



Investor attention turns to the Fed and ECB meetings

- The Fed is expected to raise the federal funds rate target by 25 bps, to 1.75% - 2.00% at its meeting on June 13th. Investor focus will be on the FOMC participants' estimates ("dots") for the path of the federal funds rate.
- Regarding the ECB, Chief Economist Praet delivered a hawkish message in the past week, expressing increased optimism regarding the criteria for a Sustained Adjustment in the Path of Inflation (SAPI).
- Mr Praet cited above trend GDP growth (consensus for 2018 real GDP: +2.3% yoy) and improved trends for wages, with negotiated wages in the euro area accelerating to +1.9% yoy in Q1:18 versus +1.6% yoy in Q4:17. He also commented on the resilience of inflation expectations (5Y/5Y to 1.75%) despite diminishing prospects for a sizeable further expansion of the Asset Purchase Programme (APP) beyond December 2018.
- The ECB is expected to debate the gradual unwinding of the APP at its meeting on Thursday 14th (currently: €30bn per month, up to September 2018), and there is a high probability that the ECB will announce the end of QE (December 2018), following purchases of €15bn per month in Q4:2018.
- The outlook for international trade policies remains uncertain, as the G-7 Summit on June 8 – 9 (comprising the US, Japan, Germany, UK, France, Italy and Canada) exhibited divisions between the US and major trade partners. Moreover, the US is expected to announce import tariffs on \$50 bn worth of Chinese imports on June 15th as well as Chinese inbound investment restrictions and enhanced export controls on June 30th.
- Global equities rose in the past week (MSCI World: +1.2% wow), mainly due to US equities, with the S&P500 at +1.6% wow. The EuroStoxx continued to perform weakly (-0.2% wow), mainly due to a decline in Italian equities by 3.4% wow. Recall that the EuroStoxx has underperformed the S&P500 by 4.5% since mid-May, due to a combination of stronger economic data in the US and political uncertainty in Italy.
- On Monday, however, pressure on Italian assets eased, following comments from the Italian finance minister, G.Tria, who underlined the administration's determination to avoid any actions that would undermine Italy's participation in the euro area (BTP/Bund spread: -34 bps to 235 bps | FTSE MIB: +3.4% | Banks: +5.8%).
- Italian government bonds were also under pressure in the past week, due to the prospect of the ECB ending QE. Recall that the ECB is a major holder of Italy's government bonds (€370 bn | 19% of total Italian Government Bonds).
- The hawkish ECB commentary lifted the euro (+0.9% wow against the US Dollar to \$1.177) and also led to higher Bund yields, with the 10 year tenor up by 6 bps to 0.45% (see page 11).

Ilias Tsirigotakis^{AC}
 Head of Global
 Markets Research
 210-3341547
 tsirigotakis.ilias@nbg.gr

Panagiotis Bakalis
 210-3341545
 mpakalis.pan@nbg.gr

Lazaros Ioannidis
 210-3341207
 ioannidis.lazaros@nbg.gr

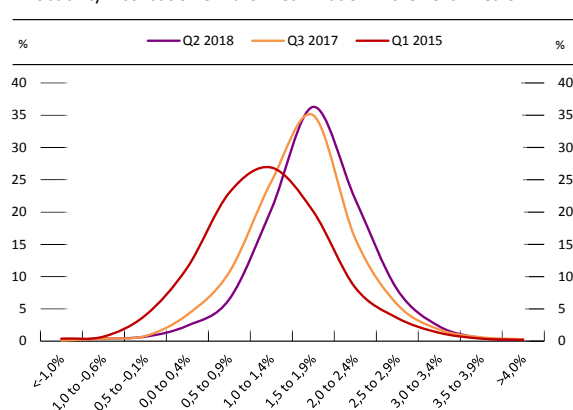
Vasiliki Karagianni
 210-3341548
 karagianni.vasiliki@nbg.gr

Table of Contents

- Overview_p1
- Economics & Markets_p2,3
- Asset Allocation_p4
- Outlook_p5,6
- Forecasts_p7
- Event Calendar_p8
- Markets Monitor_p9
- ChartRoom_p10,11
- Market Valuation_p12,13

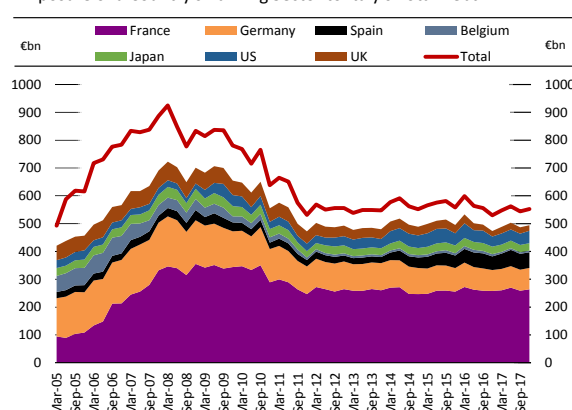
Charts of the week

Probability Distribution of Euro Area Inflation in the next 2 Years



Source: NBG Research, ECB Survey of Professional Forecasters (SPF)

Exposure of a Country's Banking Sector to Italy's Total Debt*



Source: NBG Research, BIS, Datastream, Total Debt = Government + Private + Financial Debt

Further evidence of tightness in the US labor market

- **The latest data from the Job Openings and Labor Turnover Survey (JOLTS) supports the view of a strong underlying pace of job creation and a firm labor market in the US.** Job openings stood at a record high (since the survey began in December 2000) of 6.70mn in April, compared with 6.63mn in March, above consensus estimates for 6.35mn. At the same time, in an implicit sign of labor market tightness leading to labor supply shortages, businesses appear to be struggling to recruit employees with the desired skills. Indeed, actual hires lagged job openings by +1120k. Unsurprisingly, in view of, *inter alia*, the high availability of vacant job positions, mobility in the labor market as indicated by the “quits rate” (number of quits to total employment) was stable at 2.3% in April, a joint-highest since April 2001. Recall that the latter metric has been cited on various occasions by the Fed, in the past, as an additional indicator to be monitored, in the context of assessing labor market slack (a higher “quits rate” indicating less slack).

The US trade deficit remains elevated at 4.2% of GDP

- **The US trade deficit narrowed for a 2nd consecutive month in April.** Goods exports (in constant price terms) fell by 0.2% mom (+7.5% yoy), while goods imports decreased by 0.4% (+4.8% yoy). As a result, the (goods) trade deficit (in constant price terms) declined to \$77.5bn in April, compared with \$78.2bn in March (and a record high of \$85.4bn in February). In nominal terms, the respective deficit was \$68.3bn, compared with \$69.3bn in March (4.2% of GDP, on a 12-month rolling basis). By country, the bilateral (goods) trade deficit (in nominal terms) with China (\$30.8bn) is by far the largest, followed by Mexico (\$6.0bn), Japan (\$5.9bn) and Germany (\$5.6bn) on a monthly basis.

US business confidence remains strong

- **US business surveys overshoot expectations in May.** The ISM manufacturing index was 58.7 (consensus: 58.2) compared with 57.3 in April (59.7, on average, in Q1:18). Similarly, the ISM non-manufacturing index was up by 1.8 pts to 58.6 (consensus: 57.7 | Q1:18 average: 59.4). In both cases, the improvement was broad based across components. However, there was a notable exception of new export orders in the manufacturing survey, which declined, for a 3rd consecutive month, by 2.1 pts to 55.6 (following a peak of 62.8 in February 2018). Note that respondents continued to cite concerns about import tariffs and trade tensions, and their impact on the cost of goods. In the event, recall that the (input) prices component is currently at its highest level since April 2011, mainly due to a combination of higher energy prices (on account of oil’s appreciation) and raw materials prices. Overall, consensus estimates for GDP growth for Q2:18 stand at +3.3% qoq saar, while GDPNowcast models (Atlanta Fed, New York Fed) point to growth of 3.1% - 4.6% qoq saar (+2.2% qoq saar in Q1:18).

Euro area GDP growth slows in Q1:18 due to net exports

- **The final estimate for Q1:18 GDP (the first with the composition of GDP) was broadly unchanged compared with the previous estimate, at +1.5% qoq saar (+2.5% yoy) compared with +2.8% qoq saar (+2.8% yoy) in Q4:17.** Private

consumption, following a relatively weak performance in Q4:17 (+0.7% qoq saar), posted a +1.9% qoq saar and was the main contributor to overall GDP growth (+1.0 pp). Capital formation decelerated to +2.0% qoq saar (+0.4 pps contribution), compared with a solid +5.5% qoq saar in Q4:17, with residential investment at a strong +4.9% qoq saar and business investment underperforming (+0.3% qoq saar). Inventories added a further 0.6 pps to overall growth in Q1:18, a development which could act as a headwind to Q2:18 growth, while government consumption was largely flat on a quarterly basis. Finally, net trade was the main factor behind the slowdown in GDP growth in Q1:18, subtracting 0.6 pps from the headline figure, after being the major contributor to overall growth for two consecutive quarters (+1.6 pps to an overall GDP growth of 2.8% qoq saar in Q4:17 and +2.1 pps to overall GDP growth of 2.9% qoq saar in Q3:17). It should be noted that both exports (-1.6% qoq saar) and imports (-0.5% saar) performed poorly in Q1:18.

