



## China's substantial stimulus measures aim to safeguard the real GDP growth target of +5%

- Chinese authorities announced a slew of measures to support economic activity (see below) with major stock indices surging (CSI300: +15.7% wow | MSCI China: +16.8% wow).
- At the same time, weak euro area inflation data from individual member states (see graph page 3) increased the likelihood for an October ECB cut, with President Lagarde signaling growing confidence in disinflation at the Hearing of the Committee on Economic and Monetary Affairs (EP). Note that German sovereign bond yields declined by circa 10 bps in the past week (10-Year Bund: 2.12%) with periphery bond spreads narrowing further (GGB 10-Year: 96 bps).
- On the other hand, US Treasury yields were broadly flat in the past week, edging slightly higher on Monday (10-Year: 3.80%), as Chair Powell indicated that if the US economy performs as expected, that would mean two more interest rate cuts this year for a total of 50 bps. Note that significant upward revisions took place for the personal savings rate suggesting a larger savings stockpile than previously thought (see graph below).
- Regarding China, monetary, credit and fiscal measures will focus on supporting private consumption, real estate, and the stock market. The central bank (PBoC) reduced policy rates by 20 to 30 bps (7-day repurchase agreements to 1.5% from 1.7% and 1-year medium-term lending facility to 2% from 2.3%).
- Moreover, the reserve requirement ratio (RRR) of financial institutions was cut by -50 bps to 9.5% for large institutions, with the PBoC citing that another reduction of -0.25% or -0.50% could come by end-2024. The latest RRR cut is set to free up to CNY 1 trillion (\$142 billion) or 0.8% of GDP for loan generation, according to the PBoC. Recall that overall credit annual growth, as measured by Aggregate Financing to the Real Economy (AFRE), was +8.1% in August, the lowest since 2003.
- Spurring loan demand is probably the key challenge for a reinvigoration of lending growth. In that context, the PBoC announced its intention to see mortgage interest rates falling by -50 bps on average (the 5-year Loan Prime Rate which is used as a respective reference, is set to be utilized, alongside Authorities' guidance towards commercial Banks), with specifics to follow. In addition, the downpayment for the acquisition of 2-hand homes will be reduced to 15% of total value, from 25%. Authorities signaled further measures to support the real estate sector.
- In the fiscal front, reportedly (official announcements are pending), the Chinese central government will issue "special" bonds of CNY 2tn (\$284bn) or 1.6% of GDP. Half of the proceeds are to be channeled towards programs to support private consumption and half towards financial support for local governments (possibly for debt refinancing).
- Finally, a CNY 800bn package (\$114 bn) to support the stock market was announced, consisting of: i) a CNY 500bn swap programme aiming at funding stock purchases by securities, funds and insurance companies and; ii) a CNY 300 bn lending facility towards banks, with the latter being guided to, in turn, lend listed companies and major shareholders in order for them to finance stock buybacks and share purchases, respectively.

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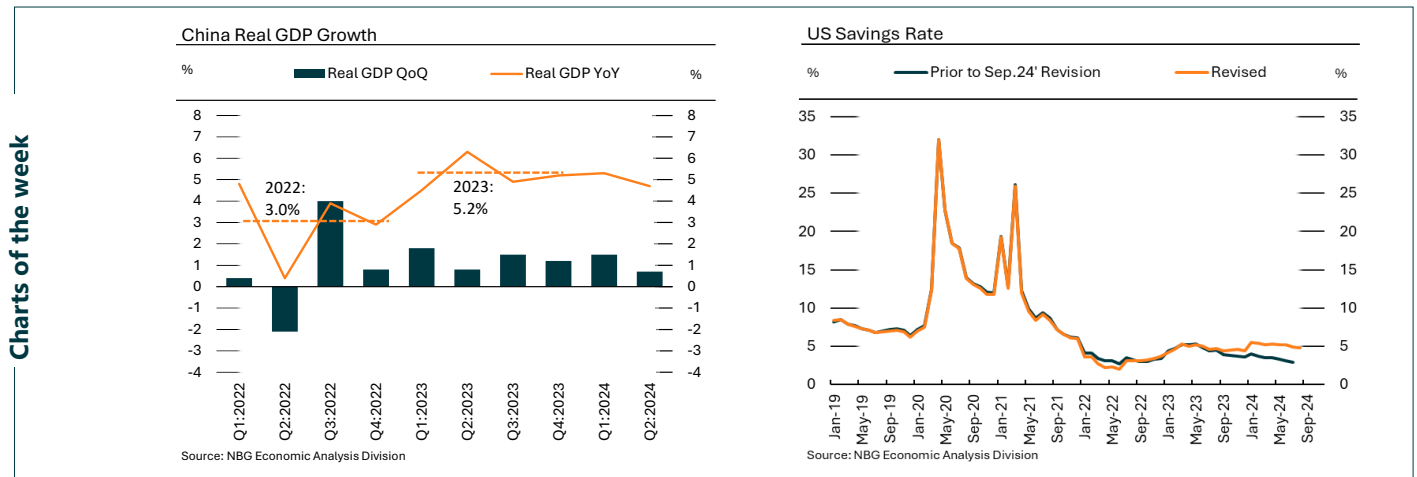
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Charts of the week

## US housing affordability remains challenging

- **The nominal median existing home sales price has posted signs of stabilizing recently**, down by -1.1% mom in August (+3.1% yoy), following a -1.3% mom in July (+3.9% yoy). Still, it stands at +56.5% compared with a trough in January 2020 (+34.5% in real terms). At the same time, the annual growth of the S&P CoreLogic Case-Shiller National Home Price Index was +5.0% in July (+53% compared with January 2020 | +31% in real terms), roughly in line with its 30-year average. High construction costs remain an important factor for stretched home valuations. In the event, prices paid for goods used in residential construction stood in August at +38% above January 2020 levels (roughly unchanged on a monthly basis).
- **Looking forward, falling interest rates could support the housing market.** The respective cost burden for developers is to be partly alleviated, facilitating the commencement of new projects, while also allowing for more pricing flexibility. Recall that housing starts in recent months have run at a monthly pace of c. 1.32 mn units (annualized), roughly in line with their long-term average. At the same time, the financial capacity of households to finance house purchases is set to improve somewhat, *ceteris paribus*. Note that according to data from Freddie Mac, the 30-year fixed mortgage rate hovered at 6.08% in late-September. Although still far above an average of 4.3% since 2010 (and 3.45% in January 2022), a substantial easing has taken place versus a peak of 7.79% in late-October 2023. Falling mortgage interest rates are also expected to gradually lead some homeowners back in active market, as the currently elevated rates limit the incentive of (home-owning) households to re-finance home purchases (having locked in, lower mortgage borrowing costs). That development would simultaneously increase demand (via more potential buyers) and supply, via more existing homes becoming available for sale. Note that the latter stood at 1.35mn in August. Such a reading remains well below an average of 2.22mn since 1990. Nevertheless, existing home inventories have partly recovered recently, increasing for an 8th consecutive month in August versus a trough of 0.99mn in December 2023.

