



The ECB decided to stay put on stimulus, with attention now turning to the Federal Reserve meeting

- Global markets are trying to stabilize (S&P500:+1.3% on Monday) following a c.10% peak-to-trough drop in US Technology equities in four days (see graph page 3), with US Technology stocks underperforming in a downward trending market. Indeed, the S&P500 has dropped by 6.7% since its peak (3581) in September 2nd also due to the Oxford/AstraZeneca vaccine setback (albeit with trails expected to resume) along with oil prices which have fallen by 12% during September, dragging down Energy equities. Volatility has also increased, with the VIX Index at 27% from 20%.
- Year-to-date, laggards fared better during the correction, with euro area equities up by 1.8% wow. Regarding sectors, Energy declined by 8% with Defensives (Staples, Healthcare, Utilities) overperforming on a relative basis. Post-Tech correction and with equity absolute valuations (Price to Earnings) still at elevated levels, investors' attention turned to (i) Covid19-related data (infection/hospitalization/mortality rates and medical developments); (ii) the US fiscal impasse; (iii) US elections and (iv) central banks' meetings.
- With that being said, the ECB's meeting on Thursday was broadly uneventful. Key interest rates were left unchanged (Main Refinancing Operations: 0% and Deposit Facility Rate: -0.5%), as expected. Regarding balance sheet policies, both regular and pandemic-related programmes will continue as expected (see Economics).
- The ECB acknowledged the improvement in economic activity during the summer months, whilst warning staying cautious about the significant uncertainty ahead, conditioned on Covid-19 developments. The appreciation of the euro exchange rate was "discussed extensively" with exchange rate developments being "monitored carefully" given the impact of a stronger FX on the back of the central bank's capacity to bring inflation back to its goal, according to President Lagarde. The ECB stands ready to adjust all of its policy instruments, as appropriate, to ensure that inflation moves towards its goal of close to but below 2%, albeit with the consensus (and we) having expected more concrete indications that the Governing Council will provide additional stimulus in the forthcoming meetings. None of the main dovish risks were materialized (signaling for more stimulus via PEPP expansion and interest rate cuts, EUR jawboning) and as a result, the EUR ended the session slightly higher by 0.5% at \$1.187 against the USD (+0.1% wow).
- Central bank meetings in other developed economies are expected to take place during the second half of September (Federal Reserve, Bank of England, Bank of Japan). This week's FOMC meeting (Wednesday) will be the first one in which the Committee is being guided by the new framework (see [Global Markets Roundup released September 1st](#)). Since mid-March, the FOMC's Treasury and MBS purchases have totaled \$390 bn per month on average (\$106 bn per month on average since July) and rate guidance has been that the Fed will maintain interest rates near 0% until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals. Following the adoption of a flexible average inflation targeting (AIT) under the new framework, the FOMC could alter its forward guidance, linking asset purchases and interest rate evolution with specific inflation-based and employment-based outcomes.

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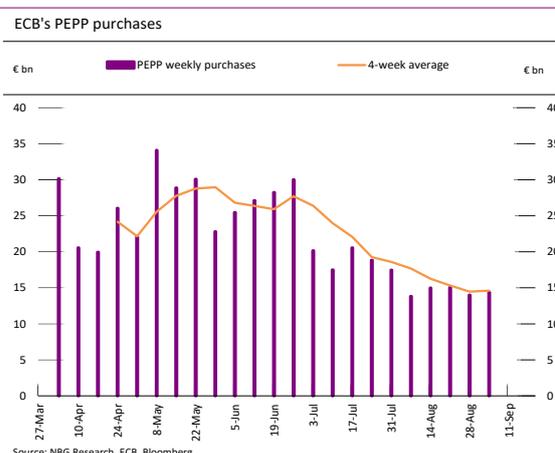
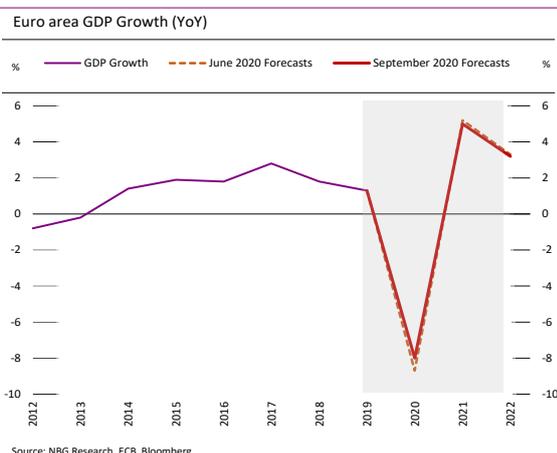
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[Table of Contents](#)

- Overview_p1
- Economics & Markets_p2,3
- Forecasts & Outlook_p4
- Event Calendar_p5
- Markets Monitor_p6
- ChartRoom_p7,8
- Market Valuation_p9,10

Charts of the week



US consumer prices rose in August, by more than expected

- **Headline CPI accelerated by 0.3 pps to 1.3% yoy in August, above consensus estimates for 1.2% yoy.** The energy index improved to -9.0% yoy from -11.2% yoy in the previous month. The annual growth of the food index was broadly unchanged at +4.1% yoy. More importantly, core CPI (i.e. CPI excluding food & energy) was up by a strong 0.4% mom. As a result, the annual pace of growth accelerated by 0.1 pp to 1.7% yoy in August, compared with a 9½-year low of 1.2% in June 2020 (versus consensus for broadly stable outcome), in view of improving consumer demand conditions post-lockdowns. Although the acceleration was in a big part due to a surprising surge in prices of used cars & trucks (+5.4% mom | +4.0% yoy), improvement occurred in most other expenditure components as well. Finally, note that the PCE deflator (the Fed's preferred measure for gauging inflationary pressures) was 1.0% yoy in July, while the core figure stood at 1.3% yoy. According to the Federal Reserve Bank of Cleveland Inflation Nowcasting model, PCE growth is expected at 1.2% yoy in August and its core counterpart at 1.4% yoy.

The ECB remained on hold, as expected

- **ECB's meeting on September 10th was largely uneventful.** The interest rate on Main Refinancing Operations as well as the Deposit Facility Rate remained at 0.0% and -0.5%, respectively. Regarding quantitative easing, the total envelope of the Pandemic Emergency Purchase Programme (PEPP) was maintained at €1350 bn with a horizon until at least the end of June 2021. At the same time, the Asset Purchase Programme (APP) will continue to run at a net monthly pace of €20 bn (and with additional net asset purchases of €120 bn from March 2020 until end-2020). At the press conference, Ms Lagarde did not appear particularly alarmed by the stronger euro. In addition, no concrete indications were provided regarding the timing and potential directions of the ongoing strategy review as well as possible changes to policy intentions (according to consensus, the most likely future alteration remains an extension of the PEPP both in terms of size and duration being announced by end-2020). Overall, due to the aforementioned asset purchases as well as Targeted Longer-Term Refinancing Operations towards commercial banks, ECB's total balance sheet currently stands at €6.5 tn from pre-pandemic levels of €4.7 tn, while it is set to reach €7.5 tn (63% of euro area GDP) by June 2021.

