



Global economic growth is set to increase by 3.3% in 2020 from 2.9% in 2019, with risks remaining to the downside

- The global economy is expected to grow by 3.3% in 2020 from 2.9% in 2019, on the back of positive US-China trade developments and accommodative financial conditions. A minimum prerequisite for favorable global economic conditions would be the sequential quarterly annualized growth in 2020 to remain near 2% in the US and 6% in China. In our view, these growth rates are attainable.
- On the positive side of the ledger, Chinese and euro area economic data are improving, albeit from low levels, with Citigroup Economic Surprise Indices (CESIs) turning decisively positive (see graph below). Note that Chinese high-frequency economic indicators for December were strong across the board, with production and retail sales surpassing consensus estimates (see Economics). Moreover, fiscal policy is expected to be slightly expansionary in the US, China and the euro area.
- Furthermore, the US-China Phase 1 trade deal may lead to an improvement in global growth momentum, on top of distributional gains particularly for US producers who supply to China. Indeed, China has pledged to increase its imports of goods and services from the US by \$200bn over the next two years, compared with a level of \$186bn in 2017 (see Economics).
- On the other hand, several global manufacturing PMI indicators for the past four months have remained at the lower end of their 2018/2019 range (e.g. Global PMI manufacturing troughed at 49.4 in July 2019). Moreover, there are implementation risks regarding the US/China trade deal, while there is a possibility of an escalation in US conflicts with the rest of the world (e.g. the car-tariff threat). Note that the German car industry, in addition to its large exposure to the US (car exports amount to +0.7% of German GDP), is also challenged by idiosyncratic issues including emission regulations and the switch to EVs. As the German export-oriented manufacturing sector has driven the GDP slowdown from 3.5% yoy in Q4:2017 to 0.5% yoy in Q4:2019 and a strong rebound is far from certain in the near term, the resilience of the domestic-oriented services sector will be tested.
- Moreover, in a US election year (November), voting intentions and the policy mix following the election outcome could significantly impact risk markets. According to Real Clear Politics, Biden and Sanders share first place with 20% in the Iowa Democratic Presidential Caucuses (due on February 3rd), albeit Biden leads by 8 points over Sanders at the national level. Risk markets could react defensively should a candidate in favor of higher regulation, spending and corporate taxes, secure the Democratic nomination (Sanders, Warren).
- Investor attention will also turn to the ECB's first meeting of the year. Policy is expected to remain unchanged (MRO: 0%, DFR:-0.5% and net asset purchases at €20/bn per month). The meeting will also see the kick-off of the ECB's strategic review, which is expected to be concluded by end-2020. The review will likely include a detailed analysis of inflation and its subdued performance in recent years, the toolkit of existing and potential policy instruments (interest rates, forward guidance, asset purchases, and yield-curve control) and the inflation target itself (a numerical target of 2% instead of "below, but close to 2%" or a tolerance range of inflation around 2%). Albeit the quarterly macroeconomic forecasts are due on March, indications of how the Governing Council assesses GDP, inflation and the balance of risks (currently deemed to be on the downside) will be also closely monitored amid early signs of stabilization in economic momentum and increasing price pressures.

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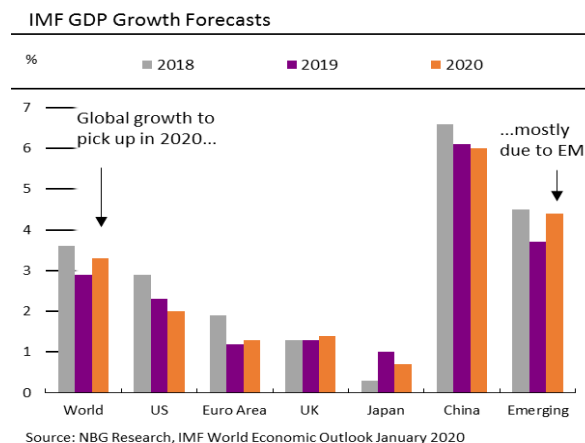
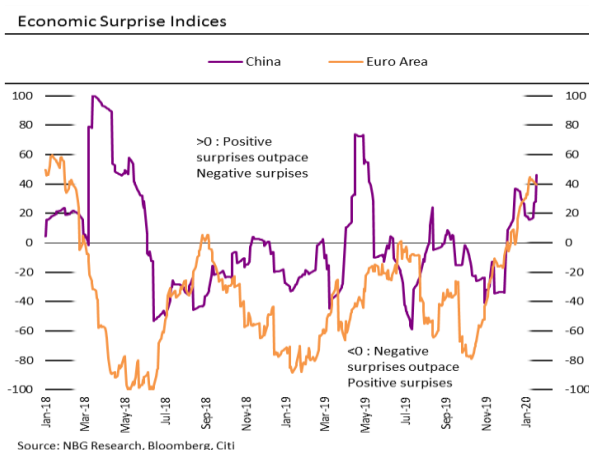
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Charts of the week



US/China trade tensions decrease, following the “Economic and Trade Agreement” (ETA)

- **The US and China signed the ETA on January 15th, which aims to be the first phase in the process of a comprehensive trade deal between the two countries.** Recall that the completion of the “Phase 1” deal resulted in the partial diffusion of economic tensions, with the US cancelling the previously threatened tariff hike of 15% on c. \$156 bn worth of imports from China and halving the 15% tariff rate (to 7.5%) which was introduced in September 2019 on c. \$120 bn worth of Chinese imports. The implementation of the ETA will be closely monitored over the next two years, with a respective dispute resolution mechanism being established. If the agreement has been successfully implemented following that period, the next phase in the overall trade deal may be signed. Any further reduction in tariffs will also depend on the implementation of the recent agreement. The ETA covers a wide array of issues under dispute, albeit some of the more challenging ones (e.g. China’s state-owned enterprises reforms and industrial subsidies policies) will be dealt with in later phases of negotiations.
- Regarding **intellectual property**, the countries agreed, *inter alia*, on enforcement issues against misappropriation of trade secrets and business information, the treatment of patents, combatement of piracy and counterfeiting and protection of geographical indications and trademark rights. Provisions were also included regarding the implementation as well as the judicial enforcement and procedures in intellectual property related legal cases.
- Regarding **technology transfer**, provisions were undertaken so that any such transfer occurs on voluntary, market-based terms and in any case that no force or pressure will be applied when a natural or legal person from the one country attempts to gain access and operate in the jurisdiction of the other country.
- A special chapter was dedicated explicitly to the **trade in food and agricultural products**. Both countries stated their intention to promote cooperation in agricultural science and technology in order to facilitate (in a safe and reliable manner) the expansion of the respective trade between them.
- On **financial services**, China effectively commits to a substantial acceleration of the ongoing process of opening up its financial sector. Notably, China must eliminate by April 1st 2020, all remaining foreign ownership restrictions for financial services providers, including in the areas of insurance-related services and in the securities, fund management and futures sectors.
- Finally, regarding **policies in currency exchange rate markets**, a clause was included, requiring compliance with the international framework according to the International Monetary Fund Articles of Agreement to avoid currency manipulation in order to achieve balance of payments adjustments or/and to gain unfair competitive advantages.
- Finally, in the chapter titled **“expanding trade”**, specific commitments were undertaken by China (product-wise as well as in terms of the timeline and the value) to substantially increase its imports of both goods and services from the US during 2020 and 2021, with the value of imports in 2017 (in US dollars) set as a reference point (total of \$186 bn).
- Specifically, regarding goods, US exports to China should exceed the 2017 value of \$130.3 bn (latest: \$106.9 bn in 12-month sum terms as of November 2019) by no less than \$63.9 bn in 2020 and in 2021 by \$98.2 bn. Note that, in exported goods, specific products were targeted (covering c. ¾ of total exports of goods in 2017 according to our estimates), including manufactured goods, agricultural and energy products, with certain numerical goals set for each product category.
- Regarding trade in services, US exports to China should exceed the 2017 value of \$56.0 bn (latest: \$56.6 bn in 4-quarter sum terms as of Q3:19) by no less than \$12.8 bn in 2020 and in 2021 by \$25.1 bn. Specific numerical targets were set, broadly for all categories of services exports. It should be noted that given the large increase in US exports to China provisioned in the ETA, it appears challenging for these targets to be met in full, either due to limitations in Chinese demand or due to US production capacity constraints. In addition, the recent US-China deal could face legal challenges by third countries in the World Trade Organization.

