



As economic activity improves, investor focus turns to the path of the subsequent recovery and the risk of a second wave of Covid-19

- Global risk assets (equities, speculative grade corporate bond spreads) entered Q3 on a positive footing, due, *inter alia*, to the fact that economic activity is growing at a fast pace following the easing of lockdown measures across the developed economies. Indeed, the MSCI ACWI is up by 1.4% since June 30th, after recovering in Q2 a substantial portion of its -22% qoq pandemic-related sharp losses in Q1 (+19% qoq | the strongest quarterly performance on a price basis since Q2:2009).
- Equity valuations appear to be running ahead of fundamentals, with the 12-month forward P/E ratio (share prices divided by consensus estimates for 12-month forward earnings per share) at 19x for the MSCI ACWI versus a 15-year average of 14x. In the US, the respective valuation metric stands at 22x versus a 15-year average of 15x, even with robust expectations for the 12-month forward EPS at \$144. Indeed, bottom-up expectations suggest a strong and sustained “V”-shaped recovery for corporate profitability, with consensus pointing to a bottoming out in annual growth from a trough of -44% yoy in Q2:20 to -24% yoy in Q3:20, -12% yoy in Q4:20, +14% yoy in Q1:21 and +69% yoy in Q2:21.
- The latest economic data corroborate the view that a strong rebound in activity took hold from mid-May into June following the phased easing of the restrictions. Specifically, the US ISM manufacturing index rose by 9.5 pts to 52.6 in June and its non-manufacturing counterpart by 11.7 pts to 57.1, both overshooting consensus estimates (49.5 and 50, respectively) and well above the expansion/contraction threshold of 50. Moreover, the US labor market improved significantly for a 2nd consecutive month in June, but began to slow following the labor market report’s reference week (June 7th to June 13th) (see Economics). Furthermore, the easing of social distancing also appears to have weakened in recent days in the US, as suggested by mobility reports from both Google and Apple (these reports track movements of people | see graph). Overall, caution is warranted regarding the subsequent path for the recovery, in view, *inter alia*, of the recent deterioration in epidemiological data (e.g. higher infection rates), especially in the US.
- Accommodative monetary policies remain a major pillar for economic recovery and for risk appetite. In the event, the minutes of the US Federal Open Market Committee (FOMC) meeting on June 9th – 10th suggest increased likelihood of the Federal Reserve’s forward guidance to be soon linked to certain economic outcomes. Of the various candidates, a guidance tied to inflation outcomes “that could possibly entail a modest temporary overshooting of the Committee’s longer-run inflation goal but where inflation fluctuations would be centered on 2%” appears relatively more probable (Average Inflation Targeting). Such a development would set a high bar for policy tightening, consequently strengthening the case for a “low-for-long” interest rate policy, since the chance of inflation reverting back to target is currently not on the cards (headline PCE inflation was +0.5% yoy in May | core PCE: +1% yoy). Extensive discussions took place regarding potential policy approaches that cap or target interest rates along the government bond yield curve in the footsteps of Reserve Bank of Australia and/or Bank of Japan. FOMC members expressed reluctance for such policies, but called for further respective analysis.

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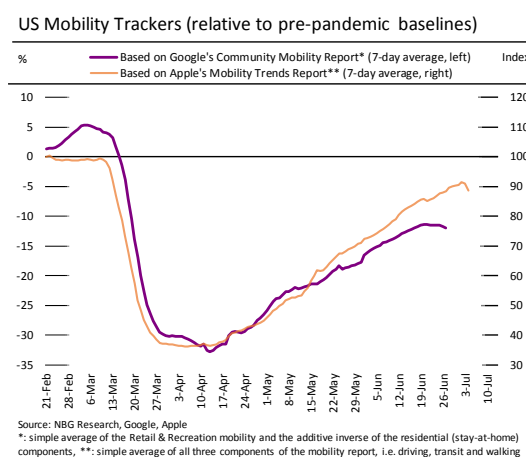
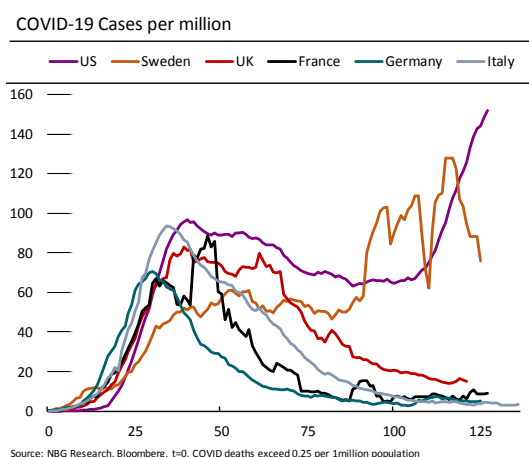
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Charts of the week



US labor market conditions continued to improve in June, due to the gradual resumption of economic activity

- **According to the monthly labor report for June, nonfarm payrolls increased sharply by 4.8 mn, exceeding consensus of circa 3 mn.** This is the largest monthly job gains in history, surpassing by a wide margin the record set in May (+2.7 mn, revised up by 0.2 mn). Notably, the industries that were affected the most by lockdowns recorded the largest increase in June, as employment in leisure & hospitality increased by 2.1 mn, accounting for c. 44% of the total gains, with employment in food services and drinking places rising by 1.5 mn but still remaining 3.1 mn below its February level. Gains also occurred in retail trade (+0.74 mn but 1.3 mn below its February level) and in education and health services (+0.57 mn but 1.8 mn below its February level). As a result, the unemployment rate decreased to 11.1% in June, from 13.3% in May and 14.7% in April, which was the highest rate since 1940. Despite the improvement during the past two months, the unemployment rate remains significantly higher than the pre-pandemic level of 3.5%, which was a 50-year low, with the level of employment being almost 15 mn below its level in February as the combined job losses in March and April reached 22 mn. As the Bureau of Labor Statistics (BLS) acknowledged, the unemployment rate for June is less underestimated than the previous months as the degree of misclassification declined considerably. In the latest surveys, many participants in the labor force were recorded as employed but absent from work due to "other reasons", while they should have been classified as unemployed on temporary layoff. Without that misclassification error, BLS estimates that the unemployment rate would have been c. 1 pp higher than reported. Recall that BLS estimated that the underestimation for April was c. 5 pps and for May c. 3 pps. Note also that a broader measure of labor market conditions, the U-6 unemployment rate (which includes the unemployed, part-time workers for economic reasons, and those workers marginally attached to the labor force), decreased significantly to 18% in June from 21.2% in May and 22.8% in April. Importantly, the data reference period for the monthly report was for the week June 7th to June 13th. In the following weeks, there was a sharp increase in daily new cases of Covid-19 in the US from 25k to over 50k and, as a result, some of the hardest-hit states decided to pause or roll back their re-opening plans, as indicated also by the new claims for unemployment insurance. Indeed, initial jobless claims posted only a small decline of 55k to 1.43 mn for the week ending June 27th, remaining above 1 mn for a 15th consecutive week. Moreover, continuing claims increased by 59k to 19.29 mn for the week ending June 20th. Note that the minutes of the Federal Reserve's latest meeting indicate the concerns of its members regarding the possibility that the gradual re-opening of the economy will be suspended or reversed due to a second wave of the pandemic and, as a result, the expected further improvement of the labor market may not materialize.

