



Keeping the bond market vigilantes at bay

- Central banks pushed back against the recent rise in Government bond interest rates and bond volatility, led by higher real interest rates (see graph page 3).
- The bond sell-off, with the 10-Year UST yield crossing 1.60% on Thursday, before pulling back to 1.40%, brought anxiety among investors, with major equity indices experiencing daily losses of 2% to 4%.
- The Reserve Bank of Australia (RBA), since March 2020, has targeted the 3-Year AGS under its Yield Curve Control policy, initially to around 0.25%, and since November 2020, to around 0.10%. In the past week, the RBA purchased the benchmark AGSs (April 2023 and April 2024) for the first time since early December through a cumulative A\$ 4 billion envelope, to contain Government borrowing costs, now owing circa A\$ 30 billion of these two issues out of A\$ 67 billion outstanding.
- The European Central Bank's Chief Economist P. Lane, reiterated that the bank is closely monitoring the evolution of, *inter alia*, longer-term nominal yields, in order to preserve favorable financing conditions (see graph below). At the same time, the ECB Executive Board member I. Schnabel highlighted that monetary policy will have to step up its level of support (QE) if a rise in real long-term rates, even reflecting improved growth prospects, occurs at the early stages of the recovery.
- All told, the ECB could accelerate its PEPP program, with a total envelope of €1850 billion, from its current pace of €20 billion per week to counter any undesired tightening of financial conditions (see graph below).
- Federal Reserve officials were less concerned by recent bond market volatility. Note, however, that the outlook for growth and inflation is more favorable relative to the euro area, justifying a more measured rhetoric by Fed officials vis-à-vis the recent upward move in yields.
- Indeed, the Atlanta Fed GDPNow model points to annualized growth of +10% in Q1:2021 from +4.1% in Q4:2020. Moreover, the ISM manufacturing survey surpassed expectations in February by a wide margin, increasing to 60.8 from 58.7, albeit with supply-chain disruptions boosting the headline index artificially, to some extent.
- Moreover, improved medium-term US growth prospects reflect expectations for significant fiscal support. In that context, the House of Representatives has passed the Biden administration's \$1.9 trillion (9% of 2019 GDP) American Rescue Plan, sending it to the Senate, with Democrats aiming to have a bill signed into law before mid-March.
- Overall, US benchmark equity indices (S&P500, Dow) have declined by less than 2% from their February peaks, with the Nasdaq100 underperforming slightly. With equity valuations remaining very high (S&P500 12-month forward Price/Earnings ratio: 21.6x) partly due to extremely low real interest rates, a disorderly rise in Treasury yields could initiate a sustained period of elevated equity market volatility.

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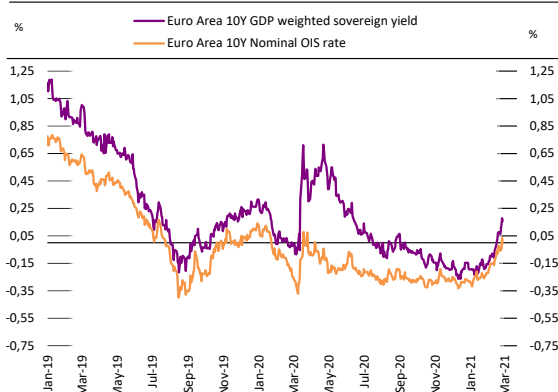
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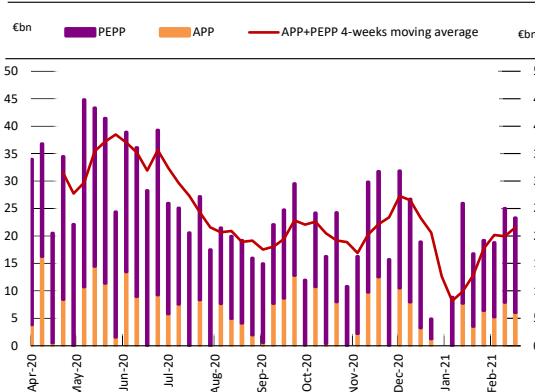
Charts of the week

Euro Area: 10Y GDP Weighted Sovereign Yield & OIS Rate



Source: NBG Research, ECB

ECB Weekly Purchases of PEPP & APP



Source: NBG Research, ECB, PEPP = Pandemic Emergency Purchase Programme, APP = Asset Purchase Programmes

US Q4:20 GDP was broadly unchanged in the 2nd estimate

- **The 2nd estimate for real GDP in Q4:2020 came out at +4.1% qoq saar** (-0.1 pp compared with the advance estimate), following an increase of +33.4% in Q3:2020 and a contraction of -31.4% qoq saar in Q2:2020. The annual growth was also only slightly revised by +0.1 pp to -2.4% yoy in Q4:2020, from -2.8% yoy in Q3:20. Regarding the composition of GDP, revisions for expenditure components were minor, as downward revisions to consumer goods spending, partially were offset by stronger growth in business and residential investment.

In the details, **personal consumption** was revised down by a tenth to +2.4% qoq saar (+41% qoq saar in the previous quarter | -2.6% yoy), contributing 1.6 pps to the headline figure, due to downward revisions to goods spending (-0.5 pps to -0.9% qoq saar). Services consumption was unchanged (+4% qoq saar).

Business investment increased by 14% qoq saar (+0.2 pps compared with the previous estimate | +22.9% qoq saar in the previous quarter), contributing 1.8 pps to overall GDP, with the annual pace of growth at -1.2% yoy. Regarding the components, equipment spending surged by +25.7% qoq saar (+3.5% yoy) and investment in intellectual property products posted a strong reading of +8.4% qoq saar (+1.6% yoy). Finally, non-residential structures rose by 1.1% qoq saar, albeit the annual growth remained deep in negative territory (-14.5% yoy).

Residential investment recorded a further sharp increase by 35.8% qoq saar (+2.3 pps compared with the previous estimate | +63% qoq saar in the previous quarter) contributing 1.4 pps to overall GDP growth, with the sector enjoying a strong momentum. The annual pace of growth stood at a robust +14.1% yoy.

Government consumption expenditures were modestly down by 1.1% qoq saar (-0.2 pps contribution | -4.8% qoq saar in the previous quarter). The annual growth came out at -0.6% yoy.

Inventories added further 1.1 pps to the headline figure. On the other hand, **net exports** subtracted 1.6 pps, as the growth of imports (+29.6% qoq saar | -0.6% yoy), outpaced the respective trend for exports (+21.8% qoq saar | -11.0% yoy). **Overall, real GDP decreased by -3.5% yoy in 2020.**

- Looking forward, private consumption (70% of US GDP) entered Q1 on a strong note due to, *inter alia*, substantial government support. Personal income (in nominal terms) rose by 10% mom in January (+13.1% yoy), from +0.6% mom in the previous month (consensus: +9.5% mom). The increase was driven by a surge in current transfer receipts (+52% mom) due to the new round of stimulus checks and increased unemployment insurance benefits (+85.4% mom) included in the Phase 4 relief bill (December 2020). Personal spending (in constant price terms) increased by 2% mom (-1.9% yoy) in January or +2.4% mom in nominal terms. As a result, the households' savings ratio (personal savings, i.e. income minus outlays and taxes, as % of disposable personal income) remained extremely high in January, at +20.5%.

The US housing market remains in good shape

- **The latest housing market data were mixed, albeit consistent with the view for a continuing recovery.** Specifically, regarding homebuilding activity, housing starts declined by -6.0% mom in

January, from an upward revised (by 2.4 pps) +8.2% mom in December, to 1580k (annualized rate). The decrease was driven by single-family starts, which fell by 12.2% mom, while multi-family starts increased by 17.1% mom. The latest outcome significantly undershot consensus estimates for 1660k, but it remains well above the long-term average (since 1990) of 1305k. The annual growth came out at -2.3% (+5.9% in the previous month).

