Global Markets Roundup

National Bank of Greece | Economic Research Division | September 8, 2020

NATIONAL BANK OF GREECE

Risk aversion returned across global equity markets with US IT stocks (+29% YtD vs S&P500: +6%) taking the biggest hit

- Global equities took a breather in the past week. With equity valuations running well ahead of fundamentals (EPS) due to, *inter alia*, abundant liquidity by central banks and ultra low real interest rates, investors embarked on some profit taking, especially in the Information Technology (IT) sector which has demonstrated a stellar performance overall in 2020 with (its) valuations at very elevated levels. Option-related selling (the put/call ratio reached an historical low before the sell-off) probably amplified the correction. In the event, the MSCI ACWI was down by 2.3% wow (+1.4% ytd), with IT stocks decreasing by 3.6% wow (+25.2%). In the US, the S&P500 declined by 2.3% wow (+6.1% ytd), with the heavyweight IT sector down by 4.2% wow (+28.8% ytd).
- Regarding fundamentals, recall that the 12-month forward P/E ratio (share prices divided by consensus estimates for the 12-month forward earnings per share) stands at 20x for the MSCI ACWI versus a 15-year average of 14x. In the US, the respective ratio for the S&P500 stands at 23x versus a 15-year average of 15x, with the IT sector reaching 29x intra-week before correcting slightly (15-year average of 16x | see graph). The elevated P/E ratios are also based on an optimistic consensus view for the 12-month forward corporate profitability, thus an elevated denominator, which limits an otherwise even higher P/E ratio. In the event, consensus expectations for the S&P500 suggest a strong and sustained "V"-shaped recovery for corporate profitability, with the annual growth bottoming out from a trough of -32% yoy in Q2:20 to -22% yoy in Q3:20, -13% yoy in Q4:20, +14% yoy in Q1:21 and +44% yoy in Q2:22. Positive vaccine/therapy news are important to support the (i) ongoing economic recovery and (ii) elevated equity valuations.
- Looking forward, the main catalysts that fueled the equity market rally in recent months, i.e.: i) low interest rates and balance sheet policies by central banks; ii) large size fiscal stimuli; iii) stabilization of epidemiological data and optimism for positive developments in the medical field against Covid-19 and; iv) positive surprises regarding corporate results and economic data (see graph at page 3), largely remain in place, albeit with weaker expectations for an imminent new massive US fiscal stimulus. In the event, negotiations in the US legislature appear to have stalled, with the current standpoints regarding the size of proposed packages, reportedly at $1.1 tn (5.2% of US GDP) from the Republicans (versus an initial proposal of $1.0 tn) and at $2.2 tn (10.4% of US GDP) from the Democrats ($3.4 tn initially). In that context and given also that an agreement on large size spending bills just a very short time before the Presidential elections (in November) is politically challenging, the possibility has risen for relatively smaller spending bills to be agreed at the current juncture (also to ensure the funding of the federal government after the end of September when the current fiscal year concludes), leaving the door open for more stimulus after the November elections.
- It should also be noted that US fiscal dynamics pose considerable challenges on the potential size of a new stimulus package. In the event, the Congressional Budget Office (CBO) estimates that the federal government deficit will come out at 16.0% of GDP in fiscal year 2020 (i.e. from October 2019 to September 2020), the largest since 1945, followed by also extraordinary deficits of 8.6% and 6.1% in fiscal years 2021 and 2022, respectively (taking into account only the already legislated measures). As a result, according to the CBO, the federal debt will reach (cont'd on page 2)

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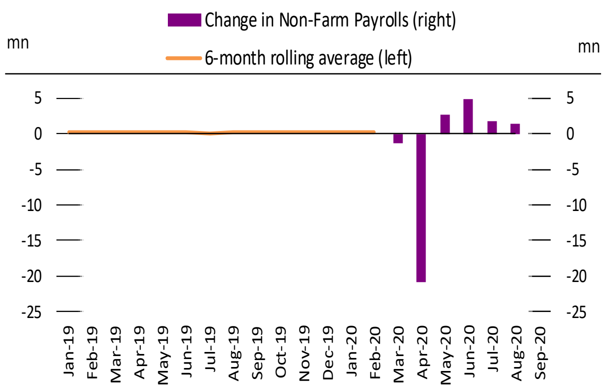
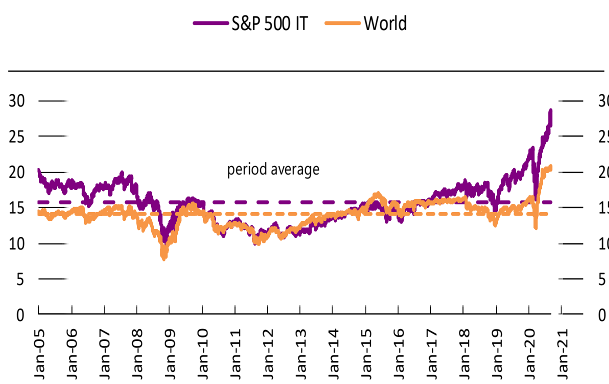
Charts of the week

Change in Non-Farm Payrolls



Source: NBG Research, Bloomberg

S&P 500 IT & World 12-month fwd P/E



Source: NBG Research, FactSet

See page 11 for disclosures and analyst certification

... a record 106% of GDP by fiscal year 2022. At the general government level (thus including the debt of state and local governments), debt will reach 143% of GDP in 2022 according to the International Monetary Fund (2020 Article IV Consultation, August 2020).

- Attention also turns to the European Central Bank. With no monetary policy decisions expected at its meeting on September 10th, the focus turns to the press conference and the quarterly ECB staff economic projections, for a better insight as to how the stronger euro (see graph page 3), the recent changes in the US Federal Reserve's policy framework (which also contributed to the recent strengthening of the euro against the US Dollar | ECB's strategy review is in progress) and the latest economic data have affected monetary policy intentions.

The US labor market recovery continues

- **US employment increased sharply for a 4th consecutive month post-lockdowns.** Specifically, nonfarm payrolls increased by 1.4mn, largely in line with consensus estimates (+1.8mn in July). Sector-wise, government (+344k | reflecting though temporary hiring for the 2020 Census), retail trade (+249k), professional and business services (+197k), leisure and hospitality (+174k) as well as education and health services (+147k), led the increase. At the same time, total household employment (which also includes the self-employed and agricultural workers) rose by 3.8mn, mostly on the back of 3.1mn persons on temporary layoff returning to work (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). As a result, the unemployment rate declined to 8.4% in August (a much better than expected outcome with consensus for 9.8%) compared with 10.2% in July and 14.7% in April 2020, which was the worst reading since the Great Depression (c. 25% in 1933). Note that according to the Bureau of Labor Statistics (BLS), some workers continued to be misclassified as employed but absent from work due to "other reasons", while they should have been classified as unemployed on temporary layoff. Thus, without that accounting error, the unemployment rate would have been somewhat higher, with the BLS estimating the upper bound of that misclassification effect at 0.7%. 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), declined to 14.2% in August from 16.5% in July, well below consensus for 17.3%.

- **Looking forward, the number of persons on temporary layoff remains elevated (6.2mn in August) suggesting scope for a further reduction of the unemployment rate as they gradually return to work in coming months.** Recall that in the US, workers on temporary furlough are counted as unemployed, a different norm compared with Europe (as a result, official unemployment rate figures in European countries turn out relatively smaller in the current juncture). **On a negative note, permanent job losers increased considerably in August,** by 534k to 3.4mn. That development supports the view that despite the continuing fading of the negative repercussions from the pandemic, a full recovery of labor market conditions to pre-pandemic norms (the unemployment rate stood at a 50-year low of 3.5% in February 2020) will likely be a long and protracted procedure.