The recovery of the Economic Sentiment Indicator (ESI) in the euro area intensified

- **The euro area's ESI registered in June the largest monthly increase on record (+8.2 bps) to 75.7 from 67.5 in May and 64.8 in April, its lowest levels since 1985 when records began.** In May the increase was due to improvement in sentiment mainly

in industry (+5 bps) and among consumers (+3.2 bps), while in June the recovery was due to significant increases in confidence across all sectors, with the main drivers retail trade (+10.4 bps) and services (+8 bps). The index has now recouped c. 37% of the combined losses over March and April, having increased by 10.9 bps since April, as economies gradually re-open.

Euro area inflation flash estimate was slightly above expectations in June

- **Headline inflation accelerated by 0.2 pps to +0.3% yoy in June from a 4-year low of 0.1% in May, according to the flash estimate from Eurostat.** Recall that, in June, economies across the bloc gradually re-opened and oil prices also rallied. Indeed, the change was mostly due to energy prices (-9.4% yoy versus -11.9% in May), while, on the other hand, the respective index for food, alcohol & tobacco declined modestly to +3.1% yoy versus +3.4% yoy in May. At the same time, core inflation (which excludes the effects of energy and food components) declined to +0.8% from +0.9% yoy, reflecting the possible effects of the pandemic on demand. It should also be noted, however, that June's inflation data provide the most detailed indication of underlying price pressures since the beginning of the Covid-19 crisis, as businesses of particular sectors were previously restricted by containment measures across most euro area countries (as a result, in cases where data collection was restrained, national statistics authorities incorporated assumptions).

Unemployment in the euro area rose only slightly and by less than expected in May, as restriction measures were gradually lifted, albeit the increase was more intense for youths and women

- **The euro area unemployment rate increased in May to 7.4% (lower than consensus of 7.7%) from 7.3% in April and 7.1% in March, its lowest level since 1998 when the records began.** Youth unemployment (for persons aged under 25) rose to 16.0% in May from 15.7% in April and 15.0% in March, unemployment for women increased to 7.9% in May from 7.7% in April and 7.5% in March, while unemployment for men remained stable at 7% (6.8% in March). Among the bloc's largest economies, the highest unemployment rate was reported in Spain (14.5% from 14.6% in April), France (8.1% from 8.7%) and Italy (7.8% from 6.6%), while the lowest was recorded in Germany (3.9% from 3.8%). The small increase in the headline figure reflects the re-opening of euro area economies, started during the reference month but also the massive (temporary) furlough and short-time work schemes introduced by countries. Moreover, a significant part of those who had been registered as unemployed were no longer actively looking for a job as this was not possible due to the restrictions of movements in force, thus leading to discrepancies in the number of registered unemployed and those measured as unemployed. Looking forward, larger unemployment figures are expected in the following months as restrictions are lifted and schemes draw to a close. This is also evident in the ECB's macroeconomic projections, as it forecasts an unemployment rate of c. 10% for Q3:2020, remaining at this level in 2021 (10.1% on average) only to be reduced in 2022 (10.1% on average).

Equities

• **Global equity markets rose in the past week, as better-than-expected economic data and positive vaccine developments offset investors concern over the increase on COVID-19 cases.** Overall, the MSCI ACWI ended the week up by +3.2% (-5.8% ytd), with both Developed (+3.0% wow | -5.3% ytd) and Emerging Markets (+3.1% wow | -3.3% ytd) recording strong gains. In the US, S&P500 rose by 4.0% wow (-3.1% ytd), while on a sector level, Communication Services and Materials overperformed (+5.6% and 5.5% wow, respectively), in a week though that saw broad based gains across sectors. On the other side of the Atlantic, EuroStoxx rose by 2.7%, with Banks leading the increase (+5.3% wow), on the back of higher yields. On Friday European equities recorded losses (-0.6%), as investors mulled a reported conflict among policy makers over a stimulus package for the single-currency region, as well as political upheaval in France. Specifically, according to media reports the ECB is facing a potential rift over how much their emergency bond-purchase program should stay weighted toward weaker countries such as Italy. However, on Friday, the upward trend resumed (EuroStoxx: +1.7%). In China, CSI 300 rose by 6.8% wow (+7.9% ytd), at the highest level since June 2015, as in June NBS/Caixin manufacturing PMIs continued the recovery trend.

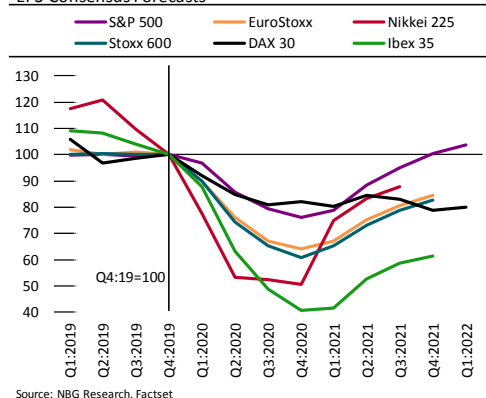
Fixed Income

• **Government bond yields increased in major advanced economies due to reduced “safe haven” demand.** Overall, the US 10-year yield rose by 3 bps to 0.67%, following stronger-than-expected economic data (labor market report) and hopes of a COVID-19 vaccine. Similarly, in the Germany, the 10-year Bund yield rose by 5 bps to -0.43%. Meanwhile, periphery bond spreads declined in the past week across the board (Italy: -9 bps to 169 bps, Spain: -6 bps to 88 bps, Portugal: -8 bps to 86 bps). **Corporate bond spreads declined in the past week as the improving activity levels across the globe and ongoing concerns regarding second wave infections remain the main drivers.** Specifically, the USD HY spread declined by 24 bps to 617 bps, while its euro area counterpart fell by 12 bps to 511 bps. In the Investment Grade spectrum, the decline of spreads was less intense both in the US (-8 bps to 154 bps) and in the euro area (-4 bps to 143 bps).

FX and Commodities

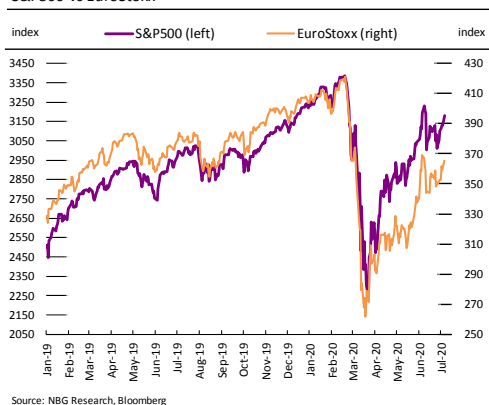
• **In foreign exchange markets, British pound rose in the past week as investors assessed the probability of Britain signing a trade deal with the European Union by the end of the year.** Note that Brexit talks in the past week between Britain and the EU ended prematurely by one day and are expected to resume this week, with the EU’s chief negotiator, Michel Barnier, noting that serious divergences remain. Overall, the British Pound rose by 1.2% against the US dollar to \$1.248 and by 0.9% wow against the euro to €/0.901. Meanwhile, US dollar was at a tight range in the past week as growing optimism about the economy offset by concerns about a resurgence in coronavirus infections. Overall, USD declined by 0.3% wow against the euro to \$1.125. Finally, **in commodities, oil prices rose in the past week due to a drawdown in crude inventories and wider signs of economic recovery.** Specifically, US oil inventories declined by 7.2 million barrels (the biggest decline since the beginning of the year) from a record high in the past week (544 million barrels) to 534 million barrels for the week ending June 26th. Overall, Brent ended the week up by 5.9% to \$42.4/barrel (-36% ytd), and the WTI rose by 5.6% to \$40.7/barrel (-33% ytd). Gold prices were broadly stable at \$1772/ounce. Note that from the beginning of the year gold prices have increased by 17%, due to increased safe haven demand.