- **ECB staff macroeconomic projections included limited revisions compared with the previous estimates (in June).** The estimate for real GDP growth in 2020 was revised up by 0.7 pps to -8.0% yoy due to a better than expected performance in Q2 (indeed, the ECB had anticipated a contraction of 13.0% qoq whereas the actual outcome was -11.8% qoq | see below). Thereafter, the projections were insignificantly altered, with real GDP growth expected to partially rebound by +5.0% yoy in 2021, followed by +3.2% yoy in 2022. That path points to a level of GDP at the end of the projection horizon that is c. 3.5% below the projections prior to the pandemic (in December 2019). Meanwhile, there were only modest revisions in the projections for inflation (2020: unchanged at +0.3% yoy | 2021: +0.2 pps compared with the projections in June, to 1.0% yoy | 2022: stable at 1.3% yoy, still well below the target of "below, but close to, 2%" and thus, supporting the view for maintaining an ultra-accommodative monetary policy stance in the next years). Core CPI inflation

estimates were broadly stable for 2020 (+0.8% yoy) and modestly revised up thereafter, by 0.2 pps for both 2021 (to +0.9% yoy) and 2022 (+1.1% yoy), with the downward impact of the stronger euro being more than offset by the combination of the German VAT cut that took place in 2020 being reversed in 2021, indirect effects of stronger oil prices and somewhat higher activity projections.

- Note that the aforementioned (baseline) scenario (for which the ECB assesses the balance of risks as tilted to the downside) assumes an acceleration of Covid-19 infections in coming quarters, necessitating a continuation of containment measures and behavioral changes by economic agents. Nevertheless, due to accumulated experience as to how to deal more efficiently with the pandemic, lower economic costs are incorporated compared with the first wave. At the same time, a medical solution (mainly through a vaccine) is assumed to be found by mid-2021, with a sufficiently widespread deployment being achieved by the end of 2021. Finally, it should be noted that the latest ECB staff projections incorporate only to a very limited extent the effects of significantly supportive measures at the European Union (EU) level, namely the "Next Generation EU" recovery fund (total size of €750 bn or 5.25% of EU GDP), a development that represents upside risks to the aforementioned forecasts.

Unprecedented decline across most euro area GDP expenditure components in Q2, as expected due to the pandemic

- **The 3rd estimate for euro area GDP growth in Q2:20 (the first including analytical breakdown per expenditure component) was slightly revised up, to -11.8% qoq from -12.1% qoq in the previous estimate.** The annual growth was -14.7% yoy (-15.0% yoy in the 2nd estimate). Regarding the composition of GDP, the plunge was broad based. Indeed, private consumption growth decreased by 12.4% qoq (-15.9% yoy), capital formation by 17.0% qoq (-21.1% yoy) with both residential (-12.0% qoq | -13.4% yoy) and business investment (-18.7% qoq | -23.5% yoy) sharply down, while exports fell by 18.8% qoq (-21.5% yoy) and imports by 18.0% qoq (-20.7% yoy). Finally, unsurprisingly given the massive supportive fiscal measures to mitigate the adverse economic effects from the pandemic, government consumption posted a much less profound fall in Q2:20 (-2.6% qoq | -2.5% yoy). Looking forward, the recent ECB staff projections point to GDP growth of +8.4% qoq in Q3:20 (-7.9% yoy).

The strong recovery for UK real GDP post-lockdowns, continued in July

- **According to the monthly estimate from the UK Office for National Statistics (ONS), GDP rose sharply for a 3rd consecutive month in July.** Indeed, the monthly pace of growth came out at +6.6% mom, largely in line with consensus estimates (+8.7% mom in June and +2.4% mom in May). These outcomes suggest that GDP has recovered during these three months c. half of the pandemic-related losses. Still, in July, real GDP was 11.7% below its level prior to the pandemic (in February 2020) as well as compared with the same month a year ago. Looking forward, according to the National Institute of Economic and Social Research, real GDP growth is expected at +1.6% mom in August followed by +0.9% mom in September. Further ahead, the outlook for the UK economy is highly dependent on the path of the pandemic, with Brexit developments also an important risk factor.

Equities

• **Global equities were mixed in the past week, with losses in the US, while European markets overperformed.** Overall, the MSCI ACWI ended the week down by 1.2% (+0.1% ytd), with Emerging Markets (-0.7% wow | -2.1% ytd) overperforming their Developed Markets peers (-1.3% wow | +0.4% ytd). The S&P500 ended the week down by 2.5% (+3.4% ytd), due to: i) profit taking by investors; ii) increased US – China tensions; iii) no progress in the US regarding a fifth coronavirus relief package and; iv) AstraZeneca pausing the Phase 3 trial of its vaccine candidate. Sector wise, the fall was broad based, led by Energy (-6.4% wow) on account of lower oil prices and IT (-4.4%) as the pressures continue after the significant increase in valuations from the March lows. On the other side of the Atlantic, the Eurostoxx rose by 1.8% wow (-9.9% ytd) as better-than-expected macroeconomic data in France and Italy offset the concerns from rising Covid-19 cases. In the UK, the FTSE 100 increased by 4%, recording its largest weekly rise since early-June, supported by the weaker sterling as 70% of its companies’ revenues comes from overseas sales. In China, the CSI 300 ended the week down by 3%, due to anti-China rhetoric from President Trump who reiterated his intention for a Sino-American economic decoupling.

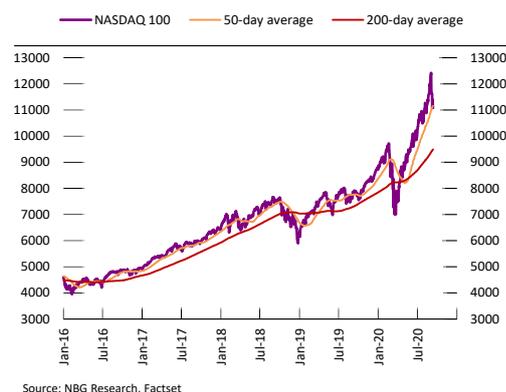
Fixed Income

• **Government bond yields declined in major advanced economies due to investors’ increased risk aversion.** Overall, the US Treasury 10-year yield ended the week down by 5 bps at 0.67%. On the other side of the Atlantic, in the UK, the 10-year yield fell by 8 bps wow to 0.18%, with the new daily Covid-19 cases reaching 3k, its highest level since May, intensifying economic concerns. In Germany, the 10-year Bund yield was volatile past week, rising 3 bps after the ECB meeting, as speculation that recent negative inflation readings and the strong euro (8% appreciation since early-May at \$1.187) would prompt the ECB to signal increased probability of further monetary easing by December, was not confirmed. However, on Friday, the yield fell ending the week broadly stable at -0.48%, following comments from members of the ECB Governing Council (Lane, Villeroy de Galhau) that there is no room for complacency as inflation will be persistently low in the coming years and that the ECB can do more if warranted. Periphery bond yield spreads over the Bund in the 10-year tenor declined across the board (Italy: -3 bps to 148 bps, Spain: -3 bps to 78 bps, Greece -2 bps to 158 bps). **Corporate bond spreads were mixed in the past week.** Specifically, US high yield spreads rose by 8 bps to 521 bps, while their euro area counterparts were stable at 440 bps. In the Investment Grade spectrum, US spreads were up by 2 bps to 137 bps and Euro area spreads were flat at 114 bps.

