



The ECB turns slightly less dovish with market attention now shifting to the Fed meeting

- The ECB was more optimistic regarding the euro area, upgrading its outlook for growth and inflation (see page 2). Mr. Draghi noted that the downside risks have become less pronounced.
- Moreover, the recovery has broadened across sectors and countries (see graph). As a result, the likelihood of the ECB increasing monetary policy accommodation has declined considerably.
- Mr. Draghi confirmed that there had been no discussion of QE tapering, reiterating that a convincing upward trend in underlying inflation is not yet evident (currently at 0.9% for 3 consecutive months), combined with the absence of wage pressures.
- Overall, we expect the ECB to signal its intention to slow further its asset purchases (€60bn per month from April 2017 to December 2017), in Q2/Q3 2017, and to end them by mid-2018.
- Political uncertainty in the euro area, if escalated, could pose challenges to this assessment. Attention is focused on the Dutch general elections (March 15). Assuming support for the anti-EU anti-immigration PVV is larger than polls suggest (second party with 13% of the votes), uncertainty could increase regarding the outcome of the French election (April/May).
- The Fed is expected to increase the target for the Federal funds rate by 25 bps to 0.75% - 1.00% on Wednesday, supported by the strong February labor market (nonfarm payrolls of 235k vs a 12-month average of 196k).
- Investor attention will be on the Committee's interest rate forecasts for 2017 (currently: 3 hikes) and 2018 (currently: 3 hikes to 2.25%), with risks tilted towards further rate increases.
- Global equity markets were broadly flat ahead of major policy events including the Fed, BoE and BoJ meetings, the Dutch general elections and UK Government triggering Article 50. Euro area banks overperformed on the back of higher rates (+3.8% wow).
- Indeed, Government bond yields continued to rise, on the back of expectations for a Fed hike on March 15 and lower risks to the euro area economic and political outlook. The US Treasury 10-year yield increased by 10 bps on a weekly basis to 2.58%, and the German 10-year Bund yield was up by 13 bps to 0.49% (the highest since January 2016).
- Oil prices declined abruptly, on the back of continued increases in US oil inventories. Specifically, Brent declined by 8.3% on a weekly basis to \$47.5/barrel, and industrial metals were down (-2.4%) due to rising interest rates.

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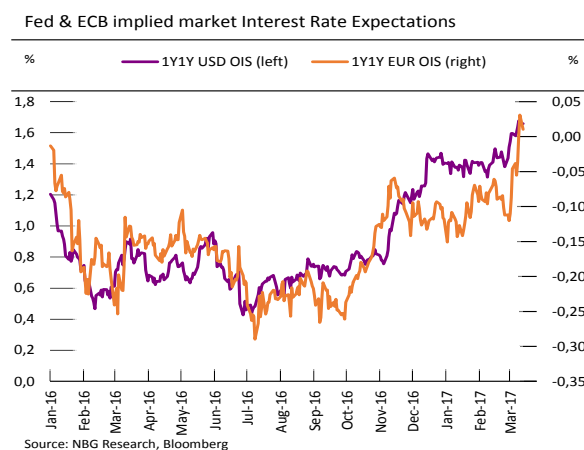
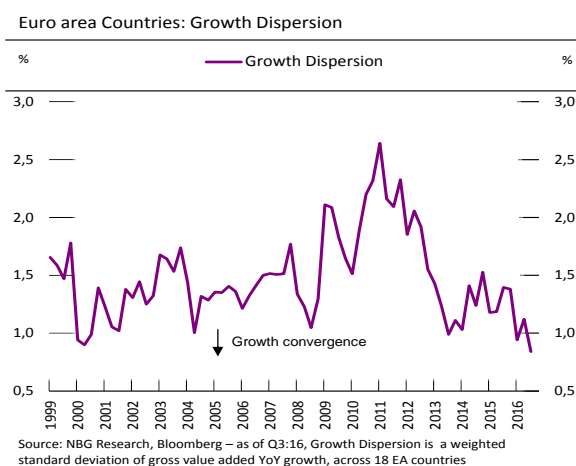
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Charts of the week



US labor market data exceeded expectations

- **The February labor market report revealed strong job creation, reduced labor market slack, and improved wage growth.** Nonfarm payrolls rose by 235k, at a similar pace compared with January. Notably, gains were broad based across sectors, although, the performance could have partly been distorted by unseasonably mild weather conditions. The unemployment rate (U-3) was down 0.1 pp to 4.7%, despite the labor force participation rate increasing by 0.1 pp to 63.0%. Furthermore, the U-6 unemployment rate (a broader measure of labor market slack, which includes the unemployed, part-time workers for economic reasons, and those workers marginally attached to the labor force) declined by 0.2 pps to 9.2%, matching the lowest level since April 2008. Importantly, wage growth picked up, with average hourly earnings at +2.8% yoy from +2.6% yoy previously.

US banks' consumer credit softened

- **Consumer credit growth decelerated in January, to 0.2% mom from 0.4% mom in December.** The January outcome confirms the outcome of the Q4:16 Fed's Senior Loan Officer Opinion Survey that indicated a moderate tightening of credit standards for consumer loans and decreased demand for consumer credit. Nevertheless, the annual growth rate is still at a healthy 6.3% yoy (6.5% yoy previously).

The ECB foresees better growth and higher headline inflation

- **ECB staff projections for real GDP growth and inflation were upgraded.** Specifically, GDP growth is projected at 1.8% for 2017, 1.7% for 2018 (both up 0.1 pp compared with the December projections) and at 1.6% for 2019. The upward revision reflected the further firming of economic momentum since December, and the continued improvement in business and consumer confidence indicators. Inflation is projected at 1.7% for 2017 (on average) and 1.6% for 2018 (up 0.4 pps & 0.1 pp respectively compared with December), mainly due to higher-than-previously-estimated oil prices, and at 1.7% for 2019. Other changes in the underlying ECB staff technical assumptions, compared with December, included slightly higher long-term interest rates and a modest depreciation for the euro (annual drop of 1% on average in NEER terms in 2017). The ECB estimate for core CPI is 1.1% in 2017 (unchanged compared with three months ago), while the forecasts for 2018 and 2019 were both up slightly, by 0.1 pp to 1.5% and 1.8%, respectively, due to slightly stronger anticipated wage pressures amid a firmer path for economic activity and, to a lesser extent, to second-round effects from higher energy prices.

Modest shifts in the UK fiscal policy path

- **According to the Spring Statement, the changes in the path for fiscal consolidation in the coming years were minor overall.** The Office for Budget Responsibility (OBR) upgraded its forecasts for UK GDP growth in 2017, while downgrading the respective estimates for 2018 to 2020. The OBR revised up its GDP growth forecasts in 2017 by 0.6 pps to 2.0% compared with the November projections due to an anticipated carry over into early 2017 of better-than-previously-expected momentum at the end of 2016.

The OBR estimates that the economy was running slightly above potential in end-2016. The UK fiscal position at the end of the forecasted period (FY:2021/22) is virtually unchanged, despite small shifts between years, with the structural deficit at 0.9% of GDP (from a forecast of 0.8% in November). Finally, public sector debt (net) is projected to peak at 88.8% of GDP in FY:2017/18 and decline to 79.8% by FY:2021/22.

Japan Q4:16 GDP was revised upwards

- **In Japan, the final estimate for Q4:16 was revised up** to 1.2% qoq saar in Q4:16 (from 1.0% qoq saar in the previous estimate and 1.2% qoq saar in Q3:16), mainly supported by business investment and net exports. Meanwhile, the latest business surveys were mixed. Specifically, the ECO Watchers current condition index was at a 5-month low of 48.6 in February from 49.8 in January mainly due to the extremely cold weather in January and February, while the forward-looking indicator (outlook for 2-3 months ahead) improved by 1.2 pts to 50.6.

Chinese trade balance in deficit

- **Chinese exports undershot expectations, while imports recorded gains in February due to seasonal distortion.** Exports - in USD terms -- declined by 1.3% yoy, while import growth remained in positive territory for a 4th consecutive month (following negative outcomes in the previous 24 months), rising by 38.1% yoy (expectations: 20% yoy). As a result, the trade balance was -\$9.1bn in February, the first monthly trade deficit since February 2014. It should be noted, however, that trade data are volatile in the first 2 months of each year, distorted by the 7-day Lunar New Year holiday (January 27 – February 2 in 2017) and the subsequent frontloading of shipments that takes place ahead of it. Looking forward, the moderate improvement in global growth, alongside the weaker RMB, support the prospects for China's external trade, despite uncertainty regarding potential US-China trade tensions.

Strong credit growth

- **Chinese credit growth was strong in February, with total social financing (TSF) increasing by 12.3% yoy from 12.1% yoy in January.** On a similar note, the growth of outstanding RMB loans was up slightly to 13.0% yoy from 12.6% yoy in January.

Chinese CPI posted a transitory drop

- **CPI inflation eased sharply in February (down 1.7 pps to 0.8% yoy), albeit due to distortions related to weather conditions and the timing of the Lunar New Year Holiday.** Indeed, CPI is expected to revert towards 2.0% yoy in the coming months, and to average slightly above 2.0% for FY:2017, comfortably below the official target of 3.0%. Supporting this projection, the producers price index (PPI) reached its highest level since September 2008, at 7.8% yoy in February from 6.9% yoy in January (and a trough of -5.9% yoy in December 2015). Note that the recent sharp acceleration in PPI inflation is positive for corporate earnings. It is mainly concentrated in the industries of mining and raw materials.