## Euro area leading economic indicators disappointed in September

- **The composite PMI fell substantially in September, by -2.1 pts to an 8-month low of 48.9, re-entering contractionary territory after 6 months** of standing above the expansion/contraction threshold of 50.0. Although an easing was expected following the boost in August from the Summer Olympic Games in France (see below), the outcome, meaningfully undershot consensus estimates for 50.5. The composite PMI is consistent with flat qoq real GDP growth in Q3:2024, after a +0.2% qoq in Q2:2024. The manufacturing sector continued to pose a drag to overall activity in September, with the PMI decreasing by -1.0 pt to a 9-month low of 44.8 (output: -1.3 pts to 44.5), versus expectations for 45.6. Its peer in the services sectors decreased by -2.4 pts to a 7-month low of 50.5 (consensus: 52.1). Notably, the relatively more forward-looking new orders component underperformed (at its lowest since January 2024 at the composite level), in contractionary territory across the board.
- The weakening demand contributed to a less inflationary environment. In the event, according to HCOB, the input prices component slowed sharply to its lowest since November 2020 at the composite level. Manufacturing costs decreased, while pipeline price pressures rose in the (relatively more sensitive to wages developments) services sectors, albeit at the weakest pace in 3½-years.

At the same time, output prices increased only slightly, to the least extent since February 2021 at the composite level, with a slow rise in services and a decline in manufacturing.

- Regarding PMI performance by country, Germany and France underperformed the rest of the euro area (in the latter, the composite PMI remained in expansionary territory, albeit modestly). In the event, in France the composite PMI plunged by -5.7 pts to 47.4 in September. The deterioration came mainly on account of the services PMI suffering a post-Olympics slump of -6.7 pts to 48.3. Its manufacturing peer was little changed (-0.1 pt) at 44.0, with the output component though, down by -1.0 pt to 42.8. Meanwhile, INSEE's (France's official statistics office) composite business climate indicator was 98 in September from 97 in August, versus an average of 100 since 1990.
- In Germany, the composite PMI decreased by -1.2 pts to 47.2 in September. The deterioration was broad based, with the services PMI declining by -0.6 pts to 50.6 and its manufacturing counterpart moving deeper in contractionary territory (-2.1 pts to 40.3, with the output component down by -2.3 to 40.5, both at 12-month lows). In a similar note, in the IFO business survey, the business climate index declined by -1.2 pts to an 8-month low of 85.4, below consensus estimates for 86.0 and compared with an average of 96.0 since 2005. A fall occurred both in the expectations component (expectations for business conditions in the next six months), by -0.5 pts to 86.3, as well as in the component regarding the assessment of current conditions -2.0 pts to 84.4. In all, Germany appears likely to have entered technical recession in Q3:2024, with the Hamburg Commercial Bank's GDP nowcast model, pointing to -0.2% qoq from -0.1% qoq in Q2:2024. According to the recent Joint Economic Forecast (conducted bi-annually by the prominent economic institutes of DIW Berlin, IFO, IfW Kiel, IWH, RWI), after a -0.3% yoy in 2023, real GDP is set to contract by -0.1% yoy in FY:2024 (-0.2 pps downward revision versus the respective forecast in March 2024), followed by +0.8% yoy in 2025 (-0.6 pps).

## Euro area bank lending growth posts signs of a gradual bottoming out

- **Loan growth to households (adjusted for sales and securitizations) accelerated to a 10-month high of +0.6% yoy in August** from +0.5% yoy in July, with the take-up of new loans improving somewhat. In the event, the net monthly flow (in terms of 12-month sum) was +€38.7 bn in August 2024, versus +€30.6 bn in July (+€71.7 bn in August 2023). **At the same time, the annual growth of loans to non-financial corporations (NFCs) accelerated by +0.2 pps to a 13-month high of +0.8% in August** (trough of -0.3% yoy in October 2023, the weakest since June 2015). The net monthly flow (12-month sum) came out at +€42.7 bn in August 2024 versus +€29.4 bn in July 2024 (+€36.2 bn in August 2023).
- The developments for loan demand are closely linked to respective trends for interest rates. In the event, in July 2024 (August data are due on October 2<sup>nd</sup>), the composite cost of borrowing indicator for new loans to households for house purchases (calculated as a weighted average of interest rates on both short-term and long-term loans) was 3.75% and the respective indicator for loans to non-financial corporations was 5.06%. Both readings stand well above troughs of 1.31% & 1.36%, respectively, in December 2021 (+244 bps & +370 bps, versus ECB's cumulative interest rate net tightening of +425 bps in the same period). Nevertheless, the latest outcomes are modestly below peaks of 4.02% in November 2023 and 5.27% in October 2023, respectively.

### Equities

- **Global equity markets rose further in the past week (MSCI ACWI: +1.6% wow), with Chinese equities overperforming.** Specifically, the CSI300 rose by +15.7% wow and the MSCI China by +16.9% wow as China’s central bank unveiled a broad package of monetary stimulus measures to stimulate its economy. The upward move continued this week (Monday 30<sup>th</sup>: +9%) due to new property measures. The prospect of China’s economic recovery getting steam has driven higher the stock prices of several companies in Europe, as it is a major export destination for a range of luxury consumer goods (L.V.M.H, Hermes, Christian Dior lead the rise in European stock indices in the past week). Indeed, the STOXX600 rose by +2.7% wow, hitting a new all-time high (528), whereas Greek equities followed suit (ASE index: +3.1% wow), with Banks overperforming (+5.5%). Finally, the S&P500 increased by +0.6% wow (+20% ytd) recording the 42<sup>nd</sup> all-time high of the year (5745).

