



Euro area equities are held back by policy uncertainty in Italy and trade tensions with the US

- The 2nd estimate for US GDP in Q2 confirmed the highest growth since mid-2014 (+4.2% qoq saar | +2.9% yoy). Tax cuts support private consumption (3.8% qoq saar | 2.6% yoy) and business investment (8.5% qoq saar | 7.0% yoy), in addition to increased expenditure for national defense (6.0% qoq saar | 2.2% yoy in Q2:18). According to the Brookings Institute, the overall fiscal impact on the quarterly US GDP growth was +0.68 pps in Q2.
- Chinese authorities accelerated measures to support economic activity by announcing a new set of tax cuts (August 30th). According to the official target, the overall tax burden will be reduced by RMB 0.8tn in 2018 (0.9% of GDP) and non-tax burdens (mostly administrative fees) by RMB 0.3tn or 0.3% of GDP.
- Moreover, fiscal spending is expected to accelerate in H2:2018. Overall, China's fiscal deficit in the first seven months of the year, stood at only RMB 0.4tn (0.4% GDP), versus an annual target for FY:2018 of RMB 2.4tn (2.6% of GDP).
- In global equity markets, US equities continued to overperform their major peers in the past week. Indeed, the S&P 500 rose by 0.9% wow (+8.5% ytd), while the EuroStoxx ended the week down by 0.6% wow (-1.6% ytd). Besides aggressive share-buybacks by US companies (circa \$650bn or 3% of market cap ytd), the widening profitability gap between the US and other regions has fueled the overperformance in US equities, albeit it appears to be nearing a peak (see graph below with relative 12-month forward EPS expectations).
- Recall that consensus estimates for S&P 500 EPS growth overall in 2018 stand at 23.1% yoy, versus +15.9% yoy for the MSCI World, while the respective figures for 2019 are +10.2% yoy and 9.7% yoy.
- Regarding euro area equities, apart from uncertainty regarding the future trade conditions with the US, investors' risk appetite is weighed by Italian policy uncertainty vis-à-vis the forthcoming 2019 Italian Budget. Note that Fitch maintained Italy's credit rating at BBB, in line with Moody's and S&P, but changed its outlook to "negative", from "stable" previously. At the same time, Italian economic confidence has taken a hit in recent months, with PMI manufacturing declining by 3.2 pts since June, to 50.1 in August, a 2-year low.
- Italian equities continued to underperform in the past week, down by 2.3% wow (-17% since mid-May 2018), led by Banks (-4.2% wow | -29% since mid-May 2018). At the same time, the 10-Year Italian BTP/Bund spread widened further, by 10 bps wow, to a 5-year high of 291 bps.
- The US Dollar continues to appreciate against emerging market (EM) currencies, +1.7% wow (+6.2% in August) and further by 0.7% on Monday (+12.8% ytd). Apart from strong US economic data, this trend is exacerbated by idiosyncratic factors in certain EM countries, e.g. Turkey and Argentina.
- Regarding the latter, in an effort to stem high inflation (July: 32.2% yoy) and restore confidence, the central bank raised its policy rate by 15% to 60%. Moreover, President Macri announced spending cuts, tax increases and requested amendments and speeding up of further disbursements from the \$50bn Stand-By Arrangement agreed with the IMF in June 2018 (\$15bn are already disbursed).

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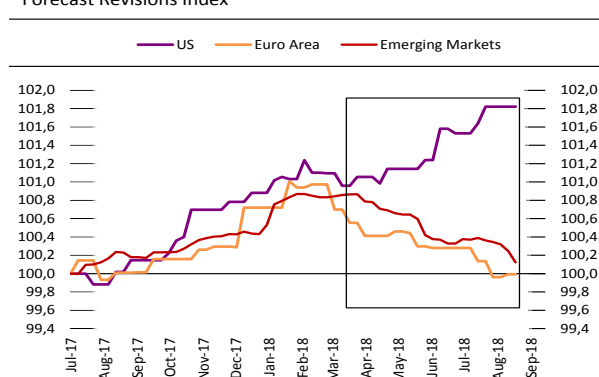
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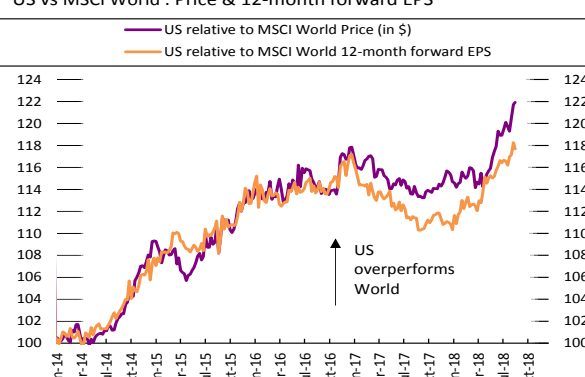
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Forecast Revisions Index



US vs MSCI World : Price & 12-month forward EPS



Robust US GDP growth in Q2 is confirmed

- The 2nd estimate of US GDP growth for Q2:18 was little changed, up by 0.1 pp compared with the previous estimate, to 4.2% qoq saar (2.2% qoq saar in Q1:18), the highest since Q3:14, while annual growth in Q2:18 stood at 2.9% yoy, the highest since Q2:15. The most notable revision regarded business investment growth, at +8.5% qoq saar, up compared with an already solid +7.3% qoq saar in the 1st estimate. Modest upward revisions for government consumption, net exports and inventories offset minor downward revisions for private consumption and residential investment. Looking forward, consensus estimates for GDP growth for Q3:18 stand at +3.0% qoq saar, while GDPNowcast models (Atlanta Fed, New York Fed) point to growth of 2.0% - 4.1% qoq saar. Regarding private consumption, the major GDP component (68% of total), data so far support the view that it remains strong. In the event, personal spending, in constant price terms, entered Q3:18 on a positive note, rising by 0.2% mom (+2.8% yoy) in July.

Business investment in the US to continue to find support from corporate profitability

- US corporate profit growth remained solid in Q2. Corporate profits of public and private companies (NIPA accounts) for Q2:18 rose by 7.7% yoy, the strongest outcome since Q3:14, compared with a rise of 5.9% yoy in Q1:17. Profits from domestic non-financial activities increased by 6.6% yoy, profits from abroad recorded a rise of 14.1% yoy, while profits from domestic financial activities stood at +4.4% yoy. Notably, the annual growth of overall corporate profits after taxes (a better indicator of the corporate income that is available, *inter alia*, for investment), remains strong, at 16.1% yoy in Q2:18 (+15.1% yoy in Q1:18), benefitting from the tax overhaul (corporate taxes paid as % of total corporate profits so far in 2018 stand at a record low of c. 10%, compared with 17% in 2017).

Euro area core inflation remains low

- Inflation data for August modestly undershot consensus expectations. The flash estimate for CPI stood at 2.0% yoy, compared with 2.1% yoy in July (consensus: 2.1% yoy). More importantly, core CPI also decelerated by 0.1 pp, to 1.0% yoy, below consensus estimates for an unchanged outcome. Recall that core CPI growth was also 1.0% yoy, on average, so far in 2018 as well as in 2017.
- Thus, the continuing improvement in the labor market, although having led to clear signs of acceleration in wage growth, has so far failed to feed into higher underlying price pressures. Recall that the unemployment rate in the euro area stood at 8.2% in July, the lowest since November 2008, having declined by 0.9 pps compared with a year ago. At the same time, the annual growth of the nominal compensation per employee in the euro area, according to the latest data (as of Q1:18 | Q2:18 data are due on September 12th) stands at 2.0% yoy, the strongest performance since Q4:11, having accelerated for seven consecutive quarters.

Euro area bank lending growth remains at multi-year highs

- Euro area economic activity continues to find support from the credit cycle. The two major private sector components performed as follows in July: i) loan growth to households (adjusted for sales and securitizations) was broadly stable at 3.0% yoy, the highest since February 2009; and ii) loan growth to non-financial corporations was also stable at 4.1% yoy, a 9-year high. On a country-by-country basis, divergence remains, with the annual growth rate of loans to non-financial corporations in Germany (+6.0%) and France (+5.9%) strongly outpacing that of Spain (+0.6%) and Italy (+1.8%). Recall that in Italy, there has been some improvement during 2018 (1.7% yoy, on average, so far in 2018, compared with +0.1% yoy, on average, in 2017).

