Global Markets Roundup

National Bank of Greece | Economic Research Division | October 03, 2017

NATIONAL BANK OF GREECE

US assets strengthened by the increased likelihood of an expansionary fiscal policy

- The US tax reform plan (Unified Framework For Fixing Our Broken Tax Code -- announced on September 27th) aims to reduce taxes for businesses and the middle class. No estimate is currently available for the estimated fiscal impact.
- The main elements are a reduction of the corporate tax rate to 20% from 35%. The plan also proposes a transformation of international taxation to a full territorial-based taxation system (allowing firms to gain permanent access to cash generated overseas), in order to reduce incentives to keep foreign profits offshore. Repatriation of previous years' earnings held offshore by US corporations (total of $0.9tn) will be hit by a once-off tax. IT and Healthcare sectors hold $0.6tn and $0.2tn, respectively, of untaxed overseas profits.
- Additionally, the reform proposal aims to reduce the number of household tax brackets from seven to three (12%, 25% and 35%) and double standard deductions to $24k for married couples and to $12k for single filers. An additional top tax rate may apply (currently 39.6%) to ensure that the new scale does not shift the tax-burden from high income to low and middle income earners.
- Based on the "Unified Framework" proposals, the Senate Budget Committee began work on legislation that will reduce revenues and change outlays so as to increase the deficit by no more than $1.5 tn over the next ten years (2018-2027).
- The Senate Budget Committee's plan could increase the budget deficit for 2018 by $112bn (0.6% of GDP) to $641bn. Applying a fiscal multiplier of 0.5 suggests that the tax plan should increase 2018 GDP growth by circa 0.3% (or 0.07% per quarter).
- Overall, the likelihood has increased that the tax legislation will be passed (in Q1:2018). Indeed, financial markets anticipate positive implications for US growth of expansionary fiscal policy, with the S&P500 increasing by 0.7% wow (13% YTD). The impact of the proposed tax rate cut from 35% to 20% could boost S&P500 ex-financial earnings by 10%-12% yoy (see table below).
- US financials outperformed (1.5% on a weekly basis), ending Q3:2017 up by a strong 4.8% (S&P500: 4% qoq -- see page 3) while the rotation towards cyclical sectors continued (+0.7% vs +0.1% for defensives). Moreover, US small caps were up by 2.8% (vs 0.7% for large caps), as investors expect domestic-oriented firms to benefit the most from a comprehensive fiscal plan (see graph).
- US Government bond yields continued to increase. Indeed, the 10Yr yield rose by 8 bps wow to 2.33% (highest since July 2017), with the 2Yr yield up 5 bps wow to 1.49%. Higher rates, due to expectations for expansionary US fiscal policy and moderately tightening monetary policy, have supported the USD that increased for a third consecutive week. Indeed, the USD rose by 1.1% wow against the euro to $/1.181.
- Increased political uncertainty (post-German elections and Catalonia/Spain worries) has also sent the EUR lower (page 11). The tension between Spain's central and Catalonian regional authorities escalated following the controversial referendum on Catalonia's independence on Sunday (Yes: 90% with a low turnout of 42%).

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Charts of the week

S&P500 ex Financials Net Income Growth in Different Scenarios

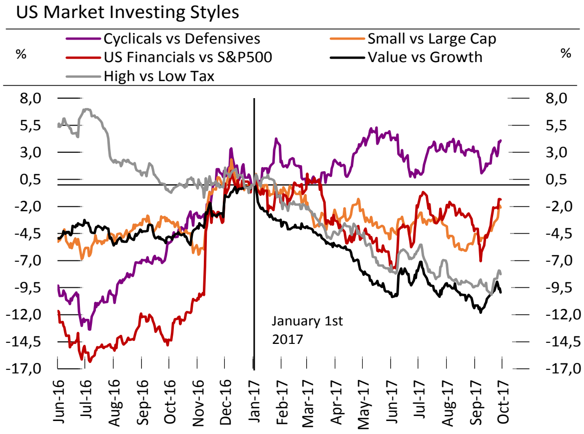
Statutory Corporate Tax Rate	Effective Tax Rate	S&P500 excl Financials Net Income ($bn)	S&P500 excl Financials Net Income Growth
15%	18%	791,4	14%
20%	21%	766,1	11%
25%	22%	740,9	7%
30%	24%	715,6	3%
35%: Current	27%	690,3	-

Source: NBG Research, Factset

Net Income = Earnings Before Tax - Taxes | Taxes = Earnings Before Tax * Effective Tax Rate

Effective Tax Rate = S&P500 Effective Tax Rate as of end of 2016 (27%)/Old Corporate Tax Rate (35%) * New Corporate Tax Rate (e.g.20%)

US Market Investing Styles



Source: NBG Research, Bloomberg, High & Low Tax Indices are Goldman Sachs Baskets

See page 14 for disclosures and analyst certification

US GDP growth in Q2:17 confirmed at strong levels, albeit appearing to weaken slight in Q3

- **The 3rd estimate of US GDP growth for Q2:17 was broadly unchanged at 3.1% qoq saar (3.0% qoq saar in the previous estimate).** Revisions across GDP components were also minor. Private consumption was the main driver of growth in Q2:17 (+3.3% qoq saar / 2.2 pps contribution to overall growth). In Q3, private consumption appears to have moderated, with personal spending, in constant price terms, standing at +1.4% qoq saar so far in Q3:17 (July-August average compared with Q2 average). Nevertheless, consumer confidence remains robust, with the Conference Board consumer confidence indicator at 119.8 from 120.4 in August (long-term average of 92.8).

Positive data for durable goods orders point to strong investment in Q3:17

- **Durable goods orders were strong for a 2nd consecutive month in August.** Core durable goods orders -- that include orders for non-defense capital goods (excluding aircraft) -- rose by 0.9% mom (+3.6% yoy), from +1.1% mom (+4.1% yoy) in July. Moreover, core durable goods shipments (that lag the respective orders and feed directly into the calculation of GDP) also increased by 0.7% mom in August, standing at +8.0% qoq saar so far in Q3:17 (July-August average compared with Q2 average), from +4.7% qoq saar in Q2:17. Overall, according to the Atlanta Fed's GDPNowcast model, GDP growth for Q3:17 is currently expected at 2.3% qoq saar.

US household wealth at record levels

- **According to the Fed's Financial Accounts of the United States, households' net worth rose solidly, by 7.4% qoq saar in Q2:17 (+9.3% yoy), suggesting that positive wealth effects should support consumer spending.** The increase was due to the continued appreciation of real estate assets (+8.8% qoq saar), as well as financial assets holdings (+6.6% qoq saar). As a result, the ratio of net worth to disposable income reached an all-time high of 670% (long-term average of 530%). At the same time, household debt rose by 3.3% qoq saar in Q2:17, broadly the same pace as in Q1:17. As a percentage of GDP, debt fell slightly, by 0.1 pp to 79.5% (peak of 97.7% in Q1:08). Regarding the two major loan categories, mortgage loans (68% of total) increased by 2.2% qoq saar, from 3.1% qoq saar previously and consumer credit (25% of total) by 4.7% qoq saar, down from 5.3% qoq saar in Q1:17 (and +6.5% qoq saar in Q4:16). The Fed's weekly consumer lending data from commercial banks suggest a continuation of the weakening trend, averaging c. 3.9% yoy so far in Q3:17.

Continued support to euro area economic activity from the credit cycle

- **Euro area bank lending to the private sector accelerated slightly in August.** Regarding the two major private sector components, loan growth to households (adjusted for sales and securitizations) was broadly stable at 2.7% yoy, the highest since March 2009. At the same time, loan growth to non-financial corporations rose to 2.5% yoy, from 2.4% yoy, matching an 8-year high also recorded in April and May 2017. On a country-by-country basis, the trend remains divergent, with the annual growth rate of loans to non- financial corporations in Germany (+3.7%) and France (+5.1%) strongly outpacing that of Italy and Spain (both around zero). Moreover, in the latest ECB's Bank Lending Survey, banks expect a further easing in credit standards and higher loan demand in Q3:17.