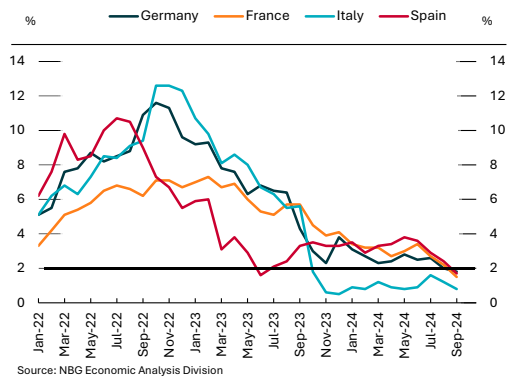
### Fixed Income

- **Long-term government bond yields were mixed in the past week.** Specifically, the US Treasury 10-year bond yield rose by +2 bps wow to 3.75%, while its 2-year peer fell by 1 bp to 3.56%. In Germany, the 10-year Bund yield fell by -8 bps on a weekly basis to 2.13% and its 2-year peer by -17 bps to 2.09% as weaker-than-expected PMI data raised the expectations for an October rate cut by the ECB (probability of a rate cut at 82% vs 25% one week ago). Bond spreads in the 10-year tenor against the Bund were roughly stable in Italy (132 bps) and in Greece (96 bps). Meanwhile, the spread of the 10-year French government bond over the Bund rose again to a three-month high (80 bps from 49 bps on average during the first five months of 2024) due to investors’ concerns regarding French fiscal prospects. **Corporate bond spreads were broadly stable in the past week.** Specifically in the high yield spectrum, USD spreads declined by -1 bp wow to 314 bps and their EUR counterparts rose by +5 bps to 347 bps. In the investment grade spectrum USD spreads fell by 1 bp to 92 bps, while EUR spreads rose by 3 bps to 115 bps.

### FX and Commodities

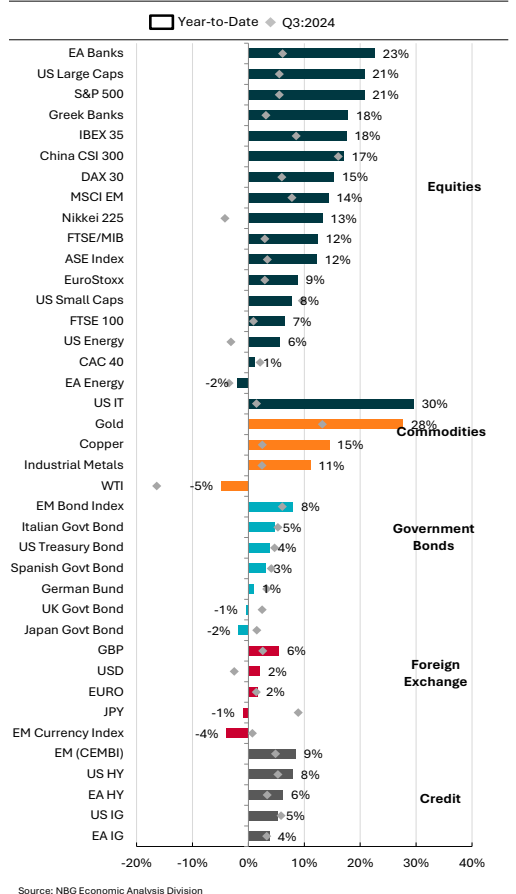
- **In foreign exchange markets, the euro was broadly stable against the US dollar €/\$1.118) amid countervailing forces.** More specifically, weaker-than-expected PMI data in the eurozone were offset by weaker-than-expected consumer confidence data in the US and reports about aggressive rate cuts in the coming meetings. The British pound remained close to 2½ years high against the US dollar (£/\$1.34), as it is supported by the prospect of more rate cuts from the Fed than the Bank of England. Indeed, in the next six months, 130 bps of cuts are expected in USD rates vs 85 bps in GBP rates. **In commodities, gold prices reached a fresh record high (+1.4% wow to \$2658/ounce, +29% ytd).** Escalating geopolitical tensions in the Middle East, weakening USD real interest rates (5-year real yields have declined by -28 bps to 1.5% since late July) and investor expectations for aggressive rate cuts maintain its upward trend. Meanwhile oil prices declined (Brent: -3.4% to \$72/bbl and WTI: -5.2% to \$68.2/bbl), on reports that Saudi Arabia looks likely to abandon strategic cuts in oil production. Note that, OPEC raised its estimates for global demand to 118.9 million barrels per day by 2045, (+2.9 million compared with last year), driven by growth in India and the Middle East, while the global transition to electric cars is slower than previously expected.

Harmonized Consumer Price Index YoY



Graph 1.

Assets Class Performance



Graph 2.

**Quote of the week:** “This is not a committee that feels like it’s in a hurry to cut rates quickly.”, **Chair of the Board of Governors of the Federal Reserve System, Jerome H. Powell, September 30<sup>th</sup> 2024**

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 27th	3-month	6-month	12-month	Official Rate (%)	September 27th	3-month	6-month	12-month
Germany	2,14	2,20	2,15	2,10	Euro area	3,50	3,25	3,00	2,50
US	3,75	3,90	3,80	3,70	US	5,00	4,50	4,00	3,50
UK	3,98	3,90	3,80	3,70	UK	5,00	4,75	4,50	3,75
Japan	0,81	1,30	1,40	1,60	Japan	0,25	0,35	0,50	0,60

Currency	September 27th	3-month	6-month	12-month	September 27th	3-month	6-month	12-month	
EUR/USD	1,12	1,08	1,09	1,10	USD/JPY	143	148	143	142
EUR/GBP	0,83	0,83	0,84	0,84	GBP/USD	1,35	1,30	1,30	1,31
EUR/JPY	160	160	156	156					

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>



**Equity Markets** (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Emerging Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	5738	0,6	20,3	34,2	57,3	MSCI Emerging Markets	71543	5,7	16,3	22,6	29,7	
Japan	NIKKEI 225	39830	5,6	19,0	23,0	49,9	MSCI Asia	1119	6,6	20,4	25,8	33,7	
UK	MSCI UK	2373	1,1	7,1	9,1	18,0	China	68	16,8	20,5	15,8	13,8	
Euro area	EuroStoxx	523	3,6	10,2	19,8	42,9	Korea	813	2,8	-2,2	7,1	21,6	
Germany	DAX 40	19474	4,0	16,2	28,0	60,4	MSCI Latin America	95529	1,1	-5,0	7,9	9,5	
France	CAC 40	7792	3,9	3,3	10,2	35,4	Brazil	315457	0,5	-5,9	7,6	5,8	
Italy	MSCI Italy	1118	2,5	16,2	25,6	68,4	Mexico	49540	1,4	-7,1	5,0	16,9	
Spain	IBEX-35	11968	1,8	18,5	28,2	60,7	MSCI Europe	4298	2,5	14,0	25,2	94,8	
Hong Kong	Hang Seng	20632	13,0	21,0	17,1	15,5	Russia	3216	0,0	3,8	4,8	64,6	
Greece	ASE	1469	3,1	13,6	22,0	84,0	Turkey	10731159	-1,0	38,6	33,9	215,5	

