Global Markets Roundup

National Bank of Greece | Economic Research Division | July 04, 2017

NATIONAL BANK OF GREECE

The euro hits 1-year highs amid hawkish ECB statement

- Government bond yields rose sharply, while equities came under modest pressure and the EUR climbed to one-year high as investors' reassess their estimates regarding the unwinding of aggressive monetary stimulus.
- Mr. Draghi's comments that deflationary forces have been replaced by reflationary ones triggered the bond sell-off. In our view, previous week's reaction was an upward repricing of too pessimistic market estimates regarding the future path of monetary policy.
- In the UK, Governor Carney explained that as economic slack is gradually reduced (Year 2 output gap estimates: -0.4% of potential GDP vs -0.8% in August 2016), the current BoE's balance will no longer be required (between slack and inflation). As a result, the BoE's tolerance for above-target inflation (current CPI: 2.9% yoy) will lessen, increasing the risk for an interest rate hike (current: 0.25%).
- All in all, monetary policy will gradually turn more hawkish. The Fed will adhere to its policy tightening, raising interest rates and reducing its balance sheet. The ECB is ready to reduce (at its September meeting), and eventually terminate its net asset purchases during 2018. Moreover, the Bank of England has already started to remove part of the post-referendum accommodation (see Economics section).
- Developed equity markets recorded losses (MSCI World: -0.4% wow, +9.4% YtD) with euro area equities underperforming heavily in euro terms (Eurostoxx: -2.6% wow, +6.5% YtD). Intra-euro area, the export-oriented, cyclically-tilted (cyclicals weight: 63%) DAX30 sold-off (-3.2% wow, +7.4% YtD).
- Intra-sector, banks overperformed on both sides of the Atlantic during the past week due to higher yields and steeper curves. In addition, positive 2017 CCAR stress test results that have resulted in the approval of higher dividend and buyback plans for US banks, supported banks' equity prices. (US banks/S5BANKX: +5.2% wow, EA banks/SX7E: +2.6% wow).
- 10-Year Bund yields rose by 21 bps to 0.47% and equivalent maturity Gilts by 23 bps to 1.26%. US Treasuries followed suit (16 bps to 2.31%) with a modest steepening of yield curves. Core bond yields will remain vulnerable to developments of ECB and Fed balance sheet normalization.
- Hawkish comments by the ECB, on top of an accelerating economic outlook, with real GDP around 2.5% qoq saar in Q2 sent the euro to its highest level in one year against the USD to $/1.14 (+2.1% wow). Moreover, to quote Mr. Draghi, "political winds are becoming tailwinds", offering additional impetus for the euro.
- For Q2:2017, global equities increased by 3.4% qoq (MSCI World in USD terms) with emerging markets overperforming both in LC (5.8% qoq) and USD terms (5.4% qoq). The previous week's abrupt moves weigh both on core euro area Government bonds (-1% in Total Return qoq) and euro area equities that ended the quarter broadly flat. In FX, the euro was the best performer gaining 4.3% in trade-weighted terms (see asset performance dashboard in page 3).

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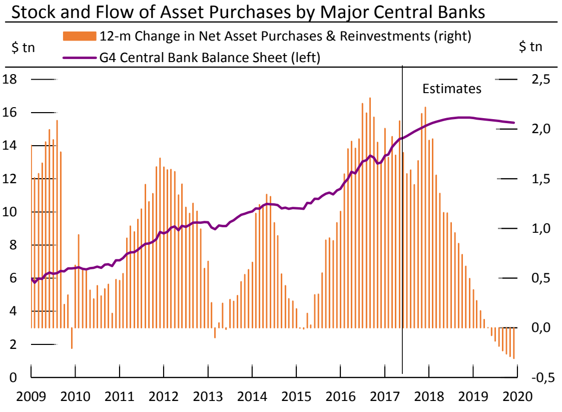
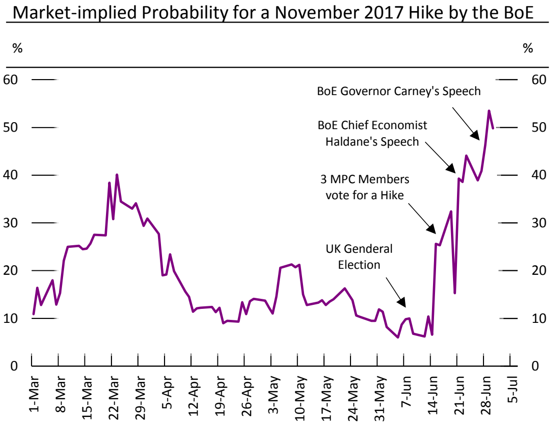


Source: NBG Research, Bloobmerg, G4 Central Banks are the Fed, ECB, Bank of Japan and Bank of Enlgand



Source: NBG Research, Thomson Reuters, Bloomberg

See page 14 for disclosures and analyst certification

US GDP growth in Q1:17 slightly revised up

- **The 3rd estimate of US GDP growth for Q1:17 was revised up by 0.2 pps to 1.4% qoq saar, due to higher-than-previously-estimated private consumption.** Nevertheless, private consumption posted a sizable deceleration in Q1:17 (+1.1% qoq saar) compared to Q4:16 (+3.5% qoq saar), partly distorted by transitory factors (unseasonably warm weather driving down utilities' spending and delays in tax refunds). In Q2, private consumption appears to have largely normalized, with personal spending, in constant price terms, standing at +2.6% qoq ar so far in Q2:17 (April-May average compared to Q1 average). In addition, consumer confidence remains robust, with the Conference Board consumer confidence indicator standing at 118.9 in June (long term average of 92.9).

Business investment provides less support in Q2:17

- **The particularly strong momentum for business investment in Q1:17 (+10.4% qoq saar) appears to have moderated somewhat** as suggested by durable goods orders data. Indeed, core durable goods orders -- that include orders for non-defense capital goods (excluding aircraft) – were soft in May (-0.2% mom) and below consensus estimates (+0.4% mom). In addition, core durable goods shipments (that lag the respective orders and feed directly into the calculation of GDP) also fell by 0.2% mom in May, standing at +2.0% qoq ar so far in Q2:17 (April-May average compared to Q1 average), from +7.0% qoq ar in Q1:17. Overall, according to the Atlanta Fed's GDPNowcast model, GDP growth for Q2:17 is currently expected at 2.7% qoq saar.

Euro area services prices boost core CPI

- **Inflation data in June were modestly above expectations.** The flash estimate for headline CPI slowed by 0.1 pp to 1.3% yoy in June, overshooting consensus estimates for 1.2% yoy. The decline was due to energy prices decelerating to 1.9% yoy from 4.5% yoy previously, reflecting both a negative base effect and a monthly fall in oil prices in June (Brent: -9.3% in euro terms). On the other hand, core CPI surprised on the upside, accelerating to 1.1% yoy, from 0.9% yoy in May (consensus: +1.0% yoy). Still, the latest rise should be interpreted with caution as it was mainly due to services prices increasing by 1.6% yoy (vs 1.3% yoy in May). The latter were likely distorted by a surge in the volatile package holiday prices in Germany (related to the timing of the Pentecost, which determines the timing of school holiday in two large German States), as suggested by regional data so far available.

Bank credit growth remains solid

- **Bank lending data to the private sector for May suggest elevated pass through from ECB's accommodative monetary policy and continuing support to the economic recovery from the credit cycle.** Regarding the two major private sector components, loan growth to households (adjusted for sales and securitizations) accelerated to 2.6% yoy, the highest since March 2009, from 2.4% yoy in April. In addition, loan growth to non-financial corporations was steady at a strong 2.4% yoy. On a country-by-country basis, the trend remains divergent, with the annual growth rate of loans to non-financial corporations in Germany (+3.4%) and France (+4.5%) strongly outpacing that of Italy (around zero).

First signs of withdrawing post-Brexit policy stimulus in the UK

- **According to its bi-annual Financial Stability Report, BoE's Financial Policy Committee (FPC) assessed the overall risks to UK's financial stability as neither particularly elevated nor subdued, identifying though, points that require vigilance.** Regarding the latter, the FPC highlighted the rapid pace of increase in consumer credit (+10.3% yoy in May), far above the respective trend in households' nominal income growth (1.1% yoy in Q1:17). In that context, the FPC decided to bring forward the 2017 consumer credit stress tests. More importantly, the FPC increased the counter-cyclical capital buffer (CCyB) on UK exposures from 0.0% to 0.5% (effective from June 27th 2018), in order to supplement the banks' (already substantial) ability to absorb potential losses, while expecting to increase it further to 1.0% in November (effective a year later). The recent move, raises regulatory capital buffers by £5.7bn. Recall that the CCyB was lowered in July 2016 from 0.5% to 0% as part of the policy response to Brexit related uncertainty. It remains to be seen whether that move will prove a forerunner of monetary policy tightening to come, especially in view of the reference in the minutes of the recent (June 14) BoE's meeting to a "withdrawal of part of the stimulus injected in August last year".

