

The European Central Bank adopted a simple 2% inflation target, with investors' attention now turning to the Q2:2021 earnings season

- The European Central Bank has unanimously approved a new monetary policy strategy. The last review was in 2003, while the next assessment is expected in 2025. On the quantification of the inflation aim, the Governing Council adopted an unequivocal symmetric 2% inflation target over the medium term, replacing the vague "below, but close to, 2%".
- When the effective lower bound (ELB) on nominal interest rates is binding, the ECB will respond to negative shocks with forceful and persistent policies. This may also imply a transitory period in which inflation is moderately above 2%. Unlike the Federal Reserve, however, the ECB will not implement flexible average inflation targeting. Bygones are bygones (see graph below).
- Investors' attention will now turn to the ECB meeting, due on July 22nd. President Lagarde noted that forward guidance on interest rates and asset purchases should be revisited, as the ECB will try to map the changes in the policy strategy to changes in the current policy stance.
- Equally importantly, the ECB has committed, through 2024, to incorporate climate-change considerations into its policy framework, including in the areas of disclosure, risk assessment, collateral framework and corporate sector asset purchases.
- The minutes of the June 15th & 16th Federal Open Market Committee (FOMC) meeting revealed that a more detailed discussion regarding tapering of large-scale asset purchases took place, stating that conditions could be met "somewhat earlier-than-expected". Note that since April, the gap between Fed purchases and Treasury net issuance has significantly narrowed (see graph) pressuring, *inter alia*, long-term nominal yields.
- FOMC officials view the risks to the outlook for economic activity as broadly balanced, expecting real GDP growth to decelerate in 2022 (3.3%) and 2023 (2.4%), from 7% in 2021, albeit remaining above trend.
- Regarding inflation, a substantial majority of officials (13/18) judged that the risks to their PCE inflation projections were tilted to the upside in 2022 (2.1%) and 2023 (2.2%), from 3.4% in 2021. Note that CPI rose by 5.4% yoy (0.9% mom) in June from 5% yoy in May, while core CPI surged by 4.5% yoy (0.9% mom) -- highest since 1991 -- from 3.8% yoy in May.
- G20 leaders endorsed components of an international tax plan, that was agreed by 131 countries under the auspices of the OECD on July 1st. Negotiations are expected to be concluded in October and the implementation to begin in 2023.
- The People's Bank of China (PBC) reduced the Required Reserve Ratio by 0.5 percentage points to 8.9% (weighted average of all financial institutions) in order to unleash about 1 trillion RMB (USD 154bn or 1% of Chinese 2020 GDP) of liquidity into the economy (Q2:2021 GDP is due on Thursday).
- The US companies' earnings season kicks-off this week, with JPMorgan and Goldman Sachs. Consensus estimates for S&P500 Q2:2021 EPS growth stand at +64% yoy. Full-year EPS growth is expected at 36% (\$190) and 2022 at 11% (\$211).

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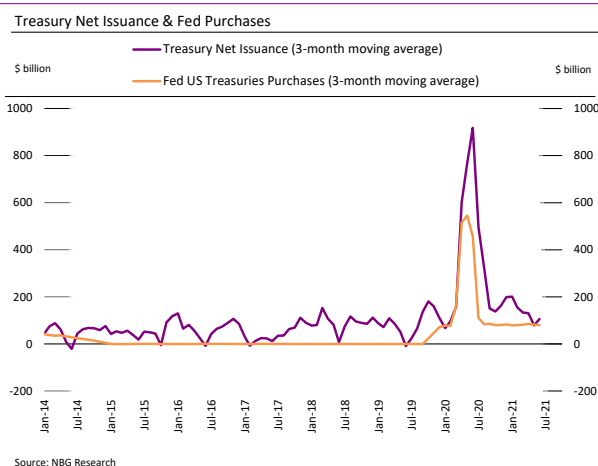
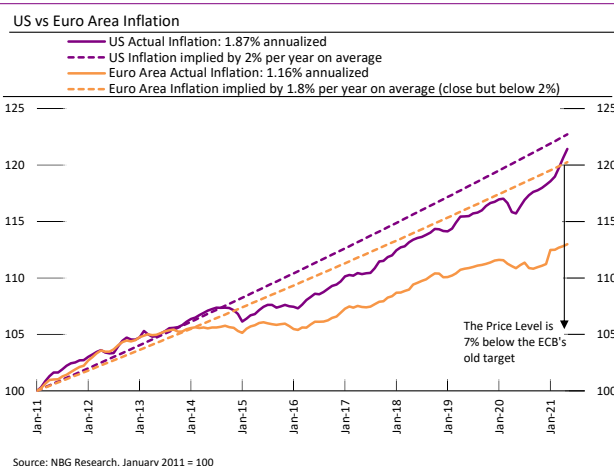
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Charts of the week



US PMIs moderately declined in June, albeit remaining particularly high

- **PMIs undershot expectations in June, with output continuing to struggle to cope with the sharp increase in demand, in view of supply chain bottlenecks regarding materials and labor supply issues.** Specifically, the ISM manufacturing PMI came out at 60.6 in June, from 61.2 in May, versus consensus estimates for a broadly unchanged outcome. Notably, the gap between the new orders (a core indication of demand conditions | at 66 in June) and the production (60.8) sub-indexes, remained large (5.2 pts), even though narrowing from its widest since 2009 (8.5 pts), which was recorded in the previous month. At the same time, the ISM services PMI decreased to 60.1 in June, albeit from a record (since 1997) high of 64 in May.
- In all, respondents in both surveys confirmed that demand is surging (boosted also by pent-up demand as the economy reopened). Nevertheless, supply continues to struggle to catch up with demand, with respondents in both surveys continuing to highlight disruptions linked to the supply chain (mainly shortages of critical parts and basic materials) and distribution (including transport-related logistics challenges) as well as labor supply limitations. The consequent, stronger suppliers' pricing power, combined with higher international prices of commodities, continue to result in rising input costs, the major source of concern for respondents (the Prices Index stood at 92.1 in the manufacturing survey, the highest since July 1979 and at 79.5 in the services survey).

US house appreciation continues to build up

- **The annual growth of the median existing home sales price, stood at +23.6% in May, a record (since 1969) high and the respective trend for new homes was +18.1% (the highest since 2013), with both supply and demand factors contributing to the surge in valuations.**
- On the production side, supply chain bottlenecks regarding both building materials and labor, combined with the sharp increase in international commodity prices, have pushed prices paid for goods used in residential construction, up by 23% yoy in May, a record (since 1987) high (and with the upward momentum continuing to build). Indicatively, softwood lumber prices and prices of steel mill products have surged by +154% yoy and +67% yoy, respectively, in May. Given also solid demand, supply is struggling to cope. In the event, note that the inventory of existing homes remains relatively low, at 1.23mn in May, even with some bottoming out compared with the record (since 1999) low of 1.03mn in past February (average of 2.39 mn since 1999). The aforementioned valuation data are in line with other house price metrics. Indeed, in April, the S&P CoreLogic Case-Shiller 20-City home price index stood at +14.9% yoy (the highest since December 2005) and the FHFA house price index at +15.7% yoy, a record (since 1992) high.
- **The latest data on residential construction were mixed, overall suggesting that activity remains robust, albeit with the momentum posting signs of plateauing.** In the event, housing starts rose by 3.6% mom in May (the annual pace of growth stood at +50.3%, due to sizable base effects), to 1572k (annualized rate). The latest outcome undershot consensus estimates for 1640k. Nevertheless, it remains well above a long term (since 1990) average of 1308k. Meanwhile, building permits (a precursor for housing starts in subsequent months) declined by 2.9% mom (+35.1% yoy), to 1683k (annualized rate | average of 1328k since 1990).
- **Regarding residential demand,** existing home sales decreased by 0.9% mom in May (+44.6% yoy), to 5.80 mn (on an annualized basis), albeit moderately overshooting expectations for 5.70mn. The latest performance represents a 4th consecutive monthly decline. Nevertheless, it remains well above an average of 4.92mn since 1990. At the same time, new home sales fell by 5.9% mom in May (+9.2% yoy), to 769k (annualized | consensus for 875k). The latest outcome compares with an average of 701k since 1990. Finally, the National Association of Home Builders (NAHB) survey index – that captures homebuilders' confidence for new home sales – fell by 2 pts to 81 in June, with respondents citing higher costs and declining availability of building materials as the main factors restraining sentiment. Nevertheless, the latest reading remains robust (a reading above 50 indicates a positive stance).
- **Finally, mortgage interest** rates remain low and a major supporting factor for the sector. Indeed, according to data from Freddie Mac, the 30-year fixed mortgage rate, on average, hovered at 2.98% in June (record - since 1971 - low of 2.68% in December 2020).
- Notably, according to the minutes of the June 15th – 16th Federal Open Market Committee meeting, "several" participants expressed concerns that the low interest rates are contributing to the elevated house prices and that these valuation pressures might pose financial stability risks.
- In all, the Atlanta Fed's GDPNowcast model points to -7.5% qoq saar for residential investment in Q2:21 (+13.1% qoq saar in Q1:21) and +7.9% qoq saar (+12.4% yoy) for overall real GDP (+6.4% qoq saar | +0.4% yoy in Q1:21).

