



2021 is off to a volatile start with inflation uncertainty a large enough tail risk

- The US economy faces short-term headwinds due to the pandemic, with early signs of weakness evident in the labor market. Indeed, nonfarm payrolls declined by 140k in December, the first drop since April 2020, with the weakness concentrated in leisure and hospitality (see Economics). We expect real GDP growth of circa +2.5% qoq saar (-0.2% yoy) in Q1:2021. However, the victories of Ossoff and Warnock in the Georgia elections flipped the Senate to a Democratic majority opening the door for another stimulus package of between \$0.5 to \$1tn (4% of GDP) in the following months. Overall, we foresee real GDP growth of +4.9% yoy in 2021 from -3.5% yoy in 2020.
- In a similar vein, euro area real GDP growth is expected to be +0.7% qoq saar (-3.2% yoy) in Q1:2021, as activity restrictions and harder lockdowns are re-imposed across the continent hurting domestic spending. Governments need to demonstrate that they can ramp up vaccinations markedly, following a slow rollout, in order to quicken the return to normalcy. On a positive note, the manufacturing upswing continues, due to higher demand for consumer and investment goods from China, where data flow points to strong momentum (Chinese Q4:2020 GDP due on January 18th with consensus expecting annual growth of +6.2%). Receding trade uncertainty (new US Administration, a deal-Brexit) could fuel further manufacturing gains. In all, we expect euro area real GDP growth of +4.0% yoy in 2021 from -7.3% yoy in 2020.
- Central banks appear committed to support the economic recovery, at least until the pandemic's effect dissipates. As a result, policy interest rates are expected to remain at near zero levels in 2021 and beyond, whereas asset purchase schemes will continue with the same velocity. We doubt that the Federal Reserve will move towards tapering those purchases around the end of the year. On the other side of the Atlantic, the European Central Bank recently expanded the PEPP envelope until at least March 2022. As both central banks implicitly aim to limit sudden and rigid rises in nominal yields, breakeven inflation expectations will continue to receive a steady bid ([see graph page 3](#)). Higher actual inflation outcomes may test new strategic frameworks (Average Inflation Targeting), albeit prints up to 2.5% will be tolerable. Note that food price inflation is running above headline indices at 4% vs. 1% (US) and 2% vs -0.2% (EA).
- Global markets entered 2021 on a strong footing despite the US political mayhem. Investors have discounted that the likelihood of increased US corporate taxes appears low for 2021, with Democrats eventually passing tax increases for 2022 and beyond. Following gains of 14% in 2020 (see our [Asset Scoreboard](#)), the MSCI ACWI was up by 2.7% wow, with euro area and Emerging markets overperforming. Energy, Financials and selected cyclicals led the move, as increased expectations for further fiscal support revitalized the "rotation" play. Regarding fixed income, the 10-Year UST yield has increased by 20 bps to 1.10% Year-to-Date with the 2/10s term spread (95 bps) at its highest level since 2017. The Georgia election (more fiscal > stronger growth > higher inflation > but with the Federal Reserve sticking to its guns) is expected to lead to a fresh round of consensus' upward revisions for end-2021 US Treasury yield targets (see graph below). Finally, Speculative Grade credit spreads have narrowed by 10 (USD) to 20 (EUR) bps, due to risk-on sentiment and higher oil prices.

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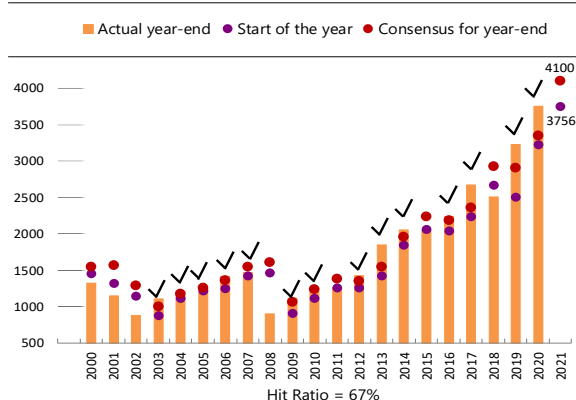
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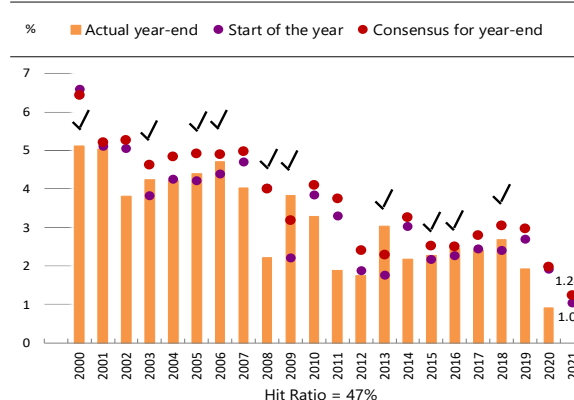
Charts of the week

S&P500: Actual & Consensus Expectations



Source: NBG Research

US 10-Year Yield: Actual & Consensus Expectations



Source: NBG Research, Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters

US job creation undershot expectations in December, albeit with temporary factors at play

- US non-farm payrolls declined considerably in December, although the weakness was not broad based.** Specifically, nonfarm payrolls fell by 140k, versus +336k in November (and +2021k on average per month from May to October). The latest reading, was meaningfully below consensus expectations for +100k. It should also be noted though, that significant positive net revisions for the previous two months occurred (+135k). Notably, the weakness in the headline figure was heavily concentrated in leisure and hospitality (-498k, with most of the decline in food services and drinking places | -372k), in view of intensified social distancing during the month. Thus, a big part of these jobs is expected to be restored when the pandemic recedes. In the event, the total number of people on 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) increased by 277k in December. Overall, total household employment (including the self-employed and agricultural workers) was little changed, up by 21k in December, versus +140k in November (and +2717k on average per month from May to October). As a result, the unemployment rate was unchanged at 6.7%. 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. Without that accounting error, the unemployment rate would have been somewhat higher, with the BLS estimating the upper bound of that misclassification effect at 0.6%. Recall that both the jump in the official unemployment rate during the initial lockdowns period (at 14.8% in April from 3.5% in February, which was the lowest since December 1969) and the sharp fall in subsequent months (at least up to November), was mostly due to people entering a state of temporary layoff and subsequently returning to work, respectively. 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 (in the US, the number of unemployed persons excluding those on temporary layoff, as % of the labor force, was 4.8% in December, from 5.0% in November and a trough of 3.1% in February 2020). 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 by 0.3 pps to 11.7% in November.

ISM PMIs in the US, remained upbeat in December

- US business surveys overshot expectations in December.** Specifically, the ISM manufacturing PMI increased by 3.2 pts to 60.7 (consensus for 56.5), remaining well above the expansion/contraction threshold of 50.0. Furthermore, the more forward looking component of new orders continued to over-perform substantially (67.9). At the same time, the ISM services (formerly known as nonmanufacturing) PMI came out at 57.2 in December, from 55.9 in the previous month, broadly in line with consensus estimates. Moreover, the more forward looking component of new orders over-performed (58.5). On the other

hand, the employment component declined by 3.3 pts, entering contractionary territory (at 48.2, a development that bodes well with the aforementioned, actual labor market data).

