



Trade tensions increase and global equities were down by 1.1% in the past week

- Trade tensions intensified in the past week, with the US threatening to impose a 10% tariff on \$200 bn worth of imports from China on top of the recently announced 25% tariff on \$50bn of Chinese imports. The US also threatened to target a further \$200 bn of Chinese imports (US total goods imports from China: \$542 bn in 12-month sum terms) in the event China retaliates. Indeed, China has said it will retaliate through "comprehensive quantitative and qualitative measures".
- In view of the low value of goods imports from the US (\$162 bn), Chinese retaliatory action could also involve targeting: i) services imports from the US (\$59 bn): and/or ii) US-based companies operating in China. According to the latest data from the US Bureau of Economic Analysis, total sales in China by majority-owned foreign affiliates of US multi-national companies amounted to \$356 bn in 2015.
- At the same time, in order to avoid any over-tightening of financial conditions due to higher US rates and to stem potential negative effects on economic activity from trade disputes, the People's Bank of China cut the Required Reserve Ratio by 0.5% (to 13.5%-15.5%) for a targeted group of banks, providing additional liquidity of RMB 700bn (0.9% of GDP) to the banking system.
- Meanwhile, US President Trump also threatened the EU with tariffs of 20% on car imports (versus 2.5% currently). EU (passenger) car exports to the US amounted to €38.3 bn in 2017 (2% of total extra-EU exports), of which €21.7 bn came from Germany.
- On the economic front, euro area PMIs improved in June (composite PMI: +0.7 pts to 54.8 | consensus: 53.9). Nevertheless, they remain consistent with the view that the economy has shifted to a lower gear compared with the particularly strong 2017 (GDP: +2.6% yoy, the highest since 2007). With an average of 54.7 in Q2:18, the composite PMI points to GDP growth of circa 2.0% qoq saar, in line with consensus expectations.
- The Bank of England (BoE) maintained its policy rate at 0.50%, as expected. In a surprise move, Chief Economist A.Haldane joined those Monetary Policy Committee members who favor a rate increase of 25 bps (currently three members out of nine). Moreover, the BoE expressed greater confidence that the GDP weakness in Q1:18 (+0.1% qoq) will prove temporary (the BoE expects GDP growth at +0.4% qoq in Q2:18). As a result, markets now apply a 70% probability for a rate hike in August (from 50% a week ago).
- Investors were on risk-off mode in the past week, due to trade tensions (MSCI World: -1.1% wow). In the US, the S&P 500 fell by 0.9% wow and further by 1.4% on Monday (June 25th). The EuroStoxx under-performed (-1.9% wow and -2.0% on Monday), with the Autos sector taking a hit (-6.5% wow and further -2.4% on Monday | -9.9% ytd). The exporter-heavy DAX30 in Germany (Domestic Earnings: 22% - Other European: 30% - Rest of the World: 48%) fell by 3.3% wow (Monday: -2.5%).
- The increased "safe haven" demand led the JPY up by 0.7% wow against the USD to ¥109.95 and core government bond yields were down. Indeed, the US Treasury 10-Year yield declined by 3 bps wow to 2.90%, while the German 10-Year Bund yield declined by 7 bps wow, to 0.34%.

Ilias Tsirigotakis^{AC}

Head of Global

Markets Research

210-3341517

tsirigotakis.ilias@nbg.gr

Panagiotis Bakalis

210-3341545

mpakalis.pan@nbg.gr

Lazaros Ioannidis

210-3341207

ioannidis.lazaros@nbg.gr

Vasiliki Karagianni

210-3341548

karagianni.vasiliki@nbg.gr

Table of Contents

Overview_p1

Economics & Markets_p2,3

Asset Allocation_p4

Outlook_p5,6

Forecasts_p7

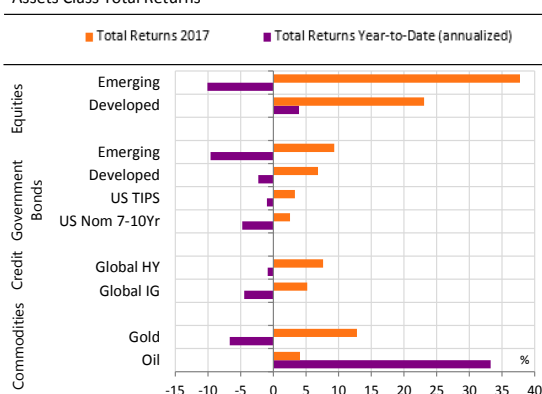
Event Calendar_p8

Markets Monitor_p9

ChartRoom_p10,11

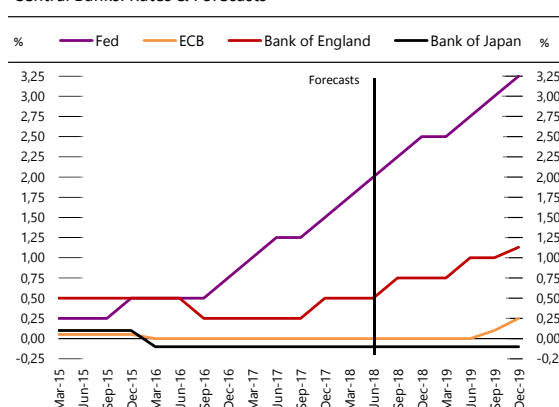
Market Valuation_p12,13

Assets Class Total Returns



Source: NBG research, Bloomberg, Total Return Indices in \$ terms, *TIPS = Treasury inflation linked Securities

Central Banks: Rates & Forecasts



Source: NBG Research, Bloomberg

Mixed US housing market data

- **The outlook for residential investment remains mixed (-2.0% qoq saar in Q1:18) following the latest housing market data.** Specifically, housing starts stood at a 10-year high of 1350k in May (consensus: 1311k), up by 5.0% mom compared with April. On the other hand, building permits fell by 4.6% mom to 1301k (consensus: 1350k). Moreover, existing home sales declined by 0.4% mom (-3.0% yoy) in May, to 5.43 mn (consensus: +1.1% mom), a 2nd consecutive monthly decline (-2.7% mom | -1.6% yoy in April). According to the National Association of Realtors (NAR), although the solid economic conditions (and more particularly in the labor market) provide support, low supply remains the primary constraint to sales. Note that existing home inventories stand at 1.85 mn, and despite having increased compared with a record low of 1.46 mn in December 2017, they remain low by historical standards (average of 2.5 mn since 1999). Moreover, NAR also cited as restraining factors, the higher prices (median existing home price: +4.9% yoy in May) and mortgage interest rates (30Yr fixed mortgage rate has risen by 80 bps since September 2017, to 4.83%).

- Finally, the NAHB survey index – that captures homebuilders' confidence for new home sales – fell by 2 pts to (a still strong) 68 in June, below consensus expectations for an unchanged outcome. The decline was mainly due to concerns regarding the impact of elevated lumber prices on home building costs and, therefore, on housing affordability (the Random Lengths Composite Price - a weighted average measure consisting of multiple species and dimensions of softwood lumber products – has risen by 57% since January 2017). According to the National Association of Home Builders (NAHB), higher lumber prices have added c. \$9,000 on average (or 2.5%), to the price of a new single-family home since January 2017. In that context, the NAHB encouraged the US Commerce Secretary Wilbur Ross to return to the (NAFTA) negotiating table with Canada (a major exporter of lumber to the US), in order for lumber import tariffs to be reduced (most Canadian producers currently face a tariff rate in the range of 20% - 24%).

US household net wealth at record levels

- **According to the Fed's Financial Accounts of the United States, households' net worth rose by 4.2% qoq saar in Q1:18 (+7.0% yoy).** The increase was mostly due to the continued appreciation of real estate assets, up by 7.2% qoq saar (+7.0% yoy), as financial assets posted a more modest +2.5% qoq saar (+6.6% yoy). The ratio of net worth to disposable income stood at 683% in Q1:18, slightly below the all-time high of 685% recorded in Q4:17 (long-term average of 531%), as households' disposable income rose by a robust 5.9% qoq saar (+3.8% yoy), the strongest quarterly pace of growth since Q2:14.
- Household debt rose by 3.3% qoq saar in Q1:18 (+3.5% yoy), compared with +4.6% qoq saar (+3.7% yoy) in Q4:17. As a percentage of GDP, debt was 76.4%, slightly below the respective figure in Q4:17 (76.6%) and compared with a peak of 98.2% in Q1:08. Regarding the two major loan categories, mortgage loans (66% of total) increased by 2.7% qoq saar (+2.8% yoy), compared with +3.2% qoq saar (+3.1% yoy) previously, while consumer credit growth (25% of total) rose by 4.3% qoq saar (+4.9% yoy), compared with +6.9% qoq saar (+5.2% yoy) in Q4:17.

Japanese inflation trend remains soft

- **Inflation data in May came out broadly in line with consensus expectations.** Both headline CPI and CPI ex-fresh food were broadly stable at 0.7% yoy. At the same time, CPI ex-fresh food and energy, a metric closely monitored by the Bank of Japan in order to gauge underlying price pressures, decelerated slightly, by 0.1 pp to 0.3% yoy. The latter, although above its average of +0.1% yoy in 2017, compares with an average of +0.4% yoy so far in 2018 (and a peak of +0.5% yoy in March 2018). CPI ex-fresh food and energy was flat on a monthly basis in May.