The European Commission revised up its estimates for euro area GDP

- **According to the European Commission (EC), the gradual relaxation of pandemic-related restrictive measures, resulted in euro area GDP increasing by 1.3% qoq in Q2:21 (+13.0% yoy), from -0.3% qoq (-1.3% yoy) in Q1:21.** Combined with the progress in the vaccinations program against Covid-19, which boosts the confidence that the re-opening of the economies will be sustained, in turn fueling higher spending and hiring, the EC expects GDP growth to accelerate further in the current quarter (+2.9% qoq) and to post an also strong +1.3% qoq in Q4:21. In all, the EC's baseline scenario points to GDP growth of +4.8% in 2021 and +4.5% yoy in 2022, following a contraction by 6.5% in 2020 due to the pandemic. These forecasts constitute an upward revision compared with the previous estimates (in May) for +4.3% yoy in 2021 and +4.4% yoy in 2022, on the back of a better than previously expected performance for GDP in Q1:21 (in May, the EC had assumed a decline by 0.6% qoq in Q1:21) and a faster recovery thereafter. Recall that the aforementioned scenario suggests a return for GDP to pre-pandemic (i.e. Q4:19) levels, in Q4:21 at the euro area level, one quarter sooner than previously anticipated. However, there is considerable divergence at the country level regarding that timing, with the range spanning from Q3:21 (Germany, the Netherlands) to Q3:22 (Italy, Spain).

Equities

• **Global equity markets were mixed in the past week.** Overall, the MSCI ACWI ended the week down by 0.1% (+12% ytd), with Emerging Markets (-2.7% wow | +2% ytd) underperforming their Developed Markets peers (+0.2% wow | +14% ytd). The S&P500 rose by 0.4% wow, recording its 6th week with gains out of the past 7 weeks and posting a new all-time high (4370). The index exhibited increased volatility, after a notable pullback on Thursday (-0.9%) with the VIX index rising to 19%, recording its highest level since June 18th, from 15% in the end of the previous week. On Friday, the index rebounded by 1.1%, ending the week on a positive note. Regarding sectors, Real-estate overperformed (+2.6% wow) with the large-dividend-paying companies of the sector, becoming more appealing following the decline in the long-term nominal yields.

Investors will now closely monitor the Q2:2021 earnings season which starts on July 13th, with the JPMorgan (estimates for \$3.2 EPS from \$1.4 EPS) and Goldman Sachs (\$10.2 from \$6.3) and continue on July 14th with the Citigroup (\$2.0 EPS from \$0.5 EPS), Wells Fargo (\$1.0 EPS from -\$0.7 EPS), Bank of America (\$0.8 EPS from \$0.4 EPS) and BlackRock (\$9.4 EPS from \$7.9 EPS). For Q2:2021, EPS growth is expected at +64% yoy, which would be the highest growth rate since Q4:09 (+109%), from +52% yoy in Q1. Looking forward, analysts also predict a double-digit increase in earnings in the following quarters of 2021 (Q3: +23% yoy, Q4: +18% yoy), resulting in an increase of +36% yoy for 2021. Meanwhile, the Russell 1000 rose by 0.4%, overperforming its small-cap peer, Russell 2000 (-1.1%) and surpassing its ytd performance for the first time during 2021 (+15.9% vs +15.5%). On the other side of the Atlantic, the Eurostoxx declined by 0.2% wow (+14% ytd), with the Travel & Leisure (-3.1%) underperforming, due to worries over increased Covid-19 infections.

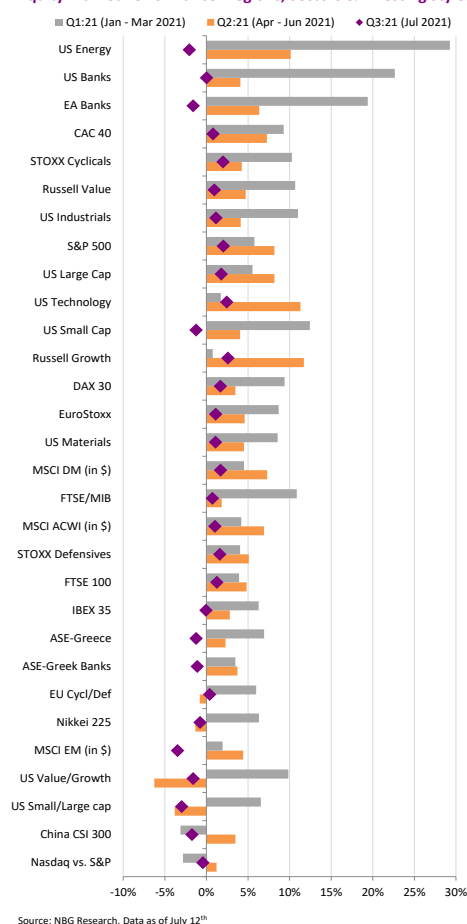
Fixed Income

• **Government bond yields declined in major advanced economies in the past week.** Specifically, the US 10-year yield fell by 8 bps wow to 1.35%, due to weaker-than-expected data (ISM Services and Jobless claims) and recording its 7th weekly decline out of the past 8 weeks. The 10-year breakeven rates, broadly reflecting markets' inflation expectations over the next 10 years, fell by 5 bps wow to 2.28%, while reaching 2.22% on Thursday, its lowest level since March 9th and real yields declined by 3 bps to -0.93%, possibly suggesting that investors' view is that inflation and economic growth have peaked. Additionally, technical reasons (closing of short positions) may also be responsible for the extent of the slide. In Germany, the 10-year yield fell by 6 bps wow to -0.30%, its lowest level since April 8th. Periphery government bond yields declined slightly. Specifically, in Italy the 10-year yield fell by 1 bp to 0.79%, in Spain and in Portugal by 2 bps to 0.35% and 0.29% respectively and in Greece by 4 bps to 0.75%. **Corporate bond spreads widened in the HY spectrum.** Specifically, US and EUR HY spreads were up by 3 bps to 307 bps and 301 bps, respectively. In the investment grade spectrum, US corporate bond spreads increased by 3 bps to 90 bps, while their EUR peers remained broadly stable at 84 bps. Note that the Federal Reserve Bank of New York began on July 12th the gradual sales of its corporate bond holdings from its Secondary Market Corporate Credit Facility.