FX and Commodities

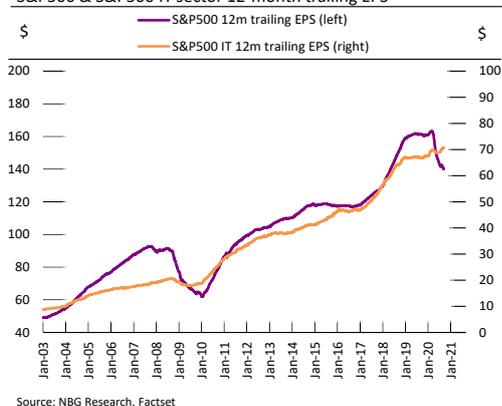
• **In foreign exchange markets, the British Pound declined in the past week, in view of the latest Brexit developments.** The publication of the “UK Internal Market Bill”, which seems to (unilaterally) amend key parts of the Withdrawal Agreement on State Aid and Northern Ireland customs, weighed on hopes for an eventual Brexit deal. EU Commission’s Vice-President Maroš Šefčovič stated that these measures should be withdrawn by the end of the month, otherwise the EU will take legal actions. Overall, the Sterling fell by 3.9% wow against the euro to €/0.926, its lowest level since March and by 3.8% wow against the US Dollar to \$1.278, its lowest level since July. The euro increased in the past week by 0.1% wow against the US Dollar to \$1.183, after ECB President C. Lagarde’s comments about monitoring but not targeting the exchange rate. Finally, **in commodities, oil prices declined in the past week due to the unexpected rise in US oil inventories**, which was the first since July 17th. Specifically, US oil inventories increased by 2 million barrels to 500 million barrels for the week ending September 4th. Moreover, the rise in new cases of Covid-19 has increased the concerns about future oil demand. Furthermore, reports that Saudi Arabia reduced its oil price for sales to Asia (for a second consecutive month) and to the US (for the first time in six months) also contributed to the downside. Overall, Brent decreased by 5.6% to \$39/barrel (-41% ytd), and WTI by 6.1% to \$37.3/barrel (-39% ytd), recording 3-month lows.

NASDAQ 100 Price Performance



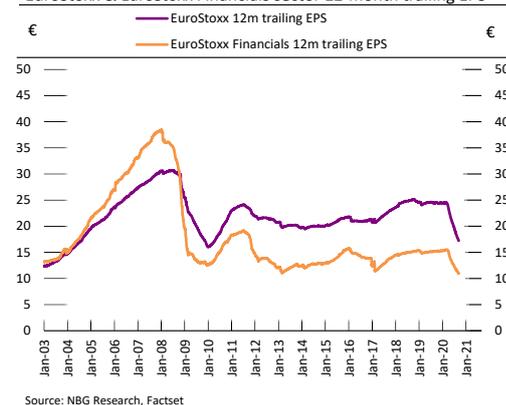
Graph 1.

S&P500 & S&P500 IT sector 12-month trailing EPS



Graph 2.

EuroStoxx & EuroStoxx Financials sector 12-month trailing EPS



Graph 3.

Quote of the week: “We do not target (euro exchange rate), but we monitor and we monitor carefully because obviously the appreciation of our currency has an impact on our inflation.”, **ECB President, Christine Lagarde, September 10th 2020.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 11th	3-month	6-month	12-month	Official Rate (%)	September 11th	3-month	6-month	12-month
Germany	-0,48	-0,50	-0,40	-0,30	Euro area	0,00	0,00	0,00	0,00
US	0,67	0,90	1,00	1,20	US	0,25	0,25	0,25	0,25
UK	0,18	0,28	0,33	0,41	UK	0,10	0,08	0,06	0,04
Japan	0,03	0,00	0,04	0,05	Japan	-0,10	-0,10	-0,10	-0,10

Currency	September 11th	3-month	6-month	12-month	September 11th	3-month	6-month	12-month	
EUR/USD	1,18	1,17	1,18	1,20	USD/JPY	106	106	105	103
EUR/GBP	0,93	0,90	0,90	0,90	GBP/USD	1,28	1,30	1,30	1,33
EUR/JPY	125	124	124	124					

Forecasts at end of period

Economic Forecasts

United States	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20a	Q2:20a	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY) (1)	3.0	2.3	2.0	2.1	2.3	2.2	0.3	-9.1	-4.1	-4.3	-4.3
Real GDP Growth (QoQ saar) (2)	-	2.9	1.5	2.6	2.4	-	-5.0	-31.7	27.4	1.6	-
Private Consumption	2.7	1.8	3.7	2.7	1.6	2.4	-6.9	-34.1	32.8	3.1	-4.8
Government Consumption	1.8	2.5	5.0	2.1	2.4	2.3	1.3	2.8	9.4	-8.2	2.5
Investment	5.2	2.9	-0.4	2.4	1.0	1.9	-1.4	-28.9	12.5	3.3	-4.5
Residential	-0.6	-1.7	-2.1	4.6	5.8	-1.7	19.0	-37.9	33.5	1.3	0.7
Non-residential	6.9	4.2	0.0	1.9	-0.3	2.9	-6.7	-26.0	7.8	3.8	-5.8
Inventories Contribution	0.2	0.2	-1.1	-0.1	-0.9	0.0	-1.7	-4.7	2.2	1.5	-1.2
Net Exports Contribution	-0.3	0.6	-0.9	0.0	1.9	-0.2	1.6	0.6	-1.2	-1.0	0.6
Exports	3.0	1.8	-4.5	0.8	3.4	-0.1	-9.5	-63.2	28.0	19.6	-14.9
Imports	4.1	-2.1	1.7	0.5	-7.5	1.1	-15.0	-54.0	29.3	21.3	-14.1
Inflation (3)	2.5	1.7	1.8	1.7	2.1	1.8	2.1	0.3	1.1	1.0	1.1

Euro Area	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20a	Q2:20a	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY)	1.9	1.4	1.3	1.4	1.0	1.3	-3.2	-14.7	-7.9	-5.3	-7.8
Real GDP Growth (QoQ saar)	-	2.0	0.8	1.1	0.1	-	-14.1	-39.4	37.8	12.2	-
Private Consumption	1.4	2.2	0.8	1.7	0.5	1.3	-16.8	-41.0	43.5	14.8	-8.3
Government Consumption	1.2	2.2	2.0	2.5	1.0	1.8	-2.8	-10.0	12.4	4.6	-0.3
Investment	3.5	1.7	2.9	-1.1	14.0	5.0	-19.2	-52.6	54.4	17.6	-9.2
Inventories Contribution	0.1	-3.4	5.6	-5.5	1.0	-0.3	2.0	0.2	0.0	-0.4	0.2
Net Exports Contribution	0.2	3.5	-6.0	5.6	-4.1	-0.5	-1.9	-3.8	0.9	0.0	-1.6
Exports	3.6	4.2	0.0	2.9	0.5	2.5	-14.7	-56.5	47.3	17.3	-12.3
Imports	3.6	-3.0	14.1	-8.4	10.0	4.0	-12.1	-54.7	46.7	18.2	-10.1
Inflation	1.8	1.4	1.4	1.0	1.0	1.2	1.1	0.2	0.1	0.0	0.4