Tankan survey improves for a 4th consecutive quarter

- **In Japan, the Tankan survey, that assesses business conditions, corroborates the view for a firming momentum in the business sector.** The Tankan current conditions index for large manufacturers rose to +17 in June (+12 in March), matching a 9½-year high recorded in Q1:14, above consensus estimates. Regarding activity for three months ahead, the Tankan survey also improved, reaching +15, from +11 in March. Moreover, companies revised up their fixed investment plans, to a relatively strong +2.9% yoy the FY:2017 (April 2017-March 2018), from -1.3% yoy in the March survey. Meanwhile, the latest report on industrial production further argues in favor of the short-term prospects for business spending. Recall that industrial production in May posted an expected -3.3% mom (+5.0%yoy) following a solid +4.0% mom (+7.2%yoy) in April, with both readings being distorted by seasonal factors (Golden week). More importantly, the accompanying Survey of Production Forecast in Manufacturing calls for a robust +2.8% mom (+6.4%yoy) in June.

Inflation remains subdued in Japan

- **An upward trend in price pressures remains elusive according to CPI data in May**. Headline CPI inflation was stable at 0.4% yoy, below consensus estimates for 0.5% yoy. At the same time, the CPI ex-fresh food rose by 0.1 pp to +0.4% yoy. Inflation has yet to benefit from the tightening labor market. In the event, the job-to-applicant ratio rose by 0.1 pp in May at 1.49, a 43-year high. The unemployment rate rose to 3.1%, from a 23-year low of 2.8% in April, albeit solely due to higher labor force participation rate (60.8% from 60.3%). Still, labor market tightness has failed so far to translate into higher nominal wage growth (+0.3% yoy on average so far in 2017 from +0.2 yoy on average in 2016). According to the IMF, idiosyncratic bottlenecks (e.g. employee preference for stronger job security vs wage increases, low mobility, wage setting mechanism based on past inflation) contain wage growth.

Equities

- **Global equity markets recorded losses on a weekly basis, against the backdrop of hawkish central bank rhetoric and higher bond yields**. Specifically, policymakers' comments hurt investors' risk appetite, with the MSCI world index down by 0.8% during the past week. Developed markets underperformed in local currency terms their emerging market peers which stood largely flat wow (DM: -0.9% vs EM: +0.1%). In the US, the S&P500 index declined by 0.6%, as the technology (IT) sector underperformed (-2.9%). Losses were broad-based among major large-cap technology firms (e.g. Google: -5.7%, Amazon: -3.6%, MSFT: -3.2%) on the back of profit-taking. Indeed, investors seem to rotate away from tech stocks and into financials, with the latter rebounding strongly on a weekly basis (3.3% wow and US banks were up by 5.2%), benefiting from higher government bond yields and news for the passing of the Fed's stress tests by every major institution. This development in turn could result in boosted share repurchases and dividends from the banking sector. Similarly, euro area markets recorded a large weekly fall (EuroStoxx: -2.6%) as investors reacted to comments by ECB President Draghi regarding reflation, reducing euro area equities' year-to-date gains to 6.5%. On the other hand, euro area banks gained ground amidst rising bond yields, ending the week higher by 2.6% (+11.5% YtD). Finally, UK large cap equities continued to decline, with the FTSE100 index down by 1.5% wow. UK equities have lost cumulatively 2.8% in June (+2.4% YtD) amidst elevated political uncertainty and mixed UK data.

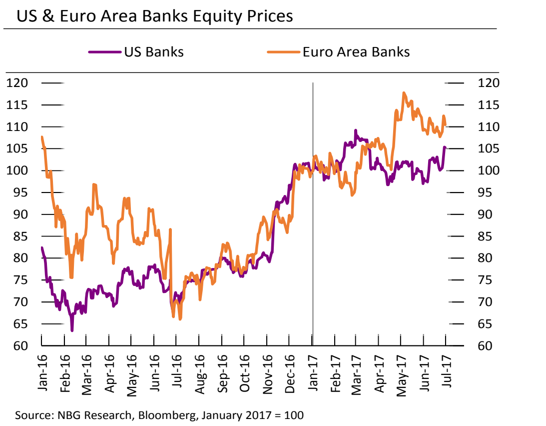
Fixed Income

- **Government bond yields rose during the past week, on the back of hawkish comments by policymakers.** The US 10-year Treasury yield rose markedly over the week by 16 bps to 2.30%, whereas the UK's 10-year Gilt yield was up by 23 bps to 1.26%, the highest since February '17. Similarly, Germany's 10-year Bund yield increased by 21 bps wow to 0.47% with yields rising across the board for euro area government bonds. However, periphery bond spreads over the Bund fell in most countries with the Greek 10-year yield spread over its German peer down by 21 bps to 496 bps (below 500 bps for the 1st time since 2014) and the respective Portuguese spread declining by 11 bps on a weekly basis. Spain's 10Yr Bonos spread also fell by 6 bps to 106 bps, whereas Italy's BTPs spread was largely unchanged (+3 bps wow to 169 bps).

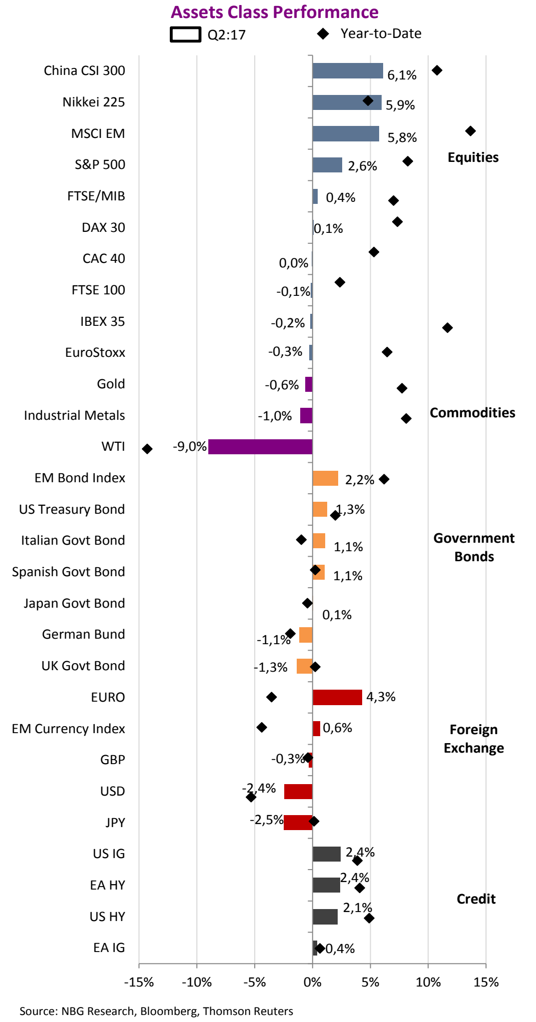
- **Corporate bond spreads tightened, taking their cue from higher government bond yields.** Specifically, investment grade bond spreads declined by 3 bps wow both in the US (to 115 bps) and the euro area (to 103 bps) respectively. Similarly, US high yield spreads narrowed by 9 bps over the week to 377 bps, partially supported by a price rebound recorded in oil markets, whereas euro area HY spreads were relatively little changed (+2 bps to 288 bps).

FX & Commodities

- **In foreign exchange markets, investors reacted to central bankers' comments, mostly supporting the euro and the British pound on a weekly basis.** Specifically, the euro gained ground across the board (+1.1% wow, +3.5% YtD in NEER terms) while advancing by 2.1% against the USD to $/1.14. In a similar note, the GBP ended the week up against most of its peers (+0.9% wow in NEER) and was up by 2.4% against the USD to $/1.30. **In commodities, oil prices firmed higher in the past week recouping some of the losses recorded earlier in June,** with WTI rebounding strongly by 7.5% wow to $46/barrel and Brent increasing by 6.8% wow to $48.2/barrel. Oil inventories were broadly stable (up by a tepid 0.1 million barrel to 509 mb for the week ending June 23rd). Industrial metals were buoyant with copper up by 2.5% wow (+7.3%) supported, *inter alia*, by robust Chinese economic activity, whereas precious metals paused for breath (Gold: -1.2% wow, +7.7% YtD, to $1.242/ounce) in line with the recent hawkish tilt in central bank rhetoric.



