



## The S&P500 is on track to earn more than double (+27%) its annualized rate of return since 1984

- Investors have poured more than \$600 billion into US-domiciled long-term active and passive funds in the past twelve months. A typical 60%/40% equity/fixed income portfolio has returned 23% in the same period (89<sup>th</sup> percentile since 1984) with annualized volatility of 8% (41<sup>st</sup> percentile since 1984). Strong equity gains due to valuation expansion and sizable EPS growth, as well as narrowing corporate spreads, currently at multi-year tights, have driven portfolio returns higher.
- Fixed income funds have enjoyed strong inflows of c. \$500 billion or 7.5% of assets under management in anticipation of lower policy interest rates by the Federal Reserve and the related bull steepening of the treasury curve, as well as due to pockets of volatility.
- Both active and passive instruments have seen inflows. The success rate for active managers was elevated in the fixed-income space, with circa two out of three active bond funds beating their passive peers in the past one year.
- Equity funds have pulled in \$145 billion or just 0.7% of assets under management in the trailing twelve months. However, the subdued performance is the tale of two markets. The strong growth of passive investing, mainly via exchange traded funds (ETFs), continued in the equity space, with inflows of \$533 billion or 4% of assets under management. As of Q2:2024, total US-domiciled ETF AUMs were \$9.1 trillion, up from \$1.0 trillion in 2010 or 16% CAGR.
- On the other hand, actively managed equity investment funds have experienced outflows of \$388 billion or -4.5% of assets under management. The rotation from active to passive equity funds, which has seen over \$2.5 trillion out/into flow in the US since 2010, continues. As of Q2:2024, total US-domiciled mutual fund excluding money market AUMs were \$20.1 trillion, up from \$9.0 trillion in 2010 or 6% CAGR.
- The large-cap equity market has challenged active managers for years. Their winning rate was c. 50% in the past one year, descending towards 40% in the three and five-year looking-back periods due to, *inter alia*, the exponential increase of market concentration amid the outperformance of mega-techs.
- Moreover, the rising percent of US households seeking low-fee and greater tax-efficiency access to the equity universe has probably contributed to the above-mentioned trend. The asset-weighted average expense ratio (the fund's total costs divided by its total assets, which is then passed on to investors) for passive equity ETFs was 0.15% versus 0.65% for actively managed mutual funds, according to ICI data.
- US equity indices rose to new heights in the past week as economic announcements were better-than-expected. US Treasury yields declined by 20 bps wow (10-Year: 4.18%), albeit remain circa 50 bps higher compared with their year-to-date lows, as market participants have priced in a less aggressive interest rate cut plan by the Federal Reserve.
- On the other side of the Atlantic, a weaker-than-expected euro area core CPI monthly outcome and the French budget debacle sent 10-Year Bund yields lower by 15 bps to 2.08% (see Markets Section).