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 but wont avoid a recession - 2020 EPS growth expectations have further room to fall from +2%. Earnings will contract in 2020 - Forget aggressive share buybacks for now due to political pressures - Peaking profit margins - Protectionism and trade wars - P/Es (Valuations) are in line with long-term averages despite P/E contraction of more than 20% since February highs (19x) 	<ul style="list-style-type: none"> + Still high equity risk premium relative to other regions + Modest fiscal loosening in 2020 excluding Germany (5% of GDP) - 2020-2021 EPS estimates may turn pessimistic as economic growth fails to pick up - Political uncertainty (Italy, Brexit) could intensify 	<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 	<ul style="list-style-type: none"> + 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms - Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process
Government Bonds	<ul style="list-style-type: none"> + Valuations appear rich with term-premium below 0% + Sizeable fiscal deficit + Underlying inflation pressures if Fed seek makeup strategies - Global search for yield by non-US investors continues - Safe haven demand - Fed to remain at ZLB in the course of 2020-2021 - Fed: Unlimited QE purchases 	<ul style="list-style-type: none"> + Valuations appear excessive compared with long-term fundamentals - Political Risks - Fragile growth outlook - Medium-term inflation expectations remain low - ECB QE net purchases - ECB QE "stock" effect 	<ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% 	<ul style="list-style-type: none"> + Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process + Inflation expectations could drift higher ahead of EU/UK negotiations - The BoE is expected to remain on hold with risks towards rate cuts - Slowing economic growth post-Brexit
Foreign Exchange	<ul style="list-style-type: none"> ▲ Slightly higher yields expected + Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% 	<ul style="list-style-type: none"> ▲ Higher yields expected + Reduced short-term tail risks + Higher core bond yields + Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, ABSs, Quantitative Easing) 	<ul style="list-style-type: none"> ● Stable yields expected + 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% 	<ul style="list-style-type: none"> ▲ Higher yields expected but with Brexit risk premia working on both directions + Transitions phase negotiations + Valuations appear undemanding with REER 6% below its 15-year average - Sizeable Current account deficit - Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process
	<ul style="list-style-type: none"> ● Broadly Flat EUR against the USD with high volatility around \$1.20 	<ul style="list-style-type: none"> ● Broadly Flat EUR against the USD with high volatility around \$1.20 	<ul style="list-style-type: none"> ▲ Slightly higher JPY 	<ul style="list-style-type: none"> ▲ Higher GBP expected but with Brexit risk premia working on both directions

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	3341	-2,5	3,4	11,0	15,6	MSCI Emerging Markets	62423	-0,7	1,6	9,1	
Japan	NIKKEI 225	23406	0,9	-1,1	7,6	3,5	MSCI Asia	975	-0,9	6,7	15,8	
UK	FTSE 100	6032	4,0	-20,0	-17,9	-17,5	China	97	-2,6	13,0	22,7	
Canada	S&P/TSX	16222	0,0	-4,9	-2,5	1,1	Korea	742	1,9	7,3	17,3	
Hong Kong	Hang Seng	24503	-0,8	-13,1	-9,5	-7,0	MSCI Latin America	82983	-2,3	-17,1	-11,8	
Euro area	EuroStoxx	364	1,8	-9,9	-4,8	-2,5	Brazil	309983	-2,9	-15,3	-7,6	
Germany	DAX 30	13203	2,8	-0,3	6,4	9,7	Mexico	33638	-0,2	-16,1	-14,4	
France	CAC 40	5034	1,4	-15,8	-10,8	-5,6	MSCI Europe	5282	-0,2	-17,1	-11,1	
Italy	FTSE/MIB	19821	2,2	-15,7	-10,2	-5,4	Russia	1169	-0,6	-14,1	-6,6	
Spain	IBEX-35	6943	-0,7	-27,3	-23,6	-25,4	Turkey	1305100	0,8	-13,2	-6,8	

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		111,8	-4,3	-43,2	-40,8	-50,7	Energy		114,5	-3,8	-43,2	-41,8
Materials		284,3	2,2	4,4	11,5	10,6	Materials		268,5	2,4	3,0	8,3
Industrials		266,6	0,8	-3,5	1,9	2,6	Industrials		260,0	0,9	-4,9	-0,3
Consumer Discretionary		321,9	-1,6	15,7	20,3	24,7	Consumer Discretionary		307,5	-1,5	14,6	18,6
Consumer Staples		252,0	0,2	0,4	2,0	11,2	Consumer Staples		249,4	0,4	-0,8	-0,5
Healthcare		290,1	0,1	3,9	17,2	16,8	Healthcare		283,4	0,2	2,8	15,1
Financials		100,5	-1,3	-20,1	-13,9	-15,8	Financials		99,9	-1,1	-20,7	-15,6
IT		379,7	-3,6	22,1	37,2	49,6	IT		366,0	-3,6	21,5	36,3
Telecoms		82,2	-2,7	6,1	11,0	23,8	Telecoms		85,4	-2,7	5,6	10,1
Utilities		140,6	0,0	-6,4	-2,7	10,3	Utilities		142,4	0,1	-7,6	-4,8

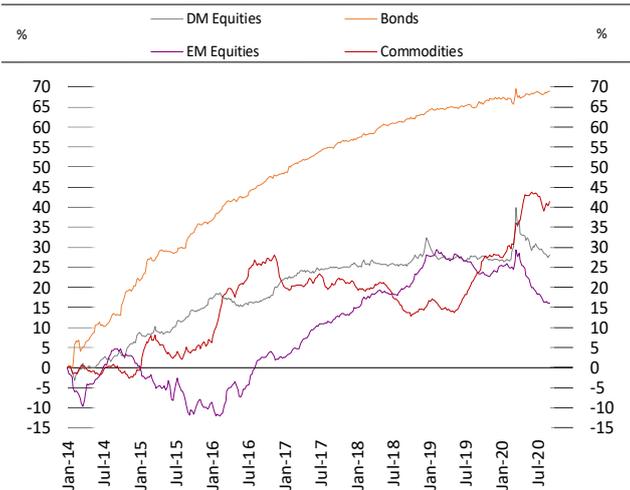
Bond Markets (%)