Chinese economic activity below expectations in May

- **High frequency activity data in May reduced the optimism regarding growth momentum, albeit some transitory factors could be at play.** Industrial production rose by 6.8% yoy, slowing slightly compared with +7.0% yoy in April. Growth in fixed asset investment decelerated by 0.9 pps to +6.1% yoy in May, below consensus estimates for an unchanged outcome. The slowdown was solely due to infrastructure investment growth, which eased to +9.4% yoy, compared with +12.4% previously, a development that bodes well with the soft trend for government spending so far in 2018. In the event, recall that fixed asset investment from the public sector rose by +4.1% yoy in May, compared with +6.5% in April (the respective figure for the private sector was +8.1% yoy, only modestly below the April outcome of +8.4% yoy). However, this development leaves room for fiscal policy to turn more growth-supportive going forward. Finally, retail sales (in value terms) in May disappointed, increasing by 8.5% yoy, compared with +9.4% yoy in April, undershooting expectations for +9.6% yoy. Nevertheless, the outcome was likely, in part, negatively distorted by transitory base effects, due to the three-day holiday period for the Dragon Boat Festival, which took place in May in 2017 (boosting retail sales in that period) and in June during 2018. According to the National Bureau of Statistics of China, the aforementioned effect subtracted at least 1.0 pp from the May 2018 annual growth figure. Moreover, the recently-announced reduction in import duties on cars, effective as of July 1st, may have led to a postponement of car purchases. Overall, consensus expects GDP growth of 6.6% yoy in Q2:18, compared with +6.8% yoy in Q1:18.

- **The latest activity readings were combined with easing credit growth in May.** Indeed, official total social financing (TSF) increased by 10.3% yoy compared with +10.5% yoy in April (+10.8% yoy, on average, so far in 2018 and +12.8% yoy, on average, in 2017). Within TSF, bank loan growth was +12.6% yoy in May, broadly stable compared with April (+12.7% yoy). At the same time, the growth in "shadow banking" (comprising mainly acceptance bills, entrusted loans) continued to ease substantially, to +2.9% yoy in May, compared with +4.7% yoy previously (+6.5% yoy, on average, so far in 2018 and +14.6% yoy, on average, in 2017) and now represents 14.5% of total TSF (peak of 15.4% in December 2017). In conjunction with the above-mentioned trend for public spending so far in 2018, local government bond issuance (0.5% of total TSF) has amounted to RMB 876.6 bn, cumulatively from January 2018 to May 2018, 35% below the respective level in 2017.

Equities

- **Global equity markets recorded losses in the past week, due to escalating trade tensions.** Specifically, the MSCI World ended the week down by 1.1%, with emerging market equities underperforming their developed markets peers (-2.3% wow vs -0.9%). The fall continued on Monday June 25th (MSCI World: -1.4%). The S&P 500 fell by 0.9% wow, with Industrials (-3.4% wow) and Materials (-2.1% wow) under-performing. On the other hand, the Energy sector rose by 1.5% wow due to higher oil prices. On the other side of the Atlantic, the EuroStoxx was down by 1.9% wow and by a further 2.0% on Monday, with the Autos sector coming under heavy selling pressure (-6.5% wow and further -2.4% on Monday). Apart from US threats to impose higher tariffs on car imports from the EU, China's intention to impose higher tariffs for car imports from the US could also hurt European-based auto-manufacturers, as part of their production is located in the US. In the UK, the FTSE 100 was up by 0.6% wow in the past week, but it declined by 2.2% on Monday (June 25th). Finally, Chinese equities also took a hit, with the CSI 300 Index (largest A-shares in Shanghai and Shenzhen exchanges) falling by 3.9% wow and further by 1.3% on Monday (-11.7% ytd).

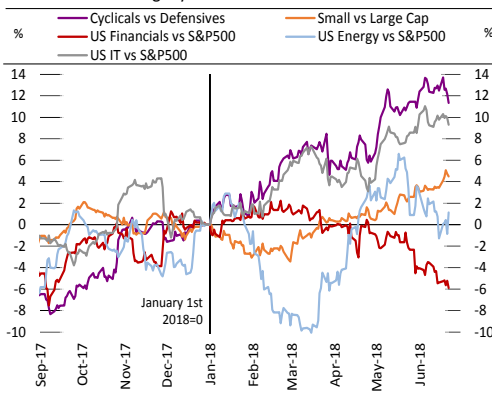
Fixed Income

- **Government bond yields in major advanced economies were down in the past week, on the back of "safe haven" demand.** In the US, the 10-Year yield fell by 3 bps to 2.90%, while the 2-Year yield was down by 1 bp to 2.54%. As a result, the 10/2 spread declined by 2 bps to 35 bps, recording a new 10-year low. In Germany, the 10-Year Bund yield decreased by 7 bps wow, to 0.34%. Meanwhile, risk aversion resulted in bond spreads over the Bund widening in Spain by 12 bps wow, to 102 bps and by 6 bps wow in Portugal, to 148 bps, in the 10-Year tenor. In Italy, the respective spread was up by 15 bps wow to 236 bps and by a further 14 bps on Monday (to 250 bps), following strong municipal elections results for the Lega party.
- **Corporate bond spreads rose in the past week, especially in the high-yield spectrum, due to investors' "flight to quality".** Indeed, euro area high yield spreads were up by 11 bps wow, to 357 bps and US high yield spreads by 6 bps, to 339 bps. In the investment grade spectrum, spreads rose by 3 bps to 114 bps in the euro area (led by an increase of 6 bps, to 115 bps for the Autos sector) and by 6 bps to 127 bps in the US.

FX and Commodities

- **In foreign exchange markets, the euro rose slightly, mainly due to moderately better-than-expected economic data.** Specifically, the Euro increased by 0.4% wow against the US Dollar, to \$1.166 (+0.5% on Friday, following the release of June PMIs for the euro area) and by 0.6% wow against the British Pound, to €/0.879. The Japanese Yen appreciated, as demand for "safe haven" assets rose. Specifically, the Yen was up by 0.7% wow against the USD to ¥109.95.
- **In commodities, oil prices rose in the past week, due to: i) OPEC+ decisions being more benign than expected for oil supply; and ii) supply disruptions in Canada.** According to Saudi Arabian and Russian oil ministers, compliance by OPEC+ was +147% in May 2018. As a result, an increase of production by one million barrels per day will have to take place in order for compliance with the November 2016 accord to return to +100%. Brent was up by 2.4% cumulatively on Friday/Monday, to \$74.3/barrel as the OPEC decisions were slightly more benign than expected for oil supply. Overall, the WTI increased by 6.0% wow and by a further 3.8% on Monday to \$71.6/barrel, mainly on the back of the temporary shutting-down of a major oil field in Canada, due to an accident.

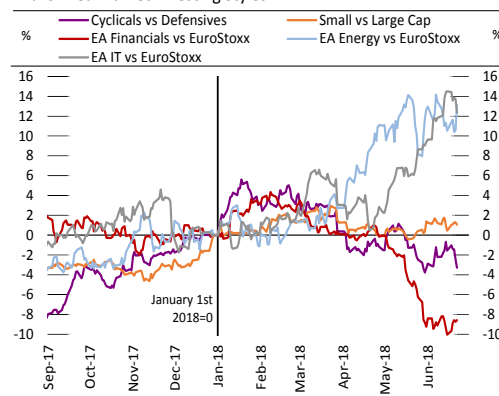
US Market Investing Styles



Source: NBG Research, Bloomberg

Graph 1.

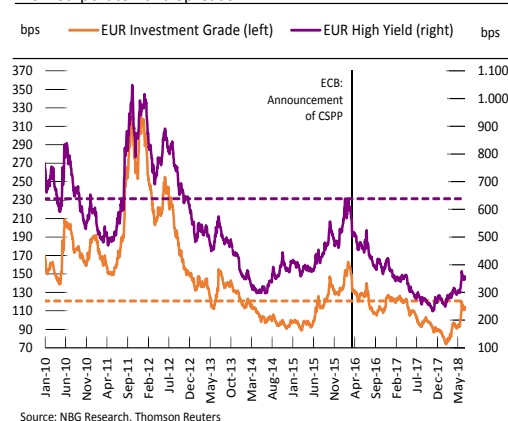
Euro Area Market Investing Styles



Source: NBG Research, Bloomberg

Graph 2.

EUR Corporate Bond Spreads



Source: NBG Research, Thomson Reuters

Graph 3.

Quote of the week: "Changes in trade policy could cause us to have to question the outlook...for the first time, we're hearing about decisions to postpone investment, postpone hiring", **Fed Chair, Jerome Powell**, June 20th 2018.

Tactical Asset Allocation (3-month)

- **Equities:** We remain Neutral/Overweight relative to a 55-40-5 portfolio. GDP growth and corporate earnings are strong (particularly in the US), albeit "trade concerns" and the peak of central bank (C/B) liquidity weighs. Volatility in returns will prevail in the rest of 2018 resulting in lower risk-adjusted returns. US tax-reform may continue to support equities albeit we closed our O/W locking in gains. We also closed our O/W position in euro area banks recording losses as Italian concerns and low-for-longer interest rates by the ECB reduce our confidence in this trade.
- **Government Bonds:** Higher yields due to less aggressive C/Bs, reduced liquidity and stronger inflation data, albeit safe haven demand could support prices near-term. **Underweight Govies.** Steeper curves, particularly in Bunds.
- **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. 2018 is less likely to be as "risk on" as 2017.

