



## The Fed is set to increase rates in March – earlier than previously expected

- A hawkish tone was communicated by several Fed officials (including traditional “doves”) during the past week and, more importantly, by Fed Chair Yellen on Friday. Indeed, comments included references to a potential rate hike at the March 15 meeting, barring any negative surprises in the labor market report (due on March 10).
- As a result, the probability increased for a March hike, with markets assigning a 96% likelihood (versus 50% a week ago). Markets now price in two hikes in 2017, and assign a 50% probability for a third hike, thus coming closer to FOMC projections.
- US President Trump, in his address to a joint session of Congress, reiterated his plans for a \$1 tn investment in infrastructure (financed through both public and private capital), but provided little detail on tax policy. His tone was more conciliating than usual, raising expectations of a more harmonious policy debate in the US.
- The ECB meeting on Thursday is expected to upgrade its inflation forecasts, at least for 2017 (currently 1.3%), in view of the recent increase in headline CPI (above 2% for the first time since January 2013, see graph). The ECB will have to strike a balance between better economic data (consistent with less dovish rhetoric) and subdued core inflation pressures.
- In China, the annual 10-day National People’s Congress started on March 5, during which economic, social and policy goals are communicated. Authorities appear willing to accept a more sustainable, albeit lower, pace of growth as they continue to reduce overcapacity in various industries (steel, coal). Fiscal policy will remain proactive (fiscal deficit target of 3% of GDP) with monetary policy broadly neutral (strong TSF target, appropriate liquidity conditions, unchanged benchmark rates).
- According to the Government report delivered at the opening of the Congress, the target for real GDP growth in 2017 is set at “around 6.5%”, from an actual 6.7% in 2016 (and a target of “6.5% - 7.0%”), and the target for domestic credit growth, as measured by total social financing growth (TSF), at 12% yoy from 12.8% yoy in 2016 (and a target of 13% yoy).
- Global equity markets remained buoyant in the past week, due to an optimistic growth outlook, with the MSCI World up by 0.7%. Emerging markets underperformed (-0.6% wow / +5.6% ytd) on the back of expectations for higher US rates and a stronger USD (+0.7% wow in NEER terms).
- The S&P 500 rose 0.7% wow, reaching record highs intra-week, while the EuroStoxx gained 2.6% wow, finding further support from fading French political concerns. In both cases, banks were the key players (+2.5% wow and +8% wow, respectively), on the back of higher government bond yields. On Monday, euro area banks lost some ground, as DB announced that it will raise c. €8bn in new capital.
- US Treasuries (USTs) sold off, due to the re-pricing of the Fed’s monetary policy tightening path, with 2-Year yields up by 16 bps wow to 1.31% (the highest since June 2009) and 10-Year yields up by 17 bps to 2.48%. German Bunds followed suit, with 2-Year yields up by 15 bps to -0.80% and 10-Year yields up by 17 bps to 0.36%.

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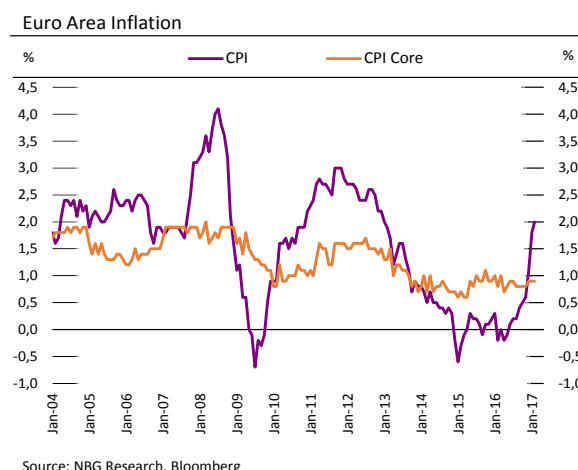
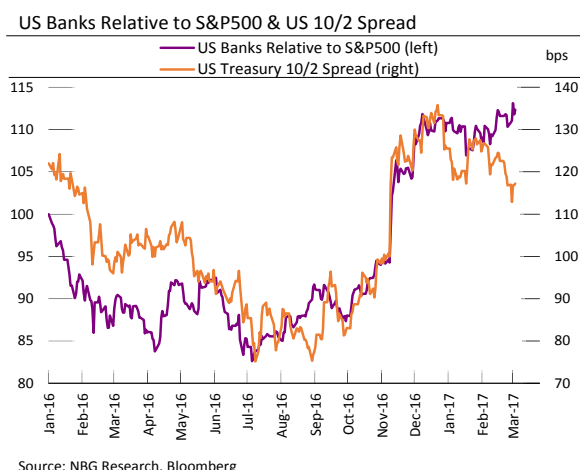
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Charts of the week



See page 14 for disclosures and analyst certification

### US real GDP growth remained unchanged in Q4:16

- **The 2<sup>nd</sup> estimate of US GDP for Q4:16 confirmed growth of 1.9% qoq saar, slightly below expectations for 2.1% qoq saar (and from 3.5% in Q3:16).** An upward revision to private consumption, which rose by 3.0% qoq saar (vs 2.5% in the 1<sup>st</sup> estimate) was more than offset by downward revisions to government consumption and business investment.

### Business & consumer confidence remain elevated

- **The ISM reports on business exceeded expectations in February.** The ISM manufacturing index rose, for a 6<sup>th</sup> consecutive month, by 1.7 pts to its highest level since August 2014 (57.7). At the same time, its non-manufacturing counterpart increased by 1.1 pt to a 16-month high of 57.6. Notably, the more forward-looking component of new orders was the top performer in both cases. Consumer sentiment was also strong in February, with the Conference Board Consumer Confidence Index reaching a 15-year high of 114.8, above consensus estimates.

### Hard data, however is less buoyant

- **Durable goods orders were mixed in January.** Core durable goods orders -- that include orders for non-defense capital goods (excluding aircraft) -- were weak in January (-0.6% mom), and below consensus estimates. Nevertheless, the December data were revised up by 0.4 pps to +1.1% mom and alleviated the negative outlook.
- **Personal spending was subdued.** Personal spending, in constant price terms, was down by 0.3% mom, from +0.3% mom in December, below consensus estimates for -0.1% mom. It should also be noted, however, that the readings were largely distorted by the unseasonably warm weather in January, driving down utilities' spending. The latest report led to a less optimistic outlook for personal consumption expenditure in Q1:17 and consequently for real GDP growth. Note that, according to the Atlanta Fed's GDPNowcast model, GDP growth for Q1:2017 is currently expected at 1.8% qoq saar, from 2.7% qoq saar (on average) in H2:2016.

### Euro area inflation temporarily reaches the ECB target

- **Headline inflation in the euro area accelerated further in February, as expected, albeit underlying price pressures remain.** The flash estimate for headline CPI rose to a c. 4-year high of +2.0% yoy, up 0.2 pps compared with January. The increase was driven by food as well as energy prices that rose by 9.2% yoy (+8.1% yoy previously), due to favorable base effects. Note that, assuming oil prices remain close to their current levels (\$55bl), that effect is expected to gradually dissipate in the coming months. Nevertheless, some positive second-round effects on core prices could occur. Regarding the latter, core CPI was stable at 0.9% yoy (below 1.0% for an 11<sup>th</sup> consecutive month).

### Bank lending growth maintains its upward trend

- **The economic recovery in the euro area continues to find support from a strong bank credit data.** Regarding the two major private sector components, loan growth to households (adjusted for sales and securitizations) accelerated to a c. 6-year high of 2.2% yoy in January, from 2.0% yoy in December. Moreover, loan growth to non-financial corporations was stable at 2.3% yoy, the highest since June 2009. On a country-by-country basis, the divergent trend continues, with the annual growth rate of loans to non-financial corporations in Germany (+3.6%) and France (+4.8%) strongly outpacing that of Italy and Spain (each around zero).

### UK PMIs disappoint in February

- **Business surveys moderated further in February, supporting the view for a loss of impetus for economic activity in Q1:17.** The PMI composite index fell to 53.8 from 55.4 in January and a 17-month high of 56.7 in December, significantly below consensus expectations. Selling prices remained at multi-year highs due to the weaker GBP, raising concerns over the prospects for income purchasing power. In the event, note that the latest PMI readings are consistent with a deceleration in GDP growth to 0.4% - 0.5% qoq in Q1:17. On a positive note, business optimism for the next 12 months (not incorporated in the headline index) remained elevated.

### Japanese inflation in line with expectations

- **Inflation data continued to improve in January, albeit a convincing upward underlying trend remains, so far, elusive.** Headline CPI inflation reached 0.4% yoy, up 0.1 pp compared with the previous month. At the same time, the CPI ex-fresh food rose by 0.3 pps to +0.1% yoy. Despite being the first positive reading since December 2015, the outcome was widely anticipated and solely due to the continuing dissipation of the negative impact from energy prices. As the effect from the latter is expected to turn positive in the coming months, inflation will maintain its upward trend. Overall, the Bank of Japan, at its March 16 meeting, is expected to maintain unchanged its monetary policy stance.