Chinese GDP growth maintained its pace in Q4, with momentum improving towards the end of the quarter

- **GDP growth in Q4:19 came out at 6.0% yoy, unchanged compared with Q3 (6.3% yoy on average in H1).** The outcome in Q4 was in line with expectations, although economic activity in December overshot consensus estimates (following positive surprises in November). Specifically, retail sales growth was steady at a satisfactory 8.0% yoy in December (consensus: 7.9% yoy | +7.2% yoy in October). Overall in Q4:19, retail sales rose by 7.7%, on average, largely the same pace as in Q3. Furthermore, industrial production growth improved considerably for a 2nd consecutive month, to 6.9% yoy in December (consensus for 5.9% yoy), versus 6.2% yoy in November and 4.7% yoy in October. Overall in Q4:19, industrial production grew by 5.9% yoy on average, above the respective pace in Q3 (5.0%). Finally, fixed asset investment growth accelerated by 0.2 pps to 5.4% yoy in December, and averaged 5.3% in Q4:19 compared with 5.5% yoy, on average, in the previous quarter. The latest readings came in conjunction with broadly stable credit growth, as the Chinese authorities try to find a balance between supporting economic activity and the more structural goal of stemming excessive leverage (private debt: 209% of GDP as of Q2:19, compared with 150% in the US and 166% in the euro area). In the event, overall credit growth, as measured by Total Social Financing (TSF) stood at 10.7% yoy in December, unchanged compared with the previous month and having hovered in a tight range of 10.6% yoy - 10.8% yoy since July 2019 (11.0% yoy, on average, in H1:2019). Overall in 2019, real GDP increased by 6.1% yoy versus 6.6% in 2018, as the economy transitions towards lower, albeit more sustainable, growth rates. Recall that the rebalancing of the Chinese economy remains a key factor for the authorities via: i) boosting consumption; ii) stemming overcapacity in the industrial sector; iii) increasing the share of services in overall activity; iv) achieving less credit-intensive growth; and v) tackling environmental pollution. In that context, a further slowdown is expected for 2020, with the recent easing of trade tensions an important factor for economic activity to avoid a hard landing. In the event, according to the International Monetary Fund (January World Economic Outlook), Chinese GDP growth in 2020 will be 6.0% yoy, while consensus estimates stand at 5.9%.

Equities

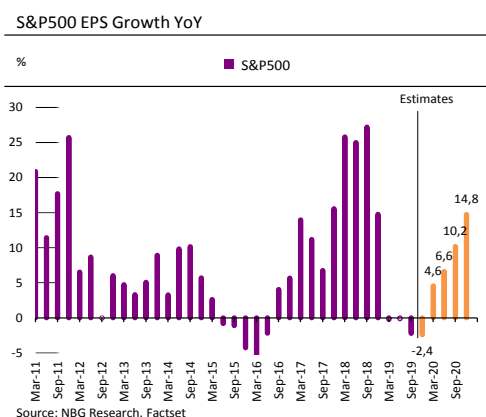
• **Global equity markets rose in the past week due to the US/China Phase 1 trade deal, strong earnings and improving economic data.** Overall, the MSCI AC World index ended the week up by 1.5%, with strong gains in both developed markets (+1.6% wov) and emerging markets (+1.2% wov). In the US, the S&P500 rose by 2% wov, to an all-time high (3330). The Q4:19 earnings season started in the past week, with Banks recording mixed results. Specifically, Citigroup (+2% wov), Morgan Stanley (+10% wov) and JPMorgan (+2% wov) reported better-than-expected EPS (\$2.15, \$1.2 and \$2.57 respectively) and revenue. However, Wells Fargo (-6% wov) reported weaker-than-expected EPS (\$0.60 vs \$1.12), while Bank of America (-0.1% wov) posted net income of \$7bn, 4% lower yoy. Finally, Goldman Sachs (+3% wov) reported EPS below analyst estimates (\$4.69 vs \$5.39), but better-than-expected net revenue (\$9.96 bn. vs \$8.55 bn). While the Fed rate cuts hit banks' net interest margins, global growth stabilization (albeit at a lower level) and the resolution of some trade issues, supported profitability towards year end. Overall, with 9% of S&P500 companies having reported, 73% have exceeded estimates, whereas consensus analyst expectations for EPS growth in Q4:19 stand at -2.4% yoy, from -2.2% yoy in Q3:19. On the other side of the Atlantic, the EuroStoxx rose 0.8% wov, with Utilities (+4.5% wov) and Industrials (+2.1% wov) leading the increase. Autos recorded strong losses (-3.4% wov), after a report indicating that the Trump administration privately threatened auto tariffs on Europe over Iran, and comments by analysts that a surge in December car sales (+7% mom) was helped by one-off factors and is unlikely to be repeated.

Fixed Income

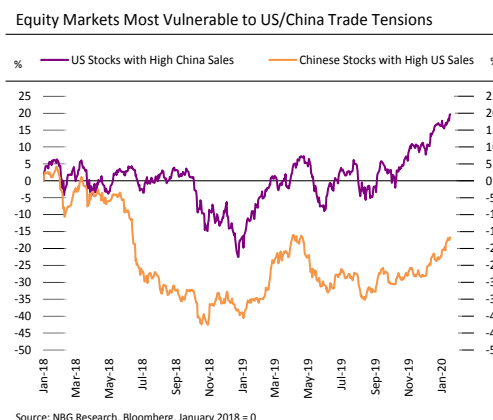
• **Government bond yields were mixed in the past week.** Specifically, in the US, yields declined at the beginning of the week despite the signing of an initial US-China trade deal, but found support on the back of stronger-than-expected retail sales data. Overall, 10-year yields ended the week stable at 1.82% and the 2-year yield declined by 1 bp to 1.56%. In the UK, investors' expectations for a rate cut by the Bank of England led the 10-year yield to decline by 14 bps to 0.63%. Similarly, in Germany the 10-year yield declined by 2 bps to -0.22%. Periphery bond yields in the 10-year tenor rose across the board. Overall, in Italy 10-year bond yield rose by 6 bps to 1.38%, in Spain by 2 bps to 0.46% and in Portugal by 11 bps to 0.50%. Note that Italian bonds have under-performed other periphery government bonds since early November, due to pockets of political uncertainty, albeit remaining circa 90 bps lower compared with the average in H1:2019 (in the 10-year tenor). **Corporate bond spreads declined in the past week, as investors' risk appetite increased.** Indeed, US high yield spreads declined by 9 bps to 339 bps, while their euro area counterparts were down by 8 bps to 301 bps. In the Investment Grade spectrum, both US and Euro area spreads were down by 2 bps at 99 bps and 93 bps, respectively.