Equities

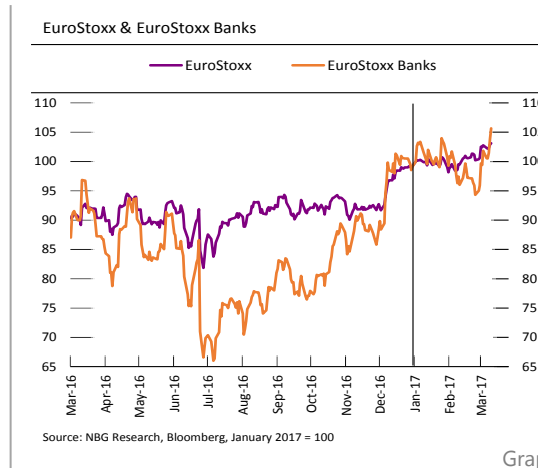
- **Global equity markets were mixed during the past week**, with investors turning cautious ahead of major policy events next week (i.e. Fed meeting, Dutch general elections). Meanwhile, further increases in government bond yields, amidst better-than-expected US labor market data (which supports the recent hawkish tone from Fed policymakers), as well as a less dovish rhetoric by the ECB, took their toll on risk appetite. Indeed, the MSCI World Index recorded small losses (down 0.2% over the week, +5.1% YTD), with both developed and emerging markets declining (-0.2% vs -0.4% wow, respectively). The S&P500 index fell by 0.4% wow, with energy underperforming (-2.6% wow) due to falling oil prices. In contrast, euro area equities rose modestly (EuroStoxx: up by 0.3% wow), mainly supported by an improving growth and inflation outlook (as per ECB forecasts), with banks significantly overperforming (+3.8%) on a weekly basis.

Fixed Income

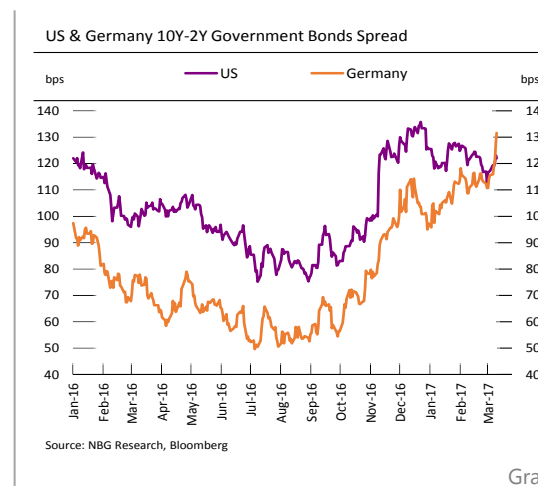
- **Government bond yields continued to rise**, on the back of expectations for a Fed hike on March 15, combined with prospects for tighter US interest rates going forward and weaker downside risks to the euro area outlook. Overall, the US Treasury 10-year yield increased by 10 bps on a weekly basis to 2.58%, and the US Treasury 2-year yield rose by 5 bps to 1.36%. In Europe, core government bond yields rose as well, with the UK's 10-year Gilt yield up by 5 bps to 1.23% and the German 10-year Bund yield up by 13 bps to 0.49%. As a result of rising core government bond yields and higher risk aversion, euro area periphery bond spreads widened in Italy and Spain (+14bps to +188 bps for Italian 10Yr BTPs, +8 bps to 139 bps for Spanish 10Yr Bonos). On the other hand, 10Yr Portuguese and Greek government bonds spreads ended the week broadly unchanged at 357 bps and 670 bps, respectively.
- **High yield corporate bond spreads widened**, largely hit by the fall in oil prices. Specifically, euro area HY spreads rose by 13 bps wow to 352 bps and US HY spreads were up by 29 bps wow to 389 bps. Meanwhile, investment grade corporate bond spreads were mixed. Indeed, euro area investment grade (IG) bond spreads declined by 2 bps wow to 121 bps, while their US counterparts rose by 3 bps wow to 121 bps.

FX & Commodities

- **In foreign exchange markets, the euro gained ground across the board**, on a weekly basis (+1.1% in NEER terms), up by 0.5% against the US dollar to \$1.067. In contrast, the USD was broadly unchanged in NEER terms, despite higher bond yields. With markets broadly expecting the same number of hikes as the Fed for 2017, the meeting on March 15 will be important for longer-term policy guidance. Indeed, the gap for post-2017 between Fed projections and market estimates remains substantial (6 vs 3.5 hikes, respectively). The British pound weakened against its peers (-1.2% in NEER terms) and it was down 1.7% wow against the euro to €0.878. On Monday, the UK Parliament passed a "EU Withdrawal" bill that will allow the Government to trigger Article 50, expected to happen in the last week of March. Meanwhile, Scotland's First Minister, Nicola Sturgeon, announced her intention to seek a second referendum on Scottish independence between Autumn 2018 and Spring 2019.
- **In commodities, oil prices fell significantly**, as supply concerns mounted on the back of continued increases in US oil inventories. The latter rose for a 9th consecutive week (+8.2 mb to 528 mb for the week ending March 3rd). Specifically, Brent declined by 7.9% on a weekly basis (see page 11), to \$50.7/barrel and WTI fell by 9.1% to \$48.5/barrel (the lowest level since November). Metal prices were also down, with copper weakening by 3.2% on a weekly basis to \$5.716/mt.



Graph 1.



Graph 2.

US Percentile Ranks of current Corporate Bond spreads vs 5-Year History

| | 1-3 Years | 3-5 Years | 5-7 Years | 7-10 Years | Index |
|-----|-----------|-----------|-----------|------------|-------|
| AAA | 34 | 26 | 49 | 24 | 58 |
| AA | 53 | 32 | 2 | 1 | 17 |
| A | 30 | 19 | 8 | 12 | 16 |
| BBB | 3 | 3 | 1 | 5 | 8 |

Source: NBG Research, Thomson Reuters, Data as of March 10

Graph 3.

Quote of the week: "There is no longer that sense of urgency in taking further actions while maintaining the accommodative monetary policy stance including the forward guidance. But that urgency that was prompted by the risks of deflation isn't there." **ECB President, Mario Draghi**, March 9th 2017

Tactical Asset Allocation (3-month)

- **Equities:** We are **Overweight** amidst expectations for a recovery in global growth. Earnings’ momentum is strong in all regions. O/W Banks (US, Euro area) due to higher yields and steeper curves and Materials.
- **Government Bonds:** The trend of higher long-term Government yields will continue reflecting a buildup in inflation expectations. **Underweight Govies.** At the short-end, USTs are vulnerable due to Fed hikes. Steeper curves, particularly in Bunds. Until French elections though, Bunds may attract flows due to political risks.
- **Credit:** Credit spreads have less fuel to run from current levels with US Investment Grade at 115 bps. **Overall, we turned broadly neutral in credit.**
- **Cash:** We hold an **OW position** in cash, as a hedge, as well as a way of being tactical.

NBG Global Markets - Main Equity Sector Calls

| US Sector | Position | View/Comment |
|-------------|----------------|--|
| Banks | OW | Rising rates support interest margins |
| Materials | OW | A policy shift toward higher US fiscal spending could support infrastructure |
| Energy | Neutral | OPEC’s deal implementation remains a risk |
| Industrials | Neutral | Should benefit from US mfg recovery |
| Technology | Neutral | High foreign exposure and cash reserves |
| Healthcare | UW | Policy plays could suppress margins |
| Utilities | UW | Likely hurt by higher rates |
| Telecoms | UW | Typically lags in cyclical recoveries |

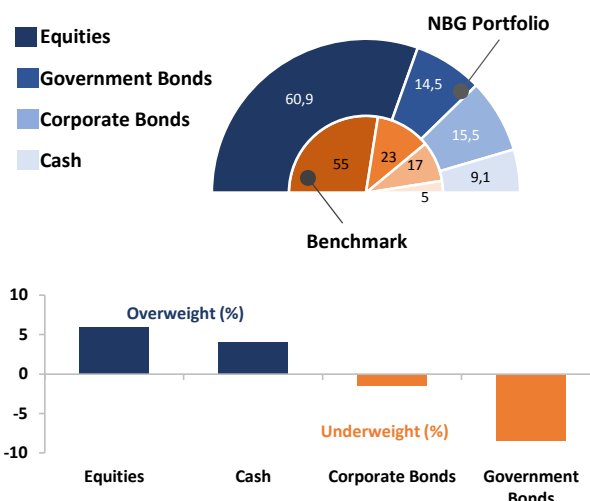
| EA Sector | Position | View/Comment |
|--------------------|----------------|--|
| Banks | OW | Steeper curves and attractive valuations should offset bouts of volatility |
| Materials | OW | Resilient domestic demand and still attractive valuations |
| Industrials | Neutral | Benefit from better growth prospects. Valuations have increased |
| Defensive Sectors* | UW | Defensives could struggle to outperform in a reflationary environment |

*Including Healthcare, Utilities, Telecoms

Notes:

- (1) The orange inner half-circle of the chart displays asset class weights for the benchmark portfolio. The blue-color representation (outside half-circle) shows asset class weights for the model portfolio.
- (2) All figures shown are in percentage points.
- (3) OW/UW: Overweight/Underweight relative to Benchmark.
- (4) Green (red) color arrows suggest an increase (decrease) in relative asset class weights (portfolio vs benchmark) over the last week.