Euro area bank lending growth overall remains robust, albeit plateauing for corporations

- Robust bank lending growth, remains a key supporting factor for economic activity in the euro area, with the annual pace of growth of overall private sector borrowing from commercial banks, slightly up by 0.1 pp to 4.7% yoy in November.** The two major private sector components, performed as follows in November: i) loan growth to households (adjusted for sales and securitizations) was +3.1% yoy, having remained largely stable since September, with resilient lending for house purchases, offsetting subdued credit for consumption (in recent months, the respective total stock has largely stalled) and; ii) loan growth to non-financial corporations was slightly up, by 0.1 pp to +4.7% yoy, albeit with the net monthly flow being close to zero since September (on average). Recall that the aforementioned development was a key factor for the recent (in December) renewed policy boost from the European Central Bank for commercial banks' appetite to extend new credit, via the Targeted Longer-Term Refinancing Operations (TLTRO) tool (as it provides cheap funding, alongside enhanced incentives for new lending). Attention now turns to the ECB's quarterly Bank Lending Survey (due on January 19th), as it will provide insight regarding how euro area banks' willingness to extend credit to the private sector evolves, as well as an indication for loan demand (based on banks' expectations).

China's PMIs indicate that the robust momentum for economic activity, remains in place

- Business surveys for December, suggested expanding activity.** Specifically, the Caixin/Markit manufacturing PMI came out at 53.0 from 54.9 in November, below consensus estimates for an unchanged outcome, albeit still well above the expansion/contraction threshold of 50.0. At the same time, the "official" manufacturing PMI, i.e. the one from the National Bureau of Statistics (NBS) of China was largely stable at 51.9, above the expansion/contraction threshold of 50.0 for a 10th consecutive month (following a trough of 35.7 in February 2020) and broadly in line with consensus estimates. Notably, the relatively more forward-looking component of new orders, continued to over-perform (53.6 in December). The strong recovery for corporate profitability (industrial profits growth stood at +15.5% yoy in November) is likely an important supporting factor for business sentiment. Finally, the official non-manufacturing PMI (which covers the services and construction sectors) posted only a moderate decrease, by 0.7 pts to a still solid 55.7. The construction sub-index was 60.7, while its services peer came out at 54.8. Attention now turns on January 18th to the announcement of Q4:20 GDP (consensus for +6.2% yoy compared with +4.9% yoy in Q3:20) as well of "hard" activity data (industrial production, fixed assets investment, retail sales) for December, in order to better gauge the condition of the Chinese economy.

Equities

- Global equity markets rose in the past week, due to expectations for further fiscal stimulus in the US, as the Democrats won both of Senate run-off elections in Georgia and took control of the US Senate completing the so-called “Blue Wave”.** Overall, the MSCI ACWI ended the week up by +2.7%, with Emerging Markets (+4.8% wow) overperforming their Developed Markets peers (+2.4% wow). The S&P500 rose by 1.8% wow, posting a record high (3825), with the political uncertainty settling, following the official affirmation of President-elect Joe Biden’s Electoral College win. Sector-wise, Automobiles led the increase (+20.9%), as Tesla, that was added to the index on December 21st, rose c. 25%, following the company’s announcement that it delivered c. 190k vehicles in Q4, more than any previous quarter, exceeding analysts’ expectations. However, on Monday the index declined by 0.7%, on news that President Trump may face impeachment process this week. Investors will now closely monitor the Q4 earnings season which starts on January 14th, with the BlackRock (estimates for \$8.89 EPS from \$9.22 EPS in Q3), JPMorgan (estimates for \$2.57 EPS from \$2.92 EPS), Citigroup (\$1.31 EPS from \$1.4 EPS) and Wells Fargo (\$0.58 EPS from \$0.42 EPS). For Q4:2020, EPS growth is expected at -8.8% yoy from -5.7% yoy in Q3. Looking forward, analysts predict an increase in earnings in all quarters of 2021 (Q1: +16.2% yoy, Q2: +46% yoy, Q3: +14.1% yoy, Q4: +21.7% yoy). As a result, for 2021, EPS growth estimates stand at +22.5% yoy (-13.2% for 2020). On the other side of the Atlantic, the EuroStoxx rose by 2.8% wow, with Energy (+6.7%) and Banks (+6%) leading the increase, on account of higher oil prices and higher interest rates respectively. In the UK, the FTSE 100 (6.4% wow) overperformed, due to the large weight of the Financial and Energy sectors in the index.

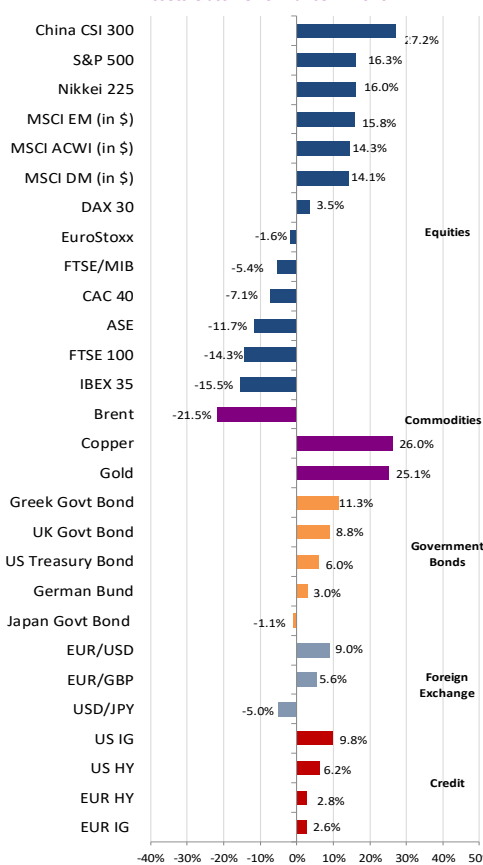
Fixed Income

- The US Treasury 10-year yield ended the week up by 20 bps wow to 1.11%, surpassing 1% for the first time since March,** as investors price in i) additional fiscal stimulus that will support economic recovery and increase debt issuance, and ii) increased inflation expectations. This led to the steepening of the yield curve, with the spread between US Treasury 10-year and 2-year yield, reaching 95 bps, its highest level since July 2017. In the UK, the 10-year yield rose by 10 bps wow to 0.33%. In Germany, the 10-year yield increased by 3 bps to -0.53%. On the contrary, investors’ decreased risk aversion drove periphery bond yield spreads over the Bund in the 10-year tenor lower across the board (Italy: -7 bps to 94 bps, Spain: -4 bps to 56 bps, Portugal: -8 bps to 52 bps and Greece -6 bps to 111 bps). **Corporate bond spreads narrowed in the past week, especially in the High Yield spectrum, reaching their lowest levels since February.** Indeed, EUR HY bond spreads decreased by 19 bps to 336 bps and their US counterparts narrowed by 10 bps to 376 bps. In the investment grade spectrum, EUR spreads fell by 5 bps to 88 bps and USD spreads declined by 1 bp to 102 bps.

FX and Commodities

- In foreign exchange markets, the British Pound declined in the past week, as epidemiological data deteriorated in the UK, indicating possible tightening of the lockdown rules imposed in the country, that will affect the economic recovery.** Overall, sterling fell by 0.6% wow against the US Dollar to \$1.359 and by 0.7% against the euro to €/0.902. **In commodities, oil prices rose in the past week, due to the decision of Saudi Arabia to unilaterally decrease its oil production by 1 million barrels/ day for the February-March period.** The cut more than offset the combined increase in output by 75k barrels/ day from Russia and Kazakhstan for each of the two following months. The prices were supported also by the larger-than-expected decline in US crude oil inventories (-8 million barrels to 485 million barrels for the week ending January 1st). Overall, Brent ended the week up by 8.1% at \$56/barrel and the WTI rose by 7.7% to \$52.2/barrel, recording their highest levels since February.

