Global Markets Roundup

National Bank of Greece | Economic Research Division | July 31, 2018

NATIONAL BANK OF GREECE

Global equity markets recovered in July due to an easing in trade tensions, strong earnings and policy easing in China

- Trade tensions between the US and the EU eased somewhat after a bilateral agreement was reached. Both sides will work towards eliminating tariffs, subsidies and barriers in (non-auto) industrial goods. At the same time, the EU will increase its imports of soybeans and liquefied natural gas from the US.
- The US and the EU also agreed to work on the reform of the World Trade Organization towards tackling more efficiently unfair trade practices, including, *inter alia*, "intellectual property theft and forced technology transfer", a move which was seen as aiming to exert joint pressure on China. Note that, in early August, the US is expected to impose a further $16bn of tariffs on Chinese imports (in addition to the $34bn already implemented).
- While the negotiations are taking place, the US will refrain from implementing higher tariffs (currently: 2.5%) on auto and components imports from the EU ($62.5bn in 2017). Note that the EuroStoxx Automobiles & Parts equity sector (SXAE) has significantly underperformed the market (SXXE) ytd (-9.5%) due to fears of US tariffs, as well as decelerating growth in the euro area. The SXAE ended the week slightly up, despite an increase on Thursday (+2.6%), with the German Big3 overperforming (Daimler: +3.5% wow, Volkswagen: +4.5%, BMW: +4.6%) (See page 3).
- The complexity of production and supply chains weighs. Note that 34% of 16.4mn German autos are produced in Germany, while 30% of German autos are produced in China. Moreover, Q2:2018 EPS results for 5 out of 8 companies (total: 18) are below consensus expectations, including Daimler and Fiat Chrysler. On the other hand, SXAE valuations (P/Es) appear cheap following the recent correction, albeit the sector requires a catalyst (stronger consumer growth in H2, upward earnings revisions, a permanent agreement between the US/EU).
- All four major central banks will have convened by the end of the week. The ECB on July 26th maintained its rates unchanged (at 0% and -0.4%). President Draghi appeared comfortable with the current market pricing for the first interest rate hike (i.e. fully priced-in by Q1:2020). Regarding QE, the ECB expects to end its net asset purchases in December 2018.
- The Bank of Japan, at its meeting on July 31st, strengthened its commitment to achieve its inflation target of 2%, introducing forward guidance for policy rates "that are expected to remain at current negative/low levels for an extended period of time". Moreover, the BoJ will be more flexible vis-à-vis its target ("around 0%") for 10-year JGBs yields under its "yield curve control" framework, allowing for larger deviation relative to the target depending on economic conditions. Following the meeting, the 10-year JGB yield declined by 3 bps from a 1-year high of 0.10%.
- We expect the Fed to remain on hold at 2.0% at its August 1st meeting, resuming its quarterly rate hikes in September, due to a strong economy (GDP: 4.1% qoq saar in Q2:2018 – see Economics), the unemployment rate (July data is due on August 3rd) hovers at 4% and inflation pressures are rising, with the core PCE price index at 2% yoy. Importantly, the Bank of England is expected to increase its policy rate by 25 bps to 0.75% on August 2nd due to record-low unemployment (4.2%), above target inflation (2.4%) and stabilizing growth following a weak figure in Q1 (see graph below).

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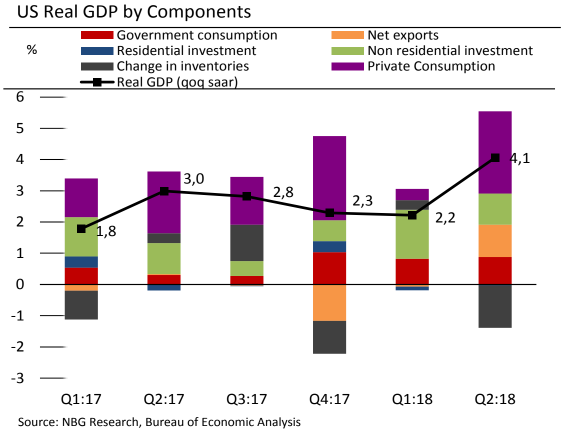
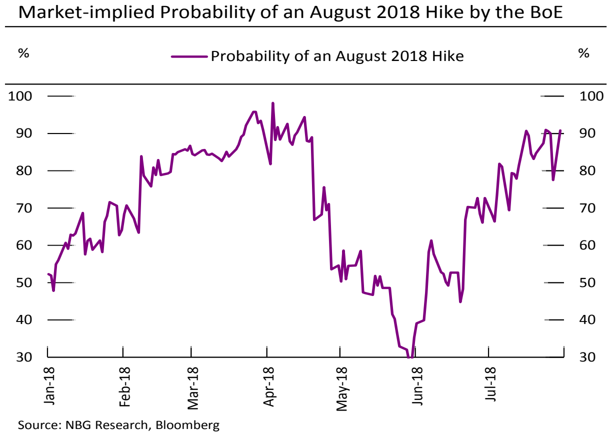


Source: NBG Research, Bureau of Economic Analysis



Source: NBG Research, Bloomberg

See page 14 for disclosures and analyst certification

Solid US GDP growth in Q2:2018

- **US GDP growth accelerated to +4.1% qoq saar in Q2:18, compared with an upwardly revised (by 0.2 pps) +2.2% qoq saar in Q1:18.** Annual growth reached +2.8% yoy, the highest since Q2:15. The headline outcome for Q2:18 was in line with consensus estimates, but the composition of growth indicated a more-optimistic-than-expected outlook for economic fundamentals. Indeed, private consumption growth accelerated to 4.0% qoq saar, compared with (a negatively distorted by transitory factors) +0.5% qoq saar in Q1:18, overshooting expectations for +3.0% qoq saar, and the major contributor to overall growth (2.7 pps). Moreover, business investment remained robust in Q2:18 (+7.3% qoq saar, with a 1.0 pp contribution, following +11.5% qoq saar in Q1:18), with broad based gains across components (structures, equipment, intellectual property). Net exports added a further 1.1 pp, as exports (+9.3% qoq saar) strongly outpaced imports (+0.5% qoq saar), with the trade balance at -2.7% of GDP, compared with -3.2% in Q1:18 (the largest deficit since Q4:12). It should also be noted, however, that exports were -- in part -- positively distorted by a front-loading of food exports. According to available (nominal) data, the latter rose sharply by +118% qoq saar in Q2:18, mainly on the back of increased exports of soybeans and other sub-categories, which face increased tariffs from China as of early-July. Government consumption was also supportive of growth (+2.1% qoq saar | 0.4 pps contribution). On the other hand, residential investment declined slightly, by 1.1% qoq saar (broadly neutral to overall growth), a 2nd consecutive quarterly decline (-3.4% qoq saar in Q1:18). Inventories subtracted a significant 1.0 pp from the headline figure, a development that could act as a tailwind for growth in Q1:18.

Euro area business confidence eased in July

- **Business surveys weakened slightly, entering Q2:18.** The euro area composite PMI decreased by 0.6 pts to 54.3 in July, below consensus estimates for 54.8. The decline was due to the services sector (-0.8 pts to 54.4), and the manufacturing sector performed better (+0.2 pts to 55.1). Overall, the latest reading for the composite PMI is close to the Q2:18 average of 54.7 and remains consistent with the view for a stabilization in economic activity (the preliminary GDP estimate for Q2:2018 is due on July 31st, with consensus expecting growth at circa +2.0% qoq saar, compared with +1.5% qoq saar in Q1:18). It should also be noted, however, that the more forward-looking indicator of new orders was at its lowest level since October 2016, clouding the outlook. Moreover, business optimism for the year ahead stood at a 20-month low, mainly due to intensified worries regarding trade wars. Consumer confidence was stable at -0.6 in July, well above its long-term average (-12.3 since 2001).