Japanese Q1 GDP growth broadly unrevised at weak levels

- **The 2nd estimate for Q1:18 GDP growth was -0.6% qoq saar, unchanged compared with the previous estimate.** Annual growth of GDP in Q1:18 was +1.1% yoy. Downward revisions to private consumption, public investment, and inventories offset upward revisions for business investment, residential investment and government consumption, while net exports were not revised. Looking forward, strong readings in Q1:18 for employee compensation (+2.9% qoq saar | +2.1% yoy, in constant price terms, compared with +1.3% qoq saar | +1.5% yoy on average in 2017) leave room for improvement in private consumption. Regarding capital expenditure, business sentiment has been soft so far in Q2:18, clouding the outlook. In the event, the Cabinet Office’s Economy Watchers survey deteriorated in May. Specifically, the current conditions index was 47.1 (consensus for 49.2), the lowest since September 2016, compared with 49.0 in April and 49.1, on average in Q1:18. At the same time, the forward-looking indicator (outlook for 2-3 months ahead) was down by 0.9 pts, to 49.2 (consensus: 50.3).

Chinese trade data suggest a continuation of solid economic momentum

- **Both external and domestic demand remain strong, according to the latest data regarding China’s international trade in goods.** Specifically, exports -- in USD terms -- rose by 12.6% yoy in May, the same pace of growth as in April, slightly overshooting consensus estimates for +11.1% yoy. Note that, so far, in 2018, exports -- in USD terms -- have risen by 15.4% yoy, on average, versus +7.7% yoy, on average, in 2017. At the same time, imports rose by 26.0% yoy (consensus: +18.0% yoy), compared with +21.5% yoy in April (+21.1% yoy, on average, so far in 2018, versus +16.7% yoy, on average, in 2017). Although the latest readings soften the outlook regarding net trade’s contribution to GDP growth in Q2:18, the rise in imports may translate into improved domestic activity.

Equities

- **Global equity markets increased in the past week, with record highs in some segments (US IT, US small cap – see Graph 1). Investor sentiment was dominated by trade concerns (G7, Trump/Kim meeting) and risk-off/risk-on sentiment due to developments in Italy.** Overall, the MSCI World index ended the week up by 1.2%, with developed markets (+1.4% wov) overperforming their emerging market peers (+0.5% wov). Global equities rose, led by US equities, with the S&P500 at +1.6% wov. The EuroStoxx continued to perform weakly (-0.2% wov), mainly due to a decline in Italian equities by 3.4% wov. Recall that the EuroStoxx has underperformed the S&P500 by 4.5% since mid-May, due to a combination of weaker economic data in the euro area, stronger economic data in the US and political uncertainty in Italy.

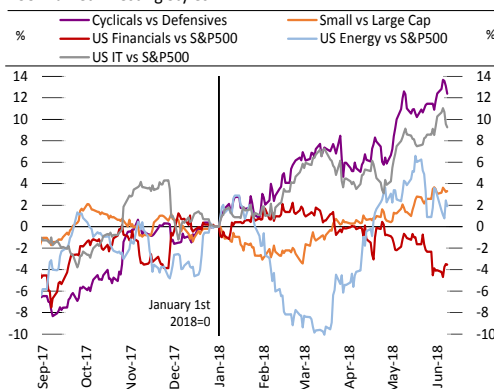
Fixed Income

- **Government bond yields rose across the board in the past week, due to positive economic data (US) and hawkish comments by ECB officials.** The US 10-Year yield rose by 4 bps wov to 2.95% ahead of the Fed meeting (June 13th). In the UK, the 10-Year Gilt yield widened by 11 bps wov to 1.39%. The 10-Year Bund was up by 6 bps wov to 0.45% ahead of the ECB meeting (June 14th). Bond spreads over the Bund widened considerably in Italy, by 38 bps wov in the 10-Year tenor to 268 bps, while they declined in Spain (-3 bps to 102 bps).

FX and Commodities

- **In foreign exchange markets, the hawkish ECB commentary lifted the euro (+0.9% wov against the US Dollar to \$1.177).** Note that the euro was supported on Monday by pro-euro area comments by the Italian finance minister G. Tria, reaching a 1-month high against the GBP (€/0.881).
- **In commodities, oil prices ended the week lower, with market focus on the issue of whether OPEC and Russia will let the supply-cut agreement come to a close** at the meeting on June 22. Overall, the WTI declined by 0.3% wov to \$65.7/barrel and Brent was down by 1.3% to \$75.8/barrel.

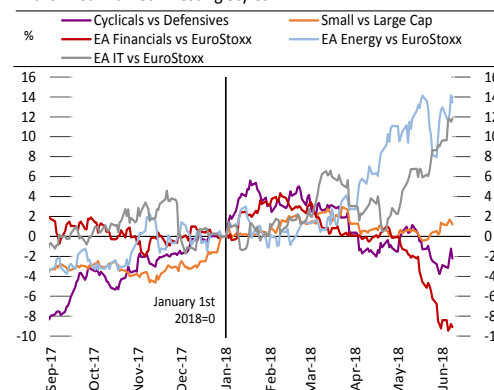
US Market Investing Styles



Source: NBG Research, Bloomberg

Graph 1.

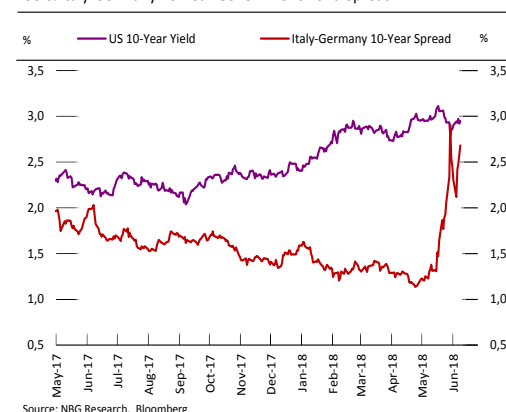
Euro Area Market Investing Styles



Source: NBG Research, Bloomberg

Graph 2.

US & Italy-Germany 10-Year Government Bond Spread



Source: NBG Research, Bloomberg

Graph 3.

Quote of the week: "We are not discussing any proposal to exit the euro. The government is determined to avoid the materialization of market conditions that push us towards an exit in any way", **Finance Minister of Italy, Giovanni Tria**, June 10th 2018.

Tactical Asset Allocation (3-month)

- **Equities:** We remain Neutral/Overweight relative to a 55-40-5 portfolio. Global GDP growth and corporate earnings are strong, albeit offset by trading concerns and the anticipating peak of central bank (C/B) liquidity. Volatility in returns will prevail in the rest of 2018 resulting in lower risk-adjusted returns. US tax-reform may support equities albeit we closed our O/W locking in gains. O/W Euro area and US financials due to higher yields, steeper curves and still favorable relative valuations.
- **Government Bonds:** Higher yields due to less aggressive C/Bs, reduced liquidity and stronger inflation data, albeit safe haven demand could support prices near-term. **Underweight Govies.** Steeper curves, particularly in Bunds.
- **Credit:** Credit spreads have less fuel to run. **Underweight position in credit** with a preference for banks.
- **Cash: OW position**, as a hedge, as well as a way of being tactical. 2018 is less likely to be as "risk on" as 2017.