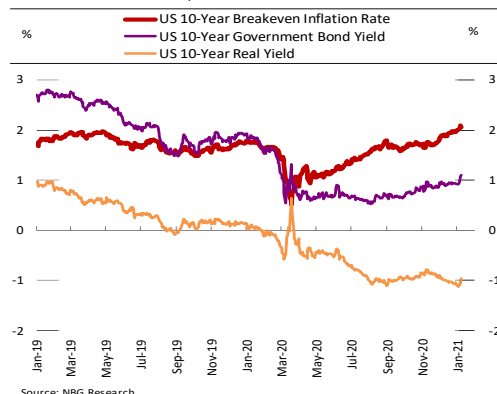
Assets Class Performance in 2020



Source: NBG Research

Graph 1.

US 10-Year Nominal, Real and Breakeven Rates



Source: NBG Research

Graph 2.

Quote of the week: “When the pandemic is over, governments will need to create fiscal room for manoeuvre for future crises ... However, one must be careful not to start consolidating too soon. That would be the biggest economic policy mistake that could be made – tightening monetary and fiscal policy too soon.”, **Member of the Executive Board of the ECB, Isabel Schnabel, January 12th 2021.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	January 8th	3-month	6-month	12-month	Official Rate (%)	January 8th	3-month	6-month	12-month
Germany	-0.53	-0.50	-0.40	-0.30	Euro area	0.00	0.00	0.00	0.00
US	1.11	1.20	1.30	1.40	US	0.25	0.25	0.25	0.25
UK	0.33	0.27	0.33	0.40	UK	0.10	0.10	0.08	0.06
Japan	0.03	0.00	0.05	0.09	Japan	-0.10	-0.10	-0.10	-0.10

Currency	January 8th	3-month	6-month	12-month	January 8th	3-month	6-month	12-month	
EUR/USD	1.23	1.17	1.18	1.20	USD/JPY	104	105	104	101
EUR/GBP	0.90	0.90	0.90	0.90	GBP/USD	1.36	1.31	1.32	1.34
EUR/JPY	128	122	122	122					

Forecasts at end of period

Economic Forecasts

United States	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20f	2020f	Q1:21f	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY) (1)	2.2	0.3	-9.0	-2.8	-2.1	-3.5	-0.2	11.0	4.8	4.4	4.9
Real GDP Growth (QoQ saar) (2)	-	-5.0	-31.4	33.4	5.7	-	2.4	5.2	6.1	3.9	-
Private Consumption	2.4	-6.9	-33.2	41.0	4.3	-3.8	1.7	7.7	8.8	5.0	5.8
Government Consumption	2.3	1.3	2.5	-4.8	0.8	1.2	0.4	0.5	0.6	0.8	0.0
Investment	1.9	-1.4	-29.2	31.3	13.7	-2.1	3.2	4.3	4.7	4.3	6.2
Residential	-1.7	19.0	-35.6	63.0	28.2	5.6	8.7	2.7	2.2	1.7	11.4
Non-residential	2.9	-6.7	-27.2	22.9	12.1	-4.1	1.8	4.7	5.3	5.0	5.1
Inventories Contribution	0.0	-1.6	-4.3	6.7	2.1	-0.6	0.3	-1.1	-1.1	-0.6	0.6
Net Exports Contribution	-0.2	1.5	0.3	-5.5	-1.8	0.0	0.2	0.1	0.1	0.1	-0.9
Exports	-0.1	-9.5	-64.4	59.6	10.3	-13.5	5.1	7.1	7.1	6.2	4.7
Imports	1.1	-15.0	-54.1	93.1	18.5	-9.8	2.1	4.2	4.2	3.5	8.6
Inflation (3)	1.8	2.1	0.3	1.2	1.2	1.2	1.7	2.8	2.6	2.5	2.4

Euro Area	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20f	2020f	Q1:21f	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY)	1.3	-3.2	-14.7	-4.3	-7.0	-7.3	-3.2	12.1	2.1	6.1	4.0
Real GDP Growth (QoQ saar)	-	-14.1	-39.2	60.0	-10.4	-	0.7	9.5	9.8	4.6	-
Private Consumption	1.3	-16.7	-41.1	68.6	-13.7	-8.1	0.4	10.9	11.4	5.7	4.2
Government Consumption	1.8	-2.5	-8.6	20.4	1.2	0.8	0.2	1.0	1.2	1.4	2.5
Investment	5.0	-21.1	-50.3	65.4	-11.8	-9.5	4.4	16.0	15.0	6.6	5.6
Inventories Contribution	-0.3	2.5	-0.9	-5.0	-0.4	-0.4	0.0	1.0	1.3	0.5	-0.3
Net Exports Contribution	-0.5	-2.0	-3.4	10.1	-0.4	-0.6	-0.4	-0.8	-0.9	-0.6	0.4
Exports	2.5	-14.3	-56.8	87.8	-1.3	-10.6	3.9	7.6	7.2	5.7	5.8
Imports	4.0	-11.3	-55.3	59.0	-0.5	-10.2	5.3	10.3	10.0	7.6	5.4
Inflation	1.2	1.1	0.2	0.0	-0.2	0.3	0.5	1.5	1.6	1.7	1.3

a: Actual, f: Forecasts, 1. Seasonally adjusted YoY growth rate, 2. Seasonally adjusted annualized QoQ growth rate, 3. Year-to-year average % change

12-Month View & Key Factors for Global Markets

	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Massive Fiscal loosening will support the economy but wont avoid a recession - 2020 EPS growth expectations have further room to fall from +2%. Earnings will contract in 2020 - Forget aggressive share buybacks for now due to political pressures - Peaking profit margins - Protectionism and trade wars - P/Es (Valuations) are in line with long-term averages despite P/E contraction of more than 20% since February highs (19x) 	<ul style="list-style-type: none"> + Still high equity risk premium relative to other regions + Modest fiscal loosening in 2020 excluding Germany (5% of GDP) - 2020-2021 EPS estimates may turn pessimistic as economic growth fails to pick up - Political uncertainty (Italy, Brexit) could intensify 	<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 	<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
Government Bonds	<ul style="list-style-type: none"> ● Neutral/Positive + 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 	<ul style="list-style-type: none"> ● Neutral + 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 	<ul style="list-style-type: none"> ● Neutral + 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% 	<ul style="list-style-type: none"> ● Neutral/Negative + 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
Foreign Exchange	<ul style="list-style-type: none"> ▲ Slightly higher yields expected + Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% 	<ul style="list-style-type: none"> ▲ Higher yields expected + 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) 	<ul style="list-style-type: none"> ● Stable yields expected + 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% 	<ul style="list-style-type: none"> ▲ Higher yields expected but with Brexit risk premia working on both directions + 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
	<ul style="list-style-type: none"> ● Broadly Flat EUR against the USD with high volatility around \$1.20 	<ul style="list-style-type: none"> ● Broadly Flat EUR against the USD with high volatility around \$1.20 	<ul style="list-style-type: none"> ▲ Slightly higher JPY 	<ul style="list-style-type: none"> ▲ Higher GBP expected but with Brexit risk premia working on both directions

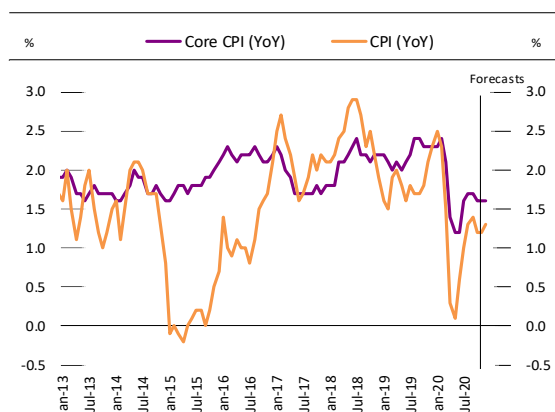
Economic Calendar

In the US, attention turns to inflation data for December, due on Wednesday. CPI is expected at 1.3% yoy from 1.2% yoy in November, while the core figure is expected to remain stable at 1.6% yoy. On Friday, economic activity indicators for December will be closely monitored. Specifically, retail sales will offer insight regarding private consumption, whereas industrial production regarding business spending.

