



Risk assets entered 2020 on a positive note, with realized and implied equity volatility at very low levels despite the unstable geopolitical backdrop

- Following strong gains of c. 25% (MSCI ACWI) and 7% (Bloomberg/Barclays Aggregate Bond Index) in 2019, investor appetite remained firm in the first half of January mainly due to the anticipation of the US-China trade deal. A brief risk-off following US/Iran missile attacks faded quickly, with oil prices at \$65/brl down from \$69/brl in January 6th. At the same time, gold prices climbed to a 7-year high of \$1600 per ounce in early January, albeit the risk premium narrowed as geopolitical concerns eased, with bullion prices still elevated at \$1550 per ounce (+20% yoy).
- The low level of realized (15% percentile since 2000) and implied (1% percentile since 2000) S&P500 return volatility suggests, *inter alia*, that investors may be too complacent about the 2020 growth outlook when manufacturing indicators remain deep in contraction territory and major central banks are expected to remain unchanged in the first quarter of 2020 (see graph). At the same time, equity positioning appears stretched following abnormal monthly returns since mid-December (S&P500 at 40% annualized rate) and the aforementioned slide in volatility.
- The Q4:2019 earnings season will attract investor attention, with JPMorgan, Wells Fargo and Citigroup reporting today. For the S&P500, consensus expects a -2% yoy decline in Q4:19 from -2.2% in Q3, -0.1% in Q2 and -0.2% in Q1. This will be the first time the index has reported four consecutive quarterly declines in earnings since Q3:15, albeit a recovery is expected for 2020, with consensus analysts forecasting EPS at an optimistic \$177 or +10% compared with 2019.
- Regarding trade, the US and China are due to sign, on January 15th, the "Phase 1" trade agreement reached in mid-December. The agreement requires "structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and FX".
- Moreover, China has agreed to increase purchases of US agricultural products by \$30bn and the deal likely entails an increase in overall Chinese purchases of US goods up to \$200bn over two years. The US cancelled its proposed new tariffs of 15% on \$160bn worth of imports from China and will also halve (from 15% to 7.5%) the tariffs on Chinese imports of goods worth \$120bn that were implemented in September 2019. Tariffs of 25% on \$250bn worth of Chinese imports will remain in place. The enforcement mechanism of the Phase 1 deal would likely include a clause for a potential re-establishment of tariffs, assuming implementation fails.
- Regarding macros, the US labor market appears to have slowed, albeit with NFPs up by a still strong +185k three-month moving average and the unemployment rate remaining broadly stable at 3.5% (see Economics). Business confidence continued to diverge across sectors in December, with the differential between manufacturing and services the largest since mid-2015. All told, real GDP estimates range between 1%-2% annualized rate (saar) for Q4 from 2.1% saar in Q3:2019.
- In China, December's activity data (retail sales, industrial production, fixed assets investment) and Q4 real GDP (due on January 17th with the consensus estimate of 6% yoy unchanged from Q3:2019) will be closely monitored to assess the economic momentum. Note that the PBOC lowered the Required Reserve Ratio by 50 bps to 12.5% for major banks in January 6th in order to accelerate the supply of credit to the real economy, releasing liquidity of c. RMB 800bn or 0.8% of Chinese GDP.

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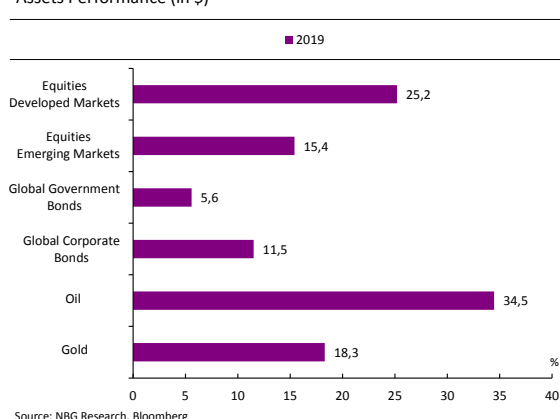
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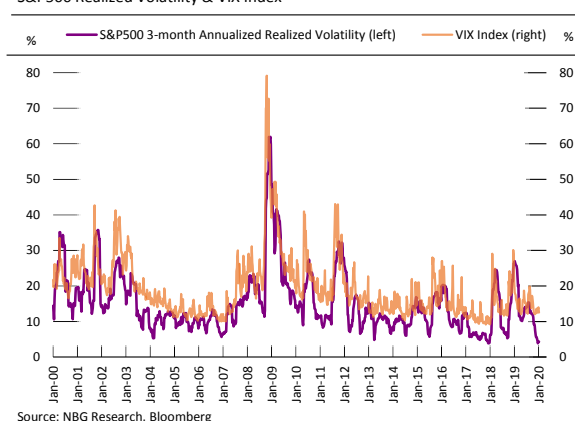
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Charts of the week

Assets Performance (in \$)



S&P500 Realized Volatility & VIX Index



The US labor market remains firm...

- **Job growth in the US moderately undershot expectations in December, albeit the underlying trend remains robust.**

Nonfarm payrolls increased by 145k, versus consensus estimates for +160k, while net revisions for the previous two months were modest (-14k). The respective outcome in November was a strong +256k, albeit that reading was partly boosted by transitory factors, namely the return of circa 40k workers to the motor vehicles & parts industry following a strike during October. Note also that some further distortions in the recent outcomes are probable, related to weather conditions and the timing of the Thanksgiving holiday. Overall, the less volatile 3-month average stood at a strong 184k in December (200k in November). Recall that such a 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, given the current labor force participation rate of 63.2%). In the event, the unemployment rate was stable at a 50-year low of 3.5% (3.50% on a two-decimal basis, versus 3.54% in November). Furthermore, 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) was down by 0.2 pps, to a record low (since 1994) of 6.7% (-0.9 pps yoy).

...while wage growth maintains a healthy pace, albeit decelerating recently

- **Wage growth came out below consensus estimates in December, but continues to suggest increasing consumer purchasing power.** The monthly pace of increase for average hourly earnings was a relatively subdued +0.1% mom in December, compared with an upwardly revised (by 0.1 pp) +0.3% mom in November. As a result, the annual pace of increase for average hourly earnings decelerated by 0.2 pps to 2.9% yoy (consensus for 3.1% yoy), the lowest since July 2018 and well below a 10-year high of 3.4% yoy in February 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) decelerated by 0.4 pps to (a still strong) +3% yoy (peak of 3.6% yoy in October 2019), while high earners saw their compensation accelerating modestly to 2.1% yoy from 1.9% yoy in November. Note also that the average weekly hours worked by total employees were stable at 34.3 in December, thus at the lower end of the 34.3 – 34.6 range since 2011. Nevertheless, the trend for (nominal) wages remains well above the respective trend for consumer prices (c. 2% yoy), arguing in favor of household purchasing power and consequently for private consumption.

