



The Fed to begin reducing its \$4.5 tn balance sheet

- The Fed maintained the Federal funds rate at 1.25%, as expected, but expects one further hike to 1.50% by end-2017. The interest-rate outlook for the medium term was broadly unchanged (see Economics Section).
- The Fed will also begin its portfolio normalization in October, which should reduce its balance sheet of \$4.5 tn (or 23% of GDP) by \$450 bn by end-2018. The Fed decision pushed the 10Yr UST yield up by 5 bps to 2.25% wow, while the 10/2 term spread was stable at 82 bps. The USD ended the week up by 0.4% in trade-weighted terms (-8% ytd).
- Euro area growth continues at a solid pace, with the composite PMI increasing by 1 pt in September to a robust 56.7. However, politics took a slight turn for the worse during the past week, following the outcome of the German elections and negative developments regarding the Catalan Referendum on October 1st.
- Merkel's CDU/CSU block won 33% of the votes, with the Social Democratic Party (SPD) second with 20.5%. Both parties suffered considerable losses compared with the 2013 elections (see graph). The far-right AfD (12.6%) was third, entering the Bundestag for the first time in 60 years, as the migration crisis took its toll on mainstream parties.
- The CDU/CSU block fell short of an overall Parliamentary majority. Moreover, the SPD has signaled its intention not to continue participating in the government. Thus a "Jamaica" coalition¹ between the liberal FDP (10.7%) and the Green Party (8.9%) appears the most likely scenario.
- However, negotiations will be difficult and will commence following the October 15th regional elections in Lower Saxony, and likely run to end year. On Monday, euro and Bund yields fell. Specifically, the euro declined by 0.9% against the USD, to \$/1.185 and the 10Yr Bund yield was down by 5 bps to 0.40%.
- The tension between Spain's central and Catalanian regional authorities escalated during the past week, due, *inter alia*, to the detainment of 14 senior Catalan officials, the seizure of electoral material and the imposition of controls from the Spanish finance ministry over the Catalan government's finances ahead of the controversial referendum on Catalonia's independence. Recall that the latter is planned for October 1st and has been declared illegal by Spain's Constitutional Court.
- S&P downgraded China's long-term credit rating to A+ from AA-, with a stable outlook (Moody's: A1, Fitch: A+), citing strong credit growth that has increased economic and financial risks. Indeed, private non-financial sector debt appears to have reached an excessively high level (211% of GDP, compared with 127% in 2009).
- Global equity markets rose slightly on a weekly basis with the MSCI World index up by 0.3% (+14.9% ytd). Cyclical (+1.5% wow vs Defensives) and Financials (+2.6% wow) overperformed due to better economic data and higher interest rates. Regionally, Japanese equities led the indices (Nikkei: +1.9% wow, +6.2% ytd), finding support from a weaker JPY and the prospects of snap elections. Indeed, PM Abe, on Monday, called for early elections on October 22nd in order to legitimize a more dynamic response to North Korea and proceed with a small fiscal package for education spending.

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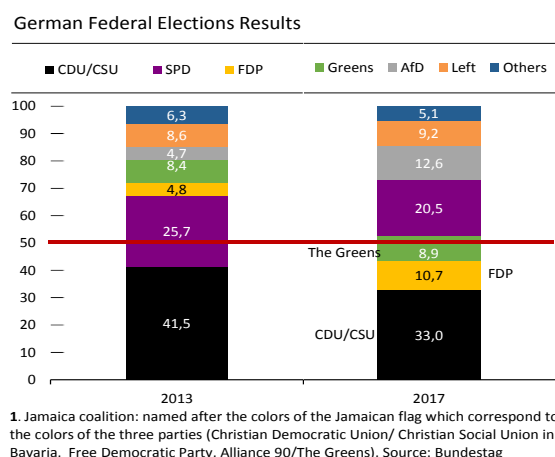
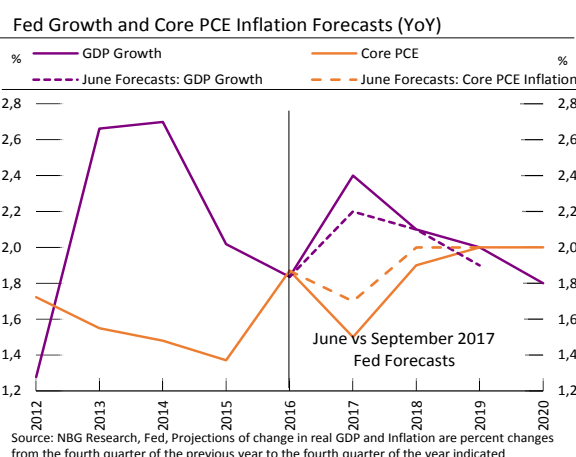
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Charts of the week



1. Jamaica coalition: named after the colors of the Jamaican flag which correspond to the colors of the three parties (Christian Democratic Union/ Christian Social Union in Bavaria, Free Democratic Party, Alliance 90/The Greens), Source: Bundestag

Housing data suggest weak momentum in Q3

- **The latest housing data in the US remain consistent with the view that residential investment likely declined for a 2nd consecutive quarter in Q3:17 (-6.5% qoq saar in Q2:17).** Specifically, existing home sales declined by 1.7% mom (+0.2% yoy), to a 12-month low of 5.35 mn in August, following a decline of -1.3% mom in July (+2.1% yoy), below consensus expectations for +0.2% mom. The decline was mainly due to fewer sales in the South (-5.7% mom), suggesting some hurricane related distortion. The NAHB survey index – that captures homebuilders' confidence for new home sales - declined by 3 pts to 64 in September. Housing starts declined by 0.8% mom (+1.4% yoy) to 1180k in August. Building permits rose by 5.7% mom (+8.3% yoy) in August to 1300k (matching a 2-year high recorded in January 2017), albeit due to the volatile multifamily component. Finally, the FHFA house price index stood at a relatively weak +0.2% mom (+6.3% yoy) in July (+0.5% mom / +6.6% yoy on average in H1:17). Overall, according to the Atlanta Fed's GDPNowcast model, GDP growth for Q3:17 is currently expected at 2.2% qoq saar, from 3.0% qoq saar in Q2:17, with residential investment expected to decline by 2.6% qoq saar and pose a modest drag to overall growth (-0.1pp). Looking forward, although hurricane related negative distortions will likely intensify in September, the rebuilding process combined with the broadly positive fundamentals provide room for optimism that the sector will return to an upward trajectory in Q4:17.

Fed: rates unchanged, balance sheet normalization to begin in October

- **The Fed will begin its balance sheet normalization in October, and expects one further hike by end-year and three more in 2018, amid a broadly unchanged outlook for the economy.** At the same time, the FOMC members continue to characterize the risks to the outlook as "roughly balanced". Indeed, the median estimate for 2017 GDP growth was revised up slightly by 0.2 pps to 2.4%, but was left unchanged at 2.1% for 2018, and up 0.1 pp to 2.0% for 2019 (Q4 YoY). Regarding inflation, the most meaningful revision was for 2017 (Q4 YoY average) core PCE (-0.2 pps to 1.5% yoy). However, the Fed's narrative that the recent softness in inflation is due to one-off factors (surprising declines in cell phone services and prescription drug prices in the beginning of 2017) and that inflation will revert to target (2.0%) remains intact. Indeed, FOMC members expect both core and headline PCE at 1.9% in 2018 (-0.1 pp compared with June) and at 2.0% in 2019 (Q4 YoY average). Moreover, the unemployment rate in 2018 and 2019 (Q4 average) is projected at 4.1% (-0.1 pp compared with June), significantly below the Committee's estimated level of NAIRU (unchanged at 4.6%). In that context, the monetary policy path was little changed, with one further hike expected by end-2017 and three more in 2018 (the same as in June). For 2019, two more hikes are expected (to 2.75%), compared with three in the June projections and one more is projected for 2020 (to 3.0%), while the longer-term estimate now stands at 2.75% (from 3.0% in June).