Business sentiment in Germany over-performed the rest of the euro area in July

- **The composite PMI in Germany improved for a 2nd consecutive month in July, while in France, it was down slightly.** Notably, PMIs in the rest of the euro area reached their weakest levels in 21 months. In France, the composite PMI declined by 0.5 pts, to 54.5 (consensus: 54.9) A decrease in services (-0.6 pts to 55.3) offset a rise in manufacturing (+0.6 pts to 53.1). Regarding the latter, the improvement was due to higher domestic demand, as the outlook for foreign demand deteriorated, with respondents citing a decline in new export orders, in view of global trade tensions. Recall that GDP growth in France posted a weak +0.6% qoq saar in Q2:18. The weakness was due to a negative contribution from net exports (-1.4 pps) and subdued private consumption (-0.4% qoq saar | -0.2 pps contribution). However, the latter was negatively distorted by weak transport services expenses (-12.2% qoq saar), due to strikes. The aforementioned readings were offset by strong gross fixed capital formation (+2.8% qoq saar | 0.6 pps contribution) and government consumption (+1.6% qoq saar | 0.4 pps contribution). Inventory accumulation was also high (1.2 pps contribution), albeit this could act as a headwind for Q3:18 GDP growth.

- German composite PMI rose by 0.4 pts, to a 5-month high of 55.2 in July, a 2nd consecutive monthly increase, following a 20-month low of 53.4 in May (consensus expectations for an unchanged outcome). The improvement was due to the manufacturing PMI, up by 1.4 pts to 57.3, which surprised strongly on the upside (consensus: 55.5). Indeed, the PMI for the services sector was broadly unchanged at 54.4. The IFO business survey was largely stable at a satisfactory 101.7 in July. Note that the preliminary GDP estimate for Q2:18 is due on August 14th.

Euro area bank lending growth at multi-year highs…

- **Euro area economic activity continues to find support from the credit cycle.** The two major private sector components performed as follows: i) loan growth to households (adjusted for sales and securitizations) was broadly stable at 2.9% yoy in June, the highest since February 2009; and ii) loan growth to non-financial corporations accelerated by 0.4 pps to 4.1% yoy in June, a 9-year high. On a country-by-country basis, divergence remains, with the annual growth rate of loans to non-financial corporations in Germany (+6.0%) and France (+6.7%) strongly outpacing that of Spain (+0.6%) and Italy (+1.2%). Recall that in Italy, there has been some improvement during 2018 (1.7% yoy, on average, so far in 2018, compared with +0.1% yoy, on average, in 2017).

…while favorable bank credit conditions point to further support to economic activity

- **The ECB's Bank Lending Survey for Q2:18 pointed to a continuing improvement in the credit environment.** Euro area banks reported a net easing of credit standards (i.e. banks' internal guidelines or loan approval criteria) on loans to corporations (-3%) in Q2:18, while expecting them to ease further over the next three months (-3%). Recall that a negative reading indicates that the fraction of banks easing standards is greater than those tightening. Regarding households, standards continued to ease considerably in mortgage loans (-8% following -11% in Q1:18) and more moderately in consumer credit (-3%). In both cases, banks expect a further loosening in the next three months (-9% and -6%, respectively).

- **Demand for bank loans remains robust.** The share of banks reporting an increase in loan demand from corporates, minus the share of banks reporting a decline, was +16% in Q2:18, with low interest rates being the main driver. The respective figure for mortgages was also solid (+23%), mostly due to low interest rates and favorable housing market prospects. Recall that house prices in the euro area rose by 4.0% yoy in Q1:18, the highest annual pace of growth since Q3:07 (source: ECB). Finally, demand for consumer credit was also strong at +25% (credit cards, overdrafts, auto loans, student loans, etc.).

Equities

- **Global equity markets were buoyant in the past week, on the back of positive economic data and strong earnings reports.** Overall, the MSCI World index was up by 0.9% wow, with emerging markets (+2.1% wow) overperforming their developed market peers (+0.8% wow). The S&P500 ended the week up by 0.6% wow, with the Energy sector (+2.3% wow) and Industrials (+2.1% wow) leading the increase. The Technology sector fell by 1.2% wow, following disappointing earnings results by Facebook and a reported drop in active users from Twitter. Overall, however, the US Q2:18 earnings season continues on a positive note. Indeed, out of the 266 companies that have reported results so far, circa 80% have exceeded analyst estimates. Note that analyst expectations for EPS growth in Q2:18 stand at +21% yoy from +25% yoy in Q1:18. On the other side of the Atlantic, the EuroStoxx was up by 1.7% wow, supported by easing fears over US tariffs and strong company results. Indeed, out of the 137 companies that have reported results so far, circa 55% have exceeded analyst estimates. Note that analyst expectations for EPS growth in Q2:18 stand at +12% yoy from +7% yoy in the previous quarter. Japanese equity markets ended the week broadly flat (+0.1%), albeit they declined by 0.7% on Monday, as possible changes this week in the Bank of Japan's monetary policy weighed on sentiment.

Fixed Income

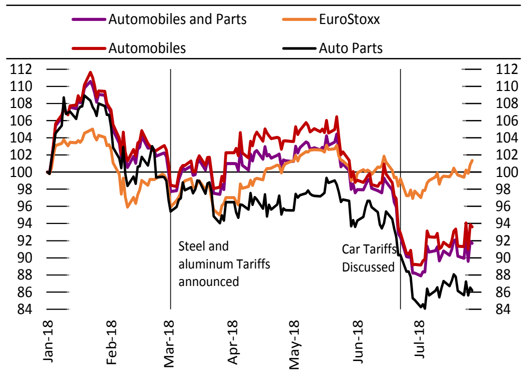
- **Government bond yields sold off in the past week, amid signs of easing in the EU-US trade tensions.** Specifically, the US Treasury 10-Year yield rose by 6 bps wow to 2.96%, while the US Treasury 2-Year yield rose by 8 bps wow to 2.67%. In Japan, 10-Year Yield rose by 7 bps wow to 0.10%, its highest level since February 2017, following reports that the Bank of Japan may introduce soft forward guidance for the 10-Year yield target (currently around 0%). The German 10-Year Bund yield rose by 3 bps wow to 0.40%. **Corporate bond spreads narrowed across the board, due to easing trade tensions, higher bond yields and strong earnings results.** Specifically, USD HY spreads declined by 13 bps wow to 342 bps, while their euro area counterparts fell by 9 bps to 346 bps. Note that a decline in US HY YTD issuance ($109 bn cumulative in July 2018 vs $153 bn in July 2017 and $122 in July 2016) has supported HY spreads. In the investment grade spectrum, spreads fell by 6 bps in the US to 116 bps and by 4 bps in the euro area to 112 bps.

FX and Commodities

- **In foreign exchange markets, the euro lost ground in the past week after ECB President Draghi reaffirmed his commitment to maintain interest rates low "through" next summer.** Specifically, the euro fell by 0.6% wow against the US Dollar, to $1.165 (-0.7% on Thursday, following the ECB meeting). Moreover, the British pound recorded losses against the US Dollar, as concerns over the progress of Brexit negotiations offset the optimism ahead of a likely rate hike this week by the Bank of England. Investors will monitor closely the release of the Quarterly Inflation Report (QIR), which will contain (for the first time) estimates for the UK real neutral rate of interest (r*) in order to assess the trajectory and speed of policy normalization. The British pound fell by 0.7% on Thursday against the USD and ended the week down by 0.2% to $1.310.

- **In commodities, oil prices were mixed in the past week, as easing trade tensions and a temporary shutdown by Saudi Arabia of a key crude oil shipping lane were offset by a rise in oil rigs and a decline in US Equity markets on Friday.** Specifically, US oil rigs rose by 3 to 861 for the week ending July 27th. Overall, the WTI declined by 2.5% wow to $68.7/barrel, while Brent rose by 1.5% to $73.8/barrel. In precious metals, the strengthening of the US Dollar in the past week weighed negatively on gold (-0.7% wow to $1223/ounce). Note that year-to-date gold is down 6.1% due to higher US real rates (+40 bps ytd) and a stronger USD (+2.6% ytd in NEER terms).