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		0,67	0,72	1,92	1,77	2,22	US Treasuries 10Y/2Y		54	57	35	5
Germany		-0,48	-0,47	-0,19	-0,52	0,89	US Treasuries 10Y/5Y		42	42	23	14
Japan		0,03	0,04	-0,01	-0,21	0,39	Bunds 10Y/2Y		21	23	42	21
UK		0,18	0,26	0,82	0,67	1,75	Bunds 10Y/5Y		21	22	29	22
Greece		1,12	1,14	1,47	1,55	9,52	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		-0,09	-0,12	0,12	0,03	3,11	EM Inv. Grade (IG)		190	186	150	157
Italy		0,98	1,02	1,41	0,87	2,99	EM High yield		641	632	494	564
Spain		0,31	0,35	0,47	0,22	2,71	US IG		137	135	101	122
Portugal		0,33	0,37	0,44	0,24	4,44	US High yield		521	513	360	385
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG		114	114	94	110
30-Year FRM ¹ (%)		3,1	3,1	4,0	3,8	4,1	Euro area High Yield		440	440	308	341
vs 30Yr Treasury (bps)		166	160	156	156	128						

Foreign Exchange & Commodities

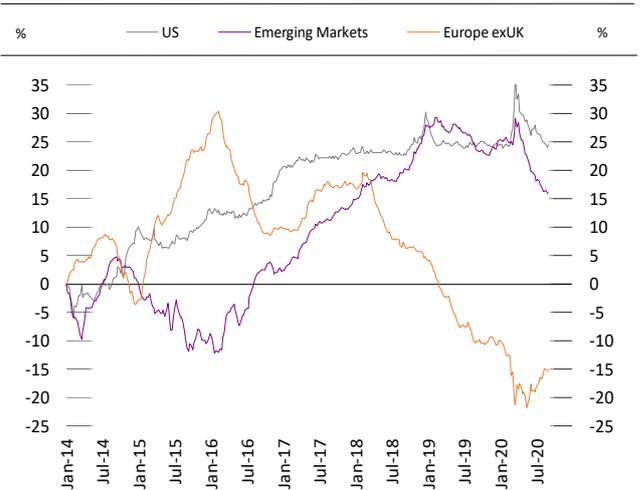
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural		325	1,0	8,9	2,1
EUR/USD		1,18	0,1	0,5	7,1	5,6	Energy		218	-6,7	-12,4	-51,4
EUR/CHF		1,08	-0,4	0,2	-1,7	-0,8	West Texas Oil (\$)		37	-6,1	-12,5	-32,2
EUR/GBP		0,93	3,9	2,4	3,2	9,4	Crude Brent Oil (\$)		39	-5,6	-12,3	-35,8
EUR/JPY		125,76	0,0	-0,2	5,1	3,3	Industrial Metals		1248	-0,5	2,1	2,0
EUR/NOK		10,71	1,3	1,6	7,8	8,7	Precious Metals		2266	0,7	0,2	27,7
EUR/SEK		10,40	0,5	1,5	-2,4	-1,0	Gold (\$)		1941	0,3	1,3	29,4
EUR/AUD		1,63	0,0	-1,1	1,0	1,8	Silver (\$)		27	-0,7	4,8	47,6
EUR/CAD		1,56	1,0	0,0	6,8	7,2	Baltic Dry Index		1267	-7,0	-17,7	-45,6
USD-based cross rates							Baltic Dirty Tanker Index		459	2,9	-8,2	-35,0
USD/CAD		1,32	0,9	-0,5	-0,2	1,5						
USD/AUD		1,37	0,0	-1,7	-5,7	-3,7						
USD/JPY		106,16	-0,1	-0,7	-1,8	-2,3						

Global Cross Asset ETFs: Flows as % of AUM



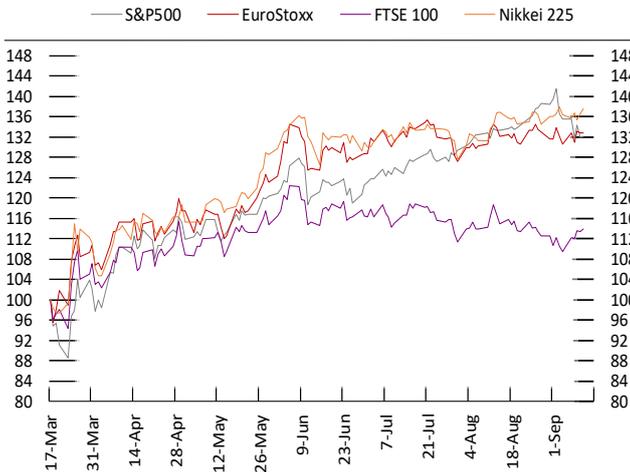
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 11th

Equity ETFs: Flows as % of AUM



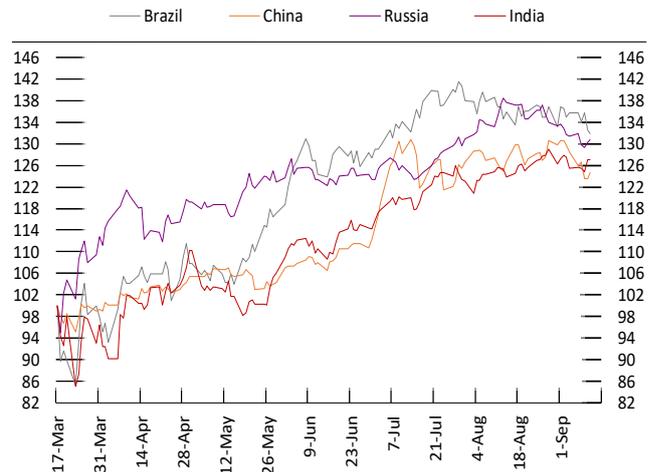
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 11th

Equity Market Performance - G4



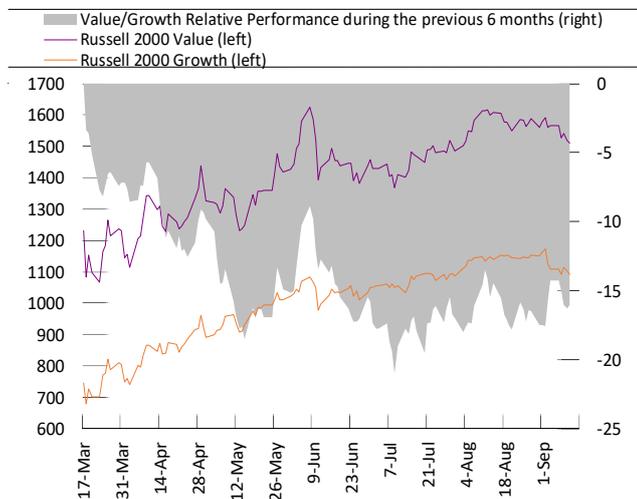
Source: Bloomberg - Data as of September 11th - Rebased @ 100