FX and Commodities

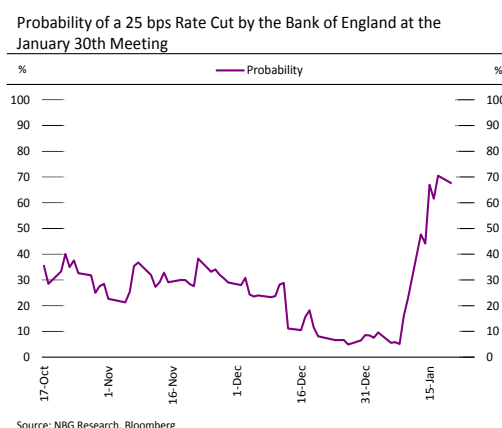
• **In foreign exchange markets, the British Pound exhibited high volatility in the past week due to comments from Bank of England officials in favor of a rate cut on 30/1 and weaker-than-expected retail sales data,** albeit overall the British Pound ended the week broadly stable at €0.852 and \$1.304. The Japanese Yen declined for a second consecutive week (-0.4% against the euro to ¥122.16 and -0.6% against the US dollar to ¥110.17) on the back of reduced "safe-haven" demand. **Finally, in commodities, oil prices ended the week lower as the easing of trade tensions and the decline in US oil inventories was outpaced by worries of increasing production.** Specifically, the International Energy Agency (IEA) expects oil production to outpace demand for crude from the OPEC, even if members comply fully with curbing output. US oil inventories declined by 2.5 million barrels to 429 million barrels for the week ending January 10th. Overall, Brent ended the week down by 0.2% to \$65.2/barrel (-6% from beginning of the year highs) and WTI by 0.8% to \$58.5/barrel (-8% from beginning of the year highs).



Graph 1.



Graph 2.



Graph 3.

Quote of the week: "We have not reached a turning point yet... The reality is that global growth remains sluggish", **IMF Managing Director, Kristalina Georgieva, January 20th, 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 17th	3-month	6-month	12-month	Official Rate (%)	January 17th	3-month	6-month	12-month
Germany	-0,22	-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	0,63	0,83	0,80	0,74	UK	0,75	0,65	0,65	0,60
Japan	0,00	-0,08	-0,04	0,00	Japan	-0,10	-0,10	-0,10	-0,10

Currency	January 17th	3-month	6-month	12-month	January 17th	3-month	6-month	12-month	
EUR/USD	1,11	1,13	1,13	1,15	USD/JPY	110	109	107	104
EUR/GBP	0,85	0,84	0,85	0,85	GBP/USD	1,30	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	1,9	1,9	1,9	1,9
Real GDP Growth (QoQ saar) (2)	-	3,1	2,0	2,1	2,0	-	1,8	1,8	1,9	1,9	-
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	1,5	2,8	3,0	3,0	1,3
Residential	-1,5	-1,1	-2,9	4,6	4,0	-1,7	3,3	2,1	1,4	1,3	2,6
Non-residential	6,4	4,4	-1,0	-2,3	-1,7	2,1	1,1	3,0	3,3	3,3	0,8
Inventories Contribution	0,1	0,5	-1,0	0,0	-0,4	0,1	-0,3	-0,1	-0,1	-0,1	-0,2
Net Exports Contribution	-0,4	0,8	-0,8	-0,2	0,7	-0,3	-0,1	-0,3	-0,3	-0,3	-0,1
Exports	3,0	4,2	-5,7	0,9	0,9	-0,1	1,2	1,8	1,8	1,8	0,9
Imports	4,4	-1,5	0,0	1,8	-3,0	1,3	1,3	3,0	3,0	3,0	1,1
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	Q4:19f	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	0,9	1,1	1,1	1,2	1,1
Real GDP Growth (QoQ saar)	-	1,8	0,7	0,9	0,9	-	1,1	1,2	1,3	1,3	-
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	1,4	1,4
Investment	2,4	1,5	2,4	1,1	0,8	6,9	1,2	1,4	1,7	1,8	2,6
Inventories Contribution	0,0	-0,9	-0,1	-0,4	-0,3	-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	-0,1	-0,1	-0,1	-0,4
Exports	3,3	3,5	0,6	1,7	1,7	2,4	2,0	2,2	2,5	2,6	2,0
Imports	2,7	1,1	11,8	2,6	1,7	4,5	2,2	2,5	2,8	2,9	2,9
Inflation	1,8	1,4	1,4	0,9	1,0	1,2	1,4	1,2	1,3	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

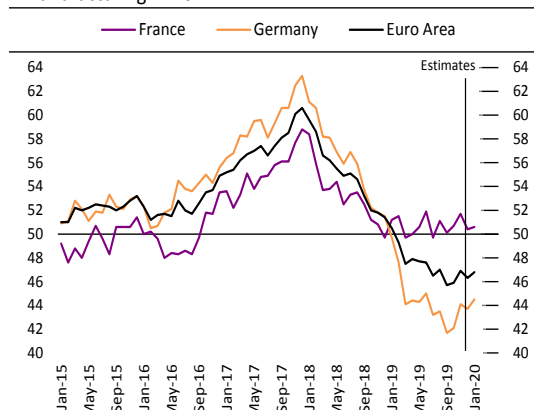
Economic Calendar

In the Euro Area, attention turns to the ECB meeting on Thursday. ECB is expected to leave rates unchanged (0.00% & -0.50%). Meanwhile PMIs for January are released on Friday. Note that in December, euro area manufacturing PMI declined by 0.6 pps to 46.3, remaining below the expansion/contraction threshold of 50 for 11th consecutive months. Regarding the services PMI, the index rose by 0.9 pps to 52.9.

In the UK, PMI manufacturing is released on Friday. Recall that on December the index fell to 47.5, the second weakest level for almost seven-and-a-half years (the PMI stood at 47.4 in August 2019).

Finally, in Japan the BoJ at its monetary policy meeting on Tuesday is likely to stay on hold (-0.10%) with continuation of its easing bias.

