

Global equities recorded further gains ahead of the US consumer inflation data

- Equities recorded further gains in the past week, with investors taking a more constructive view regarding the outlook on inflation. Emerging market equities overperformed their Developed market counterparts, albeit the valuation gap year-to-date (-6%) remains wide (see page 3).
- Government bond interest rates in core markets declined modestly, as the US labor market report was unexciting. The 10-Year US Treasury yield declined by 3 basis points to 1.55% and the 10-Year Bund yield fell by 3 basis points to -0.19%. Euro area periphery bonds remain well bid, with the GGB/Bund spread narrowing intra-week to 99 basis points, its lowest level since October 2008.
- US job creation was slightly below consensus expectations in May, with non-farm payrolls (NFPs) increasing by +559k, compared with +278k in April (see Economics). The unemployment rate fell by 0.3 pps to 5.8%. The ongoing jobs shortfall of circa 7 million relative to pre-Covid levels suggests that the labor market still has a substantial amount of slack (see graph below).
- Sustained improvement in the labor market is a prerequisite for the Federal Reserve to start tapering its large-scale asset purchases of US Treasuries and agency MBSs. Nevertheless, the "discussion about discussing" QE tapering could commence at the June 16th meeting.
- The Federal Reserve will begin gradual sales of its holdings (circa \$9bn) of corporate bond ETFs on June 7th, winding down the portfolio of the temporary (which closed on December 2020), Secondary Market Corporate Credit Facility (SMCCF). The Fed intends to begin gradual sales of its corporate bond holdings (circa \$5bn) this summer.
- The SMCCF and the Primary Market Corporate Credit Facility (no transactions occurred under the PMCCF), established on March 2020 to support credit to employers, by providing liquidity to the corporate bond market.
- Note that the size of the SMCCF and the PMMCCF was up to \$750bn, suggesting high effectiveness of the signaling channel of monetary policy. Indeed, both USD Investment Grade and Speculative Grade corporate bond spreads have narrowed significantly, hovering close to their cycle highs of circa 90 and 328 basis points, respectively.
- Attention turns on June 10th, to the US CPI announcement for May. The headline and the core annual growth are expected to accelerate to +4.6% (+4.2% yoy in April) and +3.3% (+3% yoy) according to Federal Reserve Bank of Cleveland Inflation Nowcasting model due to (i) favorable base effects intensifying (albeit also peaking), (ii) pandemic-hit items normalizing further and (iii) with transitory upward effects due to supply chain bottlenecks, remaining in place.
- The European Central Bank on June 10th is expected to stand pat regarding the pace of PEPP purchases (€20bn/week), as recent guidance (Lagarde, Lane) was clear in that regard. The accompanying quarterly macro economic projections, will also be monitored, as risks to the economic outlook are becoming more balanced due to vaccinations. The inflation outlook will remain subdued (CPI 2023: 1.4% to 1.5%).

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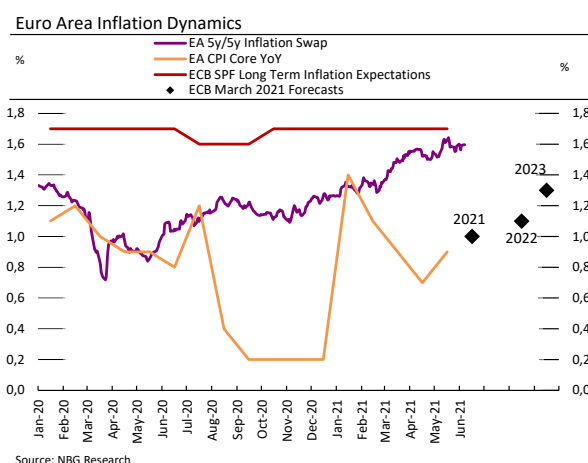
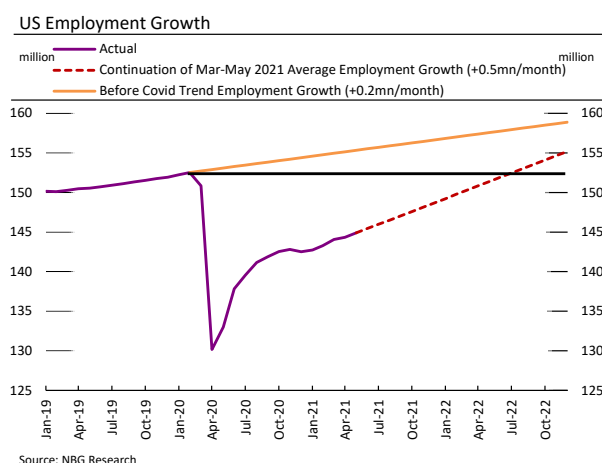
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Charts of the week



US job creation was robust in May, albeit slightly below expectations

- **US non-farm payrolls increased by 559k in May (on a seasonally adjusted basis), compared with +278k in April.** In addition, positive net revisions for the previous two months took place (+27k). Job creation in May continued to benefit from the re-opening of economic sectors which have been directly impacted from pandemic-related restrictions. Indeed, sector-wise, leisure and hospitality led the increase, with payrolls up by 292k (+328k in April), followed by notable job gains in public & private education (+103k & +41k, respectively).
- **The latest outcome was below consensus estimates for 650k.** Nevertheless, caution is warranted in putting too much weight on the headline outcomes in recent months as precise indicators of the momentum for job creation, as technical factors related to the seasonal adjustment methodology are at play.
- In addition, labor supply issues could depress the headline figure. In the event, the currently increased unemployment insurance benefits (a measure designed to stem the negative economic impact from the pandemic), could pose a disincentive to return to work, particularly for low paid job positions. Nevertheless, the aforementioned additional benefits are set to start being gradually wound down in some States as of the current month and to expire nationwide by September. Recall that the strong labor demand combined with the aforementioned labor supply issues, probably contributed in the average hourly earnings of the (relatively lower paid) production and nonsupervisory employees increasing solidly for a 2nd consecutive month in May, by 0.5% mom, following a +0.8% mom in April (long-term average of +0.2% mom).
- Total household employment (including the self-employed and agricultural workers | on a seasonally adjusted basis) was up by +444k in May, from +328k in April. As a result, the unemployment rate fell by 0.3 pps to 5.8% (consensus for 5.9%). The labor force participation rate declined by 0.1 pp to 61.6%.
- Recall that both the jump in the official unemployment rate during the initial lockdowns period in 2020 (at 14.8% in April from 3.5% in February, which was the lowest since December 1969) and the sharp fall in subsequent months, was mostly due to people entering a state of temporary layoff (i.e persons that have been given a date to return to work by their employer or expect to be recalled to their job within 6 months) and subsequently (gradually) returning to work, respectively. The number of unemployed persons excluding those on temporary layoff, as % of the labor force, was 4.6% in May. Note that in the US, workers on temporary furlough are counted as unemployed, a different norm compared with Europe. As a result, in the current exceptional circumstances, caution is warranted in making direct comparisons between official unemployment rate figures in the US and in European countries
- Finally, a broader measure of labor market slack, 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 by 0.2 pps to 10.2% in May.