UK consumer credit growth slows, albeit remaining high

- The annual growth of total lending to households was down slightly, by 0.1 pp, to +3.9% yoy in July, with a deceleration in consumer credit growth. Specifically, the annual growth rate of mortgage lending was stable for a 7th consecutive month at +3.2% (euro area: +3.4% yoy), while the annual growth of consumer credit was +8.5% (euro area: +7.3% yoy and US: +4.7% yoy). The latter compares with +8.8% in June 2018 and a peak of +10.4% in April 2017. Recall that, since June 2017, the Bank of England's Financial Policy Committee (FPC) has emphasized that bringing down the rapid pace of growth of consumer credit (10% of GDP) is an important issue for financial stability. According to the latest BoE's Credit Conditions Survey (July), UK banks expect to modestly reduce the availability of unsecured credit in Q3:18 (-7.7% | a negative reading indicates that the fraction of banks reporting less availability is greater than those reporting more availability).

Japanese industrial production below expectations

- Industrial production declined for a 3rd consecutive month in July, by 0.1% mom (+0.8% yoy), following a -1.8% mom (+0.6% yoy) in June (and -0.2% mom in May), versus consensus estimates for +0.2% mom. It should also be noted, however, that the latest readings were likely, in part, negatively distorted by the disasters caused early in July by the heavy rainfall in western Japan. Indeed, according to the estimate based on the survey outcome by the Ministry of Economy, Trade and Industry, industrial production will pick up by +1.2% mom in August. Nonetheless, even if such an outcome is confirmed, the underlying trend for industrial production appears subdued recently.

Chinese PMIs slightly improved in August

- PMIs point to broadly stable economic activity in August. The official manufacturing PMI was up slightly by 0.1 pt, to 51.3, above consensus estimates for 51.0. Nevertheless, sub-indices of the PMI, that are closely related to international trade, continued to deteriorate, with the new export component down by 0.4 pts to a 6-month low of 49.4 and the imports component down by 0.5 pts to 49.1, the lowest since June 2016. Overall, consensus expects GDP growth of +6.6% yoy in Q3:18, compared with +6.7 % yoy in Q2:18.

Equities

- **Global equity markets were volatile in the past week. The developments in the emerging markets (Argentina, Turkey) and renewed trade concerns offset investors' risk-on sentiment following the preliminary trade agreement between Mexico and US at the beginning of the week.** Overall, the MSCI World index ended the week up by 0.6%, with developed markets (+0.6% wow) overperforming their emerging market peers (+0.5% wow). The S&P500 ended the week up by 0.9% wow, with Technology recording strong gains (+2.0% wow), following optimistic reports for Amazon (14% of sector's market cap) and Alphabet (13% of sector's market cap). On the other side of the Atlantic, the EuroStoxx ended the week down by 0.6%. The Autos sector took a hit on Friday (-1.5% | +1.7% wow), following President Trump's criticism of European trade practices. In the UK, the FTSE 100 was down by 1.9% wow, on the back of a stronger GBP. Finally, Chinese equities ended the week broadly flat (+0.3%), with the CSI 300 Index (largest A-shares in Shanghai and Shenzhen exchanges) recording strong losses on Thursday and Friday (-1.5%), as renewed trade concerns dampened risk appetite and erased some of the gains made at the start of the week.

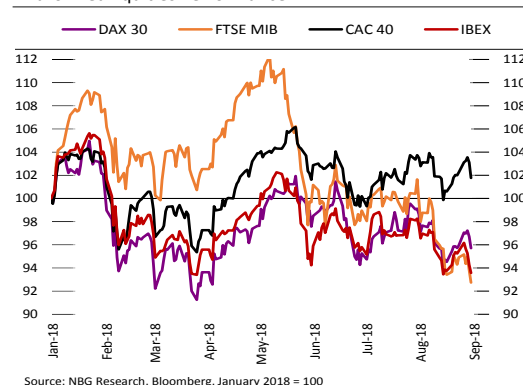
Fixed Income

- **Government bond yields in the US sold off at the start of the week, following the preliminary trade agreement between Mexico and the US, albeit they declined later due to renewed trade uncertainty.** Overall, the US Treasury 10-Year yield rose by 5 bps wow to 2.86%, while the US Treasury 2-Year yield rose by 1 bp wow to 2.63%. In Germany, the 10-Year Yield fell by 2 bps to 0.33%. In Italy, the 10-Year Yield rose to a 4-year high on Friday (3.24%), while the spread over the Bund was at its highest level since July 2013 (291 bps), following the country's rating review by Fitch on Friday to negative from stable, with its credit rating remaining at BBB. Investors' risk aversion resulted in a widening in bond spreads over the Bund in Spain, by 10 bps wow to 115 bps, and by 12 bps wow in Portugal to 160 bps, in the 10-Year tenor.
- **Corporate bond spreads widened in the past week due to investors' risk aversion.** Specifically, euro area HY spreads rose by 11 bps wow to 367 bps, while their US counterparts rose by 3 bps to 349 bps. In the investment grade spectrum, euro area spreads were up by 3 bps to 120 bps, while US IG spreads were up by 2 bps to 121 bps.

FX and Commodities

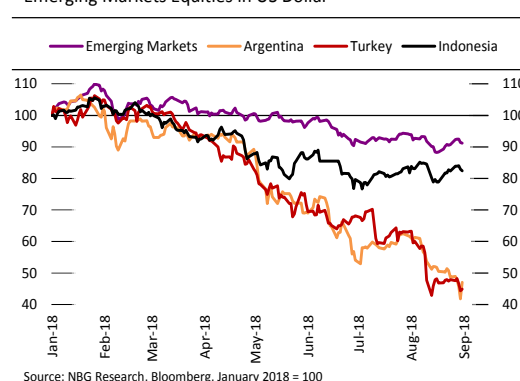
- **In foreign exchange markets, the British Pound moved in tandem with UK and EU officials' commentary regarding the progress in "Brexit" negotiations (more constructive and positive in the past week followed by more negative on Monday).** Specifically, sterling rose by 1.0% against the euro in the past week, whereas it declined by 0.8% on Monday (September 3rd) to €0.903. Against the USD, it rose by 0.9% in the past week and declined by 0.7% on Monday, to \$1.287. The euro ended the week broadly flat against the USD (-0.2% to \$1.160), albeit it declined by 0.6% on Thursday on the back of weaker-than-expected inflation data. The USD continued to strengthen against EM currencies (+1.7% wow), due to the economic overperformance in the US and idiosyncratic factors in some EM countries (e.g. Turkey, Argentina). Specifically, in Argentina, the ARS fell by 19.7% against the USD in the past week to \$/36.9 following a request to speed up IMF aid disbursements, while in Turkey, the TRY fell by 8.9% to \$/6.54 (see graph).
- **In commodities, oil prices (Brent) rose in the past week, buoyed by risks of supply disruption in Venezuela and reports of declining shipments from Iran ahead of the imposition of US sanctions on Tehran in November.** US oil inventories declined for a second consecutive week (-2.6 million barrels to 406 million barrels for the week ending August 24th), providing further support. Overall, the WTI was stable at \$69.8/barrel and Brent rose by 2.9% to \$77.2/barrel.

Euro Area Equities Performance



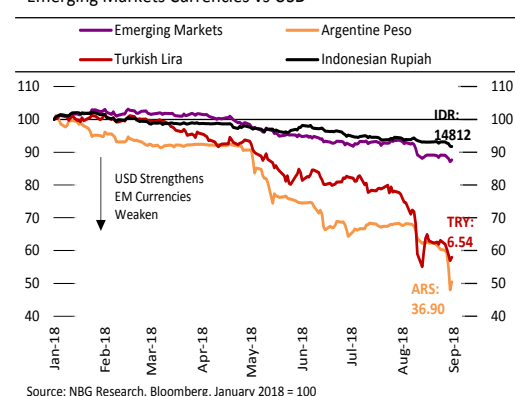
Graph 1.

