

Long-term sovereign bond yields declined significantly due to global economic slowdown concerns

- Global equity markets declined sharply in the past week, due to (i) the prospect of weaker global economic growth ahead, because of the spread of the Covid-19 Delta variant and (ii) heightened tensions in the United States – China relations.
- The S&P500 decreased by 1% wow, recording additional losses of -1.6% on Monday 19th, whilst the losses in the euro area were even greater, as the Eurostoxx50 lost -2.7% on Monday. Reflecting concerns about future growth prospects, long-end US Treasuries have rallied significantly, with 10-Year nominal yields declining by 26 bps since end-June to 1.19%, leading to a material unwind of the key reflation trades.
- Indeed, Value has lagged Growth by 286 bps since end-June, whereas Small Caps have lagged Large Caps by 660 bps for the same period. US Energy and Financials stocks have underperformed the market by 1197 bps and 351 bps, respectively, as the decline in oil prices and the flattening of the curve, poses downside risks to corporate profitability.
- Having said that, the US Q2:2021 earnings season has begun on a strong footing. Specifically, the mean positive EPS surprise per company (actual result versus consensus expectations), hovers at +23% vs a 5-year average of +8% with consensus now expecting EPS of \$47.
- Financials have led S&P500 EPS surprises, due to better top line growth, as well as due to large loan-loss reserve releases. Overall, 2021 and 2022 S&P500 EPS growth is expected at +39% (\$191) and +11% (\$212), respectively, from -14% in 2020. Equally importantly, 12-month forward earnings revisions ratios remain in positive territory (see graph page 3).
- From a valuation perspective, S&P500 trades at a 12-month forward P/E of 21.4x (94th percentile vs 20-year history). Note, however, that multiples have de-rated ytd, with the P/E ratio down by 5%. As a result, the 15% price appreciation (S&P500) ytd has been solely due to increasing expectations of corporate profitability, with the 12-month forward EPS up by +20% ytd to \$203.
- The European Central Bank (July 22nd) is expected to keep policy unchanged (interest rates, PEPP, APP). The forward guidance is likely to be redefined to be aligned with the Bank's new strategy. It should be noted that market pricing for ECB interest rates by end-2022 and end-2023 was broadly stable post the Strategy Review announcement, while 2024 pricing dropped 4 bps, in line with the "lower for longer" narrative (see graph).
- Fed Chair Powell indicated that the FOMC still views the US economy as "still a ways off" from the standard of having made the progress in order to reduce asset purchases. He said that tapering will be discussed at the next meeting (28/7) and that the Fed will give the market ample warning before adjusting asset purchases.
- Regarding inflation, he acknowledged that some inflation pressures are stronger and more persistent than he had anticipated. He used, however, the price action of lumber, which is now trading at 8-month lows (\$536/thousand board feet) after rallying +543% from the pandemic lows, as an example of the, expected, transitory path of inflation (see graph page 3).

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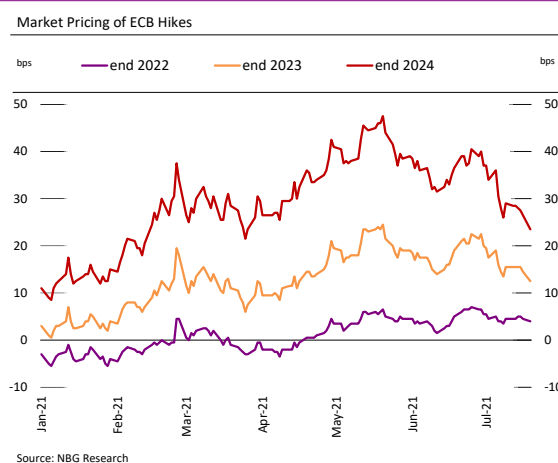
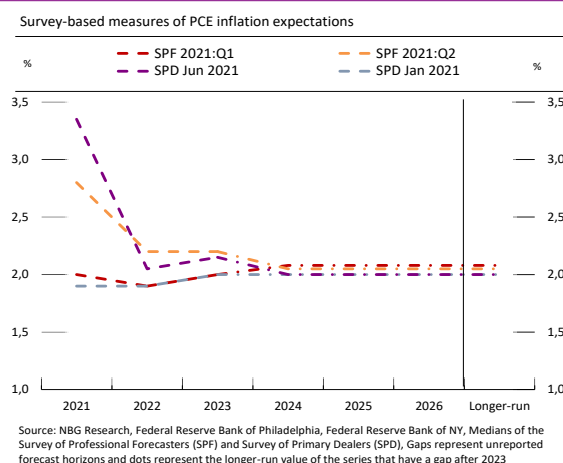
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Charts of the week



US inflation exceeded expectations by a wide margin for a third consecutive month in June

- **The annual pace of growth of both the headline and core CPI accelerated sharply in June, due to both a robust sequential momentum and strong base effects.** Specifically, the headline inflation came out at +5.4% yoy (the highest since August 2008), compared with +5.0% yoy in May (trough of +1.2% yoy in November 2020) and versus consensus estimates for +4.9% yoy. The elevated headline reading remained in a significant part, on account of the energy index, which came out at +24.5% yoy (+28.5% yoy in May), due a combination of the recovery and a depressed base of comparison, for international oil prices (in June 2020, oil prices stood at particularly low levels due to the pandemic). Meanwhile, the respective trend for the food index, modestly accelerated, by 0.2 pps to +2.4% yoy.

- More importantly, core CPI (i.e. CPI excluding food & energy) posted a sharp increase for a 3rd consecutive month in June, by 0.9% on a (seasonally adjusted) monthly basis, following a +0.7% mom in May and a +0.9% mom in April (the readings in June and April were the highest since April 1982). Notably, c. 1/3 of each of the aforementioned monthly increases in June, May and April, were due to the index for used cars and trucks rising by 10.5% mom, 7.3% mom & 10.0% mom, respectively (+45.2% yoy in June), with the latest reading being a record (since 1953) high. That development was mainly on account of supply chain issues (including, *inter alia*, a global shortage of semiconductors) which hamper the supply of new cars & trucks, a factor though which is expected to be transitory. Furthermore, the re-opening of the US economy leads to a recovery of demand (and consequently of prices) of some travel-related components which had been particularly depressed during the pandemic. Combined with strong base effects (as the prices of these items in June 2020 were particularly low), the annual growth of prices of lodging away from home including hotels and motels stood at +16.9% in June from +10.0% in the previous month and at +24.6% (from +24.1% in May) for airline fares (the weight of these components on the headline index are 0.9% and 0.7%, respectively). Moreover, the annual growth of apparel prices remained elevated (+4.9%) mostly due to base effects (weight of 2.7% on the headline index). As a result of the above, core CPI's annual pace of growth accelerated to +4.5% (the highest since November 1991), from +3.8% yoy in May (consensus: +4.0% yoy).