US business sentiment indicators were mixed in December

- **Business confidence diverged across sectors in December, with the differential between manufacturing and services the largest since mid-2015.** The downturn in manufacturing continues, with the ISM index deteriorating to 47.2 in December, versus 48.1 in the previous month, the worst outcome since June 2009 and remaining below the expansion/contraction threshold of 50 for a 5th consecutive month. Recall that the latest reading was

not in line with consensus expectations (for an improvement to 49), in view of the recent easing of trade tensions with China. On the other hand, the ISM non-manufacturing index was up by 1.1 pt to 55.0 in December, above consensus estimates for 54.5. Overall, GDPNowcast models (Atlanta Fed, New York Fed) point to GDP growth of 1.1% -2.3% qoq saar in Q4:19 (+2.1% qoq saar | +2.1% yoy in Q3:19), while consensus estimates stand at 1.9% qoq saar (2.2% yoy). Business investment is expected to have declined for a 3rd consecutive quarter during Q4:19 (-1.6% qoq saar on average in Q2 and Q3).

Euro area inflation is posting signs of improvement, but remains well below target

- **Both headline and core inflation came out in line with consensus expectations in December.** Specifically, the flash estimate for the annual growth of CPI was up by 0.3 pps to 1.3% yoy. The aforementioned increase was mainly due to energy prices accelerating to +0.2% yoy versus -3.2% yoy in the previous month. Indeed, core CPI growth (which excludes the effects of energy and food components) was stable at 1.3% yoy, also in line with consensus expectations. Notably, the outcome for the core measure in the past two months stands at the upper limit of the range of 0.7% - 1.3% at which it has hovered since October 2015 and compares with an average of 1.1% yoy (1.05% on a two-decimal basis) in 2019 and 1% yoy in both 2018 and 2017. The continuation of the improvement in the labor market is a key factor for a sustainable firming of underlying pressures. In the event, the unemployment rate was stable at 7.5% in November (the lowest since July 2008), having declined by 0.4 pps compared with a year ago (annual change). Nevertheless, since April 2019, it has hovered in the range of 7.5% - 7.6%, suggesting the pace of change in the unemployment rate is expected to even off in the next months.

Euro area bank lending growth remains healthy

- **Economic activity in the euro area continues to find support from robust bank lending growth, with overall private sector borrowing at 3.6% yoy in November (+3.7% yoy in October).** The two major private sector components performed as follows in November: i) loan growth to households (adjusted for sales and securitizations) was largely unchanged at 3.5% yoy, its highest pace since January 2009; and ii) loan growth to non-financial corporations decelerated slightly, by 0.1 pp to a still resilient 3.6% yoy. On a country-by-country basis, substantial divergence remains, with the annual growth rate of loans to non-financial corporations in Germany (+5.9%) and France (+6.6%) strongly outpacing that of Spain (-0.9%) and Italy (-1.8%). Regarding Italy, the respective figure stands at -0.9% yoy, on average, from January to November 2019, significantly below the +1.6% yoy, on average, recorded in 2018 and a peak of +2.3% yoy in September 2018. Credit expansion has been held back by the weak domestic economic performance, with Italian GDP being broadly stagnant since Q2:18. Attention now turns to the ECB's quarterly Bank Lending Survey (due on January 21st), 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).

Equities

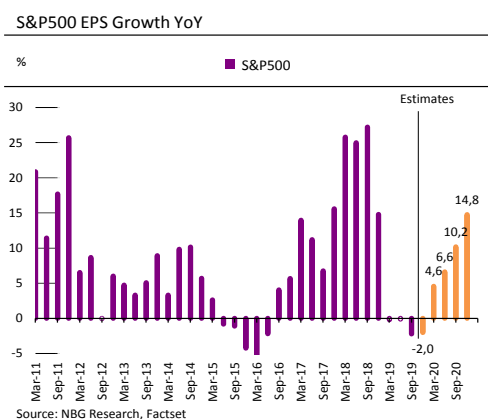
- Global equity markets rose in the past week, despite the volatile geopolitical backdrop.** Investor attention will now turn to the signing of the US-China phase one trade deal (Wednesday). Overall, the MSCI World index ended the week up by 0.6%, with both developed (+0.6% wow) and emerging markets (+0.9% wow) recording gains. In the US, the S&P500 rose by 0.9% wow, reaching an all-time high intra-week, with the Technology sector leading the increase (+2.2% wow). Note that implied volatility has remained at its lowest level since November, with the VIX Index at 12.6%, despite geopolitical tensions. Note that US Earnings will attract investor attention over the coming weeks as corporates being reporting their Q4:19 results on Tuesday (14/01). JPMorgan, Wells Fargo and Citigroup will report this week, with consensus EPS expectations of \$2.4, \$1.1 and \$1.8 respectively (vs \$2.7, \$1.0 and \$1.9 in Q3:19). For the S&P500, consensus expects a -2.0% yoy decline in Q4:19 from -2.2% yoy in Q3:19 (-0.1% in Q2:19 and -0.2% in Q1:19). This will be the first time the index has reported four consecutive quarterly declines in earnings since Q3:15. Note that, out of the 107 companies in S&P500 that have issued EPS guidance for Q4:19, 73 have issued negative guidance (68%), broadly in line with the historical average. EPS growth is expected to improve in the following quarters with 2020 EPS growth estimates remaining high, at +9.6% yoy (+0.2% for 2019). Regarding valuations, 12-month forward PE stands at 18.4x vs a 15-year average of 16.8x. On the other side of the Atlantic, the EuroStoxx rose by 0.5% wow, while the exporter-heavy DAX 30 (Domestic Earnings: 22% - Other European: 30% - Rest of the World: 48%) increased by 2.0% wow. Regarding valuations, EuroStoxx 12-month forward PE stands at 15.4x vs a 15-year average of 14.6x.

Fixed Income

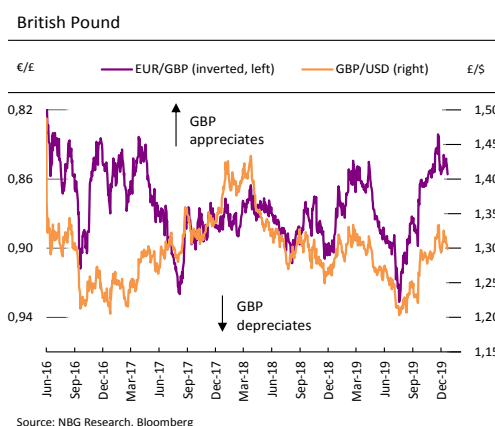
- Government bond yields increased in major advanced economies ahead of the US/China Phase one trade agreement.** Overall, the US 10-year yield rose by 3 bps to 1.82% and 2-year yield rose by 4 bps to 1.57%, although they were lower on Friday following weaker-than-expected economic data (labor). Similarly in the UK, the 10-year yield rose by 3 bps wow to 0.77%. In Germany, the 10-year Bund yield rose by 8 bps to -0.20%. Periphery bond yield spreads over the Bund in the 10-year tenor declined across the board (Italy: -11 bps to 152 bps, Spain: -2 bps to 65 bps, Portugal: -4 bps to 59 bps). **Corporate bond spreads were largely unchanged in the past week, with the exception of US high yield bonds.** The latter has been supported by the easing of geopolitical tensions and the phase one US-China trade agreement. Overall, US HY spreads were down by 13 bps to 348, while their EUR peers were broadly unchanged at 309 bps. In the investment grade spectrum, both US and EUR corporate bond spreads were insignificantly changed, at 101 bps and 95 bps, respectively.