ISM surveys suggest that the recovery of activity remains resilient

- **US business confidence indicators recorded mixed changes in August, overall remaining at satisfactory levels**. Specifically, the ISM manufacturing PMI rose by 1.8 pts to 56.0, the highest since November 2018 and considerably above consensus estimates for 54.5. Moreover, in a development that bodes well for a further improvement being on the cards, the relatively more forward looking index of new orders over-performed, up by 6.1 pts to 67.6. At the same time, the ISM services (formerly known as non-manufacturing) PMI came out at 56.9 in August, compared with a 17-month high of 58.1 in July, largely in line with consensus estimates.

Euro area CPI inflation decelerated sharply in August

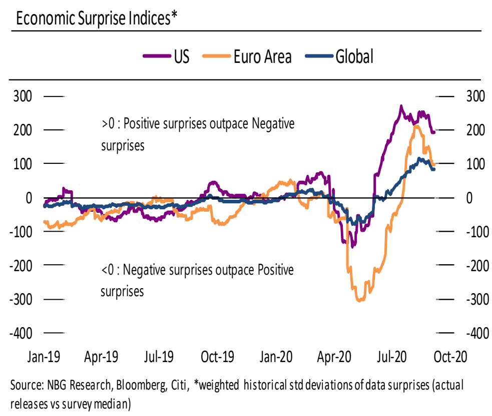
- **Headline inflation entered negative territory in August and the annual growth of core CPI came out at a record low in view of subdued consumer demand, albeit the latest readings were (in part) distorted to the downside by transitory factors.** Specifically, headline CPI came out at -0.2% yoy from +0.4% yoy in July, the lowest outcome since April 2016 (consensus for +0.2% yoy). More importantly, core inflation (which excludes the effects of energy and food components) decelerated sharply to a record (since 1997) low of +0.4% yoy in August compared with +1.2% yoy in the previous month, undershooting by a wide margin consensus estimates for +0.9% yoy. The latest deceleration was mainly due to the annual growth of prices of non-energy industrial goods coming out at -0.1% yoy in August versus +1.6% yoy. Note though that both outcomes were likely distorted (July's reading to the upside and August's to the downside) by base effects related to a later than usual implementation of summer sales in some countries in 2020. Thus, the fading of these base effects is expected to support the annual growth of CPI as of September, although further ahead, the outlook for inflation is highly uncertain and closely related, inter alia, to the path of economic recovery (and consequently of consumer demand). In the event, the resiliency of labor market conditions remains a key issue in minimizing the negative impact from the pandemic on the economic tissue and consequently for safeguarding the economic recovery prospects. Recall that **in July, the unemployment rate was 7.9% compared with 7.7% in June and a record (since 1998) low of 7.2% in March**.

Chinese PMIs suggest that the economic recovery post-lockdowns continues

- **Business surveys for August exceeded expectations.** Specifically, the Caixin/Markit manufacturing PMI was modestly up by 0.3 pts to 53.1, above consensus estimates for 52.6. At the same time, the "official" manufacturing PMI, i.e. the one from the National Bureau of Statistics (NBS) of China (which covers a broader range of industries) was largely stable at 51.0, surprising positively (consensus for 48.7). Notably, in both surveys the sub-index of new export orders, despite continuing to underperform, has improved substantially recently (NBS survey: +0.7 pts to 49.1 | Caixin/Markit survey: above the expansion/contraction threshold of 50.0 for the first time in 2020), overall supporting the view for a stabilization in global activity (and consequently for China's external demand). Finally, official nonmanufacturing PMI (which covers the services and construction sectors) rose by 1.0 pt to 55.2, well above consensus expectations for 52.1.

Equities

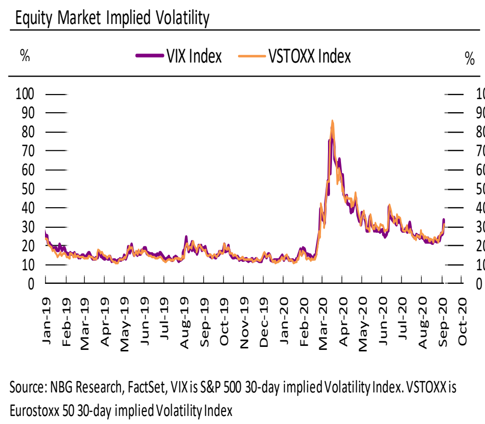
- **Global equities declined in the past week in view of profit taking by investors** and given also that: i) escalated US – China tensions; ii) worse-than-expected US trade balance and iii) increased concerns about whether a consensus in the US legislature for a fifth coronavirus relief package could be reached before the Presidential elections, offset speculation for an eventual vaccine/treatment against Covid-19 by November and lower-than-expected unemployment rate in the US. Overall, the MSCI ACWI ended the week down by 2.3% (+1.4% ytd), with both Developed (-2.3% wow | +1.7% ytd) and Emerging Markets (-2% wow | -1.4% ytd) recording losses. The S&P500 ended the week down by 2.3% (+6.1% ytd), with Energy (-4.5% wow) leading the decline on account of lower oil prices. The S&P500 recorded its biggest daily decline since June 11th on Thursday (-3.5%), after having risen to a new all-time high (3,581) on Wednesday. On Thursday, at a sector level, IT posted its biggest daily decline (-5.8%) since March 16th, ending a ten-day gaining streak, with AAPL (-8%) underperforming. Volatility (VIX index) rose to its highest level since June 26th on Thursday (34%), recording its largest weekly increase (+8 pps) since June 12th. On the other side of the Atlantic, the Eurostoxx fell by -1.8% wow (-11.4% ytd) as weekly new Covid-19 cases in France, Spain and the UK are all close to over 3-month highs. On the contrary, in Japan, the Nikkei 225 increased by 1.4% wow (-1.9% ytd), mainly due to: i) better-than-expect industrial production data; ii) Chief Cabinet Secretary Y. Suga, who is in favor of the continuity of outgoing PM Abe's policy, taking the lead in polls and iii) the announcement that Warren Buffett's Berkshire Hathaway acquired a stake of more than 5% in each of the five leading Japanese trading companies over a 12-month period.



Graph 1.

Fixed Income

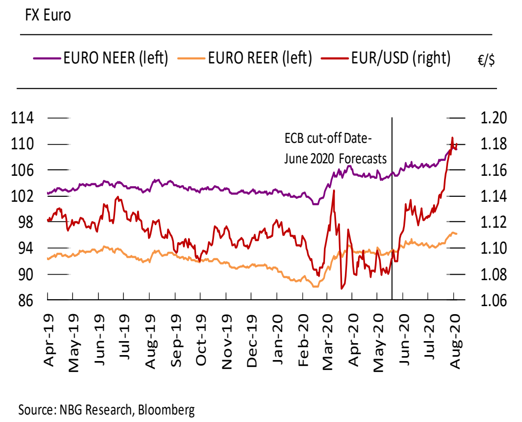
- **Government bond yields declined in major advanced economies due to increased risk aversion following Thursday's "sell-off" in US equity markets.** However, the trend reversed on Friday with bond prices declining (yields rising), due to positive US labor market data. Overall, the US Treasury 10-year yield ended the week broadly stable at 0.72% (+8 bps on Friday). In Germany, the 10-year Bund yield was down by 6 bps wow to -0.47%, following weaker-than-expected data for retail sales. Periphery bond yield spreads over the Bund in the 10-year tenor rose across the board, as investors avoided riskier assets (Italy: +7 bps to 151 bps, Spain: +4 bps to 81 bps, Portugal: +2 bps to 80 bps, Greece +9 bps to 160 bps). **Corporate bond spreads were mixed in the past week**. Specifically, US high yield spreads rose by 13 bps to 513 bps, while their euro area counterparts were down by 8 bps to 440 bps. In the Investment Grade spectrum, US spreads were down by 2 bps to 135 bps and Euro area spreads were broadly stable at 114 bps.