### Solid Chinese PMIs in February

- **PMI data for February point to a steady pace of economic expansion in Q1:17 (GDP growth stood at 6.8% yoy in Q4:16).** Markit manufacturing PMI rose by 0.7 pts to 51.7, averaging 51.4 so far in Q1:17, broadly on par with the Q4:16 average. Respondents do not appear concerned, for now, to the risk of future trade tensions with the US. At the same time, the official manufacturing PMI (which covers a broader range of industries) rose by 0.3 pts to 51.6. Both surveys recorded a broad-based improvement across the components. However, increased caution is necessary, in view of the limited available hard data so far in Q1:17. In the event, attention now turns to the March 8 report on external trade for February and, more so, to reports on industrial production, fixed asset investment and retail sales (due on March 14), as they will incorporate accumulated figures for both January and February 2017.

## Equities

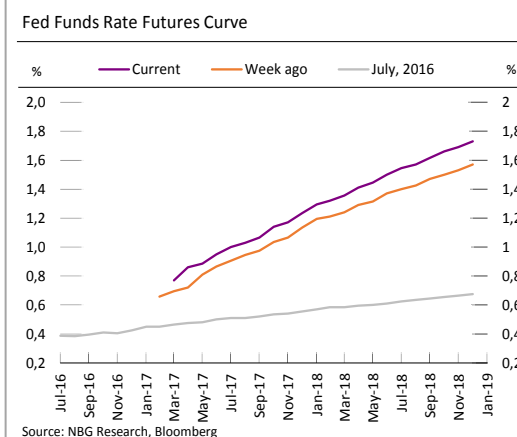
- **Global equity markets ended the week higher**, as positive economic data continue to support investors' risk appetite and policy concerns eased (French elections). Moreover, a unifying tone from the US President in his address to a joint session of Congress maintained the optimistic market sentiment. Overall, the MSCI World Index rose by 0.7% on a weekly basis, driven higher by Developed market equities (+0.9% wov). Emerging markets underperformed (-0.6% wov), mainly due to the hawkish note of several Fed officials who hinted at an interest rate hike at the Fed meeting on March 15<sup>th</sup>. The S&P500 index rose by 0.7% wov, with financials (+2.0% wov, +7.0% YtD) overperforming among sectors, as expectations for a hike in the Fed funds rate pushed up bond yields. As the US Q4:16 earnings season concludes, out of the 496 companies that have reported results so far, circa 68% have exceeded analyst estimates. In Europe, the EuroStoxx index rose (+2.6% wov) and the French CAC40 index rebounded (+3.1% wov), while the FTSE100 index was up 1.8% on a weekly basis.

## Fixed Income

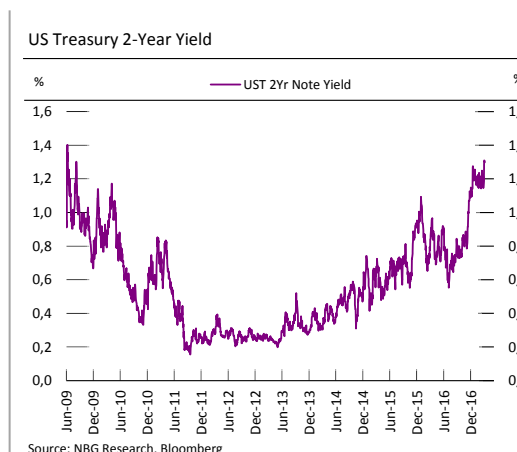
- **Government bond yields increased across the board during the past week**, due to a positive economic outlook and a hawkish tone by Fed policymakers. Indeed, the US Treasury 10-year yield rose by 17 bps on a weekly basis to 2.48%, and the respective 2-year yield was up by 16 bps to 1.31% (the highest level since June 2009). Similarly, core European bond yields increased, with the UK's 10-year Gilt yield up by 11 bps to 1.19% and the German 10-year Bund yield up by 17 bps to 0.36%, even as policy concerns over the French elections eased. Meanwhile, increased risk sentiment and higher core government bond yields led to considerably tighter periphery bond spreads in the euro area (-26 bps to +174 bps for Italian 10Yr BTPs, -19 bps to 131 bps for Spanish 10Yr Bonos, -17 bps to 358 bps for the Portuguese government 10Yr bond and -30 bps to 669 bps for the Greek government 10Yr bond).
- **Corporate bond spreads continued to narrow**, on the back of positive economic data. Indeed, euro area HY spreads fell by 14 bps wov to 339 bps, while US HY spreads narrowed by 24 bps wov to 360 bps. Similarly, euro area investment grade (IG) bond spreads declined by 3 bps wov to 123 bps and their US counterparts fell by 5 bps wov to 118 bps (see graph).

## FX & Commodities

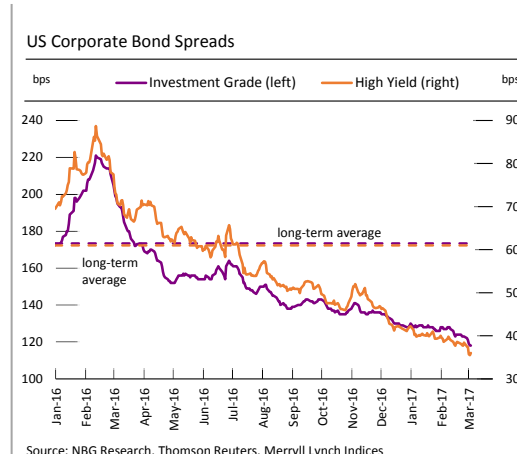
- **In foreign exchange markets, the USD strengthened on a weekly basis** (+0.7% in NEER terms), albeit it lost ground against the euro (-0.5% wov) to \$1.062 as some polls suggested Mr Macron was gaining ground over Ms Le Pen (the euro was up 1.1% on Friday against the USD). Overall, the USD was supported by a more-hawkish-than-expected rhetoric by Fed officials and generally positive US economic data, up by 0.3% over the week against a basket of EM currencies.
- **In commodities, oil prices were downbeat**, with US oil inventories rising for an 8<sup>th</sup> consecutive week (+1.5 mb to 520 mb for the week ending February 24<sup>th</sup>). Specifically, Brent was down by 1.0% on a weekly basis, to \$55.0/barrel and WTI fell slightly by 0.3% to \$53.3/barrel. Improved risk appetite and a hawkish Fed rhetoric took their toll on precious metals. Indeed, gold declined by 1.8% to \$1,235/ounce and silver by 2.1% to \$18.0/ounce.



Graph 1.



Graph 2.



Graph 3.

**Quote of the week:** "At our meeting later this month, the Committee will evaluate whether employment and inflation are continuing to evolve in line with our expectations, in which case a further adjustment of the federal funds rate would likely be appropriate." **Fed Chair J. Yellen**, March 3<sup>rd</sup> 2017

### Tactical Asset Allocation (3-month)

- **Equities:** We are **Overweight** amidst expectations for a recovery in global growth. Earnings' momentum is strong in all regions. O/W Banks (US, Euro area) due to higher yields and steeper curves and Materials.
- **Government Bonds:** The trend of higher long-term Government yields will continue reflecting a buildup in inflation expectations. **Underweight Govies.** At the short-end, USTs are vulnerable due to Fed hikes. Steeper curves, particularly in Bunds. Until French elections though, Bunds may attract flows due to political risks.
- **Credit:** Credit spreads have less fuel to run from current levels with US Investment Grade at 115 bps. **Overall, we turned broadly neutral in credit.**
- **Cash:** We hold an **OW position** in cash, as a hedge, as well as a way of being tactical.