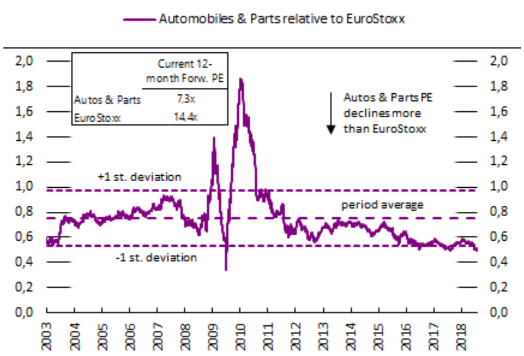
EuroStoxx & Automobiles and Parts Price Performance



Source: NBG Research, Bloomberg, January 2018 = 100

Graph 1.

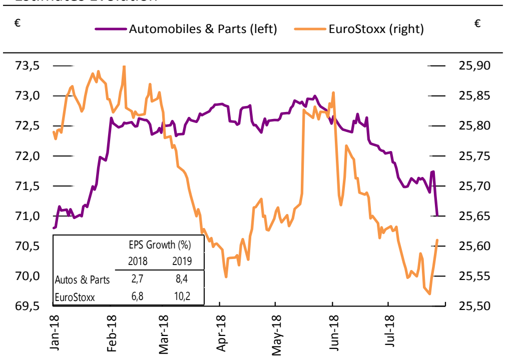
Automobiles & Parts relative to EuroStoxx: 12-month Forward PE



Source: NBG Research, Factset

Graph 2.

EuroStoxx & Automobiles and Parts 2018 EPS Level Consensus Estimates Evolution



Source: NBG Research, Factset

Graph 3.

Quote of the week: "As far as pure expectations are concerned, they are very well aligned with the anticipation of the Governing Council that policy rates will remain at their current levels through the summer of next year. Surveys of market views confirm this very tight alignment", **ECB President, Mario Draghi,** July 26th 2018.

Tactical Asset Allocation (3-month)

- **Equities**: We remain Neutral/Positive relative to a 55-40-5 portfolio. GDP growth and corporate earnings are strong (particularly in the US), albeit "trade concerns" and the peak of central bank (C/B) liquidity weighs. Volatility in returns will prevail in the rest of 2018 resulting in lower risk-adjusted returns. US tax-reform may continue to support equities albeit we closed our O/W locking in gains. We also closed our O/W position in euro area banks recording losses as Italian concerns and low-for-longer interest rates by the ECB reduce our confidence in this trade.
- **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.

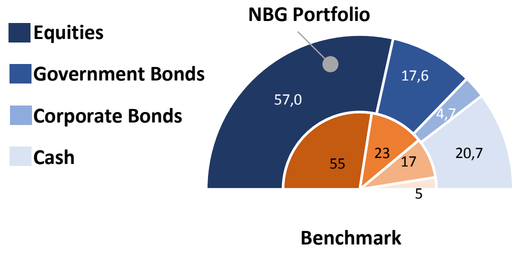
NBG Global Markets - Main Equity Sector Calls

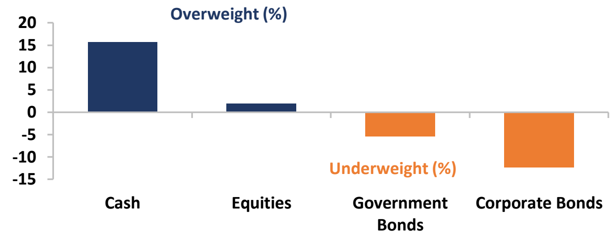
US Sector	Position	View/Comment
Banks	OW	Rising rates from low levels and low deposit betas will support interest margins. Less regulation also positive. Valuations (relative to the market) still attractive.
Energy	Neutral	OPEC's deal extension until end of 2018 has supported oil prices. However, US 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/ Cyclicals	Neutral	We turn Neutral Defensives amid elevated volatility and favorable relative valuations. Underweight Consumer Discretionary (Cyclicals) as the sector is a major underperfomer during Fed hiking cycles and has high wage expenses.

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

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

Total Portfolio Allocation





Detailed Portfolio Breakdown

Equities	Portfolio	Benchmark	OW/UW
US	52	52	-
Euro area	12	10	2,0
UK	7	7	-
Rest of Dev. Europe	5	5	-
Japan	9	7	2,0
Rest of Dev. World	8	8	-
Emerging Markets	7	11	-4,0
EM Asia	64	64	-
EM Latin America	18	18	-
EMEA	18	18	-

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

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

Notes:
1. (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. (2) All figures shown are in percentage points.
3. (3) OW/UW: Overweight/Underweight relative to Benchmark.
4. (4) Green (red) color arrows suggest an increase (decrease) in relative asset class weights (portfolio vs benchmark) over the last week.

	US	Euro Area	Japan	UK
Equity Markets	+ 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 ● **Neutral/Positive**	+ 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 ● **Neutral**	+ 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 ● **Neutral**	+ 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms + High UK exposure to the commodities sector assuming the oil rally continues – Elevated Policy uncertainty to remain due to the outcome of the Brexit negotiating process ● **Neutral/Negative**
Government Bonds	+ 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 ▲ **Higher yields expected**	+ Upside risk in US benchmark yields + Valuations appear excessive compared with long-term fundamentals – Political Risk – Fragile growth outlook – Medium-term inflation expectations remain low – Only slow ECB exit from accommodative monetary policy ▲ **Higher yields expected**	+ Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures – Safe haven demand – Extremely dovish central bank – Yield-targeting of 10-Year JGB at around 0% ● **Stable yields expected**	+ Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process + Rich valuations + Inflation overshooting due to GBP weakness feeds through inflation expectations + The BoE is expected to increase policy rates to 0.50% – Slowing economic growth post-Brexit ▲ **Higher yields expected**
Foreign Exchange	+ 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 ▲ **Long USD against its major counterparts ex-EUR**	+ 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) ● **Broadly Flat EUR against the USD with upside risks towards $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% ▼ **Lower JPY against the USD**	+ Transitions phase negotiations – The BoE to retain rates at current levels – Slowing economic growth post-Brexit – Sizeable Current account deficit (-5.5% of GDP) – Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process ● **Flat GBP against the USD with upside risks short term**

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

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Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	July 27th	3-month	6-month	12-month
Germany	0,40	0,70	0,90	1,10
US	2,96	3,10	3,20	3,40
UK	1,28	1,69	1,77	1,92
Japan	0,10	0,08	0,11	0,13

Official Rate (%)	July 27th	3-month	6-month	12-month
Euro area	0,00	0,00	0,00	0,00
US	2,00	2,25	2,50	3,00
UK	0,50	0,75	0,80	1,05
Japan	-0,10	-0,10	-0,10	-0,10

Currency	July 27th	3-month	6-month	12-month
EUR/USD	1,16	1,18	1,20	1,22
EUR/GBP	0,89	0,87	0,88	0,88
EUR/JPY	129	129	130	130

	July 27th	3-month	6-month	12-month
USD/JPY	111	109	109	107
GBP/USD	1,31	1,35	1,37	1,39

Forecasts at end of period

Economic Forecasts

United States	2016a	Q1:17a	Q2:17a	Q3:17a	Q4:17a	2017a	Q1:18a	Q2:18a	Q3:18f	Q4:18f	2018f
Real GDP Growth (YoY) (1)	1,6	1,9	2,1	2,3	2,5	2,2	2,6	2,8	2,7	2,5	2,7
Real GDP Growth (QoQ saar) (2)	-	1,8	3,0	2,8	2,3	-	2,2	4,1	2,6	2,0	-
Private Consumption	2,7	1,8	2,9	2,2	3,9	2,5	0,5	4,0	2,6	2,4	2,4
Government Consumption	1,8	2,9	1,6	1,5	5,7	2,5	4,5	5,3	3,1	3,0	1,8
Investment	1,7	9,9	4,3	2,6	6,2	4,8	8,0	5,4	4,2	1,7	4,6
Residential	6,5	11,1	-5,5	-0,5	11,2	3,3	-3,4	-1,0	2,6	2,7	2,2
Non-residential	0,5	9,6	7,3	3,4	4,9	5,3	11,5	7,4	4,6	1,5	5,4
Inventories Contribution	-0,6	-0,9	0,3	1,2	-1,1	0,0	0,3	-1,3	0,0	0,0	0,1
Net Exports Contribution	-0,3	-0,2	0,0	0,0	-1,2	-0,4	-0,1	1,1	-0,4	-0,5	-0,2
Exports	-0,1	5,0	3,6	3,5	6,6	3,0	3,6	9,3	1,3	1,8	4,4
Imports	1,9	4,8	2,5	2,8	11,8	4,6	3,0	0,5	3,5	4,6	4,9
Inflation (3)	1,3	2,5	1,9	1,9	2,1	2,1	2,2	2,7	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	2,6	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	1,7	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	4,4	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	14,8	12,0
Romania	0,8	-0,9	-0,5	3,3	4,2	3,7
Bulgaria	-0,9	-0,4	0,1	2,8	2,7	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	23/7/2018	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	95.305	6,2	-17,4	32,9
Romania - BET-BK	1.582	-0,4	-4,2	27,8
Bulgaria - SOFIX	633	1,5	-6,5	39,4
Serbia - BELEX15	727	-0,8	-4,4	19,0