Graph 1.



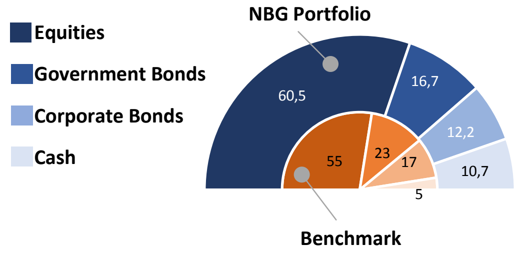
Graph 2.

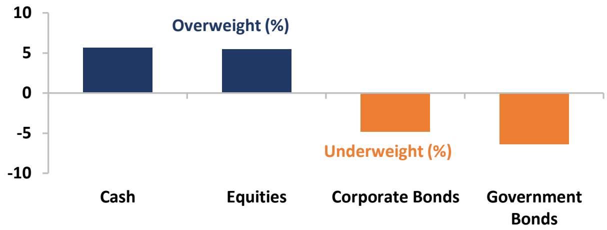
Quote of the week: "As the economy continues to recover, a constant policy stance will become more accommodative, and the central bank can accompany the recovery by adjusting the parameters of its policy instruments -- not in order to tighten the policy stance, but to keep it broadly unchanged", **President of the European Central Bank, Mario Draghi**, June 27th 2017.

Tactical Asset Allocation (3-month)

- **Equities**: We are **Overweight**, albeit reducing our exposure, amidst expectations for a recovery in global growth. O/W Euro area on declining political risks and strong growth. We trim our O/W in the UK following the elections' result. O/W Euro area banks due to higher yields, less political uncertainty (France, Italy) and steeper curves.
- **Government Bonds:** The trend of higher Government yields will re-emerge reflecting less aggressive CBs and reduced liquidity when Fed initiate B/S reduction. **Underweight Govies, but to a smaller extent**. Steeper curves, particularly in Bunds.
- **Credit**: Credit spreads have less fuel to run from current levels. **Underweight position in credit.**
- **Cash:** We increase our **OW position** in cash, as a hedge, as well as a way of being tactical.

Total Portfolio Allocation





NBG Global Markets - Main Equity Sector Calls

US Sector	Position	View/Comment
Banks	**Neutral**	Rising rates will support interest margins, less regulation also positive. (see US Treasury report) Neg: Loan volumes are declining and curves are now flattening
Energy	**Neutral**	OPEC's deal implementation (assuming a 9-month extension) remains a risk and oil price weakness has aggravated recently. US oil production is increasing (at 2015 high levels). Light positioning and sizeable underperformance (by 20% ytd) may present a buying opportunity
Cyclical / Defensives	**Neutral**	We remain slightly under-weight US stocks this month, with no bias within the sectors

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

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

Detailed Portfolio Breakdown

Equities	Portfolio	Benchmark	OW/UW
US	50	52	-2,0
Euro area	13	10	3,0
UK	8	7	1,0
Rest of Dev. Europe	5	5	-
Japan	7	7	-
Rest of Dev. World	8	8	-
EM Asia	7	7	0,0
EM Latin America	0,5	2	-1,5
EMEA	1,5	2	-0,5

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

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

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

	US	Euro Area	Japan	UK
Equity Markets	+ Fiscal loosening + EPS acceleration + Cash-rich corporates lead to share buybacks and higher dividends (de-equitization) – Demanding valuations – Peaking profit margins – Protectionism and trade wars ● **Neutral/Positive**	+ Still high equity risk premium due to policy uncertainty + Credit conditions gradual turn more favorable + Small fiscal loosening – Sovereign debt crisis could re-emerge – EPS estimates are declining – Strong Euro in NEER terms (2016 vs 2015) ● **Neutral**	+ Aggressive QE by the BoJ + Upward revisions in corporate earnings – Signs of policy fatigue regarding structural reforms and fiscal discipline – Strong appetite for foreign assets – If sustained, Japanese Yen appreciation hurts exporters companies ● **Neutral**	+ 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms + High UK exposure to the commodities sector assuming the oil rally continues – Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process ● **Neutral/Negative**
Government Bonds	+ Valuations appear rich + Underlying inflation pressures + The Fed is expected to increase its policy rate towards 1,5% by end-2017 – Global search for yield by non-US investors continues – Fed's commitment on gradual tightening policy – Safe haven demand ▲ **Higher yields expected**	+ Upside risk in US benchmark yields + Valuations appear excessive compared with long-term fundamentals – Political Risk – Fragile growth outlook – Medium-term inflation expectations remain low – Gradually less accommodative monetary policy by the ECB ▲ **Higher yields expected**	+ Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures – Safe haven demand – Extremely dovish central bank – Yield-targeting of 10-Year JGB at around 0% ● **Stable yields expected**	+ Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process + Rich valuations + Inflation overshooting due to GBP weakness feeds through inflation expectations – The BoE is expected to cut rates or/and re-activate asset purchases – Slowing economic growth post-Brexit ▲ **Higher yields expected**
Foreign Exchange	+ The Fed is expected to increase its policy rate towards 1.5% in 2017 + Growth to remain slightly above-trend in 2017 + Destination-based taxation with border adjustment – Mid-2014 rally probably out of steam – Protectionism and trade Wars ▲ **Long USD against its major counterparts**	+ Reduced short-term tail risks + Higher core bond yields + Current account surplus – Sluggish growth – Deflation concerns – The ECB's monetary policy to remain extra loose (Targeted-LTROs, ABSs, covered bank bond purchases, Quantitative Easing) ● **Flat EUR against the USD with upside risks short term**	+ Safe haven demand + More balanced economic growth recovery (long-term) + Inflation is bottoming out – Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2% ▼ **Lower JPY against the USD**	+ 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 ▼ **Weaker GBP against the EUR and the USD**

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

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Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	June 30th	3-month	6-month	12-month	Official Rate (%)	June 30th	3-month	6-month	12-month
Germany	0,47	0,40	0,50	0,70	Euro area	0,00	0,00	0,00	0,00
US	2,31	2,65	2,75	2,90	US	1,25	1,25	1,50	1,75
UK	1,26	1,25	1,43	1,62	UK	0,25	0,25	0,25	0,25
Japan	0,09	0,05	0,05	0,09	Japan	-0,10	-0,10	-0,10	-0,10

Currency	June 30th	3-month	6-month	12-month		June 30th	3-month	6-month	12-month
EUR/USD	1,14	1,10	1,11	1,12	USD/JPY	112	114	114	114
EUR/GBP	0,88	0,88	0,88	0,88	GBP/USD	1,30	1,26	1,26	1,27
EUR/JPY	128	125	126	128					

Forecasts at end of period

Economic Forecasts

United States	2015a	Q1:16a	Q2:16a	Q3:16a	Q4:16a	2016a	Q1:17a	Q2:17f	Q3:17f	Q4:17f	2017f
Real GDP Growth (YoY) (1)	2,6	1,6	1,3	1,7	2,0	1,6	2,1	2,4	2,2	2,4	2,2
Real GDP Growth (QoQ saar) (2)	-	0,8	1,4	3,5	2,1	-	1,4	2,8	2,8	2,8	-
Private Consumption	3,2	1,6	4,3	3,0	3,5	2,7	1,1	2,3	2,6	3,4	2,6
Government Consumption	1,8	1,6	-1,7	0,8	0,2	0,8	-0,9	1,0	1,0	0,8	0,7
Investment	4,0	-0,9	-1,1	0,1	2,9	0,7	11,0	5,3	5,4	2,7	3,6
Residential	11,7	7,8	-7,8	-4,1	9,6	4,9	12,9	4,0	3,5	3,5	3,8
Non-residential	2,1	-3,4	1,0	1,4	0,9	-0,5	10,4	5,7	5,9	2,4	3,5
Inventories Contribution	0,2	-0,4	-1,2	0,4	1,0	-0,4	-1,1	0,2	0,0	0,0	0,1
Net Exports Contribution	-0,7	0,0	0,2	0,9	-2,0	-0,1	0,2	-0,1	-0,1	-0,1	-0,3
Exports	0,1	-0,7	1,8	10,0	-4,5	0,4	7,0	2,2	2,2	2,2	3,2
Imports	4,6	-0,6	0,2	2,2	8,9	1,1	4,0	2,2	2,2	2,6	4,7
Inflation (3)	0,1	1,1	1,0	1,1	1,8	1,3	2,5	2,2	2,2	2,1	2,1

