

Global Markets Roundup

National Bank of Greece | Economic Research Division | February 18, 2020



NATIONAL BANK
OF GREECE

The EUR has suffered its worst start to a year since 2015, due to weaker-than-expected economic data and a fresh wave of political uncertainty (Germany)

- Euro area employment growth was strong in Q4:2019 -- despite a further deceleration in real GDP growth -- albeit the ongoing economic weakness, if sustained, could pose challenges ahead vis-à-vis the health of the labor market. Specifically, the annual pace of growth of employment in the euro area was steady at +1% yoy in Q4:19. Sequentially, some signs of improvement emerged, with employment accelerating by 0.6 pps to +1.1% on a quarterly annualized basis. Recall that the euro area unemployment rate declined by 0.1 pp in December (-0.4 pps yoy) to 7.4%, the lowest rate since May 2008.
- On the other hand, the 2nd preliminary estimate for Q4:19 GDP was revised down, by 0.2 pps to +0.2% qoq saar. As a result, the annual pace of growth was also revised down, by 0.1 pp to +0.9% yoy, the weakest outcome since Q4:13. Note that the detailed data per expenditure component are due on March 10th. On a country basis, according to data currently to hand, particularly weak readings occurred in Germany (29% of euro area GDP: +0.1% qoq saar | +0.4% yoy), France (20% of total: -0.3% qoq saar | +0.8% yoy) and Italy (-1.3% qoq saar | flat on an annual basis).
- Regarding Germany and according to Destatis (details will be released on February 25th), household and government consumption slowed significantly compared with Q3. Regarding business investment, gross fixed capital formation in machinery and equipment was down considerably compared with Q3, while fixed capital formation in construction and other fixed assets continued to increase. Finally, the contribution of net exports was negative in Q4, as exports were down slightly, while imports of goods and services increased relative to the third quarter of the year. Investors' attention will turn to the February PMI release (due on Friday), with consensus expecting a modest decline to 50.6 from 51.2 at the composite level, due to disruption caused by COVID-19.
- Global equity markets recorded new highs in the past week, despite the fact that confirmed cases of COVID-19 continue to increase, albeit at a slower pace. Better-than-expected company earnings added to the positive sentiment. Indeed, 72% out of 392 S&P500 companies have surpassed analysts' estimates. As a result, consensus EPS expectations for Q4:19 have increased to +0.9% yoy from -2% yoy at the beginning of the earnings season and from -2.2% yoy in the previous quarter. Moreover, guidance for Q1:2020 EPS remains at historic norms (67% negative). Overall, the S&P500 rose by 1.6% in the past week (5% YtD) and the Stoxx600 was up by 1.4% (4% YtD). Consensus estimates for S&P500 2020 \$EPS are circa \$176 (+8% growth vs 2019).
- Safe havens were broadly flat in the past week, with Gold prices at \$1584/ounce (+4% YtD). Core Government bond yields were little changed with the US 10-year bond yield at 1.59% and the German 10-year yield at -0.4%. Periphery bond spreads vs Bund in the 10-year tenor were also flat, with the exception of Greece, where 10-year GGB spread declined by 10 bps to 134 bps (10-year yield: -11 bps to 0.94%). Finally, the euro exchange rate depreciated sharply both against the US dollar (\$1.08) and against the GBP (€0.83), with the latter finding support from heightened expectations regarding aggressive fiscal stimulus (see graph).

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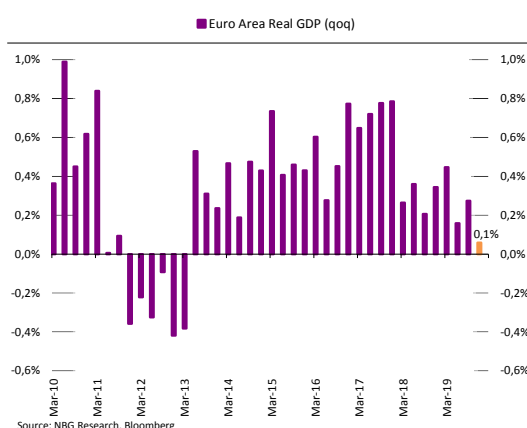
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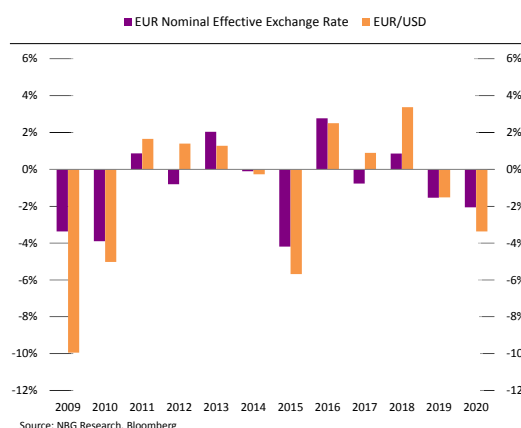
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Charts of the week

Euro Area Real GDP (qoq)



EUR NEER & EUR/USD Performance: Year start to 17 February



US retail sales data suggest that the trend for private consumption has softened recently

- **US nominal retail sales were below expectations in January.** Specifically, in value terms, the so-called “control group”, as it feeds into the calculation for GDP (i.e., excluding autos, gas, food services and building materials) was broadly unchanged on a monthly basis (+3.1% yoy), compared with a downwardly revised (by 0.3 pps) +0.2% mom in December (+5.9% yoy), undershooting consensus estimates for +0.3% mom. Notably, following sharp growth from March 2019 to August 2019 (+0.7% mom on average), the trend has eased in recent months (-0.1% mom, on average from September 2019 to January 2020). Overall, private consumption is expected to maintain a healthy pace of growth in the current quarter, of c. +1.8% qoq saar according to our estimates (consensus: +2.1% qoq saar), supported, *inter alia*, by firm labor market conditions. Note also that consumer confidence remains robust, with the University of Michigan consumer sentiment indicator at 100.9 in February, versus a long-term average of 85.7. Nevertheless, the aforementioned (anticipated) pace of increase for private consumption in Q1:20 is clearly below the sharp trend during 2018 and 2019 (+2.7% qoq saar on average), which was likely boosted by supportive fiscal measures (mainly lower taxes).

US manufacturing output declined modestly entering Q1:20, as expected

- **US industrial production was down by 0.3% mom in January, with the annual pace of growth at -0.8% yoy, albeit on the back of some transitory factors.** Indeed, unseasonably warm weather held down the output in the utilities industry (10% of total), which decreased by 4.0% mom. Mining output (14% of total) was up by 1.2% mom. More importantly, the less volatile manufacturing production (76% of total) declined by 0.1% mom (-0.8% yoy), compared with +0.1% mom in December. The latest reading was in line with consensus estimates, with a decline being expected due to the halting of production of Boeing’s 737 Max passenger jet. Indeed, the output of aircrafts & parts (3.7% of total manufacturing output) was down by 10.8% mom in January. According to the Federal Reserve, manufacturing production, excluding that component, increased by 0.3% mom. Overall, business investment is expected to remain subdued in the current quarter, following three consecutive quarters of decline (by -1.6% qoq saar on average).

US core inflation was stable in January, slightly above consensus expectations

- **Headline CPI accelerated by 0.2 pps to 2.5% yoy in January, a 15-month high,** mainly due to the volatile energy index accelerating to 6.2% yoy compared with +3.4% yoy in December. The annual growth of food prices was largely stable at 1.8% yoy. More importantly, core CPI was unchanged at 2.3% yoy, versus consensus estimates for +2.2% yoy. Recall that, on a monthly basis, core CPI was up by a strong +0.24% mom (+0.12% mom in December), mostly due to a robust +0.35% mom for shelter prices (c. 42% of the core index | long-term average of +0.24% mom). Finally, note that both the PCE deflator (the Fed’s preferred measure for gauging inflationary pressures) and the core figure stood at 1.6% yoy in December. According to the Federal Reserve Bank of Cleveland, PCE growth is expected to accelerate to 1.8% yoy in January and its core counterpart to 1.7% yoy.