Emerging Markets Equities in US Dollar



Graph 2.

Emerging Markets Currencies vs USD



Graph 3.

Quote of the week: "I've been upping my (GDP) forecast. I'm now at 2.75 percent to 3 percent for the year, probably closer to 3 percent. I think that the fiscal policy — the stimulus and the tax cuts — has been a positive for the economy in terms of demand growth", **President of the Federal Reserve Bank of Cleveland and a voting member of the Fed, Loretta Mester** August 24th 2018.

Tactical Asset Allocation (3-month)

- Equities:** We remain Neutral/Positive 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.

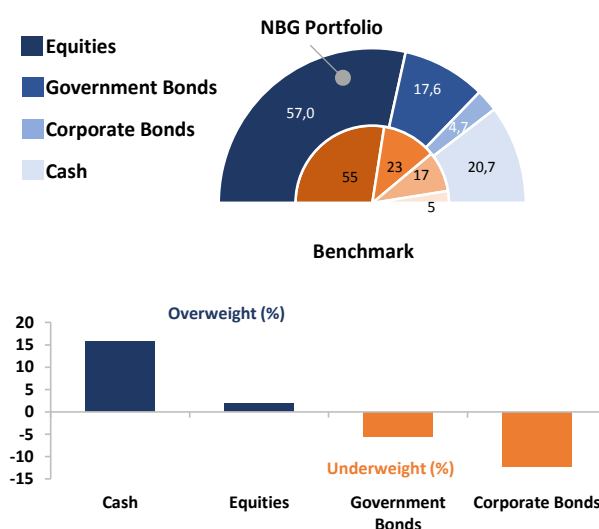
*Including Technology and Industrials

**Including Healthcare, Utilities, Telecoms

Notes:

- 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.
- All figures shown are in percentage points.
- OW/UW: Overweight/Underweight relative to Benchmark.
- 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 - Persisting domestic financial crisis <p>▲ Neutral/Positive</p>	<ul style="list-style-type: none"> + Strong economic activity + Attractive valuations - Weak foreign investor appetite for emerging market assets <p>▲ Neutral/Positive</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</p>	<ul style="list-style-type: none"> + Attractive valuations - Weak foreign investor appetite for emerging market assets <p>▲ Neutral/Positive</p>
Domestic Debt	<ul style="list-style-type: none"> + Low public debt-to-GDP ratio - Loosening fiscal stance - Stubbornly high inflation - Persisting domestic financial crisis 	<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 	<ul style="list-style-type: none"> + Positive inflation outlook + Policy Coordination Instrument with the IMF + Restored fiscal and public debt sustainability + Acceleration in economic activity - Large public sector borrowing requirements
Foreign Debt	<p>▼ Stable to lower yields</p> <ul style="list-style-type: none"> + High foreign debt yields - Sizeable external financing requirements - Weak foreign investor appetite for emerging market assets - Persisting domestic financial crisis 	<p>▲ Stable to higher yields</p> <ul style="list-style-type: none"> - Large external financing requirements - Heightened domestic political uncertainty 	<p>▼ Stable to lower yields</p> <ul style="list-style-type: none"> + Solidly-based currency board arrangement, with substantial buffers + Current account surplus - Large external financing requirements 	<p>▼ Stable to lower yields</p> <ul style="list-style-type: none"> + Ongoing EU membership negotiations + Policy Coordination Instrument with the IMF - Sizeable external financing requirements - Reinvigorated 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 - Persisting geopolitical risks and domestic financial crisis - Escalating global trade war <p>▼ Weaker to stable TRY against the EUR</p>	<p>▲ Stable to widening spreads</p> <ul style="list-style-type: none"> - Large external financing requirements - Heightened domestic political uncertainty <p>▼ Weaker to stable 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 + Policy Coordination Instrument with the IMF + Large FDIs - Sizeable external financing requirements <p>▲ Stable to stronger RSD against the EUR</p>

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	Aug 31st	3-month	6-month	12-month	Official Rate (%)	Aug 31st	3-month	6-month	12-month
Germany	0,33	0,70	0,90	1,10	Euro area	0,00	0,00	0,00	0,00
US	2,86	3,10	3,20	3,40	US	2,00	2,25	2,50	3,00
UK	1,43	1,56	1,65	1,78	UK	0,75	0,75	0,80	1,05
Japan	0,11	0,10	0,12	0,12	Japan	-0,10	-0,10	-0,10	-0,10
Currency	Aug 31st	3-month	6-month	12-month		Aug 31st	3-month	6-month	12-month
EUR/USD	1,16	1,18	1,20	1,22	USD/JPY	111	110	110	107
EUR/GBP	0,90	0,88	0,88	0,88	GBP/USD	1,30	1,34	1,36	1,38
EUR/JPY	129	130	132	130					

Forecasts at end of period

Economic Forecasts

United States	2016a	Q1:17a	Q2:17a	Q3:17a	Q4:17a	2017a	Q1:18a	Q2:18a	Q3:18f	Q4:18f	2018f
Real GDP Growth (YoY) (1)	1,6	1,9	2,1	2,3	2,5	2,2	2,6	2,9	2,7	2,5	2,7
Real GDP Growth (QoQ saar) (2)	-	1,8	3,0	2,8	2,3	-	2,2	4,2	2,6	2,0	-
Private Consumption	2,7	1,8	2,9	2,2	3,8	2,5	0,5	4,0	2,6	2,4	2,4
Government Consumption	1,4	-0,8	0,1	-1,0	2,4	-0,1	1,5	2,4	3,1	3,0	1,8
Investment	1,7	9,9	4,3	2,6	6,2	4,8	8,0	6,2	4,2	1,7	4,6
Residential	6,5	11,1	-5,5	-0,5	11,2	3,3	-3,4	-1,6	2,6	2,7	2,2
Non-residential	0,5	9,6	7,3	3,4	4,9	5,3	11,5	8,5	4,6	1,5	5,4
Inventories Contribution	-0,6	-0,9	0,3	1,2	-1,1	0,0	0,3	-1,2	0,0	0,0	0,1
Net Exports Contribution	-0,3	-0,2	0,0	0,0	-1,2	-0,4	-0,1	1,3	-0,4	-0,5	-0,2
Exports	-0,1	5,0	3,6	3,5	6,6	3,0	3,6	9,1	1,3	1,8	4,4
Imports	1,9	4,8	2,5	2,8	11,8	4,6	3,0	-0,4	3,5	4,6	4,9
Inflation (3)	1,3	2,5	1,9	1,9	2,1	2,1	2,2	2,7	2,7	2,4	2,5
Euro Area	2016a	Q1:17a	Q2:17a	Q3:17a	Q4:17a	2017a	Q1:18a	Q2:18a	Q3:18f	Q4:18f	2018f
Real GDP Growth (YoY)	1,8	2,0	2,5	2,8	2,8	2,4	2,5	2,2	2,2	2,0	2,3
Real GDP Growth (QoQ saar)	-	2,4	2,9	2,9	2,8	-	1,5	1,5	2,0	2,1	-
Private Consumption	1,9	1,5	2,0	1,5	0,8	1,7	1,9	1,6	1,9	1,7	1,7
Government Consumption	1,8	0,4	1,9	2,0	1,0	1,2	0,2	2,0	1,8	1,3	1,3
Investment	3,7	-2,0	8,2	-0,5	5,8	2,9	1,4	3,5	3,4	3,1	3,7
Inventories Contribution	0,0	0,0	0,3	-0,2	-1,2	0,0	1,3	0,0	0,1	0,1	0,0
Net Exports Contribution	-0,3	1,9	-0,5	2,0	2,2	0,7	-1,2	0,0	-0,3	0,2	0,3
Exports	3,0	6,6	4,5	6,1	9,7	5,5	-3,4	4,4	4,4	4,8	5,3
Imports	4,0	2,6	6,1	2,0	5,6	4,2	-1,1	4,9	5,4	4,8	5,0
Inflation	0,2	1,8	1,5	1,4	1,4	1,5	1,2	1,7	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	2017	2018f	2019f
Real GDP Growth (%)						
Turkey	5,2	6,1	3,2	7,4	3,2	2,5
Romania	3,4	3,9	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	14,8	12,0
Romania	0,8	-0,9	-0,5	3,3	3,7	3,4
Bulgaria	-0,9	-0,4	0,1	2,8	2,7	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	-3,7	-4,2
Bulgaria	0,1	0,0	2,3	4,5	2,7	1,4
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	3/9/2018	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	93.916	2,9	-18,6	22,2
Romania - BET-BK	1.622	-0,2	-1,8	23,4
Bulgaria - SOFIX	630	-0,7	-7,0	33,5
Serbia - BELEX15	728	-0,9	-4,2	15,4