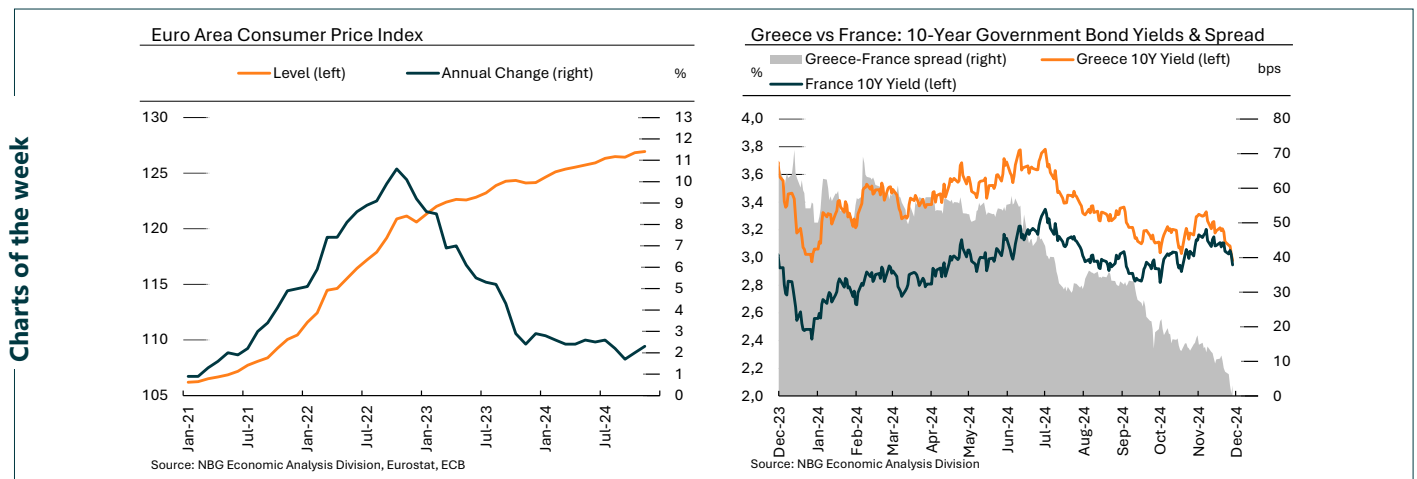
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Charts of the week

### US house prices increased by 4% yoy in October

- **The nominal median existing home sales price was slightly up in October**, by +0.1% mom (+4.0% yoy), following a -1.8% mom in September (+3.6% yoy). Still, it stands at +53% compared with a trough in January 2020 (+30.5% in real terms), whereas nominal personal income has increased by +33% in the same period. At the same time, the annual growth of the S&P CoreLogic Case-Shiller National Home Price Index was +3.9% in September (+53% compared with January 2020 | +31% in real terms), versus a 30-year average of +4.9%. High construction costs remain an important factor for stretched home valuations. In the event, prices paid for goods used in residential construction stood in October at +38% above January 2020 levels (albeit posting signs of stabilization recently, -1.5% compared with at peak in April 2024).
- Looking forward, housing market prospects are closely linked, *inter alia*, to the future path of mortgage interest rates, which in turn is closely linked to monetary policy. A policy easing would lead to lower mortgage interest rates. In such an event, the respective cost burden for developers is to be partly alleviated, facilitating the commencement of new projects, while also allowing for more pricing flexibility. At the same time, the financial capacity of households to finance house purchases would improve, *ceteris paribus*. Indicatively, according to the Cost of Housing Index (CHI) by NAHB/Wells Fargo, the median (in terms of income) household, would need to allocate 38% of its pre-tax income to cover the mortgage payment (assuming a rather typical 10% downpayment) for a median-priced new home (the same stands for a respective existing home) in Q3:2024. Note that according to data from Freddie Mac, the 30-year fixed mortgage rate stood at 6.81% for the week ending November 28<sup>th</sup>, having risen from a trough of 6.12% in early-October, in view of increased uncertainty regarding the monetary policy prospects. Having said that, it remains meaningfully below a peak of 7.79% in late-October 2023. Recall that mortgage interest rates also affect the incentive of homeowners to return to active market. In the event, the currently elevated rates limit the incentive of (home-owning) households to re-finance home purchases (having locked in, lower mortgage borrowing costs). In the case of rates being lowered, a simultaneous increase would take place in demand (via more potential buyers) and supply (via more existing homes becoming available for sale). Note that the latter stood at 1.37mn in October. Such a reading remains well below an average of 2.20mn since 1990. Nevertheless, existing home inventories have partly recovered recently versus a trough of 0.99mn in December 2023.

### US corporate profits increased by 6% yoy

- **Corporate profits of public and private companies decreased by -0.3% on a seasonally adjusted quarterly basis in Q3:2024**, following a +3.6% qoq in the previous quarter. Looking past the quarterly growth which often demonstrates high volatility, annual profit growth was a robust +6.1% compared with +10.8% yoy in Q2:2024 (for large listed corporates the respective figure was circa +9% yoy). Profits from domestic financial activities came out at +26.6% yoy from +29.6% yoy in Q2:2024, profits from domestic non-financial activities at +5.9% from +9.6% and profits from abroad at -13.0% from -2.1%.