Financial Markets

	23/7/2018	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	19,5	18,5	17,5	16,5
Romania	3,4	3,2	3,0	3,0
Bulgaria	-0,1	0,1	0,1	0,2
Serbia	2,6	2,9	3,1	3,5
Currency				
TRY/EUR	5,54	5,50	5,40	5,30
RON/EUR	4,64	4,64	4,65	4,68
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	117,9	117,9	117,6	117,4
Sovereign Eurobond Spread (in bps)				
Turkey (USD 2020)(*)	306	280	250	180
Romania (EUR 2024)	119	130	120	110
Bulgaria (EUR 2022)	43	44	42	40
Serbia (USD 2021)(*)	132	132	126	120

(*) Spread over US Treasuries

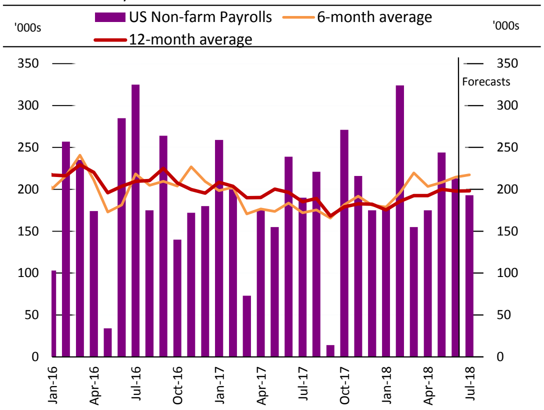
Economic Calendar

The main macro event in the US next week is the labor market report due to release next Friday. Non-farm Payrolls are expected to have increased by 193k in July compared with 213k in June, while the unemployment rate is expected at 3.9%. The Fed is expected to maintain its intervention rate at 1.75% - 2.00% on Wednesday.

In the euro area, markets will focus on the first preliminary estimate for Q2:18 GDP. Real GDP growth is expected at 0.4% qoq in Q2:18, unchanged compared with the previous quarter.

In the UK, the Bank of England is expected to increase its policy rate by 25 bps to 0.75% on Thursday, while the Inflation Report will provide substantial information about the outlook of the UK economy.

US Nonfarm Payrolls



Source: NBG Research, Bloomberg

Economic News Calendar for the period: July 24 - August 6, 2018

Tuesday 24

		S		A	P
US					
Markit US Manufacturing PMI	July	55.1	+	55.4	55.4
JAPAN					
Nikkei PMI Manufacturing	July	..		51.6	53.0
EURO AREA					
Markit Eurozone Manufacturing PMI	July	54.7	+	55.1	54.9
Markit Eurozone Services PMI	July	55.1	-	54.4	55.2
Markit Eurozone Composite PMI	July	54.8	-	54.3	54.9

Wednesday 25

		S		A	P
US					
New home sales (k)	June	668	-	631	666
GERMANY					
IFO- Business Climate Indicator	July	101.5	+	101.7	101.8
IFO-Expectations	July	98.3	-	98.2	98.5
IFO- Current Assesment	July	104.9	+	105.3	105.2
EURO AREA					
M3 money supply (YoY)	June	4.0%		4.4%	4.0%

Thursday 26

		S		A	P
US					
Initial Jobless Claims (k)	July 21	215	-	217	208
Continuing Claims (k)	July 14	1733	-	1745	1753
Durable goods orders (MoM)	June	3.0%	-	1.0%	-0.3%
Durable goods orders ex transportation (MoM)	June	0.5%	-	0.4%	0.3%
EURO AREA					
ECB announces its intervention rate	July 26	0.00%		0.00%	0.00%
ECB announces its deposit facility rate	July 26	-0.40%		-0.40%	-0.40%

Friday 27

		S		A	P
US					
GDP (QoQ, annualized)	Q2:18	4.2%	-	4.1%	2.2%
Personal consumption (QoQ, annualized)	Q2:18	3.0%	+	4.0%	0.5%

Monday 30

		S		A	P
US					
Pending home sales (MoM)	June	0.1%	+	0.9%	-0.5%
JAPAN					
Retail sales (MoM)	June	1.5%		1.5%	-1.7%
Retail sales (YoY)	June	1.7%	+	1.8%	0.6%
EURO AREA					
Economic confidence indicator	July	112.0	+	112.1	112.3
Business Climate Indicator	July	1.35	-	1.29	1.38

Tuesday 31

		S	A	P
US				
PCE Core Deflator (YoY)	June	2.0%	..	2.0%
PCE Deflator (YoY)	June	2.3%	..	2.3%
Personal income (MoM)	June	0.4%	..	0.4%
Personal spending (MoM)	June	0.4%	..	0.2%
Employment Cost Index (QoQ)	Q2:18	0.7%	..	0.8%
S&P Case/Shiller house price index 20 (YoY)	May	6.40%	..	6.56%
Conference board consumer confidence	July	126.5	..	126.4
CHINA				
Manufacturing PMI	July	51.3	..	51.5
GERMANY				
Retail sales (MoM)	June	1.0%	..	-1.6%
Retail sales (YoY)	June	1.5%	..	-1.6%
JAPAN				
Jobless Rate	June	2.3%	..	2.2%
Industrial Production (MoM)	June	-0.3%	..	-0.2%
Industrial Production (YoY)	June	0.6%	..	4.2%
Construction Orders (YoY)	June	..	..	-18.7%
Bank of Japan announces its intervention rate	July 31	-0.10%	..	-0.10%
EURO AREA				
Unemployment Rate	June	8.3%	..	8.4%
CPI Estimate (YoY)	July	2.0%	..	2.0%
Core CPI (YoY)	July	1.0%	..	0.9%
GDP (QoQ)	Q2:18	0.4%	..	0.4%
GDP (YoY)	Q2:18	2.2%	..	2.5%

Wednesday 1

		S	A	P
US				
ADP Employment Change (k)	July	185	..	177
Construction spending (MoM)	June	0.3%	..	0.4%
ISM Manufacturing	July	59.3	..	60.2
Fed announces its intervention rate	August 1	2.00%	..	2.00%
UK				
Nationwide House Px NSA (YoY)	July	1.8%	..	2.0%
Markit UK PMI Manufacturing SA	July	54.2	..	54.4
CHINA				
Caixin PMI Manufacturing	July	50.9	..	51.0

Thursday 2

		S	A	P
US				
Initial Jobless Claims (k)	July 28	220	..	217
Continuing Claims (k)	July 21	..	..	1745
Factory Goods Orders (MoM)	June	0.7%	..	0.4%
UK				
Markit/CIPS UK Construction PMI	July	52.8	..	53.1
BoE announces its intervention rate	August 2	0.75%	..	0.50%
BoE Asset Purchase Target (£bn)	August	435	..	435
Bank of England Inflation Report				

Friday 3

		S	A	P
US				
Trade balance ($bn)	June	-46.1	..	-43.1
Change in Nonfarm Payrolls (k)	July	193	..	213
Change in Private Payrolls (k)	July	185	..	202
Unemployment rate	July	3.9%	..	4.0%
Underemployment Rate	July	..	..	7.8%
Average Hourly Earnings (MoM)	July	0.3%	..	0.2%
Average Hourly Earnings (YoY)	July	2.7%	..	2.7%
Average weekly hours (hrs)	July	34.5	..	34.5
Labor Force Participation Rate	July	..	..	62.9%
ISM non-manufacturing	July	58.6	..	59.1
UK				
Markit/CIPS UK Services PMI	July	54.7	..	55.1
EURO AREA				
Retail sales (MoM)	June	0.4%	..	0.0%
Retail sales (YoY)	June	1.4%	..	1.4%

