Global Markets Roundup

National Bank of Greece | Economic Research Division | October 31, 2017

NATIONAL BANK OF GREECE

Euro area equities rose to 10-year highs, as the ECB leaves "open-ended" the end of QE, albeit with lower monthly purchases

- Euro area equity markets increased strongly (Eurostoxx: 1.2% wow | 13% ytd), government (core and periphery) bond yields declined by 5-10 bps and the EUR recorded its largest weekly decline since November 2016 due to a more-dovish-than-expected decision by the ECB regarding QE.
- The euro depreciated by -1.4% against the USD to $1.165 on Thursday (-1.5% wow), as the "at least" 9-month QE extension supports the ongoing monetary policy divergence vs the Fed. It is highly likely that the Fed will increase interest rates in December by 0.25% to 1.50%. A strong US Q3 GDP outcome of 3% qoq saar reinforces this view -- see Economics Section.
- The ECB extended its Asset Purchase Program (APP) by nine months to "at least" September 2018, thus maintaining open-ended the termination of the programme. The pace of net purchases will be lowered to €30bn per month beginning in January 2018 (vs €60bn previously). Moreover, according to Mr. Draghi, the ECB will not stop QE purchases suddenly. Therefore, it is highly likely that QE will be extended to Q4:2018 (even if the monthly purchases are reduced further).
- Moreover, the ECB will continue reinvestments in assets accumulated under the APP (as they mature) for an extended period, suggesting that its balance sheet will not contract well past the end of its net purchases. According to our estimates, the ECB's balance sheet will increase to €4.8tn (from €4.3tn currently) or 41% of euro area GDP by end-2018 (see graph below). The final important announcement by the ECB was that it would adhere to its current forward guidance that interest rates will remain at their present low levels (0% and -0.4%) "well past" the end of the APP.
- The Bank of England is expected to increase its policy rate by 0.25% to 0.50% on Thursday. The rationale is that the output gap has almost closed, with Q3 GDP growth of 0.4% qoq (slightly above the BoE's estimates) and inflation pressures remain elevated, with CPI at 3% yoy in September.
- We remain overweight euro area equities (see Asset Allocation – page 4). Our positive outlook is supported by growing confidence regarding economic momentum, with (i) GDP growth of 2.4% annualized rate in H1:2017; and (ii) business (PMIs) and consumer confidence indicators pointing to solid growth in H2:2017 as well. Moreover, companies' earnings growth should remain strong, with 2017 and 2018 EPS estimates for the Eurostoxx at 18% and 9%, respectively. At the same time, the ECB will maintain its accommodative monetary policy for longer.
- IBEX35 is the exception to the equity rally, underperforming its European peers by 6.5% since early September, as regional tensions continue. Specifically, the Catalan Parliament passed a declaration of independence in order to create a new Catalan Republic with 70 votes in favour (out of 135). In response (and based on Article 155 of the Constitution), Spanish PM Rajoy assumed direct control of the Catalonian region, ousted its government and called a snap election for December 21st.
- However, on Monday, Spanish assets recovered (IBEX 35: +2.4% / 10Yr yield: -9 bps at 1.5%), following poll results that 55% of Catalans opposed the declaration of independence. On the economic front, Spanish GDP increased by 3.2% qoq saar in Q3:2017, broadly in line with consensus, from 3.4% on average in H1:2017. Entering Q4, any negative effects stemming from the political uncertainty could be reflected in the manufacturing PMI release (due on November 2nd).

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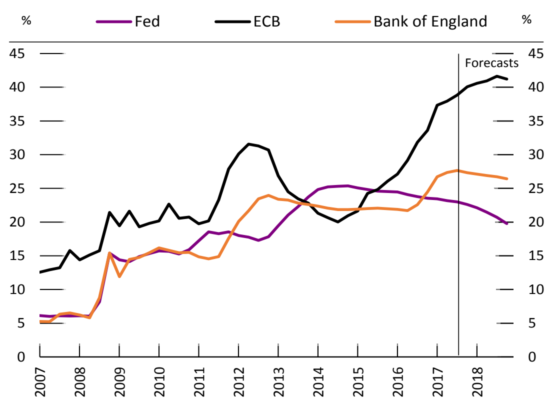
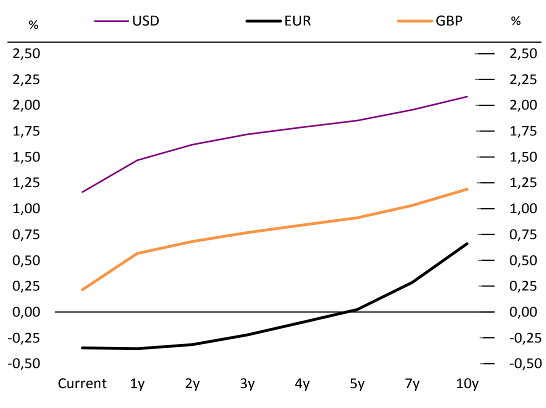
Charts of the week

Central Banks Assets as % of GDP & Forecasts



Source: NBG Research, Central Banks, Bloomberg

Overnight Index Swap (OIS) Rates Curve



Source: NBG Research, Bloomberg

See page 14 for disclosures and analyst certification

US GDP modestly beat expectations in Q3:17

- **Real GDP, according to preliminary data, grew by a solid 3.0% qoq saar in Q3:17, broadly the same pace as in Q2:17 (+3.1% qoq saar) and above consensus estimates for +2.6% qoq saar.** As a result, the annual pace of growth accelerated for a 5th consecutive quarter, to 2.3% yoy (2.2% in Q2:17), the strongest outcome since Q3:15. Although inventory accumulation contributed a considerable 0.7 pps to the overall quarterly figure -- a development that could act as a headwind for growth in Q4 -- the positive outcome was broad-based and points to fundamental strength in the US economy. Indeed, private consumption rose by 2.4% qoq saar, from a strong 3.3% qoq saar in Q2:17, and was the major contributor to overall growth (1.6 pps). Moreover, business investment remained healthy in Q3:17 (+3.9% qoq saar, with a 0.5 pp contribution, following a +6.7% qoq saar in Q2:17), with the exception of spending on structures (20% of total business investment / -5.2% qoq saar). Net exports added 0.4 pps, as exports rose by 2.3% qoq saar and imports declined by 0.8% qoq saar. On a negative note, residential investment declined for a 2nd consecutive month, by 6.0% qoq saar (-7.3% qoq saar in Q2:17), subtracting 0.2 pps from overall growth, albeit hurricane related distortions are likely to have played a role, and the rebuilding process, combined with the broadly positive fundamentals (labor market, financial conditions), provide room for optimism that the sector will return to an upward trajectory in Q4:17.

Euro area business and consumer confidence point to a still strong economic impetus

- **Business and consumer surveys were mixed entering Q4:17, but overall suggest that economic activity remains solid.** The euro area composite PMI declined by 0.8 pts to 55.9 in October, below consensus estimates for 56.5. Nevertheless, the latest readings remain solid and broadly in line with the Q3:17 average of 56.0 (56.6 in Q2:17), thus suggesting that robust growth momentum continues in Q4:17. The more forward-looking new orders component remained stable at elevated levels, supporting that view. Recall that GDP growth recorded a +2.6% qoq saar in Q2:17 (the highest since Q1:15) and is expected to have maintained a similar pace of expansion in Q3:17 (the preliminary estimate is due on October 31st). Across sectors, there was a divergent PMI performance in October, with manufacturing rising by 0.5 pts to a c. 6½-year high of 58.6 and services declining by 0.9 pts to 54.9. Notably, new export orders rose further from already solid levels, underpinning solid foreign demand, while the prices component of the survey rose for a 3rd consecutive month to the highest since June 2011, suggesting upside risks for inflation. It should also be noted that job creation, in the latest survey, recorded the best performance in over a decade. The latter is consistent with the rise in consumer confidence, which rose to a 16½-year high of -1.0 in October, from -1.2 in September, well above its long-term average of -12.8 (since 2001). Regarding performance by country, PMIs in Germany and France continue to hover around multi-year highs. The latest readings suggest a considerable underperformance in the euro area periphery in October, albeit likely distorted by weaker PMIs in Spain (manufacturing PMI release expected on November 2nd and services PMI release on November 6th), due to the ongoing political uncertainty (Catalonia).

