NATIONAL BANK OF GREECE

GREECE Macro Outlook

GDP Q1:2020 & COVID-19

June 2020

COVID-19 interrupts Greece's recovery and will test the resilience of the economy

Macro Indicators on pages 11-13

Nikos S. Magginas, PhD
Chief Economist,
(+30210) 334 1516
e-mail: nimagi@nbg.gr

NBG Greece Macro Analysis Team
Effrosyni Alevizopoulou, PhD
(+30210) 334 1620
e-mail: alevizopoulou.e@nbg.gr

Aikaterini Gouveli, MSc
(+30210) 334 2359
e-mail: gouveli.aikaterini@nbg.gr

Eleni Balikou, MSc
(+30210) 334 1198
e-mail: balikou.eleni@nbg.gr

NBG | Economic Analysis Department
Greece Macro Analysis Team
86 Eolou Str., 105 59 Athens, Greece

Greek GDP declined by -0.9% y-o-y in Q1:2020 (-1.6% s.a. q-o-q) – in a quarter that begins to include the impact from Covid-19 – compared with an average of 2.0% y-o-y during the past 6 quarters.

The decline was led by gross fixed capital formation and private consumption (-6.4% y-o-y and -0.7% y-o-y, respectively, jointly subtracting 1.2 pps from GDP growth in Q1:2020). The decline in private consumption mainly reflects the role of uncertainty that bolstered precautionary saving.

An increase in government consumption (2.0% y-o-y) – mainly comprised of COVID-19 related spending – absorbed a part of the hit, contributing 0.4 pps to GDP growth in Q1:2020.

On a positive note, net exports contributed 0.8 pps to annual GDP growth in Q1:2020, on the back of a 4.7% y-o-y increase in goods exports; a good performance in view of the fact that most of Greece's trading partners entered recession during this period. Greek enterprises took advantage of disruption in global supply chains and shortages created by export restrictions to increase their export in specific categories.

Income-side data suggest that economy-wide labor compensation continued to increase by 1.9% y-o-y in Q1:2020, while business profitability started to decline, with gross operating surplus and mixed income dropping by 3.1% y-o-y.

Greek tourism and related activities, which held up relatively well during the Greek crisis, are expected to suffer the most, leading to a double-digit contraction in activity in Q2:2020 with a pick-up expected in H2:2020 (q-o-q basis).

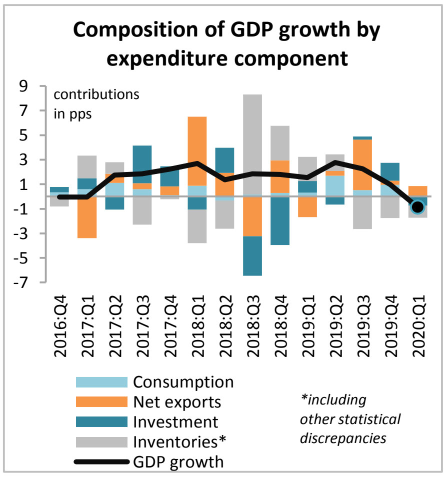
However, the implementation of fiscal stimulus measures of a combined value of €15bn in conjunction with funding related to EU initiatives, are going to support economic activity in H2:2020.

Overall, the baseline scenario envisages a GDP contraction of 7.5% in FY:2020. The shape of recovery in H2:2020 and in 2021 depends on the pace of normalization in domestic spending, the responsiveness of the business sector and the success of economic policy.

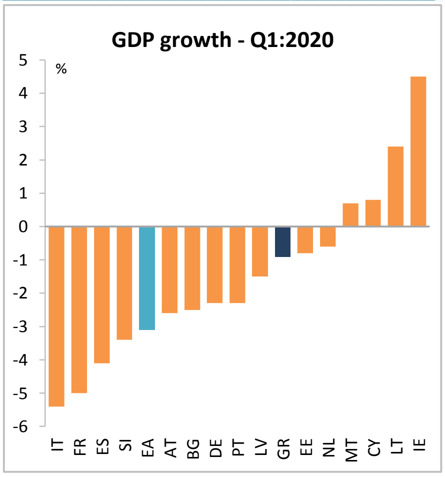
A timely activation of the EU "Recovery Fund" (envisaging a financial support of c. €32 bn for Greece) could provide additional impetus to the recovery in 2021, bolstering investment spending and limiting downside risks related to a more-protracted-than-currently-envisaged impact of the pandemic on private spending and especially on tourism. Its announcement has already a positive impact on confidence.

COVID-19 interrupts Greece's recovery and will test the resilience of the economy

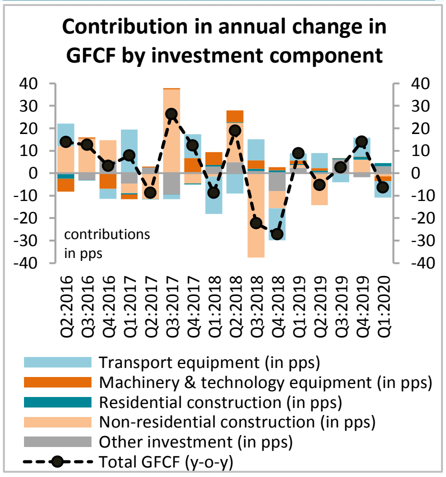
Greek GDP declined by -0.9% y-o-y in Q1:2020, with uncertainty weighing on economic conditions in March



GDP contraction in Q1:2020 was significantly milder than in most euro area countries -- with euro area GDP declining by 3.1% y-o-y and by 3.6% s.a. q-o-q in the same quarter



Gross fixed capital formation contracted by 6.4% y-o-y especially in the machinery, ICT and transport equipment categories



The escalation of the COVID-19 pandemic and the losses of human lives have led to the enforcement of stringent containment measures since mid-March 2020 in an increasing number of countries, including Greece. These restrictions weighed heavily on economic conditions, leading both the European and global economy to a synchronized recession in Q1:2020, which is expected to deepen in Q2.

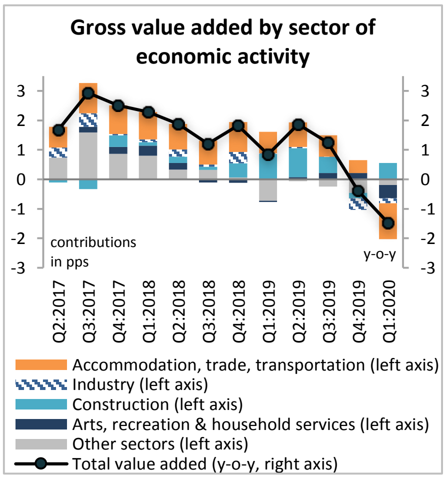
Against this backdrop, Greek GDP declined by -0.9% y-o-y in Q1:2020 (-1.6% sa q-o-q) – for the first time since Q2:2016 – in a quarter that begins to include the effect of Covid-19. Indeed, uncertainty had begun to weigh on economic conditions early in March, prior to the imposition of the lockdown on March 23, with Google data on citizens' mobility (for retail and recreation purposes) recording a significant decrease to 26% below its trend level in the second week of March, which bottomed at -79% in the last week of March.

These developments put a brake on Greece's recovery in a period when the economy exhibited signs of further improvement. More specifically, gross fixed capital formation and private consumption contracted by -6.4% y-o-y and -0.7% y-o-y, respectively, jointly subtracting 1.2 pps from GDP growth in Q1:2020. An increase in government consumption (2.0% y-o-y) – mainly comprised of COVID-19 related spending – absorbed a part of the hit, contributing 0.4 pps to GDP growth, while net exports added another 0.8 pps, with goods exports showing resilience to the international downturn. It is noteworthy that GDP contraction in Q1:2020 was significantly milder than in other euro area countries – with euro area GDP declining by 3.1% y-o-y and by 3.6% s.a. q-o-q in the same quarter – mainly due to the stronger momentum of economic activity in Greece at the beginning of the year. In this respect, it appears that economic growth was set to accelerate further in 2020, before the pandemic took hold.

