Global Markets Roundup

National Bank of Greece | Economic Research Division | November 28, 2017

NATIONAL BANK OF GREECE

Euro area business and consumer confidence indicators rose to multi-year highs in November

- The minutes of the November 1st Fed meeting support expectations for a rate hike on December 13, by 25 bps to 1.50%, with markets assigning a 92% probability.
- The minutes were more cautious regarding inflation returning to 2% yoy in the medium term (core PCE: +1.3% yoy in September), with several members expressing concerns due to downside risks to long-term inflation expectations. As a result, market expectations for the federal funds rate in the medium term decreased slightly and remain 75 bps below the projections of the FOMC meeting participants at end-2019.
- The euro area recovery remains solid, with the composite PMI increasing sharply by 1.5 pts, to a 6½-year high of 57.5 in November, suggesting a further pick-up in activity. Economic confidence appears unaffected by the recent political developments in Germany. In the event, note that, on Friday, the Socialist SPD agreed to enter coalition talks.
- In the UK, the pace of fiscal consolidation will ease slightly in response to weaker-than-previously-expected growth, according to the Budget Statement, with net tax reductions and a reduced pace of spending cuts amounting to £16.2 bn (0.8% of GDP) up to fiscal year 2020/21. Half of these measures will apply to fiscal year 2019/20 (0.4% of GDP). The fiscal loosening is not significant, thus UK Government bond yields remained broadly unchanged wow (10Yr: -4 bps to 1.25%).
- Global equities rose in the past week (MSCI World: +1.3% wow) to record highs, supported by strong economic data and corporate earnings momentum. At the same time, oil prices rose by 1.9% to $63.5/brl, due to renewed optimism that the OPEC-led production cut deal (valid up to March 2018) will be extended at the November 30th meeting.
- Euro area Banks (+0.8% wow) have lagged the headline index (Eurostoxx) since early October (-3.7% vs -0.3%), when the ECB launched a public consultation (scheduled to run until December 8th) on a draft addendum to its non-performing exposures (NPE) guidance, aimed at fostering more timely provisioning and write-off practices for new NPEs (i.e. those classified as such from January 2018).
- Moreover, by the end of Q1:18, the ECB's Banking Supervision will present its considerations for further policies to address the existing stock of NPEs (€830 bn as of Q2:17 or 7.6% of euro area GDP). Recall that the aforementioned stock is disproportionately allocated in Italy (27% of total euro area NPEs / Bank equity prices: -3.5% since early October) and Greece (13.5% of total euro area NPEs / Bank equity prices: -12.6% since early October).
- Chinese equities underperformed during the past week (-0.4% | -3% on Thursday | +24% ytd), as profit taking was spurred by: a) concerns that financial conditions may tighten amid a rise in bond yields (10Yr: +35 bps since end-September to 3.97%); and b) the authorities' efforts to stem excessive leverage.
- The slightly dovish tilt by the Fed regarding medium-term inflation prospects led the USD lower during the past week (-1.2% against the euro to $1.193). The euro (2-month high) found further support from strong PMIs and signs of declining political uncertainty in Germany.

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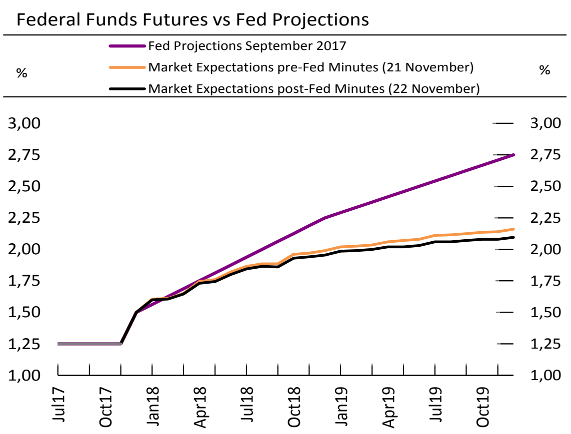
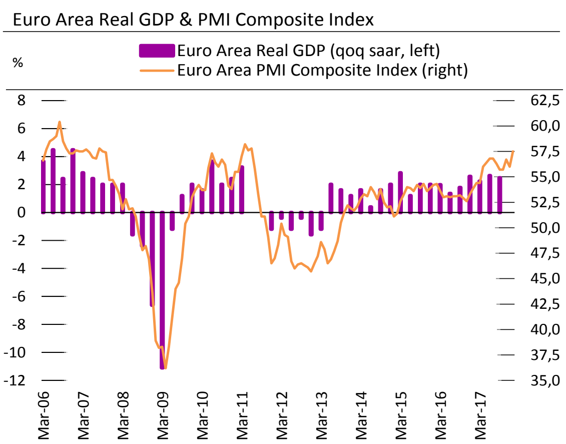


Source: NBG Research, Federal Reserve, Bloomberg



Source: NBG Research, Bloomberg

See page 14 for disclosures and analyst certification

US housing data entered Q4 on a positive note

- **The latest US housing data suggest a pick-up in investment in October, following a weak performance for residential investment in Q3:17 (-6.0% qoq saar) and Q2:17 (-7.3% qoq saar).** Specifically, existing home sales increased by 2.0% mom in October to 5.48 mn (-0.9% yoy), from +0.4% mom in September, well above consensus expectations for +0.2% mom. Recall that housing starts also entered Q4:17 on a strong note, up sharply by 13.7% mom (-2.9% yoy) to 1290k in October (-3.2% mom in September). Importantly, the improvement was broad-based across regions, suggesting it was more than just a post-hurricane rebound in the South. Furthermore, total mortgage delinquencies (as % of total mortgages) rose in Q3:17 to 4.88%, albeit from a 17-year low of 4.24% in Q2:17. Note also that the latest readings were heavily distorted by a sharp deterioration in Florida, Texas and Puerto Rico, as some debtors missed payments at the end of September due to Hurricanes Harvey, Irma and Maria. Thus, mortgage loans remain healthy on the back of easing financial conditions combined with favorable labor market conditions. Recall that foreclosure inventories (as % of total mortgages) declined to 1.23%, the lowest rate since Q4:06, from 1.29% previously. Overall, according to the Atlanta Fed's GDPNowcast model, GDP growth for Q4:17 is currently expected at 3.4% qoq saar, from +3.0% qoq saar in Q3:17, with residential investment projected at +2.7% qoq saar.

Euro area business and consumer confidence rises to multi-year highs

- **Business and consumer surveys rose sharply in November, pointing to a further acceleration of economic activity so far in Q4:17 (real GDP: +2.5% qoq saar in Q3:17).** The euro area composite PMI increased by 1.5 pts to 57.5, the highest since April 2011, overshooting consensus estimates for an unchanged outcome. So far in Q4:17, the PMI composite indicator stands at 56.8 from 56.0 in Q3:17, on average. The improvement in November was broad-based across sectors, with manufacturing up by 1.5 pts to 60.0, a level exceeded only once since the survey began in June 1997 (in April 2000) and services were up 1.2 pts to a 6-month high of 56.2 New export orders reached record highs, underpinning solid foreign demand, while the prices component reached its highest level since mid-2011, as improved demand conditions support firms' pricing power (the flash CPI estimate for November is due on November 30th). It is notable that the employment component reached a 17-year high, suggesting that the significant improvement in labor market conditions in recent years continues (the unemployment rate stood at 8.9% in September, the lowest since January 2009). The latter bodes well for consumer confidence, which rose substantially, by 1.2 pts to +0.1, the highest since January 2001, well above its long-term average of -12.9 (since 2001).

Strong pace of activity continues in Germany and France

- **PMIs in Germany rose considerably and improved sharply in France, to a 6½-year high.** In France, the composite PMI rose by 2.7 pts to 60.1, with an increase in both services (+2.9 pts to 60.2) and manufacturing (+1.4 pts to 57.5). German composite PMI rose by 1.0 pt to 57.6, mainly due to the manufacturing PMI, which increased by 1.9 pts to 62.5, as the services PMI rose modestly, by 0.2 pts to 54.9 (the divergence between the two sectors now stands at its widest in 7½ years).

A modest pick-up in UK GDP growth in Q3:17

- **GDP growth in Q3:17 rose to 0.4% qoq (1.5% yoy) from 0.3% qoq (1.5% yoy) in Q2:17, due to an improvement in private consumption.** Indeed, private consumption growth stood at 0.6% qoq from 0.2% qoq previously, contributing 0.4 pps to the headline figure. Nevertheless, the sustainability of the latest acceleration is questionable, at least in the short term, as nominal wage growth (2.2% yoy) continues to lag the respective trend in CPI inflation (+3.0% yoy), putting pressure on households' real incomes and thus squeezing their purchasing power. Moreover, the Q3:17 rebound was partly due to base effects from a weak Q2:17, that was distorted by car purchases being brought forward to Q1:17 in response to the imminent increases in the Vehicle Excise Duty on high polluting cars (implemented in April 2017). In the medium term, the Office for Budget Responsibility (OBR) expects GDP growth in the range of 1.3% - 1.5% yoy in the years up to 2021, circa 0.4 pps below the respective forecasts in March. The downgrade was due to lower estimates for potential growth, down by 0.5 pps to c. 1.4% in that period, as the OBR deemed more weight should be placed on the weak trends for labor productivity growth (output per hour worked) in recent years (+0.1% yoy since 2008 versus +2.3% yoy from 1972 to 2007).