Monday 6

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 (%)	Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	2819	0,6	5,4	13,9	30,1	MSCI Emerging Markets	59449	1,4	-2,3	5,0	24,9
Japan	NIKKEI 225	22713	0,1	-0,2	13,1	36,3	MSCI Asia	898	1,4	-2,6	4,6	29,6
UK	FTSE 100	7701	0,3	0,2	3,5	14,1	China	86	1,6	-3,5	9,7	47,0
Canada	S&P/TSX	16394	-0,3	1,1	7,9	12,7	Korea	692	-0,2	-7,5	-4,7	24,8
Hong Kong	Hang Seng	28804	2,1	-3,7	6,2	29,6	MSCI Latin America	87390	1,1	1,9	10,7	23,0
Euro area	EuroStoxx	391	1,7	1,3	3,1	21,4	Brazil	266999	1,7	3,8	19,3	32,1
Germany	DAX 30	12860	2,4	-0,4	5,3	24,6	Mexico	46320	1,0	-0,6	-3,5	5,2
France	CAC 40	5512	2,1	3,7	6,3	23,9	MSCI Europe	5330	2,6	-1,0	6,7	20,8
Italy	FTSE/MIB	21955	0,7	0,5	1,5	30,2	Russia	1038	2,4	8,6	21,5	22,1
Spain	IBEX-35	9868	1,5	-1,8	-6,9	13,9	Turkey	1275279	1,5	-19,4	-15,6	19,5

World Market Sectors (MSCI Indices)

in US Dollar terms	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	in local currency	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	236,4	1,5	5,7	17,5	18,9	Energy	241,1	1,5	7,3	18,4	18,1
Materials	272,3	2,1	-2,9	8,1	30,1	Materials	258,2	2,1	-1,2	9,3	29,1
Industrials	260,1	1,9	-0,6	8,7	27,3	Industrials	256,5	1,8	0,3	9,2	27,0
Consumer Discretionary	255,5	-0,3	6,7	15,2	32,8	Consumer Discretionary	246,3	-0,4	7,2	15,4	32,7
Consumer Staples	227,0	0,6	-4,5	-2,2	3,0	Consumer Staples	226,7	0,6	-3,4	-1,5	2,8
Healthcare	241,6	1,4	6,1	9,4	13,8	Healthcare	238,4	1,4	6,9	9,8	13,5
Financials	122,7	2,1	-3,6	3,3	35,1	Financials	122,3	2,0	-2,2	4,3	34,2
IT	248,8	-1,1	12,7	25,9	61,8	IT	240,9	-1,1	12,9	25,9	61,8
Telecoms	65,3	1,1	-8,2	-8,8	-10,6	Telecoms	67,6	1,0	-7,3	-8,4	-10,9
Utilities	127,9	0,2	0,6	0,0	3,1	Utilities	130,3	0,3	1,7	0,4	2,5

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	2,96	2,89	2,41	2,31	2,53
Germany	0,40	0,37	0,43	0,54	1,61
Japan	0,10	0,04	0,05	0,07	0,68
UK	1,28	1,23	1,19	1,20	2,37
Greece	3,83	3,87	4,12	5,32	10,28
Ireland	0,87	0,85	0,67	0,85	4,09
Italy	2,74	2,59	2,01	2,09	3,48
Spain	1,38	1,31	1,57	1,51	3,42
Portugal	1,73	1,78	1,94	2,96	5,19

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	4,8	4,8	4,2	4,2	4,3
vs 30Yr Treasury (bps)	169	174	148	125	98

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	28	30	52	95	172
US Treasuries 10Y/5Y	12	13	20	46	87
Bunds 10Y/2Y	100	99	105	121	130
Bunds 10Y/5Y	57	65	63	72	78

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
EM Inv. Grade (IG)	163	170	138	151	263
EM High yield	439	467	371	449	799
US IG	116	122	98	108	191
US High yield	342	355	358	355	620
Euro area IG	112	116	87	94	166
Euro area High Yield	346	355	272	272	640

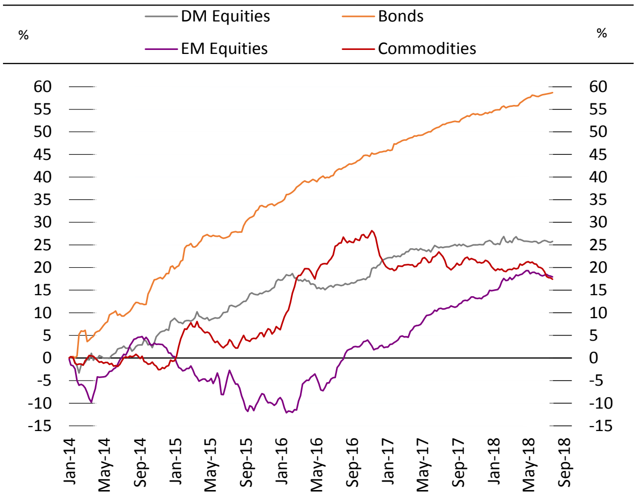
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1,16	-0,6	0,8	-0,2	-3,0
EUR/CHF	1,16	-0,6	0,5	2,7	-1,0
EUR/GBP	0,89	-0,4	0,9	-0,5	0,2
EUR/JPY	129,48	-0,9	1,6	-0,3	-4,3
EUR/NOK	9,55	-0,4	0,8	2,8	-3,1
EUR/SEK	10,31	-0,6	-0,6	7,4	5,1
EUR/AUD	1,58	-0,4	0,1	7,5	2,6
EUR/CAD	1,52	-1,3	-1,3	3,8	0,8
USD-based cross rates					
USD/CAD	1,31	-0,7	-2,1	4,0	3,8
USD/AUD	1,35	0,2	-0,9	7,6	5,5
USD/JPY	111,03	-0,3	0,7	-0,2	-1,5

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	372	1,8	1,6	-11,0	-2,1
Energy	529	1,8	-2,7	41,5	14,3
West Texas Oil ($)	69	-2,5	-5,6	40,1	13,7
Crude brent Oil ($)	74	1,5	-3,7	44,7	10,4
Industrial Metals	1292	2,0	-6,6	2,9	-10,9
Precious Metals	1463	-0,6	-2,8	-4,0	-7,3
Gold ($)	1223	-0,7	-2,3	-2,8	-6,1
Silver ($)	15	-0,2	-3,5	-6,5	-8,5
Baltic Dry Index	1676	-0,8	28,0	77,9	22,7
Baltic Dirty Tanker Index	759	5,0	4,4	17,9	-8,2

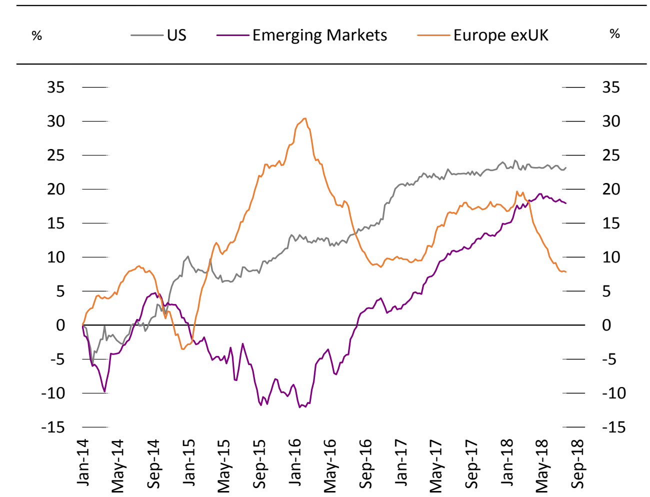
Source: Bloomberg, as of July 27th, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