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

- **Business and consumer surveys surprised on the upside in September, pointing to an expansion in GDP in Q3:17 at a similar pace compared with the +2.6% qoq saar recorded in Q2:17 (the highest since Q1:15).** The euro area composite PMI increased by 1 pt to 56.7 (consensus: 55.6), close to a 6½-year

high recorded in April and May 2017 (56.8) and averaging 56.0 in Q3:17 (56.6 in Q2:17). There was an increase in both manufacturing (+0.8 pts 58.2, a c. 6½-year high) and the services sector (+0.9 pts to 55.6). Notably, new export orders remain strong, despite the recent appreciation of the euro. Furthermore, downside risks to inflation due to the stronger euro do not appear to have materialized so far, with the prices component of the survey rising for a 2nd consecutive month to a 5-month high. It should also be noted that job creation, in the latest survey, recorded the 2nd best performance in a decade. The latter bodes well for consumer confidence rising to a 16½-year high of -1.2 in September, from -1.5 in August and well above its long-term average of -12.9 (since 2001).

Growth momentum picks up in Germany and France

- **Regarding performance by country, PMIs rose sharply in Germany and France.** PMI readings overall in Q3:17 are consistent with a continuation of solid growth in both countries (Q2:17: +0.6% qoq in Germany, +0.5% qoq in France). In France, the composite PMI rose by 2 pts to 57.2 (Q3 average: 56.0 vs 56.7 in Q2), with an increase in both the services PMI (+2.2 pts to 57.1) and the manufacturing PMI (+0.2 pts to 56.0, a new 6½-year high). A further rise in the employment component from an already elevated standing point is a welcome development in the face of the still high unemployment rate in France (9.8% in July vs 8% pre-crisis / Germany: 3.7% in July and 7.0% pre-crisis).

- German composite PMI also rose strongly, by 2 pts to a 6½-year high of 57.8 in September (Q3 average: 56.1 vs 56.8 in Q2), with a rise in both the services PMI and manufacturing PMI. The IFO business survey supports the view for strong growth momentum in Q3:17, averaging 115.7 (from 114.3 in Q2:17), despite easing slightly in September (-0.7 pts to 115.2).

Chinese house price growth eased considerably

- **House price growth demonstrated a broad-based deceleration in August.** Specifically, 66% of cities monitored by China's National Bureau of Statistics (NBS) reported a monthly increase in prices of new residential buildings, down from 86% of cities in July. House price growth for new residential buildings stood at 8.1% yoy, on average, from 9.1% yoy in July (and a peak of 10.5% yoy in December 2016). Large cities accounted for the bulk of the deceleration, with price 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, easing to 5.7% yoy (a 2-year low), from 9.6% yoy in July (peak of 28.5% yoy in October 2016). 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, price growth also eased, albeit remaining solid. Specifically, the annual pace of growth in the remaining 55 cities decelerated slightly (for the 1st time since April 2015), to 8.7% yoy in August, from 8.9% yoy in the previous month (from a trough of -6.8% yoy in April 2015).

Equities

- **Global equity markets recorded modest gains in the past week**, while US tax reform details are expected by the end of this week. The MSCI World index was up 0.3% w/w in \$ terms, with developed markets (+0.3%) over-performing their emerging market peers (unchanged on a weekly basis). In the US, the S&P500 index was broadly stable on a weekly basis (+0.1%), with Telecommunication Services (+3.8%) and Financials (+2.6%) over-performing (the latter benefitting from higher government bond yields). In Japan, the Nikkei 225 rose strongly for a 2nd consecutive week (+1.9% w/w), on the back of the weaker Yen, while on Monday 25/9 (+0.5%), investors reacted positively to the announcement of general elections on October 22nd. In the euro area, the EuroStoxx index rose by 0.7% w/w. UK equities were also up (FTSE100: +1.3% w/w). Looking forward, strong earnings could support markets. The US earnings season starts next month and consensus expects S&P500 EPS growth of 4.2% yoy from 10.4% yoy in Q2:17 and 13.9% in Q1:17.

Fixed Income

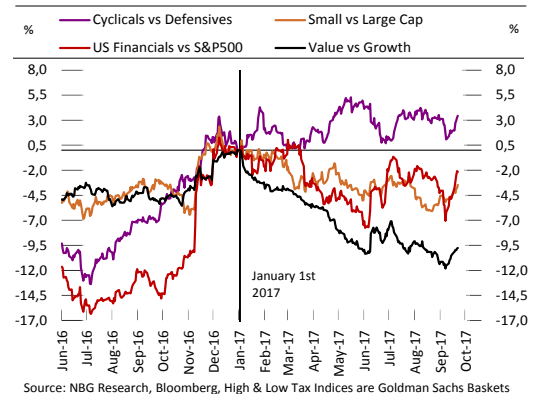
- **Government bond yields rose during the past week, with investors focusing on the Fed's hawkish near-term message.** FOMC members were not concerned by the recent weakness in inflation and reiterated their expectations for a rate hike by end-2017 (and three more by end-2018). At the same time, investors broadly shrugged off the dovish longer-term message (lowering of the long-term estimate for the federal funds rate by 25 bps to 2.75%). In all, the US 10-year yield rose by 5 bps w/w to 2.25% and the UK's 10-year Gilt yield was also up by 5 bps w/w to 1.36% (the highest in 7½ months). Germany's 10-year Bund yield was up slightly by 1 bp on a weekly basis to 0.45%, while it declined by 5 bps on Monday (25/9) to 0.40% following the Federal elections outcome. Periphery bond spreads over the Bund were little changed over the week, with the exception of Portugal. Indeed, the Spanish 10-year yield spread over the Bund was unchanged at 118 bps, with investors broadly unaffected by the rising tensions concerning Catalonia's referendum on independence, while Italy's spread was up slightly, by 2 bps to 166 bps. Portugal's spread decreased sharply, by 38 bps to 199 bps, due to a 39 bp decline on Monday (18/9) after S&P raised the country's credit rating to BBB-, returning to investment grade status (ex DBRS) after 5½ years.

- **Corporate bond spreads declined in the past week**, due to the modest risk-on mode in markets. US HY bond spreads narrowed by 9 bps to 364 bps and their euro area counterparts by 7 bps to 257 bps. Investment grade (IG) bond spreads also declined (US: -3 bps to 111 bps / euro area: -2 bps, to 98 bps).

FX & Commodities

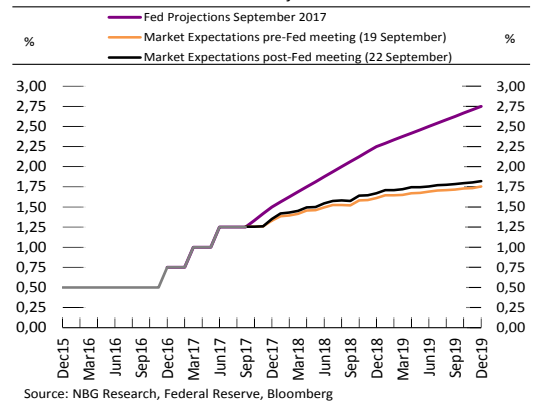
- **In foreign exchange markets, the euro was overall up slightly on a weekly basis, albeit declining on Monday.** The euro was up 0.4% w/w in NEER terms; however, on Monday, it was down 0.9% against the USD to \$/1.185 and by 0.6% against the GBP to €/\$0.88 as the outcome of the Federal elections in Germany points to relatively lengthy negotiations on the formation of the next government. The Yen lost some ground during the past week (-0.8% w/w in NEER terms), on the back of a slightly dovish tone from Bank of Japan's (BoJ) Governor Kuroda at the September 21st meeting (short-term policy rate: unchanged at -0.10%).
- **In commodities, oil prices increased slightly over the week.** Indeed, the WTI rose by 0.8% w/w to \$50.3/barrel and Brent by 2.4% to \$56.6/barrel (7-month high). Note that, as expected, no decision was taken at the joint OPEC and non-OPEC oil producers meeting, in the past week, regarding the ongoing production cuts deal (valid until Q1:18). Precious metals declined for a 2nd consecutive week (Gold: -1.7% w/w to \$1.297/ounce / +12.6% ytd) due to improved investor risk appetite.

US Market Investing Styles



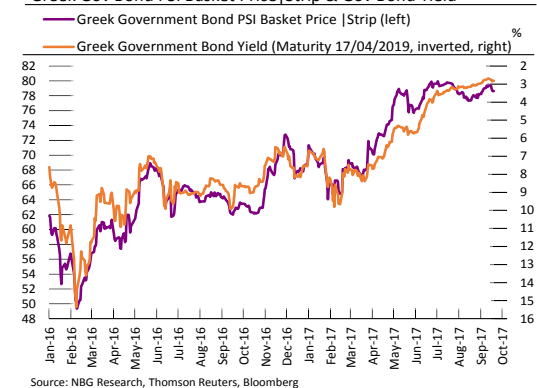
Graph 1.