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

in US Dollar terms		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Investment Styles		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy		250,7	-1,1	2,6	-3,6	24,6	Growth (Developed)	5564,1	1,4	20,7	37,8	69,1	
Materials		377,9	5,3	8,8	24,0	44,9	Value (Developed)	3858,5	1,3	14,4	24,5	41,0	
Industrials		427,1	2,5	17,8	33,7	67,1	Large Cap (Developed)	2369,8	1,3	18,5	32,1	57,4	
Consumer Discretionary		435,8	3,4	12,1	25,8	42,6	Small Cap (Developed)	581,3	1,5	10,0	23,9	38,4	
Consumer Staples		301,0	1,4	11,5	17,0	22,6	US Growth	3845,2	0,6	26,9	39,8	60,7	
Healthcare		398,7	-0,7	12,8	19,1	31,3	US Value	1941,8	0,7	13,0	28,1	51,4	
Financials		177,0	0,4	19,5	35,0	54,8	US Large Cap	5738,2	0,6	20,3	34,2	57,3	
IT		756,0	1,6	26,2	49,9	94,9	US Small Cap	1418,1	0,2	7,6	23,7	33,1	
Telecoms		113,3	1,5	17,7	29,3	53,6	US Banks	417,6	-0,9	18,9	44,8	39,7	
Utilities		179,0	1,5	20,2	30,5	25,0	EA Banks	147,3	0,9	24,4	34,0	83,0	
Real Estate		1124,4	0,6	10,0	29,5	23,1	Greek Banks	1277,0	4,7	20,3	37,0	141,1	

**Bond Markets (%)**

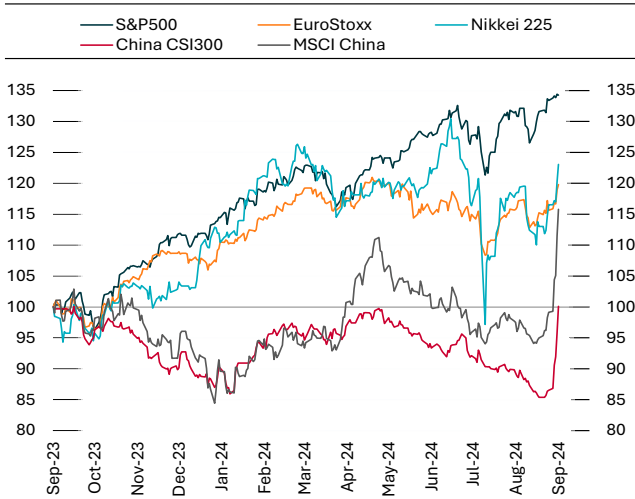
10-Year Government Bond Yields		Current	Last week	Year Start	One Year Back	10-year average	Government Bond Yield Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
US		3,75	3,73	3,86	4,63	2,43	US Treasuries 10Y/2Y	19	15	-39	-52	52	
Germany		2,14	2,22	2,03	2,83	0,61	US Treasuries 10Y/5Y	25	24	3	-7	29	
Japan		0,81	0,87	0,62	0,74	0,19	Bunds 10Y/2Y	6	-3	-37	-40	46	
UK		3,98	3,90	3,54	4,36	1,75	Bunds 10Y/5Y	18	14	8	3	37	
Greece		3,11	3,22	3,08	4,32	4,55	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
Ireland		2,51	2,58	2,38	3,27	1,12	US IG	92	93	104	121	129	
Italy		3,46	3,56	3,70	4,79	2,25	US High yield	314	315	334	403	439	
Spain		2,93	3,00	2,99	3,94	1,62	Euro area IG	115	112	135	150	123	
Portugal		2,71	2,79	2,79	3,61	2,04	Euro area High Yield	347	342	395	433	404	
Emerging Markets (LC)**		4,27	4,23	4,67	4,98	4,56	Emerging Markets (HC)	188	192	244	251	306	
US Mortgage Market		Current	Last week	Year Start	One Year Back	10-year average	EUR Senior Financial	129	126	163	181	129	
30-Year FRM <sup>1</sup> (%)		6,13	6,15	6,71	7,41	4,61	EUR Subordinated Financial	202	199	258	299	246	
vs 30Yr Treasury (bps)		203,0	206,0	273,0	268,0	172,7	iTraxx Senior Financial 5Y <sup>2</sup>	66	65	67	93	77	

**Foreign Exchange & Commodities**

Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates							Agricultural	374	3,5	8,0	-5,4	-3,4	
EUR/USD		1,12	0,3	0,4	6,4	1,2	Energy	229	-2,6	-5,9	-25,9	-6,6	
EUR/CHF		0,94	-0,7	0,4	-2,7	1,2	West Texas Oil (\$/bbl)	69	-5,5	-9,0	-26,6	-4,4	
EUR/GBP		0,83	-0,6	-1,0	-3,7	-3,8	Crude Brent Oil (\$/bbl)	71	0,0	-9,0	-26,1	-7,3	
EUR/JPY		159,71	-0,8	-0,7	1,7	2,6	HH Natural Gas (\$/mmbtu)	2,9	20,2	47,5	5,8	16,3	
EUR/NOK		11,72	-0,1	0,5	3,7	4,5	TTF Natural Gas (EUR/mwh)	38	10,7	-0,7	-3,4	20,8	
EUR/SEK		11,27	-0,9	-0,5	-2,7	1,2	Industrial Metals	476	5,5	6,1	16,9	12,7	
EUR/AUD		1,61	-1,7	-1,6	-2,1	-0,4	Precious Metals	3467	0,8	5,3	41,0	29,1	
EUR/CAD		1,51	-0,4	0,7	6,1	3,5	Gold (\$)	2658	1,4	6,2	41,8	28,9	
USD-based cross rates							Silver (\$)	32	1,6	8,6	40,4	33,1	
USD/CAD		1,35	-0,4	0,3	0,1	2,0	Baltic Dry Index	2110	6,7	20,2	20,4	0,8	
USD/AUD		1,44	-2,0	-2,0	-8,0	-1,5	Baltic Dirty Tanker Index	862	-3,6	-3,9	5,9	-28,2	
USD/JPY		142,87	-1,1	-1,1	-4,4	1,3							

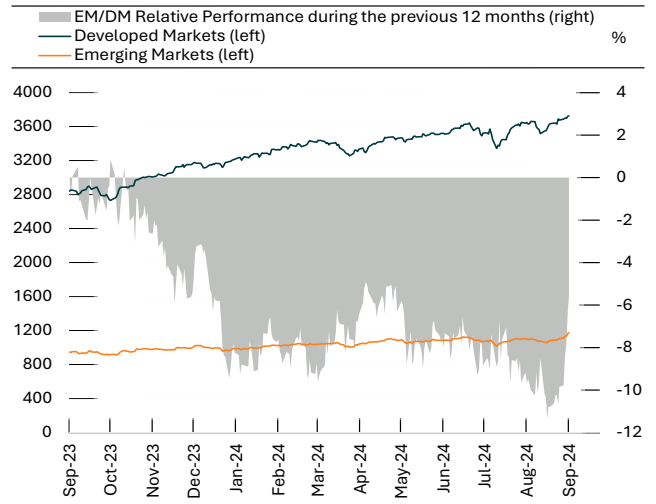
Source: NBG Economic Analysis Division, Data as of September 27<sup>th</sup>, \*: Unless otherwise noted, <sup>1</sup> Fixed-rate Mortgage, \*\*: Emerging Markets Sovereign Bond index has an effective duration of c.7 years, <sup>2</sup> The Markit iTraxx Europe Senior Financials index is made up of 5-yr CDS spreads on European financial companies.