US business confidence remained strong in May

- **PMIs rose in May, modestly above expectations, with output struggling to cope with the sharp increase in demand, in view of supply chain bottlenecks regarding materials and labor supply issues.** Specifically, the ISM manufacturing PMI came out at 61.2 from 60.7 in April (consensus: 60.6). Notably, the gap between the new orders (a core indication of demand conditions | at 67.0 in May) and the production (58.5) sub-indexes, stood at its widest since 2009. At the same time, the ISM services (formerly known as nonmanufacturing) PMI came out at a record (since 1997) high of 64 in May, compared 62.7 in the previous month (consensus: 63.0).
- In all, respondents in both surveys reiterated that demand is surging, boosted also by pent-up demand as the economy fully re-opens. Nevertheless, supply continues to struggle to catch up with demand, with respondents in both surveys continuing to highlight disruptions linked to the supply chain (mainly shortages of critical parts and basic materials) and distribution (including transport-related logistics challenges) as well as labor supply limitations. The consequent, stronger suppliers' pricing power, combined with higher international prices of commodities, continue to result in rising input costs, the major source of concern for respondents.

Euro area CPI inflation accelerated in May

- **According to the "flash" estimate, headline inflation accelerated by 0.4 pps to +2% yoy in May, its highest level since October 2018, slightly above consensus estimates for +1.9% yoy.** The acceleration was in a big part, due to the recovery of international oil prices driving energy prices higher (+13.1% yoy from +10.4% yoy in April). At the same time, the respective index for food, alcohol & tobacco was stable at +0.6% yoy. More importantly, core inflation (which excludes the effects of energy and food components) accelerated by 0.2 pps to 0.9% yoy, in line with expectations.
- Looking forward, the outlook for inflation is highly uncertain and closely linked to how fast and how much of households' pent-up savings will be directed towards consumption, alongside the timing of the resolution of the current (international) supply chain bottlenecks, which drive up production costs. In any case, recall that elevated volatility is expected in the course of 2021 and 2022, due to base effects related with energy prices, albeit also related in part to temporary (technical) factors, namely changes in the CPI basket weights (reflecting changed consumption patterns in the context of the pandemic) and impacts from pandemic-related policies regarding indirect taxes.
- Further distortions are possible in the short term (as activities re-open in travel, tourism, food services and drinking places), due to base effects related to methodological issues. In the event, recall that during the initial lockdown period a year ago, data collection in categories such as airfares, package holidays, bars & restaurants as well as in accommodation industries was particularly restrained by the pandemic-related restrictive measures. As a result, the readings for the respective CPI components were imputed, with national statistics authorities incorporating some assumptions related to past trends (e.g. assuming monthly changes equaled the ones in the previous year), thus not reflecting the actual circumstances.

Equities

• **Global equity markets rose in the past week.** Overall, the MSCI ACWI ended the week up by 0.7% (+11% ytd), with emerging markets (+1.5% wow | +7% ytd) overperforming their developed market peers (+0.6% wow | +11% ytd). Emerging Markets have increased by 4% since April due to, *inter alia*, stronger EM FX (i.e. weaker USD, -3%). The S&P500 rose by 0.6% wow, with the bulk of the increase occurring on Friday (+0.9%) as the weaker-than-expected US payrolls data pointed to lower likelihood of early policy tightening by the Fed. Investors' attention now turns to the CPI report for May (June 10th), as inflation is expected to increase further (see page 5). Regarding sectors, the Energy sector rose by 6.7% wow due to higher oil prices. Healthcare declined by 1.2% wow. Meanwhile, the equity (option-implied) volatility subsided further, with the VIX index declining to 16% from an average of 21% ytd. On the other side of the Atlantic, the STOXX600 rose to an all time high (+0.8% wow | +13% ytd) as the economic outlook for Europe continues to improve due to low covid infection rates and continued progress towards achieving collective immunity. Automobiles sector led the increase (+5.3% wow) and hit an all-time high. Autos are up by 31% ytd, with Volkswagen (+57%) Porsche (+78%), and Daimler (+38%) among the top performers. In China, the CSI 300 fell by 0.7% wow (+1% ytd), as President Biden signed an executive order which prohibits US investment in 59 Chinese entities.

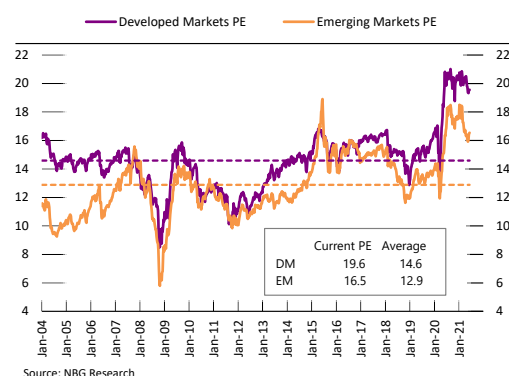
Fixed Income

• **Government bond yields declined in major advanced economies in the past week due to weaker-than-anticipated US labor market data.** Specifically, the US 10-year yield declined by 4 bps wow to 1.55%, at the lowest level since May 26th. The 10-year Treasury Inflation-Protected yield (reflecting growth expectations) was down by 1 bp to 0.88%, while 10-year breakeven rates (reflecting inflation expectations) fell by 3 bps wow to 2.42%. In Germany, the 10-Year yield declined by 3 bps wow to -0.19%, while periphery government bond yields continue to decline near one-month lows, ahead of Thursday's ECB meeting. Specifically, in Italy the 10-year yield fell by 4 bps to 0.85%; in Spain by 3 bps to 0.45%; and in Portugal by -2 bps to 0.40%. **Corporate bond spreads were largely unchanged in the past week.** Specifically, US HY spreads were down by 4 bps to 294 bps, while their EUR peers were broadly unchanged at 328 bps. In the investment grade spectrum, both US and EUR corporate bond spreads were insignificantly changed, at 91 bps and 85 bps, respectively. The Fed announced a plan to begin winding down the portfolio of the Secondary Market Corporate Credit Facility (SMCCF). ETF sales will begin on June 7, with gradual sales of corporate bonds beginning later this summer (details to be provided later). Note that the total amount of the programme is \$13.8 billion – \$8.6 billion ETFs and \$5.2 billion corporate bonds as of June 2nd.

FX and Commodities

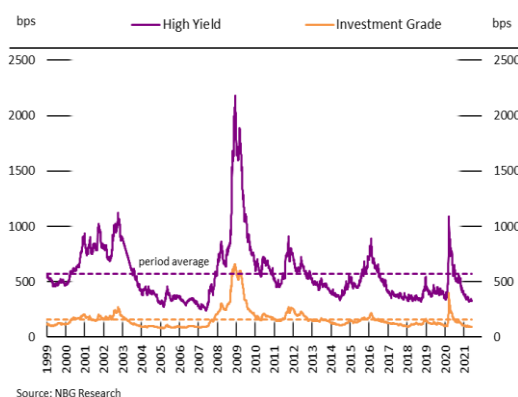
• **In foreign exchange markets, the British pound was broadly stable in the past week** (€/0.88 | \$1.42). Note that since the beginning of the year, the sterling has appreciated against its peers (+4% in NEER terms) buoyed by optimism around the country's rapid vaccination programme (60% of population have received at least one dose). However, rising cases of the delta variant of COVID-19 in the recent weeks may delay the lifting of the remaining restrictions, originally planned for June 21st. **Finally, in commodities oil prices rose crossed the \$70/barrel threshold for the first time since October 2018,** due to strong demand as economies reopen. In addition, OPEC+ oil producers agreed last week to maintain their plan to gradually ease supply curbs through July (+700k barrels per day in June, +840k barrels per day in July). Overall, Brent ended the week up by 3% to \$71.9/barrel and the WTI rose by 5% to \$69.6/barrel.