Equity Market Performance - BRICS



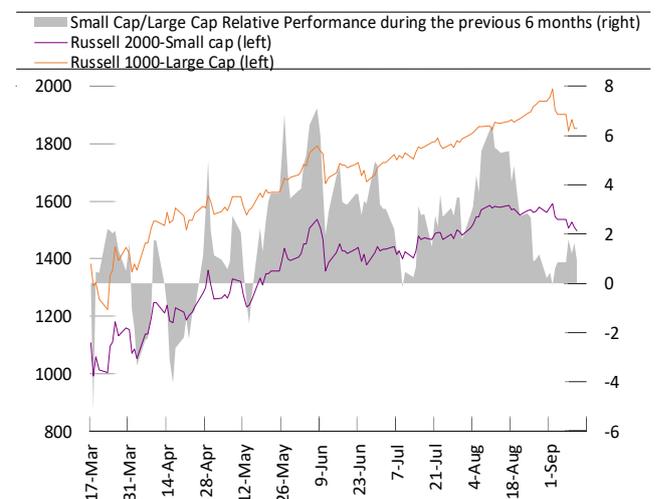
Source: Bloomberg - Data as of September 11th - Rebased @ 100

Russell 2000 Value & Growth Index



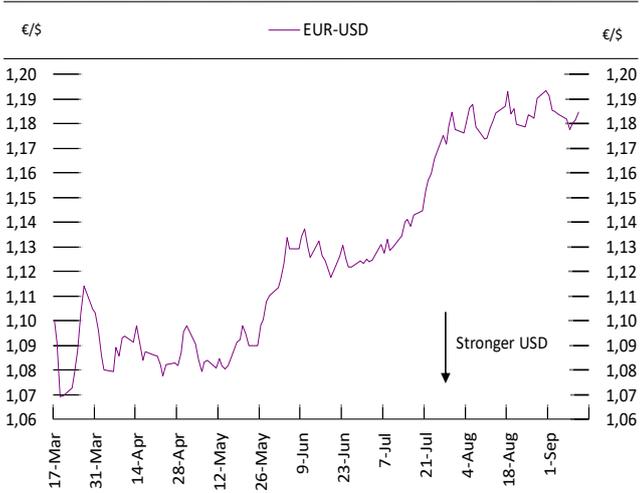
Source: Bloomberg, Data as of September 11th

Russell 2000 & Russell 1000 Index



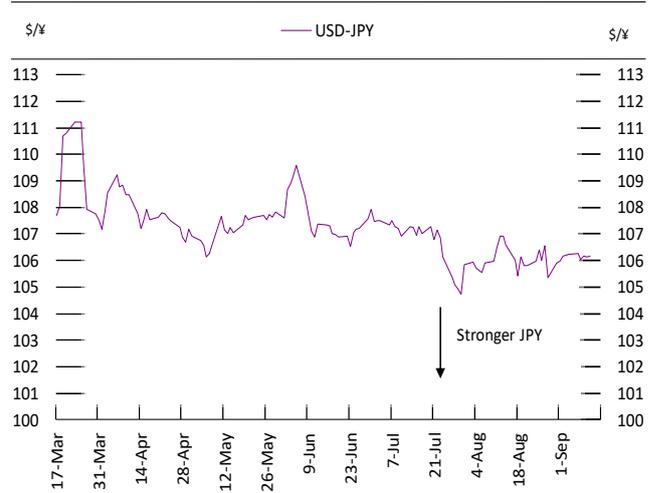
Source: Bloomberg, Data as of September 11th

EUR/USD



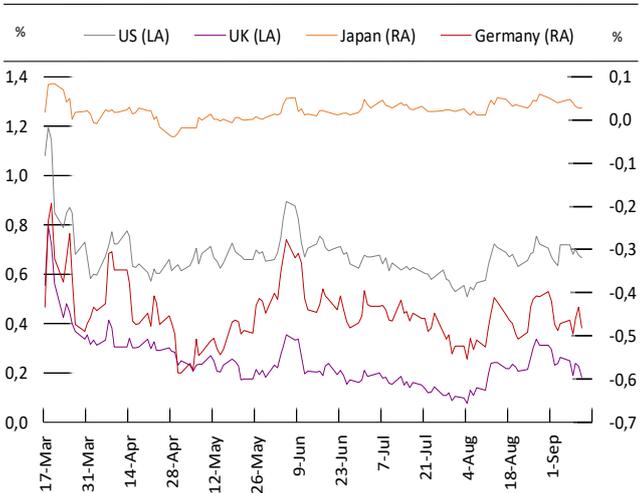
Source: Bloomberg, Data as of September 11th

JPY/USD



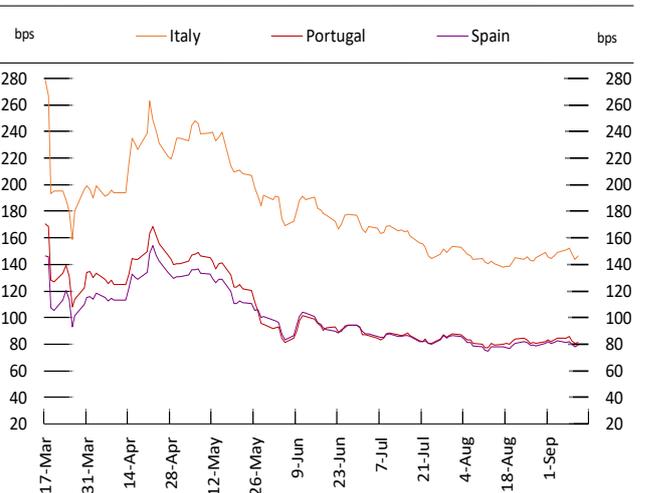
Source: Bloomberg, Data as of September 11th

10- Year Government Bond Yields



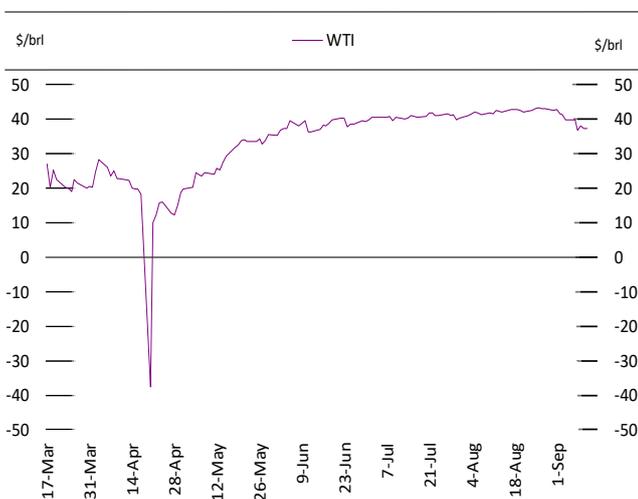
Source: Bloomberg - Data as of September 11th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