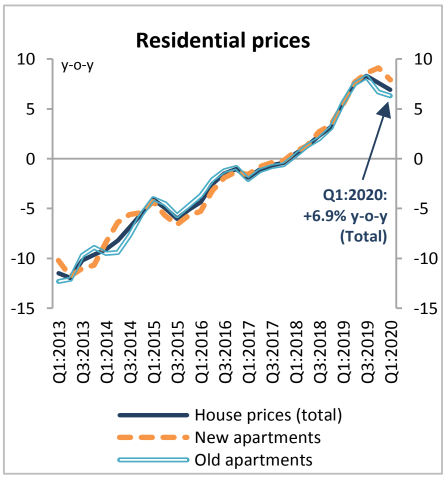
Indeed, conditions started to deteriorate rapidly when COVID-19 reached Europe. Earlier on, investment spending of a significant share of export oriented Greek businesses had already been affected by the rapid deterioration in global economic conditions in February 2020 when the international spread of the disease began. Gross fixed capital formation declined by 6.4% y-o-y in Q1:2020 – especially in the machinery,

Sources: EL.STAT. & Eurostat

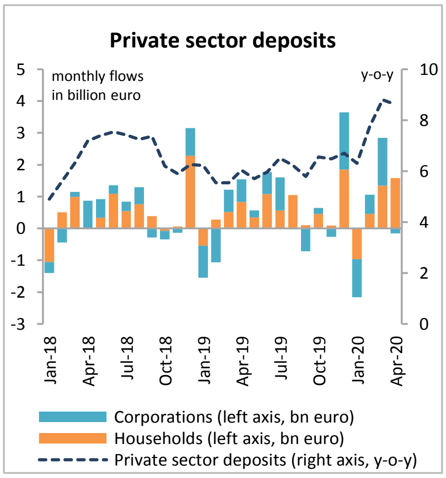
GVA dropped 1.5% y-o-y in Q1 for the first time since Q2:2016, with construction being the only sector with a positive contribution (+0.6 pps) due to public works



House prices increased by 6.9% y-o-y in Q1:2020 (7.3% y-o-y in FY:2019)



A pick-up in the savings rate underpins the increase in household deposits



Sources: *EL.STAT. & Bank of Greece*

ICT and transport equipment – against a backdrop of slowing global growth and deteriorating prospects for external trade, which were accompanied by disruptions to the global supply chain, due to the enforcement of the first containment measures in China and SE Asia. The escalation of the crisis in March 2020, which saw Europe (especially Italy) as the epicenter of the pandemic, and the concomitant implementation of stringent restrictions on economic activity and mobility to control the spread of the disease, weighed further on business conditions.

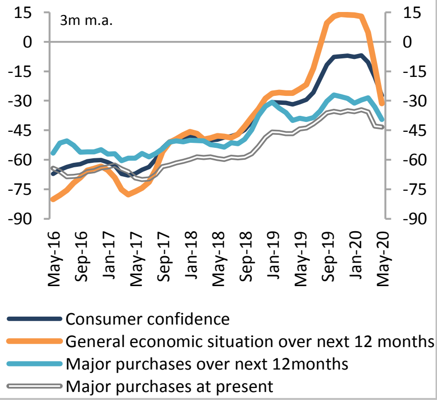
On a positive note, residential construction remained relatively immune, so far, rising by 22.6% y-o-y in Q1:2020, following a 12.0% y-o-y increase in FY:2019. This development has been accompanied by a further appreciation in residential real estate prices of 6.9% y-o-y in Q1:2020 (7.3% y-o-y in FY:2019), confirming the resilient recovery of the market, despite the shrinkage of external demand (effective freeze in demand for vacation homes and the golden visa program and a collapse in bookings through short-term rental platforms by non-residents). However, the deterioration in economic conditions should start to affect real estate market activity and valuations, with a lag in Q2:2020, albeit the market fundamentals appear to be relatively solid and the risk of excess supply well contained.

Non-residential construction decreased by 4.0% y-o-y in Q1:2020, with a timely implementation of the public investment program offsetting the drag from a slowing in private non-residential construction activity. This resilience is also reflected in production-side data, in which construction contributed 0.6 pps to gross value added (GVA) growth in Q1, with the information-communication sector and the public sector jointly adding another 0.3 pps. However, GVA generation in all other sectors turned negative, leading to an annual decline in GVA of 1.5% y-o-y in Q1 – the largest since Q2:2016. Not surprisingly, gross operating surplus and mixed income shrank by 3.1% y-o-y, for the first time since 2016, pointing to rising pressure on corporate profits, which will increase substantially in Q2:2020.

The decline in private consumption in Q1:2020, by 0.7% y-o-y, mainly reflects the role of uncertainty that bolstered precautionary saving, and a still limited drag on employment and disposable income from the deferral or cancellation of seasonal hiring in accommodation and food service activities. In this vein, the €1.3 bn increase in household deposits in March (which was followed by a €1.6 bn increase in April) can be mainly

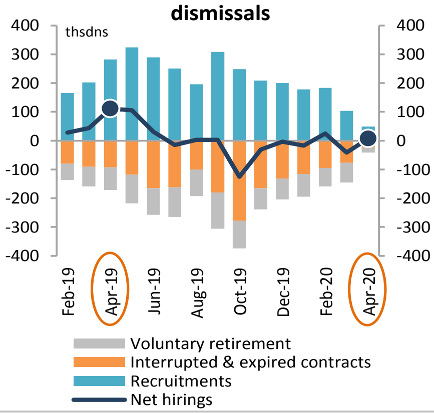
Increased uncertainty and the lockdown weighed on private consumption

Consumer confidence & components



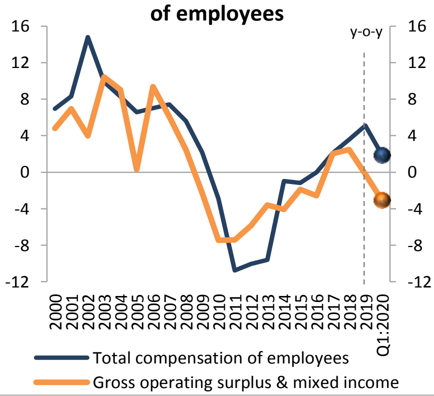
Ergani data on dependent employment flows recorded a cumulative shrinkage in job creation of 85k in March and 104k in April

Ergani: Recruitments & dismissals



Labor income held up relatively well in Q1:2020, due to a positive carry from 2M and the State support measures, while corporate profitability started to shrink

Gross operating surplus and mixed income & compensation of employees



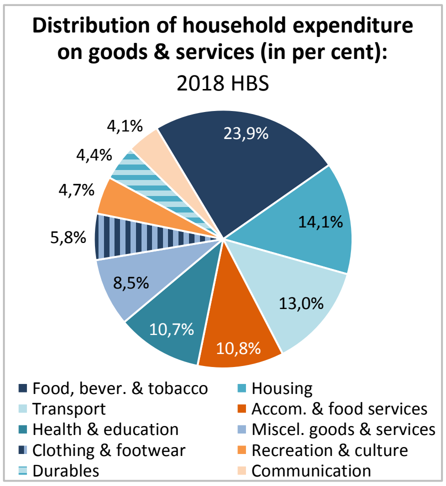
attributed to a pick-up in the savings rate of non-income constrained individuals, due to uncertainty, limited spending options due to the lockdown and restrictions on mobility. Liquidations of financial assets and lower outflows due to the debt servicing moratoria offered to specific categories of individuals and small entrepreneurs have also contributed to the increase in deposits. This portion of excessive savings could support consumer spending in the coming months, assuming that uncertainty dissipates at a steady pace and spending attitudes normalize. In this regard, it appears that, despite the strong increase in e-sales in late March and April (in the range of 50-300% for different retail categories according to market sources), they offset a small part of turnover losses in this period (less than 15%), due to the very low starting point especially for SMEs (e-sales at an economy level corresponded to less than 5% of Greek GDP in 2018 compared with c. 17% in the euro area). This development presages a sharp drop in consumption in April, but also creates some optimism that a part of this depressed demand will boost future sales when the uncertainty fades.

Nonetheless, it is notable that GDP data from the income side suggest that economy-wide labor compensation continued to increase by 1.9% y-o-y in Q1:2020, on the back of a strong labor market performance in 2M:2020 (increase in employment of 0.9% y-o-y accompanied by a further rise in hourly compensation). Accordingly, private consumption held up relatively well compared with the euro area average (-3.9% y-o-y in Q1:2020), also reflecting the high share of basic income-inelastic categories in Greek consumer spending – following the compression of discretionary spending during the Greek crisis. Actually, retail trade volume (excluding fuel) decreased by 0.6% y-o-y in March 2020 (3.4% y-o-y in 3M:2020), with sales of food and beverages (in supermarkets) and pharmaceutical products broadly offsetting the decline in other sales categories.