### Equity Market Performance



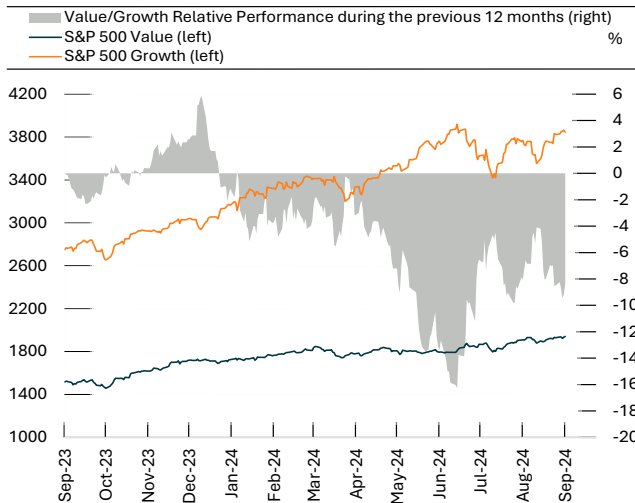
Data as of September 27<sup>th</sup> – Rebased @ 100

### EM vs DM Performance in \$



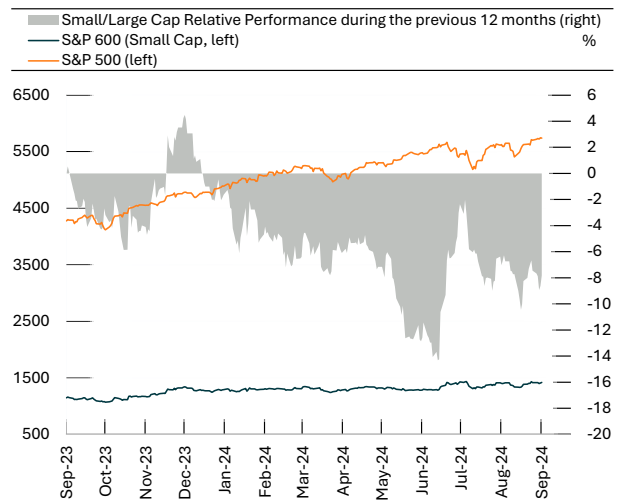
Data as of September 27<sup>th</sup>

### S&P 500 Value & Growth Index



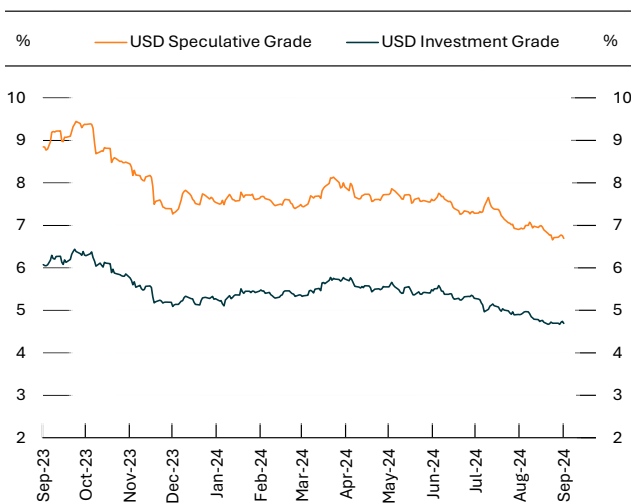
Data as of September 27<sup>th</sup>

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



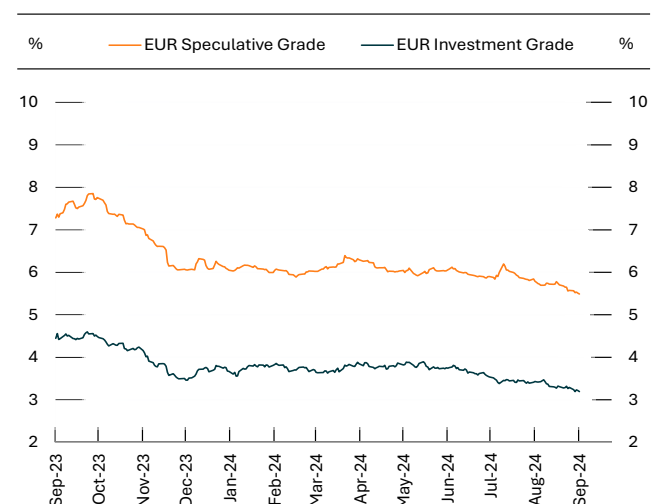
Data as of September 27<sup>th</sup>

### USD Corporate Bond Yields



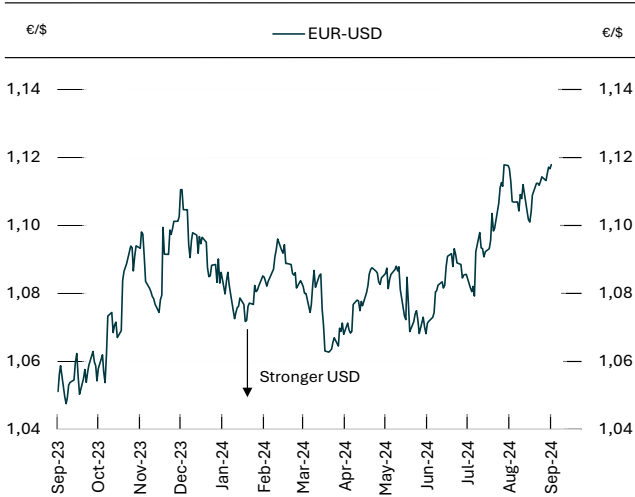
Data as of September 27<sup>th</sup>

### EUR Corporate Bond Yields



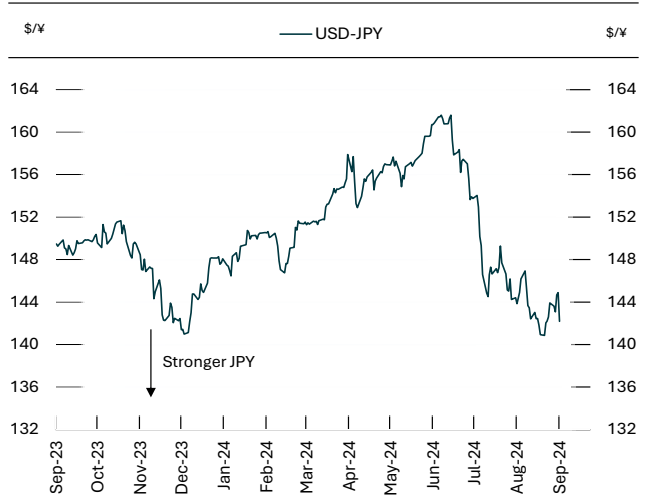
Data as of September 27<sup>th</sup>

### EUR/USD



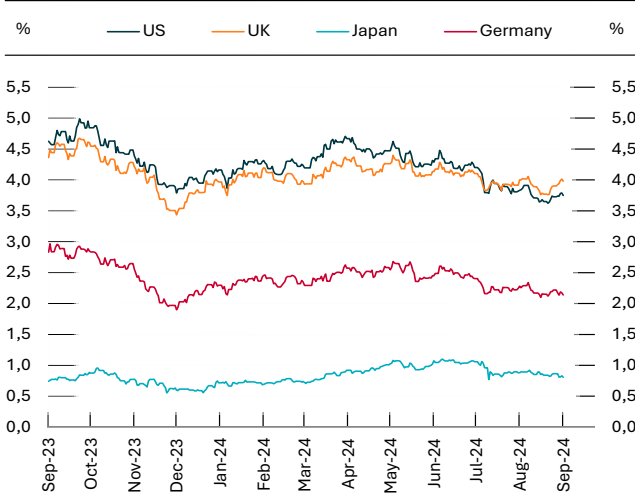
Data as of September 27<sup>th</sup>

### USD/JPY



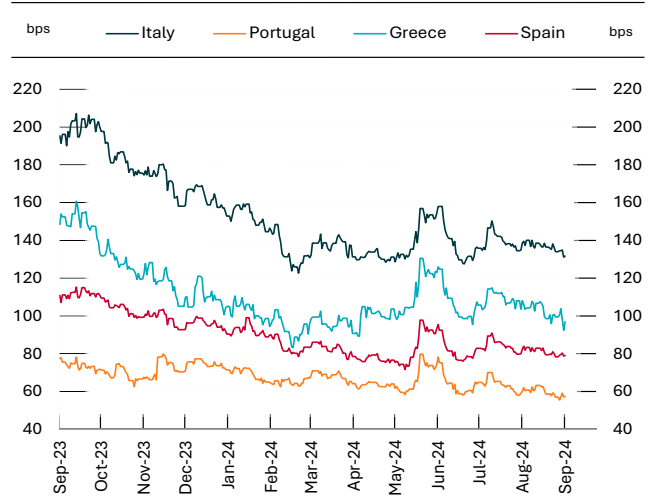
Data as of September 27<sup>th</sup>

### 10- Year Government Bond Yields



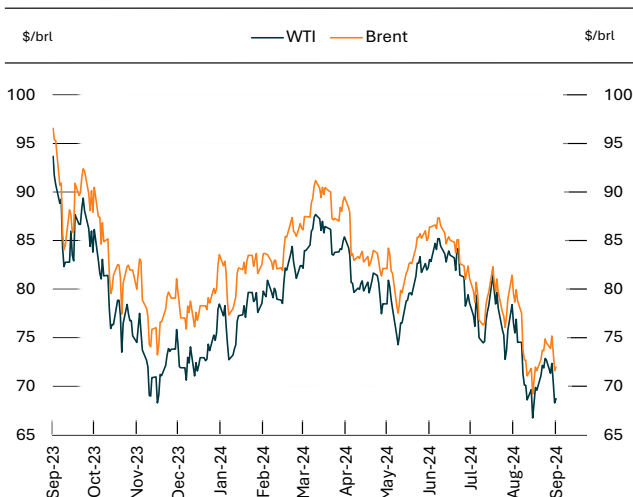
Data as of September 27<sup>th</sup>

### 10- Year Government Bond Spreads



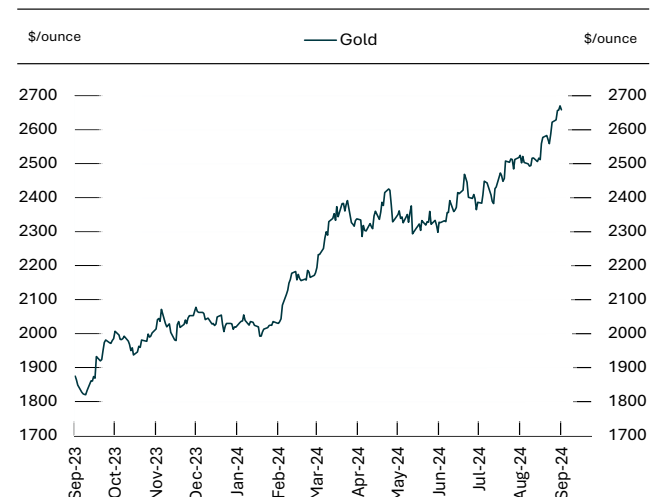
Data as of September 27<sup>th</sup>

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



Data as of September 27<sup>th</sup>

### Gold (\$/ounce)



Data as of September 27<sup>th</sup>



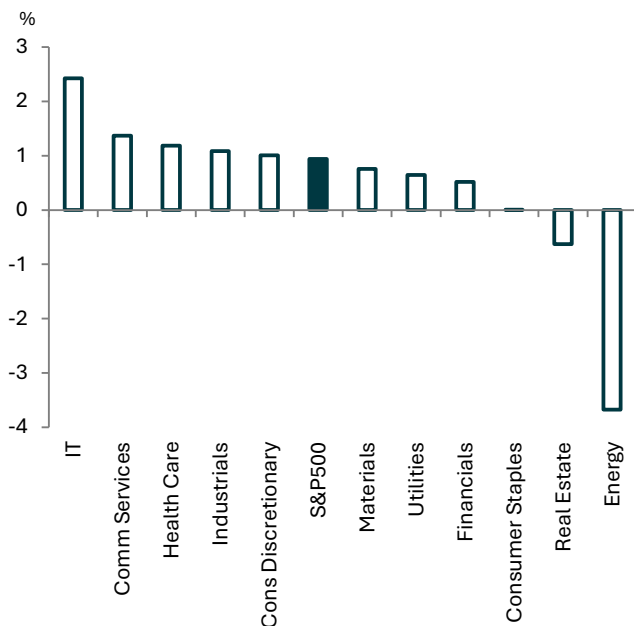
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	27/9/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