### Euro area headline inflation accelerated in November

- **According to the “flash” estimate, in November, the annual growth of CPI was +2.3%, from +2.0% in October** (record high of +10.6% yoy in October 2022 | +2.4% yoy in November 2023), in line with consensus estimates. Expectedly, that development was mostly on the back of the annual growth of energy prices coming out at -1.9% from -4.6% yoy in October (drag of -0.2 pps to the headline’s year-over-year increase), due to both a +0.6% mom in November 2024 and (more importantly) positive base effects (-2.2% mom in November 2023). Note that European natural gas prices (in “spot” TTF terms) were €45/MWh on average in November 2024 versus €46/MWh in November 2023 and €36/MWh in December 2023. The respective price for Brent crude oil (in euro terms) was 69/barrel in November 2024 versus 76/barrel in November 2023 and 71/barrel in December 2023. In all, the drag from energy prices on the headline CPI’s annual growth, is expected to ease further in December 2024, on the back of positive base effects. Prices of food, alcohol & tobacco rose by a “norm-like” +0.3% mom in November, with the annual growth at +2.8% from +2.9% previously (+0.5 pps).
- **Importantly, core CPI, which excludes the effects of energy and food components, posted a -0.6% mom in November**, well below an average of +0.1% mom since 1996 (average of -0.2% mom for the particular month). The annual growth held steady at +2.7% (record high of +5.7% in March 2023 | +3.6% yoy in November 2023), contributing +1.9 pps to the headline CPI yoy growth, as meaningful positive base effects (-0.6% mom in November 2023) were at play, offsetting the weak impetus in November 2024. The latest outcome was below consensus estimates for +2.8%. Regarding the main subcomponents of the core index, the relatively more sensitive to wages developments services prices rose by +3.9% yoy from +4.0% yoy in October (weight of 45% on the overall CPI). The annual growth of non-energy industrial goods prices (26% of headline CPI) was +0.7% in November from +0.5% in October.

### Euro area bank lending growth continues to gradually bottom out

- **Loan growth to households (adjusted for sales and securitizations) accelerated to a 13-month high of +0.8% yoy in October** from +0.7% yoy in September, with the take-up of new loans partly improving. In the event, the net monthly flow in terms of 12-month sum was +€53.9 bn in October 2024, versus +€45.9 bn in September (+€45.3 bn in October 2023). The annual growth of credit for consumption came out at +3.2% from +3.0% and the respective pace for house purchases lending at +0.8% from +0.7%. **At the same time, the annual growth of loans to non-financial corporations (NFCs) accelerated by +0.1 pps to a 15-month high of +1.2% in October** (trough of -0.3% yoy in October 2023, the weakest since June 2015). The net monthly flow (12-month sum) came out at +€59.3 bn in October 2024 versus +€56.6 bn in September 2024 (-€13.2 bn in October 2023).
- Loan demand is linked to respective trends for interest rates. In September 2024, the composite cost of borrowing indicator for new loans to households for house purchases (calculated as a weighted average of interest rates on both short-term and long-term loans) was 3.63% and the respective indicator for loans to non-financial corporations was 4.80%. Both readings stand well above troughs of 1.31% & 1.36%, respectively, in December 2021 (+232 bps & +344 bps, versus ECB’s cumulative interest rate net tightening of +400 bps in the same period), albeit below peaks of 4.03% in November 2023 and 5.28% in October 2023, respectively.