Financial Markets

	3/9/2018	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	21,8	19,0	18,0	16,5
Romania	3,2	3,2	3,0	3,0
Bulgaria(*)	0,0	0,1	0,1	0,2
Serbia	2,6	2,9	3,1	3,5
Currency				
TRY/EUR	7,71	7,00	6,90	6,80
RON/EUR	4,63	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)(**)	681	520	340	180
Romania (EUR 2024)	118	130	120	110
Bulgaria (EUR 2022)	42	44	42	40
Serbia (USD 2021)(*)	150	132	126	120

(*) Base interest rate (**) Spread over US Treasuries

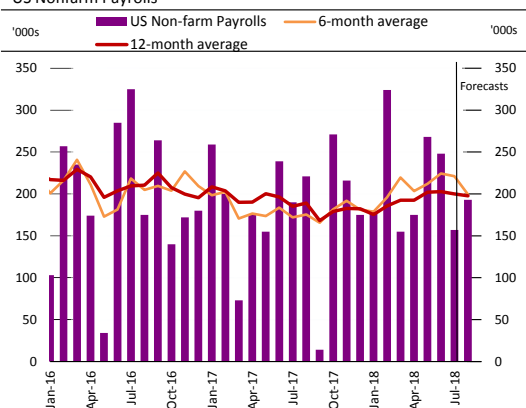
Economic Calendar

The main macro event next week is the US labor market report due for release next Friday. Nonfarm Payrolls are expected to have increased by 193k in August from 157k in July, while the unemployment rate is expected to have declined to 3.8% (the lowest since December 1969) from 3.9% in the previous month.

In the Euro Area, markets will focus on the final estimate for Q2:18 as it is the 1st including detailed expenditure data. Real GDP growth is expected to have remained unchanged at +0.4% qoq, compared with the previous estimate.

Finally, in China, external trade data for August will provide further information on economic activity momentum.

US Nonfarm Payrolls



Source: NBG Research, Bloomberg

Economic News Calendar for the period: August 28 - September 10, 2018

Tuesday 28					Wednesday 29					Thursday 30						
US		S	A	P	US		S	A	P	US		S	A	P		
S&P Case/Shiller house price index 20 (YoY)	June	6.40%	-	6.31%	6.54%	GDP (QoQ, annualized)	Q2:18	4.0%	+	4.2%	4.1%	PCE Core Deflator (YoY)	July	2.0%	2.0%	1.9%
Conference board consumer confidence	August	126.6	-	133.4	127.9	Personal consumption (QoQ, annualized)	Q2:18	3.9%	-	3.8%	4.0%	PCE Deflator (YoY)	July	2.3%	2.3%	2.2%
EURO AREA					Pending home sales (MoM)	July	0.3%	-	-0.7%	1.0%	Personal income (MoM)	July	0.4%	-	0.3%	0.4%
M3 money supply (YoY)	July	4.3%		4.0%	4.5%					Personal spending (MoM)	July	0.4%	0.4%	0.4%		
										Initial Jobless Claims (k)	August 25	212	-	213	210	
										Continuing Claims (k)	August 18	1725	+	1708	1728	
										JAPAN						
										Retail sales (MoM)	July	0.2%	-	0.1%	1.4%	
										Retail sales (YoY)	July	1.2%	+	1.5%	1.7%	
										EURO AREA						
										Economic confidence indicator	August	111.9	-	111.6	112.1	
										Business Climate Indicator	August	1.26	-	1.22	1.30	
Friday 31					Monday 3											
JAPAN		S	A	P	UK		S	A	P							
Jobless Rate	July	2.4%	-	2.5%	2.4%	Markit UK PMI Manufacturing	August	53.9	-	52.8	53.8					
Industrial Production (MoM)	July	0.2%	-	-0.1%	-1.8%	SA										
Industrial Production (YoY)	July	2.7%	-	2.3%	-0.9%	CHINA										
Construction Orders (YoY)	July	..	-	-9.3%	-6.5%	Caixin PMI Manufacturing	August	50.7	-	50.6	50.8					
EURO AREA																
Unemployment Rate	July	8.2%		8.2%	8.2%											
CPI Estimate (YoY)	August	2.1%	-	2.0%	2.1%											
Core CPI (YoY)	August	1.1%	-	1.0%	1.1%											
CHINA																
PMI manufacturing	August	51.0	+	51.3	51.2											
UK																
Nationwide House Px NSA (YoY)	August	2.7%	-	2.0%	2.5%											
GERMANY																
Retail sales (MoM)	July	-0.2%	-	-0.4%	1.2%											
Retail sales (YoY)	July	1.3%	-	0.8%	2.7%											
Tuesday 4					Wednesday 5					Thursday 6						
US		S	A	P	US		S	A	P	US		S	A	P		
Construction spending (MoM)	July	0.4%	..	-1.1%	Trade balance (\$bn)	July	-50.0	..	-46.3	ADP Employment Change (k)	August	190	..	219		
ISM Manufacturing	August	57.6	..	58.1	UK					Initial Jobless Claims (k)	September 1	213	..	213		
UK					Markit/CIPS UK Services PMI	August	53.9	..	53.5	Continuing Claims (k)	August 25	1718	..	1708		
Markit/CIPS UK Construction PMI	August	54.9	..	55.8	EURO AREA					ISM non-manufacturing	August	56.6	..	55.7		
					Retail sales (MoM)	July	-0.1%	..	0.3%	Factory Goods Orders (MoM)	July	-0.6%	..	0.7%		
					Retail sales (YoY)	July	1.3%	..	1.2%							
Friday 7					Monday 10											
US		S	A	P	GERMANY					UK		S	A	P		
Change in Nonfarm Payrolls (k)	August	193	..	157	Industrial Production (sa, MoM)	July	0.2%	..	-0.9%	Industrial Production (MoM)	July	..	..	0.4%
Change in Private Payrolls (k)	August	194	..	170	Industrial Production (wda, YoY)	July	2.6%	..	2.5%	Industrial Production (YoY)	July	..	..	1.1%
Unemployment rate	August	3.8%	..	3.9%						JAPAN						
Underemployment Rate	August	..	..	7.5%						GDP (QoQ)	Q2:18 F	0.7%	..	0.5%
Average Hourly Earnings (MoM)	August	0.2%	..	0.3%	EURO AREA					Private Consumption (QoQ)	Q2:18 F	0.7%	..	0.7%		
Average Hourly Earnings (YoY)	August	2.7%	..	2.7%	Government expenditure (QoQ)	Q2:18	0.4%	..	0.1%	Business Spending (QoQ)	Q2:18 F	2.8%	..	1.3%		
Average weekly hours (hrs)	August	34.5	..	34.5	Gross Fixed Capital Formation (QoQ)	Q2:18	1.0%	..	0.3%	Eco Watchers Current Survey	August	..	..	46.6
Labor Force Participation Rate	August	..	..	62.9%	Household Consumption (QoQ)	Q2:18	0.3%	..	0.5%	Eco Watchers Outlook Survey	August	..	..	49.0
JAPAN					GDP (QoQ)	Q2:18 F	0.4%	..	0.4%	CHINA						
Coincident Index	July	103.5	..	104.7	GDP (YoY)	Q2:18 F	2.2%	..	2.2%	Exports (YoY)	August	10.3%	..	12.2%		
Leading Index	July	115.7	..	116.4						Imports (YoY)	August	18.5%	..	27.3%		
										CPI (YoY)	August	2.1%	..	2.1%		

