



2018: With the ECB expected to end QE, bond yields will move higher, while macro fundamentals continue to support equities

- The ECB maintained (25th meeting) interest rates unchanged at 0% and -0.4% and kept the pace of QE at €30bn/month, as expected. Mr Draghi appeared comfortable with the markets' pricing of the first rate increase, with a low probability of it occurring in 2018. Concerns regarding the recent strength of the EUR were modest, but there was annoyance with US officials' verbal interventions.
- Looking forward, asset purchases will continue at a monthly pace of €30bn from January to September 2018 (see graph). The ECB could signal (in April or June) its intention to end net purchases in September or to taper them to zero by December 2018. Reinvestments of maturing bonds (€146bn in 2018) could continue until at least 2020, and will moderate the reduction in QE flows. In short, the ECB will gradually turn less dovish during the course of 2018, assuming that economic momentum remains strong and inflation remains on an upward path.
- Indeed, PMIs and consumer confidence indicators remain at elevated levels, suggesting solid domestic demand (see Economics). GDP is projected at a strong 2.4% in 2018, following a similar pace in 2017, and in line with the average growth rate during 1999-2007 (2.3%).
- CPI will remain range bound, at circa 1.2%-1.5% yoy until end-2018. Upside risks stem from rising oil prices (+26% in US dollars during the past 12 months), even if the appreciation of the EUR against the USD offsets part of the oil increase (+16% during the same period). Core inflation will rise slightly from its current level (1% yoy), due to a closing output gap and higher wage growth. On the downside, the strength of the EUR, if it continues, could hinder inflation and growth prospects. The real effective exchange rate has appreciated by 6% since early 2017.
- The ECB communication will have to provide guidance regarding the interplay between the termination of QE this year and the timing for policy rate increases. Current forward guidance suggests that rates will remain at their current levels "well past" the end of net purchases. Markets price-in the first rate increase for mid-2019 (see page 3). In our view, interest rate expectations are unlikely to change, suggesting limited EUR/USD upside (from current levels of \$1.25).
- As the ECB exits QE, euro area bond yields will rise, suggesting negative/zero total returns (e.g. if 10-Year Bund rates rise to +0.90% from +0.60% currently, total returns by end-2018 will be approximately -2.3%; if 2-Year Bond rates increase by 15 bps from -0.57% currently, total returns will be -0.7%).
- The outlook for euro area equities remains positive, with expected 2018 EPS growth of 9%, albeit earnings' momentum has been subdued due, *inter alia*, to the strength of the EUR (see graphs page 3). Sectors with high revenue from abroad (Health Care: 68%, Staples: 67% & IT: 57%) could be hurt the most, if the EUR remains at these levels. Nevertheless, for a euro area-based investor (currency unhedged), the strength of the euro more than compensated for the underperformance of Eurostoxx vs the S&P500 in LC terms in 2017 (see graph below).
- We continue to favor Financials (8% ytd), as they are the sector that benefits the most from rising interest rates (i.e. higher correlation). Their relative valuation is also attractive (P/BV of 1.0x vs 1.3x l-t average, while that of the Eurostoxx is 1.8x vs 1.7x l-t average).

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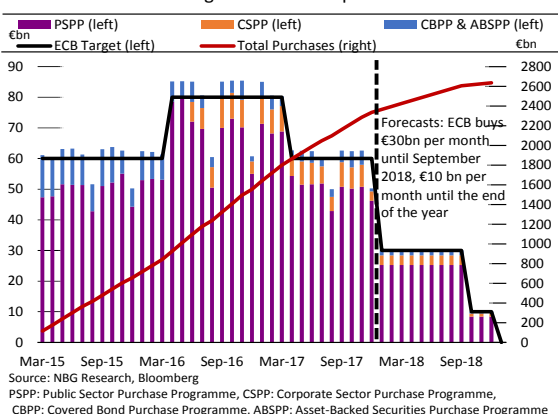
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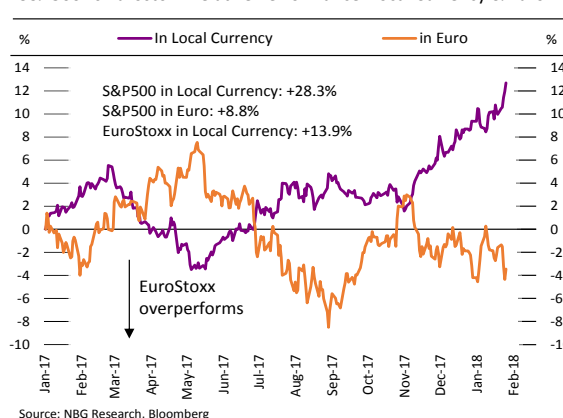
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Charts of the week

ECB Asset Purchase Programme: Decomposition & Forecasts



S&P500 vs Eurostoxx Relative Performance: Local Currency & Euro



US growth momentum remains strong

- **US GDP grew by a healthy 2.6% qoq saar in Q4:17, compared with 3.2% qoq saar in Q3:17.** Although the outcome was slightly below consensus estimates for +3.0% qoq saar, it continues to reveal the ongoing fundamental strength for the US economy, as domestic demand was solid and a negative contribution from trade was due to strong imports. Indeed, private consumption accelerated to a solid 3.8% qoq saar, compared with 2.2% qoq saar in Q3:17, and was the major contributor to overall growth (2.6 pps). Moreover, business investment remained robust in Q4:17 (+6.8% qoq saar, with a 0.9 pps contribution, following +4.7% qoq saar in Q3:17), with broad based gains across components (structures, equipment, intellectual property). Residential investment rebounded to +11.7% qoq saar, following two consecutive quarterly declines (-4.7% qoq saar in Q3:17 and -7.3% qoq saar in Q2:17) and government consumption was also supportive of growth (+2.9% qoq saar / 0.5 pps contribution). Note also that the modest GDP deceleration in Q4:17 came alongside significant inventory destocking (-0.7 pps contribution compared with +0.8 pps in Q3:17), a development that could act as a tailwind for growth in Q1:18. Net exports subtracted 1.3 pps, as imports (+13.9% qoq saar) outpaced exports (+6.9% qoq saar), with the trade balance at -3.0% of GDP, compared with -2.7% in Q3:17. Overall in 2017, GDP grew by 2.3% yoy, considerably above the respective pace in 2016 (1.5% yoy).

Euro area business and consumer confidence continues to impress

- **Business and consumer surveys entered Q1:18 on a strong note, rising to multi-year highs.** The euro area composite PMI was 58.6 in January, compared with 58.1 in December (and 57.2, on average, in Q4:17), above consensus estimates for 57.9, suggesting that economic momentum remains strong. Note that the latest readings are the highest since June 2006 and, if sustained during the course of Q1:18, are consistent with GDP growth of c. 3.5% qoq saar. Such a performance would be the strongest since Q2:10 (regarding Q4:17, the 1st preliminary GDP estimate is due on January 30th / consensus: 2.4% qoq saar). The improvement in January was due to the services sector, up by 1.0 pt to 57.6, a 10½-year high, while manufacturing eased to a still elevated 59.6, compared with a record high of 60.6 in December. Notably, the employment component reached its highest level since September 2000, amid, inter alia, improved optimism by firms for the year ahead (the index of business expectations for the next 12 months rose to an 8-month high in January), suggesting that the significant improvement in labor market conditions in recent years continues (the unemployment rate stood at 8.7% in November, the lowest since January 2009). The latter bodes well for consumer confidence, which rose for a 6th consecutive month, by 0.8 pts to +1.3, the highest since August 2000, well above its long-term average of -12.9 (since 2001) and very close to the all-time high of 2.1 recorded in May 2000.

Bank lending in the euro area is set to remain strong

- **The ECB's Bank Lending Survey for Q4:17 pointed to a further improvement in the credit environment.** Euro area banks reported stable credit standards on loans to corporations, while expecting them to ease over the next three months (-4%). Recall that a negative reading indicates that the fraction of banks easing

standards is greater than those tightening. Regarding households, standards continued to ease substantially in mortgage loans (-6% following -11% in Q3:17), mostly due to competitive pressures and banks' risk perceptions, while remaining broadly unchanged in consumer credit. In both cases, banks expect considerable loosening in the next three months (-10% and -7%, respectively). At the same time, demand for bank loans by corporates remains strong (+21%, after +15% in Q3:17). Importantly, respondents cited higher capital spending as the most important driver. Mortgage demand also remained solid (+8%), due to low interest rates and favorable housing market prospects. Recall that house prices rose by 4.5% yoy in Q3:17 (source: ECB). Demand for consumer credit (credit cards, overdrafts, auto loans, student loans, etc.) was also robust at 24%.