Graph 2.

FX and Commodities

- **In foreign exchange markets, the US Dollar rose in the past week,** in view of increased risk aversion. Comments from the ECB's chief economist P. Lane after the euro moved above $1.20 for the first time since 2018, that the exchange rate level does matter for monetary policy, also contributed to the US Dollar increasing by 0.5% wow against the euro to $1.18, its largest weekly rise since June 19th. Against the British Pound, the USD rose by 0.5% wow to $1.327. On the other hand, the Japanese Yen declined in the past week by 0.8% against the US Dollar to ¥106.24 and by 0.3% against the euro to ¥125.77, following comments by the Bank of Japan board member G. Kataoka that the downward pressures on inflation need to be curbed as much as possible via aggressive JGB purchases to guide short and long-term rates lower. Finally, **in commodities, oil prices declined in the past week due to increased concerns about future oil demand**. At the same time, the decline in US oil inventories (-9.4 million barrels to 498 million barrels for the week ending August 28th, the most profound weekly decrease since June 24th) is considered a temporary and hurricane-related development (in the event, output in the Gulf of Mexico is recovering to 84% of its pre-hurricane oil production from 16% late in the past week). Overall, Brent decreased by 7.5% to $41.3/barrel (-38% ytd), and the WTI fell by 7.4% to $39.8/barrel (-35% ytd), recording 2-month lows.



Graph 3.

Quote of the week: "We think that the economy's going to need low interest rates, which support economic activity, for an extended period of time…it will be measured in years…however long it takes, we're going to be there.", **Fed Chair, Jerome Powell, September 4th 2020.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 4th	3-month	6-month	12-month
Germany	-0.47	-0.50	-0.40	-0.30
US	0.72	0.90	1.00	1.20
UK	0.26	0.27	0.33	0.43
Japan	0.04	0.00	0.03	0.05

Official Rate (%)	September 4th	3-month	6-month	12-month
Euro area	0.00	0.00	0.00	0.00
US	0.25	0.25	0.25	0.25
UK	0.10	0.08	0.06	0.04
Japan	-0.10	-0.10	-0.10	-0.10

Currency	September 4th	3-month	6-month	12-month
EUR/USD	1.18	1.17	1.18	1.20
EUR/GBP	0.89	0.93	0.94	0.94
EUR/JPY	125	125	124	124

	September 4th	3-month	6-month	12-month
USD/JPY	106	107	105	104
GBP/USD	1.33	1.25	1.25	1.28

Forecasts at end of period

Economic Forecasts

United States	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20a	Q2:20a	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY) (1)	3,0	2,3	2,0	2,1	2,3	2,2	0,3	-9,1	-4,1	-4,3	-4,3
Real GDP Growth (QoQ saar) (2)	-	2,9	1,5	2,6	2,4	-	-5,0	-31,7	27,4	1,6	-
Private Consumption	2,7	1,8	3,7	2,7	1,6	2,4	-6,9	-34,1	32,8	3,1	-4,8
Government Consumption	1,8	2,5	5,0	2,1	2,4	2,3	1,3	2,8	9,4	-8,2	2,5
Investment	5,2	2,9	-0,4	2,4	1,0	1,9	-1,4	-28,9	12,5	3,3	-4,5
Residential	-0,6	-1,7	-2,1	4,6	5,8	-1,7	19,0	-37,9	33,5	1,3	0,7
Non-residential	6,9	4,2	0,0	1,9	-0,3	2,9	-6,7	-26,0	7,8	3,8	-5,8
Inventories Contribution	0,2	0,2	-1,1	-0,1	-0,9	0,0	-1,7	-4,7	2,2	1,5	-1,2
Net Exports Contribution	-0,3	0,6	-0,9	0,0	1,9	-0,2	1,6	0,6	-1,2	-1,0	0,6
Exports	3,0	1,8	-4,5	0,8	3,4	-0,1	-9,5	-63,2	28,0	19,6	-14,9
Imports	4,1	-2,1	1,7	0,5	-7,5	1,1	-15,0	-54,0	29,3	21,3	-14,1
Inflation (3)	2,5	1,7	1,8	1,7	2,1	1,8	2,1	0,3	0,9	1,0	1,1

Euro Area	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20a	Q2:20a	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY)	1,9	1,4	1,3	1,4	1,0	1,3	-3,1	-15,0	-7,3	-4,6	-7,5
Real GDP Growth (QoQ saar)	-	2,0	0,8	1,1	0,1	-	-13,6	-40,3	43,0	12,1	-
Private Consumption	1,4	2,2	0,8	1,7	0,5	1,3	-17,1	-41,3	44,4	17,3	-8,2
Government Consumption	1,2	2,2	2,0	2,5	1,0	1,8	-1,7	5,9	3,3	0,3	1,7
Investment	3,5	1,7	2,9	-1,1	14,0	5,0	-7,0	-50,2	48,0	14,0	-6,3
Inventories Contribution	0,1	-3,4	5,6	-5,5	1,0	-0,3	-1,2	-1,0	0,4	0,1	-0,6
Net Exports Contribution	0,2	3,5	-6,0	5,6	-4,1	-0,5	-1,4	-2,1	0,2	-0,1	-1,3
Exports	3,6	4,2	0,0	2,9	0,5	2,5	-15,4	-50,8	50,0	15,8	-10,3
Imports	3,6	-3,0	14,1	-8,4	10,0	4,0	-13,6	-50,6	52,4	16,9	-8,5
Inflation	1,8	1,4	1,4	1,0	1,0	1,2	1,1	0,2	0,1	0,1	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

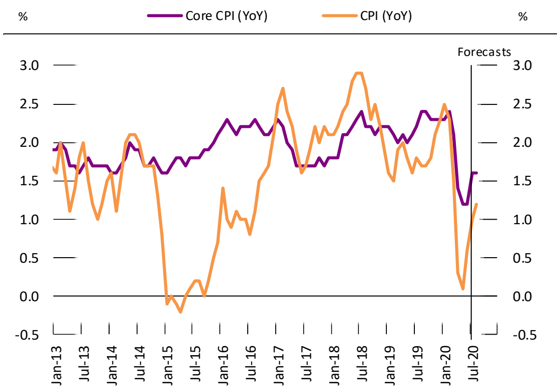
	US	Euro Area	Japan	UK
Equity Markets	+ Massive Fiscal loosening will support the economy but wont avoid a recession - 2020 EPS growth expectations have further room to fall from +2%. Earnings will contract in 2020 - Forget aggresive share buybacks for now due to political pressures - Peaking profit margins - 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) **Neutral/Positive**	+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 **Neutral**	+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 **Neutral**	+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 **Neutral/Negative**
Government Bonds	+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 **Slightly higher yields expected**	+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 **Higher yields expected**	+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% **Stable yields expected**	+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 **- Higher yields expected but with Brexit risk premia working on both directions**
Foreign Exchange	+Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% **Broadly Flat EUR against the USD with high volatility around $1.20**	+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) **Broadly Flat EUR against the USD with high volatility around $1.20**	+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% **Slightly higher JPY**	+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 **Higher GBP expected but with Brexit risk premia working on both directions**

Economic Calendar

In the US, attention turns to inflation data for August, due on Friday. CPI is expected at 1.2% yoy from 1% yoy in July, while the core figure is expected to have been stable at 1.6% yoy. On Thursday, attention turns to the weekly initial and continuing jobless claims for a more updated view of labor market conditions.

