



Central banks are set to spend Q2:2021 maintaining their ultra-accommodative stance

- US equity markets consolidated near all-time highs in the past week, with a dovish Fed and positive corporate earnings revisions, providing support. The Eurostoxx reached pre-pandemic levels (424), lagging US markets by seven months, albeit pockets of vulnerability (Turkey, China) and renewed lockdowns (Germany) trimmed risk appetite.
- Policy commitment to retain interest rates at near zero for long despite improving growth and inflation prospects, has sent long-end US nominal government bond yields higher. Indeed, 30-Year and 10-Year UST yields have increased by 25 bps (2.40%) and 29 bps (1.70%), respectively, in March. As a result, the 10/2s curve has steepened to its highest level since 2015 (see graph page 3).
- The Federal Reserve (March 17th) stood pat, as expected, with the target range for the federal funds rate at 0-0.25%. The median projected appropriate policy path from FOMC participants, despite the upgraded outlook for GDP and inflation, continued to point to no increase in the federal funds rate up to the end of 2023, even with a lesser unanimity among participants.
- Real GDP growth forecasts for Q4:2021 were revised higher compared with three months ago, to +6.5% yoy from +4.2% yoy, in view of solid fiscal support (\$2.8 tn or 13% of 2019 GDP cumulatively since December 2020) and a robust pace in the rollout of inoculations against Covid-19.
- At the same time, the median forecast for the unemployment rate in Q4:2021 (on average) was revised down from 5% to 4.5%, while the respective projection for PCE inflation inched higher to 2.4% yoy from 1.8% yoy three months ago (2.2% yoy for core PCE inflation from 1.8% yoy).
- The overall dovishness was complemented by the Fed Chair Powell, citing that it is not yet the time for discussions on when to taper asset purchases of circa \$120 billion per month, while also underpinning the transitory nature of the anticipated pickup in inflation in coming months.
- On the other side of the Atlantic, the European Central Bank expects a "significantly higher" pace of purchases under the PEPP over Q2:2021, albeit the total envelope will remain unchanged at €1.85 trillion until March 2022 (utilization of €914 bn as of March 19th). According to ECB data, PEPP purchases accelerated significantly in the past week (see graph below).
- That development comes against the backdrop of the rise in euro swap interest rates and sovereign bond yields in longer-term tenors since the start of the year, rather reflecting prospects of a stronger global --than euro area-- economic recovery (see graph page 3).
- The Bank of England (March 18th) refrained from hinting at any alteration in the monetary policy, at least in the near future (Bank Rate: 0.1% | QE envelope of £895 bn, utilization of £785 bn as of March 17th). The BoE acknowledged the improvement in the short-term economic outlook, albeit shying away from suggesting changes in its medium-term outlook.
- Finally, the Bank of Japan (March 19th) made only minor changes to its policy settings, allowing for a somewhat increased flexibility. Regarding the 0% target for the 10-year Japanese Government bond yield, the BoJ set a band of $\pm 0.25\%$, instead of $\pm 0.20\%$ (short-term policy rate: -0.1%).

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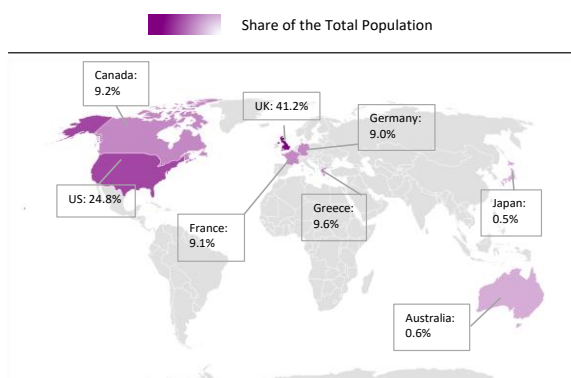
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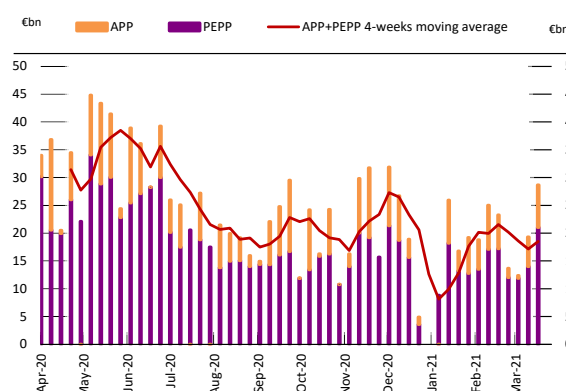
Charts of the week

Percent of Population with first dose of Covid-19 Vaccine



Source: NBG Research, ourworldindata.org, Data as of March 22nd for US, Canada, Greece & Japan, March 21st for UK, Germany & France, March 13th for Australia

European Central Bank: Weekly Purchases of PEPP & APP



Source: NBG Research, ECB, Data as of March 19th

US headline inflation accelerated in February

- **The annual pace of growth of the headline CPI accelerated significantly in February, as expected, albeit the respective trend for the core index, modestly decelerated.** Specifically, the headline inflation came out at +1.7% yoy, compared with +1.4% yoy in January, in line with consensus estimates. The acceleration was solely due to the energy index, which came out at +2.4% yoy, from -3.6% yoy in the previous month, due to higher oil prices. At the same time, the respective trend for the food index, decelerated by 0.2 pps to +3.6% yoy. More importantly, core CPI (i.e. CPI excluding food & energy) posted a modest increase, by 0.1% on a monthly basis. As a result, core CPI's annual pace of growth slightly decelerated, by 0.1 pp to +1.3% yoy in February, versus consensus estimates for an unchanged outcome.

Overall, some travel-related components continued to weigh on the headline index, in view of the pandemic, with prices of lodging away from home including hotels and motels being down by 17.2% yoy in February and airline fares by 25.6% yoy (the weight of these components on the headline index are 0.7% and 0.6%, respectively). In addition, apparel prices also continue to underperform (-3.6% yoy | weight of 2.7%). Finally, note that the annual growth of both the PCE deflator (the Fed's preferred measure for gauging inflationary pressures) and the core figure, stood at +1.5% yoy in January. **According to the Federal Reserve Bank of Cleveland's Inflation Nowcasting model, the headline PCE's growth is expected at +1.6% yoy in February and the respective pace for the core index at +1.5% yoy.**

US retail sales are volatile in the first months of 2021

Consumers partly scaled back their purchases during February, following January's surge which was induced by sizable fiscal stimulus. Specifically, in value terms, retail sales were down by 3.0% mom, after rising by +7.6% mom in January. Although the latest outcome undershot by a wide margin consensus estimates for -0.5% mom, it should be noted that the January reading was revised upward by 2.3 pps.

Recall that the exceptional performance in January, was boosted by the \$900 bn (4.2% of 2019 GDP) fiscal stimulus bill, which was approved in December. Regarding the annual pace of growth for retail sales, it came out at +6.3% in February, from +9.5% yoy in the previous month.