FX and Commodities

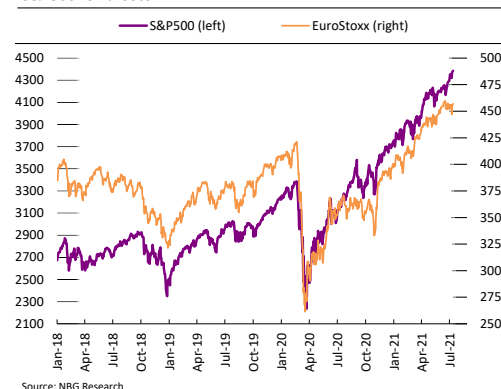
• **The Japanese Yen appreciated in the past week,** due to, *inter alia*, increased risk aversion. Specifically, the Yen ended the week up by 1.1% against the US dollar to ¥110.14 and by 0.9% against the euro to ¥130.68, while intra-week it reached its lowest level since April 22nd (¥129.88). **Finally, oil prices declined in the past week,** recording their first weekly decline after 6 consecutive weekly gains. The further decline in US oil inventories (-6.9 million barrels to 445 million barrels for the week ending July 2nd | their lowest level since February 2020) was more than offset by the concerns regarding the impact on oil global demand of the increase of Covid-19 daily cases and the uncertainty over supply after the breakdown of the talks among OPEC+ countries in their latest meeting. Overall, the Brent and the WTI ended the week down by 0.8% to \$75.6/barrel (+46% ytd) and \$74.6/barrel (+54% ytd), respectively.

Equity Market Performance: Regions, Sectors & Investing Styles



Graph 1.

S&P500 vs EuroStoxx



Graph 2.

Quote of the week: "We know that 2% is not going to be constantly on target...What we are very concerned about is any sustainable, durable, significant deviation from the target – and that will require forceful reaction in both directions.", **ECB President, Christine Lagarde, July 8th 2021.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	July 9th	3-month	6-month	12-month	Official Rate (%)	July 9th	3-month	6-month	12-month
Germany	-0,30	-0,30	-0,20	-0,10	Euro area	0,00	0,00	0,00	0,00
US	1,35	1,40	1,50	1,60	US	0,25	0,25	0,25	0,25
UK	0,66	0,95	1,00	1,09	UK	0,10	0,10	0,08	0,06
Japan	0,03	0,13	0,16	0,18	Japan	-0,10	-0,10	-0,10	-0,10

Currency	July 9th	3-month	6-month	12-month	July 9th	3-month	6-month	12-month	
EUR/USD	1,19	1,17	1,18	1,20	USD/JPY	110	108	108	107
EUR/GBP	0,86	0,87	0,86	0,86	GBP/USD	1,39	1,35	1,37	1,40
EUR/JPY	131	127	128	129					

Forecasts at end of period

Economic Forecasts

United States	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20a	2020a	Q1:21a	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY) (1)	2,2	0,3	-9,0	-2,8	-2,4	-2,5	0,4	12,7	7,2	8,2	6,7
Real GDP Growth (QoQ saar) (2)	-	-5,0	-31,4	33,4	4,3	-	6,4	8,8	9,5	8,3	-
Private Consumption	2,4	-6,9	-33,2	41,0	2,3	-3,9	11,4	11,0	5,5	5,1	8,1
Government Consumption	2,3	1,3	2,5	-4,8	-0,8	1,1	5,7	5,7	2,3	3,1	2,3
Investment	1,9	-1,4	-29,2	31,3	18,6	-1,8	12,1	0,5	4,3	3,8	8,4
Residential	-1,7	19,0	-35,6	63,0	36,6	6,1	13,1	-7,6	-1,1	0,7	11,0
Non-residential	2,9	-6,7	-27,2	22,9	13,1	-4,0	11,7	5,6	5,7	4,5	7,9
Inventories Contribution	0,0	-1,6	-4,3	6,7	1,4	-0,7	-3,1	0,5	3,0	2,3	0,6
Net Exports Contribution	-0,2	1,5	0,3	-5,5	-2,2	0,0	-1,9	-0,9	1,3	1,1	-1,5
Exports	-0,1	-9,5	-64,4	59,6	22,3	-12,9	-2,1	10,3	17,0	11,7	7,0
Imports	1,1	-15,0	-54,1	93,1	29,8	-9,3	9,5	11,9	3,5	1,5	13,7
Inflation (3)	1,8	2,1	0,3	1,2	1,3	1,2	1,9	4,9	4,6	4,1	3,9

Euro Area	2019a	Q1:20a	Q2:20a	Q3:20a	Q4:20a	2020a	Q1:21a	Q2:21f	Q3:21f	Q4:21f	2021f
Real GDP Growth (YoY)	1,3	-3,3	-14,6	-4,1	-4,7	-6,7	-1,3	13,0	3,0	5,3	4,8
Real GDP Growth (QoQ saar)	-	-14,5	-38,6	60,6	-2,4	-	-1,3	5,3	10,8	6,7	-
Private Consumption	1,3	-16,4	-41,8	70,0	-11,2	-8,0	-8,8	6,7	18,4	8,1	2,5
Government Consumption	1,8	-0,1	-9,9	23,0	1,5	1,4	-0,1	0,5	4,6	1,9	3,0
Investment	5,0	-21,4	-50,4	67,0	10,4	-8,4	1,0	7,4	13,7	5,9	7,5
Inventories Contribution	-0,3	2,2	-0,3	-5,7	1,8	-0,3	2,8	-0,4	-0,2	0,0	0,2
Net Exports Contribution	-0,5	-2,8	-2,2	10,3	-0,4	-0,6	0,5	0,6	-2,1	0,7	0,9
Exports	2,5	-14,6	-56,1	85,8	16,3	-9,6	4,1	7,4	6,5	5,2	9,0
Imports	4,0	-10,0	-55,8	57,0	19,1	-9,1	3,5	6,7	12,1	3,9	7,6
Inflation	1,2	1,1	0,2	0,0	-0,3	0,3	1,0	1,8	2,3	2,5	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
Equity Markets	<ul style="list-style-type: none"> + Massive Fiscal loosening will support the economy + 2021 EPS growth expectations have further room to increase + Share buybacks could resume - Peaking profit margins - High market cap concentration - P/Es (Valuations) approaching dot-com levels <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + Still high equity risk premium relative to other regions + Modest fiscal loosening in 2021 + 2021 EPS estimates remain pessimistic - Political uncertainty (Italy, German Elections) could intensify - Logistic disruptions (vaccine) and renewed lockdowns delay the recovery <p>● Neutral</p>	<ul style="list-style-type: none"> + Still aggressive QE and "yield-curve" targeting by the BoJ - Signs of policy fatigue regarding structural reforms and fiscal discipline - Strong appetite for foreign assets - JPY appreciation in a risk-off scenario could hurt exporters <p>● Neutral</p>	<ul style="list-style-type: none"> + 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms - Elevated Policy uncertainty to remain <p>● Neutral/Negative</p>
Government Bonds	<ul style="list-style-type: none"> + Valuations appear rich with term-premium below 0% + Sizeable fiscal deficit + Underlying inflation pressures under Average Inflation Targeting - Global search for yield by non-US investors continues - Safe haven demand - Fed to remain at ZLB in 2021 - Fed: Unlimited QE purchases <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> + Valuations appear excessive compared with long-term fundamentals - Political Risks - Fragile growth outlook - Medium-term inflation expectations remain low - ECB QE net purchases - ECB QE "stock" effect <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% <p>● Stable yields expected</p>	<ul style="list-style-type: none"> + Elevated Policy uncertainty to remain + Inflation expectations could drift higher due to supply disruptions post Brexit - The BoE is expected to remain on hold with risks towards rate cuts - Slowing economic growth post-Brexit <p>▲ Slightly higher yields expected</p>
Foreign Exchange	<ul style="list-style-type: none"> + Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% - Global political uncertainty to decline <p>● Broadly Flat EUR against the USD with high volatility around \$1.20</p>	<ul style="list-style-type: none"> + Reduced short-term tail risks + Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, Quantitative Easing) <p>● Broadly Flat EUR against the USD with high volatility around \$1.20</p>	<ul style="list-style-type: none"> + Safe haven demand + More balanced economic growth recovery (long-term) + Inflation is bottoming out - Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2% <p>▲ Slightly higher JPY</p>	<ul style="list-style-type: none"> + Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit <p>▲ Higher GBP expected</p>