Favorable credit conditions point to further support to activity

- **The latest data on euro area bank lending support the recovery in the euro area.** Regarding the two major private sector components, loan growth to households (adjusted for sales and securitizations) was broadly stable at 2.7% yoy in September, 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 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 (+4.1%) and France (+5.2%) strongly outpacing that of Italy and Spain (both around zero).

- **The ECB's Bank Lending Survey for Q3:17 points to a further improvement in the credit environment.** Euro area banks reported a net easing in credit standards on loans to corporations, mostly due to competitive pressures, albeit only slightly (-1%) and more modestly compared with Q2:17 (-3%). They expect them to remain broadly stable over the next three months. Recall that a negative reading indicates that the fraction of banks easing standards is greater than those tightening. Regarding households, standards eased substantially in mortgage loans (-11%) as well as in consumer credit (-4%), with both broad based across countries. In both cases, banks expect a further loosening in the next three months (-3% and -2%, respectively). Demand for bank loans by corporates remains strong (+15%). Importantly, respondents continued to cite higher capital spending as an important driver (alongside low interest rates). Mortgage demand also remained solid (+12%), due to low interest rates, favorable housing market prospects and strong consumer confidence. The latter also fed through to higher demand for consumer credit (credit cards, overdrafts, auto loans, student loans etc./+17% from +11% in Q2).

UK GDP growth modestly above expectations in Q3:17

- **UK GDP rose by 0.4% qoq (+1.5% yoy), following a +0.3% qoq in Q2:17 (+1.5% yoy).** According to available data, the quarterly increase in the dominant services sector (79% of total) was steady at 0.4% qoq, remaining the main contributor to overall growth (+0.3 pps). Manufacturing recorded a satisfactory +1.0% qoq, while construction performed poorly (-0.7% qoq). Overall, GDP growth in Q3:17 overshot both consensus and the Bank of England's (August Inflation Report) expectations by 0.1 pp, further clearing the path for a rate hike to 0.50% (from 0.25%) at the November 2nd meeting (markets assign an 87% probability versus 82% a week ago).

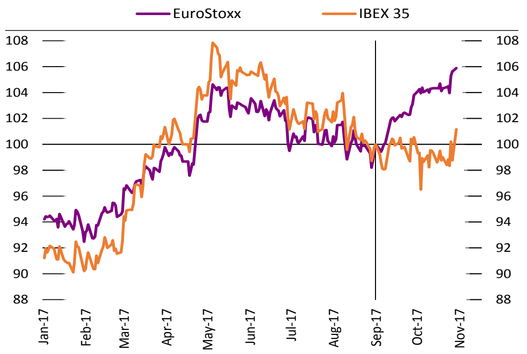
Inflation remains subdued in Japan

- **An upward trend in price pressures remains elusive according to CPI data in September.** Specifically, both headline CPI as well as CPI ex-fresh food held steady at 0.7% yoy. Recall that CPI ex-food and energy, in seasonally-adjusted mom terms, has remained flat, on average, so far in 2017 (also flat in September, in both mom and yoy terms). However, despite the aforementioned continued weakness, the Bank of Japan's constructive view on inflation is likely to be retained at the October 31st meeting, albeit its projection for CPI ex-fresh food in fiscal year 2017 (i.e. April 1st 2017 – March 31st 2018) in the accompanying quarterly Outlook for Economic Activity & Prices will probably be lowered from +1.1% yoy three months ago, to +0.8% yoy.

Equities

- **European equity markers recorded strong gains in the past week, due to a more-dovish-than-expected ECB.** The MSCI world index was broadly flat (-0.1% wow), with developed markets overperforming their emerging market peers (DM: 0.0% vs EM: -0.8%). The S&P500 ended the week up (+0.2% wow), following the congressional action on tax reform, strong earnings reports and better-than-expected GDP data. Concerning the US Q3:17 earnings season, out of the 274 companies that have reported results, so far, circa 76% have exceeded analyst estimates, with reported growth of 7.7% yoy (consensus expectations at the start of the earnings season: +2%), from 10.4% yoy in Q2:17. In Europe, EuroStoxx rose by 1.2% wow (a 9½-year high), while the exporter-heavy DAX 30 (c. 80% of revenue earned abroad) increased by 1.7% wow, to an all-time high. In Spain, the IBEX 35 fell by 0.2% wow, with the bulk of the decline on Friday (-1.5%) after Catalonia's regional government voted for independence and Spain's PM dismissed the regional government and called snap elections for December 21st. However, on Monday IBEX 35 rose by 2.4%, after a poll showed a lead for parties that are in favor of Spanish unity. In Japan, the Nikkei 225 continued its upward trend (+2.6% wow), closing at a 21-year high on Friday.

EuroStoxx versus IBEX 35 (Spain)



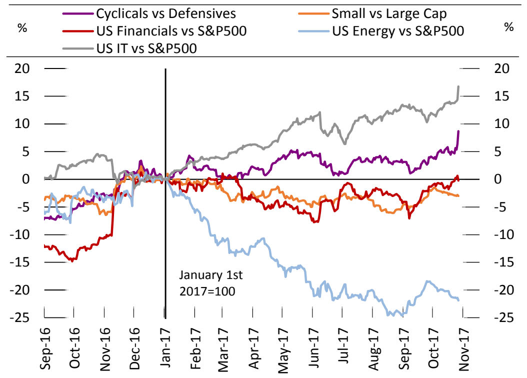
Source: NBG Research, Bloomberg, September 2017 = 100

Graph 1.

Fixed Income

- **Government bond yields in US rose slightly in the past week, as strong data (GDP) and tax reform expectations were offset by the speculation that "dovish" J. Powell will likely be the next Fed chair.** Specifically, the UST 10-year yield rose by 2 bps to 2.41%. Similarly, UK 10-year and 2-year yields were up 2 bps to 1.35% and 0.46%, respectively, following stronger-than-expected Q3 GDP growth that raised expectations for a rate hike at the BoE meeting, on November 2nd. Japan's 10Y yield remained broadly flat at 0.07% wow, while the BoJ, on Tuesday, is expected to adhere to its policy to guide short-term interest rates to -0.10% and the 10-year government bond yield to around 0.00%. Finally, core and periphery yields fell post the ECB, with the German 10-year Bund yield down by 7 bps to 0.38%, while periphery bond spreads over the Bund narrowed (Italy: -2 bps to 157 bps, Portugal -5 bps to 181 bps and Spain -1 bp to 120 bps). Italy's 10Y yield declined by 10 bps to 1.85% on Monday, after rating agency Standard & Poor's unexpectedly raised its sovereign rating for Italy to BBB, from BBB- on Friday, due to the strengthening economic outlook, rising employment and reduced risks from its banking sector. **Corporate bond spreads declined in the past week (ex US HY), with euro area HY overperforming after the ECB QE dovish "tapering" decision.** Indeed, euro area high yield spreads were down by 8 bps to 236 bps. US HY spreads have benefited since mid-September (-44 bps to 344 bps +2bps wow), from the strong US equities and rising government bond yields (US 10Y yields are 37 bps above September's low) due to optimism over the tax plan and strong earnings. In the investment grade spectrum, US and euro area IG bond spreads were broadly flat (-1 bp) to 100 bps and 92 bps, respectively. It should be noted that US IG issuance stands at $1.08tn ytd, from $1.07tn in 2016 in the same period (January – September) (see graph).

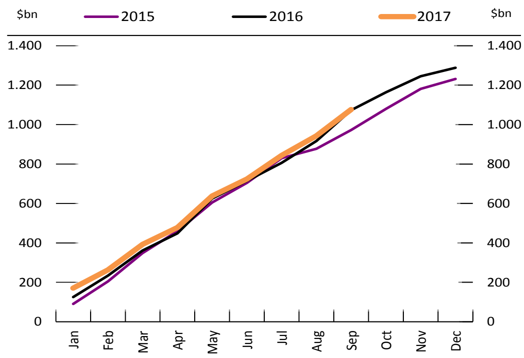
US Market Investing Styles



Source: NBG Research, Bloomberg

Graph 2.

