



## Risk assets continue their February rally due to the prospect of a substantial US fiscal stimulus package and stronger-than-expected corporate results

- US equities closed higher for a sixth straight session due to strong corporate results and upwardly revised expectations vis-à-vis fiscal spending. The S&P500 and Nasdaq-100 hit fresh all-time highs on Monday with valuations gains of circa 6% in February.
- Pro-cyclical sectors (Energy, Banks) and asset classes as small caps (Russell 2K) have led the increase. Region-wise, equity markets with high leverage on the global economic cycle overperformed, with Japanese equities reaching their highest level since 1990.
- Big-Tech earnings surprised on the upside, with Google (\$22.30 vs. \$15.79) and Facebook (\$3.88 vs. \$1.25) beating analysts' expectations by a wide margin. With 63% of the companies in the S&P500 reporting actual results, 81% have reported a positive EPS surprise, with positive year-over-year growth in Q4:2020 EPS of +2% compared with expectations of -9% at the beginning of the season.
- The fiscal stimulus pushed by the new US Government, with Treasury Secretary Yellen calling for \$1.9trillion or 9% of 2019 US GDP, has triggered a fresh debate on inflation. As a result, 10-year inflation breakeven interest rates have climbed by 47 bps to 2.21% since US Elections, their highest level since August 2014. In a similar vein, the options-implied densities assign considerably more mass (60%) to inflation outcomes above 2% compared with one year before (40%).
- The inflation recovery could accelerate in the US, as fiscally fueled growth narrows the output gap, currently at -3.8% of potential GDP. According to the Congressional Budget Office estimates, real GDP is projected to surpass its potential level in Q1:2025 under current law. However, a multi-trillion package in 2021 would lift real output significantly suggesting that price risks are skewed to the upside.
- In addition, survey and hard inflation data points to better inflation outcomes. Raw materials prices have increased for the seventh consecutive month (ISM manufacturing). Moreover, house price appreciation continues unperturbed, suggesting that rents and owners' equivalent rent of residences (with a cumulative CPI weight of 41%) have further room to run from their current velocity (2.3% year-over-year). Last but not least, US banks appear to move away from substantially tightening in corporate lending standards (see graphs below).
- Long-term nominal yields have increased by less than breakevens (+27 bps to 1.18%) since US Elections. With short-term rates anchored by the Federal Reserve, the Treasury curve (10/2s) has steepened above 100bps -- a boon for banks' profitability going forward -- reaching its widest level since mid-2017. From a valuation perspective, US Financials are trading at 1.4x their Book Value of equity (69% percentile) compared with 4x for the US market (100% percentile).
- In a world where \$17 trillion of fixed income is priced at negative yields, euro area periphery bond spreads remain attractive due to, *inter alia*, supportive monetary policy. The latest political developments in Italy bode well for the asset class, as Mr. Draghi has been tapped to become Italy's next Prime Minister. The 10-Year BTP/Bund spread narrowed below 100bps for the first time since January 2016.

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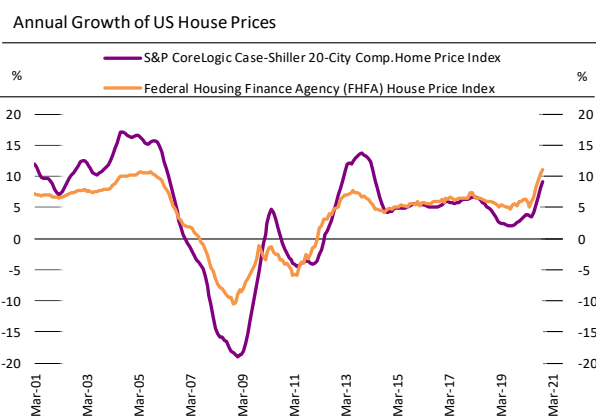
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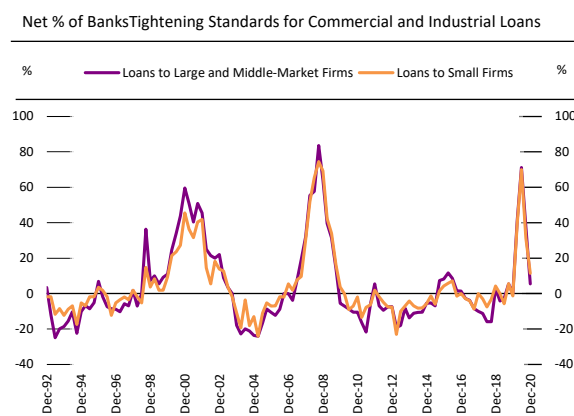
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Charts of the week



Source: NBG Research, S&P CoreLogic Case-Shiller, FHFA



Source: NBG Research, Federal Reserve

## US job creation was modest in January

- **The US non-farm payrolls rose modestly in January.** Specifically, nonfarm payrolls increased by 49k, versus -227k in December. The latest reading was below consensus expectations for +100k. Furthermore, (substantial) negative net revisions for the previous two months took place (-159k). Sector-wise, the headline rise was led by professional and business services (+97k), with the sub-sector of temporary help services accounting for the bulk of the gain (+81k). In a contrarian note, leisure and hospitality remained the main under-performer (-61k, after a sharp decline by 536k in December). Overall, total household employment (including the self-employed and agricultural workers) was up by 201k in January. As a result (and also due to a modest decrease in the labor force participation rate, by 0.1 pp to 61.4%), the unemployment rate fell by 0.4 pps to 6.3%.

According to the Bureau of Labor Statistics (BLS), some workers continued to be misclassified as employed but absent from work due to "other reasons", while they should have been classified as unemployed on temporary layoff. Without that error, the unemployment rate would have been somewhat higher, with the BLS estimating the upper bound of that misclassification effect at 0.6%. Recall that both the jump in the official unemployment rate during the initial lockdown (at 14.8% in April from 3.5% in February, which was the lowest since December 1969) and the sharp fall in subsequent months (at least up to November), was mostly due to people entering a state of temporary layoff (i.e. persons that have been given a date to return to work by their employer or expect to be recalled to their job within 6 months) and subsequently returning to work, respectively. Note that in the US, workers on temporary furlough are counted as unemployed, a different norm compared with Europe. As a result, in the current exceptional circumstances, caution is warranted in making direct comparisons between official unemployment rate figures in the US and in European countries (in the US, the number of unemployed persons excluding those on temporary layoff, as % of the labor force, was 4.6% in January). Finally, a broader measure of labor market slack, the U-6 unemployment rate (which includes the unemployed, part-time workers for economic reasons, and those workers marginally attached to the labor force), fell by 0.6 pps to 11.1% in January.

## US bank lending standards for corporations tightened for a 4<sup>th</sup> consecutive quarter in Q4:20

- **The Fed's Senior Loan Officer Opinion Survey (SLOOS) for Q4:20, suggests a somewhat increased reluctance from banks to extend new credit to corporations.** Indeed, a positive net percentage of respondents reported tighter lending standards for commercial and industrial (C&I) loans (+6% of banks for large and middle corporations and +11% for small firms), following also a tightening (albeit a much sharper one) in the previous three quarters (+50% & +47% respectively, on average). According to the respondents, the most important reasons were a less favorable or more uncertain economic outlook, a worsening of industry-specific problems and reduced tolerance for risk. Furthermore (also for a 4<sup>th</sup> consecutive quarter), a substantial net percentage of panelists reported that they tightened standards across all of the categories of commercial real estate (CRE) loans, i.e.: i) non-farm non-residential (+29%); ii) multifamily loans (+21%) and; iii) construction and land development lending (+26%). Regarding households, credit standards were insignificantly changed for mortgage loans in Q4:20, while they eased for consumer loans (credit cards, auto loans and other consumer loans).