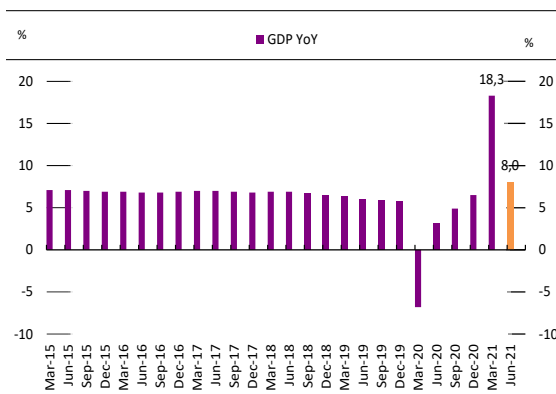
Economic Calendar

In the US, economic activity indicators for June will be closely monitored. Specifically, retail sales (16/7) will offer insight regarding private consumption, whereas industrial production (15/7) regarding business spending.

In the UK, the unemployment rate for May is released on Thursday and is expected at 4.8% vs. 4.7% on April. On Wednesday, the inflation data for June are released. CPI is expected stable at 2.1% yoy, while the core figure is expected stable at 2% yoy.

In China, second-quarter GDP is due to release on Thursday. Consensus expects GDP growth of 8% yoy from a record expansion of 18.3% yoy in the previous quarter, though the latter was distorted by base effects.

Chinese GDP Growth (YoY)



Source: NBG Research, Bloomberg

Economic News Calendar for the period: July 6 - July 19, 2021

Tuesday 6					Wednesday 7					Thursday 8								
US	ISM Services Index	June	S	A	P	US	FOMC Minutes	June 16	S	A	P	US	Initial Jobless Claims (k)	July 3	S	A	P	
			63.0	-	60.1	64.0								360	-	373	371	
UK	Markit/CIPS UK Construction	June	62.7	+	66.3	64.2	EURO AREA	European Commission publishes Summer Economic Forecasts				JAPAN	Continuing Claims (k)	June 26	3340	+	3339	3484
EURO AREA	Retail sales (MoM)	May	4.0%	+	4.6%	-3.9%	JAPAN	Eco Watchers Current Survey	June	..	47.6	38.1	Eco Watchers Outlook Survey	June	..	52.4	47.6	
	Retail sales (YoY)	May	9.6%	-	9.0%	23.3%	GERMANY	Leading Index	May	103.3	-	102.6	103.8					
GERMANY	ZEW survey current situation	July	5.1	+	21.9	-9.1		Coincident Index	May	..	92.7	95.3						
	ZEW survey expectations	July	75.1	-	63.3	79.8	GERMANY	Industrial Production (sa, MoM)	May	0.3%	-	-0.3%	-0.3%					
								Industrial Production (wda, YoY)	May	17.6%	-	17.3%	27.6%					
Friday 9					Monday 12													
US	Wholesale trade (MoM)	May	S	A	P				S	A	P							
			..	0.8%	1.1%													
UK	GDP (MoM)	May	1.5%	-	0.8%	2.0%												
	Industrial Production (MoM)	May	1.2%	-	0.8%	-1.0%												
	Industrial Production (YoY)	May	23.6%	-	20.6%	27.2%												
CHINA	CPI (YoY)	June	1.4%	-	1.1%	1.3%												
	Money Supply M0 (YoY)	June	..	6.2%	5.6%													
	Money Supply M1 (YoY)	June	6.1%	5.5%	6.1%													
	Money Supply M2 (YoY)	June	8.3%	8.6%	8.3%													
	New Yuan Loans (RMB bn)	June	..	2120	1500													
	Aggregate Financing (RMB bn)	June	..	3670	1920													
Tuesday 13					Wednesday 14					Thursday 15								
US	CPI (YoY)	June	S	A	P	UK	CPI (YoY)	June	S	A	P	US	Industrial Production (MoM)	June	S	A	P	
			4.9%	..	5.0%			June	2.1%	..	2.1%			0.7%	..	0.8%		
	Core CPI (YoY)	June	4.0%	..	3.8%	EURO AREA	Core CPI (YoY)	June	2.0%	..	2.0%	EURO AREA	Empire Manufacturing	July	16.5	..	17.4	
CHINA	Exports YoY	June	22.3%	..	27.9%		Industrial Production (sa, MoM)	May	0.1%	..	0.8%		Philadelphia Fed Business	July	27.5	..	30.7	
	Imports YoY	June	24.8%	..	51.1%		Industrial Production (wda, YoY)	May	22.2%	..	39.3%		Outlook	July 10	360	..	373	
													Initial Jobless Claims (k)	July 3	3300	..	3339	
													Continuing Claims (k)	July 3	3300	..	3339	
													UK	ILO Unemployment Rate	May	4.8%	..	4.7%
													CHINA	GDP (sa, QoQ)	Q2:21	1.3%	..	0.6%
														GDP (YoY)	Q2:21	8.0%	..	18.3%
														Retail sales (YoY)	June	11.0%	..	12.4%
														Industrial production (YoY)	June	8.0%	..	8.8%
Friday 16					Monday 19													
US	Retail Sales Advance MoM	June	S	A	P	US	NAHB housing market confidence index	July	S	A	P							
			-0.7%	..	-1.3%				82	..	81							
	Retail sales ex-autos (MoM)	June	0.5%	..	-0.7%													
	Net Long-term TIC Flows (\$ bn)	May	100.7													
	University of Michigan consumer confidence	July	86.5	..	85.5													
JAPAN	Bank of Japan announces its intervention rate	July 16	-0.10%	..	-0.10%													
EURO AREA	Trade Balance SA (€ bn)	May	9.4													

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	S&P 500	4370	0.4	16.3	38.6	46.0	MSCI Emerging Markets	74119	-2.3	3.4	19.5	
Japan	NIKKEI 225	27940	-2.9	1.8	24.0	29.8	MSCI Asia	1147	-2.6	2.0	18.6	
UK	FTSE 100	7122	0.0	10.2	17.7	-5.4	China	101	-4.6	-6.1	1.0	
Canada	S&P/TSX	20258	0.2	16.2	30.1	22.3	Korea	989	-1.7	6.8	46.0	
Hong Kong	Hang Seng	27345	-3.4	0.4	4.3	-3.0	MSCI Latin America	103554	-1.3	3.7	22.8	
Euro area	EuroStoxx	454	-0.2	14.2	27.4	20.0	Brazil	385950	-1.6	3.3	22.6	
Germany	DAX 30	15688	0.2	14.4	25.6	26.8	Mexico	45248	-0.9	11.3	33.0	
France	CAC 40	6529	-0.4	17.6	32.7	17.3	MSCI Europe	6829	-0.3	13.7	28.2	
Italy	FTSE/MIB	25052	-0.9	12.7	28.4	13.6	Russia	1537	-0.5	16.3	31.6	
Spain	IBEX-35	8777	-1.5	8.7	21.3	-5.1	Turkey	1544680	0.6	-8.7	11.1	