Manufacturing PMIs



Source: NBG Research, Bloomberg

Economic News Calendar for the period: January 14 - January 27, 2020

Tuesday 14				Wednesday 15				Thursday 16						
US		S	A	P	US		S	A	P	US		S	A	P
CPI (YoY)	December	2.4%	- 2.3%	2.1%	Empire Manufacturing	January	3.6	+ 4.8	3.3	Retail Sales Advance MoM	December	0.3%	0.3%	0.3%
Core CPI (YoY)	December	2.3%	2.3%	2.3%	UK					Retail sales ex-autos MoM	December	0.5%	+ 0.7%	0.0%
JAPAN					CPI (YoY)	December	1.5%	- 1.3%	1.5%	Initial Jobless Claims (k)	January 11	218	+ 204	214
Eco Watchers Current Survey	December	40.9	- 39.8	39.4	CPI Core (YoY)	December	1.7%	- 1.4%	1.7%	Continuing Claims (k)	January 4	1750	- 1767	1804
Eco Watchers Outlook Survey	December	46.8	- 45.4	45.7	EURO AREA					NAHB housing market confidence index	January	74	+ 75	76
CHINA					Industrial Production (sa, MoM)	November	0.3%	- 0.2%	-0.9%	Net Long-term TIC Flows (\$ bn)	November	..	22.9	32.5
Exports (YoY)	December	2.9%	+ 7.6%	-1.3%	Industrial Production (wda, YoY)	November	-1.0%	- 1.5%	-2.6%	Philadelphia Fed Business Outlook	January	3.8	+ 17.0	2.4
Imports (YoY)	December	9.6%	+ 16.3%	0.8%						CHINA				
										Aggregate Financing (RMB bn)	December	1650.0	+ 2100.0	1993.7
										New Yuan Loans (RMB bn)	December	1200.0	- 1140.0	1388.1
										Money Supply M0 (YoY)	December	5.2%	5.4%	4.8%
										Money Supply M1 (YoY)	December	3.7%	4.4%	3.5%
										Money Supply M2 (YoY)	December	8.3%	8.7%	8.2%
Friday 17				Monday 19										
US		S	A	P			S	A	P			S	A	P
Housing starts (k)	December	1380	+ 1608	1375										
Building permits (k)	December	1460	- 1416	1474										
Industrial Production (MoM)	December	-0.2%	- -0.3%	0.8%										
University of Michigan consumer confidence	January	99.3	- 99.1	99.3										
UK														
Retail sales Ex Auto MoM	December	0.8%	- -0.8%	-0.8%										
CHINA														
Retail sales (YoY)	December	7.9%	+ 8.0%	8.0%										
Industrial production (YoY)	December	5.9%	+ 6.9%	6.2%										
GDP (sa, QoQ)	Q4:19	1.4%	+ 1.5%	1.5%										
GDP (YoY)	Q4:19	6.0%	6.0%	6.0%										
Tuesday 21				Wednesday 22				Thursday 23						
UK		S	A	P	US		S	A	P	US		S	A	P
ILO Unemployment Rate 3Mths	November	3.8%	..	3.8%	Existing Home Sales (mn)	December	5.43	..	5.35	Initial Jobless Claims (k)	January 18	214	..	204
GERMANY										Continuing Claims (k)	January 11	1750	..	1767
ZEW survey current situation	January	-13.5	..	-19.9						JAPAN				
ZEW survey expectations	January	15.0	..	10.7						Exports YoY	December	-4.2%	..	-7.9%
JAPAN										Imports YoY	December	-3.1%	..	-15.7%
Bank of Japan announces its intervention rate	January 21	-0.10%	..	-0.10%						EURO AREA				
										ECB announces its intervention rate	January 23	0.00%	..	0.00%
										ECB announces its deposit facility rate	January 23	-0.50%	..	-0.50%
										Consumer Confidence Indicator	January	-7.8	..	-8.1
Friday 24				Monday 27										
US		S	A	P	EURO AREA		S	A	P	US		S	A	P
Markit US Manufacturing PMI	January	52.5	..	52.4	Markit Eurozone Manufacturing PMI	January	46.8	..	46.3	New Home Sales (k)	December	..	..	719
JAPAN					Markit Eurozone Services PMI	January	52.8	..	52.8	GERMANY				
Core CPI (YoY) - ex. Fresh Food	December	0.7%	..	0.5%	Markit Eurozone Composite PMI	January	51.2	..	50.9	IFO- Business Climate Indicator	January	..	..	96.3
Core CPI (YoY) - ex. Fresh Food and Energy	December	0.9%	..	0.8%						IFO- Expectations	January	..	..	93.8
CPI (YoY)	December	0.7%	..	0.5%						IFO- Current Assessment	January	..	..	98.8
PMI manufacturing	January	..	..	48.4						Retail sales (MoM)	December	..	..	1.5%
UK										Retail sales (YoY)	December	..	..	2.7%
Markit UK PMI Manufacturing SA	January	48.8	..	47.5										

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	3330	2,0	3,1	26,3	18,8	MSCI Emerging Markets	63411	1,4	3,2	14,3	-0,6
Japan	NIKKEI 225	24041	0,8	1,6	17,8	0,7	MSCI Asia	944	1,3	3,4	16,4	-2,5
UK	FTSE 100	7675	1,1	1,8	12,3	-0,7	China	90	1,4	4,8	19,9	-7,0
Canada	S&P/TSX	17559	1,9	2,9	15,4	7,5	Korea	719	2,3	4,0	14,3	-6,0
Hong Kong	Hang Seng	29056	1,5	3,1	8,6	-9,2	MSCI Latin America	103036	2,1	2,9	11,1	14,9
Euro area	EuroStoxx	412	0,8	2,0	21,4	3,3	Brazil	373825	2,4	2,1	19,3	36,7
Germany	DAX 30	13526	0,3	2,1	23,9	2,6	Mexico	42332	2,7	5,5	3,8	-9,8
France	CAC 40	6101	1,1	2,1	27,2	11,0	MSCI Europe	6599	1,4	3,5	19,2	15,3
Italy	FTSE/MIB	24141	0,5	2,7	24,0	2,7	Russia	1427	2,0	4,8	29,1	37,2
Spain	IBEX-35	9681	1,1	1,4	8,7	-7,6	Turkey	1593338	1,8	6,0	18,3	-0,2

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	195,5	-0,8	-0,7	-0,7	-17,1	Energy	201,3	-0,8	-0,1	-0,6	-14,4
Materials	270,2	1,7	-0,7	14,2	-8,0	Materials	260,8	1,8	0,1	15,1	-3,6
Industrials	283,3	1,6	2,5	21,9	2,5	Industrials	281,7	1,7	3,1	22,5	5,2
Consumer Discretionary	283,8	1,1	2,0	20,2	12,0	Consumer Discretionary	275,1	1,2	2,5	20,8	13,9
Consumer Staples	254,8	1,9	1,5	20,0	6,0	Consumer Staples	256,6	1,9	2,0	20,3	9,1
Healthcare	286,2	1,6	2,5	20,4	19,8	Healthcare	283,6	1,6	2,9	20,5	21,8
Financials	126,4	0,7	0,5	14,9	-5,6	Financials	127,3	0,7	1,0	15,4	-2,4
IT	328,2	2,6	5,6	48,3	39,7	IT	318,6	2,7	5,7	48,6	40,6
Telecoms	80,5	1,8	4,0	23,1	13,7	Telecoms	84,3	1,9	4,3	23,4	17,4
Utilities	154,9	3,6	3,1	20,6	23,3	Utilities	159,6	3,7	3,6	21,3	26,9