- **On the demand side, a weakening from corporations was reported for a 3<sup>rd</sup> consecutive quarter, while credit appetite from households was little changed across most categories of loans.** Regarding C&I loans, a net share of 11% of banks reported weaker demand from large and middle corporations (after 35% in Q3:20 and 23% in Q2:20) and a net share of 18% for small firms (after 46% in Q3:20 and 29% in Q2:20). A wide variety of factors containing demand were cited, with a decrease in customers' financing needs for: i) inventory; ii) accounts receivable and (more importantly); iii) investment in plant or equipment, standing out. A decrease in customers' precautionary demand for cash and liquidity was also cited as an important reason for weaker demand.

## US house appreciation remains strong

- **Concerns are increasing that housing affordability issues could arise in the next months due to the continuing strong increase in house prices, putting a lid on the strong momentum for the sector** (residential investment was up by 33.5% qoq saar | +13.7% yoy in Q4:20). Indeed, the annual growth of the median sales price of new homes, stood at +8.0% in December. Moreover, the respective trend for existing home sales, stood at +12.9% in December. Recall that supply is struggling to catch up with the solid demand, contributing to that appreciation. In the event, the inventory of existing homes stood at a record (since 1999) low of 1.07 mn in December (average of 2.41 mn since 1999). The aforementioned data are in line with other house price metrics. In the event, in November the S&P CoreLogic Case-Shiller 20-City home price index stood at +9.1% yoy and the Federal Housing Finance Agency (FHFA) house price index at +11% yoy.

## Euro area CPI inflation overshoot expectations by a wide margin in January, albeit with temporary factors likely at play

- **Both headline and core inflation, accelerated sharply in January.** Specifically, the annual pace of growth for the headline CPI came out at +0.9%, compared with -0.3% yoy (the lowest outcome since April 2016) in December. In a similar note, core inflation (which excludes the effects of energy and food components) was +1.4% yoy, versus a record (since 1997) low of +0.2% yoy in December. Recall that a strong acceleration for inflation was anticipated, due to the expiration of the temporary (from July to December 2020) VAT reduction in Germany. Still, the latest readings exceeded consensus estimates by a wide margin (+0.5% yoy for the headline and +0.9% yoy for the core). It should also be noted that these outcomes could be partly distorted to the upside by temporary factors and specifically by base effects related to a later-than-usual implementation of winter sales in some countries in 2021 (thus, consumer prices in January 2021 are compared with prices in January 2020, on which winter sales had a more profound downward impact). Looking forward, the outlook for inflation is highly uncertain and closely linked, *inter alia*, to the post-pandemic path of the economic recovery.

## Equities

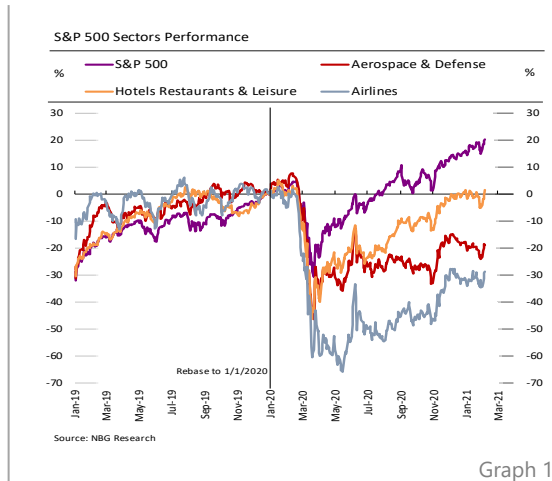
- Global equity markets rose in the past week due to better-than-expected earnings and heightened expectations regarding US stimulus spending.** Overall, the MSCI ACWI ended the week up by 4.3% (+4% ytd), with both developed (+4.2% wow) and emerging markets (+4.9% wow) recording strong gains. In the US, the S&P500 rose by 4.6% wow, recording a new all-time high of 3887. The Energy sector led the increase (+8.3% wow) supported by higher oil prices, while Communication services rose by 7.3% wow, due to positive earnings surprises reported by Google (\$22.30 vs. \$15.79) and Facebook (\$3.88 vs. \$1.25). Regarding the Q4 earnings season, out of the 295 companies that have reported results so far, c. 81% have exceeded analyst estimates. Looking forward, analysts now expect double-digit earnings growth for all four quarters of 2021 (+21%, +49%, +16%, +14% respectively | +24% for 2021). On the other side of the Atlantic, the Eurostoxx rose by 4.6% wow, with Banks recording strong gains (+10.6% wow), on the back of higher yields. Regionally, Italian equities overperformed (+7% wow), as Mr. Draghi was called to form a coalition government. In Japan, the Nikkei225 rose by 4% wow and by a further 2.1% on Monday, at the highest level since 1990.

## Fixed Income

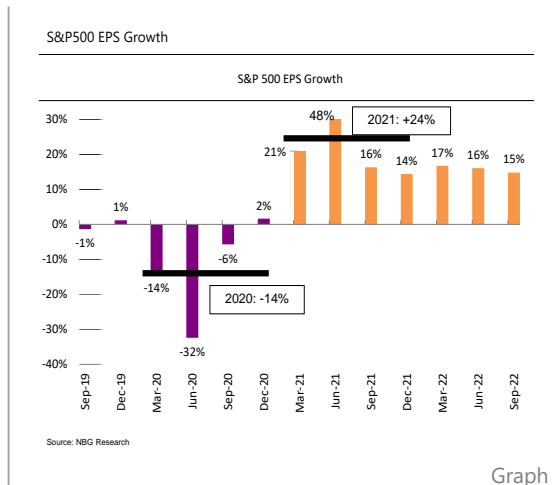
- Government bond yields increased in major advanced economies in the past week.** Specifically, the US Treasury 10-year yield ended the week up by 8 bps wow to 1.18%, their highest level since March 2020 whereas their 30-year peer reached 1.96% for the first time since February 2020. Investors discount that expansionary fiscal policy and the large decline in new Covid-19 daily cases will result in faster economic recovery. On the contrary, the 2-year yield declined by 3 bps to 0.12%, which led to the steepening of the yield curve, with the spread between US Treasury 10-year and 2-year yield, widening to 106 bps, its highest level since May 2017. In the UK, the 10-year yield rose by 16 bps wow to 0.53%, following the Bank of England (BoE) projection for strong growth and inflation in H2:2021. In Germany, the 10-year yield increased by 6 bps to -0.45%. Periphery bond yield spreads over the Bund in the 10-year tenor, declined across the board, due to the decreased risk aversion and news that Lega Nord, the major opposition party in Italy, as well as the Five-Star Movement, the largest party in the parliament, are conditionally backing M. Draghi's effort to form a new government (Italy: -16 bps to 102 bps, Spain: -3 bps to 57 bps, Greece -8 bps to 111 bps). **Corporate bond spreads narrowed further.** Indeed, EUR HY bond spreads decreased by 21 bps to 322 bps and their US counterparts narrowed also by 21 bps to 358 bps. In the investment grade spectrum, EUR spreads fell by 5 bps to 88 bps and USD spreads declined by 3 bps to 99 bps.

