Global Markets Roundup

National Bank of Greece | Economic Research Division | October 6, 2020

NATIONAL BANK OF GREECE

US political uncertainty remains elevated ahead of the Presidential elections on November 3rd, albeit US equity markets interrupted four consecutive weekly declines

- Global equity markets consolidated in the past week, following a mini correction since early-September. Overall in Q3, the MSCI ACWI index posted a stellar performance, up by 7.7%, albeit (as of October 2nd) being 5% off its peak on September 2nd. Region-wise, markets' performance was uneven in Q3, with the EuroStoxx largely flat overall (+0.3% | -12.4% ytd), whereas the S&P500 gained 8.5% (+4.1% ytd). The US equity market found support from the heavyweight Information Technology (IT) sector (28% of the headline index's market capitalization) which gained 12% in Q3 (+27.5% ytd). Having said that, IT has demonstrated a considerable correction from its peak on September 2nd (-9.5% as of October 2nd) when valuations appeared to be running disconcertingly ahead of fundamentals. In the event, the 12-month forward P/E ratio (share prices divided by consensus estimates for 12-month forward earnings per share) stood at 28.7x for the S&P500 IT sector in early September, versus a 15-year average of 15.6x (currently at 25.6x).
- On the positive side of the ledger, the latest economic data support the view that the US economic recovery post-lockdowns, continues. The slack in the labor market diminished further (see Economics), while September's PMIs from the Institute for Supply Management (ISM) remained well above the expansion/contraction threshold of 50 (manufacturing: -0.6 pts to 55.4 | services: +0.9 pts to 57.8). In China, PMIs suggest continued strong expansion of business activity in September (see Economics). Finally, in the euro area, the Economic Sentiment index from the European Commission (a composite indicator based on input from business surveys in the sectors of manufacturing, services, retail trade and construction as well the consumer confidence survey) rose by 3.6 pts to 91.1 in September, alleviating the concerns induced by the PMI surveys (composite: -1.8 pts to 50.1) that the recovery may have stalled in the month. In addition, retail sales surprised positively in August, up by 4.4% mom (+4% yoy) versus consensus estimates for +2.4% mom.
- A key risk remains the course of the pandemic and the respective medical developments as well as the behavioral responses from economic agents, especially the extent to which a possible deterioration of epidemiological data, will lead to a reduction of mobility, either mandatory of voluntary. Another major risk factor is political uncertainty in the US ahead of the Presidential elections on November 3rd and the elections for the US Congress (Senate-R, House-D), with the US President contracting Covid-19, adding to an already challenging political landscape. In the event, note that the vote count is expected to be relatively protracted (as mail-in ballots will represent a high percentage of votes for coronavirus-related safety reasons) and there is a considerable probability that the outcome will be legally contested. In that context, the political dust may not settle earlier than early-January 2021.
- That development also raises the concerns regarding the timeliness of the prospective new fiscal stimulus. In the event, last minute efforts are being made in the US legislature for a bipartisan agreement to be reached before the elections. Reportedly, the gap in the size of proposed packages has slightly lessened, albeit remaining vast. Indeed, Democrats' current standpoint is $2.2 tn (10.4% of US GDP | from $3.4 tn initially), whereas the Republicans may support a package totaling $1.62 tn (7.7% of GDP | standpoint of $1.3 tn – $1.5 tn a week ago and initial proposal of $1.0 tn).

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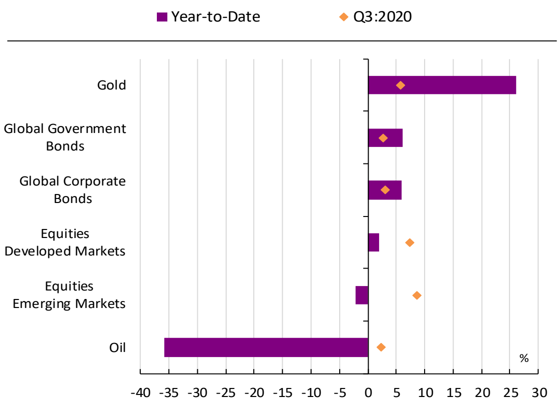
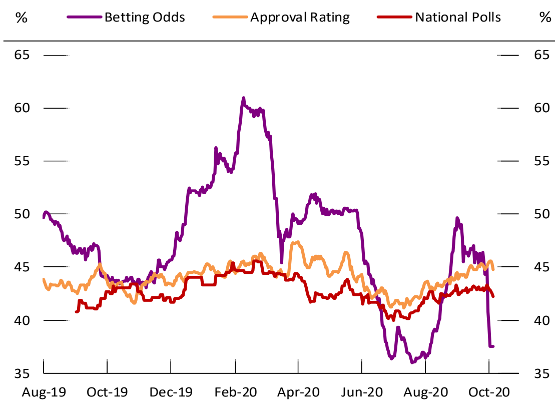
Charts of the week

Assets Performance (in $)



Source: NBG Research, Bloomberg

President Trump's Approval Rating, Nat. Polls and Betting Odds



Source: NBG Research, Bloomberg, RealClearPolitics

See page 11 for disclosures and analyst certification

US unemployment rate remains on a downward trend as people on temporary layoff gradually return to work, albeit permanent job losers continue to increase

- **US employment increased sharply for a 5th consecutive month post-lockdowns, in view of the continued resumption of economic activity, especially in the sectors most severely weighed by the pandemic and the respective measures to stem its spread.** Indeed, nonfarm payrolls increased by 661k (+1489k in August), with c. half of the gains (318k) occurring in leisure & hospitality. The latest reading was somewhat below consensus expectations for 850k, albeit significant positive net revisions for the previous two months took place (+145k). The unemployment rate declined by 0.5 pps to 7.9% in September, below consensus estimates for 8.2%, albeit the latest decrease was also due to a lower labor force participation rate (-0.3 pps to 61.4%). Overall, the fall in the unemployment rate has been sharp after reaching 14.7% in April 2020, which was the worst reading since the Great Depression (c. 25% in 1933), albeit remaining well above the pre-pandemic levels (3.5% in February, the lowest since December 1969). Note that according to the Bureau of Labor Statistics (BLS), some workers continued to be misclassified as employed but absent from work due to "other reasons", while they should have been classified as unemployed on temporary layoff. Without that accounting error, the unemployment rate would have been somewhat higher, with the BLS estimating the upper bound of that misclassification effect at 0.4%. Finally, a broader measure of labor market slack, the U-6 unemployment rate (which includes the unemployed, part-time workers for economic reasons, and those workers marginally attached to the labor force), posted a more profound decline, to 12.8% in September from 14.2% in August, well below consensus for 15.4%, mostly due to a significant reduction in the number of people whose working hours had been cut due to slack work or business conditions. In the event, people working part-time for economic reasons (often referred to as involuntary part-time workers as they would have preferred full-time employment) declined by 1.3mn.

- **Having said that, note that employment gains in recent months continue to be mostly due to a portion of the people on temporary layoff** (i.e. persons that have been given a date to return to work by their employer or expect to be recalled to their job within 6 months) **returning to work**. In the event, the number of people on temporary layoff decreased by 1.5mn to 4.6mn (a still elevated figure, suggesting scope for a further reduction of the unemployment rate as more of them gradually return to work in coming months). Recall that in the US, workers on temporary furlough are counted as unemployed, a different norm compared with Europe. As a result, in the current exceptional circumstances, caution is warranted in making direct comparisons between official unemployment rate figures in the US and in European countries (in the US, the number of unemployed persons excluding those on temporary layoff, as % of the labor force, was 5.0% in September from 4.6% in August and a trough of 3.0% in February 2020). **On a negative note, permanent job losers continued to increase considerably in September, by 345k to 3.8mn, having risen by 2.5mn cumulatively since the start of the pandemic**. That development supports the view that despite the continuing fading of the negative repercussions from the pandemic, a full recovery of labor market conditions to pre-pandemic norms will likely be a long and protracted procedure.