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	2902	0,9	8,5	17,4	33,7	MSCI Emerging Markets	58760	1,0	-3,5	2,0	21,3	
Japan	NIKKEI 225	22865	1,2	0,4	16,4	35,4	MSCI Asia	887	1,2	-3,9	2,1	24,6	
UK	FTSE 100	7432	-1,9	-3,3	0,0	9,6	China	81	0,3	-9,0	-1,3	31,4	
Canada	S&P/TSX	16263	-0,6	0,3	6,9	11,4	Korea	701	1,9	-6,4	0,1	23,5	
Hong Kong	Hang Seng	27889	0,8	-6,8	-0,3	21,4	MSCI Latin America	84823	0,2	-1,1	2,6	18,1	
Euro area	EuroStoxx	379	-0,6	-1,6	1,9	16,5	Brazil	255812	0,8	-0,6	6,1	24,9	
Germany	DAX 30	12364	-0,2	-4,3	2,6	16,7	Mexico	45912	-0,4	-1,4	-4,7	2,7	
France	CAC 40	5407	-0,5	1,8	6,3	21,8	MSCI Europe	5357	2,1	-0,5	3,0	20,4	
Italy	FTSE/MIB	20269	-2,3	-7,2	-6,5	19,6	Russia	1050	2,7	9,9	17,5	21,5	
Spain	IBEX-35	9399	-2,0	-6,4	-8,7	7,8	Turkey	1239328	2,6	-21,7	-19,2	15,3	

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		228,8	-0,8	2,4	17,9	14,4	Energy		234,0	-0,9	4,1	19,0	14,2
Materials		264,2	0,2	-5,8	3,1	24,4	Materials		251,2	0,1	-3,9	4,9	24,6
Industrials		259,9	0,7	-0,7	8,0	25,0	Industrials		256,6	0,6	0,3	9,2	25,7
Consumer Discretionary		260,9	1,4	8,9	19,4	34,9	Consumer Discretionary		251,6	1,3	9,5	20,1	35,6
Consumer Staples		225,0	-0,4	-5,3	-1,4	1,8	Consumer Staples		224,9	-0,6	-4,1	-0,6	2,1
Healthcare		249,7	0,8	9,7	11,7	21,9	Healthcare		246,2	0,6	10,3	12,3	21,9
Financials		121,0	0,1	-4,9	4,0	28,2	Financials		120,9	0,0	-3,3	5,5	28,3
IT		260,5	2,0	18,1	28,9	65,5	IT		252,3	1,9	18,3	29,2	65,9
Telecoms		65,5	-1,6	-8,0	-6,4	-8,5	Telecoms		67,9	-1,7	-6,9	-5,5	-8,0
Utilities		126,9	-0,4	-0,3	-3,8	6,9	Utilities		129,4	-0,5	0,9	-3,0	6,8

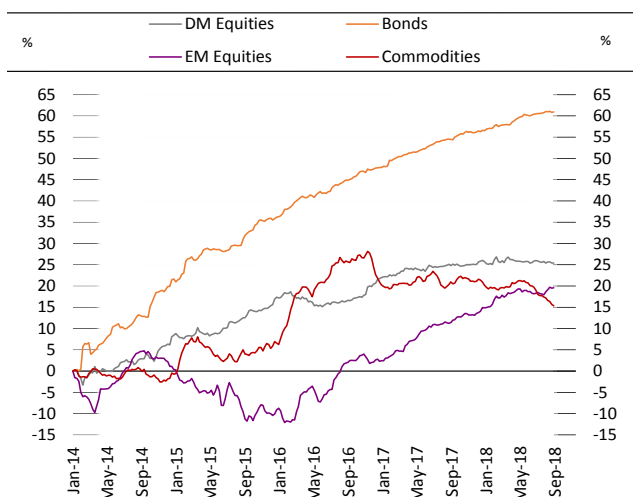
Bond Markets (%)

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	2,86	2,81	2,41	2,12	2,52	US Treasuries 10Y/2Y	23	19	52	79	171
Germany	0,33	0,35	0,43	0,36	1,57	US Treasuries 10Y/5Y	12	10	20	42	87
Japan	0,11	0,10	0,05	0,01	0,67	Bunds 10Y/2Y	93	94	105	109	131
UK	1,43	1,28	1,19	1,03	2,34	Bunds 10Y/5Y	56	56	63	70	78
Greece	4,40	4,20	4,12	5,54	10,27	Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
Ireland	0,86	0,86	0,67	0,69	4,05						
Italy	3,23	3,15	2,01	2,04	3,46						
Spain	1,47	1,39	1,57	1,56	3,39						
Portugal	1,92	1,82	1,94	2,83	5,16						
US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average	US High yield	349	346	358	385	615
30-Yr FRM ¹ (%)	4,8	4,8	4,2	4,1	4,3	Euro area IG	120	117	87	101	165
vs 30Yr Treasury (bps)	176	182	148	138	99	Euro area High Yield	367	356	272	273	635

Foreign Exchange & Commodities

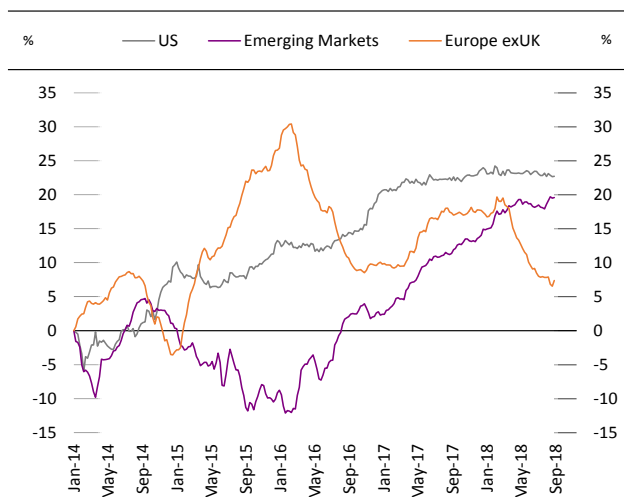
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates							Agricultural		360	0,6	-4,6	-6,9	-5,1
EUR/USD		1,16	-0,2	-0,5	-2,6	-3,3	Energy		545	1,6	5,6	43,4	17,9
EUR/CHF		1,12	-1,6	-2,8	-1,5	-3,9	West Texas Oil (\$)		70	0,0	3,2	47,8	15,5
EUR/GBP		0,90	-1,0	0,8	-2,8	0,8	Crude Brent Oil (\$)		77	2,9	7,5	47,2	15,5
EUR/JPY		128,84	-0,3	-1,1	-1,6	-4,7	Industrial Metals		1260	-1,1	-0,9	-7,6	-13,1
EUR/NOK		9,72	0,4	2,0	5,2	-1,3	Precious Metals		1428	-0,7	-2,0	-10,5	-9,5
EUR/SEK		10,67	0,6	3,9	12,9	8,8	Gold (\$)		1201	-0,4	-1,2	-9,1	-7,8
EUR/AUD		1,61	1,8	2,5	7,7	5,1	Silver (\$)		15	-1,9	-5,5	-17,4	-14,2
EUR/CAD		1,51	-0,1	-0,3	1,7	0,2	Baltic Dry Index		1579	-7,0	-10,3	33,4	15,6
USD-based cross rates							Baltic Dirty Tanker Index		786	-2,2	3,4	16,1	-5,0
USD/CAD		1,30	0,1	0,3	4,5	3,7							
USD/AUD		1,39	1,9	2,9	10,5	8,6							
USD/JPY		111,02	-0,2	-0,6	0,9	-1,5							