US Investment Grade Corporate Bonds Issuance



Source: NBG Research, Sifma

Graph 3.

FX and Commodities

- **In foreign exchange markets, the US dollar strengthened for a second consecutive week against the euro after the House passed a resolution that brings tax cuts a step closer, combined with the political uncertainty in Spain and the prospects that the ECB will keep policy accommodative for longer.** Specifically, the USD rose by 1.5% wow against the euro to $1.161, the largest weekly increase since November 2016. **In commodities, oil prices maintained their positive momentum over the week, after comments by Saudi Arabia's crown prince in favor of the extension of the production cut agreement beyond March 2018, despite an unexpected rise in US oil inventories.** Specifically, US oil inventories rose by 0.9 million barrels to 457 million barrels for the week ending October 20th, versus analysts' forecasts for a decline of 2.6 million barrels. Overall, Brent rose by 3.7% wow to $60.3/barrel (the highest since July 2015) and WTI was up by 4.3% to $53.9/barrel.

Quote of the week: "But there was another thing we didn't discuss: tapering. I don't think this word had been pronounced, if I am not mistaken… and so this is not tapering; it's just a downsize.", **ECB President, Mario Draghi,** October 26th 2017.

NATIONAL BANK OF GREECE

Tactical Asset Allocation (3-month)

- **Equities**: We remain **Overweight**. Synchronized strong global GDP growth, renewed US tax-reform optimism 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 with EUR strength now running out of steam (positive for EUR-denominated foreign earnings). 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, albeit in the short-term a more dovish ECB turns us less bearish in euro rates.
- **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.

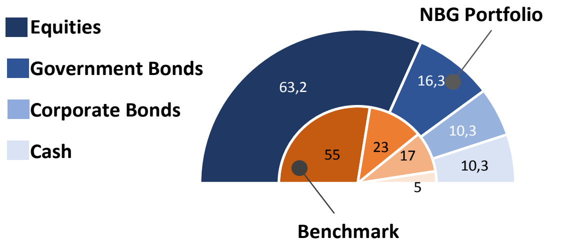
NBG Global Markets - Main Equity Sector Calls

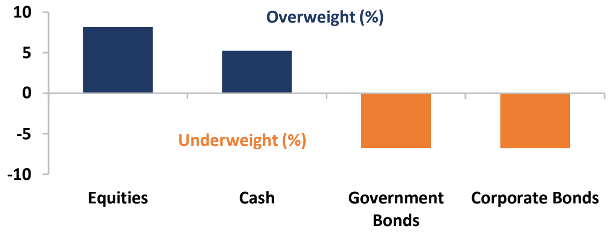
US Sector	Position	View/Comment
Banks	Neutral	Rising rates will support interest margins, less regulation also positive. (see US Treasury report) Neg: Loan volumes are declining and curves are now flattening
Energy	Neutral	OPEC's deal implementation (assuming a 9-month extension) remains a risk and oil 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	+ Likely fiscal loosening will support the economy & companies' earnings + Solid EPS growth in H2:2017 & 2018 + Cash-rich corporates 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 plateuning 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) ● **Flat EUR against the USD with upside risks short term**	+ 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 ▲ **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 (%)	Oct 27th	3-month	6-month	12-month	Official Rate (%)	Oct 27th	3-month	6-month	12-month
Germany	0,38	0,55	0,75	0,95	**Euro area**	0,00	0,00	0,00	0,00
US	2,41	2,65	2,75	2,90	**US**	1,25	1,50	1,75	2,00
UK	1,35	1,43	1,55	1,81	**UK**	0,25	0,50	0,50	0,60
Japan	0,07	0,04	0,07	0,14	**Japan**	-0,10	-0,10	-0,10	-0,10

Currency	Oct 27th	3-month	6-month	12-month		Oct 27th	3-month	6-month	12-month
EUR/USD	1,16	1,17	1,17	1,18	**USD/JPY**	114	113	113	112
EUR/GBP	0,88	0,89	0,90	0,91	**GBP/USD**	1,31	1,31	1,30	1,29
EUR/JPY	132	132	133	132					

Forecasts at end of period

Economic Forecasts

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

Euro Area	2015a	Q1:16a	Q2:16a	Q3:16a	Q4:16a	2016a	Q1:17a	Q2:17a	Q3:17f	Q4:17f	2017f
Real GDP Growth (YoY)	1,9	1,7	1,7	1,7	1,9	1,8	2,0	2,3	2,4	2,3	2,2
Real GDP Growth (QoQ saar)	-	2,1	1,2	1,9	2,5	-	2,2	2,6	2,3	2,2	-
Private Consumption	1,7	2,8	1,4	1,4	2,3	2,0	1,4	2,1	2,1	2,3	1,9
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	4,3	5,2	3,0
Inventories Contribution	0,0	-0,3	-1,1	0,9	0,6	-0,1	-0,3	-0,2	0,1	0,0	0,0
Net Exports Contribution	0,1	-0,1	-0,7	0,0	-0,7	-0,5	1,8	0,5	-0,2	-0,5	0,3
Exports	6,4	1,5	5,1	1,6	6,1	3,2	5,5	4,4	3,3	3,3	4,5
Imports	6,7	1,8	7,2	1,8	8,3	4,6	1,8	3,7	3,9	4,6	4,1
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	5,8	4,2
Bulgaria	0,9	1,3	3,6	3,9	3,8	3,6
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	10,5	9,5
Romania	1,6	0,8	-0,9	-0,5	2,6	3,2
Bulgaria	-1,6	-0,9	-0,4	0,1	1,4	1,8
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	-4,6	-4,4
Romania	-1,1	-0,7	-1,2	-2,3	-3,2	-3,6
Bulgaria	1,3	0,1	-0,1	4,1	3,2	2,4
Serbia	-6,1	-6,0	-4,7	-4,0	-4,4	-4,4
Fiscal Balance (% of GDP)						
Turkey	-1,0	-1,1	-1,0	-1,1	-2,0	-2,3
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	30/10/2017	Last week return (%)	Year-to-Date change (%)	2-year change (%)
Turkey - ISE100	108.467	1,1	38,8	36,6
Romania - BET-BK	1.634	-0,3	21,6	20,6
Bulgaria - SOFIX	670	0,4	14,2	49,9
Serbia - BELEX15	726	-0,3	1,2	18,0

Financial Markets

	30/10/2017	3-month forecast	6-month forecast	12-month forecast
1-m Money Market Rate (%)				
Turkey	13,5	12,5	12,0	11,0
Romania	1,9	2,0	2,2	2,5
Bulgaria	0,0	0,1	0,1	0,2
Serbia	2,8	3,2	3,4	3,8
Currency				
TRY/EUR	4,40	4,38	4,37	4,36
RON/EUR	4,60	4,57	4,55	4,55
BGN/EUR	1,96	1,96	1,96	1,96
RSD/EUR	119,3	119,8	120,0	120,3
Sovereign Eurobond Spread (in bps)				
Turkey (USD 2020)(*)	194	182	170	150
Romania (EUR 2024)	129	120	116	110
Bulgaria (EUR 2022)	58	54	52	50
Serbia (USD 2021)(*)	144	135	125	120

(*) Spread over US Treasuries

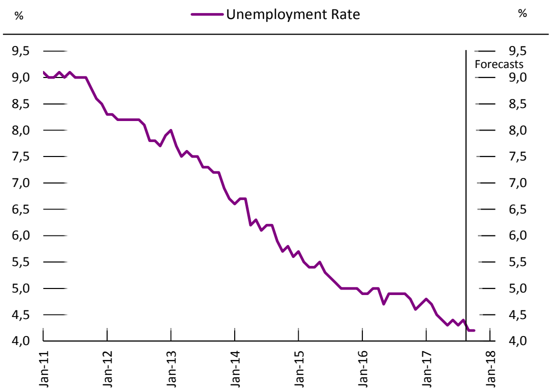
Economic Calendar

The main macro event in the US next week is the Fed meeting on Wednesday. Fed is expected to maintain its intervention rate at 1.25%-1.50%. Meanwhile, on Friday the labor market report is released. Unemployment rate is expected to remain stable at 4.2% in October, a c. 16 ½ years low.