The deceleration in Chinese house price growth shows signs of easing

- **House prices in large cities posted signs of stabilization in October.** Specifically, 71% of cities monitored by China's National Bureau of Statistics (NBS) reported a monthly increase in prices of new residential buildings, up from 63% of cities in September. House price growth for new residential buildings stood at 0.3% mom, on average, up slightly from 0.2% mom previously. The annual growth continued to slow, albeit at a weaker pace (5.6% yoy, on average, from 6.4% yoy in September and 8.1% yoy in August). Prices in large cities stabilized in October, with growth (on average, weighted by city population) in the 15 (large) cities that the NBS has marked, since September 2016, as of special attention to track the impact of the tightening measures, to -0.3% mom from -12.3% mom previously. Nevertheless, the annual pace of growth slowed to +0.4% yoy (a 2-year low) from +1.8% yoy in September. Recall that the authorities' policy approach for the sector is two-pronged and region-specific, so as to address potential asset bubbles in the cities that have witnessed the most profound overheating (mostly large cities), while continuing to encourage sales in those (mostly smaller) cities facing a high stock of unsold properties (e.g. cities should reduce land supply if housing inventory is high and vice versa). Regarding the latter, the annual pace of growth in the remaining 55 cities eased slightly to a still strong 7.8% yoy in October, from 8.1% yoy previously.

- **According to the IMF (November 16th), macro-prudential policies tailored to local conditions is the appropriate approach for the Chinese housing market.** The IMF's analysis showed that the main policies (i.e., adjusting the minimum down payments for 1st and 2nd homes and land supply) both had a significant impact on house prices (e.g. an increase in the down payment requirement of 10 pps in large cities corresponds, *ceteris paribus*, to a decline of 3.5% - 4.5% in prices). Nevertheless, the IMF cited that the Government should increase the intensity of its policies and expand its toolkit, *inter alia*, by more actively capping the size of debt service payments to a fixed share of household income, thereby ensuring affordability.

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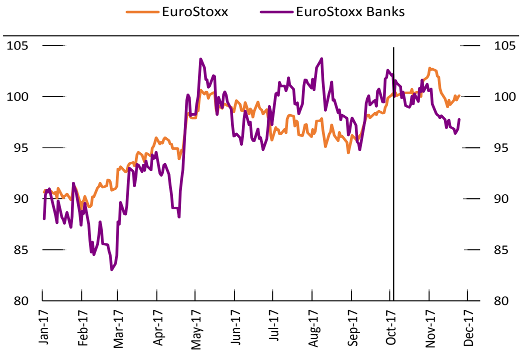
Equities

- **Global equity markets rose in the past week, following two weeks of modest profit-taking, with investor sentiment supported by strong global growth momentum and robust corporate profitability.** The MSCI World increased by 1.3% wow, with emerging markets slightly over-performing their developed market peers (EM: +1.6% vs DM: +1.3%). The S&P500 rose by 0.9% wow, with and over-performance in Retailing (+2.2% wow / +0.8% on Friday on the back of strong "Black Friday" sales), Telecommunications Services (+1.8% wow) and Information Technology (+1.8% wow). Concerning the US Q3:17 earnings season, out of the 495 companies that have reported results, so far, circa 74% have exceeded analyst estimates, with reported growth of 6.2% yoy (consensus expectations at the start of the earnings season: +2%), from 10.4% yoy in Q2:17. In Europe, the EuroStoxx rose by 0.9% wow, with broad-based gains across the main euro area bourses. In the UK, the FTSE 100 recorded a more modest +0.4% wow, due to the appreciation of the GBP in the past week (70% of FTSE 100 revenue is earned abroad). In Japan, the Nikkei 225 was up 0.7% wow, while in China, the CSI300 index (largest A-shares in Shanghai and Shenzhen exchanges) underperformed (-0.4% wow).

EuroStoxx & EuroStoxx Banks



Source: NBG Research, Bloomberg, October 5th, 2017 = 100

Graph 1.

Fixed Income

- **Government bond yields were little changed in the past week.** Specifically, the UST 10-year yield was stable at 2.34%, while the UK 10-year Gilt yield was down by 4 bps to 1.25%. The German 10-year yield was broadly unchanged at 0.36%, while periphery bond spreads over the Bund declined. Indeed, Italy's 10-year yield spread was down by 2 bps to 145 bps, Spain's 10-year yield spread by 7 bps to 113 bps, while Portugal's spread fell by 4 bps to 158 bps. **High yield corporate bond spreads narrowed in the past week, amid risk-on mode by investors and the rise in oil prices.** Specifically, euro area HY spreads declined by 10 bps wow to 265 bps and their US peers by 9 bps to 367 bps (albeit they are up by 29 bps since their lows in October). Both euro area and US investment grade (IG) corporate bond spreads decreased by 2 bps wow to 90 bps and 104 bps, respectively.

Table: S&P500 EPS Growth Estimates YoY (%)

	Q1:17	Q2:17	Q3:17e	Q4:17e
Energy	-	-	135,1	113,6
Materials	15,8	7,9	10,7	28,1
Financials	18,5	10,3	-8,3	13,1
Real Estate	8,6	7,7	8,4	2,8
Industrials	2,4	6,4	-0,1	1,9
Consumer Discretionary	6,2	0,4	0,3	2,3
IT	17,8	15,0	19,8	12,8
Consumer Staples	1,9	3,3	2,5	5,0
Health Care	5,4	7,1	6,8	3,3
Telecom Services	-4,8	4,9	0,2	1,3
Utiities	4,9	10,8	-4,0	14,6
S&P500	13,9	10,4	6,3	10,1

Source: Factset, Data as of November 24th

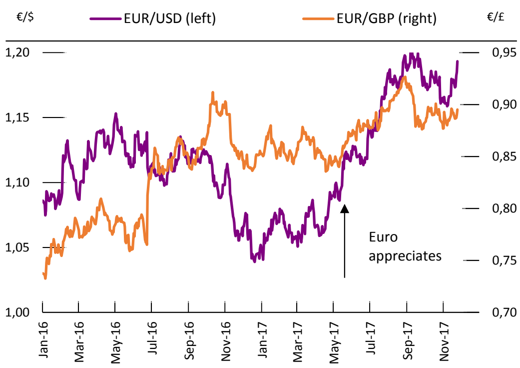
Graph 2.

FX and Commodities

- **In foreign exchange markets, the US dollar lost ground in the past week, due to the slightly more-dovish-than-expected minutes of the latest Fed meeting.** Indeed, the USD lost 0.9% wow in NEER terms and declined by 1.2% wow against the euro to $1.193. The euro also appreciated against most currencies (+0.5% wow in NEER terms), finding support from strong economic data (PMIs) and easing political uncertainty in Germany later in the week (+0.7% against the USD on Friday).

- **In commodities, oil prices rose on a weekly basis, due to renewed optimism that the OPEC-led production cut deal will be extended at the November 30th OPEC meeting, as Russian officials appeared to embrace such a prospect.** Indeed, Brent gained 1.9% to $63.5/barrel and WTI 4.1% to $58.9/barrel (highest since June 2015) on a weekly basis. Moreover, US oil inventories declined in the past week, by 1.9 million barrels to 457 million barrels for the week ending November 17th. In contrast, precious metals declined, despite the USD depreciation, with gold decreasing by 0.4% wow to $1289/ounce and silver by 1.3% to $17.1/ounce, due to weaker safe haven demand.

EUR/USD & EUR/GBP



Source: NBG Research, Bloomberg

Graph 3.

Quote of the week: "The President [of Germany] made a dramatic appeal to the parties to speak again...the SPD is aware of its responsibility for Germany and for Europe", **Leader of the Social Democratic Party (SPD) of Germany, Martin Schulz,** November 24th 2017.

Tactical Asset Allocation (3-month)

- **Equities**: We remain **Overweight,** albeit locking in some profits as we approach year-end following 14% ytd gains. Synchronized strong global GDP growth and double-digit corporate earnings offset, for now, the anticipating peak of central bank (C/B) liquidity. US tax-reform, if enacted, will add some fuel to equities. O/W Euro area amid strong growth momentum with EUR strength now running out of steam (positive for EUR-denominated foreign earnings). O/W Euro area banks due to higher yields, steeper curves and still favorable relative valuations.
- **Government Bonds:** Higher yields due to less aggressive C/Bs, reduced liquidity and stronger inflation data. **Underweight Govies**. Steeper curves, particularly in Bunds, albeit in the short-term a more dovish ECB turns us less bearish in euro rates.
- **Credit**: Credit spreads have less fuel to run. **Underweight position in credit** with a preference for banks. **Cash: OW position**, as a hedge, as well as a way of being tactical.