EPS Consensus Forecasts



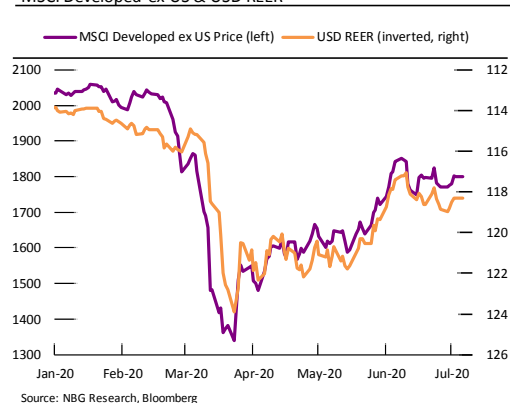
Graph 1.

S&P500 vs EuroStoxx



Graph 2.

MSCI Developed ex US & USD REER



Graph 3.

Quote of the week: “We have entered an important new phase and have done so sooner than expected... While this bounce-back in economic activity is welcome, it also presents new challenges — notably, the need to keep the virus in check”, **Fed Chair, Jerome Powell, June 30th 2020.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	July 3rd	3-month	6-month	12-month	Official Rate (%)	July 3rd	3-month	6-month	12-month
Germany	-0,43	-0,50	-0,40	-0,30	Euro area	0,00	0,00	0,00	0,00
US	0,67	0,90	1,00	1,20	US	0,25	0,25	0,25	0,25
UK	0,19	0,29	0,33	0,43	UK	0,10	0,08	0,08	0,08
Japan	0,03	0,01	0,02	0,05	Japan	-0,10	-0,10	-0,10	-0,10

Currency	July 3rd	3-month	6-month	12-month	July 3rd	3-month	6-month	12-month	
EUR/USD	1,12	1,13	1,13	1,15	USD/JPY	108	107	106	104
EUR/GBP	0,90	0,89	0,88	0,88	GBP/USD	1,25	1,27	1,28	1,31
EUR/JPY	120	120	120	120					

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	2,3	0,3	-10,3	-6,7	-5,8	-5,7
Real GDP Growth (QoQ saar) (2)	-	3,1	2,0	2,1	2,1	-	-5,0	-34,5	19,2	6,0	-
Private Consumption	3,0	1,1	4,6	3,1	1,8	2,6	-6,8	-36,0	26,0	5,8	-5,7
Government Consumption	1,7	2,9	4,8	1,7	2,5	2,3	1,1	0,7	6,0	5,6	2,5
Investment	4,6	3,2	-1,4	-0,8	-0,6	1,3	-1,3	-31,2	8,0	7,0	-6,0
Residential	-1,5	-1,1	-2,9	4,6	6,5	-1,5	18,2	-40,2	21,1	6,9	-1,0
Non-residential	6,4	4,4	-1,0	-2,3	-2,5	2,1	-6,4	-28,5	5,2	7,0	-7,4
Inventories Contribution	0,1	0,5	-1,0	0,0	-1,2	0,1	-1,8	-3,7	0,9	0,8	-1,3
Net Exports Contribution	-0,4	0,8	-0,8	-0,2	1,9	-0,2	1,8	-1,6	-1,8	-1,1	0,2
Exports	3,0	4,2	-5,7	0,9	2,1	0,0	-9,0	-49,4	28,7	15,7	-10,2
Imports	4,4	-1,5	0,0	1,8	-8,4	1,0	-15,7	-33,6	32,4	17,4	-8,4
Inflation (3)	2,5	1,7	1,8	1,7	2,1	1,8	2,1	0,1	0,3	0,5	0,7

Euro Area	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20a	Q2:20f	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY)	1,9	1,5	1,2	1,3	1,0	1,2	-3,1	-12,7	-9,4	-6,6	-8,0
Real GDP Growth (QoQ saar)	-	2,0	0,4	1,2	0,2	-	-13,6	-33,7	17,5	12,9	-
Private Consumption	1,4	2,0	0,8	1,7	0,6	1,3	-17,4	-37,6	21,7	16,3	-9,3
Government Consumption	1,1	1,9	2,0	2,6	1,0	1,8	-1,5	7,7	6,3	5,4	2,8
Investment	2,4	2,6	27,1	-18,3	21,6	5,8	-16,0	-41,2	22,0	13,7	-8,0
Inventories Contribution	0,0	-1,0	-0,1	-0,7	-1,1	-0,5	1,5	-1,5	0,2	0,2	-0,2
Net Exports Contribution	0,4	1,0	-5,4	4,9	-3,3	-0,6	-1,6	-5,1	-0,2	-0,1	-1,8
Exports	3,3	4,4	-0,3	2,7	0,3	2,5	-15,7	-43,2	22,1	12,3	-10,6
Imports	2,7	2,5	12,4	-7,3	7,9	4,0	-13,7	-38,7	23,5	13,0	-7,8
Inflation	1,8	1,4	1,4	1,0	1,0	1,2	1,1	0,2	0,2	0,2	0,5

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>

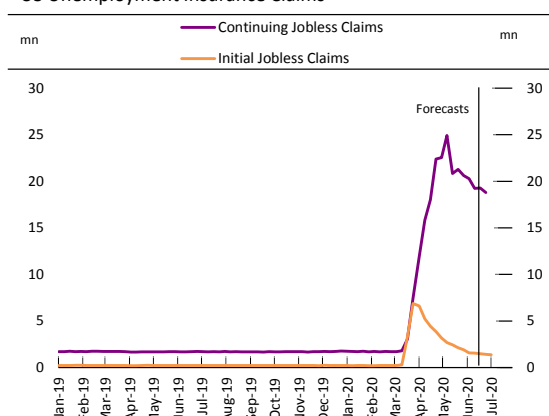
Economic Calendar

In the US, attention turns to the weekly initial and continuing jobless claims for a more updated view of labor market conditions.

In China, attention turns to inflation data for June, due to release on Thursday. CPI is expected at 2.5% yoy from 2.4% yoy in May.

In Germany, industrial production for May is released on Tuesday (consensus for +11.1% mom vs -17.9% mom and -16.9% yoy vs -25.3% yoy in the previous month).