NBG Global Markets - Main Equity Sector Calls

US Sector	Position	View/Comment
Banks	OW	Rising rates from low levels and low deposit betas will support interest margins. Less regulation also positive. Valuations (relative to the market) still attractive.
Energy	Neutral	OPEC's deal extension until end of 2018 has supported oil prices. However, US oil production is increasing (at 2015 high levels) and expected RoE for Energy firms remains low. Light positioning and sizeable underperformance (2017) may present a buying opportunity. Oil backwardation a positive for the sector.
Defensives/ Cyclicals	Neutral	We turn Neutral Defensives amid elevated volatility and favorable relative valuations. Underweight Consumer Discretionary (Cyclicals) as the sector is a major underperformer during Fed hiking cycles and has high wage expenses.

EA Sector	Position	View/Comment
Energy	Neutral	OPEC's deal extension until end of 2018 has supported oil prices. However, US oil production is increasing (at 2015 high levels) and expected RoE for Energy firms remains low. Light positioning and sizeable underperformance (2017) may present a buying opportunity, thus we upgrade to neutral our position.
Defensives/ Cyclicals	Neutral	We turn Neutral Defensives amid elevated volatility and favorable relative valuations. Underweight Consumer Discretionary (Cyclicals) as the sector is a major underperformer during Fed hiking cycles and has high wage expenses.

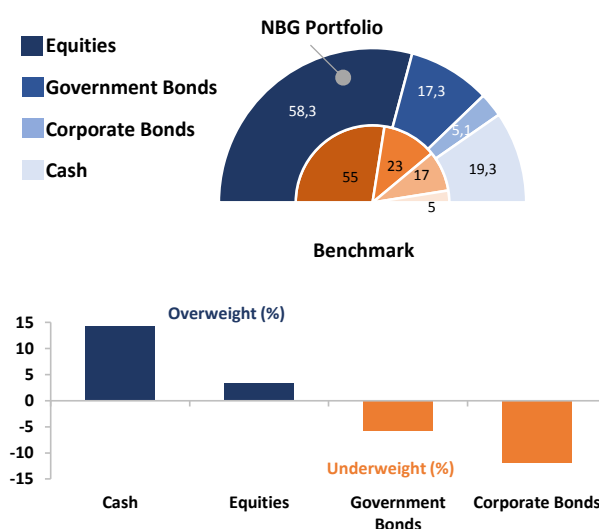
*Including Technology and Industrials

**Including Healthcare, Utilities, Telecoms

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.

Total Portfolio Allocation



Detailed Portfolio Breakdown

Equities	Portfolio	Benchmark	OW/UW
US	52	52	-
Euro area	12	10	2,0
UK	7	7	-
Rest of Dev. Europe	5	5	-
Japan	9	7	2,0
Rest of Dev. World	8	8	-
Emerging Markets	7	11	-4,0
EM Asia	64	64	-
EM Latin America	18	18	-
EMEA	18	18	-

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	-

	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Likely fiscal loosening will support the economy & companies' earnings + Solid EPS growth in H2:2017 & 2018 + Cash-rich corporates will lead to share buybacks and higher dividends (de-equitization) - Demanding valuations - Peaking profit margins - Protectionism and trade wars - Aggressive Fed in 2018 <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + 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 plateauing economic growth - Strong Euro in NEER terms (2017 vs 2016) - Political uncertainty (Spain, Italy) could re-emerge <p>● Neutral</p>	<ul style="list-style-type: none"> + 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 <p>● Neutral</p>	<ul style="list-style-type: none"> + 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 <p>● Neutral/Negative</p>
Government Bonds	<ul style="list-style-type: none"> + 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 <p>▲ Higher yields expected</p>	<ul style="list-style-type: none"> + 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 <p>▲ 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 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 <p>▲ Higher yields expected</p>
Foreign Exchange	<ul style="list-style-type: none"> + 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 <p>▲ Long USD against its major counterparts ex-EUR</p>	<ul style="list-style-type: none"> + 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) <p>● Broadly Flat EUR against the USD with upside risks towards \$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>▼ Lower JPY against the USD</p>	<ul style="list-style-type: none"> + 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 <p>● Flat GBP against the USD with upside risks short term</p>

	Turkey	Romania	Bulgaria	Serbia
Equity Markets	<ul style="list-style-type: none"> + Attractive valuations - Weak foreign investor appetite for emerging market assets <p>▲ Neutral/Positive stance on equities</p>	<ul style="list-style-type: none"> + Attractive valuations - Weak foreign investor appetite for emerging market assets <p>▲ Neutral/Positive Stance on equities</p>	<ul style="list-style-type: none"> + Attractive valuations + Low-yielding domestic debt and deposits - Weak foreign investor appetite for emerging market assets <p>▲ Neutral/Positive Stance on equities</p>	<ul style="list-style-type: none"> + Attractive valuations - Weak foreign investor appetite for emerging market assets <p>▲ Neutral/Positive Stance on equities</p>
Domestic Debt	<ul style="list-style-type: none"> + Low public debt-to-GDP ratio - Loosening fiscal stance - Stubbornly high inflation <p>▲ Stable to lower yields</p>	<ul style="list-style-type: none"> + Low public debt-to-GDP ratio - Easing fiscal stance - Envisaged tightening in monetary policy <p>▼ Stable to higher yields</p>	<ul style="list-style-type: none"> + Very low public debt-to-GDP ratio and large fiscal reserves + Low inflation <p>▲ Stable to lower yields</p>	<ul style="list-style-type: none"> + Positive inflation outlook + Precautionary Stand-By Agreement with the IMF - Large public sector borrowing requirements <p>▲ Stable to lower yields</p>
Foreign Debt	<ul style="list-style-type: none"> + High foreign debt yields - Sizeable external financing requirements - Weak foreign investor appetite for emerging market assets 	<ul style="list-style-type: none"> + Strong external position - Large external financing requirements 	<ul style="list-style-type: none"> + Solidly-based currency board arrangement, with substantial buffers + Current account surplus - Large external financing requirements - Heightened domestic political uncertainty 	<ul style="list-style-type: none"> + Ongoing EU membership negotiations + Precautionary Stand-By Agreement with the IMF - Sizeable external financing requirements - Slow progress in structural reforms
Foreign Exchange	<p>▲ Stable to narrowing spreads</p> <ul style="list-style-type: none"> + High domestic debt yields - Sizeable external financing requirements - Weak foreign investor appetite for emerging market assets - Increasing geopolitical risks and domestic political uncertainty <p>▼ Weaker to stable TRY against the EUR</p>	<p>▲ Stable to narrowing spreads</p> <ul style="list-style-type: none"> + Strong external position - Large external financing requirements <p>▲ Stable to stronger RON against the EUR</p>	<p>▲ Stable to narrowing spreads</p> <ul style="list-style-type: none"> + Currency board arrangement + Large foreign currency reserves and fiscal reserves + Current account surplus - Sizeable external financing requirements - Heightened domestic political uncertainty <p>● Stable BGN against the EUR</p>	<p>▲ Stable to narrowing spreads</p> <ul style="list-style-type: none"> + Ongoing EU membership negotiations + Precautionary Stand-By Agreement with the IMF - Sizeable external financing requirements <p>▼ Weaker to stable RSD against EUR</p>

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	June 22nd	3-month	6-month	12-month	Official Rate (%)	June 22nd	3-month	6-month	12-month
Germany	0,34	0,70	0,90	1,10	Euro area	0,00	0,00	0,00	0,00
US	2,90	3,10	3,20	3,40	US	2,00	2,25	2,50	3,00
UK	1,32	1,58	1,73	1,89	UK	0,50	0,70	0,80	0,90
Japan	0,04	0,05	0,05	0,08	Japan	-0,10	-0,10	-0,10	-0,10
Currency	June 22nd	3-month	6-month	12-month		June 22nd	3-month	6-month	12-month
EUR/USD	1,17	1,18	1,20	1,22	USD/JPY	110	110	108	107
EUR/GBP	0,88	0,88	0,88	0,88	GBP/USD	1,33	1,35	1,37	1,39
EUR/JPY	128	130	130	130					