12-month Forward Price/Earnings Ratio (PE)



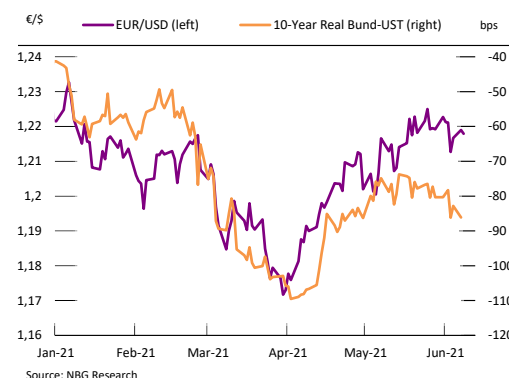
Graph 1.

USD Corporate Bond Spreads



Graph 2.

EUR/USD vs 10-Year Real Yields Differentials



Graph 3.

Quote of the week: "We've been fighting inflation that's too low and interest rates that are too low now for a decade... If we ended up with a slightly higher interest rate environment it would actually be a plus for society's point of view and the Fed's point of view.", **US Treasury Secretary, Janet Yellen, June 6th 2021.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	June 4th	3-month	6-month	12-month	Official Rate (%)	June 4th	3-month	6-month	12-month
Germany	-0,19	-0,30	-0,20	-0,10	Euro area	0,00	0,00	0,00	0,00
US	1,55	1,40	1,50	1,60	US	0,25	0,25	0,25	0,25
UK	0,80	0,78	0,81	0,84	UK	0,10	0,10	0,08	0,06
Japan	0,08	0,09	0,14	0,14	Japan	-0,10	-0,10	-0,10	-0,10

Currency	June 4th	3-month	6-month	12-month	June 4th	3-month	6-month	12-month	
EUR/USD	1,22	1,17	1,18	1,20	USD/JPY	110	107	106	105
EUR/GBP	0,86	0,87	0,87	0,87	GBP/USD	1,42	1,35	1,36	1,38
EUR/JPY	134	125	125	126					

Forecasts at end of period

Economic Forecasts

United States	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20a	2020a	Q1:21a	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY) (1)	2.2	0.3	-9.0	-2.8	-2.4	-3.5	0.4	13.0	7.4	7.9	6.7
Real GDP Growth (QoQ saar) (2)	-	-5.0	-31.4	33.4	4.3	-	6.4	10.2	8.8	6.3	-
Private Consumption	2.4	-6.9	-33.2	41.0	2.3	-3.9	10.7	9.9	7.3	6.7	8.1
Government Consumption	2.3	1.3	2.5	-4.8	-0.8	1.1	6.3	5.4	1.7	2.7	2.3
Investment	1.9	-1.4	-29.2	31.3	18.6	-1.8	10.1	7.8	4.3	3.2	9.3
Residential	-1.7	19.0	-35.6	63.0	36.6	6.1	10.8	5.8	1.8	1.5	13.8
Non-residential	2.9	-6.7	-27.2	22.9	13.1	-4.0	9.9	11.4	4.9	3.6	8.4
Inventories Contribution	0.0	-1.6	-4.3	6.7	1.4	-0.7	-3.1	1.5	1.7	0.0	0.5
Net Exports Contribution	-0.2	1.5	0.3	-5.5	-2.2	0.0	-1.1	-1.1	0.8	0.6	-1.4
Exports	-0.1	-9.5	-64.4	59.6	22.3	-12.9	-1.1	12.1	13.6	9.7	7.1
Imports	1.1	-15.0	-54.1	93.1	29.8	-9.3	5.7	14.6	4.1	2.9	13.3
Inflation (3)	1.8	2.1	0.3	1.2	1.3	1.2	1.6	4.3	3.7	3.3	3.3

Euro Area	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20a	2020a	Q1:21a	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY)	1.3	-3.3	-14.6	-4.2	-4.9	-6.8	-1.8	12.3	2.7	4.8	4.3
Real GDP Growth (QoQ saar)	-	-14.2	-38.8	59.9	-2.6	-	-2.5	4.5	12.0	5.7	-
Private Consumption	1.3	-16.8	-41.6	69.5	-11.5	-8.1	-3.3	6.0	17.7	7.2	3.5
Government Consumption	1.8	-1.1	-8.4	19.9	1.7	1.1	1.5	1.5	1.5	1.8	2.9
Investment	5.0	-21.7	-50.5	68.3	6.4	-8.5	0.5	7.9	12.1	6.4	6.9
Inventories Contribution	-0.3	2.1	0.0	-5.8	2.5	-0.2	0.1	0.0	0.0	0.1	-0.1
Net Exports Contribution	-0.5	-1.9	-3.4	10.4	-0.3	-0.6	-1.0	-0.9	-0.1	0.0	0.4
Exports	2.5	-14.1	-56.6	85.4	14.9	-9.8	1.9	3.7	10.7	7.7	8.4
Imports	4.0	-11.3	-55.1	56.1	17.4	-9.3	4.4	6.0	11.9	8.3	8.0
Inflation	1.2	1.1	0.2	0.0	-0.3	0.3	1.0	1.9	2.3	2.4	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

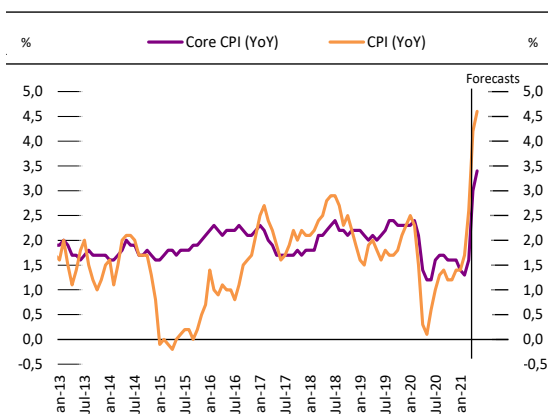
	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Massive Fiscal loosening will support the economy + 2021 EPS growth expectations have further room to increase + Share buybacks could resume - Peaking profit margins - High market cap concentration - P/Es (Valuations) approaching 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 CPI inflation data for May, due to be released on Thursday. The annual growth of the headline CPI is expected at 4.6% yoy from 4.2% yoy in April, while the core figure is expected at 3.4% yoy from 3% yoy. At the same time, the weekly initial and continuing jobless claims will provide a more updated view of labor market conditions.

In the Euro area, the final estimate of Q1:21 GDP on Tuesday will be closely watched as it will be the first with analytical data per expenditure component. On Thursday, attention turns to the ECB meeting. The ECB staff's quarterly macroeconomic projections will also be closely watched. On Monday, industrial production for April is released (consensus for +4.1% mom vs +0.1% mom in the previous month).