UK GDP slightly above expectations in Q4

- **UK GDP rose by 0.5% (+1.5% yoy), 0.1 pp above consensus estimates, compared with 0.4% qoq (+1.7% yoy) in Q3:17.** According to available data, the quarterly increase in the dominant services sector (79% of total) picked up by 0.2 pps to 0.6% qoq, remaining the main contributor to overall growth (+0.45 pps). Manufacturing recorded a satisfactory +1.3% qoq, while construction continued to perform poorly (-1.0% qoq). It should also be noted that GDP in Q4:17 was, to some extent, negatively distorted by the temporary shutdown of a major oil pipeline in December for maintenance (mining and quarrying fell by 3.9% qoq, subtracting 0.05 pps from overall growth). Recall that GDP growth in Q4:17 overshot the BoE's expectations in the November Inflation Report by 0.1 pp, and investor attention has now turned to the BoE's next quarterly Inflation Report (due on February 8th) to see if there are any upgrades to the growth outlook. Overall in 2017, GDP increased by 1.8% yoy, compared to 1.9% yoy in 2016.

Inflation remains subdued in Japan

- **A convincing upward trend in price pressures remains elusive, according to CPI data in December.** Headline CPI accelerated to 1.0% yoy from 0.6% yoy in November, albeit due to a weather-induced sharp rise in prices of fresh food (contributing 0.2 pps to the headline index after subtracting 0.3 pps in November). Indeed, CPI ex-fresh food was stable at 0.9% yoy. CPI ex-fresh food and energy, a better tracker of underlying price pressures, was also stable at 0.3% yoy. Although the latest metric has shown some signs of firming recently, averaging 0.3% yoy in Q4:17 from 0.2% yoy in Q3:17 and 0.1% yoy overall in 2017, the upside trend remains weak. In the event, note that all the aforementioned measures of inflation were flat in mom terms in December. In that context, the Bank of Japan (BoJ) kept broadly unchanged its inflation projections in its quarterly Outlook for Economic Activity & Prices (January 24th). It expects to achieve the target of 2.0% "around fiscal year 2019" (i.e. April 1st 2019 – March 31st 2020), mainly due to a continuation of the gradual improvement in the output gap (i.e. the difference between actual GDP and potential GDP). According to the BoJ, the output gap stood at +1.35% in Q3:17 (trough of -6.5% in Q2:09) and expects it to improve further in Q4:18, indicated, inter alia, by strong readings for the Tankan Factor Utilization Index in Q4:17 (a survey-based measure of labor and production capacity utilization).

Equities

- Equity markets remained in positive territory, supported by an improvement in global economic growth and corporate earnings momentum.** The MSCI World index was up by 2.0% w/w, while emerging markets overperformed their developed market peers (EM: 3.3% vs DM: 1.9%), benefiting from the weaker dollar and recorded gains for a 7th consecutive week. The S&P500 rose by 2.2% w/w, with Healthcare (+3.5%), Telecoms (+3.5%) and Consumer Discretionary (+3.2%) the key drivers. Regarding the Q4:2017 earnings season, out of the 133 companies that have reported results, so far, circa 77% have exceeded analyst estimates. Expectations for EPS growth in Q4:17 rose to 12.3% yoy, from 7.8% yoy in the previous week. Consensus analysts have revised significantly up their projections for 2018 S&P500 EPS to \$153 (see graph), with 2018/2017 EPS growth at 16%, up from 11% in 2017. European equities reported modest losses (EuroStoxx: -0.2% w/w, DAX 30: -0.7% w/w), due to the stronger euro. In the UK, the FTSE 100 declined by 0.8% w/w, due to the appreciation of the GBP during the past week (70% of FTSE 100 revenue is earned abroad), following stronger-than-expected GDP data.

Fixed Income

- Government bond yields were mixed in the past week, with 10-year yields largely unchanged in the US and Japan, but higher in Germany and the UK due to better-than-expected economic data (PMIs and GDP respectively).** Indeed, the US Treasury 10Yr yield remained stable at 2.66% on a weekly basis, with the yield spread between long and short-term bonds declining to a c. 10-year low (-5 bps w/w to 54 bps). The UK 10Yr yield rose by 11 bps to 1.44% and the German 10Yr bund yield by 6 bps to 0.63%, while euro area periphery bond spreads over the Bund declined on a weekly basis. Indeed, Italy's 10-year yield spread was down by 2 bps to 138 bps, Spain's 10-year yield spread declined by 10 bps to 78 bps and Portugal's spread fell by 9 bps to 132 bps. In Greece, the 10-year bond yield fell to its lowest level since January 2006 (-19 bps w/w to 3.7%), while Greek 10-year yield spreads fell by 25 bps to 303 bps, after the country successfully completed the 3rd review of the Economic Adjustment Programme last week. **Corporate bonds spreads narrowed in the past week, as corporate earnings and the economic outlook remain positive, while recovering oil prices likely supported risk appetite.** Specifically, euro area high yield spreads declined by 9 bps to 250 bps, and their US counterparts by 12 bps to 323 bps, the lowest level since July 2007. In the investment grade spectrum, bond spreads also narrowed (US: -3 bps to 92 bps / euro area: -4 bps, to 76 bps).

FX and Commodities

- In foreign exchange markets, the US Dollar lost ground across the board during the past week, as US Treasury Secretary Mnuchin appeared to favor a weaker dollar.** Trade concerns remain, as President Trump announced a tariff of 30% on imported solar panels and 50% on incoming washing machines. Overall, the USD was down by 1.7% w/w against the euro to \$1.243 (the lowest since December 2014) and by 2% against the Japanese Yen to ¥108.56. The latter has also benefitted from Bank of Japan (BoJ) Governor Kuroda's comments that Japan is "finally close" to the bank's 2% inflation target.
- In commodities, oil prices maintained their upward trend in the past week, reaching 3-year highs, due to a weaker USD and declining oil inventories.** US oil inventories posted an 11th consecutive weekly decline, by 1.1 million barrels to 412 million barrels for the week ending January 19th. Overall, Brent rose by 2.2% w/w to \$70.2/barrel and the WTI by 4.4% w/w to \$66.1/barrel. In precious metals, gold rose by 1.3% w/w to \$1350/ounce, a c. 1½ year high, as a senior US official commented in favor of a weaker dollar.

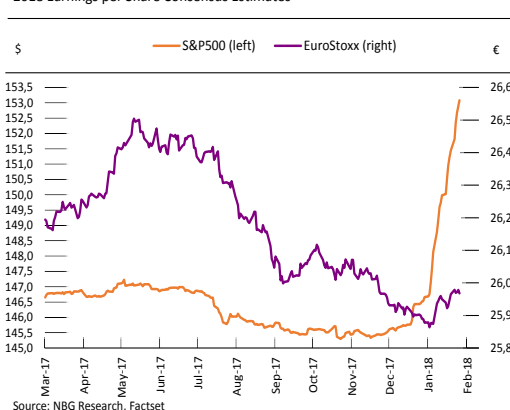
EuroStoxx Change in 2018 EPS Consensus Estimates

	Current	Nov 3 2017*	%Δ
Energy	12,6%	9,1%	3,6%
Materials	6,0%	3,3%	2,7%
Financials	11,6%	10,5%	1,1%
Industrials	10,5%	10,0%	0,5%
EuroStoxx	9,4%	9,1%	0,3%
Consumer Discretionary	8,7%	8,8%	0,0%
Real Estate	6,1%	6,3%	-0,2%
Consumer Staples	9,3%	9,6%	-0,4%
IT	11,1%	12,1%	-1,0%
Health Care	5,7%	6,9%	-1,2%
Telecom	9,4%	10,7%	-1,2%
Utilities	4,6%	6,2%	-1,7%

Source: NBG Research, Thomson Reuters IBES,*Euro/USD local low of \$1.16

Graph 1.

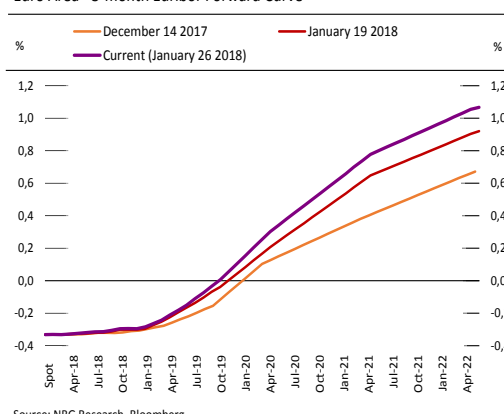
2018 Earnings per Share Consensus Estimates



Source: NBG Research, Factset

Graph 2.