- **Looking forward, headline inflation is expected at similar levels in July, with the favorable base effects related to international oil prices remaining largely intact and with a further normalization of pandemic-hit items, being counterbalanced by a modest easing of the positive base effects for these items.** In all, according to the Federal Reserve Bank of Cleveland Inflation Nowcasting model, the headline is expected at +5.2% yoy in July and the core at +4.3% yoy.

- Finally, note that the PCE deflator (the Fed's preferred measure for gauging inflationary pressures) was +3.9% yoy (from +3.6% in April), while the core figure stood at +3.4% yoy (from +3.1% yoy in April). According to the Federal Reserve Bank of Cleveland Inflation Nowcasting model, PCE growth is expected at +4.1% yoy in June and its core counterpart at +3.7% yoy.

US retail sales modestly exceeded expectations in June, albeit consumer confidence declined sharply

- **Nominal retail sales rose by 0.6% mom in June.** The monthly growth overshoot consensus estimates for -0.4% mom. As far as the annual pace of growth for retail sales is concerned, it came out at +18.0% yoy, with the figure being boosted by large (favorable) base effects (even though less so compared with May, when the respective pace stood at 27.6% yoy). To discount for these effects, we note that the rate of growth of retail sales compared with the same month two years ago (with a conversion to an annualized rate), was largely stable in June, at (a still particularly robust) +9.7%.

- Note that retail sales mainly include sales of goods (with a total weight of c. 89%), whereas spending on services consists c. 2/3 of overall private consumption. As a result, attention now turns to the personal spending data for June (unchanged on a monthly basis | +18.9% yoy in May, in nominal terms), due on July 30th, for a comprehensive measure of overall personal consumption and especially regarding pandemic-hit items such as transportation and recreation, accommodation, education and personal care.

- **Looking forward, the University of Michigan's index of consumer sentiment surprised to the downside in July**, down by 4.7 pts to 80.8, versus consensus estimates for 86.5 and a long-term (since 2001) average of 84.4, with 1-year ahead inflation expectations up by 0.6 pps to +4.8% (highest since August 2008).

- In all, the Atlanta Fed's GDPNowcast model points to growth of +10.5% qoq saar for private consumption in Q2:21 (+15.4% yoy), from +11.4% qoq saar in Q1:21 (+1.8% yoy) and +7.5% qoq saar (+12.3% yoy) for overall real GDP (+6.4% qoq saar | +0.4% yoy in Q1:21).

Chinese GDP was close to expectations in Q2:21

- **GDP growth in Q2:21 decelerated to 7.9% yoy, from +18.3% yoy in Q1:21 (consensus for +8.0% yoy), albeit mostly due to less favorable base effects** (the annual pace of growth in Q1:21, had benefitted from a particularly low base of comparison due to the strict lockdown measures in Q1:20). As far as the sequential path is concerned, high frequency data were modestly above consensus estimates in June. In the event, the annual growth of retail sales decelerated only slightly, by 0.3 pps to +12.1%, versus expectations for +11.0%. At the same time, industrial production came out at +8.3% yoy in June, from +8.8% yoy in the previous month (consensus: +8.0% yoy), with the manufacturing of automobiles significantly underperforming (-4.3% yoy). Finally, fixed assets investment growth decelerated to +12.6% yoy from +15.4% yoy in May, moderately above expectations for +12.0% yoy. Notably, the latest readings came in conjunction with steady credit growth. In the event, overall credit growth, as measured by Total Social Financing (TSF), was broadly stable at +11.0% yoy in June (average of +12.4% yoy since the start of the pandemic | +10.8% yoy in 2019).

Equities

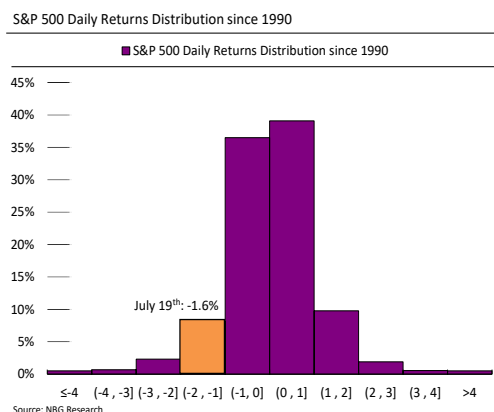
• **Global equity markets were mixed in the past week.** Overall, the MSCI ACWI ended the week down by 0.6% (+11% ytd), with Emerging Markets (+1.7% wow | +4% ytd) overperforming their Developed Markets peers (-0.9% wow | +12% ytd). The S&P500 declined by 1% wow, recording its first week with losses after 3 consecutive positive weeks. The index exhibited increased volatility during the week, as after posting a new all-time high (4385) early in the week, the hotter-than-expected inflation data and the weaker-than-expected consumer confidence weighed on sentiment, overshadowing the positive start of the corporate earnings season. On Monday, the index declined further (-1.6%), following news that the weekly average of new Covid-19 cases rose 70%, with the VIX index rising to 23% (2-month high) from 16% in the end of the previous week. Regarding sectors, Energy fell by 7.7% wow, recording its largest weekly decline since June 2020, due to, *inter alia*, lower oil prices. Moreover, Banks declined by 2.6% wow, with Bank of America (-5.3% wow) underperforming, as the EPS positive surprise in Q2 (\$1.03 vs estimates for \$0.77) was more than offset by investors' concerns regarding the larger-than-expected net interest margin compression and the high loan loss provision reversals. Overall, the Q2:21 earnings season started in the past week on a strong footing. Specifically, out of the 41 S&P 500 companies that have reported Q2:2021 results, the 85% of them have exceeded consensus EPS estimates, with consensus analyst expectations for EPS growth standing at +70% yoy (the highest growth rate since Q4:09) versus +52% yoy in the previous quarter. Meanwhile, the Russell 2000 declined by 5.2%, posting its highest weekly decline since June 2020 and underperforming its large-cap peer, Russell 1000 (-1.5%) for the 3rd consecutive week. On the other side of the Atlantic, the Eurostoxx declined by 0.8% wow (+13% ytd), with the downward pressures continuing on Monday (-2.4%). The Travel & Leisure (-4.7% wow) underperformed, extending its losses to -11% since June 24th, due to worries over increased Covid-19 infections.