Japanese GDP declined by significantly more than expected in Q4:19

- **Japanese GDP contracted by 6.3% qoq saar in Q4:19 according to the preliminary estimate and, as result, the annual pace of growth entered negative territory (-0.4% yoy).** Note also that the Q3 reading was revised down, by 1.3 pps to +0.5% qoq saar (+1.8% yoy). Overall in 2019, GDP rose by 0.8% yoy (+0.3% yoy in 2018). Regarding Q4:19, recall that a weak performance was anticipated, due to the VAT hike in October (from 8% to 10%) weighing on consumption and in view of natural disasters (typhoons) disrupting supply chains and consequently business spending, while also weighing on housing construction. Nevertheless, the latest reading undershot, by a wide margin, consensus estimates for -3.8% qoq saar. The disappointment was broad based across GDP expenditure components. Specifically, **private consumption** fell by 11.0% qoq saar (-6.4 pps contribution to the headline figure), following an increase of 1.8% qoq saar in Q3:19 (consensus for -8.0% qoq saar). **Business investment** decreased by 14.1% qoq saar (+1.9% qoq in the previous quarter), versus expectations for -6.4% qoq saar, subtracting 2.4 pps from overall GDP growth. **Residential investment** was also down sharply, by 10.4% qoq saar (-0.3 pps contribution to the headline outcome). On the other hand, **government consumption** (+0.9% qoq saar | +0.2 pps contribution) and **public investment** (+4.6% qoq saar | +0.2 pps) increased. **Net exports** added 1.8 pps to overall GDP growth, although this was linked to the sharp weakening of domestic demand. Indeed, the latter resulted in imports declining sharply, by 10.1% qoq saar, while exports were little changed on a quarterly basis (-0.4% qoq saar). Finally, **inventories** contributed 0.5 pps to the headline figure. It should be noted that, historically, the GDP components of business investment and inventories are revised meaningfully in the 2nd GDP estimate (due on March 9th), which incorporates more inclusive data for the corporate sector and, thus, the respective figures in the preliminary estimate should be noted with caution.

- **Looking forward, an improvement in GDP is expected in Q1:20 due to a fading of the fallback in consumption induced by the VAT hike and in view of the temporary nature of the typhoon-related disruptions. Nevertheless, the COVID-19 outbreak in China clouds the outlook, especially regarding the timing of the anticipated recovery.** Apart from the risk of the virus spreading to Japan, negative repercussions for the Japanese economic activity stem from: i) China being a major destination for Japanese exports (19% of total); ii) the close supply chain interlinkages between the two countries, which could potentially corroborate the negative impact on business activity in Japan (23% of total Japanese imports come from China, a significant portion of which is intermediate goods); and iii) a hit to tourism revenue as Chinese nationals represent c. 30% of total tourist arrivals in Japan. **Overall, consensus estimates for GDP growth in Q1:20 stand at +2.4% qoq saar (+0.3% yoy).**

Equities

- Global equity markets rose in the past week to all-time highs.** Overall, the MSCI ACWI ended the week up by +1.1% (+2.6% ytd), with strong gains in both developed (+1.1% wow) and emerging markets (+1.3% wow). **In the US**, the S&P500 rose by 1.6% wow, with Real Estate (+4.8% wow) and Technology (+2.3% wow) leading the increase. Note that equity volatility index (VIX index) declined to 13.7 in the past week, the lowest level since January 23rd, before Wuhan was quarantined by the Chinese authorities. Turning to earnings, Factset conducted a survey regarding the companies' guidance due to the COVID-19 on Q4 Earnings Calls. Out of the 138 companies that discussed the virus, 47 (or 34% of the sample) stated that it was too early (or difficult) to quantify the financial impact or were not including any impact in their guidance. On the other hand, 34 companies (or 25%) included some impact from the COVID-19 in their guidance or modified guidance in some capacity. Given the large number of companies that did not update or modify their guidance, it is possible that there will be an increase in the number of companies issuing negative guidance later in the first quarter. Specifically for Q1:19, out of the 76 companies in S&P500 that have issued EPS guidance 51 have issued negative guidance (67%), broadly in line with the historical average. **On the other side of the Atlantic**, the EuroStoxx rose by 1.4% wow, with Technology over-performing (+2.8% wow). In China, CSI 300 increased by 2.3% wow, and by a further 2.2% on Monday, as the PBoC lowered its 1-year facility rate by 10 bps to 3.15%, the lowest level since 2017, to support banks.

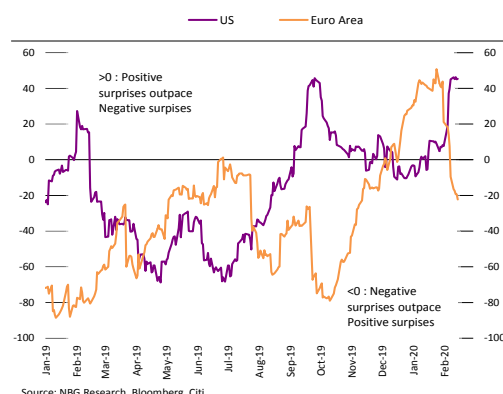
Fixed Income

- Government bond yields were broadly stable in the past week as risk sentiment fluctuated with COVID-19 headlines.** Specifically, US 10-year yield was stable at 1.59%, while 2-year rose by 3 bps to 1.43%. In Germany, the 10-year yield fell by 1 bp to -0.40%, while periphery bond spreads were mixed across the board (Italy: -1 bp to 132 bps, Spain: +3 bps to 70 bps, Portugal: -1 bp to 69 bps). In Greece, the 10-year yield declined by 11 bps wow to a historical low of 0.94%, while Greek 10-year yield spreads fell by 10 bps to 134 bps. **Corporate bond spreads narrowed in the past week, especially in the High Yield spectrum.** Indeed, EUR HY bond spreads decreased by 11 bps to 305 bps and their US counterparts narrowed by 19 bps to 356 bps (due to higher oil prices). In the investment grade spectrum, both EUR and USD spreads fell by 2 bps to 90 bps and 102 bps, respectively. Kraft was downgraded in the past week by Fitch and S&P from IG to HY (BBB- to BB+ for both). Note that 18% (\$1.3 tn) of US Corporate Bonds is High yield, while the largest part of the Investment grade universe (\$5.9 tn) is of low quality (BBB rating: 50%, \$2.9 tn), increasing "fallen-angel" concerns.

FX and Commodities

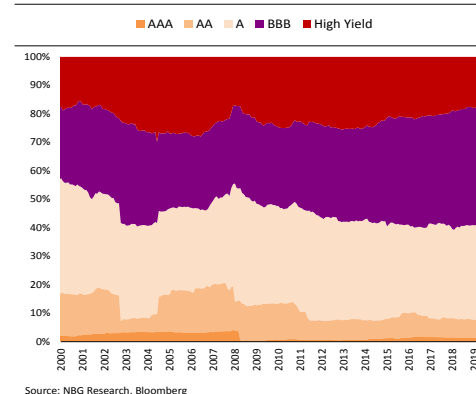
- In foreign exchange markets, the British Pound rose in the past week as investors priced in higher fiscal spending under the new British finance minister.** As a result, expectations for a rate cut by the Bank of England faded with money markets pricing in flat rates over the next 18 months. Overall, the British Pound rose by 1.2% against the US dollar to \$1.305 and by 2.3% wow against the euro to €/0.830. The euro declined by 1% against the US Dollar in the past week to a 3-year low of \$1.083 on the back of weaker-than-expected economic data (GDP, industrial production). Note that the Euro Citi Economic Surprise index, reflecting the gap between actual and expected data prints, has also returned to negative territory (see Graph 1). Finally, **in commodities oil prices rose in the past week, posting their first weekly gain in 2020 as investors expect the economic impact of the COVID-19 to be short-lived and Chinese economic stimulus measures could lead to a recovery in oil demand.** Note that oil prices rose, despite the increase in US oil inventories (+7.5 million barrels to 442 million barrels for the week ending February 7th). Overall, Brent ended the week up by 6.2% to \$57.2/barrel (-14% ytd) and WTI by 3.4% to \$52.1/barrel (-15% ytd).