Note however that building permits (a precursor for housing starts in subsequent months) posted a solid increase of 10.4% mom to 1881k (annualized rate) in January (the highest since June 2006), from +4.2% mom in the previous month, with the annual pace of growth at +22.5% yoy.

Regarding transactions, existing home sales rose by 0.6% mom in January, from +0.9% mom in December, to 6.69 mn (on an annualized basis), substantially above consensus estimates for 6.60 mn and remaining close to the recent (in October 2020) 16-year high of 6.86 mn. The annual pace of growth was up by a sharp +23.7% in January. It should also be noted though, that affordability issues could arise in the next months, restraining future sales, if the recent surge for prices is sustained. In the event, the annual growth of the median existing home sales price, stood at +14.1% yoy in January.

Recall that supply is struggling to catch up with the solid demand, also contributing to that appreciation. In the event, the inventory of existing homes, stood at a record low of 1.04 mn in January (average of 2.40 mn since 1999).

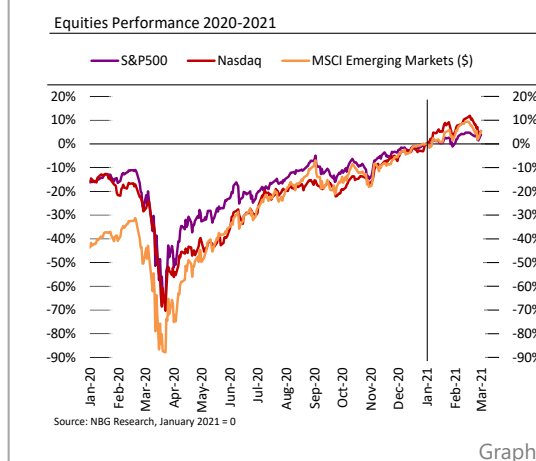
Meanwhile, new home sales increased by 4.3% mom in January (consensus: +1.7% mom | +5.5% mom in December), remaining at elevated levels (923k | +19.3% yoy). Finally, the National Association of Home Builders (NAHB) survey index – that captures homebuilders' confidence for new home sales – rose by 1 pts to 84 in February (a reading above 50 indicates a positive stance), with respondents citing, *inter alia*, higher lumber prices as a factor restraining sentiment. As also cited by the panelists, record low mortgage interest rates, remain a major supporting factor for the sector. Notably, according to data from Freddie Mac, the 30-year fixed mortgage rate, on average, hovered at a record low of 2.85% at the beginning of the year, before increasing slightly during February (3.08% in the week ending February 18th).

Euro area bank lending growth overall remains robust, albeit with signs of plateauing

- **The annual pace of growth of overall private sector borrowing from commercial banks, decelerated slightly in January** by 0.2 pps to 4.5% yoy. The two major private sector components, performed as follows in January: i) loan growth to households (adjusted for sales and securitizations) was +3.0% yoy (-0.1 pp), having remained largely stable since September, and; ii) loan growth to non-financial corporations was slightly down, by 0.1 pp to +7.0% yoy (-0.4 pps from the 11½-year high of 7.4% in May 2020), albeit with the net monthly flow being subdued since September (+€3.4 bn on average). Country-wise, the annual growth rate of loans to non-financial corporations stood at +4.4% in Germany, +12.5% in France, +7.3% in Italy and +7.6% yoy in Spain.

Equities

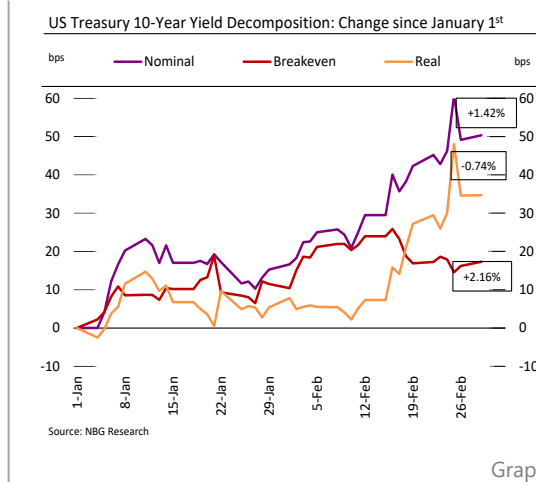
• **Global equity markets declined in the past week, due to the continuing rapid increase in government bond yields that put downward pressure to the expected excess return of equities over bonds, especially in sectors with stretched valuations.** Overall, the MSCI ACWI ended the week down by 3.3%, with Emerging Markets (-6.3% w/w) underperforming their Developed Markets peers (-2.8% w/w). The S&P500 fell by 2.4% w/w, with most of the decline occurring on Thursday (-2%), when the US Treasury 10-year yield recorded its largest daily increase since November. Sector-wise, Automobiles led the decline (-10.9% w/w), as Tesla stocks declined by 13.5% w/w, following news that the company will halt part of its Model 3 production due to supply-chain issues. The IT sector declined by 4% w/w, with Apple underperforming (-6.6%), due to the continuing rotation out of growth stocks. As a result, Nasdaq, which is heavily weighted towards companies of this sector, ended the week down by 4.9%, with its Thursday decline (-3.5%) being the largest since late October. On the contrary, Energy (+4.3% w/w) overperformed, as higher oil prices support future earnings expectations. Meanwhile, the positive corporate earnings surprises continued. Specifically, out of the 487 S&P 500 companies that have reported Q4:20 results, 79% of them exceeded consensus EPS estimates, with consensus analyst expectations for EPS growth in Q4:20 standing at +3.8% yoy (versus +3.2% yoy a week ago and -9.4% yoy on December 31st). However, the trend reversed on Monday (+2.4%), on news that the House of Representatives passed the \$1.9 tn fiscal stimulus over the weekend and FDA granted emergency use authorization for Johnson & Johnson's Covid-19 vaccine. On the other side of the Atlantic, the EuroStoxx ended the week down by 2%, with the trend reversing on Monday (+1.7%).



Graph 1.

Fixed Income

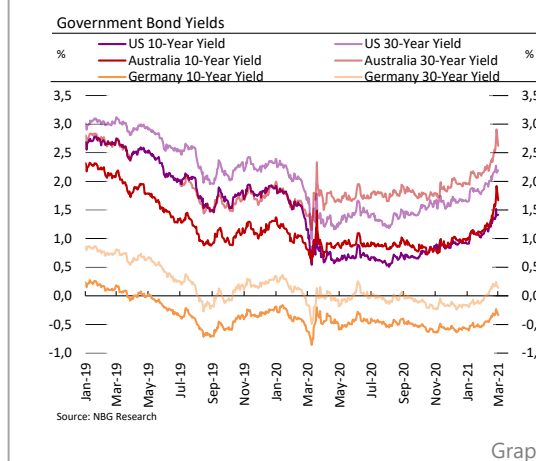
• **Government bond yields increased sharply in major advanced economies in the past week.** Specifically, the US Treasury 10-year yield ended the week up by 12 bps w/w to 1.46%, a 12-month high. The better-than-expected data (jobless claims and durable goods orders) and investors' expectations for higher growth, contributed to the upside. Similarly, in the UK, the 10-year yield rose by 11 bps w/w, surpassing 0.87% for the first time since late December 2019, due to hawkish comments from the Bank of England's Chief Economist A. Haldane that there is a risk if Central Bank's complacency allows "inflationary cat out of the bag". In Germany, the 10-year yield increased by 5 bps to -0.26%, posting an 11-month high. Periphery bond yield spreads over the Bund in the 10-year tenor, increased across the board (Italy: +7 bps to 102 bps, Spain: +2 bps to 68 bps, Portugal: +8 bps to 66 bps, Greece: +17 bps to 136 bps). **Corporate bond spreads** widened, especially in the HY spectrum. Indeed, EUR HY bond spreads increased by 10 bps to 322 bps and their US counterparts widened by 11 bps to 352 bps. In the investment grade spectrum, EUR spreads rose by 3 bps to 89 bps and USD spreads increased by 1 bp to 95 bps.