Euro area inflation was below expectations

- **Headline inflation was unchanged in September, while core CPI slowed slightly.** Specifically, the flash estimate for headline CPI was stable at 1.5% yoy, with an acceleration in food price growth (20% of headline / 1.9% yoy from 1.4% yoy in August), compensating for lower services inflation (45% of headline / 1.5% yoy from 1.6% yoy previously). The latter fed through to a deceleration in core CPI by 0.1 pp to 1.1% yoy, below consensus expectations for an unchanged outcome (albeit core CPI remains slightly higher compared with 1.0% yoy in H1:17 and 0.9% yoy in 2016, on average). Note that the non-energy industrial goods component, that tends to be more sensitive to currency movements, has remained stable at +0.5% yoy since July (+0.3% yoy on average in H1:17), suggesting limited pass-through so far from the stronger euro (+7% since mid-April 2017 in nominal trade weighted terms).

Firming momentum for the business sector in Japan

- **In Japan, the Tankan survey improved for a 4th consecutive quarter.** The Tankan current conditions index for large manufacturers rose to a 10-year high of +22 in September (+17 in June), above consensus estimates (+18). Regarding activity for three months ahead, the Tankan survey also improved, reaching +19 (also a 10-year high), from +15 in June. Moreover, companies revised up their fixed investment plans to +4.6% yoy the FY:2017 (April 2017-March 2018), from +2.9% yoy in the June survey. The latest report on industrial production is also positive news for business spending. Recall that industrial production in August posted a strong +2.1% mom (+5.4% yoy), from -0.8% mom (+4.6% yoy) in July. Futhermore, the outcome came despite a decline in inventories for a 3rd consecutive month, a development that could act as a tailwind for production going forward.

Japanese core CPI remains close to zero

- **The underlying trend in price pressures remains soft in Japan, despite a modest acceleration in August.** Specifically, headline CPI accelerated by 0.3 pps to 0.7% yoy. Nevertheless, the acceleration was almost solely due to the volatile energy prices. Note that CPI ex-food and energy, in seasonally-adjusted mom terms, has remained flat, on average, so far in 2017 (+0.1% mom in August / flat in yoy terms). The BoJ maintained its positive view on inflation at its meeting on September 21st, with only one member (out of nine) arguing that the inflation goal for 2018 may not be observed.

Robust PMIs in China

- **Chinese PMIs suggest strong economic activity in Q3:17** (GDP growth: 6.9% yoy in both Q2:17 and Q1:17), compared with hard data so far. The official manufacturing PMI was up 0.7 pts in September to 52.4 (a 5-year high), averaging 51.8 in Q3 (H1:17 average: 51.5).

Equities

- **Global equity markets recorded small gains in the past week**, with the MSCI World index flat on a weekly basis, while emerging markets underperformed their developed market peers (-1.9% vs +0.3%). In the US, the S&P500 index rose by 0.7% on a weekly basis, posting an all-time high in September following President Trump's tax cut proposals. Energy (+1.9%) and Financials (+1.5%) over-performed, with the latter benefitting from higher government bond yields. Note that the US earnings season starts next week and consensus expects S&P500 EPS growth of 4.2% yoy from 10.4% yoy in Q2:17 and 13.9% in Q1:17. In Japan, the Nikkei 225 was broadly flat (+0.3%), as President Abe's reelection looks uncertain after the formation of a new opposition coalition. In the euro area, markets rose in the past week, with the EuroStoxx index ending the week up by 1.3%, while the exporter-heavy DAX 30 (c. 80% of revenue earned abroad) increased by 1.9% wow. In Spain, the IBEX 35 declined by 1.2% on Monday, following the independence vote in Catalonia, and has underperformed in September (+0.8%) versus the EuroStoxx (+4.4%).

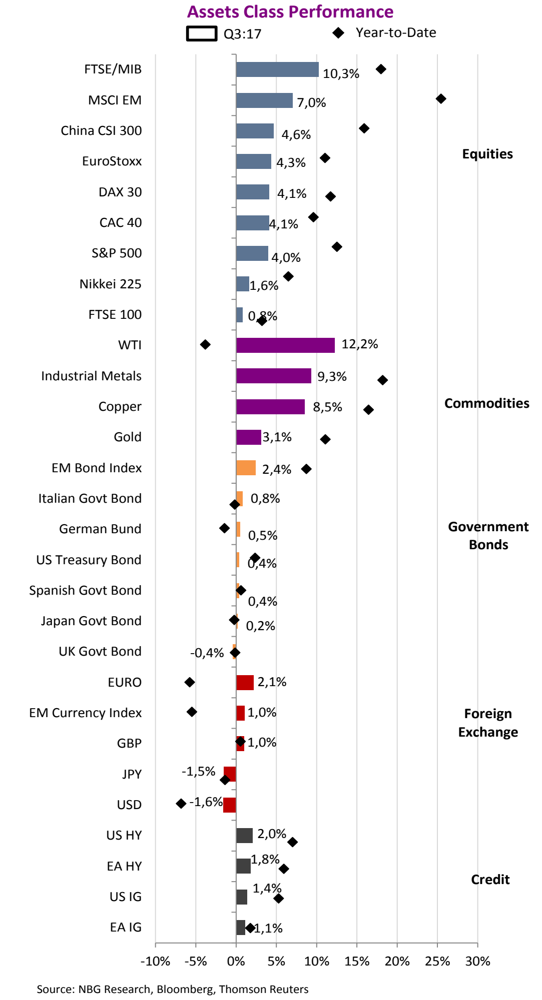
Fixed Income

- **Government bond yields rose during the past week** due to President Trump's proposed tax overhaul and a more hawkish message by Fed Chair Yellen. Indeed, US Treasury long and short-term yields rose on a weekly basis, with the UST 10-year yield up by 8 bps wow to 2.33% (2-months high) and the 2-year yield up by 5 bps wow to 1.49%, its highest level since November 2008. Similarly, German 10-year Bund Yield was up by 2 bps on a weekly basis to 0.46%, while periphery bond spreads over the Bund moderately narrowed across the board. Indeed, the Italian 10-year yield spread over the Bund declined slightly by 1 bp to 165bps, while Portugal's spread was down by 7 bps to 192 bps. Spain's spread decreased by 4 bps to 114 bps wow, albeit on Monday it rose by 8 bps to 122 after the Catalonia's referendum on independence.

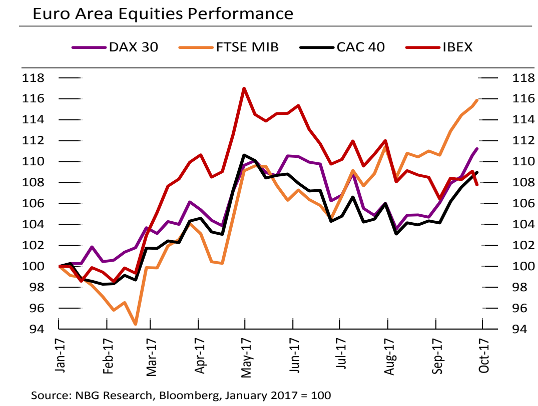
- **Corporate bond spreads declined in the past week**, benefitting from the risk-on mode in markets. US HY bond spreads narrowed by 10 bps to 354 bps and their euro area counterparts by 2 bps to 255 bps. Investment grade (IG) bond spreads in the US also declined (-5 bps to 106 bps), while remaining stable in the euro area (at 98 bps).