Economic Surprise Indices



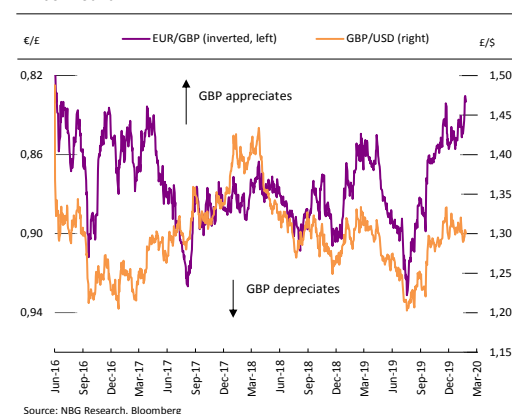
Graph 1.

Share of Market Value in BBG/Barclays US Corporate Bond Index



Graph 2.

British Pound



Graph 3.

Quote of the week: "We have had very low interest rates for a long time and that does have implications for the financial system... but if we did not pursue these policies then the medium-term scenario would be worse. A temporary phase, which we are in, of low interest rates... but we are still in the legacy of the crisis and I think this policy path is correct", **Member of the ECB's Executive Board, Philip R. Lane, February 13th, 2020.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	February 14th	3-month	6-month	12-month	Official Rate (%)	February 14th	3-month	6-month	12-month
Germany	-0,40	-0,20	-0,15	0,00	Euro area	0,00	0,00	0,00	0,00
US	1,59	1,80	1,90	2,00	US	1,75	1,75	1,75	1,50
UK	0,63	0,82	0,80	0,74	UK	0,75	0,65	0,65	0,60
Japan	-0,03	-0,08	-0,05	0,01	Japan	-0,10	-0,10	-0,10	-0,10
Currency	February 14th	3-month	6-month	12-month		February 14th	3-month	6-month	12-month
EUR/USD	1,08	1,13	1,13	1,15	USD/JPY	110	109	107	104
EUR/GBP	0,83	0,84	0,85	0,85	GBP/USD	1,30	1,34	1,33	1,36
EUR/JPY	119	123	121	120					

Forecasts at end of period

Economic Forecasts

United States		2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20f	Q2:20f	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY) (1)		2,9	2,7	2,3	2,1	2,3	2,3	1,9	1,8	1,7	1,6	1,8
Real GDP Growth (QoQ saar) (2)		-	3,1	2,0	2,1	2,1	-	1,4	1,6	1,8	1,8	-
Private Consumption		3,0	1,1	4,6	3,1	1,8	2,6	1,7	1,9	1,9	1,9	2,2
Government Consumption		1,7	2,9	4,8	1,7	2,7	2,3	1,7	1,2	0,9	0,8	1,8
Investment		4,6	3,2	-1,4	-0,8	0,1	1,3	1,7	2,9	3,0	2,8	1,3
Residential		-1,5	-1,1	-2,9	4,6	5,8	-1,5	6,0	3,4	2,0	1,5	3,9
Non-residential		6,4	4,4	-1,0	-2,3	-1,5	2,1	0,3	2,7	3,2	3,1	0,5
Inventories Contribution		0,1	0,5	-1,0	0,0	-1,3	0,1	0,2	0,1	0,1	0,2	-0,2
Net Exports Contribution		-0,4	0,8	-0,8	-0,2	1,8	-0,2	-0,5	-0,5	-0,3	-0,3	0,0
Exports		3,0	4,2	-5,7	0,9	1,4	0,0	1,3	1,9	2,0	2,0	1,1
Imports		4,4	-1,5	0,0	1,8	-8,7	1,0	3,8	4,5	3,4	3,2	0,9
Inflation (3)		2,4	1,6	1,8	1,7	2,1	1,8	2,3	1,9	2,0	2,1	2,1
Euro Area		2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19f	2019f	Q1:20f	Q2:20f	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY)		1,9	1,4	1,2	1,2	0,9	1,2	0,8	0,9	0,9	1,2	1,0
Real GDP Growth (QoQ saar)		-	1,8	0,6	1,1	0,2	-	1,1	1,2	1,3	1,3	-
Private Consumption		1,4	1,6	0,9	2,0	0,9	1,3	1,3	1,3	1,3	1,3	1,3
Government Consumption		1,1	1,8	2,0	1,6	1,5	1,6	1,4	1,4	1,4	1,4	1,5
Investment		2,4	1,3	22,5	-14,3	0,4	4,3	1,0	1,5	1,7	1,9	0,2
Inventories Contribution		0,0	-1,0	0,1	-0,5	-0,6	-0,4	-0,1	0,0	0,0	0,0	-0,2
Net Exports Contribution		0,4	1,3	-4,6	3,7	0,0	-0,3	0,0	-0,1	-0,1	-0,1	0,1
Exports		3,3	3,5	0,5	2,9	1,2	2,5	1,6	1,9	2,1	2,1	1,8
Imports		2,7	0,8	11,4	-4,6	1,3	3,4	1,7	2,3	2,5	2,5	1,7
Inflation		1,8	1,4	1,4	0,9	1,0	1,2	1,2	1,1	1,2	1,2	1,2

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

12-Month View & Key Factors for Global Markets

	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> +Fiscal loosening will support the economy & companies' earnings +2020 EPS growth expectations have stabilized at 8% +Cash-rich corporates will lead to share buybacks and higher dividends (de-equitization) - Peaking profit margins - Protectionism and trade wars - P/Es at all time high (Ex-dotcom) 	<ul style="list-style-type: none"> +Still high equity risk premium relative to other regions +Credit conditions gradual turn more favorable +Small fiscal loosening in 2020 - 2020 EPS estimates may turn pessimistic as economic growth fails to pick up - Political uncertainty (Italy, Brexit) could intensify 	<ul style="list-style-type: none"> +Still aggressive QE and "yield-curve" targeting by the BoJ +Upward revisions in corporate earnings - Signs of policy fatigue regarding structural reforms and fiscal discipline - Strong appetite for foreign assets - JPY appreciation in a risk-off scenario could hurt exporters 	<ul style="list-style-type: none"> +65% of FTSE100 revenues from abroad +Undemanding valuations in relative terms - Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process
	● Neutral/Positive	● Neutral	● Neutral	● Neutral/Negative
	<ul style="list-style-type: none"> +Valuations appear rich with term-premium below 0% +Underlying inflation pressures if Fed seek makeup strategies - Global search for yield by non-US investors continues - Safe haven demand - Fed may cut rates in 2020 	<ul style="list-style-type: none"> +Valuations appear excessive compared with long-term fundamentals - Political Risks - Fragile growth outlook - Medium-term inflation expectations remain low - ECB QE net purchases - ECB QE "stock" effect 	<ul style="list-style-type: none"> +Sizeable fiscal deficits +Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% 	<ul style="list-style-type: none"> +Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process +Inflation expectations could drift higher ahead of EU/UK negotiations -The BoE is expected to remain on hold with risks towards rate cuts - Slowing economic growth post-Brexit
Government Bonds	▲ Slightly higher yields expected	▲ Higher yields expected	● Stable yields expected	▲ Higher yields expected but with Brexit risk premia working on both directions
Foreign Exchange	<ul style="list-style-type: none"> +Safe-haven demand - Fed may cut rates in 2020 	<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, 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 +Valuations appear undemanding with REER 6% below its 15-year average - Sizeable Current account deficit - Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process
	● Broadly Flat USD against the EUR with upside risks towards \$1.15	● Broadly Flat EUR against the USD with upside risks towards \$1.15	▲ Slightly higher JPY	▲ Higher GBP expected but with Brexit risk premia working on both directions

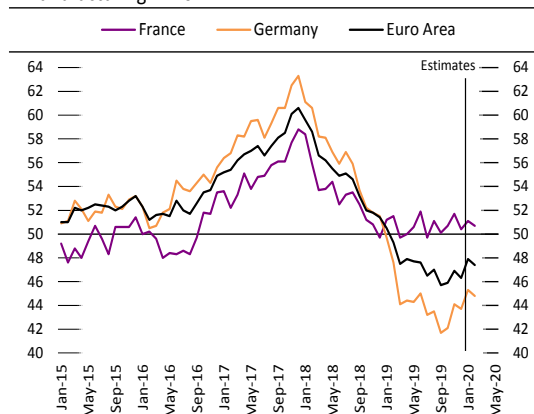
Economic Calendar

In the US, the minutes of the latest Fed meeting are released on Wednesday. In addition, housing starts & building permits data for January are released on February 19th.