Forecasts at end of period

Economic Forecasts

United States	2016a	Q1:17a	Q2:17a	Q3:17a	Q4:17a	2017a	Q1:18a	Q2:18f	Q3:18f	Q4:18f	2018f
Real GDP Growth (YoY) (1)	1,5	2,0	2,2	2,3	2,6	2,3	2,8	2,8	2,7	2,5	2,7
Real GDP Growth (QoQ saar) (2)	-	1,2	3,1	3,2	2,9	-	2,2	3,0	2,6	2,0	-
Private Consumption	2,7	1,9	3,3	2,2	4,0	2,8	1,0	2,6	2,6	2,4	2,4
Government Consumption	0,8	-0,6	-0,2	0,7	3,0	0,1	1,1	1,6	3,1	3,0	1,8
Investment	0,7	8,1	3,2	2,4	8,2	4,0	6,5	4,5	4,2	1,7	4,6
Residential	5,5	11,1	-7,3	-4,7	12,8	1,8	-2,0	2,6	2,6	2,7	2,2
Non-residential	-0,6	7,1	6,7	4,7	6,8	4,7	9,2	5,3	4,6	1,5	5,4
Inventories Contribution	-0,4	-1,5	0,1	0,8	-0,5	-0,1	0,1	0,1	0,0	0,0	0,1
Net Exports Contribution	-0,2	0,2	0,2	0,4	-1,3	-0,2	0,1	-0,1	-0,4	-0,5	-0,2
Exports	-0,3	7,3	3,5	2,1	7,0	3,4	4,2	6,1	1,3	1,8	4,4
Imports	1,3	4,3	1,5	-0,7	14,1	4,0	2,8	5,3	3,5	4,6	4,9
Inflation (3)	1,3	2,5	1,9	1,9	2,1	2,1	2,2	2,6	2,7	2,4	2,5
Euro Area	2016a	Q1:17a	Q2:17a	Q3:17a	Q4:17a	2017a	Q1:18a	Q2:18f	Q3:18f	Q4:18f	2018f
Real GDP Growth (YoY)	1,8	2,1	2,5	2,8	2,8	2,6	2,5	2,4	2,2	2,0	2,3
Real GDP Growth (QoQ saar)	-	2,7	3,0	2,9	2,8	-	1,5	2,4	2,0	2,1	-
Private Consumption	1,9	1,5	1,9	1,5	0,7	1,7	1,9	3,3	1,9	1,7	1,7
Government Consumption	1,8	0,5	1,9	1,8	1,1	1,2	0,1	1,2	1,8	1,3	1,3
Investment	4,5	0,5	8,3	-1,2	5,5	3,5	2,0	4,2	3,4	3,1	3,7
Inventories Contribution	-0,1	-0,3	0,5	-0,2	-0,6	0,0	0,6	0,0	0,1	0,1	0,0
Net Exports Contribution	-0,4	1,9	-0,7	2,1	1,6	0,6	-0,6	-0,6	-0,3	0,2	0,3
Exports	3,3	6,6	4,6	6,3	9,1	5,5	-1,6	4,3	4,4	4,8	5,3
Imports	4,6	2,6	6,6	2,0	6,2	4,5	-0,5	6,1	5,4	4,8	5,0
Inflation	0,2	1,8	1,5	1,4	1,4	1,5	1,2	1,5	1,6	1,6	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

	2014	2015	2016	2017f	2018f	2019f
Real GDP Growth (%)						
Turkey	5,2	6,1	3,2	7,4	4,2	4,4
Romania	3,1	4,0	4,8	7,0	4,4	3,8
Bulgaria	1,3	3,6	3,9	3,6	3,8	3,5
Serbia	-1,8	0,8	2,8	1,9	3,6	3,6
Headline Inflation (eop,%)						
Turkey	8,2	8,8	8,5	11,9	12,8	10,2
Romania	0,8	-0,9	-0,5	3,3	4,2	3,7
Bulgaria	-0,9	-0,4	0,1	2,8	2,4	2,6
Serbia	1,7	1,5	1,6	3,0	2,5	2,8
Current Account Balance (% of GDP)						
Turkey	-4,7	-3,7	-3,8	-5,6	-6,0	-5,4
Romania	-0,7	-1,2	-2,1	-3,3	-4,1	-4,5
Bulgaria	0,1	0,0	2,3	4,5	3,1	1,7
Serbia	-6,0	-3,7	-3,1	-5,7	-4,9	-4,8
Fiscal Balance (% of GDP)						
Turkey	-1,1	-1,0	-1,1	-1,5	-1,9	-1,5
Romania	-1,7	-1,5	-2,4	-2,8	-4,0	-4,3
Bulgaria	-3,7	-2,8	1,6	0,9	-0,5	-0,3
Serbia	-6,6	-3,7	-1,3	1,2	0,3	0,1

f: NBG forecasts

Stock Markets (in local currency)

Country - Index	25/6/2018	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	94.008	1,0	-18,5	24,7
Romania - BET-BK	1.594	-2,1	-3,5	38,5
Bulgaria - SOFIX	632	0,3	-6,6	38,6
Serbia - BELEX15	729	-0,8	-4,0	19,9

Financial Markets

	25/6/2018	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	19,0	17,8	17,5	16,5
Romania	3,1	2,9	2,9	3,0
Bulgaria	-0,1	0,1	0,1	0,2
Serbia	2,6	2,9	3,1	3,5
Currency				
TRY/EUR	5,48	5,30	5,20	5,30
RON/EUR	4,66	4,64	4,65	4,68
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	118,0	117,9	117,6	117,4

Sovereign Eurobond Spread (in bps)

Turkey (USD 2020)(*)	335	300	250	180
Romania (EUR 2024)	141	130	120	110
Bulgaria (EUR 2022)	58	52	48	40
Serbia (USD 2021)(*)	159	145	130	120

(*) Spread over US Treasuries

Economic Calendar

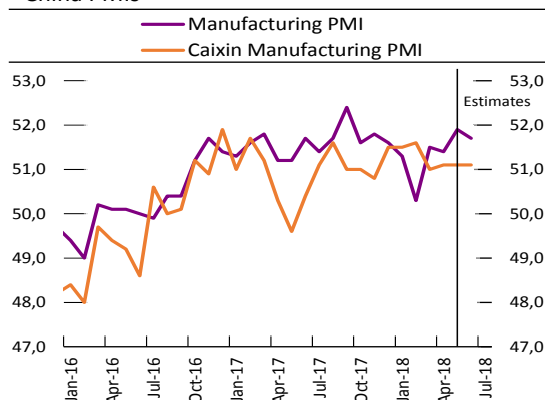
The main macro event next week in the US is the final estimate for GDP in Q1:18. Real GDP growth is expected at 2.2% qoq saar, (unchanged from the previous estimate), from 2.9% qoq saar in Q4:17.

In the Euro Area, markets will focus on the flash estimate for inflation in June. Although headline inflation is expected at 2.0% yoy in June (1.9% yoy in May), core CPI growth is expected to ease slightly to 1.0% yoy.

In the UK, the final estimate for Q1:18 GDP is released on Friday, and it is expected unchanged at 0.1% qoq.

Finally, in China, PMI data for June should offer a better insight on underlying growth momentum in Q2:18.

China PMIs



Source: NBG Research,

Economic News Calendar for the period: June 19 - July 2, 2018

Tuesday 19					Wednesday 20					Thursday 21				
US					US					US				
Housing starts (k)	May	S	A	P	Existing home sales (mn)	May	S	A	P	Initial Jobless Claims (k)	June 16	S	A	P
Building permits (k)	May	1311	1350	1286			5.52	5.43	5.45	Continuing Claims (k)	June 9	1710	1723	1701
										Philadelphia Fed Business Outlook	June	29.0	19.9	34.4
										UK				
										BoE announces its intervention rate	June 21	0.50%	0.50%	0.50%
										BoE Asset Purchase Target (€bn)	June	435	435	435
										EURO AREA				
										Consumer Confidence Indicator	June	0.0	-0.5	0.2
Friday 22					Monday 25									
US					US									
Markit US Manufacturing PMI	June	S	A	P	New home sales (k)	May	S	A	P					
		56.1	54.6	56.4			667	689	646					
JAPAN					GERMANY									
CPI (YoY)	May	0.6%	0.7%	0.6%	IFO- Business Climate Indicator	June	101.8	101.8	102.2					
Core CPI (YoY) - ex. Fresh Food	May	0.7%	0.7%	0.7%	IFO- Expectations	June	98.0	98.6	98.5					
Core CPI (YoY) - ex. Fresh Food and Energy	May	0.3%	0.3%	0.4%	IFO- Current Assessment	June	105.6	105.1	106.0					
Nikkei PMI Manufacturing	June	..	53.1	52.8										
EURO AREA														
Markit Eurozone Manufacturing PMI	June	55.0	55.0	55.5										
Markit Eurozone Services PMI	June	53.8	55.0	53.8										
Markit Eurozone Composite PMI	June	53.9	54.8	54.1										
Tuesday 26					Wednesday 27					Thursday 28				
US					US					US				
S&P Case/Shiller house price index 20 (YoY)	April	S	A	P	Durable goods orders (MoM)	May	S	A	P	Initial Jobless Claims (k)	June 23	S	A	P
Conference board consumer confidence	June	128.0	..	128.0	Durable goods orders ex transportation (MoM)	May	-0.9%	..	-1.6%	Continuing Claims (k)	June 16	1718	..	1723
					Pending home sales (MoM)	May	0.5%	..	0.9%	GDP (QoQ, annualized)	Q1:18 F	2.2%	..	2.2%
										Personal consumption (QoQ, annualized)	Q1:18 F	1.0%	..	1.0%
					EURO AREA					JAPAN				
					M3 money supply (YoY)	May	3.8%	..	3.9%	Retail sales (MoM)	May	-0.8%	..	1.3%
										Retail sales (YoY)	May	1.4%	..	1.5%
										EURO AREA				
										ECB publishes its Economic bulletin				
										Economic confidence indicator	June	112.0	..	112.5
										Business Climate Indicator	June	1.40	..	1.45
Friday 29					Monday 2									
US					EURO AREA					US				
Personal income (MoM)	May	S	A	P	Core CPI (YoY)	June	S	A	P	Construction spending (MoM)	May	S	A	P
Personal spending (MoM)	May	0.4%	..	0.3%	CPI Estimate (YoY)	June	1.0%	..	1.1%	ISM non-manufacturing	June	58.2	..	58.7
PCE Deflator (YoY)	May	2.2%	..	2.0%			2.0%	..	1.9%	UK				
PCE Core Deflator (YoY)	May	1.9%	..	1.8%						Markit UK PMI Manufacturing SA	June	..	..	54.4
UK										JAPAN				
GDP (QoQ)	Q1:18 F	0.1%	..	0.1%						Tankan - large manufacturers current index	Q2:18	22	..	24
GDP (YoY)	Q1:18 F	1.2%	..	1.2%						Tankan - large manufacturers outlook index	Q2:18	20	..	20
Jobless Rate	May	2.5%	..	2.5%						EURO AREA				
Industrial Production (MoM)	May	-1.0%	..	0.5%						Unemployment Rate	May	..	..	8.5%
Industrial Production (YoY)	May	3.4%	..	2.6%						CHINA				
Construction Orders (YoY)	May	..	..	4.0%						Manufacturing PMI	June	51.7	..	51.9
GERMANY										Caixin PMI Manufacturing	June	51.1	..	51.1
Retail sales (MoM)	May	-0.5%	..	1.6%										
Retail sales (YoY)	May	1.8%	..	1.2%										