## FX and Commodities

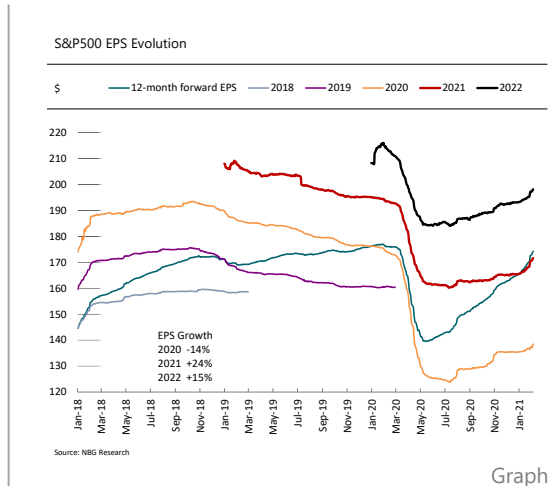
- The US dollar appreciated in the past week, supported by the improved US economic outlook and higher long-term rates.** Specifically, the USD ended the week up by 0.5% against a basket of trade-weighted currencies (DXY) and by 1% against the euro to \$1.203. The British pound rose in the past week, due to the hawkish stance from the BoE that significantly reduced chances to implement a negative rate in the near future. Overall, the British Pound rose by 1% against the euro to €/0.876. **In commodities, oil prices ended the week significantly higher due to the agreement between OPEC+ members to extend oil cuts for one month.** Prices were supported also by the decline in US crude oil inventories (-1 million barrels to 476 million barrels for the week ending January 29<sup>th</sup>). Overall, Brent prices ended the week up by 6.2% at \$59.3/barrel and the WTI rose by 8.9% to \$56.9/barrel, approaching their highest levels since January 2020.



Graph 1.



Graph 2.



Graph 3.

**Quote of the week:** "The economic recovery has been delayed, but not derailed. We expect the upswing to gather pace around the middle of the year, even if the uncertainties persist.", **ECB President, Christine Lagarde, February 7<sup>th</sup> 2020.**

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	February 5th	3-month	6-month	12-month	Official Rate (%)	February 5th	3-month	6-month	12-month
<b>Germany</b>	-0.45	-0.50	-0.40	-0.30	<b>Euro area</b>	0.00	0.00	0.00	0.00
<b>US</b>	1.18	1.20	1.30	1.40	<b>US</b>	0.25	0.25	0.25	0.25
<b>UK</b>	0.53	0.31	0.36	0.44	<b>UK</b>	0.10	0.10	0.08	0.06
<b>Japan</b>	0.05	0.00	0.05	0.09	<b>Japan</b>	-0.10	-0.10	-0.10	-0.10

Currency	February 5th	3-month	6-month	12-month	February 5th	3-month	6-month	12-month	
<b>EUR/USD</b>	1.20	1.17	1.18	1.20	<b>USD/JPY</b>	105	105	104	101
<b>EUR/GBP</b>	0.88	0.89	0.90	0.90	<b>GBP/USD</b>	1.37	1.31	1.32	1.34
<b>EUR/JPY</b>	127	122	122	122					

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
<b>Real GDP Growth (YoY) (1)</b>	2.2	0.3	-9.0	-2.8	-2.5	-3.6	-0.9	10.8	5.1	5.4	4.9
<b>Real GDP Growth (QoQ saar) (2)</b>	-	-5.0	-31.4	33.4	4.0	-	1.3	7.3	7.7	5.3	-
<b>Private Consumption</b>	2.4	-6.9	-33.2	41.0	2.5	-3.9	0.5	8.8	9.1	5.7	5.5
<b>Government Consumption</b>	2.3	1.3	2.5	-4.8	-1.2	1.1	0.5	1.3	1.5	1.7	0.0
<b>Investment</b>	1.9	-1.4	-29.2	31.3	18.4	-1.8	5.2	6.8	6.0	4.6	8.2
<b>Residential</b>	-1.7	19.0	-35.6	63.0	33.5	5.9	10.2	5.4	3.6	2.1	13.4
<b>Non-residential</b>	2.9	-6.7	-27.2	22.9	13.8	-4.0	6.7	7.1	6.6	5.3	7.3
<b>Inventories Contribution</b>	0.0	-1.6	-4.3	6.7	1.0	-0.7	0.2	-0.6	-0.6	-0.2	0.5
<b>Net Exports Contribution</b>	-0.2	1.5	0.3	-5.5	-2.2	0.0	-0.2	0.4	0.6	0.4	-0.9
<b>Exports</b>	-0.1	-9.5	-64.4	59.6	22.0	-13.0	4.2	9.5	11.0	9.4	7.6
<b>Imports</b>	1.1	-15.0	-54.1	93.1	29.5	-9.3	3.9	4.0	3.9	3.8	10.8
<b>Inflation (3)</b>	1.8	2.1	0.3	1.2	1.3	1.2	1.8	2.9	2.7	2.6	2.5

Euro Area	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20f	2020f	Q1:21f	Q2:21f	Q3:21f	Q4:21f	2021f
<b>Real GDP Growth (YoY)</b>	1.3	-3.2	-14.7	-4.3	-5.1	-6.8	-1.8	13.3	3.2	5.5	4.8
<b>Real GDP Growth (QoQ saar)</b>	-	-14.1	-39.2	59.9	-2.8	-	-1.4	7.6	9.9	6.1	-
<b>Private Consumption</b>	1.3	-16.7	-41.2	68.5	-4.6	-7.6	-1.6	9.5	10.5	6.6	5.3
<b>Government Consumption</b>	1.8	-2.4	-8.6	20.8	-1.1	0.7	0.7	1.8	2.2	1.5	2.5
<b>Investment</b>	5.0	-21.1	-50.0	66.8	-4.2	-8.9	0.2	13.5	13.3	7.9	5.7
<b>Inventories Contribution</b>	-0.3	2.4	-0.9	-5.0	0.1	-0.4	0.0	0.8	1.0	0.5	-0.3
<b>Net Exports Contribution</b>	-0.5	-2.0	-3.6	9.7	0.9	-0.5	-0.9	-1.4	0.0	0.1	0.5
<b>Exports</b>	2.5	-14.3	-56.8	85.9	3.6	-10.4	0.4	8.0	10.3	7.2	6.3
<b>Imports</b>	4.0	-11.3	-55.2	58.6	1.7	-10.0	2.6	12.1	11.2	7.5	5.6
<b>Inflation</b>	1.2	1.1	0.2	0.0	-0.3	0.3	1.2	1.9	2.2	2.2	1.9

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

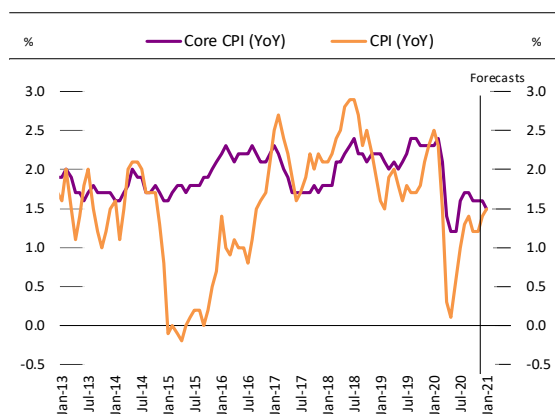
## Economic Calendar

In the US, attention turns to inflation data for January, due to release on Wednesday. CPI is expected at 1.5% yoy from 1.4% yoy in December, while the core figure is expected to remain stable at 1.5% yoy from 1.6% yoy. On Thursday, attention turns to the weekly initial and continuing jobless claims for a more updated view of labor market conditions.

In the UK, Q4:20 GDP is due on February 12<sup>th</sup>. Consensus expect GDP growth of -0.2% qoq (-10.3% yoy), compared with +16% qoq in Q3:20 (-8.6% yoy). Industrial production for December is released on Friday (consensus for +0.4% mom vs -0.1% mom and -3.8% yoy vs -4.7% yoy in the previous month).

In the Euro Area, industrial production for December is released on Monday (consensus for -1.5% mom vs +2.5% mom in November).