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		165.7	-2.5	28.3	42.0	-18.5	Energy	166.3	-2.5	28.6	37.1	
Materials		353.5	0.5	10.9	39.5	38.6	Materials	329.4	0.4	12.3	34.9	
Industrials		342.8	0.4	12.7	45.2	33.3	Industrials	333.9	0.2	14.6	43.0	
Consumer Discretionary		421.4	0.5	11.8	42.5	58.3	Consumer Discretionary	403.2	0.4	13.3	41.4	
Consumer Staples		276.0	0.1	4.3	17.1	14.3	Consumer Staples	271.2	-0.1	5.4	14.7	
Healthcare		345.8	0.3	10.7	22.2	37.5	Healthcare	337.3	0.1	11.8	20.8	
Financials		142.0	-0.7	18.9	49.6	20.9	Financials	139.7	-0.8	19.9	45.9	
IT		510.6	1.0	15.1	39.5	86.1	IT	492.4	0.9	15.7	39.0	
Telecoms		110.1	-0.6	17.0	39.5	50.2	Telecoms	114.4	-0.7	17.8	38.8	
Utilities		153.8	0.8	0.3	12.7	8.3	Utilities	154.8	0.7	1.2	10.4	

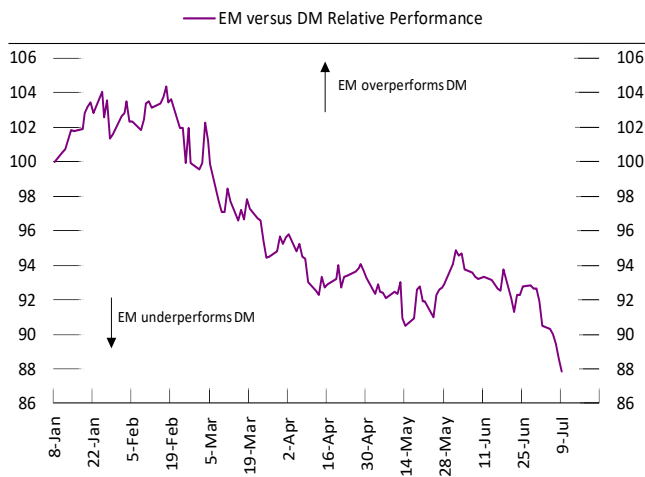
Bond Markets (%)

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		1.35	1.43	0.92	0.60	2.07	US Treasuries 10Y/2Y	112	118	80	43	
Germany		-0.30	-0.24	-0.56	-0.46	0.61	US Treasuries 10Y/5Y	56	58	53	24	
Japan		0.03	0.05	0.02	0.02	0.30	Bunds 10Y/2Y	38	44	16	22	
UK		0.66	0.71	0.20	0.16	1.51	Bunds 10Y/5Y	32	35	18	22	
Greece		0.75	0.79	0.62	1.09	8.53	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		0.07	0.11	-0.29	-0.06	2.36	EM Inv. Grade (IG)	146	143	163	229	
Italy		0.79	0.80	0.45	1.22	2.68	EM High yield	540	523	524	722	
Spain		0.35	0.37	0.04	0.40	2.32	US IG	90	87	103	152	
Portugal		0.29	0.31	0.05	0.37	3.81	US High yield	307	304	386	614	
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG	84	84	93	141	
30-Year FRM ¹ (%)		3.15	3.20	2.90	3.26	4.05	Euro area High Yield	301	298	355	508	
vs 30Yr Treasury (bps)		116.0	115.8	125.4	194.6	125.1						

Foreign Exchange & Commodities

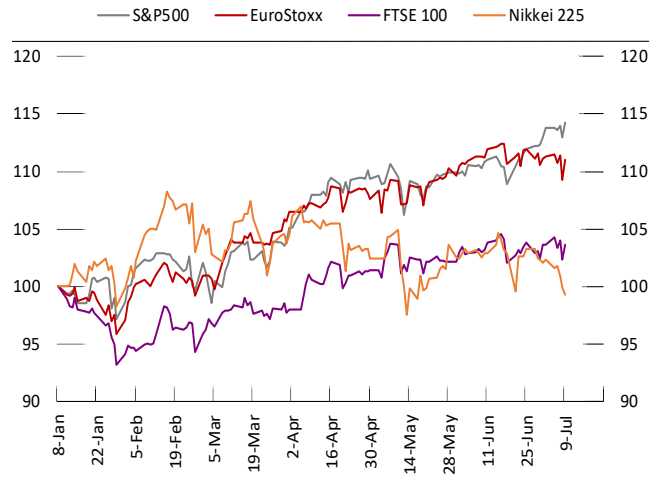
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural	385	-6.3	-11.7	39.8	
EUR/USD		1.19	0.2	-2.6	5.1	-3.0	Energy	246	-1.0	5.6	82.0	
EUR/CHF		1.09	-0.8	-0.6	2.3	0.4	West Texas Oil (\$)	75	-0.8	6.6	88.2	
EUR/GBP		0.86	-0.2	-0.6	-4.2	-4.2	Crude Brent Oil (\$)	76	-0.8	4.6	78.4	
EUR/JPY		130.68	-0.9	-2.2	7.9	3.4	Industrial Metals	463	0.1	-1.2	47.6	
EUR/NOK		10.32	1.0	2.3	-3.2	-1.5	Precious Metals	2402	1.3	-4.6	3.0	
EUR/SEK		10.18	0.4	1.1	-2.2	1.3	Gold (\$)	1809	1.2	-4.2	0.3	
EUR/AUD		1.59	0.3	0.6	-2.3	0.0	Silver (\$)	26	-1.5	-6.2	39.5	
EUR/CAD		1.48	1.0	0.5	-3.4	-5.0	Baltic Dry Index	3300	0.5	33.0	82.3	
USD-based cross rates							Baltic Dirty Tanker Index	586	-0.7	0.9	17.7	
USD/CAD		1.25	0.9	3.2	-8.1	-2.1						
USD/AUD		1.34	0.1	3.3	-7.0	3.1						
USD/JPY		110.14	-1.1	0.5	2.7	6.7						