### NBG Global Markets - Main Equity Sector Calls

US Sector	Position	View/Comment
Banks	<b>OW</b>	Rising rates support interest margins
Materials	<b>OW</b>	A policy shift toward higher US fiscal spending could support infrastructure
Energy	<b>Neutral</b>	OPEC's deal implementation remains a risk
Industrials	<b>Neutral</b>	Should benefit from US mfg recovery
Technology	<b>Neutral</b>	High foreign exposure and cash reserves
Healthcare	<b>UW</b>	Policy plays could suppress margins
Utilities	<b>UW</b>	Likely hurt by higher rates
Telecoms	<b>UW</b>	Typically lags in cyclical recoveries

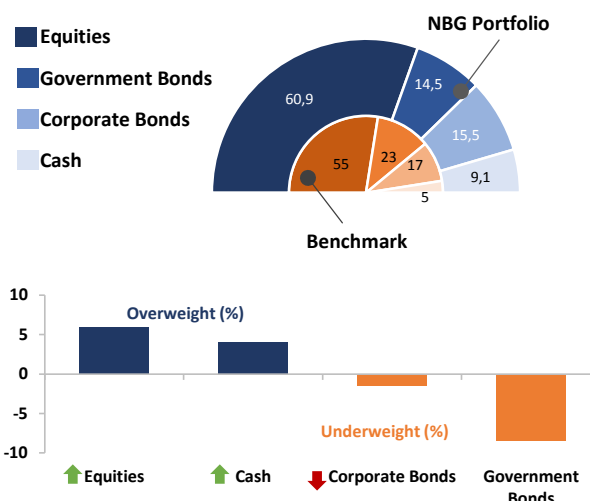
EA Sector	Position	View/Comment
Banks	<b>OW</b>	Steeper curves and attractive valuations should offset bouts of volatility
Materials	<b>OW</b>	Resilient domestic demand and still attractive valuations
Industrials	<b>Neutral</b>	Benefit from better growth prospects. Valuations have increased
Defensive Sectors*	<b>UW</b>	Defensives could struggle to outperform in a reflationary environment

\*Including Healthcare, Utilities, Telecoms

Notes:

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

### Total Portfolio Allocation



### Detailed Portfolio Breakdown

Equities	Portfolio	Benchmark	OW/UW
US	↑ 52	52	-
Euro area	10	10	-
UK	↓ 7	7	-
Rest of Dev. Europe	5	5	-
Japan	7	7	-
Rest of Dev. World	8	8	-
EM Asia	7	7	-
EM Latin America	2	2	-
EMEA	2	2	-

Government Bonds	Portfolio	Benchmark	OW/UW
US	49	46	3,0
US TIPS	6	6	-
Euro area	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"> <li>+ Fiscal loosening</li> <li>+ EPS acceleration</li> <li>+ Cash-rich corporates lead to share buybacks and higher dividends (de-equitization)</li> <li>- Demanding valuations</li> <li>- Peaking profit margins</li> <li>- Protectionism and trade wars</li> </ul>	<ul style="list-style-type: none"> <li>+ Still high equity risk premium due to policy uncertainty</li> <li>+ Credit conditions gradual turn more favorable</li> <li>+ Small fiscal loosening</li> <li>- Sovereign debt crisis could re-emerge</li> <li>- EPS estimates are declining</li> <li>- Strong Euro in NEER terms (2016 vs 2015)</li> </ul>	<ul style="list-style-type: none"> <li>+ Aggressive QE by the BoJ</li> <li>+ Upward revisions in corporate earnings</li> <li>- Signs of policy fatigue regarding structural reforms and fiscal discipline</li> <li>- Strong appetite for foreign assets</li> <li>- If sustained, Japanese Yen appreciation hurts exporters companies</li> </ul>	<ul style="list-style-type: none"> <li>+ 65% of FTSE100 revenues from abroad</li> <li>+ Undemanding valuations in relative terms</li> <li>+ High UK exposure to the commodities sector assuming the oil rally continues</li> <li>- Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process</li> </ul>
Government Bonds	<p>● <b>Neutral/Positive</b></p> <ul style="list-style-type: none"> <li>+ Valuations appear rich</li> <li>+ Underlying inflation pressures</li> <li>+ The Fed is expected to increase its policy rate towards 1,5% by end-2017</li> <li>- Global search for yield by non-US investors continues</li> <li>- Fed's commitment on gradual tightening policy</li> <li>- Safe haven demand</li> </ul>	<p>● <b>Neutral</b></p> <ul style="list-style-type: none"> <li>+ Upside risk in US benchmark yields</li> <li>+ Valuations appear excessive compared with long-term fundamentals</li> <li>- Political Risk</li> <li>- Fragile growth outlook</li> <li>- Medium-term inflation expectations remain low</li> <li>- Gradually less accommodative monetary policy by the ECB</li> </ul>	<p>● <b>Neutral</b></p> <ul style="list-style-type: none"> <li>+ Sizeable fiscal deficits</li> <li>+ Restructuring efforts to be financed by fiscal policy measures</li> <li>- Safe haven demand</li> <li>- Extremely dovish central bank</li> <li>- Yield-targeting of 10-Year JGB at around 0%</li> </ul>	<p>● <b>Neutral/Negative</b></p> <ul style="list-style-type: none"> <li>+ Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process</li> <li>+ Rich valuations</li> <li>+ Inflation overshooting due to GBP weakness feeds through inflation expectations</li> <li>- The BoE is expected to cut rates or/and re-activate asset purchases</li> <li>- Slowing economic growth post-Brexit</li> </ul>
Foreign Exchange	<p>▲ <b>Higher yields expected</b></p> <ul style="list-style-type: none"> <li>+ The Fed is expected to increase its policy rate towards 1,5% in 2017</li> <li>+ Growth to remain slightly above-trend in 2017</li> <li>+ Destination-based taxation with border adjustment</li> <li>- Mid-2014 rally probably out of steam</li> <li>- Protectionism and trade Wars</li> </ul> <p>▲ <b>Long USD against its major counterparts</b></p>	<p>▲ <b>Higher yields expected</b></p> <ul style="list-style-type: none"> <li>+ Reduced short-term tail risks</li> <li>+ Higher core bond yields</li> <li>+ Current account surplus</li> <li>- Sluggish growth</li> <li>- Deflation concerns</li> <li>- The ECB's monetary policy to remain extra loose (Targeted-LTROs, ABSs, covered bank bond purchases, Quantitative Easing)</li> </ul> <p>● <b>Flat EUR against the USD with downside risks short term</b></p>	<p>● <b>Stable yields expected</b></p> <ul style="list-style-type: none"> <li>+ Safe haven demand</li> <li>+ More balanced economic growth recovery (long-term)</li> <li>+ Inflation is bottoming out</li> <li>- Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2%</li> </ul> <p>▼ <b>Lower JPY against the USD</b></p>	<p>▲ <b>Higher yields expected</b></p> <ul style="list-style-type: none"> <li>+ Transitions phase negotiations</li> <li>- The BoE to retain rates at current levels</li> <li>- Slowing economic growth post-Brexit</li> <li>- Sizeable Current account deficit (-5.5% of GDP)</li> <li>- Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process</li> </ul> <p>▼ <b>Weaker GBP against the EUR and the USD</b></p>

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

**Interest Rates & Foreign Exchange Forecasts**

10-Yr Gov. Bond Yield (%)	Mar. 3rd	3-month	6-month	12-month	Official Rate (%)	Mar. 3rd	3-month	6-month	12-month
<b>Germany</b>	0,36	0,40	0,50	0,70	<b>Euro area</b>	0,00	0,00	0,00	0,00
<b>US</b>	2,48	2,55	2,65	2,90	<b>US</b>	0,75	1,00	1,25	1,50
<b>UK</b>	1,19	1,50	1,65	1,80	<b>UK</b>	0,25	0,25	0,25	0,25
<b>Japan</b>	0,08	0,10	0,10	0,15	<b>Japan</b>	-0,10	-0,10	-0,10	-0,10

Currency	Mar. 3rd	3-month	6-month	12-month	Mar. 3rd	3-month	6-month	12-month	
<b>EUR/USD</b>	1,06	1,06	1,05	1,05	<b>USD/JPY</b>	114	115	118	120
<b>EUR/GBP</b>	0,81	0,87	0,88	0,88	<b>GBP/USD</b>	1,23	1,22	1,20	1,20
<b>EUR/JPY</b>	121	122	123	126					

Forecasts at end of period

**Economic Forecasts**

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

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

	2012	2013	2014	2015	2016e	2017f
<b>Real GDP Growth (%)</b>						
Turkey	4,8	8,5	5,2	6,1	2,1	2,0
Romania	0,6	3,5	3,0	3,8	4,8	4,0
Bulgaria	0,0	0,9	1,3	3,6	3,4	3,7
Serbia	-1,0	2,6	-1,8	0,8	2,8	3,2
<b>Headline Inflation (eop,%)</b>						
Turkey	6,2	7,4	8,2	8,8	8,5	9,2
Romania	5,0	1,6	0,8	-0,9	-0,5	2,0
Bulgaria	4,2	-1,6	-0,9	-0,4	0,1	0,6
Serbia	12,2	2,2	1,7	1,5	1,6	2,8
<b>Current Account Balance (% of GDP)</b>						
Turkey	-5,6	-6,7	-4,7	-3,7	-3,8	-4,5
Romania	-4,8	-1,1	-0,7	-1,2	-2,5	-3,1
Bulgaria	-0,9	1,3	0,1	0,4	3,9	3,0
Serbia	-11,6	-6,1	-6,0	-4,7	-4,0	-4,2
<b>Fiscal Balance (% of GDP)</b>						
Turkey	-1,9	-1,0	-1,1	-1,0	-1,1	-2,0
Romania	-2,5	-2,5	-1,7	-1,5	-2,5	-3,8
Bulgaria	-0,4	-1,8	-3,7	-2,8	1,6	-1,0
Serbia	-6,8	-5,5	-6,6	-3,7	-1,4	-1,2

f: NBG forecasts

**Stock Markets (in local currency)**

Country - Index	6/3/2017	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	91.045	3,7	16,5	13,4
Romania - BET-BK	1.479	-0,3	10,1	8,6
Bulgaria - SOFIX	615	0,4	4,9	29,1
Serbia - BELEX15	726	1,3	1,2	8,0