US Inflation



Source: NBG Research

**Economic News Calendar for the period: February 2 - February 15, 2021**

Tuesday 2				Wednesday 3				Thursday 4											
		S	A	P		S	A	P		S	A	P							
<b>UK</b>	Nationwide House Px NSA YoY	January	..	6.4%	7.3%	<b>US</b>	ADP Employment Change (k)	January	75	+ 174	-78	<b>US</b>	Initial Jobless Claims (k)	January 30	843	+ 779	812		
<b>EURO AREA</b>	GDP (QoQ)	Q4:20	-1.4%	+ -0.7%	12.4%	<b>EURO AREA</b>	ISM Services Index	January	56.7	+ 58.7	57.7	<b>US</b>	Continuing Claims (k)	January 23	4600	+ 4592	4785		
	GDP (YoY)	Q4:20	-6.1%	+ -5.1%	-4.3%		CPI estimate (YoY)	January	0.5%	+ 0.9%	-0.3%	<b>EURO AREA</b>	Factory Goods Orders (MoM)	December	0.8%	+ 1.1%	1.3%		
							Core CPI (YoY)	January	0.9%	+ 1.4%	0.2%	<b>UK</b>	Unit labor costs (QoQ, annualized)	Q4:20	3.8%	+ 6.8%	-7.0%		
													<b>UK</b>	BoE announces its intervention rate	February 4	0.10%	0.10%	0.10%	
														BoE Asset Purchase Target (€bn)	February 4	895	895	895	
														Bank of England releases its Monetary Policy Report	February 4				
														Markit/CIPS UK Construction PMI	January	52.0	- 49.2	54.6	
														<b>EURO AREA</b>	Retail sales (MoM)	December	1.3%	+ 2.0%	-5.7%
															Retail sales (YoY)	December	0.4%	+ 0.6%	-2.2%
Friday 5				Monday 8															
<b>US</b>	Change in Nonfarm Payrolls (k)	January	100	- 49	-227	<b>JAPAN</b>	Eco Watchers Current Survey	January	..	31.2	34.3								
	Change in Private Payrolls (k)	January	98	- 6	-204		Eco Watchers Outlook Survey	January	..	39.9	36.1								
	Unemployment rate	January	6.7%	+ 6.3%	6.7%	<b>GERMANY</b>	Industrial Production (sa, MoM)	December	0.5%	- 0.0%	1.5%								
	Average weekly hours (hrs)	January	34.7	+ 35.0	34.7		Industrial Production (wda, YoY)	December	-0.5%	- -1.0%	-2.5%								
	Average Hourly Earnings MoM	January	0.3%	- 0.2%	1.0%														
	Average Hourly Earnings YoY	January	5.2%	+ 5.4%	5.4%														
	Labor Force Participation Rate	January	..	61.4%	61.5%														
	Underemployment Rate	January	..	11.1%	11.7%														
	Trade balance (\$bn)	December	-65.7	- -66.6	-69.0														
<b>JAPAN</b>	Leading Index	December	..	94.9	96.1														
	Coincident Index	December	..	87.8	89.0														
Tuesday 9				Wednesday 10				Thursday 11											
			S	A	P	<b>US</b>	CPI (YoY)	January	1.5%	..	1.4%	<b>US</b>	Initial Jobless Claims (k)	February 6	..	..	779		
							Core CPI (YoY)	January	1.5%	..	1.6%		Continuing Claims (k)	January 30	..	..	4592		
							Wholesale trade (MoM)	December	..	..	0.2%								
						<b>CHINA</b>	CPI (YoY)	January	0.0%	..	0.2%								
							Money Supply M0 (YoY)	January	..	..	9.2%								
							Money Supply M1 (YoY)	January	5.4%	..	8.6%								
							Money Supply M2 (YoY)	January	10.2%	..	10.1%								
							New Yuan Loans (RMB bn)	January	..	..	1260.0								
							Aggregate Financing (RMB bn)	January	..	..	1720.0								
Friday 12				Monday 15															
<b>US</b>	University of Michigan consumer confidence	February	80.7	..	79.0	<b>JAPAN</b>	GDP (QoQ)	Q4:20	1.2%	..	5.3%								
<b>UK</b>	GDP (QoQ)	Q4:20	-0.2%	..	16.0%	<b>EURO AREA</b>	Industrial Production (sa, MoM)	December	-1.5%	..	2.5%								
	GDP (YoY)	Q4:20	-10.3%	..	-8.6%		Industrial Production (wda, YoY)	December	-1.0%	..	-0.6%								
	GDP (MoM)	December	1.0%	..	-2.6%		Trade Balance SA (€ bn)	December	..	..	25.1								
	Government Spending QoQ	Q4:20	4.0%	..	10.4%														
	Private Consumption (QoQ)	Q4:20	-3.5%	..	19.5%														
	Gross Fixed Capital Formation (QoQ)	Q4:20	-4.0%	..	17.9%														
	Industrial Production (MoM)	December	0.4%	..	-0.1%														
	Industrial Production (YoY)	December	-3.8%	..	-4.7%														

Source: NBG Research  
S: Consensus Analysts Survey, A: Actual Outcome, P: Previous Outcome

**Equity Markets** (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Emerging Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)
US	<b>S&amp;P 500</b>	3887	4.6	3.5	16.2	42.3	MSCI Emerging Markets	77953	4.8	8.7	26.9	
Japan	<b>NIKKEI 225</b>	28779	4.0	4.9	20.5	37.9	MSCI Asia	1240	5.4	10.2	35.5	
UK	<b>FTSE 100</b>	6489	1.3	0.4	-13.5	-9.5	China	122	5.5	13.1	42.5	
Canada	<b>S&amp;P/TSX</b>	18136	4.6	4.0	2.1	15.4	Korea	1002	4.5	8.2	40.1	
Hong Kong	<b>Hang Seng</b>	29289	3.6	7.6	6.5	4.6	MSCI Latin America	100728	4.1	0.8	0.6	
Euro area	<b>EuroStoxx</b>	410	4.6	3.1	-0.9	15.5	Brazil	377574	4.4	1.0	3.9	
Germany	<b>DAX 30</b>	14057	4.6	2.5	3.5	24.1	Mexico	40612	2.8	-0.1	-1.3	
France	<b>CAC 40</b>	5659	4.8	1.9	-6.3	11.4	MSCI Europe	6104	3.2	1.7	-3.7	
Italy	<b>FTSE/MIB</b>	23083	7.0	3.8	-5.7	15.4	Russia	1358	3.9	2.8	0.3	
Spain	<b>IBEX-35</b>	8215	5.9	1.7	-16.3	-9.7	Turkey	1653165	3.1	-2.3	4.9	

**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		138.9	4.7	7.5	-23.2	-32.2	Energy		139.5	4.9	7.8	-25.5
Materials		322.4	2.5	1.1	20.9	30.6	Materials		298.5	2.8	1.8	15.2
Industrials		307.8	4.1	1.2	9.0	25.9	Industrials		297.0	4.4	1.9	5.4
Consumer Discretionary		397.4	6.1	5.4	39.9	64.1	Consumer Discretionary		377.3	6.3	6.0	36.8
Consumer Staples		256.8	1.4	-3.0	0.8	16.3	Consumer Staples		250.8	1.7	-2.5	-2.5
Healthcare		318.2	0.8	1.8	11.2	31.1	Healthcare		308.7	1.1	2.3	8.6
Financials		124.2	5.8	4.0	-1.6	11.0	Financials		121.7	6.0	4.5	-4.8
IT		463.0	5.0	4.4	37.1	95.6	IT		445.2	5.1	4.6	35.7
Telecoms		99.5	7.0	5.7	25.2	49.2	Telecoms		103.0	7.2	6.0	23.6
Utilities		154.0	1.6	0.4	-3.2	16.8	Utilities		154.4	1.9	0.9	-6.1