Federal Funds Futures vs Fed Projections



Graph 2.

Greek Gov Bond PSI Basket Price | Strip & Gov Bond Yield



Graph 3.

Quote of the week: "The hurdle to changing our plans with respect to the balance sheet in some sense is high...if there is a material deterioration in the economic outlook, and we thought we might be faced with the situation where we would need to substantially cut the federal Funds Rate, and could be limited by the so-called zero lower bound.", **Fed Chair, J. Yellen** September 20th 2017.

Tactical Asset Allocation (3-month)

- **Equities:** We remain **Overweight**, albeit locking in some gains. Strong corporate earnings offset, for now, the anticipating peak of central bank (C/B) liquidity. O/W Euro area amid strong growth momentum, albeit FX strength and higher rates start to weigh. O/W Euro area banks due to higher yields, steeper curves and positive earnings' revisions.
- **Government Bonds:** The trend of higher yields will continue reflecting less aggressive C/Bs, reduced liquidity and stronger inflation data. **Underweight Govies**. Steeper curves, particularly in Bunds. However, geopolitical risks (N. Korea), if escalated further, may boost prices (lower yields) due to safe haven demand.
- **Credit:** Credit spreads have less fuel to run, with slowing ECB CSPP purchases probably acting as a plateau for EUR IG. **Underweight position in credit** with a preference for banks.
- **Cash:** **OW position** in cash, 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

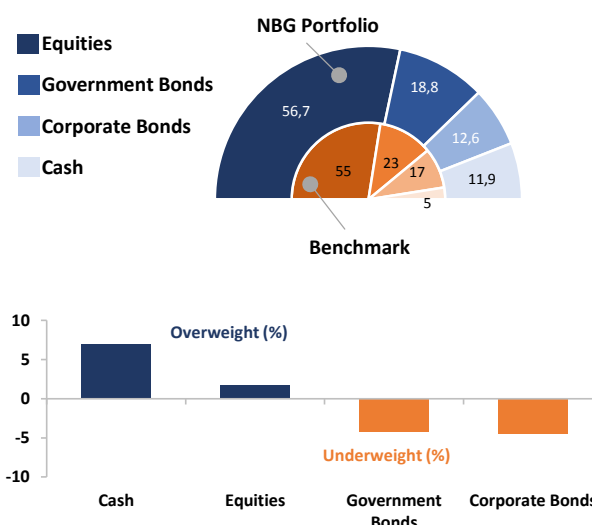
*Including Technology and Industrials

**Including Healthcare, Utilities, Telecoms

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	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	-

	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Fiscal loosening + EPS acceleration + Cash-rich corporates lead to share buybacks and higher dividends (de-equitization) - Demanding valuations - Peaking profit margins - Protectionism and trade wars 	<ul style="list-style-type: none"> + Still high equity risk premium, albeit declining + Credit conditions gradual turn more favorable + Small fiscal loosening - Sovereign debt crisis could re-emerge - EPS estimates may turn optimistic due to higher EUR - Strong Euro in NEER terms (2017 vs 2016) 	<ul style="list-style-type: none"> + Aggressive QE by the BoJ + Upward revisions in corporate earnings - Signs of policy fatigue regarding structural reforms and fiscal discipline - Strong appetite for foreign assets - If sustained, Japanese Yen appreciation hurts exporters companies 	<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 Referendum and the negotiating process
	● Neutral/Positive	● Neutral	● Neutral	● Neutral/Negative
Government Bonds	<ul style="list-style-type: none"> + Valuations appear rich + Underlying inflation pressures + The Fed is expected to increase its policy rate towards 1,5% by end-2017 - Global search for yield by non-US investors continues - Fed's commitment on gradual tightening policy - Safe haven demand 	<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 - Gradually less accommodative monetary policy by the ECB 	<ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% 	<ul style="list-style-type: none"> + Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process + Rich valuations + Inflation overshooting due to GBP weakness feeds through inflation expectations - The BoE is expected to cut rates or/and re-activate asset purchases - Slowing economic growth post-Brexit
	▲ Higher yields expected	▲ Higher yields expected	● Stable yields expected	▲ Higher yields expected
Foreign Exchange	<ul style="list-style-type: none"> + The Fed is expected to increase its policy rate towards 1,5% in 2017 + Growth to remain slightly above-trend in 2017 + Destination-based taxation with border adjustment - Mid-2014 rally probably out of steam - Protectionism and trade Wars 	<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) 	<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% 	<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
	▲ Long USD against its major counterparts ex-EUR	● Flat EUR against the USD with upside risks short term	▼ Lower JPY against the USD	▼ Weaker GBP against the EUR and the USD

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

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	Sep 22nd	3-month	6-month	12-month	Official Rate (%)	Sep 22nd	3-month	6-month	12-month
Germany	0,45	0,55	0,75	0,95	Euro area	0,00	0,00	0,00	0,00
US	2,25	2,65	2,75	2,90	US	1,25	1,50	1,75	2,00
UK	1,36	1,40	1,53	1,68	UK	0,25	0,40	0,40	0,40
Japan	0,03	0,04	0,07	0,14	Japan	-0,10	-0,10	-0,10	-0,10

Currency	Sep 22nd	3-month	6-month	12-month	Sep 22nd	3-month	6-month	12-month	
EUR/USD	1,20	1,17	1,17	1,18	USD/JPY	112	112	113	111
EUR/GBP	0,89	0,90	0,91	0,92	GBP/USD	1,35	1,29	1,29	1,28
EUR/JPY	134	131	132	131					

Forecasts at end of period

Economic Forecasts

United States	2015a	Q1:16a	Q2:16a	Q3:16a	Q4:16a	2016a	Q1:17a	Q2:17a	Q3:17f	Q4:17f	2017f
Real GDP Growth (YoY) (1)	2,8	1,4	1,2	1,5	1,8	1,4	2,0	2,2	2,0	1,9	2,1
Real GDP Growth (QoQ saar) (2)	-	0,6	2,2	2,8	1,8	-	1,2	3,0	2,0	2,0	-
Private Consumption	3,6	1,8	3,8	2,8	2,9	2,7	1,9	3,3	2,0	2,0	2,4
Government Consumption	1,4	1,8	-0,9	0,5	0,2	0,8	-0,6	-0,3	0,7	0,7	0,1
Investment	3,9	-0,2	1,4	1,5	1,7	0,7	8,1	3,6	3,8	3,6	4,7
Residential	10,2	13,4	-4,8	-4,5	7,1	5,5	11,1	-6,5	5,0	4,5	5,7
Non-residential	2,3	-4,0	3,3	3,4	0,2	-0,6	7,1	6,9	3,4	3,4	4,6
Inventories Contribution	0,2	-0,7	-0,7	0,1	1,1	-0,4	-1,5	0,0	0,2	0,2	-0,1
Net Exports Contribution	-0,7	-0,3	0,3	0,4	-1,7	-0,2	0,2	0,2	-0,3	-0,4	-0,3
Exports	0,4	-2,6	2,8	6,4	-3,8	-0,3	7,3	3,7	2,3	2,3	3,0
Imports	5,0	-0,2	0,4	2,7	8,1	1,3	4,3	1,6	3,8	4,0	4,4
Inflation (3)	0,1	1,1	1,0	1,1	1,8	1,3	2,5	1,9	2,2	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)	1,9	1,7	1,7	1,7	1,9	1,8	2,0	2,3	2,1	2,1	2,0
Real GDP Growth (QoQ saar)	-	2,1	1,2	1,9	2,5	-	2,2	2,6	1,8	1,9	-
Private Consumption	1,7	2,8	1,4	1,4	2,3	2,0	1,4	2,1	1,8	1,8	1,6
Government Consumption	1,3	3,3	0,8	0,7	1,6	1,7	0,7	1,9	1,5	1,5	1,3
Investment	2,9	1,1	11,1	0,4	5,2	4,3	-1,0	3,6	3,3	3,3	5,5
Inventories Contribution	0,0	-0,3	-1,1	0,9	0,6	-0,1	-0,3	-0,2	0,0	0,0	0,4
Net Exports Contribution	0,1	-0,1	-0,7	0,0	-0,7	-0,5	1,8	0,5	-0,2	-0,1	-0,6
Exports	6,4	1,5	5,1	1,6	6,1	3,2	5,5	4,4	3,6	3,2	4,4
Imports	6,7	1,8	7,2	1,8	8,3	4,6	1,8	3,7	4,2	3,7	6,3
Inflation	0,0	0,0	-0,1	0,3	0,7	0,2	1,8	1,5	1,5	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	5,5	4,0
Romania	3,5	3,1	3,9	4,8	5,5	4,0
Bulgaria	0,9	1,3	3,6	3,4	3,7	3,5
Serbia	2,6	-1,8	0,8	2,8	2,6	3,6
Headline Inflation (eop,%)						
Turkey	7,4	8,2	8,8	8,5	9,8	8,0
Romania	1,6	0,8	-0,9	-0,5	2,0	2,6
Bulgaria	-1,6	-0,9	-0,4	0,1	0,8	1,4
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	-4,5	-4,4
Romania	-1,1	-0,7	-1,2	-2,3	-3,2	-3,6
Bulgaria	1,3	0,1	-0,1	4,2	3,3	2,5
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	-2,4	-2,0
Romania	-2,5	-1,7	-1,5	-2,4	-3,8	-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	25/9/2017	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	102.270	-4,0	30,9	37,1
Romania - BET-BK	1.649	-1,0	22,7	21,8
Bulgaria - SOFIX	681	1,7	16,1	53,8
Serbia - BELEX15	724	-1,1	0,9	15,0