## Equities

- Global equity markets were mixed in the past week.** The S&P 500 rose by +0.5% w/w, with the Energy sector underperforming (-2.3%), due to lower oil prices. Tesla (market cap of \$1.1 trillion, 2% of the S&P 500) recorded strong losses (-5.6% w/w) but remains up +32.4% since the US elections on November 5<sup>th</sup>. At the same time, Mr. Trump's announcements regarding the imposition of tariffs on imports from Mexico, Canada, and China had a limited negative impact on risk appetite, with the MSCI Emerging Markets index down by -0.7% (+5.5% year-to-date in 2024). The EuroStoxx index fell by -0.4%. The stock of Dutch semiconductor company ASML, a key player in the global supply chain for advanced semiconductor manufacturing, was broadly unchanged on a weekly basis but rose by +2.4% on Thursday, mainly due to media reports suggesting that the new export restrictions to China from the US, focusing on the Technology sector that are expected to be announced soon, might be less stringent than initially anticipated.

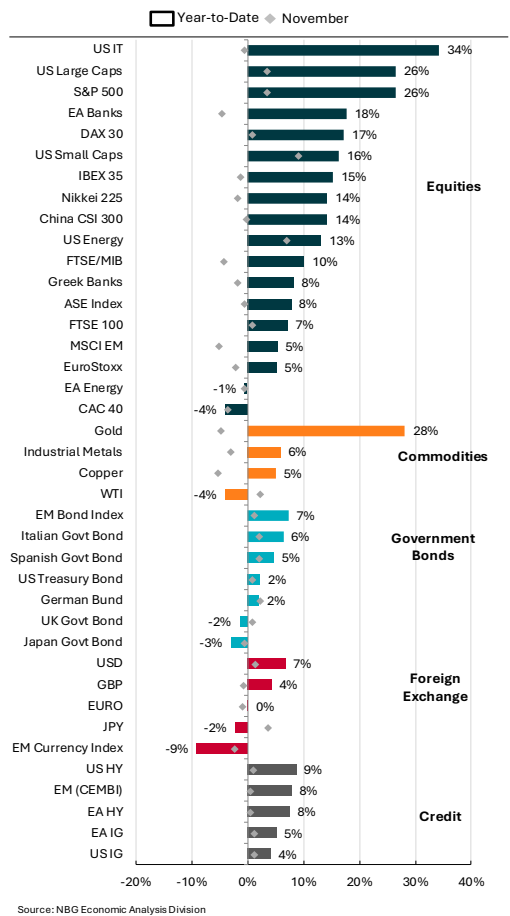
## Fixed Income

- US Treasury yields declined in the past week,** following the appointment of Mr. Bessent as Treasury Secretary, a choice welcomed by many investors due to his reputation as a proponent of fiscal discipline. The US 10-year yield declined by -17 bps w/w to 4.24%, while the 2-year yield fell by -16 bps to 4.21%. Additionally, the release of the minutes from the Federal Reserve's latest meeting (November 7) offered no surprises. Key takeaways included officials' confidence in the medium-term inflation slowdown towards target. Meanwhile Germany's 10-year Bund yield declined by -13 bps to 2.13%, while spreads over German Bund narrowed in Italy (-3 bps to 122 bps) and in Greece (-4 bps to 85 bps). In contrast, France's spread has widened by +9 bps since mid-November 2024, reaching 85 bps last week, the highest since September 2012. The widening reflects rising political uncertainty as the 2025 national budget faces significant opposition in Parliament. Budget negotiations are further complicated by high deficits projected at -6.2% and -5.3% of GDP for 2024 and 2025, respectively, according to EU estimates. On Monday, Prime Minister Michel Barnier conceded to a critical demand from Marine Le Pen by committing to maintain medicine reimbursements, aiming to secure parliamentary backing for the 2025 budget and avert a no-confidence vote.
- Corporate bond spreads widened in the past week.** Specifically, US high yield spreads increased by +8 bps to 269 bps, at the lowest level since June 2007 and EUR spreads by +6 bps to 339 bps. USD investment grade spreads rose by +2 bps to 82 bps, remaining near the early-November 2024 low of 77 bps. Overall, US corporate bond spreads remain at historically low levels, reflecting robust economic momentum, strong corporate profitability, and expectations of further monetary policy easing (USD IG -132 bps, USD HY -256 bps, since the peak of the rate cycle in October 2023).