US Unemployment Insurance Claims



Source: NBG Research, FRED Economic Data

Economic News Calendar for the period: June 30 - July 13, 2020

Tuesday 30				Wednesday 1													
US		S	A	P	EURO AREA	S	A	P	US		S	A	P				
Conference board consumer confidence	June	91.5	+	98.1	85.9	CPI (YoY)	June	0.2%	+	0.3%	0.1%	ADP Employment Change (k)	June	2900	-	2369	3065
S&P Case/Shiller house price index 20 (YoY)	April	3.80%	+	3.98%	3.91%	Core CPI (YoY)	June	0.8%	+	0.8%	0.9%	Construction spending (MoM)	May	1.0%	-	-2.1%	-3.5%
UK					CHINA				ISM Manufacturing	June	49.8	+	52.6	43.1			
GDP (QoQ)	Q1:20	-2.0%	-	-2.2%	-2.0%	Manufacturing PMI	June	50.5	+	50.9	50.6	FOMC Minutes	June 10				
GDP (YoY)	Q1:20	-1.6%	-	-1.7%	-1.6%				UK								
JAPAN									Nationwide House Px NSA YoY	June	0.9%	-	-0.1%	1.8%			
Jobless Rate	May	2.8%	-	2.9%	2.6%				JAPAN								
Industrial Production (MoM)	May	-5.9%	-	-8.4%	-9.8%				Tankan - large manufacturers current index	Q2:20	-31	-	-34	-8			
Industrial Production (YoY)	May	-23.1%	-	-25.9%	-15.0%				Tankan - large manufacturers outlook index	Q2:20	-24	-	-27	-11			
Construction Orders YoY	May	..	-	-6.1%	-14.2%				CHINA								
									Caixin PMI Manufacturing	June	50.5	+	51.2	50.7			
									GERMANY								
									Retail sales (MoM)	May	3.5%	+	13.9%	-6.5%			
									Retail sales (YoY)	May	-3.2%	+	3.8%	-6.4%			
Thursday 2				Monday 6													
US		S	A	P	US	S	A	P									
Trade balance (\$bn)	May	-53.2	-	-54.6	-49.8	ISM non-manufacturing	June	50.2	+	57.1	45.4						
Change in Nonfarm Payrolls (k)	June	3230	+	4800	2699	UK											
Change in Private Payrolls (k)	June	3000	+	4767	3232	Markit/CIPS UK Construction PMI	June	46.0	+	55.3	28.9						
Unemployment rate	June	12.5%	+	11.1%	13.3%	EURO AREA											
Average weekly hours (hrs)	June	34.5		34.5	34.7	Retail sales (MoM)	May	15.0%	+	17.8%	-12.1%						
Average Hourly Earnings MoM	June	-0.8%	-	-1.2%	-1.0%	Retail sales (YoY)	May	-6.5%	+	-5.1%	-19.6%						
Average Hourly Earnings YoY	June	5.3%	-	5.0%	6.6%												
Labor Force Participation Rate	June	61.2%	+	61.5%	60.8%												
Underemployment Rate	June	..		18.0%	21.2%												
Initial Jobless Claims (k)	June 27	1350	-	1427	1482												
Continuing Claims (k)	June 20	19000	-	19290	19231												
Factory Goods Orders (MoM)	May	8.6%	-	8.0%	-13.5%												
EURO AREA																	
Unemployment Rate	May	7.7%	+	7.4%	7.3%												
Tuesday 7				Wednesday 8													
JAPAN		S	A	P					JAPAN		S	A	P				
Leading Index	May	79.3	..	77.7					Eco Watchers Current Survey	June	24.3	..	15.5				
Coincident Index	May	74.6	..	80.1					Eco Watchers Outlook Survey	June	39.3	..	36.5				
GERMANY																	
Industrial Production (sa, MoM)	May	11.1%	..	-17.9%													
Industrial Production (wda, YoY)	May	-16.9%	..	-25.3%													
Thursday 9																	
US		S	A	P													
Initial Jobless Claims (k)	July 4	1375	..	1427													
Continuing Claims (k)	June 27	18800	..	19290													
Wholesale trade (MoM)	May	-16.9%													
CHINA																	
CPI (YoY)	June	2.5%	..	2.4%													

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	3130	4,0	-3,1	4,5	15,4	MSCI Emerging Markets	59436	3,1	-3,3	1,5	
Japan	NIKKEI 225	22306	-0,9	-5,7	2,8	2,7	MSCI Asia	918	3,4	0,5	6,9	
UK	FTSE 100	6157	0,0	-18,4	-19,0	-18,7	China	92	4,8	7,6	15,0	
Canada	S&P/TSX	15597	2,7	-8,6	-6,0	-4,3	Korea	676	0,5	-2,2	5,8	
Hong Kong	Hang Seng	25373	3,4	-10,0	-11,9	-10,2	MSCI Latin America	83822	2,7	-16,3	-12,7	
Euro area	EuroStoxx	359	2,7	-11,1	-6,4	-4,8	Brazil	307519	2,9	-16,0	-8,0	
Germany	DAX 30	12528	3,6	-5,4	-0,8	1,7	Mexico	35191	1,5	-12,3	-11,9	
France	CAC 40	5007	2,0	-16,2	-10,9	-5,9	MSCI Europe	5374	1,0	-15,7	-12,3	
Italy	FTSE/MIB	19727	3,1	-16,1	-10,8	-9,0	Russia	1179	1,1	-13,4	-8,2	
Spain	IBEX-35	7404	3,1	-22,5	-21,2	-24,1	Turkey	1397083	-1,2	-7,0	2,4	

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		123,5	1,9	-37,3	-38,6	-47,1	Energy		128,7	1,4	-36,1	-38,1
Materials		251,1	3,2	-7,8	-4,4	-4,7	Materials		242,6	2,8	-6,9	-4,0
Industrials		239,0	2,8	-13,6	-9,2	-3,3	Industrials		236,7	2,6	-13,4	-9,1
Consumer Discretionary		286,9	4,6	3,1	8,0	15,1	Consumer Discretionary		277,1	4,5	3,2	8,0
Consumer Staples		235,0	1,7	-6,4	-3,2	6,4	Consumer Staples		236,4	1,5	-6,0	-3,4
Healthcare		284,1	2,7	1,8	11,6	23,5	Healthcare		280,7	2,5	1,8	11,3
Financials		95,9	2,2	-23,7	-19,1	-18,2	Financials		96,9	1,9	-23,1	-18,7
IT		355,8	3,5	14,4	29,6	48,9	IT		344,6	3,4	14,4	29,6
Telecoms		77,1	4,8	-0,5	5,6	18,9	Telecoms		80,6	4,8	-0,3	5,7
Utilities		138,6	4,1	-7,7	-2,8	8,7	Utilities		142,7	3,8	-7,4	-2,6

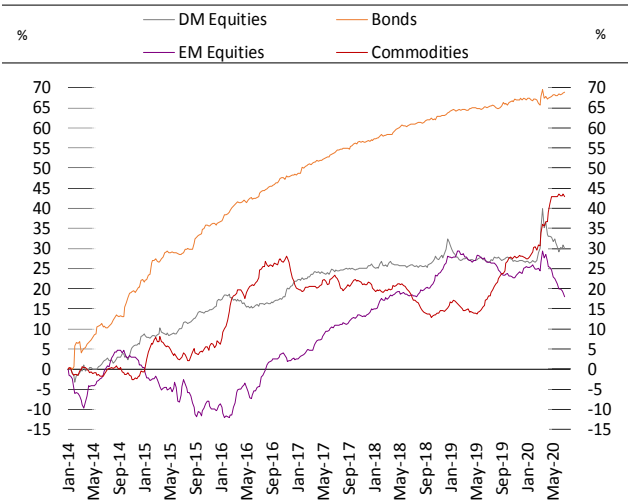
Bond Markets (%)

