

Global Markets Roundup

National Bank of Greece | Economic Research Division | February 11, 2020



NATIONAL BANK OF GREECE

Developed market equities have rebounded (100%), while emerging market equities have recouped 50% of their losses since the outbreak of the coronavirus

- Global equity markets posted a V-shaped recovery in the past week, with the S&P500 climbing to a record high, despite the fact that confirmed cases of the coronavirus continue to increase (albeit at a slower pace). Consensus appears to price-in a large but short-lived slowdown in Chinese economic growth. Limited spillover is expected to the rest of the global economy -- with the exception of EM Asia. The spillover effects mainly consist of reduced spending by Chinese tourists (150 mn overseas visits in 2018 vs 20 mn in 2003) and lower exports to China.
- Indeed, Chinese real GDP estimates for Q1:2020 have been revised down to +4%/+4.5% yoy from +6% yoy before the outbreak, as consumer discretionary spending and industrial production is expected to slow considerably. Note that a significant number of factories (70%-80% of national industrial production) have not re-opened since February 2nd, while retail shopping, travel and leisure activities have been hit especially hard. Any delay in re-openings beyond the current week would further depress activity significantly.
- In our view, it is too soon to signal the all-clear, particularly taking into account China's increased role in the global economy. Note that the Chinese contribution to global growth rates has increased to 1.2 pps from 0.8 pps in 2003 (SARS), despite the deceleration of absolute Chinese real GDP growth rates from 10% to 6%. In purchasing parity terms, China accounts for 19% of the global economy, up from 9% in 2003.
- Nevertheless, developed equity markets have recouped much of their decline since January 20th, posting record highs on Thursday in both the US (S&P500) and Europe (Stoxx600). On the other hand, emerging equity markets and spreads, as well as oil and industrial metals, remain well below their pre-2019-nCOV outbreak levels (see Graph below).
- As a result, EM asset valuation has cheapened, but only slightly, during the current correction, with the MSCI EM Asia 12-month forward P/E ratio at 13.3x vs 13.6x (January 20th) -- a +1.1STDEV above its 15-year mean (88% percentile). Similarly, spreads have widened both in EM \$ sovereign (by 30 bps to 276 bps) and EM \$ corporate debt (by 10 bps to 292 bps). Both EMBI and CEMBI spreads are at the 54% and 86% percentile, respectively, where a higher percentile means spread products are more expensive relative to their 15-year distribution history.
- By contrast, US equity market valuations are elevated. The S&P500 12-month forward P/E rose by 4x points during 2019 due to aggressive easing by the Fed and easing trade tensions, resulting in 30% gains for the index, with EPS flat at \$162. At 18.9x (100% percentile), S&P500 valuations now match their early 2018 levels (see graph page 3). However, with limited room for additional valuation (P/E) expansion i) as the bar for further rate cuts by the Fed remains high; and ii) US election uncertainty could weigh at least until November, earnings growth become the key support, with mid-single digit gains for equity prices, at best.
- Consensus estimates for S&P500 2020 \$EPS are circa \$176 (+8% growth vs 2019), albeit recall that historically, consensus revise down their annual EPS estimates by 4% in the course of each year (see graph page 3).

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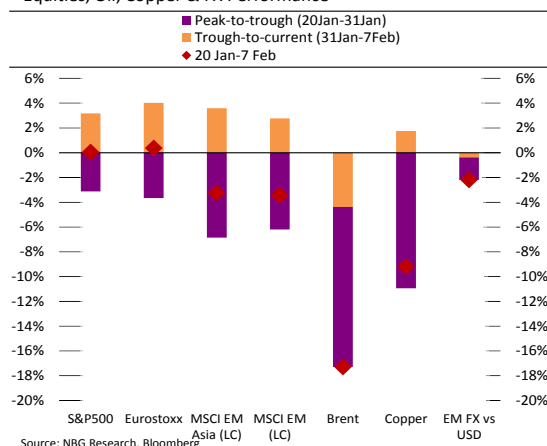
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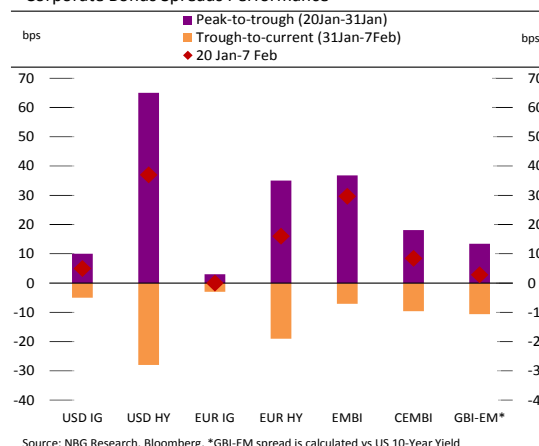
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Charts of the week

Equities, Oil, Copper & FX Performance



Corporate Bonds Spreads Performance



Robust US job creation continues...

- **Labor market conditions in the US continue to improve, with job growth entering 2020 on a strong footing.** Specifically, nonfarm payrolls increased by 225k in January, from +147k in December. Even with favorable weather conditions, as indicated by the strong readings in the construction industry (+44k), the outcome in January exceeded consensus estimates for 165k, while the less volatile 3-month average stood at a solid 211k in January (198k in December). It should be noted that the latest report included historical data revisions, which resulted in the total number of employed persons (in the non-farm sectors) being revised down by 422k in December to 151.96 mn, a development that does not materially affect the solid outlook for the US labor market. The unemployment rate rose slightly, to 3.6% versus the 50-year low of 3.5%, which was recorded in December, but solely due to the labor force participation rate, which rose by 0.2 pps to 63.4%, the highest since June 2013, as favorable labor market conditions led more persons to return to the labor market. The current pace of job creation is well above the necessary levels for the unemployment rate to remain stable (c. 100k monthly gains are needed according to the Federal Reserve Bank of Atlanta, in view of the current labor force participation rate). 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), came out at 6.9% in January, up modestly compared with the record low (since 1994) of 6.7% recorded in the previous month (but -1.1 pp yoy).

...while wage growth maintains its healthy pace

- **Wage growth came out slightly above consensus estimates in January, while continuing to suggest increasing consumer purchasing power.** The monthly pace of increase for average hourly earnings was a trend-like +0.2% mom in January, compared with +0.1% mom in December. At the same time, the annual pace of increase for average hourly earnings accelerated by 0.1 pp to 3.1% yoy (consensus for 3.0% yoy), albeit also benefitting from favorable base effects (a relatively weak reading in January 2019) and remains below a peak of 3.5% yoy (an 11-year high) in August 2019. Recall that the annual change in the less volatile wages of production and non-supervisory employees (84% of total -- that also have a higher propensity to consume) was largely stable at a healthy +3.3% yoy (peak of 3.8% yoy in October 2019). High earners saw their compensation accelerating to 2.3% yoy from 1.9% yoy in December. Overall, the trend for (nominal) wages remains well above the respective trend for consumer prices (c. 2% yoy), arguing in favor of strong private consumption.