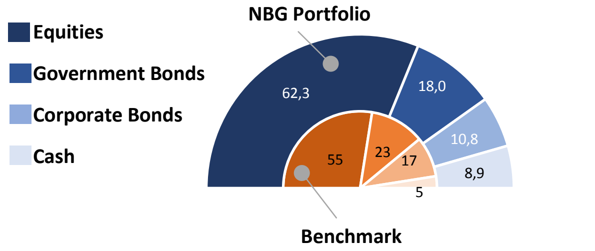
NBG Global Markets - Main Equity Sector Calls

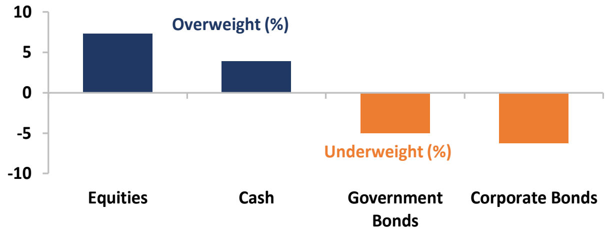
US Sector	Position	View/Comment
Banks	**Neutral**	Rising rates will support interest margins, less regulation also positive. (see US Treasury report) Neg: Loan volumes are declining and curves are now flattening
Energy	**Neutral**	OPEC's deal implementation (assuming a 9-month extension) remains a risk and oil price weakness has aggravated recently. US oil production is increasing (at 2015 high levels). Light positioning and sizeable underperformance may present a buying opportunity
Cyclical / Defensives	**Neutral**	We remain neutral US stocks this month, with no bias within the sectors

EA Sector	Position	View/Comment
Banks	OW	Steeper curves and attractive valuations on P/B terms should offset bouts of volatility. Private sector loan growth is increasing and EPS Revisions remain strong
Energy	UW	OPEC's deal implementation (assuming a 9-month extension) remains a risk and oil price weakness has aggravated recently. US oil production is increasing (at 2015 high levels)
Cyclical / Defensives	**Neutral**	We choose neutral positions across other sectors, for now

*Including Technology and Industrials
**Including Healthcare, Utilities, Telecoms

Total Portfolio Allocation





Detailed Portfolio Breakdown

Equities	Portfolio	Benchmark	OW/UW
US	52	52	0,0
Euro area	12	10	2,0
UK	7	7	-
Rest of Dev. Europe	5	5	-
Japan	7	7	-
Rest of Dev. World	8	8	-
EM Asia	7	7	0,0
EM Latin America	0,5	2	-1,5
EMEA	1,5	2	-0,5

Government Bonds	Portfolio	Benchmark	OW/UW
US	49	46	3,0
US TIPS	6	6	-
Germany	12	15	-3,0
UK	7	7	-
Japan	26	26	-

Corporate Bonds	Portfolio	Benchmark	OW/UW
US Industrials	22	32	-10,0
US Banks	22	12	10,0
US High Yield	12	12	-
EUR Industrials	5	9	-4,5
EUR Banks	14	9	4,5
EUR High Yield	4	4	-
UK Industrials	2	3	-1,5
UK Banks	5	3	1,5
Emerging Markets	16	16	-

Notes:

(1) The orange inner half-circle of the chart displays asset class weights for the benchmark portfolio. The blue-color representation (outside half-circle) shows asset class weights for the model portfolio.
(2) All figures shown are in percentage points.
(3) OW/UW: Overweight/Underweight relative to Benchmark.
(4) Green (red) color arrows suggest an increase (decrease) in relative asset class weights (portfolio vs benchmark) over the last week.

Equity Markets

US

+ Likely fiscal loosening will support the economy & companies' earnings
+ Solid EPS growth in H2:2017 & 2018
+ Cash-rich corporates lead to share buybacks and higher dividends (de-equitization)
– Demanding valuations
– Peaking profit margins
– Protectionism and trade wars
– Aggressive Fed in 2018

● **Neutral/Positive**

Euro Area

+ Still high equity risk premium, albeit declining
+ Credit conditions gradual turn more favorable
+ Small fiscal loosening
– EPS estimates may turn pessimistic due to higher EUR and plateuning economic growth
– Strong Euro in NEER terms (2017 vs 2016)
– Political uncertainty (Spain, Italy) could re-emerge

● **Neutral**

Japan

+ Still aggressive QE and "yield-curve" targeting by the BoJ
+ Upward revisions in corporate earnings
– Strong domestic recovery in H1:2017 will continue
– Signs of policy fatigue regarding structural reforms and fiscal discipline
– Strong appetite for foreign assets
– If sustained, JPY appreciation hurts exporters companies

● **Neutral**

UK

+ 65% of FTSE100 revenues from abroad
+ Undemanding valuations in relative terms
+ High UK exposure to the commodities sector assuming the oil rally continues
– Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process

● **Neutral/Negative**

Government Bonds

US

+ Valuations appear rich with term-premium close to 0%
+ Underlying inflation pressures
+ The Fed is expected to increase its policy rate towards 1.5% by end-2017 and 2%-2.25% by end-2018
+ Balance sheet reduction, albeit well telegraphed may push term premia higher
– Global search for yield by non-US investors continues
– Safe haven demand

▲ **Higher yields expected**

Euro Area

+ Upside risk in US benchmark yields
+ Valuations appear excessive compared with long-term fundamentals
– Political Risk
– Fragile growth outlook
– Medium-term inflation expectations remain low
– Only slow ECB exit from accommodative monetary policy

▲ **Higher yields expected**

Japan

+ 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%

● **Stable yields expected**

UK

+ Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process
+ Rich valuations
+ Inflation overshooting due to GBP weakness feeds through inflation expectations
+ The BoE is expected to increase policy rates to 0.50%
– Slowing economic growth post-Brexit

▲ **Higher yields expected**

Foreign Exchange

US

+ The Fed is expected to increase its policy rate towards 1.5% in 2017 and 2%-2.25% by end-2018
+ Tax cuts may boost growth, and interest rates through a more aggressive Fed
– Mid-2014 rally probably out of steam
– Protectionism and trade Wars

▲ **Long USD against its major counterparts ex-EUR**

Euro Area

+ 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, covered bank bond purchases, Quantitative Easing)

● **Flat EUR against the USD with upside risks short term**

Japan

+ 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%

▼ **Lower JPY against the USD**

UK

+ Transitions phase negotiations
– The BoE to retain rates at current levels
– Slowing economic growth post-Brexit
– Sizeable Current account deficit (-5.5% of GDP)
– Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process

● **Flat GBP against the USD with upside risks short term**

	Turkey	Romania	Bulgaria	Serbia
Equity Markets	+ Attractive valuations – Weak foreign investor appetite for emerging market assets	+ Attractive valuations – Weak foreign investor appetite for emerging market assets	+ Attractive valuations + Low-yielding domestic debt and deposits – Weak foreign investor appetite for emerging market assets	+ Attractive valuations – Weak foreign investor appetite for emerging market assets
	▲ **Neutral/Positive stance on equities**	▲ **Neutral/Positive Stance on equities**	▲ **Neutral/Positive Stance on equities**	▲ **Neutral/Positive Stance on equities**
Domestic Debt	+ Low public debt-to-GDP ratio – Loosening fiscal stance – Stubbornly high inflation	+ Low public debt-to-GDP ratio – Easing fiscal stance – Envisaged tightening in monetary policy	+ Very low public debt-to-GDP ratio and large fiscal reserves + Low inflation	+ Positive inflation outlook + Precautionary Stand-By Agreement with the IMF – Large public sector borrowing requirements
	▲ **Stable to lower yields**	▼ **Stable to higher yields**	▲ **Stable to lower yields**	▲ **Stable to lower yields**
Foreign Debt	+ High foreign debt yields – Sizeable external financing requirements – Weak foreign investor appetite for emerging market assets	+ Strong external position – Large external financing requirements	+ Solidly-based currency board arrangement, with substantial buffers + Current account surplus – Large external financing requirements – Heightened domestic political uncertainty	+ Ongoing EU membership negotiations + Precautionary Stand-By Agreement with the IMF – Sizable external financing requirements – Slow progress in structural reforms
	▲ **Stable to narrowing spreads**	▲ **Stable to narrowing spreads**	▲ **Stable to narrowing spreads**	▲ **Stable to narrowing spreads**
Foreign Exchange	+ High domestic debt yields – Sizable external financing requirements – Weak foreign investor appetite for emerging market assets – Increasing geopolitical risks and domestic political uncertainty	+ Strong external position – Large external financing requirements	+ Currency board arrangement + Large foreign currency reserves and fiscal reserves + Current account surplus – Sizable external financing requirements – Heightened domestic political uncertainty	+ Ongoing EU membership negotiations + Precautionary Stand-By Agreement with the IMF – Sizable external financing requirements
	▼ **Weaker to stable TRY against the EUR**	▲ **Stable to stronger RON against the EUR**	● **Stable BGN against the EUR**	▼ **Weaker to stable RSD against EUR**

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Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	Nov 24th	3-month	6-month	12-month
Germany	0,36	0,55	0,75	0,95
US	2,34	2,65	2,75	2,90
UK	1,25	1,42	1,53	1,75
Japan	0,03	0,02	0,05	0,06