In the Euro area, the final estimate of Q2:20 GDP on Tuesday will be closely watched as it will be the first with analytical data per expenditure component. GDP is expected to remain unchanged compared with the previous estimate (-12.1% qoq | -15% yoy). On Thursday, attention turns to the ECB meeting. ECB is expected to leave rates unchanged (0.00% & -0.50%). On Monday, attention turns to July's industrial production for a better assessment of economic momentum.

US Inflation



Source: NBG Research, Bloomberg

Economic News Calendar for the period: September 1 - September 14, 2020

Tuesday 1

		S		A	P
US					
ISM Manufacturing	August	54.8	+	56.0	54.2
Construction spending (MoM)	July	1.0%	-	0.1%	-0.5%
JAPAN					
Jobless Rate	July	3.0%	+	2.9%	2.8%
EURO AREA					
Unemployment Rate	July	8.0%	+	7.9%	7.7%
CPI estimate (YoY)	August	0.2%	-	-0.2%	0.4%
Core CPI (YoY)	August	0.8%	-	0.4%	1.2%
CHINA					
Caixin PMI Manufacturing	August	52.5	+	53.1	52.8

Wednesday 2

		S		A	P
US					
ADP Employment Change (k)	August	1000	-	428	212
Factory Goods Orders (MoM)	July	6.1%	+	6.4%	6.4%
UK					
Nationwide House Px NSA YoY	August	2.0%	+	3.7%	1.5%
GERMANY					
Retail sales (MoM)	July	0.5%	-	-0.9%	-1.9%
Retail sales (YoY)	July	4.1%	+	4.2%	6.7%

Thursday 3

		S		A	P
US					
Initial Jobless Claims (k)	August 29	950	+	881	1011
Continuing Claims (k)	August 22	14000	+	13254	14492
Trade balance ($bn)	July	-58.0	-	-63.6	-53.5
EURO AREA					
Retail sales (MoM)	July	1.0%	-	-1.3%	5.3%
Retail sales (YoY)	July	1.9%	-	0.4%	1.3%

Friday 4

		S		A	P
US					
Change in Nonfarm Payrolls (k)	August	1350	+	1371	1734
Change in Private Payrolls (k)	August	1325	-	1027	1481
Unemployment rate	August	9.8%	+	8.4%	10.2%
Average weekly hours (hrs)	August	34.5	+	34.6	34.5
Average Hourly Earnings MoM	August	0.0%	+	0.4%	0.1%
Average Hourly Earnings YoY	August	4.5%	+	4.7%	4.7%
Labor Force Participation Rate	August	61.8%	-	61.7%	61.4%
Underemployment Rate	August	..		14.2%	16.5%
UK					
Markit/CIPS UK Construction	August	58.3	-	54.6	58.1

Monday 7

		S		A	P
CHINA					
Exports YoY	August	7.5%	+	9.5%	7.2%
Imports YoY	August	0.2%	-	-2.1%	-1.4%
GERMANY					
Industrial Production (sa, MoM)	July	4.5%	-	1.2%	8.9%
Industrial Production (wda, YoY)	July	-7.4%	-	-10.0%	-11.7%
JAPAN					
Leading Index	July	..		86.9	84.4
Coincident Index	July	..		76.2	76.6

Tuesday 8

		S	A	P
JAPAN				
GDP (QoQ)	Q2:20	-8.0%	..	-7.8%
Eco Watchers Current Survey	August	41.3	..	41.1
Eco Watchers Outlook Survey	August	39.1	..	36.0
EURO AREA				
GDP (QoQ)	Q2:20	-12.1%	..	-12.1%
GDP (YoY)	Q2:20	-15.0%	..	-15.0%
Gross Fixed Capital Formation (QoQ)	Q2:20	-12.5%	..	-1.8%
Household Consumption (QoQ)	Q2:20	-12.4%	..	-4.6%
Government expenditure (QoQ)	Q2:20	-2.5%	..	-0.4%

Wednesday 9

		S	A	P
CHINA				
CPI (YoY)	August	2.4%	..	2.7%

Thursday 10

		S	A	P
US				
Initial Jobless Claims (k)	September 5	845	..	881
Continuing Claims (k)	August 29	12904	..	13254
Wholesale trade (MoM)	July	..	..	8.8%
EURO AREA				
ECB announces its intervention rate	September 10	0.00%	..	0.00%
ECB announces its deposit facility rate	September 10	-0.50%	..	-0.50%
CHINA				
Money Supply M0 (YoY)	August	9.6%	..	9.9%
Money Supply M1 (YoY)	August	7.0%	..	6.9%
Money Supply M2 (YoY)	August	10.7%	..	10.7%
New Yuan Loans (RMB bn)	August	1250.0	..	992.7
Aggregate Financing (RMB bn)	August	2600.0	..	1694.0

Friday 11

		S	A	P
US				
CPI (YoY)	August	1.2%	..	1.0%
Core CPI (YoY)	August	1.6%	..	1.6%
UK				
Industrial Production (MoM)	July	4.2%	..	9.3%
Industrial Production (YoY)	July	-8.7%	..	-12.5%
GDP (MoM)	July	6.7%	..	8.7%

Monday 14

		S	A	P
EURO AREA				
Industrial Production (sa, MoM)	July	..	..	9.1%
Industrial Production (wda, YoY)	July	..	..	-12.3%

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	3427	-2,3	6,1	15,2	18,6	MSCI Emerging Markets	62890	-2,0	2,3	11,4
Japan	NIKKEI 225	23205	1,4	-1,9	10,1	2,8	MSCI Asia	984	-2,0	7,7	18,5
UK	FTSE 100	5799	-2,8	-23,1	-20,2	-21,5	China	99	-2,5	16,0	28,1
Canada	S&P/TSX	16218	-2,9	-5,0	-2,2	0,5	Korea	728	-0,6	5,3	18,0
Hong Kong	Hang Seng	24695	-2,9	-12,4	-6,9	-9,4	MSCI Latin America	84948	-1,7	-15,2	-8,3
Euro area	EuroStoxx	358	-1,8	-11,4	-5,3	-3,7	Brazil	319252	-1,1	-12,8	-2,8
Germany	DAX 30	12843	-1,5	-3,1	5,9	6,7	Mexico	33693	-3,8	-16,0	-14,6
France	CAC 40	4965	-0,8	-16,9	-11,2	-5,6	MSCI Europe	5290	-2,7	-17,0	-10,4
Italy	FTSE/MIB	19391	-2,3	-17,5	-11,7	-5,8	Russia	1176	-2,9	-13,6	-6,2
Spain	IBEX-35	6990	-2,0	-26,8	-22,3	-24,9	Turkey	1294381	-1,7	-13,9	-5,1

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	116,7	-3,9	-40,7	-36,9	-48,6	Energy	119,0	-3,6	-41,0	-38,2
Materials	278,3	-0,6	2,2	12,2	7,4	Materials	262,1	0,0	0,6	8,8
Industrials	264,5	-1,3	-4,3	3,4	2,5	Industrials	257,7	-0,9	-5,7	1,3
Consumer Discretionary	327,0	-2,3	17,5	23,9	27,5	Consumer Discretionary	312,3	-2,0	16,4	22,3
Consumer Staples	251,6	-1,0	0,2	1,8	12,3	Consumer Staples	248,5	-0,6	-1,2	-0,8
Healthcare	289,7	-2,2	3,8	16,9	17,1	Healthcare	282,9	-1,9	2,6	14,9
Financials	101,8	-1,8	-19,1	-9,8	-15,8	Financials	101,0	-1,4	-19,8	-11,6
IT	394,1	-4,0	26,7	42,6	54,4	IT	379,8	-3,9	26,1	41,8
Telecoms	84,5	-2,7	9,0	15,4	30,9	Telecoms	87,8	-2,5	8,5	14,5
Utilities	140,6	-0,6	-6,4	-2,6	10,3	Utilities	142,2	-0,3	-7,7	-4,7