In the Euro Area, industrial production for November is released on Wednesday (consensus for 0% mom vs +2.1% mom in the previous month).

Finally, in China, December's activity data (retail sales, industrial production) and Q4 GDP (due on January 18th) will be closely monitored to assess the economic momentum.

US Inflation



Source: NBG Research

Economic News Calendar for the period: January 5 - January 18, 2021

Tuesday 5				Wednesday 6				Thursday 7									
US		S	A	P	US		S	A	P	US		S	A	P			
ISM Manufacturing	December	56.5	+	60.7	57.5	ADP Employment Change (k)	December	98	-	-123	304	Initial Jobless Claims (k)	January 2	802	+	787	790
EURO AREA					EURO AREA					EURO AREA							
M3 money supply (YoY)	November	10.6%		11.0%	10.5%	Factory Goods Orders (MoM)	November	0.7%	+	1.0%	1.3%	Continuing Claims (k)	December 26	5185	+	5072	5198
GERMANY					GERMANY					GERMANY							
Retail sales (MoM)	November	-2.5%	+	1.9%	2.6%	Industrial Production (sa, MoM)	November	0.6%	+	0.9%	3.4%	ISM Services Index	December	57.2		57.2	55.9
Retail sales (YoY)	November	4.5%	+	5.6%	8.6%	Industrial Production (wda, YoY)	November	-4.2%	+	-2.6%	-2.7%	Trade balance (\$bn)	November	-66.7	-	-68.1	-63.1
												UK					
												Market/CIPS UK Construction PMI	December	54.9	-	54.6	54.7
												EURO AREA					
												CPI estimate (YoY)	December	-0.2%	-	-0.3%	-0.3%
												Core CPI (YoY)	December	0.2%		0.2%	0.2%
												Retail sales (MoM)	November	-7.1%	+	-6.1%	1.4%
												Retail sales (YoY)	November	-4.5%	+	-2.9%	4.2%
												Business Climate Indicator	December	..		-0.4	-0.6
												Economic confidence indicator	December	90.0	+	90.4	87.7
Friday 8				Monday 11													
US		S	A	P	EURO AREA		S	A	P	CHINA		S	A	P			
Change in Nonfarm Payrolls (k)	December	100	-	-140	336	Unemployment Rate	November	8.5%	+	8.3%	8.4%	CPI (YoY)	December	0.0%	+	0.2%	-0.5%
Change in Private Payrolls (k)	December	128	-	-95	417	GERMANY											
Unemployment rate	December	6.8%	+	6.7%	6.7%	Industrial Production (sa, MoM)	November	0.6%	+	0.9%	3.4%						
Average weekly hours (hrs)	December	34.8	-	34.7	34.8	Industrial Production (wda, YoY)	November	-4.2%	+	-2.6%	-2.7%						
Average Hourly Earnings MoM	December	0.2%	+	0.8%	0.3%												
Average Hourly Earnings YoY	December	4.4%	+	5.1%	4.4%												
Labor Force Participation Rate	December	..		61.5%	61.5%												
Underemployment Rate	December	..		11.7%	12.0%												
Wholesale trade (MoM)	November	..		0.2%	1.7%												
JAPAN																	
Coincident Index	November	..		89.1	89.4												
Leading Index	November	93.2	+	96.6	94.3												
Tuesday 12				Wednesday 13				Thursday 14									
JAPAN		S	A	P	US		S	A	P	US		S	A	P			
Eco Watchers Current Survey	December	45.6	CPI (YoY)	December	1.3%	..	1.2%	Initial Jobless Claims (k)	January 9	802	..	787		
Eco Watchers Outlook Survey	December	36.5	Core CPI (YoY)	December	1.6%	..	1.6%	Continuing Claims (k)	January 2	5185	..	5072		
CHINA					EURO AREA					CHINA							
Exports YoY	December	15.0%	21.1%	Industrial Production (sa, MoM)	November	0.0%	..	2.1%	Retail sales (YoY)	December	5.4%	..	5.0%		
Imports YoY	December	5.0%	4.5%	Industrial Production (wda, YoY)	November	-3.6%	..	-3.8%	Money Supply M0 (YoY)	December	10.3%		
											Money Supply M1 (YoY)	December	10.0%	..	10.0%		
											Money Supply M2 (YoY)	December	10.7%	..	10.7%		
											New Yuan Loans (RMB bn)	December	1531.0		
											Aggregate Financing (RMB bn)	December	2130.0		
Friday 15				Monday 18													
US		S	A	P	CHINA		S	A	P								
Retail Sales Advance MoM	December	0.0%	..	..	-1.1%	GDP (sa, QoQ)	Q4:20	..	..	2.7%				
Retail sales ex-autos (MoM)	December	-0.3%	..	..	-0.9%	GDP (YoY)	Q4:20	6.0%	..	4.9%					
Industrial Production (MoM)	December	0.4%	..	..	0.4%	Industrial production (YoY)	December	6.8%	..	7.0%					
University of Michigan consumer confidence	January	79.0	..	..	80.7										
Empire Manufacturing	January	6.0	..	..	4.9										
UK																	
GDP (MoM)	November	-6.1%	..	..	0.4%										
Industrial Production (MoM)	November	0.0%	..	..	1.3%										
Industrial Production (YoY)	November	-3.6%	..	..	-5.5%										
EURO AREA																	
Trade Balance SA (€ bn)	November	..	..	..	25.9									

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	3825	1.8	1.8	16.8	48.0	MSCI Emerging Markets	75382	5.1	5.1	21.0	
Japan	NIKKEI 225	28139	2.5	2.5	18.5	37.8	MSCI Asia	1185	5.3	5.3	27.6	
UK	FTSE 100	6873	6.4	6.4	-9.5	-0.5	China	112	3.8	3.8	26.9	
Canada	S&P/TSX	18042	3.5	3.5	4.7	21.9	Korea	1022	10.4	10.4	46.8	
Hong Kong	Hang Seng	27878	2.4	2.4	-2.4	5.4	MSCI Latin America	105935	6.1	6.1	4.8	
Euro area	EuroStoxx	409	2.8	2.8	-0.1	20.8	Brazil	395884	5.9	5.9	8.0	
Germany	DAX 30	14050	2.4	2.4	4.1	29.0	Mexico	43109	6.0	6.0	4.8	
France	CAC 40	5707	2.8	2.8	-5.6	18.6	MSCI Europe	6310	5.1	5.1	-3.0	
Italy	FTSE/MIB	22794	2.5	2.5	-5.1	18.8	Russia	1394	5.5	5.5	-0.4	
Spain	IBEX-35	8408	4.1	4.1	-12.3	-4.7	Turkey	1750948	3.5	3.5	12.2	