Euro Area - 3-month Euribor Forward Curve



Source: NBG Research, Bloomberg

Graph 3.

Quote of the week: "Obviously a weaker dollar is good for us as it relates to trade and opportunities.", **Secretary of the US Treasury, Steven Mnuchin**, January 24th 2018.

Tactical Asset Allocation (3-month)

- **Equities:** We remain **Overweight** adding modestly to our position. Synchronized global GDP growth and strong corporate earnings offset, for now, the anticipating peak of central bank (C/B) liquidity. O/W Euro area amid strong growth momentum. US tax-reform will add some fuel to equities albeit we closed our O/W locking in gains. Finally, O/W Euro area and US financials due to higher yields, steeper curves (Germany) and still favorable relative valuations.
- **Government Bonds:** Higher yields due to less aggressive C/Bs, reduced liquidity and stronger inflation data. **Underweight Govies.** Steeper curves, particularly in Bunds.
- **Credit:** Credit spreads have less fuel to run. **Underweight position in credit** with a preference for banks.
- **Cash:** **OW position**, as a hedge, as well as a way of being tactical. 2018 is less likely to be as “risk on” as 2017.

NBG Global Markets - Main Equity Sector Calls

US Sector	Position	View/Comment
Banks	OW	Rising rates from low levels and low deposit betas will support interest margins. Less regulation also positive. Valuations (relative to the market) still attractive.
Energy	Neutral	OPEC's deal extension until end of 2018 has supported oil prices. However, US oil production is increasing (at 2015 high levels) and expected RoE for Energy firms remains low. Light positioning and sizeable underperformance (2017) may present a buying opportunity. Oil backwardation a positive for the sector.
Defensives	UW	We turn Underweight bond proxies (mainly Defensives) as rising bond yields are a negative for the sector.

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	Neutral	OPEC's deal extension until end of 2018 has supported oil prices. However, US oil production is increasing (at 2015 high levels) and expected RoE for Energy firms remains low. Light positioning and sizeable underperformance (2017) may present a buying opportunity, thus we upgrade to neutral our position.
Defensives	UW	We turn Underweight bond proxies (mainly Defensives) as rising bond yields are a negative for the sector.

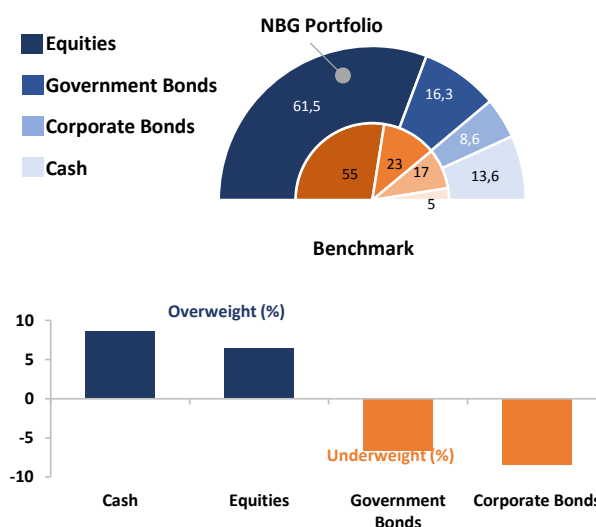
*Including Technology and Industrials

**Including Healthcare, Utilities, Telecoms

Notes:

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

Total Portfolio Allocation



Detailed Portfolio Breakdown

Equities	Portfolio	Benchmark	OW/UW
US	52	52	-
Euro area	11	10	1,0
UK	7	7	-
Rest of Dev. Europe	5	5	-
Japan	7	7	-
Rest of Dev. World	8	8	-
Emerging Markets	10	11	-1,0
EM Asia	64	64	-
EM Latin America	18	18	-
EMEA	18	18	-

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

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

	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Likely fiscal loosening will support the economy & companies' earnings + Solid EPS growth in H2:2017 & 2018 + Cash-rich corporates will lead to share buybacks and higher dividends (de-equitization) - Demanding valuations - Peaking profit margins - Protectionism and trade wars - Aggressive Fed in 2018 <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + Still high equity risk premium, albeit declining + Credit conditions gradual turn more favorable + Small fiscal loosening - EPS estimates may turn pessimistic due to higher EUR and plateauing economic growth - Strong Euro in NEER terms (2017 vs 2016) - Political uncertainty (Spain, Italy) could re-emerge <p>● Neutral</p>	<ul style="list-style-type: none"> + Still aggressive QE and "yield-curve" targeting by the BoJ + Upward revisions in corporate earnings - Strong domestic recovery in H1:2017 will continue - Signs of policy fatigue regarding structural reforms and fiscal discipline - Strong appetite for foreign assets - If sustained, JPY appreciation hurts exporters companies <p>● Neutral</p>	<ul style="list-style-type: none"> + 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms + High UK exposure to the commodities sector assuming the oil rally continues - Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process <p>● Neutral/Negative</p>
Government Bonds	<ul style="list-style-type: none"> + Valuations appear rich with term-premium close to 0% + Underlying inflation pressures + The Fed is expected to increase its policy rate towards 1.5% by end-2017 and 2%-2.25% by end-2018 + Balance sheet reduction, albeit well telegraphed may push term premia higher - Global search for yield by non-US investors continues - Safe haven demand <p>▲ Higher yields expected</p>	<ul style="list-style-type: none"> + Upside risk in US benchmark yields + Valuations appear excessive compared with long-term fundamentals - Political Risk - Fragile growth outlook - Medium-term inflation expectations remain low - Only slow ECB exit from accommodative monetary policy <p>▲ Higher yields expected</p>	<ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% <p>● Stable yields expected</p>	<ul style="list-style-type: none"> + Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process + Rich valuations + Inflation overshooting due to GBP weakness feeds through inflation expectations + The BoE is expected to increase policy rates to 0.50% - Slowing economic growth post-Brexit <p>▲ Higher yields expected</p>
Foreign Exchange	<ul style="list-style-type: none"> + The Fed is expected to increase its policy rate towards 1.5% in 2017 and 2%-2.25% by end-2018 + Tax cuts may boost growth, and interest rates through a more aggressive Fed - Mid-2014 rally probably out of steam - Protectionism and trade Wars <p>▲ Long USD against its major counterparts ex-EUR</p>	<ul style="list-style-type: none"> + Reduced short-term tail risks + Higher core bond yields + Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, ABSs, covered bank bond purchases, Quantitative Easing) <p>● Broadly Flat EUR against the USD with upside risks towards \$1.20</p>	<ul style="list-style-type: none"> + Safe haven demand + More balanced economic growth recovery (long-term) + Inflation is bottoming out - Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2% <p>▼ Lower JPY against the USD</p>	<ul style="list-style-type: none"> + Transitions phase negotiations - The BoE to retain rates at current levels - Slowing economic growth post-Brexit - Sizeable Current account deficit (-5.5% of GDP) - Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process <p>● Flat GBP against the USD with upside risks short term</p>

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

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	Jan 26th	3-month	6-month	12-month	Official Rate (%)	Jan 26th	3-month	6-month	12-month
Germany	0,63	0,55	0,75	0,95	Euro area	0,00	0,00	0,00	0,00
US	2,66	2,65	2,75	2,90	US	1,50	1,75	2,00	2,25
UK	1,44	1,49	1,60	1,77	UK	0,50	0,50	0,55	0,70
Japan	0,08	0,04	0,06	0,18	Japan	-0,10	-0,10	-0,10	-0,10

Currency	Jan 26th	3-month	6-month	12-month	Jan 26th	3-month	6-month	12-month	
EUR/USD	1,24	1,18	1,20	1,22	USD/JPY	109	115	116	115
EUR/GBP	0,88	0,88	0,89	0,90	GBP/USD	1,42	1,33	1,35	1,35
EUR/JPY	135	135	139	140					