Global Cross Asset ETFs: Flows as % of AUM



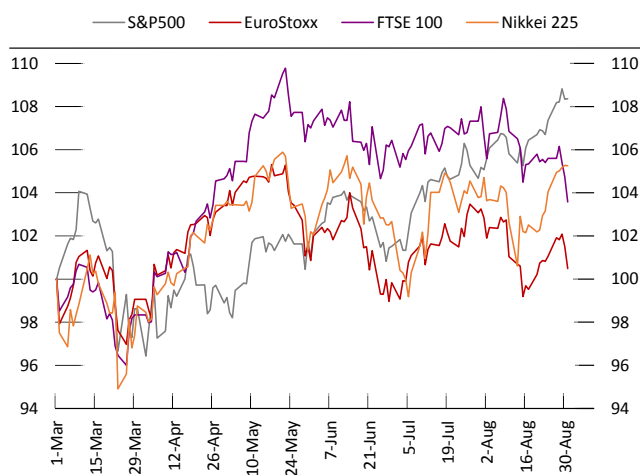
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of August 31st

Equity ETFs: Flows as % of AUM



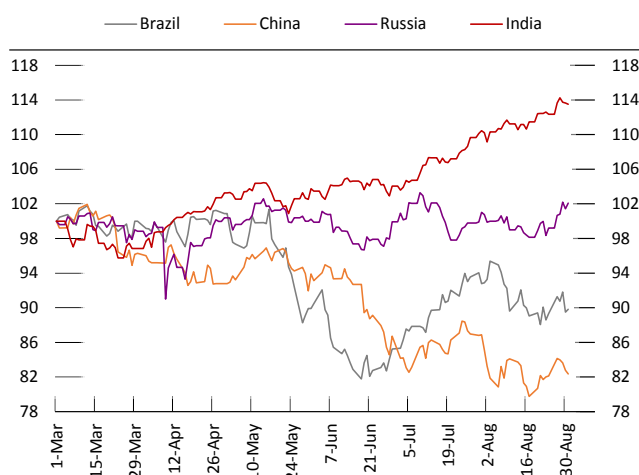
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of August 31st

Equity Market Performance - G4



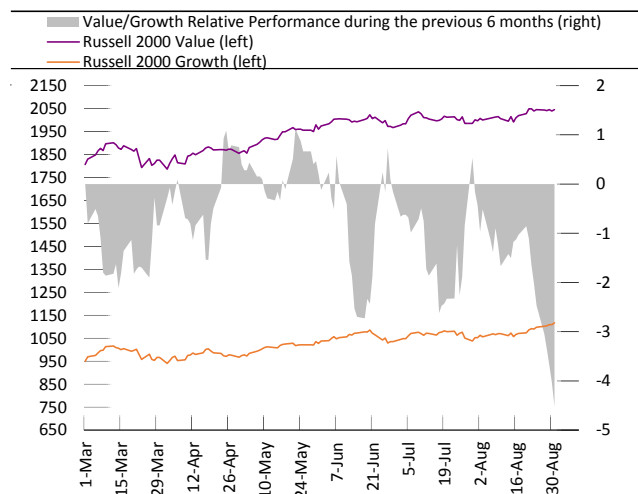
Source: Bloomberg - Data as of August 31st - Rebased @ 100

Equity Market Performance - BRICs



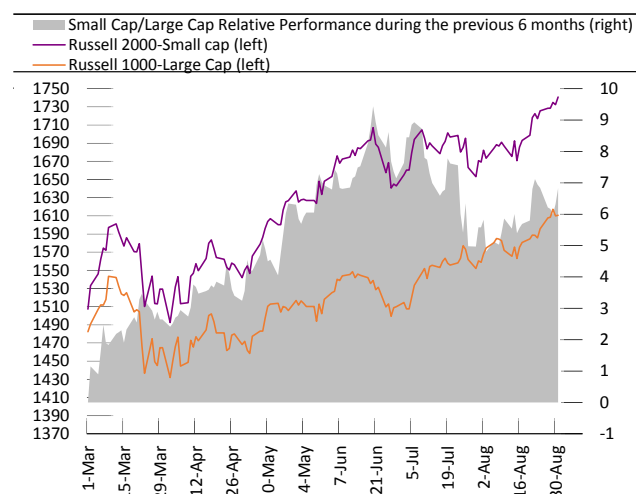
Source: Bloomberg - Data as of August 31st - Rebased @ 100

Russell 2000 Value & Growth Index



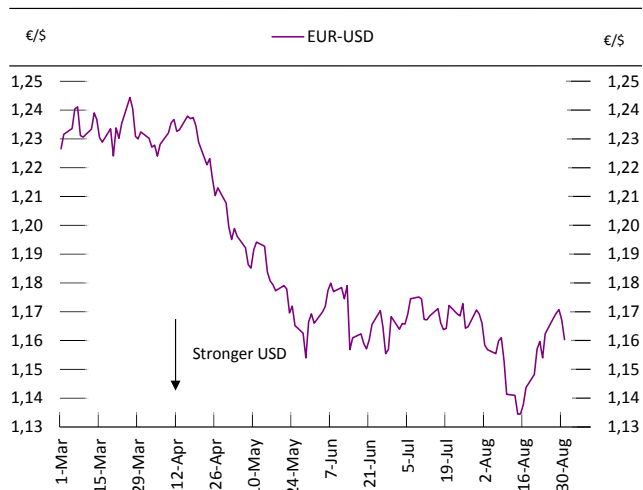
Source: Bloomberg, Data as of August 31st