Financial Markets	6/3/2017	3-month forecast	6-month forecast	12-month forecast
<b>1-m Money Market Rate (%)</b>				
Turkey	11,5	11,2	10,5	10,0
Romania	0,6	0,9	1,2	1,5
Bulgaria	0,0	0,1	0,1	0,2
Serbia	3,4	3,4	3,5	3,8
<b>Currency</b>				
TRY/EUR	3,93	4,00	3,90	3,80
RON/EUR	4,53	4,49	4,49	4,50
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	123,7	123,2	124,0	125,0
<b>Sovereign Eurobond Spread (in bps)</b>				
Turkey (EUR 2019)	198	220	210	200
Romania (EUR 2024)	187	180	165	150
Bulgaria (EUR 2022)	131	120	116	110
Serbia (USD 2021)(*)	207	200	190	180

(\*) Spread over US Treasuries

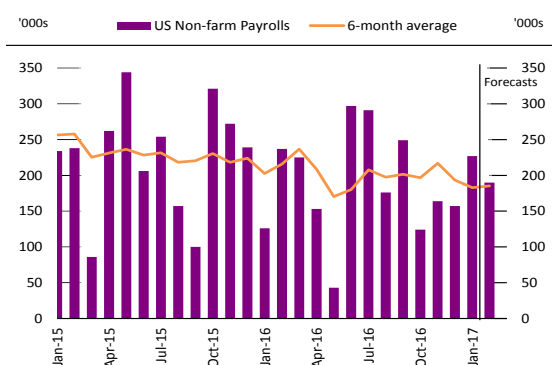
## Economic Calendar

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 190k in February from 227k in January, while the unemployment rate is expected to have declined to 4.7% from 4.8% in the previous month.

In the euro area, markets will focus on the ECB meeting on Thursday (9/3). The ECB is expected to upgrade its inflation forecasts, at least for 2017, without any change in the rates. The final estimate of GDP will be released on Tuesday (7/9) and will include detailed data for GDP components. Growth is expected at 0.4% qoq in Q4:16.

In Japan, the final estimate of GDP is released on Wednesday (10/3). Growth is expected at 0.4% qoq from 0.2% in the previous estimate.

US Nonfarm Payrolls



Source: NBG Research, Bloomberg

### Economic News Calendar for the period: February 28 - March 13, 2017

Tuesday 28				Wednesday 1				Thursday 2									
US	S	A	P	US	S	A	P	US	S	A	P						
GDP (QoQ, annualized)	Q4:16 S	2.1%	-	1.9%	1.9%	Personal income (MoM)	January	0.3%	+	0.4%	0.3%	Initial Jobless Claims (k)	February 25	245	+	223	242
Personal Consumption	Q4:16 S	2.6%	+	3.0%	2.5%	Personal spending (MoM)	January	0.3%	-	0.2%	0.5%	Continuing Claims (k)	February 18	2060	-	2066	2063
Trade balance (\$bn)	January	-66.0	-	-69.2	-64.4	PCE Core Deflator (YoY)	January	1.7%	-	1.7%	1.7%	<b>UK</b>					
S&P Case/Shiller house price index 20 (YoY)	December	5.40%	+	5.58%	5.20%	PCE Deflator (YoY)	January	2.0%	-	1.9%	1.6%	Market/CIPS UK Construction PMI	February	52.0	+	52.5	52.2
<b>JAPAN</b>				<b>UK</b>				<b>EURO AREA</b>									
Industrial Production (MoM)	January	0.4%	-	-0.8%	0.7%	Nationwide House Px NSA YoY	February	4.1%	+	4.5%	4.3%	Unemployment Rate	January	9.6%		9.6%	9.6%
Industrial Production (YoY)	January	4.3%	-	3.2%	3.2%	Markit UK PMI Manufacturing	February	55.8	-	54.6	55.7	CPI (YoY)	February	2.0%		2.0%	1.8%
Retail sales (MoM)	January	1.0%		1.0%	0.7%	<b>CHINA</b>				Core CPI (YoY)	February	0.9%		0.9%	0.9%		
Retail sales (YoY)	January	0.3%	+	0.5%	-1.6%	Caixin PMI Manufacturing	February	50.8	+	51.7	51.0						
						Manufacturing PMI	February	51.2	+	51.6	51.3						
Friday 3				GERMANY				Monday 6									
US	S	A	P	US	S	A	P	US	S	A	P						
ISM non-manufacturing	February	56.5	+	57.6	56.5	Retail sales (MoM)	January	0.3%	-	-0.8%	0.0%	Factory Goods Orders	January	1.0%	+	1.2%	1.3%
<b>UK</b>				<b>JAPAN</b>				<b>EURO AREA</b>									
Market/CIPS UK Services PMI	February	54.1	-	53.3	54.5	Unemployment rate	January	3.0%		3.0%	3.1%						
<b>JAPAN</b>				<b>EURO AREA</b>				<b>EURO AREA</b>									
CPI (YoY)	January	0.4%		0.4%	0.3%	CPI (YoY)	January	0.4%		0.4%	0.3%	Retail sales (MoM)	January	0.3%	-	-0.1%	-0.5%
Core CPI (YoY) - ex. Fresh Food	January	0.0%	+	0.1%	-0.2%	Core CPI (YoY) - ex. Fresh Food and Energy	January	0.2%		0.2%	0.1%	Retail sales (YoY)	January	1.5%	-	1.2%	1.2%
<b>EURO AREA</b>				<b>EURO AREA</b>				<b>EURO AREA</b>									
Retail sales (MoM)	January	0.3%	-	-0.1%	-0.5%												
Retail sales (YoY)	January	1.5%	-	1.2%	1.2%												
Tuesday 7				Wednesday 8				Friday 10									
US	S	A	P	US	S	A	P	US	S	A	P						
Trade balance (\$bn)	January	-47.0	..	-44.3	ADP Employment Change (k)	February	185	..	246	Exports (YoY)	February	14.0%	..	7.9%			
<b>EURO AREA</b>				<b>JAPAN</b>				<b>CHINA</b>									
GDP (QoQ)	Q4:16 F	0.4%	..	0.4%	Wholesale trade	January	..	..	2.6%	Imports (YoY)	February	20.0%	..	16.7%			
GDP (YoY)	Q4:16 F	1.7%	..	1.7%	GDP (QoQ)	Q4:16 F	0.4%	..	0.2%								
Government expenditure (QoQ)	Q4:16	0.4%	..	0.4%	GDP Private Consumption	Q4:16 F	0.0%	..	0.0%								
Gross Fixed Capital Formation (QoQ)	Q4:16	0.6%	..	-0.5%	GDP Business Spending (QoQ)	Q4:16 F	1.7%	..	0.9%								
Household Consumption (QoQ)	Q4:16	0.5%	..	0.3%	Leading Index	January	105.4	..	104.8								
					Coincident Index	January	114.3	..	114.8								
					Eco Watchers Current Survey	February	50.0	..	49.8								
					Eco Watchers Outlook Survey	February	50.5	..	49.4								
					<b>GERMANY</b>												
					Industrial Production (sa, MoM)	January	2.6%	..	-3.0%								
					Industrial Production (wda, YoY)	January	-0.6%	..	-0.7%								
Thursday 9				Friday 10				Friday 10									
US	S	A	P	US	S	A	P	US	S	A	P						
Initial Jobless Claims (k)	March 4	238	..	223	Change in Nonfarm Payrolls (k)	February	190	..	227	Industrial Production (MoM)	January	-0.5%	..	1.1%			
Continuing Claims (k)	February 25	2063	..	2066	Change in Private Payrolls (k)	February	183	..	237	Industrial Production (YoY)	January	3.2%	..	4.3%			
<b>EURO AREA</b>				<b>EURO AREA</b>				<b>UK</b>									
ECB announces its deposit facility rate	March 9	-0.40%	..	-0.40%	Unemployment rate	February	4.7%	..	4.8%								
ECB announces its intervention rate	March 9	0.00%	..	0.00%	Average Hourly Earnings MoM	February	0.3%	..	0.1%								
<b>CHINA</b>				<b>CHINA</b>				<b>CHINA</b>									
CPI (YoY)	February	1.8%	..	2.5%	Average Hourly Earnings YoY	February	2.8%	..	2.5%								
					Average weekly hours (hrs)	February	34.4	..	34.4								
					Underemployment rate	February	..	..	9.4%								
					Labor Force Participation Rate	February	..	..	62.9%								