German industrial production remains weak

- **Industrial production in Germany, ended Q4:19 on a weak note.** Specifically, industrial production decreased by 3.5% mom in December (+1.2% mom in November) and, as a result, the annual pace of growth stood at -6.8% yoy (-2.5% yoy in November), the weakest outcome since November 2009. At the same time, industrial production excluding construction (a metric that essentially tracks the manufacturing output), declined by 2.9% mom in December (+1% mom in November), with the annual change at -7.4% yoy (-3.8% yoy in November), also a 10-year low. Looking forward, factory orders (a leading indicator for industrial production excluding construction in the next 2-3 months) fell by 2.1% mom in December (-8.7% yoy).
- On a more positive note, confidence among manufacturers in January improved considerably, with the PMI index up by 1.6 pts to 45.3 (slightly revised up by 0.1 pp in the final reading). Nevertheless, these levels remain subdued. Furthermore, the latest PMI survey does not incorporate the effects from the anticipated fall in demand from China (7% of Germany's exports of goods) due to the coronavirus outbreak and, thus, could prove short-lived. Overall, the latest data sustain a weak outlook for industrial production in the current quarter, with an improvement expected in Q2:19 (contingent on Chinese economic activity having normalized by then).

Japanese business confidence data were mixed in January

- **The Cabinet Office's Economy Watchers survey posted mixed results entering Q1:20, revealing early signs of the coronavirus outbreak weighing on sentiment.** Specifically, the current conditions index rose meaningfully, by 2.2 pts to 41.9, well above consensus estimates for 39.1. On the other hand, the forward-looking indicator (outlook for 2-3 months ahead) was down significantly, by 3.7 pts to 41.8 (consensus: 44.1), in view of an anticipated weakening of demand related to the coronavirus outbreak via weaker demand for Japanese exports of goods from China (19% of total) and reduced inbound tourism from China (apart from concerns about a more pronounced spread of the virus in Japan). Overall, the outlook for an improvement in economic activity in the current quarter, following the contraction of GDP in Q4:19 (-3.8% qoq saar | +0.6% yoy) that was due to transitory factors (VAT hike and natural disasters) remains in place. Nevertheless, the latest developments suggest downside risks for the consensus expectations for real GDP growth of +0.8% qoq saar (+0.3% yoy) in Q1:20.

Equities

- Global equity markets rose in the past week, due to stronger-than-expected data (US ISM),** China's tariffs cuts on US imports (following the recently signed US/China Phase-One Trade Agreement), as well as multiple measures to provide sufficient liquidity in the financial markets and support businesses amid the novel coronavirus outbreak. Overall, the MSCI ACWI ended the week up by +2.7% (+1.5% ytd), with strong gains in both developed markets (+2.7% wow) and emerging markets (+2.8% wow). In the US, the S&P500 rose by +3.2% wow with the Pharmaceuticals sector leading the increase (+4.5% wow). Nevertheless, concerns about the coronavirus re-emerged on Friday, as S&P Global Ratings on Friday lowered its forecast for China's economic growth for 2020FY to 5% from 5.7%, citing the impact of the outbreak. Selling pressure abated following the release of the Labor Department report which showed payroll employment rising by 225,000. Regarding the earnings season, out of the 322 companies that have reported results so far, 71% have exceeded analyst estimates. Consensus EPS expectations for Q4:19 entered positive territory at +0.7% yoy from -0.3% yoy in the past week and -2.2% yoy in the previous quarter, with positive earnings surprises recorded by companies in the Communication Services sector (Alphabet: \$15.35 vs. \$12.49). On the other side of the Atlantic, the EuroStoxx ended the week up +4%, with Banks leading the increase (+9% wow), after robust results and the announcement of a new shareholder of Deutsche Bank (Los Angeles-based Capital Group). The DAX rose +4.1% and FTSE 100 by +2.5%.

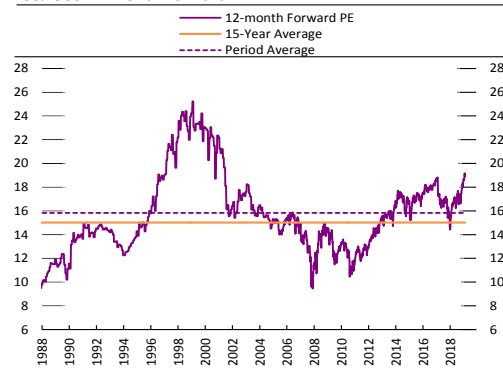
Fixed Income

- Government bond yields increased in major advanced economies due to reduced "safe haven" demand.** Overall, the US 10-year yield rose by 8 bps to 1.58% and the 2-year yield rose by 9 bps to 1.4%, following stronger-than-expected economic data. Similarly, in the UK, the 10-year yield rose by 5 bps to 0.57%. In Germany, the 10-year Bund yield rose by 5 bps to -0.39%. Periphery bond yields were mixed in the past week across the board (Italy: +1 bps to 0.94%, Spain: +5 bps to 0.28%, Portugal: +5 bps to 0.32%, Greece -12bps to 1.05%). In a similar vein, **corporate bond spreads narrowed in the past week**, as investors' risk appetite increased. Indeed, US high yield spreads declined by 28 bps to 375 bps, while their euro area counterparts were down by 19 bps to 316 bps. In the Investment Grade spectrum, US spreads were down by 5 bps at 104 bps and their euro area counterparts declined by 3 bps at 92 bps.

FX and Commodities

- In foreign exchange markets, the US Dollar rose in the past week on the back of stronger-than-expected economic data (ISM and payroll data).** Overall, the US Dollar ended the week up by +1.3% against the euro to 1.095 (4 month low). Weak German industrial output in December (the largest drop in more than a decade) weighed as well. The USD appreciated also by +1.3% against the Japanese Yen to ¥109.73 and by +2.4% against the British Pound to \$1.289 (2 month low), following heightened uncertainty regarding post-Brexit negotiations.
- In commodities, oil prices declined in the past week, as worries increased over the coronavirus impact on China's oil demand and uncertainty if major oil producers proceed with further production cuts to support oil prices.** Overall, Brent ended the week down by -4.4% to \$53.9/barrel (-18.9% ytd) and WTI by -2.4% to \$54.1/barrel (-17.6% ytd). Gold prices ended the week down by -1.2% to \$1570/ounce), mainly explained by the rise of US Dollar.

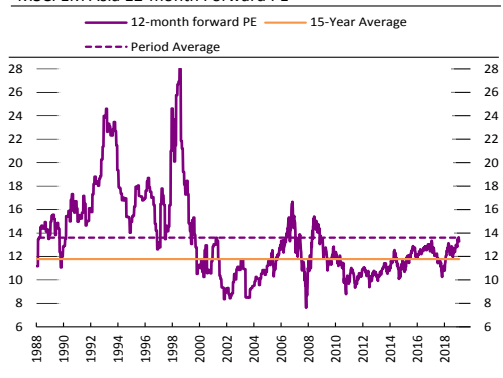
S&P500 12-month Forward PE



Source: NBG Research, Thomson Reuters Datastream, IBES

Graph 1.

