



Euro assets (FX, periphery Government bond spreads, bank equity prices) found support in the past week from the European Commission’s “Next Generation EU” proposal

- The EU brought forward the emergency European Recovery Instrument (ERI), an important tool for supporting economic growth, on top of: i) fiscal measures taken individually by countries; ii) EU initiatives already in place (SURE, ESM Pandemic Crisis Support, EIB Guarantee Fund for Workers and Businesses); and iii) the Multiannual Financial Framework (the EU Budget) for 2021-2027.
- The EC presented its proposal, on May 27th, for a €750 billion scheme (5.25% of EU GDP), the so-called “Next Generation EU”. Funds will be raised from the EC in the financial markets. To facilitate access to financing, the EC will create headroom (which will act like a guarantee) by raising the difference between the maximum amount of funds it can request from member States to finance its expenditure and the actual spending. Funds will afterwards be channeled to member States as grants for the most part (close to €500 billion) and €250 billion as loans, with priority for countries that have suffered the biggest shock from the pandemic and have the least capacity to respond to it. According to the proposal, the funds raised will be repaid after 2027 and by 2058. Looking forward, the ambition is for political agreement by July, at the European Council, for the disbursement of funds to start in January 2021, although negotiations could take longer, with the risk of a final agreement being less far-reaching than the aforementioned proposal.
- Recall that the speed and the breadth of the post-pandemic economic recovery is important also for the long-term stability of the euro area financial system, which -- having weathered the initial shock stemming from the pandemic on the back of massive fiscal, monetary, micro & macro-prudential supportive policies -- faces increased challenges in the medium term. According to the ECB (Financial Stability Review May 2020), these challenges include, *inter alia*, vulnerabilities in the corporate sector, especially in view of highly leveraged firms and elevated indebtedness for many sovereigns. Indeed, regarding non-financial corporates (NFC), debt entered the Covid-19 era from a high 108% of euro area GDP at the end of 2019. Alternative leverage indicators were also elevated at the beginning of 2020, with the ratio of Net Debt to Earnings Before Interest, Taxes, Dividends and Amortizations (EBITDA) at 2.4x as of Q1:20 from 1.9x in Q1:18.
- Many firms may face rating downgrades in the current juncture (see graph), which could lead to higher funding costs and challenges for debt rollover, especially for speculative grade issuers. Note that €500 billion of corporate bonds, leveraged and syndicated loans, as well as short-term commercial paper, matures at end-2021. That risk is substantially amplified by the fact that issuers with a BBB rating, the lowest in the Investment Grade (IG) spectrum, represent a large (and rising) portion of the overall IG segment (53% of outstanding debt). Recall that downgrades of BBB-rated issuers to the High Yield (HY) universe could have non-linear adverse effects on bond prices, as markets for HY and (lower) IG bonds are highly segregated.
- High indebtedness, particularly for certain sovereigns, poses another challenge to financial stability according to the ECB. Recall that the discretionary fiscal measures to support the economy against the negative repercussions from the pandemic amount to 4% of euro area GDP. Moreover, close to 20% of euro area GDP has been committed to loan guarantee schemes. Combined with an anticipated contraction in GDP in 2020 (circa -8% yoy), general government debt (cont’d on page 2)

Ilias Tsirigotakis^{AC}
Head of Global Markets Research
210-3341517
tsirigotakis.ilias@nbg.gr

Panagiotis Bakalis
210-3341545
mpakalis.pan@nbg.gr

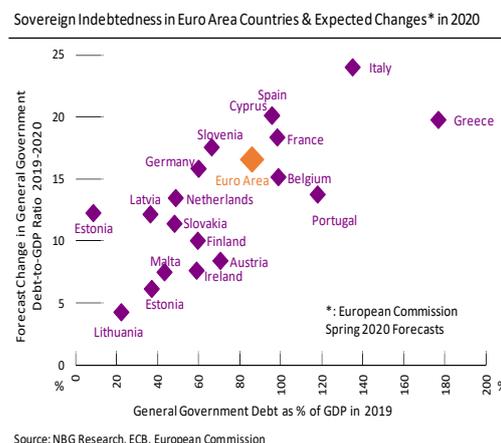
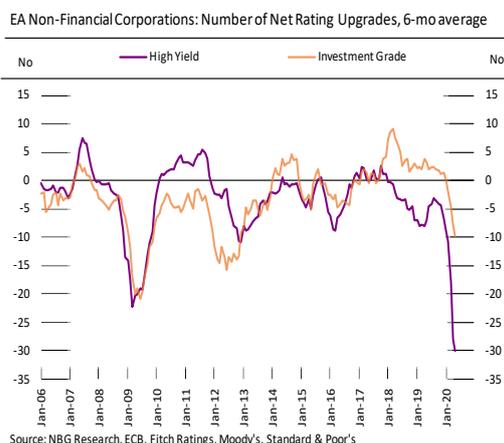
Vasiliki Karagianni
210-3341548
karagianni.vasiliki@nbg.gr

Leonidas Patsios
210-3341553
Patsios.Leonidas@nbg.gr

Table of Contents

- Overview_p1
- Economics & Markets_p2,3
- Forecasts & Outlook_p4
- Event Calendar_p5
- Markets Monitor_p6
- ChartRoom_p7,8
- Market Valuation_p9,10

Charts of the week



...for the euro area is expected to reach 102.7% of GDP in 2020 versus 86.0% in 2019. A more severe and prolonged economic contraction than envisaged, if coupled with higher sovereign funding costs for some countries and the materialization of contingent liabilities (mostly related to the aforementioned loan guarantees), could risk setting the ratio of public debt-to-GDP on an unsustainable path in already highly indebted countries (see graph).

US corporate profits fell sharply in Q1 according to national accounts

- **The pandemic took a heavy toll on corporate profitability in late Q1:20.** Corporate profits of public and private companies (NIPA accounts) fell by 13.9% on a quarterly seasonally-adjusted basis and, as a result, the annual pace of growth was -8.5% yoy versus +2.2% yoy in Q4:19. Profits from domestic non-financial activities decreased by 14.3% qoq | -7.9% yoy, profits from abroad by 10.8% qoq | -3.2% yoy and profits from domestic financial activities declined by 16.6% qoq saar | -16.9% yoy. Looking forward, since these weak outcomes came with measures to stem the spread of Covid-19 applying only in the 2nd half of March, a far sharper contraction is anticipated in Q2.

Early signs of stabilization for US economic activity as of mid-May

- **Continuing claims for unemployment insurance posted a decline for the first time since the Covid-19 outbreak, on the back of the first phases of an easing in lockdown measures.** Specifically, continuing claims reached 21.1 mn in the week ending May 16th versus 24.9 mn in the previous week. Although the latest outcome is still large and a substantial number of US citizens continued to apply for unemployment insurance in the week ending May 23rd, the latest decrease in continuing claims leave room for optimism that employment is bottoming out.

Euro area core inflation was slightly above expectations in May

- **Headline inflation decelerated by 0.2 pps to +0.1% yoy in May, a 4-year low.** Such an outcome was largely anticipated in view of low oil prices. Indeed, the easing was almost solely due to energy prices (-12% yoy versus -9.7% in April), while the respective index for food, alcohol & tobacco declined modestly to +3.3% yoy versus +3.6% yoy in April. At the same time, core inflation (which excludes the effects of energy and food components) was largely stable, at +0.9% yoy, slightly exceeding consensus estimates for a deceleration to +0.8% yoy, in view of particularly weak consumer demand during the health crisis. It should also be noted, however, that methodological issues likely distorted (on the upside) the latest outcome (more analytical data are due on June 17th). In the event, data collection in categories such as airfares, package holidays, bars & restaurants as well as in accommodation was particularly restrained by the pandemic-related restrictive measures. As a result, national statistics authorities incorporated some assumptions related to past trends (e.g. assuming monthly changes equaled those of last year), thus not reflecting the exceptional current circumstances (mainly the collapse in demand for these spending categories). Looking forward, the outlook for inflation is highly uncertain and closely related, *inter alia*, to the timing and speed of the economic recovery post COVID-19.