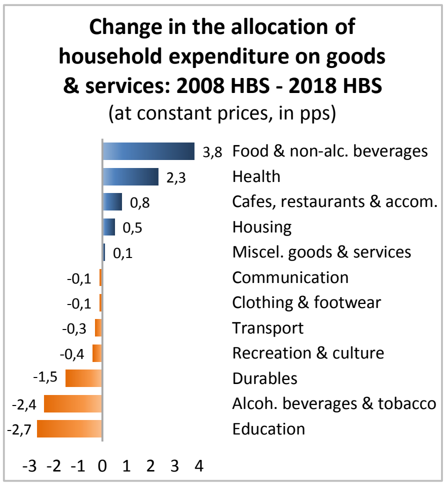
Labor market conditions will deteriorate in Q2:2020. Ergani data on dependent employment flows pointed to a cumulative shrinkage in net job creation of 85k in March (83k in Q1:2020) compared with the same period in the previous year, while the suspension of employment contracts (not recorded in Ergani data) by firms that closed following an administrative decision in late March, will exert further pressure on disposable income. The disbursement of the special benefit of €534 per month to employees and self-employed affected by the crisis, in conjunction with other supportive fiscal measures legislated in

Sources: EL.STAT., Ministry of Labor and Social Affairs & European Commission

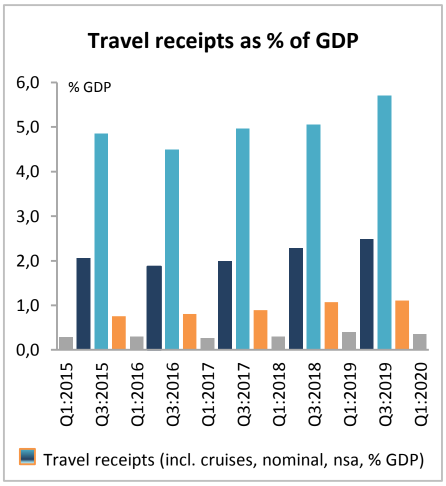
More than ⅔ of consumer spending comprises income inelastic categories of goods and services…



…following the compression of discretionary spending during the Greek crisis



The impact of tourism is very limited in Q1, but increases substantially in Q2 and Q3



Sources: EL.STAT. & Bank of Greece

late-March, began to take effect in April, with the monthly installment corresponding to almost 50% of the average wage of a full time employee in the private sector (EFKA data).

Goods exports have surprised on the upside. Net exports contributed 0.8 pps to annual GDP growth in Q1:2020, on the back of a 4.7% y-o-y increase in goods exports, in a period when most of Greece's trading partners entered recession. The observed resilience reflects an increase in exports of pharmaceuticals, chemicals, food (especially olive oil), beverages and tobacco, mainly towards the EU (Italy, Germany, France) and the US. It appears that the most competitive Greek enterprises took advantage of malfunctions in global supply chains and shortages created by export restrictions abroad and/or higher demand for precautionary storage of basic goods in several countries, to increase their exports. Total imports of goods and services remained broadly unchanged on an annual basis.

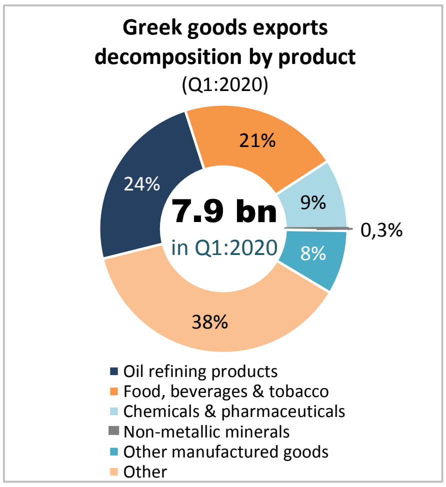
On the exporting services front, the COVID-19 impact was very limited in Q1:2020. In fact, transportation and other services revenue (in nominal terms) remained broadly stable on an annual basis – possibly supported by increasing shipping revenue in the tankers segment due to increasing oil storage – offsetting the decline in tourism revenue (-17.1% y-o-y in Q1:2020 and -71.0% y-o-y in March, in nominal terms according to current account data). Indeed, tourism revenue corresponds to a small share of income from exporting services in the first quarter of the year (tourism revenue in Q1 typically accounts for around 10% of quarterly services revenue and c. 2% of annual tourism revenue according to data for 2017-2019). However, the contribution of tourism in services exports increases to nearly 60% in the second and third quarter, with annual tourism revenue corresponding to 44% of total services revenue in 2017-2019 (nominal data in non-seasonally adjusted terms).

It will get worse before it gets better

The complete enforcement of containment measures in April and the inevitable uncertainty are expected to magnify the recessionary impact on the Greek economy in Q2:2020, leading to a double-digit contraction in activity in this quarter, with activity losses in April being the largest ever recorded in national account data. More specifically, the Greek Government acted preemptively, imposing on March 23 a wide range of containment and mitigation measures on economic and social activities to protect public health. Most of these measures,

Goods exports increased by 4.7% y-o-y, despite most of Greece's trading partners entering recession

The observed resilience reflects an increase in exports of pharmaceuticals, chemicals, food beverages and tobacco…



…mainly towards the EU

Top 5 destinations of Greek goods exports		
Q1:2020		
Country	**€ bn**	**%, y-o-y**
Italy	0.9	16.5%
Germany	0.6	19.2%
Cyprus	0.5	7.6%
Bulgaria	0.4	11.2%
Turkey	0.4	-13.8%

Source: *Panhellenic Exporters Association*

applying to domestic economic activity, remained fully in place until mid-May.

The following contributed to the design and preemptive implementation of this containment strategy that saved thousands of human lives:

i. The high concentration of population in few capital cities/regions (35% of the population lives in the Attica region) would reduce the effectiveness of any form of "discretionary social distancing" in the "spread phase" of the disease;

ii. The relatively high average age of the population (2.4 million persons or 22% of the Greek population, one of the highest percentages in EU along with Italy, is aged 65 years or over compared with 20.7% for the euro area average);

iii. Well-known capacity constraints of the Greek healthcare system, with about 6 critical care beds per 100k inhabitants, compared with 29.2 for Germany and 12.5 for Italy, before the eruption of the pandemic (2017 data);

iv. Other social characteristics related to the large number of extended families and the significant role of grandparental childcare in Greece, which increased the risk for more vulnerable population groups; and

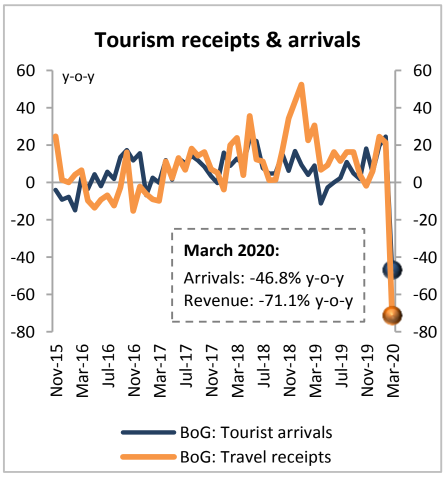
v. The high dispersion of small population groups on islands with direct access to primary healthcare facilities.

Accordingly, since late-March an increasing number of businesses suspended their activity, following an administrative decision, while all modes of domestic and international transportation were suspended by March 28 (suspension of flights to Italy began on 14 March). In April, with all restrictions in place, almost 700k firms (or about ¾ of the business population) suspended activity or suffered a sharp contraction in turnover, with some exceptions including food retailers, pharmacies and a part of their suppliers, financial institutions, energy and telecommunication companies and specific medical services. The respective number of employees in business activities affected by these measures peaked at nearly 50% of total employment in the private sector.