Euro Area	2015a	Q1:16a	Q2:16a	Q3:16a	Q4:16a	2016a	Q1:17a	Q2:17f	Q3:17f	Q4:17f	2017f
Real GDP Growth (YoY)	1,9	1,7	1,6	1,8	1,8	1,7	1,9	1,6	1,6	1,7	1,7
Real GDP Growth (QoQ saar)	-	2,2	1,3	1,7	1,9	-	2,3	1,8	1,7	1,8	-
Private Consumption	1,8	2,9	1,4	1,3	1,8	1,9	1,4	1,7	1,7	1,7	1,7
Government Consumption	1,3	2,8	1,3	0,6	1,8	1,8	1,4	1,3	1,7	1,8	1,4
Investment	3,0	3,2	4,7	-0,7	14,0	2,5	5,3	3,2	2,6	2,6	2,2
Inventories Contribution	-0,2	-1,1	-0,6	0,5	1,3	0,0	0,3	0,0	0,0	0,0	0,1
Net Exports Contribution	0,2	0,6	-0,1	0,5	-3,3	-0,2	-0,1	-0,1	-0,1	-0,1	-0,1
Exports	6,3	1,0	5,3	1,5	7,3	2,7	4,8	3,6	3,7	3,7	3,8
Imports	6,3	-0,3	6,1	0,4	16,5	3,4	5,3	4,2	4,3	4,2	4,4
Inflation	0,0	0,0	-0,1	0,3	0,7	0,2	1,8	1,5	1,6	1,5	1,7

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

South Eastern Europe Economic Forecasts

Economic Indicators

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

f: NBG forecasts

Stock Markets (in local currency)

Country - Index	3/7/2017	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	100.522	0,9	28,6	23,8
Romania - BET-BK	1.541	-3,4	14,7	13,6
Bulgaria - SOFIX	705	2,0	20,2	46,7
Serbia - BELEX15	712	0,3	-0,7	11,7

Financial Markets

	3/7/2017	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	13,0	12,5	12,0	11,0
Romania	0,7	2,0	3,8	4,0
Bulgaria	0,0	0,1	0,1	0,2
Serbia	3,3	3,4	3,5	3,8
Currency				
TRY/EUR	4,04	3,96	3,90	3,80
RON/EUR	4,57	4,56	4,55	4,55
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	120,3	121,4	122,0	122,5
Sovereign Eurobond Spread (in bps)				
Turkey (USD 2020)(*)	204	200	190	180
Romania (EUR 2024)	144	142	140	130
Bulgaria (EUR 2022)	67	68	69	70
Serbia (USD 2021)(*)	142	140	136	130

(*) Spread over US Treasuries

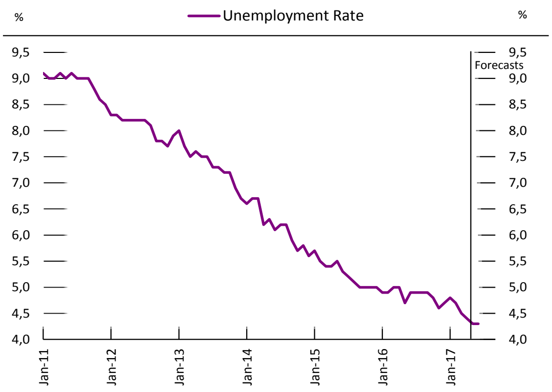
Economic Calendar

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 177k in June from 138k in May, while the unemployment rate is expected to remain stable at 4.3%. On Wednesday the minutes of the last (13-14 June) Fed meeting are released.

In the euro area, markets will focus on retail sales data for May. Retail sales are expected to increase on a monthly basis (+0.3% mom from -0.1% mom in April).

In UK, the PMIs for June and industrial production for May are released. Industrial production is expected at 0.4% mom in May from 0.2% mom in the previous month.

US Unemployment Rate



Source: NBG Research, Bloomberg

Economic News Calendar for the period: June 27 - July 10, 2017

Tuesday 27

US		S		A	P
S&P Case/Shiller house price index 20 (YoY)	April	5.90%	-	5.67%	5.88%

Wednesday 28

US		S		A	P
Pending home sales (MoM)	May	1.0%	-	-0.8%	-1.7%
EURO AREA					
M3 money supply (YoY)	May	5.0%		5.0%	4.9%
UK					
Nationwide House Px NSA YoY	June	1.9%	+	3.1%	2.1%

Thursday 29

US		S		A	P
GDP (QoQ, annualized)	Q1:17 F	1.2%	+	1.4%	1.2%
Personal Consumption	Q1:17 F	0.6%	+	1.1%	0.6%
Initial Jobless Claims (k)	June 24	240	-	244	242
Continuing Claims (k)	June 17	1935	-	1948	1942
JAPAN					
Retail sales (MoM)	May	-1.0%	-	-1.6%	1.4%
Retail sales (YoY)	May	2.6%	-	2.0%	3.2%
EURO AREA					
Business Climate Indicator	June	0.93	+	1.15	0.90
Economic Confidence	June	109.5	+	111.1	109.2

Friday 30

US		S		A	P
Personal income (MoM)	May	0.3%	+	0.4%	0.3%
Personal spending (MoM)	May	0.1%		0.1%	0.4%
PCE Core Deflator (YoY)	May	1.4%		1.4%	1.5%
PCE Deflator (YoY)	May	1.5%	-	1.4%	1.7%
UK					
GDP (QoQ)	Q1:17 F	0.2%		0.2%	0.2%
GDP (YoY)	Q1:17 F	2.0%		2.0%	2.0%
JAPAN					
Unemployment rate	May	2.8%	-	3.1%	2.8%
CPI (YoY)	May	0.5%	-	0.4%	0.4%
Core CPI (YoY) - ex. Fresh Food	May	0.4%		0.4%	0.3%
Core CPI (YoY) - ex. Fresh Food and Energy	May	0.1%	-	0.0%	0.0%
Industrial Production (MoM)	May	-3.0%	-	-3.3%	4.0%
Industrial Production (YoY)	May	6.9%	-	6.8%	5.7%
EURO AREA					
CPI (YoY)	June	1.2%	+	1.3%	1.4%
Core CPI (YoY)	June	1.0%	+	1.1%	0.9%
CHINA					
Manufacturing PMI	June	51.0	+	51.7	51.2
GERMANY					
Retail sales (MoM)	May	0.3%	+	0.5%	-0.2%
Retail sales (YoY)	May	2.8%	+	4.8%	-0.4%

Monday 3

US		S		A	P
ISM Manufacturing	June	55.2	+	57.8	54.9
Construction spending	May	0.3%	-	0.0%	-0.7%
UK					
Markit UK PMI Manufacturing SA	June	56.3	-	54.3	56.3
JAPAN					
Tankan - large manufacturers current index	Q2:17	15	+	17	12
Tankan - large manufacturers outlook index	Q2:17	14	+	15	11
EURO AREA					
Unemployment Rate	May	9.3%		9.3%	9.3%
CHINA					
Caixin PMI Manufacturing	June	49.8	+	50.4	49.6

Tuesday 4

UK		S		A	P
Markit/CIPS UK Construction PMI	June	55.0		..	56.0

Wednesday 5

US		S		A	P
FOMC Minutes	June 14				
UK					
Markit/CIPS UK Services PMI	June	53.5		..	53.8
EURO AREA					
Retail sales (MoM)	May	0.3%		..	0.1%
Retail sales (YoY)	May	2.3%		..	2.5%

Thursday 6

US		S		A	P
ADP Employment Change (k)	June	190		..	253
Initial Jobless Claims (k)	June 24	243		..	244
Continuing Claims (k)	June 17	1938		..	1948
Trade balance ($bn)	May	-46.3		..	-47.6
ISM non-manufacturing	June	56.5		..	56.9