Total Portfolio Allocation



Detailed Portfolio Breakdown

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

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

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

| | US | Euro Area | Japan | UK |
|------------------|---|---|---|---|
| Equity Markets | <ul style="list-style-type: none"> + 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 | <ul style="list-style-type: none"> + Still high equity risk premium due to policy uncertainty + Credit conditions gradual turn more favorable + Small fiscal loosening - Sovereign debt crisis could re-emerge - EPS estimates are declining - Strong Euro in NEER terms (2016 vs 2015) | <ul style="list-style-type: none"> + 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 | <ul style="list-style-type: none"> + 65% of FTSE100 revenues from abroad + Undemanding valuations in relative terms + High UK exposure to the commodities sector assuming the oil rally continues - Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process |
| Government Bonds | <p>● Neutral/Positive</p> <ul style="list-style-type: none"> + 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 | <p>● Neutral</p> <ul style="list-style-type: none"> + Upside risk in US benchmark yields + Valuations appear excessive compared with long-term fundamentals - Political Risk - Fragile growth outlook - Medium-term inflation expectations remain low - Gradually less accommodative monetary policy by the ECB | <p>● Neutral</p> <ul style="list-style-type: none"> + Sizeable fiscal deficits + Restructuring efforts to be financed by fiscal policy measures - Safe haven demand - Extremely dovish central bank - Yield-targeting of 10-Year JGB at around 0% | <p>● Neutral/Negative</p> <ul style="list-style-type: none"> + Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process + Rich valuations + Inflation overshooting due to GBP weakness feeds through inflation expectations - The BoE is expected to cut rates or/and re-activate asset purchases - Slowing economic growth post-Brexit |
| Foreign Exchange | <p>▲ Higher yields expected</p> <ul style="list-style-type: none"> + 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 <p>▲ Long USD against its major counterparts</p> | <p>▲ Higher yields expected</p> <ul style="list-style-type: none"> + Reduced short-term tail risks + Higher core bond yields + Current account surplus - Sluggish growth - Deflation concerns - The ECB's monetary policy to remain extra loose (Targeted-LTROs, ABSs, covered bank bond purchases, Quantitative Easing) <p>● Flat EUR against the USD with downside risks short term</p> | <p>● Stable yields expected</p> <ul style="list-style-type: none"> + Safe haven demand + More balanced economic growth recovery (long-term) + Inflation is bottoming out - Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2% <p>▼ Lower JPY against the USD</p> | <p>▲ Higher yields expected</p> <ul style="list-style-type: none"> + Transitions phase negotiations - The BoE to retain rates at current levels - Slowing economic growth post-Brexit - Sizeable Current account deficit (-5.5% of GDP) - Elevated Policy uncertainty to remain due to the outcome of the Referendum and the negotiating process <p>▼ Weaker GBP against the EUR and the USD</p> |

| | Turkey | Romania | Bulgaria | Serbia |
|-------------------------|--|---|---|--|
| Equity Markets | <ul style="list-style-type: none"> + Attractive valuations - Weak foreign investor appetite for emerging market assets | <ul style="list-style-type: none"> + Attractive valuations - Weak foreign investor appetite for emerging market assets | <ul style="list-style-type: none"> + Attractive valuations + Low-yielding domestic debt and deposits - Weak foreign investor appetite for emerging market assets | <ul style="list-style-type: none"> + Attractive valuations - Weak foreign investor appetite for emerging market assets |
| | <ul style="list-style-type: none"> ▲ Neutral/Positive stance on equities | <ul style="list-style-type: none"> ▲ Neutral/Positive Stance on equities | <ul style="list-style-type: none"> ▲ Neutral/Positive Stance on equities | <ul style="list-style-type: none"> ▲ Neutral/Positive Stance on equities |
| Domestic Debt | <ul style="list-style-type: none"> + Low public debt-to-GDP ratio - Loosening fiscal stance - Stubbornly high inflation | <ul style="list-style-type: none"> + Low public debt-to-GDP ratio - Easing fiscal stance - Envisaged tightening in monetary policy | <ul style="list-style-type: none"> + Very low public debt-to-GDP ratio and large fiscal reserves + Low inflation | <ul style="list-style-type: none"> + Positive inflation outlook + Precautionary Stand-By Agreement with the IMF - Large public sector borrowing requirements |
| | <ul style="list-style-type: none"> ▲ Stable to lower yields | <ul style="list-style-type: none"> ▼ Stable to higher yields | <ul style="list-style-type: none"> ▲ Stable to lower yields | <ul style="list-style-type: none"> ▲ Stable to lower yields |
| Foreign Debt | <ul style="list-style-type: none"> + High foreign debt yields - Sizeable external financing requirements - Weak foreign investor appetite for emerging market assets | <ul style="list-style-type: none"> + Strong external position - Large external financing requirements | <ul style="list-style-type: none"> + Solidly-based currency board arrangement, with substantial buffers + Current account surplus - Large external financing requirements - Heightened domestic political uncertainty | <ul style="list-style-type: none"> + Ongoing EU membership negotiations + Precautionary Stand-By Agreement with the IMF - Sizeable external financing requirements - Slow progress in structural reforms |
| | <ul style="list-style-type: none"> ▲ Stable to narrowing spreads | <ul style="list-style-type: none"> ▲ Stable to narrowing spreads | <ul style="list-style-type: none"> ▲ Stable to narrowing spreads | <ul style="list-style-type: none"> ▲ Stable to narrowing spreads |
| Foreign Exchange | <ul style="list-style-type: none"> + High domestic debt yields - Sizeable external financing requirements - Weak foreign investor appetite for emerging market assets - Increasing geopolitical risks and domestic political uncertainty | <ul style="list-style-type: none"> + Strong external position - Large external financing requirements | <ul style="list-style-type: none"> + Currency board arrangement + Large foreign currency reserves and fiscal reserves + Current account surplus - Sizeable external financing requirements - Heightened domestic political uncertainty | <ul style="list-style-type: none"> + Ongoing EU membership negotiations + Precautionary Stand-By Agreement with the IMF - Sizeable external financing requirements |
| | <ul style="list-style-type: none"> ▼ Weaker to stable TRY against the EUR | <ul style="list-style-type: none"> ▲ Stable to stronger RON against the EUR | <ul style="list-style-type: none"> ● Stable BGN against the EUR | <ul style="list-style-type: none"> ▼ Weaker to stable RSD against EUR |

Interest Rates & Foreign Exchange Forecasts

| 10-Yr Gov. Bond Yield (%) | Mar. 10th | 3-month | 6-month | 12-month | Official Rate (%) | Mar. 10th | 3-month | 6-month | 12-month |
|---------------------------|-----------|---------|---------|----------|-------------------|-----------|---------|---------|----------|
| Germany | 0,49 | 0,40 | 0,50 | 0,70 | Euro area | 0,00 | 0,00 | 0,00 | 0,00 |
| US | 2,58 | 2,65 | 2,75 | 2,90 | US | 0,75 | 1,00 | 1,25 | 1,50 |
| UK | 1,23 | 1,51 | 1,61 | 1,68 | UK | 0,25 | 0,25 | 0,25 | 0,25 |
| Japan | 0,09 | 0,06 | 0,08 | 0,11 | Japan | -0,10 | -0,10 | -0,10 | -0,10 |

| Currency | Mar. 10th | 3-month | 6-month | 12-month | Mar. 10th | 3-month | 6-month | 12-month | |
|----------------|-----------|---------|---------|----------|----------------|---------|---------|----------|------|
| EUR/USD | 1,06 | 1,06 | 1,05 | 1,05 | USD/JPY | 115 | 117 | 118 | 119 |
| EUR/GBP | 0,88 | 0,89 | 0,88 | 0,89 | GBP/USD | 1,22 | 1,20 | 1,19 | 1,18 |
| EUR/JPY | 123 | 124 | 124 | 125 | | | | | |

Forecasts at end of period

Economic Forecasts

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

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

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

| | 2012 | 2013 | 2014 | 2015 | 2016e | 2017f |
|---|-------|------|------|------|-------|-------|
| Real GDP Growth (%) | | | | | | |
| Turkey | 4,8 | 8,5 | 5,2 | 6,1 | 2,1 | 2,0 |
| Romania | 0,6 | 3,5 | 3,1 | 3,9 | 4,8 | 4,0 |
| Bulgaria | 0,0 | 0,9 | 1,3 | 3,6 | 3,4 | 3,7 |
| Serbia | -1,0 | 2,6 | -1,8 | 0,8 | 2,8 | 3,2 |
| Headline Inflation (eop,%) | | | | | | |
| Turkey | 6,2 | 7,4 | 8,2 | 8,8 | 8,5 | 9,2 |
| Romania | 5,0 | 1,6 | 0,8 | -0,9 | -0,5 | 2,0 |
| Bulgaria | 4,2 | -1,6 | -0,9 | -0,4 | 0,1 | 0,6 |
| Serbia | 12,2 | 2,2 | 1,7 | 1,5 | 1,6 | 2,8 |
| Current Account Balance (% of GDP) | | | | | | |
| Turkey | -5,6 | -6,7 | -4,7 | -3,7 | -3,8 | -4,5 |
| Romania | -4,8 | -1,1 | -0,7 | -1,2 | -2,4 | -3,0 |
| Bulgaria | -0,9 | 1,3 | 0,1 | 0,4 | 3,8 | 3,0 |
| Serbia | -11,6 | -6,1 | -6,0 | -4,7 | -4,0 | -3,6 |
| Fiscal Balance (% of GDP) | | | | | | |
| Turkey | -1,9 | -1,0 | -1,1 | -1,0 | -1,1 | -2,0 |
| Romania | -2,5 | -2,5 | -1,7 | -1,5 | -2,4 | -3,8 |
| Bulgaria | -0,4 | -1,8 | -3,7 | -2,8 | 1,6 | -1,0 |
| Serbia | -6,8 | -5,5 | -6,6 | -3,7 | -1,4 | -1,2 |

f: NBG forecasts

Stock Markets (in local currency)

| Country - Index | 13/3/2017 | Last week return (%) | Year-to-Date change (%) | 2-year change (%) |
|------------------|-----------|----------------------|-------------------------|-------------------|
| Turkey - ISE100 | 91.045 | 3,7 | 16,5 | 13,4 |
| Romania - BET-BK | 1.479 | -0,3 | 10,1 | 8,6 |
| Bulgaria - SOFIX | 615 | 0,4 | 4,9 | 29,1 |
| Serbia - BELEX15 | 726 | 1,3 | 1,2 | 8,0 |

| Financial Markets | 13/3/2017 | 3-month forecast | 6-month forecast | 12-month forecast |
|---|-----------|------------------|------------------|-------------------|
| 1-m Money Market Rate (%) | | | | |
| Turkey | 11,6 | 11,2 | 10,5 | 10,0 |
| Romania | 0,6 | 0,9 | 1,2 | 1,5 |
| Bulgaria | 0,0 | 0,1 | 0,1 | 0,2 |
| Serbia | 3,4 | 3,4 | 3,5 | 3,8 |
| Currency | | | | |
| TRY/EUR | 3,99 | 4,00 | 3,90 | 3,80 |
| RON/EUR | 4,55 | 4,49 | 4,49 | 4,50 |
| BGN/EUR | 1,96 | 1,96 | 1,96 | 1,96 |
| RSD/EUR | 123,9 | 123,2 | 124,0 | 125,0 |
| Sovereign Eurobond Spread (in bps) | | | | |
| Turkey (EUR 2019) | 200 | 220 | 210 | 200 |
| Romania (EUR 2024) | 181 | 180 | 165 | 150 |
| Bulgaria (EUR 2022) | 119 | 120 | 116 | 110 |
| Serbia (USD 2021)(*) | 211 | 200 | 190 | 180 |

(*) Spread over US Treasuries

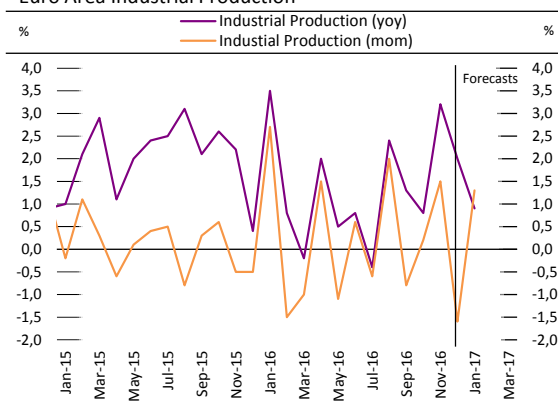
Economic Calendar

The main event next week is the FOMC meeting. The Fed is expected to increase the target for the Federal funds rate by 25 bps to 0.75% - 1.00% on Wednesday. In hard data releases, there is housing market report, industrial production and inflation.