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



**Equity Markets** (in local currency)

Developed Markets						Emerging Markets						
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)		
US	<b>S&amp;P 500</b>	2383	0,7	6,4	19,6	13,6	<b>MSCI Emerging Markets</b>	50324	-0,6	5,6	14,7	0,2
Japan	<b>NIKKEI 225</b>	19469	1,0	1,9	14,8	4,1	<b>MSCI Asia</b>	738	-0,9	6,5	15,3	-1,7
UK	<b>FTSE 100</b>	7374	1,8	3,2	20,3	6,6	<b>China</b>	64	-1,5	10,0	21,1	-5,5
Canada	<b>S&amp;P/TSX</b>	15609	0,5	2,1	18,9	3,5	<b>Korea</b>	603	-0,1	3,9	14,8	8,2
Hong Kong	<b>Hang Seng</b>	23553	-1,7	7,1	18,1	-3,7	<b>MSCI Latin America</b>	77351	0,4	7,6	22,3	15,8
Euro area	<b>EuroStoxx</b>	363	2,6	3,6	13,4	-0,7	<b>Brazil</b>	229586	0,1	10,0	35,3	22,2
Germany	<b>DAX 30</b>	12027	1,9	4,8	23,3	5,6	<b>Mexico</b>	44798	0,8	3,7	5,6	8,4
France	<b>CAC 40</b>	4995	3,1	2,7	13,1	1,6	<b>MSCI Europe</b>	4921	-0,5	-0,9	13,2	2,4
Italy	<b>FTSE/MIB</b>	19664	5,7	2,2	7,2	-11,1	<b>Russia</b>	912	-1,9	-8,7	11,7	11,1
Spain	<b>IBEX-35</b>	9799	3,6	4,8	11,8	-11,3	<b>Turkey</b>	1261391	1,5	15,5	15,5	9,2

**World Market Sectors** (MSCI Indices)

in US Dollar terms						in local currency					
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	
Energy	208,3	1,1	-4,9	15,4	-10,6	Energy	217,3	1,7	-4,9	18,2	-6,5
Materials	235,5	0,0	6,1	28,4	0,1	Materials	230,6	0,7	5,5	31,2	3,9
Industrials	224,5	0,6	5,7	18,3	9,6	Industrials	227,4	1,1	5,2	20,2	11,6
Consumer Discretionary	206,3	0,0	5,0	11,3	4,3	Consumer Discretionary	203,3	0,4	4,7	12,9	5,9
Consumer Staples	219,0	-0,5	5,5	4,6	5,5	Consumer Staples	223,9	-0,1	5,3	7,2	9,6
Healthcare	210,0	1,2	8,9	8,6	-1,5	Healthcare	210,7	1,5	8,7	10,0	0,6
Financials	112,5	1,3	5,9	26,7	9,1	Financials	114,8	1,9	5,4	28,6	12,3
IT	177,5	0,3	10,1	26,9	20,8	IT	173,2	0,4	9,9	27,3	21,1
Telecoms	69,6	-1,1	0,1	-1,1	-2,4	Telecoms	74,3	-0,5	-0,3	1,2	1,1
Utilities	119,7	0,2	4,1	5,1	2,4	Utilities	124,9	0,6	3,9	7,0	5,3

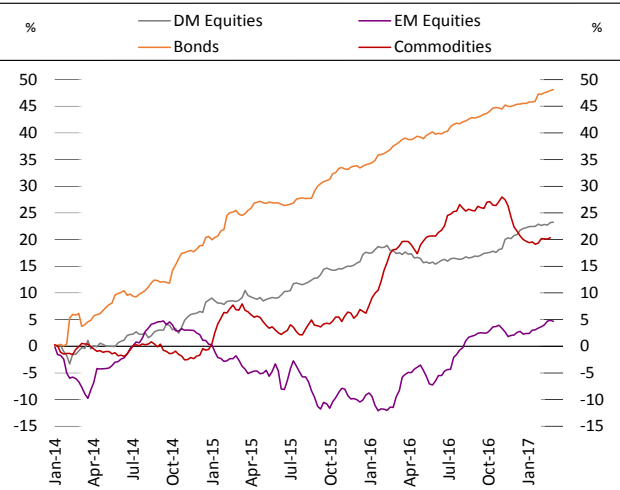
**Bond Markets (%)**

10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)					
	Current	Last week	Year Start	One Year Back	10-year average	Current	Last week	Year Start	One Year Back	10-year average	
US	2,48	2,31	2,45	1,84	2,77	<b>US Treasuries 10Y/2Y</b>	117	117	126	99	174
Germany	0,36	0,19	0,21	0,17	2,14	<b>US Treasuries 10Y/5Y</b>	47	51	52	49	89
Japan	0,08	0,07	0,05	-0,01	0,90	<b>Bunds 10Y/2Y</b>	116	113	97	75	118
UK	1,19	1,08	1,24	1,43	2,88	<b>Bunds 10Y/5Y</b>	77	78	74	57	70
Greece	7,05	7,17	7,11	9,70	10,21	<b>Corporate Bond Spreads (in bps)</b>	Current	Last week	Year Start	One Year Back	10-year average
Ireland	1,02	0,94	0,75	0,90	4,56						
Italy	2,09	2,19	1,81	1,42	3,82						
Spain	1,68	1,70	1,38	1,54	3,83						
Portugal	3,94	3,94	3,76	2,99	5,48						
<b>US Mortgage Market (1. Fixed-rate Mortgage)</b>	Current	Last week	Year Start	One Year Back	10-year average	<b>EM Inv. Grade (IG)</b>	158	168	181	251	269
<b>30-Year FRM<sup>1</sup> (%)</b>	4,3	4,3	4,4	3,8	4,5	<b>EM High yield</b>	431	448	510	920	813
<b>vs 30Yr Treasury (bps)</b>	123	135	132	117	100	<b>US IG</b>	118	123	129	198	201
						<b>US High yield</b>	360	384	421	728	641
						<b>Euro area IG</b>	123	126	124	151	168
						<b>Euro area High Yield</b>	339	353	376	582	663

**Foreign Exchange & Commodities**

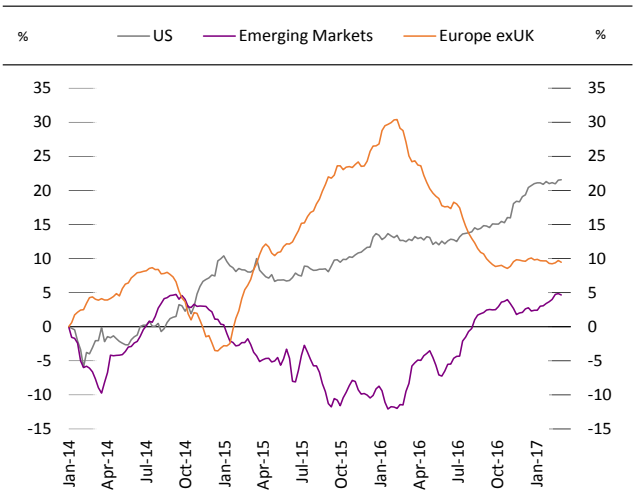
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	
<b>Euro-based cross rates</b>						<b>Agricultural</b>	452	1,1	-0,7	3,8	4,8
EUR/USD	1,06	0,5	-1,4	-3,1	1,0	<b>Energy</b>	408	-1,4	-3,5	26,1	-6,2
EUR/CHF	1,07	0,6	0,1	-1,6	-0,2	<b>West Texas Oil (\$)</b>	53	-0,3	-1,0	54,3	-0,7
EUR/GBP	0,86	1,8	1,6	11,8	1,2	<b>Crude Brent Oil (\$)</b>	55	-1,0	-2,0	50,3	-0,7
EUR/JPY	121,12	2,3	-0,7	-2,8	-1,5	<b>Industrial Metals</b>	1223	-0,2	0,7	22,6	8,9
EUR/NOK	8,95	1,1	0,9	-4,9	-1,6	<b>Precious Metals</b>	1504	-2,6	1,5	-1,6	6,8
EUR/SEK	9,54	0,0	1,2	2,1	-0,4	<b>Gold (\$)</b>	1235	-1,8	2,0	-2,3	7,1
EUR/AUD	1,40	1,6	-1,5	-6,2	-4,2	<b>Silver (\$)</b>	18	-2,1	2,5	18,1	13,0
EUR/CAD	1,42	2,7	1,1	-3,3	0,5	<b>Baltic Dry Index</b>	939	7,3	19,5	174,6	-2,3
<b>USD-based cross rates</b>						<b>Baltic Dirty Tanker Index</b>	841	-1,9	-4,1	17,6	-8,5
USD/CAD	1,34	2,2	2,5	-0,2	-0,5						
USD/AUD	1,32	1,0	-0,1	-3,2	-5,2						
USD/JPY	114,03	1,7	0,7	0,3	-2,5						