Official Rate (%)	Nov 24th	3-month	6-month	12-month
Euro area	0,00	0,00	0,00	0,00
US	1,25	1,50	1,75	2,00
UK	0,50	0,50	0,50	0,60
Japan	-0,10	-0,10	-0,10	-0,10

Currency	Nov 24th	3-month	6-month	12-month
EUR/USD	1,19	1,17	1,17	1,18
EUR/GBP	0,90	0,88	0,89	0,90
EUR/JPY	133	133	134	134

Currency	Nov 24th	3-month	6-month	12-month
USD/JPY	112	114	114	114
GBP/USD	1,33	1,33	1,31	1,31

Forecasts at end of period

Economic Forecasts

United States	2015a	Q1:16a	Q2:16a	Q3:16a	Q4:16a	2016a	Q1:17a	Q2:17a	Q3:17a	Q4:17f	2017f
Real GDP Growth (YoY) (1)	2,8	1,4	1,2	1,5	1,8	1,4	2,0	2,2	2,3	1,9	2,1
Real GDP Growth (QoQ saar) (2)	-	0,6	2,2	2,8	1,8	-	1,2	3,1	3,0	2,0	-
Private Consumption	3,6	1,8	3,8	2,8	2,9	2,7	1,9	3,3	2,4	2,0	2,4
Government Consumption	1,4	1,8	-0,9	0,5	0,2	0,8	-0,6	-0,2	-0,1	0,7	0,1
Investment	3,9	-0,2	1,4	1,5	1,7	0,7	8,1	3,2	1,5	3,6	4,7
Residential	10,2	13,4	-4,8	-4,5	7,1	5,5	11,1	-7,3	-6,0	4,5	5,7
Non-residential	2,3	-4,0	3,3	3,4	0,2	-0,6	7,1	6,7	3,9	3,4	4,6
Inventories Contribution	0,2	-0,7	-0,7	0,1	1,1	-0,4	-1,5	0,1	0,7	0,2	-0,1
Net Exports Contribution	-0,7	-0,3	0,3	0,4	-1,7	-0,2	0,2	0,2	0,4	-0,4	-0,3
Exports	0,4	-2,6	2,8	6,4	-3,8	-0,3	7,3	3,5	2,3	2,3	3,0
Imports	5,0	-0,2	0,4	2,7	8,1	1,3	4,3	1,5	-0,8	4,0	4,4
Inflation (3)	0,1	1,1	1,0	1,1	1,8	1,3	2,5	1,9	1,9	2,1	2,1

Euro Area	2015a	Q1:16a	Q2:16a	Q3:16a	Q4:16a	2016a	Q1:17a	Q2:17a	Q3:17f	Q4:17f	2017f
Real GDP Growth (YoY)	2,0	1,7	1,8	1,7	1,9	1,8	2,0	2,3	2,5	2,3	2,2
Real GDP Growth (QoQ saar)	-	2,0	1,4	1,8	2,6	-	2,2	2,6	2,5	2,2	-
Private Consumption	1,8	2,9	1,2	1,5	2,1	2,0	1,5	2,1	2,1	2,3	1,9
Government Consumption	1,3	3,3	1,1	0,8	1,4	1,7	0,7	2,0	1,5	1,5	1,3
Investment	3,0	1,1	11,3	0,2	5,9	4,5	-0,9	8,3	4,3	5,2	3,0
Inventories Contribution	0,0	-0,5	-0,5	0,5	0,3	-0,1	-0,3	0,2	0,1	0,0	0,0
Net Exports Contribution	0,1	0,0	-1,2	0,2	-0,4	-0,5	1,8	-0,8	-0,2	-0,5	0,3
Exports	6,1	2,0	4,5	2,3	6,3	3,3	5,4	3,7	3,3	3,3	4,5
Imports	6,5	2,1	7,9	2,0	7,9	4,7	1,7	6,0	3,9	4,6	4,1
Inflation	0,0	0,0	-0,1	0,3	0,7	0,2	1,8	1,5	1,4	1,3	1,5

a: Actual, f: Forecasts, 1. Seasonally adjusted YoY growth rate, 2. Seasonally adjusted annualized QoQ growth rate, 3. Year-to-year average % change

South Eastern Europe Economic Forecasts

Economic Indicators

	2013	2014	2015	2016	2017f	2018f
Real GDP Growth (%)						
Turkey	8,5	5,2	6,1	3,2	6,5	4,2
Romania	3,5	3,1	3,9	4,8	6,6	4,2
Bulgaria	0,9	1,3	3,6	3,9	3,8	3,6
Serbia	2,6	-1,8	0,8	2,8	2,0	3,6
Headline Inflation (eop,%)						
Turkey	7,4	8,2	8,8	8,5	10,5	9,0
Romania	1,6	0,8	-0,9	-0,5	3,0	3,8
Bulgaria	-1,6	-0,9	-0,4	0,1	2,2	2,6
Serbia	2,2	1,7	1,5	1,6	2,8	3,0
Current Account Balance (% of GDP)						
Turkey	-6,7	-4,7	-3,7	-3,8	-4,8	-4,6
Romania	-1,1	-0,7	-1,2	-2,1	-3,0	-3,6
Bulgaria	1,3	0,1	0,0	5,3	4,5	3,2
Serbia	-6,1	-6,0	-4,7	-4,0	-4,4	-4,3
Fiscal Balance (% of GDP)						
Turkey	-1,0	-1,1	-1,0	-1,1	-2,0	-2,0
Romania	-2,5	-1,7	-1,5	-2,4	-3,3	-4,5
Bulgaria	-1,8	-3,7	-2,8	1,6	0,0	-1,0
Serbia	-5,5	-6,6	-3,7	-1,3	0,0	0,0

f: NBG forecasts

Stock Markets (in local currency)

Country - Index	27/11/2017	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	104.760	0,8	34,1	38,5
Romania - BET-BK	1.640	-0,2	22,0	21,4
Bulgaria - SOFIX	666	-0,5	13,6	52,1
Serbia - BELEX15	739	0,6	3,0	19,1

Financial Markets

	27/11/2017	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	13,8	13,0	12,5	11,5
Romania	2,2	2,4	2,6	2,8
Bulgaria	-0,1	0,1	0,1	0,2
Serbia	2,8	3,2	3,4	3,8
Currency				
TRY/EUR	4,65	4,58	4,40	4,36
RON/EUR	4,64	4,62	4,60	4,55
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	119,3	119,8	120,0	120,3
Sovereign Eurobond Spread (in bps)				
Turkey (USD 2020)(*)	197	190	175	150
Romania (EUR 2024)	122	120	116	110
Bulgaria (EUR 2022)	50	54	52	50
Serbia (USD 2021)(*)	126	124	122	120

(*) Spread over US Treasuries

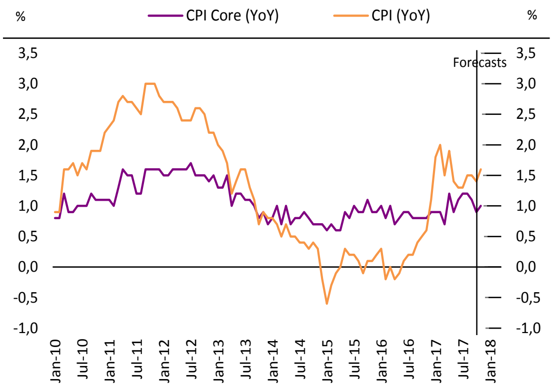
Economic Calendar

The main macro events next week in the US include the 2nd estimate for Q3:17 GDP. In addition, personal spending data for October and the ISM Manufacturing index for November, will provide information regarding the economic momentum in Q4:17.

In the Euro area, investors will focus on the flash estimate for November CPI inflation as well as labor market data for October.

In Japan, markets will monitor CPI inflation as well as industrial production data for October.