Forecasts at end of period

Economic Forecasts

United States	2015a	Q1:16a	Q2:16a	Q3:16a	Q4:16a	2016a	Q1:17a	Q2:17a	Q3:17a	Q4:17a	2017a
Real GDP Growth (YoY) (1)	2,8	1,4	1,2	1,5	1,8	1,4	2,0	2,2	2,3	2,5	2,3
Real GDP Growth (QoQ saar) (2)	-	0,6	2,2	2,8	1,8	-	1,2	3,1	3,2	2,6	-
Private Consumption	3,6	1,8	3,8	2,8	2,9	2,7	1,9	3,3	2,2	3,8	2,7
Government Consumption	1,4	1,8	-0,9	0,5	0,2	0,8	-0,6	-0,2	0,7	2,9	0,1
Investment	3,9	-0,2	1,4	1,5	1,7	0,7	8,1	3,2	2,4	7,9	4,0
Residential	10,2	13,4	-4,8	-4,5	7,1	5,5	11,1	-7,3	-4,7	11,7	1,7
Non-residential	2,3	-4,0	3,3	3,4	0,2	-0,6	7,1	6,7	4,7	6,8	4,7
Inventories Contribution	0,2	-0,7	-0,7	0,1	1,1	-0,4	-1,5	0,1	0,8	-0,7	-0,1
Net Exports Contribution	-0,7	-0,3	0,3	0,4	-1,7	-0,2	0,2	0,2	0,4	-1,3	-0,2
Exports	0,4	-2,6	2,8	6,4	-3,8	-0,3	7,3	3,5	2,1	6,9	3,4
Imports	5,0	-0,2	0,4	2,7	8,1	1,3	4,3	1,5	-0,7	13,9	3,9
Inflation (3)	0,1	1,1	1,0	1,1	1,8	1,3	2,5	1,9	1,9	2,1	2,1

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

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

South Eastern Europe Economic Forecasts
Economic Indicators

	2014	2015	2016	2017f	2018f	2019f
Real GDP Growth (%)						
Turkey	5,2	6,1	3,2	6,9	4,2	3,8
Romania	3,1	3,9	4,8	6,6	4,8	3,6
Bulgaria	1,3	3,6	3,9	3,8	3,8	3,3
Serbia	-1,8	0,8	2,8	2,0	3,6	3,6
Headline Inflation (eop,%)						
Turkey	8,2	8,8	8,5	11,9	9,5	8,2
Romania	0,8	-0,9	-0,5	3,3	3,8	3,4
Bulgaria	-0,9	-0,4	0,1	2,8	2,4	2,6
Serbia	1,7	1,5	1,6	2,8	3,0	3,0
Current Account Balance (% of GDP)						
Turkey	-4,7	-3,7	-3,8	-5,5	-4,8	-4,6
Romania	-0,7	-1,2	-2,1	-3,6	-4,4	-4,7
Bulgaria	0,1	0,0	5,3	4,5	3,2	2,0
Serbia	-6,0	-4,7	-3,1	-4,4	-4,3	-4,1
Fiscal Balance (% of GDP)						
Turkey	-1,1	-1,0	-1,1	-1,5	-2,0	-2,2
Romania	-1,7	-1,5	-2,4	-2,9	-4,0	-4,3
Bulgaria	-3,7	-2,8	1,6	0,8	-0,5	-0,3
Serbia	-6,6	-3,7	-1,3	0,0	0,0	0,7

f: NBG forecasts

Stock Markets (in local currency)

Country - Index	29/1/2018	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	120.845	3,1	4,8	64,5
Romania - BET-BK	1.802	0,3	9,1	45,4
Bulgaria - SOFIX	709	0,2	4,7	58,2
Serbia - BELEX15	770	-0,8	1,3	28,0

Financial Markets	29/1/2018	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	13,9	13,5	13,0	12,0
Romania	1,5	2,4	2,6	2,8
Bulgaria	-0,1	0,1	0,1	0,2
Serbia	2,8	3,2	3,4	3,8
Currency				
TRY/EUR	4,70	4,45	4,40	4,36
RON/EUR	4,65	4,63	4,62	4,60
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	118,6	105,0	112,0	118,5
Sovereign Eurobond Spread (in bps)				
Turkey (USD 2020)(*)	162	170	160	150
Romania (EUR 2024)	89	114	112	110
Bulgaria (EUR 2022)	33	42	41	40
Serbia (USD 2021)(*)	115	105	112	120

(*) Spread over US Treasuries

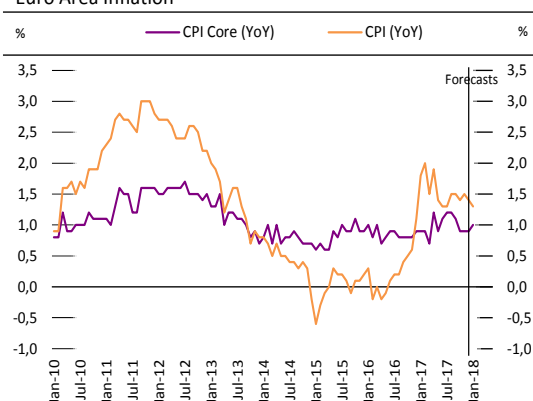
Economic Calendar

The main macro event next week in the US is the labor market report for January. Nonfarm Payrolls are expected to have increased by 180k, while the unemployment rate is expected to have remained stable at 4.1%, a c. 17-year low.

In the euro area, markets will monitor the 1st preliminary estimate for euro area GDP in Q4:17, as well as the inflation data for January, in order, *inter alia*, to better assess the monetary policy prospects.

In China, the PMIs for January, will provide information for the economic activity momentum entering Q1:18.

Euro Area Inflation



Source: NBG Research, Bloomberg

Economic News Calendar for the period: January 23 - February 5, 2018

Tuesday 23					Wednesday 24					Thursday 25				
		S	A	P			S	A	P			S	A	P
GERMANY					US					US				
ZEW survey current situation	January	89.6	+ 95.2	89.3	Markit US Manufacturing PMI	January	55.0	+ 55.5	55.1	Initial Jobless Claims (k)	January 20	235	+ 233	216
ZEW survey expectations	January	17.7	+ 20.4	17.4	Existing home sales (mn)	December	5.70	- 5.57	5.78	Continuing Claims (k)	January 13	1925	- 1937	1965
EURO AREA					UK					GERMANY				
Consumer Confidence Indicator	January	0.6	+ 1.3	0.5	ILO Unemployment Rate	November	4.3%	4.3%	4.3%	New home sales (k)	December	675	- 625	689
Bank of Japan announces its intervention rate	January 23	-0.10%	-0.10%	-0.10%	Exports YoY	December	10.0%	- 9.3%	16.2%	IFO - Business Climate Indicator	January	117.0	+ 117.6	117.2
					Imports YoY	December	12.4%	+ 14.9%	17.2%	IFO - Expectations	January	109.3	- 108.4	109.4
					Nikkei PMI Manufacturing	January	..	54.4	54.0	IFO - Current Assessment	January	125.3	+ 127.7	125.5
					EURO AREA					EURO AREA				
					Markit Eurozone Manufacturing PMI	January	60.3	- 59.6	60.6	ECB announces its intervention rate	January 25	0.0%	0.0%	0.0%
					Markit Eurozone Services PMI	January	56.4	+ 57.6	56.6	ECB announces its deposit facility rate	January 25	-0.40%	-0.40%	-0.40%
					Markit Eurozone Composite PMI	January	57.9	+ 58.6	58.1					
Friday 26					Monday 29									
US					US									
Personal consumption (QoQ, annualized)	Q4:17	3.7%	+ 3.8%	2.2%	Personal income (MoM)	December	0.3%	+ 0.4%	0.3%					
GDP (QoQ, annualized)	Q4:17	3.0%	- 2.6%	3.2%	Personal spending (MoM)	December	0.4%	0.4%	0.8%					
Durable goods orders (MoM)	December	0.8%	+ 2.9%	1.7%	PCE Deflator (YoY)	December	1.7%	1.7%	1.8%					
Durable goods orders ex transportation (MoM)	December	0.6%	0.6%	0.3%	PCE Core Deflator (YoY)	December	1.5%	1.5%	1.5%					
UK														
GDP (QoQ)	Q4:17	0.4%	+ 0.5%	0.4%										
GDP (YoY)	Q4:17	1.4%	+ 1.5%	1.7%										
JAPAN														
CPI (YoY)	December	1.1%	- 1.0%	0.6%										
Core CPI (YoY) - ex. Fresh Food	December	0.9%	0.9%	0.9%										
Core CPI (YoY) - ex. Fresh Food and Energy	December	0.4%	- 0.3%	0.3%										
EURO AREA														
M3 money supply (YoY)	December	4.9%	4.6%	4.9%										
Tuesday 30					Wednesday 31									
US					US					GERMANY				
S&P Case/Shiller house price index 20 (YoY)	November	6.35%	..	6.38%	ADP Employment Change (k)	January	185	..	250	Retail sales (MoM)	December	-0.4%	..	1.8%
Conference board consumer confidence	January	123.0	..	122.1	Pending home sales (MoM)	December	0.5%	..	0.2%	Retail sales (YoY)	December	2.8%	..	4.4%
JAPAN					JAPAN									
Jobless Rate	December	2.7%	..	2.7%	Industrial Production (MoM)	December	1.5%	..	0.5%					
Retail sales (MoM)	December	-0.4%	..	1.9%	Industrial Production (YoY)	December	3.3%	..	3.6%					
Retail sales (YoY)	December	2.2%	..	2.2%	Construction Orders YoY	December	..	..	20.5%					
EURO AREA					EURO AREA									
Economic Confidence	January	116.2	..	116.0	Unemployment Rate	December	8.7%	..	8.7%					
Business Climate Indicator	January	1.68	..	1.66	Core CPI (YoY)	January	1.0%	..	0.9%					
GDP (QoQ)	Q4:17	0.6%	..	0.6%	CPI Estimate YoY	January	1.3%	..	1.4%					
GDP (YoY)	Q4:17	2.7%	..	2.6%	CHINA									
					Manufacturing PMI	January	51.6	..	51.6					
Thursday 1					Friday 2					Monday 5				
US					US					US				
Nonfarm Productivity (QoQ, annualized)	Q4:17	1.0%	..	3.0%	Change in Nonfarm Payrolls (k)	January	180	..	148	ISM non-manufacturing	January	56.0	..	56.0
Unit labor costs (QoQ, annualized)	Q4:17	0.9%	..	-0.2%	Change in Private Payrolls (k)	January	182	..	146	UK				
Initial Jobless Claims (k)	January 27	235	..	233	Unemployment rate	January	4.1%	..	4.1%	Markit/CIPS UK Services PMI	January	..	..	54.2
Continuing Claims (k)	January 20	1925	..	1937	Underemployment rate	January	..	..	8.1%	EURO AREA				
Construction spending (MoM)	December	0.4%	..	0.8%	Average Hourly Earnings MoM	January	0.3%	..	0.3%	Retail sales (MoM)	December	..	..	1.5%
ISM Manufacturing	January	58.6	..	59.3	Average Hourly Earnings YoY	January	2.6%	..	2.5%	Retail sales (YoY)	December	..	..	2.8%
UK					UK									
Markit UK PMI Manufacturing SA	January	56.5	..	56.3	Average weekly hours (hrs)	January	34.5	..	34.5					
Nationwide House Px NSA YoY	January	2.5%	..	2.6%	Labor Force Participation Rate	January	..	..	62.7%					
					Factory Goods Orders	December	1.2%	..	1.3%					
					CHINA									
					Markit/CIPS UK Construction PMI	January	52.0	..	52.2					
					Caixin PMI Manufacturing	January	51.5	..	51.5					