In the euro area, markets will focus on January industrial production data, that is expected to improve (+1.3% mom from -1.6% mom in December).

In the UK, the Bank of England is expected to maintain its intervention rate at 0.25%. Labor data for January is released on Wednesday. Consensus expects the unemployment rate stable at 4.8%.

Euro Area Industrial Production



Source: Bloomberg

| Tuesday 7 | | | | Wednesday 8 | | | | Thursday 9 | | | | Friday 10 | | | | | | | | |
|--------------------|---|-------------|--------|-------------|--------|---------------------|--|----------------------------------|----------|-------|--------|------------------|-----------------------|---------------|-----------------------------|---------|-------|-------|-------|------|
| | | S | A | P | | S | A | P | | S | A | P | | S | A | P | | | | |
| US | Trade balance (\$bn) | January | -48.5 | -48.5 | -44.3 | US | ADP Employment Change (k) | February | 187 | + | 298 | 261 | CHINA | Exports (YoY) | February | 14.0% | - | 1.3% | 7.9% | |
| EURO AREA | GDP (QoQ) | Q4:16 F | 0.4% | 0.4% | 0.4% | JAPAN | GDP (QoQ) | Q4:16 F | 0.4% | - | 0.3% | 0.2% | | Imports (YoY) | February | 20.0% | + | 38.1% | 16.7% | |
| | GDP (YoY) | Q4:16 F | 1.7% | 1.7% | 1.7% | | GDP Private Consumption | Q4:16 F | 0.0% | 0.0% | 0.0% | | | | | | | | | |
| | Government expenditure (QoQ) | Q4:16 | 0.4% | 0.4% | 0.1% | | GDP Business Spending (QoQ) | Q4:16 F | 1.7% | + | 2.0% | 0.9% | | | | | | | | |
| | Gross Fixed Capital Formation (QoQ) | Q4:16 | 0.6% | 0.6% | -0.7% | | Leading Index | January | 105.4 | + | 105.5 | 104.9 | | | | | | | | |
| | Household Consumption (QoQ) | Q4:16 | 0.5% | - | 0.4% | 0.3% | | Coincident Index | January | 114.3 | + | 114.9 | 115.6 | | | | | | | |
| | | | | | | | | Eco Watchers Current Survey | February | 50.0 | - | 48.6 | 49.8 | | | | | | | |
| | | | | | | | | Eco Watchers Outlook Survey | February | 50.5 | + | 50.6 | 49.4 | | | | | | | |
| | | | | | | | | GERMANY | | | | | | | | | | | | |
| | | | | | | | | Industrial Production (sa, MoM) | January | 2.7% | + | 2.8% | -2.4% | | | | | | | |
| | | | | | | | | Industrial Production (wda, YoY) | January | -0.6% | + | 0.0% | -0.1% | | | | | | | |
| Thursday 9 | | | | | | Friday 10 | | | | | | | | | | | | | | |
| US | Initial Jobless Claims (k) | March 4 | 238 | - | 243 | 223 | US | Change in Nonfarm Payrolls (k) | February | 200 | + | 235 | 238 | UK | Industrial Production (MoM) | January | -0.5% | + | -0.4% | 0.9% |
| | Continuing Claims (k) | February 25 | 2062 | + | 2058 | 2064 | | Change in Private Payrolls (k) | February | 215 | + | 227 | 221 | | Industrial Production (YoY) | January | 3.2% | | 3.2% | 4.3% |
| EURO AREA | ECB announces its deposit facility rate | March 9 | -0.40% | -0.40% | -0.40% | | Unemployment rate | February | 4.7% | | 4.7% | 4.8% | | | | | | | | |
| | ECB announces its intervention rate | March 9 | 0.00% | 0.00% | 0.00% | | Average Hourly Earnings MoM | February | 0.3% | - | 0.2% | 0.2% | | | | | | | | |
| CHINA | CPI (YoY) | February | 1.7% | - | 0.8% | 2.5% | Average Hourly Earnings YoY | February | 2.8% | | 2.8% | 2.6% | | | | | | | | |
| | Money Supply M0 (YoY) | February | 15.0% | | 3.3% | 19.4% | Average weekly hours (hrs) | February | 34.4 | | 34.4 | 34.4 | | | | | | | | |
| | Money Supply M1 (YoY) | February | 16.6% | | 21.4% | 14.5% | Underemployment rate | February | .. | | 9.2% | 9.4% | | | | | | | | |
| | Money Supply M2 (YoY) | February | 11.4% | | 11.1% | 11.3% | Labor Force Participation Rate | February | .. | | 63.0% | 62.9% | | | | | | | | |
| | Aggregate Financing (RMB bn) | February | 1450.0 | - | 1150.0 | 3737.7 | | | | | | | | | | | | | | |
| | New Yuan Loans (RMB bn) | February | 950.0 | + | 1170.0 | 2030.0 | | | | | | | | | | | | | | |
| Tuesday 14 | | | | | | Wednesday 15 | | | | | | | Thursday 16 | | | | | | | |
| EURO AREA | Industrial Production (MoM) | January | 1.3% | .. | -1.6% | US | Empire Manufacturing | March | 15.0 | .. | 18.7 | UK | ILO Unemployment Rate | January | 4.8% | .. | 4.8% | | | |
| | Industrial Production (YoY) | January | 0.9% | .. | 2.0% | | CPI (YoY) | February | 2.7% | .. | 2.5% | EURO AREA | Employment (QoQ) | Q4:16 | .. | .. | 0.2% | | | |
| GERMANY | ZEW survey current situation | March | 78.0 | .. | 76.4 | | Core CPI (YoY) | February | 2.2% | .. | 2.3% | | Employment (YoY) | Q4:16 | .. | .. | 1.2% | | | |
| | ZEW survey expectations | March | 13.0 | .. | 10.4 | | Retail Sales Advance MoM | February | 0.1% | .. | 0.4% | | | | | | | | | |
| CHINA | Retail sales (YoY) | February | 10.6% | .. | 10.4% | | Retail sales ex-autos (MoM) | February | 0.1% | .. | 0.8% | | | | | | | | | |
| | Industrial production (YoY) | February | 6.2% | .. | 6.0% | | NAHB housing market confidence index | March | 65 | .. | 65 | | | | | | | | | |
| | | | | | | | Fed announces its intervention rate | March 15 | 1.00% | .. | 0.75% | | | | | | | | | |
| | | | | | | | Net Long-term TIC Flows (\$ bn) | January | .. | .. | -12.9% | | | | | | | | | |
| Thursday 16 | | | | | | Friday 17 | | | | | | Monday 20 | | | | | | | | |
| US | Housing starts (k) | February | 1260 | .. | 1246 | US | Industrial Production (MoM) | February | 0.2% | .. | -0.3% | | | | | | | | | |
| | Building permits (k) | February | 1260 | .. | 1293 | | University of Michigan consumer confidence | March | 97.0 | .. | 96.3 | | | | | | | | | |
| | Initial Jobless Claims (k) | March 11 | 240 | .. | 243 | EURO AREA | Trade Balance SA (€ bn) | January | 22.0 | .. | 24.5 | | | | | | | | | |
| | Continuing Claims (k) | March 4 | 2053 | .. | 2058 | | | | | | | | | | | | | | | |
| | Philadelphia Fed Business Outlook | March | 28.0 | .. | 43.3 | | | | | | | | | | | | | | | |
| UK | BoE announces its intervention rate | March | 0.25% | .. | 0.25% | | | | | | | | | | | | | | | |
| | BoE Asset Purchase Target (€bn) | March | 435 | .. | 435 | | | | | | | | | | | | | | | |
| JAPAN | Bank of Japan announces its intervention rate | March 16 | -0.10% | .. | -0.10% | | | | | | | | | | | | | | | |