US Inflation



Economic News Calendar for the period: June 1 - June 14, 2021

Tuesday 1				Wednesday 2				Thursday 3						
US		S	A	P	GERMANY		S	A	P	US		S	A	P
ISM Manufacturing	May	60.6	+ 61.2	60.7	Retail sales (MoM)	April	-1.6%	- 5.5%	7.7%	ADP Employment Change (k)	May	625	+ 978	654
Construction spending (MoM)	April	0.6%	- 0.2%	1.0%	Retail sales (YoY)	April	15.1%	- 4.4%	11.6%	ISM Services Index	May	63.0	+ 64.0	62.7
UK										Initial Jobless Claims (k)	May 29	395	+ 385	405
Nationwide House Px NSA YoY	May	..	10.9%	7.1%						Continuing Claims (k)	May 22	3610	- 3771	3602
EURO AREA														
CPI estimate (YoY)	May	1.9%	+ 2.0%	1.6%										
Core CPI (YoY)	May	0.9%	+ 0.9%	0.7%										
Unemployment Rate	April	8.1%	+ 8.0%	8.1%										
CHINA														
Caixin PMI Manufacturing	May	51.8	+ 52.0	51.9										
Friday 4				Monday 7										
US		S	A	P	JAPAN		S	A	P					
Change in Nonfarm Payrolls (k)	May	650	- 559	278	Leading Index	April	..	103.0	102.4					
Change in Private Payrolls (k)	May	620	- 492	219	Coincident Index	April	..	95.5	92.9					
Unemployment rate	May	5.9%	+ 5.8%	6.1%	CHINA									
Average weekly hours (hrs)	May	34.9	+ 34.9	34.9	Exports YoY	May	32.1%	- 27.9%	32.3%					
Average Hourly Earnings MoM	May	0.2%	+ 0.5%	0.7%	Imports YoY	May	53.0%	- 51.1%	43.1%					
Average Hourly Earnings YoY	May	1.6%	+ 2.0%	0.4%										
Labor Force Participation Rate	May	..	61.6%	61.7%										
Underemployment Rate	May	..	10.2%	10.4%										
Factory Goods Orders (MoM)	April	0.5%	- -0.6%	1.4%										
UK														
Markit/CIPS UK Construction	May	62.2	+ 64.2	61.6										
EURO AREA														
Retail sales (MoM)	April	-1.7%	- -3.1%	3.3%										
Retail sales (YoY)	April	11.5%	+ 23.9%	13.1%										
Tuesday 8				Wednesday 9										
US		S	A	P	GERMANY		S	A	P	US		S	A	P
Trade balance (\$bn)	April	-68.7	..	-74.4	ZEW survey current situation	June	-34.0	..	-40.1	Wholesale trade (MoM)	April	..	..	4.6%
JAPAN					ZEW survey expectations	June	85.7	..	84.4	CHINA				
GDP (QoQ)	Q1:21	-1.3%	..	-1.3%	Industrial Production (sa, MoM)	April	-0.5%	..	2.2%	CPI (YoY)	May	1.6%	..	0.9%
Eco Watchers Current Survey	May	..	..	39.1	Industrial Production (wda, YoY)	April	28.5%	..	4.8%					
Eco Watchers Outlook Survey	May	..	..	41.7										
EURO AREA														
GDP (QoQ)	Q1:21	-0.6%	..	-0.6%										
GDP (YoY)	Q1:21	-1.8%	..	-1.8%										
Gross Fixed Capital Formation (QoQ)	Q1:21	0.5%	..	1.6%										
Household Consumption (QoQ)	Q1:21	-1.5%	..	-3.0%										
Government expenditure (QoQ)	Q1:21	-0.1%	..	0.4%										
Thursday 10				Friday 11				Monday 14						
US		S	A	P	US		S	A	P	EURO AREA		S	A	P
CPI (YoY)	May	4.6%	..	4.2%	University of Michigan consumer confidence	June	83.7	..	82.9	Industrial Production (sa, MoM)	April	4.1%	..	0.1%
Core CPI (YoY)	May	3.4%	..	3.0%						Industrial Production (wda, YoY)	April	..	..	10.9%
Initial Jobless Claims (k)	June 5	368	..	385	UK									
Continuing Claims (k)	May 29	..	..	3771	GDP (MoM)	April	2.3%	..	2.1%					
EURO AREA					Industrial Production (MoM)	April	1.3%	..	1.8%					
ECB announces its intervention rate	June 10	0.00%	..	0.00%	Industrial Production (YoY)	April	30.3%	..	3.6%					
ECB announces its deposit facility rate	June 10	-0.50%	..	-0.50%										
CHINA														
Money Supply M0 (YoY)	May	..	..	5.3%										
Money Supply M1 (YoY)	May	5.6%	..	6.2%										
Money Supply M2 (YoY)	May	8.0%	..	8.1%										
New Yuan Loans (RMB bn)	May	..	..	1470										
Aggregate Financing (RMB bn)	May	..	..	1850										

Source: NBG Research
S: 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	4230	0.6	12.6	35.9	49.7	MSCI Emerging Markets	76488	1.3	6.7	34.4	
Japan	NIKKEI 225	28942	-0.7	5.5	27.5	39.3	MSCI Asia	1188	1.2	5.6	36.2	
UK	FTSE 100	7069	0.7	9.4	11.5	-2.1	China	108	0.7	0.5	27.3	
Canada	S&P/TSX	20029	0.9	14.9	29.0	23.5	Korea	997	1.5	7.7	47.1	
Hong Kong	Hang Seng	28918	-0.7	6.2	18.7	7.5	MSCI Latin America	106895	2.7	7.0	30.4	
Euro area	EuroStoxx	453	0.6	14.1	26.5	24.7	Brazil	399699	3.5	6.9	34.2	
Germany	DAX 30	15693	1.1	14.4	26.2	31.0	Mexico	46163	0.8	13.6	30.9	
France	CAC 40	6516	0.5	17.4	30.0	23.1	MSCI Europe	6799	2.1	13.2	25.7	
Italy	FTSE/MIB	25570	1.6	15.0	30.2	26.9	Russia	1521	2.3	15.1	28.0	
Spain	IBEX-35	9088	-1.5	12.6	20.1	-0.7	Turkey	1550954	0.8	-8.3	12.3	

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		172.5	5.6	33.5	27.7	-10.1	Energy	170.9	5.6	32.1	22.0	
Materials		369.2	1.0	15.8	46.3	49.5	Materials	338.9	0.9	15.6	39.4	
Industrials		346.9	0.5	14.0	40.9	38.1	Industrials	334.8	0.4	14.9	37.2	
Consumer Discretionary		405.2	0.0	7.5	45.9	63.4	Consumer Discretionary	385.2	0.0	8.2	43.6	
Consumer Staples		279.6	1.0	5.7	18.0	19.4	Consumer Staples	272.1	0.9	5.8	14.2	
Healthcare		329.2	-0.7	5.4	16.6	36.9	Healthcare	319.2	-0.7	5.8	14.4	
Financials		148.9	0.7	24.7	47.2	31.5	Financials	144.9	0.7	24.4	42.0	
IT		472.4	0.9	6.5	41.5	86.5	IT	454.3	0.9	6.8	40.5	
Telecoms		107.0	0.1	13.7	40.2	56.4	Telecoms	110.9	0.1	14.2	39.0	
Utilities		155.5	-0.6	1.4	9.8	11.8	Utilities	155.0	-0.6	1.3	6.7	