Euro Area Inflation



Source: NBG Research, Bloomberg

Economic News Calendar for the period: November 21 - December 4, 2017

Tuesday 21

		S		A	P
US					
Existing home sales (mn)	October	5.40	+	5.48	5.37

Wednesday 22

		S		A	P
US					
Initial Jobless Claims (k)	November 18	240	+	239	252
Continuing Claims (k)	November 11	1880	-	1904	1868
Durable goods orders (MoM)	October	0.3%	-	-1.2%	2.2%
Durable goods orders ex transportation (MoM)	October	0.5%	-	0.4%	1.1%
FOMC Minutes	November 1				
EURO AREA					
Consumer Confidence Indicator	November	-0.8	+	0.1	-1.1

Thursday 23

		S		A	P
GERMANY					
GDP (QoQ)	Q3:17 F	0.8%		0.8%	0.8%
GDP (wda, YoY)	Q3:17 F	2.8%		2.8%	2.8%
Private Consumption (QoQ)	Q3:17	0.2%	-	-0.1%	0.9%
Government Spending QoQ	Q3:17	0.2%	-	0.0%	0.2%
Capital Investment QoQ	Q3:17	1.4%	-	0.4%	1.5%
EURO AREA					
Markit Eurozone Manufacturing PMI	November	58.2	+	60.0	58.5
Markit Eurozone Services PMI	November	55.2	+	56.2	55.0
Markit Eurozone Composite PMI	November	56.0	+	57.5	56.0
UK					
GDP (QoQ)	Q3:17	0.4%		0.4%	0.4%
GDP (YoY)	Q3:17	1.5%		1.5%	1.5%
Private Consumption (QoQ)	Q3:17	0.4%	+	0.6%	0.2%
Government Spending QoQ	Q3:17	0.3%		0.3%	0.1%
Gross Fixed Capital Formation	Q3:17	0.4%	-	0.2%	0.6%

Friday 24

		S		A	P
US					
Markit US Manufacturing PMI	November	55.0	-	53.8	54.6
JAPAN					
Nikkei PMI Manufacturing	November	..		53.8	52.8
GERMANY					
IFO- Business Climate Indicator	November	116.7	+	117.5	116.8
IFO-Expectations	November	108.8	+	111.0	109.2
IFO- Current Assesment	November	125.0	-	124.4	124.8

Monday 27

		S		A	P
US					
New home sales (k)	October	625	+	685	667

Tuesday 28

		S		A	P
US					
S&P Case/Shiller house price index 20 (YoY)	September	6.00%		..	5.92%
Conference board consumer confidence	November	124.0		..	125.9
EURO AREA					
M3 money supply (YoY)	October	5.1%		..	5.1%

Wednesday 29

		S		A	P
US					
GDP (QoQ, annualized)	Q3:17	3.2%		..	3.0%
Personal Consumption	Q3:17	2.6%		..	2.4%
Pending home sales (MoM)	October	1.1%		..	0.0%
JAPAN					
Retail sales (MoM)	October	0.2%		..	0.8%
Retail sales (YoY)	October	0.0%		..	2.3%
EURO AREA					
Economic confidence indicator	November	114.6		..	114.0
Business Climate Indicator	November	1.51		..	1.44

Thursday 30

		S		A	P
US					
Initial Jobless Claims (k)	November 25	240		..	239
Continuing Claims (k)	November 18	..		..	1904
Personal income (MoM)	October	0.3%		..	0.4%
Personal spending (MoM)	October	0.3%		..	1.0%
PCE Deflator (YoY)	October	1.5%		..	1.6%
PCE Core Deflator (YoY)	October	1.4%		..	1.3%
JAPAN					
Industrial Production (MoM)	October	1.8%		..	-1.0%
Industrial Production (YoY)	October	7.2%		..	2.6%
Construction Orders YoY	October	..		..	-11.6%
EURO AREA					
Unemployment Rate	October	8.9%		..	8.9%
CPI Estimate YoY	November	1.6%		..	1.4%
Core CPI (YoY)	November	1.0%		..	0.9%
CHINA					
PMI manufacturing	November	51.5		..	51.6
GERMANY					
Retail sales (MoM)	October	0.3%		..	0.5%
Retail sales (YoY)	October	2.8%		..	4.1%

Friday 1

		S		A	P
US					
ISM Manufacturing	November	58.3		..	58.7
Construction spending (MoM)	October	0.5%		..	0.3%
UK					
Markit UK PMI Manufacturing SA	November	56.5		..	56.3
Markit/CIPS UK Construction PMI	November	..		..	50.8
JAPAN					
Jobless Rate	October	2.8%		..	2.8%
CPI (YoY)	October	0.2%		..	0.7%
Core CPI (YoY) - ex. Fresh Food	October	0.8%		..	0.7%
Core CPI (YoY) - ex. Fresh Food and Energy	October	0.2%		..	0.2%
CHINA					
Caixin PMI Manufacturing	November	50.9		..	51.0

Monday 4

		S		A	P
US					
Factory Goods Orders	October	0.5%		..	1.4%
UK					
Nationwide House Px NSA YoY	November	2.6%		..	2.5%

Source: NBG Research, Bloomberg

S: Bloomberg 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 (%)	2-year change (%)
US	S&P 500	2602	0,9	16,2	18,0	24,6	MSCI Emerging Markets	61257	0,9	28,6	29,6	33,4
Japan	NIKKEI 225	22551	0,7	18,0	23,0	13,6	MSCI Asia	936	1,2	35,2	35,6	38,1
UK	FTSE 100	7410	0,4	3,7	8,5	16,9	China	91	2,0	55,6	50,9	47,3
Canada	S&P/TSX	16108	0,7	5,4	6,9	20,2	Korea	774	0,2	33,3	38,1	42,9
Hong Kong	Hang Seng	29866	2,3	35,8	32,1	32,8	MSCI Latin America	83189	0,1	15,7	14,5	32,8
Euro area	EuroStoxx	390	0,9	11,3	19,5	8,2	Brazil	251501	0,9	20,5	17,2	46,8
Germany	DAX 30	13060	0,5	13,8	22,2	16,9	Mexico	45299	0,2	4,9	6,4	8,4
France	CAC 40	5390	1,3	10,9	18,7	10,2	MSCI Europe	5325	1,1	7,2	14,1	17,9
Italy	FTSE/MIB	22416	1,5	16,5	35,9	0,3	Russia	975	1,8	-2,4	4,7	17,3
Spain	IBEX-35	10054	0,4	7,5	16,1	-1,7	Turkey	1444566	-2,0	32,2	38,7	32,1

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 (%)	2-year change (%)
Energy	211,9	1,4	-3,3	1,5	7,0	Energy	213,9	0,9	-6,4	-1,6	6,6
Materials	272,5	2,0	22,8	24,3	41,0	Materials	255,1	1,2	16,7	18,8	36,0
Industrials	252,4	1,4	18,8	19,8	28,0	Industrials	246,9	0,9	14,3	15,9	23,7
Consumer Discretionary	231,7	1,4	17,9	18,6	16,5	Consumer Discretionary	222,3	1,0	14,5	15,8	13,7
Consumer Staples	231,4	1,1	11,5	14,6	11,1	Consumer Staples	229,0	0,5	7,7	11,1	9,9
Healthcare	225,0	1,1	16,7	18,0	7,8	Healthcare	220,9	0,7	14,0	15,6	6,1
Financials	122,1	0,9	15,0	19,6	23,4	Financials	120,5	0,3	10,6	15,4	20,1
IT	224,7	1,9	39,4	40,3	50,3	IT	217,2	1,7	37,9	39,1	48,5
Telecoms	68,6	1,8	-1,3	4,1	1,1	Telecoms	70,4	1,2	-5,6	0,3	-1,4
Utilities	131,8	0,4	14,6	20,5	19,4	Utilities	133,2	0,0	10,8	16,9	17,2

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	2,34	2,34	2,45	2,36	2,60
Germany	0,36	0,36	0,21	0,24	1,86
Japan	0,03	0,04	0,05	0,04	0,78
UK	1,25	1,29	1,24	1,42	2,59
Greece	5,38	5,22	7,11	6,95	10,31
Ireland	0,61	0,58	0,75	0,92	4,33
Italy	1,81	1,83	1,81	2,09	3,65
Spain	1,49	1,56	1,38	1,57	3,63
Portugal	1,94	1,98	3,76	3,60	5,37

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	4,2	4,2	4,4	4,2	4,3
vs 30Yr Treasury (bps)	144	142	132	122	96

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	60	62	126	124	178
US Treasuries 10Y/5Y	28	29	52	52	91
Bunds 10Y/2Y	106	107	97	98	125
Bunds 10Y/5Y	69	71	74	67	75

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
EM Inv. Grade (IG)	143	145	181	184	271
EM High yield	391	394	510	559	818
US IG	104	106	129	136	200
US High yield	367	376	421	464	643
Euro area IG	90	92	124	125	170
Euro area High Yield	265	275	376	414	663

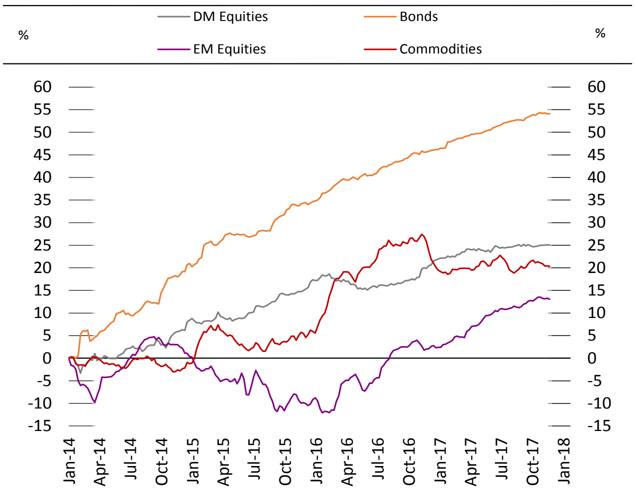
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1,19	1,2	1,0	13,1	13,4
EUR/CHF	1,17	0,3	0,0	8,9	9,1
EUR/GBP	0,90	0,3	0,5	5,6	4,9
EUR/JPY	133,03	0,7	-1,0	11,2	8,2
EUR/NOK	9,71	-0,1	2,5	7,0	6,7
EUR/SEK	9,88	-0,6	1,7	1,2	3,2
EUR/AUD	1,57	0,5	2,1	9,9	7,3
EUR/CAD	1,52	0,7	0,4	6,5	7,3
USD-based cross rates					
USD/CAD	1,27	-0,4	-0,6	-5,8	-5,4
USD/AUD	1,31	-0,6	1,2	-2,7	-5,4
USD/JPY	111,53	-0,5	-1,9	-1,6	-4,7