## FX and Commodities

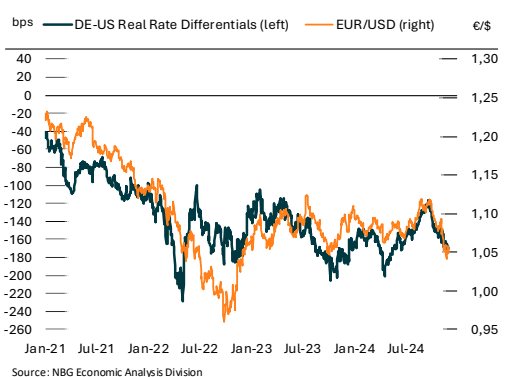
- In foreign exchange markets,** the euro appreciated by +1.4% in the past week at €/\$1.055, but it remains c. -3.2% lower since the US elections. Meanwhile, despite an initial negative reaction (-1.7% on Tuesday), after Mr. Trump tariff proposals, the Mexican peso gained +0.5% for the week at USD/MXN 20.41, though it has depreciated by 25% over the past six months.
- Oil prices declined in the past week,** with Brent down by -2.5% to \$73.3/barrel and WTI by -3.7% to \$69.0/barrel. The decline was attributed to a partial de-escalation of geopolitical tensions in the Middle East following a ceasefire agreement between Israel and Hezbollah. Meanwhile, OPEC+ postponed its scheduled December 1<sup>st</sup> meeting by four days, potentially to reassess aspects of its production increase policy. According to media reports, further delays in implementing production increases are being considered. Gold prices declined by -2.6% w/w to \$2,641/ounce (+28% ytd) due to a partial weakening in demand for "safe-haven" assets following the ceasefire between Israel and Hezbollah.

Assets Class Performance



Graph 1.

EUR/USD & Germany-US 10Y Real Rate Differentials



Graph 2.

**Quote of the week:** "So what I think is important to remember is although inflation is around 2%, right now that 2% is flattered by fairly low energy inflation.", **ECB Chief Economist, Philip R. Lane, December 2<sup>nd</sup> 2024**

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	November 28th	3-month	6-month	12-month	Official Rate (%)	November 28th	3-month	6-month	12-month
Germany	2,13	2,20	2,15	2,10	Euro area	3,25	3,00	2,50	2,25
US	4,24	4,10	4,00	3,90	US	4,75	4,50	4,00	3,25
UK	4,28	3,80	3,75	3,65	UK	4,75	4,75	4,50	3,75
Japan	1,05	1,10	1,20	1,40	Japan	0,25	0,40	0,50	0,70

Currency	November 28th	3-month	6-month	12-month	November 28th	3-month	6-month	12-month	
EUR/USD	1,06	1,08	1,09	1,10	USD/JPY	152	148	144	143
EUR/GBP	0,83	0,83	0,84	0,83	GBP/USD	1,28	1,30	1,30	1,32
EUR/JPY	161	159	157	158					