In the Euro area, attention turns to PMIs for February, as they will provide valuable insight regarding the current economic momentum. Recall that PMI Manufacturing remains below the expansion/contraction threshold of 50 for 12 consecutive months (47.4 in January).

In UK, unemployment rate for December is released on Tuesday and is expected to remain stable for a 6th consecutive month at 3.8%, the lowest level since 1975. On Wednesday, attention turns to inflation data for January. CPI is expected at 1.6% yoy from 1.3% yoy in December, while the core figure is expected to increase by 1.5% yoy from 1.4% yoy.

Manufacturing PMIs



Source: NBG Research, Bloomberg

Economic News Calendar for the period: February 11 - February 24, 2020

Tuesday 11					Wednesday 12					Thursday 13						
US		S	A	P	EURO AREA		S	A	P	US		S	A	P		
Mortgage delinquencies	Q4:19	..	3.77%	3.97%	Industrial Production (sa, MoM)	December	-2.0%	-	-2.1%	0.0%	CPI (YoY)	January	2.4%	+	2.5%	2.3%
Mortgage foreclosures	Q4:19	..	0.78%	0.84%							Core CPI (YoY)	January	2.2%	+	2.3%	2.3%
UK					Industrial Production (wda, YoY)	December	-2.5%	-	-4.1%	-1.7%	Average Hourly Earnings YoY	January	..		0.6%	0.7%
GDP (MoM)	December	0.2%	+	0.3%	-0.3%						Initial Jobless Claims (k)	February 8	210	+	205	203
GDP (QoQ)	Q4:19	0.0%		0.0%	0.4%						Continuing Claims (k)	February 1	1734	+	1698	1759
GDP (YoY)	Q4:19	0.8%	+	1.1%	1.1%						EURO AREA					
Private Consumption QoQ	Q4:19	0.1%		0.1%	0.3%						European Commission Publishes Winter Forecasts					
Government Spending QoQ	Q4:19	0.5%	+	2.1%	-0.6%											
Gross Fixed Capital Formation QoQ	Q4:19	-0.3%	-	-1.6%	0.2%											
Industrial Production (MoM)	December	0.3%	-	0.1%	-1.1%											
Industrial Production (YoY)	December	-0.8%	-	-1.8%	-2.5%											
Friday 14					Monday 17											
US		S	A	P	GERMANY		S	A	P	JAPAN		S	A	P		
Retail Sales Advance MoM	January	0.3%	0.3%	0.2%	GDP (QoQ)	Q4:19	0.1%	-	0.0%	0.1%	GDP (QoQ)	Q4:19	-1.0%	-	-1.6%	0.4%
Retail sales ex-autos MoM	January	0.3%	0.3%	0.6%	GDP (wda, YoY)	Q4:19	0.3%	+	0.4%	0.6%	GDP Private Consumption (QoQ)	Q4:19	-2.0%	-	-2.9%	0.5%
Industrial Production (MoM)	January	-0.2%	-	-0.3%	-0.4%						GDP Business Spending (QoQ)	Q4:19	-1.6%	-	-3.7%	0.5%
University of Michigan consumer confidence	January	99.5	+	100.9	99.8											
EURO AREA																
Trade Balance SA (€ bn)	December	19.3	+	22.2	19.1											
Employment (QoQ)	Q4:19	..		0.3%	0.1%											
Employment (YoY)	Q4:19	..		1.0%	1.0%											
GDP (QoQ)	Q4:19	0.1%		0.1%	0.1%											
GDP (YoY)	Q4:19	1.0%	-	0.9%	1.0%											
Tuesday 18					Wednesday 19					Thursday 20						
US		S	A	P	US		S	A	P	US		S	A	P		
Empire Manufacturing	February	5.0	..	4.8	Housing starts (k)	January	1420	..	1608	Philadelphia Fed Business Outlook	January	11	..	17		
NAHB housing market confidence index	February	75	..	75	Building permits (k)	January	1450	..	1420	Initial Jobless Claims (k)	February 15	210	..	205		
Net Long-term TIC Flows (\$ bn)	December	..	..	22.9	FOMC Minutes	January 29				Continuing Claims (k)	February 8	1717	..	1698		
UK					UK					UK						
ILO Unemployment Rate	December	3.8%	..	3.8%	CPI (YoY)	January	1.6%	..	1.3%	Retail sales Ex Auto MoM	January	0.8%	..	-0.8%		
GERMANY					CPI Core (YoY)	January	1.5%	..	1.4%	EURO AREA						
ZEW survey expectations	February	21.5	..	26.7	JAPAN					Consumer Confidence Indicator	February	-8.2	..	-8.1		
ZEW survey current situation	February	-10.0	..	-9.5	Exports YoY	January	-7.0%	..	-6.3%							
CHINA					Imports YoY	January	-1.8%	..	-4.9%							
Aggregate Financing (RMB bn)	January	4200	..	2103												
Money Supply M0 (YoY)	January	..	..	5.4%												
Money Supply M1 (YoY)	January	4.5%	..	4.4%												
Money Supply M2 (YoY)	January	8.6%	..	8.7%												
New Yuan Loans (RMB bn)	January	3100	..	1140												
Friday 21					Monday 24											
US		S	A	P	EURO AREA		S	A	P	GERMANY		S	A	P		
Markit US Manufacturing PMI	February	51.5	..	51.9	Markit Eurozone Manufacturing PMI	February	47.4	..	47.9	IFO- Business Climate Indicator	February	..	..	95.9		
Existing home sales (mn)	January	5.45	..	5.54						IFO-Expectations	February	..	..	92.9		
UK					Markit Eurozone Services PMI	February	52.3	..	52.5	IFO- Current Assesment	February	..	..	99.1		
Markit UK PMI Manufacturing	February	49.7	..	50.0	Markit Eurozone Composite PMI	February	51.0	..	51.3							
SA																
Markit/CIPS UK Services PMI	February	53.4	..	53.9												
JAPAN																
CPI (YoY)	January	0.7%	..	0.8%												
Core CPI (YoY) - ex. Fresh Food	January	0.8%	..	0.7%												
Core CPI (YoY) - ex. Fresh Food and Energy	January	0.8%	..	0.9%												
PMI manufacturing	February	..	..	48.8												