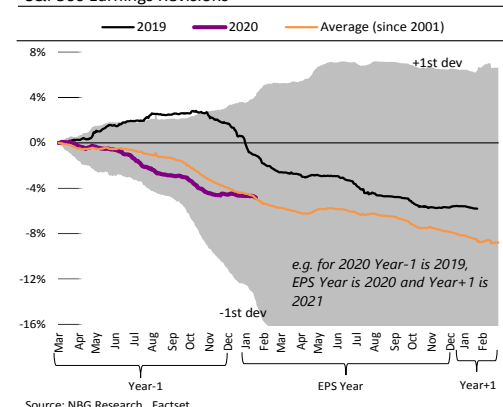
MSCI EM Asia 12-month Forward PE



Source: NBG Research, Thomson Reuters Datastream, IBES

Graph 2.

S&P500 Earnings Revisions



Source: NBG Research, Factset

Graph 3.

Quote of the week: "We continue to closely monitor the potential side effects of our measures... low interest rates bring a lot of benefits to the euro area economy. That being said, low funding costs appear to have also encouraged more borrowing by highly leveraged firms and greater risk-taking by non-banks, such as investment funds, insurance companies and pension funds", **President of the ECB, Christine Lagarde, February 6th, 2020.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	February 7th	3-month	6-month	12-month	Official Rate (%)	February 7th	3-month	6-month	12-month
Germany	-0,39	-0,20	-0,15	0,00	Euro area	0,00	0,00	0,00	0,00
US	1,58	1,80	1,90	2,00	US	1,75	1,75	1,75	1,50
UK	0,57	0,83	0,80	0,74	UK	0,75	0,65	0,65	0,60
Japan	-0,04	-0,08	-0,04	0,00	Japan	-0,10	-0,10	-0,10	-0,10

Currency	February 7th	3-month	6-month	12-month	February 7th	3-month	6-month	12-month	
EUR/USD	1,09	1,13	1,13	1,15	USD/JPY	110	109	107	104
EUR/GBP	0,85	0,84	0,85	0,85	GBP/USD	1,29	1,34	1,33	1,36
EUR/JPY	120	123	121	120					

Forecasts at end of period

Economic Forecasts

United States		2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20f	Q2:20f	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY) (1)		2,9	2,7	2,3	2,1	2,3	2,3	2,0	1,9	1,8	1,8	1,9
Real GDP Growth (QoQ saar) (2)		-	3,1	2,0	2,1	2,1	-	1,7	1,7	1,8	2,0	-
Private Consumption		3,0	1,1	4,6	3,1	1,8	2,6	1,9	1,9	1,9	2,0	2,2
Government Consumption		1,7	2,9	4,8	1,7	2,7	2,3	2,1	1,7	1,4	1,4	2,1
Investment		4,6	3,2	-1,4	-0,8	0,1	1,3	2,2	2,8	2,9	3,1	1,4
Residential		-1,5	-1,1	-2,9	4,6	5,8	-1,5	5,6	3,2	1,5	1,4	3,7
Non-residential		6,4	4,4	-1,0	-2,3	-1,5	2,1	0,9	2,7	3,2	3,5	0,7
Inventories Contribution		0,1	0,5	-1,0	0,0	-1,3	0,1	0,3	0,2	0,2	0,2	-0,2
Net Exports Contribution		-0,4	0,8	-0,8	-0,2	1,8	-0,2	-0,6	-0,5	-0,4	-0,3	-0,1
Exports		3,0	4,2	-5,7	0,9	1,4	0,0	1,9	2,0	2,0	2,0	1,2
Imports		4,4	-1,5	0,0	1,8	-8,7	1,0	5,1	4,6	3,7	3,3	1,3
Inflation (3)		2,4	1,6	1,8	1,7	2,1	1,8	2,2	1,9	2,1	2,1	2,1

Euro Area		2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20f	Q2:20f	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY)		1,9	1,4	1,2	1,2	1,0	1,2	0,8	0,9	1,0	1,2	1,0
Real GDP Growth (QoQ saar)		-	1,8	0,6	1,1	0,4	-	1,1	1,2	1,2	1,3	-
Private Consumption		1,4	1,6	0,9	2,0	1,2	1,3	1,3	1,3	1,3	1,3	1,3
Government Consumption		1,1	1,8	2,0	1,6	1,6	1,6	1,3	1,3	1,3	1,3	1,4
Investment		2,4	1,3	22,5	-14,3	0,4	4,3	1,0	1,5	1,7	1,9	0,2
Inventories Contribution		0,0	-1,0	0,1	-0,5	-0,6	-0,4	-0,1	0,0	0,0	0,0	-0,2
Net Exports Contribution		0,4	1,3	-4,6	3,7	0,0	-0,3	0,0	-0,1	-0,1	-0,1	0,1
Exports		3,3	3,5	0,5	2,9	1,2	2,5	1,6	1,9	2,1	2,1	1,8
Imports		2,7	0,8	11,4	-4,6	1,3	3,4	1,7	2,3	2,5	2,5	1,7
Inflation		1,8	1,4	1,4	0,9	1,0	1,2	1,2	1,1	1,2	1,2	1,2

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"> +Fiscal loosening will support the economy & companies' earnings +2020 EPS growth expectations have stabilized at 8% +Cash-rich corporates will lead to share buybacks and higher dividends (de-equitization) - Peaking profit margins - Protectionism and trade wars - P/Es at all time high (Ex-dotcom) <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> +Still high equity risk premium relative to other regions +Credit conditions gradual turn more favorable +Small fiscal loosening in 2020 - 2020 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 +Upward revisions in corporate earnings - 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% +Underlying inflation pressures if Fed seek makeup strategies - Global search for yield by non-US investors continues - Safe haven demand - Fed may cut rates in 2020 <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 may cut rates in 2020 <p>● Broadly Flat USD against the EUR with upside risks towards \$1.15</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 upside risks towards \$1.15</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>

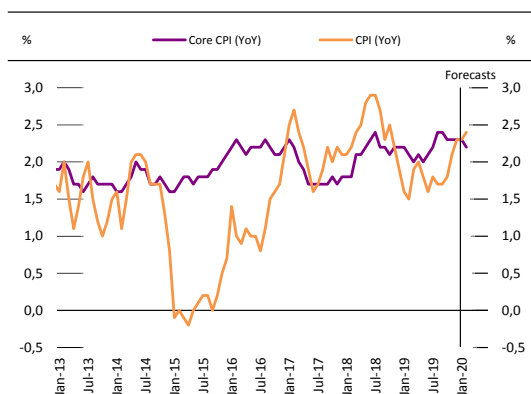
Economic Calendar

In the US, attention turns to inflation data for January, due to release on Thursday. CPI is expected at 2.4% yoy from 2.3% yoy in December, while the core figure is expected at 2.2% yoy from 2.3% yoy in the previous month. On Friday, high frequency activity indicators for January (industrial production, retail sales) will be closely monitored to assess the economic momentum.

In the Euro area, the second estimate of Q4:19 GDP is released on Friday. GDP is expected to remain unchanged compared with the previous estimate (0.1% qoq | 1.0% yoy). On Thursday, European Commission publishes its Winter economic forecasts.

Plenty macro events in the UK this week, with Q4:19 GDP and industrial production data for December gathering the most attention.