Financial Markets	25/9/2017	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	13,0	12,5	12,0	11,0
Romania	0,9	1,0	1,3	2,0
Bulgaria	0,0	0,1	0,1	0,2
Serbia	3,1	3,4	3,5	3,8
Currency				
TRY/EUR	4,20	4,24	4,30	4,36
RON/EUR	4,60	4,57	4,55	4,55
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	119,2	119,8	120,8	120,3
Sovereign Eurobond Spread (in bps)				
Turkey (USD 2020)(*)	179	175	165	150
Romania (EUR 2024)	126	122	116	110
Bulgaria (EUR 2022)	50	53	52	50
Serbia (USD 2021)(*)	122	126	124	120

(*) Spread over US Treasuries

Economic Calendar

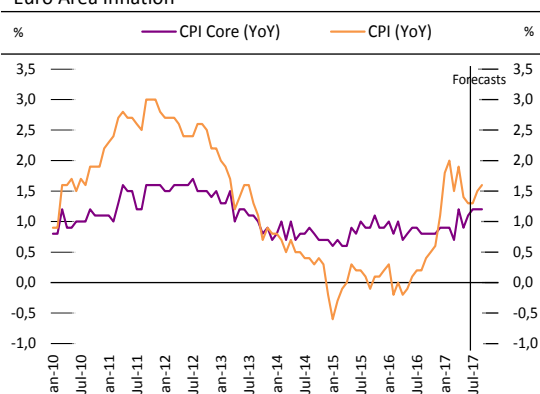
The main macro event next week in the US is the final data for GDP in Q2:17. Real GDP growth is expected at 3.1% qoq saar, from 3.0% qoq saar in the previous estimate.

In the euro area, markets will focus, on the inflation data for September and unemployment rate for August. Core CPI is expected to remain stable at 1.2% yoy in September.

In UK, the final estimate for Q2:17 GDP is released, on Friday. Real GDP growth is expected unchanged at 0.3% qoq in Q2:17.

In China PMIs data for September are released. Caixin PMI is expected at 51.5 in September from 51.6 in the previous month.

Euro Area Inflation



Source: NBG Research, Bloomberg

Economic News Calendar for the period: September 19 - October 2, 2017

Tuesday 19				Wednesday 20				Thursday 21						
US		S	A	P	US	S	A	P	US	S	A	P		
Housing starts (k)	August	1174	+ 1180	1190	FED announces its intervention rate	September 20	1.25%	1.25%	1.25%	Philadelphia FED Business Outlook	September	17.1	+ 23.8	18.9
Building permits (k)	August	1220	+ 1300	1230	Existing Home Sales (mn)	August	5.45	- 5.35	5.44	Initial Jobless Claims (k)	September 16	302	+ 256	282
GERMANY					UK					Continuing Claims (k)	September 9	1975	- 1980	1936
ZEW Survey Current Situation	September	86.2	+ 87.9	86.7	Retail Sales ex Auto MoM	August	0.1%	+ 1.0%	0.7%	JAPAN				
ZEW Survey Expectations	September	12.0	+ 17.0	10.0	JAPAN					Bank of Japan announces its intervention rate	September 21	-0.10%	-0.10%	-0.10%
					Exports YoY	August	14.3%	+ 18.1%	13.4%	EURO AREA				
					Imports YoY	August	11.6%	+ 15.2%	16.3%	ECB publishes its economic bulletin	September	-1.5	+ -1.2	-1.5
										Consumer Confidence	September	-1.5	+ -1.2	-1.5
Friday 22				Monday 25										
US		S	A	P	JAPAN	S	A	P						
Markit US Manufacturing PMI	September	53.0	53.0	52.8	Nikkei PMI Manufacturing	September	..	52.6	52.2					
EURO AREA					GERMANY									
Markit Eurozone Manufacturing PMI	September	57.2	+ 58.2	57.4	Ifo-Business Climate Indicator	September	116.0	- 115.2	115.9					
Markit Eurozone Services PMI	September	54.8	+ 55.6	54.7	Ifo-Expectations	September	108.0	- 107.4	107.8					
Markit Eurozone Composite PMI	September	55.6	+ 56.7	55.7	Ifo-Current Assessment	September	124.7	- 123.6	124.7					
Tuesday 26				Wednesday 27				Thursday 28						
US		S	A	P	US	S	A	P	US	S	A	P		
S&P Case/Shiller house price index 20 (YoY)	July	5.70%	..	5.65%	Pending home sales (MoM)	August	-0.5%	..	-0.8%	GDP (QoQ, annualized)	Q2:17 T	3.1%	..	3.0%
New home sales (k)	August	588	..	571	Durable goods orders (MoM)	August	1.0%	..	-6.8%	Personal Consumption	Q2:17 T	3.3%	..	3.3%
Conference board consumer confidence	September	120.0	..	122.9	Durable goods orders ex transportation (MoM)	August	0.3%	..	0.6%	Initial Jobless Claims (k)	September 23	270	..	259
					EURO AREA					Continuing Claims (k)	September 16	1995	..	1980
					M3 money supply (YoY)	August	4.7%	..	4.5%	EURO AREA				
										Economic Confidence	September	112.0	..	111.9
										Business Climate Indicator	September	1.12	..	1.09
Friday 29				Monday 2										
US		S	A	P	CHINA	S	A	P	US	S	A	P		
PCE Core Deflator (YoY)	August	1.4%	..	1.4%	Caixin PMI Manufacturing	September	51.5	..	51.6	ISM Manufacturing	September	57.4	..	58.8
PCE Deflator (YoY)	August	1.5%	..	1.4%	JAPAN					Construction spending	August	0.4%	..	-0.6%
Personal income (MoM)	August	0.2%	..	0.4%	Jobless Rate	August	2.8%	..	2.8%	UK				
Personal spending (MoM)	August	0.1%	..	0.3%	CPI (YoY)	August	0.6%	..	0.4%	Markit UK PMI Manufacturing	September	..	..	56.9
UK					Core CPI (YoY) - ex. Fresh Food	August	0.7%	..	0.5%	SA				
GDP (QoQ)	Q2:17 F	0.3%	..	0.3%	Core CPI (YoY) - ex. Fresh Food	August	0.2%	..	0.1%	JAPAN				
GDP (YoY)	Q2:17 F	1.7%	..	1.7%	Retail sales (MoM)	August	-0.5%	..	1.1%	Tankan - large manufacturers current index	3Q:17	18	..	17
Nationwide House Px NSA YoY	September	1.9%	..	2.1%	Retail sales (YoY)	August	2.5%	..	1.8%	Tankan - large manufacturers outlook index	3Q:17	16	..	15
EURO AREA					Industrial Production (MoM)	August	1.8%	..	-0.8%	EURO AREA				
CPI (YoY)	September	1.6%	..	1.5%	Industrial Production (YoY)	August	5.2%	..	4.7%	Unemployment Rate	August	..	..	9.1%
Core CPI (YoY)	September	1.2%	..	1.2%	Construction Orders YoY	August	..	..	14.9%	CHINA				
GERMANY										PMI manufacturing	September	51.5	..	51.7
Retail sales (MoM)	August	0.5%	..	-1.2%										
Retail sales (YoY)	August	3.2%	..	2.7%										