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	0,72	0,72	1,92	1,56	2,23
Germany	-0,47	-0,41	-0,19	-0,59	0,89
Japan	0,04	0,06	-0,01	-0,26	0,39
UK	0,26	0,31	0,82	0,60	1,75
Greece	1,14	1,10	1,47	1,59	9,54
Ireland	-0,12	-0,06	0,12	0,00	3,12
Italy	1,02	1,04	1,41	0,94	2,99
Spain	0,35	0,38	0,47	0,24	2,72
Portugal	0,37	0,40	0,44	0,25	4,45

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	3,1	3,1	4,0	3,9	4,1
vs 30Yr Treasury (bps)	161	158	156	182	127

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back
US Treasuries 10Y/2Y	57	60	35	3
US Treasuries 10Y/5Y	42	45	23	13
Bunds 10Y/2Y	23	26	42	27
Bunds 10Y/5Y	22	24	29	27

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back
EM Inv. Grade (IG)	191	191	150	166
EM High yield	632	642	494	600
US IG	135	137	101	126
US High yield	513	500	360	407
Euro area IG	114	114	94	111
Euro area High Yield	440	448	308	354

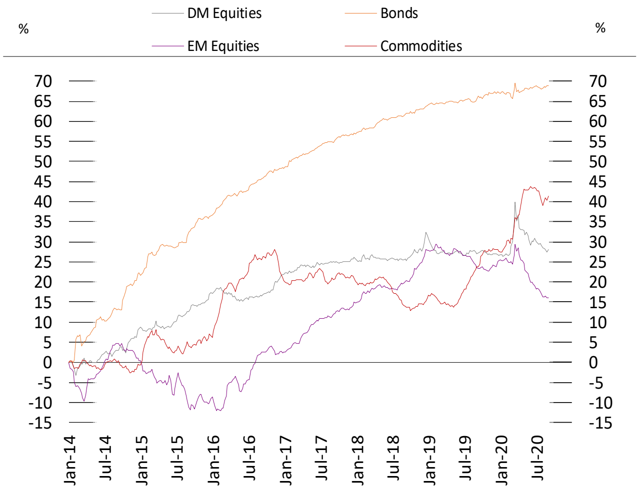
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1,18	-0,5	-0,2	7,3	5,6
EUR/CHF	1,08	0,5	0,3	-0,6	-0,4
EUR/GBP	0,89	0,0	-1,5	-0,4	5,4
EUR/JPY	125,77	0,3	0,4	6,6	3,4
EUR/NOK	10,57	0,4	-0,5	6,3	7,4
EUR/SEK	10,35	0,8	0,5	-3,2	-1,5
EUR/AUD	1,63	0,6	-1,4	0,4	1,8
EUR/CAD	1,55	-0,8	-1,7	5,9	6,2
USD-based cross rates					
USD/CAD	1,31	-0,3	-1,5	-1,3	0,6
USD/AUD	1,37	1,2	-1,2	-6,4	-3,7
USD/JPY	106,24	0,8	0,6	-0,7	-2,2

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)
Agricultural	322	0,1	6,8	4,2
Energy	234	-6,8	-5,7	-48,5
West Texas Oil ($)	40	-7,4	-5,7	-29,4
Crude brent Oil ($)	41	-7,5	-6,9	-32,5
Industrial Metals	1255	-0,2	2,4	3,2
Precious Metals	2250	-2,3	-5,2	25,1
Gold ($)	1934	-1,6	-5,1	27,3
Silver ($)	27	-2,2	-0,2	44,3
Baltic Dry Index	1362	-8,5	-7,7	-45,5
Baltic Dirty Tanker Index	446	-5,9	-12,4	-34,0

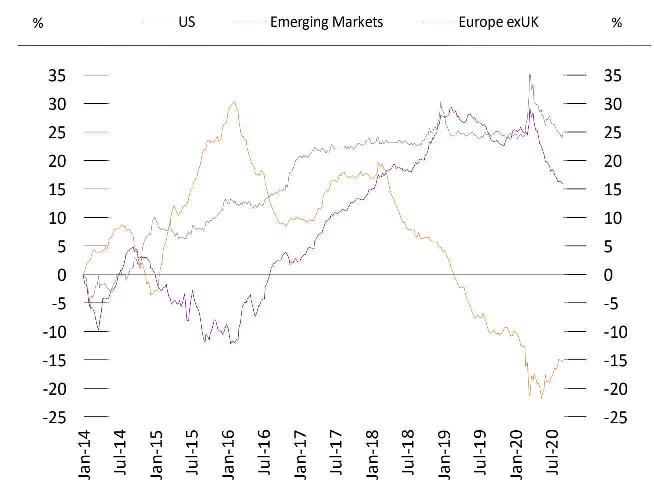
Source: Bloomberg, as of September 4th, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

Global Cross Asset ETFs: Flows as % of AUM



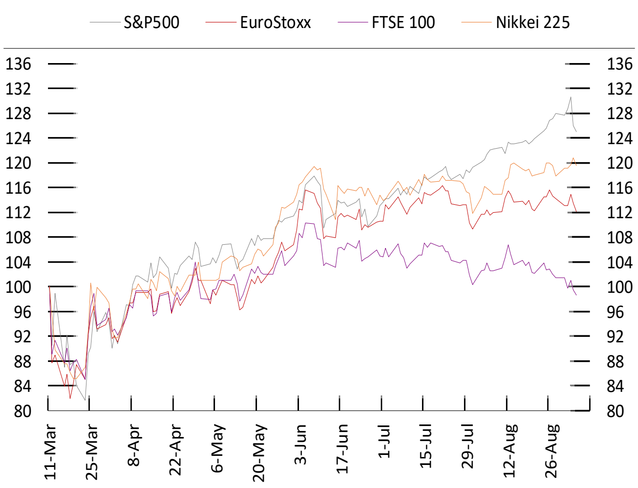
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 4th

Equity ETFs: Flows as % of AUM



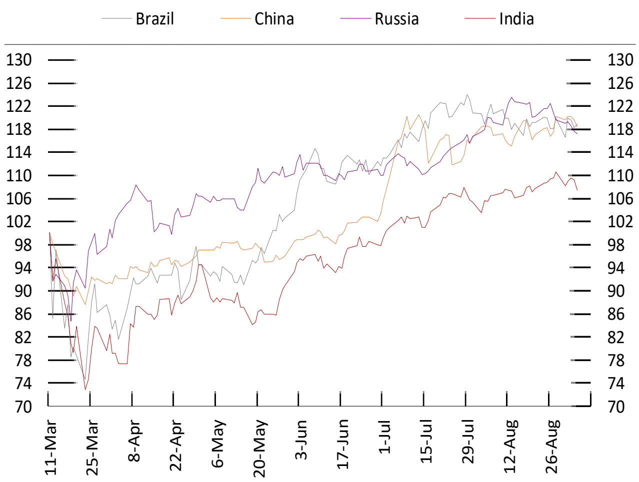
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 4th