Note that, contrary to the respective trend for retail sales, which mainly include sales of goods, the annual growth of overall personal consumption was still in negative territory in January at -0.4% yoy in nominal terms (+2.4% mom), as it also includes expenditures for services (with a total weight of circa ⅔ of overall private consumption) which are relatively more heavily weighed down by the pandemic, especially expenditures on transportation, recreation, accommodation, education and personal care.

In the event, the annual growth of personal spending in services, in nominal terms, stood at -5.3% in January (+0.7% mom). The annual growth of personal spending in goods, in nominal terms, stood at +10.4% in January (+5.8% mom).

Data for February are due on March 26th, with consensus estimates for -0.4% mom for overall personal spending (in nominal terms), suggesting an annual pace of -0.8%.

ECB's medium term GDP projections were little changed, while elevated CPI volatility is anticipated

- **According to the quarterly ECB staff's macroeconomic projections, the medium-term GDP profile was little changed compared with the estimates in December, while inflation is anticipated to demonstrate higher volatility than previously assumed.** Specifically, a less favorable outlook for GDP in H1:2021 took hold, due to stricter and longer in duration (compared with the previous expectations in December) pandemic-related restrictions. In the event, GDP is expected to decline by 0.4% qoq in Q1:21 (instead of a rise by +0.6%) and to increase by 1.3% qoq in Q2:21 (instead of +1.7%). However, the aforementioned deterioration in the short-term outlook, is offset by a more benign view for H2:2021, due to a swifter resolution of the health crisis, on the back of an acceleration of vaccinations in the next months. As a result, the anticipated GDP's path in the medium term, was little changed compared with the previous estimates in December. Indeed, the estimate for real GDP growth in 2021, came out at +4.0% yoy (from +3.9% in December), +4.1% yoy in 2022 (instead of +4.2% yoy) and +2.1% in 2023 (unchanged compared with December). Notably, the return of GDP to pre-pandemic (Q4:19) levels was slightly brought forward compared with the previous estimates in December, to Q2:2022 instead of Q3:2022. That development is mainly due to a much better performance in Q4:20 than previously assumed (actual outcome of -0.7% qoq versus ECB expectations in December for -2.2% qoq).

Recall that the ECB staff's baseline scenario, incorporates fiscal stimulus measures of c. 3.25% of GDP in 2021, mainly in response to the pandemic (from c. 4.25% of GDP in 2020). The prolongation of a part of such measures, alongside the "Next Generation EU" (NGEU) recovery fund (ECB's staff incorporated in their estimates, respective funds amounting to c. 0.5% of GDP in each year from 2021 to 2023), suggest fiscal stimulus measures of c. 1.5% of GDP, on average, in 2022 – 2023. Finally, note that the recently approved \$1.9 tn fiscal package in the US (and the respective positive spillovers to the euro area, especially for the economies with close trade ties with the US), is not incorporated in the aforementioned projections for GDP, representing an upside risk. Indeed, according to ECB's staff, the positive impact of the latest US fiscal stimulus on euro area GDP, could reach 0.3% over the projection horizon, of which 0.2% in 2022.

- Meanwhile, the projection for 2021 inflation was significantly revised up (compared with December), by 0.5 pps to +1.5% yoy, mostly due to higher assumptions for oil prices. Thereafter, the projections were little changed, +0.1 pp to +1.2% yoy for 2022 and stable at +1.4% yoy for 2023, still well below the target of "below, but close to, 2%" and thus, supporting the view for maintaining an ultra-accommodative monetary policy stance in the next years. Core CPI inflation estimates were modestly up, by 0.2 pps in 2021 to +1% yoy and by 0.1 pp in each year from 2022 to 2023, to +1.1% yoy and +1.3% yoy, respectively. Recall that, as also noted by the ECB, elevated volatility is expected in the course of 2021 and 2022, albeit related in part to temporary (technical) factors, namely changes in the CPI basket weights (reflecting changed consumption patterns in the context of the pandemic) and impacts from pandemic-related policies regarding indirect taxes. As a result, a trough in HICP inflation excluding energy and food is expected in the summer of 2021, followed by a strong pick-up in Q4:21

Equities

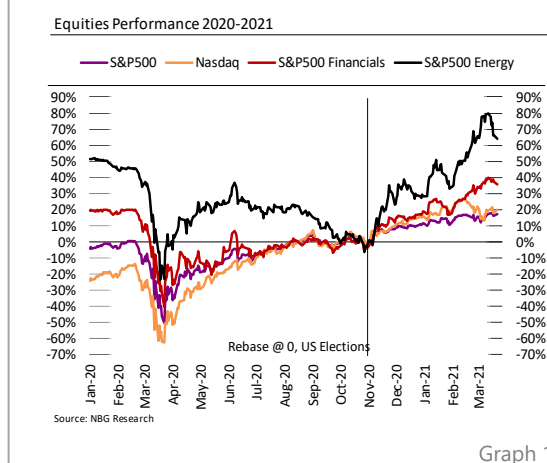
- Global equity markets were mixed in the past week, with central banks being broadly dovish and pandemic developments deteriorating in the euro area.** Overall, the MSCI ACWI ended the week down by 0.5%, with Emerging Markets (-0.8% wov) slightly underperforming their Developed Markets peers (-0.4% wov). The S&P500 fell by 0.8% wov, with a decline of 1.5% on Thursday when the US Treasury 10-year yield rose to a 14-month high, putting downward pressure on the expected excess return of equities over bonds. Concerns over a possible increase in the corporate tax rates to fund the prospective fiscal bill which will focus on infrastructure, also weighed. Previously, the index had recorded a new all-time high of 3974 on Wednesday, following the positive revision of Fed’s projections for the country’s economic growth. Sector-wise, Energy led the decline (-7.7% wov), due to a significant fall in oil prices. On the contrary, Communication Services rose by 0.5% wov, with Facebook overperforming (+8.1%), after its CEO played down concerns about possible effects from Apple’s privacy policy changes. Banks ended the week down by 0.9%, after declining by 1.6% on Friday, following the Fed’s announcement that it would not extend a temporary bank leverage exemption after end-March. However, the trend reversed on Monday, following the decline in yields, with the S&P500 rising by 0.7%, and IT sector overperforming (+1.9%). On the other side of the Atlantic, the EuroStoxx ended the week broadly stable, with Autos overperforming (+5.3% wov) and Energy underperforming (-4.4% wov). In China, the CSI 300 fell by 2.7% wov, with most of the decline occurring on Friday (-2.6%), due to the escalation of Sino-US tensions during the Alaska Summit.