Source: NBG Research, Bloomberg

S: Bloomberg Consensus Analysts Survey, A: Actual Outcome, P: Previous Outcome

Equity Markets (in local currency)

Developed Markets						Emerging Markets							
		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)			Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	2502	0,1	11,8	14,9	29,1	MSCI Emerging Markets	58477	0,2	22,7	18,3	32,6	
Japan	NIKKEI 225	20296	1,9	6,2	20,8	12,3	MSCI Asia	884	0,4	27,7	21,1	36,8	
UK	FTSE 100	7311	1,3	2,3	5,8	21,2	China	84	1,1	44,1	29,9	45,6	
Canada	S&P/TSX	15454	1,9	1,1	4,4	15,5	Korea	728	1,6	25,4	27,4	44,4	
Hong Kong	Hang Seng	27881	0,3	26,7	17,3	30,9	MSCI Latin America	85314	-0,2	18,6	17,3	39,0	
Euro area	EuroStoxx	384	0,7	9,6	16,4	18,8	Brazil	256196	-0,6	22,8	22,8	54,1	
Germany	DAX 30	12592	0,6	9,7	18,0	31,0	Mexico	47306	0,8	9,5	4,8	15,7	
France	CAC 40	5281	1,3	8,6	17,1	19,1	MSCI Europe	5156	-0,5	3,8	13,0	19,3	
Italy	FTSE/MIB	22531	1,4	17,1	35,4	6,9	Russia	908	0,1	-9,1	1,8	21,3	
Spain	IBEX-35	10305	-0,1	10,2	15,3	8,8	Turkey	1451864	-2,7	32,9	28,2	37,0	

World Market Sectors (MSCI Indices)

in US Dollar terms						in local currency							
		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)			Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy		208,6	2,2	-4,8	4,3	14,4	Energy	209,0	2,4	-8,5	2,2	13,8	
Materials		261,5	0,7	17,8	21,2	44,9	Materials	242,6	0,9	11,0	19,3	40,5	
Industrials		249,2	1,5	17,3	18,8	37,0	Industrials	243,0	1,7	12,5	18,8	33,6	
Consumer Discretionary		222,7	0,3	13,4	14,3	19,3	Consumer Discretionary	213,3	0,4	9,9	14,7	17,5	
Consumer Staples		226,0	-2,0	8,9	1,6	15,9	Consumer Staples	222,6	-1,8	4,7	0,8	15,5	
Healthcare		226,2	-0,6	17,3	8,5	10,3	Healthcare	221,5	-0,5	14,3	8,1	9,5	
Financials		120,1	2,1	13,1	26,5	28,5	Financials	117,5	2,3	7,9	24,7	25,2	
IT		202,5	-0,5	25,6	25,3	48,7	IT	195,7	-0,4	24,2	25,6	47,4	
Telecoms		70,6	2,0	1,5	-2,2	8,0	Telecoms	72,2	2,2	-3,2	-2,5	6,4	
Utilities		129,7	-1,9	12,8	5,6	19,9	Utilities	130,6	-1,8	8,7	4,5	18,7	

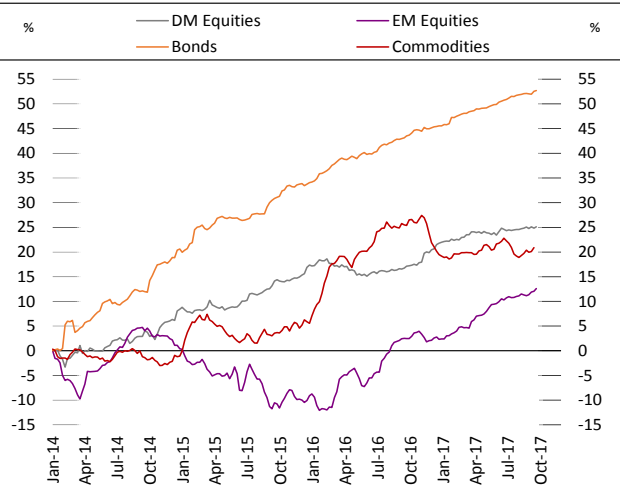
Bond Markets (%)

10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)					
	Current	Last week	Year Start	One Year Back	10-year average		Current	Last week	Year Start	One Year Back	10-year average
US	2,25	2,20	2,45	1,62	2,63	US Treasuries 10Y/2Y	82	82	126	85	178
Germany	0,45	0,43	0,21	-0,10	1,92	US Treasuries 10Y/5Y	39	40	52	45	91
Japan	0,03	0,03	0,05	-0,03	0,81	Bunds 10Y/2Y	113	113	97	58	123
UK	1,36	1,31	1,24	0,71	2,65	Bunds 10Y/5Y	71	71	74	46	74
Greece	5,55	5,44	7,11	8,42	10,29	Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
Ireland	0,75	0,72	0,75	0,38	4,39						
Italy	2,10	2,07	1,81	1,19	3,69						
Spain	1,63	1,61	1,38	0,92	3,67						
Portugal	2,44	2,80	3,76	3,37	5,41						
US Mortgage Market (1. Fixed-rate Mortgage)						EM Inv. Grade (IG)	147	149	181	176	271
30-Year FRM ¹ (%)	4,0	4,0	4,4	3,7	4,4	EM High yield	413	422	510	583	819
vs 30Yr Treasury (bps)	126	127	132	136	98	US IG	111	114	129	141	201
						US High yield	364	373	421	509	644
						Euro area IG	98	100	124	111	170
						Euro area High Yield	257	264	376	410	666

Foreign Exchange & Commodities

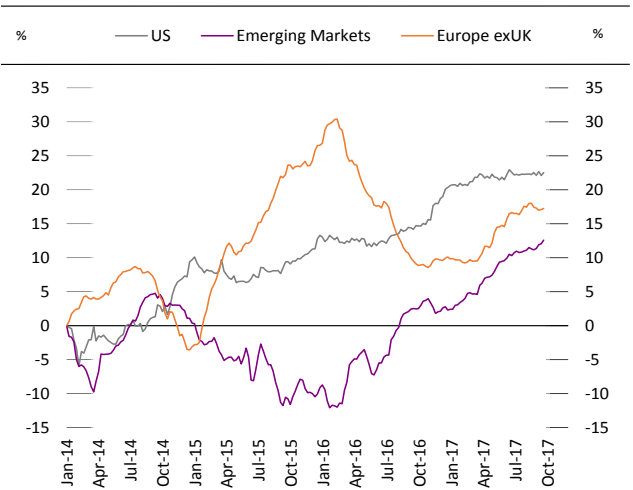
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates						Agricultural	391	-0,5	2,7	-13,1	-9,3
EUR/USD	1,20	0,1	1,2	6,6	13,6	Energy	399	0,8	6,8	3,5	-8,2
EUR/CHF	1,16	1,0	1,7	6,7	8,1	West Texas Oil (\$)	50	0,8	4,2	9,0	-6,3
EUR/GBP	0,89	0,7	-4,1	3,2	3,7	Crude Brent Oil (\$)	57	2,4	9,3	22,5	2,2
EUR/JPY	133,84	1,1	4,0	18,5	8,8	Industrial Metals	1330	0,9	-0,5	27,6	18,5
EUR/NOK	9,32	-0,6	0,3	2,3	2,5	Precious Metals	1563	-2,3	0,2	-5,9	11,0
EUR/SEK	9,55	0,3	0,3	-0,4	-0,3	Gold (\$)	1297	-1,7	0,5	-3,0	12,6
EUR/AUD	1,50	0,5	0,4	2,3	2,8	Silver (\$)	17	-3,3	-0,6	-14,5	6,8
EUR/CAD	1,47	1,2	-0,5	0,9	4,3	Baltic Dry Index	1502	8,4	22,9	60,3	56,3
USD-based cross rates						Baltic Dirty Tanker Index	772	3,8	24,5	27,4	-16,0
USD/CAD	1,23	1,2	-1,7	-5,4	-8,2						
USD/AUD	1,26	0,5	-0,7	-4,0	-9,5						
USD/JPY	111,99	1,0	2,7	11,1	-4,3						