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		0,67	0,64	1,92	1,95	2,27	US Treasuries 10Y/2Y		52	48	35	19
Germany		-0,43	-0,48	-0,19	-0,40	0,94	US Treasuries 10Y/5Y		37	34	23	22
Japan		0,03	0,01	-0,01	-0,16	0,41	Bunds 10Y/2Y		25	22	42	36
UK		0,19	0,17	0,82	0,68	1,80	Bunds 10Y/5Y		25	23	29	26
Greece		1,16	1,27	1,47	2,06	9,70	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		0,02	0,02	0,12	0,04	3,22	EM Inv. Grade (IG)		230	233	150	170
Italy		1,25	1,29	1,41	1,67	3,04	EM High yield		735	756	494	478
Spain		0,45	0,46	0,47	0,25	2,79	US IG		154	162	101	120
Portugal		0,43	0,46	0,44	0,34	4,53	US High yield		617	641	360	402
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG		143	147	94	110
30-Year FRM ¹ (%)		3,3	3,3	4,0	4,1	4,2	Euro area High Yield		511	523	308	349
vs 30Yr Treasury (bps)		186	192	156	160	125						

Foreign Exchange & Commodities

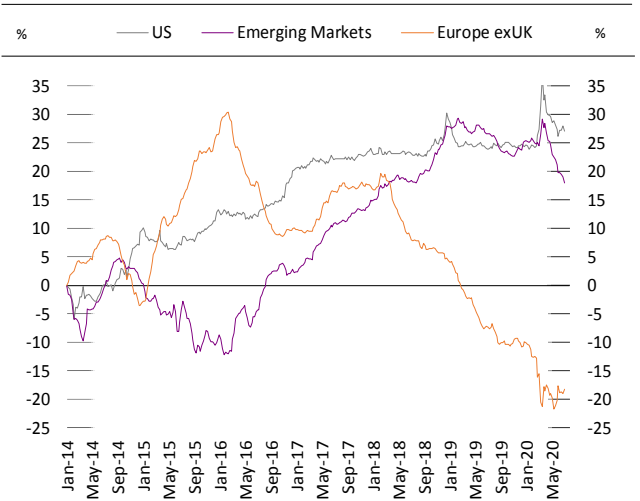
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural		305	4,9	1,0	-14,2
EUR/USD		1,12	0,3	0,1	-0,3	0,3	Energy		238	6,3	8,0	-48,6
EUR/CHF		1,06	-0,1	-1,6	-4,4	-2,1	West Texas Oil (\$)		41	5,6	9,0	-29,1
EUR/GBP		0,90	-0,9	0,8	0,4	6,5	Crude Brent Oil (\$)		42	5,9	10,7	-32,8
EUR/JPY		120,92	0,5	-1,2	-0,6	-0,6	Industrial Metals		1126	1,3	5,5	-4,9
EUR/NOK		10,66	-2,1	0,3	10,7	8,3	Precious Metals		2055	0,6	4,7	23,6
EUR/SEK		10,48	0,1	0,5	-0,4	-0,2	Gold (\$)		1772	0,0	4,3	25,1
EUR/AUD		1,62	-0,8	-0,2	0,8	1,4	Silver (\$)		18	1,2	2,1	17,8
EUR/CAD		1,52	-0,7	0,6	3,5	4,7	Baltic Dry Index		1894	8,3	219,9	11,4
USD-based cross rates							Baltic Dirty Tanker Index		471	0,9	-25,0	-27,8
USD/CAD		1,35	-1,0	0,4	3,8	4,3						
USD/AUD		1,44	-1,1	-0,3	1,2	1,1						
USD/JPY		107,51	0,3	-1,3	-0,3	-1,0						

Global Cross Asset ETFs: Flows as % of AUM



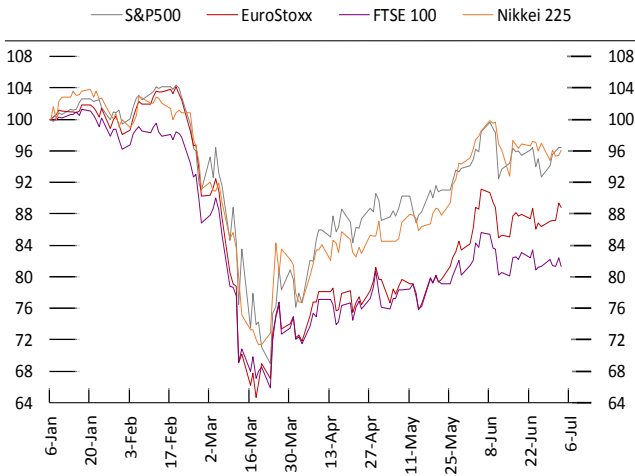
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of July 3rd

Equity ETFs: Flows as % of AUM



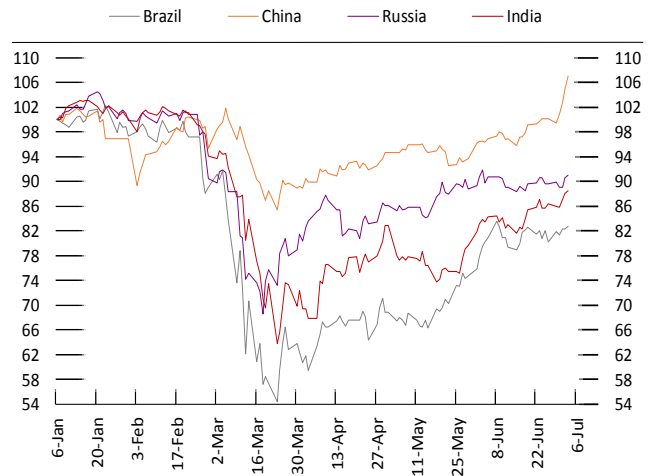
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of July 3rd

Equity Market Performance - G4



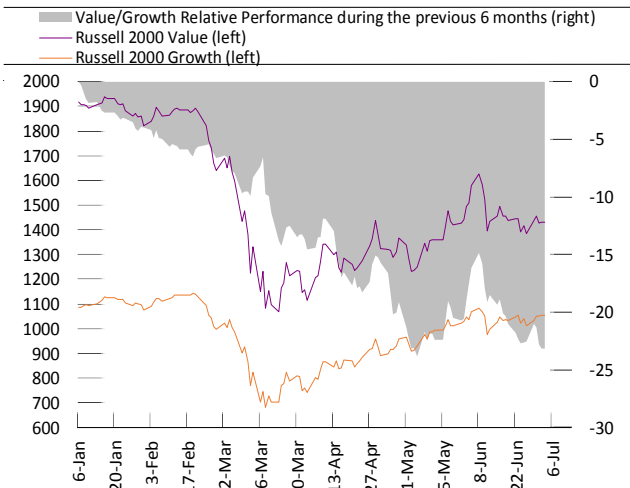
Source: Bloomberg - Data as of July 3rd - Rebased @ 100