Fixed Income

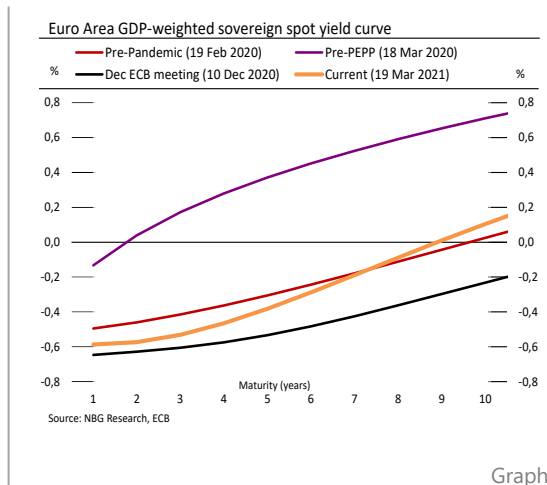
- Government bond yields in the US Treasury 10-year tenor increased by 10 bps wov to 1.72%, rising for an 8th consecutive week and reaching its highest level since January 2020, with its 30-year tenor peer ending the week up by 5 bps wov to 2.43%, posting a 19-month high.** Investors’ expectations for higher inflation (with the 10-year breakeven inflation rate increasing by 5 bps wov to 2.32%, recording its highest level since January 2014), as well as for higher growth, contributed to the upside. On Wednesday, the Fed revised upward its projections for economic growth and inflation, while yields were also supported by the significant increase of the Philadelphia Fed’s business activity index, which rose to 51.8 in March from 23.1 in the previous month, its highest reading since 1973. In the UK, the 10-year yield increased by 2 bps wov to 0.84%. Similarly, in Germany, the 10-year yield rose by 1 bp to -0.28%. Periphery bond yields ended the week modestly up (Italy: +2 bps to 0.68%, Spain: +2 bps to 0.35%, Portugal: +3 bps to 0.27%, Greece: +10 bps to 0.92%, with the country successfully completing a 30-year bond issue (for the first time since 2007)). **Corporate bond spreads widened in the HY spectrum.** Indeed, EUR HY bond spreads increased by 6 bps to 319 bps and their US counterparts widened by 12 bps to 367 bps. In the investment grade spectrum, EUR spreads rose by 2 bps to 91 bps while USD spreads declined by 2 bps to 100 bps.

FX and Commodities

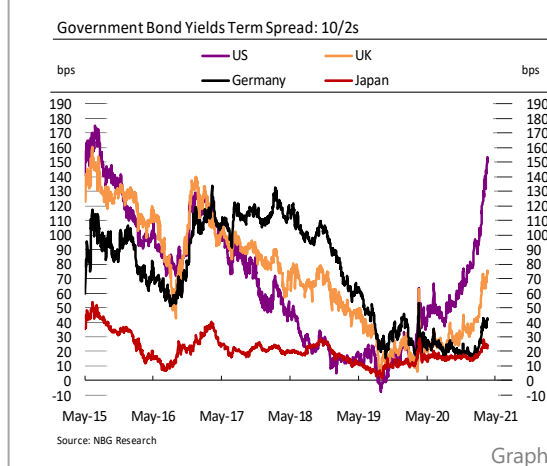
- The euro depreciated in the past week, weighed down by the surge of Covid-19 cases in the continent, the slow pace of vaccinations, as well as extensions of lockdown measures.** Moreover, the widening in government bond yield spreads in favor of peers, contributed to the downside. Overall, the euro declined by 0.2% against the US Dollar to \$1.191 and by 0.4% against the Japanese Yen to ¥129.64. **Finally, in commodities, oil prices ended the week lower,** due to the larger-than-expected increase in US crude oil inventories, by 2.4 million barrels to 501 million barrels for the week ending March 12th, its highest level since December 11th 2020. Furthermore, the International Energy Agency’s projections that global oil demand would not reach its pre-pandemic levels before 2023, weighed on sentiment. Overall, Brent ended the week down by 6.8% to \$64.5/barrel and the WTI declined by 6.4% to \$61.4/barrel.



Graph 1.



Graph 2.



Graph 3.

Quote of the week: “I don’t want to get into trying to put a pin on the calendar (regarding tapering) someplace, because it’s going to be data dependent. When we see ourselves on track to make substantial further progress, we’re going to say so.”, **Fed Chair, Jerome Powell, March 17th 2021.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	March 19th	3-month	6-month	12-month	Official Rate (%)	March 19th	3-month	6-month	12-month
Germany	-0.28	-0.30	-0.20	-0.10	Euro area	0.00	0.00	0.00	0.00
US	1.72	1.40	1.50	1.60	US	0.25	0.25	0.25	0.25
UK	0.84	0.64	0.68	0.73	UK	0.10	0.10	0.08	0.06
Japan	0.11	0.08	0.13	0.14	Japan	-0.10	-0.10	-0.10	-0.10

Currency	March 19th	3-month	6-month	12-month	March 19th	3-month	6-month	12-month	
EUR/USD	1.19	1.17	1.18	1.20	USD/JPY	109	106	105	103
EUR/GBP	0.86	0.87	0.88	0.88	GBP/USD	1.39	1.34	1.34	1.36
EUR/JPY	130	124	124	124					

Forecasts at end of period

Economic Forecasts

United States	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20a	2020a	Q1:21f	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY) (1)	2.2	0.3	-9.0	-2.8	-2.4	-3.6	-0.1	12.1	6.4	6.4	6.0
Real GDP Growth (QoQ saar) (2)	-	-5.0	-31.4	33.4	4.1	-	4.4	8.9	8.5	4.1	-
Private Consumption	2.4	-6.9	-33.2	41.0	2.4	-3.9	5.2	13.4	13.2	5.8	8.0
Government Consumption	2.3	1.3	2.5	-4.8	-1.1	1.1	3.7	1.1	0.9	1.3	0.6
Investment	1.9	-1.4	-29.2	31.3	19.1	-1.8	7.1	5.2	3.3	2.9	8.0
Residential	-1.7	19.0	-35.6	63.0	35.8	6.0	9.2	5.3	2.2	1.1	13.2
Non-residential	2.9	-6.7	-27.2	22.9	14.0	-4.0	9.4	5.2	3.6	3.3	7.1
Inventories Contribution	0.0	-1.6	-4.3	6.7	1.1	-0.7	0.1	-1.3	-1.3	-0.8	0.3
Net Exports Contribution	-0.2	1.5	0.3	-5.5	-2.2	0.0	-1.2	-0.1	0.0	0.0	-1.4
Exports	-0.1	-9.5	-64.4	59.6	21.8	-13.0	5.3	9.8	9.8	7.6	7.6
Imports	1.1	-15.0	-54.1	93.1	29.6	-9.3	10.3	7.0	6.6	5.0	13.5
Inflation (3)	1.8	2.1	0.3	1.2	1.3	1.2	1.8	2.9	2.8	2.7	2.6