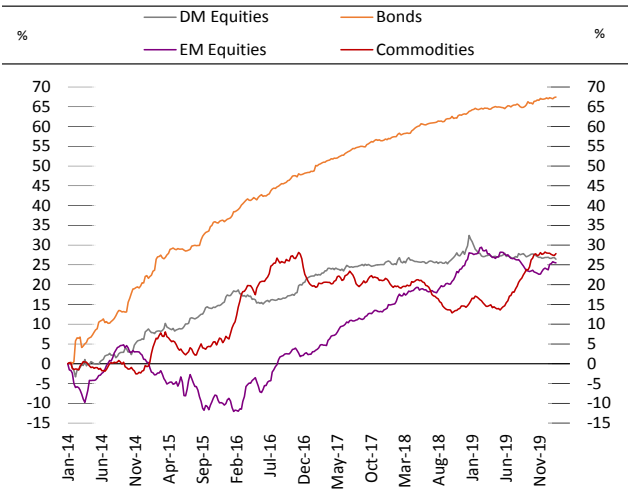
Bond Markets (%)

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	1,82	1,92	2,75	2,39	US Treasuries 10Y/2Y	26	25	35	19	143
Germany	-0,22	-0,20	-0,19	0,24	1,10	US Treasuries 10Y/5Y	20	19	23	18	75
Japan	0,00	0,00	-0,01	0,01	0,47	Bunds 10Y/2Y	37	40	42	83	118
UK	0,63	0,77	0,82	1,34	1,96	Bunds 10Y/5Y	30	31	29	60	74
Greece	1,42	1,36	1,47	4,22	9,97	Corporate Bond Spreads (in bps)					
Ireland	0,06	0,06	0,12	1,00	3,44	EM Inv. Grade (IG)	145	148	150	194	212
Italy	1,37	1,32	1,41	2,76	3,16	EM High yield	459	471	494	528	644
Spain	0,46	0,44	0,47	1,36	2,95	US IG	99	101	101	150	150
Portugal	0,50	0,39	0,44	1,76	4,72	US High yield	339	348	360	440	499
US Mortgage Market (1. Fixed-rate Mortgage)						Euro area IG	93	95	94	155	140
30-Year FRM¹ (%)	3,9	3,9	4,0	4,7	4,2	Euro area High Yield	301	309	308	470	485
vs 30Yr Treasury (bps)	159	159	156	167	117						

Foreign Exchange & Commodities

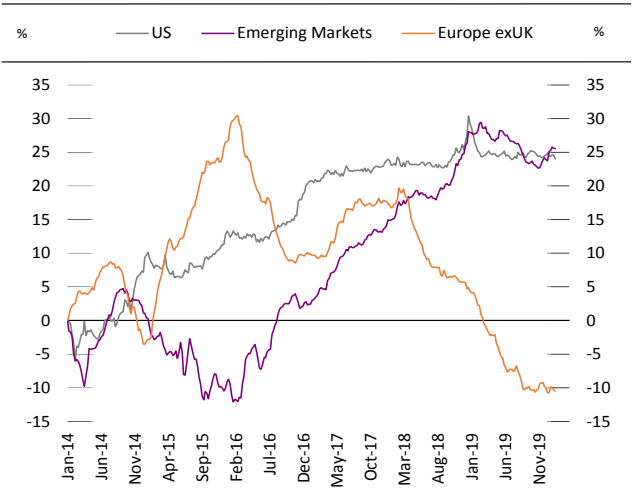
Foreign Exchange					Commodities						
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates											
EUR/USD	1,11	-0,3	-0,2	-2,6	-1,1	Agricultural	351	0,4	2,1	-1,9	0,8
EUR/CHF	1,07	-0,7	-1,5	-5,2	-1,1	Energy	478	-1,4	-3,5	9,8	-4,0
EUR/GBP	0,85	0,1	0,3	-2,8	0,8	West Texas Oil (\$)	59	-0,8	-3,9	12,4	-4,1
EUR/JPY	122,16	0,4	0,3	-1,8	0,4	Crude brent Oil (\$)	65	-0,2	-3,9	7,7	-1,9
EUR/NOK	9,88	0,0	-1,3	1,4	0,4	Industrial Metals	1234	0,7	1,9	2,6	1,2
EUR/SEK	10,59	0,2	1,1	3,1	0,8	Precious Metals	1831	0,0	5,7	19,3	2,4
EUR/AUD	1,61	0,0	-0,7	1,7	0,8	Gold (\$)	1557	-0,3	5,5	20,5	2,6
EUR/CAD	1,45	-0,1	-0,6	-4,2	-0,5	Silver (\$)	18	-0,5	5,9	16,1	1,0
USD-based cross rates											
USD/CAD	1,31	0,1	-0,4	-1,6	0,6	Baltic Dry Index	754	-2,6	-38,2	-30,0	-30,8
USD/AUD	1,45	0,4	-0,3	4,6	2,0	Baltic Dirty Tanker Index	1241	-15,8	-19,7	39,3	-22,3
USD/JPY	110,17	0,6	0,6	0,8	1,4						

Global Cross Asset ETFs: Flows as % of AUM



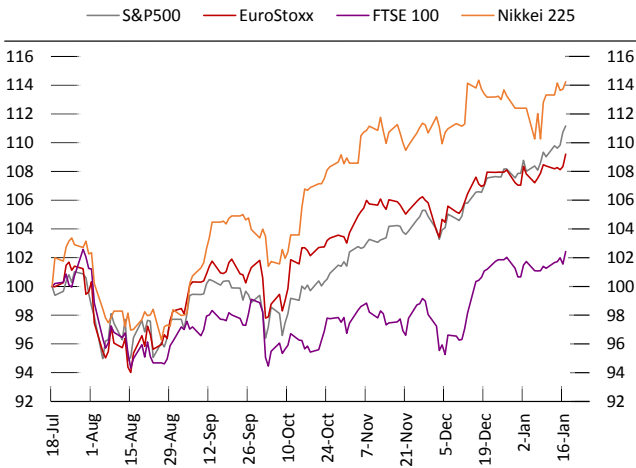
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of January 17th

Equity ETFs: Flows as % of AUM



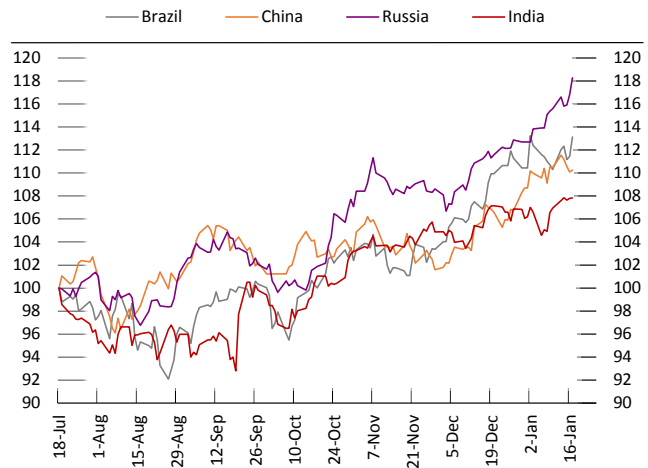
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of January 17th