In the Euro area, the first estimate for Q3:17 GDP is released on Tuesday. GDP is expected at 0.5% qoq from 0.6% qoq on average in H1:17. Inflation data for October are released at the same day. CPI is expected to remain stable at 1.5% yoy in October.

In the UK, Bank of England is expected to increase its policy rate by 0.25% to 0.50% on Thursday, for the first time since 2007.

US Unemployment Rate



Source: NBG Research, Bloomberg

Economic News Calendar for the period: October 24 - November 6, 2017

Tuesday 24

		S		A	P
US					
Markit US Manufacturing PMI	October	53.4	+	54.5	53.1
JAPAN					
Nikkei PMI Manufacturing	October	..		52.5	52.9
EURO AREA					
Markit Eurozone Manufacturing PMI	October	57.8	+	58.6	58.1
Markit Eurozone Services PMI	October	55.6	-	54.9	55.8
Markit Eurozone Composite PMI	October	56.5	-	55.9	56.7

Wednesday 25

		S		A	P
US					
Durable goods orders (MoM)	September	1.0%	+	2.2%	2.0%
Durable goods orders ex transportation (MoM)	September	0.5%	+	0.7%	0.7%
New home sales (k)	September	554	+	667	561
UK					
GDP (QoQ)	Q3:17	0.3%	+	0.4%	0.3%
GDP (YoY)	Q3:17	1.5%		1.5%	1.5%
GERMANY					
IFO- Business Climate Indicator	October	115.1	+	116.7	115.3
IFO-Expectations	October	107.3	+	109.1	107.5
IFO- Current Assesment	October	123.5	+	124.8	123.7

Thursday 26

		S		A	P
US					
Initial Jobless Claims (k)	October 21	235	+	233	223
Continuing Claims (k)	October 14	1890	-	1893	1896
Pending home sales (MoM)	September	0.5%	-	0.0%	-2.8%
EURO AREA					
M3 money supply (YoY)	September	5.0%		5.1%	5.0%
ECB announces its intervention rate	October 26	0.00%		0.00%	0.00%
ECB announces its deposit facility rate	October 26	-0.40%		-0.40%	-0.40%

Friday 27

		S		A	P
US					
GDP (QoQ, annualized)	Q3:17	2.6%	+	3.0%	3.1%
Personal Consumption	Q3:17	2.1%	+	2.4%	3.3%
JAPAN					
CPI (YoY)	September	0.7%		0.7%	0.7%
Core CPI (YoY) - ex. Fresh Food	September	0.7%		0.7%	0.7%
Core CPI (YoY) - ex. Fresh Food and Energy	September	0.2%		0.2%	0.2%

Monday 30

		S		A	P
US					
Personal income (MoM)	September	0.4%		0.4%	0.2%
Personal spending (MoM)	September	0.9%	+	1.0%	0.1%
PCE Deflator YoY	September	1.6%		1.6%	1.4%
PCE Core Deflator (YoY)	September	1.3%		1.3%	1.3%
JAPAN					
Retail sales (MoM)	September	0.8%		0.8%	-1.6%
Retail sales (YoY)	September	2.3%	+	2.2%	1.8%
EURO AREA					
Economic Confidence	October	113.3	+	114.0	113.1
Business Climate Indicator	October	1.40	+	1.44	1.34

Tuesday 31

		S	A	P
US				
Employment Cost Index (QoQ)	Q3:17	0.7%	..	0.5%
S&P Case/Shiller house price index 20 (YoY)	August	5.90%	..	5.81%
Conference board consumer confidence	October	121.0	..	119.8
JAPAN				
Jobless Rate	September	2.8%	..	2.8%
Industrial Production (MoM)	September	-1.6%	..	2.0%
Industrial Production (YoY)	September	2.0%	..	5.3%
Construction Orders YoY	September	..	..	-10.6%
Bank of Japan announces its intervention rate	October 31	-0.10%	..	-0.10%
CHINA				
PMI manufacturing	October	52.0	..	52.4
EURO AREA				
Unemployment Rate	September	9.0%	..	9.1%
GDP (QoQ)	Q3:17	0.5%	..	0.6%
GDP (YoY)	Q3:17	2.4%	..	2.3%
CPI Estimate YoY	October	1.5%	..	1.5%
Core CPI (YoY)	October	1.1%	..	1.1%

Wednesday 1

		S	A	P
US				
ADP Employment Change (k)	October	190	..	135
ISM Manufacturing	October	59.1	..	60.8
Construction spending	September	-0.3%	..	0.5%
Fed announces its intervention rate	November 1	1.25%	..	1.25%
UK				
Nationwide House Px NSA YoY	October	2.2%	..	2.0%
Markit UK PMI Manufacturing SA	October	55.9	..	55.9
CHINA				
Caixin PMI Manufacturing	October	51.0	..	51.0

Thursday 2

		S	A	P
US				
Initial Jobless Claims (k)	October 28	235	..	233
Continuing Claims (k)	October 21	1894	..	1893
Nonfarm Productivity (QoQ, annualized)	Q3:17	2.7%	..	1.5%
Unit labor costs (QoQ, annualized)	Q3:17	0.5%	..	0.2%
UK				
Markit/CIPS UK Construction PMI	October	48.5	..	48.1
BoE announces its intervention rate	November 2	0.50%	..	0.25%
BoE Asset Purchase Target (£bn)	November	435	..	435
Bank of England Inflation Report				

Friday 3

		S	A	P
US				
Change in Nonfarm Payrolls (k)	October	312	..	-33
Change in Private Payrolls (k)	October	301	..	-40
Unemployment rate	October	4.2%	..	4.2%
Average Hourly Earnings MoM	October	0.2%	..	0.5%
Average Hourly Earnings YoY	October	2.7%	..	2.9%
Average weekly hours (hrs)	October	34.4	..	34.4
Labor Force Participation Rate	October	63.1	..	63.1%
Underemployment Rate	October	..	..	8.3%
Trade balance ($bn)	September	-43.2	..	-42.4
Factory Goods Orders	September	1.2%	..	1.2%
ISM non-manufacturing	October	58.3	..	59.8
UK				
Markit/CIPS UK Services PMI	October	53.4	..	53.6
GERMANY				
Retail sales (MoM)	September	0.5%	..	-0.2%
Retail sales (YoY)	September	3.4%	..	2.8%

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 (%)
US	S&P 500	2581	0,2	15,3	21,0	23,5
Japan	NIKKEI 225	22008	2,6	15,1	26,9	16,4
UK	FTSE 100	7505	-0,2	5,1	7,4	16,6
Canada	S&P/TSX	15954	0,6	4,4	7,5	15,1
Hong Kong	Hang Seng	28439	-0,2	29,3	22,9	23,9
Euro area	EuroStoxx	396	1,2	13,0	19,5	11,3
Germany	DAX 30	13218	1,7	15,1	23,3	22,0
France	CAC 40	5494	2,3	13,0	21,2	12,3
Italy	FTSE/MIB	22665	1,4	17,8	30,1	-0,1
Spain	IBEX-35	10198	-0,2	9,0	10,9	-2,2

Emerging Markets	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
MSCI Emerging Markets	59698	-0,2	25,3	22,0	27,4
MSCI Asia	905	-0,2	30,6	26,3	30,8
China	85	-1,0	45,8	36,6	35,4
Korea	756	0,1	30,2	32,9	39,4
MSCI Latin America	85653	-0,8	19,1	12,1	34,7
Brazil	257998	-0,5	23,6	14,1	50,7
Mexico	46497	-2,0	7,6	3,1	9,8
MSCI Europe	5196	-0,2	4,6	14,9	15,0
Russia	917	-0,4	-8,2	4,9	16,6
Turkey	1488514	-0,7	36,3	34,3	32,4