Euro Area	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20a	2020a	Q1:21f	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY)	1.3	-3.3	-14.6	-4.2	-4.9	-6.8	-1.6	12.1	2.6	4.6	4.2
Real GDP Growth (QoQ saar)	-	-14.2	-38.8	59.9	-2.6	-	-1.7	3.3	12.0	5.5	-
Private Consumption	1.3	-16.8	-41.6	69.5	-11.5	-8.1	-3.4	6.0	17.2	6.9	3.5
Government Consumption	1.8	-1.1	-8.4	19.9	1.7	1.1	1.5	1.5	1.6	1.8	3.0
Investment	5.0	-21.7	-50.5	68.3	6.4	-8.5	0.0	5.4	12.2	6.8	6.1
Inventories Contribution	-0.3	2.1	0.0	-5.8	2.5	-0.2	0.7	-0.1	-0.4	-0.3	-0.1
Net Exports Contribution	-0.5	-1.9	-3.4	10.4	-0.3	-0.6	-1.0	-1.1	0.5	0.3	0.5
Exports	2.5	-14.1	-56.6	85.4	14.9	-9.8	3.7	3.5	14.4	6.3	8.8
Imports	4.0	-11.3	-55.1	56.1	17.4	-9.3	6.4	6.4	14.3	6.3	8.4
Inflation	1.2	1.1	0.2	0.0	-0.3	0.3	1.1	1.8	2.0	2.2	1.8

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 + 2021 EPS growth expectations have further room to increase + Share buybacks could resume - Peaking profit margins - High market cap concentration - P/Es (Valuations) approaching dot-com levels <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + Still high equity risk premium relative to other regions + Modest fiscal loosening in 2021 + 2021 EPS estimates remain pessimistic - Political uncertainty (Italy, German Elections) could intensify - Logistic disruptions (vaccine) and renewed lockdowns delay the recovery <p>● Neutral</p>	<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 <p>● Neutral</p>	<ul style="list-style-type: none"> + 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms - Elevated Policy uncertainty to remain <p>● Neutral/Negative</p>
Government Bonds	<ul style="list-style-type: none"> + Valuations appear rich with term-premium below 0% + Sizeable fiscal deficit + Underlying inflation pressures under Average Inflation Targeting - Global search for yield by non-US investors continues - Safe haven demand - Fed to remain at ZLB in 2021 - Fed: Unlimited QE purchases <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> + Valuations appear excessive compared with long-term fundamentals - Political Risks - Fragile growth outlook - Medium-term inflation expectations remain low - ECB QE net purchases - ECB QE "stock" effect <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% <p>● Stable yields expected</p>	<ul style="list-style-type: none"> + Elevated Policy uncertainty to remain + Inflation expectations could drift higher due to supply disruptions post Brexit - The BoE is expected to remain on hold with risks towards rate cuts - Slowing economic growth post-Brexit <p>▲ Slightly higher yields expected</p>
Foreign Exchange	<ul style="list-style-type: none"> + Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% - Global political uncertainty to decline <p>● Broadly Flat EUR against the USD with high volatility around \$1.20</p>	<ul style="list-style-type: none"> + Reduced short-term tail risks + Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, Quantitative Easing) <p>● Broadly Flat EUR against the USD with high volatility around \$1.20</p>	<ul style="list-style-type: none"> + Safe haven demand + More balanced economic growth recovery (long-term) + Inflation is bottoming out - Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2% <p>▲ Slightly higher JPY</p>	<ul style="list-style-type: none"> + Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit <p>▲ Higher GBP expected</p>

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	3913	-0.8	4.2	62.4	38.6	MSCI Emerging Markets	75078	-0.9	4.7	66.5	
Japan	NIKKEI 225	29792	0.2	8.6	80.0	37.9	MSCI Asia	1180	-0.9	4.9	71.4	
UK	FTSE 100	6709	-0.8	3.8	30.2	-8.0	China	112	-0.4	3.6	59.8	
Canada	S&P/TSX	18854	0.0	8.1	54.9	16.6	Korea	971	-1.0	4.8	104.6	
Hong Kong	Hang Seng	28991	0.9	6.5	33.5	-1.1	MSCI Latin America	99607	0.3	-0.3	54.4	
Euro area	EuroStoxx	425	0.0	6.8	57.9	14.8	Brazil	360411	1.6	-3.6	64.2	
Germany	DAX 30	14621	0.8	6.6	69.8	26.0	Mexico	43194	-1.7	6.3	31.9	
France	CAC 40	5998	-0.8	8.0	55.6	11.4	MSCI Europe	6199	-2.2	3.3	40.5	
Italy	FTSE/MIB	24199	0.4	8.8	56.5	13.5	Russia	1387	-2.4	5.0	43.7	
Spain	IBEX-35	8493	-1.8	5.2	32.8	-9.7	Turkey	1662154	-0.7	-1.7	46.0	

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		157.7	-6.0	22.1	86.1	-25.2	Energy		158.0	-6.0	22.1	73.1
Materials		333.6	-1.4	4.6	86.8	32.0	Materials		309.4	-1.3	5.5	72.1
Industrials		324.0	-0.2	6.5	77.9	29.9	Industrials		314.7	-0.2	8.0	70.5
Consumer Discretionary		388.9	0.3	3.2	98.7	56.6	Consumer Discretionary		371.1	0.4	4.3	93.3
Consumer Staples		257.6	0.7	-2.7	23.2	12.3	Consumer Staples		252.8	0.7	-1.7	17.2
Healthcare		311.2	0.8	-0.4	38.1	25.3	Healthcare		303.4	0.8	0.5	34.1
Financials		135.9	-0.5	13.8	75.0	19.8	Financials		133.3	-0.5	14.4	65.0
IT		440.0	-1.1	-0.8	78.7	74.8	IT		423.9	-1.1	-0.4	76.7
Telecoms		101.6	0.3	7.9	67.6	46.3	Telecoms		105.4	0.3	8.5	64.8
Utilities		149.5	0.0	-2.5	25.0	9.0	Utilities		150.2	0.1	-1.8	19.6

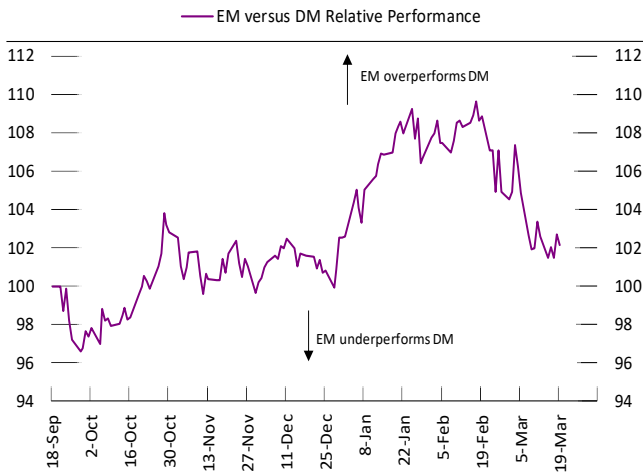
Bond Markets (%)