Friday 7

US		S		A	P
Change in Nonfarm Payrolls (k)	June	177		..	138
Change in Private Payrolls (k)	June	175		..	147
Unemployment rate	June	4.3%		..	4.3%
Average Hourly Earnings MoM	June	0.3%		..	0.2%
Average Hourly Earnings YoY	June	2.6%		..	2.5%
Average weekly hours (hrs)	June	34.4		..	34.4
Underemployment rate	June	..		..	8.4%
Labor Force Participation Rate	June	..		..	62.7%
UK					
Industrial Production (MoM)	May	0.4%		..	0.2%
Industrial Production (YoY)	May	0.2%		..	-0.8%
JAPAN					
Leading Index	May	104.6		..	104.2
Coincident Index	May	115.5		..	117.1
GERMANY					
Industrial Production (sa, MoM)	May	0.2%		..	0.8%
Industrial Production (wda, YoY)	May	4.0%		..	2.9%

Monday 10

JAPAN		S		A	P
Eco Watchers Current Survey	June	..		..	48.6
Eco Watchers Outlook Survey	June	..		..	49.6
CHINA					
CPI (YoY)	June	1.5%		..	1.5%

Source: NBG Research, Bloomberg

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

Equity Markets (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	2423	-0,6	8,2	15,5	16,7
Japan	NIKKEI 225	20033	-0,5	4,8	28,6	-1,5
UK	FTSE 100	7313	-1,5	2,4	12,4	10,7
Canada	S&P/TSX	15182	-0,9	-0,7	7,9	4,3
Hong Kong	Hang Seng	25765	0,4	17,1	23,9	-1,8
Euro area	EuroStoxx	373	-2,6	6,5	21,8	3,0
Germany	DAX 30	12325	-3,2	7,4	27,3	10,2
France	CAC 40	5121	-2,8	5,3	20,8	4,9
Italy	FTSE/MIB	20584	-1,2	7,0	27,1	-10,3
Spain	IBEX-35	10445	-1,8	11,7	27,9	-4,3

Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
MSCI Emerging Markets	54163	0,1	13,7	19,2	7,2
MSCI Asia	822	-0,2	18,7	24,0	8,8
China	73	-0,6	24,3	30,9	-2,1
Korea	706	0,4	21,6	31,9	28,2
MSCI Latin America	76110	2,1	5,8	13,8	11,4
Brazil	216014	2,8	3,5	17,6	11,0
Mexico	46628	1,8	7,9	7,5	9,2
MSCI Europe	4826	0,5	-2,8	11,5	3,3
Russia	825	1,0	-17,4	-0,7	5,3
Turkey	1411005	0,7	29,2	29,0	22,8

World Market Sectors (MSCI Indices)

in US Dollar terms	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	195,0	0,6	-10,9	-4,4	-11,6
Materials	240,8	0,8	8,5	21,7	8,1
Industrials	237,3	-0,5	11,7	20,3	18,4
Consumer Discretionary	216,5	-0,3	10,2	18,5	8,6
Consumer Staples	228,2	-0,8	10,0	2,3	12,8
Healthcare	221,5	-1,9	14,9	8,2	0,8
Financials	115,3	2,8	8,6	31,7	9,9
IT	188,7	-2,8	17,1	31,9	31,6
Telecoms	68,5	-1,2	-1,5	-6,8	-3,5
Utilities	125,6	-2,2	9,2	0,8	12,3

in local currency	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	199,3	-0,1	-12,8	-4,2	-9,2
Materials	228,6	0,0	4,6	22,0	8,6
Industrials	234,7	-1,0	8,6	21,5	17,4
Consumer Discretionary	209,5	-0,6	7,9	19,8	8,1
Consumer Staples	227,8	-1,4	7,2	2,8	14,9
Healthcare	218,5	-2,3	12,7	8,4	1,4
Financials	115,0	2,1	5,6	31,9	10,5
IT	183,0	-2,9	16,2	32,5	30,9
Telecoms	71,3	-1,8	-4,4	-5,7	-2,7
Utilities	128,3	-2,8	6,8	1,1	13,3

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	2,31	2,14	2,45	1,47	2,69
Germany	0,47	0,26	0,21	-0,13	2,01
Japan	0,09	0,06	0,05	-0,22	0,84
UK	1,26	1,03	1,24	0,87	2,75
Greece	5,42	5,42	7,11	8,29	10,28
Ireland	0,90	0,67	0,75	0,52	4,46
Italy	2,15	1,91	1,81	1,26	3,75
Spain	1,54	1,38	1,38	1,16	3,74
Portugal	3,03	2,92	3,76	3,01	5,45

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	4,1	4,1	4,4	3,8	4,4
vs 30Yr Treasury (bps)	130	141	132	147	99

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	92	80	126	89	177
US Treasuries 10Y/5Y	42	39	52	47	90
Bunds 10Y/2Y	104	88	97	53	121
Bunds 10Y/5Y	69	64	74	44	73

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
EM Inv. Grade (IG)	157	162	181	213	271
EM High yield	460	470	510	685	818
US IG	115	118	129	162	202
US High yield	377	386	421	621	645
Euro area IG	103	106	124	137	170
Euro area High Yield	288	286	376	482	667

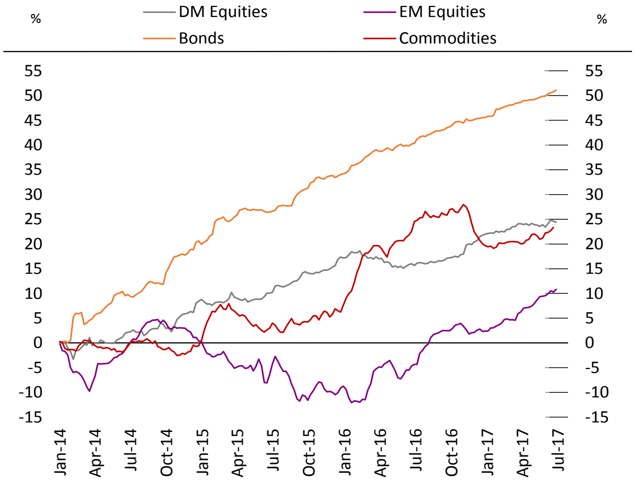
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1,14	2,1	1,6	2,9	8,6
EUR/CHF	1,09	0,9	0,6	1,0	2,1
EUR/GBP	0,88	-0,4	0,5	5,1	2,7
EUR/JPY	128,40	3,1	3,1	12,0	4,4
EUR/NOK	9,54	0,8	0,5	2,7	4,9
EUR/SEK	9,63	-1,3	-1,4	2,6	0,6
EUR/AUD	1,49	0,5	-1,8	-0,3	1,8
EUR/CAD	1,48	-0,3	-2,4	3,2	4,8
USD-based cross rates					
USD/CAD	1,30	-2,3	-4,0	0,3	-3,6
USD/AUD	1,30	-1,6	-3,4	-3,1	-6,3
USD/JPY	112,37	1,0	1,4	8,9	-4,0

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	422	5,9	3,3	-12,3	-2,2
Energy	353	6,5	-4,3	-14,1	-18,8
West Texas Oil ($)	46	7,5	-4,7	-4,7	-14,3
Crude brent Oil ($)	48	6,8	-3,7	-0,4	-13,0
Industrial Metals	1213	2,6	3,2	18,4	8,1
Precious Metals	1505	-1,0	-2,8	-7,6	6,9
Gold ($)	1242	-1,2	-2,2	-6,1	7,7
Silver ($)	17	-0,5	-4,1	-11,2	4,5
Baltic Dry Index	901	3,6	2,6	36,5	-6,2
Baltic Dirty Tanker Index	663	-2,9	-13,7	-4,1	-27,9

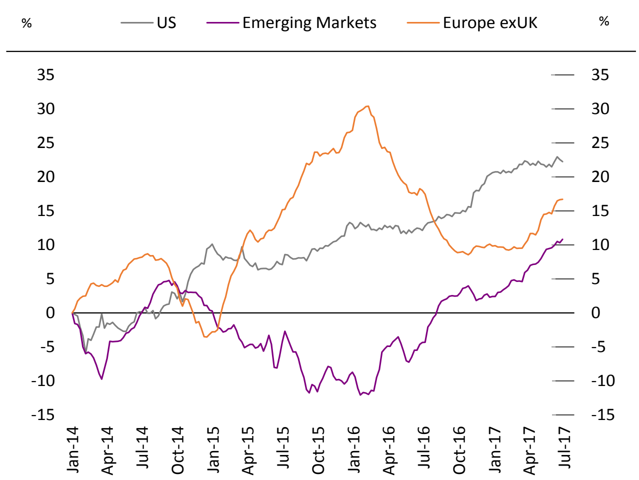
Source: Bloomberg, as of June 30th, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