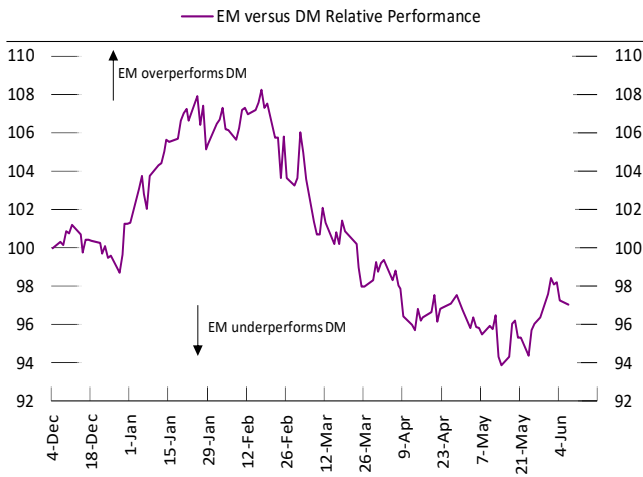
Bond Markets (%)

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		1.55	1.58	0.92	0.81	2.08	US Treasuries 10Y/2Y	140	144	80	59	
Germany		-0.19	-0.17	-0.56	-0.30	0.64	US Treasuries 10Y/5Y	76	77	53	32	
Japan		0.08	0.08	0.02	0.03	0.31	Bunds 10Y/2Y	48	50	16	32	
UK		0.80	0.80	0.20	0.31	1.54	Bunds 10Y/5Y	40	40	18	27	
Greece		0.82	0.84	0.62	1.37	8.68	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		0.15	0.16	-0.30	0.20	2.47	EM Inv. Grade (IG)	152	151	163	241	
Italy		0.85	0.90	0.45	1.46	2.71	EM High yield	510	499	524	775	
Spain		0.45	0.47	0.04	0.54	2.37	US IG	91	90	103	170	
Portugal		0.40	0.42	0.04	0.49	3.91	US High yield	328	329	386	583	
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG	85	85	93	145	
30-Year FRM ¹ (%)		3.17	3.18	2.90	3.37	4.06	Euro area High Yield	294	298	355	507	
vs 30Yr Treasury (bps)		93.7	89.6	125.4	173.7	124.4						

Foreign Exchange & Commodities

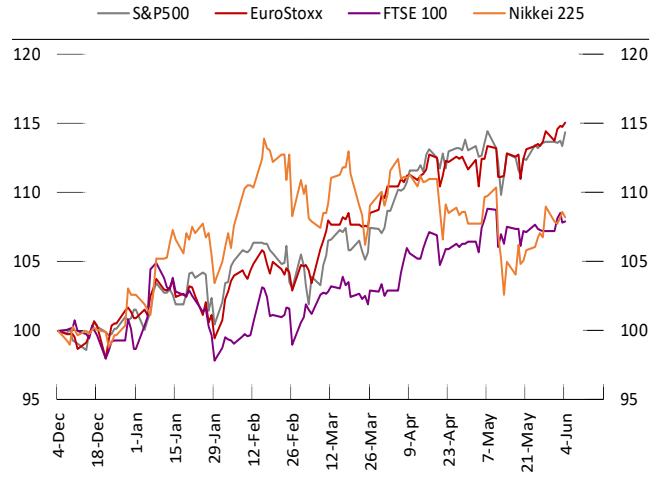
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural	448	3.4	-2.5	66.9	
EUR/USD		1.22	-0.1	1.3	7.2	-0.6	Energy	232	4.4	5.1	83.8	
EUR/CHF		1.09	-0.2	-0.2	0.8	1.2	West Texas Oil (\$)	70	5.0	6.1	86.1	
EUR/GBP		0.86	-0.1	-0.6	-4.6	-4.1	Crude Brent Oil (\$)	72	3.2	4.2	79.8	
EUR/JPY		133.21	-0.6	1.6	7.7	5.4	Industrial Metals	467	-2.1	0.3	62.6	
EUR/NOK		10.11	-0.7	0.8	-4.4	-3.5	Precious Metals	2512	-0.7	5.9	13.3	
EUR/SEK		10.08	-0.6	-1.1	-3.0	0.3	Gold (\$)	1891	-0.6	5.9	10.3	
EUR/AUD		1.57	-0.5	1.5	-3.3	-0.8	Silver (\$)	28	-0.6	5.0	57.4	
EUR/CAD		1.47	-0.1	-0.1	-3.9	-5.7	Baltic Dry Index	2438	-6.1	-25.4	285.8	
USD-based cross rates							Baltic Dirty Tanker Index	585	-3.1	-3.1	-3.3	
USD/CAD		1.21	0.1	-1.4	-10.4	-5.1						
USD/AUD		1.29	-0.3	0.2	-9.8	-0.2						
USD/JPY		109.52	-0.4	0.3	0.5	6.1						