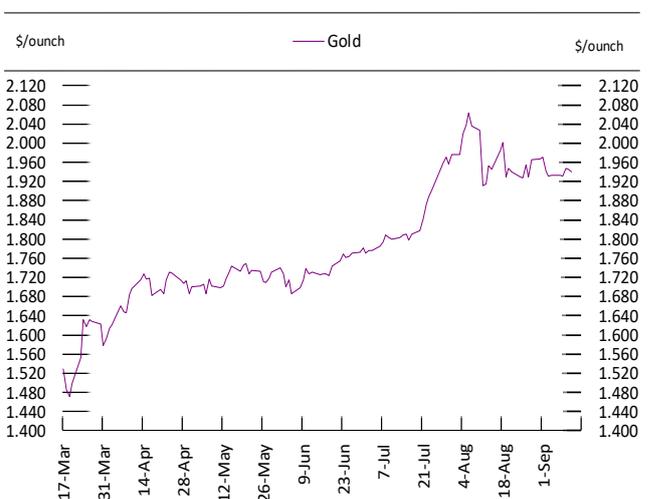
Source: Bloomberg - Data as of September 11th

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of September 11th

Gold (\$/ounce)



Source: Bloomberg, Data as of September 11th

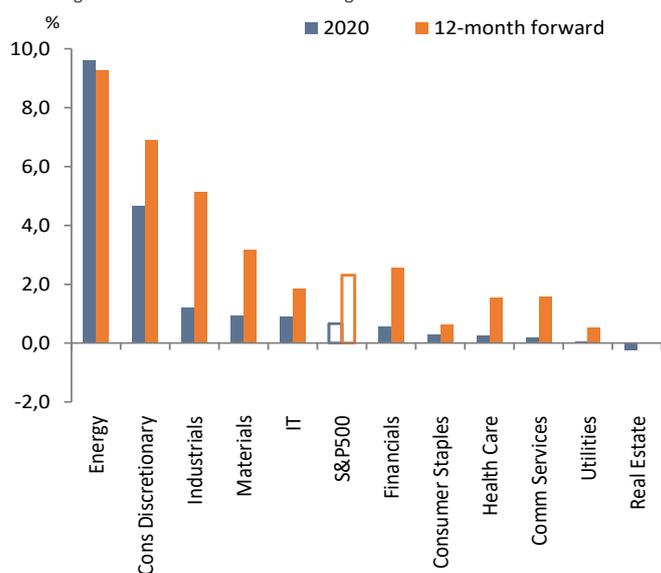
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	11/9/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3341	-2.5	3.4	1,2	-18,7	1,8	1,7	20,3	25,6	21,9	15,6	3,7	3,7	3,5	2,6
Energy	244	-6.4	-46,6	-29,0	N/A	3,8	6,9	21,8	N/A	N/A	13,2	1,6	1,1	1,1	1,7
Materials	408	0,8	5,8	-15,6	-17,2	2,1	2,0	20,2	26,6	22,4	15,1	2,4	2,8	2,7	2,5
Financials															
Diversified Financials	694	-2,0	-6,5	1,6	-23,3	1,4	1,6	16,2	19,6	16,8	14,0	1,9	1,6	1,6	1,5
Banks	252	-3,0	-33,6	9,0	-51,0	2,6	3,8	12,3	17,0	13,0	10,9	1,4	0,9	0,9	1,0
Insurance	370	-2,0	-16,0	15,8	-5,5	2,2	2,8	13,4	11,9	10,9	10,9	1,5	1,2	1,1	1,1
Real Estate	220	-1,8	-8,3	1,9	-8,2	3,1	3,1	21,0	21,0	20,0	18,2	3,7	3,2	3,4	3,1
Industrials															
Capital Goods	652	-0,7	-10,3	-7,2	-28,3	1,8	1,9	21,2	26,1	21,3	15,8	5,5	4,3	4,1	3,5
Transportation	849	1,1	8,3	6,5	N/A	1,9	1,6	14,7	N/A	N/A	10,0	4,3	5,5	5,4	3,4
Commercial Services	373	-0,9	8,1	12,8	-4,3	1,3	1,2	28,5	31,2	29,0	20,4	6,0	5,7	5,5	3,6
Consumer Discretionary															
Retailing	3371	-3,1	37,6	4,2	-6,2	0,7	0,5	33,6	48,6	40,4	23,0	13,3	14,3	12,6	6,8
Consumer Services	1160	-0,5	-10,9	5,1	N/A	2,1	1,6	24,0	N/A	N/A	22,2	16,3	32,1	52,0	8,0
Consumer Durables	380	4,2	2,0	-0,4	-21,5	1,5	1,4	19,7	25,9	21,6	17,1	4,1	4,1	3,8	3,2
Automobiles and parts	98	0,6	-17,3	-16,8	N/A	4,2	1,3	8,5	N/A	N/A	7,6	1,3	1,2	1,1	1,6
IT															
Technology	2115	-6,4	32,7	2,6	3,6	1,3	1,1	21,6	26,6	24,4	13,1	9,7	13,6	14,4	4,2
Software & Services	2770	-3,4	20,5	11,4	7,9	0,9	0,9	29,5	31,9	29,3	18,1	7,9	9,1	8,4	5,4
Semiconductors	1445	-3,6	16,4	-12,2	7,4	1,8	1,7	18,9	20,4	18,6	14,2	5,5	5,7	5,3	3,2
Communication Services	198	-3,3	8,9	3,0	-11,9	1,2	1,1	21,8	26,2	23,1	17,7	3,5	3,5	3,3	2,9
Media	747	-3,7	14,5	3,8	-11,4	0,4	0,3	27,4	34,1	28,4	20,6	4,2	4,4	4,0	3,3
Consumer Staples															
Food & Staples Retailing	521	-3,0	4,8	2,9	-3,7	1,7	1,7	21,5	23,8	23,0	16,6	4,6	4,7	4,4	3,2
Food Beverage & Tobacco	693	-1,0	-3,0	-1,7	-2,3	3,3	3,4	19,7	19,6	18,6	17,7	5,3	5,2	5,0	4,9
Household Goods	827	-0,3	11,2	6,6	5,8	2,3	2,1	25,8	27,0	25,7	19,7	8,9	9,7	9,4	5,3
Health Care															
Pharmaceuticals	1015	-0,7	3,0	10,9	7,6	2,1	2,3	16,1	15,4	14,3	14,7	6,3	5,3	4,9	3,9
Healthcare Equipment	1398	-1,5	1,4	9,9	-1,2	1,0	1,1	20,7	21,0	18,9	15,6	3,8	3,4	3,2	2,7
Utilities	297	-0,8	-9,4	4,9	1,5	3,1	3,5	20,7	18,6	17,9	16,1	2,2	1,9	1,9	1,7

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

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

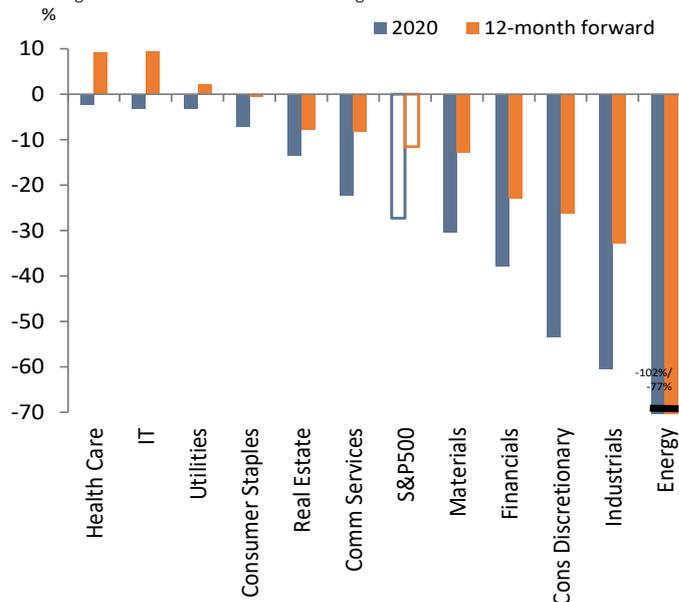
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of September 11th
12-month forward EPS are 30% of 2020 EPS and 70% of 2021 EPS