## Global Cross Asset ETFs: Flows as % of AUM



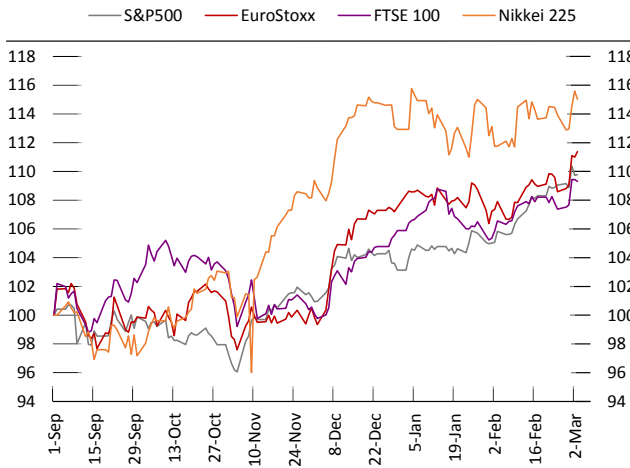
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of March 3<sup>rd</sup>

## Equity ETFs: Flows as % of AUM



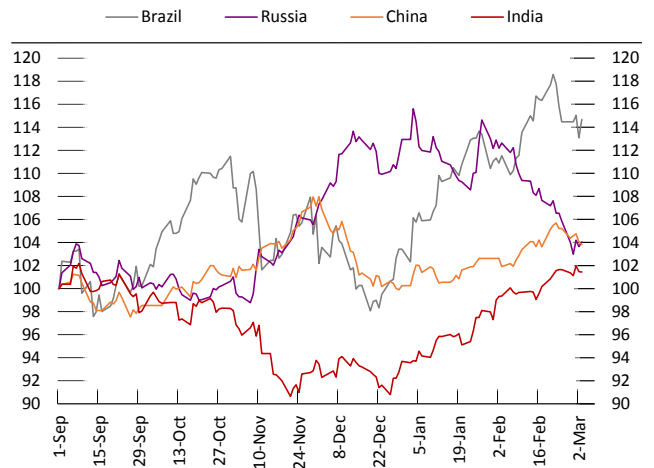
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of March 3<sup>rd</sup>

## Equity Market Performance - G4



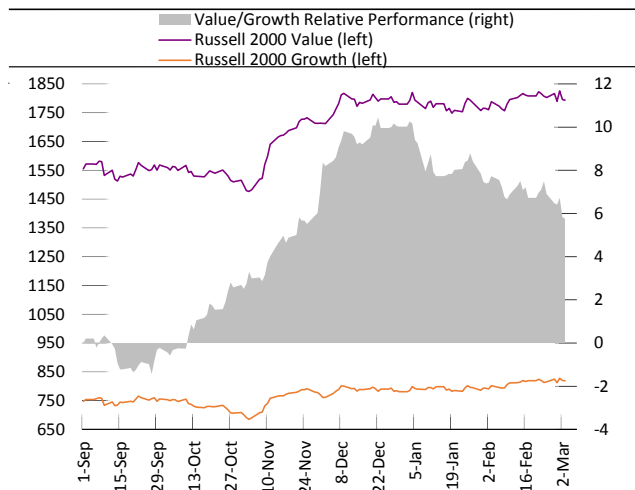
Source: Bloomberg - Data as of March 3<sup>rd</sup> - Rebased @ 100

## Equity Market Performance - BRICs



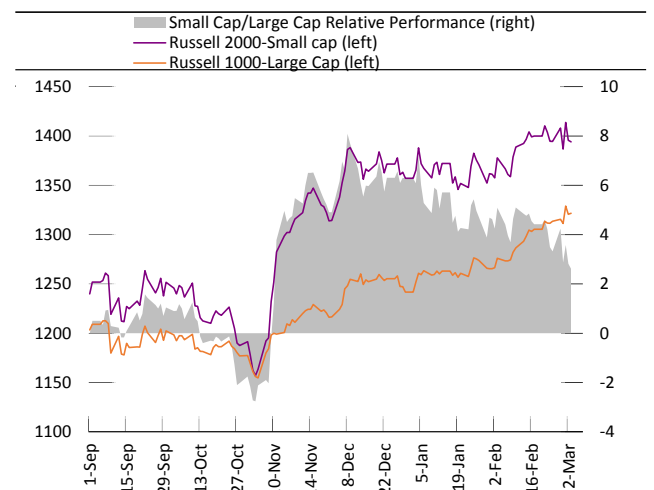
Source: Bloomberg - Data as of March 3<sup>rd</sup> - Rebased @ 100

## Russell 2000 Value &amp; Growth Index



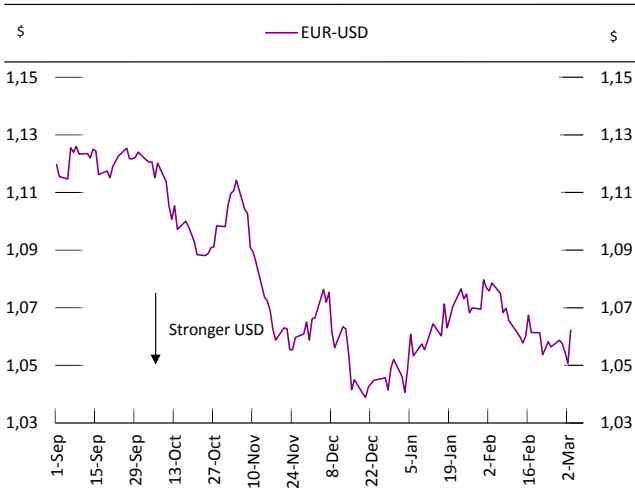
Source: Bloomberg, Data as March 3<sup>rd</sup>

## Russell 2000 &amp; Russell 1000 Index



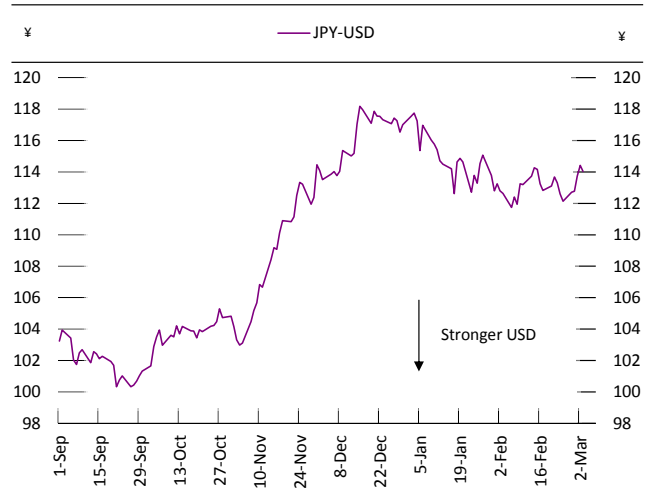
Source: Bloomberg, Data as of March 3<sup>rd</sup>

EUR/USD



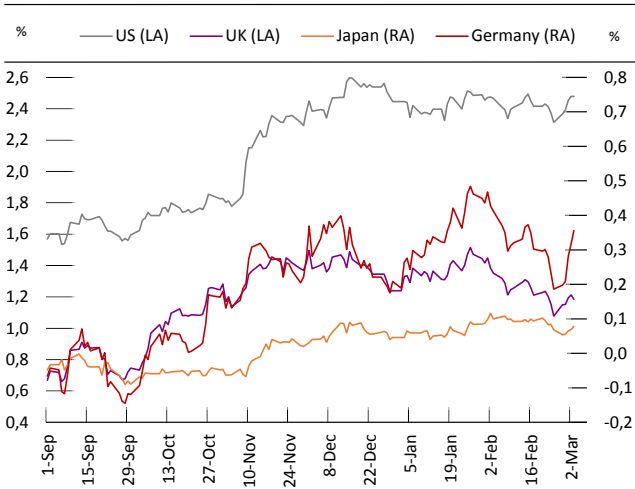
Source: Bloomberg, Data as of March 3<sup>rd</sup>