Equity Market Performance - BRICs



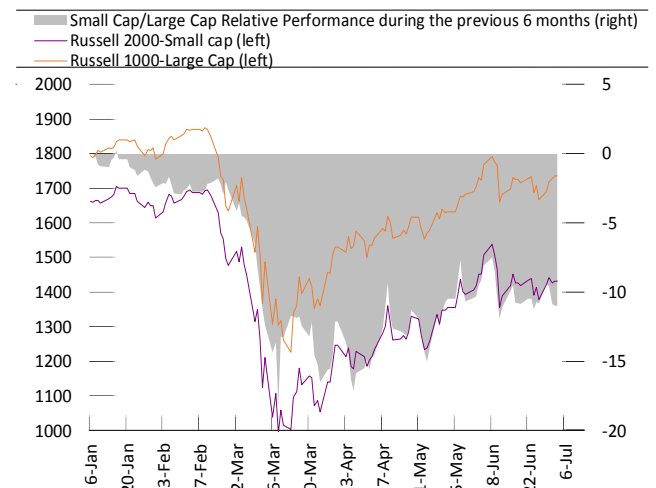
Source: Bloomberg - Data as of July 3rd - Rebased @ 100

Russell 2000 Value & Growth Index



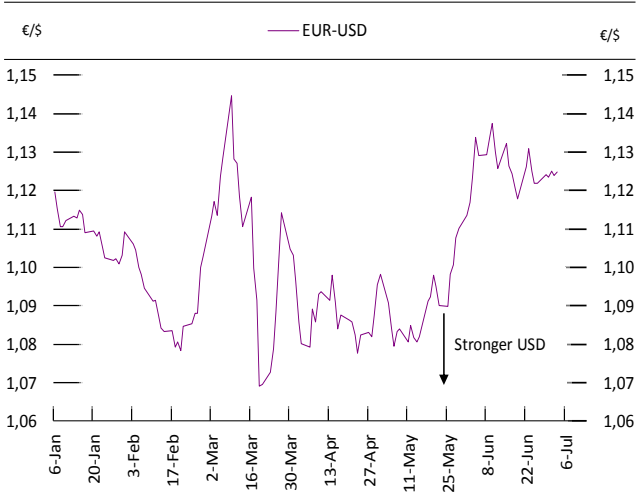
Source: Bloomberg, Data as of July 3rd

Russell 2000 & Russell 1000 Index



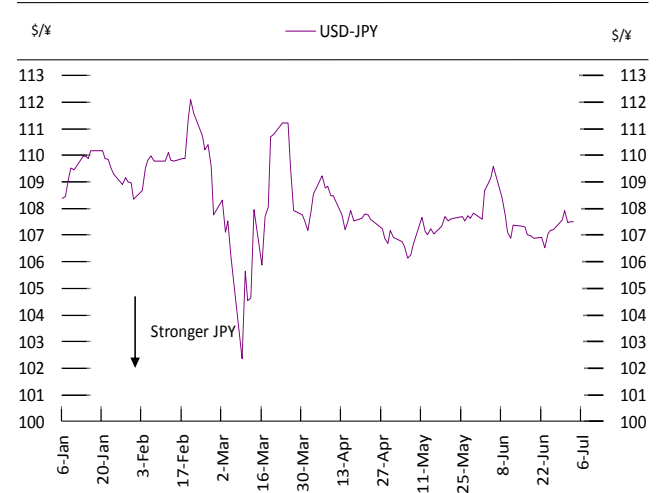
Source: Bloomberg, Data as of July 3rd

EUR/USD



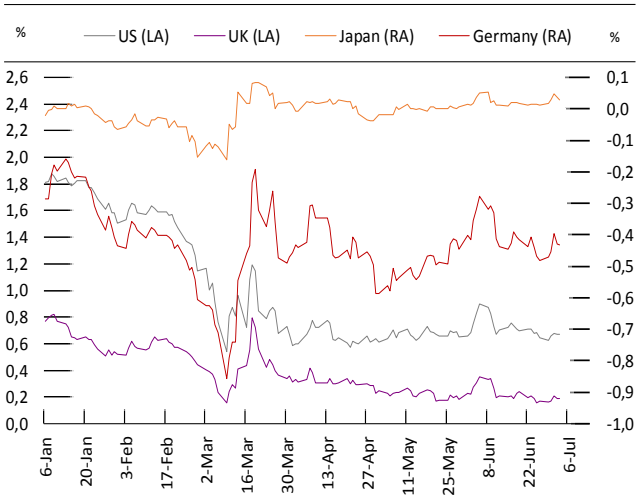
Source: Bloomberg, Data as of July 3rd

JPY/USD



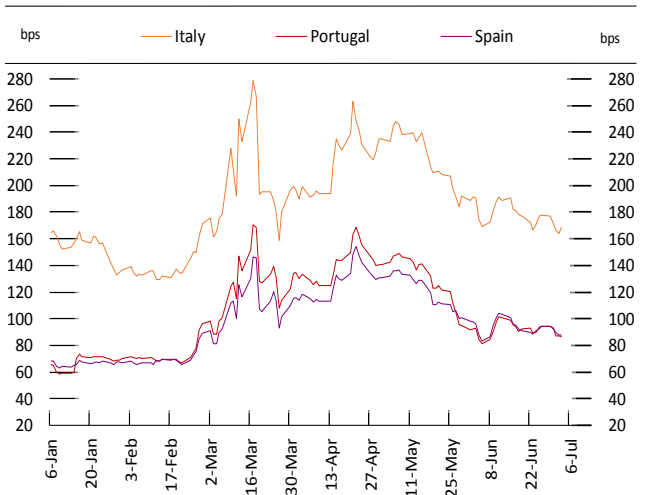
Source: Bloomberg, Data as of July 3rd

10- Year Government Bond Yields



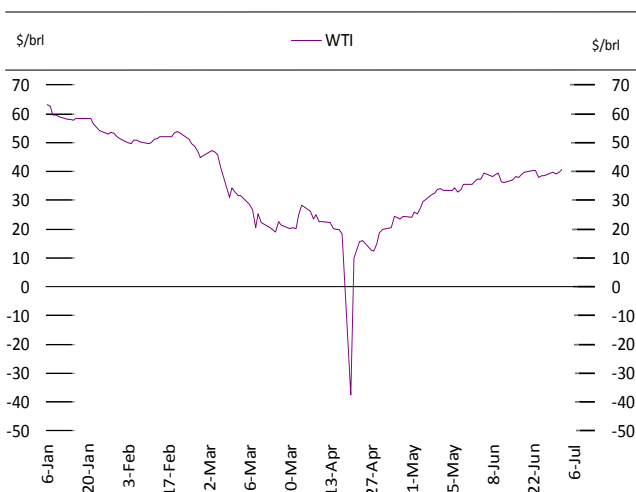
Source: Bloomberg - Data as of July 3rd
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