FX and Commodities

- **In foreign exchange markets, the US dollar strengthened across the board** after the proposals for fiscal reform and the repricing of the probability of a Fed rate hike at its December meeting (70% from 63% in the previous week and 25% early in September). Overall, the USD rose by 1.1% wow against the euro to $/1.181, the highest weekly increase since March 2017, and by 0.5% against the Japanese yen to ¥/112.5. The political uncertainty in the euro area benefited the British pound that ended the week higher by 0.4% to €/£0.882, although on Friday it weakened (-0.5%), as the UK economy recorded its weakest annual growth since 2013 in the second quarter of the year.
- **In commodities, oil prices increased modestly over the week.** Brent started the week on a strong note (+3.9% on Monday), due to a threat from Turkish President Erdogan to block Kurdish oil exports. However, it ended the week broadly flat (-0.2% wow, to $56.5/barrel). On a similar note, the WTI rose by 3.2% on Monday, with the upside trend easing later in the week (+2.7% wow to $51.7/barrel). Precious metals declined for a 3rd consecutive week (Gold: -1.3% wow to $1.280/ounce / +11.1% ytd) due to improved investor risk appetite.



Graph 1.



Graph 2.

Quote of the week: "We've had 3 percent GDP numbers because you see the economy is anticipating and reacting to President Trump's plan. But you're correct, if we don't pass through on this tax reform, we won't get this growth. And that's why we need it. That's why this is critical to get done", **Secretary of the US Treasury, Steven Mnuchin,** October 1st 2017.

Tactical Asset Allocation (3-month)

- **Equities**: We remain **Overweight**, upgrading equities vs Government bonds and cash. Synchronized strong global GDP growth and double-digit corporate earnings offset, for now, the anticipating peak of central bank (C/B) liquidity. O/W Euro area amid strong growth momentum, albeit FX strength and higher rates start to weigh. O/W Euro area banks due to higher yields, steeper curves and positive earnings' revisions.
- **Government Bonds:** The trend of higher yields will continue reflecting less aggressive C/Bs, reduced liquidity and stronger inflation data. **Underweight Govies**. Steeper curves, particularly in Bunds. Geopolitical risks (N. Korea), if escalated further, may boost prices (lower yields) due to safe haven demand.
- **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.

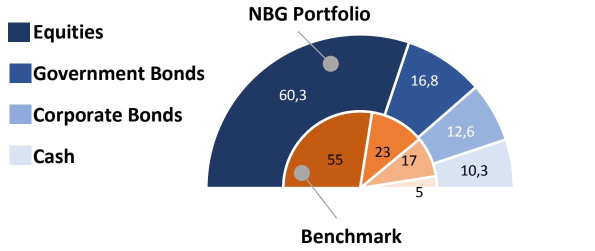
NBG Global Markets - Main Equity Sector Calls

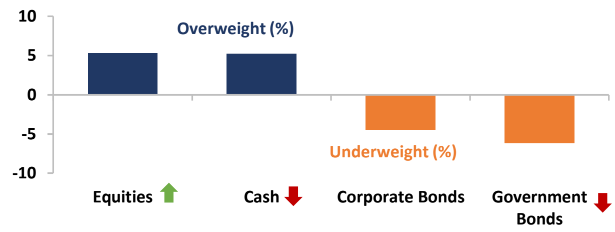
US Sector	Position	View/Comment
Banks	**Neutral**	Rising rates will support interest margins, less regulation also positive. (see US Treasury report) Neg: Loan volumes are declining and curves are now flattening
Energy	**Neutral**	OPEC's deal implementation (assuming a 9-month extension) remains a risk and oil price weakness has aggravated recently. US oil production is increasing (at 2015 high levels). Light positioning and sizeable underperformance may present a buying opportunity
Cyclical / Defensives	**Neutral**	We remain neutral US stocks this month, with no bias within the sectors

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	UW	OPEC's deal implementation (assuming a 9-month extension) remains a risk and oil price weakness has aggravated recently. US oil production is increasing (at 2015 high levels)
Cyclical / Defensives	**Neutral**	We choose neutral positions across other sectors, for now

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

Total Portfolio Allocation





Detailed Portfolio Breakdown

Equities	Portfolio	Benchmark	OW/UW
US	52	52	0,0
Euro area	12	10	2,0
UK	7	7	-
Rest of Dev. Europe	5	5	-
Japan	7	7	-
Rest of Dev. World	8	8	-
EM Asia	7	7	0,0
EM Latin America	0,5	2	-1,5
EMEA	1,5	2	-0,5

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) 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.

	US	Euro Area	Japan	UK
Equity Markets	+ Fiscal loosening + EPS acceleration + Cash-rich corporates lead to share buybacks and higher dividends (de-equitization) - Demanding valuations - Peaking profit margins - Protectionism and trade wars	+ Still high equity risk premium, albeit declining + Credit conditions gradual turn more favorable + Small fiscal loosening - Sovereign debt crisis could re-emerge - EPS estimates may turn optimistic due to higher EUR - Strong Euro in NEER terms (2017 vs 2016)	+ Aggressive QE by the BoJ + Upward revisions in corporate earnings - Signs of policy fatigue regarding structural reforms and fiscal discipline - Strong appetite for foreign assets - If sustained, Japanese Yen appreciation hurts exporters companies	+ 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 Referendum and the negotiating process
	● **Neutral/Positive**	● **Neutral**	● **Neutral**	● **Neutral/Negative**
Government Bonds	+ Valuations appear rich + Underlying inflation pressures + The Fed is expected to increase its policy rate towards 1,5% by end-2017 - Global search for yield by non-US investors continues - Fed's commitment on gradual tightening policy - Safe haven demand	+ 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 - Gradually less accommodative monetary policy by the ECB	+ 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%	+ 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 cut rates or/and re-activate asset purchases - Slowing economic growth post-Brexit
	▲ **Higher yields expected**	▲ **Higher yields expected**	● **Stable yields expected**	▲ **Higher yields expected**
Foreign Exchange	+ The Fed is expected to increase its policy rate towards 1.5% in 2017 + Growth to remain slightly above-trend in 2017 + Destination-based taxation with border adjustment - Mid-2014 rally probably out of steam - Protectionism and trade Wars	+ 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)	+ 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%	+ 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
	▲ **Long USD against its major counterparts ex-EUR**	● **Flat EUR against the USD with upside risks short term**	▼ **Lower JPY against the USD**	▼ **Weaker GBP against the EUR and the USD**

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

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Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	Sep 29th	3-month	6-month	12-month	Official Rate (%)	Sep 29th	3-month	6-month	12-month
Germany	0,46	0,55	0,75	0,95	Euro area	0,00	0,00	0,00	0,00
US	2,33	2,65	2,75	2,90	US	1,25	1,50	1,75	2,00
UK	1,37	1,40	1,53	1,68	UK	0,25	0,40	0,40	0,45
Japan	0,07	0,04	0,07	0,14	Japan	-0,10	-0,10	-0,10	-0,10

Currency	Sep 29th	3-month	6-month	12-month		Sep 29th	3-month	6-month	12-month
EUR/USD	1,18	1,17	1,17	1,18	USD/JPY	113	112	113	111
EUR/GBP	0,88	0,90	0,91	0,92	GBP/USD	1,34	1,29	1,29	1,28
EUR/JPY	133	131	132	131					

Forecasts at end of period

Economic Forecasts

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

	2013	2014	2015	2016	2017f	2018f
Real GDP Growth (%)						
Turkey	8,5	5,2	6,1	3,2	5,5	4,0
Romania	3,5	3,1	3,9	4,8	5,5	4,0
Bulgaria	0,9	1,3	3,6	3,4	3,7	3,5
Serbia	2,6	-1,8	0,8	2,8	2,6	3,6
Headline Inflation (eop,%)						
Turkey	7,4	8,2	8,8	8,5	9,8	8,0
Romania	1,6	0,8	-0,9	-0,5	2,0	2,6
Bulgaria	-1,6	-0,9	-0,4	0,1	0,8	1,4
Serbia	2,2	1,7	1,5	1,6	2,8	3,0
Current Account Balance (% of GDP)						
Turkey	-6,7	-4,7	-3,7	-3,8	-4,5	-4,4
Romania	-1,1	-0,7	-1,2	-2,3	-3,2	-3,6
Bulgaria	1,3	0,1	-0,1	4,2	3,3	2,5
Serbia	-6,1	-6,0	-4,7	-4,0	-4,4	-4,3
Fiscal Balance (% of GDP)						
Turkey	-1,0	-1,1	-1,0	-1,1	-2,4	-2,0
Romania	-2,5	-1,7	-1,5	-2,4	-3,3	-4,0
Bulgaria	-1,8	-3,7	-2,8	1,6	0,0	-1,0
Serbia	-5,5	-6,6	-3,7	-1,3	0,0	0,0

f: NBG forecasts

Stock Markets (in local currency)