<b>S&amp;P500</b>	5738	0,6	20,3	9,7	15,1	1,3	1,4	23,7	20,6	21,1	16,0	4,7	4,2	4,7	3,0
<b>Energy</b>	671	-0,8	4,8	-14,0	11,5	3,4	3,6	13,5	12,1	12,4	17,7	2,0	1,9	2,0	2,0
<b>Materials</b>	611	3,4	13,3	-4,2	18,7	1,8	1,9	22,8	19,2	19,9	15,7	3,0	2,8	3,1	2,8
<b>Financials</b>															
<b>Diversified Financials</b>	1291	-0,5	18,3	16,7	9,1	1,1	1,2	21,4	19,7	20,0	13,8	2,8	2,6	2,9	1,5
<b>Banks</b>	418	-0,9	18,9	0,9	5,2	2,9	3,1	11,6	11,0	11,1	12,2	1,2	1,2	1,3	1,3
<b>Insurance</b>	818	-0,1	27,9	23,8	11,0	1,5	1,6	15,2	13,7	14,1	11,1	2,5	2,2	2,6	1,4
<b>Real Estate</b>	278	-0,2	10,6	1,8	8,0	3,2	3,3	41,7	38,6	39,3	16,5	3,2	3,3	3,2	N/A
<b>Industrials</b>															
<b>Capital Goods</b>	1263	1,7	23,4	3,7	14,0	1,3	1,4	24,2	21,2	21,8	16,3	6,1	5,5	6,2	3,7
<b>Transportation</b>	1037	2,2	3,9	-3,7	24,2	1,7	1,8	20,5	16,5	17,5	16,3	5,1	4,4	5,3	3,9
<b>Commercial Services</b>	671	-0,1	16,0	12,0	10,6	1,2	1,3	31,0	28,0	28,4	19,5	9,6	8,5	9,8	4,3
<b>Consumer Discretionary</b>															
<b>Retailing</b>	4691	-0,4	20,6	24,2	15,4	0,6	0,6	31,2	27,1	28,0	22,2	9,9	7,8	10,7	7,3
<b>Consumer Services</b>	1777	2,8	8,9	4,8	14,4	1,3	1,4	24,1	21,1	21,7	22,2	N/A	N/A	N/A	N/A
<b>Consumer Durables</b>	437	2,9	1,1	1,9	9,8	1,1	1,1	17,3	15,8	16,2	16,0	3,7	3,3	3,6	3,2
<b>Automobiles and parts</b>	143	7,7	5,1	1,8	10,0	0,4	0,5	27,0	24,5	25,1	15,1	3,9	3,4	4,0	2,9
<b>IT</b>															