Source: NBG Research, Bloomberg

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

Equity Markets (in local currency)

Developed Markets						Emerging Markets						
	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	
US	S&P 500	2873	2,2	7,5	25,1	52,6	MSCI Emerging Markets	65823	2,6	8,1	31,6	60,6
Japan	NIKKEI 225	23632	-0,7	3,8	21,8	37,7	MSCI Asia	1001	2,5	8,4	37,5	65,0
UK	FTSE 100	7666	-0,8	-0,3	7,0	28,0	China	102	4,5	14,5	62,1	101,7
Canada	S&P/TSX	16239	-0,7	0,2	4,0	31,2	Korea	776	1,7	3,6	27,6	53,3
Hong Kong	Hang Seng	33154	2,8	10,8	41,8	74,0	MSCI Latin America	93673	4,1	9,3	21,3	68,6
Euro area	EuroStoxx	402	-0,2	4,3	13,2	24,9	Brazil	289171	5,5	12,4	26,5	105,5
Germany	DAX 30	13340	-0,7	3,3	12,6	35,0	Mexico	48261	2,9	3,6	7,1	21,5
France	CAC 40	5529	0,0	4,1	13,6	26,2	MSCI Europe	5808	1,5	7,8	14,9	42,2
Italy	FTSE/MIB	23857	0,5	9,2	22,7	26,6	Russia	1051	0,8	10,0	6,0	38,4
Spain	IBEX-35	10595	1,1	5,5	11,4	21,2	Turkey	1662781	5,3	5,1	41,5	62,8

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	237,2	1,5	6,1	8,9	44,0	Energy	234,9	0,7	4,5	4,1	39,1
Materials	298,6	1,0	6,4	24,7	82,3	Materials	271,6	-0,1	3,9	16,7	70,8
Industrials	279,8	1,1	6,9	26,8	58,4	Industrials	268,8	0,2	5,1	20,7	51,2
Consumer Discretionary	261,5	2,4	9,2	27,9	46,8	Consumer Discretionary	247,5	1,7	7,7	23,3	41,9
Consumer Staples	244,8	1,2	2,9	16,1	20,7	Consumer Staples	237,1	0,3	1,1	10,6	16,6
Healthcare	248,4	3,6	9,1	27,7	26,9	Healthcare	240,5	2,9	7,8	23,7	23,3
Financials	136,9	1,7	7,6	24,5	59,5	Financials	132,2	0,9	5,7	18,4	51,4
IT	240,2	1,7	8,9	41,3	81,2	IT	231,1	1,4	8,3	39,4	78,7
Telecoms	72,8	2,9	2,4	4,7	8,5	Telecoms	73,1	1,9	0,3	-1,1	3,4
Utilities	126,2	1,3	-0,8	10,1	14,0	Utilities	125,4	0,6	-2,2	5,3	10,0

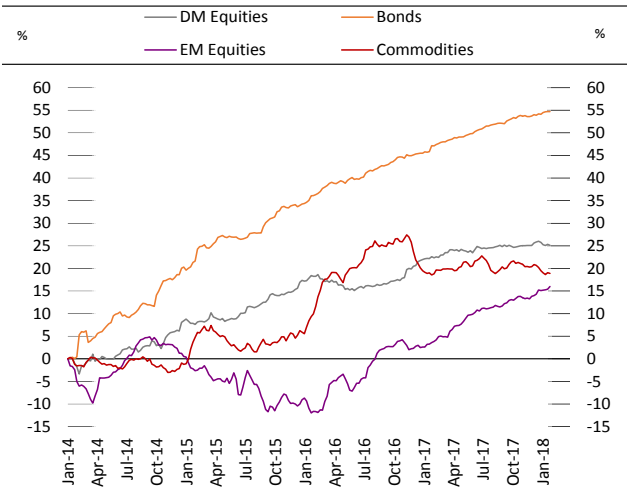
Bond Markets (%)

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	2,66	2,66	2,41	2,51	2,57	US Treasuries 10Y/2Y	54	59	52	128	178
Germany	0,63	0,57	0,43	0,48	1,79	US Treasuries 10Y/5Y	19	21	20	54	90
Japan	0,08	0,09	0,05	0,09	0,75	Bunds 10Y/2Y	117	117	105	113	126
UK	1,44	1,34	1,19	1,52	2,54	Bunds 10Y/5Y	66	71	63	84	76
Greece	3,66	3,85	4,12	6,91	10,31	Corporate Bond Spreads (in bps)					
Ireland	1,06	0,98	0,67	1,18	4,27						
Italy	2,00	1,96	2,01	2,23	3,60	EM Inv. Grade (IG)	127	130	138	174	269
Spain	1,41	1,44	1,57	1,57	3,58	EM High yield	315	323	371	468	813
Portugal	1,95	1,98	1,94	4,12	5,33	US IG	92	95	98	126	199
US Mortgage Market (1. Fixed-rate Mortgage)						US High yield	323	335	358	393	638
30-Year FRM¹ (%)	4,4	4,4	4,2	4,4	4,3	Euro area IG	76	80	87	119	170
vs 30Yr Treasury (bps)	145	143	148	126	95	Euro area High Yield	250	259	272	341	659