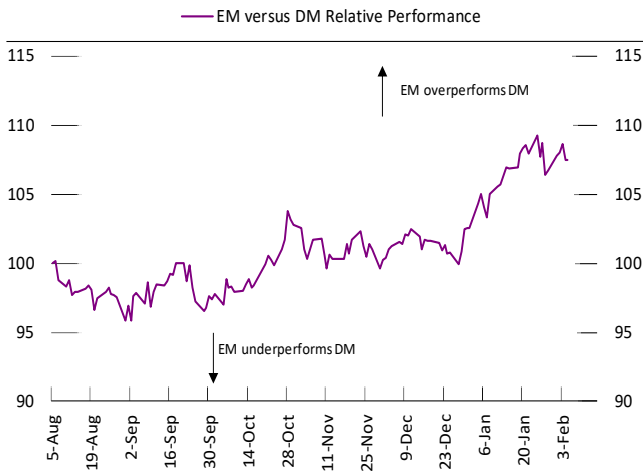
**Bond Markets (%)**

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		1.18	1.10	0.91	1.66	2.14	US Treasuries 10Y/2Y		106	95	77	19
Germany		-0.45	-0.51	-0.56	-0.35	0.76	US Treasuries 10Y/5Y		55	49	41	16
Japan		0.05	0.05	0.02	-0.01	0.35	Bunds 10Y/2Y		26	22	16	29
UK		0.53	0.37	0.23	0.59	1.63	Bunds 10Y/5Y		24	23	18	24
Greece		0.66	0.68	0.62	1.13	9.10	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		-0.18	-0.28	-0.29	-0.03	2.79	EM Inv. Grade (IG)		150	155	163	153
Italy		0.56	0.66	0.45	1.01	2.84	EM High yield		517	531	524	472
Spain		0.12	0.09	0.04	0.31	2.53	US IG		99	102	103	103
Portugal		0.08	0.04	0.05	0.29	4.18	US High yield		358	379	386	370
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG		88	93	93	92
30-Year FRM <sup>1</sup> (%)		2.7	2.7	2.8	3.5	4.0	Euro area High Yield		322	343	355	315
vs 30Yr Treasury (bps)		76	87	112	138	122						

**Foreign Exchange & Commodities**

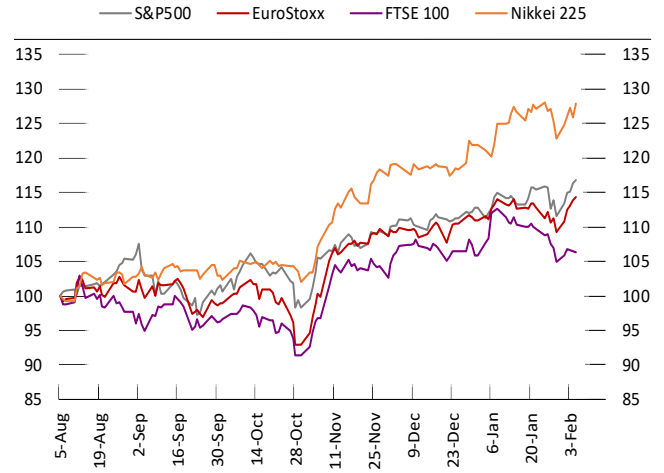
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural		390	-0.2	3.9	32.6
EUR/USD		1.20	-1.0	-2.1	9.5	-1.7	Energy		190	8.4	10.9	10.1
EUR/CHF		1.08	0.2	0.0	1.2	0.1	West Texas Oil (\$)		57	8.9	12.3	11.6
EUR/GBP		0.88	-1.0	-3.3	3.2	-2.1	Crude Brent Oil (\$)		59	6.2	9.3	8.0
EUR/JPY		126.83	-0.3	-0.1	5.1	0.4	Industrial Metals		390	1.5	-1.6	27.3
EUR/NOK		10.27	-1.1	-0.9	1.3	-1.9	Precious Metals		2411	-1.7	-4.5	18.7
EUR/SEK		10.09	-0.3	0.1	-4.6	0.4	Gold (\$)		1812	-1.9	-5.6	15.7
EUR/AUD		1.57	-0.8	-0.6	-3.6	-1.0	Silver (\$)		27	-0.5	-1.5	50.7
EUR/CAD		1.54	-1.0	-1.5	5.2	-1.5	Baltic Dry Index		1333	-8.2	-6.5	209.3
USD-based cross rates							Baltic Dirty Tanker Index		496	-4.1	-6.9	-37.7
USD/CAD		1.28	0.0	0.6	-3.9	0.3						
USD/AUD		1.31	0.2	1.5	-12.0	0.8						
USD/JPY		105.47	0.7	2.0	-4.1	2.2						

EM vs DM Performance in \$



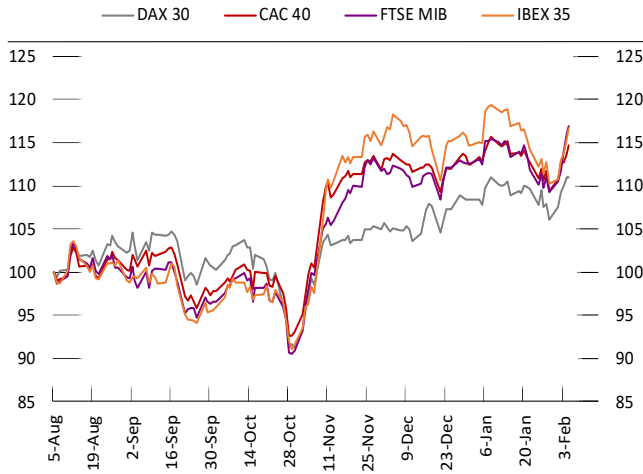
Data as of February 5<sup>th</sup> – Rebased @ 100

Equity Market Performance - G4



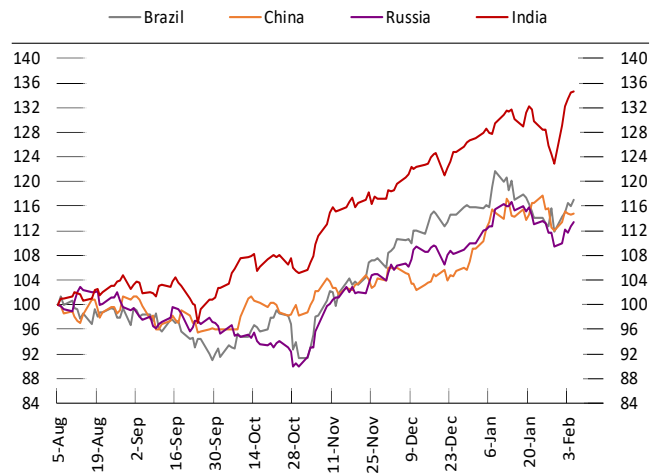
Data as of February 5<sup>th</sup> – Rebased @ 100

Equity Market Performance – Euro Area G4



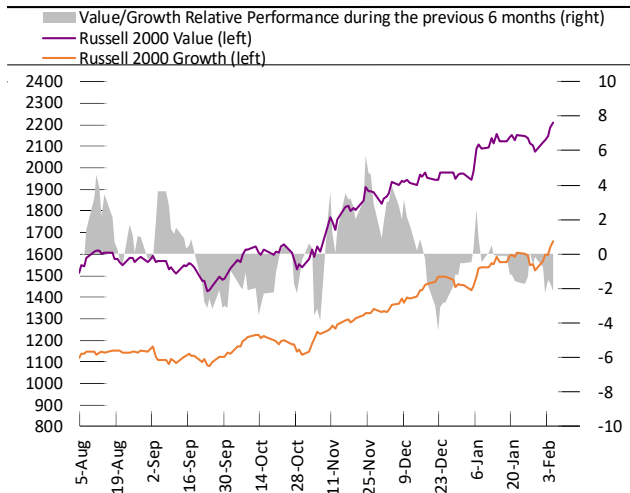
Data as of February 5<sup>th</sup> – Rebased @ 100