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	2755	-0,9	3,0	13,2	32,1	MSCI Emerging Markets	59232	-2,2	-2,7	9,6	30,5	
Japan	NIKKEI 225	22517	-1,5	-1,1	12,0	40,2	MSCI Asia	909	-2,6	-1,5	10,4	37,3	
UK	FTSE 100	7682	0,6	-0,1	3,3	22,7	China	90	-3,7	1,4	23,5	63,3	
Canada	S&P/TSX	16450	0,8	1,5	8,1	17,5	Korea	708	-1,5	-5,5	0,9	30,8	
Hong Kong	Hang Seng	29339	-3,2	-1,9	14,3	41,1	MSCI Latin America	80481	-0,6	-6,1	7,7	22,2	
Euro area	EuroStoxx	382	-1,9	-0,8	-0,5	20,1	Brazil	235965	-0,3	-8,3	12,0	31,9	
Germany	DAX 30	12580	-3,3	-2,6	-1,7	24,9	Mexico	44144	-0,5	-5,2	-3,7	2,2	
France	CAC 40	5387	-2,1	1,4	2,0	23,0	MSCI Europe	5227	0,5	-2,9	8,9	18,1	
Italy	FTSE/MIB	21888	-1,4	0,2	4,6	26,4	Russia	1016	1,0	6,4	24,9	21,8	
Spain	IBEX-35	9792	-0,6	-2,5	-8,6	12,5	Turkey	1309787	1,7	-17,2	-7,1	18,9	

World Market Sectors (MSCI Indices)

in US Dollar terms		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	in local currency		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy		232,1	1,6	3,8	20,6	15,0	Energy		236,9	1,8	5,4	19,4	16,9
Materials		270,1	-2,3	-3,7	13,5	34,1	Materials		255,9	-2,3	-2,1	12,2	35,9
Industrials		252,4	-2,7	-3,5	6,2	26,2	Industrials		248,5	-2,8	-2,8	5,1	27,5
Consumer Discretionary		256,6	-1,4	7,2	18,2	36,6	Consumer Discretionary		247,1	-1,5	7,6	17,1	38,0
Consumer Staples		221,2	0,2	-7,0	-3,8	0,8	Consumer Staples		220,5	0,1	-6,0	-4,7	2,6
Healthcare		232,6	-0,2	2,2	2,9	15,5	Healthcare		229,3	-0,3	2,8	2,3	16,6
Financials		119,5	-0,9	-6,1	6,4	31,2	Financials		119,1	-0,8	-4,7	5,4	32,6
IT		245,8	-1,5	11,4	27,4	70,0	IT		237,9	-1,5	11,5	27,0	70,5
Telecoms		64,2	-0,4	-9,8	-7,4	-11,4	Telecoms		66,4	-0,5	-9,0	-8,7	-10,0
Utilities		123,8	0,9	-2,7	-3,8	2,0	Utilities		126,0	0,8	-1,7	-4,8	2,9

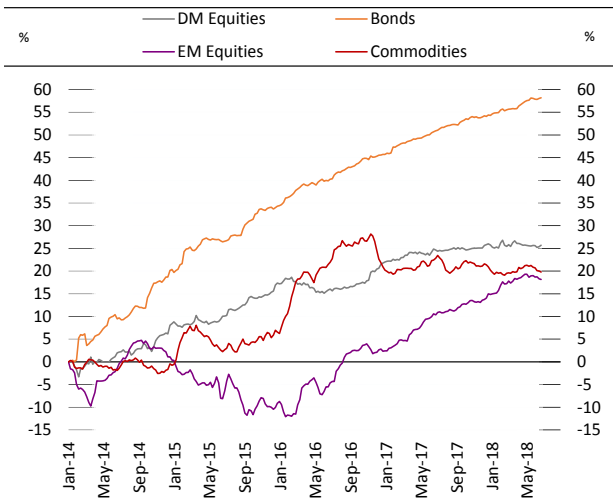
Bond Markets (%)

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	10-year average
US	2,90	2,92	2,41	2,15	2,54	US Treasuries 10Y/2Y	35	37	52	81	173
Germany	0,34	0,40	0,43	0,25	1,65	US Treasuries 10Y/5Y	13	12	20	39	88
Japan	0,04	0,04	0,05	0,06	0,70	Bunds 10Y/2Y	100	102	105	88	129
UK	1,32	1,33	1,19	1,02	2,41	Bunds 10Y/5Y	64	63	63	63	77
Greece	4,15	4,50	4,12	5,57	10,29	Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
Ireland	0,86	0,90	0,67	0,66	4,13						
Italy	2,69	2,60	2,01	1,90	3,50						
Spain	1,35	1,30	1,57	1,39	3,46						
Portugal	1,82	1,82	1,94	2,96	5,22						
US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average	US High yield	339	333	358	387	623
						Euro area IG	114	111	87	106	167
30-Year FRM ¹ (%)	4,8	4,8	4,2	4,1	4,3	Euro area High Yield	357	346	272	287	644
vs 30Yr Treasury (bps)	179	178	148	141	97						

Foreign Exchange & Commodities

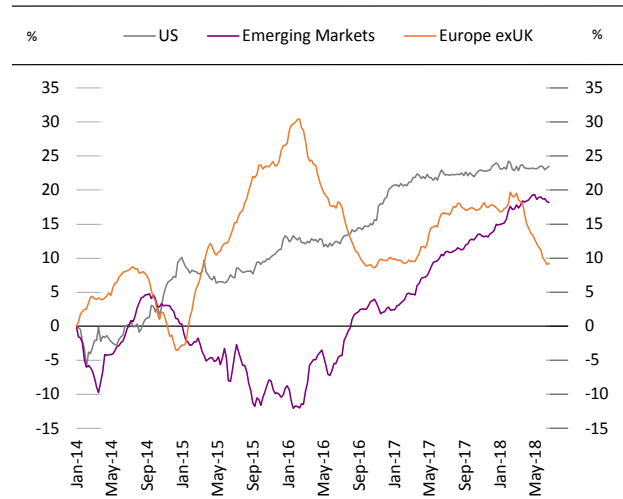
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates							Agricultural		375	-1,8	-8,9	-6,0	-1,4
EUR/USD		1,17	0,4	-0,3	4,5	-2,9	Energy		522	3,6	-5,0	58,3	12,8
EUR/CHF		1,15	-0,5	-1,1	6,3	-1,6	West Texas Oil (\$)		69	6,0	-4,0	62,2	14,2
EUR/GBP		0,88	0,6	0,3	-0,1	-1,0	Crude Brent Oil (\$)		75	3,4	-5,2	67,7	12,3
EUR/JPY		128,20	-0,1	-0,4	3,3	-5,2	Industrial Metals		1395	-2,2	-1,9	18,5	-3,8
EUR/NOK		9,44	0,2	-0,4	-0,3	-4,2	Precious Metals		1522	-0,5	-1,5	0,7	-3,5
EUR/SEK		10,32	1,2	0,7	5,8	5,2	Gold (\$)		1269	-0,8	-1,9	1,5	-2,6
EUR/AUD		1,57	0,4	1,3	5,9	2,0	Silver (\$)		16	-0,7	0,0	-0,6	-2,9
EUR/CAD		1,55	1,0	3,0	4,8	2,5	Baltic Dry Index		1341	-7,2	15,4	56,8	-1,8
USD-based cross rates							Baltic Dirty Tanker Index		745	-0,1	-2,1	8,6	-9,9
USD/CAD		1,33	0,7	3,5	0,3	5,6							
USD/AUD		1,34	0,0	1,6	1,3	5,0							
USD/JPY		109,95	-0,7	-0,1	-1,2	-2,4							