Euro area CPI inflation decelerated further in September

- **Headline inflation went deeper into negative territory in September and the annual growth of core CPI came out at a record low.** Specifically, headline CPI came out at -0.3% yoy from -0.2% yoy in August, the lowest outcome since April 2016 (consensus for an unchanged outcome). More importantly, core inflation (which excludes the effects of energy and food components) decelerated meaningfully for a 2nd consecutive month, to a record (since 1997) low of +0.2% yoy in September compared with +0.4% yoy in August and +1.2% yoy in July, undershooting by a wide margin consensus estimates for +0.5% yoy. Looking forward, the outlook for inflation is highly uncertain and closely related, *inter alia*, to the path of economic recovery (and consequently of consumer demand). In the event, the resiliency of labor market conditions remains a key issue in minimizing the negative impact from the pandemic on the economic tissue and consequently for safeguarding the economic recovery prospects. Recall **that in August, the unemployment rate was 8.1% compared with 8.0% in July and a record (since 1998) low of 7.2% in March.**

Japan: Business sentiment improved in September, albeit remaining subdued

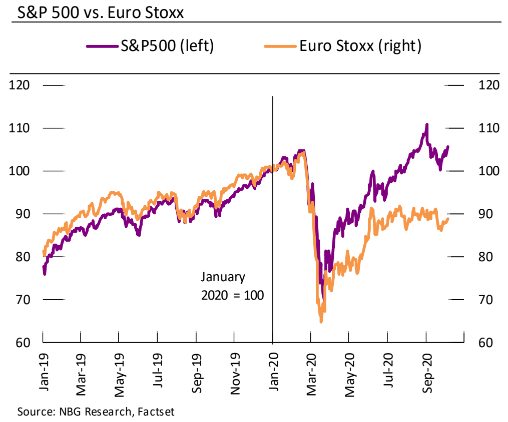
- **Bank of Japan's quarterly Tankan survey that assesses business conditions improved by less than expected in September.** Specifically, the index for large manufacturers was up by 7 pts to -27 in September versus consensus for -23. In a similar note, the index for large non-manufacturers rose by 5 pts to -12, also undershooting expectations for -9. Regarding respondents' outlook for activity for three months ahead, the respective index for manufacturers increased meaningfully, by 10 pts to -17, in line with consensus estimates, with the improvement concentrated in motor vehicles, iron & steel and production machinery sub-sectors. Among non-manufacturers, the outlook index rose more modestly, by 3 pts to -11 (consensus: -9), with an improvement in personal services industries being partly offset by a deterioration in retailing and construction firms. Finally, companies' fixed investment plans (including all surveyed large enterprises | excluding software and R&D investment) for FY:2020 (i.e. April 2020-March 2021) was +1.4% yoy, largely in line with consensus estimates (software: +6.7% yoy | R&D: -0.7% yoy).

Chinese PMIs point to continued recovery for business activity

- **Business surveys in September modestly overshot expectations.** Specifically, the Caixin/Markit manufacturing PMI was broadly stable at 53.0, largely in line with consensus estimates. At the same time, the "official" manufacturing PMI, i.e. the one from the National Bureau of Statistics (NBS) of China (which covers a broader range of industries) was modestly up, by 0.5 pts to 51.5, versus expectations for 51.2. Moreover, the relatively more forward looking indicator of new orders over-performed, +0.8 pts to 52.8 in September. Notably, the sub-index of new export orders, despite continuing to underperform, continued to improve considerably, up by 1.7 pts to 50.8, above the expansion/contraction threshold of 50.0 for the first time in 2020. That development supports the view for a stabilization in global activity (and consequently for China's external demand). Finally, the official non-manufacturing PMI (which covers the services and construction sectors) rose by 0.7 pts to 55.9, well above consensus expectations for 52.1.

Equities

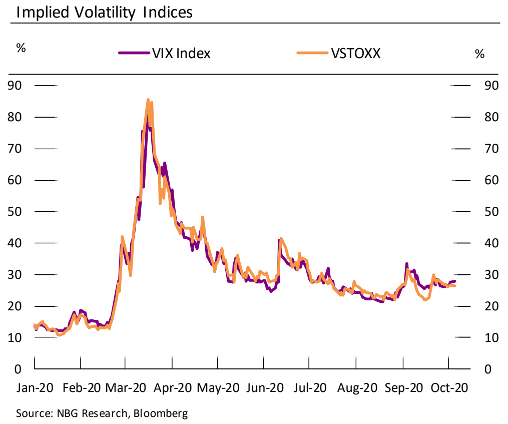
- **Global equities rose in the past week, following four weeks with losses, at least for S&P 500.** Overall, the MSCI ACWI ended the week up by 1.6% (-0.2% ytd), with both Developed (+1.5% wow | +0.2% ytd) and Emerging Markets (+2.1% wow | -3% ytd) recording gains. The S&P500 rose by 1.5% wow (+3.6% ytd), recording its first week with gains since late-August, as investors tentatively turned to risk-on mode, with stocks' valuations remaining close to 20-year highs. Specifically, the 12-month forward P/E ratio stands at 21.6x, with the very low yields of government and corporate high grade bonds, fueling inflows towards equities. Sector wise, Banks (+4.6% wow) led the increase as investors found buying opportunities after the index recorded a 4-month low in the previous week and on the back of news that China's Ping An Insurance Group Co., HSBC's biggest shareholder, bought 10.8 mn shares to increase its stake to 8%. On the contrary, Energy declined by 2.9% wow, being the only sector that posted losses in the past week, on account of lower oil prices (see below). However, on Friday, the trend reversed, with the index ending the day 1% lower, as news that President Trump has tested positive for Covid-19 complicate further a tense and uncertain pre-election period. On Monday, the concerns eased, due to news that the President could be released from the hospital very soon, with the S&P 500 moving higher. On the other side of the Atlantic, the Eurostoxx ended the week up by 2.1% (-12.2% ytd), although new restrictive measures have been imposed in the UK, France and Spain to constrain the spread of the coronavirus.



Graph 1.

Fixed Income

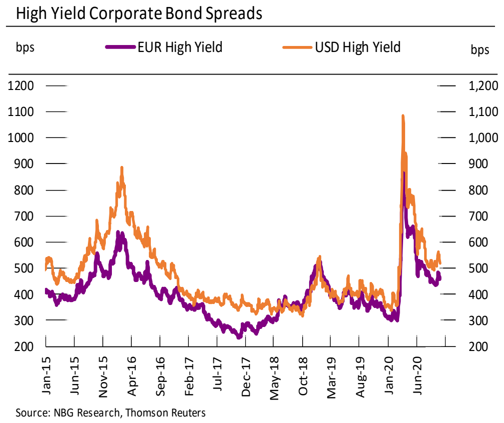
- **Government bond yields were mixed in major advanced economies in the past week.** Overall, the US Treasury 10-year yield ended the week up by 4 bps at 0.69%, with the spread between the 10-year and 2-year Treasury yields at 54 bps (from 0 bps in September 2019). Overall, US Treasury 10-year yields (-125 bps ytd) have stabilized recently, as the economic activity has recovered in the 3rd quarter, bouncing back from the short-lived recession (February-April). Moreover, the short-term rates are close to 0% and they are expected to remain at these levels at least until 2023, under the assumption that the inflation rate (and its dynamic) will remain in the range of 2%-2.5%. On the other side of the Atlantic, in the UK, the 10-year yield rose by 6 bps to 0.27%, after the EU launched legal actions against the country on Thursday, as a deadline to remove controversial provisions from the "Internal Market Bill" had passed. In Germany, the 10-year Bund yield fell by 1 bp to -0.53%, recording a 7-week low, following the weaker-than-expected inflation data. Periphery bond yield spreads over the Bund in the 10-year tenor fell across the board (Italy: -9 bps to 130 bps, Spain: -1 bp to 75 bps, Portugal: -3 bps to 74 bps, Greece: -3 bps to 151 bps) with the Italian 10-year bond yield declining by 10 bps to a new record low of 0.77%. **Corporate bond spreads narrowed in the past week.** Specifically, US high yield spreads fell by 26 bps to 538 bps, while their euro area counterparts were down by 18 bps to 466 bps. In the Investment Grade spectrum, US spreads were down by 3 bps to 143 bps and Euro area spreads declined by 3 bps to116 bps.