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		1.72	1.63	0.92	1.12	2.12	US Treasuries 10Y/2Y		153	144	77	64
Germany		-0.28	-0.29	-0.56	-0.18	0.72	US Treasuries 10Y/5Y		73	70	41	29
Japan		0.11	0.11	0.02	0.10	0.34	Bunds 10Y/2Y		42	40	16	49
UK		0.84	0.83	0.20	0.80	1.59	Bunds 10Y/5Y		36	33	18	25
Greece		0.92	0.82	0.62	2.40	8.97	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		0.00	-0.01	-0.30	0.43	2.68	EM Inv. Grade (IG)		145	147	163	344
Italy		0.68	0.66	0.45	1.77	2.80	EM High yield		511	528	524	1210
Spain		0.35	0.33	0.04	0.88	2.47	US IG		100	102	103	351
Portugal		0.27	0.23	0.05	1.04	4.10	US High yield		367	355	386	982
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG		91	89	93	227
30-Year FRM¹ (%)		3.28	3.26	2.90	3.74	4.10	Euro area High Yield		319	313	355	839
vs 30Yr Treasury (bps)		84.4	90.0	125.4	195.2	123.2						

Foreign Exchange & Commodities

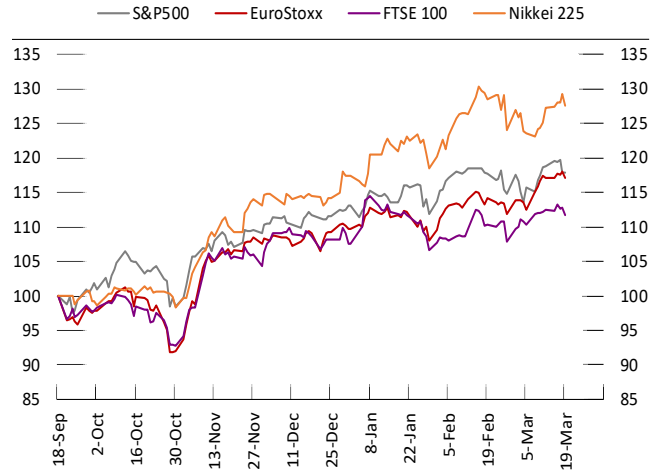
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural		392	0.1	-0.6	45.9
EUR/USD		1.19	-0.2	-1.0	11.3	-2.7	Energy		204	-6.6	-0.3	115.1
EUR/CHF		1.11	-0.1	2.4	5.1	2.4	West Texas Oil (\$)		61	-6.4	0.5	143.5
EUR/GBP		0.86	-0.1	-1.1	-6.5	-4.1	Crude Brent Oil (\$)		65	-6.8	0.3	126.7
EUR/JPY		129.64	-0.4	1.7	10.1	2.6	Industrial Metals		429	1.5	4.4	59.0
EUR/NOK		10.18	0.9	-0.8	-15.5	-2.9	Precious Metals		2322	1.3	-1.9	24.3
EUR/SEK		10.17	0.3	1.4	-8.4	1.2	Gold (\$)		1744	1.0	-1.8	18.6
EUR/AUD		1.54	-0.2	-1.1	-15.7	-3.0	Silver (\$)		26	1.3	-4.0	117.5
EUR/CAD		1.49	-0.1	-2.7	-3.7	-4.4	Baltic Dry Index		2281	16.4	29.9	262.1
USD-based cross rates							Baltic Dirty Tanker Index		748	3.7	24.3	-39.8
USD/CAD		1.25	0.1	-1.7	-13.5	-1.8						
USD/AUD		1.29	0.1	-0.1	-24.3	-0.4						
USD/JPY		108.86	-0.1	2.8	-1.1	5.4						