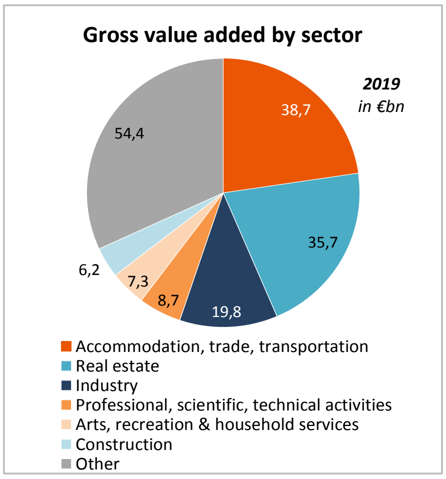
Economic activity is estimated to have shrunk sharply in April, a month which typically weighs significantly on Q2 GDP developments due to the Easter turnover and also as a starting month for both domestic and inbound tourism. In particular, retail trade, accommodation, transportation and food services

Sources: *EL.STAT., Eurostat & Panhellenic Exporters Association*

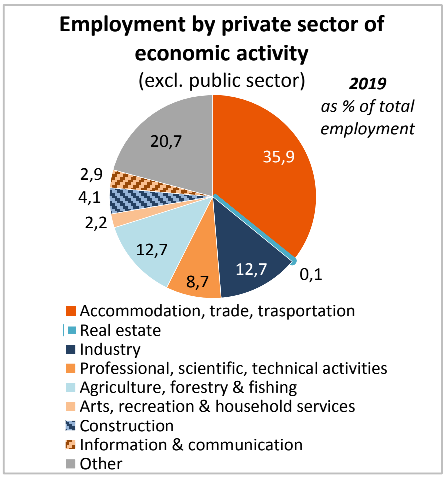
Tourism revenue declined by -71.0% y-o-y and arrivals by 47.0% y-o-y in March, marking the worst outcome on record for this month



The structure of the Greek economy exacerbates the challenges…



..with domestic services, in conjunction with tourism related activities, accounting for almost 40% of total private sector employment



Sources: EL.STAT. & Bank of Greece

are estimated to have suffered an unprecedented contraction in their monthly turnover in April. More specifically, the combined gross value added generated in these sectors corresponded to c. 18% of GVA in Q1:2020 and typically increases to above 23% and 27%, respectively, in Q2 and Q3 according to the previous year's data (non-seasonally adjusted, real terms). In this respect, developments in the above sectors play a critical role in determining the pace of GDP contraction in Q2, as well in shaping the prospective path of recovery in Q3. It should be noted that the combined production growth (GVA) of these sectors accounted for about ⅔ of the annual output growth of the economy in 2017-2019.

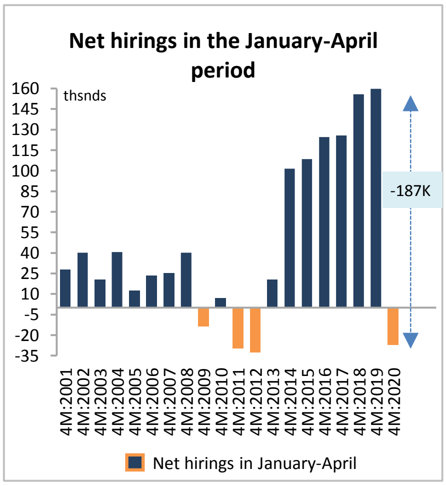
High frequency data already show the extent of the hit, with a subset also capturing the first signs of a turnaround in late-May

The first set of survey data and conjunctural indicators available for April and May point to a severe drop in activity, with the majority of indicators declining to multi-year lows – from very high levels reached in 2M:2020 – but remaining above their lowest points on record during the Greek crisis. The familiarity of Greek businesses and households with extreme conditions and a higher weight of the viable and more competitive firms in the compilation of survey data, following a decade of painful economic restructuring, partly explain this resilience.

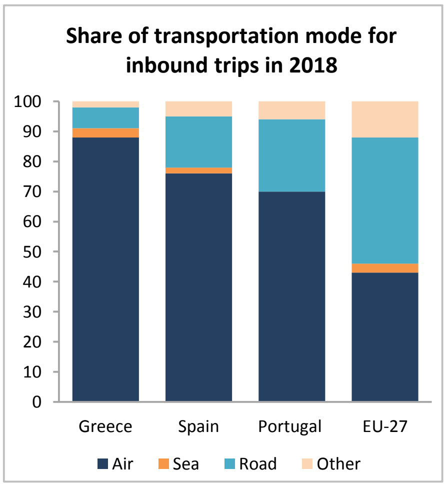
The announcement by the Greek government in the past 3 months of fiscal support measures of a combined value of €15 bn, comprising €8 bn in social transfers, subsidies and tax relief, €3 bn in payment deferrals for tax and social security contributions and €4 bn in the form of State loans and guarantees for new bank lending contributed significantly to the reduction of uncertainty. Moreover, most funding related to EU initiatives is expected to flow in H2:2020, including financial aid through the SURE Program, the Coronavirus Response Investment Initiative and the EIB, providing additional support to those facing more permanent pressures from the COVID-19 crisis. Overall, the pace of normalization in domestic demand conditions and consumer habits, along with the form of labor market adjustment and related firm decisions for new hiring and investment, will determine the shape of the recovery, assuming no significant recurrence of COVID-19 later this year.

Regarding information based on more recent data releases, Ergani data recorded an additional gap of 104k positions in April 2020, compared with the same month in 2019, which brought

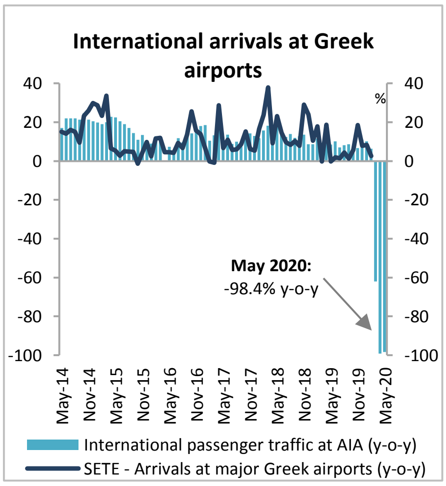
Employment gap in 4M compared with 4M:2019 rose to 187k positions



Arrivals by air account for 88% of tourist arrivals in Greece



International Arrivals at Athens International Airport dropped by 98.8% y-o-y, on average, in April-May



the cumulative deterioration in 4M:2020 to 187k positions on an annual basis with a very modest pick-up in layoffs. Nonetheless, a deterioration in labor market conditions is unavoidable in Q2 and possibly Q3:2020, when firms will have to adjust the employment levels to the demand trends, possibly proceeding with further adjustments in employment levels or employment hours, especially in tourism related sectors. In fact, the "hiring gap" against 4M:2019 according to Ergani corresponds to almost 4.0% of the labor force (non-seasonally adjusted labor force survey data for Q2:2019), pointing to a contraction in employment higher than 4.0% y-o-y in Q2:2020 (seasonally adjusted LFS data) and to the first significant increase in the unemployment rate since 2013.

An unprecedented contraction in tourism revenue in Q2:2020 in excess of 80% is expected to subtract more than 10 pps from GDP growth in Q2:2020 on an annual basis (seasonally adjusted data). Indeed, data from international arrivals at Athens International Airport recorded an average drop of 98.8% y-o-y in April-May, with a mild recovery expected in June as restrictions start to ease. It should be noted that arrivals by air correspond to more than 85% of inbound tourism activity in Greece, with travel bans remaining in place until end-May. A material easing of restrictions on international flights has been planned for June, with most of the remaining obstacles being removed in mid-June (for 29 "low risk" countries) and until mid-July (for most other connections). Similarly, restrictions to the operation of year-round hotels were removed on June 1, while seasonal hotels and other accommodation services will open on June 15, when the 1st phase of the opening of inbound tourism will be concluded. However, the pace of recovery will depend on the responsiveness of foreign demand in the coming months, with the final impact on tourism activity from health considerations and economic conditions in other countries being subject to considerable uncertainty, despite Greece's advantageous position, due to the effective containment of the disease.

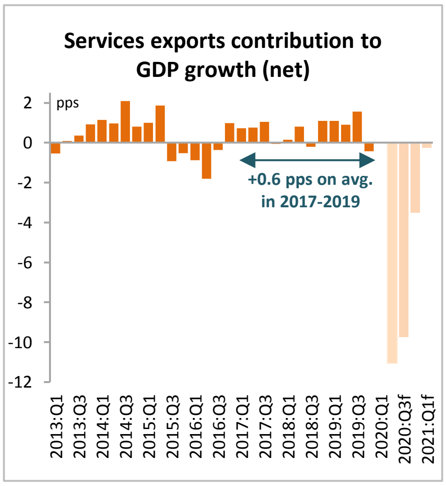
The economic sentiment indicator for Greece declined for a third consecutive month to 88.5 in May 2020 from 113.2 in February 2020, with confidence in the construction, services and retail trade sectors suffering the largest losses, followed by consumer and industry confidence. Notably, Greece's ESI remained significantly above the lowest points of 79.3 and 81.2 recorded in August 2015 and June 2012, respectively, and also exceeded, once again, the respective euro area average of 67.5

Sources: *Ministry of Labor and Social Affairs, Athens International Airport, SETE & Eurostat*