Euro area bank lending growth to corporations at multi-year highs in April

- **Elevated liquidity needs from corporations in view of the lockdown, which led to a sudden drop in revenues, alongside supportive measures (especially state loan guarantees) led to sharp bank lending growth in April.** The respective trend for households was held down by a deceleration in consumer credit as many spending categories came to a standstill. The annual pace of growth for overall private sector borrowing stood at 4.9% yoy in April, largely unchanged compared with March. The two major private sector components performed as follows in April: i) loan growth to households (adjusted for sales and securitizations) eased to 3.0% yoy, from 3.4% yoy in March, as credit for consumption decelerated by 2.5 pps to 1.3% yoy (the respective trend for house purchases was broadly stable at 3.9% yoy); and ii) loan growth to non-financial corporations rose sharply, for a 2nd consecutive month, in April, to 6.6% yoy, the highest since February 2009, compared with 5.5% yoy in March and 3.0% yoy in February. On a country-by-country basis, the acceleration was broadly based, with Spain overperforming, up by 4.2 pps to 6.6% (Germany: +0.4 pps to 7.0% | France: +1.5 pps to +9.2% | Italy: +0.5 pps to 2.1%).

Chinese PMIs suggest that the recovery post-lockdown continues at a steady, albeit slow, pace

- **Business surveys for May overall suggest that activity continues to strengthen, albeit weak external demand (as the rest of the world has only recently started to emerge from strict lockdowns) remains an important factor restraining the pace of improvement.** Specifically, the Caixin/Markit manufacturing PMI was up by 1.3 pts to 50.7 (consensus for 49.6). At the same time, the official manufacturing PMI (which covers a broader range of industries) was down slightly by 0.2 pts to 50.6 (versus expectations for 51.0), remaining modestly above the expansion/contraction threshold of 50.0. Notably, the sub-index of new export orders continued to underperform substantially, at 35.3. Finally, official non-manufacturing PMI (which covers the services and construction sectors and is more closely related to domestic activities compared with its manufacturing counterpart) rose by 0.4 pts to 53.6. Looking forward, economic activity in China is expected to gain significant support from fiscal measures during 2020. In the event, according to the 2020 Government Work Report which was recently approved by the National People's Congress (the major legislative body in China), total public borrowing will amount to c. RMB 8.5 tn (8.6% of 2019 GDP) in 2020, consisting of RMB 3.76 tn in fiscal deficit, RMB 3.75 tn in issuance of special local government bonds (bonds mainly used to fund infrastructure projects) and RMB 1.0 tn due to the issuance of a special Covid-19 government bond. Recall that the respective figure for public borrowing stood at RMB 4.9 tn in 2019 (4.9% of GDP), consisting of RMB 2.76 tn in fiscal deficit and RMB 2.15 tn in special local government bonds

Equities

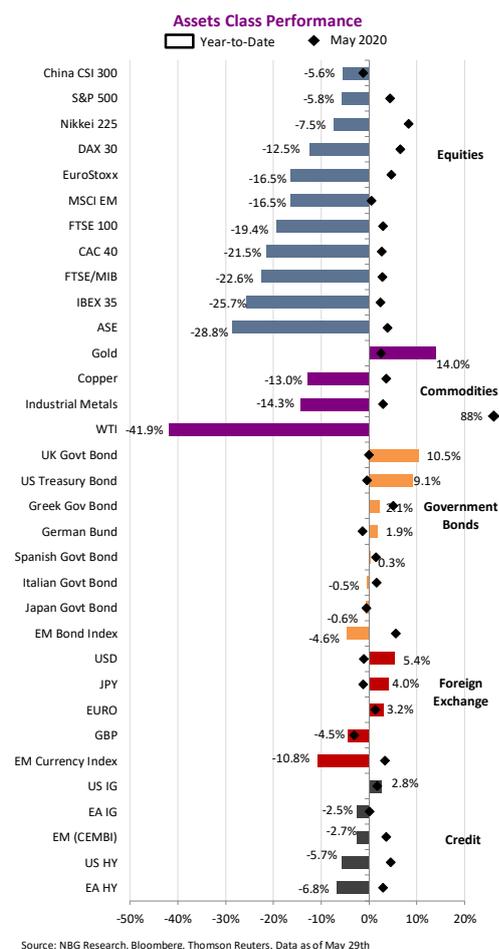
• **Global equity markets rose in the past week due to continued optimism about global growth as global lockdowns continue to be relaxed and fiscal support (EU, Japan, US).** However, on Friday equities fell on fears about rising US-China tensions. Overall, the MSCI ACWI ended the week up by +3.1% (-8.7% ytd), with both Developed (+3.7% wow | -9% ytd) and Emerging Markets (+2.8% wow | -17% ytd), recording strong gains. The S&P500 rose by 3% wow (-5.8% ytd), at the highest level since March 4th (3044), with Banks (+8.6% wow) and Industrials (+6.0% wow) leading the increase. Note that, the S&P500 has increased by 36% from its March lows. Looking forward, the main risks are the uncertainty around the virus, the pace of re-hiring, escalating US-China trade tensions, and the 2020 elections. On the other side of the Atlantic, the EuroStoxx rose by 4.7% wow (-1.3% on Friday), with Banks up by 9.6%, on the back of higher yields. Note that in the past two weeks, European equities have overperformed following the relaxation of lockdowns, an up-tick in PMIs and the proposals for a recovery fund from the European Commission. ECB meeting in this week (4/6), will be the main catalyst. In China, the CSI 300 rose by 1.1% wow, and by a further 2.7% on Monday, following the better-than-expected PMI data.

Fixed Income

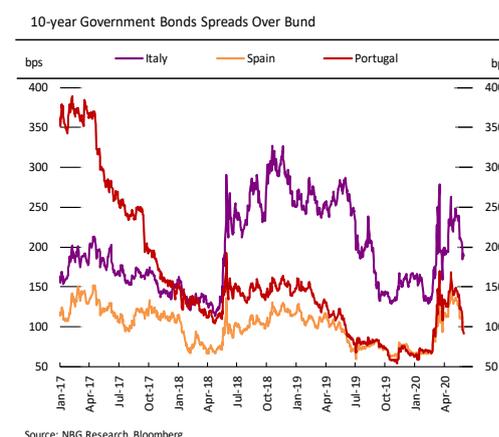
• **Government bond yields were mixed in the past week.** Specifically, the US 10-year yield ended the week stable at 0.65%, as it declined by 3 bps on Friday due to investors' risk-off mode at the end of the week. In the UK, 10-year yield rose by 1 bp to 0.18%. In Germany, the 10-year yield rose by 4 bps to -0.45%. Periphery bond yield spreads declined heavily in the past week, supported for a second consecutive week by European Union's proposal for a recovery fund. Specifically, in Italy, the 10-year spread declined by -16 bps to 192 bps; in Spain, it fell by 10 bps to 101 bps; and in Portugal, by -27 bps to 95 bps. **Corporate bond spreads narrowed in the past week, as easing restrictions and additional policy support are reinforcing expectation that global activity will recover.** Specifically, the USD Investment Grade spread declined by 12 bps to 185 bps, while its euro area counterpart fell by 17 bps to 167 bps. Note that, the Fed Purchases of corporate-bond ETFs through the Secondary Market Corporate Credit Facility began on May 12th. In the first two weeks of operation, the Fed bought nearly \$3 billion worth of ETFs as of May 26th. In the High Yield spectrum, USD spreads declined by 35 bps in the past week to 671 bps and EUR spreads by 56 bps to 560 bps.