Graph 2.

FX and Commodities

• **The euro appreciated in the past week, supported by better-than-expected economic surveys (business climate and economic confidence indicators).** However, the trend reversed on Friday, due to comments from the Member of the Executive Board of the ECB, I. Schnabel that policy will have to increase its level of support if rising real long-term rates affect the recovery. Overall, the euro was flat against the US dollar to \$1.214, reaching a 7-week high on Thursday (\$1.222), before declining by 0.7% on Friday. Against the Japanese Yen, the euro rose by 1% to ¥129.32, its highest level since November 2018, following comments by the Bank of Japan Governor Kuroda, that it is important the entire yield curve to be kept "stably low". Finally, **in commodities, oil prices ended the week higher** due to, *inter alia*, news that OPEC+ members achieved a 103% compliance in implementing the agreed cuts in January from 99% in December. Overall, Brent crude ended the week up by 5.1% to \$66.1/barrel (+28% ytd), and the WTI increased by 3.8% to \$61.5/barrel (+27% ytd).



Graph 3.

Quote of the week: "However, a rise in real long-term rates at the early stages of the recovery, even if reflecting improved growth prospects, may withdraw vital policy support too early and too abruptly given the still fragile state of the economy", **Member of the Executive Board of the ECB, Isabel Schnabel, February 26th 2021**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	February 26th	3-month	6-month	12-month	Official Rate (%)	February 26th	3-month	6-month	12-month
Germany	-0.26	-0.50	-0.40	-0.30	Euro area	0.00	0.00	0.00	0.00
US	1.46	1.20	1.30	1.40	US	0.25	0.25	0.25	0.25
UK	0.87	0.41	0.44	0.55	UK	0.10	0.10	0.08	0.06
Japan	0.16	0.03	0.07	0.10	Japan	-0.10	-0.10	-0.10	-0.10

Currency	February 26th	3-month	6-month	12-month	February 26th	3-month	6-month	12-month	
EUR/USD	1.21	1.17	1.18	1.20	USD/JPY	107	105	104	101
EUR/GBP	0.87	0.89	0.90	0.90	GBP/USD	1.39	1.32	1.32	1.34
EUR/JPY	129	123	122	121					

Forecasts at end of period

Economic Forecasts

United States	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20a	2020a	Q1:21f	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY) (1)	2.2	0.3	-9.0	-2.8	-2.4	-3.5	0.3	12.2	6.3	6.2	6.0
Real GDP Growth (QoQ saar) (2)	-	-5.0	-31.4	33.4	4.1	-	6.1	7.4	7.7	3.7	-
Private Consumption	2.4	-6.9	-33.2	41.0	2.4	-3.9	7.2	11.3	11.8	5.3	7.9
Government Consumption	2.3	1.3	2.5	-4.8	-1.1	1.1	2.0	1.5	1.6	1.6	0.4
Investment	1.9	-1.4	-29.2	31.3	19.1	-1.8	7.4	5.8	3.7	3.0	8.3
Residential	-1.7	19.0	-35.6	63.0	35.8	6.0	12.3	6.3	2.4	1.0	14.2
Non-residential	2.9	-6.7	-27.2	22.9	14.0	-4.0	9.1	5.7	4.0	3.5	7.2
Inventories Contribution	0.0	-1.6	-4.3	6.7	1.1	-0.7	0.3	-1.4	-1.2	-0.7	0.3
Net Exports Contribution	-0.2	1.5	0.3	-5.5	-2.2	0.0	-0.8	-0.2	-0.2	0.0	-1.3
Exports	-0.1	-9.5	-64.4	59.6	21.8	-13.0	8.0	8.2	8.5	7.0	7.8
Imports	1.1	-15.0	-54.1	93.1	29.6	-9.3	9.9	6.8	6.6	4.8	13.4
Inflation (3)	1.8	2.1	0.3	1.2	1.3	1.2	1.7	2.9	2.7	2.7	2.5

Euro Area	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20f	2020f	Q1:21f	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY)	1.3	-3.2	-14.7	-4.3	-5.0	-6.8	-1.9	12.8	3.0	5.2	4.5
Real GDP Growth (QoQ saar)	-	-14.1	-39.2	59.9	-2.4	-	-2.0	6.2	10.9	6.0	-
Private Consumption	1.3	-16.7	-41.2	68.5	-4.6	-7.6	-2.4	7.3	12.3	6.2	4.8
Government Consumption	1.8	-2.4	-8.6	20.8	-1.1	0.7	0.3	1.8	1.8	1.8	2.4
Investment	5.0	-21.1	-50.0	66.8	-4.2	-8.9	0.2	11.2	13.5	8.0	5.3
Inventories Contribution	-0.3	2.4	-0.9	-5.0	0.1	-0.4	0.0	0.9	1.3	0.6	-0.3
Net Exports Contribution	-0.5	-2.0	-3.6	9.7	0.9	-0.5	-0.9	-1.3	-0.2	0.0	0.5
Exports	2.5	-14.3	-56.8	85.9	3.6	-10.4	0.4	5.8	11.3	8.0	6.0
Imports	4.0	-11.3	-55.2	58.6	1.7	-10.0	2.6	9.4	12.7	8.8	5.3
Inflation	1.2	1.1	0.2	0.0	-0.3	0.3	1.2	1.9	2.2	2.2	1.9

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

12-Month View & Key Factors for Global Markets

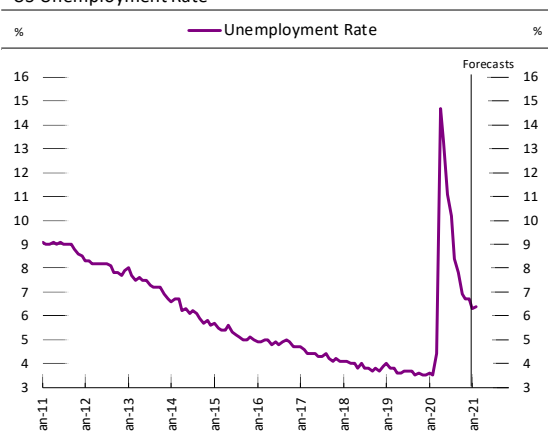
	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Massive Fiscal loosening will support the economy + 2021 EPS growth expectations have further room to increase + Share buybacks could resume - Peaking profit margins - High market cap concentration - P/Es (Valuations) approaching dot-com levels <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + Still high equity risk premium relative to other regions + Modest fiscal loosening in 2021 + 2021 EPS estimates remain pessimistic - Political uncertainty (Italy, German Elections) could intensify - Logistic disruptions (vaccine) and renewed lockdowns delay the recovery <p>● Neutral</p>	<ul style="list-style-type: none"> + Still aggressive QE and "yield-curve" targeting by the BoJ - Signs of policy fatigue regarding structural reforms and fiscal discipline - Strong appetite for foreign assets - JPY appreciation in a risk-off scenario could hurt exporters <p>● Neutral</p>	<ul style="list-style-type: none"> + 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms - Elevated Policy uncertainty to remain <p>● Neutral/Negative</p>
Government Bonds	<ul style="list-style-type: none"> + Valuations appear rich with term-premium below 0% + Sizeable fiscal deficit + Underlying inflation pressures under Average Inflation Targeting - Global search for yield by non-US investors continues - Safe haven demand - Fed to remain at ZLB in 2021 - Fed: Unlimited QE purchases <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> + Valuations appear excessive compared with long-term fundamentals - Political Risks - Fragile growth outlook - Medium-term inflation expectations remain low - ECB QE net purchases - ECB QE "stock" effect <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% <p>● Stable yields expected</p>	<ul style="list-style-type: none"> + Elevated Policy uncertainty to remain + Inflation expectations could drift higher due to supply disruptions post Brexit - The BoE is expected to remain on hold with risks towards rate cuts - Slowing economic growth post-Brexit <p>▲ Slightly higher yields expected</p>
Foreign Exchange	<ul style="list-style-type: none"> + Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% - Global political uncertainty to decline <p>● Broadly Flat EUR against the USD with high volatility around \$1.20</p>	<ul style="list-style-type: none"> + Reduced short-term tail risks + Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, Quantitative Easing) <p>● Broadly Flat EUR against the USD with high volatility around \$1.20</p>	<ul style="list-style-type: none"> + Safe haven demand + More balanced economic growth recovery (long-term) + Inflation is bottoming out - Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2% <p>▲ Slightly higher JPY</p>	<ul style="list-style-type: none"> + Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit <p>▲ Higher GBP expected</p>