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	384	0,0	-0,1	-13,9	-10,9
Energy	445	1,8	9,0	14,6	2,3
West Texas Oil ($)	59	4,1	13,4	26,1	9,5
Crude brent Oil ($)	63	1,9	9,1	31,7	14,6
Industrial Metals	1391	2,5	-0,7	17,5	23,9
Precious Metals	1556	-0,8	0,7	6,8	10,5
Gold ($)	1289	-0,4	0,9	8,8	11,8
Silver ($)	17	-1,3	0,7	4,7	7,3
Baltic Dry Index	1458	6,3	-7,3	21,4	51,7
Baltic Dirty Tanker Index	812	0,4	-11,0	-8,4	-11,6

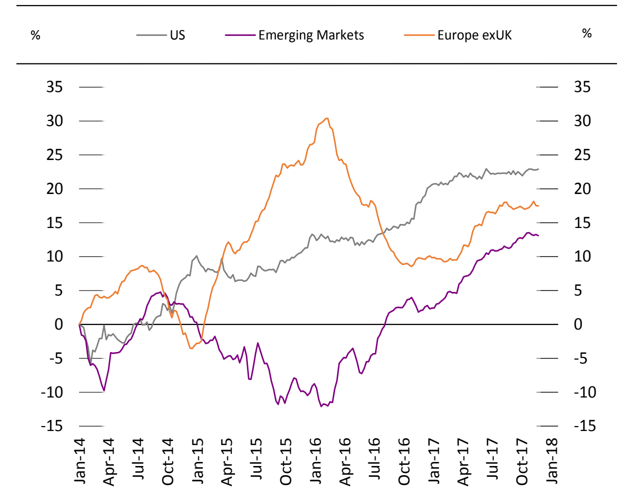
Source: Bloomberg, as of November 24th, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

Global Cross Asset ETFs: Flows as % of AUM



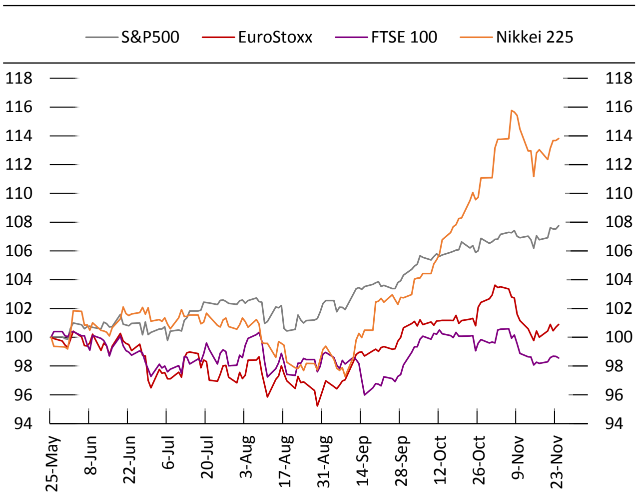
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of November 24th

Equity ETFs: Flows as % of AUM



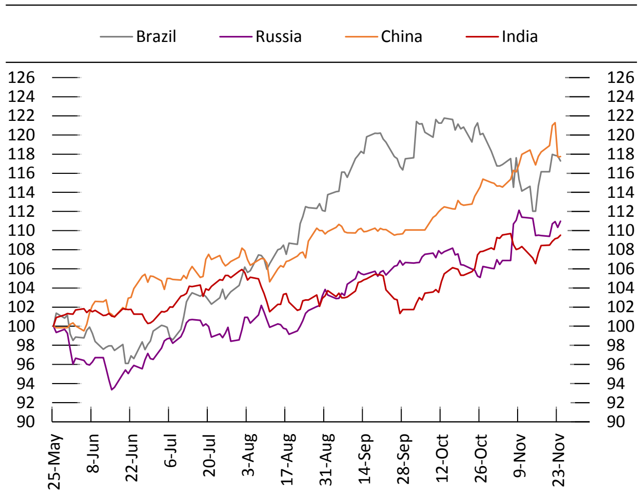
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of November 24th

Equity Market Performance - G4



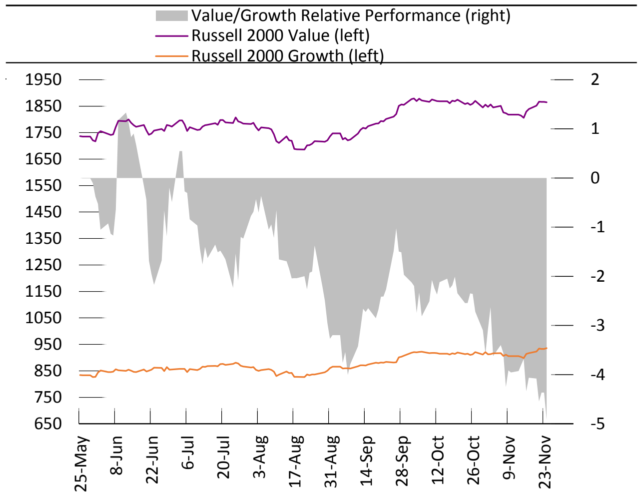
Source: Bloomberg - Data as of November 24th – Rebased @ 100

Equity Market Performance - BRICs



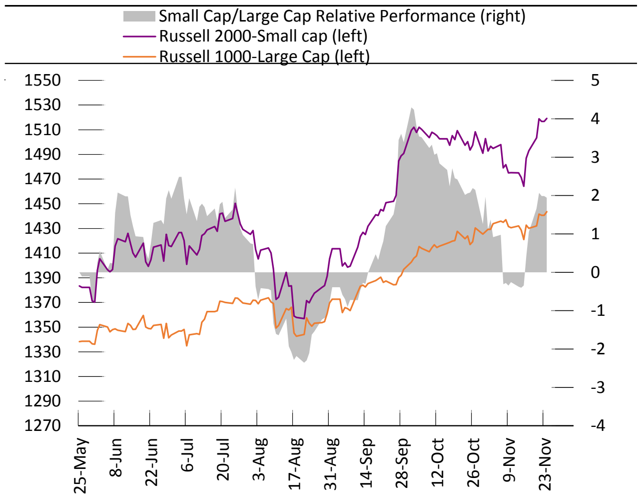
Source: Bloomberg - Data as of November 24th – Rebased @ 100

Russell 2000 Value & Growth Index



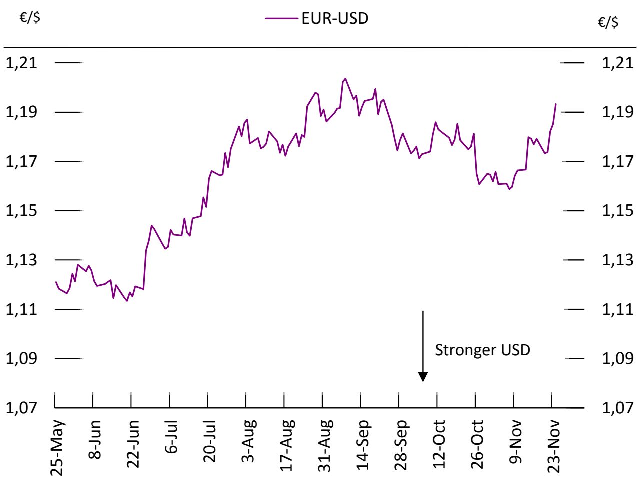
Source: Bloomberg, Data as of November 24th

Russell 2000 & Russell 1000 Index



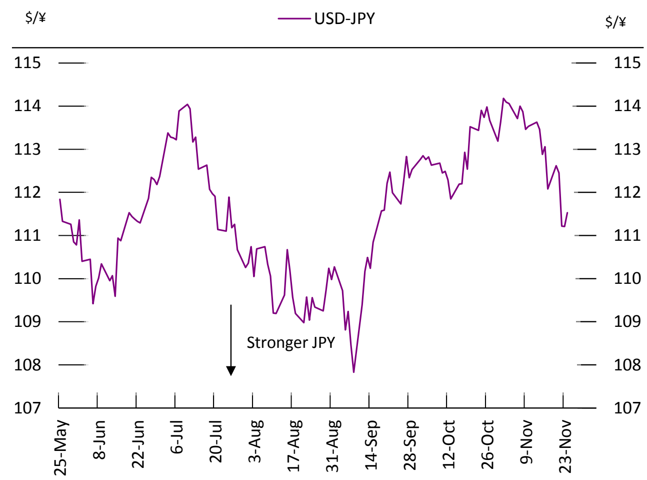
Source: Bloomberg, Data as of November 24th