Equity Market Performance - G4



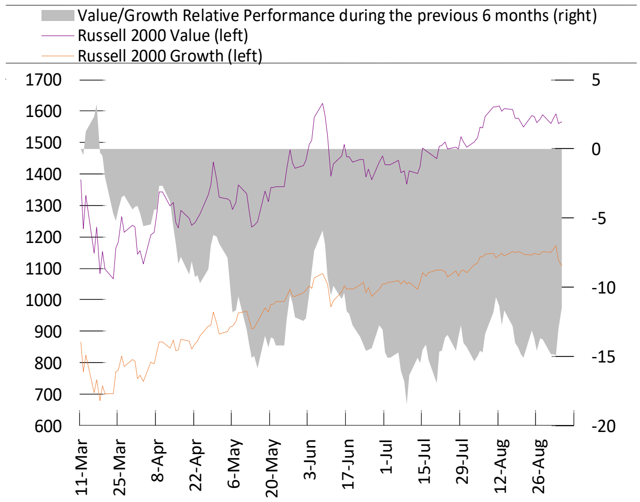
Source: Bloomberg - Data as of September 4th – Rebased @ 100

Equity Market Performance - BRICs



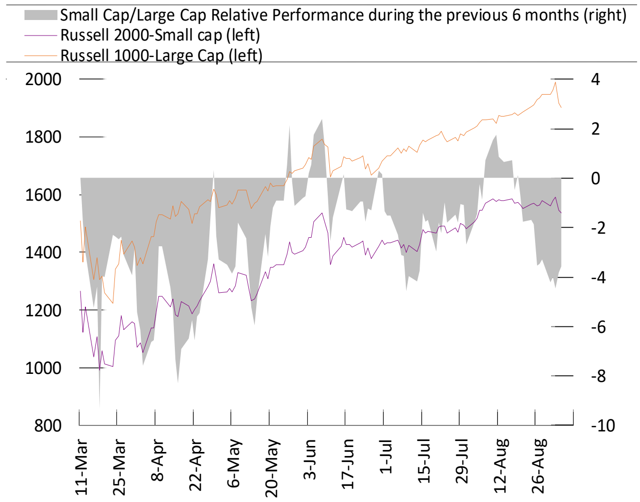
Source: Bloomberg - Data as of September 4th – Rebased @ 100

Russell 2000 Value & Growth Index



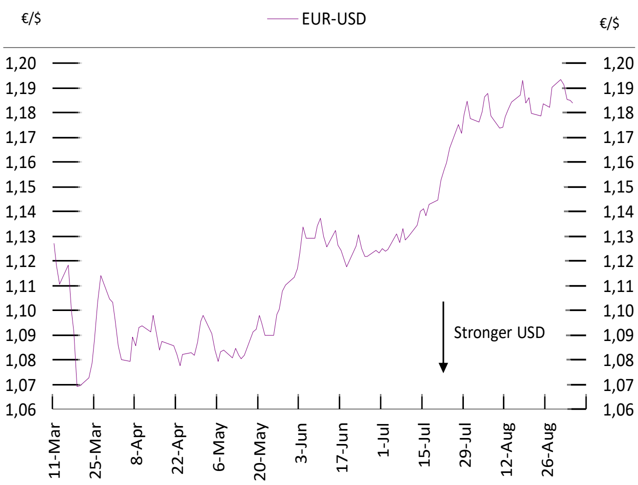
Source: Bloomberg, Data as of September 4th

Russell 2000 & Russell 1000 Index



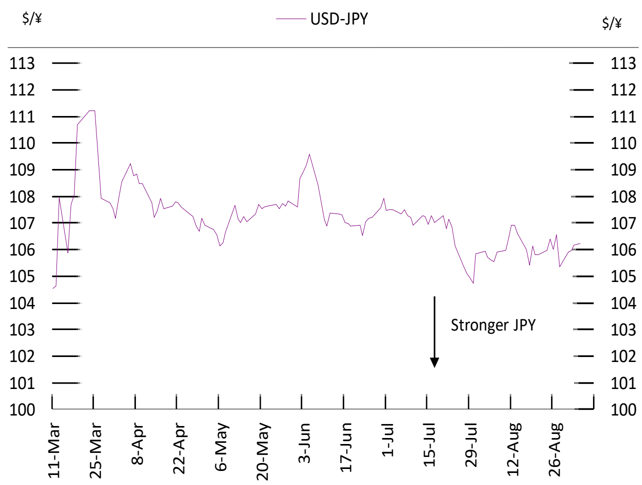
Source: Bloomberg, Data as of September 4th

EUR/USD



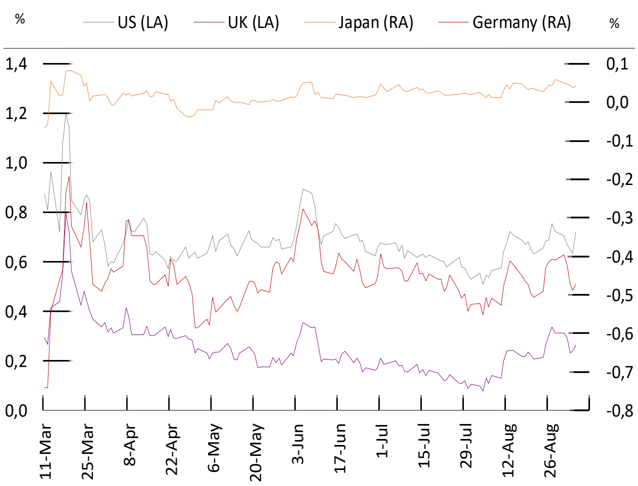
Source: Bloomberg, Data as of September 4th

JPY/USD



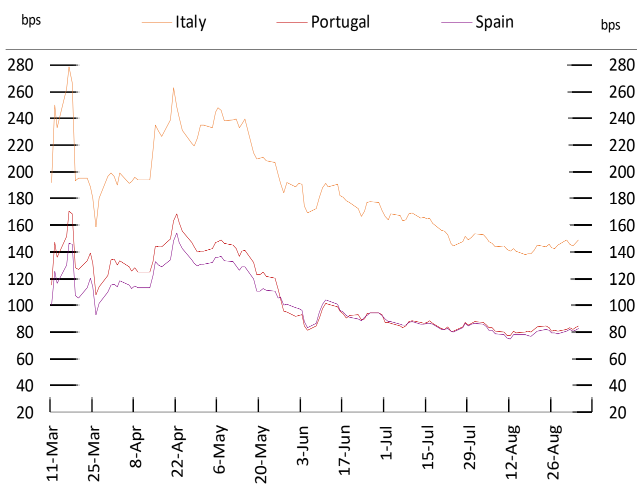
Source: Bloomberg, Data as of September 4th

10- Year Government Bond Yields



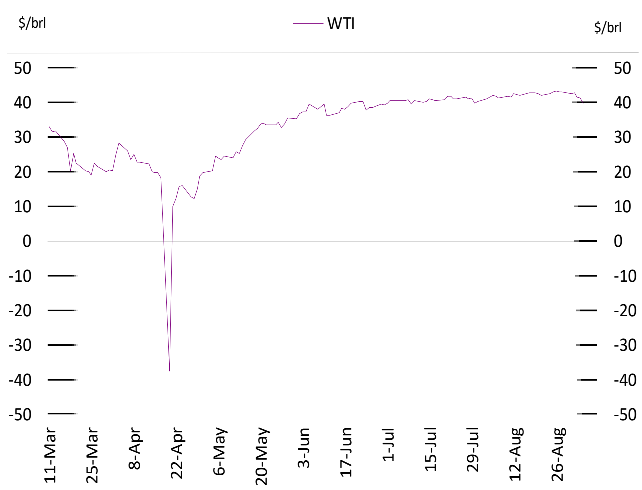
Source: Bloomberg - Data as of September 4th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