Global Cross Asset ETFs: Flows as % of AUM



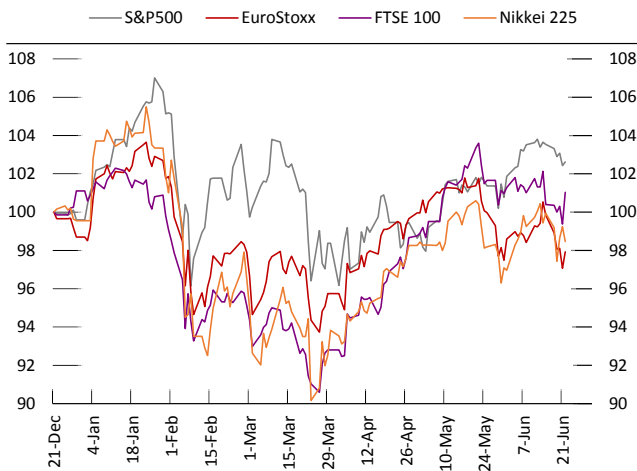
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of June 22nd

Equity ETFs: Flows as % of AUM



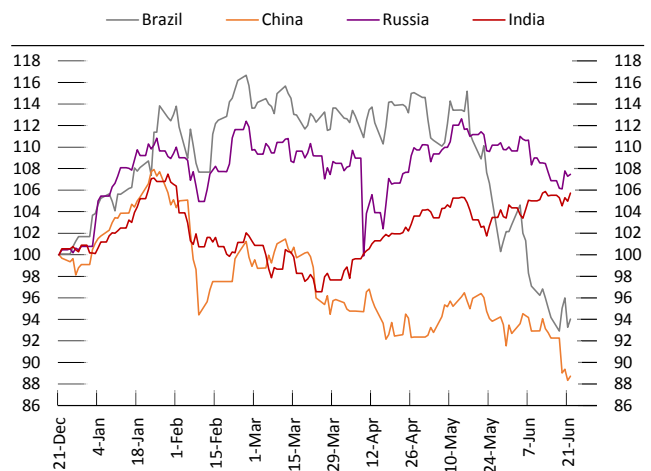
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of June 22nd

Equity Market Performance - G4



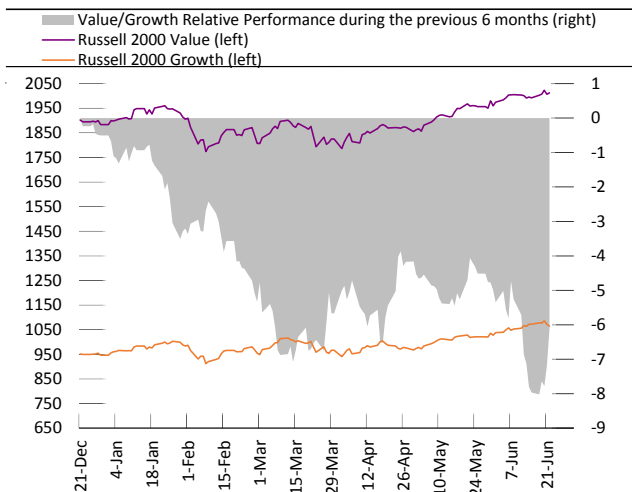
Source: Bloomberg - Data as of June 22nd - Rebased @ 100

Equity Market Performance - BRICs



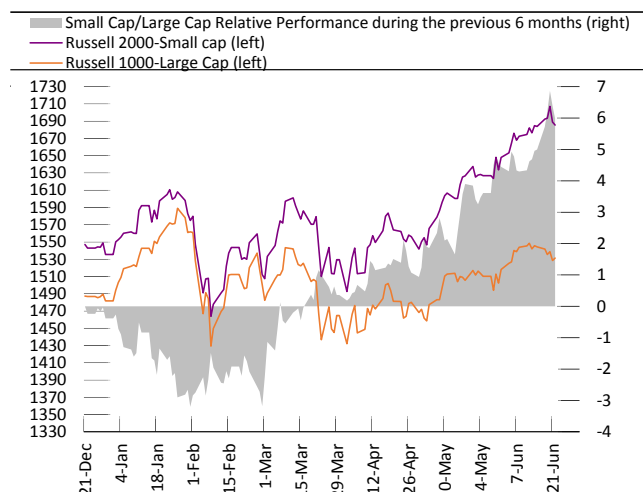
Source: Bloomberg - Data as of June 22nd - Rebased @ 100