Global Cross Asset ETFs: Flows as % of AUM



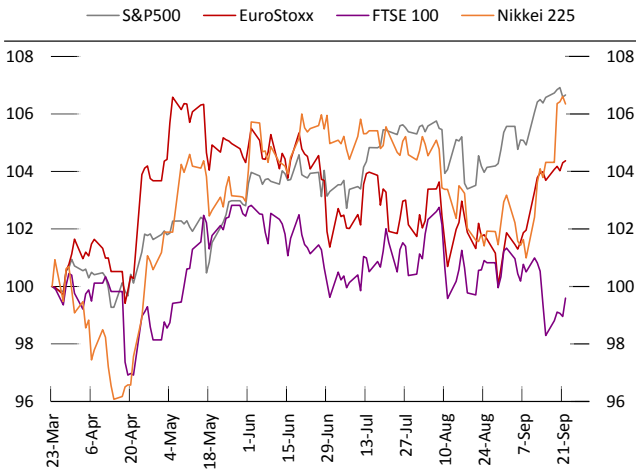
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 22nd

Equity ETFs: Flows as % of AUM



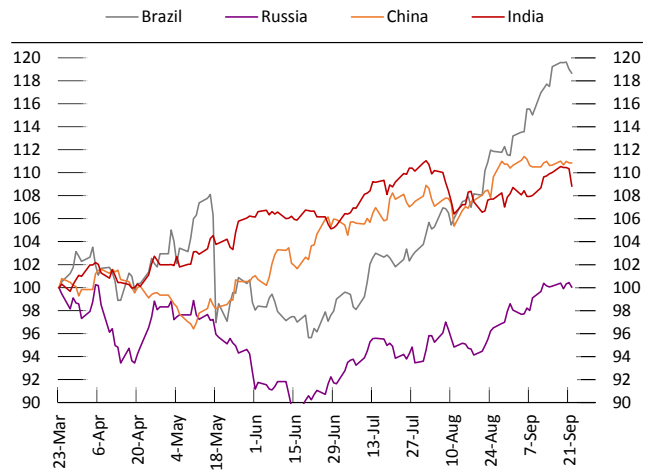
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 22nd

Equity Market Performance - G4



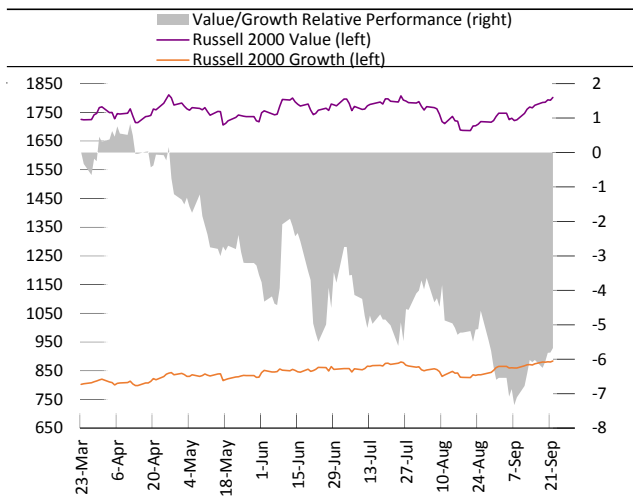
Source: Bloomberg - Data as of September 22nd - Rebased @ 100

Equity Market Performance - BRICs



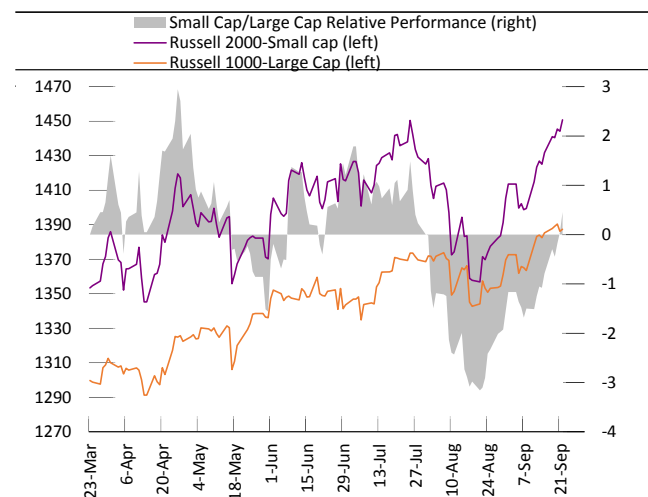
Source: Bloomberg - Data as of September 22nd - Rebased @ 100

Russell 2000 Value & Growth Index



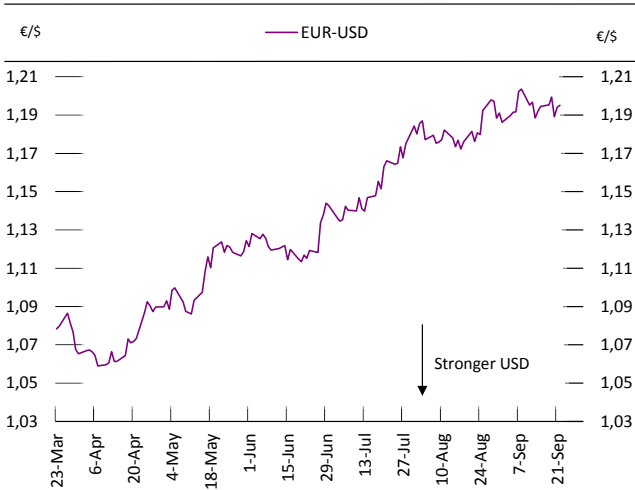
Source: Bloomberg, Data as of September 22nd

Russell 2000 & Russell 1000 Index



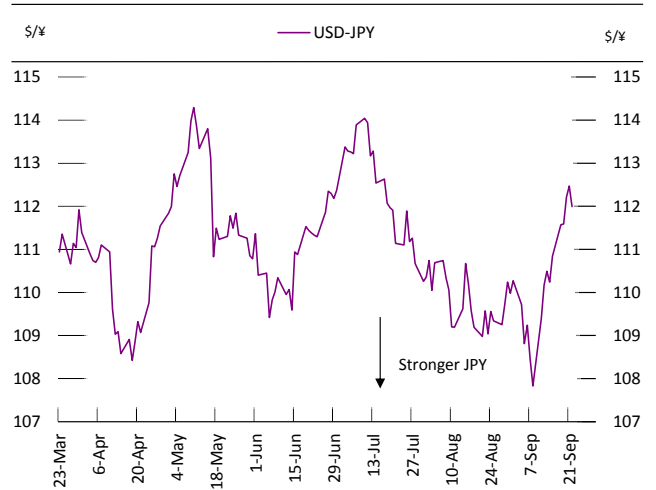
Source: Bloomberg, Data as of September 22nd

EUR/USD



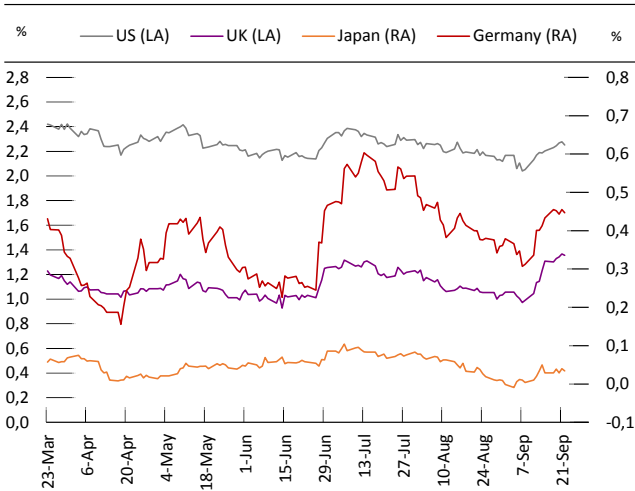
Source: Bloomberg, Data as of September 22nd