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	208,6	-0,3	-4,7	1,9	4,3
Materials	268,3	0,4	20,9	26,3	35,6
Industrials	253,9	-0,1	19,5	25,2	29,5
Consumer Discretionary	227,1	0,7	15,6	19,5	13,7
Consumer Staples	225,3	-1,2	8,6	5,8	6,8
Healthcare	224,7	-2,4	16,5	15,6	7,3
Financials	123,0	-0,2	15,8	28,9	22,2
IT	216,9	2,5	34,5	35,5	44,6
Telecoms	68,3	-1,5	-1,8	0,8	-1,4
Utilities	131,3	-0,3	14,2	12,9	14,0

in local currency	Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy	212,4	0,3	-7,0	-0,2	5,6
Materials	254,3	1,4	16,3	24,2	34,4
Industrials	251,1	0,5	16,2	24,6	28,0
Consumer Discretionary	219,8	1,1	13,2	19,4	13,1
Consumer Staples	225,2	-0,6	5,9	4,6	8,0
Healthcare	222,1	-2,0	14,6	14,9	7,5
Financials	122,5	0,6	12,4	27,0	21,2
IT	210,4	2,6	33,5	35,7	43,9
Telecoms	71,0	-0,9	-4,8	0,0	-1,3
Utilities	133,9	0,2	11,4	11,4	14,2

Bond Markets (%)

10-Year Government Bond Yields	Current	Last week	Year Start	One Year Back	10-year average
US	2,41	2,39	2,45	1,86	2,61
Germany	0,38	0,45	0,21	0,17	1,88
Japan	0,07	0,08	0,05	-0,05	0,79
UK	1,35	1,33	1,24	1,25	2,62
Greece	5,54	5,55	7,11	8,39	10,30
Ireland	0,61	0,67	0,75	0,61	4,36
Italy	1,94	2,04	1,81	1,53	3,67
Spain	1,59	1,66	1,38	1,20	3,65
Portugal	2,19	2,31	3,76	3,28	5,39

US Mortgage Market (1. Fixed-rate Mortgage)	Current	Last week	Year Start	One Year Back	10-year average
30-Year FRM[1] (%)	4,2	4,2	4,4	3,7	4,3
vs 30Yr Treasury (bps)	126	128	132	110	97

Government Bond Yield Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
US Treasuries 10Y/2Y	82	81	126	97	179
US Treasuries 10Y/5Y	38	36	52	51	91
Bunds 10Y/2Y	115	117	97	79	124
Bunds 10Y/5Y	74	72	74	57	75

Corporate Bond Spreads (in bps)	Current	Last week	Year Start	One Year Back	10-year average
EM Inv. Grade (IG)	139	139	181	171	271
EM High yield	383	383	510	563	819
US IG	101	101	129	136	201
US High yield	342	342	421	469	644
Euro area IG	93	93	124	108	170
Euro area High Yield	244	244	376	367	665

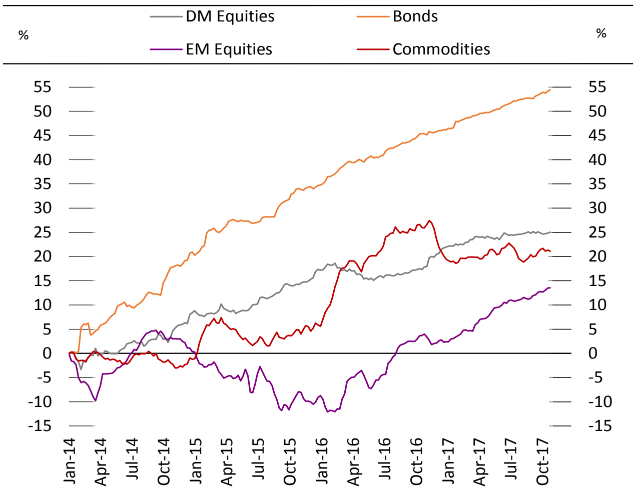
Foreign Exchange & Commodities

Foreign Exchange	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates					
EUR/USD	1,16	-1,5	-1,2	6,4	10,3
EUR/CHF	1,16	-0,1	1,5	7,0	8,1
EUR/GBP	0,88	-1,0	0,8	-1,3	3,6
EUR/JPY	131,99	-1,3	-0,4	15,0	7,3
EUR/NOK	9,46	0,5	1,3	5,0	4,0
EUR/SEK	9,70	0,8	1,3	-2,0	1,3
EUR/AUD	1,51	0,3	1,1	5,3	3,6
EUR/CAD	1,49	-0,1	1,4	1,9	5,1
USD-based cross rates					
USD/CAD	1,28	1,4	2,7	-4,3	-4,7
USD/AUD	1,30	1,8	2,2	-1,1	-6,2
USD/JPY	113,67	0,1	0,7	8,0	-2,8

Commodities	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Agricultural	383	1,1	-1,4	-16,9	-11,0
Energy	419	3,5	2,8	2,8	-3,7
West Texas Oil ($)	54	4,7	3,4	8,4	0,3
Crude brent Oil ($)	60	3,7	5,0	24,2	8,9
Industrial Metals	1376	-0,1	4,0	30,5	22,6
Precious Metals	1535	-0,8	-1,1	-1,4	9,0
Gold ($)	1274	-0,5	-0,7	0,4	10,6
Silver ($)	17	-1,0	0,6	-4,3	6,0
Baltic Dry Index	1546	-2,0	8,2	93,7	60,9
Baltic Dirty Tanker Index	914	2,0	16,7	39,1	-0,5

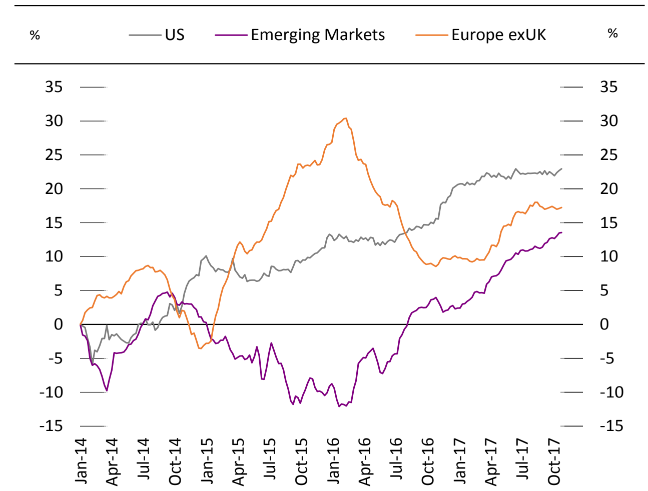
Source: Bloomberg, as of October 27th, S&P/Goldman Sachs Indices for Agricultural, Energy, Industrial & Precious Metals, BofA/ML Indices for Corporate Bond Spreads

Global Cross Asset ETFs: Flows as % of AUM



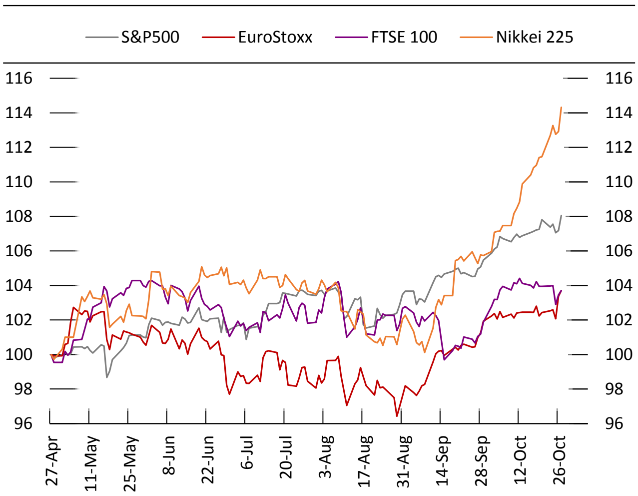
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of October 27th