Economic Calendar

In the US, attention turns to the February labor report which is released on March 5th. Consensus expects NFPs of +200k from +49k in January, average weekly earnings of +0.2% mom (+5.3% yoy) from +0.2% (+5.4% yoy) and unemployment rate of 6.4% from 6.3%. On Wednesday, ISM Services survey (latest: 58.7 | consensus of 58.8) will offer insight regarding the momentum in the business sector.

In the Euro area, attention turns to inflation data for February, due to release on Tuesday. CPI is expected at 1% yoy from 0.9% in the previous month, while the core figure is expected at 1.1% yoy from 1.4%. On Thursday, the unemployment rate for January is released and is expected stable at 8.3%. At the same time, retail sales for January are also released. The monthly figure is expected at -1.5% mom from -2% mom in December.

US Unemployment Rate



Economic News Calendar for the period: February 23 - March 8, 2021

Tuesday 23					Wednesday 24					Thursday 25				
US	S	A	P		US	S	A	P		US	S	A	P	
S&P Case/Shiller house price index 20 (YoY)	December	9.9%	+ 10.1%	9.2%	New home sales (k)	January	855	+ 923	885	GDP (QoQ, annualized)	Q4:20	4.1%	4.1%	4.0%
Conference board consumer confidence	February	90.0	+ 91.3	88.9	GERMANY					Durable goods orders (MoM)	January	1.0%	+ 3.4%	1.2%
UK					GDP (QoQ)	Q4:20	0.1%	+ 0.3%	0.1%	Durable goods orders ex transportation (MoM)	January	0.7%	+ 1.4%	1.7%
ILO Unemployment Rate	December	5.1%	5.1%	5.0%	GDP (wda, YoY)	Q4:20	-3.9%	+ -3.7%	-3.9%	Initial Jobless Claims (k)	February 20	820	+ 730	841
					Private Consumption (QoQ)	Q4:20	-1.5%	- -3.3%	10.8%	Continuing Claims (k)	February 13	4484	+ 4419	4520
					Government Spending QoQ	Q4:20	0.3%	- -0.5%	0.6%	Pending home sales (MoM)	January	-1.0%	- -2.8%	0.5%
										EURO AREA				
										Business Climate Indicator	February	-0.2	+ -0.1	-0.3
										Economic confidence indicator	February	91.6	+ 93.4	91.5
										M3 money supply (YoY)	January	12.4%	12.5%	12.4%
Friday 26					Monday 1									
US	S	A	P		US	S	A	P			S	A	P	
PCE Deflator (YoY)	January	1.4%	+ 1.5%	1.3%	ISM Manufacturing	February	58.8	+ 60.8	58.7					
PCE Core Deflator (YoY)	January	1.4%	+ 1.5%	1.4%	Construction spending (MoM)	January	0.7%	+ 1.7%	1.1%					
Personal income (MoM)	January	9.9%	+ 10.0%	0.6%	CHINA					Manufacturing PMI	February	51.3	- 50.6	51.3
Personal spending (MoM)	January	2.4%	2.4%	-0.4%	Caixin PMI Manufacturing	February	51.5	- 50.9	51.5					
JAPAN														
Industrial Production (MoM)	January	2.4%	+ 4.2%	-1.0%										
Industrial Production (YoY)	January	..	-5.3%	-2.6%										
Construction Orders YoY	January	..	14.1%	-1.3%										
Retail sales (MoM)	January	..	-0.5%	-0.7%										
Retail sales (YoY)	January	-2.6%	+ -2.4%	-0.2%										
Tuesday 2					Wednesday 3					Thursday 4				
UK	S	A	P		US	S	A	P		US	S	A	P	
Nationwide House Px NSA YoY	February	..	..	6.4%	ADP Employment Change (k)	February	215	..	174	Initial Jobless Claims (k)	February 27	..	..	730
JAPAN					ISM Services Index	February	58.8	..	58.7	Continuing Claims (k)	February 20	..	..	4419
Unemployment rate	January	3.0%	..	2.9%						Factory Goods Orders (MoM)	January	0.8%	..	1.1%
EURO AREA										EURO AREA				
CPI estimate (YoY)	February	1.0%	..	0.9%						Retail sales (MoM)	January	-1.5%	..	2.0%
Core CPI (YoY)	February	1.1%	..	1.4%						Retail sales (YoY)	January	-0.1%	..	0.6%
GERMANY										Unemployment Rate	January	8.3%	..	8.3%
Retail sales (MoM)	January	..	..	-9.6%						UK				
Retail sales (YoY)	January	..	..	1.5%						Markit/CIPS UK Construction PMI	February	52.0	..	49.2
Friday 5					Monday 8									
US	S	A	P		US	S	A	P			S	A	P	
Change in Nonfarm Payrolls (k)	February	200	..	49	Wholesale trade (MoM)	January	..	..	1.2%					
Change in Private Payrolls (k)	February	225	..	6	JAPAN					Leading Index	January	..	..	95.3
Unemployment rate	February	6.4%	..	6.3%	Coincident Index	January	..	..	88.3	Eco Watchers Current Survey	February	..	..	31.2
Average weekly hours (hrs)	February	34.8	..	35.0	Eco Watchers Outlook Survey	February	..	..	39.9	GERMANY				
Average Hourly Earnings MoM	February	0.2%	..	0.2%	Industrial Production (sa, MoM)	January	..	..	0.0%	Industrial Production (wda, YoY)	January	..	..	-1.0%
Average Hourly Earnings YoY	February	5.3%	..	5.4%										
Labor Force Participation Rate	February	..	..	61.4%										
Underemployment Rate	February	..	..	11.1%										
Trade balance (\$bn)	January	-67.4	..	-66.6										

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 (%)
US	S&P 500	3811	-2.4	1.5	27.9	36.5	MSCI Emerging Markets	75091	-5.7	4.7	28.7
Japan	NIKKEI 225	28966	-3.5	5.5	32.0	34.4	MSCI Asia	1190	-6.3	5.7	35.4
UK	FTSE 100	6483	-2.1	0.4	-4.6	-8.8	China	115	-9.6	6.2	36.3
Canada	S&P/TSX	18060	-1.8	3.6	8.0	12.4	Korea	965	-2.8	4.2	46.4
Hong Kong	Hang Seng	28980	-5.4	6.4	8.2	0.8	MSCI Latin America	95574	-5.1	-4.3	5.6
Euro area	EuroStoxx	406	-2.0	2.0	7.2	12.5	Brazil	345398	-7.2	-7.6	6.4
Germany	DAX 30	13786	-1.5	0.5	11.5	20.0	Mexico	40949	-0.9	0.7	6.3
France	CAC 40	5703	-1.2	2.7	3.8	9.1	MSCI Europe	5964	-3.2	-0.7	2.0
Italy	FTSE/MIB	22849	-1.2	2.8	0.2	11.5	Russia	1326	-3.6	0.3	4.2
Spain	IBEX-35	8225	0.9	1.9	-8.5	-10.7	Turkey	1589910	-4.3	-6.0	12.0