Graph 2.

FX and Commodities

- **In foreign exchange markets, the US Dollar declined in the past week, due to reduced "safe haven" demand**. Specifically, the US Dollar fell by 0.8% wow against the euro to $1.171 and by 0.3% against the Japanese Yen to ¥105.36. Pandemic developments, news related with President Trump's health and the US election in early November are the basic factors that will affect the trend for the EUR/USD rate in the following weeks. On the contrary, the British Pound rose in the past week by 1.8% against the US Dollar to $1.293 and by 1% against the euro at €/0.906. Finally, **in commodities, oil prices declined in the past week due to the continuing concerns about future oil demand**. Moreover, the higher output by Libya, the increased exports from Iraq, Kuwait and Saudi Arabia as well as news that only 6 out of 13 OPEC+ members have submitted plans of how they will apply extra cuts after missing the agreed quotas, also contributed to the downside. Overall, Brent decreased by 6.3% to $39.3/barrel (-41% ytd), and the WTI fell by 8% to $37.1/barrel (-39% ytd).



Graph 3.

Quote of the week: "In the current environment of lower inflation, the concerns we face are different and this needs to be reflected in our inflation aim … The wider discussion today … is whether central banks should commit to explicitly make up for inflation misses when they have spent quite some time below their inflation goals.", **ECB President, Christine Lagarde, September 30th 2020.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	October 2nd	3-month	6-month	12-month	Official Rate (%)	October 2nd	3-month	6-month	12-month
Germany	-0,54	-0,50	-0,40	-0,30	Euro area	0,00	0,00	0,00	0,00
US	0,70	0,90	1,00	1,20	US	0,25	0,25	0,25	0,25
UK	0,25	0,30	0,35	0,43	UK	0,10	0,08	0,06	0,04
Japan	0,02	0,01	0,04	0,06	Japan	-0,10	-0,10	-0,10	-0,10

Currency	October 2nd	3-month	6-month	12-month		October 2nd	3-month	6-month	12-month
EUR/USD	1,17	1,17	1,18	1,20	USD/JPY	105	106	105	103
EUR/GBP	0,91	0,91	0,91	0,90	GBP/USD	1,29	1,29	1,30	1,33
EUR/JPY	123	124	124	124					

Forecasts at end of period

Economic Forecasts

United States	2018a	Q1:19a	Q2:19a	Q3:19a	Q4:19a	2019a	Q1:20a	Q2:20a	Q3:20f	Q4:20f	2020f
Real GDP Growth (YoY) (1)	3.0	2.3	2.0	2.1	2.3	2.2	0.3	-9.0	-2.6	-3.1	-3.6
Real GDP Growth (QoQ saar) (2)	-	2.9	1.5	2.6	2.4	-	-5.0	-31.4	34.8	0.2	-
Private Consumption	2.7	1.8	3.7	2.7	1.6	2.4	-6.9	-33.2	37.2	2.6	-4.2
Government Consumption	1.8	2.5	5.0	2.1	2.4	2.3	1.3	2.5	17.0	-10.5	3.1
Investment	5.2	2.9	-0.4	2.4	1.0	1.9	-1.4	-29.2	19.0	2.3	-3.9
Residential	-0.6	-1.7	-2.1	4.6	5.8	-1.7	19.0	-35.5	46.4	1.8	2.6
Non-residential	6.9	4.2	0.0	1.9	-0.3	2.9	-6.7	-27.2	13.3	2.4	-5.6
Inventories Contribution	0.2	0.2	-1.1	-0.1	-0.9	0.0	-1.7	-4.7	3.3	0.8	-1.1
Net Exports Contribution	-0.3	0.6	-0.9	0.0	1.9	-0.2	1.6	0.3	-1.2	-0.7	0.6
Exports	3.0	1.8	-4.5	0.8	3.4	-0.1	-9.5	-64.4	22.9	20.4	-15.8
Imports	4.1	-2.1	1.7	0.5	-7.5	1.1	-15.0	-54.1	25.3	19.4	-14.6
Inflation (3)	2.5	1.7	1.8	1.7	2.1	1.8	2.1	0.3	1.1	1.2	1.2
Euro Area	**2018a**	**Q1:19a**	**Q2:19a**	**Q3:19a**	**Q4:19a**	**2019a**	**Q1:20a**	**Q2:20a**	**Q3:20f**	**Q4:20f**	**2020f**
Real GDP Growth (YoY)	1.9	1.4	1.3	1.4	1.0	1.3	-3.2	-14.7	-8.1	-6.1	-8.0
Real GDP Growth (QoQ saar)	-	2.0	0.8	1.1	0.1	-	-14.1	-39.4	36.5	9.5	-
Private Consumption	1.4	2.2	0.8	1.7	0.5	1.3	-16.8	-41.0	42.8	9.8	-8.6
Government Consumption	1.2	2.2	2.0	2.5	1.0	1.8	-2.8	-10.0	10.4	4.9	-0.5
Investment	3.5	1.7	2.9	-1.1	14.0	5.0	-19.2	-52.6	49.8	13.9	-9.7
Inventories Contribution	0.1	-3.4	5.6	-5.5	1.0	-0.3	2.0	0.2	0.3	0.2	0.3
Net Exports Contribution	0.2	3.5	-6.0	5.6	-4.1	-0.5	-1.9	-3.8	0.9	0.0	-1.6
Exports	3.6	4.2	0.0	2.9	0.5	2.5	-14.7	-56.5	47.3	17.3	-12.3
Imports	3.6	-3.0	14.1	-8.4	10.0	4.0	-12.1	-54.7	46.7	18.2	-10.1
Inflation	1.8	1.4	1.4	1.0	1.0	1.2	1.1	0.2	0.0	-0.2	0.3

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

12-Month View & Key Factors for Global Markets

	US	Euro Area	Japan	UK
Equity Markets	+ Massive Fiscal loosening will support the economy but wont avoid a recession - 2020 EPS growth expectations have further room to fall from +2%. Earnings will contract in 2020 - Forget aggressive share buybacks for now due to political pressures - Peaking profit margins - Protectionism and trade wars - P/Es (Valuations) are in line with long-term averages despite P/E contraction of more than 20% since February highs (19x) **Neutral/Positive**	+Still high equity risk premium relative to other regions + Modest fiscal loosening in 2020 excluding Germany (5% of GDP) - 2020-2021 EPS estimates may turn pessimistic as economic growth fails to pick up - Political uncertainty (Italy, Brexit) could intensify **Neutral**	+Still aggressive QE and "yield-curve" targeting by the BoJ - Signs of policy fatigue regarding structural reforms and fiscal discipline - Strong appetite for foreign assets - JPY appreciation in a risk-off scenario could hurt exporters **Neutral**	+65% of FTSE100 revenues from abroad +Undemanding valuations in relative terms - Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process **Neutral/Negative**
Government Bonds	+Valuations appear rich with term-premium below 0% +Sizeable fiscal deficit +Underlying inflation pressures if Fed seek makeup strategies - Global search for yield by non-US investors continues - Safe haven demand - Fed to remain at ZLB in the course of 2020-2021 - Fed: Unlimited QE purchases **Slightly higher yields expected**	+Valuations appear excessive compared with long-term fundamentals - Political Risks - Fragile growth outlook - Medium-term inflation expectations remain low - ECB QE net purchases - ECB QE "stock" effect **Higher yields expected**	+Sizeable fiscal deficits +Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% **Stable yields expected**	+Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process +Inflation expectations could drift higher ahead of EU/UK negotiations -The BoE is expected to remain on hold with risks towards rate cuts - Slowing economic growth post-Brexit **Higher yields expected but with Brexit risk premia working on both directions**
Foreign Exchange	+Safe-haven demand - Fed's interest rate differential disappeared following cuts to 0%-0.25% **Broadly Flat EUR against the USD with high volatility around $1.20**	+Reduced short-term tail risks +Higher core bond yields +Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, ABSs, Quantitative Easing) **Broadly Flat EUR against the USD with high volatility around $1.20**	+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% **Slightly higher JPY**	+Transitions phase negotiations +Valuations appear undemanding with REER 6% below its 15-year average - Sizeable Current account deficit - Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process **Higher GBP expected but with Brexit risk premia working on both directions**