US Inflation



Source: NBG Research, Bloomberg

Economic News Calendar for the period: February 4 - February 17, 2020

Tuesday 4				Wednesday 5				Thursday 6						
US		S	A	P	US		S	A	P	US		S	A	P
Factory Goods Orders (MoM)	December	1.2%	+ 1.8%	-1.2%	ADP Employment Change (k)	January	157	+ 291	199	Unit labor costs (QoQ, annualized)	Q4:19	1.3%	+ 1.4%	2.5%
UK					Trade balance (\$bn)	December	-48.2	- 48.9	-43.7	Nonfarm Productivity (QoQ, annualized)	Q4:19	1.6%	- 1.4%	-0.2%
Markit/CIPS UK Construction PMI	January	47.1	+ 48.4	44.4	ISM non-manufacturing	January	55.1	+ 55.5	54.9	Initial Jobless Claims (k)	February 1	215	+ 202	217
					EURO AREA					Continuing Claims (k)	January 25	1720	- 1751	1703
					Retail sales (MoM)	December	-1.1%	- 1.6%	0.8%					
					Retail sales (YoY)	December	2.3%	- 1.3%	2.3%					
Friday 7				Monday 10				Monday 10						
US		S	A	P	CHINA		S	A	P	JAPAN		S	A	P
Change in Nonfarm Payrolls (k)	January	165	+ 225	147	CPI (YoY)	January	4.9%	+ 5.4%	4.5%	Eco Watchers Current Survey	January	39.1	+ 41.9	39.7
Change in Private Payrolls (k)	January	155	+ 206	142	GERMANY					Eco Watchers Outlook Survey	January	44.1	- 41.8	45.5
Unemployment rate	January	3.5%	- 3.6%	3.5%	Industrial Production (sa, MoM)	December	-0.2%	- 3.5%	1.2%					
Average Hourly Earnings MoM	January	0.3%	- 0.2%	0.1%	Industrial Production (wda, YoY)	December	-3.7%	- 6.8%	-2.5%					
Average Hourly Earnings YoY	January	3.0%	+ 3.1%	3.0%										
Average weekly hours (hrs)	January	34.3	34.3	34.3										
Labor Force Participation Rate	January	63.2%	+ 63.4%	63.2%										
Underemployment Rate	January	..	6.9%	6.7%										
JAPAN														
Leading Index	December	91.3	+ 91.6	90.8										
Coincident Index	December	94.7	94.7	94.7										
Tuesday 11				Wednesday 12				Thursday 13						
US		S	A	P	EURO AREA		S	A	P	US		S	A	P
Mortgage delinquencies	Q4:19	..	..	3.97%	Industrial Production (sa, MoM)	December	-2.0%	..	0.2%	CPI (YoY)	January	2.4%	..	2.3%
Mortgage foreclosures	Q4:19	..	..	0.84%	Industrial Production (wda, YoY)	December	-2.5%	..	-1.5%	Core CPI (YoY)	January	2.2%	..	2.3%
UK										Average Hourly Earnings YoY	January	..	..	0.6%
GDP (MoM)	December	0.2%	..	-0.3%						Initial Jobless Claims (k)	February 8	210	..	202
GDP (QoQ)	Q4:19	0.0%	..	0.4%						Continuing Claims (k)	February 1	1738	..	1751
GDP (YoY)	Q4:19	0.8%	..	1.1%						EURO AREA				
Private Consumption QoQ	Q4:19	0.1%	..	0.3%						European Commission Publishes Winter Forecasts				
Government Spending QoQ	Q4:19	0.5%	..	-0.6%										
Gross Fixed Capital Formation QoQ	Q4:19	-0.3%	..	0.2%										
Industrial Production (MoM)	December	0.3%	..	-1.2%										
Industrial Production (YoY)	December	-0.8%	..	-1.6%										
Friday 14				Monday 17				Monday 17						
US		S	A	P	GERMANY		S	A	P	JAPAN		S	A	P
Retail Sales Advance MoM	January	0.3%	..	0.3%	GDP (QoQ)	Q4:19	0.1%	..	0.1%	GDP (QoQ)	Q4:19	-1.0%	..	0.4%
Retail sales ex-autos MoM	January	0.3%	..	0.7%	GDP (wda, YoY)	Q4:19	0.3%	..	0.5%	GDP Private Consumption (QoQ)	Q4:19	-1.9%	..	0.5%
Industrial Production (MoM)	January	-0.2%	..	-0.3%						GDP Business Spending (QoQ)	Q4:19	-1.6%	..	1.8%
University of Michigan consumer confidence	January	99.4	..	99.8						CHINA				
EURO AREA					Aggregate Financing (RMB bn)	January	4200	..	2103	Money Supply M0 (YoY)	January	..	..	5.4%
Trade Balance SA (€ bn)	December	19.3	..	19.2	Money Supply M1 (YoY)	January	4.5%	..	4.4%	Money Supply M2 (YoY)	January	8.6%	..	8.7%
Employment (QoQ)	Q4:19	..	..	0.1%	New Yuan Loans (RMB bn)	January	3100	..	1140					
Employment (YoY)	Q4:19	..	..	0.9%										
GDP (QoQ)	Q4:19	0.1%	..	0.1%										
GDP (YoY)	Q4:19	1.0%	..	1.0%										

Source: NBG Research, Bloomberg

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

Equity Markets (in local currency)

Developed Markets						Emerging Markets						
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	
US	S&P 500	3328	3,2	3,0	23,0	24,1	MSCI Emerging Markets	61068	2,8	-0,6	6,9	-0,3
Japan	NIKKEI 225	23828	2,7	0,7	14,8	10,1	MSCI Asia	909	3,6	-0,5	7,7	-1,5
UK	FTSE 100	7467	2,5	-1,0	5,3	2,6	China	85	4,5	-0,6	7,6	-6,8
Canada	S&P/TSX	17655	1,9	3,5	12,4	15,2	Korea	709	5,2	2,6	6,9	-1,2
Hong Kong	Hang Seng	27404	4,1	-2,8	-2,1	-9,6	MSCI Latin America	99310	0,5	-0,8	7,7	10,0
Euro area	EuroStoxx	413	4,0	2,1	18,7	7,8	Brazil	359802	0,1	-1,7	16,1	28,7
Germany	DAX 30	13514	4,1	2,0	22,6	7,3	Mexico	41009	0,7	2,2	0,7	-11,3
France	CAC 40	6030	3,8	0,9	20,9	14,7	MSCI Europe	6302	0,3	-1,1	11,2	11,7
Italy	FTSE/MIB	24478	5,3	4,1	25,7	6,5	Russia	1345	-0,5	-1,2	18,1	29,7
Spain	IBEX-35	9811	4,7	2,7	9,8	-1,7	Turkey	1556860	1,5	3,6	9,8	-1,8

World Market Sectors (MSCI Indices)

in US Dollar terms						in local currency					
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	179,4	0,4	-8,8	-10,8	-15,8	Energy	186,0	0,9	-7,7	-10,0	-12,6
Materials	262,8	2,2	-3,5	8,1	-5,2	Materials	255,5	2,8	-2,0	9,5	0,3
Industrials	280,8	2,3	1,6	16,0	7,1	Industrials	280,1	2,9	2,5	16,8	10,5
Consumer Discretionary	282,3	2,1	1,5	18,2	13,2	Consumer Discretionary	274,3	2,6	2,2	18,8	15,7
Consumer Staples	254,5	1,5	1,4	15,6	10,9	Consumer Staples	257,3	2,0	2,3	16,2	15,0
Healthcare	284,5	3,5	1,9	18,4	24,8	Healthcare	282,7	3,9	2,5	18,7	27,5
Financials	126,0	3,0	0,2	13,7	-2,1	Financials	127,7	3,5	1,3	14,7	1,9
IT	334,7	4,2	7,7	43,4	49,3	IT	325,1	4,3	7,9	43,7	50,5
Telecoms	79,7	2,8	2,8	20,3	15,9	Telecoms	83,5	3,0	3,3	20,7	20,1
Utilities	158,7	0,1	5,6	19,8	33,7	Utilities	164,2	0,5	6,5	20,8	38,5