NBG Global Markets - Main Equity Sector Calls

| US Sector | Position | View/Comment |
|----------------------|----------|---|
| Banks | OW | Rising rates from low levels and low deposit betas will support interest margins. Less regulation also positive. Valuations (relative to the market) still attractive. |
| Energy | Neutral | OPEC's deal extension until end of 2018 has supported oil prices. However, US oil production is increasing (at 2015 high levels) and expected RoE for Energy firms remains low. Light positioning and sizeable underperformance (2017) may present a buying opportunity. Oil backwardation a positive for the sector. |
| Defensives/ Cyclical | Neutral | We turn Neutral Defensives amid elevated volatility and favorable relative valuations. Underweight Consumer Discretionary (Cyclicals) as the sector is a major underperformer during Fed hiking cycles and has high wage expenses. |

| EA Sector | Position | View/Comment |
|----------------------|----------|---|
| 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/ Cyclical | Neutral | We turn Neutral Defensives amid elevated volatility and favorable relative valuations. Underweight Consumer Discretionary (Cyclicals) as the sector is a major underperformer during Fed hiking cycles and has high wage expenses. |

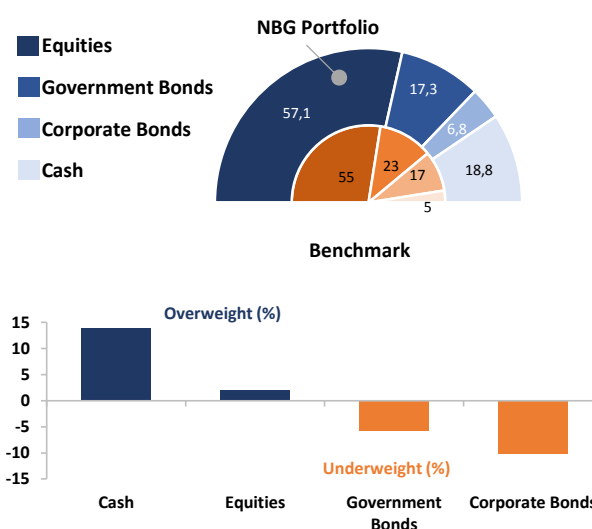
*Including Technology and Industrials

**Including Healthcare, Utilities, Telecoms

Notes:

- (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 | - |
| Emerging Markets | 11 | 11 | - |
| 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 |
| Foreign Debt | <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 |
| | <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 |
| Foreign Exchange | <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 (%) | June 8th | 3-month | 6-month | 12-month | Official Rate (%) | June 8th | 3-month | 6-month | 12-month |
|---------------------------|----------|---------|---------|----------|-------------------|----------|---------|---------|----------|
| Germany | 0,45 | 0,70 | 0,90 | 1,10 | Euro area | 0,00 | 0,00 | 0,00 | 0,00 |
| US | 2,95 | 3,10 | 3,20 | 3,40 | US | 1,75 | 2,00 | 2,25 | 2,75 |
| UK | 1,39 | 1,61 | 1,73 | 1,86 | UK | 0,50 | 0,60 | 0,75 | 0,90 |
| Japan | 0,05 | 0,08 | 0,08 | 0,12 | Japan | -0,10 | -0,10 | -0,10 | -0,10 |

| Currency | June 8th | 3-month | 6-month | 12-month | June 8th | 3-month | 6-month | 12-month | |
|----------------|----------|---------|---------|----------|----------------|---------|---------|----------|------|
| EUR/USD | 1,18 | 1,20 | 1,20 | 1,22 | USD/JPY | 110 | 110 | 109 | 107 |
| EUR/GBP | 0,88 | 0,88 | 0,88 | 0,88 | GBP/USD | 1,34 | 1,37 | 1,36 | 1,38 |
| EUR/JPY | 129 | 132 | 131 | 130 | | | | | |

Forecasts at end of period

Economic Forecasts

| United States | 2016a | Q1:17a | Q2:17a | Q3:17a | Q4:17a | 2017a | Q1:18a | Q2:18f | Q3:18f | Q4:18f | 2018f |
|---------------------------------------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|-------|
| Real GDP Growth (YoY) (1) | 1,5 | 2,0 | 2,2 | 2,3 | 2,6 | 2,3 | 2,8 | 2,8 | 2,7 | 2,5 | 2,7 |
| Real GDP Growth (QoQ saar) (2) | - | 1,2 | 3,1 | 3,2 | 2,9 | - | 2,2 | 3,0 | 2,6 | 2,0 | - |
| Private Consumption | 2,7 | 1,9 | 3,3 | 2,2 | 4,0 | 2,8 | 1,0 | 2,6 | 2,6 | 2,4 | 2,4 |
| Government Consumption | 0,8 | -0,6 | -0,2 | 0,7 | 3,0 | 0,1 | 1,1 | 1,6 | 3,1 | 3,0 | 1,8 |
| Investment | 0,7 | 8,1 | 3,2 | 2,4 | 8,2 | 4,0 | 6,5 | 4,5 | 4,2 | 1,7 | 4,6 |
| Residential | 5,5 | 11,1 | -7,3 | -4,7 | 12,8 | 1,8 | -2,0 | 2,6 | 2,6 | 2,7 | 2,2 |
| Non-residential | -0,6 | 7,1 | 6,7 | 4,7 | 6,8 | 4,7 | 9,2 | 5,3 | 4,6 | 1,5 | 5,4 |
| Inventories Contribution | -0,4 | -1,5 | 0,1 | 0,8 | -0,5 | -0,1 | 0,1 | 0,1 | 0,0 | 0,0 | 0,1 |
| Net Exports Contribution | -0,2 | 0,2 | 0,2 | 0,4 | -1,3 | -0,2 | 0,1 | -0,1 | -0,4 | -0,5 | -0,2 |
| Exports | -0,3 | 7,3 | 3,5 | 2,1 | 7,0 | 3,4 | 4,2 | 6,1 | 1,3 | 1,8 | 4,4 |
| Imports | 1,3 | 4,3 | 1,5 | -0,7 | 14,1 | 4,0 | 2,8 | 5,3 | 3,5 | 4,6 | 4,9 |
| Inflation (3) | 1,3 | 2,5 | 1,9 | 1,9 | 2,1 | 2,1 | 2,2 | 2,6 | 2,7 | 2,4 | 2,5 |

| Euro Area | 2016a | Q1:17a | Q2:17a | Q3:17a | Q4:17a | 2017a | Q1:18a | Q2:18f | Q3:18f | Q4:18f | 2018f |
|-----------------------------------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|-------|
| Real GDP Growth (YoY) | 1,8 | 2,1 | 2,5 | 2,8 | 2,8 | 2,4 | 2,5 | 2,4 | 2,2 | 2,0 | 2,3 |
| Real GDP Growth (QoQ saar) | - | 2,7 | 3,0 | 2,9 | 2,8 | - | 1,5 | 2,4 | 2,0 | 2,1 | - |
| Private Consumption | 1,9 | 1,5 | 1,9 | 1,5 | 0,7 | 1,7 | 1,9 | 3,3 | 1,9 | 1,7 | 1,7 |
| Government Consumption | 1,8 | 0,5 | 1,9 | 1,8 | 1,1 | 1,2 | 0,1 | 1,2 | 1,8 | 1,3 | 1,3 |
| Investment | 4,5 | 0,5 | 8,3 | -1,2 | 5,5 | 3,5 | 2,0 | 4,2 | 3,4 | 3,1 | 3,7 |
| Inventories Contribution | -0,1 | -0,3 | 0,5 | -0,2 | -0,6 | 0,0 | 0,6 | 0,0 | 0,1 | 0,1 | 0,0 |
| Net Exports Contribution | -0,4 | 1,9 | -0,7 | 2,1 | 1,6 | 0,6 | -0,6 | -0,6 | -0,3 | 0,2 | 0,3 |
| Exports | 3,3 | 6,6 | 4,6 | 6,3 | 9,1 | 5,5 | -1,6 | 4,3 | 4,4 | 4,8 | 5,3 |
| Imports | 4,6 | 2,6 | 6,6 | 2,0 | 6,2 | 4,5 | -0,5 | 6,1 | 5,4 | 4,8 | 5,0 |
| Inflation | 0,2 | 1,8 | 1,5 | 1,4 | 1,4 | 1,5 | 1,2 | 1,5 | 1,6 | 1,6 | 1,5 |

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

South Eastern Europe Economic Forecasts
Economic Indicators

| | 2014 | 2015 | 2016 | 2017f | 2018f | 2019f |
|---|------|------|------|-------|-------|-------|
| Real GDP Growth (%) | | | | | | |
| Turkey | 5,2 | 6,1 | 3,2 | 7,4 | 4,2 | 4,4 |
| Romania | 3,1 | 4,0 | 4,8 | 7,0 | 4,8 | 3,8 |
| Bulgaria | 1,3 | 3,6 | 3,9 | 3,6 | 3,8 | 3,5 |
| Serbia | -1,8 | 0,8 | 2,8 | 1,9 | 3,6 | 3,6 |
| Headline Inflation (eop,%) | | | | | | |
| Turkey | 8,2 | 8,8 | 8,5 | 11,9 | 12,8 | 10,2 |
| Romania | 0,8 | -0,9 | -0,5 | 3,3 | 4,2 | 3,7 |
| Bulgaria | -0,9 | -0,4 | 0,1 | 2,8 | 2,4 | 2,6 |
| Serbia | 1,7 | 1,5 | 1,6 | 3,0 | 2,5 | 2,8 |
| Current Account Balance (% of GDP) | | | | | | |
| Turkey | -4,7 | -3,7 | -3,8 | -5,6 | -6,0 | -5,4 |
| Romania | -0,7 | -1,2 | -2,1 | -3,3 | -4,1 | -4,5 |
| Bulgaria | 0,1 | 0,0 | 2,3 | 4,5 | 3,1 | 1,7 |
| Serbia | -6,0 | -3,7 | -3,1 | -5,7 | -4,9 | -4,8 |
| Fiscal Balance (% of GDP) | | | | | | |
| Turkey | -1,1 | -1,0 | -1,1 | -1,5 | -1,9 | -1,5 |
| Romania | -1,7 | -1,5 | -2,4 | -2,8 | -4,0 | -4,3 |
| Bulgaria | -3,7 | -2,8 | 1,6 | 0,9 | -0,5 | -0,3 |
| Serbia | -6,6 | -3,7 | -1,3 | 1,2 | 0,3 | 0,1 |