EM vs DM Performance in \$



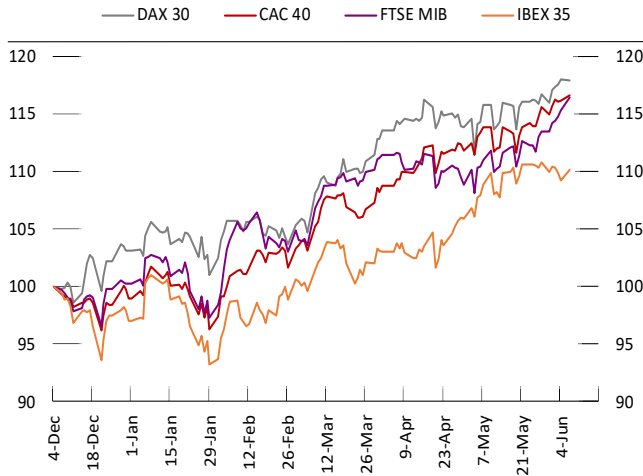
Data as of June 4th – Rebased @ 100

Equity Market Performance - G4



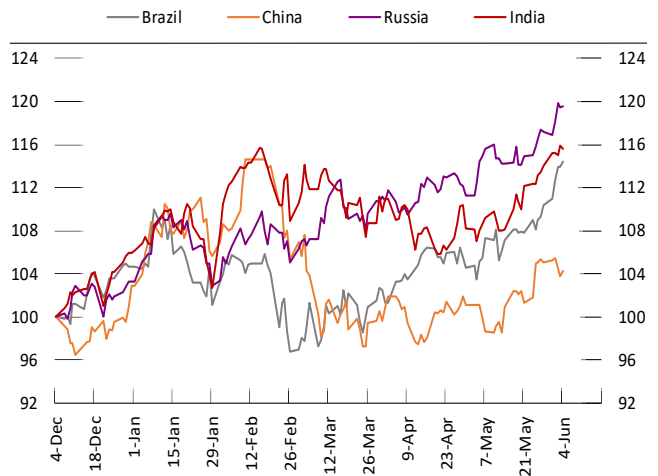
Data as of June 4th – Rebased @ 100

Equity Market Performance – Euro Area G4



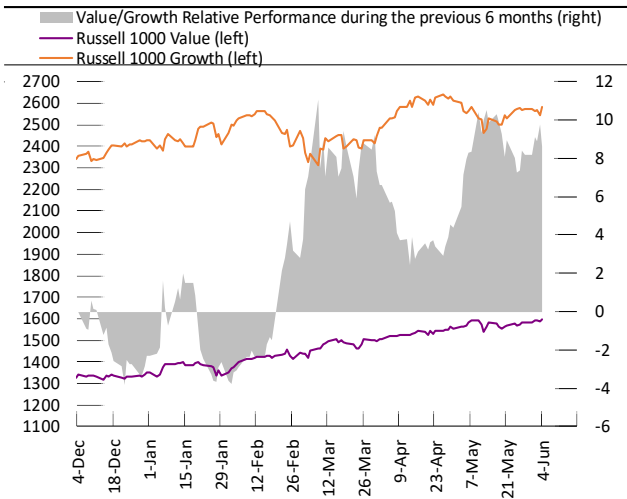
Data as of June 4th – Rebased @ 100

Equity Market Performance - BRICs



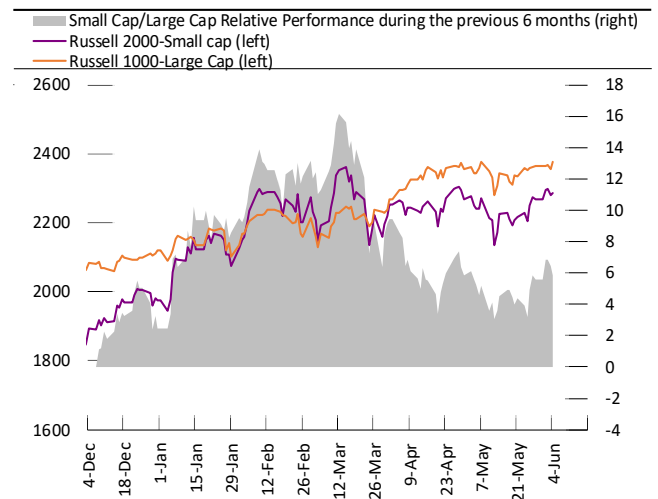
Data as of June 4th – Rebased @ 100

Russell 1000 Value & Growth Index



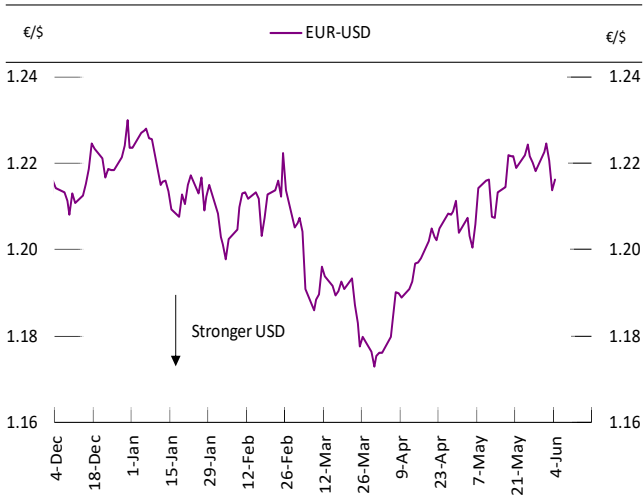
Data as of June 4th

Russell 2000 & Russell 1000 Index



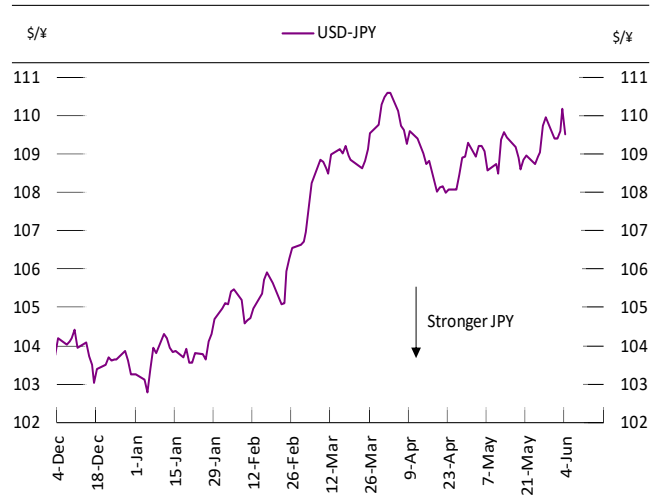
Data as of June 4th

EUR/USD



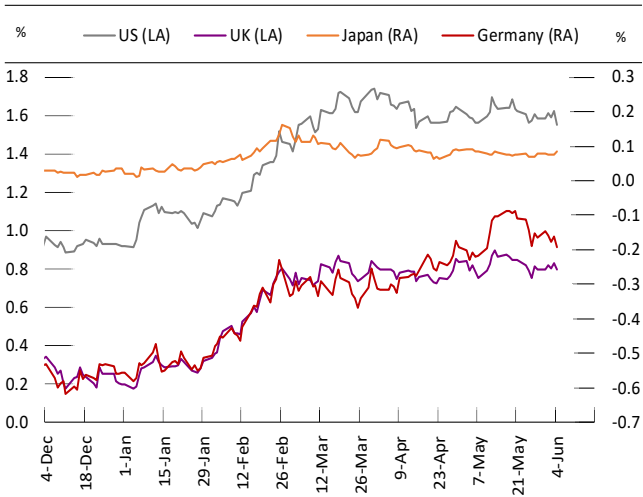
Data as of June 4th

JPY/USD



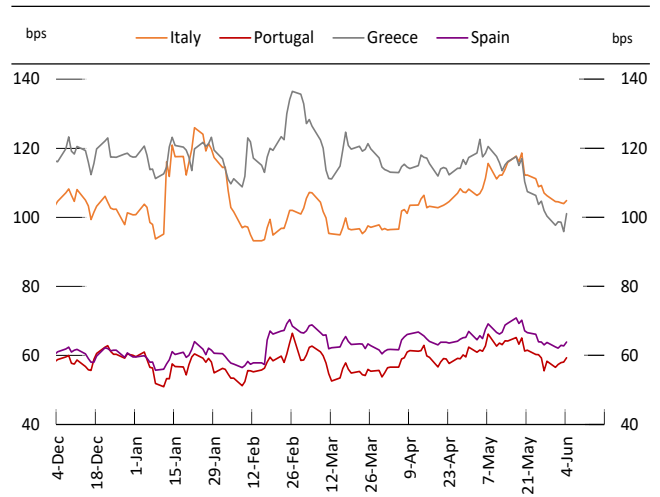
Data as of June 4th

10- Year Government Bond Yields



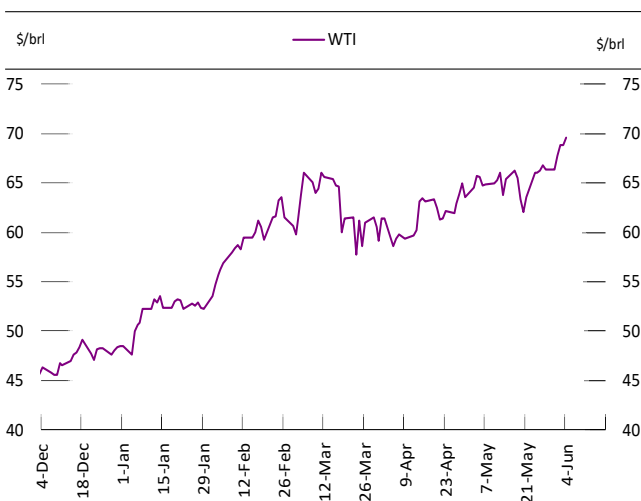
Data as of June 4th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