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	3380	1,6	4,6	23,1	25,3	MSCI Emerging Markets	61766	1,1	0,5	7,8	0,1	
Japan	NIKKEI 225	23688	-0,6	0,1	12,1	12,0	MSCI Asia	923	1,5	1,0	8,8	-1,0	
UK	FTSE 100	7409	-0,8	-1,8	2,9	2,7	China	87	2,1	1,5	8,5	-6,2	
Canada	S&P/TSX	17848	1,1	4,6	13,7	16,4	Korea	722	1,7	4,4	7,7	-1,6	
Hong Kong	Hang Seng	27816	1,5	-1,3	-2,2	-8,8	MSCI Latin America	99980	0,7	-0,2	6,6	10,6	
Euro area	EuroStoxx	419	1,4	3,6	19,1	11,5	Brazil	361672	0,5	-1,2	12,4	28,2	
Germany	DAX 30	13744	1,7	3,7	23,9	11,4	Mexico	41714	1,7	4,0	4,8	-9,0	
France	CAC 40	6069	0,7	1,5	19,9	17,5	MSCI Europe	6314	0,2	-0,9	13,9	12,5	
Italy	FTSE/MIB	24867	1,6	5,8	25,4	10,8	Russia	1349	0,3	-0,9	21,9	29,9	
Spain	IBEX-35	9957	1,5	4,3	11,2	2,8	Turkey	1538017	-1,2	2,3	8,8	-1,4	

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		179,0	-0,3	-9,1	-11,9	-15,3	Energy		185,4	-0,3	-8,0	-11,7	-11,9
Materials		264,0	0,5	-3,0	7,7	-5,4	Materials		256,9	0,6	-1,4	8,7	0,7
Industrials		281,3	0,2	1,8	14,4	7,8	Industrials		281,1	0,4	2,9	15,0	12,2
Consumer Discretionary		287,3	1,8	3,3	19,0	15,4	Consumer Discretionary		279,5	1,9	4,1	19,5	18,7
Consumer Staples		254,7	0,1	1,4	15,1	11,6	Consumer Staples		257,8	0,2	2,5	15,4	16,4
Healthcare		285,8	0,5	2,4	17,2	25,2	Healthcare		284,3	0,6	3,1	17,3	28,5
Financials		127,2	0,9	1,1	14,9	-1,7	Financials		128,9	1,0	2,3	15,5	2,7
IT		342,0	2,2	10,0	43,4	49,7	IT		332,4	2,2	10,3	43,7	51,4
Telecoms		80,7	1,3	4,2	20,9	19,6	Telecoms		84,7	1,4	4,7	21,1	24,8
Utilities		161,9	2,0	7,8	22,2	36,3	Utilities		167,8	2,2	8,9	23,2	41,9

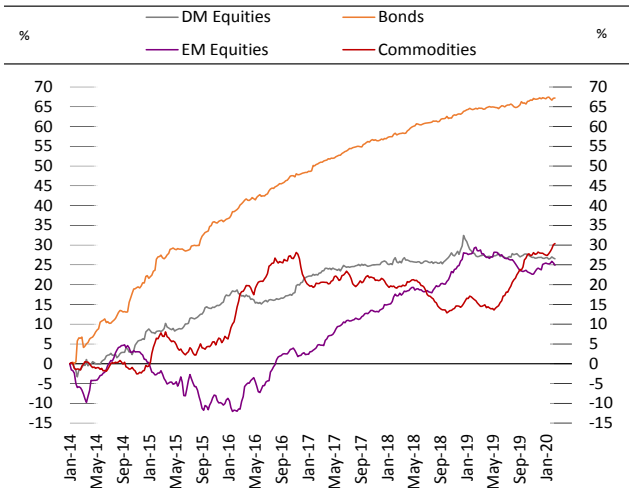
Bond Markets (%)

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	1,59	1,58	1,92	2,66	2,37	US Treasuries 10Y/2Y	16	18	35	16	141
Germany	-0,40	-0,39	-0,19	0,10	1,07	US Treasuries 10Y/5Y	17	18	23	18	74
Japan	-0,03	-0,04	-0,01	-0,01	0,46	Bunds 10Y/2Y	25	26	42	66	117
UK	0,63	0,57	0,82	1,15	1,94	Bunds 10Y/5Y	21	22	29	45	73
Greece	0,94	1,05	1,47	3,86	9,93	Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
Ireland	-0,11	-0,11	0,12	0,86	3,40						
Italy	0,92	0,94	1,41	2,80	3,14						
Spain	0,29	0,28	0,47	1,24	2,92						
Portugal	0,29	0,32	0,44	1,57	4,69						
US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average	US High yield	356	375	360	417	496
30-Year FRM ¹ (%)	3,7	3,7	4,0	4,7	4,2	Euro area IG	90	92	94	137	139
vs 30Yr Treasury (bps)	168	167	156	165	118	Euro area High Yield	305	316	308	435	482

Foreign Exchange & Commodities

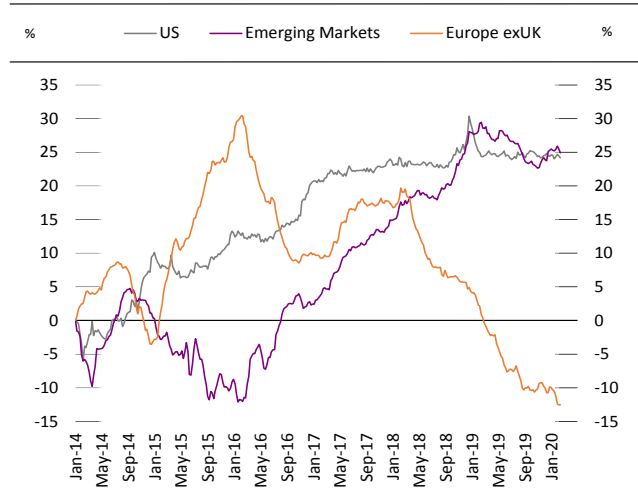
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates							Agricultural		340	-0,5	-2,9	-3,0	-2,3
EUR/USD		1,08	-1,0	-2,8	-4,1	-3,4	Energy		429	3,4	-9,6	-4,5	-13,7
EUR/CHF		1,07	-0,4	-0,9	-6,2	-1,9	West Texas Oil (\$)		52	3,4	-10,0	-4,3	-14,8
EUR/GBP		0,83	-2,3	-2,9	-5,9	-1,9	Crude Brent Oil (\$)		57	6,2	-11,1	-11,0	-13,9
EUR/JPY		118,83	-1,1	-3,0	-4,8	-2,4	Industrial Metals		1146	1,0	-7,2	-6,2	-6,0
EUR/NOK		10,02	-1,6	1,4	2,5	1,8	Precious Metals		1851	0,8	1,5	19,2	3,5
EUR/SEK		10,54	-0,3	-0,1	0,5	0,4	Gold (\$)		1584	0,9	1,8	20,7	4,4
EUR/AUD		1,61	-1,7	-0,1	1,5	1,0	Silver (\$)		18	0,2	-1,4	13,6	-0,6
EUR/CAD		1,44	-1,5	-1,3	-4,4	-1,5	Baltic Dry Index		425	2,4	-44,7	-32,3	-61,0
USD-based cross rates							Baltic Dirty Tanker Index		865	7,7	-35,4	7,3	-45,8
USD/CAD		1,32	-0,5	1,6	-0,4	2,0							
USD/AUD		1,49	-0,6	2,9	5,8	4,5							
USD/JPY		109,77	0,0	-0,1	-0,6	1,1							

Global Cross Asset ETFs: Flows as % of AUM



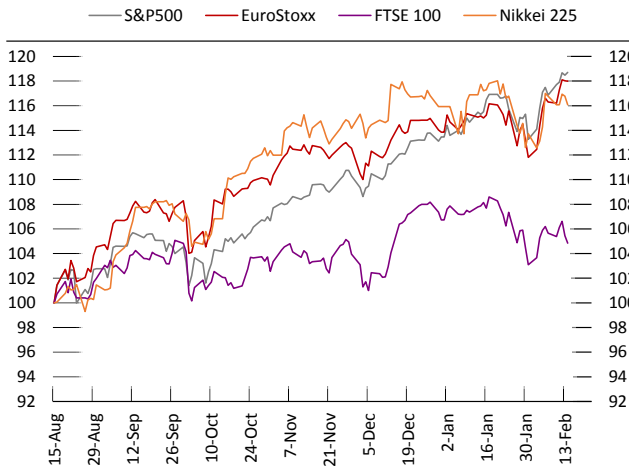
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of February 14th