Global Cross Asset ETFs: Flows as % of AUM



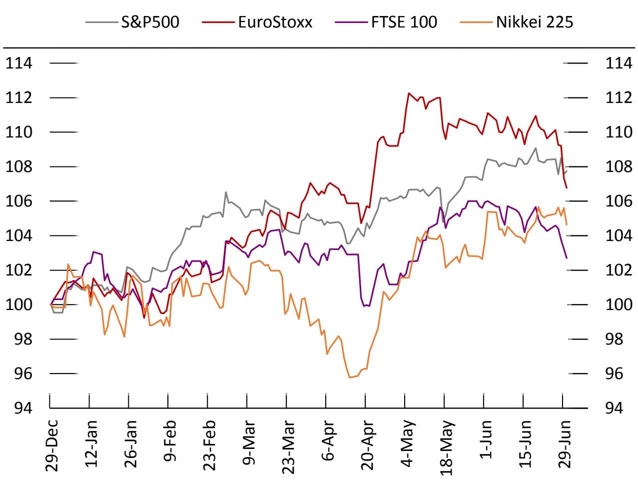
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of June 30th

Equity ETFs: Flows as % of AUM



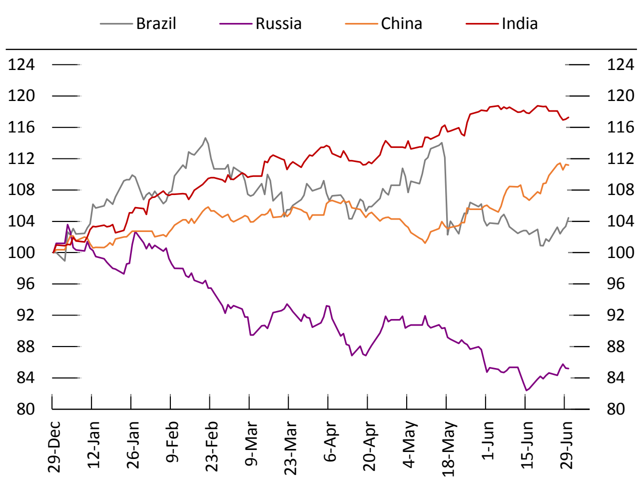
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of June 30th

Equity Market Performance - G4



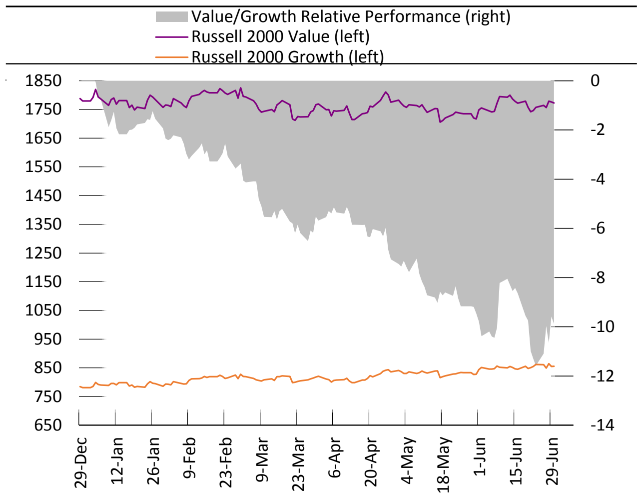
Source: Bloomberg - Data as of June 30th – Rebased @ 100

Equity Market Performance - BRICs



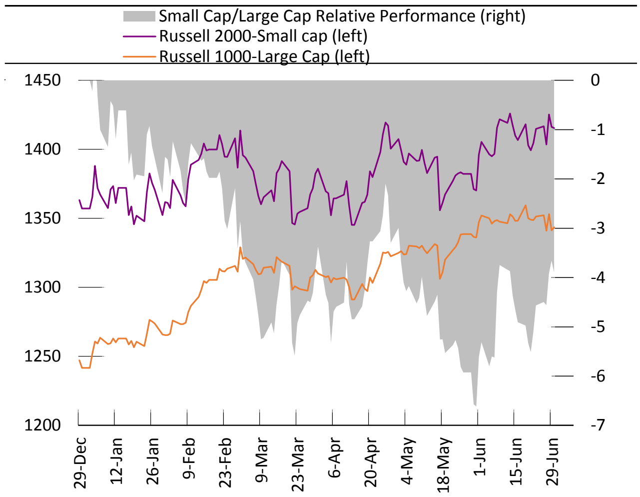
Source: Bloomberg - Data as of June 30th – Rebased @ 100