World Market Sectors (MSCI Indices)

in US Dollar terms		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	in local currency		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)
Energy		140.9	9.1	9.1	-28.7	-28.4	Energy		141.1	9.1	9.1	-30.7
Materials		338.4	6.1	6.1	27.3	43.3	Materials		311.1	6.1	6.1	21.2
Industrials		312.4	2.7	2.7	11.7	36.3	Industrials		299.4	2.7	2.7	7.7
Consumer Discretionary		388.6	3.1	3.1	38.0	64.7	Consumer Discretionary		367.2	3.2	3.2	34.6
Consumer Staples		263.7	-0.3	-0.3	5.5	24.8	Consumer Staples		256.4	-0.3	-0.3	1.9
Healthcare		320.7	2.7	2.7	14.1	36.4	Healthcare		309.8	2.7	2.7	11.2
Financials		124.7	4.4	4.4	-1.1	17.1	Financials		121.6	4.4	4.4	-4.3
IT		448.1	1.0	1.0	39.9	105.2	IT		430.0	1.0	1.0	38.4
Telecoms		94.5	0.5	0.5	19.4	45.7	Telecoms		97.6	0.5	0.5	17.9
Utilities		156.4	2.0	2.0	5.1	22.7	Utilities		156.0	1.9	1.9	1.8

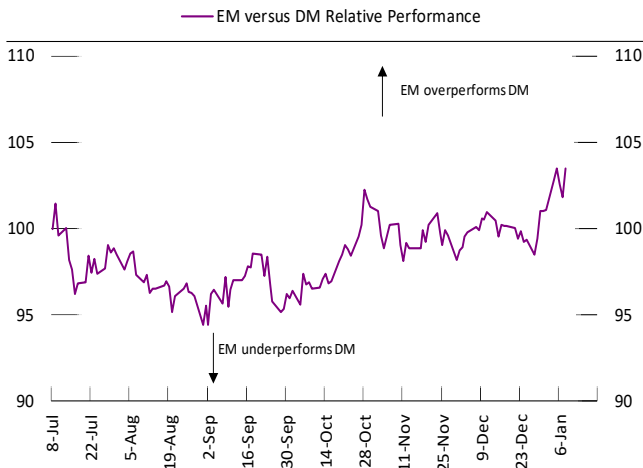
Bond Markets (%)

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		1.11	0.91	0.91	1.87	2.16	US Treasuries 10Y/2Y		95	77	77	28
Germany		-0.53	-0.56	-0.56	-0.20	0.78	US Treasuries 10Y/5Y		49	41	41	19
Japan		0.03	0.02	0.04	0.00	0.36	Bunds 10Y/2Y		19	16	16	40
UK		0.33	0.23	0.23	0.83	1.65	Bunds 10Y/5Y		20	18	18	29
Greece		0.58	0.62	0.64	1.37	9.18	Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	
Ireland		-0.29	-0.29	-0.29	0.14	2.86						
Italy		0.41	0.45	0.45	1.41	2.88						
Spain		0.06	0.07	0.07	0.46	2.57						
Portugal		0.00	0.04	0.05	0.47	4.23						
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	EM Inv. Grade (IG)		160	163	163	148
30-Year FRM ¹ (%)		2.8	2.8	2.8	3.5	4.0	EM High yield		532	524	524	473
vs 30Yr Treasury (bps)		90	111	111	117	122	US IG		102	103	103	102
							US High yield		376	386	386	349
							Euro area IG		88	93	93	95
							Euro area High Yield		336	355	355	311

Foreign Exchange & Commodities

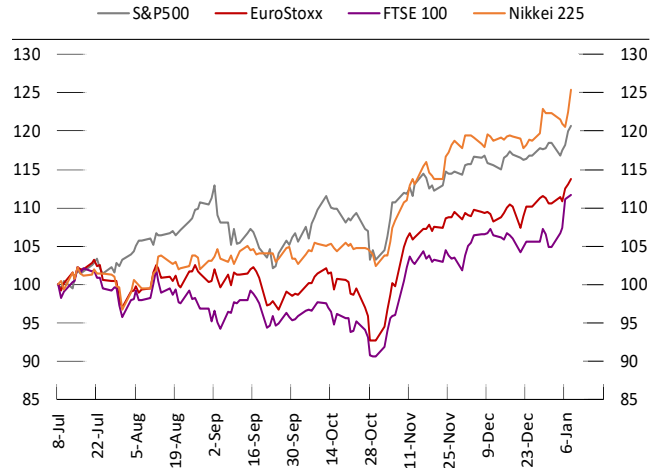
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates						Agricultural		374	1.7	12.6	24.4	
EUR/USD		1.23	0.2	1.4	10.4	0.2	Energy		177	7.6	14.3	-12.6
EUR/CHF		1.08	0.1	0.7	0.2	0.1	West Texas Oil (\$)		52	7.7	14.8	-12.3
EUR/GBP		0.90	0.7	0.0	6.0	0.7	Crude Brent Oil (\$)		56	8.1	14.6	-14.3
EUR/JPY		127.21	0.7	1.0	4.6	0.7	Industrial Metals		395	3.5	2.1	21.5
EUR/NOK		10.30	-1.7	-3.3	4.5	-1.7	Precious Metals		2414	-3.5	0.2	19.7
EUR/SEK		10.05	0.0	-2.0	-4.6	0.0	Gold (\$)		1849	-2.6	0.5	19.1
EUR/AUD		1.58	-0.7	-2.7	-2.8	-0.7	Silver (\$)		25	-4.1	6.0	41.8
EUR/CAD		1.56	-0.2	0.5	7.0	-0.2	Baltic Dry Index		1606	17.6	43.1	108.0
USD-based cross rates						Baltic Dirty Tanker Index		520	11.6	19.5	-65.5	
USD/CAD		1.27	-0.4	-0.9	-3.1	-0.4						
USD/AUD		1.29	-0.8	-4.1	-11.9	-0.8						
USD/JPY		103.80	0.5	-0.4	-5.2	0.5						