Equity ETFs: Flows as % of AUM



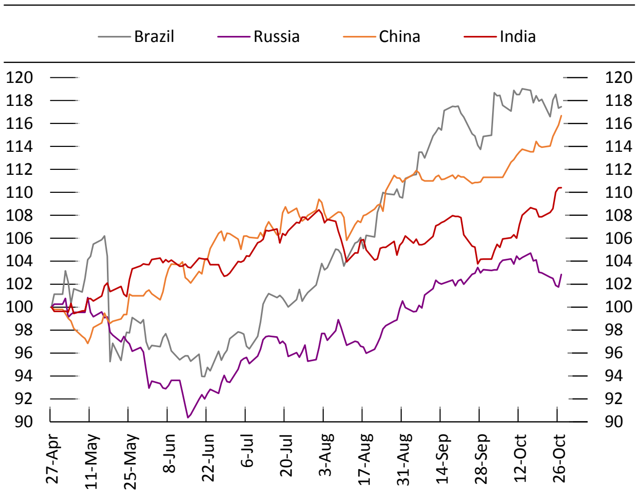
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of October 27th

Equity Market Performance - G4



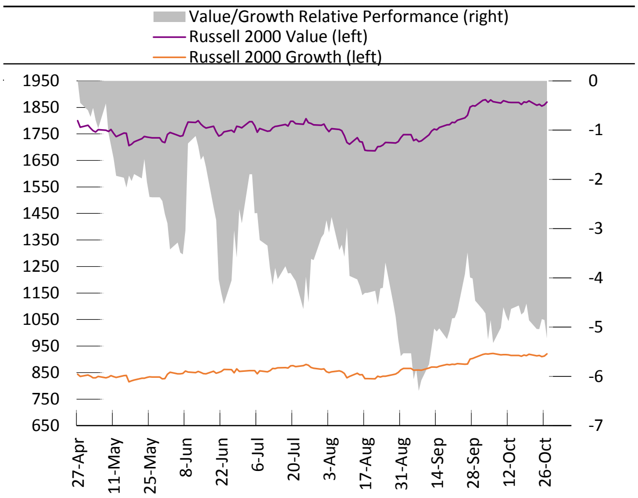
Source: Bloomberg - Data as of October 27th – Rebased @ 100

Equity Market Performance - BRICs



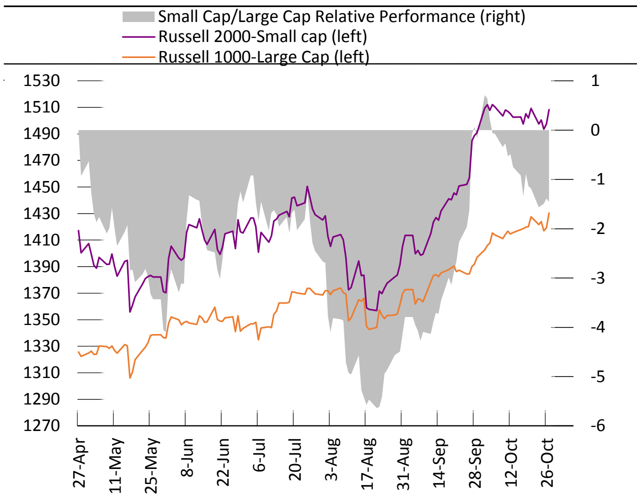
Source: Bloomberg - Data as of October 27th – Rebased @ 100

Russell 2000 Value & Growth Index



Source: Bloomberg, Data as of October 27th

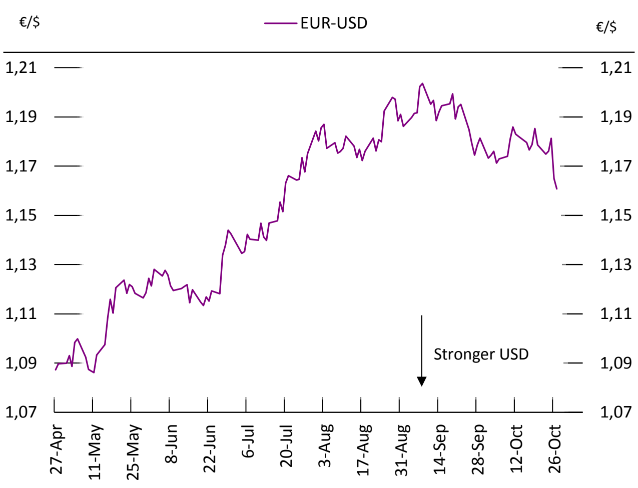
Russell 2000 & Russell 1000 Index



Source: Bloomberg, Data as of October 27th

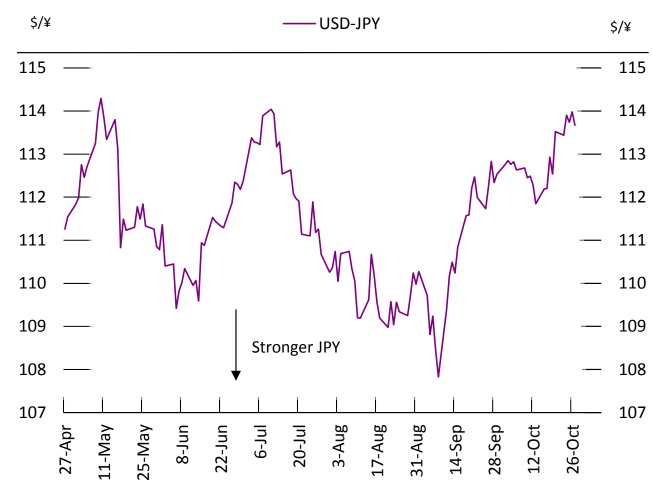
NATIONAL BANK OF GREECE

EUR/USD



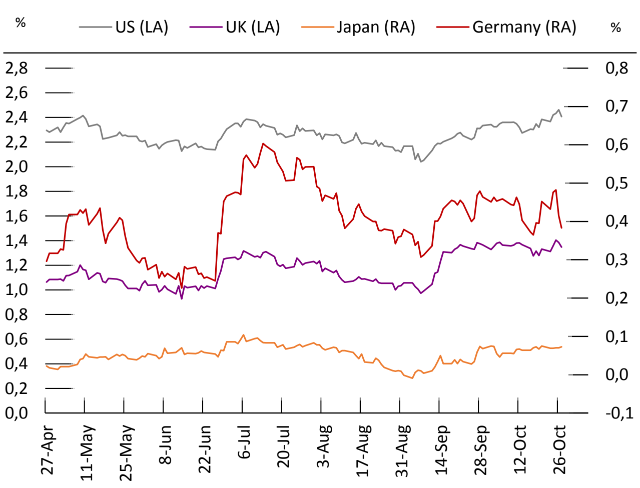
Source: Bloomberg, Data as of October 27th

JPY/USD



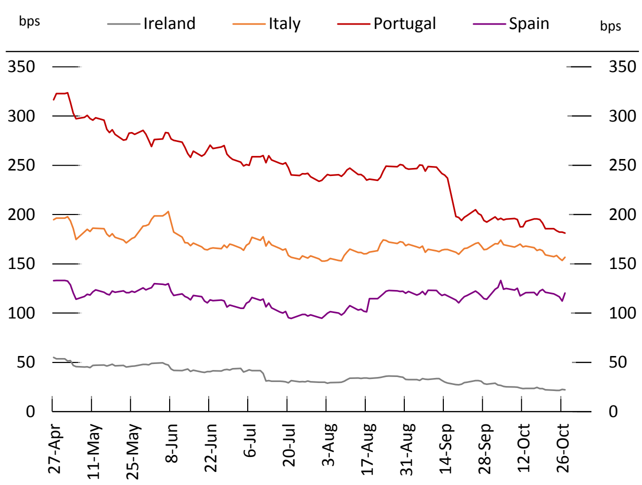
Source: Bloomberg, Data as of October 27th