Equity ETFs: Flows as % of AUM



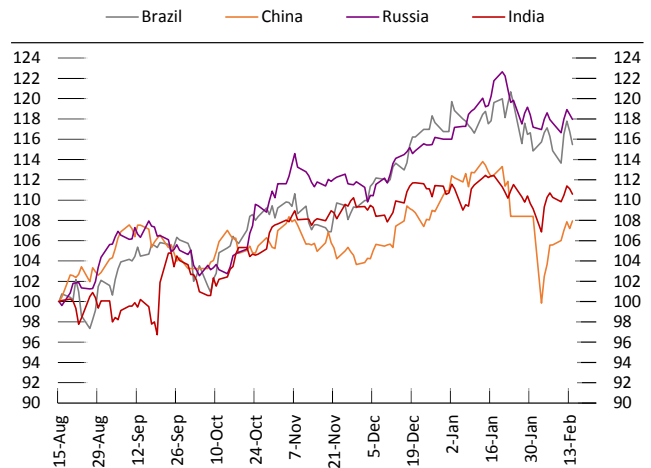
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of February 14th

Equity Market Performance - G4



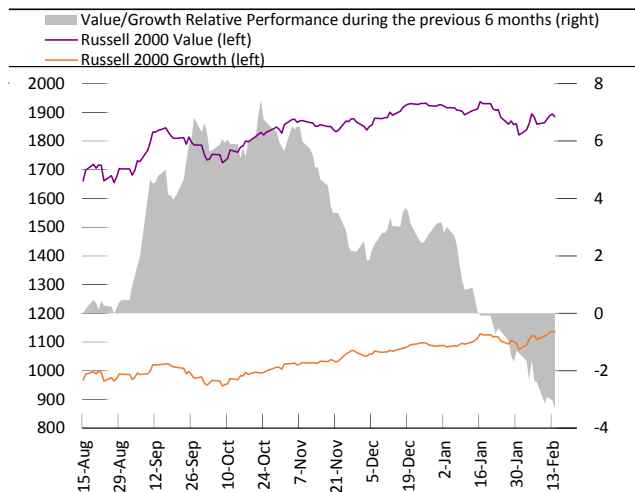
Source: Bloomberg - Data as of February 14th - Rebased @ 100

Equity Market Performance - BRICs



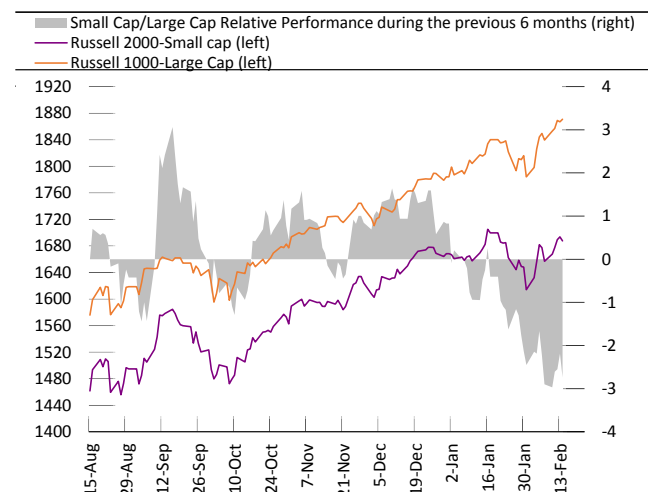
Source: Bloomberg - Data as of February 14th - Rebased @ 100

Russell 2000 Value & Growth Index



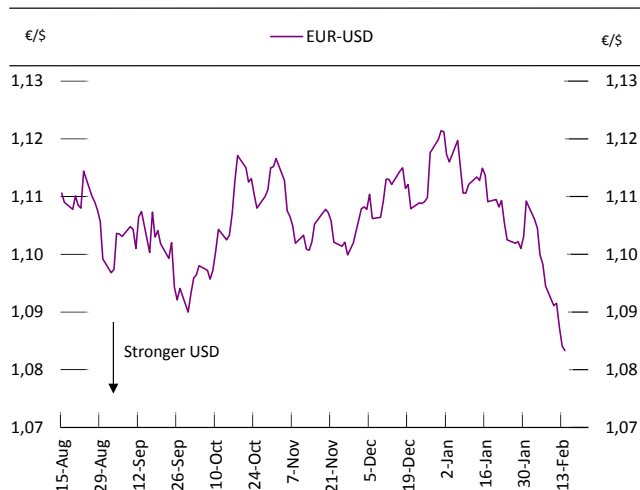
Source: Bloomberg, Data as of February 14th

Russell 2000 & Russell 1000 Index



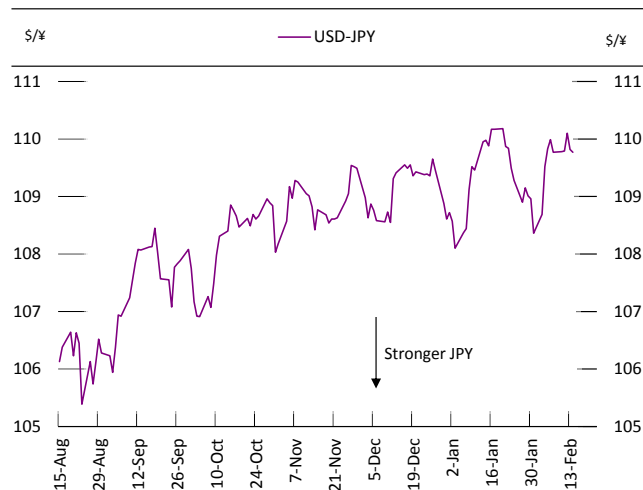
Source: Bloomberg, Data as of February 14th

EUR/USD



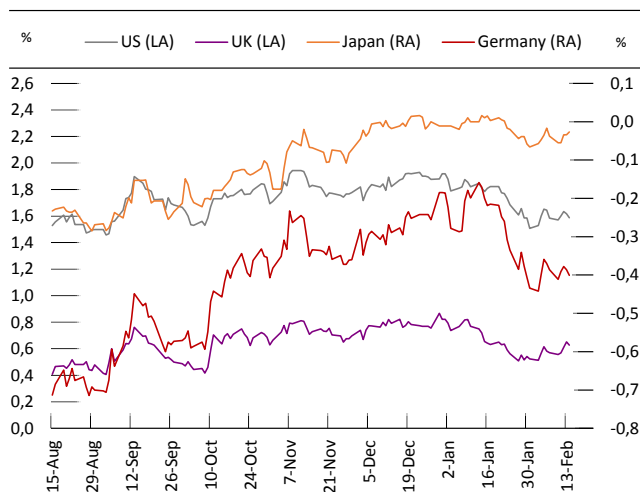
Source: Bloomberg, Data as of February 14th

JPY/USD



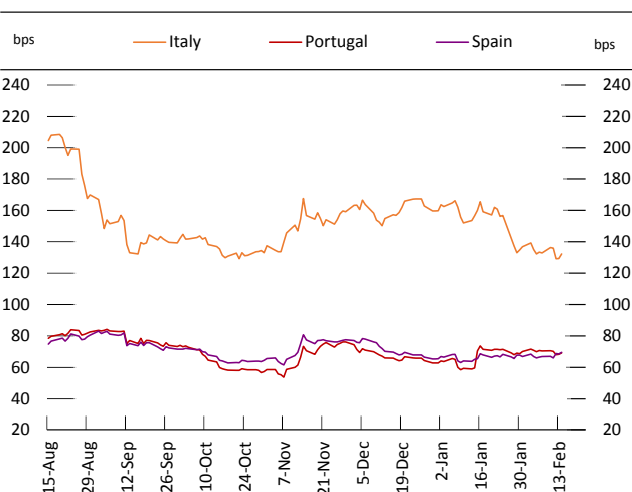
Source: Bloomberg, Data as of February 14th