EM vs DM Performance in \$



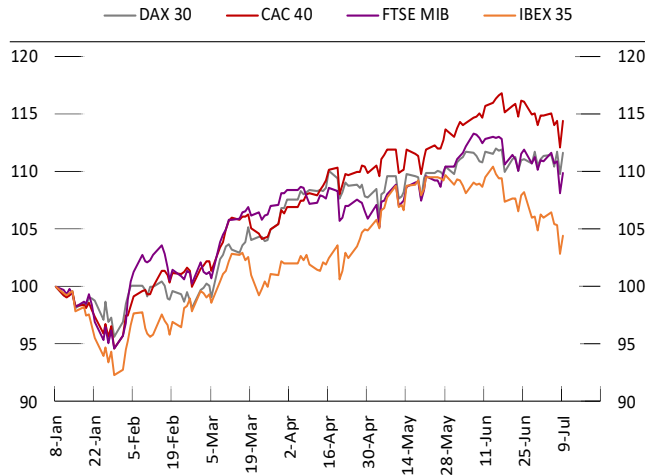
Data as of July 9th – Rebased @ 100

Equity Market Performance - G4



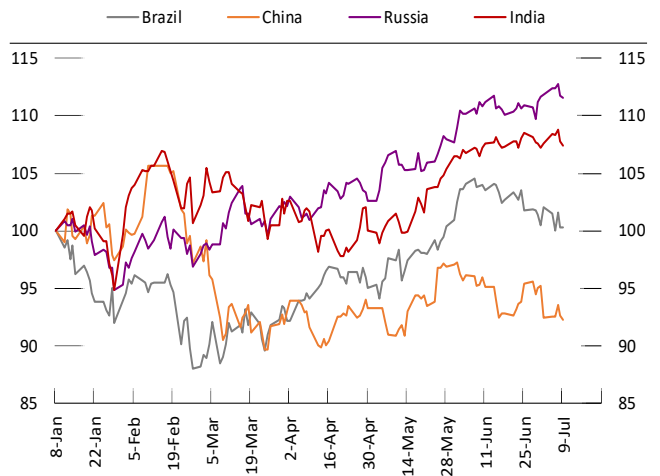
Data as of July 9th – Rebased @ 100

Equity Market Performance – Euro Area G4



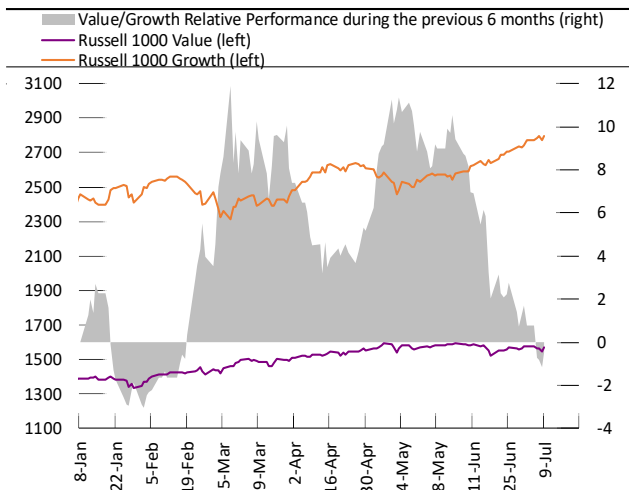
Data as of July 9th – Rebased @ 100

Equity Market Performance - BRICs



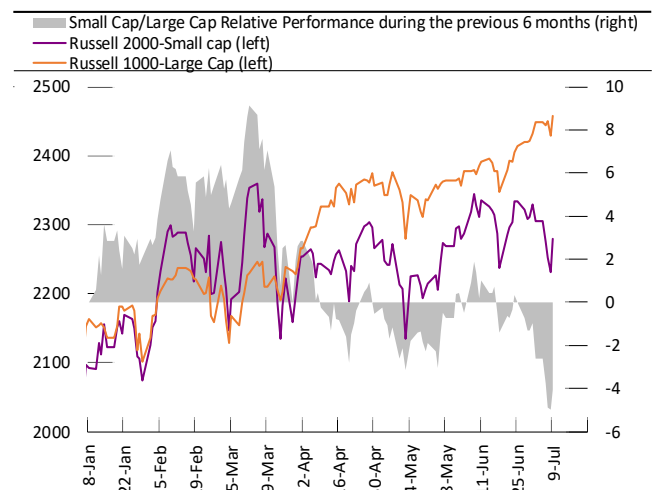
Data as of July 9th – Rebased @ 100

Russell 1000 Value & Growth Index



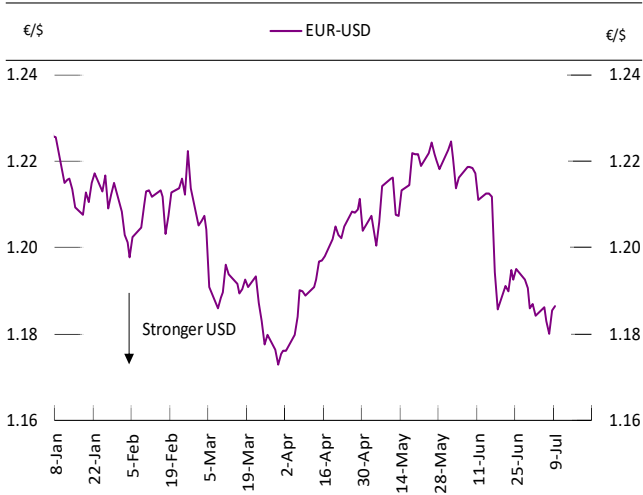
Data as of July 9th

Russell 2000 & Russell 1000 Index



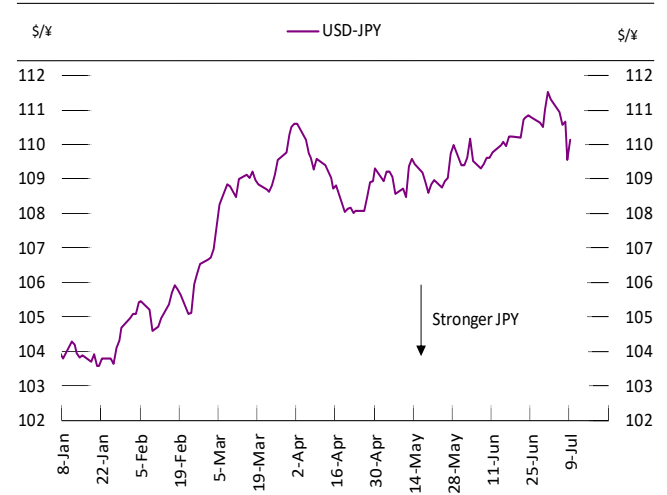
Data as of July 9th

EUR/USD



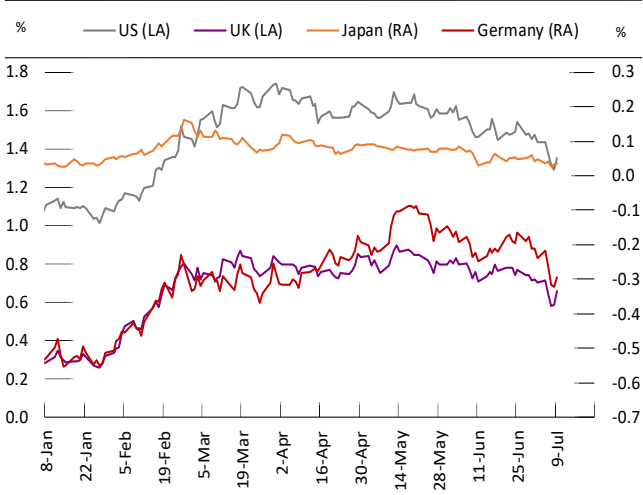
Data as of July 9th

JPY/USD



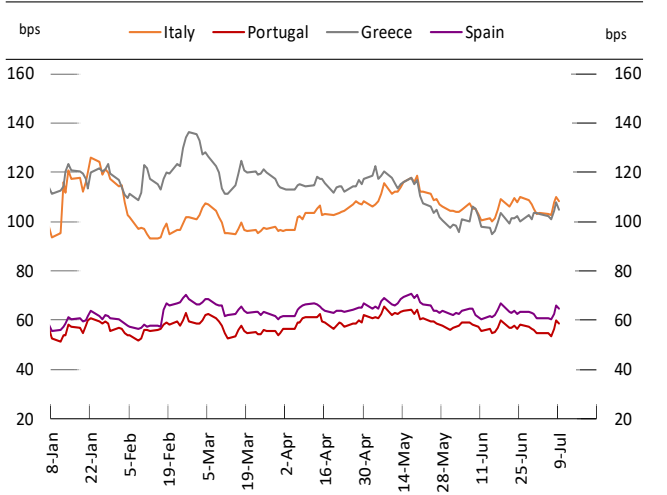
Data as of July 9th

10- Year Government Bond Yields



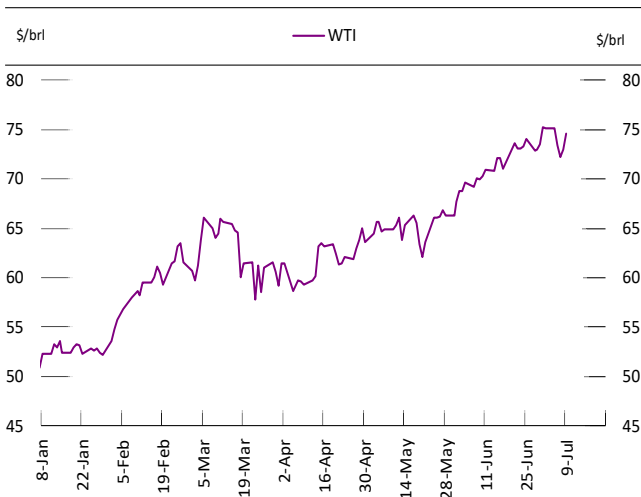
Data as of July 9th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