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

Equity Markets (in local currency)

| Developed Markets | | | | | | Emerging Markets | | | | | | |
|-------------------|--------------------|-------------------|-------------------------|-------------------|-------------------|------------------|------------------------------|-------------------|-------------------------|-------------------|-------------------|------|
| | Current Level | 1-week change (%) | Year-to-Date change (%) | 1-Year change (%) | 2-year change (%) | | Current Level | 1-week change (%) | Year-to-Date change (%) | 1-Year change (%) | 2-year change (%) | |
| US | S&P 500 | 2373 | -0,4 | 6,0 | 19,3 | 16,3 | MSCI Emerging Markets | 50138 | -0,4 | 5,2 | 13,6 | 1,7 |
| Japan | NIKKEI 225 | 19605 | 0,7 | 2,6 | 16,3 | 4,7 | MSCI Asia | 739 | 0,2 | 6,7 | 15,3 | 0,2 |
| UK | FTSE 100 | 7343 | -0,4 | 2,8 | 21,6 | 9,2 | China | 65 | 0,2 | 10,2 | 21,3 | -3,0 |
| Canada | S&P/TSX | 15507 | -0,7 | 1,4 | 15,9 | 5,2 | Korea | 608 | 0,9 | 4,8 | 15,3 | 9,8 |
| Hong Kong | Hang Seng | 23569 | 0,1 | 7,1 | 17,9 | -0,6 | MSCI Latin America | 75642 | -2,2 | 5,2 | 17,0 | 16,0 |
| Euro area | EuroStoxx | 364 | 0,3 | 3,9 | 15,6 | -2,6 | Brazil | 222147 | -3,2 | 6,5 | 24,9 | 22,1 |
| Germany | DAX 30 | 11963 | -0,5 | 4,2 | 26,0 | 1,3 | Mexico | 44371 | -1,0 | 2,7 | 5,3 | 7,7 |
| France | CAC 40 | 4993 | 0,0 | 2,7 | 14,8 | -0,1 | MSCI Europe | 4790 | -2,7 | -3,6 | 8,0 | 3,6 |
| Italy | FTSE/MIB | 19658 | 0,0 | 2,2 | 8,5 | -13,9 | Russia | 877 | -3,8 | -12,2 | 5,6 | 12,8 |
| Spain | IBEX-35 | 10006 | 2,1 | 7,0 | 14,1 | -9,2 | Turkey | 1259216 | -0,2 | 15,3 | 11,9 | 14,3 |

World Market Sectors (MSCI Indices)

| in US Dollar terms | | | | | | in local currency | | | | | |
|-------------------------------|---------------|-------------------|-------------------------|-------------------|-------------------|-------------------------------|---------------|-------------------|-------------------------|-------------------|-------------------|
| | Current Level | 1-week change (%) | Year-to-Date change (%) | 1-Year change (%) | 2-year change (%) | | Current Level | 1-week change (%) | Year-to-Date change (%) | 1-Year change (%) | 2-year change (%) |
| Energy | 204,3 | -1,9 | -6,7 | 13,0 | -7,6 | Energy | 213,3 | -1,8 | -6,6 | 16,3 | -4,3 |
| Materials | 231,7 | -1,6 | 4,4 | 25,0 | 2,6 | Materials | 227,0 | -1,6 | 3,8 | 28,6 | 4,4 |
| Industrials | 223,8 | -0,3 | 5,3 | 18,3 | 11,5 | Industrials | 226,6 | -0,3 | 4,9 | 20,7 | 11,9 |
| Consumer Discretionary | 207,0 | 0,3 | 5,4 | 12,6 | 7,1 | Consumer Discretionary | 203,9 | 0,3 | 5,0 | 14,7 | 7,5 |
| Consumer Staples | 219,4 | 0,2 | 5,7 | 3,8 | 9,4 | Consumer Staples | 224,4 | 0,2 | 5,5 | 7,0 | 12,1 |
| Healthcare | 209,9 | 0,0 | 8,9 | 8,6 | 0,5 | Healthcare | 210,6 | 0,0 | 8,7 | 10,4 | 1,3 |
| Financials | 112,6 | 0,1 | 6,1 | 27,4 | 11,7 | Financials | 115,0 | 0,2 | 5,6 | 30,0 | 13,2 |
| IT | 178,5 | 0,6 | 10,7 | 28,0 | 25,5 | IT | 174,2 | 0,6 | 10,6 | 28,6 | 25,3 |
| Telecoms | 69,8 | 0,3 | 0,4 | -0,7 | 2,2 | Telecoms | 74,6 | 0,3 | 0,0 | 2,2 | 4,1 |
| Utilities | 118,4 | -1,0 | 3,0 | 2,3 | 5,0 | Utilities | 123,5 | -1,1 | 2,8 | 4,7 | 6,5 |

Bond Markets (%)

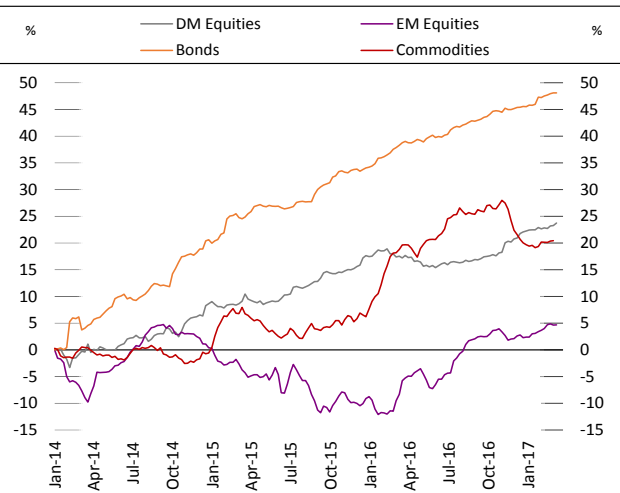
| 10-Year Government Bond Yields | | | | | | Government Bond Yield Spreads (in bps) | | | | | |
|--------------------------------|---------|-----------|------------|---------------|-----------------|--|---------|-----------|------------|---------------|-----------------|
| | Current | Last week | Year Start | One Year Back | 10-year average | | Current | Last week | Year Start | One Year Back | 10-year average |
| US | 2,58 | 2,48 | 2,45 | 1,93 | 2,77 | US Treasuries 10Y/2Y | 122 | 117 | 126 | 101 | 174 |
| Germany | 0,49 | 0,36 | 0,21 | 0,31 | 2,13 | US Treasuries 10Y/5Y | 47 | 47 | 52 | 49 | 89 |
| Japan | 0,09 | 0,08 | 0,05 | -0,02 | 0,90 | Bunds 10Y/2Y | 132 | 116 | 97 | 76 | 118 |
| UK | 1,23 | 1,19 | 1,24 | 1,54 | 2,87 | Bunds 10Y/5Y | 79 | 77 | 74 | 54 | 71 |
| Greece | 7,19 | 7,05 | 7,11 | 9,13 | 10,22 | Corporate Bond Spreads (in bps) | Current | Last week | Year Start | One Year Back | 10-year average |
| Ireland | 1,17 | 1,02 | 0,75 | 0,95 | 4,55 | | | | | | |
| Italy | 2,36 | 2,09 | 1,81 | 1,46 | 3,82 | | | | | | |
| Spain | 1,89 | 1,68 | 1,38 | 1,59 | 3,82 | | | | | | |
| Portugal | 4,06 | 3,94 | 3,76 | 3,13 | 5,48 | | | | | | |
| EM Inv. Grade (IG) | 160 | 158 | 181 | 238 | 269 | | | | | | |
| EM High yield | 444 | 431 | 510 | 891 | 814 | US IG | 121 | 118 | 129 | 188 | 201 |
| US IG | 121 | 118 | 129 | 188 | 201 | US High yield | 389 | 360 | 421 | 704 | 641 |
| US High yield | 389 | 360 | 421 | 704 | 641 | Euro area IG | 121 | 123 | 124 | 143 | 168 |
| Euro area IG | 121 | 123 | 124 | 143 | 168 | Euro area High Yield | 352 | 339 | 376 | 545 | 664 |
| Euro area High Yield | 352 | 339 | 376 | 545 | 664 | | | | | | |

| US Mortgage Market (1. Fixed-rate Mortgage) | | | | | |
|---|---------|-----------|------------|---------------|-----------------|
| | Current | Last week | Year Start | One Year Back | 10-year average |
| 30-Year FRM¹ (%) | 4,4 | 4,4 | 4,4 | 3,9 | 4,5 |
| vs 30Yr Treasury (bps) | 120 | 129 | 132 | 120 | 100 |

Foreign Exchange & Commodities

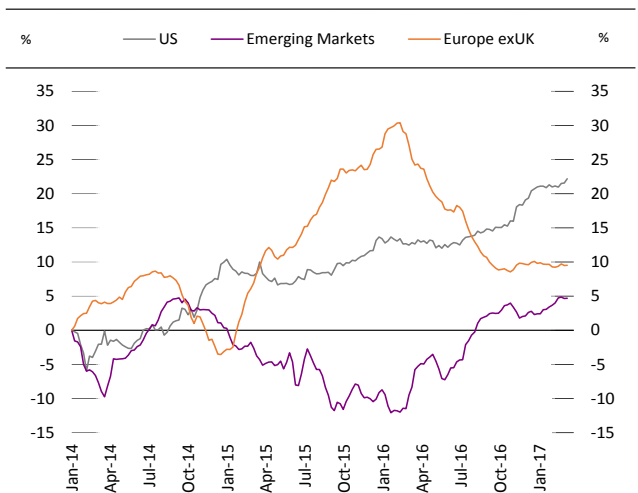
| Foreign Exchange | | | | | | Commodities | | | | | |
|-------------------------------|---------|-------------------|--------------------|-------------------|-------------------------|----------------------------------|---------|-------------------|--------------------|-------------------|-------------------------|
| | Current | 1-week change (%) | 1-month change (%) | 1-Year change (%) | Year-to-Date change (%) | | Current | 1-week change (%) | 1-month change (%) | 1-Year change (%) | Year-to-Date change (%) |
| Euro-based cross rates | | | | | | Agricultural | 436 | -3,5 | -4,2 | -2,2 | 1,1 |
| EUR/USD | 1,07 | 0,5 | -0,2 | -4,5 | 1,4 | Energy | 380 | -6,9 | -7,8 | 8,0 | -12,7 |
| EUR/CHF | 1,08 | 0,8 | 1,4 | -1,9 | 0,7 | West Texas Oil (\$) | 48 | -9,1 | -7,4 | 28,1 | -9,7 |
| EUR/GBP | 0,88 | 1,7 | 3,0 | 12,2 | 2,9 | Crude Brent Oil (\$) | 51 | -7,9 | -7,2 | 28,6 | -8,6 |
| EUR/JPY | 122,54 | 1,2 | 2,3 | -3,1 | -0,4 | Industrial Metals | 1192 | -2,5 | -2,1 | 20,5 | 6,2 |
| EUR/NOK | 9,18 | 2,6 | 3,1 | -3,6 | 0,9 | Precious Metals | 1469 | -2,3 | -3,2 | -5,2 | 4,3 |
| EUR/SEK | 9,62 | 0,8 | 1,7 | 2,7 | 0,4 | Gold (\$) | 1205 | -2,4 | -3,0 | -5,3 | 4,6 |
| EUR/AUD | 1,42 | 1,3 | 1,1 | -5,6 | -3,0 | Silver (\$) | 17 | -5,2 | -4,1 | 9,2 | 7,1 |
| EUR/CAD | 1,44 | 1,2 | 2,2 | -3,6 | 1,7 | Baltic Dry Index | 1086 | 15,7 | 54,7 | 182,8 | 13,0 |
| USD-based cross rates | | | | | | Baltic Dirty Tanker Index | 850 | 1,1 | 1,0 | 7,1 | -7,5 |
| USD/CAD | 1,35 | 0,6 | 2,4 | 0,8 | 0,1 | | | | | | |
| USD/AUD | 1,33 | 0,7 | 1,4 | -1,2 | -4,5 | | | | | | |
| USD/JPY | 114,78 | 0,7 | 2,5 | 1,4 | -1,9 | | | | | | |