EM vs DM Performance in \$



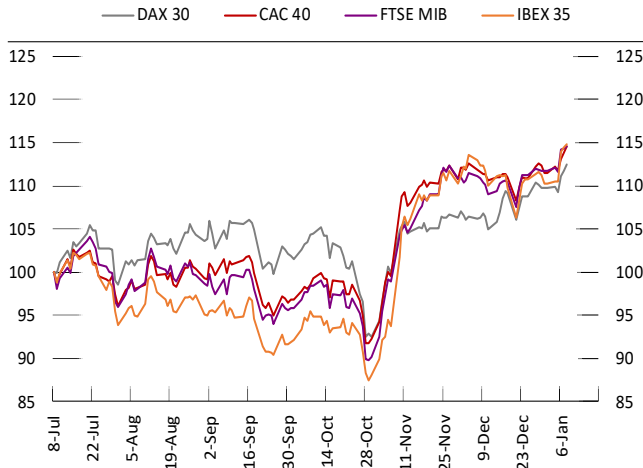
Data as of January 8th – Rebased @ 100

Equity Market Performance - G4



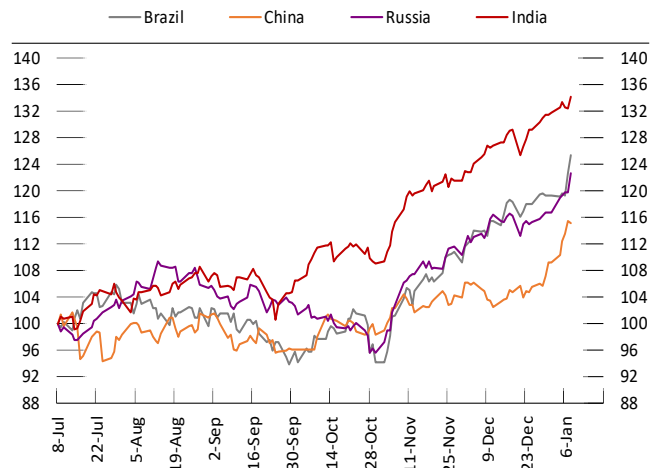
Data as of January 8th – Rebased @ 100

Equity Market Performance – Euro Area G4



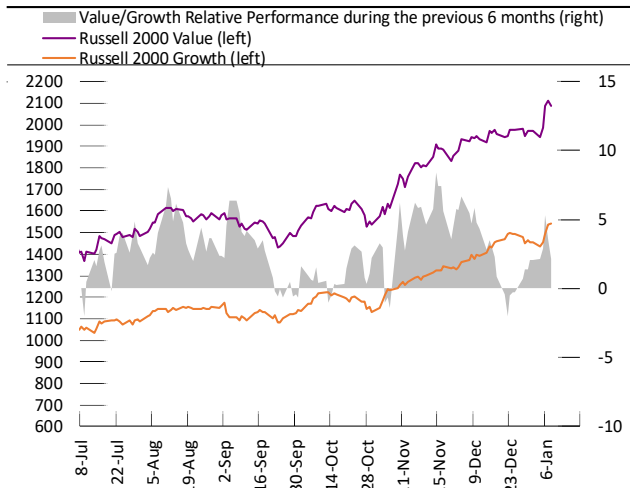
Data as of January 8th – Rebased @ 100

Equity Market Performance - BRICs



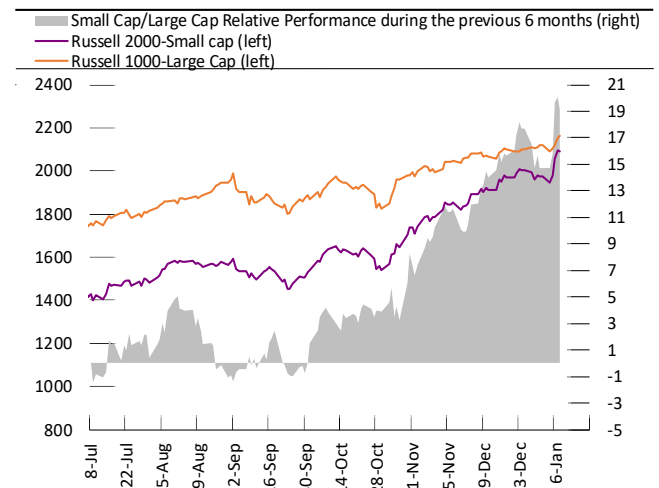
Data as of January 8th – Rebased @ 100

Russell 2000 Value & Growth Index



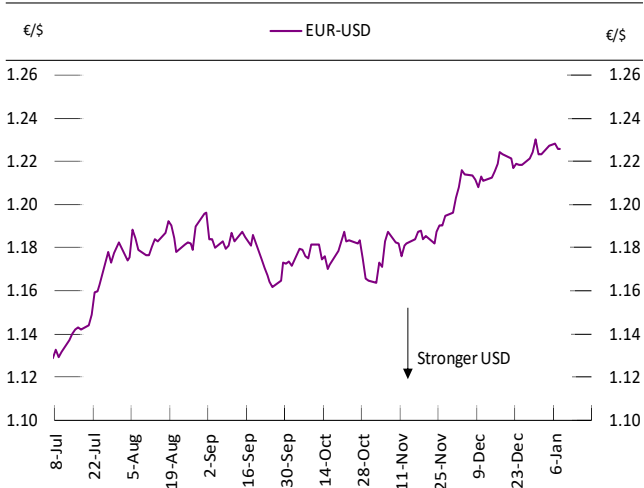
Data as of January 8th

Russell 2000 & Russell 1000 Index



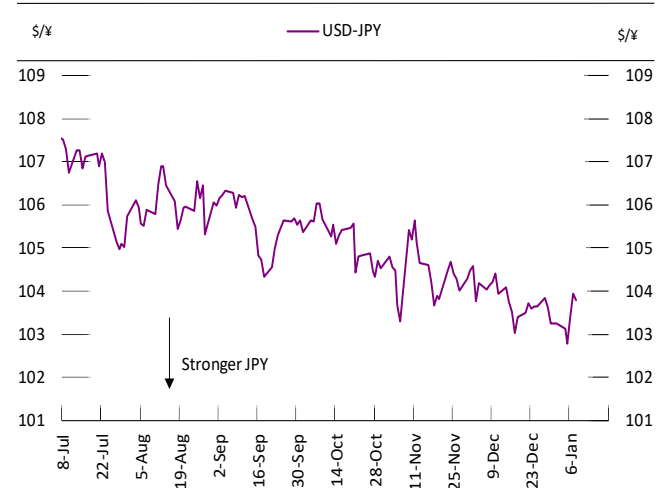
Data as of January 8th

EUR/USD



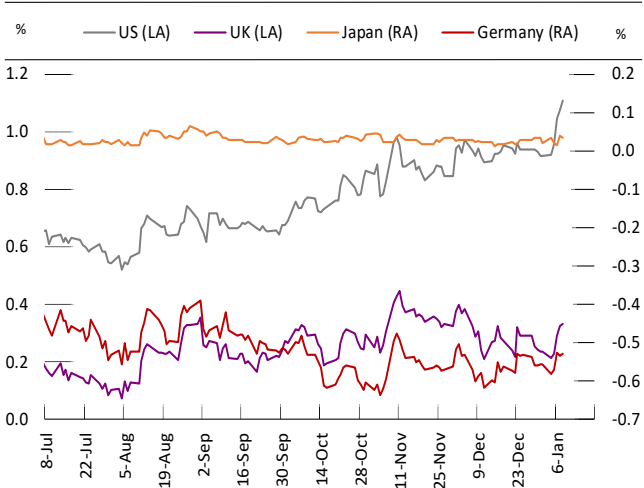
Data as of January 8th

JPY/USD



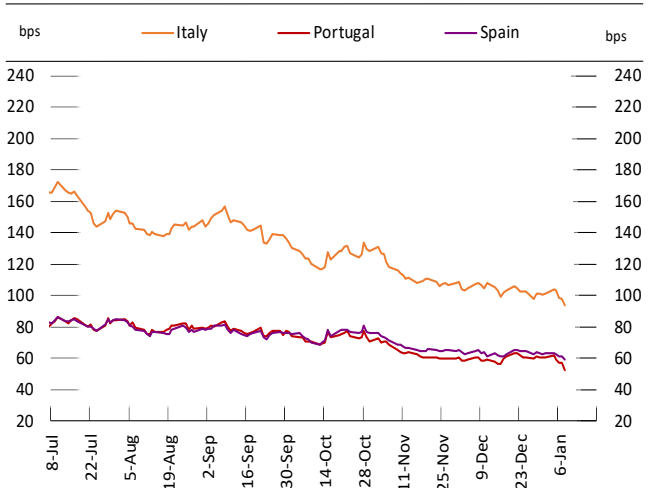
Data as of January 8th

10- Year Government Bond Yields



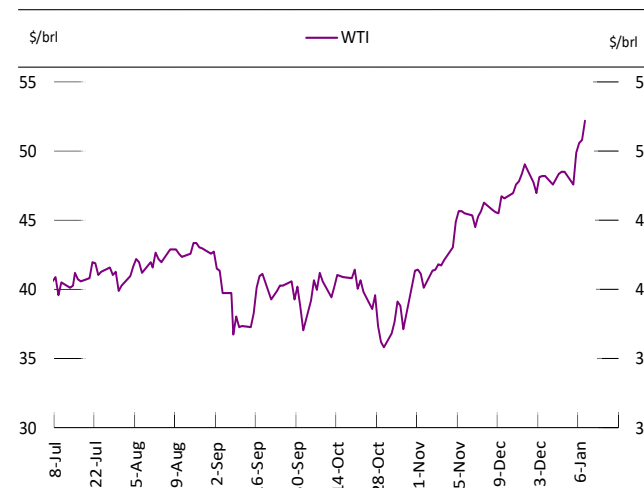
Data as of January 8th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