World Market Sectors (MSCI Indices)

in US Dollar terms						in local currency					
		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)
Energy		152.6	3.1	18.1	-1.1	-26.4	Energy	152.4	3.2	17.9	-4.8
Materials		325.6	-2.4	2.1	36.7	28.0	Materials	300.1	-2.0	2.3	29.3
Industrials		308.8	-1.7	1.5	22.2	22.2	Industrials	297.7	-1.5	2.1	18.1
Consumer Discretionary		377.1	-4.5	0.1	46.8	52.5	Consumer Discretionary	357.8	-4.4	0.5	43.4
Consumer Staples		246.5	-3.4	-6.8	5.2	10.2	Consumer Staples	240.3	-3.1	-6.6	1.4
Healthcare		306.6	-2.9	-1.9	17.4	24.4	Healthcare	297.2	-2.7	-1.5	14.6
Financials		129.0	-0.6	8.0	13.8	12.8	Financials	126.0	-0.3	8.2	9.6
IT		445.9	-4.7	0.5	50.4	82.2	IT	428.7	-4.7	0.7	48.9
Telecoms		98.7	-2.1	4.8	35.4	46.3	Telecoms	102.1	-2.0	5.1	33.6
Utilities		142.4	-4.3	-7.1	-5.9	5.5	Utilities	142.3	-4.2	-7.0	-9.1

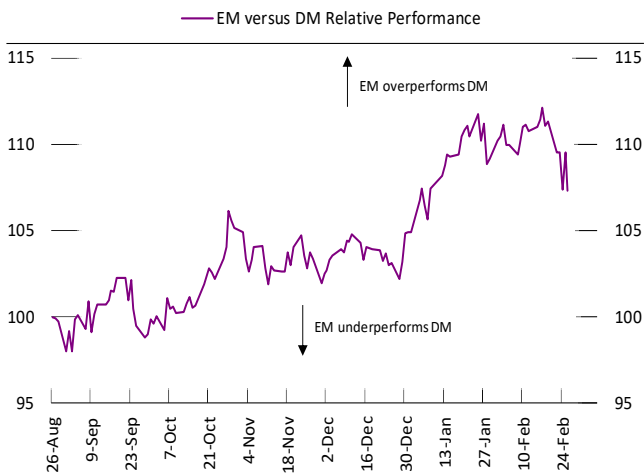
Bond Markets (%)

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	1.46	1.34	0.91	1.32	2.13	US Treasuries 10Y/2Y	128	120	77	18
Germany	-0.26	-0.31	-0.56	-0.56	0.74	US Treasuries 10Y/5Y	63	61	41	16
Japan	0.16	0.10	0.02	-0.10	0.34	Bunds 10Y/2Y	39	37	16	20
UK	0.87	0.76	0.23	0.45	1.61	Bunds 10Y/5Y	31	31	18	20
Greece	1.11	0.88	0.62	1.22	9.04					
Ireland	0.09	-0.01	-0.29	-0.10	2.74	Corporate Bond Spreads (in bps)				
Italy	0.76	0.64	0.45	1.12	2.82		Current	Last week	Year Start	One Year Back
Spain	0.43	0.35	0.04	0.29	2.50	EM Inv. Grade (IG)	143	144	163	169
Portugal	0.40	0.27	0.05	0.33	4.14	EM High yield	509	501	524	538
						US IG	95	94	103	121
US Mortgage Market (1. Fixed-rate Mortgage)						US High yield				
	Current	Last week	Year Start	One Year Back	10-year average		Current	Last week	Year Start	One Year Back
30-Year FRM ¹ (%)	3.08	2.98	2.90	3.73	4.07	Euro area IG	89	86	93	104
vs 30Yr Treasury (bps)	92.6	84.5	125.4	197.2	128.3	Euro area High Yield	322	312	355	374

Foreign Exchange & Commodities

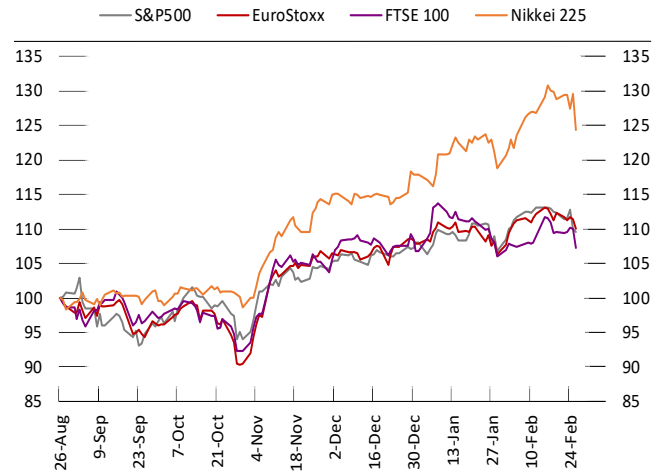
Foreign Exchange						Commodities				
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates						Agricultural	398	0.8	2.7	38.8
EUR/USD	1.21	0.1	0.4	10.5	-0.8	Energy	206	2.8	15.9	28.2
EUR/CHF	1.10	1.2	2.2	3.1	1.6	West Texas Oil (\$)	62	3.8	16.4	30.6
EUR/GBP	0.87	0.3	-1.6	1.7	-3.0	Crude Brent Oil (\$)	66	5.1	18.5	26.7
EUR/JPY	129.32	1.0	2.7	7.0	2.4	Industrial Metals	426	0.1	10.8	43.6
EUR/NOK	10.45	2.1	0.2	1.2	-0.2	Precious Metals	2305	-2.8	-5.4	9.0
EUR/SEK	10.20	1.6	0.8	-3.8	1.5	Gold (\$)	1734	-2.8	-6.0	5.4
EUR/AUD	1.57	1.6	-0.3	-6.1	-1.1	Silver (\$)	27	-2.4	5.3	49.6
EUR/CAD	1.54	0.5	-0.5	4.7	-1.4	Baltic Dry Index	1675	-1.4	8.8	216.6
USD-based cross rates						Baltic Dirty Tanker Index	669	4.7	28.4	-17.0
USD/CAD	1.27	0.4	-0.9	-5.2	-0.6					
USD/AUD	1.29	1.5	-0.7	-15.1	-0.3					
USD/JPY	106.54	0.9	2.3	-3.1	3.2					

EM vs DM Performance in \$



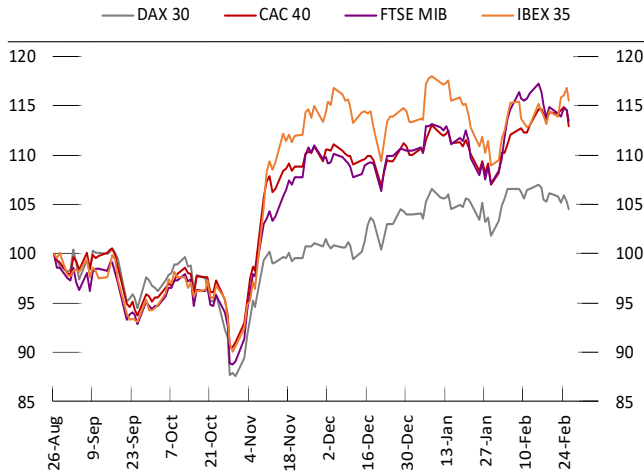
Data as of February 26th – Rebased @ 100