Foreign Exchange & Commodities

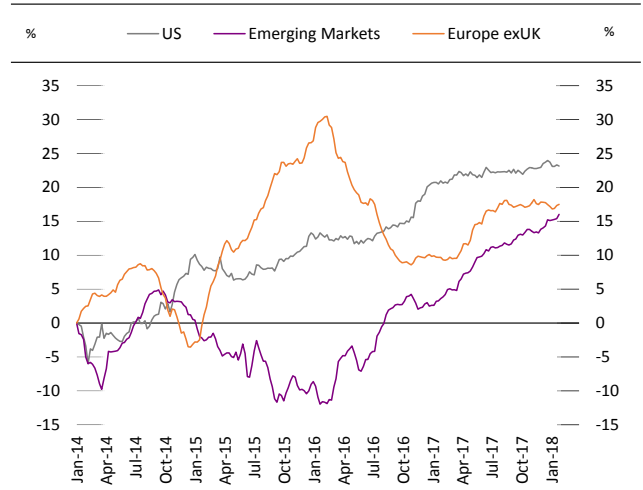
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates						Agricultural	382	1,4	0,6	-15,2	0,7
EUR/USD	1,24	1,7	4,5	16,3	3,5	Energy	497	3,9	9,1	17,6	7,5
EUR/CHF	1,16	-1,4	-1,0	8,7	-0,7	West Texas Oil (\$)	66	4,4	10,9	23,0	9,5
EUR/GBP	0,88	-0,5	-1,0	3,5	-1,1	Crude Brent Oil (\$)	70	2,2	6,2	26,3	5,0
EUR/JPY	134,97	-0,4	0,2	10,3	-0,2	Industrial Metals	1452	1,5	0,8	21,6	0,2
EUR/NOK	9,56	-0,5	-2,8	7,3	-3,0	Precious Metals	1628	1,6	4,8	11,6	3,2
EUR/SEK	9,77	-0,6	-0,7	3,5	-0,3	Gold (\$)	1350	1,3	4,8	13,6	3,6
EUR/AUD	1,53	0,2	0,1	8,1	-0,2	Silver (\$)	17	1,7	4,2	3,6	2,7
EUR/CAD	1,53	0,2	1,7	9,5	1,4	Baltic Dry Index	1219	8,4	-10,8	45,1	-10,8
USD-based cross rates						Baltic Dirty Tanker Index	682	-3,3	-17,5	-29,3	-17,5
USD/CAD	1,23	-1,4	-2,7	-6,0	-2,1						
USD/AUD	1,23	-1,4	-4,2	-7,1	-3,7						
USD/JPY	108,56	-2,0	-4,2	-5,2	-3,7						

Global Cross Asset ETFs: Flows as % of AUM



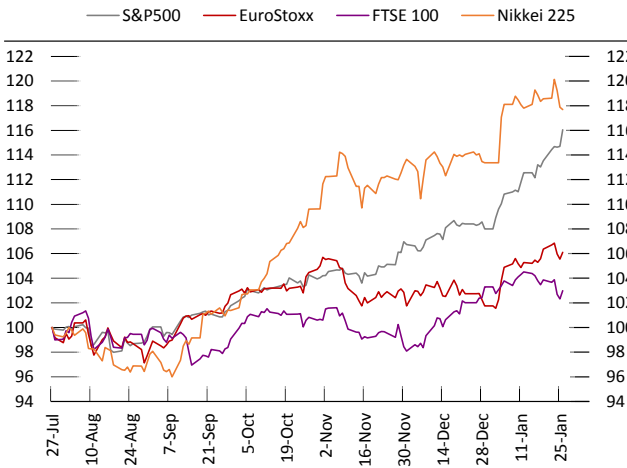
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of January 26th

Equity ETFs: Flows as % of AUM



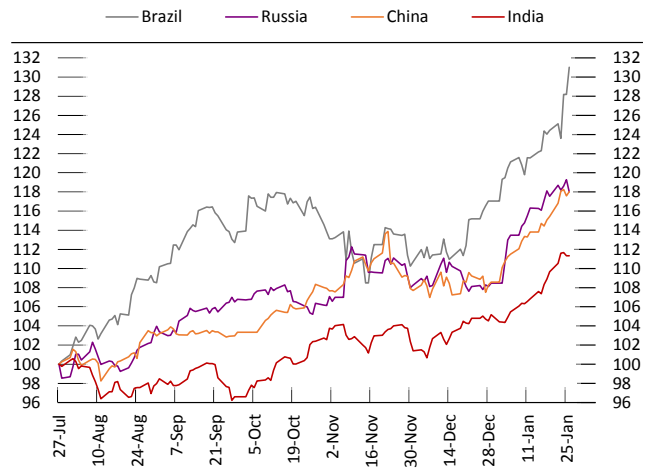
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of January 26th

Equity Market Performance - G4



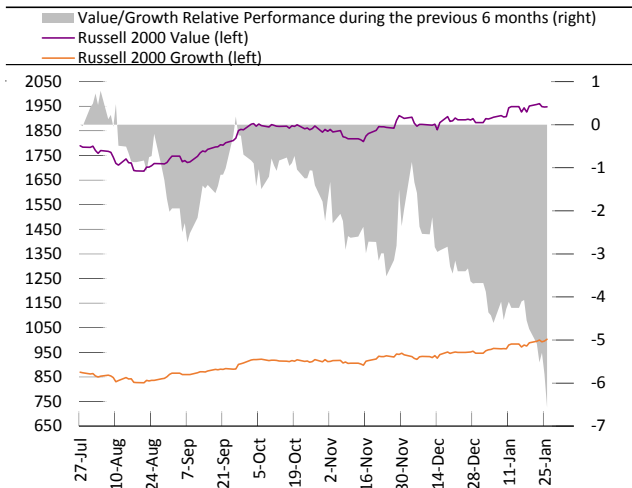
Source: Bloomberg - Data as of January 26th - Rebased @ 100

Equity Market Performance - BRICs



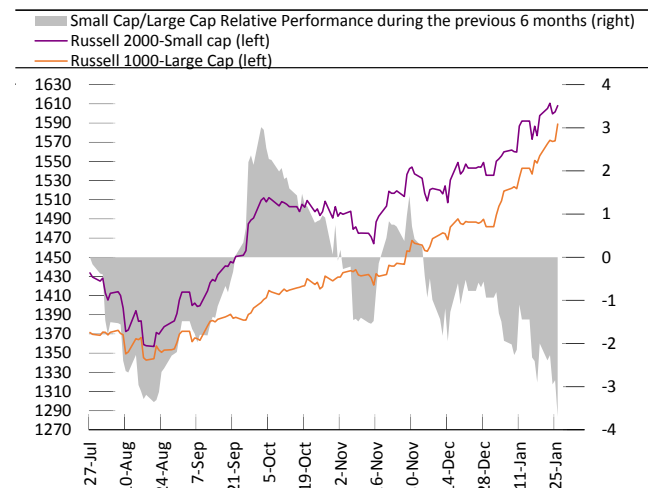
Source: Bloomberg - Data as of January 26th - Rebased @ 100

Russell 2000 Value & Growth Index



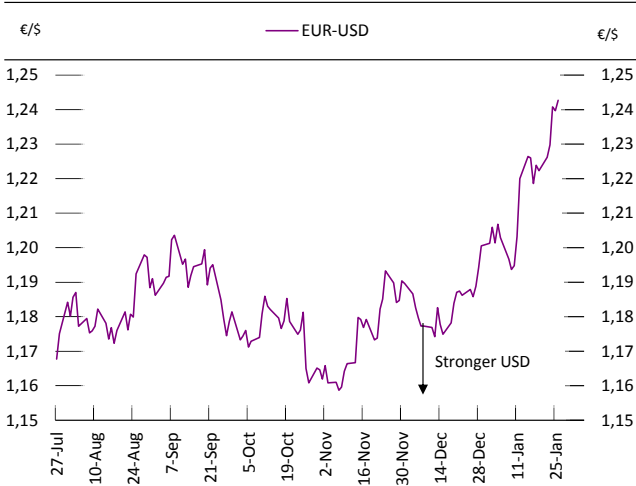
Source: Bloomberg, Data as of January 26th

Russell 2000 & Russell 1000 Index



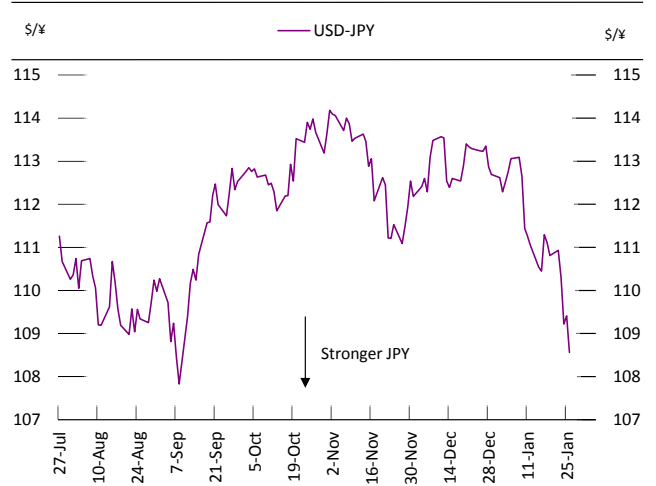
Source: Bloomberg, Data as of January 26th