f: NBG forecasts

Stock Markets (in local currency)

| Country - Index | 11/6/2018 | Last week return (%) | Year-to-Date change (%) | 2-year change (%) |
|-------------------------|-----------|----------------------|-------------------------|-------------------|
| Turkey - ISE100 | 96.661 | -2,6 | -16,2 | 25,7 |
| Romania - BET-BK | 1.618 | 2,1 | -2,0 | 37,5 |
| Bulgaria - SOFIX | 630 | -1,4 | -7,1 | 41,4 |
| Serbia - BELEX15 | 733 | -1,7 | -3,6 | 17,3 |

| Financial Markets | 11/6/2018 | 3-month forecast | 6-month forecast | 12-month forecast |
|---|-----------|------------------|------------------|-------------------|
| 1-m Money Market Rate (%) | | | | |
| Turkey | 18,9 | 17,8 | 17,8 | 16,5 |
| Romania | 2,9 | 2,8 | 2,9 | 3,0 |
| Bulgaria | -0,1 | 0,1 | 0,1 | 0,2 |
| Serbia | 2,6 | 2,9 | 3,1 | 3,5 |
| Currency | | | | |
| TRY/EUR | 5,33 | 5,30 | 5,20 | 5,30 |
| RON/EUR | 4,66 | 4,64 | 4,65 | 4,68 |
| BGN/EUR | 1,96 | 1,96 | 1,96 | 1,96 |
| RSD/EUR | 118,0 | 117,9 | 117,6 | 117,4 |
| Sovereign Eurobond Spread (in bps) | | | | |
| Turkey (USD 2020)(*) | 318 | 280 | 240 | 180 |
| Romania (EUR 2024) | 128 | 125 | 120 | 110 |
| Bulgaria (EUR 2022) | 48 | 56 | 48 | 40 |
| Serbia (USD 2021)(*) | 155 | 145 | 130 | 120 |

(*) Spread over US Treasuries

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 | 2779 | 1,6 | 3,9 | 14,2 | 31,1 | MSCI Emerging Markets | 61238 | 0,9 | 0,6 | 13,0 | 33,1 |
| Japan | NIKKEI 225 | 22695 | 2,4 | -0,3 | 14,0 | 34,8 | MSCI Asia | 943 | 1,4 | 2,2 | 14,7 | 40,9 |
| UK | FTSE 100 | 7681 | -0,3 | -0,1 | 3,1 | 21,9 | China | 95 | 2,0 | 6,5 | 28,0 | 67,8 |
| Canada | S&P/TSX | 16203 | 1,0 | 0,0 | 5,1 | 13,2 | Korea | 735 | 0,3 | -1,8 | 6,4 | 34,6 |
| Hong Kong | Hang Seng | 30958 | 1,5 | 3,5 | 18,8 | 45,4 | MSCI Latin America | 82077 | -2,5 | -4,3 | 8,3 | 22,5 |
| Euro area | EuroStoxx | 384 | -0,2 | -0,3 | -0,1 | 18,5 | Brazil | 244064 | -5,3 | -5,1 | 13,3 | 33,0 |
| Germany | DAX 30 | 12767 | 0,3 | -1,2 | 0,4 | 25,0 | Mexico | 43291 | 1,7 | -7,1 | -5,8 | -0,8 |
| France | CAC 40 | 5450 | -0,3 | 2,6 | 3,5 | 22,5 | MSCI Europe | 5289 | -0,8 | -1,8 | 9,8 | 15,8 |
| Italy | FTSE/MIB | 21356 | -3,4 | -2,3 | 1,5 | 19,2 | Russia | 1023 | -1,7 | 7,1 | 23,8 | 18,1 |
| Spain | IBEX-35 | 9746 | 1,2 | -3,0 | -11,0 | 10,4 | Turkey | 1298877 | -2,6 | -17,9 | -5,6 | 15,9 |

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 | 235,1 | 0,6 | 5,2 | 20,3 | 15,0 | Energy | 238,3 | 0,4 | 6,1 | 18,4 | 16,3 |
| Materials | 281,8 | 2,3 | 0,4 | 17,4 | 36,5 | Materials | 264,7 | 2,0 | 1,3 | 15,4 | 37,1 |
| Industrials | 261,5 | 1,3 | -0,1 | 10,5 | 28,6 | Industrials | 256,3 | 1,1 | 0,2 | 9,2 | 29,2 |
| Consumer Discretionary | 257,0 | 2,6 | 7,3 | 17,5 | 34,4 | Consumer Discretionary | 246,6 | 2,4 | 7,4 | 16,5 | 35,2 |
| Consumer Staples | 217,7 | 1,3 | -8,5 | -6,6 | -1,6 | Consumer Staples | 215,9 | 1,0 | -8,0 | -7,5 | -0,4 |
| Healthcare | 231,3 | 1,3 | 1,6 | 6,6 | 11,6 | Healthcare | 227,4 | 1,2 | 1,9 | 6,0 | 12,3 |
| Financials | 122,6 | 1,3 | -3,7 | 9,4 | 31,3 | Financials | 121,4 | 1,1 | -2,9 | 7,9 | 31,8 |
| IT | 248,1 | 1,0 | 12,4 | 26,0 | 68,0 | IT | 239,8 | 0,9 | 12,4 | 25,6 | 68,2 |
| Telecoms | 65,0 | 1,9 | -8,6 | -7,5 | -10,5 | Telecoms | 66,8 | 1,6 | -8,4 | -8,9 | -9,7 |
| Utilities | 120,4 | -1,7 | -5,4 | -6,9 | -1,5 | Utilities | 122,0 | -1,9 | -4,9 | -8,0 | -1,1 |

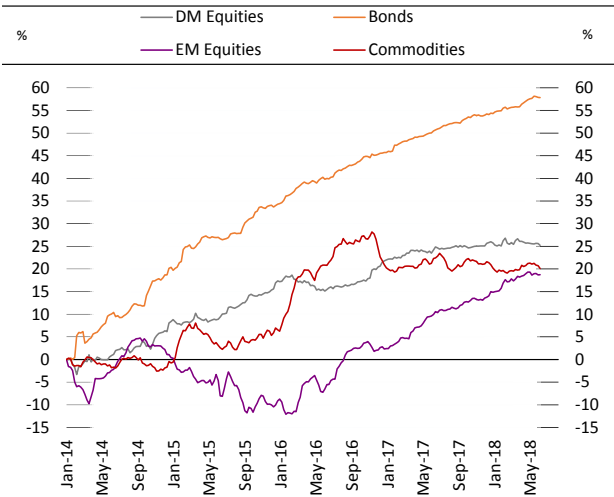
Bond Markets (%)

| 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 | 2,95 | 2,90 | 2,41 | 2,19 | 2,54 | US Treasuries 10Y/2Y | 45 | 43 | 52 | 87 | 174 |
| Germany | 0,45 | 0,39 | 0,43 | 0,26 | 1,67 | US Treasuries 10Y/5Y | 16 | 15 | 20 | 44 | 88 |
| Japan | 0,05 | 0,05 | 0,05 | 0,07 | 0,70 | Bunds 10Y/2Y | 110 | 102 | 105 | 99 | 129 |
| UK | 1,39 | 1,28 | 1,19 | 1,03 | 2,42 | Bunds 10Y/5Y | 65 | 61 | 63 | 71 | 77 |
| Greece | 4,71 | 4,51 | 4,12 | 6,07 | 10,29 | Corporate Bond Spreads (in bps) | Current | Last week | Year Start | One Year Back | 10-year average |
| Ireland | 1,07 | 0,98 | 0,67 | 0,69 | 4,15 | | | | | | |
| Italy | 3,12 | 2,66 | 2,01 | 2,17 | 3,51 | | | | | | |
| Spain | 1,47 | 1,44 | 1,57 | 1,48 | 3,47 | | | | | | |
| Portugal | 2,06 | 1,88 | 1,94 | 3,02 | 5,24 | | | | | | |
| US Mortgage Market (1. Fixed-rate Mortgage) | | | | | | EM Inv. Grade (IG) | 171 | 169 | 138 | 160 | 264 |
| 30-Year FRM¹ (%) | 4,8 | 4,8 | 4,2 | 4,1 | 4,3 | EM High yield | 446 | 449 | 371 | 454 | 802 |
| vs 30Yr Treasury (bps) | 166 | 170 | 148 | 129 | 97 | US IG | 122 | 121 | 98 | 119 | 193 |
| | | | | | | US High yield | 345 | 355 | 358 | 376 | 625 |
| | | | | | | Euro area IG | 116 | 115 | 87 | 110 | 167 |
| | | | | | | Euro area High Yield | 360 | 358 | 272 | 295 | 645 |