Fixed Income

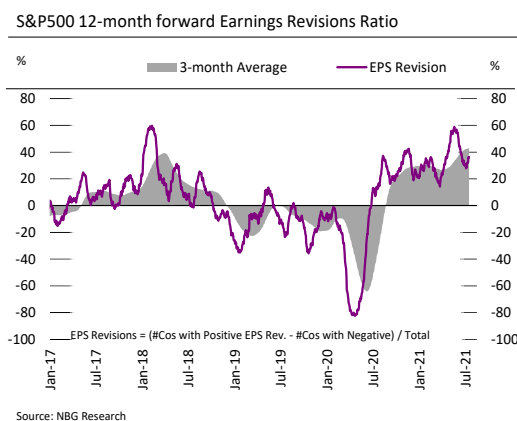
• **Government bond yields declined in major advanced economies in the past week.** Specifically, the US 10-year yield fell by 5 bps wow to 1.30%, recording its 3rd consecutive weekly decline and 8th out of the past 9 weeks. The dovish comments by Fed Chair, J. Powell, alleviated investors' concerns regarding the acceleration of inflation that drove the yield to 1.42% on Tuesday. On the contrary, the 2-year yield rose 1 bp to 0.25%, with the 10Y/2Y spread narrowing to 106 bps, its lowest level since February. On Monday, the 10-year yield decreased further by 11 bps falling under 1.20% (5-month low). In Germany, the 10-year yield fell by 6 bps wow to -0.35%, its lowest level since March 25th. The comments from the ECB Governing Council Member, I. Visco, that he doesn't expect the Bank's monetary policy to be tightened for a long period, contributed to the downside. Periphery government bond yields broadly tracked core markets. Specifically, in Italy the 10-year yield fell by 8 bps to 0.70% (3-month low), in Spain by 7 bps to 0.28% (3-month low), while in Greece it declined by 8 bps to 0.67% (5-month low). **Corporate bond spreads widened in the US HY spectrum significantly.** Specifically, US HY spreads were up by 11 bps to 318 bps (+26 bps on Monday), recording a 1-month high, while their EUR peers remained broadly stable at 302 bps. In the investment grade spectrum, both US and EUR corporate bond spreads were broadly unchanged, at 91 bps and 83 bps, respectively.

FX and Commodities

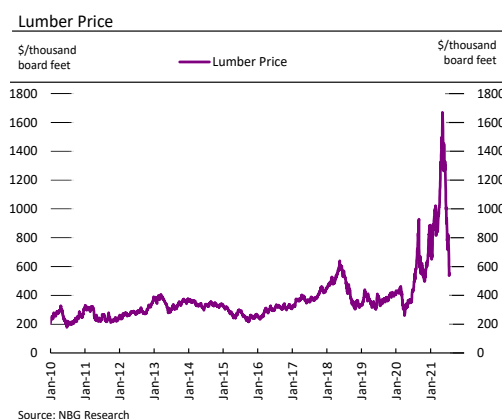
• **Oil prices declined in the past week and fell further on Monday, following the agreement among OPEC+ countries to increase supply by 400k barrels/day each month beginning in August until all the production cuts, put in place in 2020, are eliminated.** The deal overshadowed the 8th consecutive weekly decline in US oil inventories (-7.9 million barrels to 438 million barrels for the week ending July 9th). Overall, the Brent declined by 2.6% to \$73.6/barrel (-6.8% on Monday), and the WTI by 3.7% to \$71.8/barrel (-7.5% on Monday).



Graph 1.



Graph 2.



Graph 3.

Quote of the week: "I'm not under the illusion that every six weeks we will have unanimous consent and universal acceptance because there will be some variations, some slightly different positioning. And that is fine.", ECB President, Christine Lagarde, July 13th 2021.

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	July 16th	3-month	6-month	12-month	Official Rate (%)	July 16th	3-month	6-month	12-month
Germany	-0,35	-0,30	-0,20	-0,10	Euro area	0,00	0,00	0,00	0,00
US	1,30	1,40	1,50	1,60	US	0,25	0,25	0,25	0,25
UK	0,62	0,95	1,00	1,09	UK	0,10	0,10	0,08	0,06
Japan	0,02	0,13	0,16	0,18	Japan	-0,10	-0,10	-0,10	-0,10

Currency	July 16th	3-month	6-month	12-month	July 16th	3-month	6-month	12-month	
EUR/USD	1,18	1,17	1,18	1,20	USD/JPY	110	108	108	107
EUR/GBP	0,86	0,87	0,86	0,86	GBP/USD	1,37	1,35	1,37	1,40
EUR/JPY	130	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	5,4	4,8	4,3

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	2,5	2,6	2,0

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

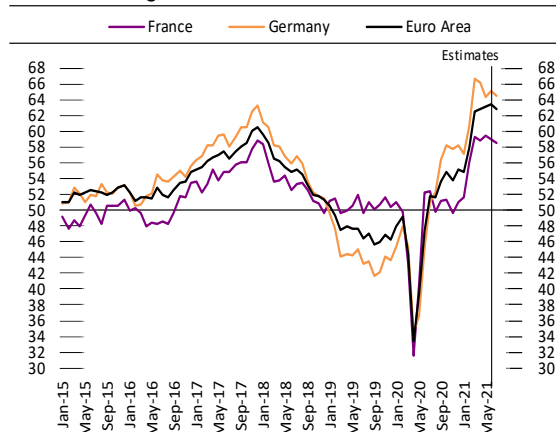
	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Massive Fiscal loosening will support the economy + 2021 EPS growth expectations have further room to increase + Share buybacks could resume - Peaking profit margins - High market cap concentration - P/Es (Valuations) approaching 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, new and existing home sales announcements for June will gather investors' attention. In addition, housing starts & building permits data for June are released on July 20th. On Thursday, attention turns to the weekly initial and continuing jobless claims for a more updated view of labor market conditions.

In the euro area, attention turns to the ECB meeting on Thursday. The ECB is expected to leave rates unchanged (0.00% & -0.50%). Meanwhile, the focus also turns to PMI (23/7) and consumer confidence (22/7) surveys for July, as they will provide valuable insight regarding the current economic momentum.