<b>Technology</b>	4172	0,1	17,3	8,1	12,8	0,7	0,7	29,1	25,8	25,8	16,3	18,2	16,1	18,2	6,5
<b>Software &amp; Services</b>	4762	-1,0	12,1	16,3	10,9	0,7	0,7	33,8	30,5	30,2	20,5	10,5	8,3	10,2	6,0
<b>Semiconductors</b>	5449	4,3	66,2	39,6	41,6	0,6	0,6	35,1	24,8	26,4	17,8	9,5	7,6	9,9	4,4
<b>Communication Services</b>	312	1,0	26,9	19,5	16,7	1,0	1,0	20,4	17,5	18,2	15,5	4,2	3,7	4,0	2,6
<b>Media</b>	1275	0,9	27,1	8,3	5,2	2,5	2,7	10,1	9,6	9,7	6,5	1,9	1,7	1,9	N/A
<b>Consumer Staples</b>															
<b>Food &amp; Staples Retailing</b>	894	-0,4	26,7	2,9	6,4	1,9	1,2	29,0	27,3	27,7	17,6	7,1	6,3	7,2	3,6
<b>Food Beverage &amp; Tobacco</b>	880	0,2	10,3	3,4	6,5	3,3	3,5	18,6	17,5	17,8	17,0	5,5	5,1	5,5	5,2
<b>Household Goods</b>	931	0,6	15,6	8,0	6,5	2,3	2,5	25,8	24,2	24,0	19,8	9,0	8,2	8,8	6,1
<b>Health Care</b>															
<b>Pharmaceuticals</b>	1466	-1,8	14,9	7,0	29,5	1,8	1,9	24,1	18,6	19,7	14,5	6,3	5,6	6,4	4,4
<b>Healthcare Equipment</b>	2065	-0,2	8,7	6,3	11,0	1,2	1,3	20,0	18,0	18,5	16,1	4,0	3,6	4,1	3,1
<b>Utilities</b>	409	1,0	26,9	12,5	8,8	2,9	3,1	19,4	17,9	18,2	15,9	2,2	2,1	2,2	1,9

The prices data are as of 27/9/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 19/9/2024. 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

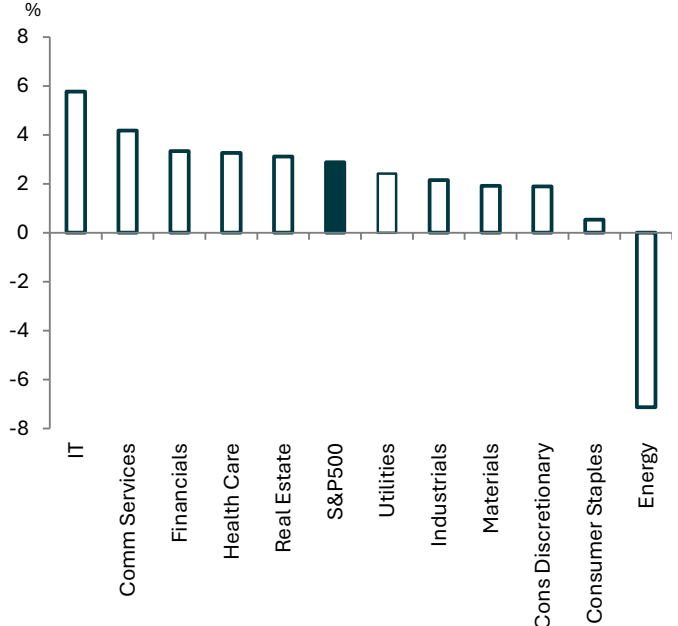


Data as of September 19<sup>th</sup>

12-month forward EPS are 26% of 2024 EPS and 74% 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 September 19<sup>th</sup>