Foreign Exchange & Commodities

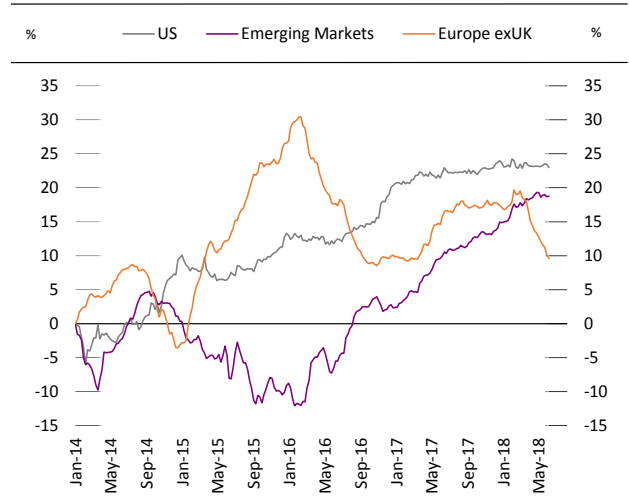
| Foreign Exchange | | | | | | Commodities | | | | | |
|-------------------------------|---------|-------------------|--------------------|-------------------|-------------------------|----------------------------------|---------|-------------------|--------------------|-------------------|-------------------------|
| | 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 | 397 | -2,4 | -0,8 | -4,7 | 4,5 |
| EUR/USD | 1,18 | 0,9 | -0,7 | 5,0 | -2,0 | Energy | 516 | -0,4 | -3,5 | 47,9 | 11,6 |
| EUR/CHF | 1,16 | 0,6 | -2,7 | 6,9 | -0,9 | West Texas Oil (\$) | 66 | -0,1 | -7,6 | 44,0 | 8,8 |
| EUR/GBP | 0,88 | 0,4 | 0,3 | 1,3 | -1,2 | Crude Brent Oil (\$) | 76 | -0,6 | -1,6 | 60,9 | 13,4 |
| EUR/JPY | 128,93 | 0,9 | -0,9 | 4,5 | -4,7 | Industrial Metals | 1481 | 2,8 | 3,9 | 27,3 | 2,2 |
| EUR/NOK | 9,49 | -0,6 | -0,9 | -0,4 | -3,7 | Precious Metals | 1558 | 0,5 | -0,9 | 0,3 | -1,2 |
| EUR/SEK | 10,25 | -0,4 | -0,6 | 4,9 | 4,5 | Gold (\$) | 1299 | 0,4 | -1,0 | 1,7 | -0,3 |
| EUR/AUD | 1,55 | 0,6 | -2,5 | 4,2 | 0,9 | Silver (\$) | 17 | 2,4 | 1,8 | -3,7 | -0,8 |
| EUR/CAD | 1,52 | 0,8 | -0,1 | 0,5 | 0,8 | Baltic Dry Index | 1391 | 20,3 | -5,1 | 68,8 | 1,8 |
| USD-based cross rates | | | | | | Baltic Dirty Tanker Index | 734 | -2,7 | 11,9 | 4,1 | -11,2 |
| USD/CAD | 1,29 | -0,2 | 0,6 | -4,3 | 2,8 | | | | | | |
| USD/AUD | 1,32 | -0,4 | -1,8 | -0,7 | 2,8 | | | | | | |
| USD/JPY | 109,53 | 0,0 | -0,2 | -0,4 | -2,8 | | | | | | |

Global Cross Asset ETFs: Flows as % of AUM



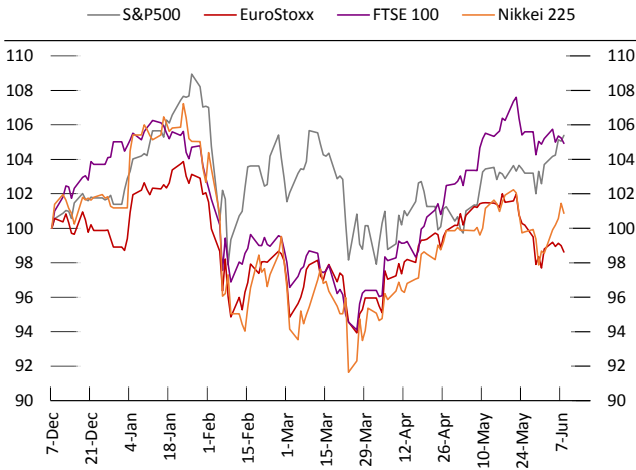
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of June 8th

Equity ETFs: Flows as % of AUM



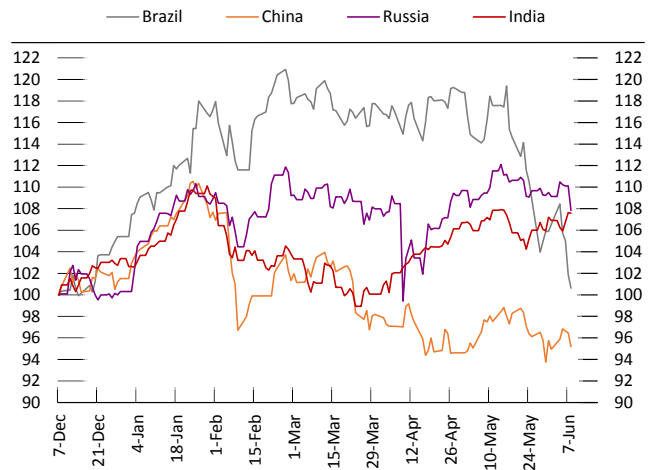
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of June 8th

Equity Market Performance - G4



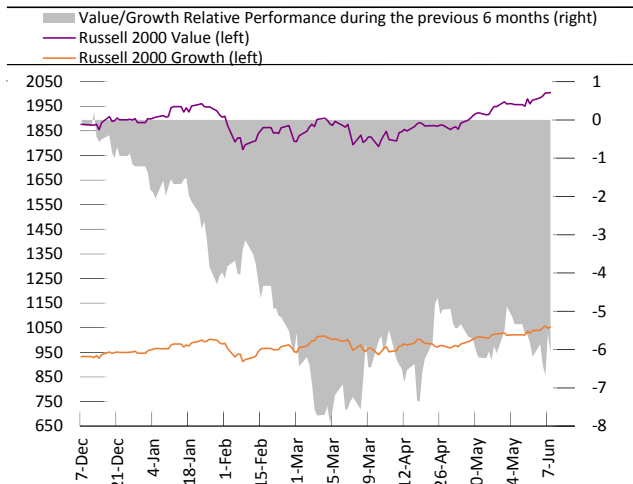
Source: Bloomberg - Data as of June 8th - Rebased @ 100

Equity Market Performance - BRICs



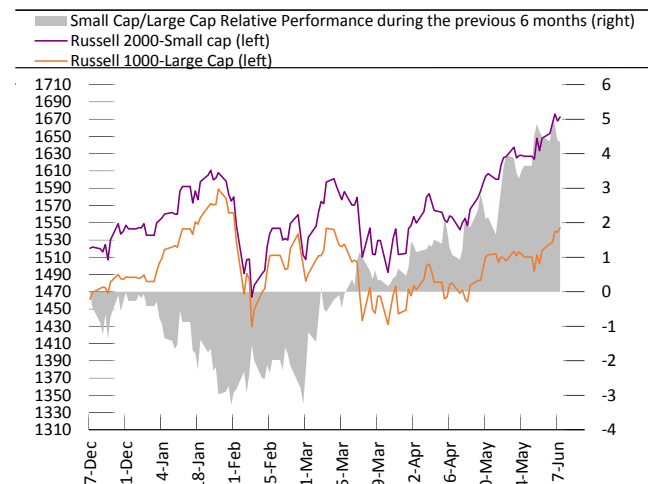
Source: Bloomberg - Data as of June 8th - Rebased @ 100