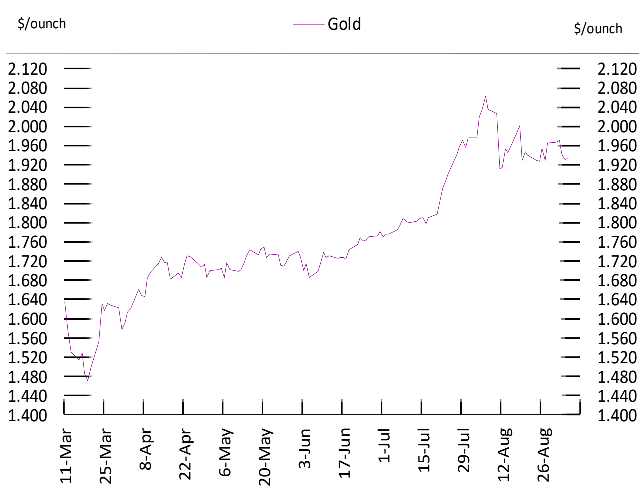
Source: Bloomberg - Data as of September 4th

West Texas Intermediate ($/brl)



Source: Bloomberg, Data as of September 4th

Gold ($/ounch)



Source: Bloomberg, Data as of September 4th

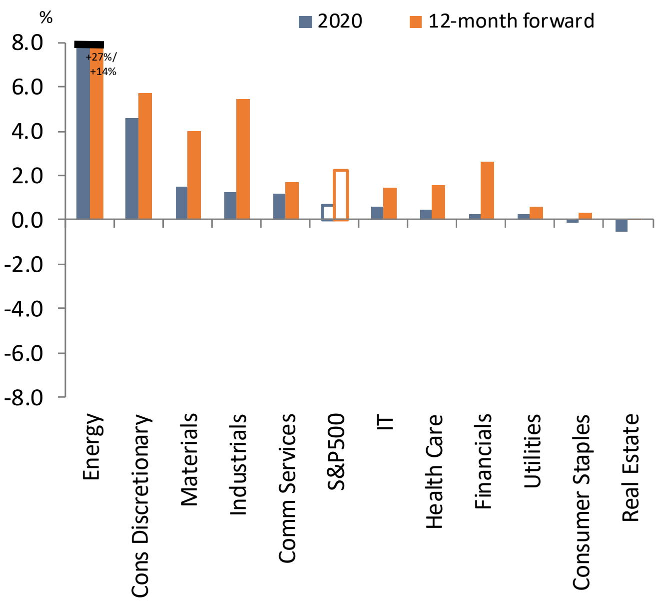
US Sectors Valuation

	Price ($)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	4/9/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3427	-2.3	6.1	1.2	-18.9	1.8	1.7	20.3	26.3	22.6	15.5	3.7	3.8	3.6	2.6
Energy	260	-4.5	-43.0	-29.0	N/A	3.8	6.5	21.8	N/A	N/A	13.3	1.6	1.1	1.2	1.7
Materials	405	0.8	4.9	-15.6	-17.3	2.1	2.0	20.2	26.4	22.4	15.0	2.4	2.7	2.7	2.5
Financials															
Diversified Financials	709	-1.5	-4.6	1.6	-23.5	1.4	1.6	16.2	20.0	17.2	14.0	1.9	1.7	1.6	1.5
Banks	260	0.8	-31.6	9.0	-51.0	2.6	3.7	12.3	17.5	13.5	10.9	1.4	0.9	0.9	1.0
Insurance	378	0.2	-14.3	15.8	-5.8	2.2	2.8	13.4	12.2	11.2	10.9	1.5	1.2	1.2	1.1
Real Estate	224	-0.9	-6.6	1.9	-8.1	3.1	3.0	21.0	21.3	20.4	18.2	3.7	3.3	3.4	3.1
Industrials															
Capital Goods	656	-1.3	-9.6	-7.2	-28.4	1.8	1.9	21.2	26.3	21.6	15.8	5.5	4.1	3.9	3.5
Transportation	840	-1.1	7.1	6.5	N/A	1.9	1.6	14.7	N/A	N/A	10.1	4.3	5.4	5.2	3.4
Commercial Services	377	-1.5	9.1	12.8	-4.5	1.3	1.2	28.5	31.6	29.4	20.4	6.0	5.7	5.5	3.6
Consumer Discretionary															
Retailing	3478	-3.2	42.0	4.2	-6.4	0.7	0.5	33.6	50.3	42.2	22.9	13.3	14.8	13.1	6.8
Consumer Services	1165	-0.6	-10.5	5.1	N/A	2.1	1.6	24.0	N/A	N/A	22.3	16.3	32.4	51.8	7.9
Consumer Durables	364	-1.3	-2.1	-0.4	-21.7	1.5	1.4	19.7	24.9	21.0	17.1	4.1	3.9	3.7	3.2
Automobiles and parts	98	-0.3	-17.8	-16.8	N/A	4.2	1.3	8.5	N/A	N/A	7.5	1.3	1.2	1.1	1.6
IT															
Technology	2260	-2.9	41.8	2.6	3.3	1.3	1.0	21.6	28.5	26.2	13.1	9.7	14.7	15.4	4.2
Software & Services	2868	-5.5	24.8	11.4	7.8	0.9	0.9	29.5	33.1	30.4	18.1	7.9	9.4	8.7	5.3
Semiconductors	1499	-2.0	20.7	-12.2	7.3	1.8	1.6	18.9	21.1	19.4	14.2	5.5	5.9	5.5	3.2
Communication Services	205	-2.5	12.6	3.0	-11.9	1.2	1.0	21.8	27.1	24.0	17.7	3.5	3.6	3.4	2.9
Media	776	-3.0	19.0	3.8	-11.4	0.4	0.3	27.4	35.4	29.6	20.6	4.2	4.5	4.2	3.3
Consumer Staples															
Food & Staples Retailing	537	0.1	8.1	2.9	-4.3	1.7	1.6	21.5	24.7	23.8	16.5	4.6	4.9	4.6	3.2
Food Beverage & Tobacco	700	-0.2	-2.1	-1.7	-2.6	3.3	3.4	19.7	19.9	18.9	17.7	5.3	5.2	5.0	4.9
Household Goods	829	-1.4	11.5	6.6	5.8	2.3	2.1	25.8	27.1	25.8	19.7	8.9	9.7	9.5	5.3
Health Care															
Pharmaceuticals	1023	-2.2	3.8	10.9	7.5	2.1	2.3	16.1	15.5	14.5	14.7	6.3	5.4	4.9	3.9
Healthcare Equipment	1419	-2.0	3.0	9.9	-1.2	1.0	1.0	20.7	21.3	19.2	15.6	3.8	3.4	3.2	2.7
Utilities	300	0.4	-8.7	4.9	1.5	3.1	3.5	20.7	18.7	18.1	16.0	2.2	2.0	1.9	1.7

Source Factset, Blue box indicates a value more than +2standard devation from average, light blue a value more than +1standard devation from average. Orange box indicates a value less than -2standard devation from average, light orange a value less than -1standard devation from average