JPY/USD



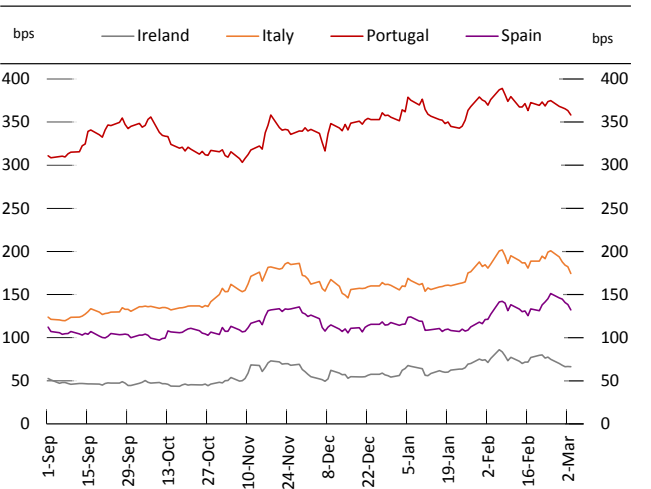
Source: Bloomberg, Data as of March 3<sup>rd</sup>

10- Year Government Bond Yields



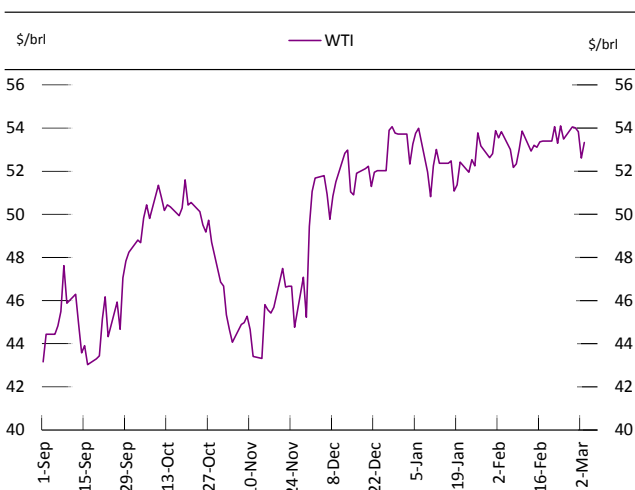
Source: Bloomberg - Data as of March 3<sup>rd</sup>  
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



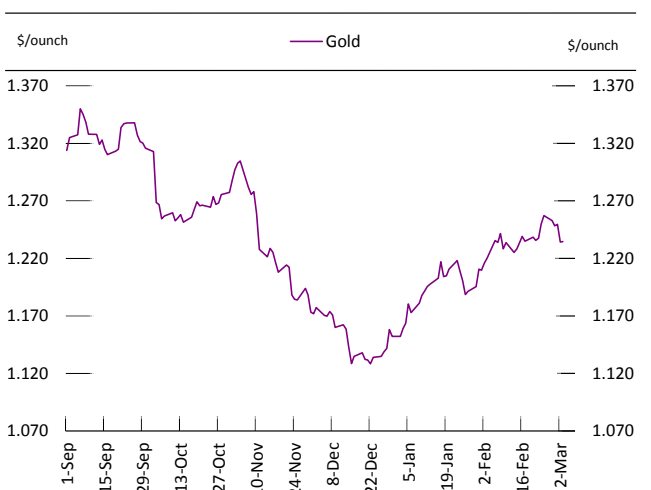
Source: Bloomberg - Data as of March 3<sup>rd</sup>

West Texas Intermediate (\$/brl)



Source: Bloomberg, Data as of March 3<sup>rd</sup>

Gold (\$/ounce)



Source: Bloomberg, Data as of March 3<sup>rd</sup>

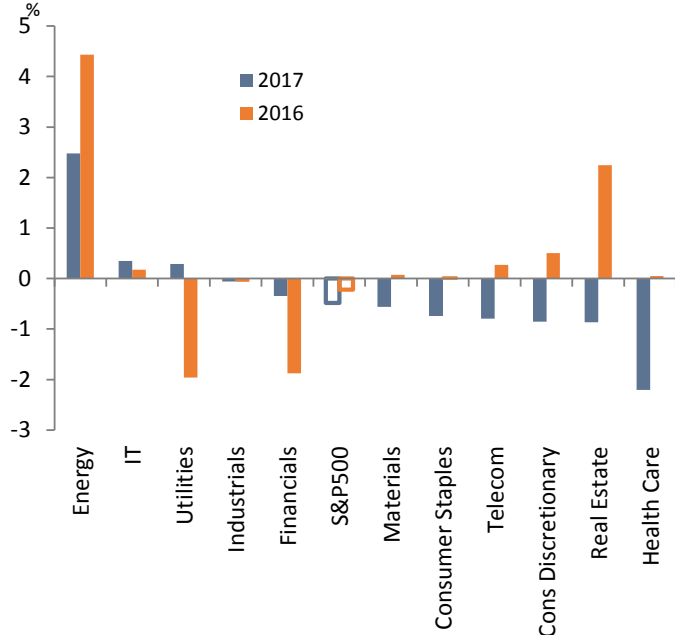
### US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	3/3/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
<b>S&amp;P500</b>	2383	2,9	3,0	8,3	2,4	2,1	16,0	18,2	17,9	14,0	2,5	2,9	2,9	2,2
<b>Energy</b>	524	-2,0	-57,9	151,8	3,5	2,7	62,2	30,6	29,0	18,2	1,5	1,9	1,9	1,8
<b>Materials</b>	330	0,9	-1,7	10,0	2,5	2,1	16,1	18,4	18,1	14,5	3,1	3,6	3,6	2,7
<b>Financials</b>														
Diversified Financials	588	4,7	10,4	6,7	2,3	1,4	12,5	16,5	16,2	13,5	1,3	1,7	1,7	1,5
Banks	307	5,9	0,7	9,4	2,8	2,0	9,8	14,4	14,1	12,3	0,8	1,2	1,2	1,0
Insurance	371	2,9	13,4	3,5	2,6	2,1	10,4	13,2	13,0	9,8	1,0	1,3	1,3	1,0
<b>Real Estate</b>	196	1,7	6,6	4,4	4,4	3,5	17,4	18,3	18,0	17,4	3,0	3,0	3,0	2,5
<b>Industrials</b>														
Capital Goods	611	2,2	4,2	5,4	2,8	2,4	16,8	19,8	19,4	14,5	3,9	4,7	4,6	2,8
Transportation	642	1,8	1,9	-8,4	2,0	1,7	11,1	16,0	15,7	14,3	3,2	4,0	3,9	2,9
Commercial Services	247	2,7	8,7	4,2	1,8	1,7	19,4	21,6	21,3	17,6	4,1	4,6	4,6	3,2
<b>Consumer Discretionary</b>														
Retailing	1436	1,6	16,3	5,7	1,2	1,0	23,9	27,3	26,6	18,9	7,3	8,5	8,3	4,5
Media	550	0,7	11,0	-0,6	1,7	1,4	15,3	19,2	18,8	14,8	3,0	3,0	3,0	2,1
Consumer Services	867	0,6	12,3	8,2	2,3	2,3	20,4	20,7	20,3	17,1	11,5	10,8	10,8	5,0
Consumer Durables	294	1,7	9,7	7,8	1,7	1,8	18,2	16,5	16,2	16,9	3,6	3,1	3,1	2,8
Automobiles and parts	131	4,5	7,3	1,1	4,0	3,6	6,7	7,9	7,9	9,0	1,5	1,6	1,6	1,8
<b>IT</b>														
Technology	885	5,5	2,2	2,1	2,7	2,1	10,4	14,6	14,4	12,7	2,8	3,8	3,7	2,8
Software & Services	1251	2,3	8,8	9,7	1,2	1,0	19,3	22,0	21,6	15,4	4,4	5,0	4,9	3,8
Semiconductors	718	2,1	-1,8	33,8	2,8	2,2	13,9	15,0	14,8	16,0	2,7	3,3	3,3	2,8
<b>Consumer Staples</b>														
Food & Staples Retailing	366	0,8	1,3	2,5	2,2	2,3	17,5	16,9	16,7	15,0	3,0	3,0	3,0	2,6
Food Beverage & Tobacco	708	3,1	5,5	10,1	3,0	2,9	21,5	21,9	21,6	16,4	5,4	6,1	6,0	4,6
Household Goods	576	4,4	1,5	4,3	3,0	2,8	22,1	23,1	22,8	17,6	6,0	5,2	5,2	4,2
<b>Health Care</b>														
Pharmaceuticals	797	5,9	6,3	2,8	2,2	2,1	14,7	16,0	15,7	13,8	3,4	4,0	4,0	3,1
Healthcare Equipment	887	4,9	10,8	8,0	1,1	1,0	15,5	17,3	17,0	13,7	2,7	3,0	3,0	2,4
<b>Telecom</b>	171	1,4	-6,1	-0,7	4,8	4,7	13,3	14,1	14,0	13,3	2,6	2,7	2,7	2,2
<b>Utilities</b>	260	4,0	3,9	1,7	3,8	3,6	16,5	18,0	17,9	14,2	1,6	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 2016 & 2017 EPS