EUR/USD



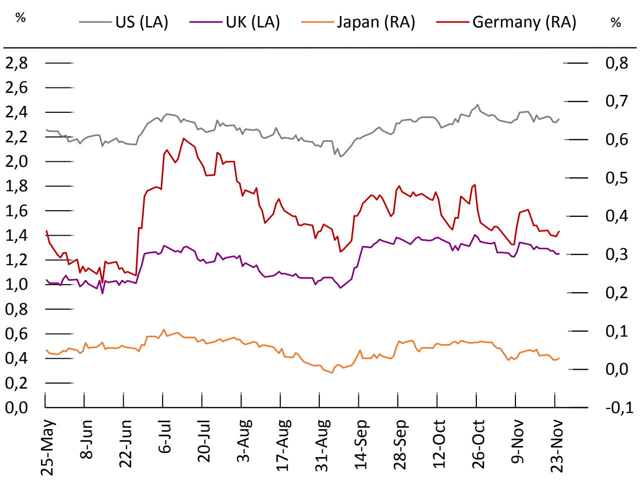
Source: Bloomberg, Data as of November 24th

JPY/USD



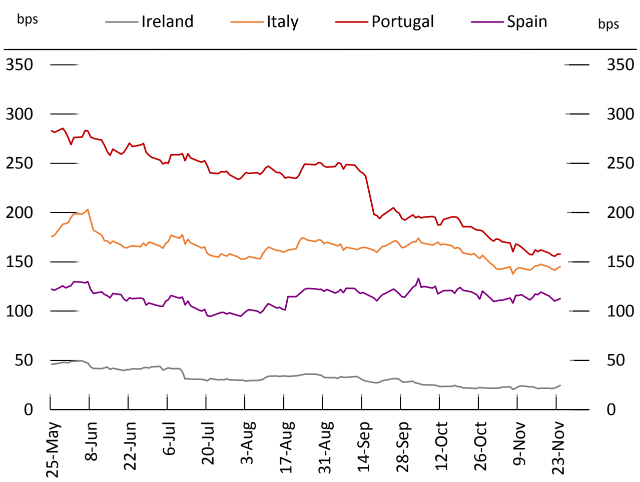
Source: Bloomberg, Data as of November 24th

10- Year Government Bond Yields



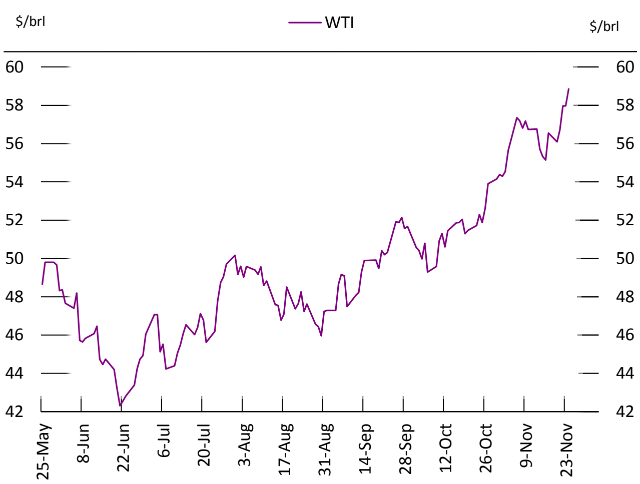
Source: Bloomberg - Data as of November 24th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



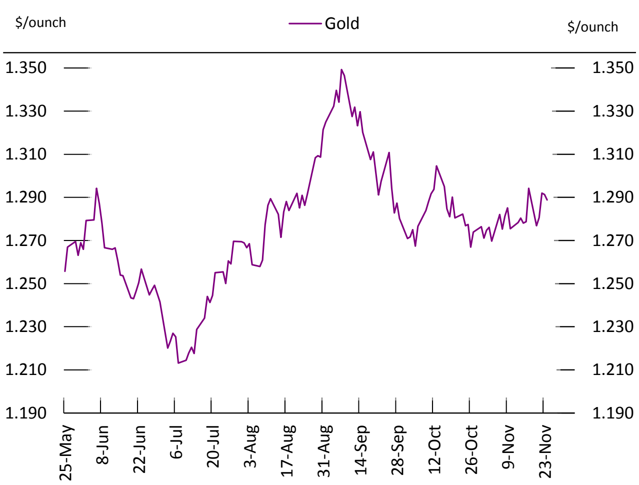
Source: Bloomberg - Data as of November 24th

West Texas Intermediate ($/brl)



Source: Bloomberg, Data as of November 24th

Gold ($/ounch)



Source: Bloomberg, Data as of November 24th

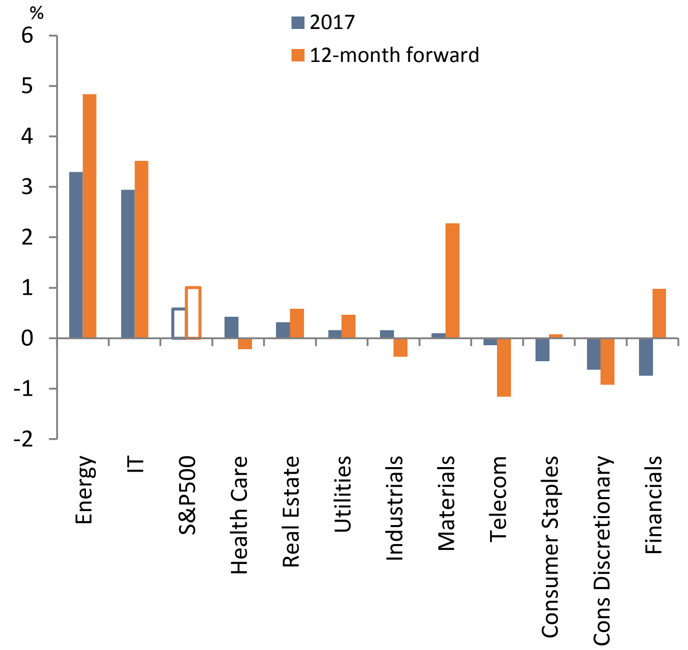
US Sectors Valuation

	Price ($)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	24/11/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
S&P500	2602	0,9	1,4	10,1	2,0	1,9	19,8	19,8	18,1	14,2	3,1	3,2	3,0	2,2
Energy	500	0,7	-74,4	260,1	2,7	2,9	127,3	34,0	26,4	19,3	2,0	1,9	1,9	1,8
Materials	368	0,9	-5,7	7,9	2,1	1,9	20,2	21,0	18,1	14,8	3,8	4,1	2,9	2,7
Financials														
Diversified Financials	632	0,8	5,7	9,7	1,3	1,3	18,1	18,0	16,3	13,6	1,8	1,8	1,7	1,4
Banks	314	0,0	1,1	11,7	1,8	2,0	15,3	14,3	13,0	12,5	1,3	1,3	1,2	0,9
Insurance	397	-0,4	-4,2	0,2	2,0	2,0	15,6	16,9	13,4	9,8	1,4	1,4	1,3	1,0
Real Estate	207	0,3	8,0	1,4	3,9	3,3	18,8	19,3	18,2	17,2	3,0	3,2	3,3	2,5
Industrials														
Capital Goods	656	1,3	4,7	5,5	2,2	2,3	20,6	21,1	19,7	14,7	4,7	5,2	4,9	2,9
Transportation	660	1,4	-7,8	-0,5	1,6	1,7	16,0	16,7	15,2	14,2	4,5	4,3	3,9	3,0
Commercial Services	247	0,0	8,5	-3,7	1,4	1,5	22,9	23,8	22,4	18,0	3,9	3,9	3,8	2,9
Consumer Discretionary														
Retailing	1656	2,2	11,6	4,5	1,0	0,9	30,9	34,3	30,6	20,1	10,1	10,7	9,4	5,1
Media	511	-1,0	2,6	7,3	1,2	1,4	20,8	18,0	16,7	15,0	3,2	3,0	2,8	2,2
Consumer Services	1043	0,8	9,8	10,8	2,0	1,8	22,5	24,4	21,9	17,8	7,8	10,1	10,3	4,5
Consumer Durables	314	1,1	11,6	-0,9	1,7	1,6	17,6	19,0	17,5	16,7	3,3	3,4	3,2	2,9
Automobiles and parts	141	1,3	10,6	1,8	4,2	3,3	7,6	8,2	8,7	8,9	1,8	1,8	1,6	1,9
IT														
Technology	1064	2,3	-2,8	9,8	1,9	1,8	15,0	16,7	15,0	12,4	3,8	4,7	4,2	2,7
Software & Services	1565	1,4	11,5	11,9	1,0	0,9	23,2	26,1	23,4	15,5	5,8	6,2	5,3	3,8
Semiconductors	990	2,2	12,9	38,6	2,0	1,6	17,5	17,5	16,3	16,6	3,7	4,5	4,0	2,7
Consumer Staples														
Food & Staples Retailing	382	-0,6	1,2	-1,5	2,1	2,5	17,6	18,4	17,3	14,9	3,2	3,5	3,4	2,6
Food Beverage & Tobacco	696	0,1	8,3	7,0	2,7	2,9	23,2	21,4	20,0	16,7	6,4	5,4	5,4	4,7
Household Goods	569	0,4	1,6	4,3	2,6	2,8	24,1	22,8	21,4	17,8	6,4	5,7	5,6	4,3
Health Care														
Pharmaceuticals	829	0,0	6,2	5,2	2,0	2,0	16,3	16,3	15,5	13,8	4,2	4,3	4,0	3,1
Healthcare Equipment	1014	1,5	9,5	10,2	1,0	1,0	18,8	19,7	18,4	13,8	3,3	3,5	3,3	2,4
Telecom	148	1,8	0,3	-0,5	4,7	5,7	13,6	11,9	11,9	12,8	3,0	2,4	2,3	2,2
Utilities	282	0,1	6,6	0,9	3,4	3,3	18,0	19,2	18,4	14,4	2,0	2,0	2,0	1,5