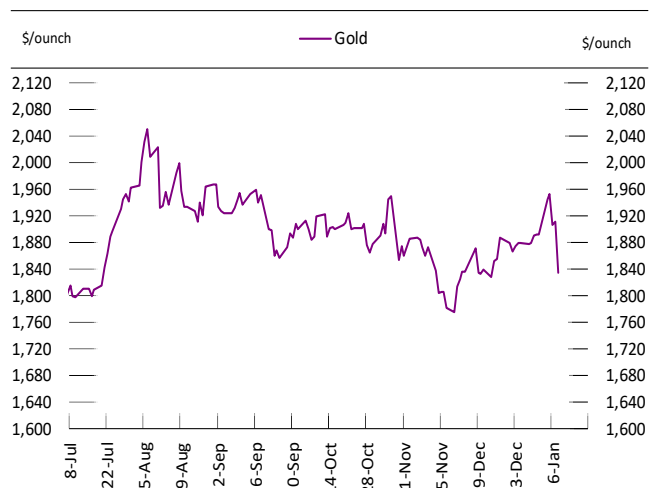
Data as of January 8th

West Texas Intermediate (\$/bbl)



Data as of January 8th

Gold (\$/ounce)



Data as of January 8th

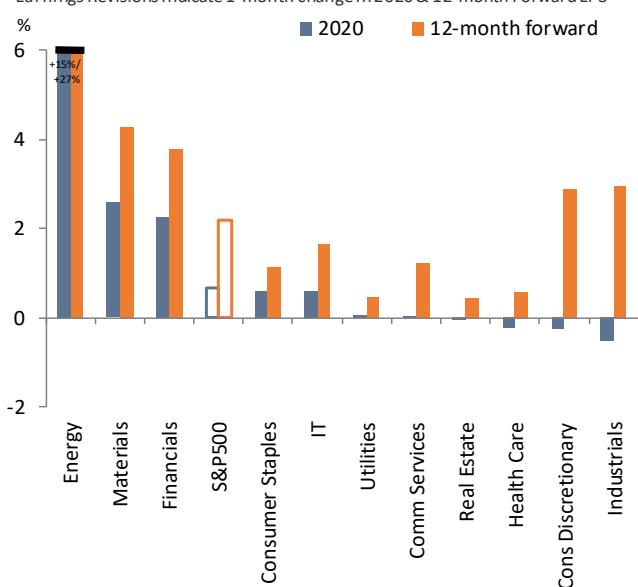
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	8/1/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
S&P500	3825	1.8	1.8	-15.5	22.4	1.5	1.5	28.2	23.0	23.0	15.9	4.3	4.0	4.0	2.7
Energy	313	9.3	9.3	N/A	N/A	5.5	5.2	N/A	33.0	32.7	13.9	1.4	1.4	1.4	1.7
Materials	482	5.7	5.7	-10.1	30.3	1.7	1.8	28.8	22.1	22.1	15.3	3.2	3.0	3.0	2.5
Financials															
Diversified Financials	847	4.0	4.0	-13.8	19.2	1.3	1.4	21.4	17.9	17.9	14.2	1.9	1.8	1.8	1.5
Banks	340	7.6	7.6	-38.3	28.2	2.8	2.6	18.3	14.3	14.2	11.0	1.2	1.1	1.1	1.0
Insurance	428	0.1	0.1	-7.6	16.8	2.4	2.8	13.8	11.8	11.8	11.0	1.4	1.3	1.3	1.1
Real Estate	222	-2.6	-2.6	-7.1	4.7	3.1	3.2	20.9	20.0	19.9	18.3	3.2	3.4	3.4	3.1
Industrials															
Capital Goods	770	1.3	1.3	-21.1	26.6	1.6	1.7	28.6	22.5	22.5	16.1	4.8	4.5	4.5	3.6
Transportation	942	1.3	1.3	N/A	N/A	1.5	1.4	-68.6	28.1	27.8	9.9	6.6	6.5	6.5	3.5
Commercial Services	417	-0.9	-0.9	1.1	9.9	1.2	1.2	33.0	30.0	30.0	20.8	6.4	5.9	5.9	3.7
Consumer Discretionary															
Retailing	3575	0.3	0.3	1.2	26.5	0.5	0.5	47.4	37.5	37.3	24.0	16.0	13.1	13.0	7.5
Consumer Services	1314	-0.4	-0.4	N/A	N/A	1.4	1.3	-63.3	95.4	93.9	23.3	26.7	44.6	44.5	9.4
Consumer Durables	451	2.3	2.3	-7.1	31.3	1.2	1.3	25.8	19.6	19.6	17.2	4.7	4.2	4.2	3.2
Automobiles and parts	159	20.9	20.9	-72.4	84.5	0.1	0.1	98.1	53.2	53.0	10.8	8.9	7.9	7.9	1.6
IT															
Technology	2525	0.2	0.2	5.6	15.3	0.9	1.0	31.0	26.9	26.9	13.5	15.9	16.7	16.7	4.6
Software & Services	3058	-0.7	-0.7	6.1	14.1	0.8	0.9	35.4	31.0	30.9	18.7	10.0	9.0	9.0	5.5
Semiconductors	1838	3.9	3.9	6.8	15.1	1.3	1.4	25.6	22.2	22.2	14.5	7.6	6.7	6.7	3.3
Communication Services	221	-0.3	-0.3	-5.5	14.0	0.9	1.0	27.0	23.7	23.6	18.0	3.9	3.5	3.5	3.0
Media	853	-0.3	-0.3	-2.8	20.7	0.3	0.3	34.6	28.6	28.5	21.0	5.0	4.4	4.4	3.3
Consumer Staples															
Food & Staples Retailing	576	1.3	1.3	3.3	3.8	1.5	1.6	24.8	23.9	23.9	16.9	5.1	4.8	4.8	3.3
Food Beverage & Tobacco	713	-1.9	-1.9	0.4	6.8	3.3	3.5	19.5	18.3	18.2	17.8	5.3	4.9	4.9	5.0
Household Goods	837	-1.2	-1.2	10.0	7.5	2.1	2.2	26.6	24.7	24.7	20.0	10.2	9.8	9.8	5.8
Health Care															
Pharmaceuticals	1099	2.7	2.7	11.6	8.4	2.1	2.3	15.9	14.7	14.6	14.7	5.6	5.1	5.1	4.0
Healthcare Equipment	1641	4.1	4.1	3.4	13.4	0.9	0.9	23.4	20.7	20.6	15.9	4.0	3.6	3.6	2.7
Utilities	317	-0.7	-0.7	1.0	4.6	3.3	3.3	19.5	18.7	18.7	16.3	2.1	2.0	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 2020 & 12-month Forward EPS