Russell 2000 Value & Growth Index



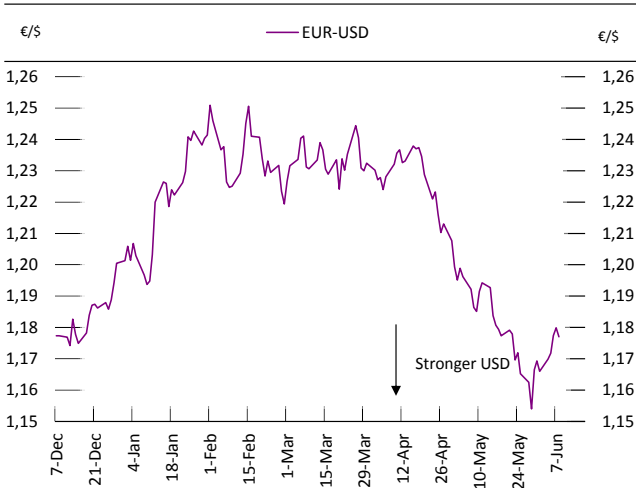
Source: Bloomberg, Data as of June 8th

Russell 2000 & Russell 1000 Index



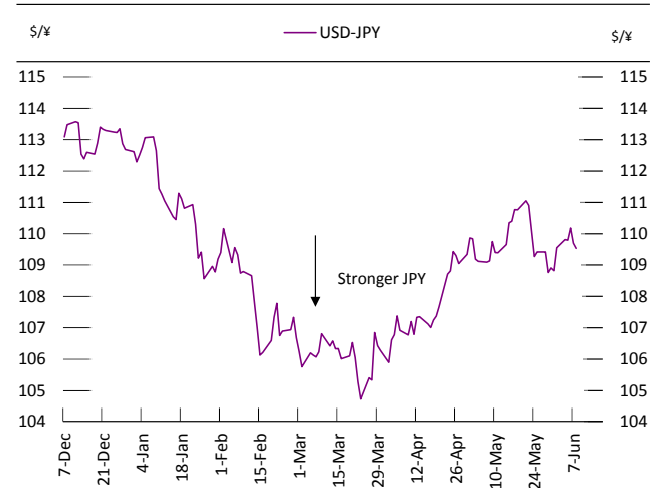
Source: Bloomberg, Data as of June 8th

EUR/USD



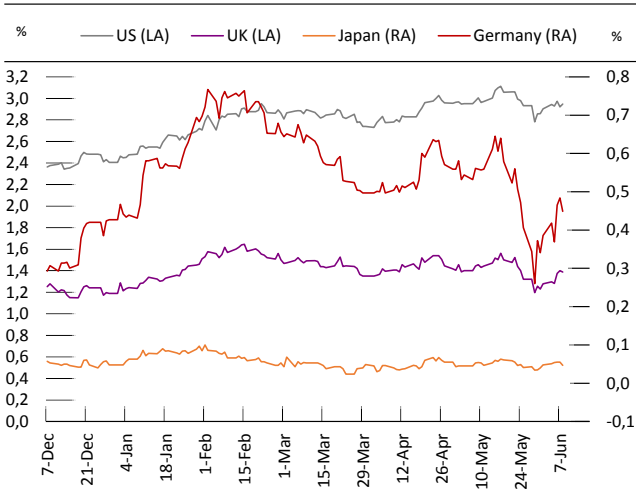
Source: Bloomberg, Data as of June 8th

JPY/USD



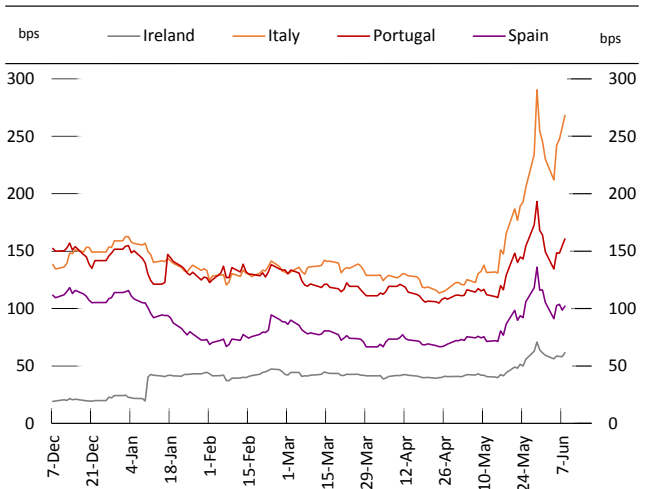
Source: Bloomberg, Data as of June 8th

10- Year Government Bond Yields



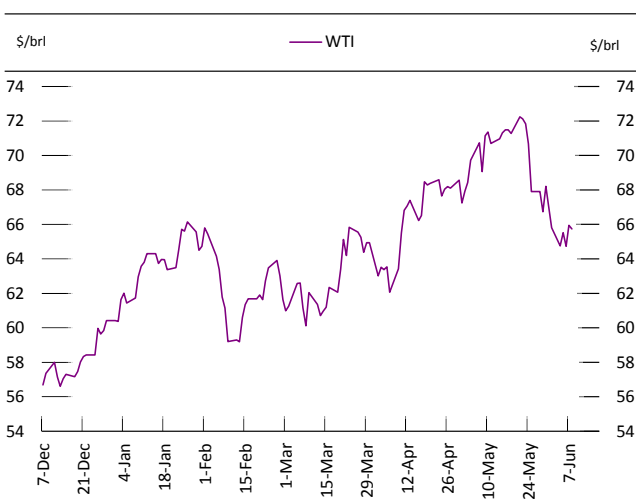
Source: Bloomberg - Data as of June 8th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



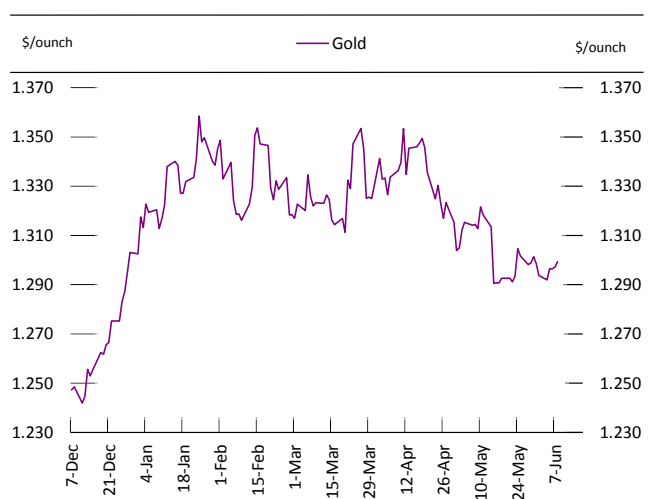
Source: Bloomberg - Data as of June 8th

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of June 8th

Gold (\$/ounce)