Global Cross Asset ETFs: Flows as % of AUM



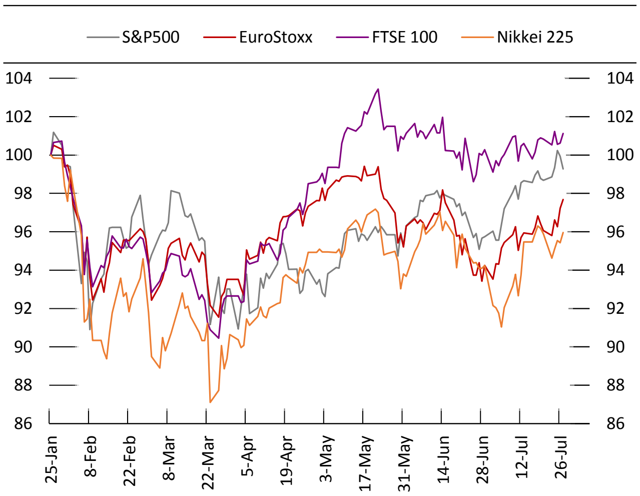
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of July 27th

Equity ETFs: Flows as % of AUM



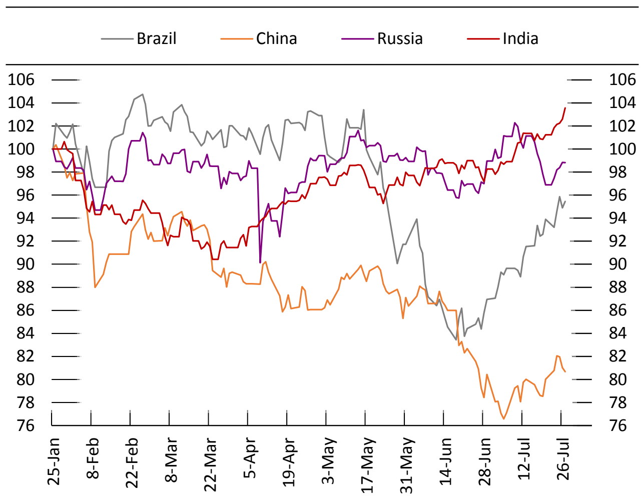
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of July 27th

Equity Market Performance - G4



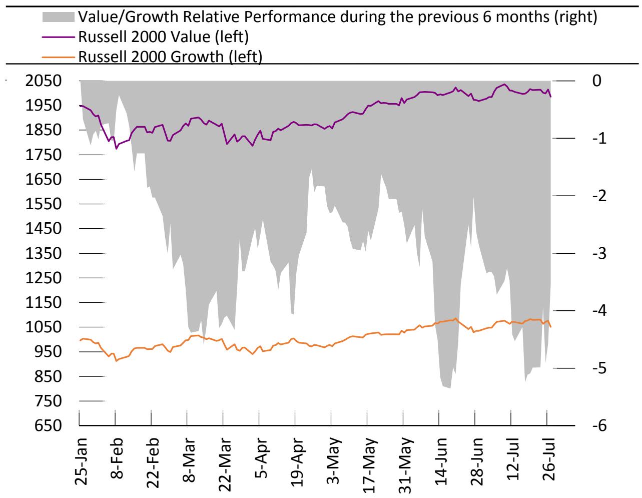
Source: Bloomberg - Data as of July 27th – Rebased @ 100

Equity Market Performance - BRICs



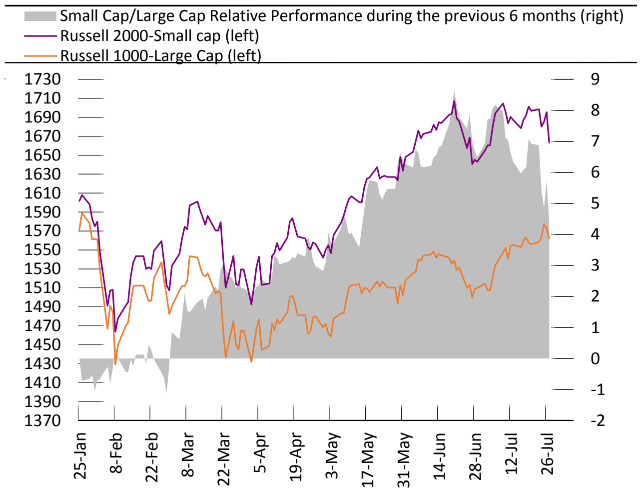
Source: Bloomberg - Data as of July 27th – Rebased @ 100