Country - Index	2/10/2017	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	103.931	1,6	33,0	39,7
Romania - BET-BK	1.647	-0,1	22,5	22,8
Bulgaria - SOFIX	688	1,0	17,3	55,0
Serbia - BELEX15	720	-0,6	0,3	14,6

Financial Markets

	2/10/2017	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	13,0	12,5	12,0	11,0
Romania	1,8	1,0	1,3	2,0
Bulgaria	0,0	0,1	0,1	0,2
Serbia	3,1	3,4	3,5	3,8
Currency				
TRY/EUR	4,19	4,24	4,30	4,36
RON/EUR	4,58	4,57	4,55	4,55
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	119,0	119,8	120,8	120,3
Sovereign Eurobond Spread (in bps)				
Turkey (USD 2020)(*)	180	175	165	150
Romania (EUR 2024)	131	122	116	110
Bulgaria (EUR 2022)	48	53	52	50
Serbia (USD 2021)(*)	116	126	124	120

(*) Spread over US Treasuries

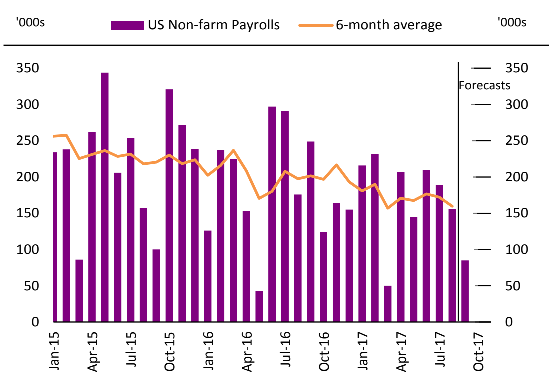
Economic Calendar

The main macro event next week in the US is the labor market report due for release next Friday. Nonfarm Payrolls are expected to have increased by 85k in September, down from 156k in August, due to hurricane related effects, while the unemployment rate is expected to have remained stable at 4.4%.

In the euro area, markets will focus, on the retail sales data for August, expected to have improved compared to July.

In UK, the PMI index for the dominant services sector (79% of GDP) is estimated to have remained stable in September.

US Nonfarm Payrolls



Source: NBG Research, Bloomberg

Economic News Calendar for the period: September 26 - October 9, 2017

Tuesday 26

US		S		A	P
S&P Case/Shiller house price index 20 (YoY)	July	5.70%	+	5.81%	5.65%
New home sales (k)	August	585	-	560	580
Conference board consumer confidence	September	120.0	-	119.8	120.4

Wednesday 27

US		S		A	P
Pending home sales (MoM)	August	-0.5%	-	-2.6%	-0.8%
Durable goods orders (MoM)	August	1.0%	+	1.7%	-6.8%
Durable goods orders ex transportation (MoM)	August	0.2%		0.2%	0.8%
EURO AREA					
M3 money supply (YoY)	August	4.6%	+	5.0%	4.5%

Thursday 28

US		S		A	P
GDP (QoQ, annualized)	Q2:17 T	3.0%	+	3.1%	3.0%
Personal Consumption	Q2:17 T	3.3%		3.3%	3.3%
Initial Jobless Claims (k)	September 23	270	-	272	260
Continuing Claims (k)	September 16	1993	+	1934	1979
EURO AREA					
Economic Confidence	September	112.0	+	113.0	111.9
Business Climate Indicator	September	1.12	+	1.34	1.08

Friday 29

US		S		A	P
PCE Core Deflator (YoY)	August	1.4%	-	1.3%	1.4%
PCE Deflator (YoY)	August	1.5%	-	1.4%	1.4%
Personal income (MoM)	August	0.2%		0.2%	0.3%
Personal spending (MoM)	August	0.1%		0.1%	0.3%
UK					
GDP (QoQ)	Q2:17 F	0.3%		0.3%	0.3%
GDP (YoY)	Q2:17 F	1.7%	-	1.5%	1.7%
Nationwide House Px NSA YoY	September	1.9%	+	2.0%	2.1%
EURO AREA					
CPI (YoY)	September	1.6%	-	1.5%	1.5%
Core CPI (YoY)	September	1.2%	-	1.1%	1.2%
GERMANY					
Retail sales (MoM)	August	0.5%	-	-0.4%	-1.2%
Retail sales (YoY)	August	3.2%	-	2.8%	2.8%

CHINA					
Caixin PMI Manufacturing	September	51.5	-	51.0	51.6
PMI manufacturing	September	51.6	+	52.4	51.7
JAPAN					
Jobless Rate	August	2.8%		2.8%	2.8%
CPI (YoY)	August	0.6%	+	0.7%	0.4%
Core CPI (YoY) - ex. Fresh Food	August	0.7%		0.7%	0.5%
Core CPI (YoY) - ex. Fresh Food and Energy	August	0.2%		0.2%	0.1%
Retail sales (MoM)	August	-0.5%	-	-1.7%	1.1%
Retail sales (YoY)	August	2.5%	-	1.7%	1.8%
Industrial Production (MoM)	August	1.8%	+	2.1%	-0.8%
Industrial Production (YoY)	August	5.2%	+	5.4%	4.7%
Construction Orders YoY	August	..		-10.6%	14.9%

Monday 2

US		S		A	P
ISM Manufacturing	September	58.1	+	60.8	58.8
Construction spending	August	0.4%	+	0.5%	-1.2%
UK					
Markit UK PMI Manufacturing SA	September	56.2	-	55.9	56.7
JAPAN					
Tankan - large manufacturers current index	3Q:17	18	+	22	17
Tankan - large manufacturers outlook index	3Q:17	16	+	19	15
EURO AREA					
Unemployment Rate	August	9.0%	-	9.1%	9.1%

Tuesday 3

UK		S	A	P
Markit/CIPS UK Construction PMI	September	51.1	..	51.1

Wednesday 4

US		S	A	P
ADP Employment Change (k)	September	143	..	237
EURO AREA				
Retail sales (MoM)	August	0.3%	..	-0.3%
Retail sales (YoY)	August	2.6%	..	2.6%
UK				
Markit/CIPS UK Services PMI	September	53.2	..	53.2

Thursday 5

US		S	A	P
Initial Jobless Claims (k)	September 30	265	..	272
Continuing Claims (k)	September 23	1949	..	1934
Trade balance ($bn)	August	-42.7	..	-43.7
Factory Goods Orders	August	1.0%	..	-3.3%

Friday 6

US		S	A	P
Change in Nonfarm Payrolls (k)	September	85	..	156
Change in Private Payrolls (k)	September	74	..	165
Unemployment rate	September	4.4%	..	4.4%
Average Hourly Earnings MoM	September	0.3%	..	0.1%
Average Hourly Earnings YoY	September	2.5%	..	2.5%
Average weekly hours (hrs)	September	34.4	..	34.4
Labor Force Participation Rate	September	..	..	62.9%
Underemployment Rate	September	..	..	8.6%
Wholesale trade	August	..	..	-0.1%
JAPAN				
Leading Index	August	107.1	..	105.2
Coincident Index	August	117.5	..	115.7

Monday 9

GERMANY		S	A	P
Industrial Production (sa, MoM)	August	..	..	0.0%
Industrial Production (wda, YoY)	August	..	..	4.0%

Source: NBG Research, Bloomberg

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

Equity Markets (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	2519	0,7	12,5	17,1	31,2
Japan	NIKKEI 225	20356	0,3	6,5	21,9	17,1
UK	FTSE 100	7373	0,8	3,2	6,6	21,6
Canada	S&P/TSX	15635	1,2	2,3	6,0	17,5
Hong Kong	Hang Seng	27554	-1,2	25,2	16,1	32,2
Euro area	EuroStoxx	389	1,3	11,1	20,0	19,7
Germany	DAX 30	12829	1,9	11,7	23,3	32,8
France	CAC 40	5330	0,9	9,6	19,9	19,6
Italy	FTSE/MIB	22696	0,7	18,0	38,9	6,6
Spain	IBEX-35	10382	0,7	11,0	18,0	8,6

Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
MSCI Emerging Markets	57793	-1,2	21,3	17,8	31,3
MSCI Asia	872	-1,3	26,0	20,3	35,0
China	83	-2,0	41,2	29,0	44,8
Korea	725	-0,4	24,9	26,3	42,0
MSCI Latin America	84710	-0,7	17,8	17,8	38,9
Brazil	252403	-1,5	21,0	22,4	52,6
Mexico	47308	0,0	9,5	5,6	16,9
MSCI Europe	5158	0,0	3,9	15,0	20,2
Russia	926	1,9	-7,3	4,8	24,0
Turkey	1426449	-1,8	30,6	30,9	35,3

World Market Sectors (MSCI Indices)

in US Dollar terms	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	211,0	1,2	-3,7	3,4	16,6
Materials	260,7	-0,3	17,5	20,6	46,9
Industrials	249,5	0,1	17,4	20,1	38,4
Consumer Discretionary	223,1	0,2	13,6	15,9	21,0
Consumer Staples	226,0	0,0	8,9	2,9	14,7
Healthcare	226,2	0,0	17,3	11,3	14,8
Financials	120,9	0,7	13,8	30,5	29,3
IT	204,1	0,8	26,6	27,2	51,4
Telecoms	70,5	-0,1	1,4	-1,5	9,6
Utilities	128,4	-1,0	11,7	6,7	15,8

in local currency	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	212,6	1,7	-6,9	1,8	16,5
Materials	243,6	0,4	11,5	19,3	43,4
Industrials	244,5	0,6	13,1	20,4	35,7
Consumer Discretionary	214,5	0,5	10,5	16,5	19,7
Consumer Staples	223,5	0,4	5,1	2,3	14,8
Healthcare	222,0	0,2	14,6	11,1	14,3
Financials	119,0	1,3	9,3	29,2	26,7
IT	197,5	0,9	25,4	27,6	50,4
Telecoms	72,5	0,5	-2,8	-1,5	8,5
Utilities	129,9	-0,5	8,1	5,9	15,1

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	2,33	2,25	2,45	1,56	2,63
Germany	0,46	0,45	0,21	-0,12	1,91
Japan	0,07	0,03	0,05	-0,08	0,80
UK	1,37	1,36	1,24	0,72	2,65
Greece	5,66	5,55	7,11	8,26	10,30
Ireland	0,74	0,75	0,75	0,33	4,38
Italy	2,11	2,10	1,81	1,21	3,68
Spain	1,60	1,63	1,38	0,92	3,67
Portugal	2,39	2,44	3,76	3,31	5,41

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	4,1	4,1	4,4	3,7	4,4
vs 30Yr Treasury (bps)	125	133	132	138	98

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	85	82	126	83	178
US Treasuries 10Y/5Y	40	39	52	44	91
Bunds 10Y/2Y	116	113	97	57	124
Bunds 10Y/5Y	73	71	74	46	74

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
EM Inv. Grade (IG)	145	147	181	183	271
EM High yield	407	413	510	580	819
US IG	106	111	129	143	201
US High yield	354	364	421	509	644
Euro area IG	98	98	124	113	170
Euro area High Yield	255	257	376	415	665

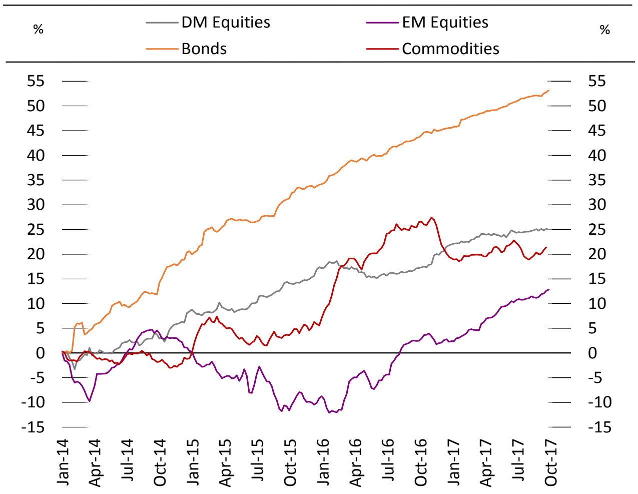
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1,18	-1,1	-0,6	5,3	12,3
EUR/CHF	1,14	-1,2	-0,1	5,5	6,7
EUR/GBP	0,88	-0,4	-4,1	1,9	3,3
EUR/JPY	132,89	-0,7	1,4	17,2	8,0
EUR/NOK	9,40	0,8	1,3	4,0	3,4
EUR/SEK	9,63	0,8	1,5	0,0	0,5
EUR/AUD	1,51	0,5	0,3	2,6	3,3
EUR/CAD	1,47	0,0	-1,7	-0,1	4,3
USD-based cross rates					
USD/CAD	1,25	1,1	-1,2	-5,1	-7,2
USD/AUD	1,28	1,6	0,8	-2,6	-8,1
USD/JPY	112,53	0,5	2,1	11,4	-3,8

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	387	-1,0	2,1	-12,4	-10,1
Energy	403	0,9	9,9	1,4	-7,4
West Texas Oil ($)	52	2,7	12,4	8,0	-3,8
Crude brent Oil ($)	57	-0,2	12,4	18,2	2,0
Industrial Metals	1327	-0,2	-1,8	25,7	18,2
Precious Metals	1547	-1,0	-2,4	-5,2	9,8
Gold ($)	1280	-1,3	-2,2	-3,0	11,1
Silver ($)	17	-2,0	-4,5	-12,8	4,6
Baltic Dry Index	1356	-9,7	14,8	52,7	41,1
Baltic Dirty Tanker Index	776	0,5	16,3	21,6	-15,6

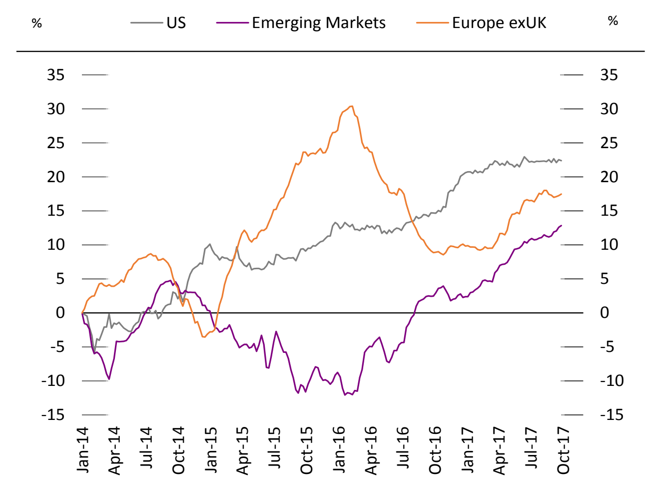
Source: Bloomberg, as of September 29th, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

Global Cross Asset ETFs: Flows as % of AUM



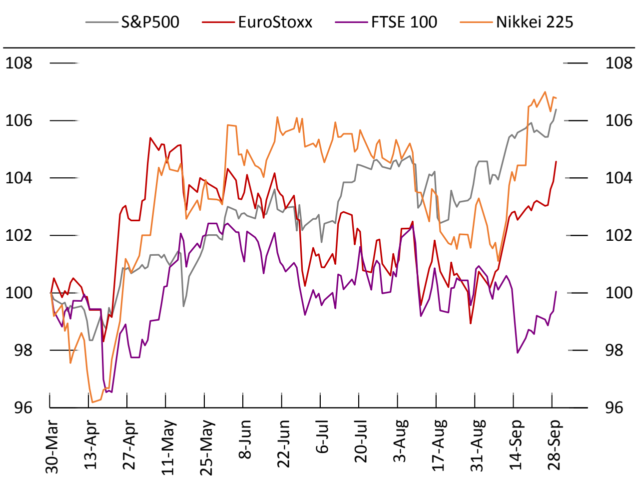
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 29th