Equity Market Performance - G4



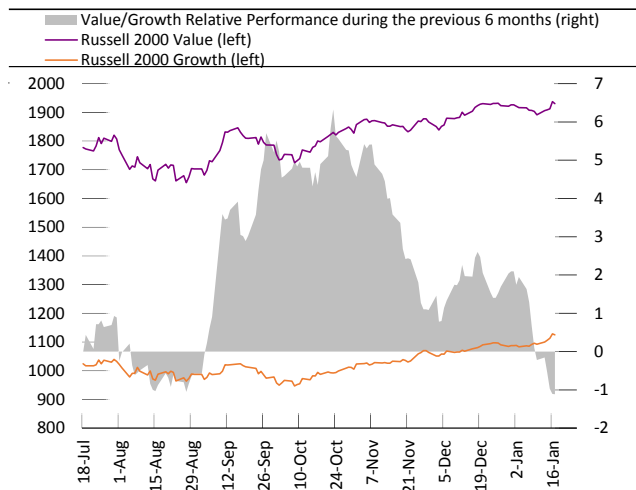
Source: Bloomberg - Data as of January 17th - Rebased @ 100

Equity Market Performance - BRICs



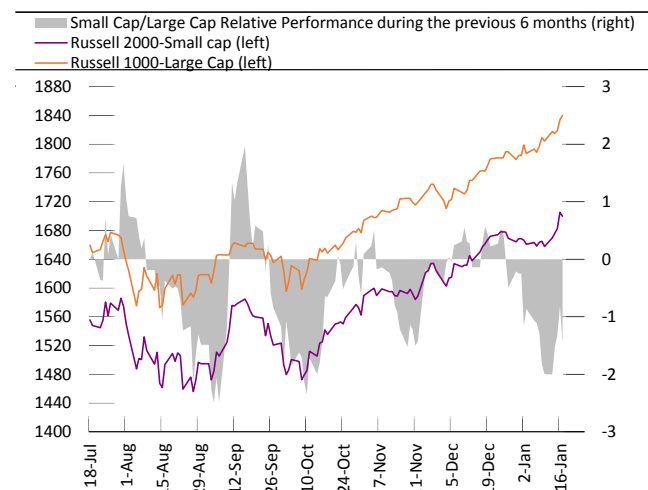
Source: Bloomberg - Data as of January 17th - Rebased @ 100

Russell 2000 Value & Growth Index



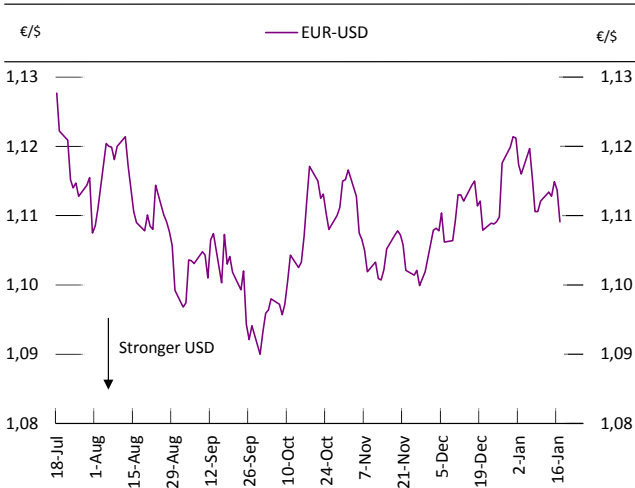
Source: Bloomberg, Data as of January 17th

Russell 2000 & Russell 1000 Index



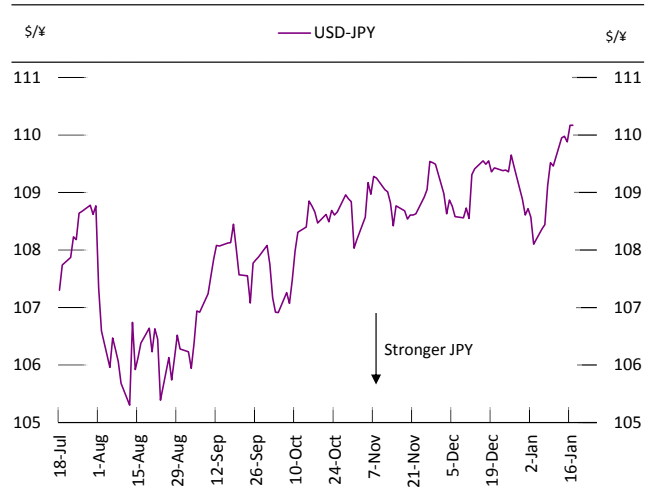
Source: Bloomberg, Data as of January 17th

EUR/USD



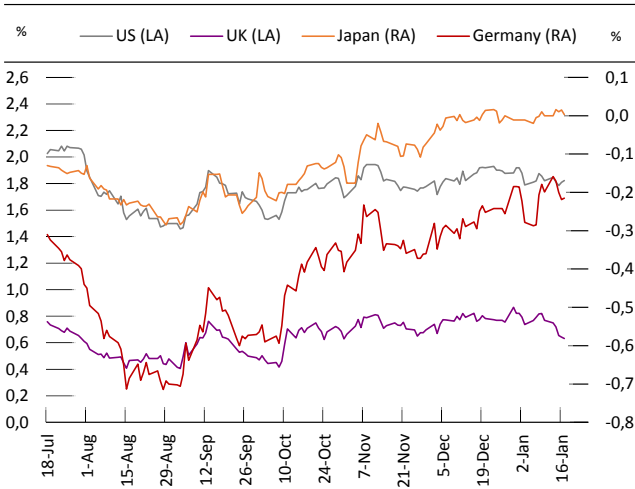
Source: Bloomberg, Data as of January 17th

JPY/USD



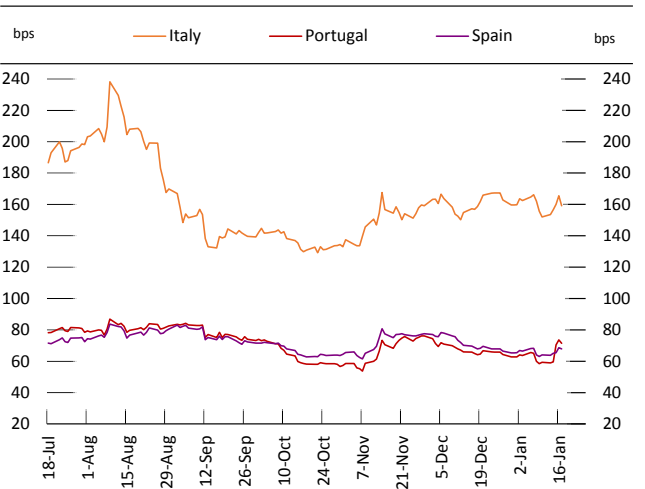
Source: Bloomberg, Data as of January 17th

10- Year Government Bond Yields



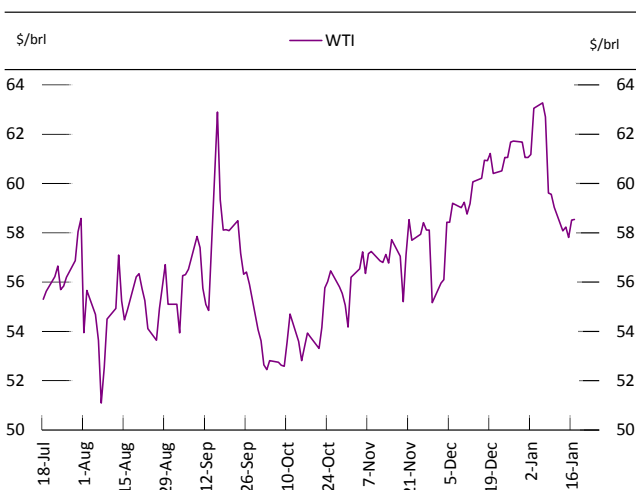
Source: Bloomberg - Data as of January 17th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