EM vs DM Performance in \$



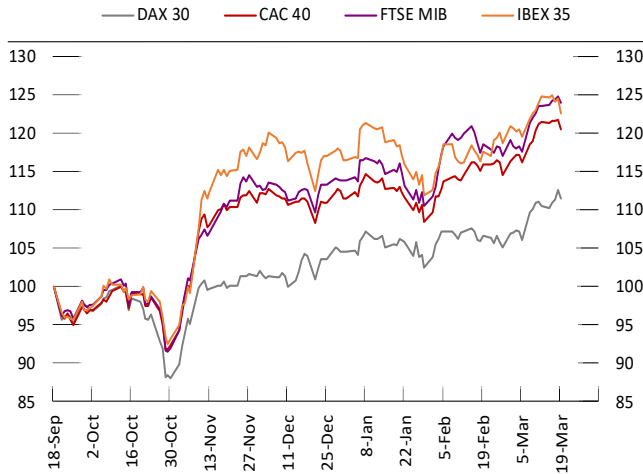
Data as of March 19th – Rebased @ 100

Equity Market Performance - G4



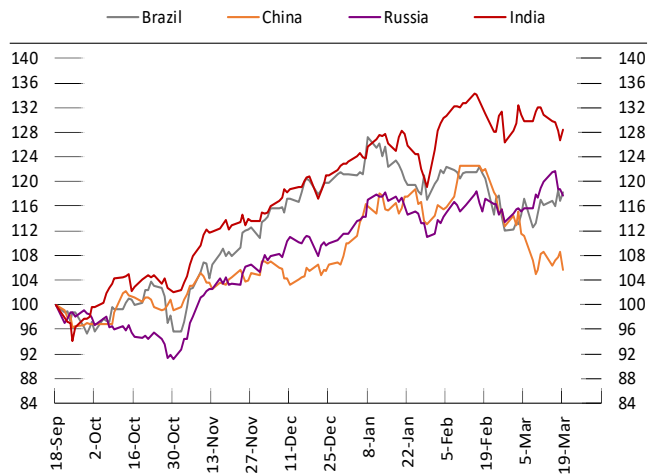
Data as of March 19th – Rebased @ 100

Equity Market Performance – Euro Area G4



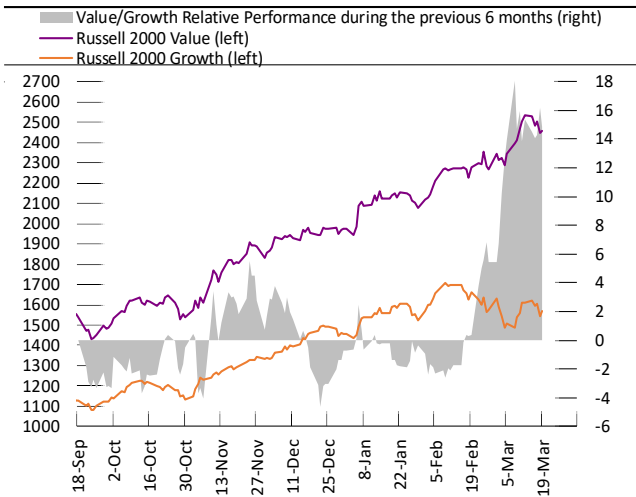
Data as of March 19th – Rebased @ 100

Equity Market Performance - BRICs



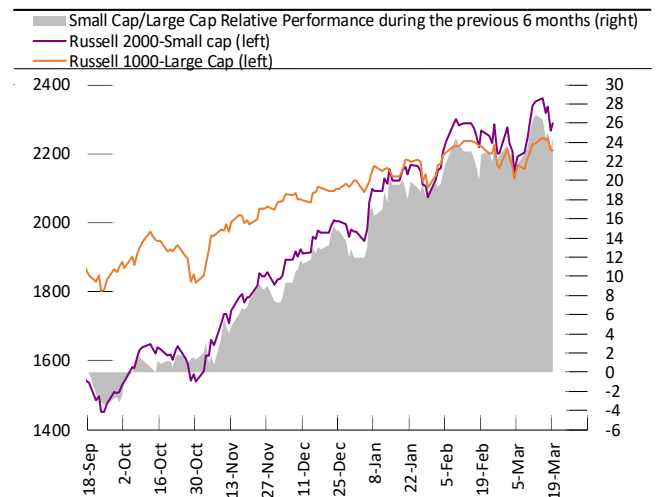
Data as of March 19th – Rebased @ 100

Russell 2000 Value & Growth Index



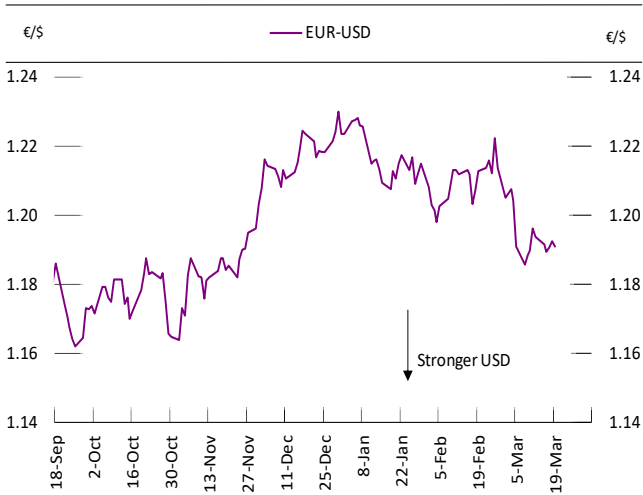
Data as of March 19th

Russell 2000 & Russell 1000 Index



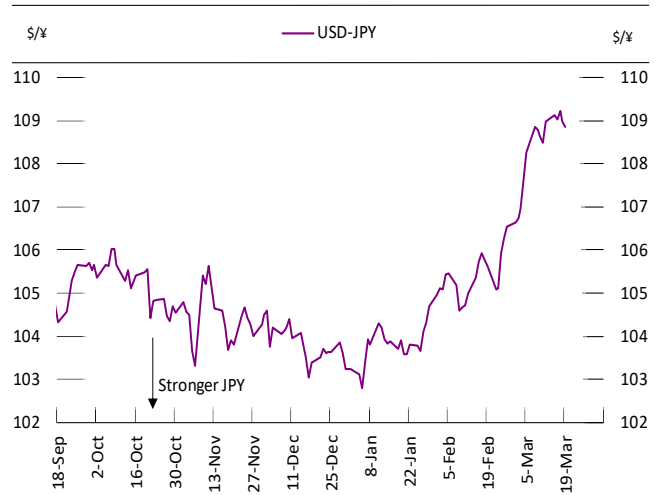
Data as of March 19th

EUR/USD



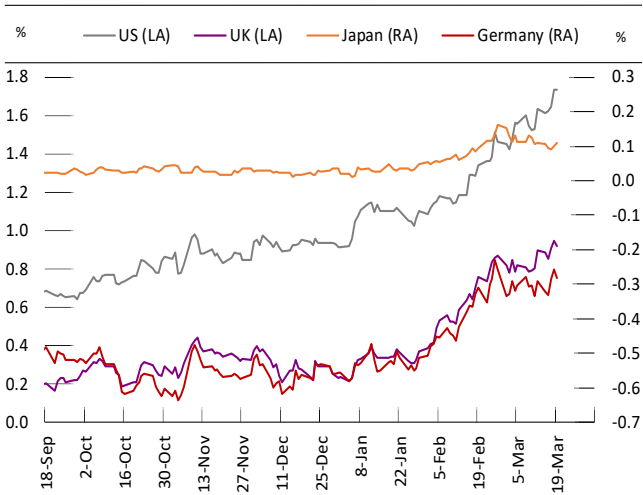
Data as of March 19th

JPY/USD



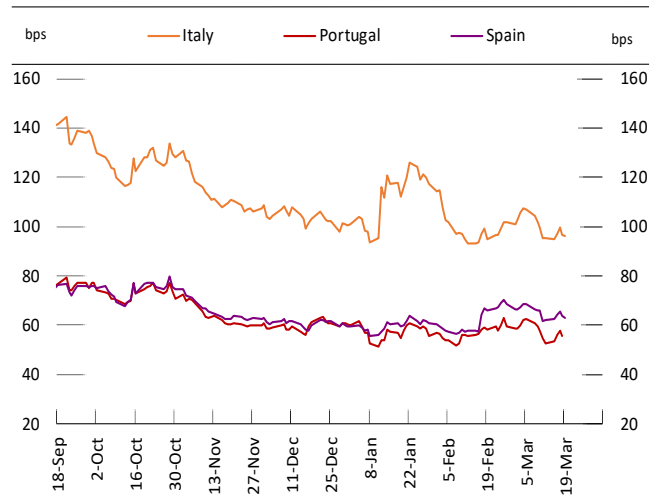
Data as of March 19th

10- Year Government Bond Yields



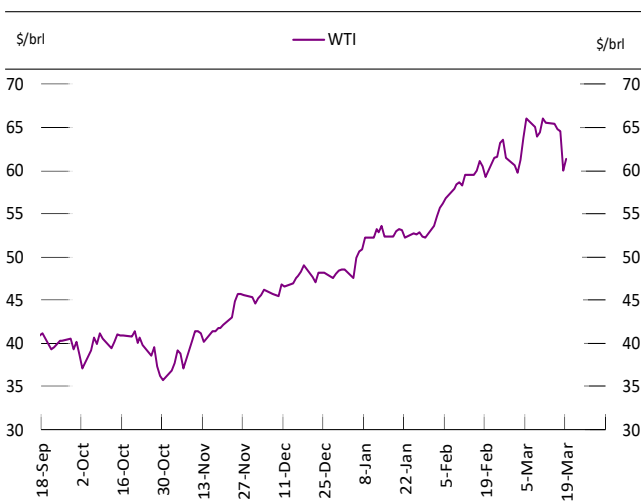
Data as of March 19th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



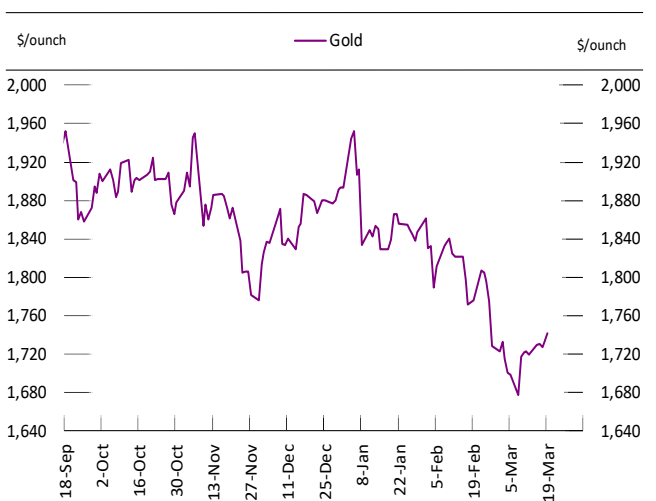
Data as of March 19th

West Texas Intermediate (\$/bbl)