10- Year Government Bond Yields



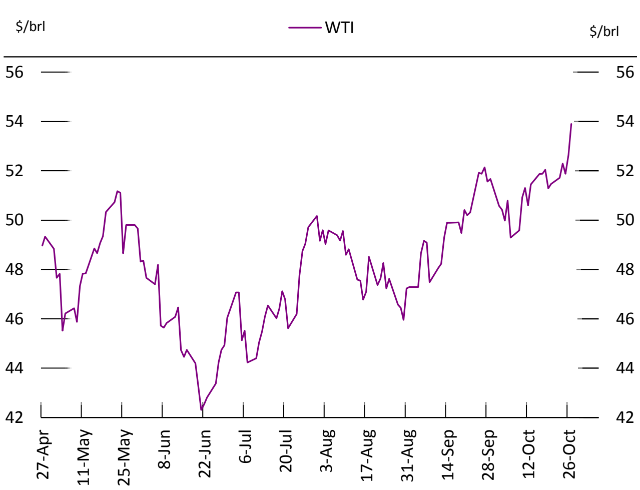
Source: Bloomberg - Data as of October 27th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



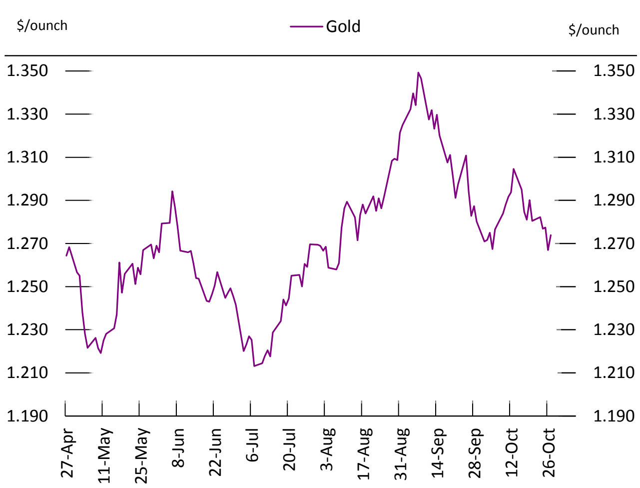
Source: Bloomberg - Data as of October 27th

West Texas Intermediate ($/brl)



Source: Bloomberg, Data as of October 27th

Gold ($/ounch)



Source: Bloomberg, Data as of October 27th

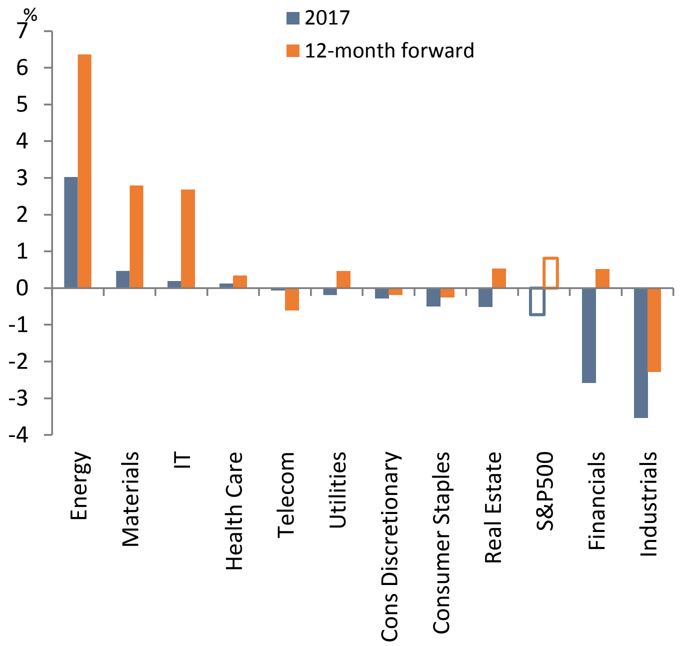
US Sectors Valuation

	Price ($)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	27/10/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
S&P500	2581	0,2	1,4	10,0	2,0	1,9	19,8	19,7	18,1	14,2	3,1	3,2	3,0	2,2
Energy	499	-0,6	-74,4	252,2	2,7	2,9	127,3	34,7	27,6	19,1	2,0	1,9	1,9	1,8
Materials	370	0,7	-5,7	8,3	2,1	1,9	20,2	21,0	18,4	14,8	3,8	4,1	3,8	2,7
Financials														
Diversified Financials	640	-0,1	5,7	10,5	1,3	1,3	18,1	18,1	16,5	13,6	1,8	1,9	1,8	1,4
Banks	325	1,6	1,1	11,7	1,8	2,0	15,3	14,8	13,6	12,4	1,3	1,3	1,3	0,9
Insurance	404	-0,7	-4,2	4,1	2,0	1,9	15,6	16,5	13,8	9,8	1,4	1,4	1,4	1,0
Real Estate	199	-1,6	8,0	1,1	3,9	3,4	18,8	18,6	17,6	17,1	3,0	3,1	3,2	2,5
Industrials														
Capital Goods	667	-1,5	4,7	5,3	2,2	2,3	20,6	21,5	19,9	14,7	4,7	4,8	4,6	2,9
Transportation	675	-0,8	-7,8	-0,6	1,6	1,7	16,0	17,1	15,7	14,2	4,5	4,4	4,0	3,0
Commercial Services	250	0,5	8,5	3,1	1,4	1,5	22,9	22,5	21,0	18,0	3,9	4,0	3,8	2,9
Consumer Discretionary														
Retailing	1605	3,8	11,6	4,7	1,0	0,9	30,9	33,2	29,7	20,0	10,1	10,2	9,1	5,1
Media	508	-3,0	2,6	8,5	1,2	1,5	20,8	17,7	16,4	15,0	3,2	2,9	2,8	2,2
Consumer Services	1012	0,2	9,8	10,9	2,0	1,8	22,5	23,7	21,5	17,7	7,8	9,3	9,1	4,4
Consumer Durables	307	1,2	11,7	-0,1	1,7	1,7	17,6	18,5	16,8	16,7	3,4	3,3	3,1	2,9
Automobiles and parts	141	-0,9	9,5	4,1	4,6	3,7	7,2	7,6	8,0	8,9	1,6	1,6	1,5	1,9
IT														
Technology	1000	3,1	-2,8	8,0	1,9	1,9	15,0	16,0	14,5	12,4	3,8	4,4	3,9	2,7
Software & Services	1548	2,5	11,5	10,4	1,0	0,9	23,2	26,2	23,5	15,4	5,8	6,1	5,3	3,8
Semiconductors	930	3,8	12,9	36,8	2,0	1,7	17,5	16,7	15,7	16,6	3,7	4,3	3,8	2,7
Consumer Staples														
Food & Staples Retailing	358	-2,5	1,2	-1,2	2,1	2,7	17,6	17,2	16,3	14,9	3,2	3,3	3,1	2,6
Food Beverage & Tobacco	684	-1,1	8,3	7,4	2,7	3,0	23,2	21,0	19,7	16,7	6,4	5,3	5,3	4,7
Household Goods	552	-1,3	1,6	4,4	2,6	2,9	24,1	22,1	20,8	17,8	6,4	5,5	5,4	4,3
Health Care														
Pharmaceuticals	842	-4,2	6,2	4,8	2,0	2,0	16,3	16,6	15,7	13,8	4,2	4,4	4,1	3,1
Healthcare Equipment	1006	1,2	9,5	9,9	1,0	1,0	18,8	19,6	18,3	13,8	3,3	3,5	3,2	2,4
Telecom	150	-3,2	0,3	-0,8	4,7	5,5	13,6	12,1	12,0	12,8	3,0	2,5	2,4	2,2
Utilities	279	0,3	6,6	0,8	3,4	3,3	18,0	19,0	18,3	14,4	2,0	2,0	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