Equity Market Performance - BRICs



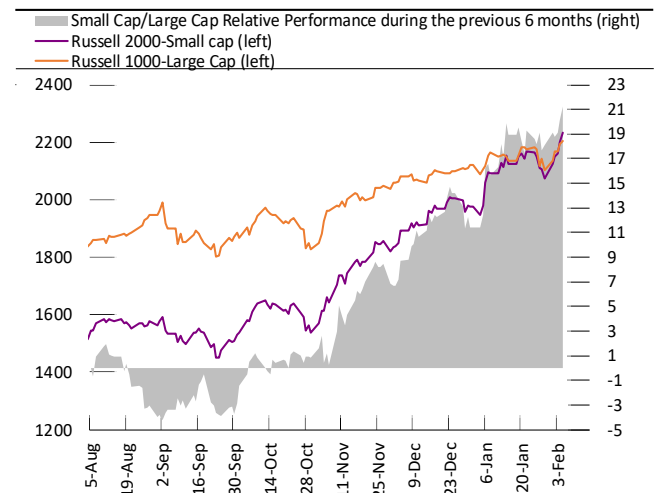
Data as of February 5<sup>th</sup> – Rebased @ 100

Russell 2000 Value & Growth Index



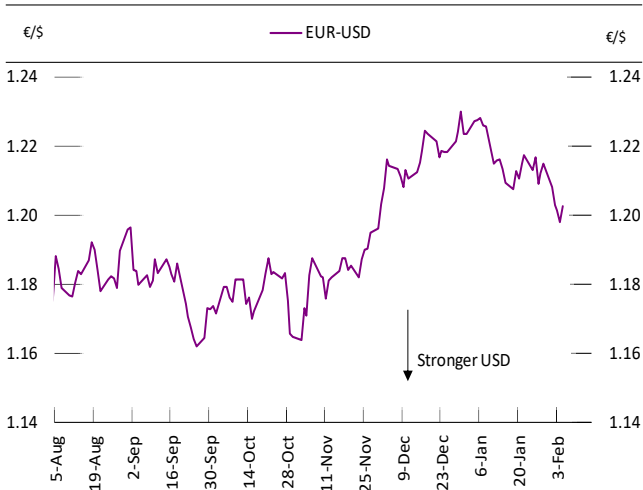
Data as of February 5<sup>th</sup>

Russell 2000 & Russell 1000 Index



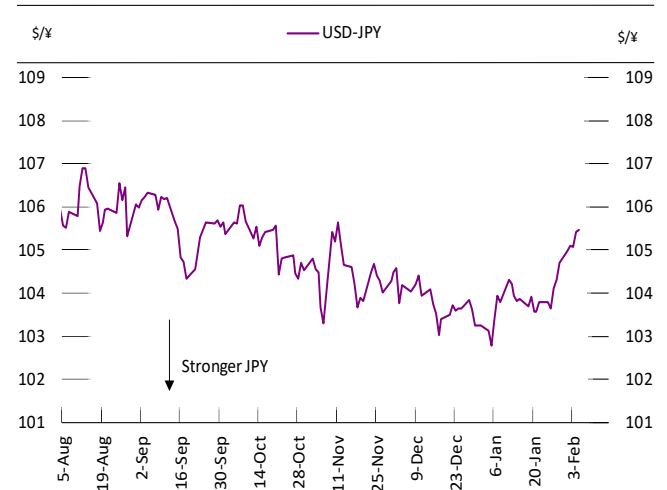
Data as of February 5<sup>th</sup>

### EUR/USD



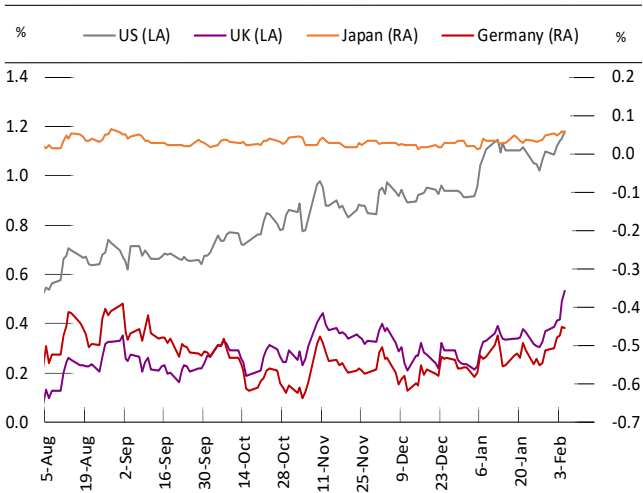
Data as of February 5<sup>th</sup>

### JPY/USD



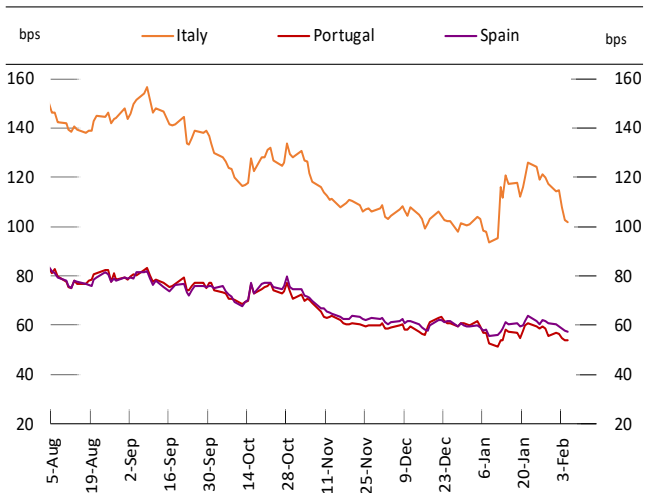
Data as of February 5<sup>th</sup>

### 10- Year Government Bond Yields



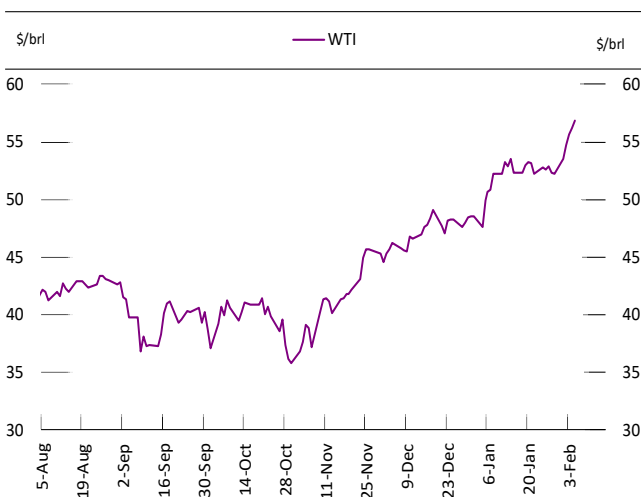
Data as of February 5<sup>th</sup>  
LA:Left Axis RA:Right Axis