FX and Commodities

• **In foreign exchange markets, the euro rose for a second consecutive week, supported by the European Commission's stimulus plan (€750bn).** Specifically, euro rose by 1.8% against the US Dollar to \$1.110, at the highest level since end-March. The latter has also been hit by the improved investors' risk appetite. Indeed, USD fell by 1.5% against a basket of trade-weighted currencies (DXY). The British pound rose on a weekly basis against the weaker dollar (+1.4% to \$/1.234), but it was broadly flat against the euro (-0.4% to €/0.899) due to Brexit-related risks and speculation about negative interest rates. Note that, Brexit negotiations between the EU and the UK on their future partnership will continue via videoconference this week. This is the last negotiating round before a high-level meeting in June. End of June is also a milestone, if the two sides want to extend the transition period that concludes at the end of 2020. **Finally, in commodities, oil prices rose in the past week, on hopes that the US-China trade deal would remain intact and on falling crude production.** Note that, the OPEC countries are considering a meeting as soon as this week to discuss whether to extend record production cuts beyond end-June. Recall that, OPEC+ agreed in April to reduce output by 9.7 million barrels per day in May and June due to the coronavirus. Meanwhile, the decrease continues in active oil rigs in the US (222 the lowest since 2009), suggesting that US oil production, which remains high (11.4 million barrels per day), may moderate in the coming months. Overall, Brent ended the week up by 5.8% to \$35.5/barrel (-42% ytd), and the WTI rose by 6.1% to \$36.6/barrel (-45% ytd).



Graph 1.



Graph 3.

Quote of the week: "We of course would continue to react. We're not close to any limits that we might have", **Fed Chair, Jerome Powell, May 29th 2020.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	May 29th	3-month	6-month	12-month	Official Rate (%)	May 29th	3-month	6-month	12-month
Germany	-0.45	-0.50	-0.40	-0.30	Euro area	0.00	0.00	0.00	0.00
US	0.65	0.90	1.00	1.20	US	0.25	0.25	0.25	0.25
UK	0.18	0.30	0.36	0.54	UK	0.10	0.10	0.08	0.08
Japan	0.01	-0.10	-0.07	-0.02	Japan	-0.10	-0.10	-0.10	-0.10

Currency	May 29th	3-month	6-month	12-month	May 29th	3-month	6-month	12-month	
EUR/USD	1.11	1.13	1.13	1.15	USD/JPY	108	106	105	103
EUR/GBP	0.81	0.88	0.87	0.87	GBP/USD	1.23	1.28	1.30	1.32
EUR/JPY	120	120	118	118					

Forecasts at end of period

Economic Forecasts

United States	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20a	Q2:20f	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY) (1)	2.9	2.7	2.3	2.1	2.3	2.4	0.3	-11.9	-8.2	-5.8	-6.5
Real GDP Growth (QoQ saar) (2)	-	3.1	2.0	2.1	2.1	-	-5.0	-39.2	20.2	13.3	-
Private Consumption	3.0	1.1	4.6	3.1	1.8	2.6	-6.8	-44.4	25.3	15.8	-7.6
Government Consumption	1.7	2.9	4.8	1.7	2.5	2.3	0.8	0.2	5.8	5.4	2.3
Investment	4.6	3.2	-1.4	-0.8	-0.6	1.3	-2.4	-32.4	11.9	8.5	-6.1
Residential	-1.5	-1.1	-2.9	4.6	6.5	-1.5	18.5	-37.3	15.6	5.2	-0.7
Non-residential	6.4	4.4	-1.0	-2.3	-2.5	2.1	-7.9	-30.6	11.1	9.3	-7.5
Inventories Contribution	0.1	0.5	-1.0	0.0	-1.2	0.1	-1.7	-2.2	0.8	0.7	-1.0
Net Exports Contribution	-0.4	0.8	-0.8	-0.2	1.9	-0.2	1.8	-0.6	-0.9	-0.7	0.5
Exports	3.0	4.2	-5.7	0.9	2.1	0.0	-8.7	-14.5	7.9	5.9	-3.7
Imports	4.4	-1.5	0.0	1.8	-8.4	1.0	-15.5	-8.2	10.9	8.1	-5.3
Inflation (3)	2.5	1.7	1.8	1.7	2.1	1.8	2.1	0.2	0.6	0.8	0.9

Euro Area	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20f	Q2:20f	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY)	1.9	1.4	1.2	1.3	1.0	1.2	-3.2	-11.8	-8.8	-6.4	-7.6
Real GDP Growth (QoQ saar)	-	1.9	0.6	1.2	0.4	-	-14.2	-30.7	15.9	11.1	-
Private Consumption	1.4	1.7	0.7	2.0	0.5	1.3	-17.5	-38.1	21.2	17.0	-9.5
Government Consumption	1.1	1.9	1.8	2.3	1.4	1.7	0.9	7.1	5.9	3.4	3.2
Investment	2.4	3.7	21.4	-14.4	18.9	5.5	-28.6	-44.1	27.3	18.9	-11.8
Inventories Contribution	0.0	-1.6	0.4	-0.7	-0.4	-0.5	-0.2	-0.6	0.3	0.3	-0.3
Net Exports Contribution	0.4	1.4	-4.6	3.9	-3.4	-0.5	3.0	-1.1	-1.8	-2.3	-0.3
Exports	3.3	3.8	0.2	2.6	1.2	2.5	-4.6	-29.2	26.4	9.9	-3.5
Imports	2.7	1.1	11.0	-5.4	9.2	3.8	-10.7	-29.8	33.7	16.0	-3.2
Inflation	1.8	1.4	1.4	1.0	1.0	1.2	1.1	0.2	0.1	0.4	0.4

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 but wont avoid a recession - 2020 EPS growth expectations have further room to fall from +2%. Earnings will contract in 2020 - Forget aggressive share buybacks for now due to political pressures - Peaking profit margins - Protectionism and trade wars - P/Es (Valuations) are in line with long-term averages despite P/E contraction of more than 20% since February highs (19x) <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + Still high equity risk premium relative to other regions + Modest fiscal loosening in 2020 excluding Germany (5% of GDP) - 2020-2021 EPS estimates may turn pessimistic as economic growth fails to pick up - Political uncertainty (Italy, Brexit) could intensify <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 due to the outcome of the Brexit negotiating process <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 if Fed seek makeup strategies - Global search for yield by non-US investors continues - Safe haven demand - Fed to remain at ZLB in the course of 2020-2021 - 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>▲ 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 due to the outcome of the Brexit negotiating process + Inflation expectations could drift higher ahead of EU/UK negotiations - The BoE is expected to remain on hold with risks towards rate cuts - Slowing economic growth post-Brexit <p>▲ Higher yields expected but with Brexit risk premia working on both directions</p>
Foreign Exchange	<ul style="list-style-type: none"> + Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% <p>● Broadly Flat EUR against the USD with high volatility around \$1.10</p>	<ul style="list-style-type: none"> + Reduced short-term tail risks + Higher core bond yields + Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, ABSs, Quantitative Easing) <p>● Broadly Flat EUR against the USD with high volatility around \$1.10</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"> + Transitions phase negotiations + Valuations appear undemanding with REER 6% below its 15-year average - Sizeable Current account deficit - Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process <p>▲ Higher GBP expected but with Brexit risk premia working on both directions</p>

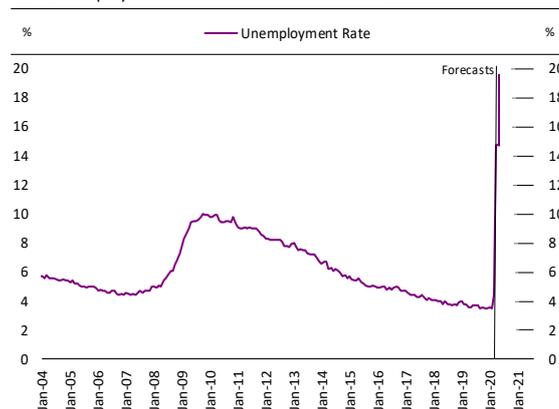
Economic Calendar

In the US, attention turns to the monthly labor report for May that is released on June 5th. Consensus expects NFPs of -8000k from -20537k in April and unemployment rate of 19.6% from 14.7%. On Thursday, the weekly initial and continuing jobless claims will be closely monitored.

In the Euro area, the main event is the ECB meeting on June 4th. ECB is expected to leave rates unchanged (0.00% & -0.50%) but an expansion of the PEPP is possible. ECB staff's quarterly economic forecasts will accompany the meeting. On Wednesday, unemployment rate for April is also released and is expected at 8.2% from 7.4% in March.