Forecasts at end of period

### Economic Forecasts

United States	Q1:22a	Q2:22a	Q3:22a	Q4:22a	2022a	Q1:23a	Q2:23a	Q3:23a	Q4:23a	2023a	2024f
Real GDP Growth (YoY) (1)	4,0	2,5	2,3	1,3	2,5	2,3	2,8	3,2	3,2	2,9	2,5
Real GDP Growth (QoQ saar) (2)	-1,0	0,3	2,7	3,4	-	2,8	2,5	4,4	3,2	-	-
Private Consumption	1,0	2,6	1,5	1,2	3,0	5,0	1,0	2,5	3,5	2,5	2,3
Government Consumption	-3,4	-1,5	1,6	5,4	-1,1	5,1	2,9	5,7	3,6	3,9	3,2
Investment	8,5	2,0	-1,8	-1,9	2,7	3,1	8,6	2,6	3,5	2,4	4,6
Residential	-4,5	-11,6	-25,2	-22,8	-8,6	-4,3	4,5	7,7	2,5	-8,3	4,2
Non-residential	13,6	7,3	7,7	5,7	7,0	5,3	9,9	1,1	3,8	6,0	4,0
Inventories Contribution	-0,1	-2,0	-0,5	1,4	0,5	-2,0	-0,4	1,2	-0,4	-0,4	0,0
Net Exports Contribution	-2,5	0,4	2,4	0,6	-0,5	0,3	-0,1	-0,2	0,0	0,5	-0,3
Exports	-4,6	12,7	14,5	-1,1	7,5	2,0	-4,8	4,9	6,2	2,8	2,5
Imports	13,4	5,9	-5,4	-4,5	8,6	-0,8	-3,1	4,7	4,2	-1,2	3,8
Inflation (3)	8,0	8,7	8,3	7,1	8,0	5,8	4,0	3,5	3,2	4,1	3,1

Euro Area	Q1:22a	Q2:22a	Q3:22a	Q4:22a	2022a	Q1:23a	Q2:23a	Q3:23a	Q4:23a	2023a	2024f
Real GDP Growth (YoY)	5,5	4,1	2,8	1,9	3,5	1,4	0,5	0,0	0,1	0,4	0,8
Real GDP Growth (QoQ saar)	2,2	3,5	2,4	-0,4	-	0,0	0,2	0,2	0,2	-	-
Private Consumption	2,2	4,8	4,0	-3,9	4,9	0,9	1,9	0,9	0,0	0,7	1,1
Government Consumption	0,8	-0,2	-1,5	2,9	1,1	1,4	1,8	3,3	2,4	1,6	1,2
Investment	-4,1	1,4	3,9	0,2	2,2	4,5	-1,2	0,1	5,5	1,8	0,0
Inventories Contribution	-0,2	0,5	0,4	-0,2	0,4	-2,9	0,9	-1,6	-1,8	-0,9	-0,3
Net Exports Contribution	2,0	0,3	-0,6	1,3	-0,1	1,3	-1,8	0,6	0,4	0,3	0,3
Exports	4,7	8,2	6,6	0,7	7,5	-2,8	-4,0	-4,3	1,2	-0,5	1,1
Imports	0,8	8,4	8,5	-1,9	8,5	-5,7	-0,6	-5,9	0,6	-1,1	0,6
Inflation	6,1	8,0	9,3	10,0	8,4	8,0	6,2	4,9	2,7	5,5	2,5