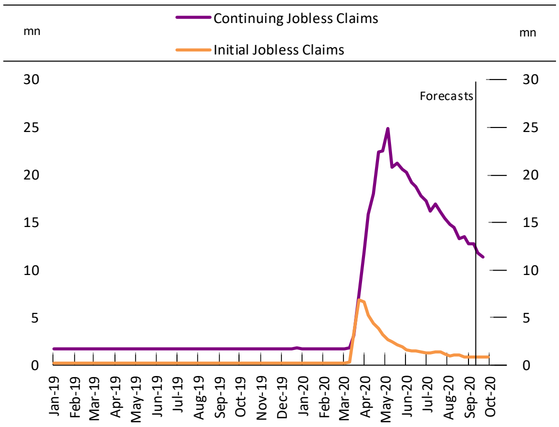
Economic Calendar

In the US, the minutes of the latest Fed meeting are released on Wednesday. Recall that this was the first after the recent revision of its Statement on Longer-Run Goals and Monetary Policy Strategy. On Thursday, attention turns to the weekly initial and continuing jobless claims for a more updated view of labor market conditions.

In the UK, industrial production for August is released on Friday (consensus for +2.6% mom vs +5.2% mom and -4.7% yoy vs -7.8% yoy in the previous month). At the same time, the monthly GDP estimate for August will be closely monitored to assess the economic momentum.

In Germany, industrial production for August is released on Wednesday (consensus for +1.7% mom vs +1.2% mom and -8.7% yoy vs -10% yoy in the previous month).

US Unemployment Insurance Claims



Source: NBG Research, FRED Economic Data

Economic News Calendar for the period: September 29 - October 12, 2020

Tuesday 29

US		S		A	P
S&P Case/Shiller house price index 20 (YoY)	July	3.6%	+	3.95%	3.46%
Conference board consumer confidence	September	90.0	+	101.8	86.3
EURO AREA					
Economic confidence indicator	September	89.0	+	91.1	87.5

Wednesday 30

US		S		A	P
ADP Employment Change (k)	September	649	+	749	481
GDP (QoQ, annualized)	Q2:20	-31.7%	+	-31.4%	-31.7%
Personal consumption (QoQ, annualized)	Q2:20	-34.1%	+	-33.2%	-34.1%
Pending home sales (MoM)	August	3.1%	+	8.8%	5.9%
UK					
GDP (QoQ)	Q2:20	-20.4%	+	-19.8%	-20.4%
GDP (YoY)	Q2:20	-21.7%	+	-21.5%	-21.7%
Nationwide House Px NSA YoY	September	4.5%	+	5.0%	3.7%

JAPAN		S		A	P
Industrial Production (MoM)	August	1.4%	+	1.7%	8.7%
Industrial Production (YoY)	August	-13.4%	+	-13.3%	-15.5%
Retail sales (MoM)	August	2.0%	+	4.6%	-3.4%
Retail sales (YoY)	August	-3.1%	+	-1.9%	-2.9%
Construction Orders YoY	August	..		28.5%	-22.9%
GERMANY					
Retail sales (MoM)	August	0.4%	+	3.1%	-0.2%
Retail sales (YoY)	August	4.2%	-	3.7%	5.0%
CHINA					
Manufacturing PMI	September	51.3	+	51.5	51.0
Caixin PMI Manufacturing	September	53.1	-	53.0	53.1

Thursday 1

US		S		A	P
Initial Jobless Claims (k)	September 26	850	+	837	873
Continuing Claims (k)	September 19	12200	+	11767	12747
Personal income (MoM)	August	-2.5%	-	-2.7%	0.5%
Personal spending (MoM)	August	0.8%	+	1.0%	1.5%
PCE Deflator (YoY)	August	1.2%	+	1.4%	1.1%
PCE Core Deflator (YoY)	August	1.4%	+	1.6%	1.4%
ISM Manufacturing	September	56.5	-	55.4	56.0
Construction spending (MoM)	August	0.7%	+	1.4%	0.7%
JAPAN					
Tankan - large manufacturers current index	Q3:20	-24	-	-27	-34
Tankan - large manufacturers outlook index	Q3:20	-16	-	-17	-27
EURO AREA					
Unemployment Rate	August	8.1%		8.1%	8.0%

Friday 2

US		S		A	P
Change in Nonfarm Payrolls (k)	September	859	-	661	1489
Change in Private Payrolls (k)	September	850	+	877	1022
Unemployment rate	September	8.2%	+	7.9%	8.4%
Average weekly hours (hrs)	September	34.6	+	34.7	34.6
Average Hourly Earnings MoM	September	0.2%	-	0.1%	0.3%
Average Hourly Earnings YoY	September	4.8%	-	4.7%	4.6%
Labor Force Participation Rate	September	61.9%	-	61.4%	61.7%
Underemployment Rate	September	..		12.8%	14.2%
Factory Goods Orders (MoM)	August	0.9%	-	0.7%	6.5%
JAPAN					
Jobless Rate	August	3.0%		3.0%	2.9%
EURO AREA					
CPI estimate (YoY)	September	-0.2%	-	-0.3%	-0.2%
Core CPI (YoY)	September	0.4%	-	0.2%	0.4%

Monday 5

US		S		A	P
ISM non-manufacturing	September	56.2	+	57.8	56.9
EURO AREA					
Retail sales (MoM)	August	2.5%	+	4.4%	-1.3%
Retail sales (YoY)	August	2.2%	+	3.7%	0.4%

Tuesday 6

US		S	A	P
Trade balance ($bn)	August	-66.2	..	-63.6
UK				
Markit/CIPS UK Construction	September	54.0	..	54.6

Wednesday 7

US		S	A	P
FOMC Minutes	September 16	630	..	428
JAPAN				
Leading Index	August	89.0	..	86.7
Coincident Index	August	79.4	..	78.3
GERMANY				
Industrial Production (sa, MoM)	August	1.7%	..	1.2%
Industrial Production (wda, YoY)	August	-8.7%	..	-10.0%

Thursday 8

US		S	A	P
Initial Jobless Claims (k)	October 3	820	..	837
Continuing Claims (k)	September 26	11400	..	11767
JAPAN				
Eco Watchers Current Survey	September	44.9	..	43.9
Eco Watchers Outlook Survey	September	44.0	..	42.4

Friday 9

US		S	A	P
Wholesale trade (MoM)	August	..	..	4.6%
UK				
GDP (MoM)	August	4.6%	..	6.6%
Industrial Production (MoM)	August	2.6%	..	5.2%
Industrial Production (YoY)	August	-4.7%	..	-7.8%

Monday 12

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

Equity Markets (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	3348	1,5	3,6	15,0	14,5
Japan	NIKKEI 225	23030	-0,8	-2,6	7,9	-4,5
UK	FTSE 100	5902	1,0	-21,7	-16,6	-21,4
Canada	S&P/TSX	16199	0,8	-5,1	-1,0	0,8
Hong Kong	Hang Seng	23459	1,0	-16,8	-10,2	-13,4
Euro area	EuroStoxx	355	2,1	-12,2	-4,0	-6,4
Germany	DAX 30	12689	1,8	-4,2	6,4	3,3
France	CAC 40	4825	2,0	-19,3	-11,3	-12,1
Italy	FTSE/MIB	19064	2,0	-18,9	-10,5	-8,1
Spain	IBEX-35	6755	1,9	-29,3	-24,1	-27,8

Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)
MSCI Emerging Markets	61875	1,8	0,7	10,8
MSCI Asia	970	2,2	6,2	17,9
China	97	2,4	13,3	28,6
Korea	727	1,8	5,1	16,1
MSCI Latin America	80314	-1,7	-19,8	-12,9
Brazil	295162	-3,0	-19,4	-9,1
Mexico	33878	0,0	-15,5	-13,7
MSCI Europe	5100	-0,8	-20,0	-11,4
Russia	1130	-1,9	-17,0	-6,7
Turkey	1344040	1,3	-10,6	-3,8

World Market Sectors (MSCI Indices)

in US Dollar terms	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	100,6	-3,2	-48,9	-44,7	-58,0
Materials	275,6	1,2	1,2	13,4	3,5
Industrials	265,3	1,4	-4,0	5,8	0,4
Consumer Discretionary	325,4	2,2	16,9	27,3	26,0
Consumer Staples	250,4	1,6	-0,3	3,5	11,6
Healthcare	289,6	0,5	3,8	20,0	13,5
Financials	97,5	2,8	-22,5	-12,9	-18,6
IT	389,1	1,2	25,1	44,5	49,3
Telecoms	81,4	1,6	5,0	14,5	22,4
Utilities	143,8	3,3	-4,2	-1,5	14,2

in local currency	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)
Energy	103,2	-3,8	-48,8	-45,5
Materials	261,1	0,5	0,2	10,3
Industrials	258,9	1,0	-5,2	3,7
Consumer Discretionary	311,1	2,0	15,9	25,6
Consumer Staples	248,2	1,1	-1,3	1,1
Healthcare	283,3	0,2	2,7	17,9
Financials	97,2	2,3	-22,9	-14,5
IT	375,2	1,1	24,5	43,6
Telecoms	84,6	1,4	4,6	13,6
Utilities	146,0	2,9	-5,3	-3,5

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	0,70	0,66	1,92	1,54	2,21
Germany	-0,54	-0,53	-0,19	-0,59	0,87
Japan	0,02	0,01	-0,01	-0,20	0,39
UK	0,25	0,19	0,82	0,47	1,73
Greece	0,99	1,03	1,47	1,35	9,46
Ireland	-0,17	-0,17	0,12	-0,04	3,08
Italy	0,78	0,89	1,41	0,83	2,97
Spain	0,22	0,25	0,47	0,13	2,69
Portugal	0,22	0,27	0,44	0,15	4,40

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	3,1	3,1	4,0	4,0	4,1
vs 30Yr Treasury (bps)	156	165	156	196	128

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back
US Treasuries 10Y/2Y	57	53	35	14
US Treasuries 10Y/5Y	42	39	23	19
Bunds 10Y/2Y	17	18	42	19
Bunds 10Y/5Y	19	19	29	21

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back
EM Inv. Grade (IG)	197	198	150	177
EM High yield	688	699	494	581
US IG	143	146	101	126
US High yield	538	564	360	440
Euro area IG	116	119	94	113
Euro area High Yield	466	484	308	380

Foreign Exchange & Commodities

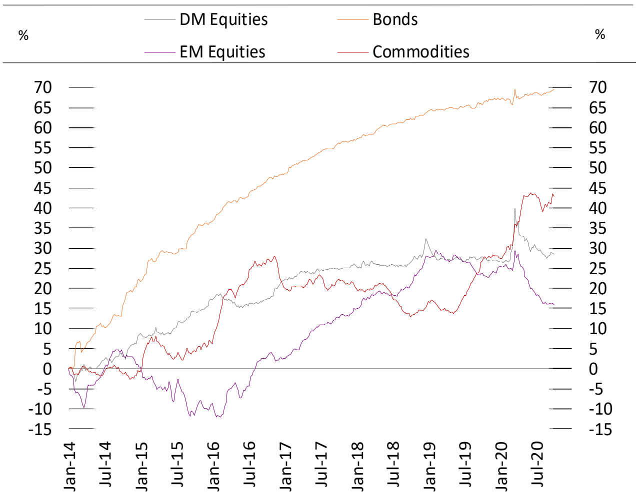
Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1,17	0,7	-1,2	6,9	4,5
EUR/CHF	1,08	-0,2	-0,1	-1,5	-0,6
EUR/GBP	0,91	-0,8	2,0	1,8	7,0
EUR/JPY	123,39	0,4	-2,0	5,2	1,4
EUR/NOK	10,91	-2,0	4,1	9,1	10,9
EUR/SEK	10,47	-1,4	1,3	-3,2	-0,3
EUR/AUD	1,64	-1,1	1,3	0,6	2,4
EUR/CAD	1,56	0,1	0,8	6,6	7,0
USD-based cross rates					
USD/CAD	1,33	-0,6	2,0	-0,2	2,4
USD/AUD	1,40	-1,9	2,5	-5,9	-2,0
USD/JPY	105,30	-0,3	-0,8	-1,5	-3,0

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)
Agricultural	335	2,8	3,3	1,7
Energy	213	-7,5	-12,1	-51,0
West Texas Oil ($)	37	-7,6	-10,7	-29,4
Crude brent Oil ($)	38	-7,7	-12,1	-34,5
Industrial Metals	1213	0,1	-3,6	1,9
Precious Metals	2198	2,4	-3,0	23,6
Gold ($)	1900	2,1	-2,2	26,2
Silver ($)	24	3,7	-13,5	35,1
Baltic Dry Index	2020	21,2	39,8	15,0
Baltic Dirty Tanker Index	429	-1,2	-6,1	-61,8

Source: Bloomberg, as of October 2nd, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

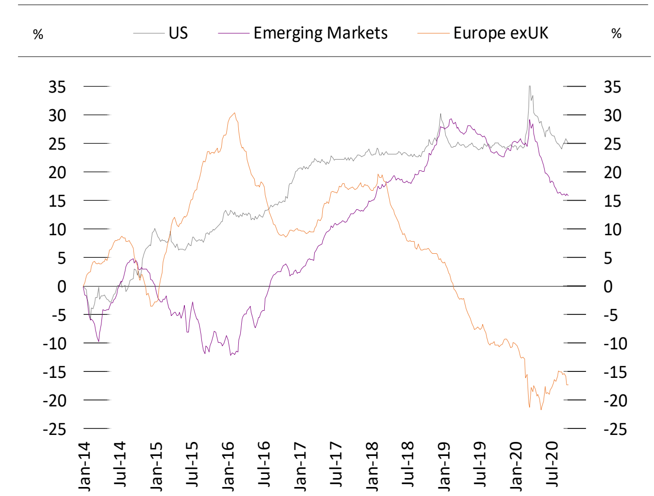
NATIONAL BANK OF GREECE

Global Cross Asset ETFs: Flows as % of AUM



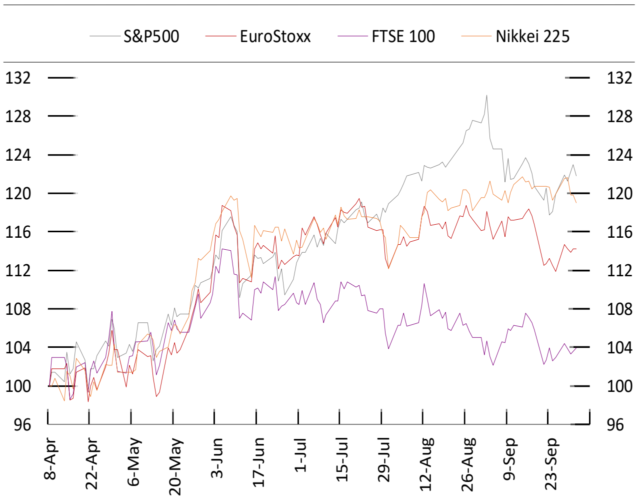
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of October 2nd