In China, attention turns to the external trade (8/6) for an insight to the momentum for economic activity. Exports are expected at -7.0% yoy in May from +3.5% in April, and imports at -8.9% yoy from -14.2%.

US Unemployment Rate and Consensus Forecasts



Source: NBG Research, US Bureau of Labor Statistics, Bloomberg

Economic News Calendar for the period: May 26 - June 8, 2020

Tuesday 26					Wednesday 27					Thursday 28					
US		S	A	P	US		S	A	P	US		S	A	P	
S&P Case/Shiller house price index 20 (YoY)	March	3.44%	+ 3.92%	3.52%						GDP (QoQ, annualized)	Q1:20	-4.8%	-	-5.0%	-4.8%
New home sales (k)	April	480	+ 623	619						Personal Consumption	Q1:20	-7.5%	+ -6.8%	-7.6%	
Conference board consumer confidence	May	87.0	- 86.6	85.7						Initial Jobless Claims (k)	May 23	2100	-	2123	2446
										Continuing Claims (k)	May 16	25680	+ 21052	24912	
										Pending home sales (MoM)	April	-17.3%	-	-21.8%	-20.8%
										Durable goods orders (MoM)	April	-19.0%	+ -17.2%	-16.6%	
										Durable goods orders ex transportation (MoM)	April	-15.0%	+ -7.4%	-1.7%	
										EURO AREA					
										Economic Confidence	May	70.6	-	67.5	64.9
Friday 29					EURO AREA					Monday 1					
US		S	A	P	EURO AREA		S	A	P	US		S	A	P	
Personal income (MoM)	April	-5.9%	+ 10.5%	-2.2%	CPI Estimate YoY	May	0.1%	0.1%	0.4%	ISM Manufacturing	May	43.7	-	43.1	41.5
Personal spending (MoM)	April	-12.8%	-	-13.6%	-6.9%	Core CPI (YoY)	May	0.8%	+ 0.9%	0.9%	Construction spending	April	-6.0%	+ -2.9%	0.9%
PCE Deflator (YoY)	April	0.5%	0.5%	1.3%	M3 money supply (YoY)	April	8.2%	8.3%	7.5%	CHINA					
PCE Core Deflator (YoY)	April	1.1%	-	1.0%	1.7%					Manufacturing PMI	May	51.1	-	50.6	50.8
JAPAN										Caixin PMI Manufacturing	May	49.6	+ 50.7	49.4	
Jobless Rate	April	2.7%	+ 2.6%	2.5%											
Retail sales (MoM)	April	-6.9%	-	-9.6%	-4.6%										
Retail sales (YoY)	April	-11.2%	-	-13.7%	-4.7%										
Industrial Production (MoM)	April	-5.7%	-	-9.1%	-3.7%										
Industrial Production (YoY)	April	-10.6%	-	-14.4%	-5.2%										
Construction Orders YoY	April	..	-	-14.2%	-14.3%										
GERMANY															
Retail sales (MoM)	April	-12.0%	+ -5.3%	-4.0%											
Retail sales (YoY)	April	-14.0%	+ -6.5%	-1.2%											
Tuesday 2					Wednesday 3					Thursday 4					
UK		S	A	P	US		S	A	P	US		S	A	P	
Nationwide House Px NSA YoY	May	2.8%	..	3.7%	ADP Employment Change (k)	May	-9500	..	-20236	Trade balance (\$bn)	April	-49.1	..	-44.4	
					Factory Goods Orders	April	-14.2%	..	-10.4%	Initial Jobless Claims (k)	May 30	1800	..	2123	
					ISM non-manufacturing	May	44.5	..	41.8	Continuing Claims (k)	May 23	19039	..	21052	
					EURO AREA					EURO AREA					
					Unemployment Rate	April	8.2%	..	7.4%	ECB announces its intervention rate	June 4	0.00%	..	0.00%	
										ECB announces its deposit facility rate	June 4	-0.50%	..	-0.50%	
										Retail sales (MoM)	April	-15.0%	..	-11.2%	
										Retail sales (YoY)	April	-20.6%	..	-9.2%	
										UK					
										Markit/CIPS UK Construction PMI	May	29.4	..	8.2	
Friday 5					Monday 8										
US		S	A	P	JAPAN		S	A	P						
Change in Nonfarm Payrolls (k)	May	-8000	..	-20537	GDP (QoQ)	Q1:20	-0.6%	..	-0.9%						
Average weekly hours (hrs)	May	34.3	..	34.2	Eco Watchers Current Survey	May	..	..	7.9						
Change in Private Payrolls (k)	May	-7650	..	-19557	Eco Watchers Outlook Survey	May	..	..	16.6						
Unemployment rate	May	19.6%	..	14.7%	GERMANY										
Average Hourly Earnings MoM	May	0.9%	..	4.7%	Industrial Production (sa, MoM)	April	..	..	-9.2%						
Average Hourly Earnings YoY	May	8.5%	..	7.9%	Industrial Production (wda, YoY)	April	..	..	-11.6%						
Labor Force Participation Rate	May	..	..	60.2%	CHINA										
Underemployment Rate	May	..	..	22.8%	Exports (YoY)	May	-7.0%	..	3.5%						
JAPAN					Imports (YoY)	May	-8.9%	..	-14.2%						
Leading Index	April	76.3	..	84.7											
Coincident Index	April	82.7	..	90.2											

Source: NBG Research, Bloomberg
S: Bloomberg Consensus Analysts Survey, A: Actual Outcome, P: Previous Outcome

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 (%)
US	S&P 500	3030	2.8	-6.2	8.9	12.6	MSCI Emerging Markets	53781	-0.7	-12.5	-2.7	
Japan	NIKKEI 225	21916	6.6	-7.4	4.3	-2.0	MSCI Asia	820	-1.4	-10.2	1.1	
UK	FTSE 100	6219	3.4	-17.5	-13.5	-18.5	China	80	-3.9	-6.7	7.7	
Canada	S&P/TSX	15263	2.5	-10.6	-5.4	-4.1	Korea	633	1.7	-8.4	4.4	
Hong Kong	Hang Seng	23133	-4.7	-17.9	-15.1	-24.1	MSCI Latin America	76924	3.3	-23.2	-15.0	
Euro area	EuroStoxx	342	6.4	-15.4	-4.9	-10.4	Brazil	277227	4.5	-24.3	-11.3	
Germany	DAX 30	11781	6.5	-11.1	-0.5	-7.0	Mexico	33933	2.7	-15.4	-13.9	
France	CAC 40	4771	7.3	-20.2	-8.6	-12.3	MSCI Europe	5370	3.3	-15.7	-5.6	
Italy	FTSE/MIB	18351	7.4	-21.9	-8.2	-14.0	Russia	1194	2.4	-12.3	0.3	
Spain	IBEX-35	7224	8.0	-24.3	-20.4	-24.1	Turkey	1316329	3.2	-12.4	11.2	

World Market Sectors (MSCI Indices)

in US Dollar terms		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	in local currency		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)
Energy		126.5	1.7	-35.7	-34.5	-44.2	Energy		132.8	1.2	-34.1	-33.9
Materials		241.2	4.1	-11.4	1.2	-11.0	Materials		235.5	3.5	-9.7	1.8
Industrials		234.9	6.5	-15.0	-4.0	-8.3	Industrials		234.0	6.2	-14.4	-4.0
Consumer Discretionary		268.4	3.5	-3.5	9.5	8.0	Consumer Discretionary		260.1	3.2	-3.1	9.4
Consumer Staples		233.0	3.3	-7.2	1.3	8.0	Consumer Staples		236.0	3.0	-6.2	1.3
Healthcare		282.2	2.2	1.1	19.8	25.3	Healthcare		280.1	1.9	1.6	19.6
Financials		94.6	7.9	-24.8	-15.2	-20.9	Financials		96.3	7.4	-23.6	-14.8
IT		325.4	1.3	4.7	30.7	35.7	IT		315.7	1.2	4.8	30.6
Telecoms		74.8	1.2	-3.5	7.2	17.4	Telecoms		78.3	1.1	-3.1	7.2
Utilities		137.1	5.6	-8.7	1.4	11.5	Utilities		142.0	5.2	-7.9	1.7