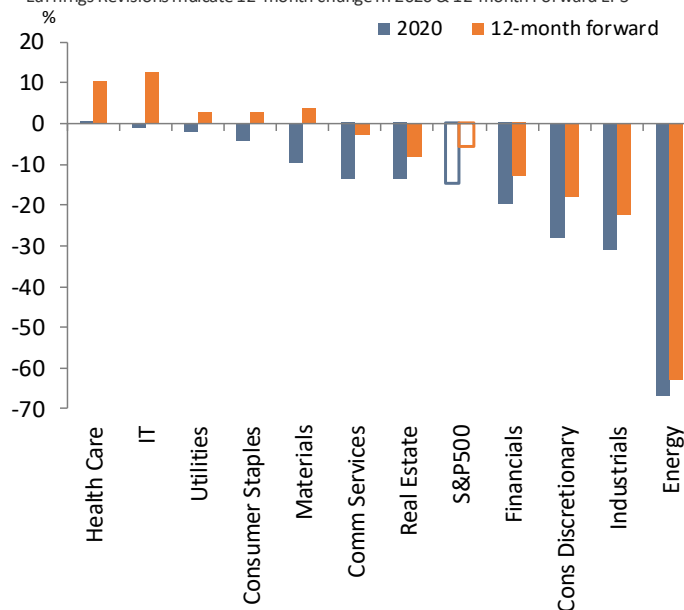
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Data as of January 8th
12-month forward EPS are 97% of 2021 EPS and 3% of 2022 EPS

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

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



Data as of January 8th
12-month forward EPS are 97% of 2021 EPS and 3% of 2022 EPS

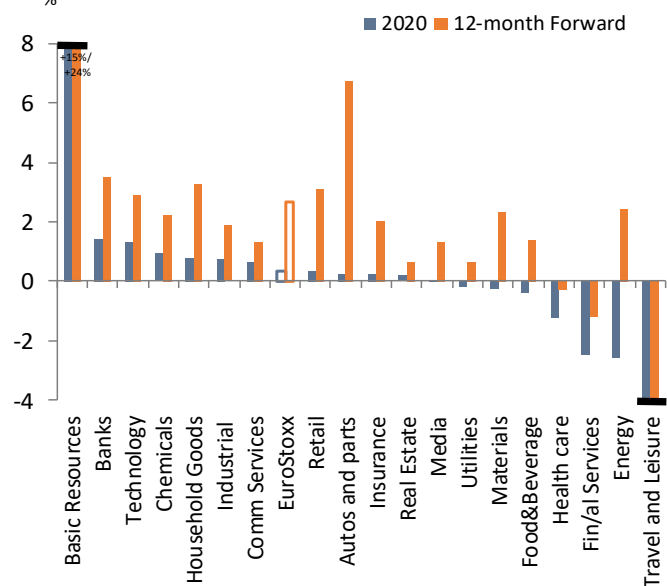
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	8/1/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
EuroStoxx	409	2.8	2.8	-37.7	39.9	2.2	2.6	27.0	19.3	19.2	13.7	1.8	1.7	1.7	1.4
Energy	269	6.7	6.7	-78.3	155.4	4.2	4.4	52.7	20.6	20.5	12.6	1.4	1.4	1.4	1.1
Materials	466	8.2	8.2	-39.3	50.4	2.4	3.1	24.9	16.6	16.5	14.3	1.8	1.7	1.7	1.4
Basic Resources	221	6.3	6.3	N/A	N/A	1.8	2.5	N/A	17.8	17.7	7.5	1.2	1.2	1.2	0.8
Chemicals	1300	3.3	3.3	-13.3	19.6	2.4	2.4	27.8	23.3	23.2	15.7	2.4	2.4	2.4	2.2
Financials															
Fin/al Services	496	1.0	1.0	-30.7	8.8	2.3	2.7	20.0	18.4	18.3	13.8	1.3	1.2	1.2	1.2
Banks	78	6.0	6.0	-49.2	25.9	3.1	4.3	14.3	11.3	11.3	9.5	0.5	0.5	0.5	0.7
Insurance	268	2.6	2.6	-23.6	33.7	5.4	5.7	12.7	9.5	9.4	9.3	0.8	0.8	0.8	0.9
Real Estate	214	-2.6	-2.6	-10.9	5.5	3.7	3.9	18.5	17.6	17.5	17.1	0.9	0.9	0.9	1.0
Industrial	1000	2.2	2.2	-23.7	11.0	1.4	1.9	27.8	25.0	24.9	15.9	3.5	3.3	3.3	2.4
Consumer Discretionary															
Media	222	1.4	1.4	-27.7	19.7	2.2	2.6	22.0	18.4	18.3	15.7	2.4	2.3	2.3	1.9
Retail	675	1.7	1.7	-40.3	56.1	1.7	2.4	45.8	29.3	29.2	22.0	6.0	5.5	5.5	4.1
Automobiles and parts	497	-1.4	-1.4	-86.3	688.7	1.5	3.2	74.7	9.5	9.4	15.9	1.0	0.9	0.9	1.0
Travel and Leisure	219	2.8	2.8	N/A	N/A	0.2	0.5	-13.6	N/A	N/A	15.9	2.6	2.7	2.7	2.0
Technology	733	2.2	2.2	-8.7	19.8	0.7	0.8	35.6	29.8	29.6	19.2	5.0	4.6	4.6	3.3
Communication Services	253	2.4	2.4	-10.8	5.6	4.2	4.0	16.1	15.2	15.2	14.8	1.5	1.5	1.5	1.8
Consumer Staples															
Food&Beverage	522	0.2	0.2	-38.7	31.2	1.4	1.9	29.8	22.7	22.6	19.0	2.4	2.3	2.3	2.6
Household Goods	1224	0.5	0.5	-36.1	51.6	0.9	1.2	56.2	37.0	37.0	23.0	6.3	5.7	5.7	3.6
Health care	832	2.4	2.4	-9.1	11.3	1.9	2.1	20.9	18.8	18.7	15.8	2.3	2.2	2.2	2.2
Utilities	406	6.7	6.7	-17.2	11.9	3.8	4.0	20.1	18.0	17.9	13.1	1.7	1.7	1.7	1.1

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

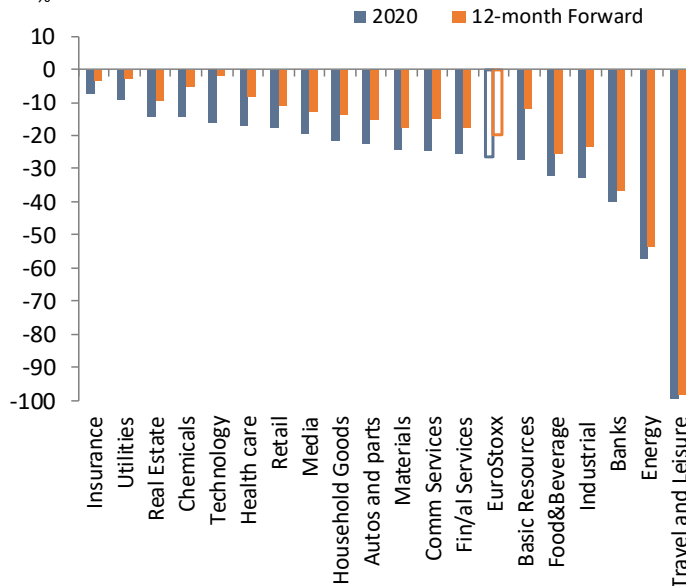
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS %



Data as of January 8th
12-month forward EPS are 97% of 2021 EPS and 3% of 2022 EPS

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

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



Data as of January 8th
12-month forward EPS are 97% of 2021 EPS and 3% of 2022 EPS

DISCLOSURES:

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