Equity Market Performance - G4



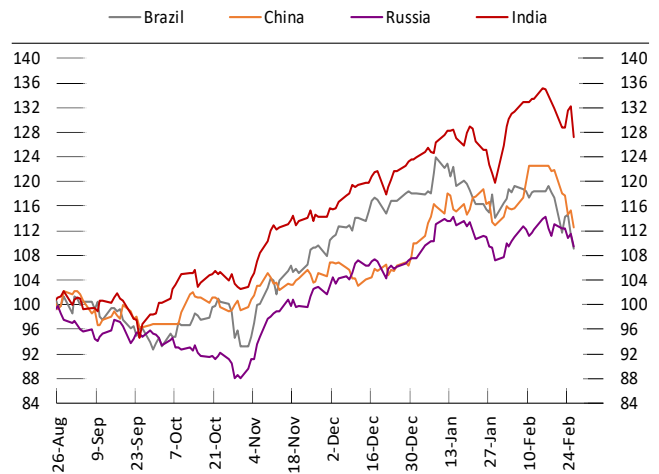
Data as of February 26th – Rebased @ 100

Equity Market Performance – Euro Area G4



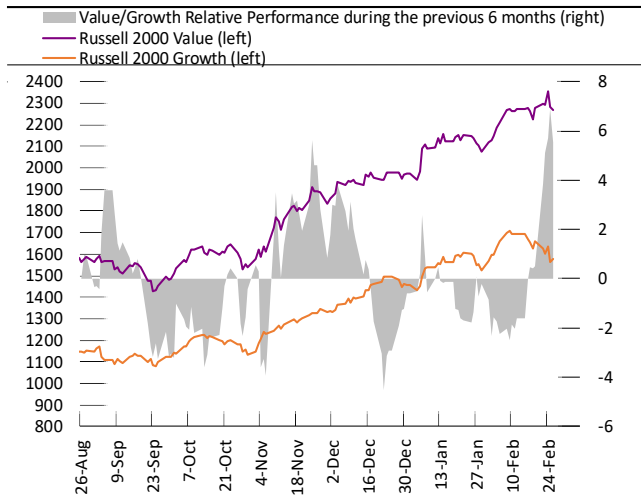
Data as of February 26th – Rebased @ 100

Equity Market Performance - BRICs



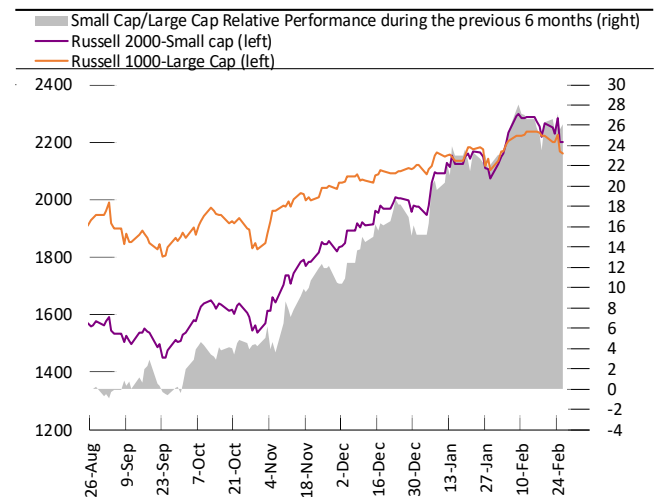
Data as of February 26th – Rebased @ 100

Russell 2000 Value & Growth Index



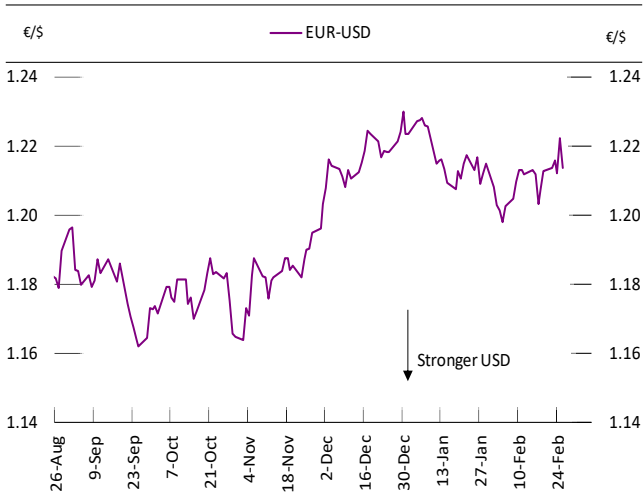
Data as of February 26th

Russell 2000 & Russell 1000 Index



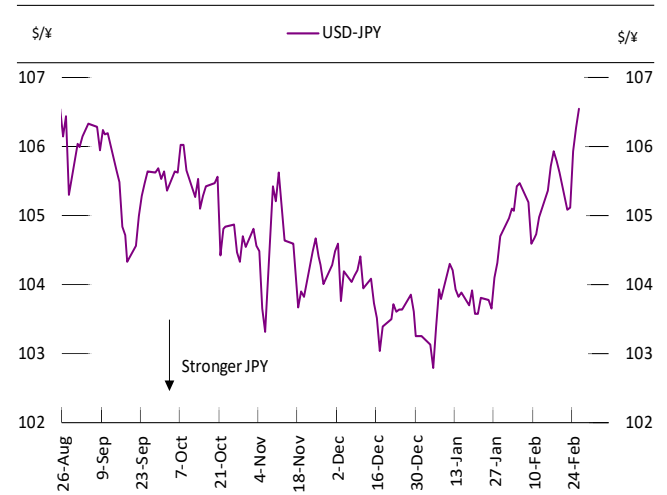
Data as of February 26th

EUR/USD



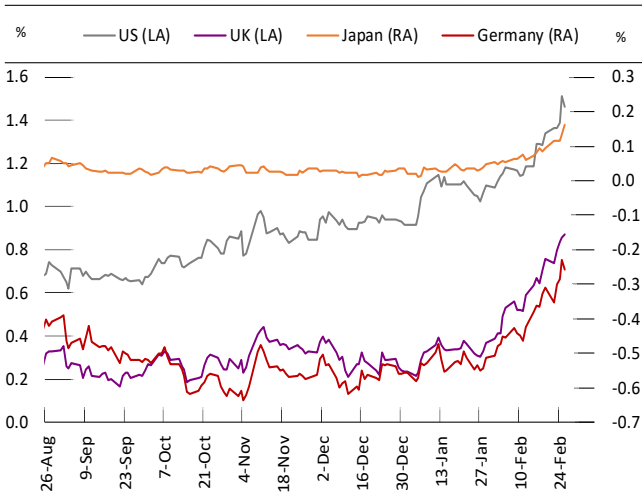
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JPY/USD



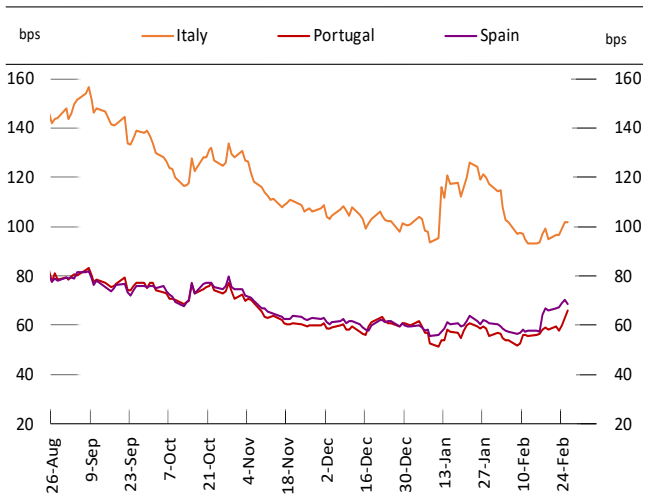
Data as of February 26th

10- Year Government Bond Yields



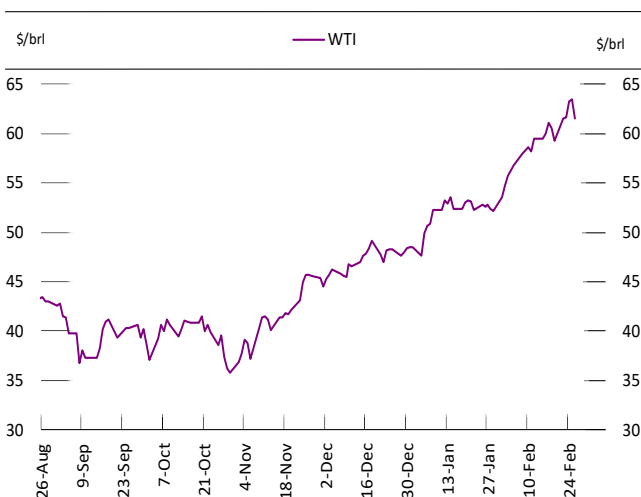
Data as of February 26th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