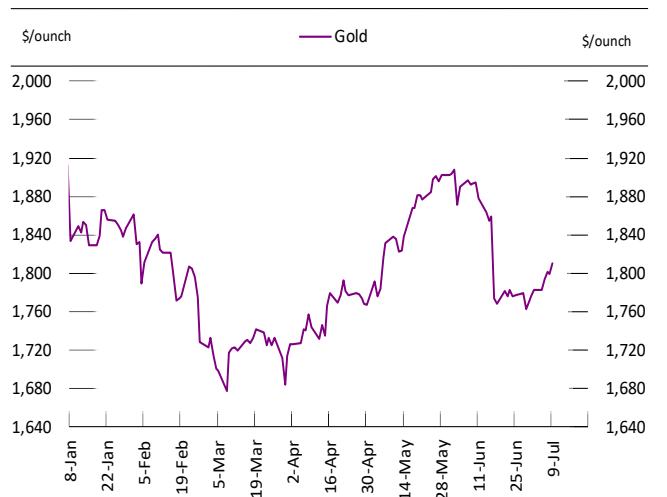
Data as of July 9th

West Texas Intermediate (\$/bbl)



Data as of July 9th

Gold (\$/ounce)



Data as of July 9th

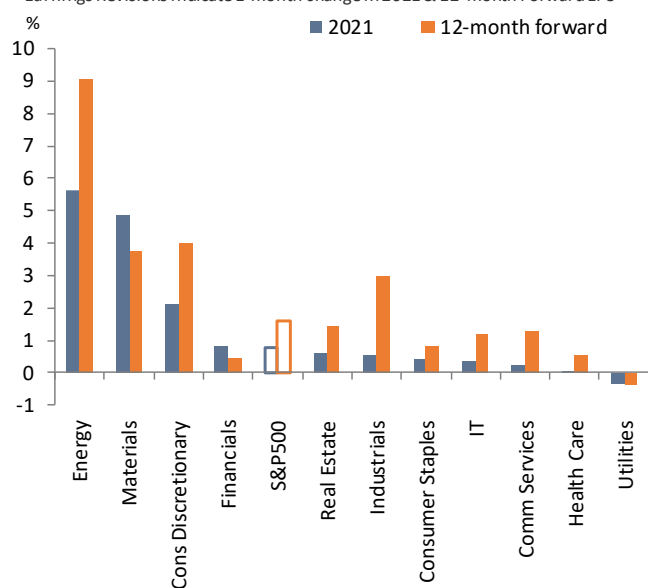
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	9/7/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	Current	10Yr Avg
S&P500	4370	0.4	16.3	-13.9	37.4	1.5	1.4	27.6	23.1	21.8	16.4	4.2	4.5	4.3	2.8
Energy	399	-3.4	39.6	N/A	N/A	4.8	4.1	N/A	18.8	16.7	15.5	1.7	1.8	1.8	1.7
Materials	521	0.2	14.4	-6.4	69.7	1.8	1.8	26.5	17.6	17.7	15.7	3.1	3.1	3.0	2.6
Financials															
Diversified Financials	1031	0.1	26.6	-6.4	39.7	1.3	1.3	20.1	17.2	17.1	14.4	2.0	2.2	2.1	1.5
Banks	399	-1.5	26.1	-32.6	67.6	2.6	2.4	17.9	11.7	12.0	11.2	1.3	1.3	1.3	1.0
Insurance	494	-0.6	15.6	-9.5	26.1	2.3	2.4	14.7	12.9	12.5	11.1	1.4	1.5	1.4	1.1
Real Estate	287	2.6	26.0	-5.0	8.9	3.0	2.4	21.5	24.4	23.8	18.5	3.3	4.2	4.3	3.2
Industrials															
Capital Goods	894	0.5	17.6	-30.9	54.2	1.6	1.5	33.3	24.6	22.4	16.5	5.1	5.4	5.2	3.7
Transportation	1072	-1.1	15.1	N/A	N/A	1.4	1.3	N/A	43.1	N/A	11.0	7.1	7.1	6.7	3.8
Commercial Services	477	1.2	13.3	5.5	13.8	1.2	1.1	27.9	30.4	28.7	20.4	5.3	5.9	5.6	3.5
Consumer Discretionary															
Retailing	4190	3.4	17.6	20.5	31.5	0.5	0.5	40.6	37.2	34.4	25.3	15.2	14.4	12.6	8.2
Consumer Services	1425	-0.3	8.0	N/A	N/A	1.1	0.9	N/A	216.3	N/A	24.9	17.2	22.9	20.7	8.8
Consumer Durables	518	-0.2	17.6	-4.0	52.4	1.2	1.1	24.8	18.8	17.7	17.4	4.7	4.6	4.3	3.3
Automobiles and parts	134	-2.9	2.4	-66.9	69.1	0.2	0.0	68.3	40.9	N/A	12.5	7.2	6.4	5.9	2.3
IT															
Technology	2818	2.9	11.8	8.2	36.8	1.0	0.8	28.7	24.8	24.2	14.2	15.2	16.7	15.9	5.4
Software & Services	3616	0.7	17.4	8.3	17.7	0.8	0.7	35.1	34.9	32.6	19.6	10.0	10.7	9.9	5.8
Semiconductors	2103	-1.6	18.9	10.5	28.3	1.2	1.2	25.6	22.0	20.8	14.9	7.6	7.2	6.6	3.5
Communication Services	268	-0.4	20.8	0.1	24.5	0.9	0.8	26.7	24.8	23.3	18.4	4.1	4.3	4.1	3.0
Media	1067	-0.3	24.7	5.0	37.2	0.2	0.2	34.2	29.2	26.9	21.6	5.2	5.5	5.1	3.4
Consumer Staples															
Food & Staples Retailing	596	1.1	4.8	2.9	9.5	1.7	1.6	22.9	23.5	22.6	17.4	4.7	5.1	4.8	3.4
Food Beverage & Tobacco	770	-0.1	5.9	1.4	8.8	3.5	3.2	18.6	19.2	18.5	18.0	5.1	5.4	5.4	5.0
Household Goods	849	0.8	0.2	11.2	6.4	2.3	2.2	24.3	25.1	24.3	20.5	9.5	10.8	10.6	6.1
Health Care															
Pharmaceuticals	1198	0.3	11.9	9.9	15.2	2.2	2.1	15.6	15.3	15.0	14.9	5.2	5.9	5.5	4.1
Healthcare Equipment	1813	0.6	15.0	5.3	15.0	0.9	1.0	21.8	22.1	21.1	16.3	3.8	4.1	3.9	2.8
Utilities	329	0.9	3.0	1.5	2.3	3.5	3.2	18.1	19.7	19.1	16.6	1.9	2.1	2.0	1.7