Global Cross Asset ETFs: Flows as % of AUM



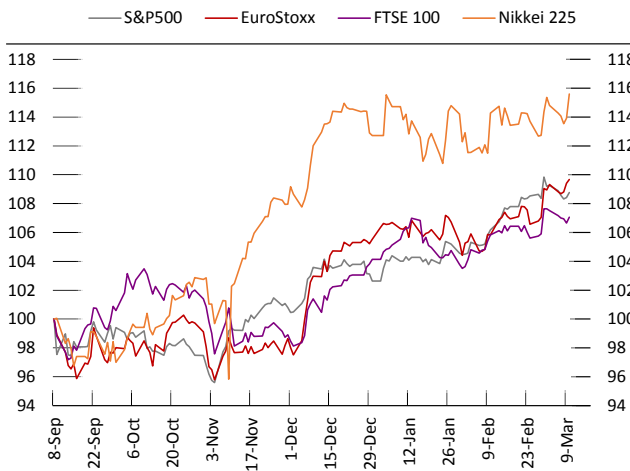
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of March 10th

Equity ETFs: Flows as % of AUM



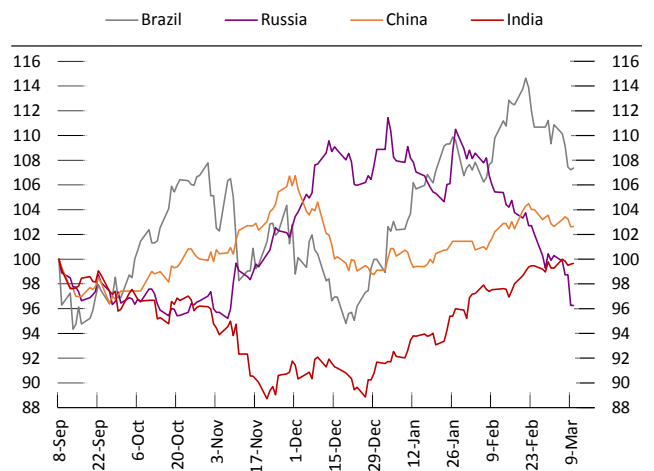
Source: Bloomberg, NBG estimates, Cumulative flows since January 2014, AUM stands for Assets Under Management, Data as of March 10th

Equity Market Performance - G4



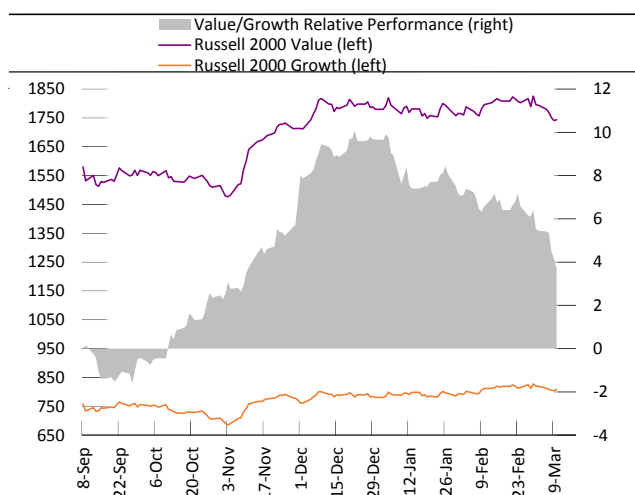
Source: Bloomberg - Data as of March 10th - Rebased @ 100

Equity Market Performance - BRICS



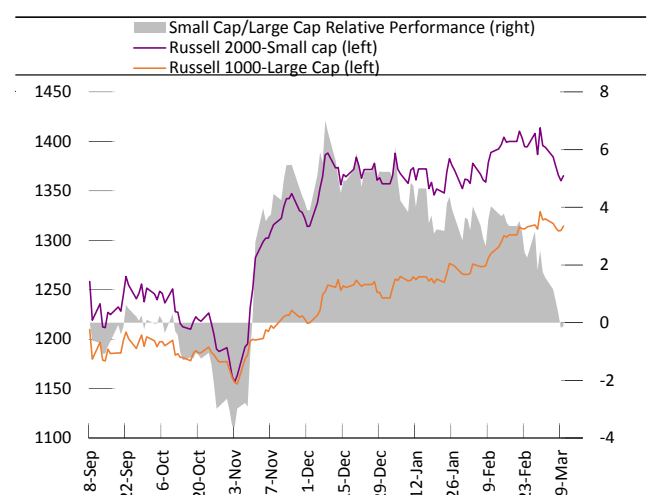
Source: Bloomberg - Data as of March 10th - Rebased @ 100

Russell 2000 Value & Growth Index



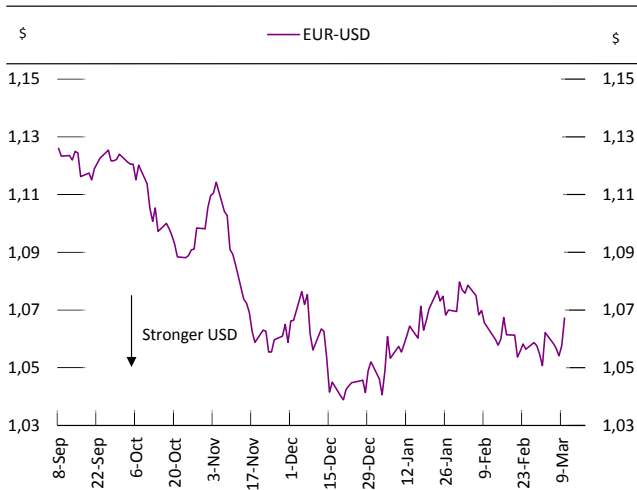
Source: Bloomberg, Data as March 10th

Russell 2000 & Russell 1000 Index



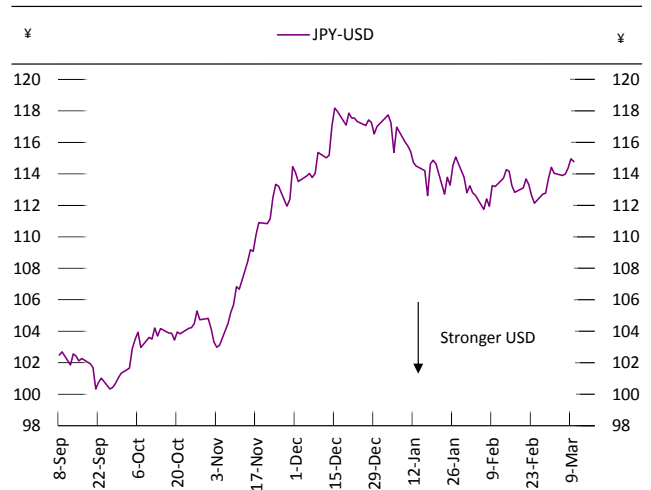
Source: Bloomberg, Data as of March 10th

EUR/USD



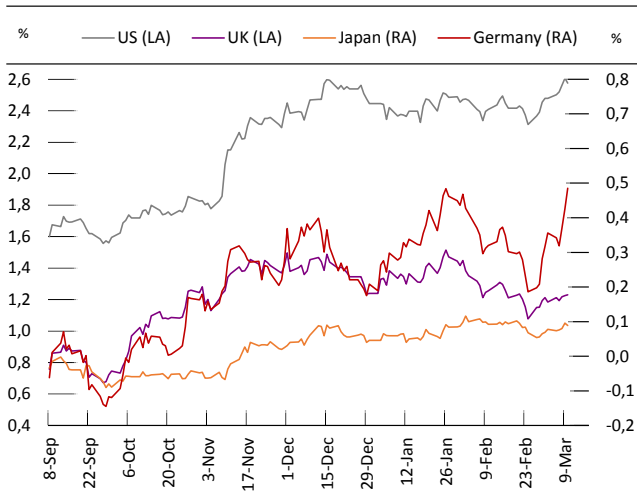
Source: Bloomberg, Data as of March 10th

JPY/USD



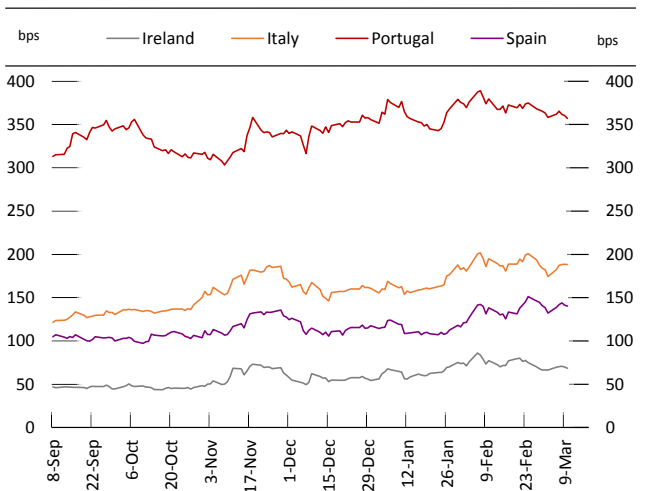
Source: Bloomberg, Data as of March 10th