Equity ETFs: Flows as % of AUM



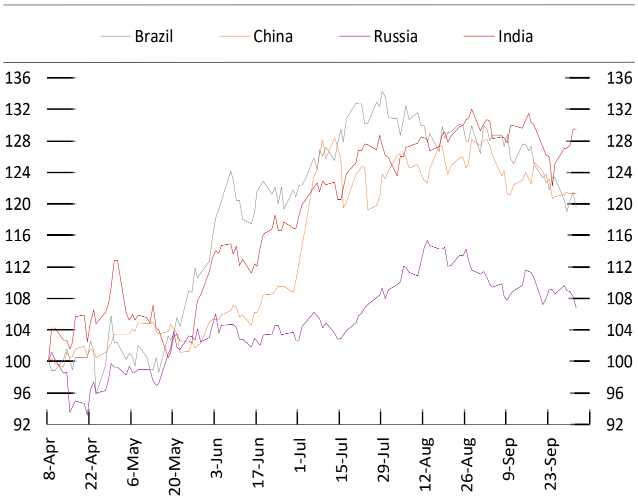
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of October 2nd

Equity Market Performance - G4



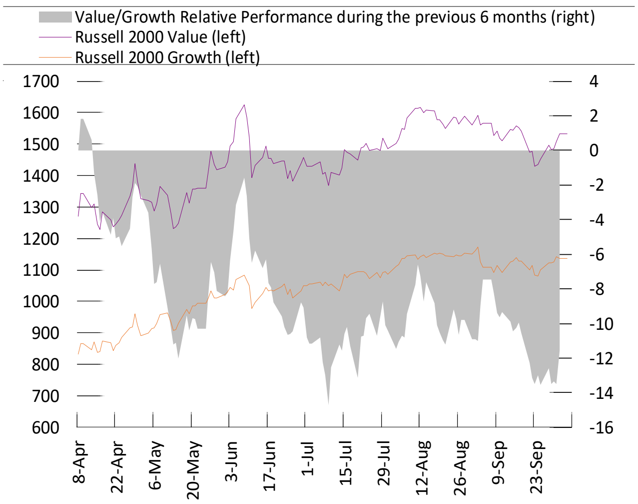
Source: Bloomberg - Data as of October 2nd – Rebased @ 100

Equity Market Performance - BRICs



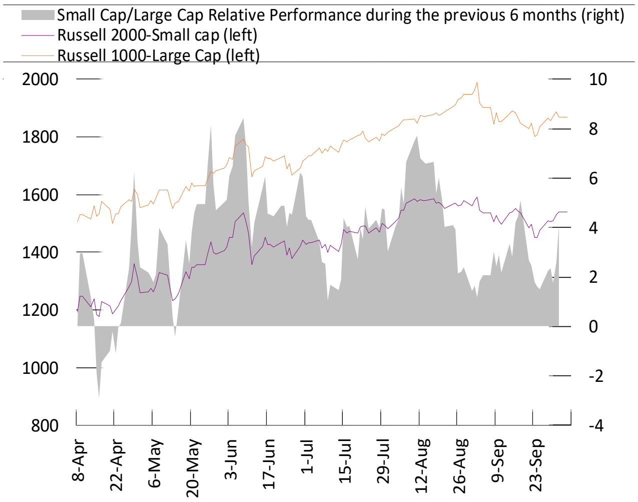
Source: Bloomberg - Data as of October 2nd – Rebased @ 100

Russell 2000 Value & Growth Index



Source: Bloomberg, Data as of October 2nd

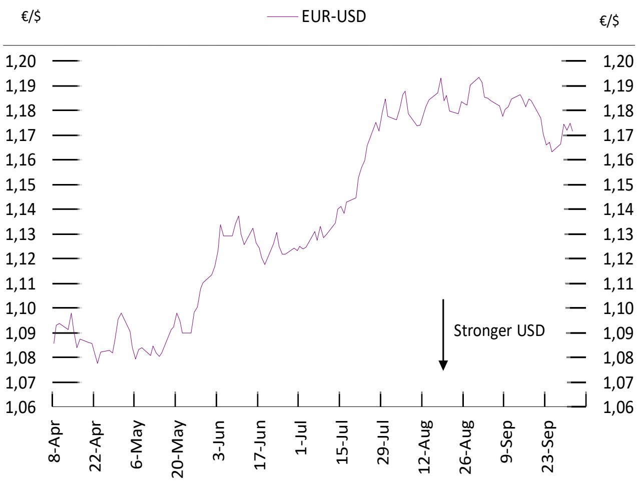
Russell 2000 & Russell 1000 Index



Source: Bloomberg, Data as of October 2nd

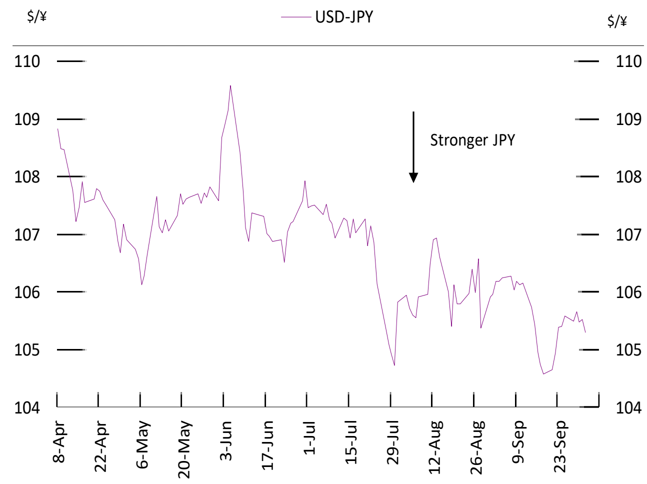
NATIONAL BANK OF GREECE

EUR/USD



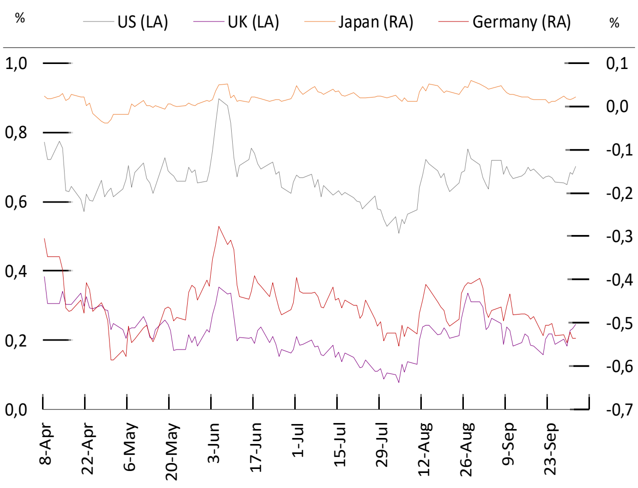
Source: Bloomberg, Data as of October 2nd

JPY/USD



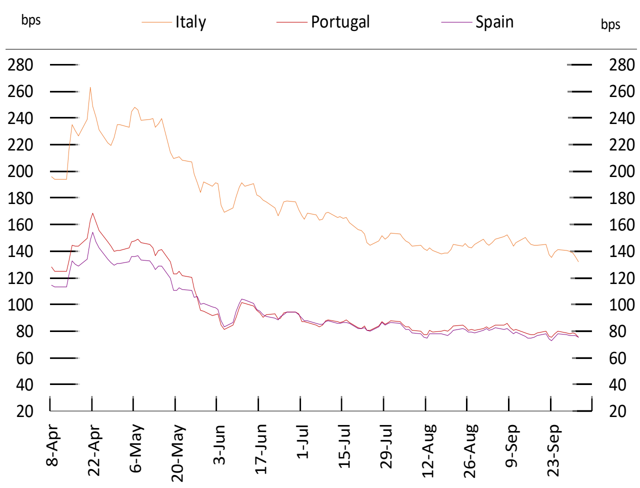
Source: Bloomberg, Data as of October 2nd