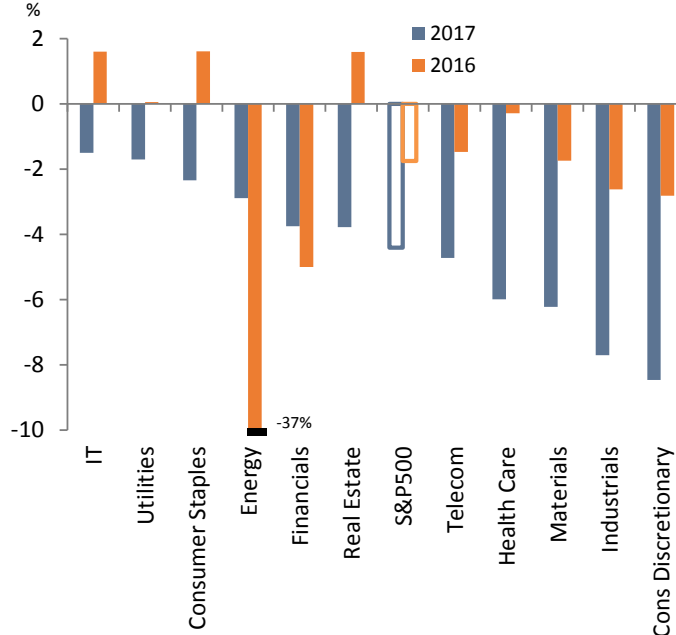
Earnings Revisions indicate 1-month change in 2016 & 2017 EPS



Source: Factset, Data as of March 3<sup>rd</sup>

### 12-month revisions to 2016 & 2017 EPS

Earnings Revisions indicate 12-month change in 2016 & 2017 EPS



Source: Factset, Data as of March 3<sup>rd</sup>

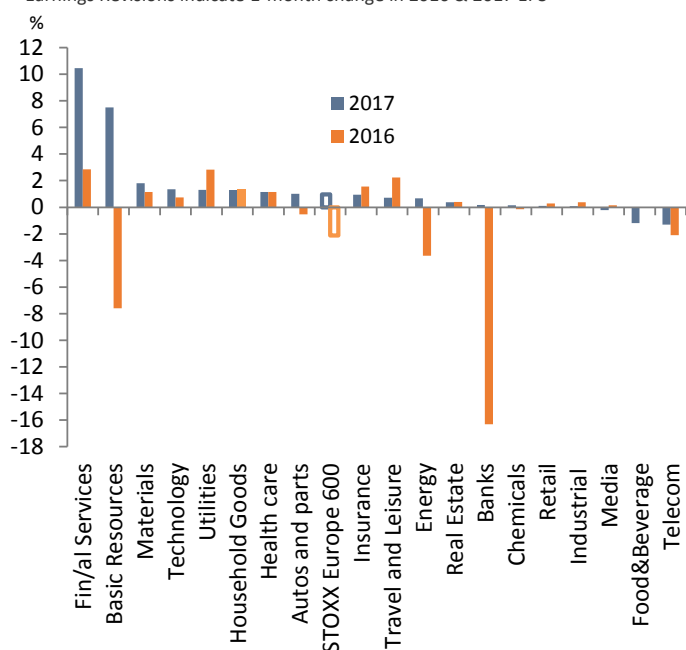
### Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	3/3/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
<b>STOXX Europe 600</b>	375	2,1	3,6	9,3	3,8	3,4	15,1	15,5	15,3	12,5	1,6	1,8	1,8	1,6
<b>Energy</b>	320	0,3	-29,1	80,7	6,4	5,4	22,4	14,8	14,5	10,7	1,0	1,2	1,2	1,4
<b>Materials</b>	451	2,6	16,8	12,8	3,1	2,8	16,8	18,2	17,8	13,8	1,6	1,9	1,8	1,5
<b>Basic Resources</b>	429	-1,6	75,4	266,3	2,5	3,1	27,0	12,7	12,9	12,5	0,9	1,4	1,4	1,4
<b>Chemicals</b>	896	0,9	1,7	6,0	3,3	2,9	15,1	17,2	16,9	13,9	2,2	2,4	2,4	2,2
<b>Financials</b>														
<b>Fin/ai Services</b>	437	0,8	-0,9	12,4	4,0	3,5	15,0	14,9	15,2	12,7	1,4	1,5	1,5	1,3
<b>Banks</b>	177	2,3	-0,7	-4,4	5,4	4,3	9,7	12,1	11,9	10,4	0,7	0,9	0,9	0,9
<b>Insurance</b>	274	1,6	4,3	1,1	5,4	4,9	10,0	11,3	11,2	9,1	1,0	1,1	1,1	1,0
<b>Real Estate</b>	169	0,5	5,3	6,4	3,8	4,0	20,4	19,3	19,2	17,6	1,0	1,0	1,0	0,9
<b>Industrial</b>	488	2,0	6,0	8,3	3,1	2,7	15,9	17,7	17,4	13,9	2,6	3,0	3,0	2,2
<b>Consumer Discretionary</b>														
<b>Media</b>	279	-0,9	8,5	1,8	3,3	3,2	18,0	16,8	16,5	14,0	3,0	2,9	2,9	2,3
<b>Retail</b>	307	-1,5	12,5	-0,7	2,8	2,8	19,3	18,9	18,6	15,7	2,7	2,7	2,6	2,4
<b>Automobiles and parts</b>	557	3,8	14,7	13,3	3,5	3,2	8,1	8,6	8,5	9,3	1,1	1,2	1,2	1,1
<b>Travel and Leisure</b>	240	0,7	16,1	-6,3	2,5	2,6	13,9	14,2	13,9	14,5	3,1	2,6	2,5	2,1
<b>Technology</b>	395	4,3	6,2	2,5	2,1	1,6	17,9	21,4	20,9	16,5	2,8	3,0	2,9	2,6
<b>Consumer Staples</b>														
<b>Food&amp;Beverage</b>	625	1,7	1,6	5,3	2,8	2,9	21,4	20,9	20,6	16,9	3,2	3,2	3,1	2,7
<b>Household Goods</b>	832	4,4	8,4	9,3	2,8	2,7	19,3	19,8	19,6	16,2	3,9	4,1	4,0	3,2
<b>Health care</b>	757	3,6	4,4	7,0	3,1	2,9	17,3	17,2	16,9	13,9	3,6	3,5	3,5	3,1
<b>Telecom</b>	291	3,3	15,3	1,0	4,7	4,6	19,4	17,3	17,0	13,1	1,9	1,8	1,8	1,6
<b>Utilities</b>	282	2,8	-5,9	-7,6	5,8	5,0	13,0	14,1	13,9	12,4	1,2	1,4	1,4	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 2016 & 2017 EPS

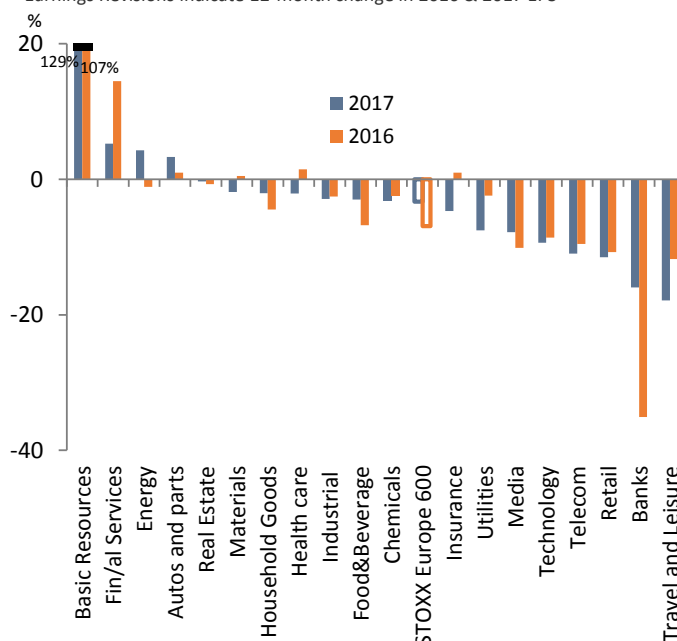
Earnings Revisions indicate 1-month change in 2016 & 2017 EPS



Source: Factset, Data as of March 3<sup>rd</sup>

### 12-month revisions to 2016 & 2017 EPS

Earnings Revisions indicate 12-month change in 2016 & 2017 EPS



Source: Factset, Data as of March 3<sup>rd</sup>

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