Source: Bloomberg, Data as of June 8th

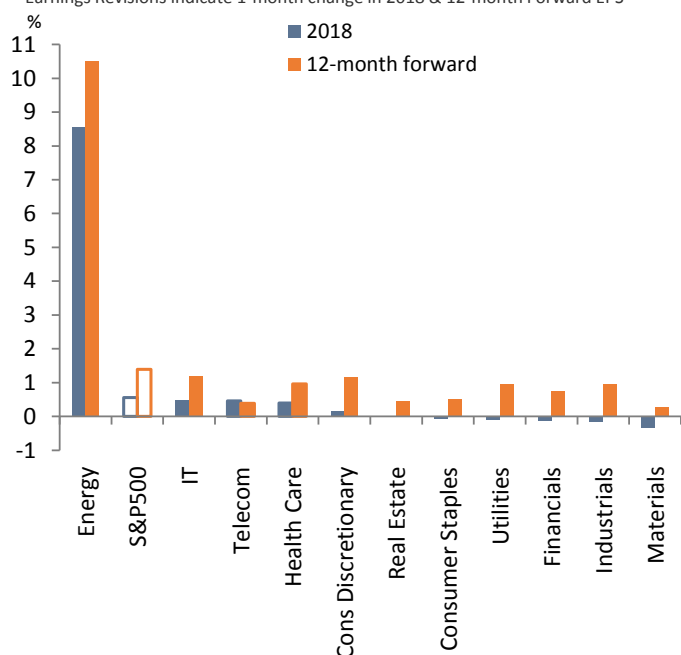
US Sectors Valuation

| | Price (\$) | | EPS Growth (%) | | Dividend Yield (%) | | P/E Ratio | | | | P/BV Ratio | | | |
|-------------------------------------|------------|-----------------|----------------|------|--------------------|------|-----------|------|---------|----------|------------|------|---------|----------|
| | 8/6/2018 | % Weekly Change | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 12m fwd | 10Yr Avg | 2017 | 2018 | 12m fwd | 10Yr Avg |
| S&P500 | 2779 | 1,6 | 11,6 | 20,8 | 1,8 | 1,9 | 20,5 | 17,4 | 16,7 | 14,4 | 3,3 | 3,2 | 3,1 | 2,3 |
| Energy | 565 | 0,6 | 249,3 | 98,7 | 2,9 | 2,8 | 34,1 | 19,8 | 18,6 | 19,8 | 1,8 | 2,0 | 1,9 | 1,8 |
| Materials | 380 | 2,9 | 8,0 | 27,5 | 1,9 | 2,0 | 20,8 | 16,6 | 16,1 | 14,4 | 2,8 | 2,6 | 2,5 | 2,5 |
| Financials | | | | | | | | | | | | | | |
| Diversified Financials | 695 | 2,3 | 8,7 | 28,9 | 1,2 | 1,5 | 20,4 | 15,6 | 15,0 | 13,8 | 2,0 | 1,9 | 1,8 | 1,4 |
| Banks | 341 | 2,2 | 13,2 | 26,0 | 1,8 | 2,3 | 16,2 | 12,2 | 11,7 | 12,6 | 1,5 | 1,4 | 1,3 | 0,9 |
| Insurance | 388 | 1,8 | 2,5 | 36,8 | 2,0 | 2,2 | 16,6 | 12,0 | 11,6 | 10,1 | 1,4 | 1,3 | 1,3 | 1,0 |
| Real Estate | 197 | 1,1 | 1,8 | 5,7 | 3,6 | 3,6 | 17,4 | 17,5 | 17,1 | 17,4 | 3,1 | 3,1 | 3,1 | 2,6 |
| Industrials | | | | | | | | | | | | | | |
| Capital Goods | 683 | 1,9 | 7,4 | 17,2 | 2,1 | 2,0 | 22,1 | 18,3 | 17,5 | 14,9 | 5,0 | 4,8 | 4,6 | 3,0 |
| Transportation | 750 | 0,0 | 0,8 | 24,0 | 1,6 | 1,7 | 17,5 | 15,1 | 14,3 | 14,1 | 4,1 | 4,1 | 3,9 | 3,1 |
| Commercial Services | 274 | 3,1 | -1,7 | 16,1 | 1,4 | 1,4 | 24,6 | 22,2 | 21,3 | 18,3 | 4,0 | 3,9 | 3,8 | 3,0 |
| Consumer Discretionary | | | | | | | | | | | | | | |
| Retailing | 2192 | 3,3 | 5,3 | 29,1 | 0,7 | 0,7 | 41,2 | 35,3 | 33,2 | 21,1 | 13,0 | 12,1 | 11,2 | 5,6 |
| Media | 505 | 3,7 | 11,7 | 17,6 | 1,4 | 1,6 | 18,1 | 14,6 | 14,0 | 15,1 | 2,8 | 2,4 | 2,3 | 2,3 |
| Consumer Services | 1059 | 1,4 | 13,9 | 19,8 | 1,7 | 2,0 | 24,2 | 20,4 | 19,4 | 18,1 | 8,8 | 9,2 | 9,2 | 4,8 |
| Consumer Durables | 342 | 4,3 | -3,6 | 15,7 | 1,5 | 1,5 | 20,0 | 18,4 | 17,2 | 16,7 | 3,5 | 3,4 | 3,2 | 2,9 |
| Automobiles and parts | 143 | 2,6 | 2,9 | -2,8 | 3,7 | 3,5 | 7,5 | 8,4 | 8,3 | 8,9 | 1,8 | 1,7 | 1,6 | 1,9 |
| IT | | | | | | | | | | | | | | |
| Technology | 1177 | 0,9 | 14,6 | 17,9 | 1,7 | 1,8 | 17,5 | 15,5 | 14,8 | 12,4 | 5,3 | 6,4 | 6,5 | 2,9 |
| Software & Services | 1773 | 0,9 | 15,5 | 18,4 | 0,8 | 0,8 | 27,2 | 24,3 | 23,2 | 15,9 | 6,9 | 6,3 | 5,9 | 3,9 |
| Semiconductors | 1075 | -0,2 | 45,2 | 23,9 | 1,6 | 1,8 | 17,1 | 14,7 | 14,4 | 16,4 | 4,8 | 4,5 | 4,2 | 2,8 |
| Consumer Staples | | | | | | | | | | | | | | |
| Food & Staples Retailing | 379 | 2,1 | -2,1 | 13,6 | 2,5 | 2,2 | 19,5 | 17,0 | 16,5 | 15,2 | 3,8 | 3,5 | 3,4 | 2,9 |
| Food Beverage & Tobacco | 626 | 2,0 | 8,3 | 11,6 | 3,0 | 3,6 | 20,7 | 17,1 | 16,5 | 16,8 | 5,1 | 4,5 | 4,5 | 4,8 |
| Household Goods | 516 | 3,9 | 4,8 | 9,3 | 3,0 | 3,2 | 21,2 | 18,8 | 18,3 | 17,9 | 5,3 | 5,3 | 5,3 | 4,4 |
| Health Care | | | | | | | | | | | | | | |
| Pharmaceuticals | 824 | 1,9 | 5,6 | 9,9 | 2,0 | 2,3 | 16,5 | 14,7 | 14,2 | 13,9 | 4,6 | 4,4 | 4,2 | 3,2 |
| Healthcare Equipment | 1123 | 2,2 | 12,2 | 16,0 | 1,0 | 1,0 | 19,9 | 18,1 | 17,3 | 13,9 | 3,5 | 3,2 | 3,1 | 2,4 |
| Telecom | 150 | 3,4 | 0,8 | 13,9 | 5,5 | 5,7 | 12,2 | 10,5 | 10,4 | 12,7 | 2,1 | 1,9 | 1,8 | 2,3 |
| Utilities | 245 | -3,2 | 0,1 | 7,6 | 3,7 | 3,8 | 17,0 | 15,7 | 15,3 | 14,5 | 1,8 | 1,7 | 1,6 | 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

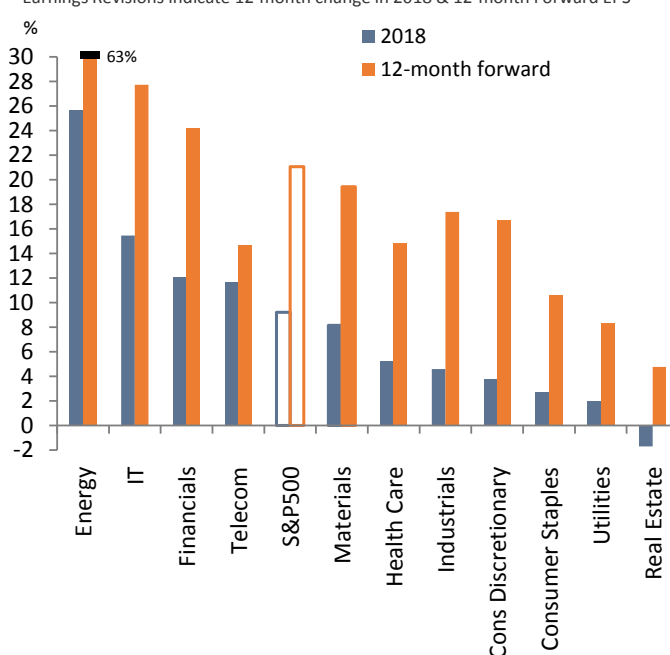
Earnings Revisions indicate 1-month change in 2018 & 12-month Forward EPS



Source: Factset, Data as of June 8th
12-month forward EPS are 56% of 2018 EPS and 44% 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 June 8th
12-month forward EPS are 56% of 2018 EPS and 44% of 2019 EPS