FX and Commodities

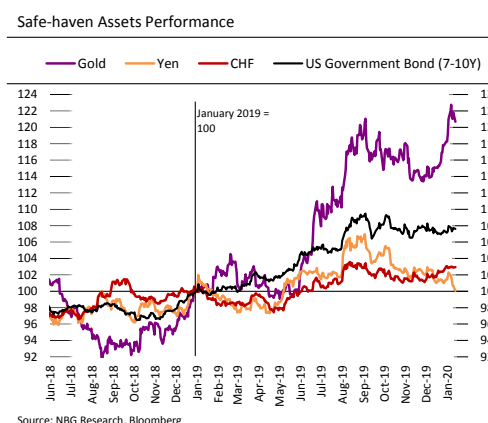
- In foreign exchange markets, the Japanese Yen declined in the past week, on the back of reduced "safe-haven" demand.** Overall, the JPY declined by 0.9% against the euro to ¥121.68 and by 1.3% against the US dollar to ¥109.46. Meanwhile, the British Pound remained broadly unchanged in the past week (\$1.306 against the USD and €/0.851 against the euro), albeit it declined on Monday (-0.6% against the USD to \$1.299, -0.7% against the euro to €/0.857) following comments from Bank of England officials (Vlieghe, Carney) in favor of a rate cut on 30/1 if there are no signs of improvement in the economy. Finally, **in commodities, oil prices fluctuated in the past week,** rising to their highest level in almost four months following a US drone strike killed an Iranian commander and retaliation by Iran with missiles launched against US bases in Iraq. But they declined later in the week as the crisis de-escalated, posting the largest weekly drop since July. Specifically, Brent declined by 5.3% wow to \$65.3/barrel, while WTI fell by 6.4% wow to \$59/barrel. Meanwhile, precious metals were highly volatile, rising at the start of the week due to the US-Iran tensions, declining later on signs of easing, and increasing at the end of the week on the back of a downbeat US labor report. Overall, gold ended the week up by 0.7% to \$1562/ounce and silver by 0.3% to \$18.1/ounce.



Graph 1.



Graph 2.



Graph 3.

Quote of the week: "The biggest challenge is yet to come – namely the issue of reaching a trade deal between London and the EU during the 11 month transition period. The economic and financial impact of Brexit will depend on details of that agreement -- if indeed one can be reached -- during that short period of time", **ECB President, Christine Lagarde, January 8th 2020.**

	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Fiscal loosening will support the economy & companies' earnings + 2019 EPS growth expectations have stabilized + Cash-rich corporates will lead to share buybacks and higher dividends (de-equitization) - Peaking profit margins - Protectionism and trade wars <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 2019 - 2020 EPS estimates may turn pessimistic due to plateauing economic growth - 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 + High UK exposure to the commodities sector assuming the oil rally re-emerges - 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 is expected to cut rates in H2:2019 	<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 	<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% 	<ul style="list-style-type: none"> + Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process + Inflation overshooting due to GBP weakness feeds through inflation expectations + The BoE is expected to increase short-term policy rates assuming WA deal - Slowing economic growth post-Brexit
Foreign Exchange	<p>▲ Slightly higher yields expected</p> <ul style="list-style-type: none"> + Safe-haven demand - Fed is expected to cut rates in H2:2019 - Mid-2018 rally probably out of steam <p>● Broadly Flat USD against the EUR with upside risks towards \$1.15</p>	<p>▲ Higher yields expected</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>	<p>● Stable yields expected</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>	<p>▲ Higher yields expected but with Brexit risk premia working on both directions</p> <ul style="list-style-type: none"> + Transitions phase negotiations + The BoE is expected to increase short-term policy rates assuming WA deal - 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>

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	January 10th	3-month	6-month	12-month	Official Rate (%)	January 10th	3-month	6-month	12-month
Germany	-0,20	-0,20	-0,15	0,00	Euro area	0,00	0,00	0,00	0,00
US	1,82	1,80	1,90	2,00	US	1,75	1,75	1,75	1,50
UK	0,77	0,85	0,86	0,90	UK	0,75	0,70	0,70	0,70
Japan	0,00	-0,10	-0,07	-0,01	Japan	-0,10	-0,10	-0,10	-0,10

Currency	January 10th	3-month	6-month	12-month	January 10th	3-month	6-month	12-month	
EUR/USD	1,11	1,13	1,13	1,15	USD/JPY	109	109	107	104
EUR/GBP	0,85	0,84	0,85	0,85	GBP/USD	1,31	1,34	1,33	1,35
EUR/JPY	122	123	121	120					

Forecasts at end of period

Economic Forecasts

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

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

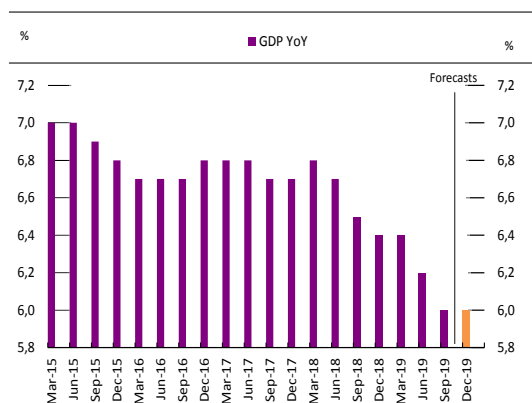
Economic Calendar

In the US, attention turns to December's CPI (14/1 with consensus at 2.3% yoy) and economic activity indicators for December. Specifically, retail sales (16/1) will offer insight regarding private consumption, industrial production (17/1) regarding business spending, whereas housing starts & building permits (17/1) regarding residential investment.

In the Euro Area industrial production for November is released on Wednesday (consensus for +0.3% mom vs -0.5% mom in the previous month)

In China, December's activity data (retail sales, industrial production, fixed assets investment) and Q4 GDP (due on January 17th) will be closely monitored to assess the economic momentum.

Chinese GDP Growth (YoY)