Equity ETFs: Flows as % of AUM



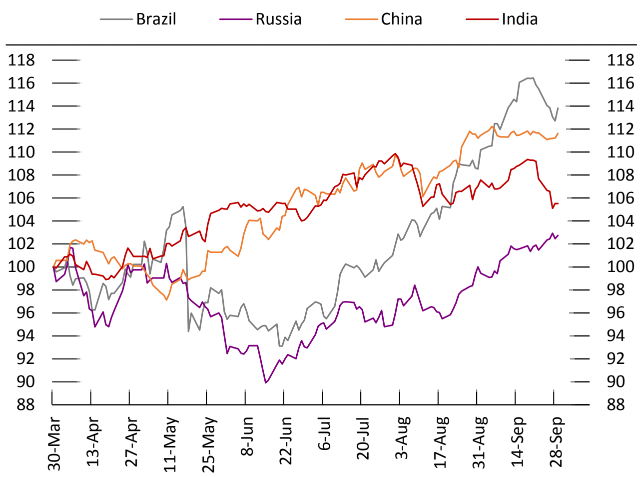
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of September 29th

Equity Market Performance - G4



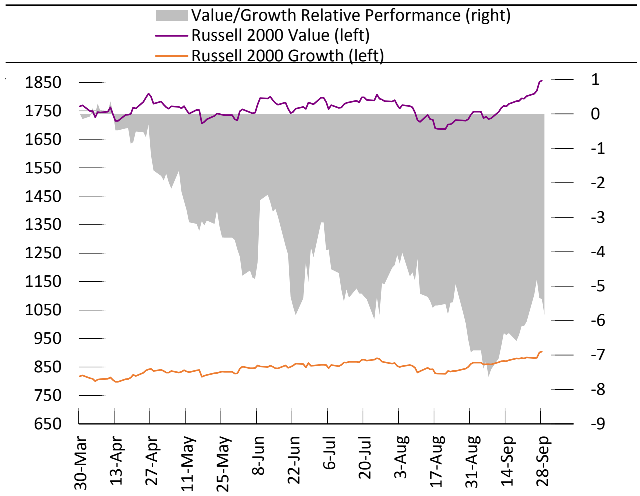
Source: Bloomberg - Data as of September 29th – Rebased @ 100

Equity Market Performance - BRICs



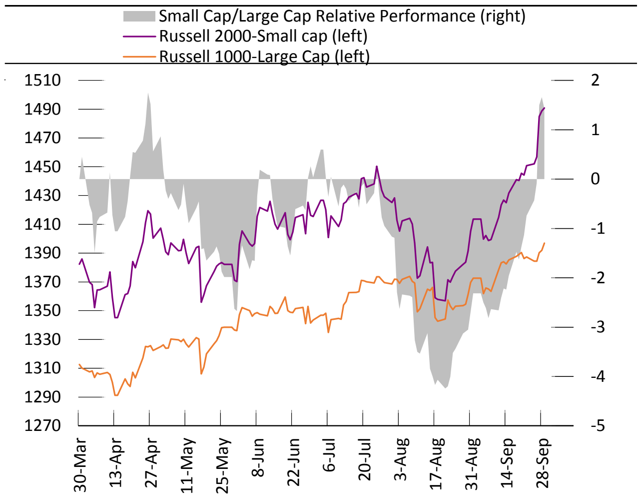
Source: Bloomberg - Data as of September 29th – Rebased @ 100

Russell 2000 Value & Growth Index



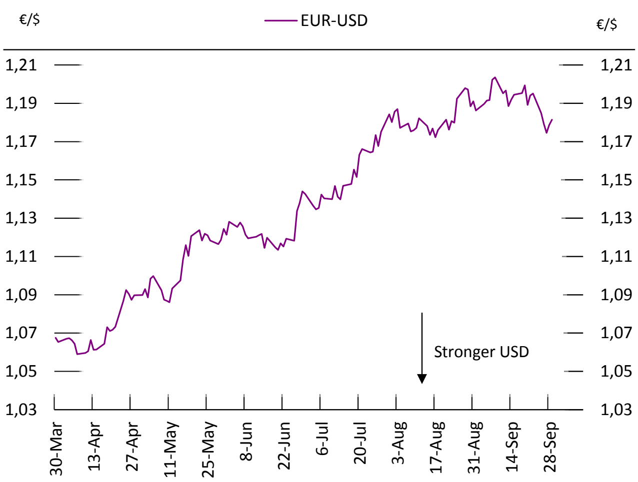
Source: Bloomberg, Data as of September 29th

Russell 2000 & Russell 1000 Index



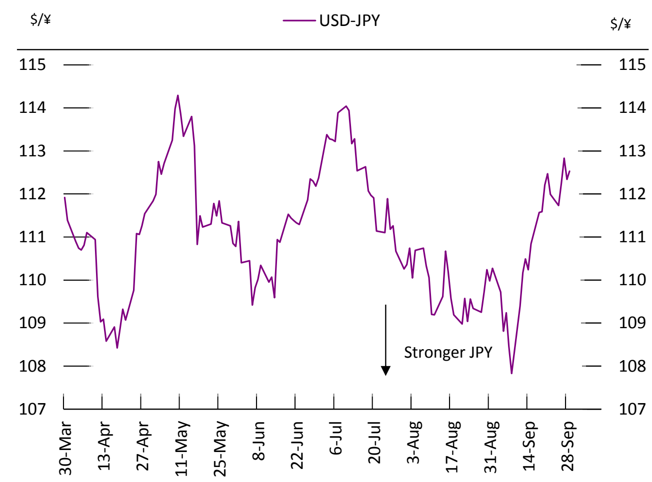
Source: Bloomberg, Data as of September 29th

EUR/USD



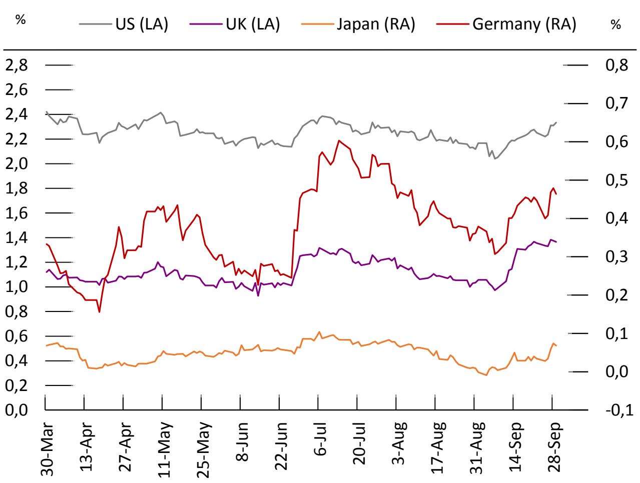
Source: Bloomberg, Data as of September 29th

JPY/USD



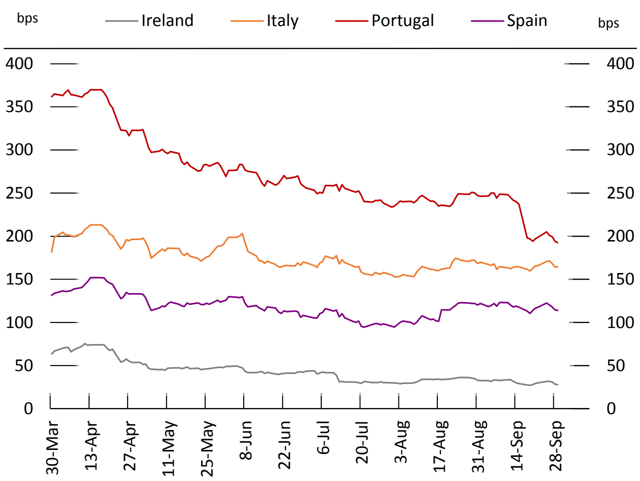
Source: Bloomberg, Data as of September 29th