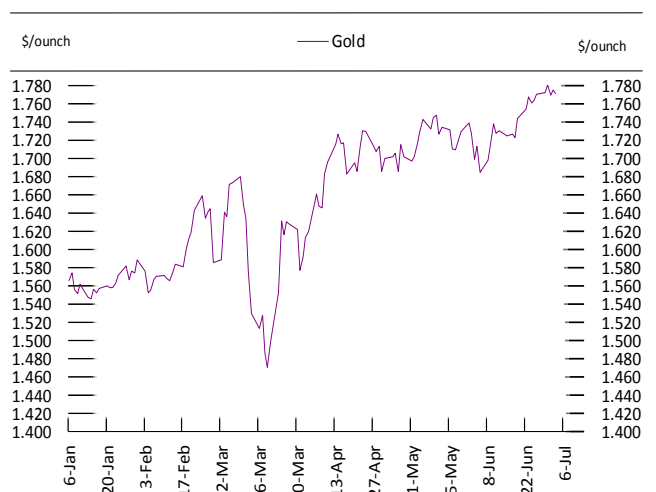
Source: Bloomberg - Data as of July 3rd

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of July 3rd

Gold (\$/ounce)



Source: Bloomberg, Data as of July 3rd

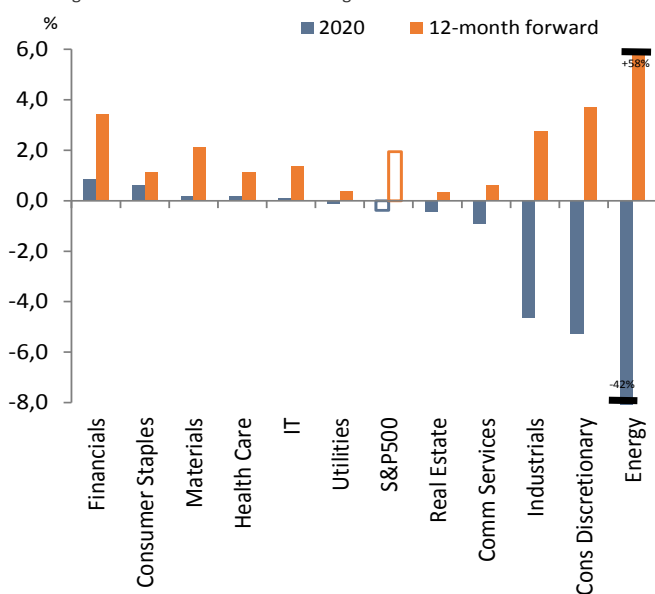
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	3/7/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3130	4,0	-3,1	1,2	-21,9	1,8	1,9	20,3	24,9	22,1	15,3	3,7	3,5	3,4	2,6
Energy	283	2,2	-37,9	-29,0	N/A	3,8	6,0	21,8	N/A	N/A	17,1	1,6	1,2	1,2	1,7
Materials	362	5,5	-6,2	-15,6	-21,3	2,1	2,3	20,2	24,8	22,0	14,9	2,4	2,4	2,4	2,5
Financials															
Diversified Financials	638	2,5	-14,1	1,6	-29,1	1,4	1,8	16,2	19,4	17,1	13,9	1,9	1,6	1,5	1,5
Banks	238	0,5	-37,4	9,0	-53,2	2,6	4,4	12,3	16,8	13,5	10,9	1,4	0,9	0,8	1,0
Insurance	351	1,5	-20,4	15,8	-6,0	2,2	3,0	13,4	11,3	10,7	10,9	1,5	1,2	1,1	1,1
Real Estate	221	5,6	-8,0	1,9	-8,0	3,1	3,1	21,0	21,0	20,1	18,2	3,7	3,4	3,5	3,0
Industrials															
Capital Goods	597	3,9	-17,8	-7,2	-28,0	1,8	2,1	21,2	23,8	20,8	15,7	5,5	4,0	3,9	3,5
Transportation	689	5,4	-12,2	6,6	N/A	1,9	2,0	14,7	N/A	N/A	10,8	4,3	4,2	4,1	3,4
Commercial Services	344	3,8	-0,3	12,8	-9,3	1,3	1,3	28,5	30,4	28,6	20,2	6,0	5,4	5,2	3,5
Consumer Discretionary															
Retailing	3089	5,9	26,1	4,2	-26,3	0,7	0,5	33,6	56,8	46,7	22,3	13,3	14,5	13,2	6,6
Consumer Services	995	3,4	-23,6	5,1	N/A	2,1	1,9	24,0	N/A	N/A	23,0	16,3	23,0	25,4	7,3
Consumer Durables	315	4,5	-15,3	-0,4	-32,2	1,5	1,7	19,7	24,8	21,8	17,0	4,1	3,4	3,3	3,2
Automobiles and parts	84	3,3	-29,1	-16,8	N/A	4,2	1,5	8,5	N/A	N/A	7,6	1,3	1,1	1,1	1,6
IT															
Technology	1807	2,4	13,3	2,6	0,0	1,3	1,3	21,6	23,6	22,0	12,8	9,7	12,1	12,2	4,0
Software & Services	2705	4,3	17,8	11,4	5,4	0,9	0,9	29,5	31,9	29,9	17,8	7,9	8,9	8,4	5,3
Semiconductors	1352	3,6	8,9	-12,2	1,4	1,8	1,8	18,9	20,2	18,8	14,0	5,5	5,6	5,3	3,2
Communication Services	184	5,6	1,2	3,0	-14,9	1,2	1,1	21,8	25,2	22,8	17,5	3,5	3,2	3,1	2,9
Media	688	6,2	5,5	3,8	-15,7	0,4	0,3	27,4	33,0	28,7	20,3	4,2	4,0	3,8	3,2
Consumer Staples															
Food & Staples Retailing	473	2,0	-4,7	2,9	-3,0	1,7	1,8	21,5	21,5	20,8	16,4	4,6	4,3	4,1	3,2
Food Beverage & Tobacco	638	3,1	-10,7	-1,7	-4,4	3,3	3,7	19,7	18,5	17,7	17,6	5,3	4,7	4,6	4,9
Household Goods	745	4,3	0,2	6,6	4,7	2,3	2,4	25,8	24,6	23,9	19,5	8,9	8,6	8,5	5,2
Health Care															
Pharmaceuticals	1008	3,8	2,3	10,9	3,2	2,1	2,3	16,1	15,9	15,1	14,6	6,3	5,6	5,2	3,8
Healthcare Equipment	1331	4,5	-3,4	9,9	-6,6	1,0	1,1	20,7	21,1	19,3	15,5	3,8	3,3	3,1	2,6
Utilities	294	4,9	-10,4	4,9	2,9	3,1	3,6	20,7	18,1	17,6	15,9	2,2	1,9	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