Source: NBG Research, Bloomberg

Economic News Calendar for the period: January 7 - January 20, 2020

Tuesday 7				Wednesday 8				Thursday 9						
US		S	A	P	US		S	A	P	US		S	A	P
Trade balance (\$bn)	November	-43.6	+ -43.1	-46.9	ADP Employment Change (k)	December	160	+ 202	124	Initial Jobless Claims (k)	January 4	220	+ 214	223
ISM non-manufacturing	December	54.5	+ 55.0	53.9	EURO AREA					Continuing Claims (k)	December 28	1720	- 1803	1728
Factory Goods Orders (MoM)	November	-0.8%	+ -0.7%	0.2%	Economic confidence indicator	December	101.4	+ 101.5	101.2	EURO AREA				
EURO AREA					Business Climate Indicator	December	-0.18	- -0.25	-0.21	Unemployment Rate	November	7.5%	7.5%	7.5%
Retail sales (MoM)	November	0.7%	+ 1.0%	-0.3%						GERMANY				
Retail sales (YoY)	November	1.5%	+ 2.2%	1.7%						Industrial Production (sa, MoM)	November	0.8%	+ 1.1%	-1.0%
CPI (YoY)	December	1.3%	1.3%	1.0%						Industrial Production (wda, YoY)	November	-3.7%	+ -2.6%	-4.6%
Core CPI (YoY)	December	1.3%	1.3%	1.3%						CHINA				
										CPI (YoY)	December	4.7%	- 4.5%	4.5%
Friday 10				Monday 13										
US		S	A	P	UK		S	A	P			S	A	P
Change in Nonfarm Payrolls (k)	December	160	- 145	256	Industrial Production (MoM)	November	0.0%	- -1.2%	0.4%					
Change in Private Payrolls (k)	December	153	- 139	243	Industrial Production (YoY)	November	-1.3%	- -1.6%	-0.6%					
Unemployment rate	December	3.5%	3.5%	3.5%	GDP (MoM)	November	0.0%	- -0.3%	0.1%					
Average Hourly Earnings MoM	December	0.3%	- 0.1%	0.3%										
Average Hourly Earnings YoY	December	3.1%	- 2.9%	3.1%										
Average weekly hours (hrs)	December	34.4	- 34.3	34.3										
Underemployment rate	December	..	6.7%	6.9%										
Labor Force Participation Rate	December	..	63.2%	63.2%										
Wholesale trade (MoM)	November	0.2%	+ 1.5%	-0.9%										
JAPAN														
Leading Index	November	90.9	90.9	91.6										
Coincident Index	November	95.2	- 95.1	95.3										
Tuesday 14				Wednesday 15										
US		S	A	P	US		S	A	P	CHINA		S	A	P
CPI (YoY)	December	2.4%	..	2.1%	Empire Manufacturing	January	3.5	..	3.5	Aggregate Financing (RMB bn)	December	1650.0	..	1754.7
Core CPI (YoY)	December	2.3%	..	2.3%	Philadelphia Fed Business Outlook	January	3.0	..	2.4	New Yuan Loans (RMB bn)	December	1200.0	..	1388.1
JAPAN										Money Supply M0 (YoY)	December	5.2%	..	4.8%
Eco Watchers Current Survey	December	41.0	..	39.4	UK					Money Supply M1 (YoY)	December	3.7%	..	3.5%
Eco Watchers Outlook Survey	December	46.8	..	45.7	CPI (YoY)	December	1.5%	..	1.5%	Money Supply M2 (YoY)	December	8.35	..	8.2%
CHINA					CPI Core (YoY)	December	1.7%	..	1.7%					
Exports (YoY)	December	2.9%	..	-1.3%	EURO AREA									
Imports (YoY)	December	9.6%	..	0.3%	Industrial Production (sa, MoM)	November	0.3%	..	-0.5%					
					Industrial Production (wda, YoY)	November	-1.0%	..	-2.2%					
Thursday 16				Friday 17				Monday 20						
US		S	A	P	US		S	A	P	US		S	A	P
Retail Sales Advance MoM	December	0.3%	..	0.2%	Housing starts (k)	December	1380	..	1365					
Retail sales ex-autos MoM	December	0.5%	..	0.1%	Building permits (k)	December	1460	..	1482					
Initial Jobless Claims (k)	January 11	218	..	214	Industrial Production (MoM)	December	-0.1%	..	1.1%					
Continuing Claims (k)	January 4	1803	University of Michigan consumer confidence	January	99.3	..	99.3					
NAHB housing market confidence index	January	74	..	76	UK									
Net Long-term TIC Flows (\$ bn)	November	32.5	Retail sales Ex Auto MoM	December	0.8%	..	-0.6%					
					CHINA									
					Retail sales (YoY)	December	7.9%	..	8.0%					
					Industrial production (YoY)	December	5.9%	..	6.2%					
					GDP (sa, QoQ)	Q4:19	1.4%	..	1.5%					
					GDP (YoY)	Q4:19	6.0%	..	6.0%					

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	3265	0,9	1,1	25,8	18,8	MSCI Emerging Markets	62527	0,6	1,7	14,2	-0,3
Japan	NIKKEI 225	23851	0,8	0,8	18,3	0,3	MSCI Asia	932	1,0	2,0	16,5	-2,4
UK	FTSE 100	7588	-0,5	0,6	9,3	-2,1	China	88	1,5	3,3	19,8	-6,8
Canada	S&P/TSX	17234	1,0	1,0	15,6	6,1	Korea	703	2,7	1,7	14,8	-7,2
Hong Kong	Hang Seng	28638	0,7	1,6	8,0	-7,8	MSCI Latin America	100965	-1,3	0,8	10,3	16,1
Euro area	EuroStoxx	409	0,5	1,2	20,7	2,6	Brazil	365196	-2,1	-0,2	18,4	38,8
Germany	DAX 30	13483	2,0	1,8	23,5	1,5	Mexico	41234	0,0	2,8	1,4	-10,4
France	CAC 40	6037	-0,1	1,0	25,6	9,7	MSCI Europe	6506	1,1	2,1	19,0	16,6
Italy	FTSE/MIB	24021	1,3	2,2	24,5	3,7	Russia	1399	1,4	2,7	27,4	37,5
Spain	IBEX-35	9574	-0,8	0,3	8,1	-8,2	Turkey	1565142	4,7	4,2	24,9	1,0

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	197,2	-0,7	0,1	-0,2	-14,8	Energy	202,9	-0,5	0,7	-0,1	-12,7
Materials	265,7	-1,0	-2,4	12,5	-8,6	Materials	256,2	-0,7	-1,7	13,5	-5,2
Industrials	278,8	-0,1	0,9	20,7	2,6	Industrials	276,9	0,2	1,3	21,7	4,4
Consumer Discretionary	280,8	0,5	0,9	19,3	13,3	Consumer Discretionary	271,9	0,8	1,3	20,1	14,5
Consumer Staples	250,2	0,0	-0,4	17,9	5,5	Consumer Staples	251,8	0,2	0,1	18,5	7,7
Healthcare	281,8	1,4	1,0	19,6	20,1	Healthcare	279,2	1,6	1,2	19,9	21,4
Financials	125,5	-0,3	-0,2	17,4	-4,6	Financials	126,4	0,0	0,3	18,0	-2,1
IT	319,8	2,2	2,9	46,0	39,2	IT	310,3	2,3	3,0	46,5	39,8
Telecoms	79,1	1,5	2,1	21,8	12,3	Telecoms	82,8	1,6	2,3	22,2	14,8
Utilities	149,5	0,3	-0,5	15,8	19,9	Utilities	153,9	0,5	-0,1	16,7	22,5

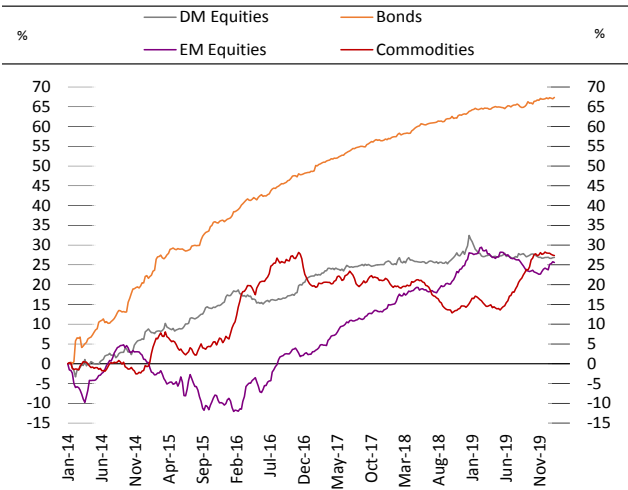
Bond Markets (%)