10- Year Government Bond Yields



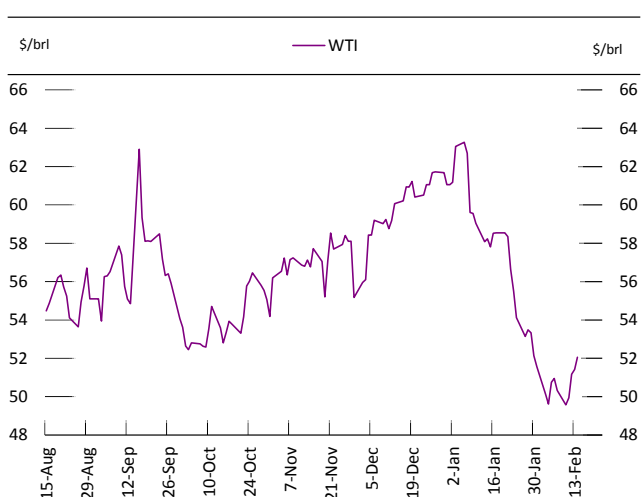
Source: Bloomberg - Data as of February 14th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



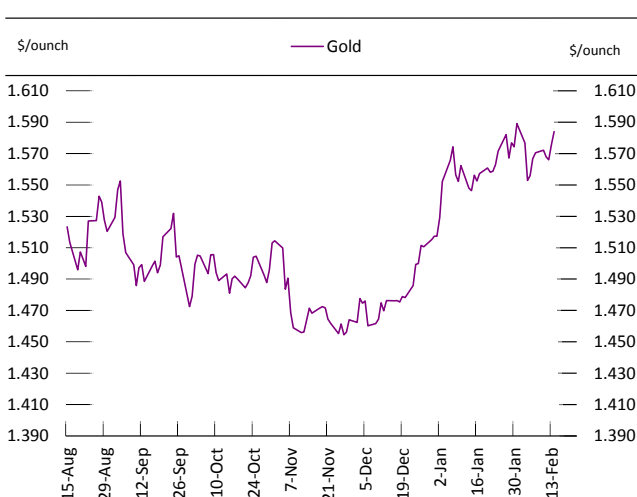
Source: Bloomberg - Data as of February 14th

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of February 14th

Gold (\$/ounce)



Source: Bloomberg, Data as of February 14th

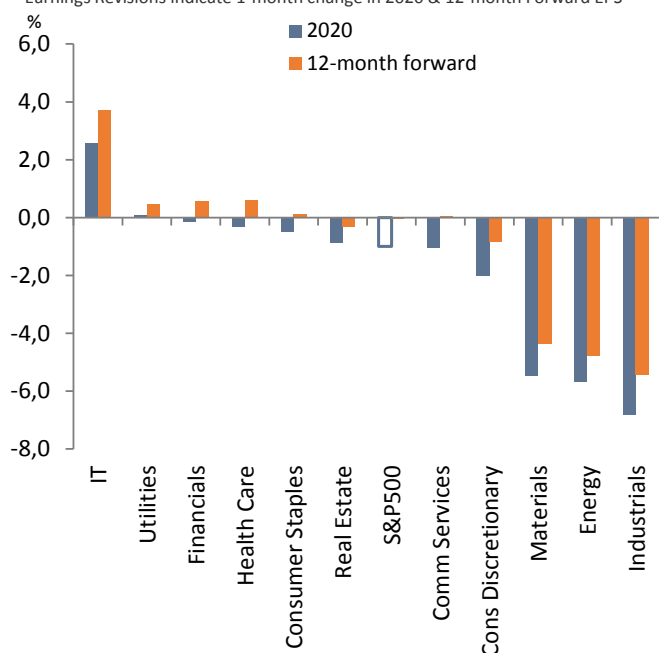
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	14/2/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3380	1,6	1,2	8,6	1,8	1,8	20,2	19,3	19,0	15,1	3,6	3,5	3,5	2,5
Energy	410	0,3	-28,9	16,5	3,8	4,6	21,7	16,9	16,6	19,7	1,6	1,5	1,5	1,8
Materials	380	0,7	-15,6	6,6	2,1	2,2	20,2	19,2	18,9	14,7	2,4	2,4	2,4	2,5
Financials														
Diversified Financials	769	0,9	1,7	5,8	1,4	1,5	16,2	15,7	15,5	13,8	1,9	1,8	1,8	1,5
Banks	368	0,6	9,0	3,8	2,6	3,0	12,3	11,7	11,6	11,0	1,4	1,3	1,3	1,0
Insurance	465	0,6	15,7	7,9	2,2	2,2	13,4	13,1	13,0	10,8	1,5	1,5	1,5	1,1
Real Estate	260	4,8	1,9	4,8	3,1	3,0	21,0	21,7	21,5	18,3	3,7	3,9	3,9	3,0
Industrials														
Capital Goods	751	1,0	-6,5	7,9	1,9	1,9	21,1	19,9	19,5	15,5	5,4	4,9	4,9	3,4
Transportation	796	1,0	6,6	4,2	1,9	2,0	14,7	14,3	14,1	13,5	4,3	4,0	4,0	3,4
Commercial Services	383	1,9	12,9	8,0	1,3	1,2	28,5	28,4	28,1	19,9	6,0	6,2	6,1	3,4
Consumer Discretionary														
Retailing	2665	2,8	3,7	12,5	0,8	0,8	32,9	31,4	30,9	21,2	12,7	11,5	11,2	6,1
Media	700	1,9	3,6	16,1	0,4	0,4	27,5	24,4	24,0	20,1	4,2	3,9	3,8	3,2
Consumer Services	1329	2,5	5,0	6,7	2,1	2,3	23,9	22,4	22,1	19,2	14,8	15,4	15,3	6,4
Consumer Durables	376	2,2	0,4	9,2	1,4	1,5	19,2	17,9	17,7	16,8	4,0	3,6	3,6	3,2
Automobiles and parts	108	1,7	-16,4	7,0	4,2	4,4	8,5	7,6	7,5	8,3	1,4	1,3	1,2	1,7
IT														
Technology	1709	1,1	2,6	12,6	1,3	1,4	21,6	19,8	19,6	12,6	9,7	10,4	10,4	3,7
Software & Services	2614	2,0	11,1	14,4	1,0	1,0	29,3	28,3	27,8	17,3	7,9	8,0	7,9	5,1
Semiconductors	1348	5,0	-12,3	9,2	1,8	1,8	18,9	18,7	18,4	13,9	5,5	5,5	5,4	3,1
Communication Services	192	1,4	3,0	10,9	1,2	1,2	21,8	20,1	19,9	17,3	3,5	3,2	3,2	2,8
Consumer Staples														
Food & Staples Retailing	498	1,1	2,9	4,2	1,7	1,8	21,5	21,0	20,9	16,1	4,6	4,4	4,3	3,1
Food Beverage & Tobacco	740	0,9	-1,7	4,9	3,3	3,3	19,7	19,5	19,3	17,5	5,3	5,2	5,2	4,9
Household Goods	769	0,5	6,6	7,7	2,3	2,3	25,8	24,7	24,5	19,2	8,9	9,0	8,9	5,0
Health Care														
Pharmaceuticals	991	-0,7	9,8	6,9	2,1	2,3	15,9	14,9	14,7	14,4	5,5	4,5	4,4	3,5
Healthcare Equipment	1422	2,6	10,3	9,7	1,0	1,1	20,4	19,0	18,7	15,2	3,7	3,4	3,3	2,6
Utilities	356	2,4	4,8	4,9	3,1	3,0	20,7	21,6	21,4	15,7	2,2	2,3	2,3	1,6