10- Year Government Bond Yields



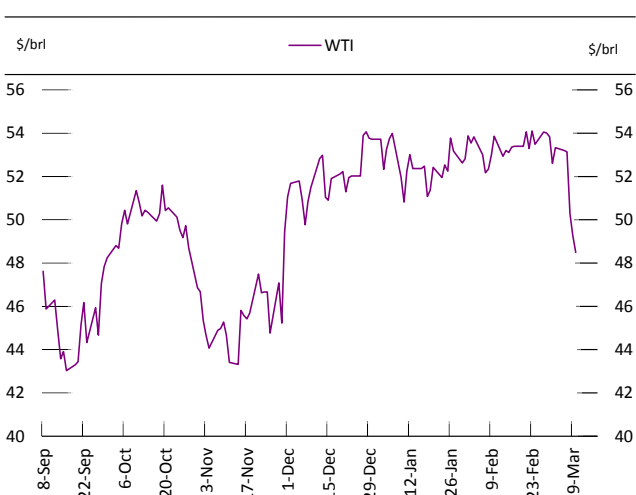
Source: Bloomberg - Data as of March 10th
LA:Left Axis RA:Right Axis

10- Year Government Bond Spreads



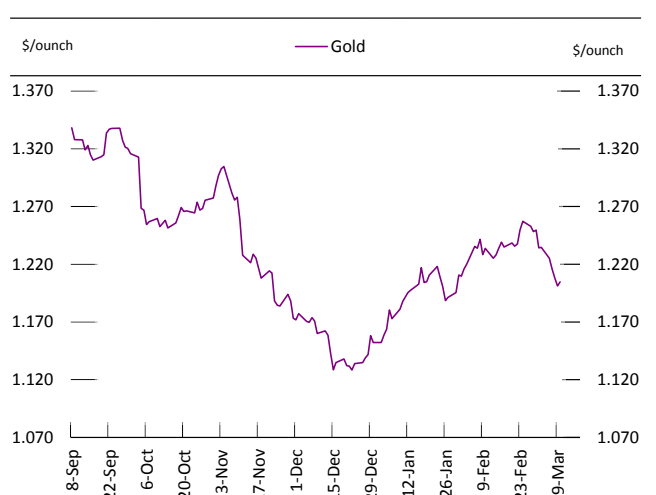
Source: Bloomberg - Data as of March 10th

West Texas Intermediate (\$/bbl)



Source: Bloomberg, Data as of March 10th

Gold (\$/ounce)



Source: Bloomberg, Data as of March 10th

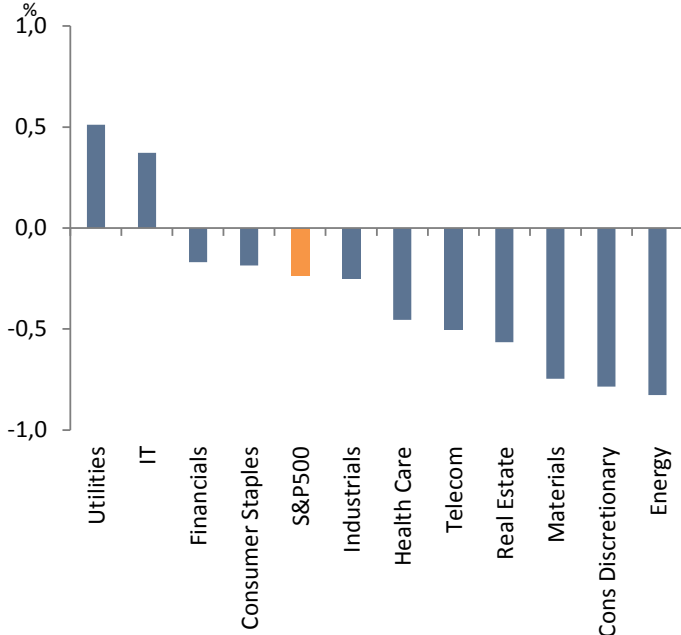
US Sectors Valuation

| | Price (\$) | | EPS Growth (%) | | Dividend Yield (%) | | P/E Ratio | | | | P/BV Ratio | | | |
|-------------------------------|------------|-----------------|----------------|-------|--------------------|------|-----------|------|---------|----------|------------|------|---------|----------|
| | 10/3/2017 | % Weekly Change | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 12m fwd | 10Yr Avg | 2016 | 2017 | 12m fwd | 10Yr Avg |
| S&P500 | 2373 | 2,4 | 3,0 | 8,2 | 2,4 | 2,1 | 16,0 | 18,2 | 17,8 | 14,0 | 2,5 | 2,9 | 2,9 | 2,2 |
| Energy | 510 | -4,5 | -57,9 | 145,1 | 3,5 | 2,8 | 62,2 | 30,6 | 28,7 | 18,2 | 1,5 | 1,9 | 1,9 | 1,8 |
| Materials | 326 | -0,3 | -1,7 | 10,0 | 2,5 | 2,1 | 16,1 | 18,2 | 17,9 | 14,5 | 3,1 | 3,6 | 3,5 | 2,7 |
| Financials | | | | | | | | | | | | | | |
| Diversified Financials | 586 | 4,3 | 10,4 | 7,0 | 2,3 | 1,4 | 12,5 | 16,4 | 16,1 | 13,5 | 1,3 | 1,7 | 1,7 | 1,5 |
| Banks | 304 | 5,0 | 0,7 | 9,5 | 2,8 | 2,0 | 9,8 | 14,2 | 13,9 | 12,3 | 0,8 | 1,2 | 1,2 | 1,0 |
| Insurance | 368 | 2,2 | 13,4 | 3,5 | 2,6 | 2,1 | 10,4 | 13,1 | 12,9 | 9,8 | 1,0 | 1,3 | 1,3 | 1,0 |
| Real Estate | 189 | -2,0 | 6,6 | 4,4 | 4,4 | 3,6 | 17,4 | 17,6 | 17,4 | 17,4 | 3,0 | 2,8 | 2,8 | 2,5 |
| Industrials | | | | | | | | | | | | | | |
| Capital Goods | 609 | 1,9 | 4,2 | 5,6 | 2,8 | 2,4 | 16,8 | 19,7 | 19,3 | 14,5 | 3,9 | 4,7 | 4,6 | 2,8 |
| Transportation | 626 | -0,7 | 1,9 | -8,7 | 2,0 | 1,8 | 11,1 | 15,6 | 15,3 | 14,3 | 3,2 | 3,9 | 3,8 | 2,9 |
| Commercial Services | 246 | 2,3 | 8,7 | 4,1 | 1,8 | 1,7 | 19,4 | 21,6 | 21,3 | 17,6 | 4,1 | 4,6 | 4,6 | 3,2 |
| Consumer Discretionary | | | | | | | | | | | | | | |
| Retailing | 1434 | 1,4 | 16,3 | 5,5 | 1,2 | 1,0 | 23,9 | 27,3 | 26,6 | 18,9 | 7,3 | 8,5 | 8,3 | 4,5 |
| Media | 550 | 0,7 | 11,0 | -0,5 | 1,7 | 1,4 | 15,3 | 19,2 | 18,7 | 14,8 | 3,0 | 3,0 | 3,0 | 2,1 |
| Consumer Services | 859 | -0,3 | 12,3 | 8,2 | 2,3 | 2,3 | 20,4 | 20,5 | 20,1 | 17,1 | 11,5 | 10,8 | 10,9 | 5,0 |
| Consumer Durables | 295 | 1,9 | 9,7 | 7,7 | 1,7 | 1,8 | 18,2 | 16,5 | 16,2 | 16,9 | 3,6 | 3,1 | 3,1 | 2,8 |
| Automobiles and parts | 129 | 2,8 | 7,3 | 1,1 | 4,0 | 3,7 | 6,7 | 7,8 | 7,7 | 9,0 | 1,5 | 1,6 | 1,6 | 1,8 |
| IT | | | | | | | | | | | | | | |
| Technology | 880 | 4,9 | 2,2 | 2,1 | 2,7 | 2,1 | 10,4 | 14,5 | 14,3 | 12,7 | 2,8 | 3,8 | 3,7 | 2,8 |
| Software & Services | 1260 | 3,0 | 9,0 | 9,5 | 1,2 | 1,0 | 19,3 | 22,2 | 21,7 | 15,4 | 4,4 | 5,0 | 4,9 | 3,8 |
| Semiconductors | 731 | 3,9 | -1,8 | 34,2 | 2,8 | 2,2 | 13,9 | 15,2 | 15,0 | 16,0 | 2,7 | 3,4 | 3,3 | 2,8 |
| Consumer Staples | | | | | | | | | | | | | | |
| Food & Staples Retailing | 362 | -0,2 | 1,3 | 2,2 | 2,2 | 2,3 | 17,5 | 16,8 | 16,6 | 15,0 | 3,0 | 3,0 | 3,0 | 2,6 |
| Food Beverage & Tobacco | 706 | 2,9 | 5,5 | 10,1 | 3,0 | 2,9 | 21,5 | 21,8 | 21,5 | 16,4 | 5,4 | 6,1 | 6,0 | 4,6 |
| Household Goods | 581 | 5,3 | 1,5 | 4,2 | 3,0 | 2,7 | 22,1 | 23,3 | 23,0 | 17,6 | 6,0 | 5,3 | 5,3 | 4,2 |
| Health Care | | | | | | | | | | | | | | |
| Pharmaceuticals | 799 | 6,1 | 6,3 | 2,7 | 2,2 | 2,1 | 14,7 | 16,0 | 15,8 | 13,8 | 3,4 | 4,1 | 4,0 | 3,1 |
| Healthcare Equipment | 888 | 4,9 | 10,8 | 8,1 | 1,1 | 1,0 | 15,5 | 17,3 | 17,0 | 13,7 | 2,7 | 3,1 | 3,0 | 2,4 |
| Telecom | 170 | 1,1 | -6,1 | -0,8 | 4,8 | 4,7 | 13,3 | 14,1 | 13,9 | 13,3 | 2,6 | 2,7 | 2,7 | 2,2 |
| Utilities | 257 | 2,8 | 3,9 | 1,7 | 3,8 | 3,6 | 16,5 | 17,8 | 17,6 | 14,2 | 1,6 | 1,8 | 1,8 | 1,5 |