JPY/USD



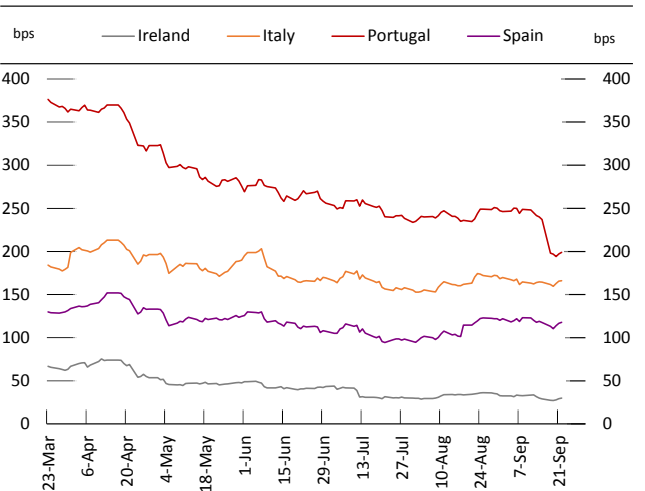
Source: Bloomberg, Data as of September 22nd

10- Year Government Bond Yields



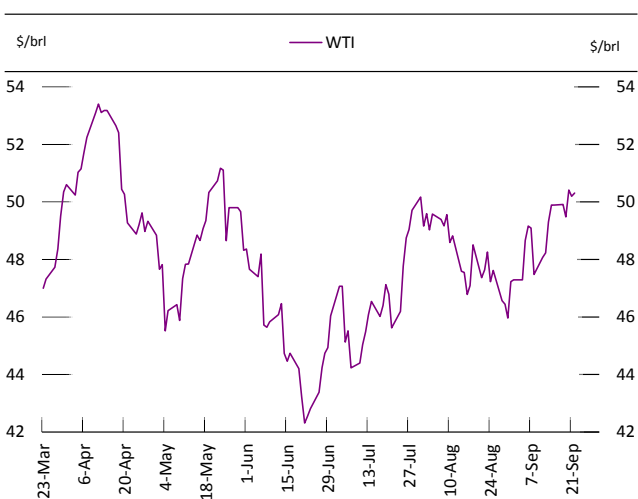
Source: Bloomberg - Data as of September 22nd
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



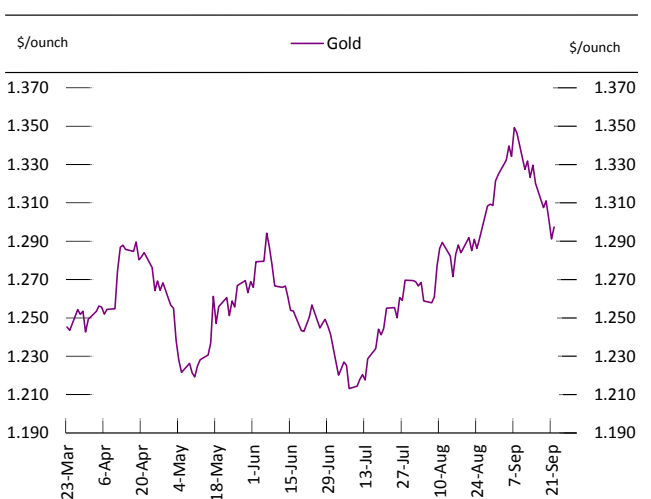
Source: Bloomberg - Data as of September 22nd

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of September 22nd

Gold (\$/ounce)



Source: Bloomberg, Data as of September 22nd

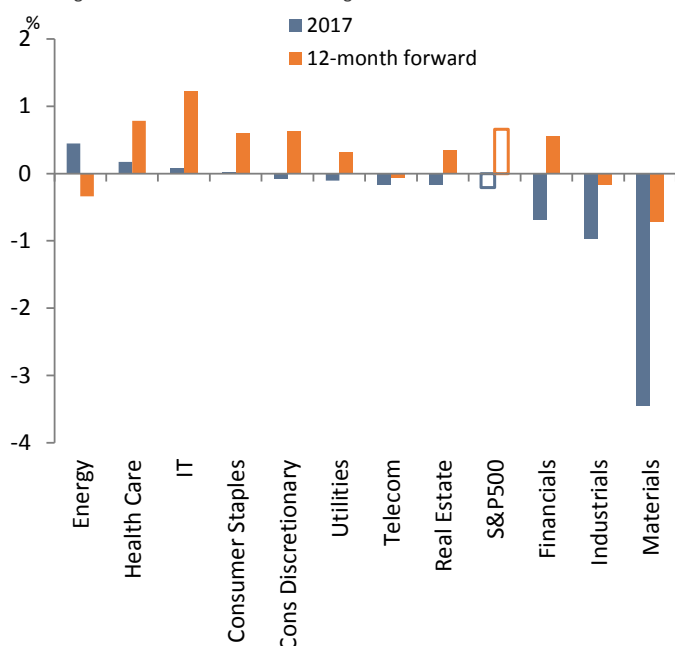
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	22/9/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
S&P500	2502	0,1	1,2	10,0	2,0	2,0	19,8	19,1	17,7	14,1	3,1	3,1	3,0	2,2
Energy	497	2,0	-74,4	235,6	2,7	2,9	127,3	36,3	29,7	19,0	2,0	1,9	1,9	1,8
Materials	355	1,0	-5,7	7,2	2,1	1,9	20,2	20,4	18,2	14,7	3,8	3,9	3,7	2,7
Financials														
Diversified Financials	612	2,1	5,7	9,2	1,3	1,4	18,1	17,5	16,1	13,6	1,8	1,8	1,7	1,4
Banks	307	3,6	1,1	11,3	1,8	2,1	15,3	14,0	12,9	12,4	1,3	1,2	1,2	0,9
Insurance	387	1,5	-4,2	20,4	2,0	2,0	15,6	13,7	13,0	9,8	1,4	1,4	1,3	1,0
Real Estate	199	-2,8	8,0	1,5	3,9	3,4	18,8	18,5	17,7	17,2	3,0	3,2	3,3	2,5
Industrials														
Capital Goods	657	2,2	4,7	9,1	2,2	2,3	20,6	20,5	19,0	14,7	4,7	4,8	4,6	2,9
Transportation	663	1,2	-7,8	0,3	1,6	1,7	16,0	16,7	15,3	14,2	4,5	4,3	4,0	3,0
Commercial Services	246	2,1	8,5	3,0	1,4	1,5	22,9	22,2	20,7	17,9	3,9	4,0	3,8	2,9
Consumer Discretionary														
Retailing	1506	-0,9	11,6	4,8	1,0	1,0	30,9	31,1	28,2	19,9	10,1	9,7	8,7	5,0
Media	529	0,8	2,6	8,6	1,2	1,4	20,8	18,4	17,1	15,0	3,2	3,1	2,9	2,2
Consumer Services	988	0,7	9,2	11,0	2,0	1,9	22,8	23,5	21,4	17,8	8,4	9,9	9,9	4,6
Consumer Durables	293	-1,6	11,7	3,1	1,7	1,8	17,6	17,1	15,9	16,7	3,4	3,1	3,0	2,9
Automobiles and parts	135	1,7	10,6	-0,6	4,2	3,5	7,6	8,0	8,1	8,9	1,8	1,7	1,6	2,0
IT														
Technology	942	-2,7	-2,8	7,6	1,9	2,0	15,0	15,1	13,9	12,5	3,8	4,1	3,7	2,7
Software & Services	1438	-0,1	11,5	8,5	1,0	0,9	23,2	24,8	22,5	15,4	5,8	5,7	5,1	3,8
Semiconductors	833	0,2	12,9	30,6	2,0	1,9	17,5	15,6	14,9	16,7	3,7	3,8	3,5	2,7
Consumer Staples														
Food & Staples Retailing	367	-2,7	1,2	1,3	2,1	2,7	17,6	17,1	16,3	14,9	3,2	3,2	3,0	2,6
Food Beverage & Tobacco	685	-2,4	8,9	6,6	2,7	3,0	23,0	21,1	19,9	16,6	6,4	5,4	5,4	4,7
Household Goods	576	-1,7	1,6	4,5	2,6	2,7	24,1	23,0	21,8	17,8	6,4	5,8	5,7	4,3
Health Care														
Pharmaceuticals	863	-0,8	6,2	4,2	2,0	2,0	16,3	17,1	16,2	13,8	4,2	4,5	4,2	3,1
Healthcare Equipment	956	-1,7	9,5	10,2	1,0	1,0	18,8	18,6	17,5	13,8	3,3	3,3	3,1	2,4
Telecom	162	3,8	-7,4	-0,7	4,5	4,9	14,0	13,4	13,2	13,1	2,9	2,6	2,5	2,2
Utilities	270	-2,8	6,6	0,9	3,4	3,4	18,0	18,4	17,8	14,3	2,0	1,9	1,9	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 2017 & 12-month Forward EPS