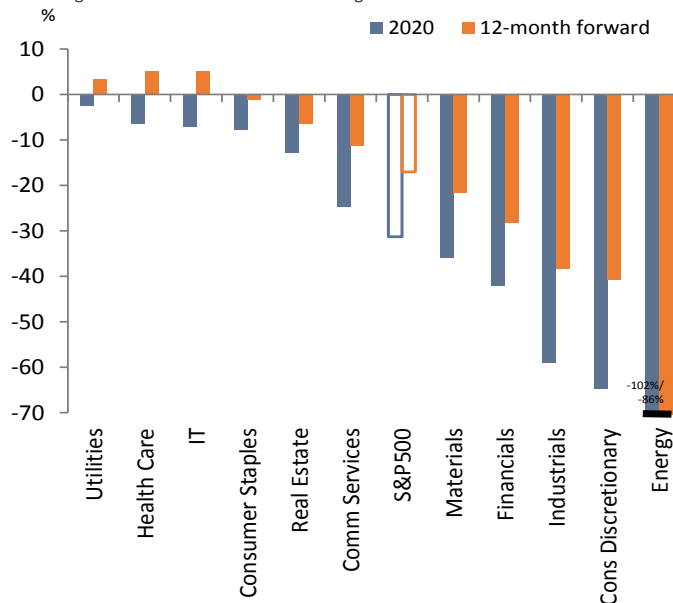
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of July 3rd
12-month forward EPS are 49% of 2020 EPS and 51% 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 July 3rd
12-month forward EPS are 49% of 2020 EPS and 51% of 2021 EPS

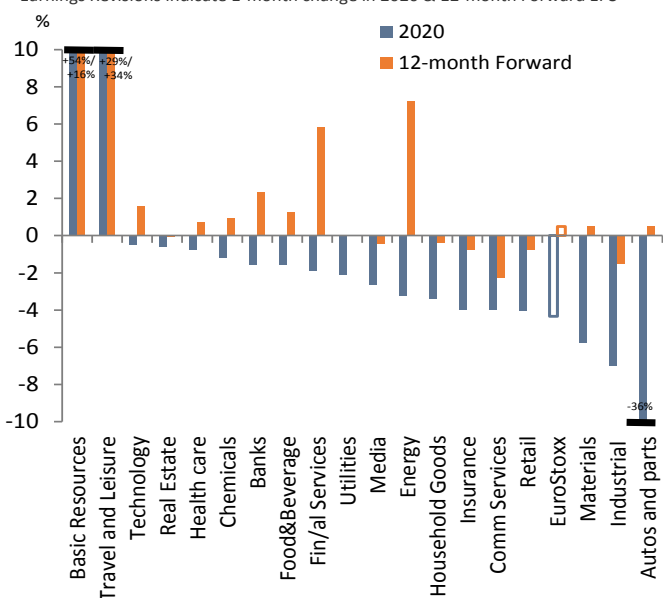
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	3/7/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	359	2,7	-11,1	2,3	-37,9	3,1	2,6	16,8	23,7	20,0	13,3	1,7	1,5	1,5	1,4
Energy	230	0,1	-30,1	-10,1	-69,2	5,0	6,9	13,7	30,7	22,0	11,7	1,3	1,0	1,0	1,1
Materials	413	3,8	-15,3	14,1	-40,9	3,2	3,0	15,4	22,2	18,4	14,3	1,9	1,6	1,5	1,4
Basic Resources	152	1,7	-25,5	-61,6	N/A	3,3	2,7	19,3	N/A	N/A	14,0	0,8	0,7	0,6	0,8
Chemicals	1116	4,2	-5,0	-13,3	-16,9	2,7	2,8	21,8	25,3	22,9	15,3	2,1	2,0	2,0	2,2
Financials															
Fin/al Services	504	3,5	-0,1	23,8	-34,8	2,6	2,6	15,0	22,6	19,4	13,6	1,6	1,3	1,3	1,2
Banks	64	5,3	-33,4	-1,1	-58,2	5,7	3,0	9,2	14,6	12,0	9,4	0,6	0,4	0,4	0,7
Insurance	244	3,4	-19,4	13,0	-15,4	4,8	6,1	11,0	10,4	9,4	9,2	1,0	0,8	0,8	0,9
Real Estate	202	2,0	-18,0	-0,5	-6,1	4,2	4,3	19,0	16,7	15,9	17,0	1,0	0,9	0,9	1,0
Industrial	796	3,1	-15,4	11,7	-44,3	2,4	1,9	20,1	30,2	24,5	15,3	3,2	2,6	2,5	2,3
Consumer Discretionary															
Media	192	1,7	-14,3	4,1	-20,6	2,6	2,6	17,9	19,1	17,4	15,3	2,5	2,1	2,1	1,8
Retail	594	2,5	-1,1	3,5	-24,1	2,5	1,8	25,6	33,3	28,8	19,4	4,4	3,6	3,5	3,1
Automobiles and parts	376	2,5	-22,6	-12,2	-84,9	3,7	1,4	8,7	44,0	26,2	8,4	0,9	0,7	0,7	1,0
Travel and Leisure	160	0,9	-25,4	-10,1	N/A	2,2	0,4	16,8	N/A	N/A	13,7	2,0	1,6	1,6	2,0
Technology	670	3,3	10,6	5,9	-10,2	1,2	0,8	26,9	32,0	28,2	18,5	4,2	4,2	4,0	3,0
Communication Services	264	2,3	-8,6	-14,3	0,1	4,2	4,6	17,5	15,9	15,0	14,2	1,9	1,6	1,6	1,8
Consumer Staples															
Food&Beverage	480	0,1	-19,8	16,8	-31,9	2,1	2,0	20,5	24,0	21,3	18,6	2,7	2,0	2,0	2,6
Household Goods	1037	1,2	-3,1	6,6	-23,3	1,6	1,4	29,8	36,9	32,6	21,2	6,1	5,5	5,2	3,8
Health care	881	1,4	1,2	7,1	-2,7	2,1	2,1	20,1	20,2	18,8	15,3	2,4	2,2	2,2	2,1
Utilities	355	4,1	2,3	57,7	-4,8	4,5	4,5	16,2	17,1	16,0	12,7	1,6	1,5	1,5	1,1

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

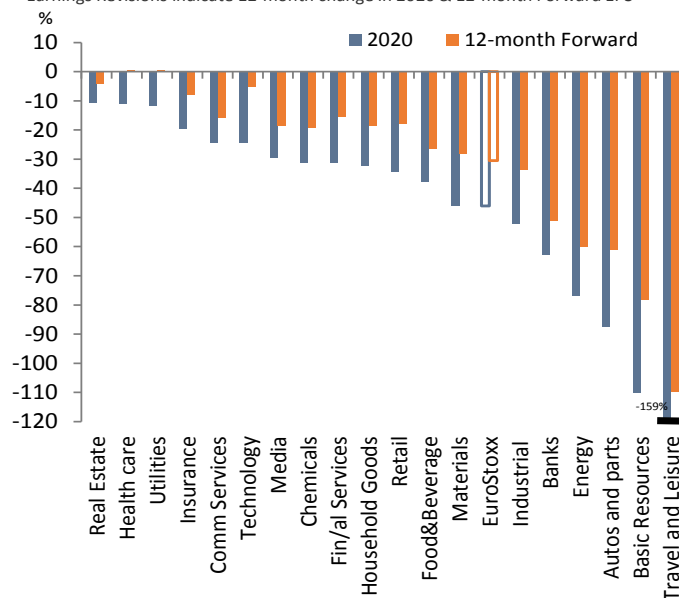
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of July 3rd
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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 July 3rd
12-month forward EPS are 49% of 2020 EPS and 51% of 2021 EPS

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