Russell 2000 Value & Growth Index



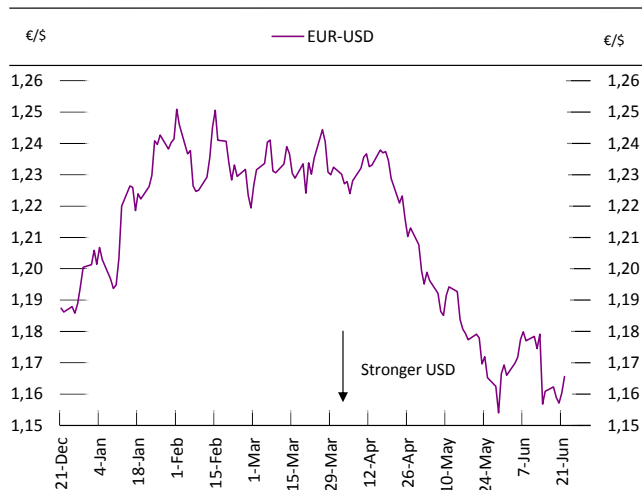
Source: Bloomberg, Data as of June 22nd

Russell 2000 & Russell 1000 Index

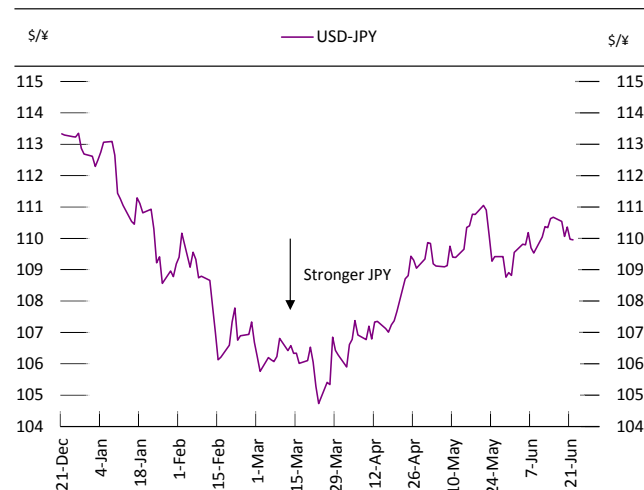


Source: Bloomberg, Data as of June 22nd

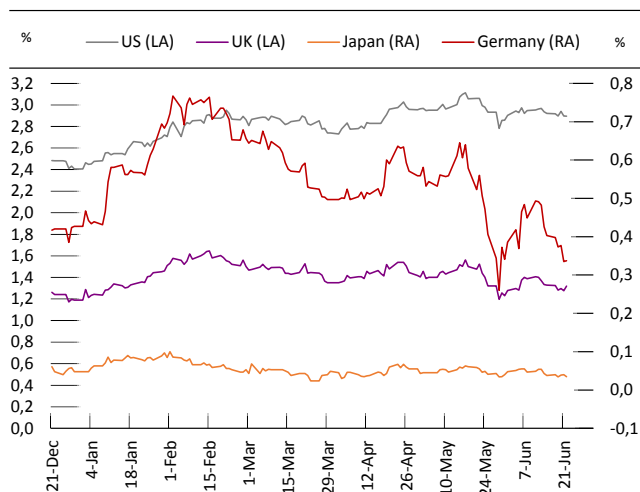
EUR/USD

Source: Bloomberg, Data as of June 22nd

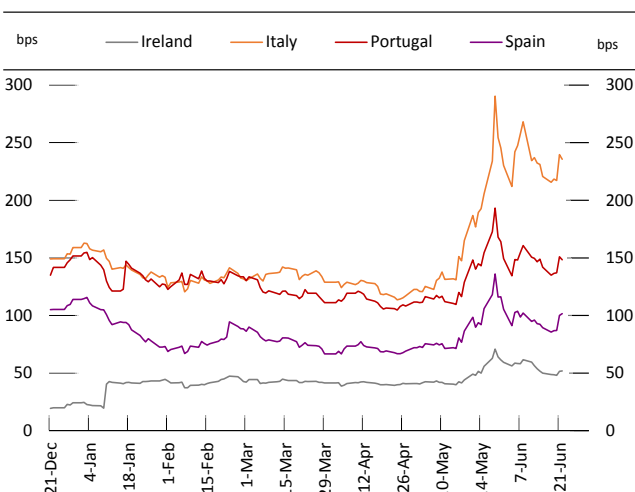
JPY/USD

Source: Bloomberg, Data as of June 22nd

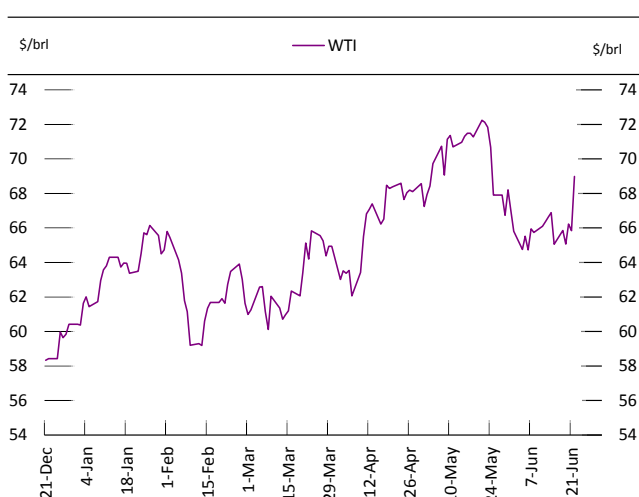
10- Year Government Bond Yields

Source: Bloomberg - Data as of June 22nd
LA:Left Axis RA:Right Axis

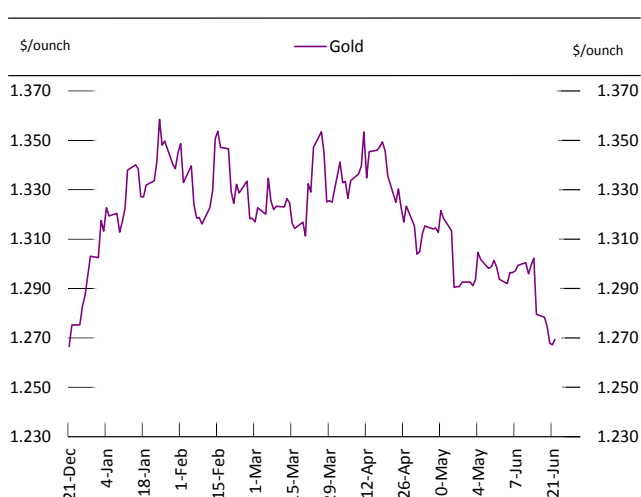
10- Year Government Bond Spreads

Source: Bloomberg - Data as of June 22nd

West Texas Intermediate (\$/bbl)

Source: Bloomberg, Data as of June 22nd

Gold (\$/ounce)

Source: Bloomberg, Data as of June 22nd

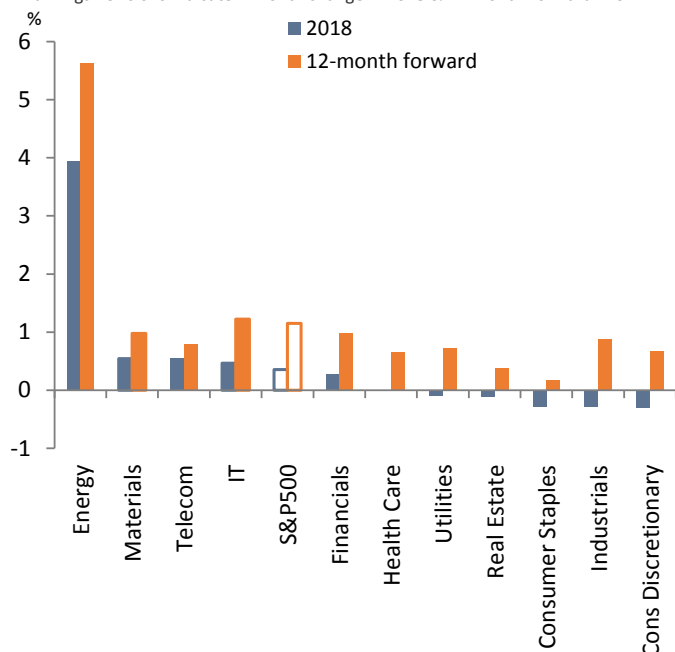
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	22/6/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
S&P500	2755	-0,9	11,5	21,2	1,8	2,0	20,5	17,2	16,5	14,4	3,3	3,2	3,1	2,3
Energy	556	1,5	247,5	100,9	2,9	2,8	34,0	19,2	17,9	19,6	1,8	2,0	1,9	1,8
Materials	367	-2,1	8,0	28,2	1,9	2,0	20,8	16,0	15,5	14,4	2,8	2,5	2,4	2,5
Financials														
Diversified Financials	674	-1,4	8,7	30,2	1,2	1,5	20,4	15,0	14,4	13,8	2,0	1,8	1,8	1,4
Banks	329	-1,2	13,2	25,8	1,8	2,4	16,2	11,8	11,2	12,6	1,5	1,3	1,3	0,9
Insurance	376	-2,0	2,5	37,2	2,0	2,3	16,6	11,6	11,2	10,1	1,4	1,3	1,2	1,0
Real Estate	200	2,5	1,8	5,7	3,6	3,5	17,4	17,7	17,2	17,4	3,1	3,1	3,2	2,6
Industrials														
Capital Goods	642	-3,7	7,1	17,3	2,1	2,2	22,1	17,2	16,4	14,9	5,0	4,5	4,3	3,0
Transportation	735	-3,1	0,8	23,3	1,6	1,8	17,5	14,9	14,0	14,1	4,1	4,1	3,8	3,1
Commercial Services	272	-0,8	-1,7	16,0	1,4	1,4	24,6	22,1	21,1	18,4	4,0	3,9	3,7	3,0
Consumer Discretionary														
Retailing	2237	0,2	5,3	29,1	0,7	0,7	41,2	36,0	33,6	21,2	13,0	12,4	11,4	5,6
Media	542	0,8	8,4	19,7	1,3	1,5	19,2	16,4	15,5	15,4	2,9	2,6	2,5	2,4
Consumer Services	1029	-3,3	13,9	18,5	1,7	2,1	24,2	20,0	19,0	18,2	8,8	9,3	9,7	4,9
Consumer Durables	335	-2,5	-3,6	15,6	1,5	1,5	20,0	18,0	16,8	16,7	3,5	3,3	3,1	2,9
Automobiles and parts	136	-4,6	2,9	-2,6	3,7	3,8	7,5	8,0	7,9	8,9	1,8	1,7	1,6	1,9
IT														
Technology	1146	-2,1	14,6	17,8	1,7	1,9	17,5	15,1	14,4	12,3	5,3	6,3	6,3	2,9
Software & Services	1786	-0,3	15,8	18,8	0,8	0,8	27,1	24,4	23,1	15,9	6,9	6,4	5,9	3,9
Semiconductors	1035	-3,9	45,2	25,7	1,6	1,9	17,1	13,9	13,6	16,4	4,8	4,3	4,1	2,8
Consumer Staples														
Food & Staples Retailing	393	2,6	-2,1	14,4	2,5	2,1	19,5	17,5	16,9	15,2	3,8	3,6	3,5	2,9
Food Beverage & Tobacco	638	-0,6	8,3	11,2	3,0	3,5	20,7	17,5	16,9	16,8	5,1	4,6	4,6	4,8
Household Goods	519	-0,5	4,8	9,1	3,0	3,2	21,2	19,0	18,4	17,9	5,3	5,4	5,4	4,4
Health Care														
Pharmaceuticals	816	-0,8	5,6	9,8	2,0	2,3	16,5	14,6	14,1	13,9	4,6	4,3	4,1	3,2
Healthcare Equipment	1139	-0,5	12,2	16,1	1,0	1,0	19,9	18,3	17,5	13,9	3,5	3,3	3,2	2,4
Telecom	146	-0,5	0,8	14,5	5,5	5,9	12,2	10,2	10,1	12,7	2,1	1,8	1,7	2,3
Utilities	258	2,5	0,1	7,7	3,7	3,7	17,0	16,4	16,0	14,5	1,8	1,7	1,7	1,5

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 2018 & 12-month Forward EPS

Earnings Revisions indicate 1-month change in 2018 & 12-month Forward EPS

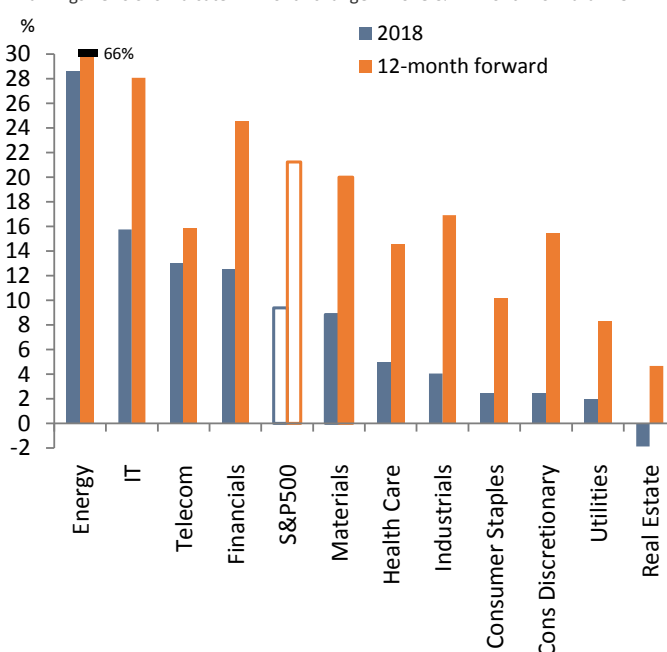


Source: Factset, Data as of June 22nd

12-month forward EPS are 53% of 2018 EPS and 47% of 2019 EPS

12-month revisions to 2018 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2018 & 12-month Forward EPS