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

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

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

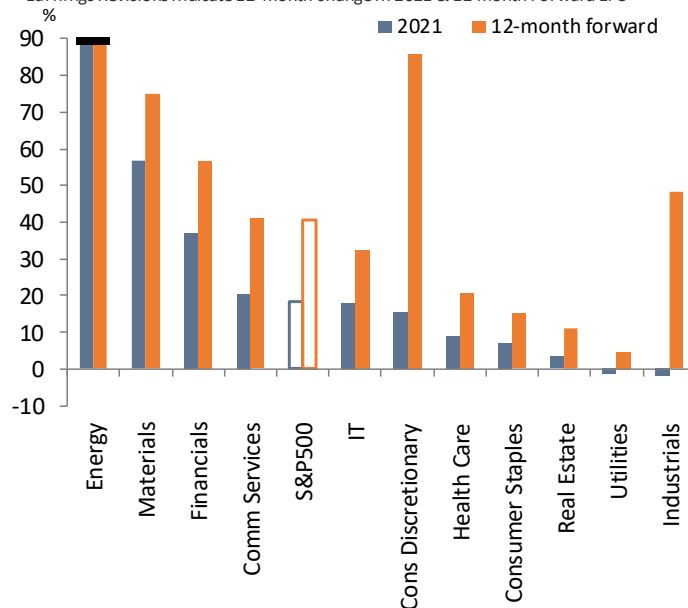


Data as of July 9th

12-month forward EPS are 48% of 2021 EPS and 52% of 2022 EPS

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

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



Data as of July 9th

12-month forward EPS are 48% of 2021 EPS and 52% of 2022 EPS

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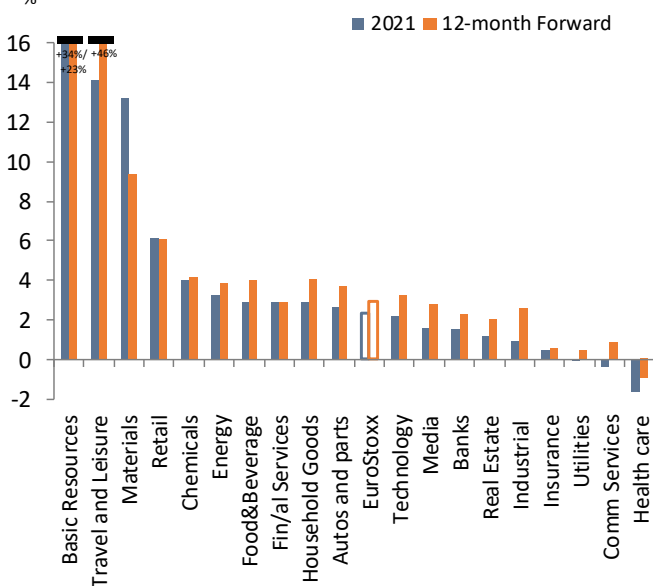
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	9/7/21	% Weekly Change	%YTD	2020	2021	2020	2021	2020	2021	12m fwd	10Yr Avg	2020	2021	Current	10Yr Avg
EuroStoxx	454	-0.2	14.2	-35.5	53.6	2.2	2.5	26.1	19.0	17.8	14.1	1.8	1.9	1.9	1.4
Energy	264	-3.0	4.8	-80.1	314.0	4.1	4.9	57.4	13.6	12.7	12.9	1.4	1.3	1.3	1.1
Materials	978	0.9	13.1	-17.9	109.9	2.5	2.4	28.0	15.2	16.2	15.5	2.1	2.2	2.1	1.7
Basic Resources	243	1.8	16.9	N/A	N/A	2.2	2.3	N/A	5.9	7.9	12.0	1.1	1.0	1.0	0.7
Chemicals	1416	0.7	12.5	-7.7	38.4	2.5	2.4	24.8	20.6	20.1	16.2	2.4	2.7	2.7	2.3
Financials															
Fin/Al Services	548	-1.1	11.6	-27.2	19.1	2.4	2.4	18.8	17.6	17.7	14.1	1.3	1.4	1.4	1.2
Banks	92	-2.0	24.7	-47.6	60.3	2.1	4.9	14.8	10.1	9.4	9.7	0.6	0.6	0.6	0.6
Insurance	282	-0.1	7.8	-25.0	40.2	5.3	5.4	13.2	9.8	9.5	9.4	0.9	0.9	0.9	0.9
Real Estate	238	2.4	7.9	-14.5	1.2	3.2	3.0	18.4	21.2	20.0	17.2	0.9	1.0	1.0	1.0
Industrial	1127	0.3	15.1	-24.6	17.6	1.5	1.6	28.1	26.8	24.1	16.5	3.4	3.7	3.5	2.5
Consumer Discretionary															
Media	257	-1.0	17.4	-23.2	16.8	2.3	2.3	21.7	20.5	19.3	16.2	2.7	2.6	2.6	1.9
Retail	780	-0.5	17.5	-41.7	64.4	1.8	2.0	43.8	33.0	30.3	22.7	5.6	6.3	6.0	4.3
Automobiles and parts	615	-1.7	22.1	-77.8	598.9	1.7	3.6	52.5	8.7	8.1	8.8	1.0	1.1	1.0	1.0
Travel and Leisure	210	-3.1	-1.5	N/A	N/A	0.3	0.5	N/A	N/A	N/A	N/A	2.7	3.2	3.0	2.1
Technology	868	0.8	21.1	-5.3	28.0	0.6	0.7	36.2	32.0	29.6	20.1	5.4	4.9	4.6	3.5
Communication Services	289	-0.3	16.7	6.8	-20.3	4.8	3.6	11.7	17.1	16.1	13.9	1.4	1.6	1.5	1.7
Consumer Staples															
Food&Beverage	564	-1.5	8.4	-40.1	29.5	1.5	1.6	28.7	25.7	23.9	19.4	2.4	2.7	2.6	2.6
Household Goods	1465	0.0	20.3	-31.6	50.2	1.0	1.0	50.5	40.8	38.1	23.7	6.5	7.2	6.8	3.8
Health care	894	0.2	10.1	-8.9	6.1	1.9	1.9	20.4	21.1	20.1	16.2	2.4	2.6	2.5	2.2
Utilities	372	-0.2	-2.3	-21.6	19.0	4.4	4.3	18.7	16.4	15.7	13.3	1.6	1.7	1.7	1.1

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

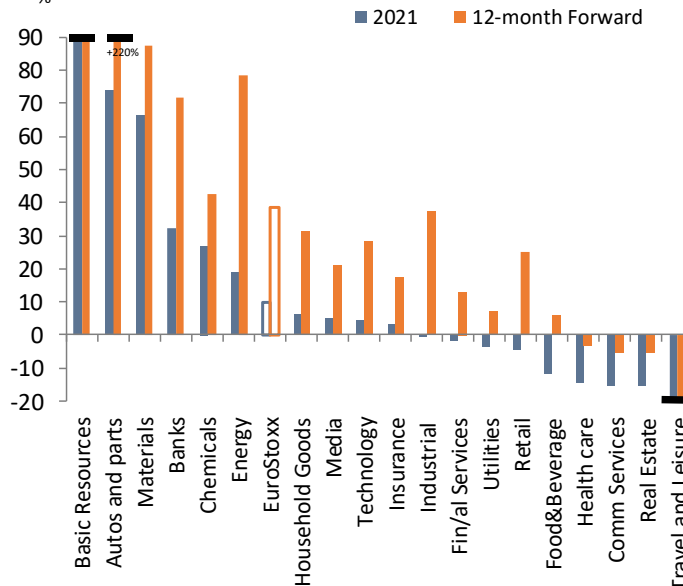
Earnings Revisions indicate 1-month change in 2021 & 12-month Forward EPS %



Data as of July 9th
12-month forward EPS are 48% of 2021 EPS and 52% of 2022 EPS

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

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



Data as of July 9th
12-month forward EPS are 48% of 2021 EPS and 52% of 2022 EPS

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