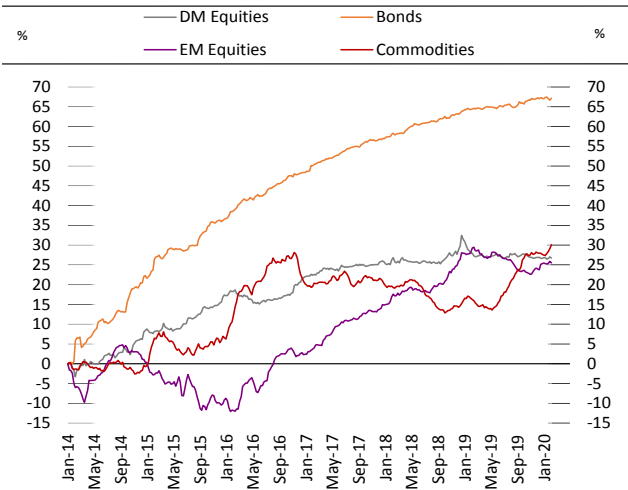
Bond Markets (%)

10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)					
	Current	Last week	Year Start	One Year Back	10-year average		Current	Last week	Year Start	One Year Back	10-year average
US	1,58	1,51	1,92	2,66	2,38	US Treasuries 10Y/2Y	18	19	35	18	141
Germany	-0,39	-0,43	-0,19	0,12	1,08	US Treasuries 10Y/5Y	18	19	23	19	75
Japan	-0,04	-0,07	-0,01	-0,01	0,46	Bunds 10Y/2Y	26	24	42	69	117
UK	0,57	0,52	0,82	1,18	1,94	Bunds 10Y/5Y	22	21	29	46	73
Greece	1,05	1,17	1,47	4,00	9,94	Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
Ireland	-0,11	-0,14	0,12	0,88	3,41						
Italy	0,94	0,93	1,41	2,95	3,14	EM Inv. Grade (IG)	156	162	150	189	211
Spain	0,28	0,24	0,47	1,24	2,93	EM High yield	477	499	494	485	642
Portugal	0,32	0,27	0,44	1,66	4,70	US IG	104	109	101	134	149
US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average	US High yield	375	403	360	429	497
						Euro area IG	92	95	94	138	140
						Euro area High Yield	316	335	308	443	483
30-Year FRM¹ (%)	3,7	3,7	4,0	4,7	4,2						
vs 30Yr Treasury (bps)	166	171	156	170	118						

Foreign Exchange & Commodities

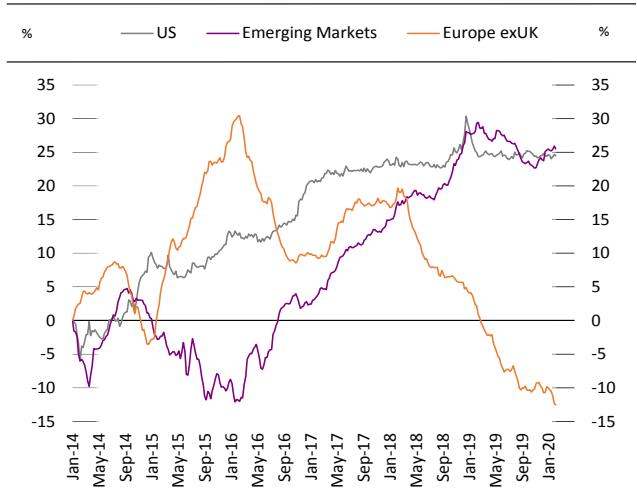
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates						Agricultural	342	0,9	-0,8	-3,8	-1,8
EUR/USD	1,09	-1,3	-1,4	-3,5	-2,4	Energy	415	-1,9	-15,0	-4,1	-16,5
EUR/CHF	1,07	0,1	-1,1	-5,8	-1,4	West Texas Oil (\$)	50	-2,4	-15,6	-4,4	-17,6
EUR/GBP	0,85	1,1	0,2	-3,0	0,4	Crude Brent Oil (\$)	54	-4,4	-18,3	-12,5	-18,9
EUR/JPY	120,16	0,0	-0,8	-3,5	-1,3	Industrial Metals	1134	0,2	-7,1	-9,7	-6,9
EUR/NOK	10,18	-0,2	3,4	4,4	3,4	Precious Metals	1836	-1,0	0,3	18,1	2,7
EUR/SEK	10,58	-0,9	0,6	0,7	0,7	Gold (\$)	1570	-1,2	0,9	19,9	3,5
EUR/AUD	1,64	-1,2	1,4	2,7	2,7	Silver (\$)	18	-1,9	-2,2	12,5	-0,9
EUR/CAD	1,46	-0,8	0,6	-3,5	0,0	Baltic Dry Index	415	-14,8	-46,3	-32,0	-61,9
USD-based cross rates						Baltic Dirty Tanker Index	803	-9,0	-47,2	0,8	-49,7
USD/CAD	1,33	0,6	2,1	0,0	2,5						
USD/AUD	1,50	0,2	2,9	6,4	5,1						
USD/JPY	109,77	1,3	0,6	0,0	1,1						

Global Cross Asset ETFs: Flows as % of AUM



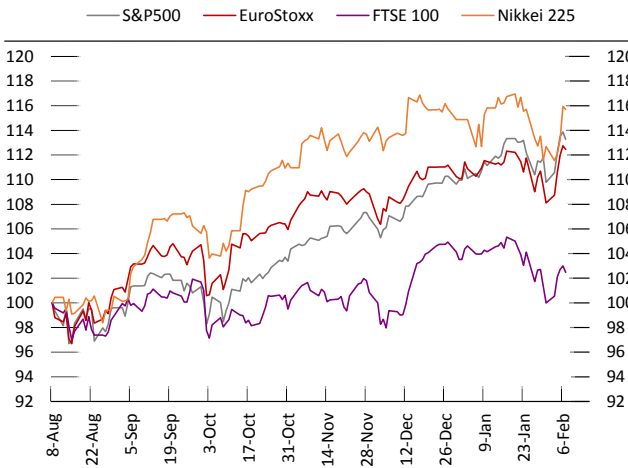
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of February 7th

Equity ETFs: Flows as % of AUM



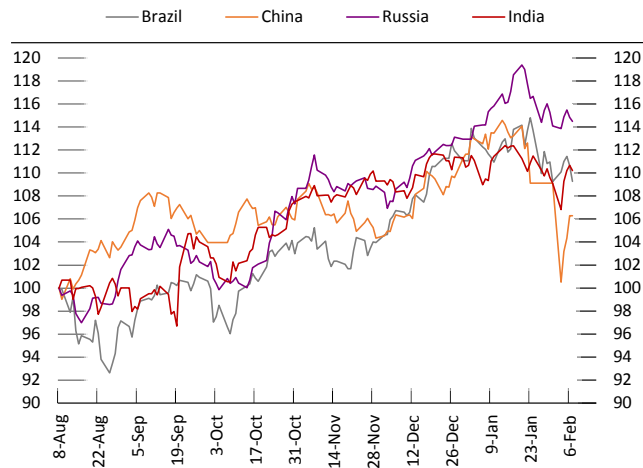
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of February 7th