Russell 2000 & Russell 1000 Index

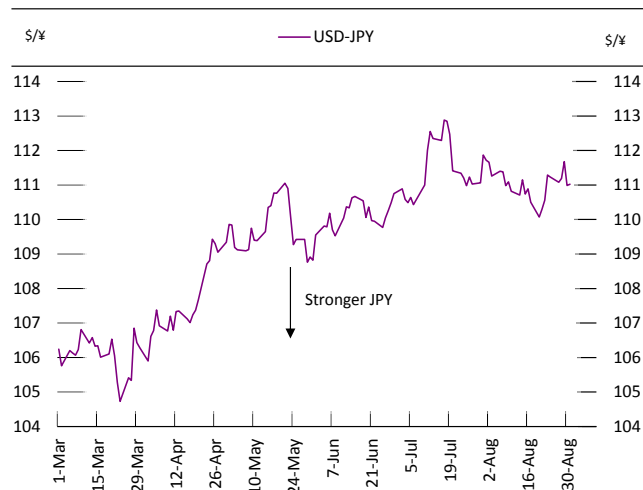


Source: Bloomberg, Data as of August 31st

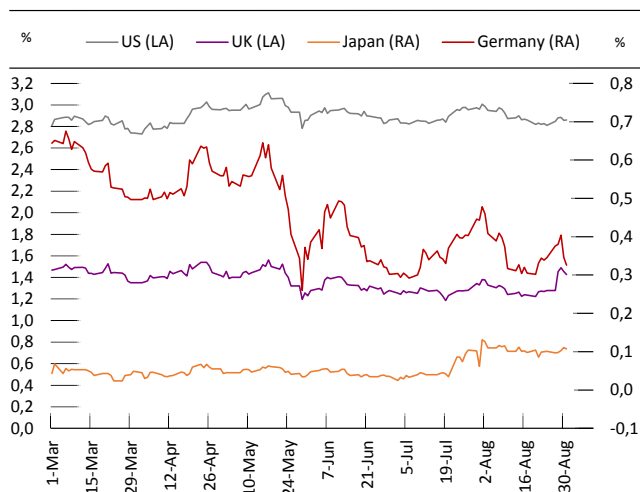
EUR/USD

Source: Bloomberg, Data as of August 31st

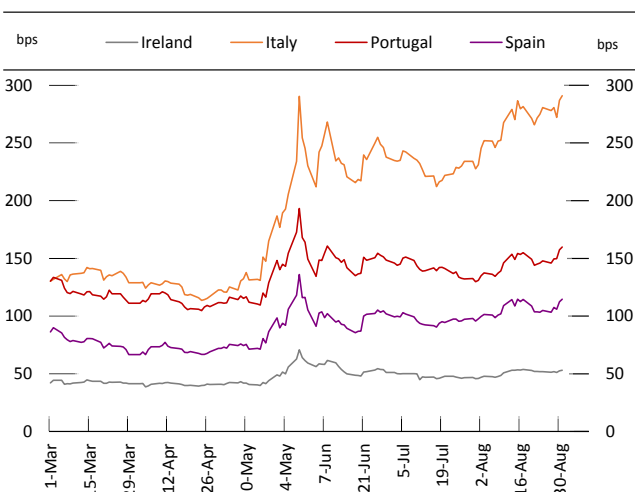
JPY/USD

Source: Bloomberg, Data as of August 31st

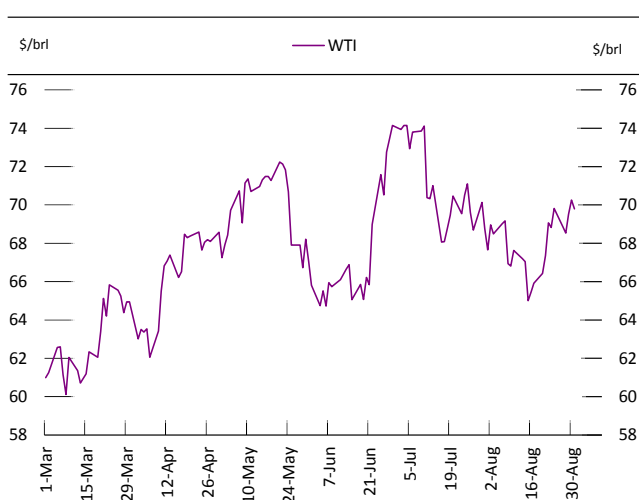
10- Year Government Bond Yields

Source: Bloomberg - Data as of August 31st
LA:Left Axis RA:Right Axis

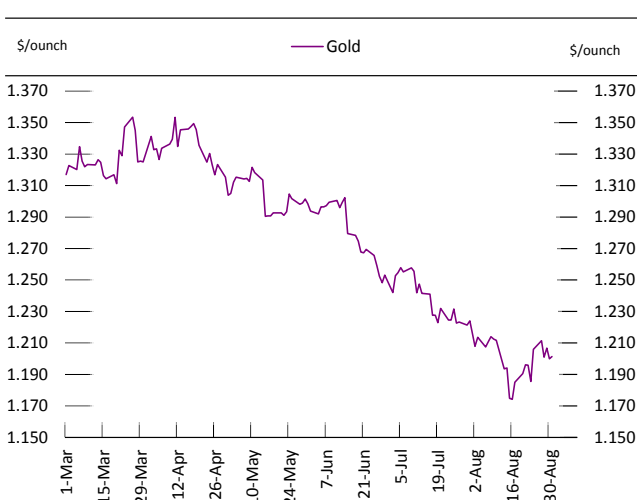
10- Year Government Bond Spreads

Source: Bloomberg - Data as of August 31st

West Texas Intermediate (\$/bbl)

Source: Bloomberg, Data as of August 31st

Gold (\$/ounce)

Source: Bloomberg, Data as of August 31st

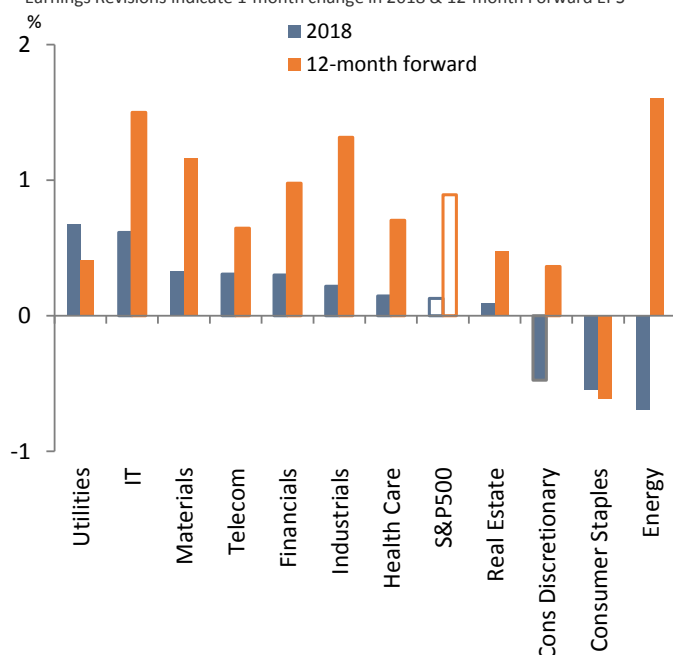
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	31/8/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
S&P500	2902	0,9	11,4	21,9	1,8	1,9	20,5	18,0	16,9	14,5	3,3	3,4	3,2	2,3
Energy	548	-0,1	247,5	97,0	2,9	2,9	34,0	19,3	16,9	19,8	1,8	2,0	1,9	1,8
Materials	372	0,3	8,0	29,7	1,9	2,0	20,8	16,0	15,3	14,5	2,8	2,5	2,4	2,5
Financials														
Diversified Financials	690	0,8	8,7	33,9	1,2	1,5	20,4	14,9	14,3	13,8	2,0	1,8	1,7	1,4
Banks	350	0,0	13,2	26,5	1,8	2,3	16,2	12,5	11,6	12,6	1,5	1,4	1,4	0,9
Insurance	389	0,1	2,5	36,3	2,0	2,2	16,6	12,1	11,4	10,2	1,4	1,4	1,3	1,0
Real Estate	208	0,9	1,4	6,3	3,6	3,4	17,6	18,6	17,9	17,6	3,2	3,3	3,4	2,7
Industrials														
Capital Goods	674	0,4	7,1	19,5	2,1	2,1	22,1	17,8	16,5	14,9	5,0	5,0	4,7	3,0
Transportation	793	0,4	0,8	23,6	1,6	1,7	17,5	16,1	14,6	14,0	4,1	4,5	4,1	3,1
Commercial Services	292	0,8	-2,6	12,9	1,4	1,4	25,0	24,8	23,2	18,5	4,2	4,3	4,0	3,0
Consumer Discretionary														
Retailing	2417	2,8	5,3	34,3	0,7	0,6	41,2	37,4	33,9	21,5	13,0	13,5	11,9	5,8
Media	558	0,7	8,4	20,4	1,3	1,4	19,2	16,8	15,7	15,4	2,9	2,7	2,5	2,4
Consumer Services	1033	1,4	13,9	17,9	1,7	2,1	24,2	20,2	18,9	18,2	8,8	9,3	9,9	5,0
Consumer Durables	348	-0,7	-3,6	14,6	1,5	1,4	20,0	18,9	17,1	16,7	3,5	3,5	3,3	3,0
Automobiles and parts	119	-0,9	2,9	-10,1	3,7	4,1	7,5	7,6	7,4	8,9	1,8	1,5	1,4	1,9
IT														
Technology	1343	4,2	14,0	20,2	1,6	1,6	17,6	17,5	16,3	12,4	5,3	7,3	7,1	3,0
Software & Services	1864	1,2	15,8	16,7	0,8	0,8	27,1	25,9	23,8	16,1	6,9	6,9	6,2	3,9
Semiconductors	1030	1,9	45,2	28,5	1,6	1,9	17,1	13,5	13,1	16,3	4,8	4,4	4,0	2,8
Consumer Staples														
Food & Staples Retailing	430	0,4	-2,1	13,3	2,5	1,9	19,5	19,3	18,8	15,3	3,8	4,0	3,9	2,9
Food Beverage & Tobacco	646	-0,9	8,8	10,8	3,1	3,5	20,6	17,7	16,9	16,8	5,1	4,7	4,6	4,8
Household Goods	548	-0,1	4,8	8,0	3,0	3,0	21,2	20,2	19,5	18,0	5,3	5,8	5,8	4,4
Health Care														
Pharmaceuticals	908	0,7	5,6	12,1	2,0	2,1	16,5	15,9	15,2	14,0	4,6	4,8	4,5	3,2
Healthcare Equipment	1209	1,3	12,2	17,1	1,0	1,0	19,9	19,3	18,1	14,0	3,5	3,6	3,4	2,4
Telecom	154	-1,7	0,8	18,1	5,5	5,6	12,2	10,4	10,3	12,7	2,1	1,8	1,7	2,3
Utilities	270	-0,6	0,1	8,5	3,7	3,5	17,0	17,1	16,7	14,5	1,8	1,8	1,8	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