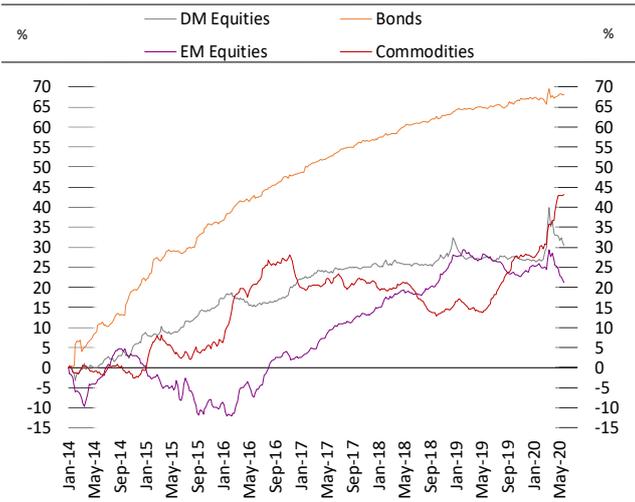
Bond Markets (%)

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
US		0.69	0.67	1.92	2.26	2.29	US Treasuries 10Y/2Y		52	51	35	15
Germany		-0.42	-0.50	-0.19	-0.18	0.97	US Treasuries 10Y/5Y		35	33	23	19
Japan		0.00	0.00	-0.01	-0.09	0.42	Bunds 10Y/2Y		21	20	42	47
UK		0.21	0.17	0.82	0.89	1.84	Bunds 10Y/5Y		19	19	29	38
Greece		1.51	1.75	1.47	3.14	9.78	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		0.10	0.09	0.12	0.45	3.27	EM Inv. Grade (IG)		257	267	150	172
Italy		1.42	1.61	1.41	2.64	3.07	EM High yield		841	855	494	520
Spain		0.58	0.63	0.47	0.73	2.83	US IG		187	198	101	132
Portugal		0.54	0.75	0.44	0.85	4.58	US High yield		660	708	360	436
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG		167	185	94	127
30-Year FRM ¹ (%)		3.4	3.4	4.0	4.3	4.2	Euro area High Yield		560	619	308	414
vs 30Yr Treasury (bps)		197	202	156	164	123						

Foreign Exchange & Commodities

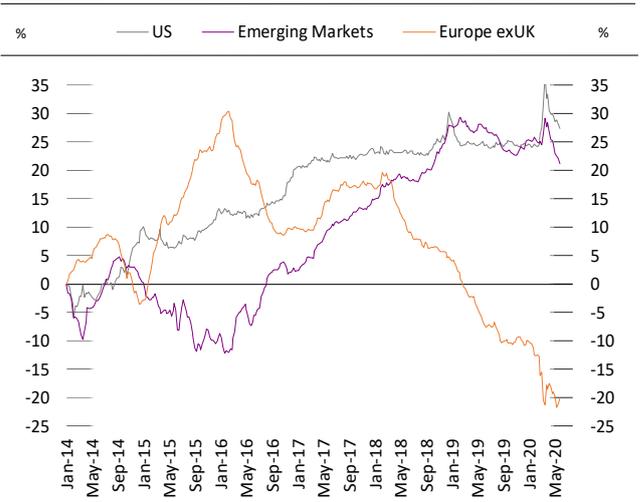
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural		299	0.9	1.9	-13.8
EUR/USD		1.11	1.2	2.4	-0.5	-1.2	Energy		202	-1.8	51.4	-58.1
EUR/CHF		1.07	0.5	1.2	-4.8	-1.6	West Texas Oil (\$)		34	-1.3	173.2	-42.7
EUR/GBP		0.90	0.3	3.2	2.0	6.3	Crude Brent Oil (\$)		35	-0.2	86.6	-49.5
EUR/JPY		119.23	1.2	3.1	-2.3	-2.0	Industrial Metals		1033	-0.9	1.2	-12.6
EUR/NOK		10.83	-0.5	-3.8	11.1	10.0	Precious Metals		1989	-0.2	1.0	31.8
EUR/SEK		10.54	0.1	-1.6	-0.9	0.4	Gold (\$)		1718	-0.5	0.6	34.3
EUR/AUD		1.67	0.1	0.1	3.7	4.5	Silver (\$)		17	1.5	14.5	20.4
EUR/CAD		1.52	-0.2	0.7	1.3	4.7	Baltic Dry Index		489	-1.0	-25.3	-55.8
USD-based cross rates							Baltic Dirty Tanker Index		720	-4.8	-52.1	10.6
USD/CAD		1.38	-1.4	-1.7	1.8	6.0						
USD/AUD		1.51	-1.1	-2.2	4.2	5.7						
USD/JPY		107.65	0.0	0.7	-1.8	-0.9						

Global Cross Asset ETFs: Flows as % of AUM



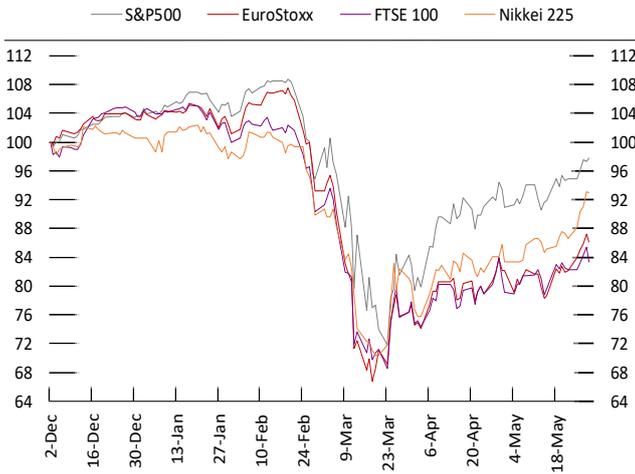
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of May 29th

Equity ETFs: Flows as % of AUM



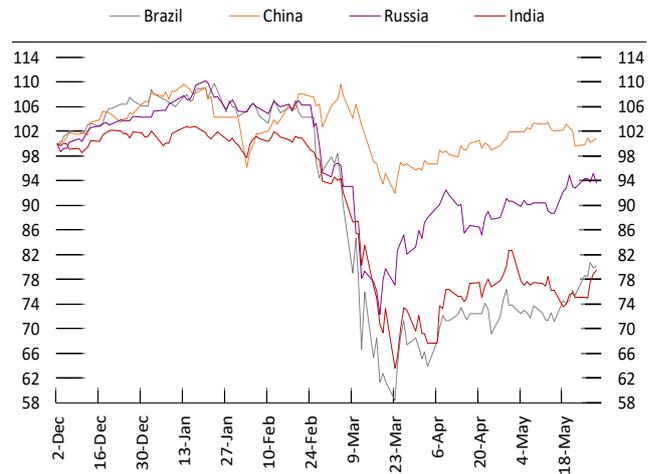
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of May 29th

Equity Market Performance - G4



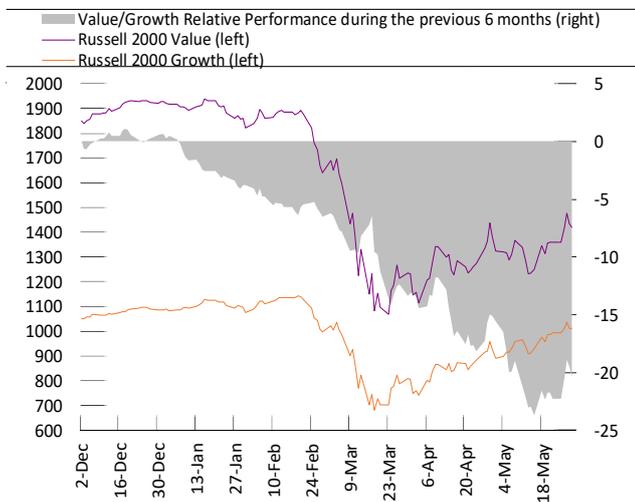
Source: Bloomberg - Data as of May 29th - Rebased @ 100