Manufacturing PMIs



Economic News Calendar for the period: July 13 - July 26, 2021

Tuesday 13				Wednesday 14				Thursday 15										
		S	A	P			S	A	P			S	A	P				
US	CPI (YoY)	June	4,9%	+ 5,4%	5,0%	UK	CPI (YoY)	June	2,0%	+ 2,5%	2,1%	US	Industrial Production (MoM)	June	0,6%	- 0,4%	0,7%	
	Core CPI (YoY)	June	4,0%	+ 4,5%	3,8%		Core CPI (YoY)	June	2,0%	+ 2,3%	2,0%		Empire Manufacturing	July	17,7	+ 43,0	17,4	
CHINA	Exports YoY	June	23,0%	+ 32,2%	27,9%	EURO AREA	Industrial Production (sa, MoM)	May	-0,2%	- 1,0%	0,6%		Philadelphia Fed Business Outlook	July	28,1	- 21,9	30,7	
	Imports YoY	June	28,9%	+ 36,7%	51,1%		Industrial Production (wda, YoY)	May	22,2%	- 20,5%	39,4%		Initial Jobless Claims (k)	July 10	360	360	386	
													Continuing Claims (k)	July 3	3300	+ 3241	3367	
													UK	JLO Unemployment Rate	May	4,7%	- 4,8%	4,8%
													CHINA	GDP (sa, QoQ)	Q2:21	..	1,3%	0,6%
														GDP (YoY)	Q2:21	8,0%	- 7,9%	18,3%
														Retail sales (YoY)	June	11,0%	+ 12,1%	12,4%
														Industrial production (YoY)	June	8,0%	+ 8,3%	8,8%
Friday 16				Monday 19														
		S	A	P			S	A	P			S	A	P				
US	Retail Sales Advance MoM	June	-0,4%	+ 0,6%	-1,7%	US	NAHB housing market confidence index	July	82	- 80	81							
	Retail sales ex-autos (MoM)	June	0,4%	+ 1,3%	-0,9%													
	Net Long-term TIC Flows (\$ bn)	May	..	-30,2	100,7													
	University of Michigan consumer confidence	July	86,5	- 80,8	85,5													
JAPAN	Bank of Japan announces its intervention rate	July 16	-0,10%	-0,10%	-0,10%													
EURO AREA	Trade Balance SA (€ bn)	May	..	9,4	13,4													
Tuesday 20				Wednesday 21				Thursday 22										
		S	A	P			S	A	P			S	A	P				
US	Building permits (k)	June	1700	..	1683	JAPAN	Exports YoY	June	47,6%	..	49,6%	US	Initial Jobless Claims (k)	July 17	350	..	360	
	Housing starts (k)	June	1596	..	1572		Imports YoY	June	..	..	27,9%		Continuing Claims (k)	July 10	..	..	3241
JAPAN	CPI (YoY)	June	-0,1%	..	-0,1%								Existing home sales (mn)	June	5,93	..	5,80	
	Core CPI (YoY) - ex. Fresh Food	June	0,0%	..	0,1%								EURO AREA	ECB announces its intervention rate	July 22	0,00%	..	0,00%
	Core CPI (YoY) - ex. Fresh Food and Energy	June	-0,2%									ECB announces its deposit facility rate	July 22	-0,50%	..	-0,50%
														Consumer Confidence Indicator	July	-2,5	..	-3,3
Friday 23				Monday 26														
		S	A	P			S	A	P			S	A	P				
US	Markit US Manufacturing PMI	July	62,1	..	62,1	US	New home sales (k)	June	800	..	769							
UK	Markit UK PMI Manufacturing SA	July	62,3	..	63,9	JAPAN	PMI manufacturing	July	..	..	52,4						
	Markit/CIPS UK Services PMI	July	62,0	..	62,4	GERMANY	IFO- Business Climate Indicator	July	..	..	101,8						
	Retail sales Ex Auto MoM	June	0,6%	..	-2,1%		IFO-Expectations	July	..	..	104,0						
EURO AREA	Markit Eurozone Manufacturing PMI	July	62,9	..	63,4		IFO- Current Assessment	July	..	..	99,6						
	Markit Eurozone Services PMI	July	59,5	..	58,3													
	Markit Eurozone Composite PMI	July	60,0	..	59,5													

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	4327	-1.0	15.2	34.6	45.0	MSCI Emerging Markets	75126	1.4	4.8	24.9	
Japan	NIKKEI 225	28003	0.2	2.0	23.0	30.4	MSCI Asia	1168	1.8	3.8	25.4	
UK	FTSE 100	7008	-1.6	8.5	12.1	-7.0	China	104	2.3	-3.9	11.1	
Canada	S&P/TSX	19986	-1.3	14.6	24.7	21.2	Korea	1004	1.4	8.4	47.1	
Hong Kong	Hang Seng	28005	2.4	2.8	12.2	-2.1	MSCI Latin America	103898	0.3	4.0	22.2	
Euro area	EuroStoxx	450	-0.8	13.3	22.9	18.7	Brazil	387131	0.3	3.6	21.3	
Germany	DAX 30	15540	-0.9	13.3	20.7	25.9	Mexico	45960	1.6	13.1	35.8	
France	CAC 40	6460	-1.1	16.4	27.0	15.9	MSCI Europe	6713	-1.7	11.8	27.2	
Italy	FTSE/MIB	24793	-1.0	11.5	21.8	12.3	Russia	1503	-2.2	13.8	30.9	
Spain	IBEX-35	8506	-3.1	5.4	13.8	-8.4	Turkey	1521362	-1.5	-10.1	7.2	

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		155.6	-6.1	20.5	24.8	-21.5	Energy	156.6	-5.8	21.1	21.1	
Materials		349.6	-1.1	9.6	31.8	35.6	Materials	326.9	-0.8	11.5	28.3	
Industrials		339.0	-1.1	11.4	36.6	30.9	Industrials	330.7	-0.9	13.5	35.2	
Consumer Discretionary		412.2	-2.2	9.4	37.8	53.7	Consumer Discretionary	394.8	-2.1	10.9	37.1	
Consumer Staples		278.5	0.9	5.2	14.9	14.9	Consumer Staples	274.1	1.1	6.6	12.9	
Healthcare		345.4	-0.1	10.5	18.7	39.0	Healthcare	337.3	0.0	11.8	17.6	
Financials		140.2	-1.2	17.4	40.7	19.6	Financials	138.3	-1.0	18.8	37.9	
IT		505.9	-0.9	14.1	40.7	83.9	IT	488.2	-0.9	14.7	40.4	
Telecoms		109.5	-0.5	16.3	36.7	50.2	Telecoms	113.9	-0.5	17.2	36.3	
Utilities		155.8	1.4	1.6	10.1	10.1	Utilities	157.2	1.5	2.7	8.4	

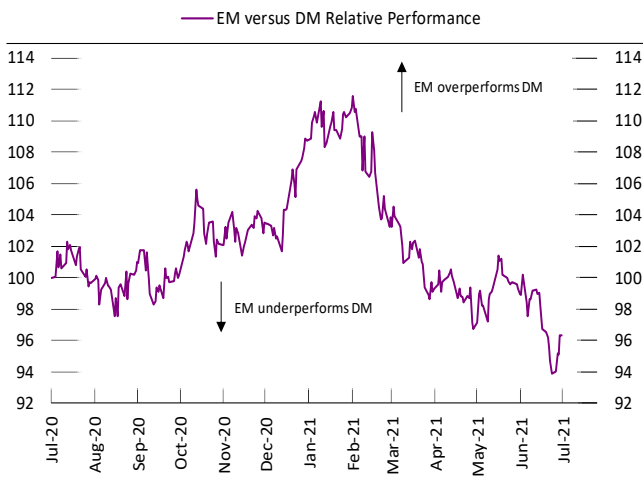
Bond Markets (%)

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		1.30	1.35	0.92	0.61	2.06	US Treasuries 10Y/2Y	106	112	80	44	
Germany		-0.35	-0.30	-0.56	-0.47	0.61	US Treasuries 10Y/5Y	52	56	53	25	
Japan		0.02	0.03	0.02	0.01	0.30	Bunds 10Y/2Y	34	38	16	22	
UK		0.62	0.66	0.20	0.13	1.51	Bunds 10Y/5Y	30	32	18	21	
Greece		0.67	0.75	0.62	1.23	8.50	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back
Ireland		-0.01	0.07	-0.29	-0.06	2.34	EM Inv. Grade (IG)	146	146	163	224	
Italy		0.70	0.79	0.45	1.19	2.67	EM High yield	530	540	524	719	
Spain		0.28	0.35	0.04	0.40	2.31	US IG	91	90	103	147	
Portugal		0.22	0.29	0.05	0.38	3.79	US High yield	318	307	386	576	
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG	83	84	93	136	
30-Year FRM ¹ (%)		3.09	3.15	2.90	3.19	4.05	Euro area High Yield	302	301	355	500	
vs 30Yr Treasury (bps)		117.0	116.0	125.4	188.1	125.3						