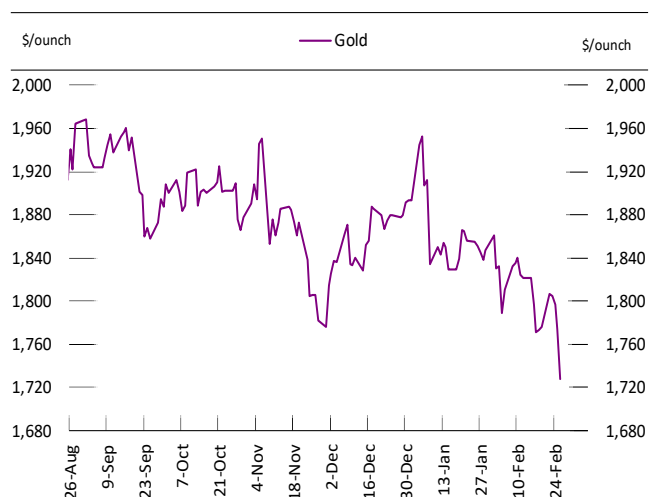
Data as of February 26th

West Texas Intermediate (\$/bbl)



Data as of February 26th

Gold (\$/ounce)



Data as of February 26th

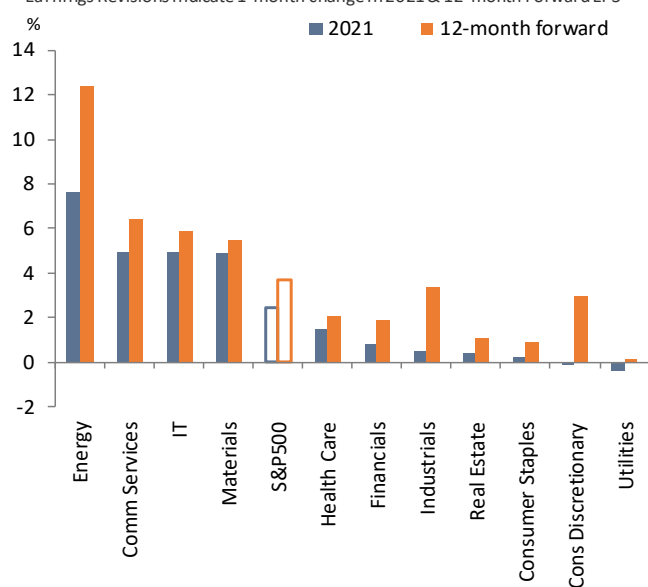
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	26/2/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
S&P500	3811	-2.4	1.5	-13.6	24.3	1.5	1.5	27.5	22.1	21.6	16.0	4.2	4.0	3.9	2.7
Energy	360	4.3	25.9	N/A	N/A	4.8	4.5	N/A	29.7	27.9	20.6	1.7	1.6	1.6	1.7
Materials	461	-2.1	1.2	-6.3	32.8	1.8	2.0	26.5	19.9	19.7	15.4	3.1	2.8	2.8	2.5
Financials															
Diversified Financials	864	-0.4	6.0	-6.5	17.9	1.3	1.4	20.1	17.1	16.8	14.2	1.9	1.8	1.8	1.5
Banks	365	-0.7	15.5	-32.6	29.8	2.6	2.5	18.0	13.8	13.6	11.0	1.3	1.2	1.2	1.0
Insurance	446	0.4	4.3	-9.5	20.1	2.3	2.7	14.7	12.3	12.1	11.0	1.4	1.3	1.3	1.1
Real Estate	232	-2.0	1.9	-4.9	2.7	3.0	3.0	21.4	20.8	20.6	18.3	3.3	3.5	3.5	3.1
Industrials															
Capital Goods	785	-0.1	3.2	-30.3	46.8	1.6	1.7	32.9	22.4	21.9	16.2	5.0	4.9	4.8	3.6
Transportation	955	0.2	2.6	N/A	N/A	1.4	1.4	N/A	38.3	N/A	10.2	7.1	7.1	6.9	3.6
Commercial Services	385	-5.3	-8.6	3.6	8.2	1.3	1.3	29.7	27.5	27.0	21.0	5.9	5.2	5.1	3.7
Consumer Discretionary															
Retailing	3480	-4.9	-2.3	8.1	21.1	0.5	0.6	43.2	35.7	34.6	24.3	15.3	12.4	12.0	7.6
Consumer Services	1363	2.1	3.3	N/A	N/A	1.4	1.2	N/A	147.4	N/A	24.7	22.8	42.3	41.6	9.8
Consumer Durables	449	-3.2	1.8	-4.0	31.4	1.2	1.3	24.8	18.9	18.5	17.3	4.7	4.1	4.0	3.3
Automobiles and parts	133	-10.9	1.1	-66.9	49.5	0.2	0.1	68.2	45.6	N/A	11.3	7.2	6.4	6.2	2.1
IT															
Technology	2380	-5.5	-5.6	8.2	20.9	1.0	1.0	28.5	23.6	23.4	13.7	14.7	15.2	15.1	4.8
Software & Services	3097	-2.7	0.6	8.6	14.4	0.8	0.8	35.0	30.6	30.0	18.9	10.1	9.0	8.8	5.6
Semiconductors	1910	-5.0	8.0	11.4	18.1	1.2	1.3	25.6	21.7	21.3	14.7	7.7	6.7	6.5	3.4
Communication Services	232	-1.4	4.6	0.1	13.5	0.9	0.9	26.7	23.5	23.0	18.1	4.1	3.7	3.6	3.0
Media	910	-1.2	6.4	5.0	20.2	0.2	0.2	34.2	28.4	27.6	21.1	5.2	4.6	4.5	3.4
Consumer Staples															
Food & Staples Retailing	530	-5.1	-6.8	2.8	1.5	1.7	1.7	22.9	22.6	22.3	17.0	4.7	4.5	4.5	3.3
Food Beverage & Tobacco	686	-1.8	-5.6	1.4	6.8	3.5	3.6	18.6	17.4	17.2	17.9	5.1	4.8	4.8	5.0
Household Goods	773	-2.4	-8.8	11.2	8.3	2.3	2.4	24.3	22.5	22.2	20.2	9.5	9.1	9.1	5.9
Health Care															
Pharmaceuticals	1061	-2.3	-0.9	10.1	12.6	2.2	2.4	15.6	13.8	13.7	14.8	5.2	4.9	4.8	4.0
Healthcare Equipment	1560	-0.8	-1.1	5.1	13.6	0.9	1.0	21.9	19.3	19.0	16.0	3.9	3.5	3.4	2.7
Utilities	295	-5.1	-7.4	1.4	4.0	3.5	3.6	18.1	17.4	17.3	16.4	1.9	1.9	1.8	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 2021 & 12-month Forward EPS