10- Year Government Bond Yields



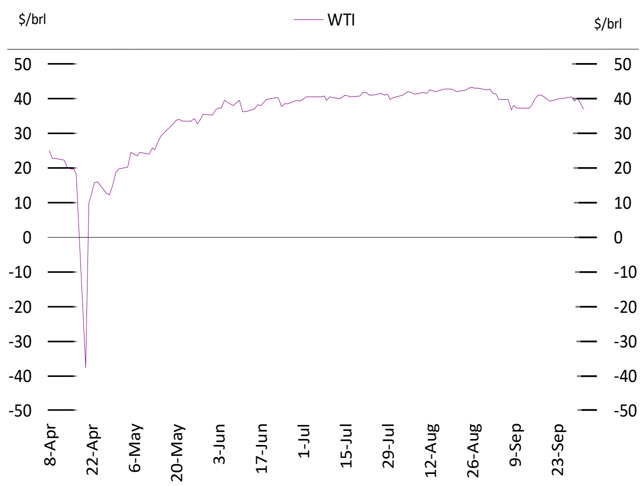
Source: Bloomberg - Data as of October 2nd
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



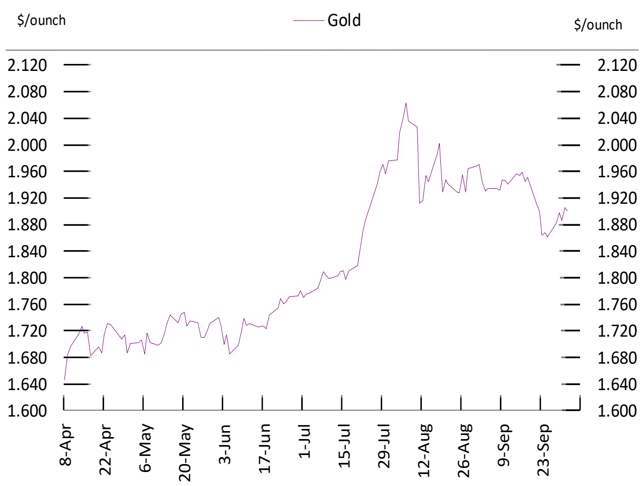
Source: Bloomberg - Data as of October 2nd

West Texas Intermediate ($/brl)



Source: Bloomberg, Data as of October 2nd

Gold ($/ounch)



Source: Bloomberg, Data as of October 2nd

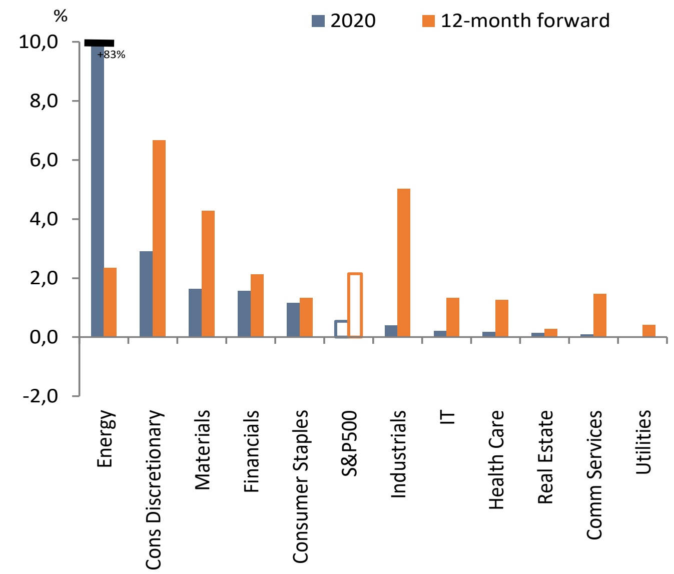
US Sectors Valuation

	Price ($)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	2/10/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
S&P500	3348	1,5	3,6	1,2	-18,4	1,8	1,7	20,3	25,5	21,6	15,6	3,7	3,7	3,5	2,6
Energy	223	-2,9	-51,2	-29,0	N/A	3,8	7,6	21,8	N/A	N/A	12,9	1,6	1,0	1,0	1,7
Materials	398	1,2	3,1	-15,6	-15,9	2,1	2,1	20,2	25,5	21,1	15,1	2,4	2,7	2,6	2,5
Financials															
Diversified Financials	696	2,5	-6,3	1,6	-22,4	1,4	1,6	16,2	19,4	16,5	14,1	1,9	1,7	1,6	1,5
Banks	244	4,6	-35,9	9,0	-49,4	2,6	3,9	12,3	15,9	12,2	10,9	1,4	0,9	0,8	1,0
Insurance	367	2,9	-16,8	15,8	-6,5	2,2	2,8	13,4	11,9	10,8	10,9	1,5	1,2	1,1	1,1
Real Estate	226	4,9	-6,0	1,9	-8,0	3,1	3,0	21,0	21,4	20,5	18,2	3,7	3,3	3,5	3,1
Industrials															
Capital Goods	650	1,9	-10,5	-7,2	-28,3	1,8	1,9	21,2	26,1	20,8	15,9	5,5	4,3	4,0	3,5
Transportation	860	0,2	9,7	6,5	N/A	1,9	1,6	14,7	N/A	N/A	9,9	4,3	5,5	5,5	3,5
Commercial Services	378	1,2	9,5	12,8	-3,5	1,3	1,2	28,5	31,4	29,0	20,5	6,0	5,7	5,5	3,6
Consumer Discretionary															
Retailing	3403	2,2	39,0	4,4	-3,0	0,7	0,5	33,9	48,1	39,7	23,3	13,8	15,0	12,9	7,1
Consumer Services	1166	2,2	-10,5	5,0	N/A	2,1	1,6	24,2	N/A	N/A	22,2	16,5	32,6	57,2	8,3
Consumer Durables	400	3,8	7,5	-0,4	-17,0	1,5	1,3	19,7	25,8	21,2	17,1	4,1	4,2	3,9	3,2
Automobiles and parts	100	6,2	-16,2	-16,8	N/A	4,2	1,3	8,5	N/A	N/A	7,6	1,3	1,2	1,2	1,6
IT															
Technology	2130	0,8	33,6	2,6	3,7	1,3	1,1	21,6	26,8	24,3	13,1	9,7	13,9	14,8	4,3
Software & Services	2818	0,6	22,7	11,4	7,9	0,9	0,9	29,5	32,5	29,6	18,2	7,9	9,3	8,5	5,4
Semiconductors	1508	1,4	21,5	-12,3	7,0	1,8	1,6	18,9	21,4	19,5	14,3	5,6	6,0	5,5	3,2
Communication Services	194	0,9	6,9	3,0	-11,9	1,2	1,1	21,8	25,7	22,5	17,8	3,5	3,4	3,2	2,9
Media	732	0,9	12,2	3,8	-11,1	0,4	0,3	27,4	33,3	27,3	20,7	4,2	4,3	3,9	3,3
Consumer Staples															
Food & Staples Retailing	537	2,6	8,1	2,9	-2,0	1,7	1,6	21,5	24,1	23,4	16,6	4,6	4,9	4,6	3,2
Food Beverage & Tobacco	676	1,8	-5,4	-1,7	-1,6	3,3	3,5	19,7	19,0	18,0	17,7	5,3	5,0	4,8	4,9
Household Goods	827	0,5	11,1	6,4	8,3	2,3	2,1	26,0	26,7	25,5	19,8	9,5	10,2	9,9	5,6
Health Care															
Pharmaceuticals	1005	0,1	2,0	10,8	7,6	2,1	2,3	16,2	15,2	14,1	14,8	6,3	5,2	4,8	3,9
Healthcare Equipment	1408	2,1	2,2	9,9	-1,1	1,0	1,0	20,7	21,1	18,8	15,7	3,8	3,4	3,2	2,7
Utilities	308	3,3	-6,1	4,9	1,6	3,1	3,4	20,7	19,3	18,5	16,1	2,2	2,0	2,0	1,7