Foreign Exchange & Commodities

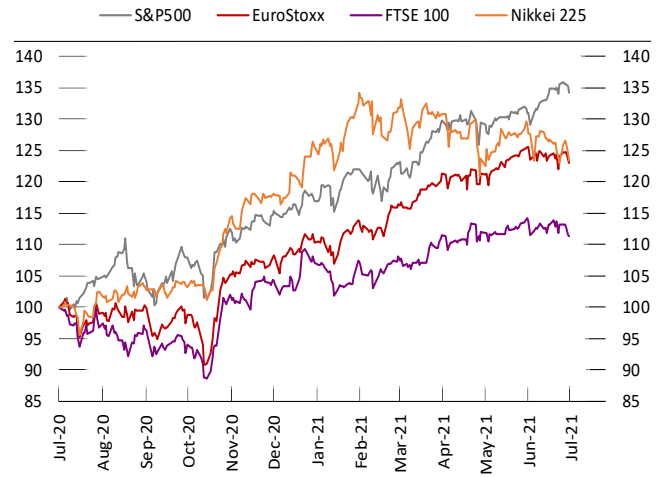
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)
Euro-based cross rates							Agricultural	408	6.1	0.6	50.9	
EUR/USD		1.18	-0.5	-2.6	3.3	-3.5	Energy	238	-2.9	0.3	73.3	
EUR/CHF		1.09	0.0	-0.4	0.7	0.4	West Texas Oil (\$)	72	-3.7	-0.5	76.2	
EUR/GBP		0.86	-0.2	-0.4	-5.6	-4.3	Crude Brent Oil (\$)	74	-2.6	-1.1	69.7	
EUR/JPY		130.02	-0.5	-2.4	6.2	2.9	Industrial Metals	462	-0.4	0.0	44.8	
EUR/NOK		10.43	1.1	2.7	-1.4	-0.4	Precious Metals	2405	0.2	-2.9	2.4	
EUR/SEK		10.25	0.7	1.1	-0.9	2.0	Gold (\$)	1812	0.2	0.0	0.8	
EUR/AUD		1.59	0.5	1.4	-2.4	0.5	Silver (\$)	26	0.0	-3.4	36.3	
EUR/CAD		1.49	0.5	0.8	-3.8	-4.6	Baltic Dry Index	3039	-7.9	-4.3	78.9	
USD-based cross rates							Baltic Dirty Tanker Index	589	0.5	0.5	15.7	
USD/CAD		1.26	1.0	3.5	-6.9	-1.1						
USD/AUD		1.35	1.0	4.1	-5.5	4.2						
USD/JPY		110.11	0.0	0.1	2.8	6.6						