Equity Market Performance - G4



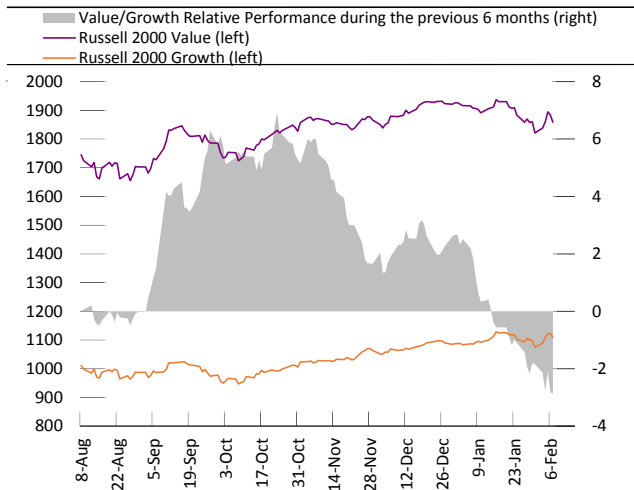
Source: Bloomberg - Data as of February 7th - Rebased @ 100

Equity Market Performance - BRICs



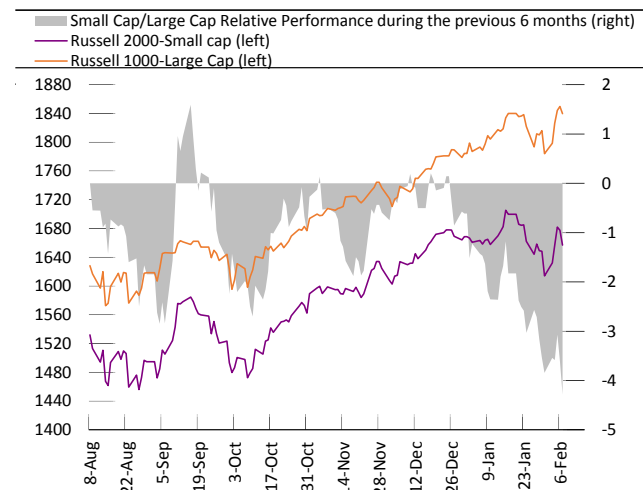
Source: Bloomberg - Data as of February 7th - Rebased @ 100

Russell 2000 Value & Growth Index

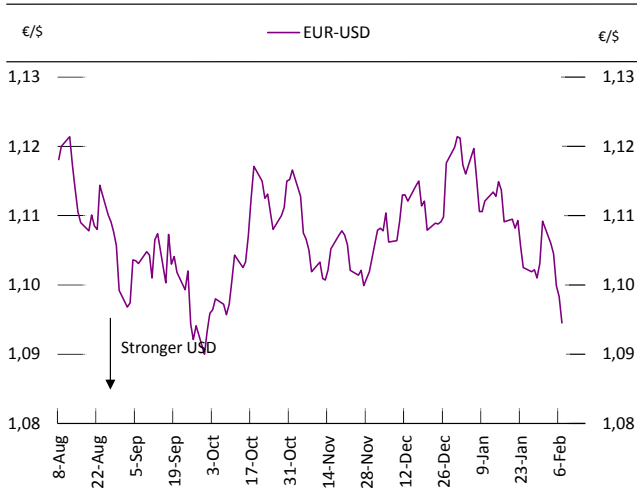
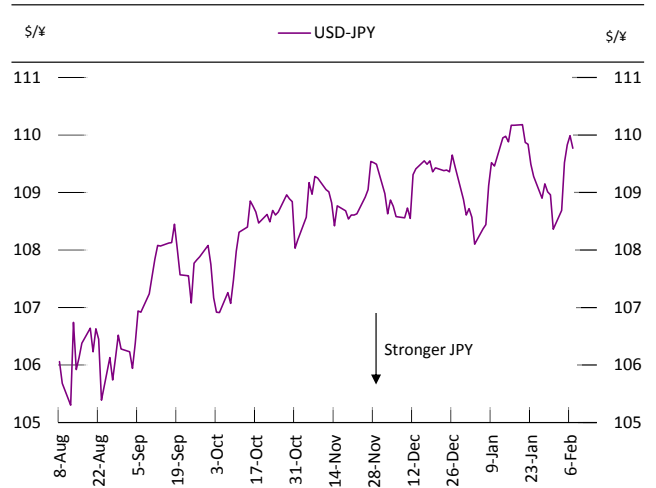
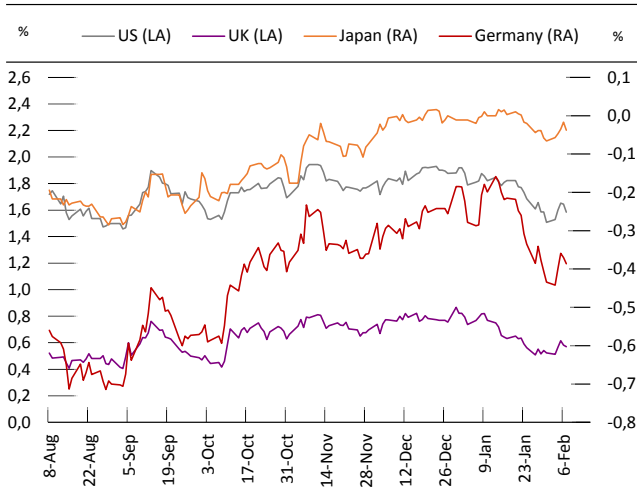


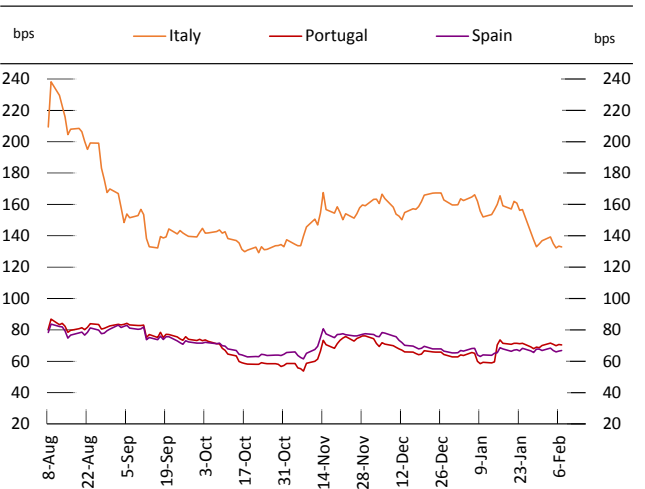
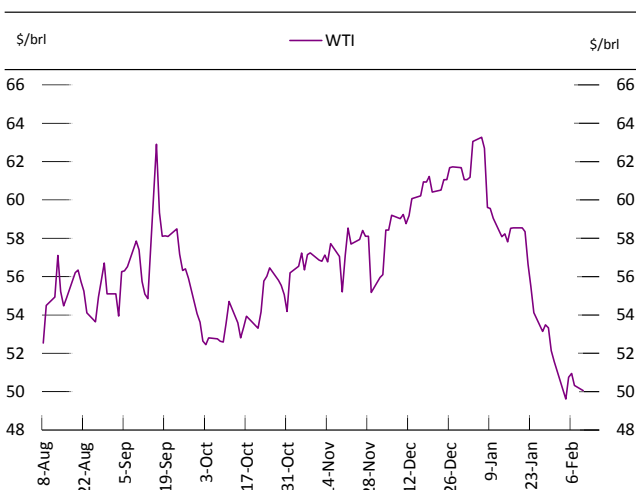
Source: Bloomberg, Data as of February 7th

