Consumer Staples</b>															
Food & Staples Retailing	885	-0,1	25,5	4,3	7,0	1,9	1,2	28,6	26,7	27,4	17,5	7,1	6,3	7,3	3,6
Food Beverage & Tobacco	881	1,2	10,5	3,3	6,6	3,3	3,5	18,5	17,3	17,7	17,0	5,4	5,0	5,5	5,2
Household Goods	920	1,3	14,3	8,0	6,5	2,4	2,5	25,3	23,8	23,7	19,8	8,9	8,1	8,7	6,1
<b>Health Care</b>															
Pharmaceuticals	1515	0,9	18,7	7,2	29,5	1,8	1,9	24,2	18,7	20,2	14,5	6,3	5,6	6,4	4,4
Healthcare Equipment	2092	1,2	10,2	6,5	11,1	1,2	1,3	20,0	18,0	18,6	16,1	4,0	3,6	4,1	3,1
<b>Utilities</b>	386	1,0	19,8	12,6	8,8	3,0	3,2	18,7	17,2	17,7	15,9	2,1	2,0	2,2	1,9

The prices data are as of 6/9/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 29/8/2024. Blue box indicates a value more than +2standard deviation from average, light blue a value more than +1standard deviation from average. Orange box indicates a value less than -2standard deviation from average, light orange a value less than -1standard deviation from average

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

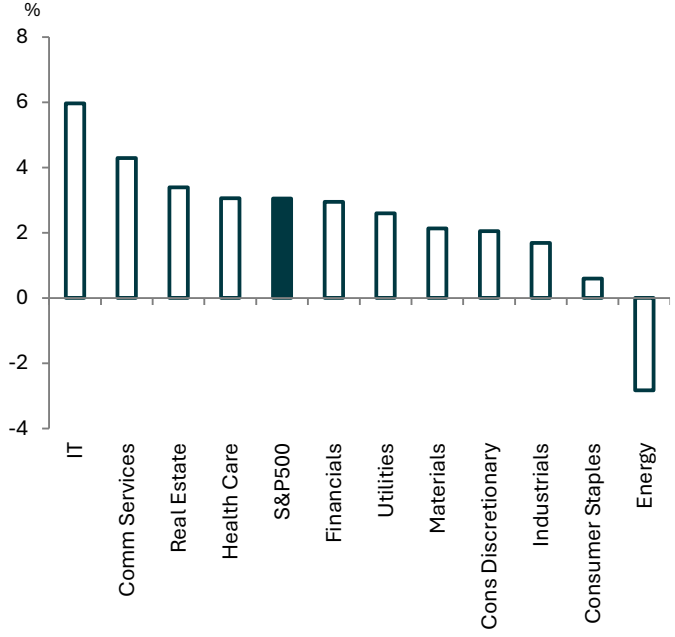
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of August 29<sup>th</sup>  
12-month forward EPS are 32% of 2024 EPS and 68% of 2025 EPS

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

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



Data as of August 29<sup>th</sup>  
12-month forward EPS are 32% of 2024 EPS and 68% of 2025 EPS