EM vs DM Performance in \$



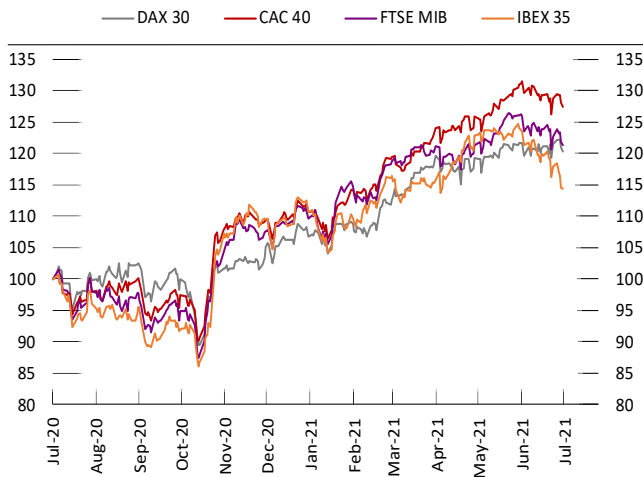
Data as of July 16th – Rebased @ 100

Equity Market Performance - G4



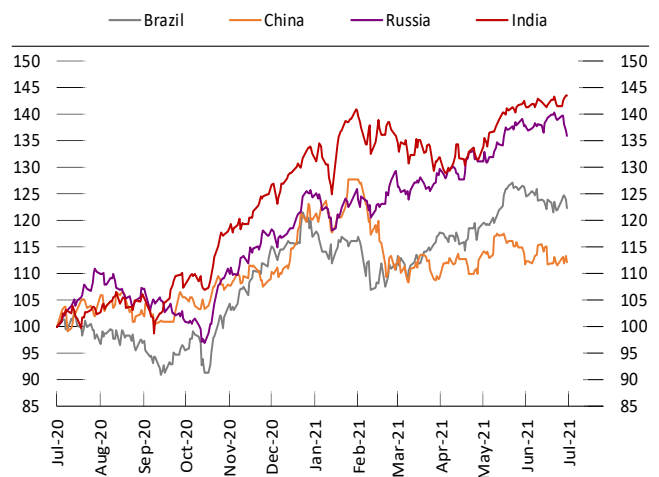
Data as of July 16th – Rebased @ 100

Equity Market Performance – Euro Area G4



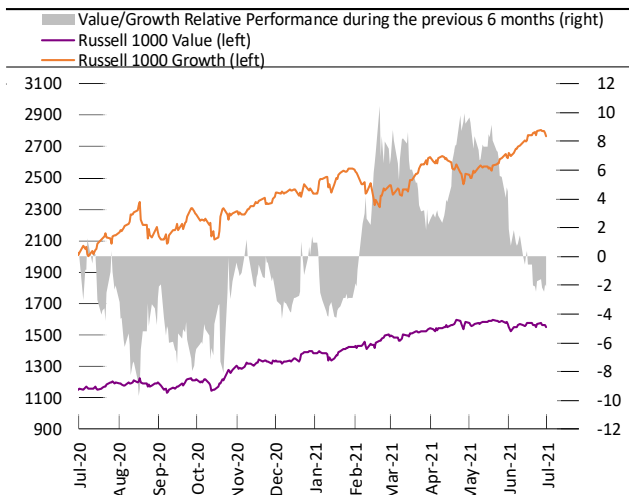
Data as of July 16th – Rebased @ 100

Equity Market Performance - BRICs



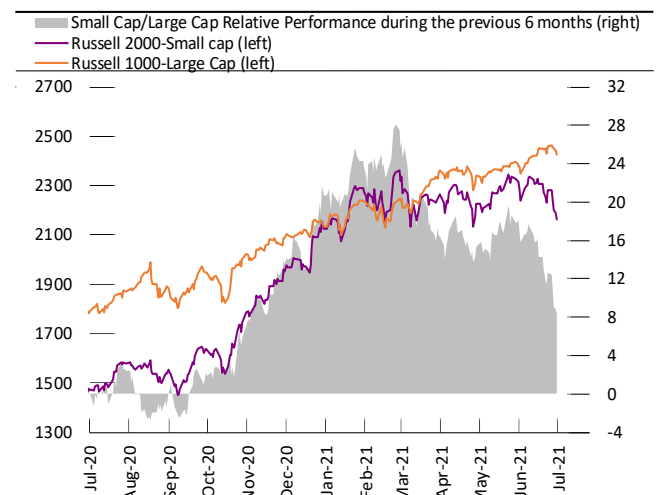
Data as of July 16th – Rebased @ 100

Russell 1000 Value & Growth Index



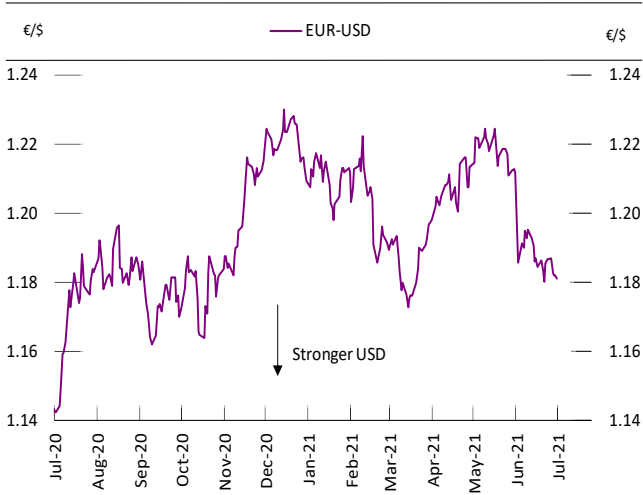
Data as of July 16th

Russell 2000 & Russell 1000 Index



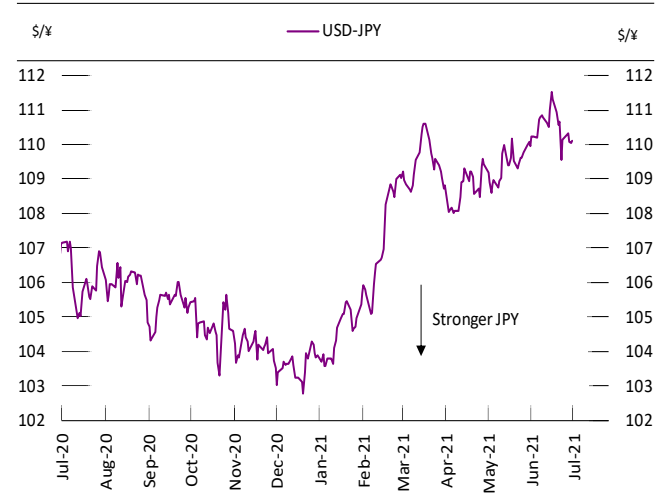
Data as of July 16th

EUR/USD



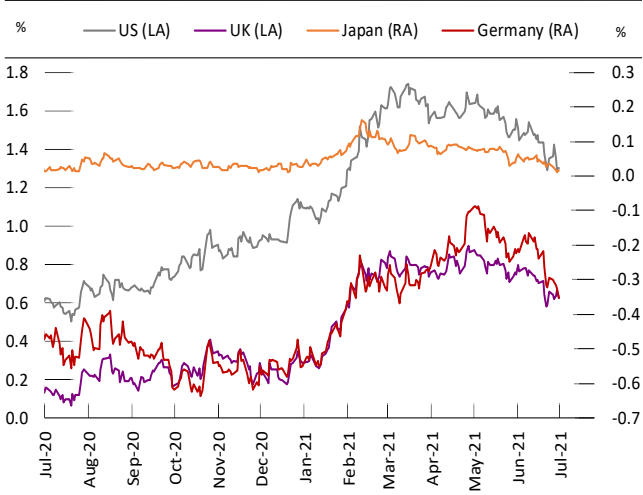
Data as of July 16th

JPY/USD



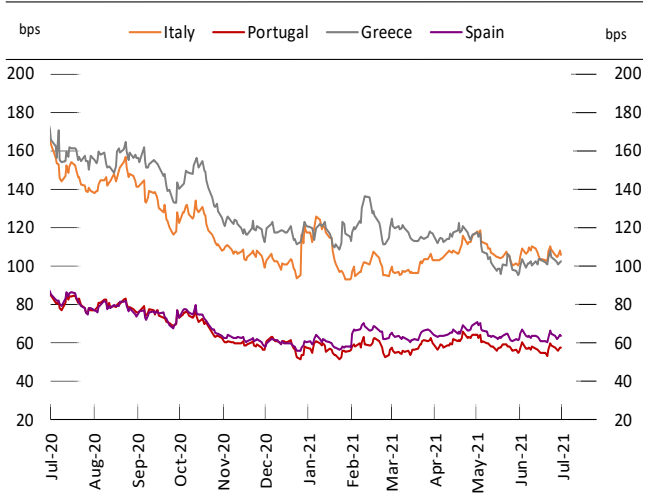
Data as of July 16th

10- Year Government Bond Yields



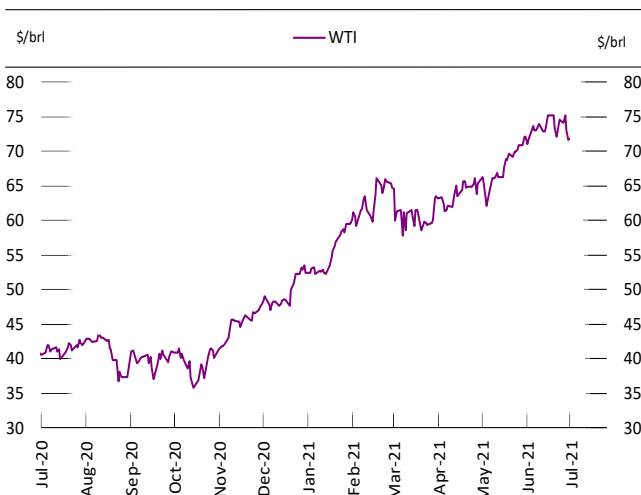
Data as of July 16th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