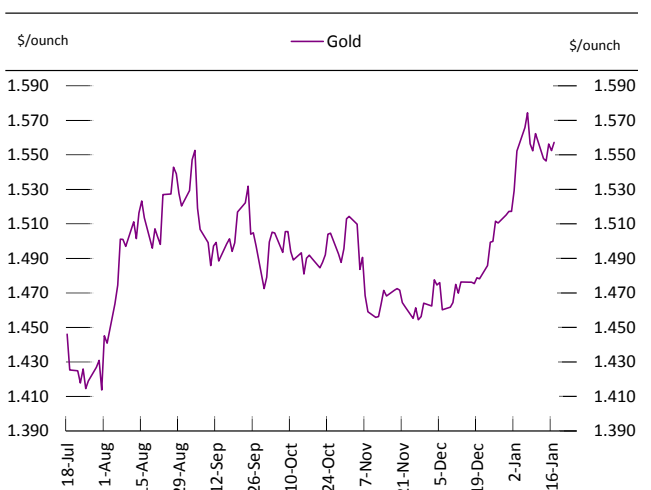
Source: Bloomberg - Data as of January 17th

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of January 17th

Gold (\$/ounce)



Source: Bloomberg, Data as of January 17th

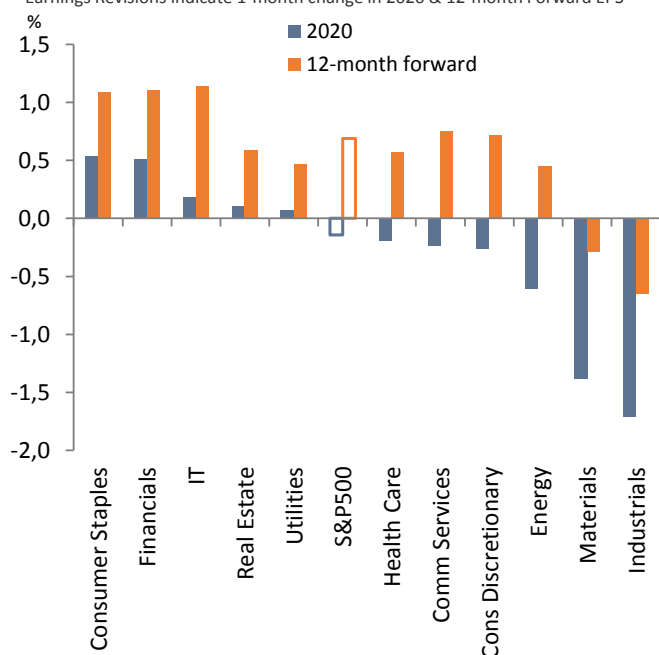
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	17/1/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3330	2,0	1,2	9,7	1,8	1,9	20,2	18,8	18,7	15,0	3,6	3,5	3,5	2,5
Energy	449	-1,1	-28,9	22,7	3,8	4,2	21,7	17,5	17,5	19,7	1,6	1,5	1,5	1,8
Materials	384	2,7	-15,6	12,7	2,1	2,2	20,2	18,4	18,3	14,7	2,4	2,4	2,4	2,5
Financials														
Diversified Financials	769	2,3	1,7	6,5	1,4	1,5	16,2	15,6	15,5	13,8	1,9	1,8	1,8	1,5
Banks	371	-0,3	9,0	3,8	2,6	2,9	12,3	11,8	11,8	11,1	1,4	1,3	1,3	1,0
Insurance	450	2,1	15,7	7,9	2,2	2,3	13,4	12,7	12,6	10,8	1,5	1,4	1,4	1,1
Real Estate	246	2,5	1,9	5,8	3,1	3,2	21,0	20,3	20,3	18,3	3,7	3,8	3,9	3,0
Industrials														
Capital Goods	750	1,5	-6,5	17,8	1,9	1,9	21,1	18,2	18,1	15,5	5,5	4,8	4,8	3,4
Transportation	812	3,4	6,6	5,5	1,9	1,9	14,7	14,4	14,3	13,6	4,3	4,0	4,0	3,4
Commercial Services	365	2,5	12,8	8,7	1,3	1,3	28,5	26,9	26,8	19,8	5,9	5,8	5,7	3,4
Consumer Discretionary														
Retailing	2481	0,1	3,8	12,0	0,8	0,8	32,9	29,4	29,2	21,0	12,7	10,9	10,9	6,1
Media	697	2,7	3,6	17,1	0,4	0,4	27,5	24,1	24,0	20,0	4,2	3,8	3,8	3,2
Consumer Services	1369	3,2	5,0	10,6	2,1	2,2	23,9	22,3	22,2	19,2	14,8	14,3	14,3	6,3
Consumer Durables	381	3,3	0,4	10,1	1,4	1,5	19,2	18,0	17,9	16,8	4,0	3,7	3,7	3,2
Automobiles and parts	116	1,3	-16,4	18,7	4,2	4,1	8,5	7,3	7,3	8,4	1,4	1,3	1,3	1,7
IT														
Technology	1702	2,7	2,7	9,5	1,3	1,4	21,6	20,3	20,2	12,6	9,7	10,0	10,0	3,6
Software & Services	2444	3,3	11,2	12,5	1,0	1,0	29,2	26,8	26,6	17,1	7,9	7,5	7,5	5,1
Semiconductors	1279	2,4	-12,3	5,0	1,8	1,9	18,9	18,4	18,3	13,9	5,5	5,3	5,2	3,1
Communication Services	191	2,4	2,9	12,0	1,2	1,2	21,8	19,9	19,8	17,3	3,5	3,2	3,2	2,8
Consumer Staples														
Food & Staples Retailing	490	0,0	2,9	4,6	1,7	1,8	21,5	20,6	20,5	16,0	4,6	4,3	4,3	3,1
Food Beverage & Tobacco	730	2,5	-1,7	6,3	3,3	3,3	19,7	19,0	18,9	17,4	5,3	5,1	5,1	4,9
Household Goods	761	2,3	6,6	7,2	2,3	2,4	25,8	24,6	24,5	19,1	8,9	8,9	8,9	5,0
Health Care														
Pharmaceuticals	1007	1,6	9,3	8,2	2,1	2,3	16,0	15,0	14,9	14,4	5,5	4,6	4,6	3,4
Healthcare Equipment	1418	1,7	10,3	9,5	1,0	1,1	20,4	18,9	18,8	15,1	3,7	3,4	3,4	2,6
Utilities	339	3,8	4,9	4,8	3,1	3,1	20,7	20,5	20,5	15,6	2,2	2,2	2,2	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