Russell 2000 Value & Growth Index



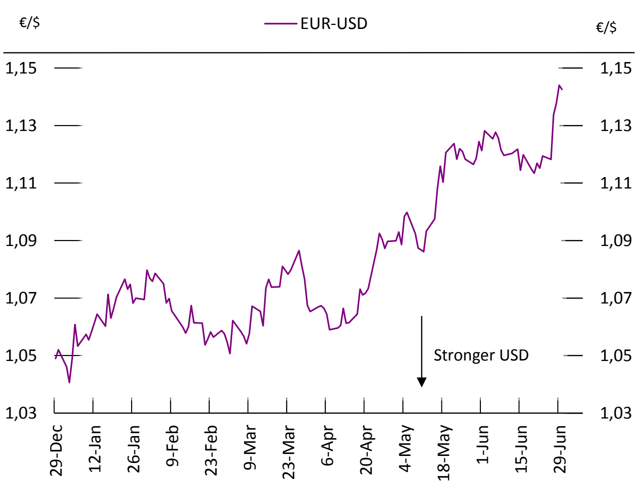
Source: Bloomberg, Data as of June 30th

Russell 2000 & Russell 1000 Index



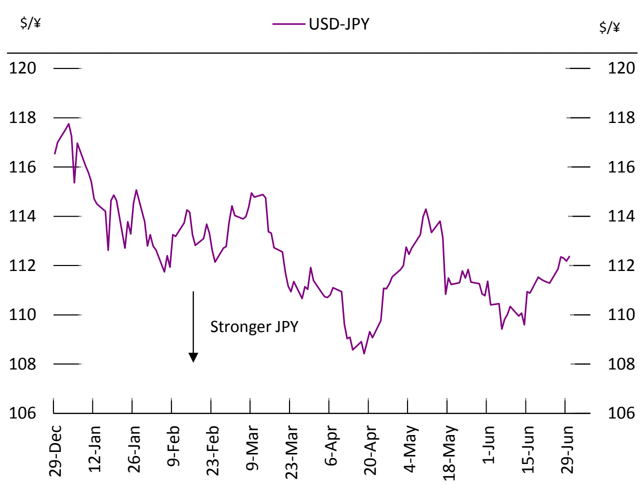
Source: Bloomberg, Data as of June 30th

EUR/USD



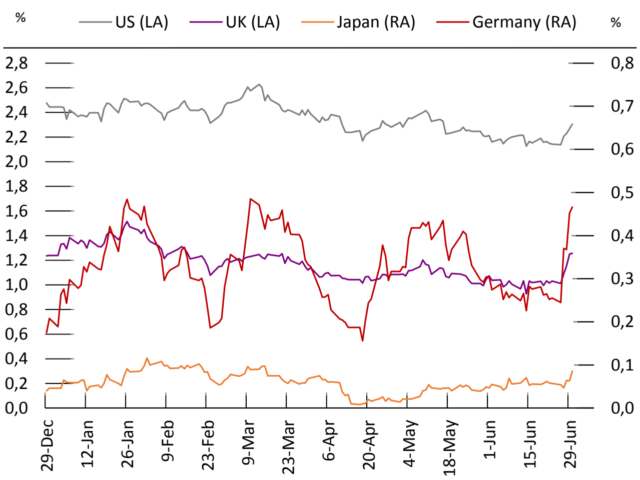
Source: Bloomberg, Data as of June 30th

JPY/USD



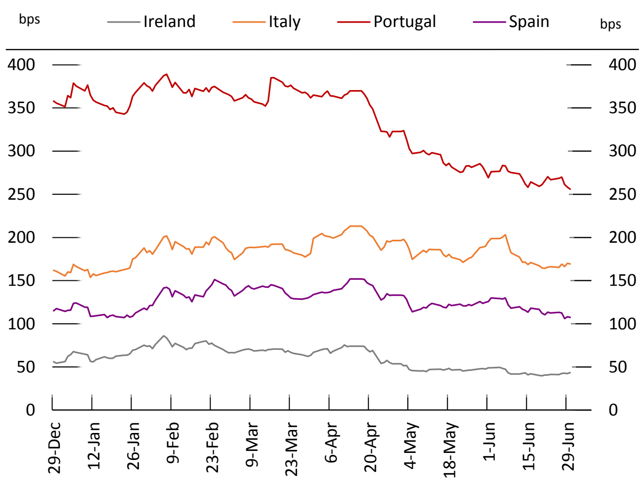
Source: Bloomberg, Data as of June 30th

10- Year Government Bond Yields



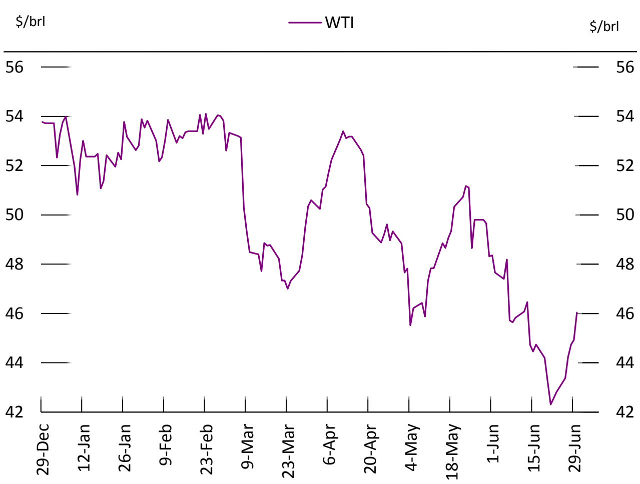
Source: Bloomberg - Data as of June 30th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



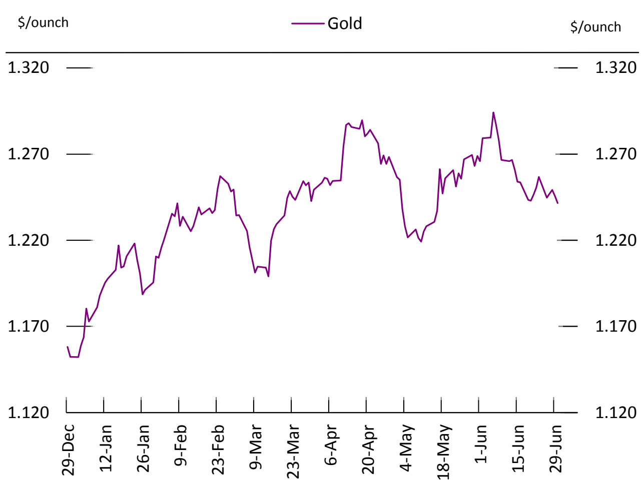
Source: Bloomberg - Data as of June 30th

West Texas Intermediate ($/brl)



Source: Bloomberg, Data as of June 30th

Gold ($/ounch)



Source: Bloomberg, Data as of June 30th

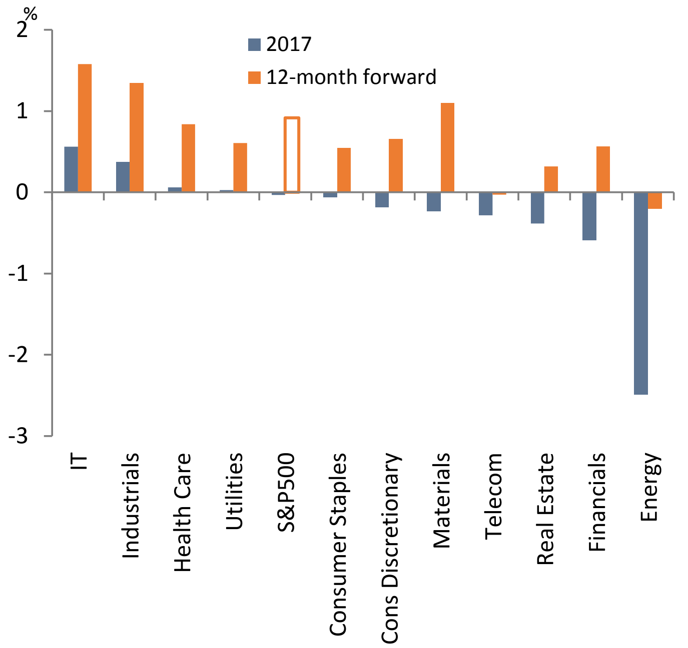
US Sectors Valuation

	Price ($)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	30/6/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
S&P500	2423	-0,6	1,2	10,4	2,0	2,0	19,9	18,5	17,5	14,1	3,1	3,0	2,9	2,2
Energy	478	0,6	-73,9	264,8	2,7	3,0	123,0	31,0	26,3	18,7	1,9	1,8	1,7	1,8
Materials	337	-0,2	-3,6	12,3	2,0	2,0	20,5	18,8	17,8	14,6	4,0	3,7	3,5	2,7
Financials														
Diversified Financials	583	2,0	5,7	10,2	1,3	1,4	18,1	16,5	15,7	13,5	1,8	1,7	1,7	1,5
Banks	299	5,2	1,1	10,2	1,8	2,1	15,3	13,8	13,0	12,4	1,3	1,2	1,2	0,9
Insurance	381	1,2	-4,2	22,8	2,0	2,1	15,9	13,4	12,9	9,9	1,4	1,3	1,3	1,0
Real Estate	199	-1,0	8,3	2,4	4,0	3,4	18,9	18,5	17,9	17,3	2,9	3,0	3,1	2,5
Industrials														
Capital Goods	627	-0,4	4,7	8,1	2,2	2,3	20,6	19,7	18,6	14,6	4,7	4,6	4,4	2,9
Transportation	666	1,2	-7,8	4,0	1,6	1,7	16,0	16,1	15,2	14,2	4,5	4,2	4,0	3,0
Commercial Services	244	-0,6	8,5	3,5	1,4	1,5	22,9	21,9	20,9	17,9	3,9	3,9	3,8	2,9
Consumer Discretionary														
Retailing	1479	-0,6	11,1	8,7	1,0	1,0	30,0	28,7	26,8	19,3	9,5	8,8	8,3	4,6
Media	546	0,6	2,6	8,9	1,2	1,3	20,8	19,0	17,9	15,0	3,2	3,0	3,0	2,2
Consumer Services	986	-1,8	8,2	11,2	2,1	1,9	22,8	23,4	22,0	17,2	9,8	12,7	12,4	4,9
Consumer Durables	314	4,2	11,7	4,8	1,7	1,7	17,6	18,0	17,2	16,8	3,4	3,4	3,2	2,9
Automobiles and parts	124	1,7	10,6	-3,5	4,2	3,8	7,6	7,6	7,4	8,3	1,8	1,6	1,5	1,9
IT														
Technology	892	-1,8	-2,9	7,7	1,9	2,1	15,3	14,5	13,8	12,6	4,0	3,8	3,6	2,8
Software & Services	1345	-3,0	11,6	8,2	1,0	1,0	23,2	23,2	21,8	15,3	5,8	5,5	5,1	3,8
Semiconductors	752	-4,4	12,9	26,3	2,0	2,1	17,5	14,6	14,1	16,8	3,7	3,5	3,3	2,7
Consumer Staples														
Food & Staples Retailing	363	2,1	1,1	1,3	2,1	2,3	17,7	17,0	16,4	15,0	3,2	3,1	3,0	2,6
Food Beverage & Tobacco	717	-1,6	8,6	7,4	2,7	2,9	23,3	22,1	21,3	16,5	6,2	5,4	5,5	4,6
Household Goods	567	-2,5	1,6	4,2	2,6	2,8	24,1	22,7	21,9	17,7	6,4	5,7	5,7	4,2
Health Care														
Pharmaceuticals	817	-2,1	6,3	2,7	2,0	2,1	16,2	16,4	15,7	13,8	4,3	4,3	4,0	3,1
Healthcare Equipment	963	-0,7	9,5	9,7	1,0	1,0	18,8	18,8	17,9	13,7	3,2	3,4	3,2	2,4
Telecom	154	-1,1	-7,4	-1,7	4,5	5,1	14,0	12,9	12,7	13,2	2,9	2,5	2,4	2,2
Utilities	264	-2,4	6,6	-0,8	3,4	3,5	18,0	18,3	17,7	14,3	2,0	1,9	1,9	1,5