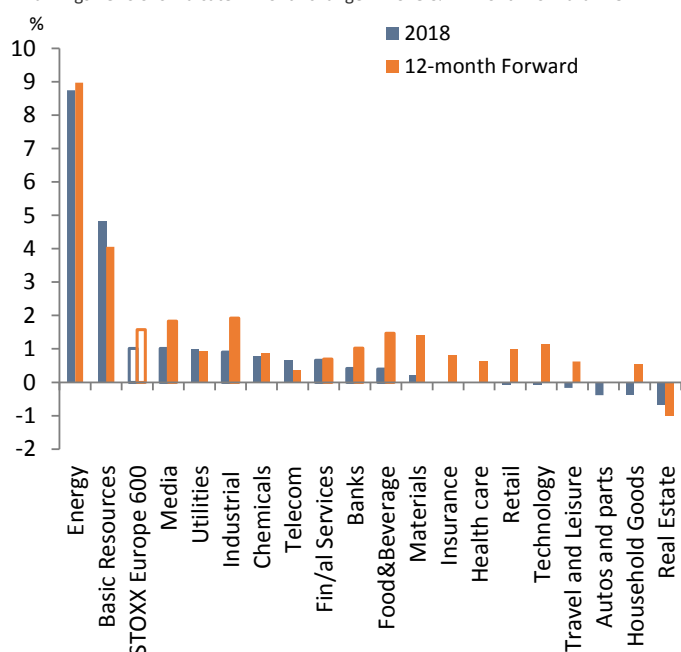
Europe Sectors Valuation

| | Price (€) | | EPS Growth (%) | | Dividend Yield (%) | | P/E Ratio | | | | P/BV Ratio | | | |
|-------------------------------|-----------|-----------------|----------------|------|--------------------|------|-----------|------|---------|----------|------------|------|---------|----------|
| | 8/6/2018 | % Weekly Change | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 12m fwd | 10Yr Avg | 2017 | 2018 | 12m fwd | 10Yr Avg |
| STOXX Europe 600 | 385 | -0,5 | 13,6 | 9,9 | 3,3 | 3,5 | 16,2 | 15,0 | 14,4 | 12,9 | 1,9 | 1,8 | 1,8 | 1,5 |
| Energy | 368 | 0,0 | 68,4 | 38,1 | 4,8 | 4,5 | 16,6 | 13,9 | 13,5 | 11,3 | 1,4 | 1,5 | 1,4 | 1,2 |
| Materials | 460 | -0,1 | 12,2 | 8,2 | 2,8 | 2,9 | 18,1 | 17,1 | 16,2 | 14,3 | 1,9 | 1,9 | 1,9 | 1,5 |
| Basic Resources | 506 | 0,8 | 89,2 | 15,1 | 3,6 | 3,7 | 12,6 | 11,9 | 12,1 | 12,6 | 1,6 | 1,6 | 1,5 | 1,3 |
| Chemicals | 965 | 0,5 | 17,6 | 6,7 | 2,6 | 2,8 | 17,7 | 16,9 | 16,5 | 14,2 | 2,5 | 2,5 | 2,4 | 2,0 |
| Financials | | | | | | | | | | | | | | |
| Fin/ai Services | 500 | -0,3 | 14,5 | -7,2 | 3,0 | 3,2 | 15,5 | 16,9 | 16,4 | 13,2 | 1,8 | 1,7 | 1,6 | 1,3 |
| Banks | 164 | -1,0 | 34,7 | 15,8 | 3,9 | 4,9 | 13,8 | 10,5 | 10,1 | 10,9 | 1,0 | 0,9 | 0,8 | 0,8 |
| Insurance | 279 | -1,3 | -11,0 | 21,5 | 4,6 | 5,2 | 13,7 | 10,7 | 10,3 | 9,4 | 1,2 | 1,1 | 1,1 | 1,0 |
| Real Estate | 180 | 1,1 | 1,1 | 6,8 | 3,6 | 3,6 | 20,8 | 20,9 | 20,5 | 19,2 | 1,0 | 1,0 | 1,0 | 1,0 |
| Industrial | 545 | -0,4 | 9,6 | 10,3 | 2,5 | 2,6 | 20,0 | 18,6 | 17,7 | 14,5 | 3,3 | 3,1 | 3,0 | 2,3 |
| Consumer Discretionary | | | | | | | | | | | | | | |
| Media | 283 | 0,3 | 4,8 | 1,6 | 2,9 | 3,3 | 16,9 | 17,2 | 16,6 | 14,1 | 3,1 | 3,0 | 2,9 | 2,4 |
| Retail | 326 | 1,5 | 1,7 | 7,2 | 2,9 | 2,8 | 19,6 | 20,1 | 19,2 | 15,9 | 2,6 | 2,7 | 2,7 | 2,4 |
| Automobiles and parts | 598 | 0,1 | 20,9 | 5,0 | 3,0 | 3,4 | 8,7 | 8,0 | 7,8 | 9,2 | 1,3 | 1,1 | 1,1 | 1,0 |
| Travel and Leisure | 261 | -1,9 | 15,7 | 4,6 | 2,4 | 2,6 | 13,8 | 13,2 | 12,7 | 15,7 | 2,8 | 2,5 | 2,4 | 2,1 |
| Technology | 474 | 1,8 | 7,9 | 12,7 | 1,5 | 1,5 | 24,4 | 23,4 | 22,0 | 17,0 | 3,5 | 3,6 | 3,5 | 2,6 |
| Consumer Staples | | | | | | | | | | | | | | |
| Food&Beverage | 615 | -1,1 | 3,3 | 11,6 | 2,9 | 3,0 | 22,4 | 20,1 | 19,2 | 17,3 | 3,4 | 3,2 | 3,1 | 2,8 |
| Household Goods | 829 | -0,9 | 7,0 | 2,6 | 2,7 | 2,7 | 19,7 | 20,4 | 19,6 | 16,9 | 3,4 | 3,6 | 3,6 | 3,5 |
| Health care | 708 | -1,5 | -3,6 | 2,9 | 2,9 | 2,9 | 16,7 | 16,8 | 16,2 | 14,1 | 3,3 | 3,2 | 3,1 | 3,0 |
| Telecom | 252 | -0,7 | 18,4 | 0,9 | 4,9 | 5,4 | 15,2 | 14,5 | 14,1 | 13,4 | 1,8 | 1,7 | 1,6 | 1,6 |
| Utilities | 286 | -0,5 | -1,8 | -1,7 | 5,3 | 5,1 | 13,1 | 14,1 | 13,8 | 12,1 | 1,3 | 1,4 | 1,4 | 1,3 |

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

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

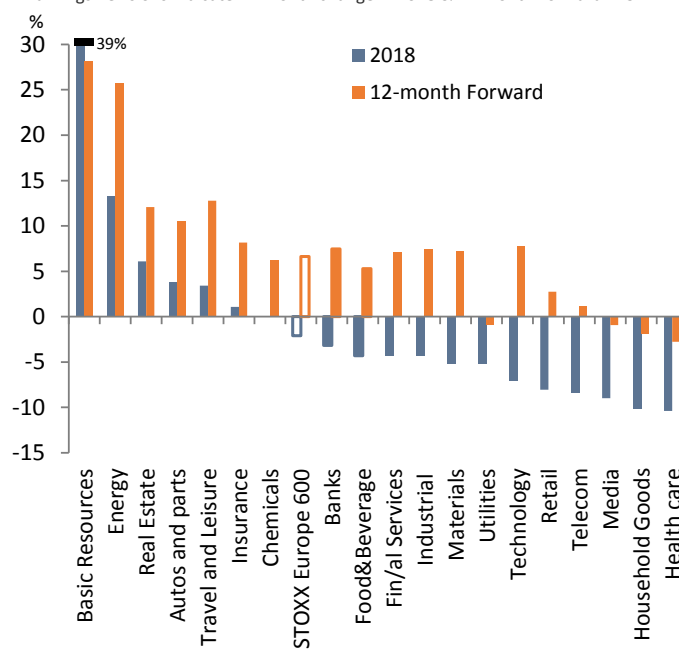
Earnings Revisions indicate 1-month change in 2018 & 12-month Forward EPS



Source: Factset, Data as of June 8th
12-month forward EPS are 56% of 2018 EPS and 44% 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 June 8th
12-month forward EPS are 56% of 2018 EPS and 44% of 2019 EPS

DISCLOSURES:

This report has been produced by the Economic Research Division of the National Bank of Greece, which is regulated by the Bank of Greece, and is provided solely as a sheer reference for the information of experienced and sophisticated investors who are expected and considered to be fully able to make their own investment decisions without reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. The information contained in this report does not constitute the provision of investment advice and under no circumstances is it to be used or considered as an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any security, product, service or investment. No information or opinion contained in this report shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Past performance is not necessarily a reliable guide to future performance. National Bank of Greece and/or its affiliates shall not be liable in any matter whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance on or usage of this report and accepts no legal responsibility to any investor who directly or indirectly receives this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor.

Any data provided in this report has been obtained from sources believed to be reliable but has not been independently verified. Because of the possibility of error on the part of such sources, National Bank of Greece does not guarantee the accuracy, timeliness or usefulness of any information. Information and opinions contained in this report are subject to change without notice and there is no obligation to update the information and opinions contained in this report. The National Bank of Greece and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no responsibility, or liability as to the accuracy, or completeness of the information contained in this report, or for any loss in general arising from any use of this report including investment decisions based on this report. This report does not constitute investment research or a research recommendation and as such it has not been prepared in accordance with legal requirements designed to promote investment research independence. This report does not purport to contain all the information that a prospective investor may require. Recipients of this report should independently evaluate particular information and opinions and seek the advice of their own professional and financial advisers in relation to any investment, financial, legal, business, tax, accounting or regulatory issues before making any investment or entering into any transaction in relation to information and opinions discussed herein.

National Bank of Greece has prepared and published this report wholly independently of any of its affiliates and thus any commitments, views, outlook, ratings or target prices expressed in these reports may differ substantially from any similar reports issued by affiliates which may be based upon different sources and methodologies.

This report is not directed to, or intended for distribution to use or use by, any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation or rule.

This report is protected under intellectual property laws and may not be altered, reproduced or redistributed, or passed on directly or indirectly, to any other party, in whole or in part, without the prior written consent of National Bank of Greece.

ANALYST CERTIFICATION:

The research analyst denoted by an "AC" on page 1 holds the certificate (type Δ) of the Hellenic Capital Market Commission/Bank of Greece which allows her/him to conduct market analysis and reporting and hereby certifies that all of the views expressed in this report accurately reflect his or her personal views solely, about any and all of the subject issues. Further, each of these individuals also certifies that no part of any of the report analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. Also, all opinions and estimates are subject to change without notice and there is no obligation for update.