Equity Market Performance - BRICs



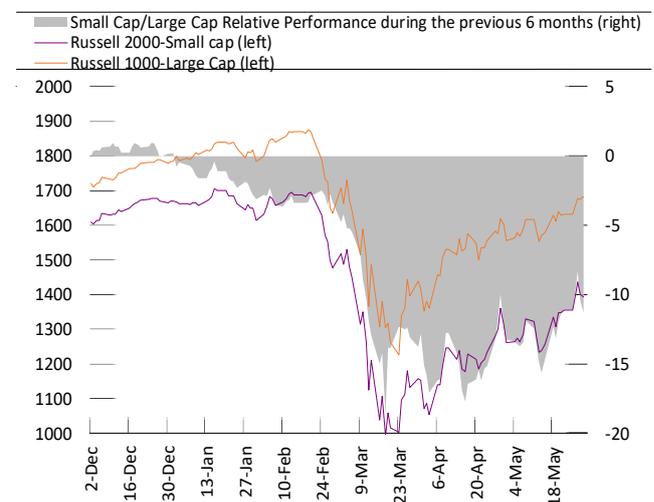
Source: Bloomberg - Data as of May 29th - Rebased @ 100

Russell 2000 Value & Growth Index



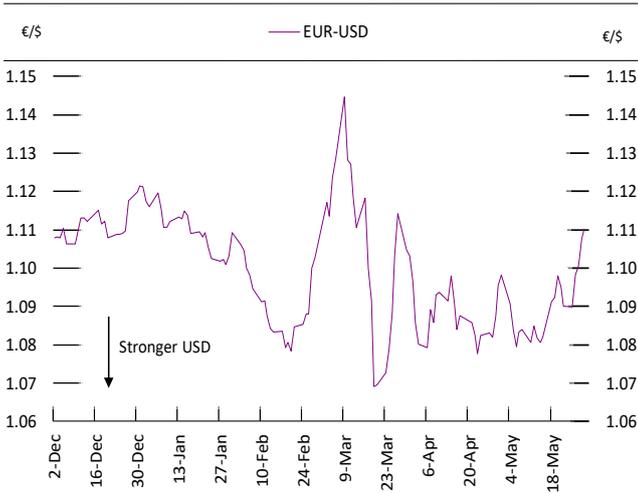
Source: Bloomberg, Data as of May 29th

Russell 2000 & Russell 1000 Index



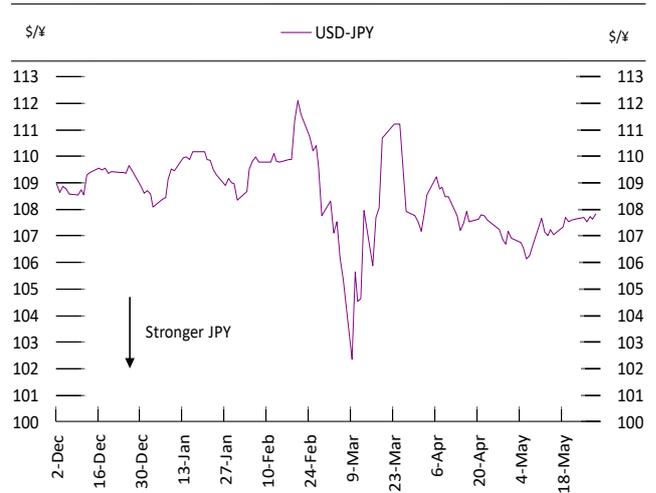
Source: Bloomberg, Data as of May 29th

EUR/USD



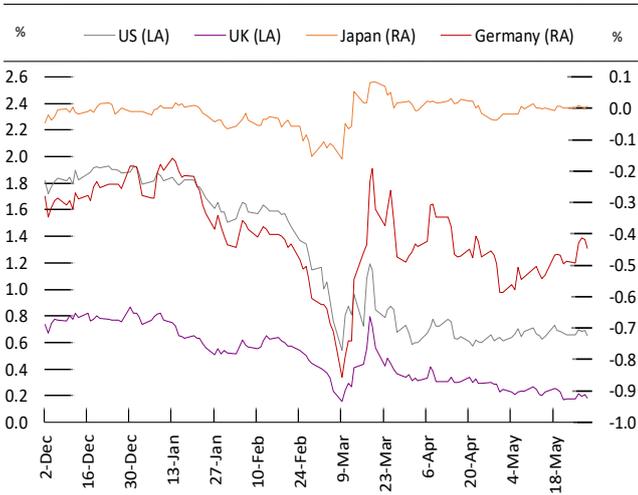
Source: Bloomberg, Data as of May 29th

JPY/USD



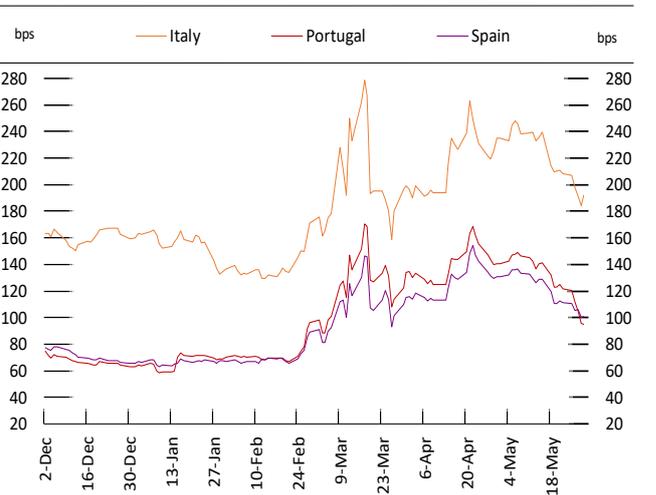
Source: Bloomberg, Data as of May 29th

10- Year Government Bond Yields



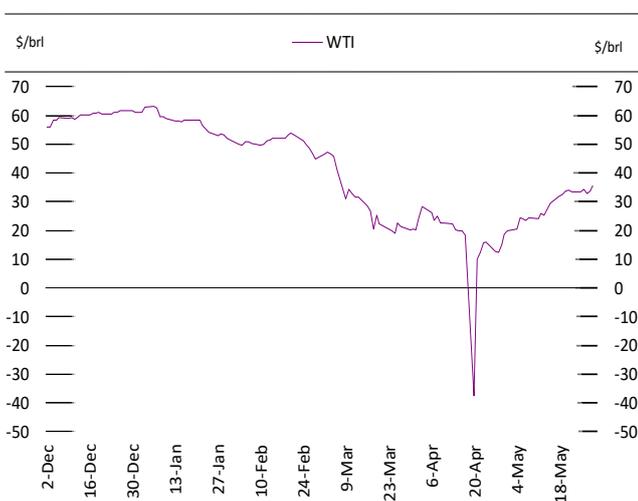
Source: Bloomberg - Data as of May 29th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



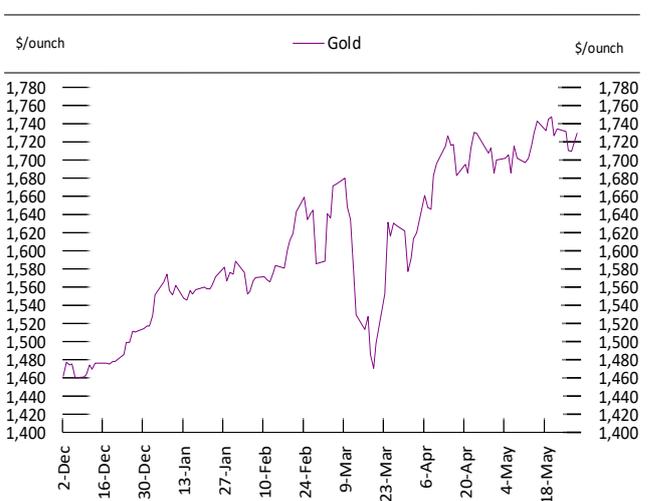
Source: Bloomberg - Data as of May 29th

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of May 29th

Gold (\$/ounce)