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

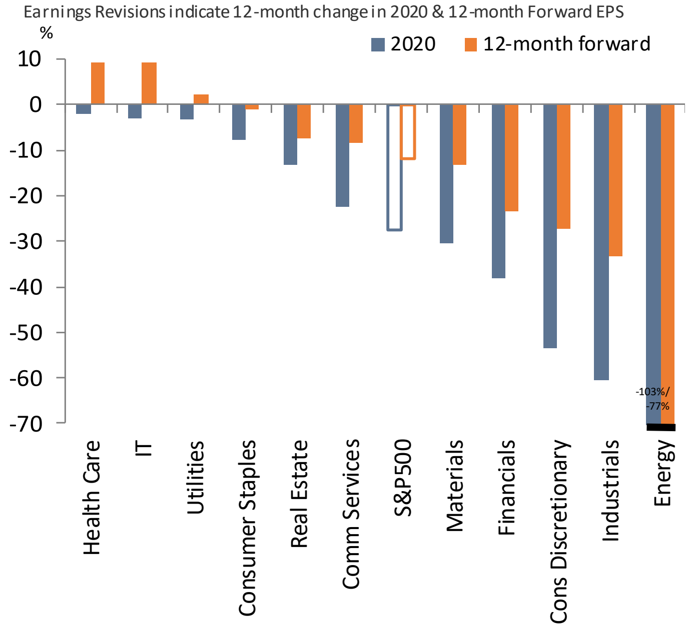
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of September 4th
12-month forward EPS are 32% of 2020 EPS and 68% 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 September 4th
12-month forward EPS are 32% of 2020 EPS and 68% of 2021 EPS

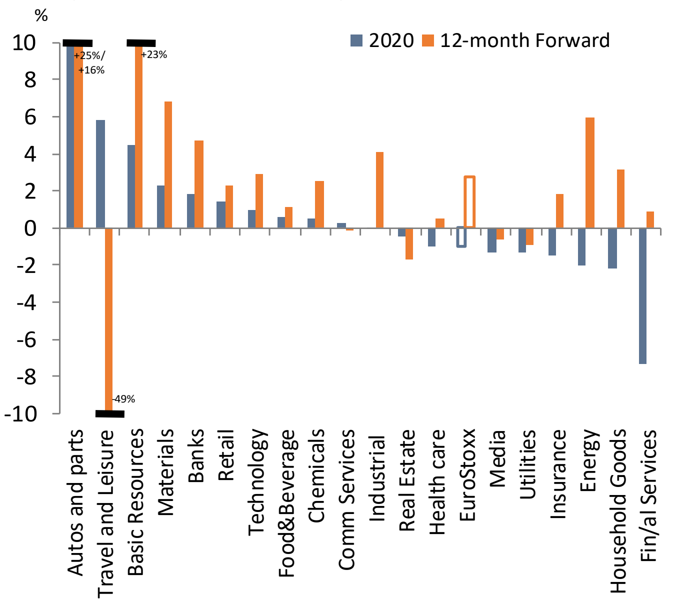
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	4/9/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	358	-1.8	-11.4	2.4	-42.1	3.1	2.5	16.8	25.3	19.4	13.4	1.7	1.6	1.5	1.4
Energy	222	-1.9	-32.5	-10.1	-71.4	5.0	6.0	13.7	31.9	19.5	11.9	1.3	1.1	1.1	1.1
Materials	409	-2.3	-16.2	14.1	-42.4	3.2	2.8	15.4	22.6	16.9	14.4	1.9	1.6	1.6	1.4
Basic Resources	164	4.4	-19.5	-61.6	N/A	3.3	2.3	19.3	N/A	N/A	13.6	0.8	0.7	0.7	0.8
Chemicals	1178	-0.6	0.2	-13.3	-19.2	2.7	2.6	21.8	27.5	23.7	15.5	2.1	2.2	2.2	2.2
Financials															
Fin/al Services	480	-3.9	-4.7	23.8	-37.9	2.6	2.5	15.0	22.6	18.0	13.8	1.6	1.2	1.2	1.2
Banks	63	-2.0	-35.2	-1.1	-58.6	5.7	3.2	9.2	14.3	10.9	9.5	0.6	0.4	0.4	0.7
Insurance	238	-2.6	-21.3	13.0	-20.7	4.8	6.1	11.0	10.8	9.1	9.3	1.0	0.8	0.7	0.9
Real Estate	199	-3.2	-19.0	-0.5	-6.2	4.2	4.3	19.0	16.5	15.8	17.0	1.0	0.9	0.8	1.0
Industrial	843	-2.3	-10.4	12.2	-49.1	2.4	1.7	20.1	35.0	25.2	15.6	3.2	2.8	2.7	2.4
Consumer Discretionary															
Media	195	-0.6	-13.1	4.1	-20.7	2.6	2.5	17.9	19.4	17.4	15.5	2.5	2.2	2.1	1.8
Retail	602	-0.7	0.1	3.5	-22.4	2.5	1.9	25.6	33.0	27.4	19.6	4.4	3.6	3.5	3.1
Automobiles and parts	410	1.6	-15.7	-12.2	N/A	3.7	1.3	8.7	N/A	N/A	7.9	0.9	0.8	0.8	1.0
Travel and Leisure	170	-4.9	-20.8	-10.1	N/A	2.2	0.4	16.8	N/A	N/A	13.7	2.0	1.8	1.8	2.0
Technology	660	-4.4	9.0	5.9	-8.8	1.2	0.8	26.9	31.0	26.2	18.7	4.2	4.1	3.9	3.0
Communication Services	247	-2.3	-14.6	-14.3	-2.2	4.2	4.8	17.5	15.2	14.3	14.3	1.9	1.5	1.5	1.8
Consumer Staples															
Food&Beverage	478	-0.4	-20.1	16.8	-36.7	2.1	2.0	20.5	25.8	21.6	18.7	2.7	2.1	2.1	2.6
Household Goods	1042	0.8	-2.7	6.6	-28.9	1.6	1.3	29.8	40.0	32.3	21.4	6.1	5.5	5.1	3.8
Health care	798	-2.5	-8.2	7.1	-6.8	2.1	2.2	20.1	19.1	17.3	15.5	2.4	2.1	2.0	2.1
Utilities	345	-1.3	-0.5	57.7	-3.4	4.5	4.5	16.2	16.4	15.3	12.8	1.6	1.5	1.4	1.1

Source Factset, Blue box indicates a value more than +2standard devation from average, light blue a value more than +1standard devation from average. Orange box indicates a value less than -2standard devation from average, light orange a value less than -1standard devation from average

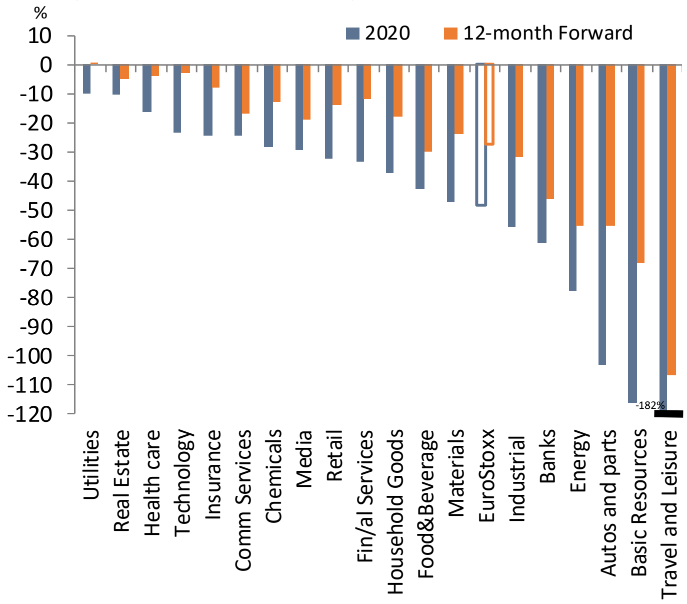
1-month revisions to 2020 & 12-month Forward EPS

Earnings Revisions indicate 1-month change in 2020 & 12-month Forward 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 September 4th
12-month forward EPS are 32% of 2020 EPS and 68% of 2021 EPS

Source: Factset, Data as of September 4th
12-month forward EPS are 32% of 2020 EPS and 68% of 2021 EPS

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