### 10- Year Government Bond Spreads



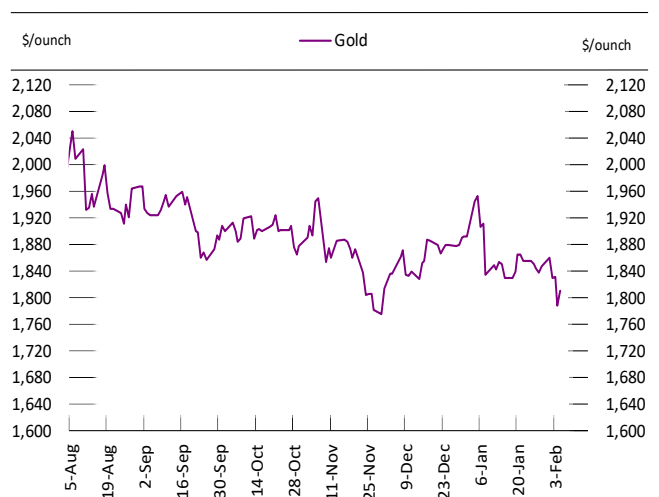
Data as of February 5<sup>th</sup>

### West Texas Intermediate (\$/bbl)



Data as of February 5<sup>th</sup>

### Gold (\$/ounce)



Data as of February 5<sup>th</sup>



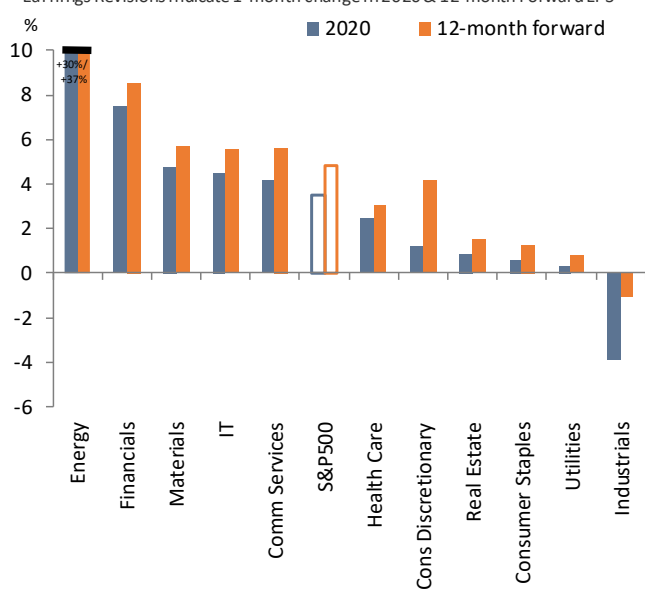
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	5/2/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
<b>S&amp;P500</b>	3887	4.6	3.5	-13.7	24.0	1.5	1.5	28.1	22.6	22.3	16.0	4.3	4.0	4.0	2.7
<b>Energy</b>	321	8.3	12.2	N/A	N/A	5.3	5.1	N/A	27.6	26.5	20.1	1.5	1.4	1.4	1.7
<b>Materials</b>	462	3.9	1.4	-7.6	32.1	1.8	1.9	26.9	20.4	20.2	15.4	3.2	2.9	2.8	2.5
<b>Financials</b>															
Diversified Financials	841	5.4	3.2	-6.4	17.4	1.3	1.4	19.6	16.7	16.5	14.2	1.9	1.8	1.8	1.5
Banks	340	8.4	7.5	-32.6	29.8	2.8	2.6	16.7	12.9	12.7	11.0	1.2	1.1	1.1	1.0
Insurance	434	5.7	1.6	-3.1	11.9	2.4	2.8	13.4	12.0	11.9	11.0	1.4	1.3	1.3	1.1
Real Estate	236	3.2	3.7	-6.1	4.5	2.9	3.0	22.0	21.1	20.9	18.3	3.4	3.6	3.6	3.1
<b>Industrials</b>															
Capital Goods	769	4.9	1.1	-30.6	45.6	1.6	1.7	32.4	22.3	21.9	16.1	4.9	4.7	4.7	3.6
Transportation	928	5.4	-0.2	N/A	N/A	1.5	1.5	N/A	36.0	N/A	10.1	6.9	6.9	6.8	3.6
Commercial Services	405	3.6	-3.8	1.8	9.8	1.2	1.3	31.8	29.0	28.7	20.9	6.2	5.6	5.6	3.7
<b>Consumer Discretionary</b>															
Retailing	3696	5.0	3.7	7.7	21.6	0.4	0.5	46.1	37.9	37.2	24.2	16.1	13.1	12.8	7.5
Consumer Services	1320	7.1	0.1	N/A	N/A	1.4	1.2	N/A	113.1	N/A	23.9	24.1	36.4	36.3	9.7
Consumer Durables	467	7.9	6.0	-5.8	33.4	1.1	1.3	26.3	19.7	19.5	17.3	4.9	4.3	4.3	3.3
Automobiles and parts	159	7.6	21.5	-68.5	64.2	0.1	0.1	86.3	52.6	N/A	11.1	8.8	7.6	7.5	2.1
<b>IT</b>															
Technology	2617	4.2	3.9	7.7	20.1	0.9	0.9	31.5	26.2	26.1	13.6	16.1	16.6	16.5	4.7
Software & Services	3183	6.1	3.4	8.5	14.7	0.8	0.8	36.0	31.4	31.0	18.8	10.4	9.2	9.1	5.5
Semiconductors	1862	2.9	5.3	11.0	15.4	1.3	1.3	24.9	21.6	21.4	14.6	7.5	6.6	6.5	3.4
Communication Services	234	7.3	5.6	-0.3	12.7	0.9	0.9	27.1	24.0	23.7	18.1	4.1	3.8	3.7	3.0
Media	917	8.4	7.3	4.6	18.9	0.2	0.2	34.6	29.1	28.5	21.1	5.3	4.7	4.6	3.3
<b>Consumer Staples</b>															
Food & Staples Retailing	570	1.8	0.1	2.8	4.0	1.5	1.6	24.6	23.7	23.5	17.0	5.1	4.8	4.8	3.3
Food Beverage & Tobacco	705	3.2	-2.9	0.7	7.2	3.4	3.5	19.2	17.9	17.8	17.9	5.2	4.9	4.9	5.0
Household Goods	802	2.0	-5.3	10.8	8.0	2.2	2.3	25.3	23.4	23.3	20.1	9.9	9.5	9.5	5.8
<b>Health Care</b>															
Pharmaceuticals	1099	-0.2	2.7	10.1	12.9	2.1	2.3	16.1	14.3	14.2	14.7	5.5	5.2	5.1	4.0
Healthcare Equipment	1590	1.3	0.8	4.6	14.3	0.9	1.0	22.4	19.6	19.5	16.0	3.9	3.5	3.5	2.7
<b>Utilities</b>	323	2.3	1.3	0.8	5.1	3.2	3.3	20.0	19.0	18.9	16.3	2.1	2.0	2.0	1.7

Blue box indicates a value more than +2standard deviation from average, light blue a value more than +1standard deviation from average. Orange box indicates a value less than -2standard deviation from average, light orange a value less than -1standard deviation from average