EUR/USD



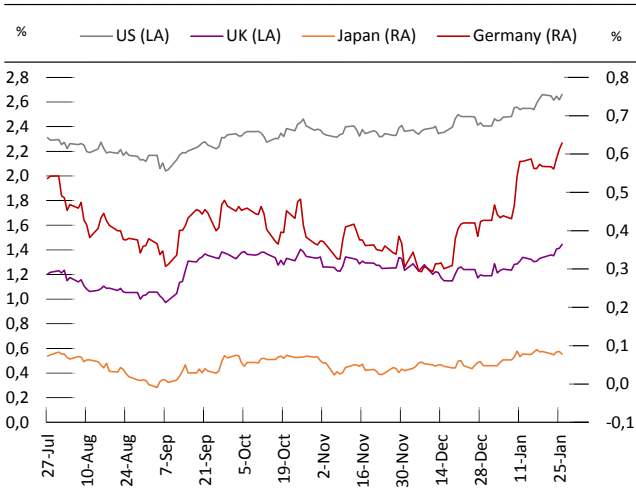
Source: Bloomberg, Data as of January 26th

JPY/USD



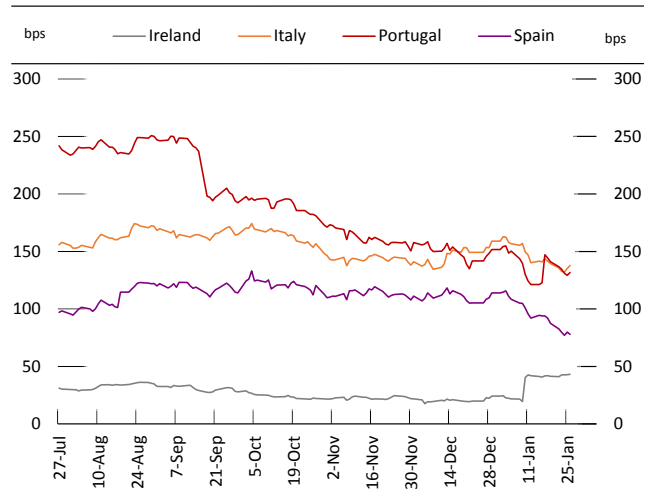
Source: Bloomberg, Data as of January 26th

10- Year Government Bond Yields



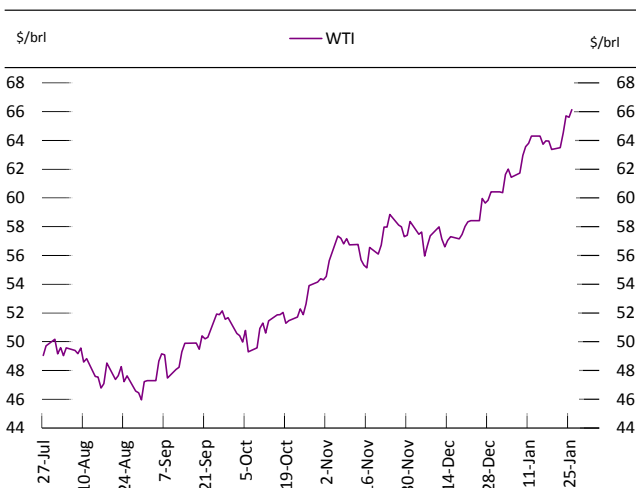
Source: Bloomberg - Data as of January 26th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



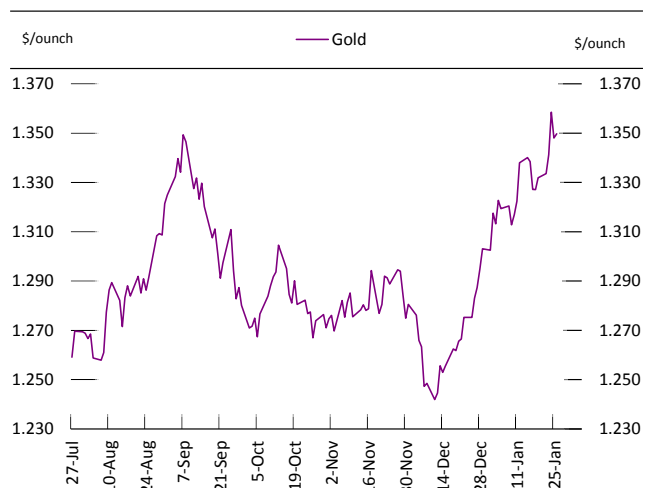
Source: Bloomberg - Data as of January 26th

West Texas Intermediate (\$/brl)



Source: Bloomberg, Data as of January 26th

Gold (\$/ounce)



Source: Bloomberg, Data as of January 26th

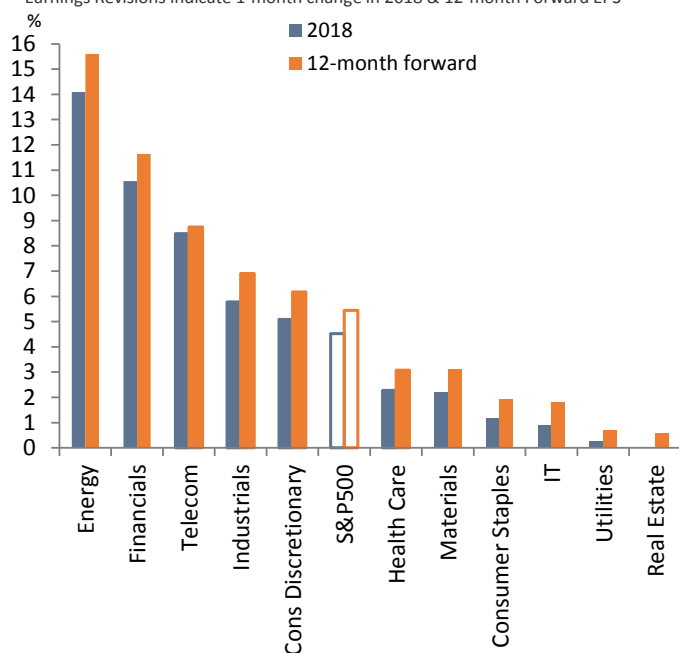
US Sectors Valuation

	Price (\$)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	26/1/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
S&P500	2873	2,2	10,6	16,2	1,7	1,8	21,8	18,8	18,6	14,3	3,6	3,3	3,3	2,3
Energy	573	1,5	269,9	57,3	2,5	2,6	38,0	24,1	23,9	19,5	2,1	2,1	2,1	1,8
Materials	402	1,3	7,9	20,9	1,7	1,8	22,9	18,9	18,8	14,8	4,4	3,0	2,9	2,7
Financials														
Diversified Financials	734	1,5	10,4	24,0	1,2	1,3	20,8	16,7	16,6	13,6	2,2	2,0	2,0	1,4
Banks	372	2,3	12,9	25,6	1,7	2,1	16,8	13,4	13,3	12,5	1,5	1,5	1,5	0,9
Insurance	426	3,3	-0,9	39,7	1,9	2,0	18,3	13,1	13,0	9,9	1,5	1,5	1,4	1,0
Real Estate	199	2,3	1,5	6,3	3,4	3,5	18,5	17,4	17,4	17,2	3,1	3,2	3,2	2,6
Industrials														
Capital Goods	737	2,4	5,4	12,0	2,0	1,9	23,7	21,2	21,0	14,8	5,1	4,8	4,8	2,9
Transportation	758	-3,1	2,0	23,6	1,5	1,6	18,7	15,2	15,0	14,2	4,4	4,0	3,9	3,1
Commercial Services	272	1,2	-3,6	8,6	1,4	1,4	26,2	24,1	23,9	18,2	4,3	4,1	4,1	2,9
Consumer Discretionary														
Retailing	2008	5,7	5,4	22,9	0,7	0,8	41,3	33,6	33,3	20,4	12,9	11,0	10,9	5,2
Media	584	1,9	6,8	15,2	1,3	1,4	20,7	18,0	17,9	15,1	3,2	3,0	3,0	2,2
Consumer Services	1127	0,4	11,8	16,3	1,6	1,8	26,1	22,5	22,3	17,8	10,8	11,1	11,0	4,6
Consumer Durables	343	0,1	-1,3	11,3	1,5	1,5	20,9	18,7	18,6	16,7	3,7	3,5	3,5	2,9
Automobiles and parts	145	-0,1	1,3	-4,4	3,4	3,3	8,4	8,8	8,8	8,9	1,8	1,6	1,6	1,9
IT														
Technology	1094	-1,8	10,2	13,4	1,7	1,9	17,1	15,0	15,0	12,3	4,8	4,3	4,3	2,7
Software & Services	1722	3,4	12,4	13,9	0,8	0,8	28,7	25,2	25,0	15,6	6,9	5,8	5,7	3,8
Semiconductors	1026	2,3	41,9	14,7	1,6	1,8	17,7	15,4	15,4	16,6	4,8	4,1	4,1	2,7
Consumer Staples														
Food & Staples Retailing	440	3,3	-0,4	9,5	2,2	1,9	20,9	19,1	19,0	14,9	4,0	3,7	3,7	2,6
Food Beverage & Tobacco	740	1,5	7,5	9,1	2,8	3,0	22,7	20,8	20,7	16,7	5,7	5,8	5,8	4,7
Household Goods	580	-2,3	4,4	9,0	2,7	2,8	23,2	21,3	21,2	17,9	5,8	5,9	5,9	4,3
Health Care														
Pharmaceuticals	923	3,8	5,6	6,3	1,8	2,0	18,1	17,0	16,9	13,8	5,0	4,5	4,5	3,2
Healthcare Equipment	1150	3,2	10,6	12,5	0,9	0,9	22,2	19,7	19,6	13,8	3,9	3,6	3,6	2,4
Telecom	167	3,5	-1,3	10,3	5,0	5,1	13,6	12,3	12,3	12,8	2,5	2,4	2,4	2,3
Utilities	259	2,1	0,9	5,1	3,6	3,8	17,6	16,8	16,7	14,4	1,9	1,8	1,8	1,5