Russell 2000 & Russell 1000 Index



Source: Bloomberg, Data as of February 7th

EUR/USD

 Source: Bloomberg, Data as of February 7th
JPY/USD

 Source: Bloomberg, Data as of February 7th
10- Year Government Bond Yields

 Source: Bloomberg - Data as of February 7th
 LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads

 Source: Bloomberg - Data as of February 7th
West Texas Intermediate (\$/bbl)

 Source: Bloomberg, Data as of February 7th
Gold (\$/ounce)

 Source: Bloomberg, Data as of February 7th

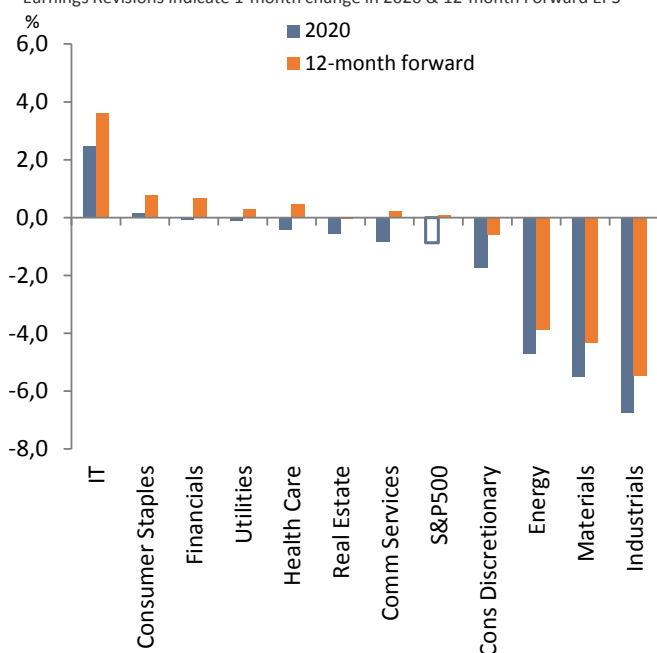
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	7/2/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3328	3,2	1,2	8,8	1,8	1,9	20,2	18,9	18,7	15,1	3,6	3,5	3,5	2,5
Energy	409	0,8	-28,9	17,4	3,8	4,6	21,7	16,7	16,5	19,7	1,6	1,5	1,4	1,8
Materials	377	4,2	-15,6	7,1	2,1	2,2	20,2	19,0	18,7	14,7	2,4	2,4	2,4	2,5
Financials														
Diversified Financials	761	1,6	1,7	5,9	1,4	1,6	16,2	15,5	15,4	13,8	1,9	1,7	1,7	1,5
Banks	366	4,0	9,0	3,9	2,6	3,0	12,3	11,6	11,5	11,0	1,4	1,3	1,3	1,0
Insurance	462	4,3	15,7	8,5	2,2	2,3	13,4	12,9	12,8	10,8	1,5	1,5	1,5	1,1
Real Estate	248	1,7	1,9	5,0	3,1	3,1	21,0	20,6	20,5	18,3	3,7	3,8	3,8	3,0
Industrials														
Capital Goods	744	3,2	-6,5	8,5	1,9	2,0	21,1	19,6	19,3	15,5	5,4	4,9	4,8	3,4
Transportation	788	2,7	6,6	4,2	1,9	2,0	14,7	14,1	14,0	13,6	4,3	4,0	3,9	3,4
Commercial Services	376	2,7	12,9	8,4	1,3	1,3	28,5	27,8	27,5	19,8	6,0	6,0	5,9	3,4
Consumer Discretionary														
Retailing	2592	3,4	3,8	12,2	0,8	0,8	32,9	30,6	30,2	21,1	12,7	11,2	11,0	6,1
Media	687	3,6	3,7	16,2	0,4	0,4	27,5	23,9	23,6	20,0	4,2	3,8	3,7	3,2
Consumer Services	1297	0,0	5,0	8,6	2,1	2,3	23,9	21,5	21,2	19,2	14,8	14,6	14,5	6,4
Consumer Durables	368	2,1	0,4	10,2	1,4	1,5	19,2	17,3	17,2	16,8	4,0	3,6	3,5	3,2
Automobiles and parts	106	-1,8	-16,4	7,2	4,2	4,5	8,5	7,4	7,4	8,3	1,4	1,2	1,2	1,7
IT														
Technology	1691	3,4	2,6	12,6	1,3	1,4	21,6	19,6	19,4	12,6	9,7	10,3	10,3	3,7
Software & Services	2563	5,1	11,1	14,4	1,0	1,0	29,3	27,7	27,4	17,2	7,9	7,8	7,7	5,1
Semiconductors	1284	4,4	-12,3	8,0	1,8	1,9	18,9	18,0	17,8	13,9	5,5	5,3	5,2	3,1
Communication Services	189	3,3	3,0	11,3	1,2	1,2	21,8	19,8	19,6	17,3	3,5	3,2	3,1	2,8
Consumer Staples														
Food & Staples Retailing	492	1,7	2,9	4,3	1,7	1,8	21,5	20,8	20,6	16,1	4,6	4,3	4,3	3,1
Food Beverage & Tobacco	734	1,7	-1,7	5,9	3,3	3,3	19,7	19,2	19,0	17,5	5,3	5,1	5,1	4,9
Household Goods	766	2,1	6,6	7,7	2,3	2,3	25,8	24,6	24,5	19,2	8,9	8,9	8,9	5,0
Health Care														
Pharmaceuticals	998	4,5	9,8	6,7	2,1	2,3	15,9	15,0	14,9	14,4	5,5	4,5	4,5	3,5
Healthcare Equipment	1386	3,2	10,3	9,6	1,0	1,1	20,4	18,5	18,3	15,1	3,7	3,3	3,3	2,6
Utilities	348	-0,6	4,9	4,6	3,1	3,1	20,7	21,1	21,0	15,7	2,2	2,3	2,3	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