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

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

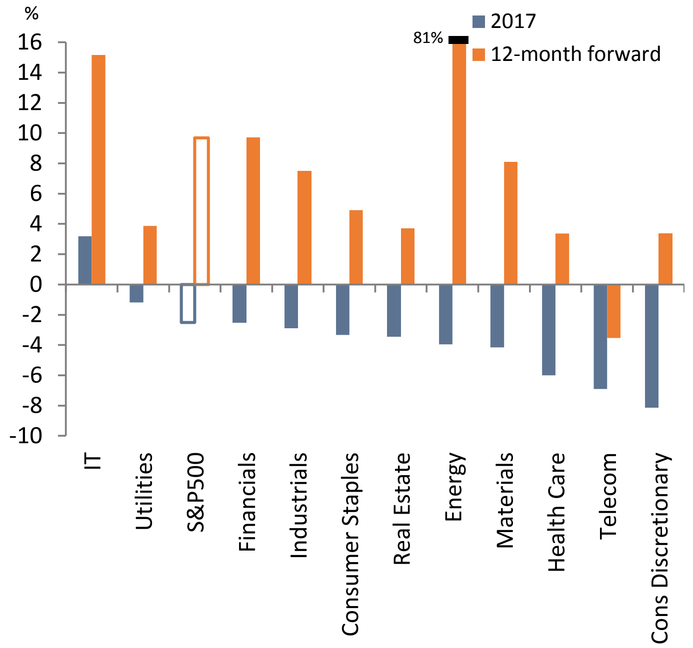
Earnings Revisions indicate 1-month change in 2017 & 12-month Forward EPS



Source: Factset, Data as of June 30th
12-month forward EPS are 50% of 2017 EPS and 50% of 2018 EPS

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

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



Source: Factset, Data as of June 30th
12-month forward EPS are 50% of 2017 EPS and 50% of 2018 EPS

Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	30/6/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
STOXX Europe 600	379	-2,1	-3,5	16,0	3,4	3,4	17,9	15,8	15,1	12,5	1,8	1,8	1,8	1,6
Energy	294	-1,6	-30,3	71,6	5,4	5,6	26,9	14,7	13,7	10,8	1,2	1,2	1,1	1,3
Materials	454	-3,6	16,9	13,9	2,7	2,8	20,0	18,1	17,0	13,8	1,9	1,9	1,8	1,5
Basic Resources	383	2,4	271,8	67,9	2,2	3,6	21,7	11,7	12,2	12,5	1,5	1,3	1,3	1,4
Chemicals	906	-4,0	-2,0	11,3	2,7	2,8	18,0	16,6	16,1	13,7	2,4	2,4	2,3	2,1
Financials														
Fin/al Services	472	-1,8	7,7	-4,2	3,2	3,1	15,6	17,7	16,6	12,8	1,7	1,7	1,7	1,3
Banks	182	2,6	-35,0	45,3	4,3	4,1	16,9	12,5	11,9	10,4	0,9	0,9	0,9	0,9
Insurance	276	-0,8	3,8	0,3	4,9	4,9	11,2	11,4	11,1	9,1	1,1	1,1	1,1	1,0
Real Estate	172	-2,9	6,4	-5,7	3,7	3,9	20,7	22,2	21,8	18,1	1,0	1,0	1,0	1,0
Industrial	510	-2,7	2,7	10,7	2,6	2,6	19,5	18,6	17,6	14,0	3,3	3,2	3,1	2,3
Consumer Discretionary														
Media	281	-2,8	-0,8	8,8	3,2	3,3	18,6	17,0	16,3	14,0	3,0	2,9	2,8	2,4
Retail	304	-1,3	1,6	4,8	2,6	2,7	20,5	19,5	18,5	15,7	2,8	2,7	2,6	2,4
Automobiles and parts	528	-3,1	17,1	15,3	3,0	3,5	9,3	7,8	7,6	9,4	1,3	1,1	1,1	1,0
Travel and Leisure	258	-1,8	2,5	9,0	2,5	2,4	15,2	14,9	14,2	14,6	2,9	2,9	2,7	2,1
Technology	407	-4,8	-1,9	11,0	1,5	1,5	23,4	22,0	20,4	16,5	3,1	3,1	3,0	2,6
Consumer Staples														
Food&Beverage	654	-1,1	-4,4	10,3	2,8	2,7	23,5	22,3	21,3	16,9	3,2	3,3	3,2	2,7
Household Goods	860	-3,2	5,9	12,5	2,5	2,6	22,2	20,5	19,6	16,4	4,6	4,4	4,3	3,4
Health care	759	-4,6	6,6	1,7	2,9	2,8	17,8	17,8	17,1	14,0	3,5	3,6	3,5	3,0
Telecom	287	-2,9	0,6	14,0	4,8	4,4	20,1	17,5	16,5	13,2	1,8	1,9	1,9	1,6
Utilities	291	-4,6	-8,8	-3,3	5,3	4,8	13,3	14,3	14,0	12,3	1,4	1,4	1,4	1,4

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

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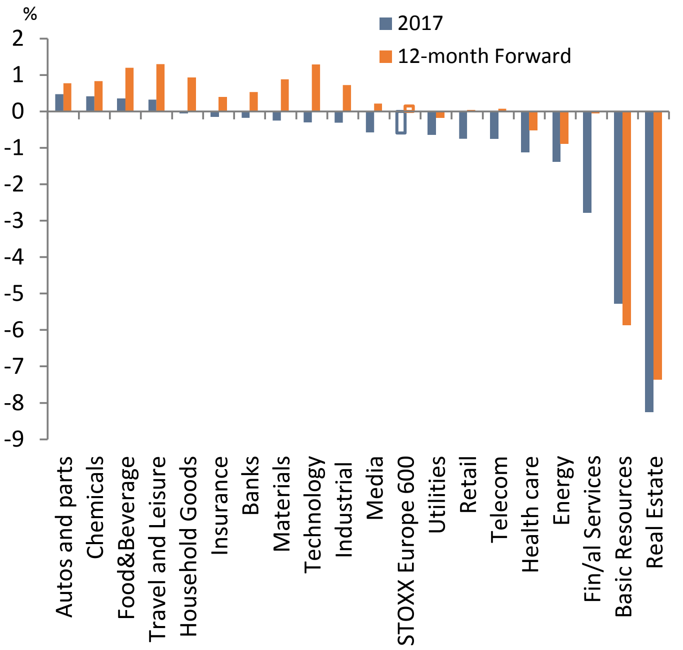
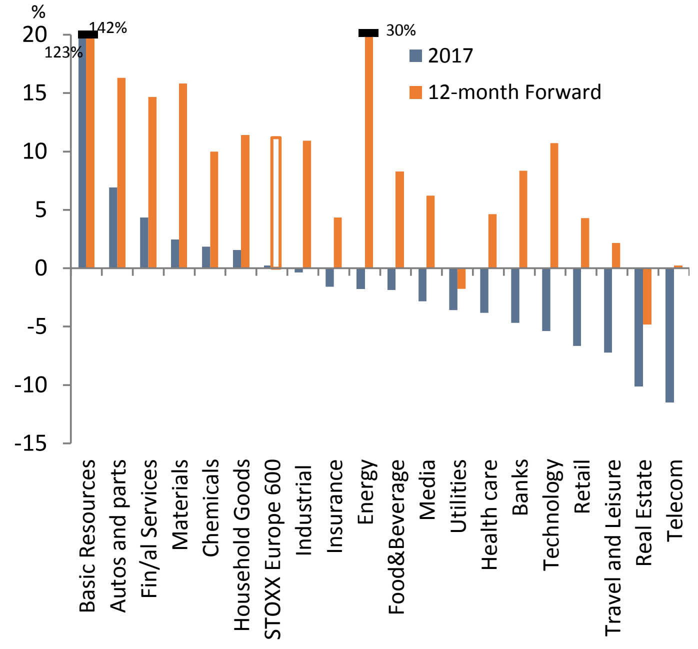


Source: Factset, Data as of June 30th
12-month forward EPS are 50% of 2017 EPS and 50% of 2018 EPS

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

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



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12-month forward EPS are 50% of 2017 EPS and 50% of 2018 EPS

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