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	1,82	1,79	1,92	2,74	2,39	US Treasuries 10Y/2Y	25	26	35	17	143
Germany	-0,20	-0,28	-0,19	0,26	1,11	US Treasuries 10Y/5Y	19	20	23	18	75
Japan	0,00	-0,01	-0,01	0,02	0,47	Bunds 10Y/2Y	40	34	42	85	118
UK	0,77	0,74	0,82	1,27	1,97	Bunds 10Y/5Y	31	27	29	60	74
Greece	1,36	1,41	1,47	4,33	9,98	Corporate Bond Spreads (in bps)					
Ireland	0,06	0,05	0,12	0,88	3,44						
Italy	1,32	1,34	1,41	2,89	3,17	EM Inv. Grade (IG)	148	153	150	201	212
Spain	0,44	0,39	0,47	1,45	2,96	EM High yield	471	490	494	545	645
Portugal	0,39	0,36	0,44	1,72	4,73	US IG	101	103	101	155	150
US Mortgage Market (1. Fixed-rate Mortgage)						US High yield	348	361	360	454	499
30-Year FRM¹ (%)	3,9	3,9	4,0	4,7	4,2	Euro area IG	95	95	94	161	140
vs 30Yr Treasury (bps)	163	166	156	168	116	Euro area High Yield	309	308	308	494	486

Foreign Exchange & Commodities

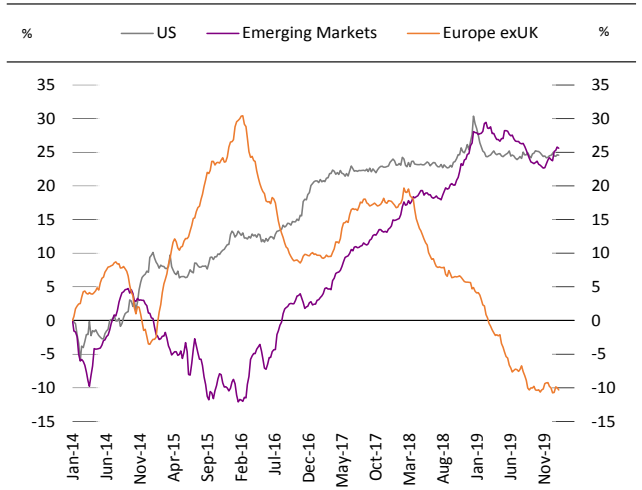
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates						Agricultural	349	1,3	5,3	-1,5	0,4
EUR/USD	1,11	-0,3	-0,1	-3,3	-0,8	Energy	484	-5,4	1,7	11,2	-2,6
EUR/CHF	1,08	-0,3	-1,2	-4,5	-0,4	West Texas Oil (\$)	59	-6,4	0,5	12,3	-3,3
EUR/GBP	0,85	-0,2	0,9	-5,6	0,6	Crude Brent Oil (\$)	65	-5,3	0,2	8,0	-1,7
EUR/JPY	121,68	0,9	0,7	-2,4	0,0	Industrial Metals	1225	0,7	1,9	2,9	0,5
EUR/NOK	9,88	0,1	-2,6	1,4	0,4	Precious Metals	1830	0,5	6,1	19,7	2,3
EUR/SEK	10,56	0,6	1,0	3,1	0,6	Gold (\$)	1562	0,7	5,9	21,4	3,0
EUR/AUD	1,61	0,4	-0,4	0,7	0,9	Silver (\$)	18	0,3	7,4	16,4	1,5
EUR/CAD	1,45	0,0	-1,0	-4,7	-0,4	Baltic Dry Index	774	-14,7	-47,0	-34,9	-29,0
USD-based cross rates						Baltic Dirty Tanker Index	1473	-2,9	4,2	58,4	-7,8
USD/CAD	1,31	0,4	-0,9	-1,4	0,5						
USD/AUD	1,45	0,7	-0,4	4,1	1,6						
USD/JPY	109,46	1,3	0,8	0,9	0,8						

Global Cross Asset ETFs: Flows as % of AUM



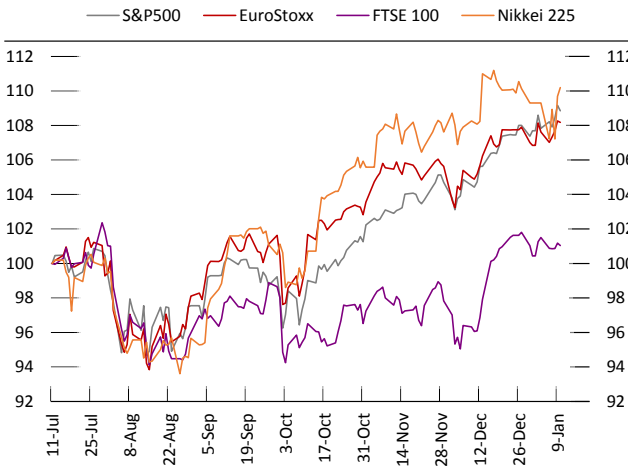
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of January 10th

Equity ETFs: Flows as % of AUM



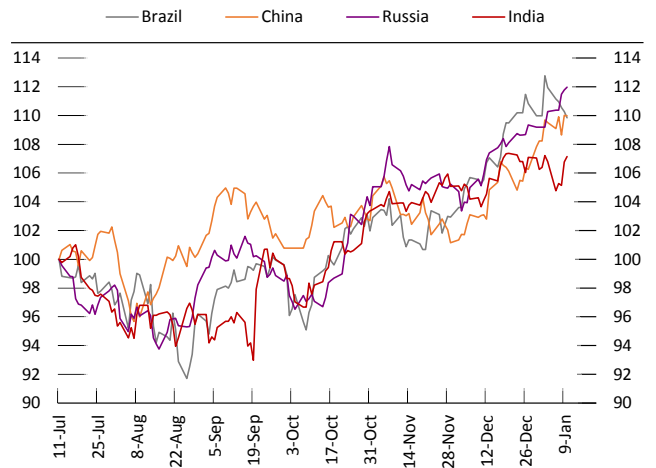
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of January 10th

Equity Market Performance - G4



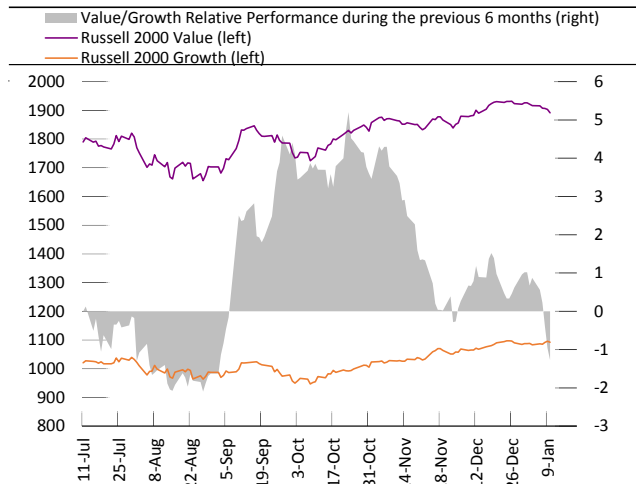
Source: Bloomberg - Data as of January 10th - Rebased @ 100