Data as of March 19th

Gold (\$/ounce)



Data as of March 19th

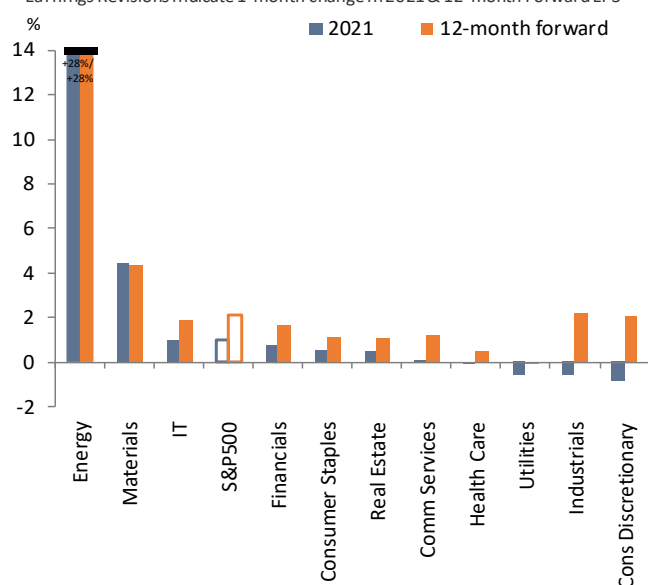
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	19/3/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
S&P500	3913	-0.8	4.2	-13.6	25.4	1.5	1.5	27.5	22.5	21.9	16.1	4.2	4.1	4.0	2.7
Energy	370	-7.7	29.3	N/A	N/A	4.8	4.4	N/A	24.6	23.0	20.0	1.7	1.7	1.7	1.7
Materials	488	-0.8	7.2	-6.4	38.3	1.8	1.9	26.5	20.3	20.1	15.4	3.1	3.0	2.9	2.5
Financials															
Diversified Financials	907	-2.3	11.2	-6.4	18.9	1.3	1.3	20.1	17.7	17.3	14.2	2.0	1.9	1.9	1.5
Banks	392	-0.9	23.9	-32.6	31.6	2.6	2.3	17.9	14.6	14.2	11.1	1.3	1.3	1.3	1.0
Insurance	466	-2.0	9.0	-9.5	19.5	2.3	2.6	14.7	12.9	12.6	11.0	1.4	1.4	1.4	1.1
Real Estate	240	-1.0	5.2	-4.9	3.1	3.0	2.9	21.4	21.4	21.1	18.3	3.3	3.6	3.6	3.1
Industrials															
Capital Goods	842	0.0	10.7	-30.6	47.3	1.6	1.6	33.1	24.1	23.2	16.3	5.1	5.2	5.1	3.6
Transportation	995	-0.8	6.9	N/A	N/A	1.4	1.4	N/A	41.1	N/A	10.3	7.1	7.3	7.1	3.6
Commercial Services	407	-1.0	-3.4	5.5	8.9	1.2	1.2	27.9	27.1	26.4	20.1	5.3	4.9	4.8	3.4
Consumer Discretionary															
Retailing	3584	0.9	0.6	8.1	20.8	0.5	0.5	43.2	36.9	35.3	24.4	15.2	12.7	12.2	7.6
Consumer Services	1402	1.1	6.3	N/A	N/A	1.4	1.1	N/A	194.2	N/A	25.4	22.8	35.9	35.7	9.9
Consumer Durables	469	-0.1	6.5	-4.0	36.0	1.2	1.3	24.8	19.1	18.7	17.3	4.7	4.3	4.2	3.3
Automobiles and parts	133	-4.6	1.0	-66.9	49.5	0.2	0.1	68.2	45.6	N/A	11.6	7.2	6.4	6.2	2.2
IT															
Technology	2384	-0.6	-5.4	8.2	21.7	1.0	1.0	28.5	23.5	23.2	13.8	14.7	15.1	15.0	4.8
Software & Services	3066	-2.7	-0.4	8.4	14.6	0.8	0.9	35.1	30.3	29.5	19.1	10.2	8.9	8.6	5.6
Semiconductors	1870	1.3	5.7	11.5	19.5	1.2	1.3	25.6	20.9	20.5	14.7	7.7	6.5	6.3	3.4
Communication Services	241	0.5	8.5	0.1	13.6	0.9	0.9	26.7	24.4	23.6	18.2	4.1	3.8	3.8	3.0
Media	943	0.6	10.2	5.0	20.2	0.2	0.2	34.2	29.4	28.3	21.2	5.2	4.8	4.6	3.4
Consumer Staples															
Food & Staples Retailing	540	-1.5	-5.2	2.8	1.3	1.7	1.7	22.9	23.0	22.6	17.1	4.7	4.6	4.5	3.3
Food Beverage & Tobacco	729	1.4	0.4	1.4	7.0	3.5	3.4	18.6	18.5	18.2	17.9	5.1	5.1	5.1	5.0
Household Goods	793	-0.6	-6.4	11.2	8.2	2.3	2.3	24.3	23.0	22.7	20.2	9.5	9.4	9.3	5.9
Health Care															
Pharmaceuticals	1069	0.3	-0.1	10.1	12.7	2.2	2.4	15.6	13.9	13.8	14.8	5.2	4.9	4.8	4.0
Healthcare Equipment	1611	0.5	2.2	5.1	13.8	0.9	1.0	21.9	19.9	19.5	16.0	3.8	3.6	3.5	2.7
Utilities	314	-0.3	-1.6	1.5	3.7	3.5	3.4	18.1	18.6	18.3	16.4	1.9	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 2021 & 12-month Forward EPS

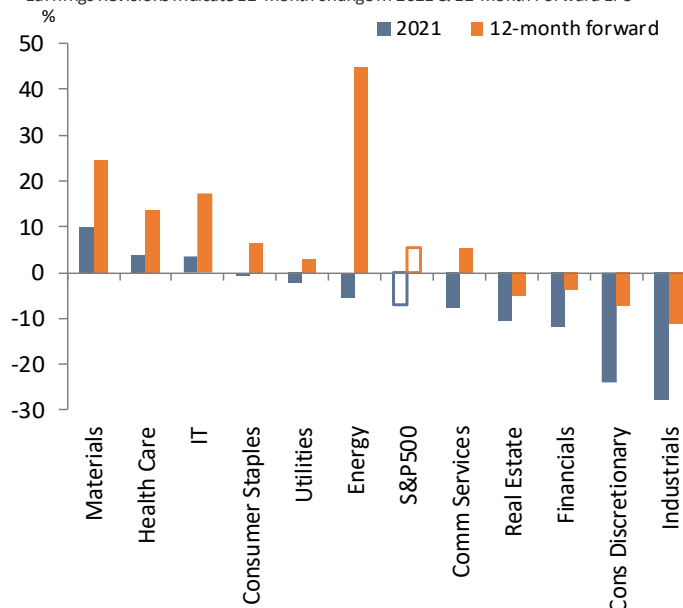
Earnings Revisions indicate 1-month change in 2021 & 12-month Forward EPS