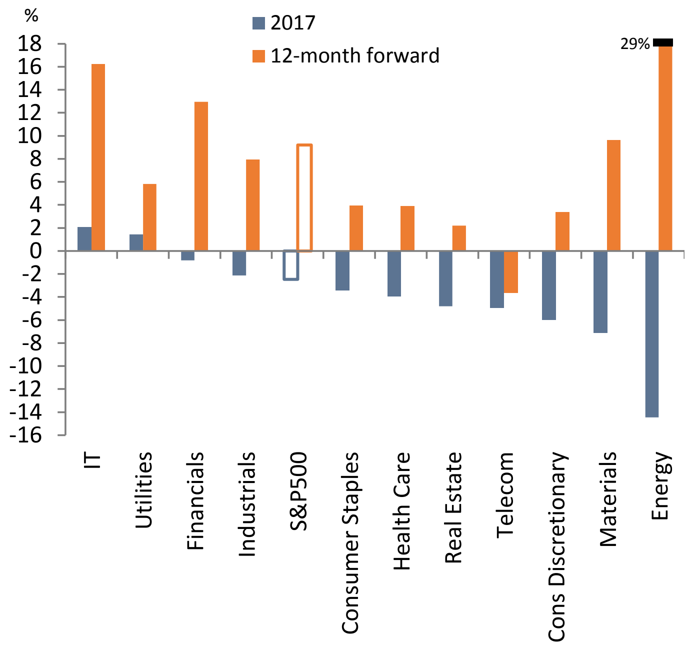
Earnings Revisions indicate 1-month change in 2017 & 12-month Forward EPS



Source: Factset, Data as of October 27th
12-month forward EPS are 18% of 2017 EPS and 82% 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 October 27th
12-month forward EPS are 18% of 2017 EPS and 82% of 2018 EPS

Europe Sectors Valuation

	Price (€)		EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	27/10/2017	% Weekly Change	2016	2017	2016	2017	2016	2017	12m fwd	10Yr Avg	2016	2017	12m fwd	10Yr Avg
STOXX Europe 600	393	0,8	-3,6	14,8	3,4	3,2	17,9	16,6	15,5	12,6	1,8	1,9	1,9	1,6
Energy	324	2,2	-31,5	68,3	5,4	5,0	27,4	16,8	16,0	11,0	1,2	1,3	1,3	1,3
Materials	470	1,0	17,2	11,4	2,7	2,7	20,0	19,1	17,4	13,9	1,9	2,0	1,9	1,5
Basic Resources	442	0,2	255,5	81,1	2,2	3,4	21,6	12,5	12,9	12,5	1,5	1,5	1,5	1,3
Chemicals	982	1,2	-2,0	10,8	2,7	2,6	18,0	18,0	17,3	13,8	2,4	2,6	2,5	2,1
Financials														
Fin/al Services	488	0,4	12,8	1,9	3,2	2,9	15,5	17,1	16,7	12,8	1,6	1,9	2,0	1,3
Banks	187	-0,2	-34,2	46,7	4,2	4,0	16,8	12,6	11,7	10,7	0,9	1,0	0,9	0,9
Insurance	293	1,2	3,1	-8,6	4,8	4,6	11,1	13,3	11,7	9,2	1,1	1,2	1,2	1,0
Real Estate	170	0,0	7,1	3,1	3,7	3,9	20,7	20,1	20,7	18,1	1,0	1,0	1,0	1,0
Industrial	545	2,4	0,7	10,7	2,6	2,4	19,9	20,2	18,4	14,1	3,3	3,4	3,2	2,3
Consumer Discretionary														
Media	268	-1,0	-0,1	4,3	3,2	3,2	18,3	16,6	15,6	14,0	3,1	2,8	2,7	2,4
Retail	307	0,9	1,4	2,8	2,6	2,8	20,6	20,1	18,5	15,8	2,9	2,7	2,6	2,4
Automobiles and parts	602	3,1	17,1	16,7	3,0	3,1	9,3	8,8	8,4	9,3	1,3	1,3	1,2	1,0
Travel and Leisure	257	2,0	5,5	12,5	2,4	2,3	14,6	13,9	13,0	15,2	2,8	2,8	2,5	2,0
Technology	448	2,1	-1,9	12,5	1,5	1,4	23,3	23,9	22,1	16,6	3,1	3,3	3,2	2,6
Consumer Staples														
Food&Beverage	663	-0,5	-4,4	5,3	2,8	2,7	23,5	23,6	21,8	17,0	3,2	3,5	3,4	2,7
Household Goods	874	3,5	5,3	10,7	2,5	2,5	22,2	21,2	19,7	16,5	4,6	3,6	4,1	3,3
Health care	734	-1,7	6,7	-0,5	2,8	2,8	17,9	17,6	16,7	14,1	3,5	3,5	3,3	3,0
Telecom	281	-0,3	1,7	11,3	4,9	4,5	19,8	17,3	15,9	13,3	1,8	1,9	1,9	1,6
Utilities	305	0,4	-8,6	-4,6	5,4	4,7	13,2	15,2	14,7	12,2	1,4	1,5	1,4	1,4

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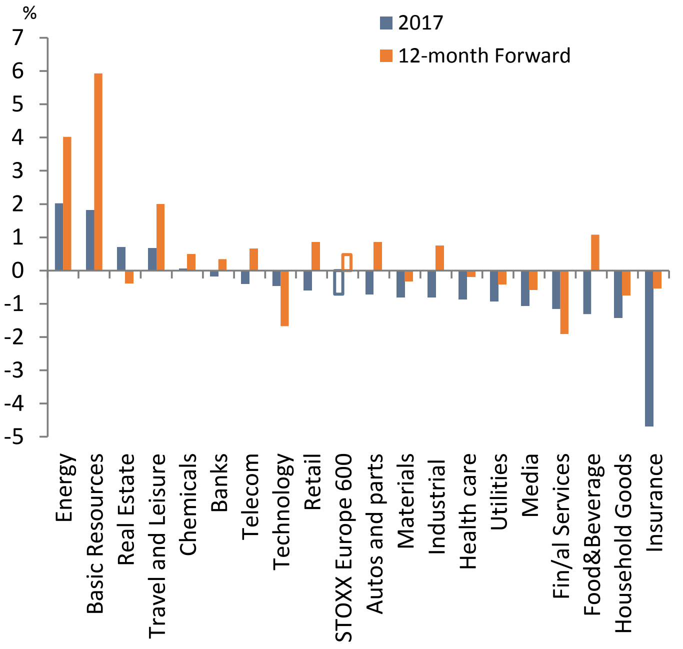
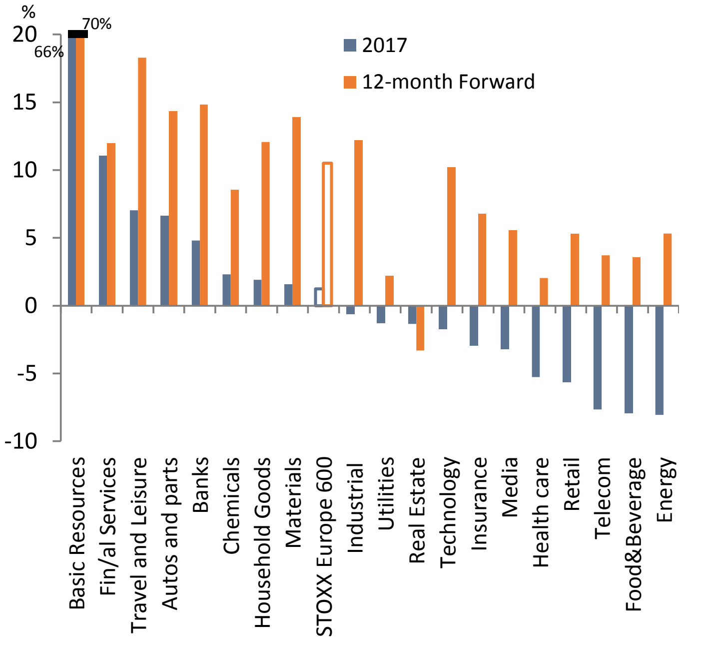


Source: Factset, Data as of October 27th
12-month forward EPS are 18% of 2017 EPS and 82% of 2018 EPS

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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12-month forward EPS are 18% of 2017 EPS and 82% of 2018 EPS

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