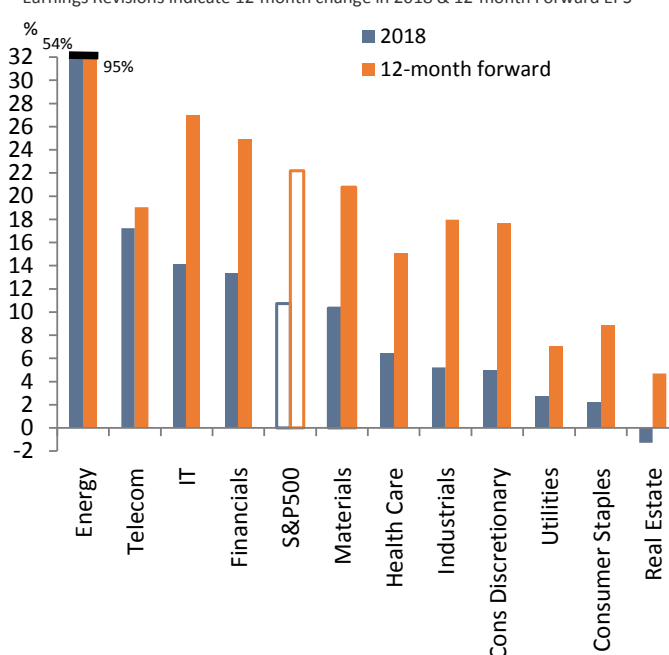


Source: Factset, Data as of August 31st

12-month forward EPS are 33% of 2018 EPS and 67% of 2019 EPS

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

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



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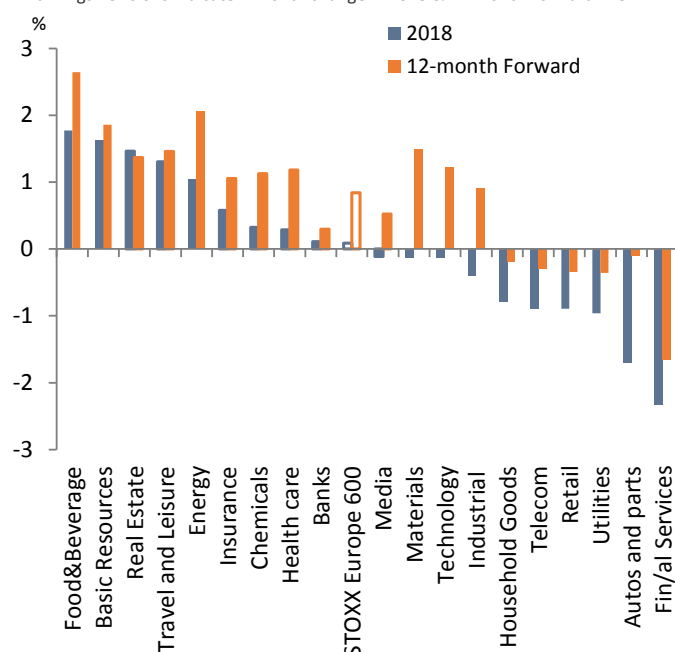
Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	31/8/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
STOXX Europe 600	382	-0,3	13,9	9,6	3,3	3,5	16,2	14,9	14,0	13,0	1,9	1,8	1,7	1,6
Energy	359	-1,3	68,4	45,0	4,8	4,6	16,6	12,9	12,0	11,4	1,4	1,4	1,4	1,2
Materials	444	0,4	11,7	5,7	2,8	3,0	18,2	17,0	15,5	14,5	1,9	1,9	1,8	1,5
Basic Resources	434	-0,2	90,1	20,0	3,5	4,4	12,6	9,7	9,8	12,5	1,7	1,4	1,4	1,3
Chemicals	958	0,7	17,6	5,1	2,6	2,8	17,7	17,0	16,2	14,3	2,5	2,5	2,3	2,0
Financials														
Fin/al Services	492	1,0	14,5	-12,6	2,9	3,2	15,5	17,7	16,7	13,4	1,7	1,6	1,5	1,3
Banks	154	-1,6	34,7	15,3	3,9	5,1	13,8	10,0	9,4	10,9	1,0	0,8	0,8	0,8
Insurance	280	0,0	-9,8	18,3	4,7	5,1	13,5	10,9	10,3	9,5	1,2	1,1	1,1	1,0
Real Estate	180	0,4	2,1	13,8	3,7	4,0	20,2	19,1	18,4	19,0	1,0	1,0	1,0	1,0
Industrial	553	0,6	10,0	8,3	2,5	2,5	19,9	19,2	17,5	14,7	3,2	3,1	3,0	2,3
Consumer Discretionary														
Media	292	-0,1	4,8	0,4	3,0	3,2	16,9	17,9	16,9	14,3	3,1	3,2	3,0	2,4
Retail	315	-1,7	1,9	6,5	2,9	2,9	19,7	19,6	18,3	16,1	2,5	2,7	2,6	2,4
Automobiles and parts	528	1,7	20,9	1,6	3,0	3,9	8,7	7,3	6,9	9,2	1,3	1,0	1,0	1,0
Travel and Leisure	254	0,5	15,4	2,8	2,4	2,6	13,7	13,0	12,3	15,6	2,9	2,5	2,3	2,1
Technology	471	0,1	8,0	12,6	1,5	1,5	24,4	23,2	20,9	17,2	3,5	3,5	3,4	2,6
Consumer Staples														
Food&Beverage	649	-0,1	3,6	12,9	2,9	2,9	22,4	21,0	19,7	17,5	3,4	3,3	3,2	2,8
Household Goods	834	-0,5	7,0	3,1	2,7	2,7	19,7	20,4	19,3	17,0	3,4	3,7	3,6	3,5
Health care	756	-0,2	-3,6	4,2	2,9	2,7	16,8	17,7	16,9	14,3	3,3	3,3	3,2	3,0
Telecom	238	-3,2	18,4	-3,5	4,9	5,6	15,2	14,3	13,7	13,5	1,8	1,6	1,6	1,6
Utilities	285	-0,7	-1,8	-4,2	5,3	5,1	13,1	14,4	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

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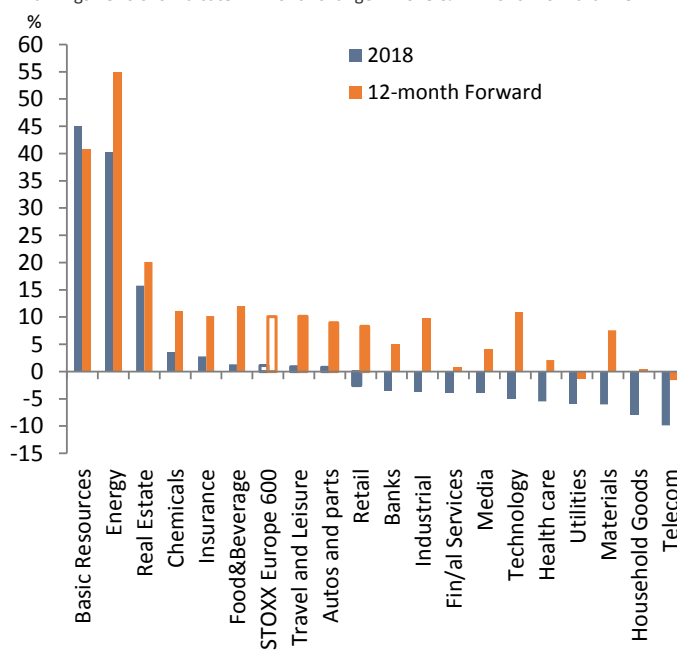


Source: Factset, Data as of August 31st

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

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