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

### 6-12-Month View & Key Factors for Global Markets

	US	Euro Area	Japan	UK
<b>Equity Markets</b>	<ul style="list-style-type: none"> <li>Corporate profitability is expected to improve further in 2025, with annual EPS growth of 15%</li> <li>Households' balance sheets are healthy (low debt, still elevated excess savings)</li> <li>Peaking profit margins</li> <li>Recession risks remain</li> <li>P/E's (Valuations) above long-term means, with a premium of 38%. Current P/E of 22x vs a 20-year average of 16x</li> </ul> <p>● Neutral</p>	<ul style="list-style-type: none"> <li>Higher equity risk premium (lower P/E ratio) relative to benchmark market (US)</li> <li>China's policy support measures could accelerate an export-led recovery</li> <li>Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify</li> <li>The economic backdrop remains muted</li> <li>Fiscal policy will turn restrictive in 2025</li> </ul> <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> <li>Higher equity risk premium (lower P/E ratio) relative to benchmark market (US)</li> <li>China's policy support measures could accelerate an export-led recovery</li> <li>JPY appreciation from ¥162 to ¥150 (+7%), if continues, could hurt exporters</li> <li>Signs of policy fatigue regarding structural reforms and fiscal discipline</li> </ul> <p>● Neutral</p>	<ul style="list-style-type: none"> <li>Significant exposure to commodities</li> <li>Undemanding valuations in relative terms relative to other regions</li> <li>Elevated domestic policy uncertainty</li> </ul> <p>● Neutral</p>
<b>Government Bonds</b>	<ul style="list-style-type: none"> <li>Valuations appear somewhat rich, with term-premium, albeit remaining below 2000-2015 averages (1.4%)</li> <li>Fiscal deficits to remain sizeable in following years</li> <li>Underlying inflation pressures remain acute</li> <li>FED: passive (lower rollover) Quantitative Tightening</li> <li>Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) could reverse</li> <li>Safe-haven demand bid to support prices assuming geopolitical risks re-intensify</li> <li>The Fed will continue rate cuts in 2025</li> </ul> <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> <li>ECB to continue unwinding its balance sheet via its APP portfolio</li> <li>Global spillovers from higher US interest rates</li> <li>ECB QE "stock" effect, with government bond holdings of €3.6 trillion (26% of GDP)</li> <li>The ECB will continue rate cuts in 2025</li> <li>Fragile economic growth outlook due to the war in Ukraine</li> </ul> <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> <li>Sizeable fiscal deficits</li> <li>Global spillovers from higher US interest rates</li> <li>Safe-haven demand</li> <li>Monetary stance remains extremely dovish, despite the unexpected shifts in YCC policy QE</li> <li>"stock" effect, with government bond holdings of ¥587 trillion (102% of GDP)</li> </ul> <p>▲ Slightly Higher yields</p>	<ul style="list-style-type: none"> <li>Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China)</li> <li>BOE: active (sales) Quantitative Tightening</li> <li>Slowing economic growth post-Brexit</li> <li>The BoE will continue rate cuts in 2025</li> </ul> <p>▲ Slightly Higher yields</p>
<b>Foreign Exchange</b>	<ul style="list-style-type: none"> <li>USD interest rate differential vs peers remain significant</li> <li>Weaker global economic growth</li> <li>Safe-haven demand status</li> <li>US political uncertainty to increase</li> <li>The Fed will continue rate cuts in 2025, which reduces potential USD upside</li> </ul> <p>● Broadly Flat USD against G10 FX</p>	<ul style="list-style-type: none"> <li>Lower geopolitical uncertainty (Ukraine-Russia, natural gas) is positive for EUR</li> <li>Economic growth could accelerate in 2025</li> <li>Global growth risks could abate</li> </ul> <p>● Range-bound with upside risks against the USD</p>	<ul style="list-style-type: none"> <li>Safe haven demand</li> <li>More balanced economic growth recovery (long-term)</li> <li>Higher core Inflation rates could accelerate the shift of monetary policy (less accommodative)</li> </ul> <p>▲ Stronger JPY</p>	<ul style="list-style-type: none"> <li>Valuations appear undemanding with REER close its 15-year average</li> <li>Sizeable Current account deficit</li> </ul> <p>● Broadly stable GBP</p>





### Equity Markets (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Emerging Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	5999	0,5	25,8	31,7	51,3	MSCI Emerging Markets	67456	-0,7	9,6	13,1	19,2	
Japan	NIKKEI 225	38349	0,2	14,6	14,8	36,2	MSCI Asia	1051	-0,5	13,1	16,1	23,2	
UK	MSCI UK	2363	0,2	6,7	10,6	10,0	China	64	0,3	13,0	9,0	11,6	
Euro area	EuroStoxx	495	-0,4	4,4	8,7	17,0	Korea	751	-0,6	-9,6	-3,7	3,6	
Germany	DAX 40	19426	0,5	16,0	21,5	35,1	MSCI Latin America	90533	-2,5	-10,0	-3,4	0,6	
France	CAC 40	7179	-1,0	-4,8	-1,0	7,7	Brazil	297767	-3,5	-11,2	-6,3	1,1	
Italy	MSCI Italy	1064	-0,9	10,6	13,8	36,9	Mexico	46645	-1,1	-12,5	-3,9	-2,6	
Spain	IBEX-35	11611	-0,4	14,9	16,1	39,5	MSCI Europe	4118	-0,3	9,2	10,5	51,7	
Hong Kong	Hang Seng	19367	0,7	13,6	11,6	12,0	Russia	3216	0,0	3,8	0,6	47,7	
Greece	ASE	1404	0,2	8,6	11,0	54,8	Turkey	10477519	1,1	35,4	27,6	112,8	