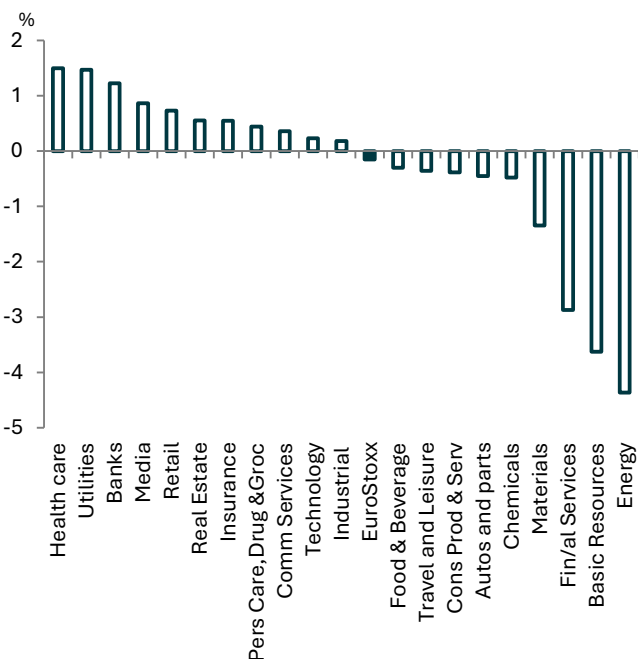
### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	6/9/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
EuroStoxx	511	1,2	7,8	2,6	10,7	3,4	3,7	13,6	12,3	12,7	12,8	1,7	1,6	1,7	1,6
Energy	124	0,5	1,6	-2,2	3,9	5,0	5,3	8,4	8,1	8,1	10,4	1,2	1,1	1,2	1,5
Materials	994	2,1	-4,4	9,4	22,7	3,3	3,5	18,0	14,7	15,7	14,2	1,5	1,4	1,5	1,8
Basic Resources	190	1,2	-13,9	-8,0	28,4	3,5	3,7	11,4	8,9	9,6	11,6	0,7	0,7	0,7	1,0
Chemicals	1513	2,3	-2,3	17,4	20,6	3,2	3,4	20,4	16,9	18,0	15,1	1,9	1,8	1,9	2,2
Financials															
Banks	143	2,0	21,1	8,5	3,9	7,0	7,3	6,8	6,6	6,7	9,2	0,8	0,7	0,8	#VALUE!
Insurance	414	1,7	18,4	12,4	9,1	5,3	5,7	10,3	9,4	9,7	9,1	1,5	1,4	1,6	1,1
Financial Services	610	2,0	9,4	-21,1	7,1	3,1	3,2	13,5	12,6	12,8	14,3	1,5	1,4	1,5	1,5
Real Estate	154	0,7	3,0	15,8	3,3	4,7	4,9	13,1	12,7	12,8	12,5	0,9	0,8	0,9	1,0
Industrials															
Industrial Goods & Services	1257	1,0	10,5	9,4	15,4	2,3	2,6	18,9	16,4	17,1	15,4	3,0	2,7	3,1	2,6
Construction & Materials	637	1,4	4,8	1,5	11,5	3,5	3,8	13,0	11,6	12,1	13,2	1,7	1,6	1,8	1,6
Consumer Discretionary															
Retail	857	-1,2	22,9	15,3	10,8	3,3	3,6	24,0	21,7	22,6	17,2	5,4	5,0	5,5	2,9
Automobiles and parts	589	0,9	-2,8	-11,9	9,8	5,8	6,3	6,0	5,5	5,6	11,3	0,7	0,6	0,7	1,1
Travel and Leisure	216	1,6	-3,4	-10,9	21,9	3,1	3,4	11,6	9,5	10,2	27,7	1,9	1,7	1,9	2,1
Consumer Products & Services	468	0,2	-5,0	11,3	17,8	1,7	1,9	28,3	24,0	25,3	20,9	5,1	4,5	5,2	3,9
Media	366	2,0	11,7	7,2	8,5	2,3	2,5	20,0	18,4	18,9	15,5	3,5	3,3	3,5	2,3
Technology	1080	0,5	13,7	-7,3	34,5	1,0	1,2	30,1	22,4	24,5	19,2	5,1	4,5	5,3	3,4
Consumer Staples															
Food, Beverage & Tobacco	163	2,0	-1,0	5,1	12,6	2,4	2,5	19,6	17,4	18,0	17,7	1,8	1,7	1,8	2,9
Personal Care, Drug & Grocery	171	2,2	0,2	0,1	10,8	3,6	3,8	13,3	12,0	12,4	N/A	1,8	1,7	1,9	2,2
Health care	842	1,0	11,0	3,5	15,0	2,1	2,3	16,6	14,5	15,1	14,8	1,9	1,8	1,8	2,0
Communication Services	314	1,9	12,9	11,9	10,4	4,2	4,5	15,1	13,7	14,1	13,0	1,5	1,4	1,5	1,9
Utilities	393	1,5	0,5	-1,8	-4,2	5,3	5,3	12,0	12,6	12,4	13,0	1,5	1,5	1,6	1,5

The prices data are as of 6/9/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 29/8/2024. Blue box indicates a value more than +2standard deviation from average, light blue a value more than +1standard deviation from average. Orange box indicates a value less than -2standard deviation from average, light orange a value less than -1standard deviation from average

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

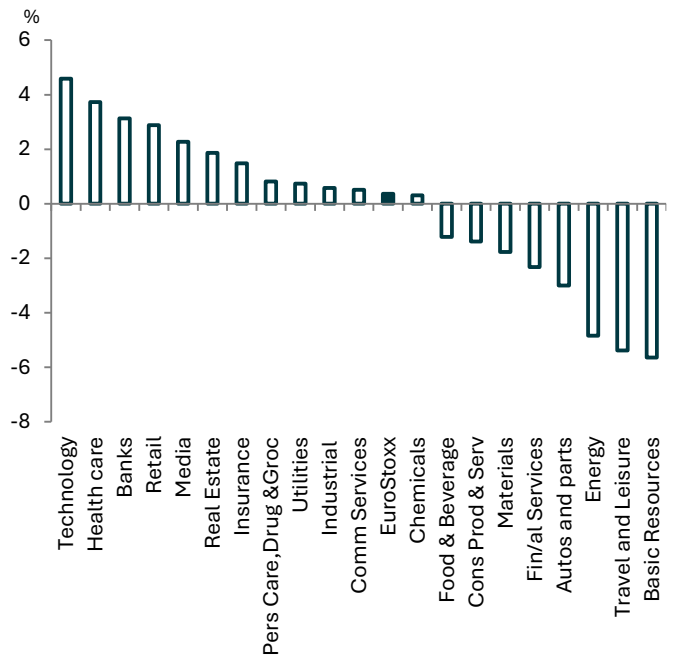
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of August 29<sup>th</sup>  
12-month forward EPS are 32% of 2024 EPS and 68% of 2025 EPS

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

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



Data as of August 29<sup>th</sup>  
12-month forward EPS are 32% of 2024 EPS and 68% of 2025 EPS

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