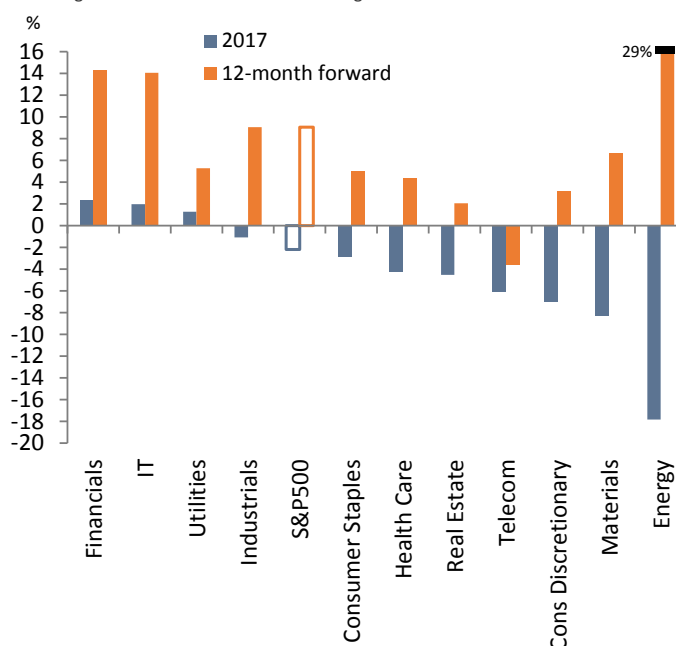
Earnings Revisions indicate 1-month change in 2017 & 12-month Forward EPS



Source: Factset, Data as of September 22nd
12-month forward EPS are 27% of 2017 EPS and 73% of 2018 EPS

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

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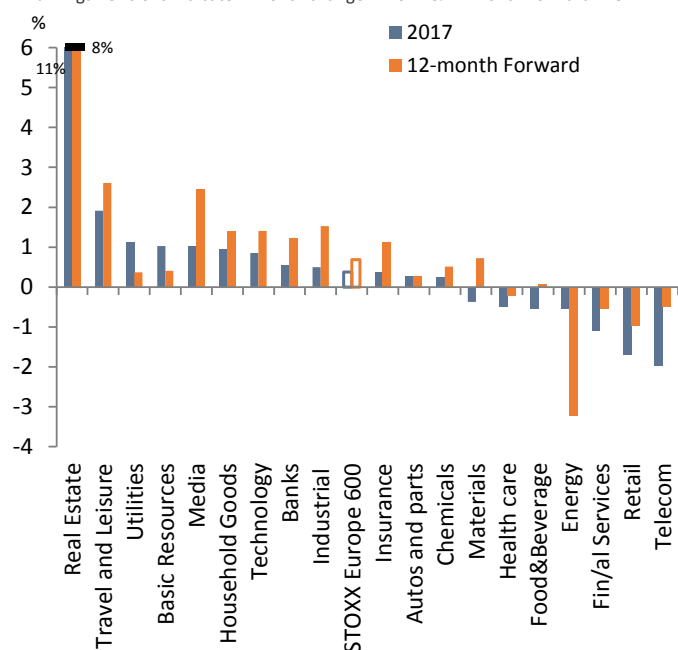
Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	22/9/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
STOXX Europe 600	383	0,7	-3,6	14,7	3,4	3,3	17,9	16,1	15,3	12,6	1,8	1,9	1,8	1,6
Energy	310	2,8	-31,5	59,7	5,4	5,1	27,2	16,8	16,1	10,9	1,2	1,3	1,3	1,3
Materials	462	0,8	17,2	12,2	2,7	2,7	20,0	18,6	17,1	13,9	1,9	1,9	1,9	1,5
Basic Resources	423	0,4	255,5	66,5	2,2	3,3	21,6	13,0	13,7	12,5	1,5	1,5	1,5	1,4
Chemicals	933	2,1	-2,0	10,4	2,7	2,7	18,0	17,2	16,5	13,8	2,4	2,5	2,4	2,1
Financials														
Fin/Al Services	474	0,8	12,8	6,0	3,2	3,0	15,5	16,0	16,0	12,8	1,6	1,9	2,0	1,3
Banks	186	1,8	-34,2	45,7	4,2	4,0	16,8	12,6	11,8	10,7	0,9	1,0	0,9	0,9
Insurance	279	0,8	3,1	0,6	4,8	4,8	11,1	11,5	11,1	9,1	1,1	1,1	1,1	1,0
Real Estate	168	-1,2	6,7	2,5	3,7	4,0	20,7	20,0	20,5	18,1	1,0	1,0	1,0	1,0
Industrial	523	1,4	0,7	10,8	2,6	2,5	19,9	19,4	17,8	14,1	3,3	3,4	3,2	2,3
Consumer Discretionary														
Media	265	0,2	-0,1	4,4	3,2	3,3	18,3	16,4	15,4	14,0	3,1	2,8	2,7	2,4
Retail	301	0,1	1,4	2,2	2,6	2,8	20,6	19,9	18,5	15,8	2,9	2,7	2,6	2,4
Automobiles and parts	579	2,0	17,1	16,9	3,0	3,2	9,3	8,4	8,2	9,3	1,3	1,2	1,1	1,0
Travel and Leisure	247	-0,1	5,5	9,6	2,4	2,4	14,6	13,6	12,7	15,2	2,8	2,7	2,5	2,0
Technology	425	0,2	-1,9	12,0	1,5	1,5	23,3	22,7	20,7	16,6	3,1	3,1	3,0	2,6
Consumer Staples														
Food&Beverage	635	-1,7	-4,4	4,4	2,8	2,7	23,5	22,8	21,3	17,0	3,2	3,4	3,2	2,7
Household Goods	838	-1,5	5,3	11,4	2,5	2,6	22,2	20,2	18,9	16,5	4,6	3,5	3,9	3,3
Health care	744	0,9	6,7	-1,4	2,8	2,8	17,9	18,0	17,2	14,0	3,5	3,6	3,4	3,0
Telecom	282	0,1	0,4	9,2	4,8	4,3	20,2	18,0	16,4	13,3	1,8	2,0	1,9	1,6
Utilities	301	-0,6	-8,6	-3,6	5,4	4,8	13,2	14,8	14,4	12,2	1,4	1,5	1,4	1,4

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

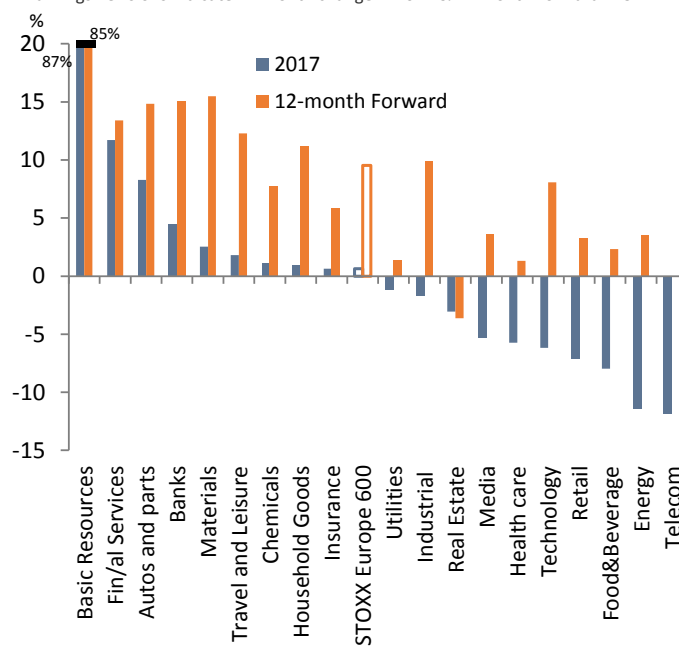
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