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

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

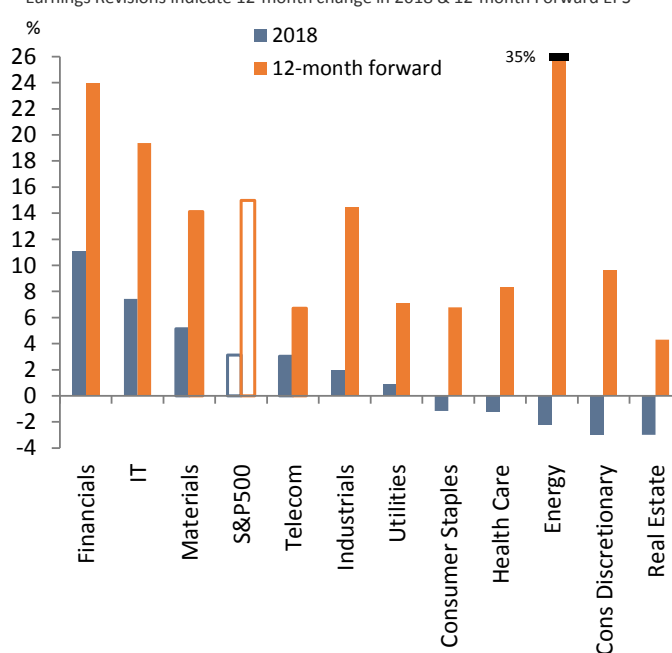
Earnings Revisions indicate 1-month change in 2018 & 12-month Forward EPS



Source: Factset, Data as of January 26th
12-month forward EPS are 93% of 2018 EPS and 7% of 2019 EPS

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

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



Source: Factset, Data as of January 26th
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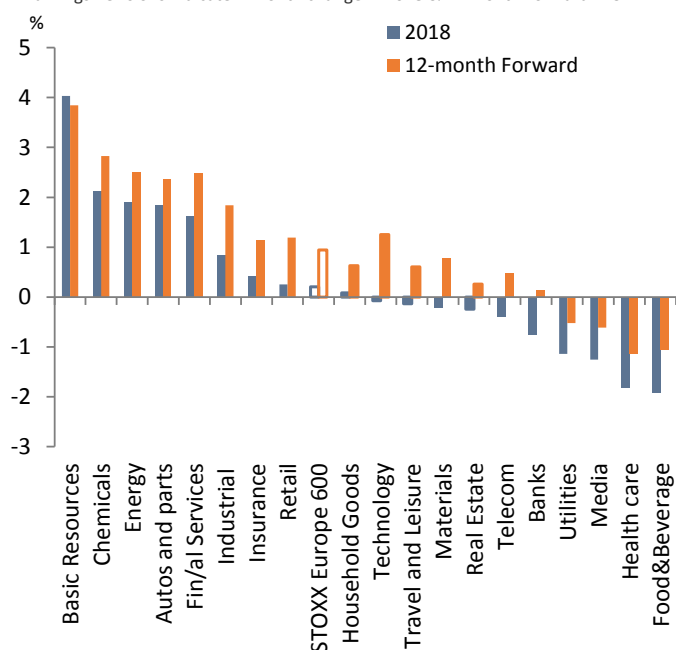
Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	26/1/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
STOXX Europe 600	401	-0,1	13,3	9,3	3,1	3,3	17,1	15,6	15,6	12,7	2,0	1,9	1,9	1,5
Energy	339	0,8	66,7	13,2	4,5	4,6	17,7	15,6	15,5	11,1	1,4	1,4	1,4	1,3
Materials	478	-0,1	10,3	11,4	2,6	2,8	19,6	17,6	17,4	14,1	2,0	1,9	1,9	1,5
Basic Resources	488	-1,1	81,7	3,6	3,0	3,3	13,7	13,2	13,3	12,6	1,8	1,7	1,7	1,3
Chemicals	996	-1,2	13,8	6,8	2,5	2,7	19,2	18,0	17,9	14,1	2,6	2,5	2,5	2,0
Financials														
Fin/ai Services	515	1,7	18,9	-11,1	2,8	3,0	15,5	17,5	17,3	13,0	1,8	1,8	1,8	1,3
Banks	197	1,3	37,6	13,8	3,7	4,2	14,1	12,4	12,3	10,8	1,0	1,0	1,0	0,9
Insurance	302	-0,8	-9,2	17,5	4,4	4,7	13,8	11,8	11,7	9,2	1,3	1,2	1,2	1,0
Real Estate	179	-0,2	4,2	-1,9	3,6	3,9	21,0	21,5	21,4	18,3	1,0	1,0	1,0	1,0
Industrial	554	-1,3	10,0	12,2	2,3	2,5	20,8	18,5	18,4	14,3	3,5	3,2	3,2	2,3
Consumer Discretionary														
Media	272	-1,9	2,4	6,4	3,1	3,6	17,2	16,1	16,1	14,0	2,9	2,8	2,8	2,4
Retail	313	1,7	0,2	10,4	2,7	2,9	21,1	19,1	19,0	15,9	2,7	2,6	2,6	2,4
Automobiles and parts	663	-0,6	16,7	7,3	2,7	3,0	9,7	9,0	9,0	9,2	1,4	1,3	1,3	1,0
Travel and Leisure	266	-1,3	14,6	5,9	2,2	2,5	14,1	13,3	13,2	15,2	2,9	2,5	2,5	2,0
Technology	448	-1,7	8,5	15,9	1,5	1,6	24,8	21,4	21,2	16,7	3,4	3,2	3,2	2,5
Consumer Staples														
Food&Beverage	646	-0,7	3,3	10,7	2,7	2,7	23,5	21,2	21,1	17,2	3,5	3,3	3,3	2,7
Household Goods	840	-0,8	10,2	8,5	2,6	2,8	20,5	18,9	18,8	16,6	4,5	4,1	4,1	3,4
Health care	739	1,9	-4,1	5,1	2,7	2,8	18,1	17,2	17,1	14,0	3,6	3,4	3,3	3,0
Telecom	279	1,1	11,2	8,2	4,6	4,7	17,2	15,9	15,8	13,3	1,9	1,9	1,9	1,6
Utilities	288	-2,0	-6,4	2,2	4,9	5,1	14,6	14,3	14,2	12,2	1,4	1,4	1,4	1,3

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

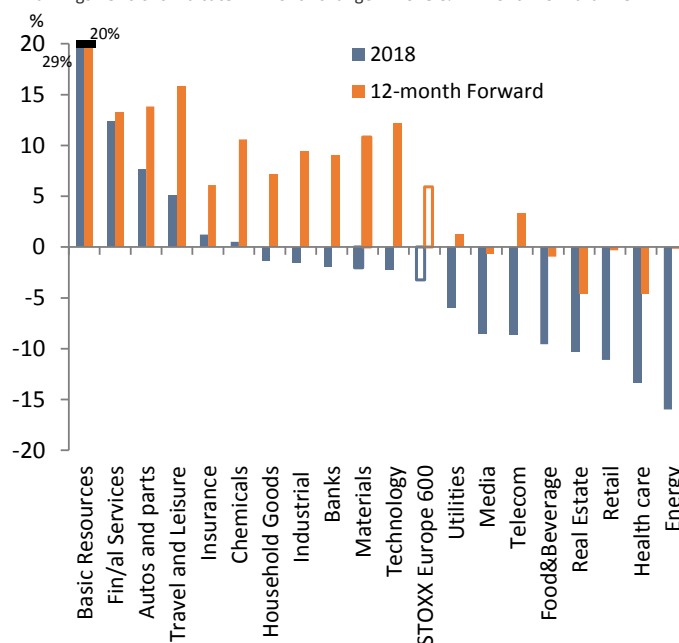
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