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

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



Source: Factset, Data as of September 11th
12-month forward EPS are 30% of 2020 EPS and 70% of 2021 EPS

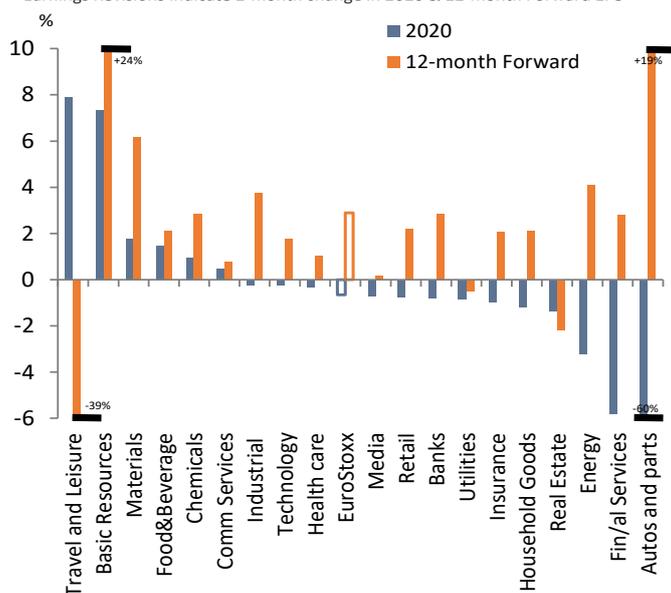
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	11/9/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	364	1,8	-9,9	2,4	-41,9	3,1	2,5	16,8	25,7	19,5	13,5	1,7	1,6	1,5	1,4
Energy	221	-0,3	-32,7	-10,1	-71,6	5,0	6,0	13,7	32,0	19,2	11,9	1,3	1,1	1,1	1,1
Materials	409	0,1	-16,1	14,1	-42,3	3,2	2,9	15,4	22,6	16,7	14,4	1,9	1,6	1,6	1,4
Basic Resources	165	0,3	-19,3	-61,6	N/A	3,3	2,3	19,3	N/A	N/A	13,6	0,8	0,7	0,7	0,8
Chemicals	1215	3,1	3,4	-13,3	-18,7	2,7	2,5	21,8	28,2	24,3	15,5	2,1	2,3	2,2	2,2
Financials															
Fin/al Services	487	1,4	-3,4	23,8	-37,2	2,6	2,5	15,0	22,7	18,0	13,8	1,6	1,2	1,2	1,2
Banks	61	-2,2	-36,6	-1,1	-58,8	5,7	3,3	9,2	14,0	10,6	9,5	0,6	0,4	0,4	0,7
Insurance	243	2,1	-19,7	13,0	-20,8	4,8	6,0	11,0	11,0	9,3	9,3	1,0	0,8	0,7	0,9
Real Estate	205	2,7	-16,8	-0,5	-6,2	4,2	4,2	19,0	16,9	16,3	17,0	1,0	0,9	0,9	1,0
Industrial	858	1,7	-8,8	12,2	-49,0	2,4	1,7	20,1	35,5	25,3	15,6	3,2	2,8	2,7	2,4
Consumer Discretionary															
Media	200	2,7	-10,7	4,1	-20,7	2,6	2,4	17,9	19,9	17,8	15,5	2,5	2,3	2,2	1,8
Retail	618	2,7	2,9	3,5	-22,3	2,5	1,8	25,6	33,8	27,9	19,6	4,4	3,7	3,5	3,1
Automobiles and parts	426	3,8	-12,4	-12,2	N/A	3,7	1,4	8,7	N/A	N/A	7,5	0,9	0,8	0,8	1,0
Travel and Leisure	168	-0,7	-21,4	-10,1	N/A	2,2	0,4	16,8	N/A	N/A	13,7	2,0	1,8	1,8	2,0
Technology	668	1,1	10,2	5,9	-9,0	1,2	0,8	26,9	31,4	26,5	18,7	4,2	4,2	3,9	3,0
Communication Services	251	1,7	-13,2	-14,3	-2,6	4,2	4,7	17,5	15,5	14,5	14,3	1,9	1,5	1,5	1,8
Consumer Staples															
Food&Beverage	479	0,2	-19,9	16,8	-36,0	2,1	2,0	20,5	25,5	21,4	18,7	2,7	2,1	2,1	2,6
Household Goods	1082	3,8	1,1	6,6	-28,6	1,6	1,3	29,8	41,4	33,1	21,5	6,1	5,7	5,3	3,8
Health care	825	3,3	-5,2	7,1	-6,7	2,1	2,2	20,1	19,7	17,9	15,5	2,4	2,1	2,1	2,1
Utilities	351	1,8	1,3	57,7	-3,3	4,5	4,5	16,2	16,7	15,5	12,8	1,6	1,5	1,4	1,1

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

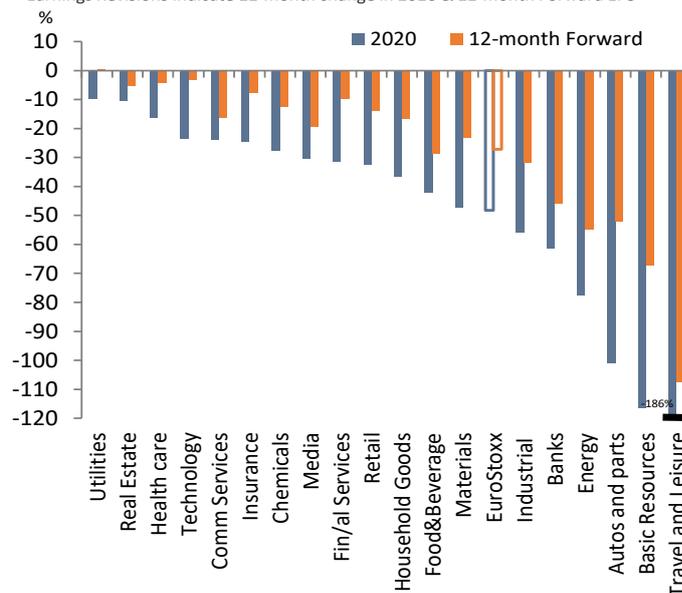
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of September 11th
12-month forward EPS are 30% of 2020 EPS and 70% of 2021 EPS

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

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



Source: Factset, Data as of September 11th
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