Top tourism markets for Greece (tourism receipts)			
2019			International flights allowed
Country	€ bn	% of total	
Germany	3,0	16,3	June 15
UK	2,6	14,1	July*
US	1,2	6,5	July*
France	1,1	6,0	July*
Italy	1,0	5,5	July*
Netherlands	0,5	2,9	July*
Romania	0,5	2,7	June 15
Cyprus	0,5	2,6	June 15
Switzerland	0,5	2,5	June 15
Austria	0,5	2,5	June 15
Belgium	0,5	2,5	July*
Russia	0,4	2,4	July*
Australia	0,4	2,0	June 15
Canada	0,3	1,9	July*
Sweden	0,3	1,4	July*
Albania	0,2	1,2	June 15
Spain	0,2	1,1	July*
Denmark	0,2	1,0	June 15
Czech Rep.	0,2	1,0	June 15
Cruises	0,5	2,7	July*

*July 1: connections with the rest of the world (with some exceptions)
*July 15: exceptions lifted

Net services exports are expected to place an unprecedented drag on 2020 GDP – of c. 6.0 pps



Sources: *EL.STAT. & Bank of Greece*

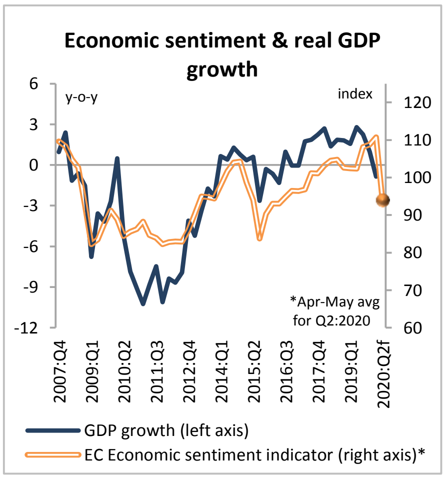
in May 2020. However, the stress will admittedly be more sizeable for firms in the services segment and especially SMEs operating in tourism related sectors, which have faced relatively benign demand conditions even in the worst periods of the Greek crisis.

The results of the industrial survey (decline of industrial confidence to -15.4 in May from 1.2, on average, in 4M:2020, compared with a 10-year average of -10.7 and an all-time low of -36.6 in March 2009) possibly suggest that the competitive Greek firms are more familiar with economic shocks and extreme uncertainty. Moreover, the low interconnection of Greek firms to international supply chains and the high share of industries producing goods with relatively low income elasticity provide additional protection against lower demand, both domestically and abroad. Indeed, manufacturing production shrunk by 11.3% y-o-y in April, at the fastest pace since 2011, with the resilience of the food and oil refining sectors (-3.5% y-o-y and +1.7% y-o-y, respectively) and the solid increases in the production in the tobacco, pharmaceuticals and paper pulp sectors (21.9%, 15.0% and 6.3% y-o-y, respectively) in the same period ameliorating the drag from the sharp fall in output of other sectors. In particular, the production of consumer durables, capital goods and related intermediate inputs contracted by almost 30%, on average, in April. Accordingly, capacity utilization in Greek industry declined to 67.1% in April 2020 from 71.3% in Q1:2020, remaining well above its all-time low of 61.3% in August 2015. Electricity demand data, provided by the Independent Power Transmission Operator ("ADMIE"), show a reduction in the high voltage segment demand related to industry of 10.8% y-o-y in March and 23.6% y-o-y in April 2020, which is directly comparable to the capacity utilization figures.

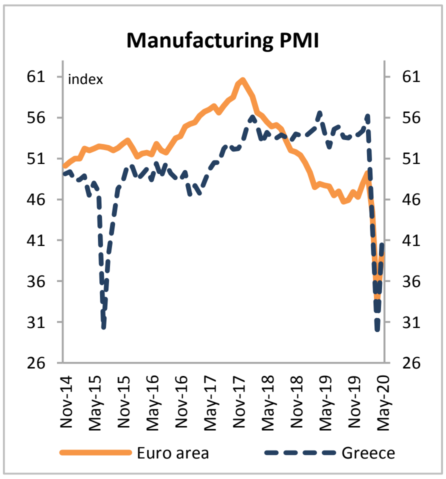
A subset of indicators shows the first signs of a pick-up in activity as restrictions are being eased. Manufacturing PMI, which is considered to be effective in capturing changes in activity trends, but usually overreacts in periods of extreme uncertainty in Greece, collapsed to 29.5 in April 2020 from 51.0, on average, in Q1:2020 (54.2 in FY:2019) but rose to 41.1 in May.

Google's COVID-19 Community Mobility Reports provide an additional metric of the impact of containment measures on individuals' mobility, which is related to their spending. This daily dataset relies on aggregated, anonymous location history data that measure the change in the number of visits and length

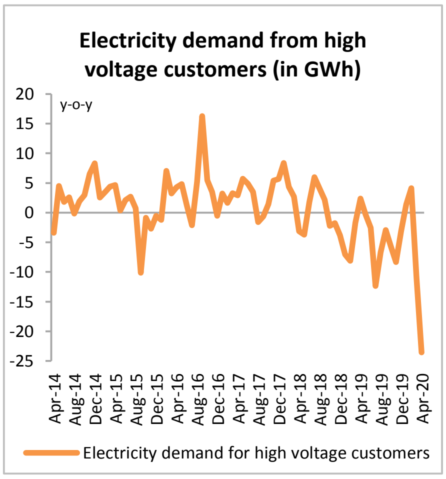
The economic sentiment indicator declined to 88.5 in May 2020 from 113.2 in February, remaining above the lowest points of the Greek crisis and the euro area average (67.5 in May)



Manufacturing PMI edged up to 41.1 in May from an all-time low of 29.5 in April 2020



Electricity demand from the high voltage segment decreased by 10.8% y-o-y in March and by 23.6% in April



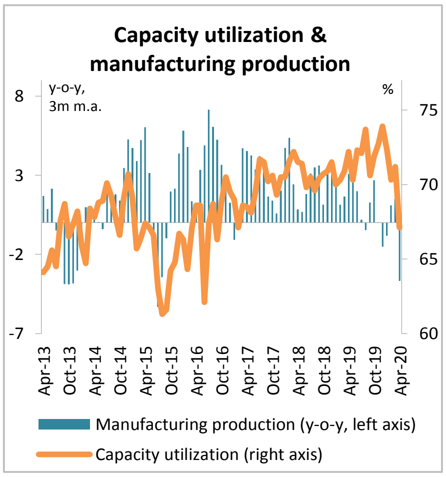
of stay at different places of individuals compared with a baseline, based on data from users who have activated "Location History" on their Google Accounts. A closer look at the sub-categories referring to visits in retail and recreation places, which are more closely related to economic activity, suggests that mobility bottomed at about -79% in late-March and remained close to -75%, on average, for the first three weeks of April.

The abolition of the Lockdown Movement Permits on May 4 and the gradual lifting of restrictions on the operation of retail trade businesses and food and beverage service activities in the second half of May appear to have been translated into a steady increase in mobility. The deviation of mobility data for retail and recreational purposes from their trend level narrowed to -11% on June 4 (from -73%, on average, in April and -39%, on average, in May), the smallest discrepancy since March 11 2020, before the implementation of lockdown measures. Greece, along with Austria, Germany and Belgium, are showing the fastest improvement in mobility, in response to the gradual lifting of lockdown measures.

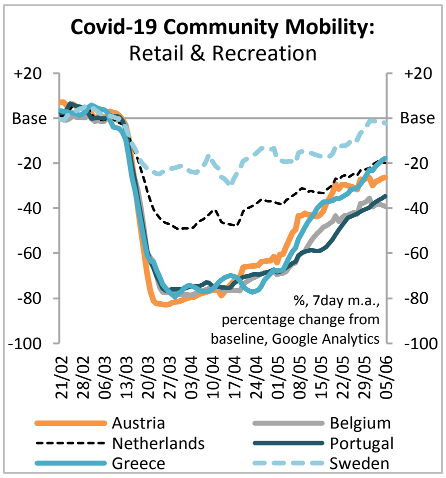
A timely assessment of the Covid-19 impact on the economy presents significant measurement challenges with a limited number of coincident indicators being available for April (e.g. fiscal data, Ergani, banking system data) and information for May mainly based on economic surveys and Google mobility data. Unlike most recessions, where activity starts to slow in the quarters preceding the recession with high frequency indicators gradually responding to the downturn, the economic impact of the shock occurred suddenly in the last two weeks of Q1:2020 and affected particularly the services sector, for which timely information is very limited (except for tourism). In fact, domestic consumption of services (excluding health, education and services provided by the public sector), which accounts for about ⅓ of private consumption, along with external demand for tourism services, are important drivers of GDP. Moreover, it should be noted that tourism activity remained resilient during the Greek crisis – with the decline in services exports of 19.5% y-o-y in H2:2015 mainly reflecting a temporary diversion of financial flows due to the imposition of capital controls rather than a decline in underlying activity – and thus there is no precedent on how the economy responds to a sudden stop in tourism. Finally, the experience of the Greek crisis suggested that survey data have to be interpreted with caution, due to

Sources: EL.STAT., ADMIE, IHS Markit & European Commission

Capacity utilization in Greek industry declined to 67.1% in April 2020 from 71.3% in Q1, remaining well above its low of 61.3% in August 2015



Greece exhibits a relatively fast improvement in mobility, in response to the gradual lifting of the lockdown



their tendency to overreact in response to stress and, in some instances, behave as lagging indicators.