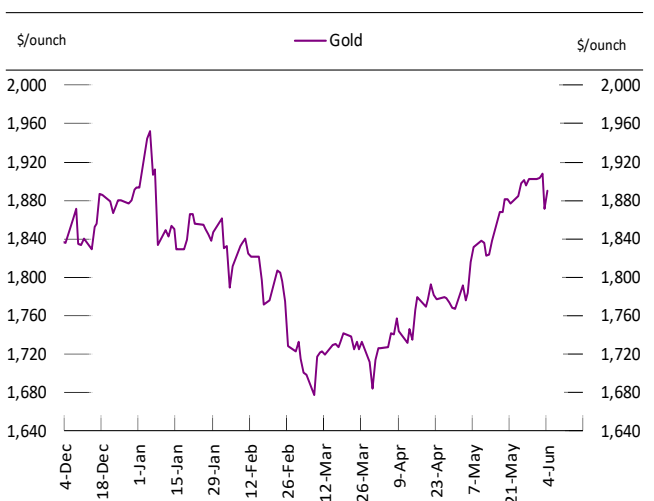
Data as of June 4th

West Texas Intermediate (\$/bbl)



Data as of June 4th

Gold (\$/ounce)



Data as of June 4th

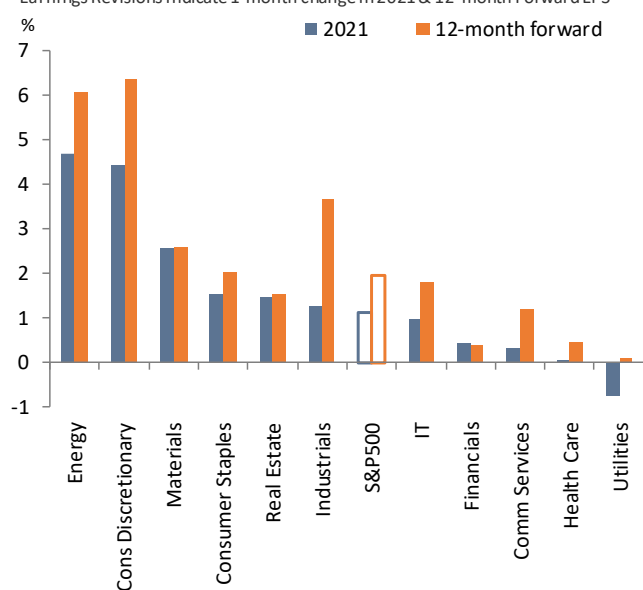
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	4/6/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	Current	10Yr Avg
S&P500	4230	0.6	12.6	-13.9	36.1	1.5	1.4	27.6	22.5	21.5	16.3	4.2	4.4	4.2	2.8
Energy	416	6.7	45.3	N/A	N/A	4.8	3.9	N/A	21.0	19.2	16.8	1.7	1.9	1.8	1.7
Materials	551	0.6	20.8	-6.4	61.0	1.8	1.7	26.5	19.7	19.5	15.6	3.1	3.3	3.2	2.6
Financials															
Diversified Financials	1043	1.7	27.9	-6.4	38.1	1.3	1.2	20.1	17.6	17.4	14.3	2.0	2.2	2.1	1.5
Banks	431	0.8	36.2	-32.6	65.9	2.6	2.1	17.9	12.8	13.0	11.1	1.3	1.4	1.4	1.0
Insurance	524	0.7	22.5	-9.5	25.6	2.3	2.3	14.7	13.8	13.4	11.1	1.4	1.6	1.5	1.1
Real Estate	278	3.0	22.1	-5.0	8.1	3.0	2.5	21.5	23.8	23.4	18.4	3.3	4.1	4.2	3.2
Industrials															
Capital Goods	910	0.8	19.7	-30.9	54.2	1.6	1.4	33.3	25.0	23.3	16.4	5.1	5.5	5.3	3.7
Transportation	1104	-1.4	18.6	N/A	N/A	1.4	1.2	N/A	46.4	N/A	10.8	7.1	7.5	7.1	3.7
Commercial Services	459	-0.1	9.0	5.5	13.8	1.2	1.1	27.9	29.2	27.9	20.3	5.3	5.6	5.4	3.5
Consumer Discretionary															
Retailing	3766	-0.8	5.7	20.5	31.4	0.5	0.5	40.6	33.5	31.4	25.2	15.2	12.9	11.6	8.1
Consumer Services	1430	-1.0	8.4	N/A	N/A	1.1	0.9	N/A	209.8	N/A	23.9	17.2	23.0	21.4	8.6
Consumer Durables	478	-1.9	8.4	-4.0	45.4	1.2	1.2	24.8	18.2	17.3	17.3	4.7	4.4	4.1	3.3
Automobiles and parts	128	-0.9	-2.1	-66.9	52.6	0.2	0.1	68.3	43.3	N/A	12.3	7.2	6.2	5.9	2.2
IT															
Technology	2528	1.4	0.3	8.2	36.7	1.0	0.9	28.7	22.3	21.9	14.1	15.2	14.9	14.4	5.3
Software & Services	3338	0.8	8.4	8.3	17.5	0.8	0.8	35.1	32.3	30.5	19.5	10.0	9.8	9.2	5.7
Semiconductors	2033	1.9	14.9	10.5	27.2	1.2	1.2	25.6	21.5	20.5	14.8	7.6	7.0	6.5	3.5
Communication Services	259	0.6	16.6	0.1	24.4	0.9	0.8	26.7	23.9	22.8	18.4	4.1	4.2	4.0	3.0
Media	1022	0.5	19.4	5.0	37.2	0.2	0.2	34.2	28.0	26.2	21.5	5.2	5.3	5.0	3.4
Consumer Staples															
Food & Staples Retailing	594	1.3	4.5	2.9	8.0	1.7	1.6	22.9	23.8	23.0	17.3	4.7	5.1	4.9	3.4
Food Beverage & Tobacco	792	1.1	9.0	1.4	8.3	3.5	3.1	18.6	19.8	19.3	18.0	5.1	5.6	5.5	5.0
Household Goods	839	0.5	-0.9	11.2	6.8	2.3	2.2	24.3	24.7	24.0	20.4	9.5	10.7	10.6	6.0
Health Care															
Pharmaceuticals	1126	-0.4	5.2	9.9	15.0	2.2	2.2	15.5	14.3	14.1	14.8	5.2	5.5	5.1	4.1
Healthcare Equipment	1728	-1.9	9.6	5.3	15.1	0.9	1.0	21.8	21.0	20.3	16.2	3.8	4.0	3.8	2.8
Utilities	330	0.2	3.5	1.5	2.6	3.5	3.2	18.1	19.8	19.2	16.5	1.9	2.1	2.0	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