Source: Factset, Data as of June 22nd

12-month forward EPS are 53% of 2018 EPS and 47% of 2019 EPS

National Bank of Greece | Economic Research Division | Global Markets Analysis

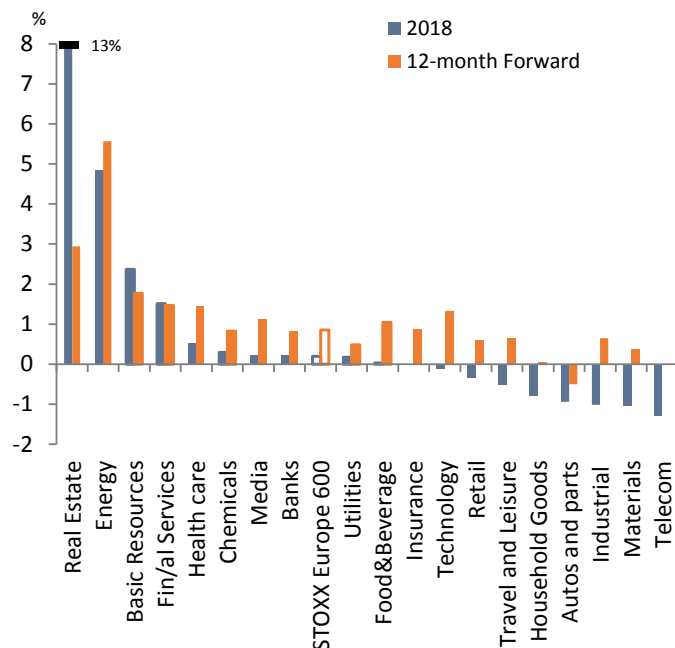
Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	22/6/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
STOXX Europe 600	385	-1,1	14,0	9,9	3,3	3,5	16,2	14,9	14,4	12,9	1,9	1,8	1,8	1,5
Energy	365	1,3	68,4	41,5	4,8	4,5	16,6	13,4	13,1	11,3	1,4	1,4	1,4	1,2
Materials	447	-2,8	11,7	7,9	2,8	2,9	18,2	16,8	15,8	14,3	1,9	1,9	1,9	1,5
Basic Resources	486	-1,4	91,6	17,7	3,5	4,0	12,5	11,0	11,3	12,5	1,7	1,5	1,5	1,3
Chemicals	954	-2,6	17,6	6,0	2,6	2,8	17,7	16,8	16,3	14,2	2,5	2,4	2,3	2,0
Financials														
Fin/al Services	493	-2,2	14,5	-8,1	2,9	3,1	15,5	16,8	16,3	13,3	1,7	1,7	1,6	1,3
Banks	164	0,0	34,7	15,8	3,9	4,9	13,8	10,5	10,1	10,9	1,0	0,9	0,8	0,8
Insurance	278	-0,7	-9,2	19,1	4,6	5,2	13,4	10,7	10,3	9,4	1,2	1,1	1,1	1,0
Real Estate	180	-0,9	1,1	21,6	3,7	4,0	20,4	17,9	19,3	18,9	1,0	1,0	1,0	1,0
Industrial	540	-2,7	10,0	8,9	2,5	2,6	19,9	18,6	17,5	14,5	3,2	3,0	2,9	2,3
Consumer Discretionary														
Media	286	1,1	4,8	1,8	3,0	3,3	16,9	17,3	16,7	14,2	3,1	3,0	2,9	2,4
Retail	331	-0,6	1,9	7,2	2,9	2,8	19,7	20,5	19,5	16,0	2,5	2,8	2,7	2,4
Automobiles and parts	563	-6,5	20,9	4,8	3,0	3,6	8,7	7,6	7,4	9,2	1,3	1,1	1,0	1,0
Travel and Leisure	265	0,2	15,5	3,7	2,4	2,5	13,7	13,4	12,9	15,6	2,9	2,6	2,4	2,1
Technology	475	-3,5	8,0	13,3	1,5	1,5	24,4	23,3	21,7	17,0	3,5	3,6	3,5	2,6
Consumer Staples														
Food&Beverage	629	-0,4	3,6	11,9	2,9	3,0	22,4	20,5	19,6	17,4	3,4	3,3	3,2	2,8
Household Goods	830	-0,7	7,0	3,4	2,7	2,7	19,7	20,2	19,4	16,9	3,4	3,6	3,5	3,5
Health care	723	0,3	-3,6	2,6	2,9	2,9	16,8	17,2	16,6	14,2	3,3	3,2	3,1	3,0
Telecom	253	-0,1	18,4	-0,6	4,9	5,3	15,2	14,8	14,3	13,4	1,8	1,7	1,6	1,6
Utilities	290	-1,7	-1,8	-1,9	5,3	5,1	13,1	14,3	14,0	12,1	1,3	1,4	1,4	1,3

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 2018 & 12-month Forward EPS

Earnings Revisions indicate 1-month change in 2018 & 12-month Forward EPS

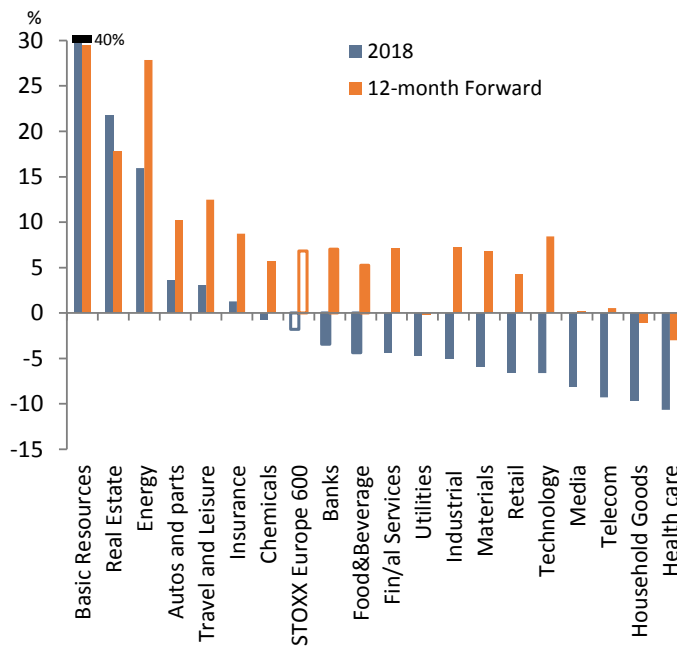


Source: Factset, Data as of June 22nd

12-month forward EPS are 53% of 2018 EPS and 47% of 2019 EPS

12-month revisions to 2018 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2018 & 12-month Forward EPS



Source: Factset, Data as of June 22nd

12-month forward EPS are 53% of 2018 EPS and 47% of 2019 EPS

National Bank of Greece | Economic Research Division | Global Markets Analysis

DISCLOSURES:

This report has been produced by the Economic Research Division of the National Bank of Greece, which is regulated by the Bank of Greece, and is provided solely as a sheer reference for the information of experienced and sophisticated investors who are expected and considered to be fully able to make their own investment decisions without reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. The information contained in this report does not constitute the provision of investment advice and under no circumstances is it to be used or considered as an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any security, product, service or investment. No information or opinion contained in this report shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Past performance is not necessarily a reliable guide to future performance. National Bank of Greece and/or its affiliates shall not be liable in any matter whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance on or usage of this report and accepts no legal responsibility to any investor who directly or indirectly receives this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor.

Any data provided in this report has been obtained from sources believed to be reliable but has not been independently verified. Because of the possibility of error on the part of such sources, National Bank of Greece does not guarantee the accuracy, timeliness or usefulness of any information. Information and opinions contained in this report are subject to change without notice and there is no obligation to update the information and opinions contained in this report. The National Bank of Greece and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no responsibility, or liability as to the accuracy, or completeness of the information contained in this report, or for any loss in general arising from any use of this report including investment decisions based on this report. This report does not constitute investment research or a research recommendation and as such it has not been prepared in accordance with legal requirements designed to promote investment research independence. This report does not purport to contain all the information that a prospective investor may require. Recipients of this report should independently evaluate particular information and opinions and seek the advice of their own professional and financial advisers in relation to any investment, financial, legal, business, tax, accounting or regulatory issues before making any investment or entering into any transaction in relation to information and opinions discussed herein.

National Bank of Greece has prepared and published this report wholly independently of any of its affiliates and thus any commitments, views, outlook, ratings or target prices expressed in these reports may differ substantially from any similar reports issued by affiliates which may be based upon different sources and methodologies.

This report is not directed to, or intended for distribution to use or use by, any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation or rule.

This report is protected under intellectual property laws and may not be altered, reproduced or redistributed, or passed on directly or indirectly, to any other party, in whole or in part, without the prior written consent of National Bank of Greece.

ANALYST CERTIFICATION:

The research analyst denoted by an "AC" on page 1 holds the certificate (type Δ) of the Hellenic Capital Market Commission/Bank of Greece which allows her/him to conduct market analysis and reporting and hereby certifies that all of the views expressed in this report accurately reflect his or her personal views solely, about any and all of the subject issues. Further, each of these individuals also certifies that no part of any of the report analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. Also, all opinions and estimates are subject to change without notice and there is no obligation for update.