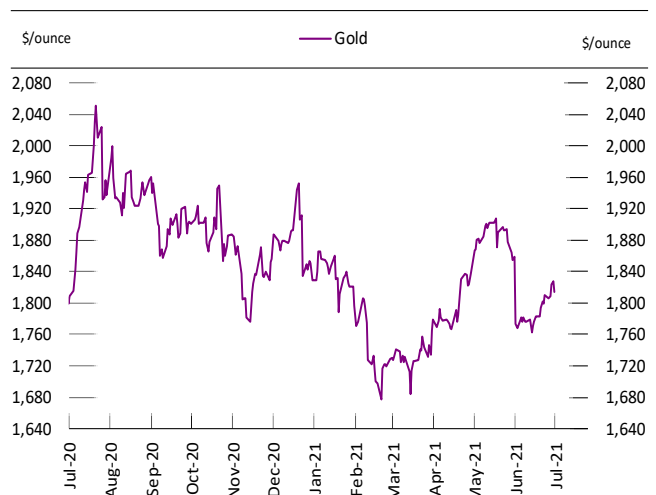
Data as of July 16th

West Texas Intermediate (\$/bbl)



Data as of July 16th

Gold (\$/ounce)



Data as of July 16th

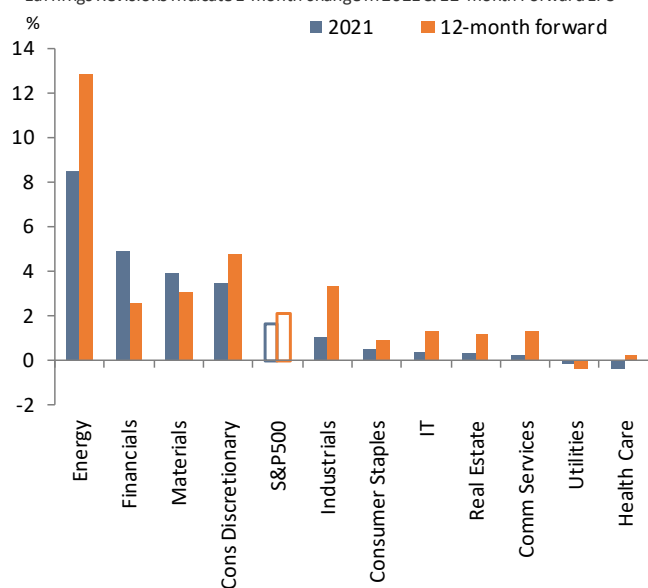
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	16/7/21	% Weekly Change	%YTD	2021	2022	2021	2022	2021	2022	12m fwd	10Yr Avg	2021	2022	Current	10Yr Avg
S&P500	4327	-1.0	15.2	38.6	10.8	1.4	1.5	22.6	20.4	21.4	16.4	4.5	4.1	4.3	2.8
Energy	369	-7.7	28.8	N/A	28.8	4.6	4.7	N/A	13.0	14.8	15.3	1.6	1.6	1.6	1.7
Materials	509	-2.4	11.7	71.2	-1.5	1.8	1.9	17.1	17.3	17.2	15.7	3.0	2.8	2.9	2.6
Financials															
Diversified Financials	1021	-1.0	25.2	44.4	-1.2	1.3	1.5	16.4	16.7	16.6	14.4	2.1	2.0	2.0	1.5
Banks	388	-2.6	22.8	77.9	-10.3	2.4	2.7	10.7	12.0	11.4	11.2	1.3	1.2	1.2	1.0
Insurance	490	-0.8	14.7	25.7	6.7	2.4	2.4	12.9	12.1	12.4	11.1	1.5	1.4	1.4	1.1
Real Estate	289	0.7	26.8	9.0	5.7	2.4	2.7	24.6	23.3	23.9	18.5	4.2	4.4	4.3	3.2
Industrials															
Capital Goods	879	-1.7	15.6	53.9	20.7	1.5	1.6	24.2	20.1	22.0	16.5	5.3	4.8	5.1	3.7
Transportation	1049	-2.2	12.7	N/A	128.8	1.3	1.4	N/A	17.7	N/A	11.0	6.8	5.8	6.3	3.8
Commercial Services	482	1.0	14.5	14.2	11.5	1.1	1.1	30.6	27.4	28.9	20.5	6.0	5.5	5.7	3.5
Consumer Discretionary															
Retailing	4084	-2.5	14.6	32.0	16.5	0.5	0.5	36.1	31.0	33.4	25.4	14.1	10.5	12.2	8.2
Consumer Services	1384	-2.9	4.9	N/A	713.9	1.0	1.3	N/A	28.4	N/A	25.1	22.3	18.1	20.0	8.8
Consumer Durables	505	-2.6	14.5	52.5	13.1	1.2	1.3	18.3	16.2	17.2	17.4	4.4	3.9	4.1	3.3
Automobiles and parts	131	-2.8	-0.5	80.4	19.4	0.0	0.1	37.2	31.2	N/A	12.6	6.2	5.3	5.7	2.3
IT															
Technology	2822	0.1	12.0	37.3	5.0	0.8	0.9	24.8	23.6	24.1	14.2	16.6	15.1	15.8	5.4
Software & Services	3639	0.6	18.2	17.7	14.5	0.7	0.8	35.1	30.6	32.7	19.7	10.8	9.3	10.0	5.8
Semiconductors	2001	-4.8	13.2	28.3	12.0	1.2	1.3	20.9	18.7	19.7	14.9	6.9	5.8	6.3	3.5
Communication Services	267	-0.3	20.4	24.5	13.1	0.8	0.9	24.7	21.8	23.2	18.5	4.3	3.8	4.1	3.0
Media	1063	-0.3	24.3	37.3	17.5	0.2	0.3	29.1	24.8	26.7	21.6	5.5	4.8	5.1	3.5
Consumer Staples															
Food & Staples Retailing	594	-0.3	4.4	9.2	8.2	1.6	1.6	23.5	21.7	22.6	17.4	5.1	4.6	4.8	3.4
Food Beverage & Tobacco	780	1.3	7.4	9.2	6.9	3.2	3.3	19.4	18.1	18.7	18.1	5.5	5.4	5.5	5.0
Household Goods	870	2.4	2.6	6.4	6.9	2.2	2.3	25.7	24.0	24.8	20.5	11.1	10.6	10.8	6.1
Health Care															
Pharmaceuticals	1195	-0.2	11.7	14.5	4.7	2.1	2.2	15.4	14.7	15.0	14.9	5.9	5.1	5.5	4.1
Healthcare Equipment	1811	-0.1	14.8	15.3	9.1	1.0	1.0	22.0	20.1	21.0	16.3	4.1	3.7	3.9	2.8
Utilities	337	2.6	5.6	2.4	5.8	3.1	3.3	20.2	19.1	19.6	16.6	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 2021 & 12-month Forward EPS