Source: Bloomberg, Data as of May 29th

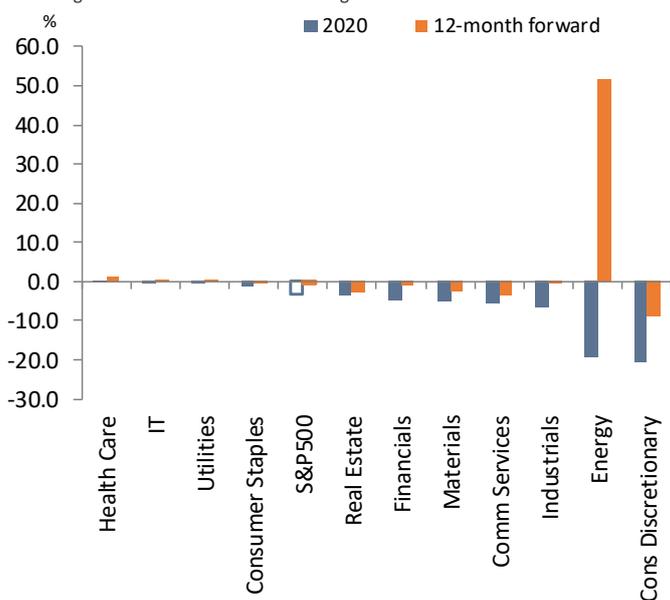
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	29/5/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3044	3.0	-5.8	1.2	-21.7	1.8	1.9	20.3	24.1	21.9	15.2	3.7	3.4	3.3	2.6
Energy	292	0.9	-36.1	-29.0	N/A	3.8	5.8	21.8	N/A	N/A	18.3	1.6	1.2	1.3	1.7
Materials	348	4.7	-9.7	-15.6	-21.5	2.1	2.3	20.2	23.9	21.7	14.8	2.4	2.3	2.3	2.5
Financials															
Diversified Financials	644	6.0	-13.3	1.6	-29.6	1.4	1.8	16.2	19.7	17.8	13.9	1.9	1.6	1.5	1.5
Banks	245	8.6	-35.5	9.0	-53.7	2.6	4.3	12.3	17.5	14.7	10.9	1.4	0.9	0.9	1.0
Insurance	351	3.9	-20.5	15.8	-5.9	2.2	3.0	13.4	11.3	10.8	10.9	1.5	1.2	1.1	1.1
Real Estate	214	5.8	-10.8	1.9	-7.4	3.1	3.4	21.0	20.2	19.6	18.2	3.7	3.3	3.3	3.0
Industrials															
Capital Goods	587	6.3	-19.2	-7.0	-27.2	1.9	2.1	21.2	23.1	20.8	15.6	5.5	3.9	3.8	3.4
Transportation	663	5.1	-15.5	6.6	N/A	1.9	2.1	14.7	N/A	N/A	12.1	4.3	3.9	3.8	3.4
Commercial Services	336	5.8	-2.7	12.8	-10.6	1.3	1.4	28.5	30.1	28.7	20.1	6.0	5.2	5.1	3.5
Consumer Discretionary															
Retailing	2803	1.9	14.4	4.2	-26.6	0.8	0.6	33.3	51.3	43.9	22.0	13.3	12.9	12.0	6.5
Consumer Services	1022	1.4	-21.5	5.1	-97.4	2.1	1.9	24.0	722.1	437.3	20.9	16.3	20.1	20.9	7.1
Consumer Durables	309	4.1	-16.9	-0.4	-29.9	1.5	1.7	19.7	23.6	21.5	16.9	4.1	3.3	3.4	3.2
Automobiles and parts	83	1.2	-30.7	-16.4	N/A	4.2	1.6	8.5	N/A	N/A	7.9	1.4	1.2	1.1	1.7
IT															
Technology	1640	0.9	2.9	2.6	0.1	1.3	1.4	21.6	21.4	20.2	12.7	9.7	11.0	11.2	3.9
Software & Services	2516	1.5	9.5	11.1	5.3	1.0	1.0	29.3	29.5	28.0	17.6	7.9	8.2	7.8	5.2
Semiconductors	1292	2.0	4.1	-12.2	0.6	1.8	1.9	18.9	19.4	18.3	14.0	5.5	5.3	5.1	3.1
Communication Services	181	0.6	-0.4	3.0	-14.3	1.2	1.2	21.8	24.6	22.7	17.4	3.5	3.2	3.1	2.9
Media	670	-0.3	2.8	3.8	-15.2	0.4	0.4	27.4	32.0	28.5	20.2	4.2	3.9	3.7	3.2
Consumer Staples															
Food & Staples Retailing	484	1.7	-2.6	2.9	-4.0	1.7	1.8	21.5	22.2	21.6	16.3	4.6	4.4	4.3	3.2
Food Beverage & Tobacco	646	3.4	-9.6	-1.7	-4.7	3.3	3.7	19.7	18.7	18.1	17.6	5.3	4.7	4.6	4.9
Household Goods	722	3.4	-2.9	6.6	4.6	2.3	2.4	25.8	23.9	23.3	19.4	8.9	8.4	8.3	5.2
Health Care															
Pharmaceuticals	1015	2.9	3.0	11.0	3.1	2.2	2.3	16.1	16.0	15.3	14.6	6.3	5.4	5.1	3.8
Healthcare Equipment	1354	4.0	-1.8	9.9	-6.6	1.0	1.1	20.7	21.5	20.0	15.4	3.8	3.4	3.2	2.6
Utilities	302	5.7	-8.0	4.9	3.0	3.1	3.5	20.7	18.6	18.2	15.9	2.2	2.0	1.9	1.6

Source Factset, 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 2020 & 12-month Forward EPS

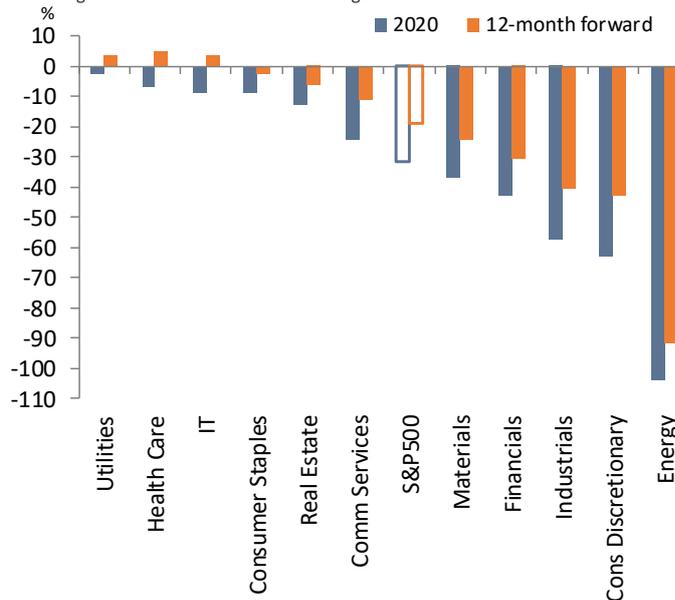
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of May 29th
12-month forward EPS are 59% of 2020 EPS and 41% of 2021 EPS

12-month revisions to 2020 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of May 29th
12-month forward EPS are 59% of 2020 EPS and 41% of 2021 EPS