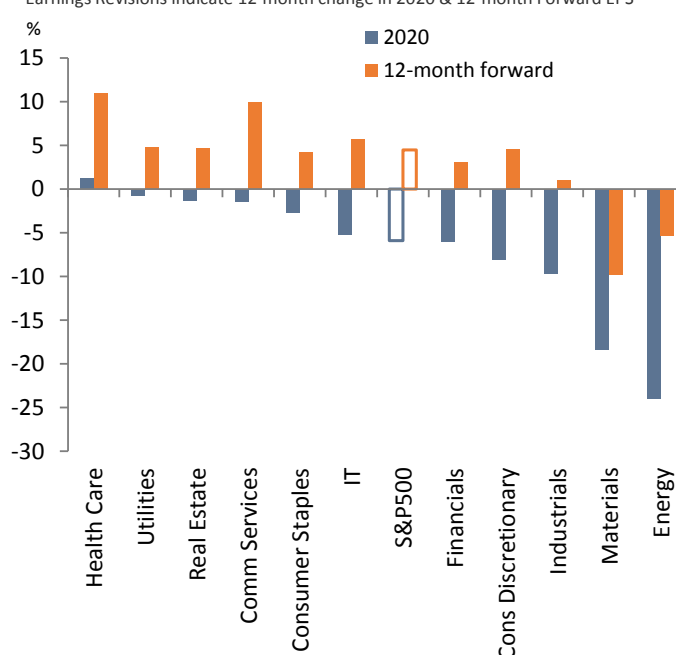
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of January 17th
12-month forward EPS are 95% of 2020 EPS and 5% 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 17th
12-month forward EPS are 95% of 2020 EPS and 5% of 2021 EPS

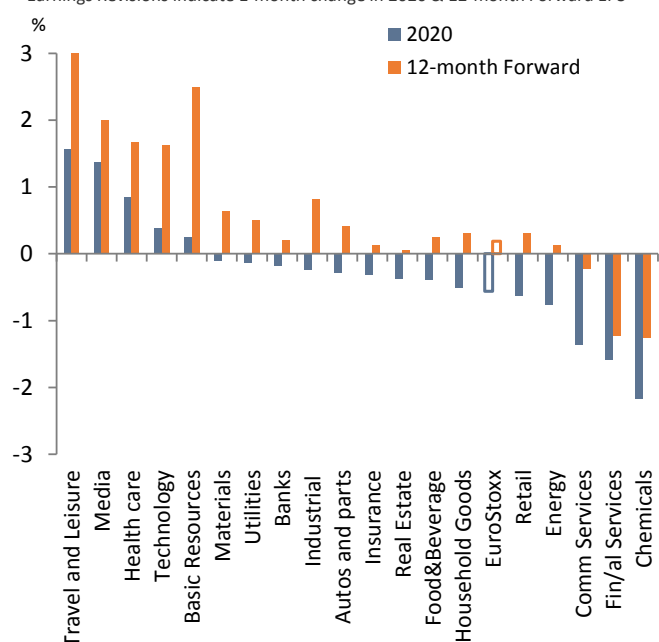
Euro Area Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	17/1/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	412	0,8	2,6	8,2	3,1	3,2	16,7	15,6	15,5	13,2	1,7	1,7	1,7	1,4
Energy	328	-1,7	-10,1	16,8	4,9	5,2	13,8	11,6	11,6	11,4	1,3	1,2	1,2	1,2
Materials	492	1,4	13,9	8,4	3,1	3,3	15,4	14,4	14,3	14,1	1,9	1,8	1,8	1,4
Basic Resources	194	-1,9	-61,6	49,0	3,3	3,4	19,3	12,7	12,6	13,6	0,8	0,8	0,8	0,9
Chemicals	1161	0,2	-12,7	9,2	2,6	2,8	21,8	20,0	19,9	15,0	2,1	2,0	2,0	2,2
Financials														
Fin/al Services	523	1,9	25,4	-6,0	2,4	2,5	15,8	17,1	17,0	14,1	1,7	1,6	1,6	1,3
Banks	96	-1,8	-1,6	3,7	5,7	5,9	9,3	8,8	8,8	10,0	0,6	0,6	0,6	0,7
Insurance	303	-0,8	13,0	5,5	4,8	5,2	11,0	10,3	10,3	9,2	1,0	1,0	1,0	0,9
Real Estate	250	2,0	0,1	4,5	4,2	4,3	19,1	18,6	18,6	16,7	1,0	1,0	1,0	1,0
Industrial	971	2,1	11,4	12,2	2,3	2,5	20,3	18,4	18,3	15,1	3,2	3,0	3,0	2,3
Consumer Discretionary														
Media	226	-0,1	9,5	9,3	3,3	3,5	17,2	15,7	15,6	15,7	2,3	2,2	2,2	2,0
Retail	614	1,8	3,4	10,5	2,5	2,8	25,0	23,0	22,9	18,6	3,9	3,7	3,7	2,8
Automobiles and parts	479	-3,4	-11,4	7,9	3,7	4,0	8,7	7,8	7,8	8,7	0,9	0,8	0,8	1,0
Travel and Leisure	211	-1,9	-4,8	24,6	2,0	2,1	15,7	12,4	12,3	16,0	1,9	1,7	1,7	1,8
Technology	638	1,7	6,3	11,0	1,2	1,0	26,5	24,3	24,2	18,1	4,2	4,0	3,9	3,0
Communication Services	292	0,1	-14,2	19,2	4,2	4,4	17,5	14,7	14,6	14,0	1,9	1,8	1,8	1,8
Consumer Staples														
Food&Beverage	615	2,2	16,8	5,2	2,1	2,2	20,5	19,9	19,8	18,4	2,7	2,5	2,5	2,6
Household Goods	1118	2,6	6,9	10,8	1,6	1,7	29,6	27,4	27,3	20,6	6,1	5,7	5,6	3,7
Health care	901	0,2	7,3	9,4	2,1	2,2	20,1	18,4	18,3	15,0	2,4	2,3	2,3	2,1
Utilities	367	4,5	56,2	8,0	4,5	4,6	16,1	15,6	15,6	12,6	1,6	1,6	1,6	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

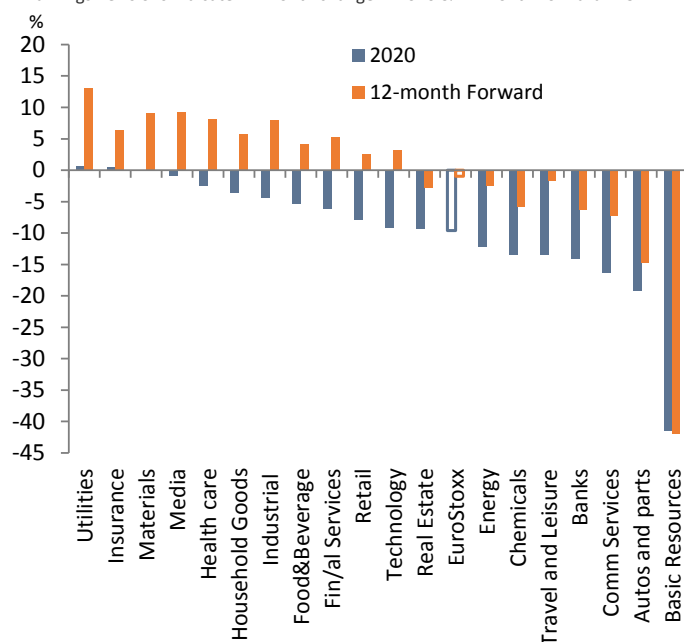
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of January 17th
12-month forward EPS are 95% of 2020 EPS and 5% 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 17th
12-month forward EPS are 95% of 2020 EPS and 5% of 2021 EPS

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