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

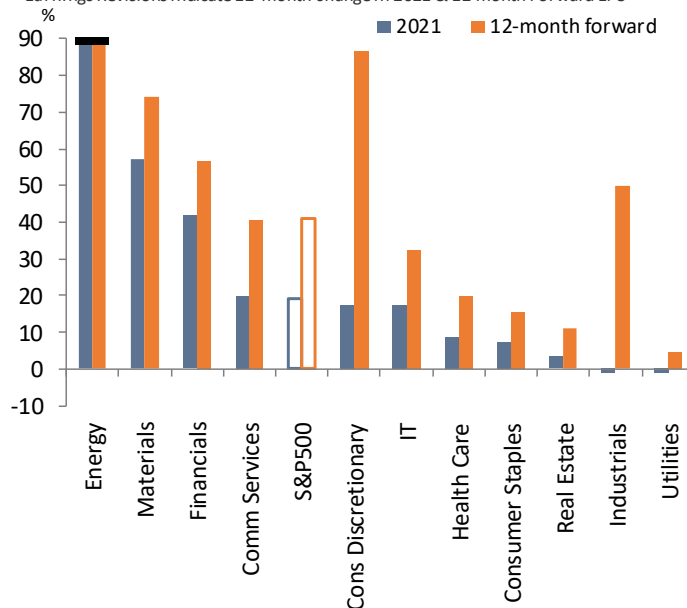


Data as of July 16th

12-month forward EPS are 46% of 2021 EPS and 54% of 2022 EPS

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



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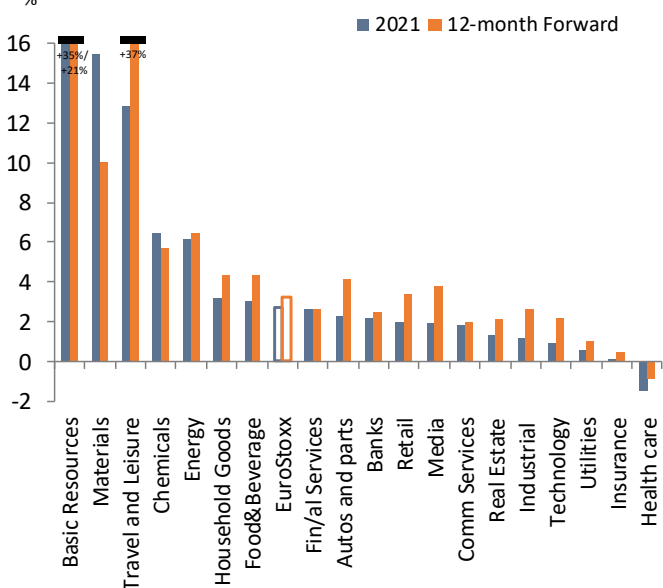
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	16/7/21	% Weekly Change	%YTD	2021	2022	2021	2022	2021	2022	12m fwd	10Yr Avg	2021	2022	Current	10Yr Avg
EuroStoxx	450	-0.8	13.3	54.3	13.2	2.5	2.7	18.7	16.5	17.5	14.1	1.9	1.8	1.9	1.5
Energy	255	-3.6	1.0	335.6	13.8	5.1	5.4	12.5	11.0	11.7	12.9	1.2	1.2	1.2	1.1
Materials	977	-0.1	13.0	115.0	-12.4	2.4	2.5	14.8	16.9	16.0	15.5	2.2	2.1	2.1	1.7
Basic Resources	238	-2.3	14.3	N/A	N/A	2.4	2.6	N/A	9.3	7.6	12.0	1.0	0.9	1.0	0.7
Chemicals	1419	0.2	12.7	41.9	3.4	2.4	2.5	20.2	19.5	19.8	16.2	2.7	2.6	2.6	2.3
Financials															
Fin/al Services	546	-0.3	11.3	19.4	-1.1	2.4	2.6	17.5	17.7	17.6	14.1	1.4	1.3	1.3	1.2
Banks	89	-3.0	21.0	57.8	14.0	5.0	5.7	9.7	8.5	9.0	9.7	0.6	0.6	0.6	0.6
Insurance	279	-1.0	6.7	40.3	5.6	5.5	5.8	9.7	9.1	9.4	9.4	0.9	0.8	0.8	0.9
Real Estate	238	0.0	7.9	1.4	12.2	3.0	3.4	21.1	18.8	19.9	17.2	1.0	1.0	1.0	1.0
Industrial	1111	-1.3	13.6	17.9	24.5	1.6	2.0	26.4	21.2	23.6	16.5	3.6	3.3	3.4	2.5
Consumer Discretionary															
Media	260	1.1	18.8	17.7	14.2	2.3	2.5	20.6	18.0	19.2	16.2	2.7	2.5	2.6	1.9
Retail	762	-2.3	14.8	65.2	18.3	2.1	2.4	32.1	27.1	29.4	22.8	6.1	5.6	5.8	4.3
Automobiles and parts	600	-2.5	19.1	604.9	15.7	3.7	4.3	8.4	7.2	7.8	8.8	1.0	1.0	1.0	1.0
Travel and Leisure	200	-4.7	-6.1	N/A	N/A	0.5	1.4	N/A	N/A	N/A	N/A	3.0	2.7	2.9	2.1
Technology	870	0.2	21.4	25.7	17.6	0.7	0.8	32.7	27.8	30.0	20.1	5.0	4.4	4.7	3.5
Communication Services	293	1.5	18.4	-19.4	11.5	3.5	3.9	17.1	15.4	16.2	14.0	1.6	1.5	1.5	1.7
Consumer Staples															
Food&Beverage	570	1.0	9.5	29.8	16.4	1.6	1.8	25.9	22.2	23.9	19.4	2.7	2.5	2.6	2.6
Household Goods	1456	-0.6	19.5	51.2	14.6	1.0	1.2	40.3	35.1	37.5	23.7	7.1	6.3	6.7	3.8
Health care	894	0.0	10.0	5.9	10.1	1.9	2.0	21.2	19.2	20.1	16.3	2.6	2.4	2.5	2.2
Utilities	372	0.2	-2.1	19.9	8.7	4.3	4.6	16.3	15.0	15.6	13.3	1.7	1.6	1.7	1.1

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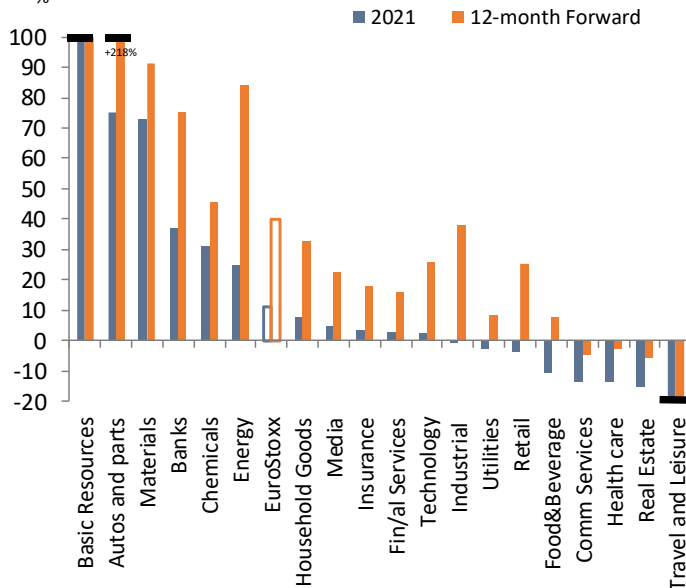


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Data as of July 16th

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