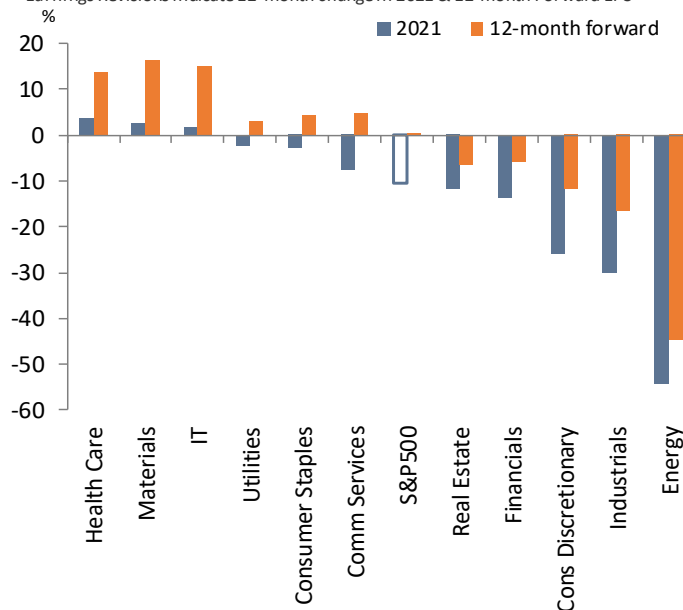
Earnings Revisions indicate 1-month change in 2021 & 12-month Forward EPS



Data as of February 26th
12-month forward EPS are 84% of 2021 EPS and 16% of 2022 EPS

12-month revisions to 2021 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2021 & 12-month Forward EPS



Data as of February 26th
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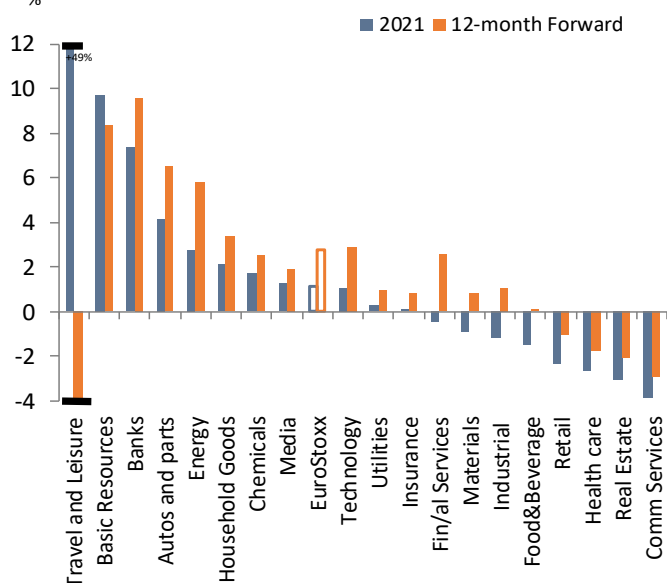
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	26/2/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
EuroStoxx	406	-2.0	2.0	-35.0	38.1	2.2	2.6	25.8	18.6	18.2	13.8	1.8	1.7	1.7	1.4
Energy	269	2.0	6.6	-79.4	198.6	4.1	4.5	55.5	18.6	17.8	12.7	1.4	1.4	1.4	1.1
Materials	454	0.4	5.5	-34.2	36.4	2.9	3.0	22.4	16.4	16.0	14.4	1.8	1.7	1.7	1.4
Basic Resources	223	-0.6	7.2	N/A	N/A	2.1	2.4	N/A	13.1	13.2	7.6	1.2	1.1	1.1	0.8
Chemicals	1232	-1.9	-2.1	-8.6	18.7	2.5	2.6	25.0	21.1	20.8	15.8	2.4	2.3	2.3	2.2
Financials															
Fin/al Services	491	-1.5	0.1	-27.2	6.2	2.4	2.7	18.8	17.7	17.0	13.9	1.3	1.2	1.2	1.2
Banks	84	1.4	13.7	-47.9	33.3	2.1	4.5	14.9	11.2	10.8	9.6	0.6	0.6	0.6	0.7
Insurance	272	2.3	4.0	-24.1	34.5	5.5	5.6	12.9	9.6	9.5	9.3	0.8	0.8	0.8	0.9
Real Estate	204	0.8	-7.3	-13.4	4.8	3.3	3.6	18.1	17.3	17.1	17.1	0.9	0.9	0.9	1.0
Industrial	1004	-2.6	2.6	-24.2	10.4	1.5	1.8	28.1	25.4	24.6	16.1	3.6	3.3	3.3	2.4
Consumer Discretionary															
Media	233	-2.7	6.2	-23.2	14.7	2.3	2.5	21.7	18.9	18.7	15.8	2.7	2.6	2.5	1.9
Retail	629	-1.0	-5.2	-41.6	56.3	1.8	2.5	43.7	27.9	27.3	22.2	5.6	5.2	5.1	4.1
Automobiles and parts	533	-0.7	5.8	-78.0	480.6	1.7	3.3	52.9	9.1	8.8	8.9	1.0	0.9	0.9	1.0
Travel and Leisure	218	3.3	2.1	N/A	N/A	0.3	0.5	N/A	N/A	N/A	N/A	2.7	2.9	2.8	2.0
Technology	766	-4.8	6.9	-6.0	17.4	0.7	0.7	36.2	30.8	30.0	19.4	5.4	5.0	4.9	3.4
Communication Services	249	-1.4	0.6	5.1	-16.0	4.6	4.3	12.8	15.2	15.0	14.6	1.3	1.4	1.4	1.7
Consumer Staples															
Food&Beverage	486	-4.9	-6.6	-39.9	31.9	1.5	2.0	28.3	21.4	21.0	19.1	2.4	2.2	2.2	2.6
Household Goods	1208	-3.5	-0.8	-31.0	43.5	1.0	1.2	51.4	35.8	35.1	23.2	6.4	5.8	5.7	3.7
Health care	815	-4.1	0.3	-8.9	7.3	1.9	2.1	20.4	19.0	18.7	15.9	2.4	2.2	2.2	2.2
Utilities	356	-2.9	-6.4	-17.6	14.1	4.4	4.6	17.7	15.5	15.4	13.1	1.6	1.5	1.5	1.1

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1-month revisions to 2021 & 12-month Forward EPS

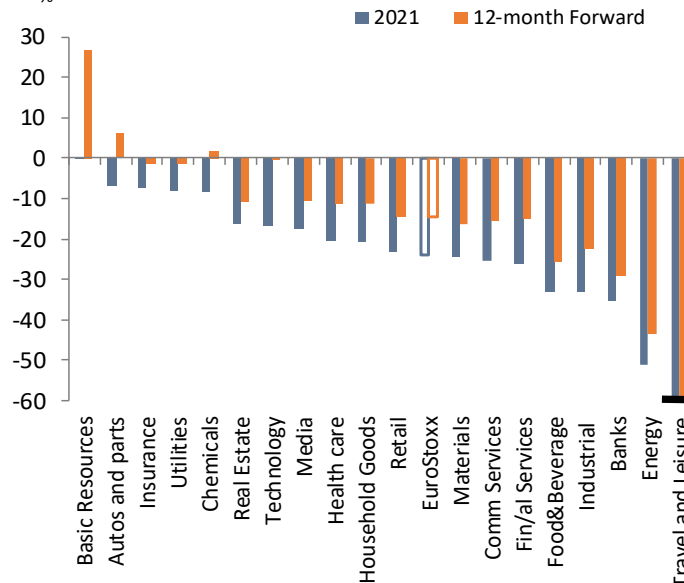
Earnings Revisions indicate 1-month change in 2021 & 12-month Forward EPS %



Data as of February 26th
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12-month revisions to 2021 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2021 & 12-month Forward EPS %



Data as of February 26th
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National Bank of Greece | Economic Research Division | Global Markets Analysis

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