Russell 2000 Value & Growth Index



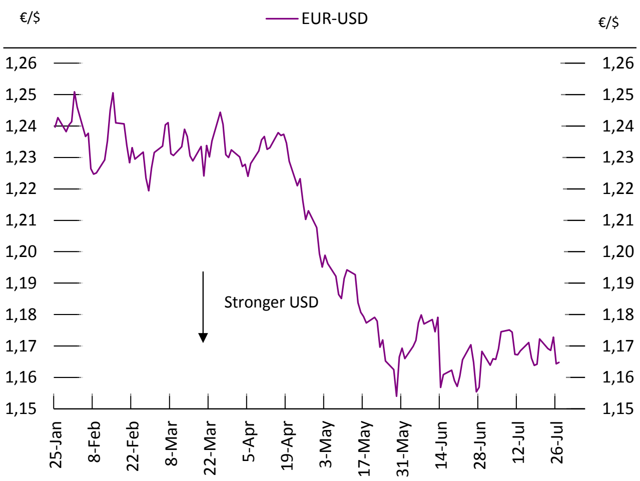
Source: Bloomberg, Data as of July 27th

Russell 2000 & Russell 1000 Index



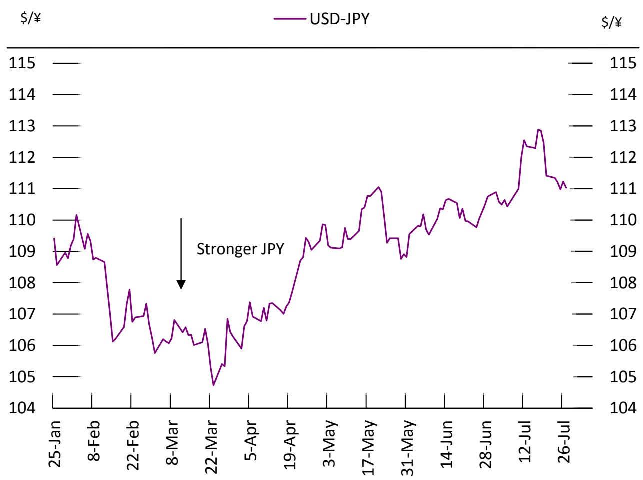
Source: Bloomberg, Data as of July 27th

EUR/USD



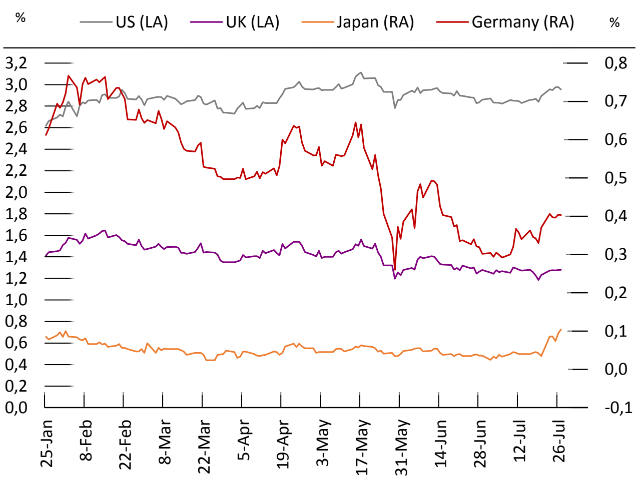
Source: Bloomberg, Data as of July 27th

JPY/USD



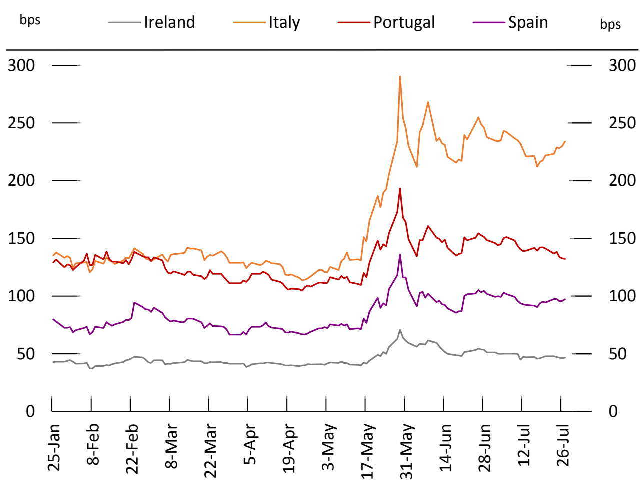
Source: Bloomberg, Data as of July 27th

10- Year Government Bond Yields



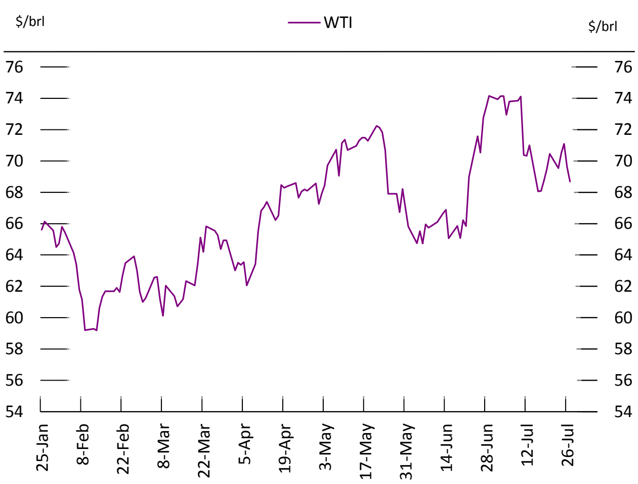
Source: Bloomberg - Data as of July 27th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



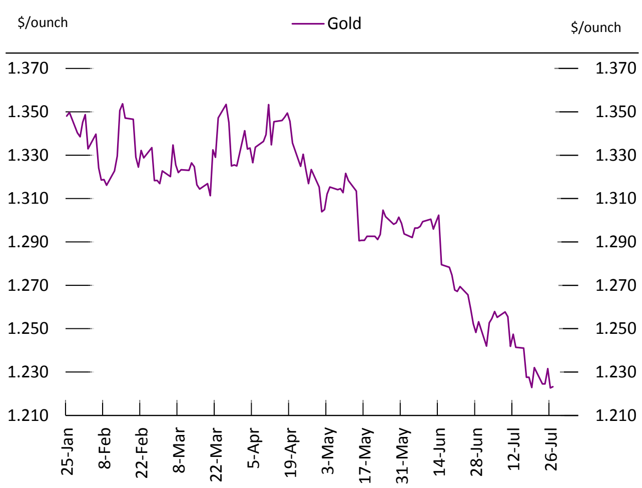
Source: Bloomberg - Data as of July 27th

West Texas Intermediate ($/brl)



Source: Bloomberg, Data as of July 27th

Gold ($/ounch)



Source: Bloomberg, Data as of July 27th

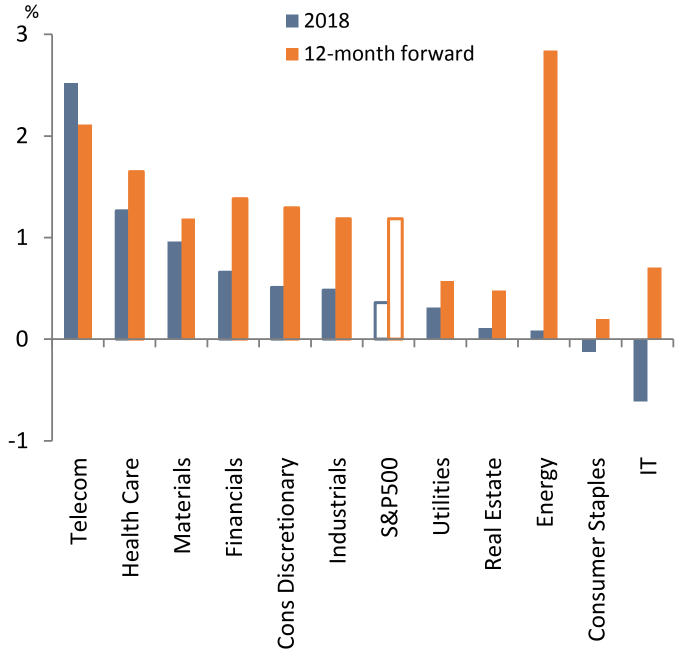
US Sectors Valuation

	Price ($)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	27/7/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
S&P500	2819	0,6	11,5	21,7	1,8	1,9	20,5	17,5	16,6	14,4	3,3	3,3	3,1	2,3
Energy	566	2,3	247,5	101,1	2,9	2,8	34,0	19,5	17,7	19,7	1,8	2,0	1,9	1,8
Materials	372	1,8	8,0	29,3	1,9	2,0	20,8	16,1	15,5	14,5	2,8	2,5	2,4	2,5
Financials														
Diversified Financials	680	0,4	8,7	32,2	1,2	1,5	20,4	14,9	14,3	13,8	2,0	1,8	1,7	1,4
Banks	351	3,4	13,2	26,5	1,8	2,3	16,2	12,5	11,8	12,6	1,5	1,4	1,4	0,9
Insurance	388	2,2	2,5	36,6	2,0	2,3	16,6	12,0	11,5	10,2	1,4	1,3	1,3	1,0
Real Estate	200	-0,2	1,8	5,8	3,6	3,5	17,4	17,7	17,2	17,4	3,1	3,1	3,3	2,6
Industrials														
Capital Goods	673	1,6	7,1	18,3	2,1	2,1	22,1	17,9	16,9	14,9	5,0	5,1	4,8	3,0
Transportation	768	4,0	0,8	23,7	1,6	1,7	17,5	15,5	14,4	14,0	4,1	4,3	4,0	3,1
Commercial Services	280	1,1	-2,6	12,8	1,4	1,4	25,0	23,7	22,4	18,5	4,2	4,1	3,9	3,0
Consumer Discretionary														
Retailing	2261	-0,4	5,3	34,4	0,7	0,7	41,2	35,0	32,3	21,4	13,0	12,4	11,2	5,7
Media	543	0,6	8,4	20,5	1,3	1,5	19,2	16,3	15,4	15,4	2,9	2,6	2,5	2,4
Consumer Services	1005	-0,2	13,9	17,9	1,7	2,1	24,2	19,7	18,5	18,2	8,8	9,2	9,8	4,9
Consumer Durables	343	-2,1	-3,6	14,8	1,5	1,5	20,0	18,6	17,1	16,7	3,5	3,4	3,2	3,0
Automobiles and parts	124	-2,6	2,9	-8,5	3,7	3,9	7,5	7,8	7,7	8,9	1,8	1,5	1,4	1,9
IT														
Technology	1171	0,3	14,6	17,7	1,7	1,8	17,5	15,4	14,6	12,3	5,3	6,3	6,4	2,9
Software & Services	1823	-1,8	15,8	16,5	0,8	0,8	27,1	25,3	23,6	16,0	6,9	6,6	6,0	3,9
Semiconductors	1004	-0,6	45,2	28,7	1,6	1,9	17,1	13,2	12,9	16,4	4,8	4,3	4,0	2,8
Consumer Staples														
Food & Staples Retailing	405	1,3	-2,1	14,3	2,5	2,1	19,5	18,1	17,4	15,2	3,8	3,7	3,6	2,9
Food Beverage & Tobacco	660	0,7	8,8	11,1	3,1	3,4	20,6	18,0	17,3	16,8	5,1	4,7	4,7	4,8
Household Goods	533	1,5	4,8	7,9	3,0	3,1	21,2	19,7	19,0	18,0	5,3	5,6	5,5	4,4
Health Care														
Pharmaceuticals	861	2,1	5,6	11,8	2,0	2,2	16,5	15,1	14,5	13,9	4,6	4,5	4,3	3,2
Healthcare Equipment	1150	0,5	12,2	16,7	1,0	1,0	19,9	18,4	17,4	14,0	3,5	3,3	3,2	2,4
Telecom	148	1,2	0,8	17,4	5,5	5,8	12,2	10,0	10,0	12,7	2,1	1,7	1,7	2,3
Utilities	267	0,7	0,1	8,0	3,7	3,5	17,0	17,0	16,5	14,5	1,8	1,8	1,8	1,5