Bearing that in mind, it appears that the first signs of a pick-up in economic activity are showing in late-May, at least, in a subset of indicators. A simplistic extrapolation of the trends observed in the past few weeks to June could suggest that the Greek economy has turned the corner. However, since the probability of a significant rebound in tourism activity in Q3 remains small (the annual contraction in services revenue is estimated at -63% y-o-y) and the adverse second round effects from lower tourism spending to the rest of the economy could be sizeable and only partly offset by government measures, we expect a GDP contraction of 7.5% in FY:2020 with positive s.a. q-o-q changes of 4.6% and 9.6% in Q3 and Q4:2020, respectively, following an unprecedented drop of 13.5% in Q2:2020 (s.a. q-o-q).

The shape of the recovery in H2:2020 and in 2021 depends on several factors, with uncertainty remaining high. The evidence from China and other counties, which lifted restrictions earlier, suggests that the recovery in most activities is sluggish, especially in the services sectors, while manufacturing shows higher buoyancy. In this respect, the pace of normalization in domestic spending, the responsiveness of the business sector to the new conditions and the success of economic policy to support those facing a more permanent hit from the crisis and embrace growth enhancing reforms will play a critical role in determining the recovery path. In this regard, a timely activation of the EU "Recovery Fund" (envisaging a combined support to Greece of about €32 bn, of which €22.5 bn in transfers over a 4-year horizon) could provide additional impetus to the GDP recovery in 2021, bolstering investment spending and limiting downside risks related to a more-protracted-than-currently-envisaged impact of the pandemic on private spending and especially in demand for tourism services.

Greece: GDP Growth Decomposition & Outlook (forecasts for 2021 exclude the impact of "EC Recovery Fund")

	2017	2018	2019	2020f	2021f	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
GDP (real, % y-o-y, s.a.)	**1,4**	**1,9**	**1,9**	**-7,5**	**5,1**	**1,6**	**2,8**	**2,3**	**1,0**	**-0,9**	**-15,1**	**-11,6**	**-2,4**
GDP (real, % q-o-q, s.a.)	...	...	...	...	...	0,2	1,0	0,4	-0,7	-1,6	-13,5	4,6	9,6
Domestic Demand (y-o-y)	**1,8**	**0,2**	**1,1**	**-5,9**	**4,6**	**3,2**	**2,4**	**-1,8**	**0,7**	**-1,6**	**-10,0**	**-8,5**	**-3,4**
Final Consumption (y-o-y)	**0,7**	**0,3**	**1,0**	**-4,5**	**2,6**	**0,3**	**1,9**	**0,6**	**1,1**	**0,1**	**-6,1**	**-6,8**	**-5,0**
Private Consumption (y-o-y)	*0,9*	*0,9*	*0,7*	*-8,7*	*5,9*	*1,3*	*0,0*	*0,3*	*1,3*	*-0,7*	*-18,3*	*-10,3*	*-5,6*
Public Consumption (y-o-y)	*-0,5*	*-2,5*	*2,2*	*9,8*	*-6,2*	*0,4*	*9,8*	*0,1*	*-1,4*	*2,0*	*29,6*	*7,0*	*-1,0*
Gross Fixed Cap. Formation (y-o-y)	**9,4**	**-12,0**	**4,5**	**-13,6**	**18,0**	**8,8**	**-5,2**	**2,5**	**14,0**	**-6,4**	**-22,0**	**-15,0**	**-11,0**
Inventories* (contribution to GDP)	**0,1**	**1,5**	**-0,3**	**-0,4**	**0,5**	**2,0**	**1,4**	**-2,6**	**-1,8**	**-1,0**	**-2,1**	**-0,9**	**2,3**
Net exports (contribution to GDP)	**-0,4**	**1,7**	**0,8**	**-1,6**	**0,4**	**-1,7**	**0,4**	**4,1**	**0,3**	**0,8**	**-5,1**	**-3,1**	**1,0**
Exports (y-o-y)	**6,9**	**8,7**	**4,9**	**-23,0**	**13,5**	**4,8**	**5,2**	**9,1**	**0,7**	**2,5**	**-48,4**	**-30,5**	**-14,9**
Exports of goods (y-o-y)	*5,6*	*8,4*	*2,2*	*-1,4*	*7,9*	*-0,4*	*4,0*	*6,5*	*-1,1*	*4,7*	*-12,0*	*-2,5*	*4,5*
Exports of services (y-o-y)	*8,3*	*9,2*	*8,1*	*-48,2*	*26,5*	*10,3*	*6,9*	*13,7*	*1,9*	*0,0*	*-92,0*	*-63,0*	*-36,0*
Imports (y-o-y)	**7,4**	**3,0**	**2,5**	**-18,2**	**11,4**	**9,7**	**3,9**	**-2,7**	**-0,3**	**0,2**	**-33,0**	**-22,0**	**-18,0**

*also including other statistical discrepancies / Sources: EL.STAT. & NBG estimates