Equity Market Performance - BRICs



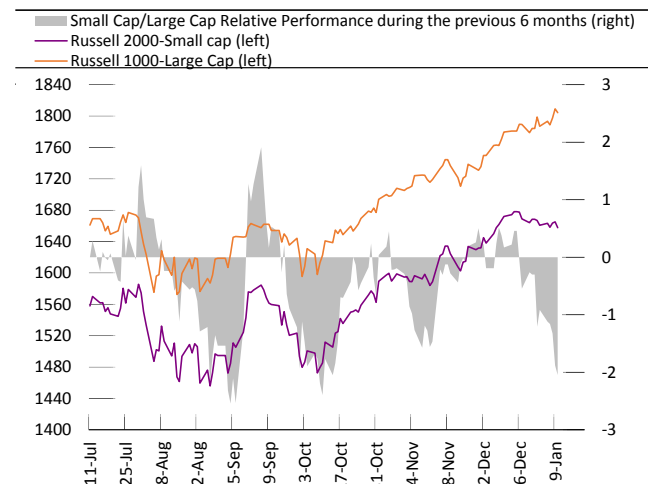
Source: Bloomberg - Data as of January 10th - Rebased @ 100

Russell 2000 Value & Growth Index



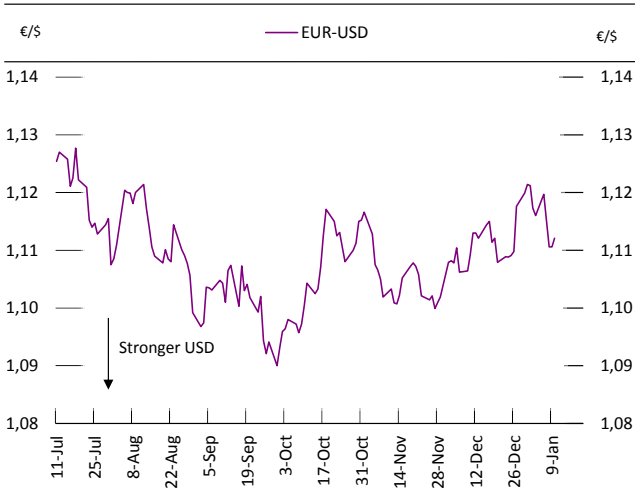
Source: Bloomberg, Data as of January 10th

Russell 2000 & Russell 1000 Index



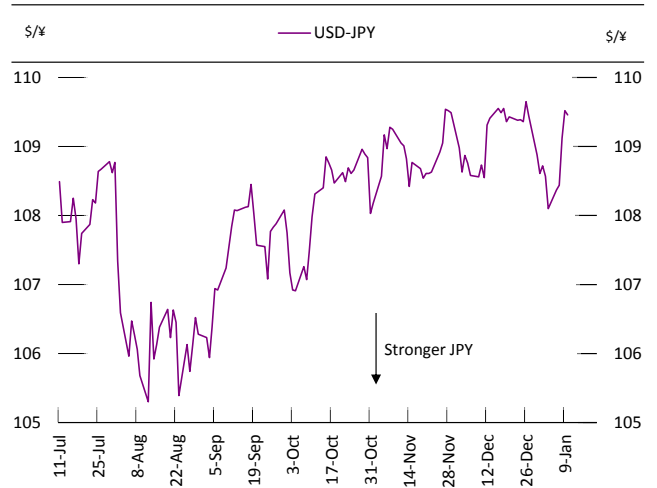
Source: Bloomberg, Data as of January 10th

EUR/USD



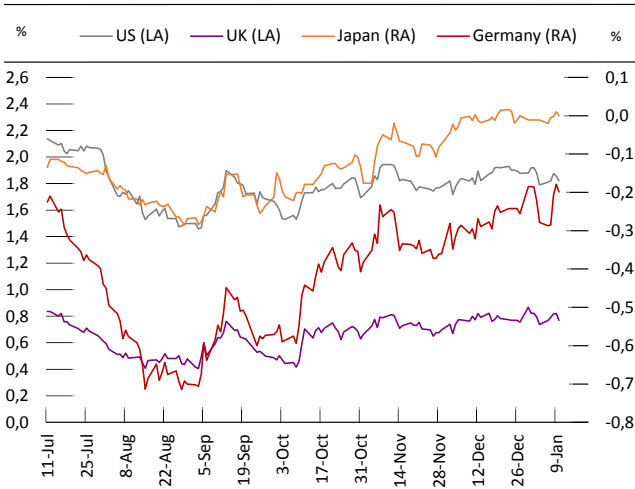
Source: Bloomberg, Data as of January 10th

JPY/USD



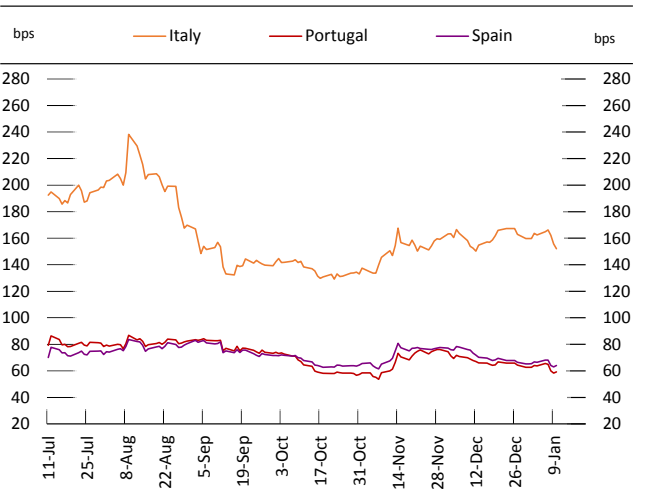
Source: Bloomberg, Data as of January 10th

10- Year Government Bond Yields



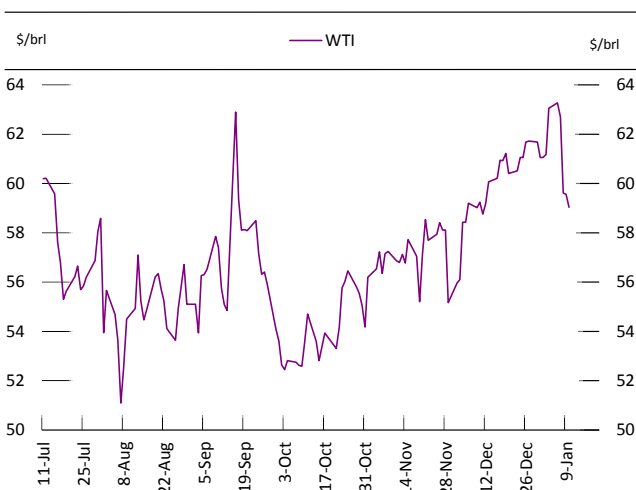
Source: Bloomberg - Data as of January 10th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