10- Year Government Bond Yields



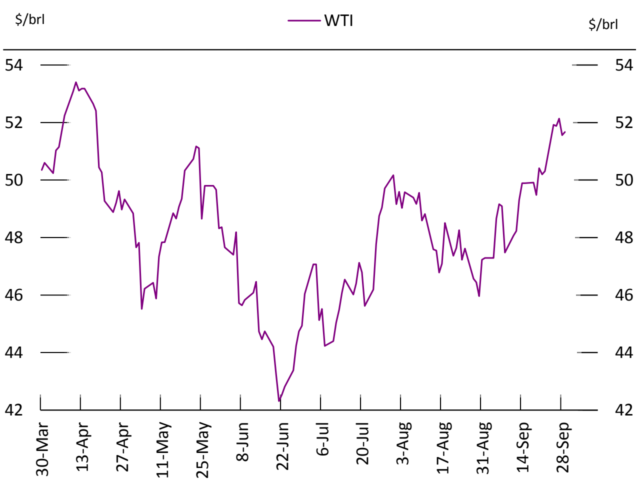
Source: Bloomberg - Data as of September 29th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



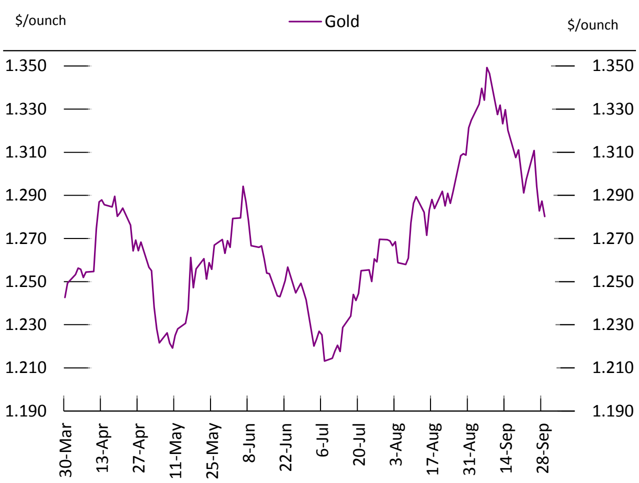
Source: Bloomberg - Data as of September 29th

West Texas Intermediate ($/brl)



Source: Bloomberg, Data as of September 29th

Gold ($/ounch)



Source: Bloomberg, Data as of September 29th

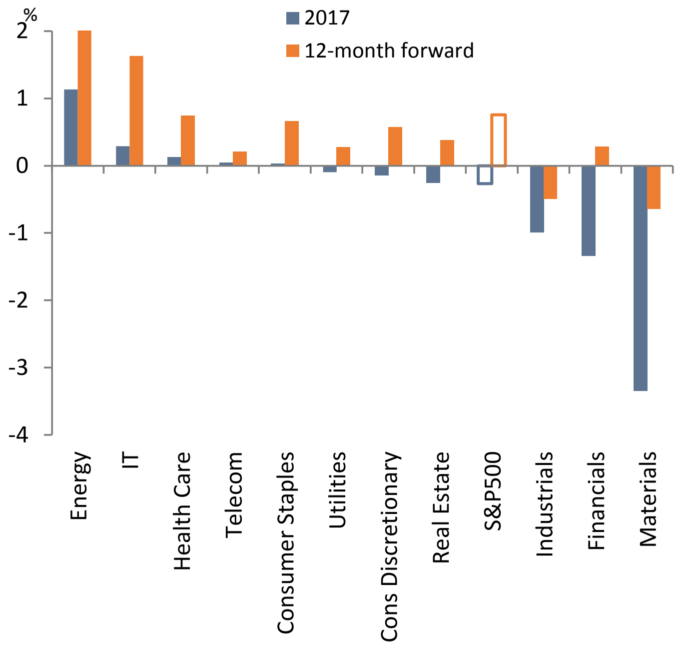
US Sectors Valuation

	Price ($)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	29/9/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
S&P500	2519	0,7	1,2	10,0	2,0	2,0	19,8	19,2	17,8	14,1	3,1	3,1	3,0	2,2
Energy	507	1,9	-74,4	237,3	2,7	2,8	127,3	36,8	29,8	19,0	2,0	1,9	1,9	1,8
Materials	356	0,4	-5,7	7,1	2,1	1,9	20,2	20,5	18,2	14,8	3,8	4,0	3,7	2,7
Financials														
Diversified Financials	622	1,7	5,7	9,1	1,3	1,4	18,1	17,8	16,4	13,6	1,8	1,8	1,7	1,4
Banks	312	1,6	1,1	11,3	1,8	2,0	15,3	14,3	13,1	12,4	1,3	1,3	1,2	0,9
Insurance	391	0,9	-4,2	16,5	2,0	2,0	15,6	14,3	13,2	9,8	1,4	1,4	1,3	1,0
Real Estate	199	0,3	8,0	1,5	3,9	3,4	18,8	18,6	17,7	17,2	3,0	3,3	3,3	2,5
Industrials														
Capital Goods	656	-0,2	4,7	9,1	2,2	2,3	20,6	20,4	19,0	14,7	4,7	4,8	4,6	2,9
Transportation	674	1,6	-7,8	0,1	1,6	1,7	16,0	17,0	15,6	14,2	4,5	4,3	4,0	3,0
Commercial Services	246	-0,1	8,5	3,0	1,4	1,5	22,9	22,2	20,8	17,9	3,9	3,9	3,8	2,9
Consumer Discretionary														
Retailing	1523	1,2	11,6	4,8	1,0	1,0	30,9	31,5	28,4	19,9	10,1	9,8	8,9	5,0
Media	530	0,2	2,6	8,6	1,2	1,4	20,8	18,5	17,1	15,0	3,2	3,1	2,9	2,2
Consumer Services	980	-0,8	9,2	10,8	2,0	1,9	22,8	23,3	21,3	17,8	8,4	9,9	9,9	4,6
Consumer Durables	297	1,3	11,7	2,6	1,7	1,7	17,6	17,4	16,1	16,7	3,4	3,2	3,0	2,9
Automobiles and parts	136	0,7	10,6	-0,7	4,2	3,5	7,6	8,1	8,2	8,9	1,8	1,7	1,6	2,0
IT														
Technology	954	1,2	-2,8	7,6	1,9	2,0	15,0	15,3	14,1	12,5	3,8	4,1	3,7	2,7
Software & Services	1447	0,6	11,5	8,6	1,0	0,9	23,2	24,9	22,5	15,4	5,8	5,7	5,1	3,8
Semiconductors	851	2,2	12,9	32,2	2,0	1,9	17,5	15,8	14,9	16,7	3,7	3,9	3,6	2,7
Consumer Staples														
Food & Staples Retailing	367	0,0	1,2	1,8	2,1	2,7	17,6	17,1	16,2	14,9	3,2	3,2	3,0	2,6
Food Beverage & Tobacco	685	0,0	8,9	6,6	2,7	3,0	23,0	21,1	19,8	16,6	6,4	5,3	5,4	4,7
Household Goods	574	-0,3	1,6	4,4	2,6	2,8	24,1	23,0	21,8	17,8	6,4	5,8	5,7	4,3
Health Care														
Pharmaceuticals	860	-0,3	6,2	4,1	2,0	2,0	16,3	17,1	16,1	13,8	4,2	4,4	4,2	3,1
Healthcare Equipment	963	0,8	9,5	10,2	1,0	1,0	18,8	18,7	17,6	13,8	3,3	3,3	3,1	2,4
Telecom	162	0,5	-7,4	-0,7	4,5	4,8	14,0	13,5	13,3	13,1	2,9	2,7	2,5	2,2
Utilities	269	-0,5	6,6	0,9	3,4	3,5	18,0	18,3	17,7	14,3	2,0	1,9	1,9	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 2017 & 12-month Forward EPS