***Sources**: EL.STAT., Google COVID-19 Community Mobility Reports & NBG Economic Analysis estimates*

Greece: Tracking the economy's cyclical position

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
PMI (index level)	55,2	56,1	55,0	52,9	54,2	53,5	53,5	53,9	53,6	53,1	54,0	53,8	53,7	54,2	54,7	56,6	54,2	52,4	54,6	54,9	53,6	53,5	54,1	53,9	54,4	56,2	42,5	29,5	41,1
Industrial confidence (index level)	1,2	4,2	-3,3	-1,2	-1,5	-1,6	5,4	6,3	0,3	-3,4	-3,2	-5,0	-4,6	-1,2	-2,3	-0,9	-0,2	-0,6	1,7	0,6	1,0	1,9	1,4	2,0	2,7	4,5	3,1	-5,6	-15,4
Manufacturing production (y-o-y)	9,5	1,0	-1,8	3,4	0,6	1,5	7,2	1,5	1,8	0,1	8,5	1,4	-1,2	3,1	2,8	3,4	2,8	-0,1	-1,9	0,9	5,2	1,8	-6,9	0,7	4,4	-1,5	1,8	-11,3	
Industrial production (y-o-y)	-0,4	-0,7	0,8	3,2	1,0	1,3	3,5	-0,3	3,3	0,0	5,2	2,3	3,9	1,6	-0,6	2,3	-0,6	-0,5	-2,1	0,0	1,8	-0,9	-9,6	-4,2	-0,8	-3,1	0,4	-9,9	
Services confidence (index level)	8,9	18,9	17,7	23,6	25,1	21,0	15,9	11,9	10,5	10,7	11,1	11,4	-1,6	6,1	10,5	5,6	7,3	7,9	22,1	28,8	20,2	15,4	17,8	29,1	25,2	33,6	26,6	1,1	-40,3
Consumer confidence (index level)	-48	-50	-52	-49	-49	-49	-47	-45	-43	-34	-33	-31	-28	-33	-32	-31	-30	-28	-20	-8	-7	-8	-7	-6	-10	-5	-17	-33	-33
Retail confidence (index level)	1,8	2,8	2,2	10,4	6,4	2,6	14,9	19,7	21,0	16,4	10,0	18,4	23,0	13,3	7,4	1,4	-0,7	9,2	13,7	22,6	32,9	26,3	25,0	22,0	21,5	27,5	21,3	3,2	-22,4
Retail trade volume (y-o-y)	1,0	-0,5	1,5	1,5	4,1	1,7	2,4	3,6	2,9	-4,1	3,0	-0,1	-3,2	-3,1	4,9	-2,5	-2,4	2,4	-2,2	2,2	5,0	7,2	3,7	-1,5	6,2	2,5	-3,1		
Construction Permits (y-o-y)	46	-15	-4	38	14	23	17	13	33	38	51	18	-9	-25	-21	1	6	1	22	38	60	-10	7	47	44	70			
House prices (yoy, quarterly series)	0,5	0,5	0,5	1,3	1,3	1,3	2,3	2,3	2,3	3,2	3,2	3,2	5,5	5,5	5,5	7,6	7,6	7,6	8,3	8,3	8,3	7,6	7,6	7,6	6,9	6,9	6,9		
Construction confidence (index level)	-50	-45	-55	-55	-39	-48	-46	-45	-55	-51	-43	-53	-51	-61	-48	-50	-54	-56	-48	-52	-56	-50	-52	-24	-32	-31	-31	-76	-76
Employment (y-o-y)	3,2	0,9	1,8	1,6	2,0	2,0	2,0	1,7	2,0	2,4	2,4	2,6	2,1	2,8	2,3	2,7	2,5	2,3	1,8	2,2	1,9	1,4	1,8	1,2	1,4	0,4			
Interest rate on new private sector loans (CPI deflated)	5,2	4,4	4,8	4,5	3,9	3,4	3,9	3,7	3,7	3,2	3,6	4,1	4,5	3,9	3,6	3,9	4,4	4,8	4,5	4,9	4,7	5,0	4,1	3,6	3,5	4,1	4,1		
Credit to private sector (y-o-y)	-0,8	-0,9	-1,0	-1,9	-1,9	-1,2	-1,5	-1,5	-1,2	-1,4	-1,4	-1,1	-1,1	-0,6	-0,6	-0,1	-0,2	-0,2	-0,1	-0,1	-0,5	-0,2	-0,2	-0,6	-0,6	-0,8	0,1	0,3	
Deposits of domestic private sector (y-o-y)	4,9	5,6	6,3	7,2	7,4	7,5	7,4	7,3	7,4	6,2	5,9	6,3	6,2	5,5	5,5	6,0	5,7	6,0	6,5	6,2	5,8	6,5	6,5	6,7	6,3	7,7	8,8	8,6	
Interest rate on new time deposits (households, CPI deflated)	0,8	0,5	0,9	0,6	0,0	-0,4	-0,2	-0,4	-0,5	-1,2	-0,4	0,0	0,2	0,0	-0,4	-0,4	0,3	0,8	0,5	0,7	0,5	1,1	0,1	-0,4	-0,5	0,1	0,3		
Economic sentiment index (EU Commision, Euro area)	114	114	112	113	112	112	112	111	111	110	110	108	106	106	105	104	105	103	102	103	101	100	101	101	103	103	94	65	68
Exports (excl. oil & shipping, y-o-y, 6m mov.avg)	11,2	11,4	11,7	11,6	11,6	12,2	11,3	11,7	11,3	11,4	11,9	9,6	7,9	7,4	6,3	6,0	5,6	4,7	5,2	3,9	5,5	4,2	2,4	4,7	5,6	6,3	4,2		
Imports (excl. oil & shipping, y-o-y, 6m mov.avg)	8,1	7,6	7,5	6,6	5,6	7,7	7,9	9,2	10,1	12,4	12,2	10,8	9,5	8,9	7,8	5,6	7,5	5,6	6,0	3,7	4,4	2,1	-0,5	0,7	0,5	1,4	-1,7		

Color map scale

Rapid contraction | *Moderate contraction* | *Slow contraction* | *Stabilization* | *Slow expansion* | *Moderate expansion* | *Rapid expansion*

Sources: NBG, BoG, ELSTAT, EU Commission, IOBE

Google mobility indicators for Greece

	February		March				April				May				June
	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1
Retail and recreation (percentage change from baseline)	2,3	5,3	-0,9	-26,0	-63,9	-79,4	-75,3	-71,4	-75,6	-67,9	-56,5	-38,6	-35,1	-27,4	-14,4
Grocery and pharmacy (percentage change from baseline)	1,0	14,6	-4,4	11,0	-4,0	-33,4	-22,8	-0,1	-17,0	-1,6	-3,1	12,0	12,9	13,1	11,0
Parks (percentage change from baseline)	7,0	24,4	26,7	0,3	-28,1	-62,6	-54,4	-35,4	-34,6	-9,6	20,1	61,7	63,4	46,3	55,8
Transit stations (percentage change from baseline)	-0,6	4,9	-2,7	-22,0	-58,1	-76,6	-72,9	-66,9	-69,4	-60,0	-49,3	-32,6	-27,3	-24,3	-15,4
Workplaces (percentage change from baseline)	1,9	2,9	-7,1	-15,3	-45,1	-60,0	-55,8	-52,1	-61,0	-46,8	-41,5	-27,4	-22,1	-15,3	-12,4
Residential (percentage change from baseline)	0,1	-0,6	1,3	6,6	18,3	25,9	23,5	21,9	23,5	18,5	16,0	9,6	7,1	6,0	3,8
Difference* from the baseline in per cent ►►►►	**1,2**	**4,3**	**-3,6**	**-21,1**	**-55,7**	**-72,0**	**-68,0**	**-63,5**	**-68,7**	**-58,2**	**-49,1**	**-32,9**	**-28,2**	**-22,3**	**-14,1**

Color map scale

Rapid contraction | Moderate contraction | Slow contraction | Stabilization | Slow expansion | Trend growth | Above trend

**Aggregate indicator corresponds to the average of 3 main categories: retail & recreation, transit stations, and workplaces.*