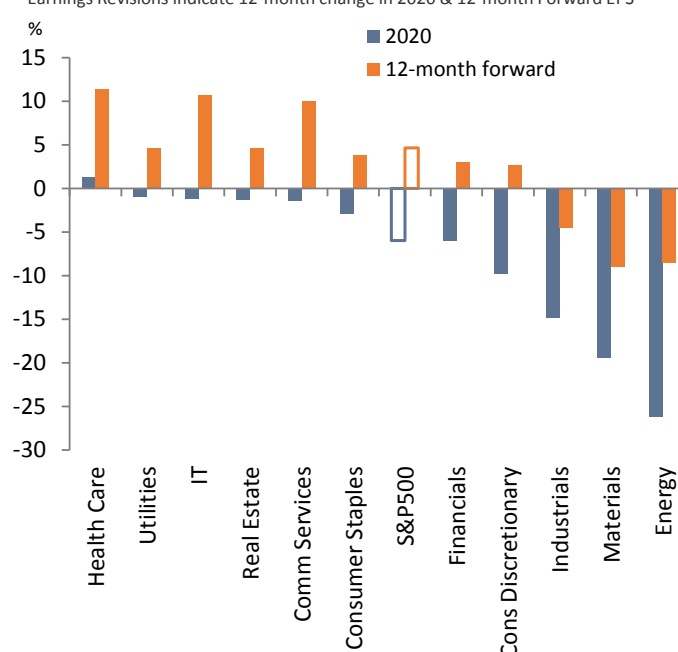
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of February 7th
12-month forward EPS are 90% of 2020 EPS and 10% 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 February 7th
12-month forward EPS are 90% of 2020 EPS and 10% of 2021 EPS

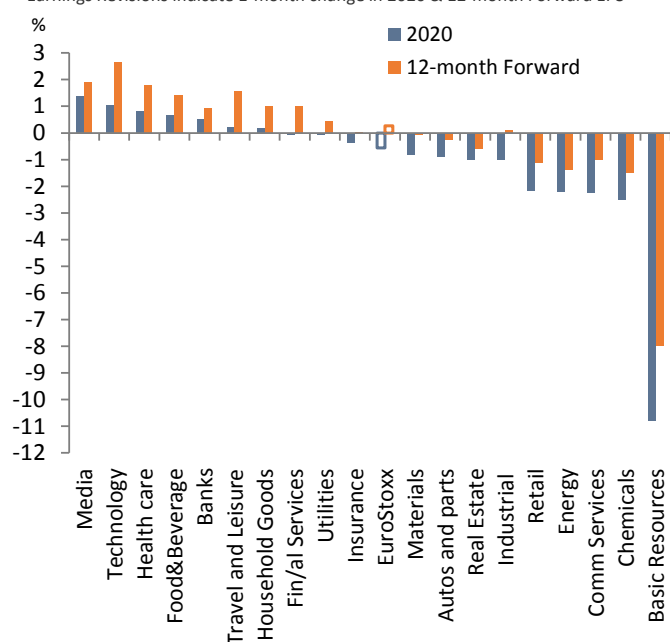
Euro Area Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	7/2/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	413	4,0	2,7	7,9	3,1	3,2	16,7	15,6	15,5	13,2	1,7	1,7	1,7	1,4
Energy	310	3,0	-10,1	15,0	4,9	5,5	13,8	11,2	11,1	11,4	1,3	1,1	1,1	1,2
Materials	493	3,2	13,9	7,8	3,1	3,3	15,4	14,5	14,4	14,1	1,9	1,8	1,8	1,4
Basic Resources	197	7,1	-61,6	32,2	3,3	3,4	19,3	14,5	14,2	13,6	0,8	0,8	0,8	0,9
Chemicals	1175	4,2	-12,7	7,5	2,6	2,7	21,8	20,6	20,3	15,0	2,1	2,1	2,1	2,2
Financials														
Fin/al Services	535	3,4	25,4	-6,3	2,4	2,4	15,8	17,6	17,4	14,1	1,7	1,6	1,6	1,3
Banks	100	9,0	-1,0	3,6	5,7	5,7	9,3	9,1	9,1	10,0	0,6	0,6	0,6	0,7
Insurance	310	4,2	13,0	5,4	4,8	5,1	11,0	10,6	10,5	9,2	1,0	1,0	1,0	0,9
Real Estate	254	1,0	0,1	3,9	4,2	4,2	19,1	19,0	18,9	16,7	1,0	1,0	1,0	1,0
Industrial	968	2,2	11,4	11,3	2,3	2,5	20,3	18,5	18,3	15,2	3,2	3,0	3,0	2,3
Consumer Discretionary														
Media	226	3,1	9,5	9,8	3,3	3,5	17,2	15,6	15,5	15,8	2,3	2,2	2,2	2,0
Retail	604	3,2	3,4	8,4	2,5	2,8	25,0	23,1	22,8	18,6	3,9	3,7	3,6	2,8
Automobiles and parts	448	2,1	-12,1	8,1	3,7	4,1	8,8	7,4	7,3	8,6	0,9	0,8	0,8	1,0
Travel and Leisure	202	2,5	-4,8	23,4	2,0	2,2	15,7	12,0	11,8	14,7	1,9	1,7	1,6	1,8
Technology	642	6,8	6,3	11,3	1,2	1,0	26,6	24,4	24,0	18,1	4,2	3,9	3,9	3,0
Communication Services	294	1,6	-14,3	15,8	4,2	4,3	17,5	15,3	15,1	14,1	1,9	1,8	1,8	1,8
Consumer Staples														
Food&Beverage	594	1,0	16,8	6,0	2,1	2,3	20,5	19,1	18,9	18,4	2,7	2,4	2,4	2,6
Household Goods	1093	3,9	6,9	11,1	1,6	1,8	29,6	26,7	26,5	20,7	6,1	5,5	5,5	3,7
Health care	908	5,2	7,3	9,4	2,1	2,2	20,1	18,5	18,3	15,1	2,4	2,3	2,3	2,1
Utilities	386	2,7	56,2	8,4	4,5	4,4	16,1	16,4	16,3	12,6	1,6	1,7	1,7	1,1

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

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

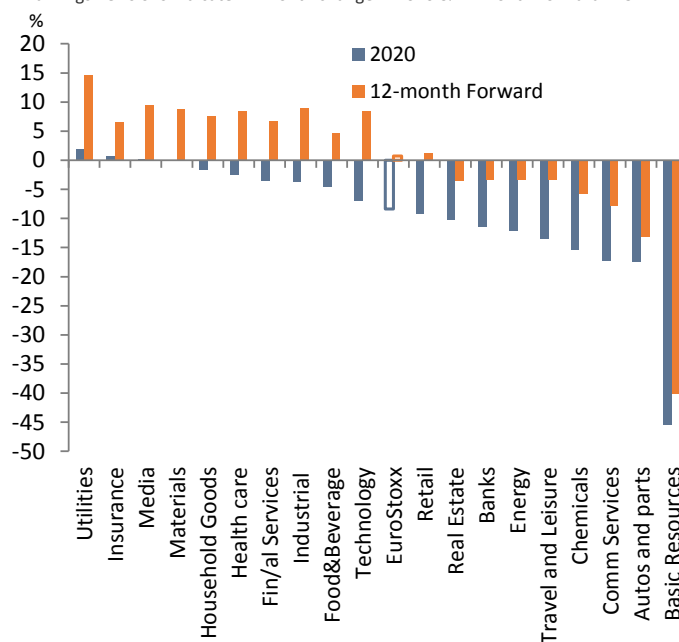
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of February 7th
12-month forward EPS are 90% of 2020 EPS and 10% 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 February 7th
12-month forward EPS are 90% of 2020 EPS and 10% of 2021 EPS

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