Data as of March 19th
12-month forward EPS are 79% of 2021 EPS and 21% of 2022 EPS

12-month revisions to 2021 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2021 & 12-month Forward EPS



Data as of March 19th
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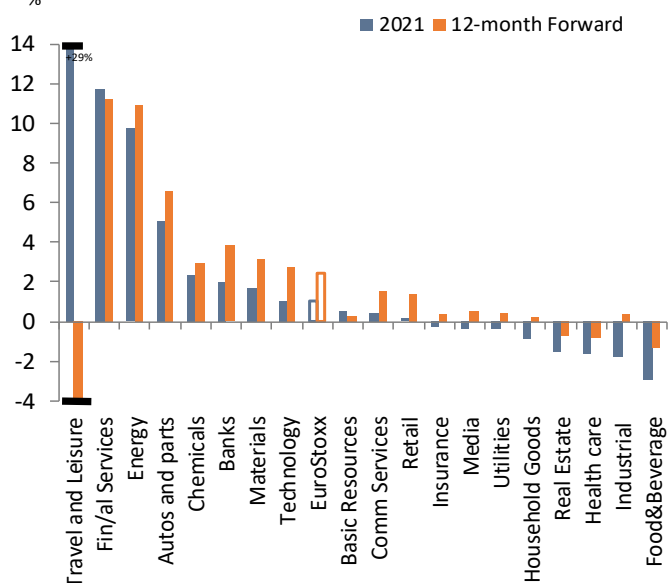
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	19/3/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
EuroStoxx	425	0.0	6.8	-34.7	38.2	2.2	2.6	25.6	19.4	18.8	13.8	1.8	1.8	1.8	1.4
Energy	276	-4.4	9.4	-79.4	230.7	4.1	4.6	55.5	17.2	16.4	12.7	1.4	1.4	1.4	1.1
Materials	482	-2.7	12.0	-34.2	38.7	2.9	3.0	22.4	17.2	16.6	14.4	1.8	1.8	1.8	1.4
Basic Resources	230	-1.5	10.7	N/A	N/A	2.1	2.3	N/A	13.1	13.3	7.6	1.2	1.2	1.2	0.8
Chemicals	1319	0.0	4.8	-8.6	20.7	2.5	2.5	25.0	22.2	21.8	15.9	2.4	2.5	2.5	2.2
Financials															
Fin/al Services	507	-1.1	3.4	-27.2	18.5	2.4	2.7	18.8	16.4	15.9	13.9	1.3	1.3	1.3	1.2
Banks	88	-0.5	19.8	-47.8	33.9	2.1	4.4	14.9	11.7	11.1	9.6	0.6	0.6	0.6	0.7
Insurance	292	-0.4	11.7	-24.1	34.0	5.5	5.2	12.9	10.3	10.2	9.3	0.8	0.9	0.9	0.9
Real Estate	212	0.9	-3.6	-13.3	4.4	3.3	3.5	18.1	18.1	17.7	17.1	0.9	0.9	0.9	1.0
Industrial	1037	-0.9	6.0	-24.2	8.8	1.5	1.7	28.0	26.6	25.4	16.1	3.5	3.4	3.3	2.4
Consumer Discretionary															
Media	238	0.9	8.6	-23.2	13.6	2.3	2.5	21.7	19.5	19.1	15.9	2.7	2.5	2.5	1.9
Retail	671	-3.0	1.1	-41.7	58.9	1.8	2.3	43.8	29.4	28.4	22.3	5.6	5.5	5.4	4.2
Automobiles and parts	603	5.3	19.7	-77.4	475.5	1.7	3.1	51.7	10.2	9.7	8.9	1.0	1.1	1.1	1.0
Travel and Leisure	239	1.6	12.0	N/A	N/A	0.3	0.5	N/A	N/A	N/A	N/A	2.7	3.4	3.3	2.0
Technology	764	1.2	6.6	-5.9	17.4	0.7	0.7	36.2	30.7	29.6	19.5	5.4	4.9	4.8	3.4
Communication Services	268	0.3	8.4	10.3	-19.0	4.7	4.0	12.2	16.2	15.8	14.7	1.4	1.5	1.4	1.7
Consumer Staples															
Food&Beverage	516	0.7	-0.8	-39.9	29.0	1.5	1.7	28.3	23.3	22.5	19.1	2.4	2.4	2.3	2.6
Household Goods	1257	-1.5	3.2	-31.4	42.4	1.0	1.2	51.6	37.7	36.7	23.3	6.4	6.1	6.0	3.7
Health care	847	1.8	4.3	-8.9	5.9	1.9	2.0	20.4	20.1	19.6	16.0	2.4	2.4	2.3	2.2
Utilities	371	0.2	-2.5	-17.5	12.8	4.4	4.4	17.7	16.3	16.1	13.2	1.6	1.6	1.6	1.1

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1-month revisions to 2021 & 12-month Forward EPS

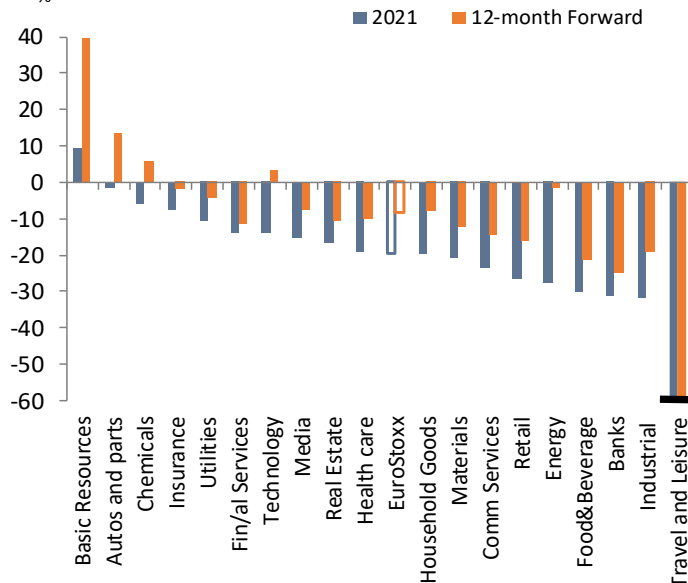
Earnings Revisions indicate 1-month change in 2021 & 12-month Forward EPS %



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12-month revisions to 2021 & 12-month Forward EPS

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Data as of March 19th
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