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

1-month revisions to 2017 EPS

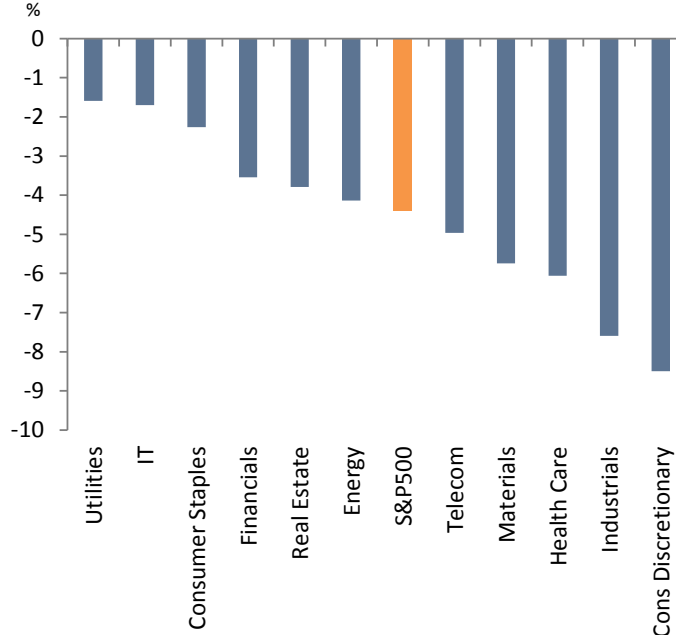
Earnings Revisions indicate 1-month change in 2017 EPS



Source: Factset, Data as of March 10th

12-month revisions to 2017 EPS

Earnings Revisions indicate 12-month change in 2017 EPS



Source: Factset, Data as of March 10th

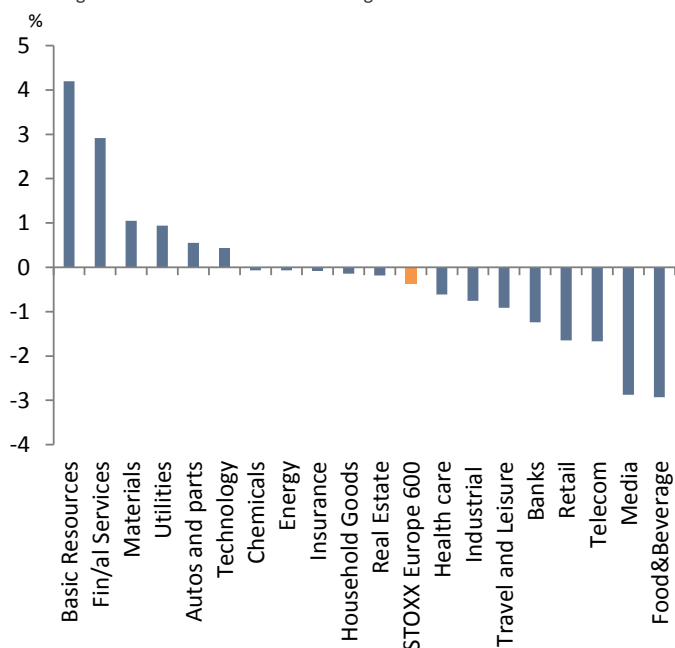
Europe Sectors Valuation

| | Price (€) | | EPS Growth (%) | | Dividend Yield (%) | | P/E Ratio | | | | P/BV Ratio | | | |
|-------------------------------|-----------|-----------------|----------------|-------|--------------------|------|-----------|------|---------|----------|------------|------|---------|----------|
| | 10/3/2017 | % Weekly Change | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 12m fwd | 10Yr Avg | 2016 | 2017 | 12m fwd | 10Yr Avg |
| STOXX Europe 600 | 373 | 1,6 | 3,6 | 8,7 | 3,8 | 3,4 | 15,1 | 15,5 | 15,2 | 12,5 | 1,6 | 1,8 | 1,8 | 1,6 |
| Energy | 314 | -1,5 | -29,1 | 79,8 | 6,4 | 5,5 | 22,4 | 14,7 | 14,3 | 10,7 | 1,0 | 1,2 | 1,2 | 1,4 |
| Materials | 448 | 1,9 | 16,8 | 12,9 | 3,1 | 2,8 | 16,8 | 18,0 | 17,6 | 13,8 | 1,6 | 1,8 | 1,8 | 1,5 |
| Basic Resources | 399 | -8,6 | 75,4 | 265,8 | 2,5 | 3,4 | 27,0 | 11,9 | 12,0 | 12,5 | 0,9 | 1,3 | 1,3 | 1,4 |
| Chemicals | 898 | 1,1 | 1,7 | 5,8 | 3,3 | 2,8 | 15,1 | 17,2 | 17,0 | 13,9 | 2,2 | 2,5 | 2,4 | 2,2 |
| Financials | | | | | | | | | | | | | | |
| Fin/ai Services | 436 | 0,7 | -0,9 | 11,4 | 4,0 | 3,4 | 15,0 | 15,0 | 15,3 | 12,7 | 1,4 | 1,5 | 1,5 | 1,3 |
| Banks | 179 | 3,6 | -0,7 | -5,5 | 5,4 | 4,3 | 9,7 | 12,4 | 12,1 | 10,4 | 0,7 | 0,9 | 0,9 | 0,9 |
| Insurance | 274 | 1,6 | 4,3 | 0,6 | 5,4 | 4,9 | 10,0 | 11,3 | 11,2 | 9,1 | 1,0 | 1,1 | 1,1 | 1,0 |
| Real Estate | 165 | -2,2 | 5,3 | 6,3 | 3,8 | 4,0 | 20,4 | 18,8 | 18,7 | 17,6 | 1,0 | 1,0 | 1,0 | 0,9 |
| Industrial | 484 | 1,2 | 6,0 | 7,7 | 3,1 | 2,7 | 15,9 | 17,6 | 17,3 | 13,9 | 2,6 | 3,0 | 3,0 | 2,2 |
| Consumer Discretionary | | | | | | | | | | | | | | |
| Media | 277 | -1,5 | 8,5 | 0,1 | 3,3 | 3,1 | 18,0 | 17,0 | 16,7 | 14,0 | 3,0 | 2,9 | 2,9 | 2,3 |
| Retail | 308 | -1,3 | 12,5 | -2,1 | 2,8 | 2,7 | 19,3 | 19,2 | 18,8 | 15,7 | 2,7 | 2,7 | 2,6 | 2,4 |
| Automobiles and parts | 549 | 2,3 | 14,7 | 13,4 | 3,5 | 3,3 | 8,1 | 8,4 | 8,3 | 9,3 | 1,1 | 1,2 | 1,1 | 1,1 |
| Travel and Leisure | 240 | 0,8 | 16,1 | -7,0 | 2,5 | 2,6 | 13,9 | 14,3 | 14,0 | 14,5 | 3,1 | 2,6 | 2,5 | 2,1 |
| Technology | 395 | 4,2 | 6,2 | 2,3 | 2,1 | 1,6 | 17,9 | 21,4 | 20,8 | 16,5 | 2,8 | 2,9 | 2,9 | 2,6 |
| Consumer Staples | | | | | | | | | | | | | | |
| Food&Beverage | 622 | 1,4 | 1,6 | 3,7 | 2,8 | 2,8 | 21,4 | 21,2 | 20,8 | 16,9 | 3,2 | 3,1 | 3,1 | 2,7 |
| Household Goods | 840 | 5,4 | 8,4 | 8,8 | 2,8 | 2,6 | 19,3 | 20,1 | 19,8 | 16,2 | 3,9 | 4,1 | 4,0 | 3,2 |
| Health care | 746 | 2,1 | 4,4 | 6,2 | 3,1 | 2,9 | 17,3 | 17,1 | 16,8 | 13,9 | 3,6 | 3,5 | 3,5 | 3,1 |
| Telecom | 294 | 4,4 | 15,3 | 0,5 | 4,7 | 4,5 | 19,4 | 17,6 | 17,2 | 13,1 | 1,9 | 1,9 | 1,8 | 1,6 |
| Utilities | 277 | 1,1 | -5,9 | -7,1 | 5,8 | 5,0 | 13,0 | 13,8 | 13,7 | 12,4 | 1,2 | 1,3 | 1,3 | 1,5 |

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

1-month revisions to 2017 EPS

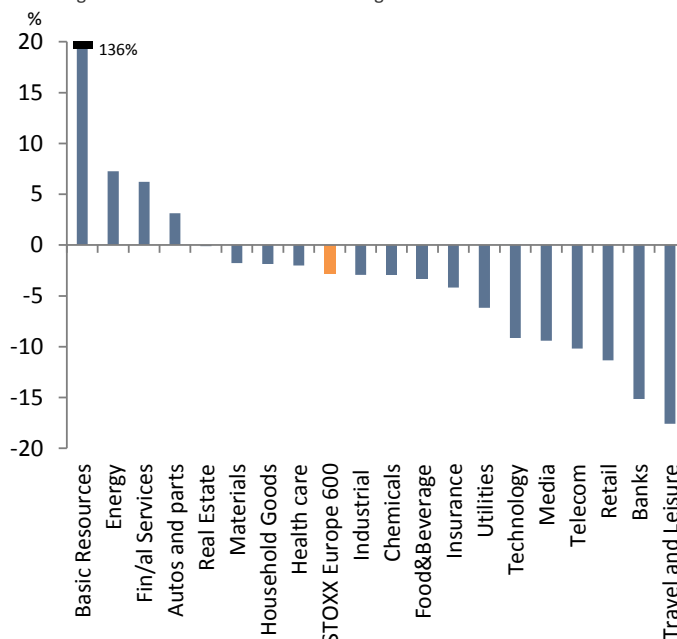
Earnings Revisions indicate 1-month change in 2017 EPS



Source: Factset, Data as of March 10th

12-month revisions to 2017 EPS

Earnings Revisions indicate 12-month change in 2017 EPS



Source: Factset, Data as of March 10th

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