Sources: Google COVID-19 Community Mobility Reports, NBG estimates

Greek Economy: Selected Indicators

	2017					2018					2019					2020	Most recent		2020e	2021f
	Q1	Q2	Q3	Q4	year aver.	Q1	Q2	Q3	Q4	year aver.	Q1	Q2	Q3	Q4	year aver.	Q1				
Real economy (y-o-y period average, constant prices)																				
GDP	0,0	1,7	1,9	2,2	1,4	2,7	1,4	1,9	1,8	1,9	1,6	2,8	2,3	1,0	1,9	-0,9	Q1:20	-0,9	-7,5	5,1
Domestic demand	3,3	1,0	1,3	1,5	1,8	-2,7	-0,6	5,1	-0,8	0,2	3,2	2,4	-1,8	0,7	1,1	-1,6	Q1:20	-1,6	-5,9	4,6
Final Consumption	0,7	1,2	0,6	0,1	0,7	1,0	-0,4	0,2	0,3	0,3	0,3	1,9	0,6	1,1	1,0	0,1	Q1:20	0,1	-4,5	2,6
Gross fixed capital formation	7,9	-8,8	26,3	12,4	9,4	-8,7	18,9	-22,4	-27,2	-12,0	8,8	-5,2	2,5	14,0	4,5	-6,4	Q1:20	-6,4	-13,6	18,0
Exports of goods and services	6,1	9,1	6,5	5,8	6,9	8,9	9,2	6,0	10,6	8,7	4,8	5,2	9,1	0,7	4,9	2,5	Q1:20	2,5	-23,0	13,5
Imports of goods and services	16,2	5,8	4,7	3,2	7,4	-7,5	2,8	15,6	2,2	3,0	9,7	3,9	-2,7	-0,3	2,5	0,2	Q1:20	0,2	-18,2	11,4
Coincident and leading indicators (period average)																				
Retail sales volume (y-o-y)	2,8	2,1	0,8	-0,5	1,2	0,6	2,4	3,0	-0,4	1,4	-0,5	-0,8	1,6	2,8	0,8	1,7	Mar	-3,1	…	…
Retail confidence (15-yr. average: -2,9)	5,8	0,4	-1,6	1,3	1,5	2,3	6,5	18,5	14,9	10,6	14,6	3,3	23,1	24,4	16,3	23,4	May	-22,4	…	…
Car registrations (y-o-y)	37,8	3,4	35,8	24,5	22,2	37,6	28,3	20,8	14,5	25,8	4,9	13,1	23,7	12,2	13,2	-12,4	Apr	10,4	…	…
Consumer confidence (15-yr. average: -47,6)	-67,1	-65,1	-54,1	-49,1	-58,9	-49,8	-48,7	-44,7	-32,6	-44,0	-31,1	-29,4	-11,7	-7,1	-19,8	-10,4	May	-33,0	…	…
Industrial production (y-o-y)	8,2	3,5	3,1	1,1	3,9	-0,1	1,8	2,2	2,5	1,6	1,6	0,4	-0,2	-5,0	-0,8	-1,2	Apr	-9,9	…	…
Manufacturing production (y-o-y)	4,7	3,3	1,7	2,0	2,9	2,4	1,8	3,6	3,3	2,8	1,6	2,0	1,3	-1,5	0,9	1,5	Apr	-11,3	…	…
Capacity Utilization (15-yr. average: 70,1)	68,2	68,7	71,1	70,1	69,5	71,4	70,9	70,2	71,0	70,9	70,4	71,6	72,1	72,8	71,7	71,3	Apr	67,1	…	…
Industrial confidence (15-yr. average: -9,3)	-5,6	-7,8	-2,4	-2,8	-4,6	0,7	-1,4	4,0	-3,9	-0,2	-2,7	-0,6	1,1	1,8	-0,1	3,4	May	-15,4	…	…
PMI Manufacturing (base=50)	47,0	49,4	51,8	52,5	50,2	55,4	53,5	53,7	53,6	54,1	54,2	54,4	54,4	53,8	54,2	51,0	May	41,1	…	…
Construction permits (y-o-y)	16,2	31,2	5,9	27,1	19,3	1,8	24,3	20,0	36,1	21,4	-18,7	2,4	37,8	10,2	9,8	…	Feb	70,3	…	…
Construction confidence (15-yr. average: -40,0)	-51,6	-58,8	-41,9	-54,1	-51,6	-50,2	-47,2	-48,5	-49,2	-48,8	-53,5	-52,9	-52,2	-42,1	-50,2	-31,3	May	-76,1	…	…
PIB Disbursements (y-o-y)	-36,9	-24,9	-37,0	15,7	-5,4	-4,9	12,2	-17,6	9,4	4,8	56,6	52,6	22,2	-27,8	-9,5	48,4	Apr	193,0	…	…
Stock of finished goods (15-yr. average: 12,4)	10,7	11,8	12,7	10,3	11,4	6,1	3,8	6,4	9,8	6,5	8,6	13,5	12,5	11,4	11,5	9,8	May	14,1	…	…
External sector (period average)																				
Current account balance (% of GDP)	-1,7	-0,5	2,2	-1,9	-1,9	-1,7	-0,8	1,7	-2,1	-2,8	-2,0	-0,2	2,2	-1,4	-1,4	-1,9	Mar	-0,6	…	…
Current account balance (EUR mn)	-3121	-852	4015	-3449	-3406	-3092	-1475	3210	-3875	-5232	-3736	-322	4091	-2594	-2561	-3535	Mar	-1106	…	…
Services balance, net (EUR mn)	1340	4425	9974	2305	18044	1083	4842	10472	2907	19304	1496	5267	11658	2695	21116	1128	Mar	355	…	…
Primary Income Balance, net (EUR mn)	656	-530	-733	-450	-1057	749	-774	-1152	-549	-1726	795	-557	-1303	-361	-1427	756	Mar	182	…	…
Merchandise exports – non-oil (y-o-y cum.)	9,1	10,1	8,7	9,2	9,2	12,2	12,6	11,9	10,9	10,9	4,3	4,1	4,6	4,5	4,5	4,5	Mar	4,5	…	…
Merchandise imports – non-oil (y-o-y cum.)	10,2	9,0	8,5	8,5	8,5	7,1	8,2	9,3	9,4	9,4	6,2	5,5	5,3	3,7	3,7	-2,5	Mar	-2,5	…	…
Gross tourism revenue (y-o-y)	-8,5	9,4	13,2	13,5	11,4	13,8	18,2	4,7	22,7	10,2	34,3	12,8	14,6	3,6	12,9	-16,4	Mar	-71,1	…	…
International tourist arrivals (y-o-y)	-1,8	9,0	12,2	5,9	9,7	12,8	20,7	5,8	13,8	10,8	7,8	-2,5	6,3	5,5	4,1	-5,6	Mar	-46,8	…	…
Employment																				
Unemployment rate	22,5	21,6	21,0	20,9	21,5	20,3	19,5	19,0	18,5	19,3	18,3	17,3	17,0	16,6	17,3	…	Feb	16,1	20,9	21,3
Employment growth (y-o-y)	1,6	2,0	2,1	2,4	2,0	1,9	1,9	2,0	2,5	2,1	2,4	2,5	1,9	1,4	2,0	…	Feb	0,4	-3,4	-1,4
Prices (y-o-y period average)																				
Headline inflation	1,4	1,3	1,0	0,8	1,1	-0,1	0,5	1,0	1,1	0,6	0,7	0,3	-0,1	0,1	0,3	0,4	May	-1,1	-0,7	…
Core inflation	-0,4	0,2	0,4	0,4	0,2	0,2	0,1	-0,1	0,2	0,1	0,2	-0,1	0,0	0,3	0,1	0,4	May	0,5	-0,5	…
Producer prices excl. energy	0,4	0,3	0,6	0,5	0,5	0,2	0,1	-0,1	0,3	0,1	0,3	0,4	0,4	0,1	0,3	-0,1	Mar	-0,1	…	…
Real estate prices																				
Residential house prices (y-o-y)	-1,9	-1,1	-0,7	-0,4	-1,0	0,5	1,3	2,3	3,2	1,8	5,5	7,6	8,3	7,6	7,3	6,9	Q1:20	6,9	…	…
Office prices (y-o-y, bi-annual data)[1]	…	-0,3	…	3,9	1,8	…	7,7	…	6,7	7,2	…	5,4	…	…	…	…	H1:19	5,4	…	…
Retail prices (y-o-y, bi-annual data)[1]	…	1,3	…	2,2	1,7	…	3,3	…	5,3	4,3	…	7,3	…	…	…	…	H1:19	7,3	…	…
Fiscal policy																				
Gov. balance (% of GDP, Enhanced Surveillance Fram.)[2]	…	…	…	…	1,1	…	…	…	…	0,9	…	…	…	…	0,6	…	…	…	-6,4	-2,1
General Gov. primary balance (% of GDP, Enhanced Surveillance Fram.)[2]	…	…	…	…	4,2	…	…	…	…	4,2	…	…	…	…	3,5	…	…	…	-3,4	0,6
Government debt (% of GDP)[2]	…	…	…	…	176,2	…	…	…	…	181,2	…	…	…	…	176,6	…	…	…	196,4	182,6
Monetary sector (y-o-y, end of period)																				
Deposits of domestic private sector	3,1	3,4	4,6	4,7	4,7	6,3	7,5	7,4	6,3	6,3	5,5	6,0	5,8	6,7	6,7	8,8	Apr	8,6	…	…
Loans to private sector (incl. sec. & bond loans)	-1,3	-1,3	-0,8	-0,8	-0,8	-1,0	-1,2	-1,2	-1,1	-1,1	-0,6	-0,2	-0,5	-0,6	-0,6	0,1	Apr	0,3	…	…
Mortgage loans (including securitized loans)	-3,3	-3,2	-2,9	-3,0	-3,0	-3,0	-3,0	-2,9	-2,8	-2,8	-2,9	-3,1	-3,3	-3,4	-3,4	-3,4	Apr	-3,3	…	…
Consumer credit (including securitized loans)	-0,7	-0,7	-0,5	-0,5	-0,5	-0,6	-0,6	-0,4	-0,8	-0,8	-0,7	-0,9	-1,1	-1,6	-1,6	-1,7	Apr	-2,1	…	…
Interest rates (period average)																				
10-year government bond yield	7,2	6,1	5,5	5,1	6,0	4,1	4,2	4,1	4,4	4,2	4,0	3,2	1,9	1,4	2,6	1,5	May	1,9	…	…
Spread between 10 year and bunds (bps)	689	577	502	469	559	346	376	370	400	373	382	327	239	173	280	190	May	243	…	…
Exchange rates (period average)																				
USD/euro	1,07	1,1	1,18	1,18	1,13	1,23	1,19	1,16	1,14	1,18	1,14	1,12	1,11	1,11	1,12	1,1	May	1,09	…	…
Stock market																				
ASE General index (aop)	644	755	817	750	742	833	796	729	631	746	667	784	859	877	798	800	May	614	…	…
ASE Banks (aop)	780	947	1018	760	876	902	900	744	477	754	466	676	758	852	691	682	May	304	…	…

[1] *Quarterly figures correspond to bi-annual data for office and retail prices*

[2] *Forecasts according to EU Commission ESA2010 data*

Sources: BoG, NSSG, MoF, ASE, Bloomberg and NBG estimates unless otherwise indicated

NATIONAL BANK
OF GREECE

Main contributors *(in alphabetical order): E. Alevizopoulou, E. Balikou, A. Gouveli, G. Murphy*

The analysis is based on data up to June 10, 2020, unless otherwise indicated