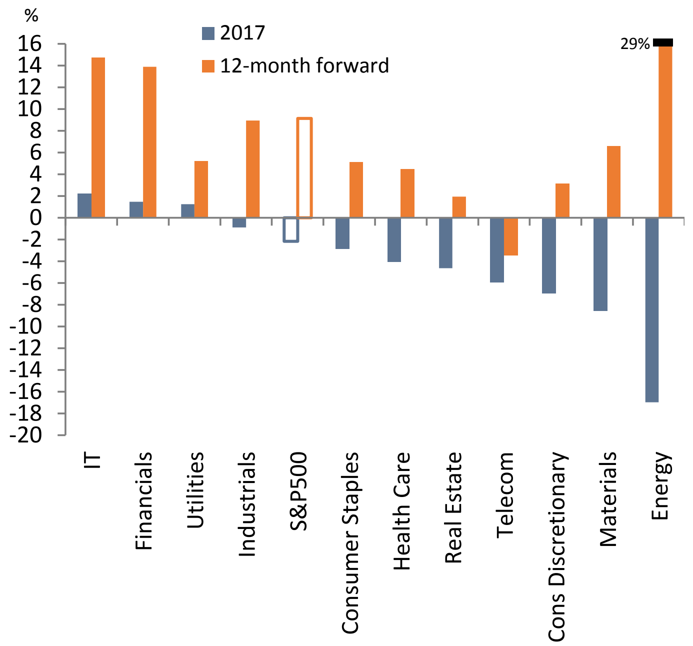
Earnings Revisions indicate 1-month change in 2017 & 12-month Forward EPS



Source: Factset, Data as of September 29th
12-month forward EPS are 25% of 2017 EPS and 75% of 2018 EPS

12-month revisions to 2017 & 12-month Forward EPS

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



Source: Factset, Data as of September 29th
12-month forward EPS are 25% of 2017 EPS and 75% of 2018 EPS

Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	29/9/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
STOXX Europe 600	388	1,3	-3,6	15,2	3,4	3,2	17,9	16,3	15,4	12,6	1,8	1,9	1,8	1,6
Energy	315	1,6	-31,5	61,7	5,4	5,0	27,2	16,8	16,1	10,9	1,2	1,3	1,3	1,3
Materials	468	1,3	17,2	12,3	2,7	2,7	20,0	18,8	17,3	13,9	1,9	2,0	1,9	1,5
Basic Resources	421	-0,4	255,5	71,6	2,2	3,4	21,6	12,5	13,2	12,5	1,5	1,5	1,4	1,4
Chemicals	957	2,7	-2,0	10,8	2,7	2,7	18,0	17,6	16,9	13,8	2,4	2,5	2,4	2,1
Financials														
Fin/al Services	482	1,6	12,8	6,3	3,2	3,0	15,5	16,2	16,2	12,8	1,6	1,9	2,0	1,3
Banks	189	1,8	-34,2	46,4	4,2	3,9	16,8	12,8	12,0	10,7	0,9	1,0	1,0	0,9
Insurance	285	1,9	3,1	0,5	4,8	4,7	11,1	11,7	11,2	9,2	1,1	1,2	1,1	1,0
Real Estate	170	1,2	6,7	3,0	3,7	3,9	20,7	20,2	20,8	18,1	1,0	1,0	1,0	1,0
Industrial	531	1,6	0,7	10,9	2,6	2,4	19,9	19,7	18,1	14,1	3,3	3,4	3,2	2,3
Consumer Discretionary														
Media	270	1,9	-0,1	4,7	3,2	3,3	18,3	16,7	15,7	14,0	3,1	2,8	2,7	2,4
Retail	304	0,7	1,4	2,4	2,6	2,8	20,6	20,0	18,6	15,8	2,9	2,7	2,6	2,4
Automobiles and parts	583	0,8	17,1	16,7	3,0	3,1	9,3	8,5	8,2	9,3	1,3	1,2	1,1	1,0
Travel and Leisure	249	1,1	5,5	9,6	2,4	2,4	14,6	13,8	12,8	15,2	2,8	2,7	2,5	2,0
Technology	429	1,0	-1,9	11,9	1,5	1,5	23,3	23,0	20,9	16,6	3,1	3,1	3,0	2,6
Consumer Staples														
Food&Beverage	646	1,7	-4,4	5,0	2,8	2,7	23,5	23,1	21,5	17,0	3,2	3,4	3,3	2,7
Household Goods	848	1,1	5,3	11,7	2,5	2,6	22,2	20,4	19,1	16,5	4,6	3,5	3,9	3,3
Health care	748	0,5	6,7	-0,7	2,8	2,8	17,9	18,0	17,1	14,0	3,5	3,6	3,4	3,0
Telecom	285	1,1	0,4	9,4	4,8	4,3	20,2	18,2	16,5	13,3	1,8	2,0	1,9	1,6
Utilities	300	-0,1	-8,6	-3,6	5,4	4,8	13,2	14,8	14,4	12,2	1,4	1,5	1,4	1,4

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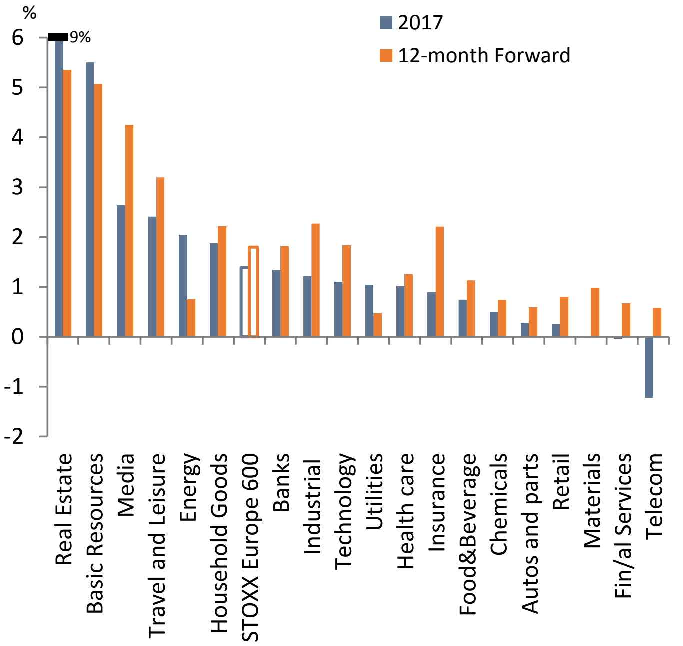
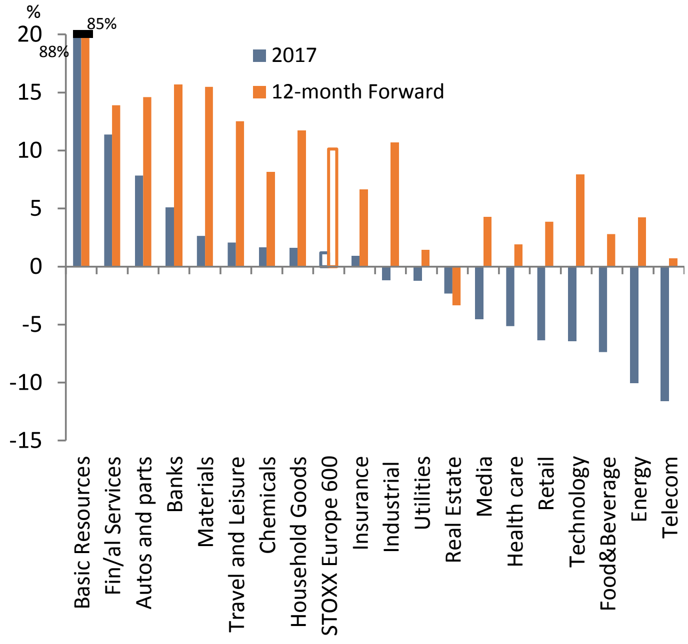


Source: Factset, Data as of September 29th
12-month forward EPS are 25% of 2017 EPS and 75% of 2018 EPS

12-month revisions to 2017 & 12-month Forward EPS

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



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