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

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

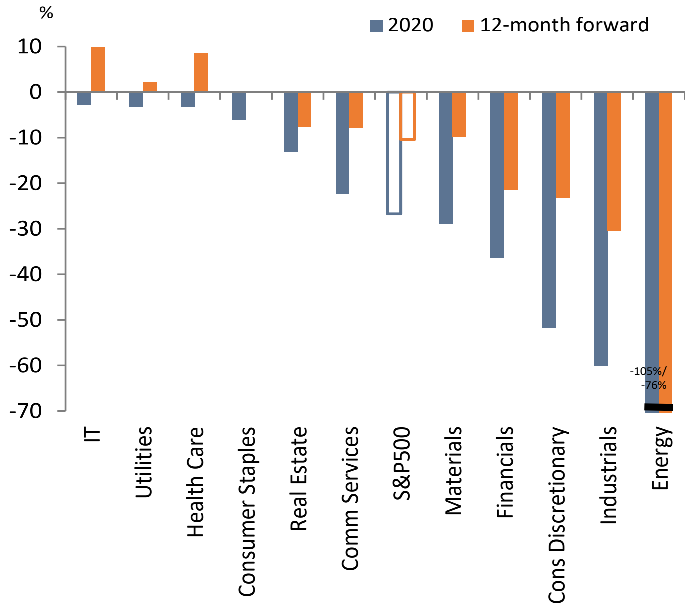
Earnings Revisions indicate 1-month change in 2020 & 12-month Forward EPS



Source: Factset, Data as of October 2nd
12-month forward EPS are 24% of 2020 EPS and 76% of 2021 EPS

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

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



Source: Factset, Data as of October 2nd
12-month forward EPS are 24% of 2020 EPS and 76% of 2021 EPS

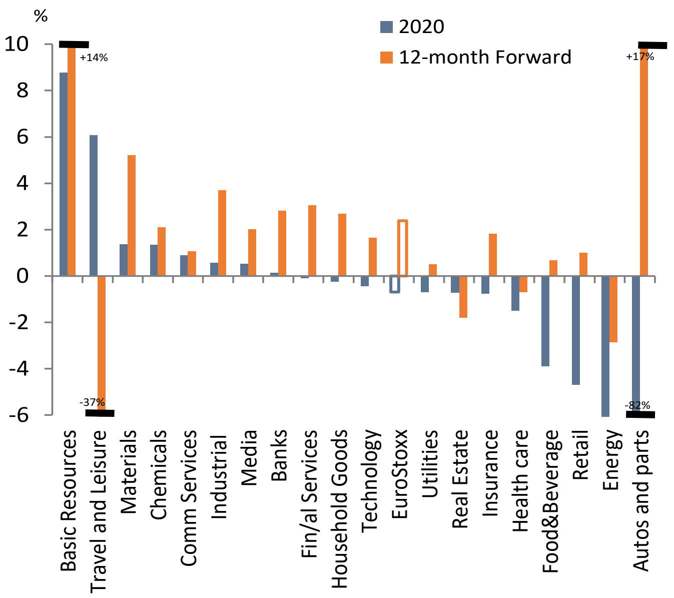
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	2/10/20	% Weekly Change	%YTD	2019	2020	2019	2020	2019	2020	12m fwd	10Yr Avg	2019	2020	12m fwd	10Yr Avg
EuroStoxx	355	2,1	-12,2	2,2	-42,1	3,0	2,6	16,8	25,2	18,7	13,5	1,7	1,5	1,5	1,4
Energy	200	0,5	-39,1	-10,1	-74,5	5,0	6,1	13,7	32,3	18,0	11,9	1,3	1,0	1,0	1,1
Materials	400	3,4	-18,0	12,5	-41,3	3,1	3,0	15,4	21,6	15,7	14,2	1,8	1,6	1,5	1,4
Basic Resources	165	4,5	-19,4	-60,5	N/A	3,1	2,1	20,8	N/A	N/A	9,2	0,9	0,8	0,8	0,9
Chemicals	1176	2,2	0,1	-13,5	-18,6	2,7	2,6	21,6	26,9	23,1	15,5	2,1	2,2	2,1	2,2
Financials															
Fin/al Services	471	2,2	-6,5	23,4	-38,1	2,6	2,6	14,7	21,8	16,8	13,6	1,5	1,2	1,2	1,1
Banks	54	2,2	-44,0	-1,1	-58,6	5,7	3,9	9,2	12,4	9,1	9,5	0,6	0,4	0,4	0,7
Insurance	222	2,0	-26,5	12,3	-21,9	4,8	6,5	11,0	10,2	8,4	9,3	1,0	0,7	0,7	0,9
Real Estate	198	3,2	-19,6	0,2	-7,0	4,2	4,4	19,1	16,5	16,0	17,0	1,0	0,8	0,8	1,0
Industrial	848	2,8	-9,8	12,0	-47,5	2,4	1,7	20,2	34,3	23,8	15,6	3,2	2,8	2,7	2,4
Consumer Discretionary															
Media	199	1,2	-11,4	4,1	-20,2	2,6	2,4	17,9	19,7	17,4	15,5	2,5	2,2	2,2	1,8
Retail	625	2,9	3,9	4,9	-39,8	2,6	1,7	26,0	44,7	31,6	21,9	6,7	6,0	5,6	4,2
Automobiles and parts	409	2,6	-16,0	-12,2	N/A	3,7	1,5	8,7	N/A	N/A	10,5	0,9	0,8	0,8	1,0
Travel and Leisure	167	-1,6	-21,8	-10,1	N/A	2,2	0,4	16,8	N/A	N/A	13,7	2,0	1,8	1,7	2,0
Technology	671	3,1	10,8	2,1	-11,1	1,1	0,7	27,9	33,6	27,6	18,9	4,8	4,5	4,2	3,3
Communication Services	238	0,4	-17,7	-9,6	-2,3	4,0	4,4	18,0	15,0	13,9	14,7	1,8	1,4	1,4	1,8
Consumer Staples															
Food&Beverage	464	1,6	-22,5	16,8	-38,5	2,1	2,0	20,6	25,7	20,8	18,8	2,7	2,0	1,9	2,6
Household Goods	1082	2,2	1,1	6,4	-28,9	1,6	1,3	29,9	41,7	33,1	21,7	6,1	5,7	5,3	3,9
Health care	817	-0,3	-6,1	7,0	-9,4	2,1	2,1	20,2	20,3	18,3	15,6	2,4	2,2	2,2	2,2
Utilities	352	3,1	1,4	57,7	-4,0	4,5	4,5	16,2	16,8	15,5	12,8	1,6	1,5	1,4	1,1

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

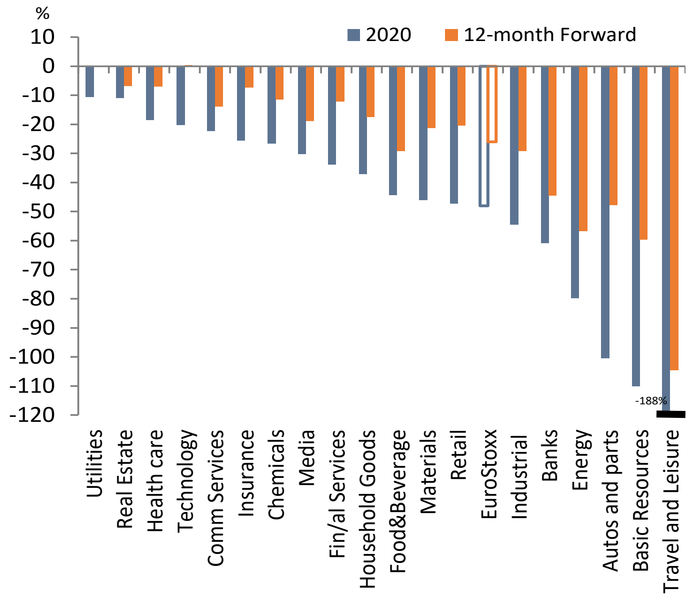
1-month revisions to 2020 & 12-month Forward EPS

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



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

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



Source: Factset, Data as of October 2nd
12-month forward EPS are 24% of 2020 EPS and 76% of 2021 EPS

Source: Factset, Data as of October 2nd
12-month forward EPS are 24% of 2020 EPS and 76% of 2021 EPS

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