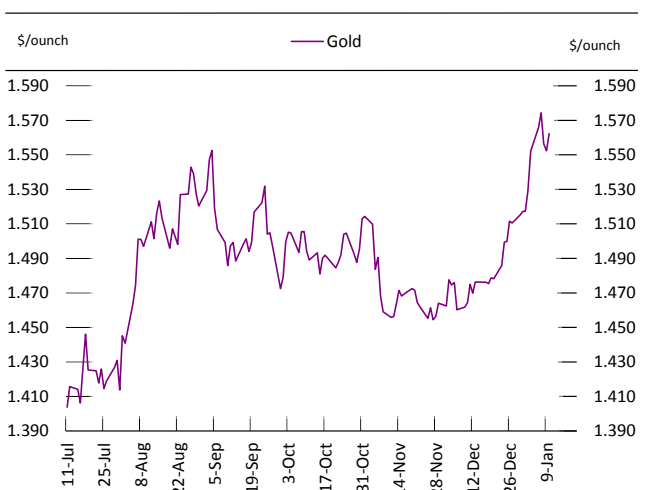
Source: Bloomberg - Data as of January 10th

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of January 10th

Gold (\$/ounce)



Source: Bloomberg, Data as of January 10th

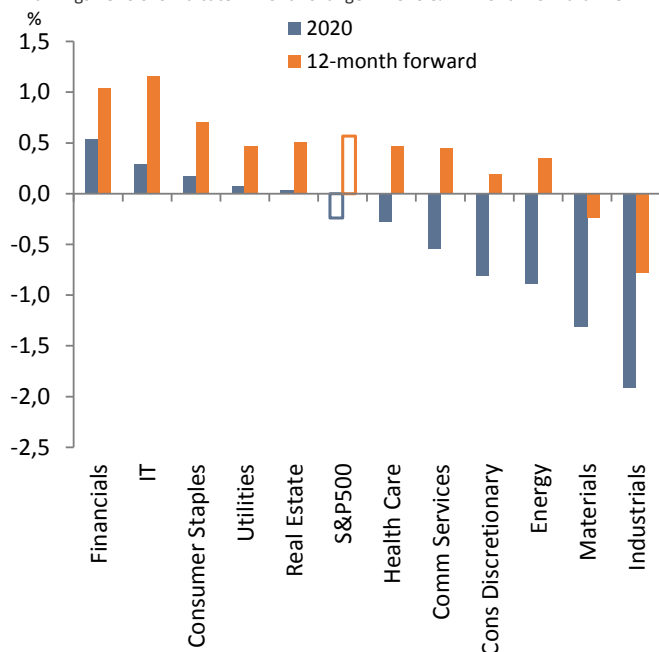
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	10/1/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3265	0,9	1,3	9,6	1,8	1,9	20,2	18,4	18,4	15,0	3,6	3,4	3,4	2,5
Energy	454	-1,1	-28,3	21,5	3,8	4,1	21,6	17,8	17,7	19,6	1,6	1,6	1,6	1,8
Materials	374	-0,3	-15,6	13,0	2,1	2,2	20,1	17,8	17,8	14,7	2,4	2,3	2,3	2,5
Financials														
Diversified Financials	752	1,1	1,8	5,9	1,4	1,6	16,2	15,3	15,3	13,8	1,9	1,7	1,7	1,5
Banks	372	-1,3	9,0	4,1	2,6	2,9	12,3	11,8	11,8	11,1	1,4	1,3	1,3	1,0
Insurance	441	-0,3	15,8	8,0	2,2	2,3	13,4	12,4	12,4	10,8	1,5	1,4	1,4	1,1
Real Estate	240	0,3	1,9	5,7	3,1	3,2	21,0	19,8	19,8	18,3	3,7	3,8	3,8	3,0
Industrials														
Capital Goods	739	-0,5	-6,5	18,8	1,9	2,0	21,1	17,7	17,7	15,5	5,5	4,7	4,7	3,4
Transportation	785	0,0	6,7	5,9	1,9	2,0	14,7	13,8	13,8	13,6	4,3	3,9	3,8	3,4
Commercial Services	356	2,1	12,8	8,6	1,3	1,3	28,5	26,3	26,2	19,8	5,9	5,7	5,7	3,4
Consumer Discretionary														
Retailing	2479	0,7	3,8	12,0	0,8	0,8	32,9	29,3	29,2	21,0	12,7	10,9	10,9	6,0
Media	679	2,9	3,6	16,7	0,4	0,4	27,5	23,6	23,5	20,0	4,2	3,7	3,7	3,2
Consumer Services	1326	1,1	5,0	10,4	2,1	2,2	23,9	21,6	21,6	19,1	14,8	13,7	13,7	6,3
Consumer Durables	368	-0,9	0,4	10,1	1,4	1,5	19,2	17,4	17,4	16,8	4,0	3,6	3,6	3,2
Automobiles and parts	114	-2,9	-16,4	18,8	4,2	4,2	8,5	7,2	7,2	8,4	1,4	1,3	1,3	1,7
IT														
Technology	1658	3,1	2,7	9,3	1,3	1,4	21,6	19,8	19,7	12,6	9,7	9,8	9,8	3,6
Software & Services	2367	2,3	11,2	12,4	1,0	1,0	29,2	25,9	25,9	17,1	7,9	7,3	7,3	5,1
Semiconductors	1248	0,2	-12,3	5,0	1,8	1,9	18,9	18,0	17,9	13,9	5,5	5,1	5,1	3,1
Communication Services	187	2,0	3,0	11,8	1,2	1,2	21,8	19,5	19,4	17,3	3,5	3,1	3,1	2,8
Consumer Staples														
Food & Staples Retailing	489	-0,8	2,9	4,2	1,7	1,8	21,5	20,6	20,6	16,0	4,6	4,3	4,3	3,1
Food Beverage & Tobacco	712	0,6	-1,7	6,2	3,3	3,4	19,7	18,6	18,5	17,4	5,3	5,0	5,0	4,9
Household Goods	745	1,7	6,6	7,1	2,3	2,4	25,8	24,1	24,0	19,1	8,9	8,7	8,7	5,0
Health Care														
Pharmaceuticals	991	1,3	9,3	8,3	2,1	2,3	16,0	14,7	14,7	14,3	5,5	4,5	4,5	3,4
Healthcare Equipment	1395	1,8	10,3	9,4	1,0	1,1	20,4	18,7	18,6	15,1	3,7	3,3	3,3	2,6
Utilities	327	0,8	4,9	4,8	3,1	3,2	20,7	19,8	19,8	15,6	2,2	2,1	2,1	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