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

1-month revisions to 2017 & 12-month Forward EPS

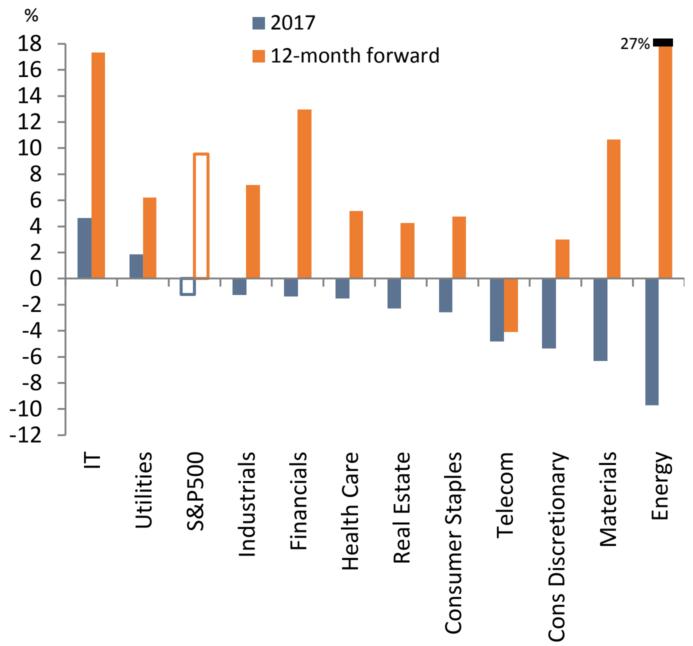
Earnings Revisions indicate 1-month change in 2017 & 12-month Forward EPS



Source: Factset, Data as of November 24th
12-month forward EPS are 10% of 2017 EPS and 90% of 2018 EPS

12-month revisions to 2017 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2017 & 12-month Forward EPS



Source: Factset, Data as of November 24th
12-month forward EPS are 10% of 2017 EPS and 90% of 2018 EPS

Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	24/11/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
STOXX Europe 600	387	0,7	-3,5	13,5	3,4	3,3	17,9	16,5	15,3	12,7	1,8	1,9	1,8	1,6
Energy	319	0,8	-31,3	69,6	5,4	5,0	27,3	16,3	15,5	11,0	1,2	1,3	1,3	1,3
Materials	462	0,5	17,2	10,2	2,7	2,7	20,0	18,9	17,1	13,9	1,9	2,0	1,9	1,5
Basic Resources	441	2,6	255,5	81,9	2,2	3,3	21,6	12,4	12,6	12,5	1,5	1,6	1,5	1,3
Chemicals	975	1,0	-2,0	10,1	2,7	2,6	18,0	18,1	17,1	13,8	2,4	2,5	2,4	2,1
Financials														
Fin/al Services	476	-0,1	12,8	3,3	3,2	3,0	15,5	16,5	16,4	12,9	1,6	1,9	2,0	1,3
Banks	181	0,6	-34,2	44,8	4,2	4,1	16,8	12,4	11,5	10,8	0,9	1,0	0,9	0,9
Insurance	288	-0,2	3,1	-11,2	4,8	4,6	11,1	13,4	11,4	9,2	1,1	1,2	1,1	1,0
Real Estate	172	-0,4	7,1	6,7	3,7	3,8	20,7	19,6	19,6	18,1	1,0	1,0	1,0	1,0
Industrial	530	0,6	0,7	8,0	2,6	2,4	19,9	20,2	18,0	14,1	3,3	3,4	3,1	2,3
Consumer Discretionary														
Media	269	1,0	-0,1	2,7	3,2	3,1	18,3	17,0	15,9	14,0	3,1	2,9	2,8	2,4
Retail	296	0,7	1,4	2,7	2,6	2,9	20,6	19,5	17,8	15,8	2,9	2,6	2,5	2,4
Automobiles and parts	601	2,0	17,1	16,4	3,0	3,1	9,3	8,8	8,3	9,2	1,3	1,3	1,2	1,0
Travel and Leisure	253	-0,5	5,5	13,0	2,4	2,3	14,6	13,6	12,9	15,2	2,8	2,7	2,5	2,0
Technology	453	1,6	-1,9	7,0	1,5	1,4	23,3	25,4	22,3	16,7	3,1	3,3	3,3	2,6
Consumer Staples														
Food&Beverage	663	1,0	-4,4	5,1	2,8	2,7	23,5	23,7	21,6	17,1	3,2	3,5	3,4	2,7
Household Goods	847	0,7	5,3	8,9	2,5	2,6	22,2	20,9	19,3	16,5	4,6	4,6	4,3	3,3
Health care	724	1,2	6,7	-1,6	2,8	2,8	17,9	17,6	16,8	14,1	3,5	3,5	3,3	3,0
Telecom	274	-0,2	1,7	7,8	4,9	4,6	19,8	17,4	15,5	13,3	1,8	1,8	1,8	1,6
Utilities	297	-0,1	-8,6	-6,4	5,4	4,8	13,2	15,1	14,5	12,2	1,4	1,4	1,4	1,4

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

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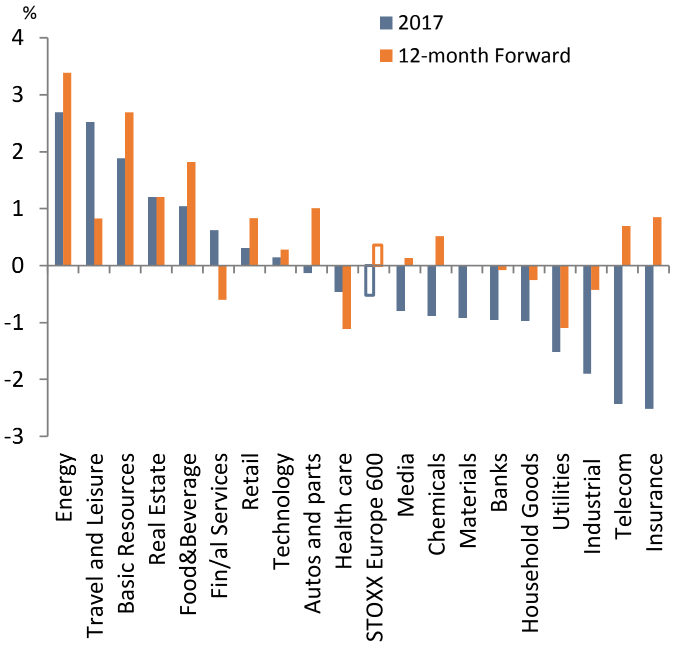
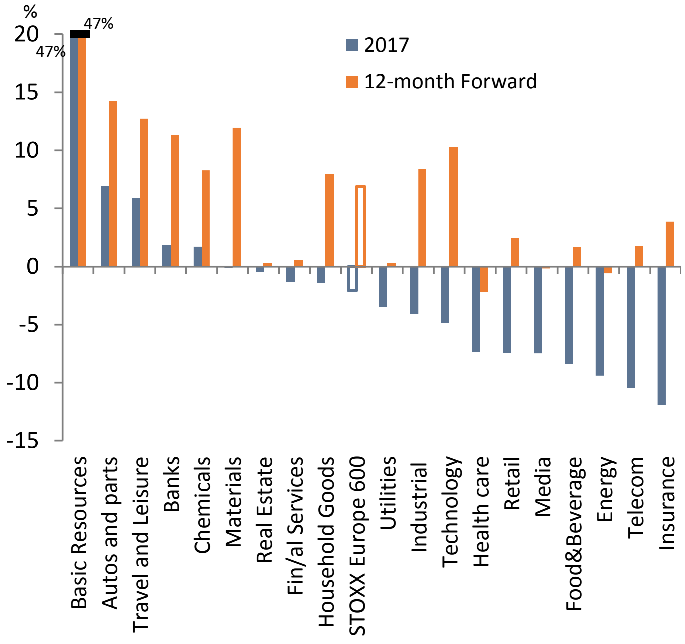


Source: Factset, Data as of November 24th
12-month forward EPS are 10% of 2017 EPS and 90% of 2018 EPS

12-month revisions to 2017 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2017 & 12-month Forward EPS



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12-month forward EPS are 10% of 2017 EPS and 90% of 2018 EPS

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