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

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

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

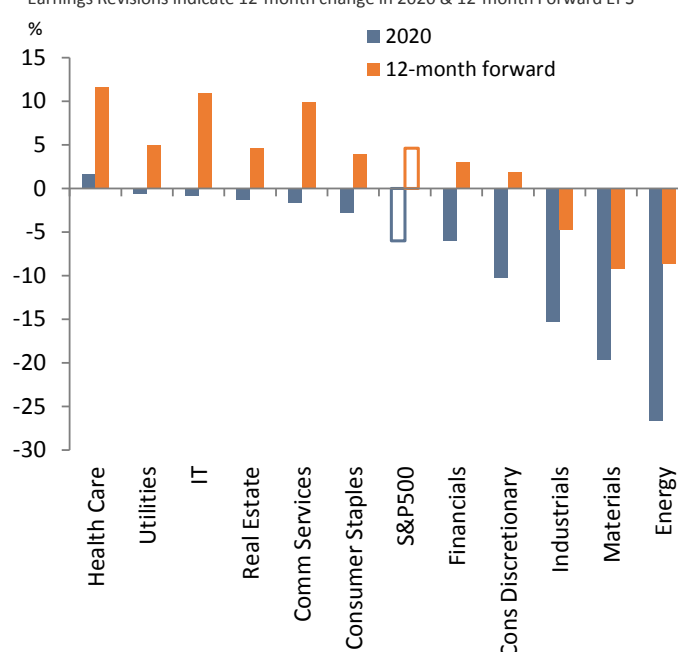


Source: Factset, Data as of February 14th

12-month forward EPS are 88% of 2020 EPS and 12% of 2021 EPS

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

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



Source: Factset, Data as of February 14th

12-month forward EPS are 88% of 2020 EPS and 12% of 2021 EPS

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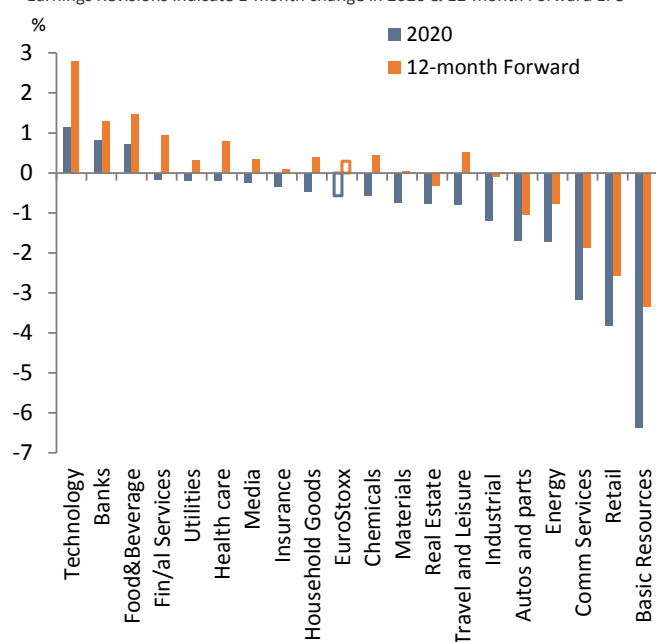
Euro Area Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	14/2/2020	% Weekly Change	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	419	1,4	2,7	7,6	3,1	3,1	16,7	15,9	15,7	13,2	1,7	1,7	1,7	1,4
Energy	310	0,0	-10,1	14,5	4,9	5,5	13,8	11,2	11,1	11,4	1,3	1,1	1,1	1,2
Materials	504	2,3	13,9	7,7	3,1	3,3	15,4	14,8	14,7	14,1	1,9	1,8	1,8	1,4
Basic Resources	199	1,0	-61,6	33,4	3,3	3,4	19,3	14,5	14,1	13,6	0,8	0,8	0,8	0,9
Chemicals	1203	2,4	-12,7	8,2	2,6	2,7	21,8	20,9	20,7	15,1	2,1	2,1	2,1	2,2
Financials														
Fin/al Services	544	1,6	25,4	-6,3	2,4	2,4	15,8	17,9	17,6	14,1	1,7	1,6	1,6	1,3
Banks	101	1,5	-1,0	3,7	5,7	5,6	9,3	9,3	9,2	10,0	0,6	0,6	0,6	0,7
Insurance	316	2,0	13,0	5,4	4,8	5,0	11,0	10,8	10,7	9,2	1,0	1,0	1,0	0,9
Real Estate	262	3,2	0,1	3,8	4,2	4,1	19,1	19,6	19,5	16,7	1,0	1,1	1,1	1,0
Industrial	966	-0,2	11,4	10,7	2,3	2,4	20,3	18,6	18,3	15,2	3,2	3,1	3,0	2,3
Consumer Discretionary														
Media	223	-1,2	9,5	9,0	3,3	3,5	17,2	15,5	15,4	15,8	2,3	2,2	2,2	2,0
Retail	619	2,4	3,4	6,8	2,5	2,7	25,0	24,0	23,6	18,6	3,9	3,8	3,7	2,8
Automobiles and parts	456	1,8	-12,1	7,0	3,7	4,0	8,8	7,6	7,5	8,6	0,9	0,8	0,8	1,0
Travel and Leisure	206	2,0	-4,8	23,4	2,0	2,2	15,7	12,2	12,0	14,7	1,9	1,7	1,7	1,8
Technology	660	2,8	6,3	11,4	1,2	1,0	26,6	25,1	24,6	18,1	4,2	4,0	4,0	3,0
Communication Services	303	3,1	-14,3	14,7	4,2	4,2	17,5	15,9	15,7	14,1	1,9	1,9	1,9	1,8
Consumer Staples														
Food&Beverage	598	0,8	16,8	5,9	2,1	2,2	20,5	19,2	19,0	18,5	2,7	2,4	2,4	2,6
Household Goods	1095	0,1	6,9	10,7	1,6	1,8	29,6	26,9	26,6	20,7	6,1	5,5	5,4	3,7
Health care	915	0,7	7,3	9,4	2,1	2,2	20,1	18,7	18,4	15,1	2,4	2,3	2,3	2,1
Utilities	398	3,0	56,2	8,0	4,5	4,3	16,1	16,9	16,8	12,6	1,6	1,7	1,7	1,1

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

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

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

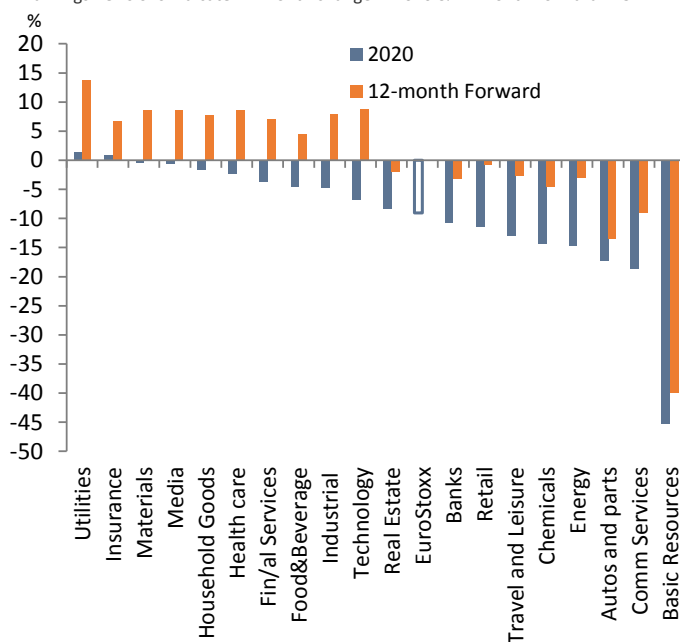


Source: Factset, Data as of February 14th

12-month forward EPS are 88% of 2020 EPS and 12% of 2021 EPS

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

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



Source: Factset, Data as of February 14th

12-month forward EPS are 88% of 2020 EPS and 12% of 2021 EPS

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