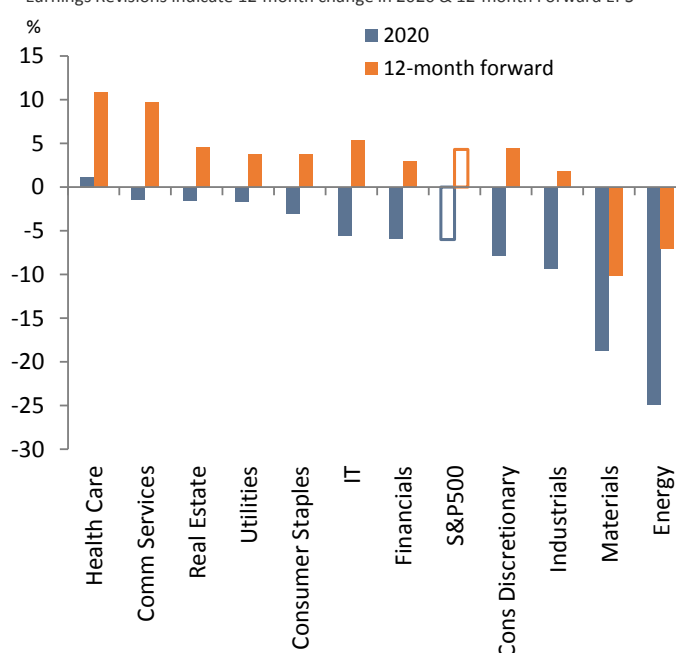
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of January 10th
12-month forward EPS are 97% of 2020 EPS and 3% 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 January 10th
12-month forward EPS are 97% of 2020 EPS and 3% of 2021 EPS

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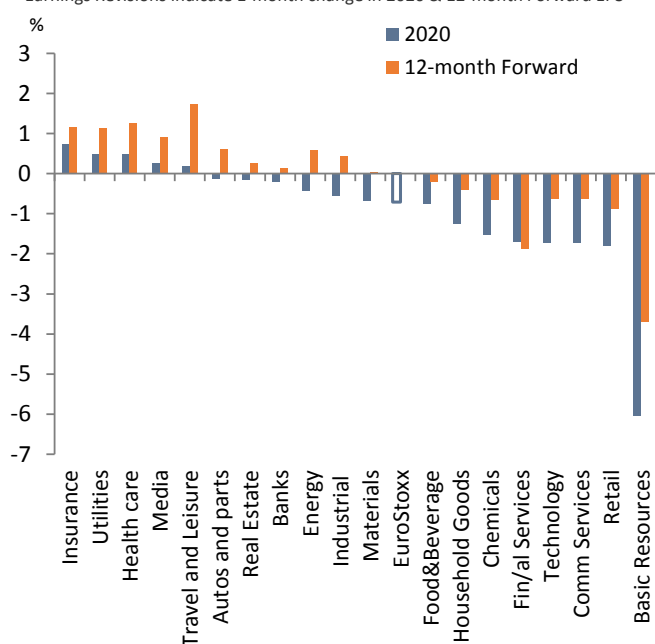
Euro Area Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	10/1/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	409	0,5	2,7	8,4	3,1	3,2	16,7	15,4	15,4	13,2	1,7	1,7	1,6	1,4
Energy	333	-0,5	-9,3	16,8	4,9	5,2	13,7	11,7	11,7	11,4	1,3	1,2	1,2	1,2
Materials	485	-0,5	13,8	8,5	3,2	3,4	15,4	14,2	14,1	14,1	1,9	1,8	1,8	1,4
Basic Resources	198	-2,1	-61,7	45,8	3,3	3,4	19,4	13,3	13,2	13,6	0,8	0,8	0,8	0,9
Chemicals	1159	-0,5	-12,1	9,5	2,6	2,8	21,7	19,8	19,8	15,0	2,1	2,0	2,0	2,2
Financials														
Fin/al Services	513	1,8	25,4	-5,9	2,4	2,5	15,8	16,8	16,7	14,1	1,7	1,6	1,6	1,3
Banks	97	-0,7	-1,6	3,8	5,7	5,8	9,3	9,0	9,0	10,0	0,6	0,6	0,6	0,7
Insurance	305	0,4	12,6	6,2	4,8	5,1	11,0	10,4	10,4	9,2	1,0	1,0	1,0	0,9
Real Estate	245	-1,7	0,1	4,8	4,2	4,4	19,1	18,2	18,2	16,7	1,0	1,0	1,0	1,0
Industrial	950	0,2	11,5	12,2	2,3	2,5	20,3	18,1	18,0	15,1	3,2	2,9	2,9	2,3
Consumer Discretionary														
Media	226	-0,1	9,8	8,4	3,3	3,4	17,1	15,8	15,8	15,7	2,3	2,2	2,2	2,0
Retail	603	-1,1	3,3	11,1	2,5	2,8	25,0	22,5	22,4	18,5	3,9	3,6	3,6	2,8
Automobiles and parts	496	2,2	-11,0	7,9	3,7	3,8	8,7	8,0	8,0	8,7	0,9	0,9	0,9	1,0
Travel and Leisure	215	0,7	-5,6	23,5	2,0	2,1	15,8	12,8	12,8	14,7	1,9	1,8	1,8	1,8
Technology	627	2,4	6,5	9,9	1,2	1,1	26,5	24,1	24,0	18,0	4,2	3,9	3,9	3,0
Communication Services	291	-0,2	-14,2	19,7	4,2	4,4	17,5	14,7	14,6	14,0	1,9	1,8	1,8	1,8
Consumer Staples														
Food&Beverage	602	-0,7	16,8	5,3	2,1	2,2	20,5	19,5	19,4	18,4	2,7	2,5	2,5	2,6
Household Goods	1090	1,3	6,9	11,0	1,6	1,8	29,6	26,7	26,6	20,6	6,1	5,5	5,5	3,7
Health care	899	2,8	7,2	8,9	2,1	2,2	20,1	18,5	18,4	15,0	2,4	2,3	2,3	2,1
Utilities	351	0,8	56,6	8,2	4,5	4,8	16,1	14,9	14,8	12,5	1,6	1,5	1,5	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

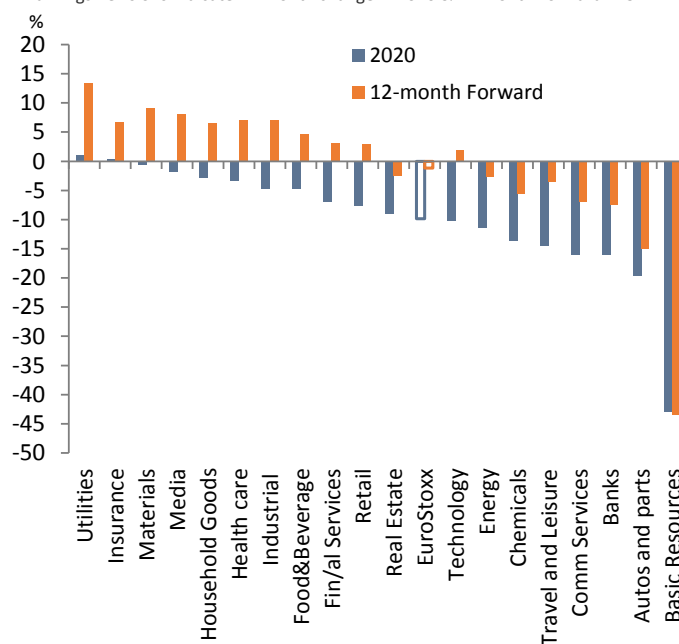
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of January 10th
12-month forward EPS are 97% of 2020 EPS and 3% 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 January 10th
12-month forward EPS are 97% of 2020 EPS and 3% of 2021 EPS

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