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

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

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



Source: Factset, Data as of July 27th
12-month forward EPS are 43% of 2018 EPS and 57% of 2019 EPS

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

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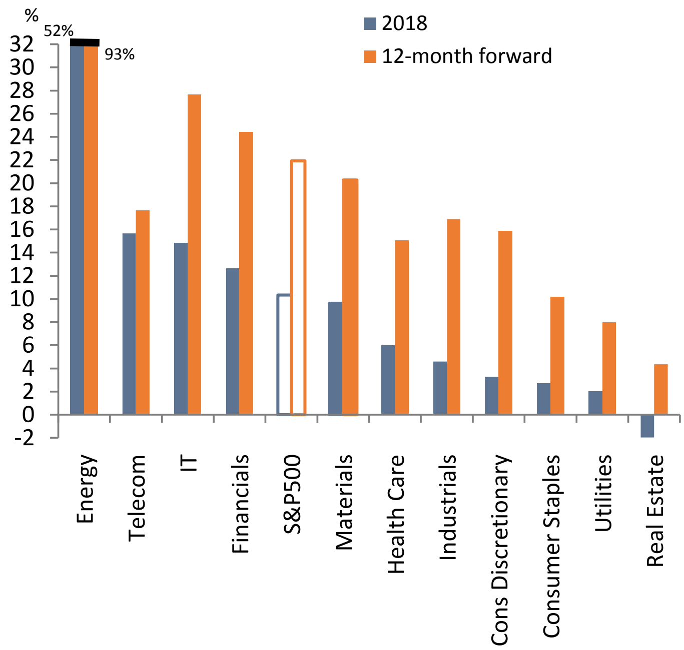

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NATIONAL BANK OF GREECE

Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	27/7/2018	% Weekly Change	2017	2018	2017	2018	2017	2018	12m fwd	10Yr Avg	2017	2018	12m fwd	10Yr Avg
STOXX Europe 600	392	1,7	13,9	9,6	3,3	3,4	16,2	15,2	14,5	12,9	1,9	1,8	1,8	1,5
Energy	368	1,5	68,4	44,9	4,8	4,5	16,6	13,2	12,5	11,4	1,4	1,5	1,4	1,2
Materials	449	2,2	11,7	6,0	2,8	2,9	18,2	17,2	15,9	14,4	1,9	1,9	1,8	1,5
Basic Resources	462	4,3	90,1	19,0	3,5	4,0	12,6	10,4	10,5	12,5	1,7	1,5	1,4	1,3
Chemicals	982	1,5	17,6	5,4	2,6	2,7	17,7	17,4	16,7	14,3	2,5	2,5	2,4	2,0
Financials														
Fin/al Services	487	-0,3	14,5	-11,3	2,9	3,1	15,5	17,2	16,4	13,4	1,7	1,6	1,5	1,3
Banks	167	3,8	34,7	15,7	3,9	4,8	13,8	10,7	10,2	10,9	1,0	0,9	0,9	0,8
Insurance	281	1,7	-9,8	18,1	4,7	5,1	13,5	10,9	10,4	9,4	1,2	1,1	1,1	1,0
Real Estate	180	1,1	2,1	11,2	3,7	4,0	20,2	19,5	18,9	19,0	1,0	1,0	1,0	1,0
Industrial	556	1,9	10,0	9,1	2,5	2,5	19,9	19,2	17,8	14,6	3,2	3,1	3,0	2,3
Consumer Discretionary														
Media	287	0,5	4,8	0,8	3,0	3,1	16,9	17,5	16,7	14,2	3,1	3,1	3,0	2,4
Retail	330	-0,6	1,9	7,8	2,9	2,8	19,7	20,3	19,2	16,1	2,5	2,8	2,7	2,4
Automobiles and parts	559	1,7	20,9	2,9	3,0	3,7	8,7	7,7	7,3	9,2	1,3	1,1	1,0	1,0
Travel and Leisure	255	-1,0	15,5	2,1	2,4	2,6	13,7	13,2	12,5	15,6	2,9	2,5	2,3	2,1
Technology	477	-0,3	8,0	12,7	1,5	1,5	24,4	23,5	21,5	17,1	3,5	3,6	3,4	2,6
Consumer Staples														
Food&Beverage	655	0,1	3,6	11,3	2,9	2,9	22,4	21,5	20,3	17,5	3,4	3,4	3,3	2,8
Household Goods	845	0,7	7,0	4,0	2,7	2,7	19,7	20,5	19,5	16,9	3,4	3,7	3,6	3,5
Health care	768	2,7	-3,6	2,9	2,9	2,7	16,8	18,2	17,4	14,2	3,3	3,4	3,3	3,0
Telecom	255	3,8	18,4	-2,6	4,9	5,3	15,2	15,3	14,6	13,5	1,8	1,7	1,7	1,6
Utilities	296	-0,3	-1,8	-3,2	5,3	5,0	13,1	14,8	14,4	12,1	1,3	1,5	1,4	1,3

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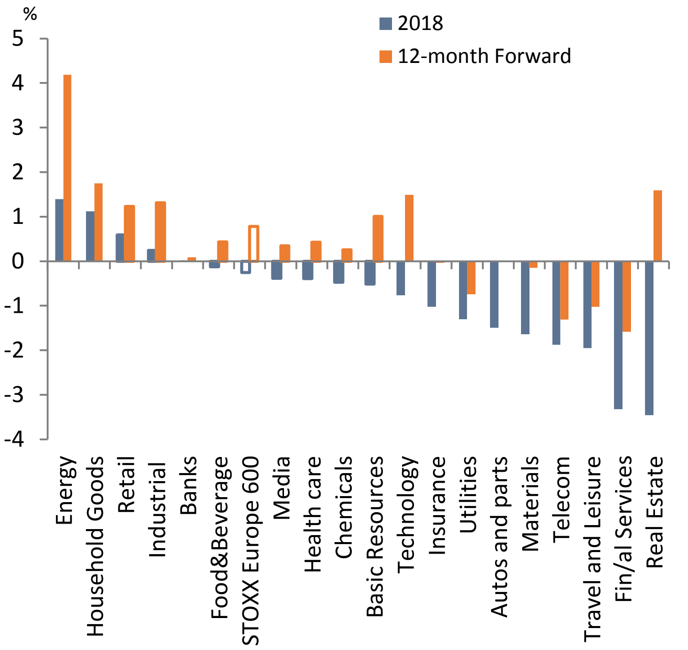

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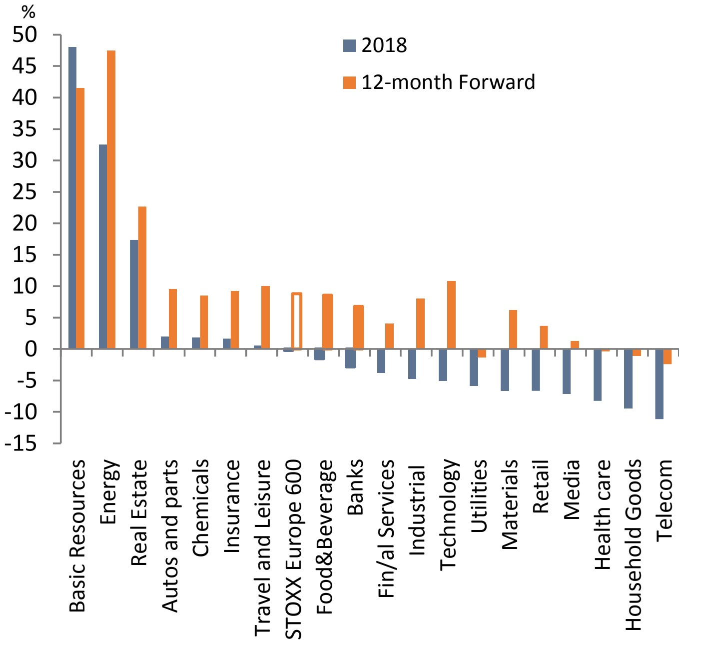

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