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

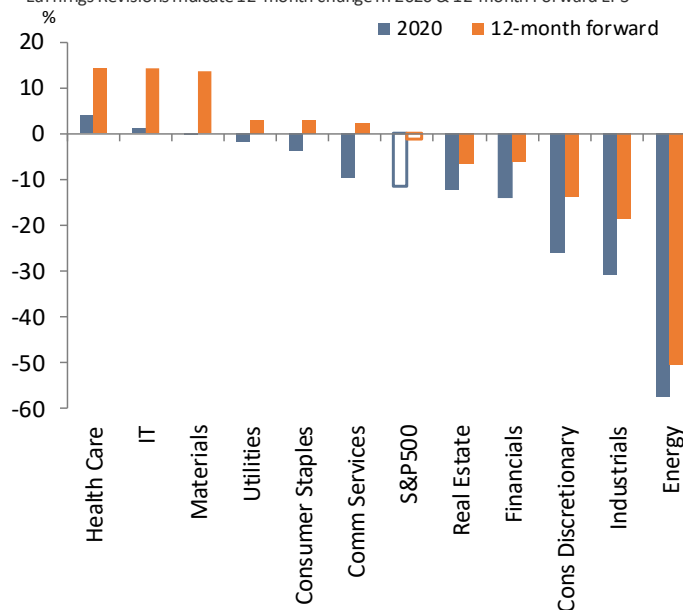
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Data as of February 5<sup>th</sup>  
12-month forward EPS are 90% of 2021 EPS and 10% of 2022 EPS

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

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



Data as of February 5<sup>th</sup>  
12-month forward EPS are 90% of 2021 EPS and 10% of 2022 EPS

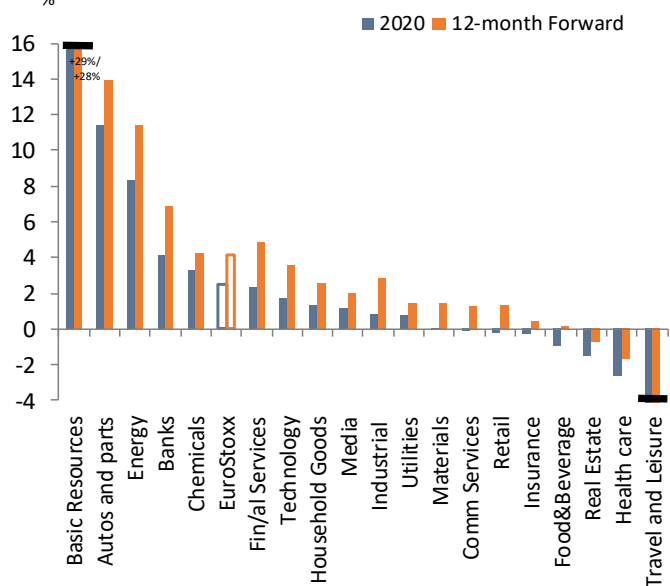
### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	5/2/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	12m fwd	10Yr Avg
<b>EuroStoxx</b>	410	4.6	3.1	-36.3	39.6	2.1	2.6	26.6	19.0	18.7	13.7	1.8	1.7	1.7	1.4
<b>Energy</b>	252	0.8	-0.1	-78.8	185.3	4.5	4.8	50.5	17.7	17.3	12.6	1.3	1.3	1.3	1.1
<b>Materials</b>	452	6.4	4.9	-37.6	45.3	2.5	3.1	23.5	16.2	15.9	14.4	1.7	1.7	1.7	1.4
<b>Basic Resources</b>	214	2.8	3.0	N/A	N/A	2.0	2.7	N/A	13.4	13.4	7.6	1.2	1.1	1.1	0.8
<b>Chemicals</b>	1274	3.1	1.2	-10.6	19.9	2.4	2.5	26.5	22.1	21.9	15.8	2.5	2.3	2.3	2.2
<b>Financials</b>															
<b>Fin/Al Services</b>	499	5.5	1.7	-28.8	8.6	2.3	2.7	19.6	18.0	17.6	13.8	1.3	1.2	1.2	1.2
<b>Banks</b>	78	10.2	5.2	-50.4	33.5	1.7	4.5	14.5	10.9	10.6	9.6	0.5	0.5	0.5	0.7
<b>Insurance</b>	262	6.0	0.3	-24.3	34.6	5.6	5.8	12.5	9.3	9.2	9.3	0.8	0.8	0.8	0.9
<b>Real Estate</b>	211	-0.3	-4.3	-12.3	5.6	3.7	4.1	18.5	17.5	17.4	17.1	0.9	0.9	0.9	1.0
<b>Industrial</b>	1014	5.5	3.6	-22.0	9.4	1.4	1.8	27.5	25.2	24.7	16.0	3.5	3.3	3.3	2.4
<b>Consumer Discretionary</b>															
<b>Media</b>	223	3.2	1.9	-23.8	15.2	2.4	2.6	21.0	18.2	18.1	15.8	2.5	2.4	2.4	1.9
<b>Retail</b>	650	3.6	-2.1	-40.5	56.5	1.7	2.5	44.3	28.3	27.9	22.1	5.8	5.3	5.3	4.1
<b>Automobiles and parts</b>	534	6.6	5.9	-77.9	462.2	1.4	3.1	52.8	9.4	9.2	8.9	1.0	0.9	0.9	1.0
<b>Travel and Leisure</b>	212	6.1	-0.5	N/A	N/A	0.2	0.5	N/A	N/A	N/A	N/A	2.6	2.7	2.7	2.0
<b>Technology</b>	775	4.3	8.1	-6.8	18.1	0.6	0.7	36.9	31.3	30.7	19.3	5.4	5.0	5.0	3.4
<b>Communication Services</b>	257	0.9	3.9	-9.2	-0.8	4.4	4.3	15.3	15.4	15.2	14.6	1.5	1.4	1.4	1.7
<b>Consumer Staples</b>															
<b>Food&amp;Beverage</b>	517	3.2	-0.8	-38.8	30.7	1.5	1.9	29.5	22.6	22.3	19.1	2.3	2.2	2.2	2.6
<b>Household Goods</b>	1218	5.7	0.0	-33.3	46.7	1.0	1.2	53.6	36.5	36.1	23.1	6.4	5.7	5.7	3.7
<b>Health care</b>	866	5.2	6.6	-10.0	9.7	1.8	2.0	22.0	20.0	19.8	15.9	2.6	2.4	2.3	2.2
<b>Utilities</b>	385	2.4	1.3	-16.8	12.3	4.0	4.2	19.0	16.9	16.8	13.1	1.6	1.6	1.6	1.1

Blue box indicates a value more than +2standard deviation from average, light blue a value more than +1standard deviation from average. Orange box indicates a value less than -2standard deviation from average, light orange a value less than -1standard deviation from average

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

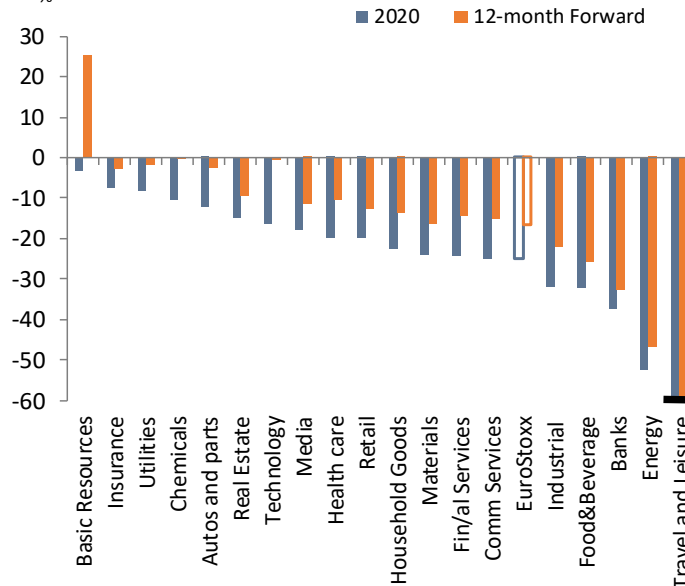
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS %



Data as of February 5<sup>th</sup>  
12-month forward EPS are 90% of 2021 EPS and 10% of 2022 EPS

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

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



Data as of February 5<sup>th</sup>  
12-month forward EPS are 90% of 2021 EPS and 10% of 2022 EPS

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