12-month forward EPS are 26% of 2024 EPS and 74% of 2025 EPS

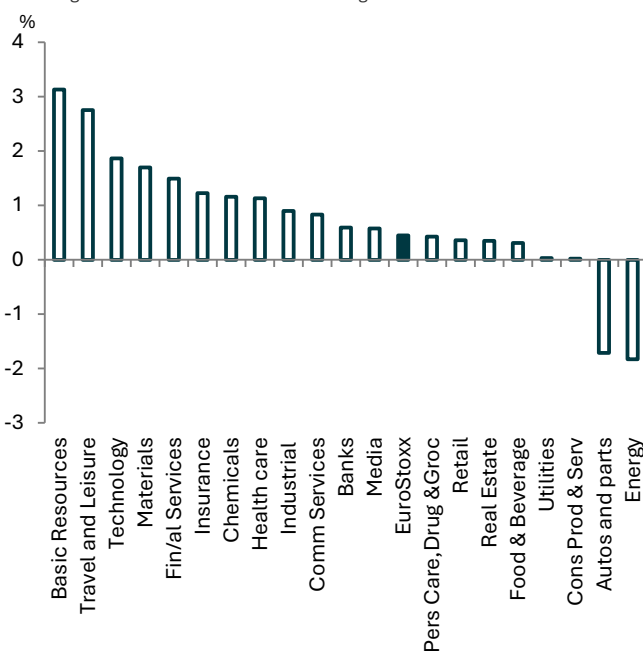
### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	27/9/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
EuroStoxx	523	3,6	10,2	2,2	10,6	3,4	3,7	13,6	12,3	12,6	12,8	1,7	1,6	1,7	1,6
Energy	120	-2,7	-1,7	-4,2	4,2	5,1	5,5	8,4	8,0	8,1	10,4	1,2	1,1	1,2	1,5
Materials	1035	5,3	-0,5	9,2	23,2	3,2	3,4	18,3	14,9	15,6	14,2	1,5	1,4	1,5	1,8
Basic Resources	195	5,7	-12,0	-7,7	30,1	3,5	3,8	11,2	8,6	9,1	11,6	0,7	0,6	0,7	1,0
Chemicals	1582	5,3	2,2	17,0	20,6	3,1	3,4	20,9	17,3	18,1	15,1	1,9	1,9	2,0	2,2
Financials															
Banks	147	0,9	24,4	8,9	3,7	6,9	7,2	6,9	6,7	6,8	9,2	0,8	0,7	0,8	#VALUE!
Insurance	429	1,0	22,6	12,4	10,0	5,1	5,6	10,6	9,7	9,9	9,1	1,6	1,5	1,6	1,1
Financial Services	628	1,3	12,7	-20,9	7,2	3,0	3,1	13,7	12,8	13,0	14,3	1,5	1,4	1,5	1,5
Real Estate	165	2,4	10,2	15,9	3,7	4,4	4,7	13,9	13,4	13,5	12,5	0,9	0,9	0,9	1,0
Industrials															
Industrial Goods & Services	1298	3,7	14,1	9,3	15,3	2,3	2,6	18,9	16,4	16,9	15,4	3,0	2,7	3,0	2,6
Construction & Materials	652	0,3	7,3	1,4	11,7	3,4	3,7	13,4	12,0	12,4	13,2	1,8	1,7	1,8	1,6
Consumer Discretionary															
Retail	938	3,3	34,6	14,5	11,5	3,2	3,5	24,9	22,4	23,1	17,3	5,6	5,2	5,7	2,9
Automobiles and parts	575	6,1	-5,1	-13,9	9,9	6,1	6,5	5,8	5,3	5,4	11,2	0,6	0,6	0,6	1,1
Travel and Leisure	228	2,5	2,0	-11,2	22,2	3,0	3,3	11,9	9,7	10,2	27,7	1,9	1,7	2,0	2,1
Consumer Products & Services	485	14,7	-1,5	10,1	17,5	1,8	2,1	26,5	22,6	23,5	21,0	4,7	4,2	4,8	3,9
Media	372	1,8	13,5	7,0	8,5	2,3	2,4	20,5	18,9	19,2	15,4	3,6	3,4	3,6	2,3
Technology	1079	5,2	13,6	-7,4	33,9	1,1	1,2	29,1	21,8	23,3	19,2	5,0	4,4	5,1	3,4
Consumer Staples															
Food, Beverage & Tobacco	169	4,3	2,7	5,2	11,8	2,3	2,5	19,9	17,8	18,3	17,7	1,8	1,8	1,9	2,9
Personal Care, Drug & Grocery	177	3,7	3,2	-0,1	10,6	3,5	3,8	13,5	12,2	12,5	N/A	1,9	1,8	1,9	2,2
Health care	856	2,8	12,7	3,6	14,9	2,1	2,3	16,7	14,6	15,0	14,8	1,9	1,8	1,9	2,0
Communication Services	321	0,9	15,6	12,8	9,2	4,0	4,3	15,7	14,3	14,6	13,0	1,6	1,5	1,5	1,9
Utilities	409	2,0	4,5	-1,3	-4,4	5,0	5,1	12,6	13,2	13,0	13,0	1,6	1,5	1,7	1,5

The prices data are as of 27/9/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 19/9/2024. 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

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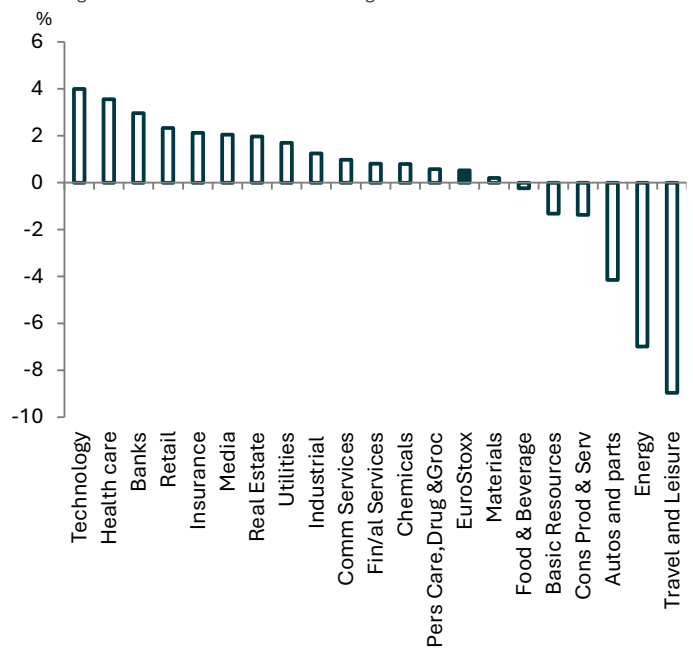
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of September 19<sup>th</sup>  
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