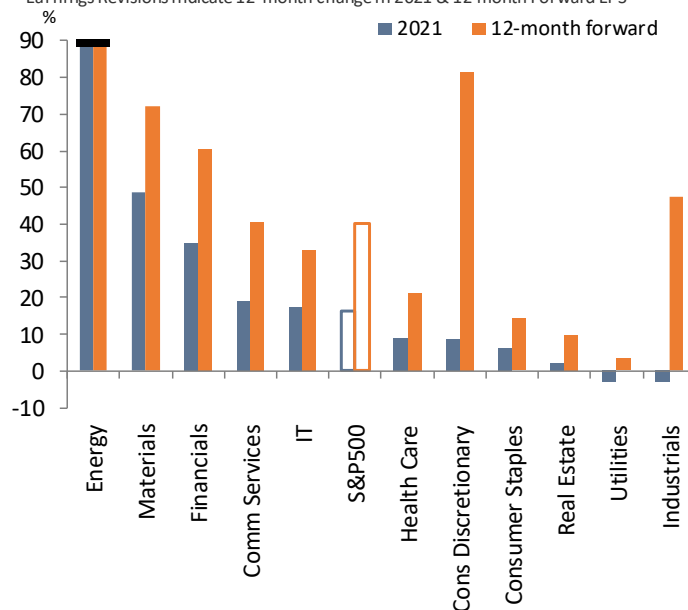


Data as of June 4th

12-month forward EPS are 57% of 2021 EPS and 43% of 2022 EPS

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

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



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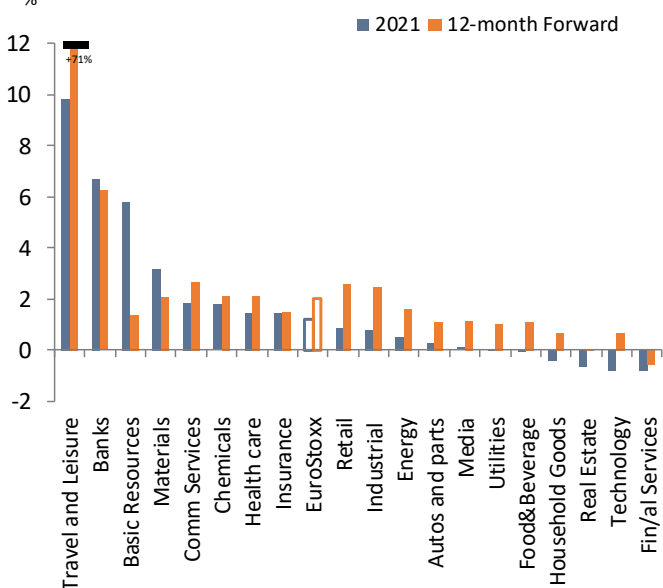
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	4/6/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	Current	10Yr Avg
EuroStoxx	453	0.6	14.1	-35.3	49.5	2.2	2.4	25.8	19.3	18.3	14.0	1.8	1.9	1.9	1.4
Energy	279	3.0	10.7	-79.4	288.7	4.1	4.6	55.5	14.8	14.0	12.8	1.4	1.4	1.4	1.1
Materials	970	1.1	12.1	-17.9	83.8	2.5	2.4	28.0	17.2	17.6	15.4	2.1	2.2	2.2	1.7
Basic Resources	240	2.1	15.5	N/A	N/A	2.2	2.3	N/A	8.0	9.5	12.0	1.1	1.0	1.0	0.7
Chemicals	1404	0.9	11.5	-7.7	33.4	2.5	2.4	24.8	21.2	20.7	16.1	2.4	2.7	2.6	2.3
Financials															
Fin/Al Services	532	0.7	8.5	-27.2	21.8	2.4	2.6	18.8	16.7	16.9	14.0	1.3	1.4	1.3	1.2
Banks	99	0.7	34.6	-47.6	56.8	2.1	4.4	14.8	11.2	10.5	9.7	0.6	0.6	0.6	0.6
Insurance	290	0.1	11.0	-24.1	37.5	5.5	5.3	12.9	10.0	9.7	9.4	0.8	0.9	0.9	0.9
Real Estate	228	0.7	3.7	-14.5	0.1	3.2	3.1	18.4	20.6	19.6	17.1	0.9	1.0	1.0	1.0
Industrial	1098	0.3	12.3	-24.6	16.5	1.5	1.7	28.1	26.4	24.2	16.4	3.4	3.6	3.5	2.5
Consumer Discretionary															
Media	256	-0.6	17.0	-23.2	13.7	2.3	2.3	21.7	21.0	20.0	16.1	2.7	2.7	2.6	1.9
Retail	792	0.3	19.4	-41.7	63.7	1.8	2.0	43.8	33.7	31.3	22.5	5.6	6.4	6.2	4.2
Automobiles and parts	656	5.3	30.2	-77.8	580.0	1.7	3.3	52.5	9.5	8.9	8.8	1.0	1.2	1.1	1.0
Travel and Leisure	216	0.5	1.2	N/A	N/A	0.3	0.5	N/A	N/A	N/A	N/A	2.7	3.3	3.1	2.1
Technology	836	0.5	16.6	-5.3	25.2	0.6	0.7	36.2	31.5	29.4	19.9	5.4	5.1	4.9	3.4
Communication Services	284	0.5	14.9	6.7	-17.6	4.6	3.6	12.1	16.7	15.9	14.1	1.4	1.5	1.5	1.7
Consumer Staples															
Food&Beverage	562	0.1	8.0	-39.9	26.4	1.5	1.6	28.6	26.2	24.6	19.3	2.4	2.7	2.7	2.6
Household Goods	1437	0.0	18.0	-31.4	49.5	1.0	1.0	51.6	41.1	38.8	23.7	6.5	7.0	6.7	3.8
Health care	865	-1.0	6.5	-8.9	8.0	1.9	2.0	20.4	20.1	19.3	16.2	2.4	2.4	2.4	2.2
Utilities	374	-2.5	-1.7	-21.6	19.5	4.4	4.3	18.7	16.4	15.8	13.3	1.6	1.7	1.7	1.1

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

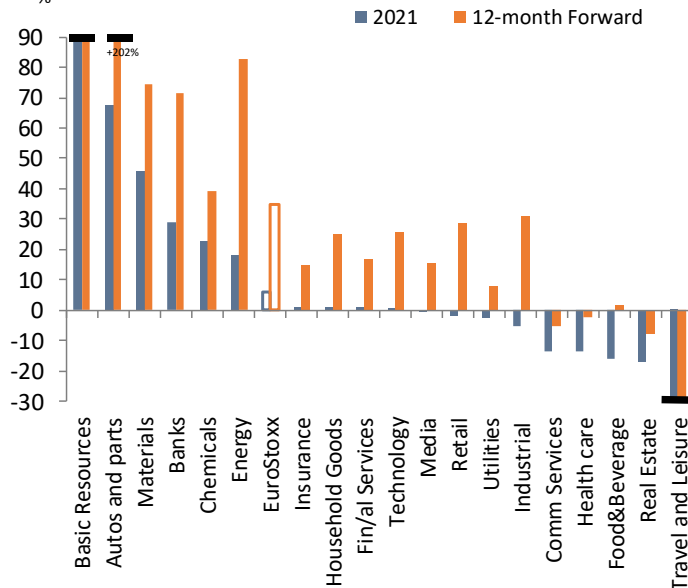


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