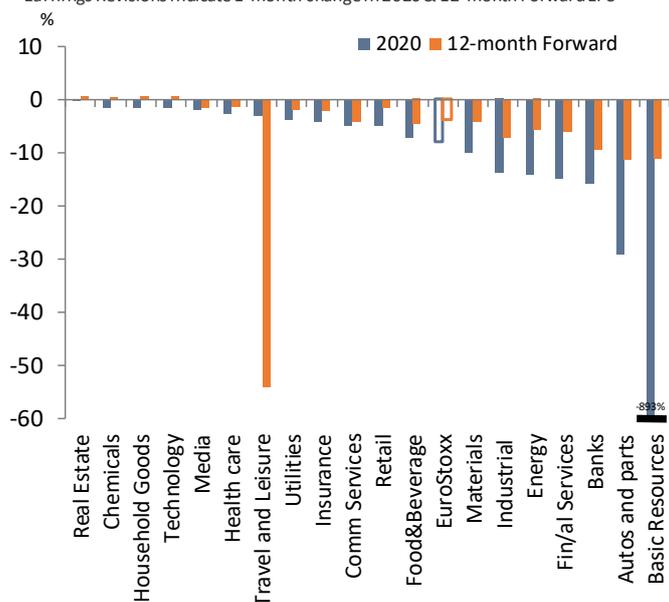
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	29/5/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	337	4.7	-16.5	2.4	-34.5	3.1	2.8	16.8	21.1	18.7	13.2	1.7	1.4	1.4	1.4
Energy	224	2.3	-31.7	-9.8	-68.8	4.9	7.1	13.8	29.7	23.2	11.6	1.3	1.0	1.0	1.1
Materials	393	7.4	-19.4	14.1	-37.5	3.2	3.4	15.4	20.0	17.5	14.2	1.9	1.5	1.5	1.4
Basic Resources	150	3.3	-26.8	-61.6	N/A	3.3	3.0	19.3	N/A	N/A	14.4	0.8	0.6	0.6	0.8
Chemicals	1047	3.5	-11.0	-13.3	-15.5	2.7	3.0	21.8	23.3	21.6	15.2	2.1	1.9	1.9	2.2
Financials															
Fin/ai Services	473	1.9	-6.2	25.4	-34.5	2.4	2.6	15.8	22.2	20.2	14.2	1.7	1.3	1.3	1.3
Banks	57	9.6	-40.6	-1.3	-57.1	5.7	3.3	9.2	12.7	10.9	9.4	0.6	0.4	0.4	0.7
Insurance	219	5.4	-27.6	13.0	-11.2	4.8	6.8	11.0	8.9	8.4	9.2	1.0	0.7	0.7	0.9
Real Estate	194	5.2	-21.4	0.1	-3.6	4.2	4.7	19.1	15.6	15.0	16.8	1.0	0.8	0.8	1.0
Industrial	753	5.2	-19.9	11.4	-38.3	2.3	2.1	20.4	26.2	22.4	15.3	3.2	2.5	2.4	2.3
Consumer Discretionary															
Media	184	5.1	-17.9	5.4	-15.9	2.9	3.0	17.2	16.7	15.7	15.2	2.4	1.9	1.9	1.8
Retail	570	4.1	-5.1	2.8	-20.3	2.5	2.2	25.2	30.0	26.9	19.1	4.3	3.4	3.3	3.1
Automobiles and parts	358	5.7	-26.4	-12.2	-73.5	3.7	1.7	8.7	23.7	17.4	8.3	0.9	0.7	0.7	1.0
Travel and Leisure	160	4.3	-25.5	-10.1	N/A	2.2	0.6	16.8	N/A	N/A	13.8	2.0	1.6	1.6	2.0
Technology	603	2.7	-0.5	5.8	-9.7	1.2	0.9	26.9	28.6	25.9	18.3	4.2	3.7	3.6	3.0
Communication Services	257	3.6	-11.1	-14.3	4.2	4.2	4.8	17.5	14.8	14.2	14.2	1.9	1.6	1.5	1.8
Consumer Staples															
Food&Beverage	470	6.2	-21.5	16.8	-30.6	2.1	2.1	20.5	23.1	20.9	18.5	2.7	2.0	1.9	2.6
Household Goods	985	5.9	-7.9	6.9	-20.7	1.6	1.5	29.6	33.7	30.8	21.0	6.1	5.1	5.0	3.8
Health care	847	2.4	-2.7	7.3	-2.2	2.1	2.2	20.1	19.3	18.3	15.2	2.4	2.2	2.1	2.1
Utilities	327	5.7	-5.6	57.3	-2.3	4.5	4.9	16.2	15.4	14.8	12.7	1.6	1.4	1.4	1.1

Source Factset, 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 2020 & 12-month Forward EPS

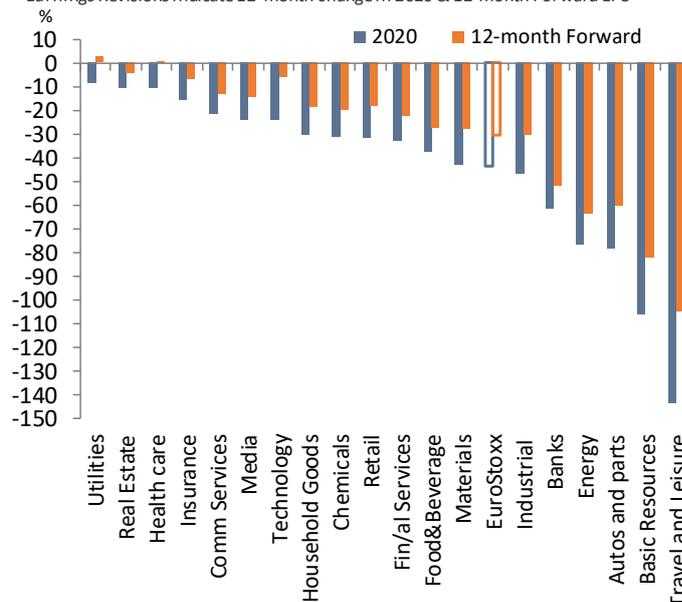
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of May 29th
12-month forward EPS are 59% of 2020 EPS and 41% of 2021 EPS

12-month revisions to 2020 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of May 29th
12-month forward EPS are 59% of 2020 EPS and 41% of 2021 EPS

DISCLOSURES:

This report has been produced by the Economic Research Division of the National Bank of Greece, which is regulated by the Bank of Greece, and is provided solely as a sheer reference for the information of experienced and sophisticated investors who are expected and considered to be fully able to make their own investment decisions without reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. The information contained in this report does not constitute the provision of investment advice and under no circumstances is it to be used or considered as an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any security, product, service or investment. No information or opinion contained in this report shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Past performance is not necessarily a reliable guide to future performance. National Bank of Greece and/or its affiliates shall not be liable in any matter whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance on or usage of this report and accepts no legal responsibility to any investor who directly or indirectly receives this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor.

Any data provided in this report has been obtained from sources believed to be reliable but has not been independently verified. Because of the possibility of error on the part of such sources, National Bank of Greece does not guarantee the accuracy, timeliness or usefulness of any information. Information and opinions contained in this report are subject to change without notice and there is no obligation to update the information and opinions contained in this report. The National Bank of Greece and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no responsibility, or liability as to the accuracy, or completeness of the information contained in this report, or for any loss in general arising from any use of this report including investment decisions based on this report. This report does not constitute investment research or a research recommendation and as such it has not been prepared in accordance with legal requirements designed to promote investment research independence. This report does not purport to contain all the information that a prospective investor may require. Recipients of this report should independently evaluate particular information and opinions and seek the advice of their own professional and financial advisers in relation to any investment, financial, legal, business, tax, accounting or regulatory issues before making any investment or entering into any transaction in relation to information and opinions discussed herein.

National Bank of Greece has prepared and published this report wholly independently of any of its affiliates and thus any commitments, views, outlook, ratings or target prices expressed in these reports may differ substantially from any similar reports issued by affiliates which may be based upon different sources and methodologies.

This report is not directed to, or intended for distribution to use or use by, any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation or rule.

This report is protected under intellectual property laws and may not be altered, reproduced or redistributed, or passed on directly or indirectly, to any other party, in whole or in part, without the prior written consent of National Bank of Greece.

ANALYST CERTIFICATION:

The research analyst denoted by an "AC" on page 1 holds the certificate (type Δ) of the Hellenic Capital Market Commission/Bank of Greece which allows her/him to conduct market analysis and reporting and hereby certifies that all of the views expressed in this report accurately reflect his or her personal views solely, about any and all of the subject issues. Further, each of these individuals also certifies that no part of any of the report analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. Also, all opinions and estimates are subject to change without notice and there is no obligation for update.