### World Market Sectors and Styles (MSCI Indices\*)

in US Dollar terms		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Investment Styles		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy		262,9	-2,2	7,6	7,2	4,5	Growth (Developed)	5699,5	0,6	23,6	29,1	61,5	
Materials		348,2	0,0	0,3	7,6	10,9	Value (Developed)	3892,8	0,7	15,5	22,4	24,1	
Industrials		428,8	0,7	18,2	28,3	41,4	Large Cap (Developed)	2406,6	0,6	20,3	26,0	44,4	
Consumer Discretionary		453,7	1,3	16,6	22,5	45,7	Small Cap (Developed)	597,0	1,0	12,9	24,4	25,9	
Consumer Staples		291,8	1,4	8,1	10,6	6,5	US Growth	4028,8	0,3	32,9	37,7	63,3	
Healthcare		374,8	1,8	6,1	11,9	8,8	US Value	2024,1	0,8	17,8	25,0	38,4	
Financials		191,1	1,0	29,1	38,3	44,3	US Large Cap	5998,7	0,5	25,8	31,7	51,3	
IT		778,5	-0,6	29,9	35,8	88,0	US Small Cap	1529,9	0,8	16,1	31,4	26,6	
Telecoms		121,6	1,0	26,3	29,8	59,7	US Banks	504,7	1,0	43,7	63,5	45,8	
Utilities		176,3	1,6	18,4	21,4	16,5	EA Banks	138,3	-1,4	16,8	20,2	47,0	
Real Estate		1112,0	2,4	8,8	19,1	15,2	Greek Banks	1162,5	-2,0	9,5	8,6	79,5	

### Bond Markets (%)

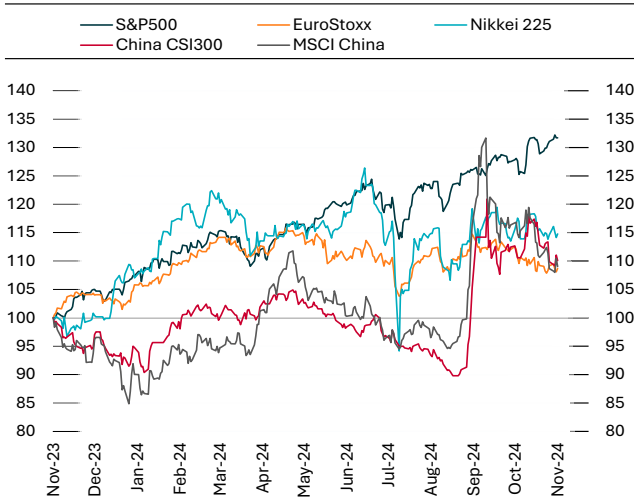
10-Year Government Bond Yields		Current	Last week	Year Start	One Year Back	10-year average	Government Bond Yield Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
US		4,24	4,41	3,86	4,34	2,46	US Treasuries 10Y/2Y		3	4	-39	-40	49
Germany		2,13	2,25	2,03	2,49	0,63	US Treasuries 10Y/5Y		13	11	3	5	28
Japan		1,05	1,08	0,62	0,76	0,20	Bunds 10Y/2Y		12	24	-37	-42	45
UK		4,28	4,39	3,54	4,17	1,79	Bunds 10Y/5Y		15	18	8	5	36
Greece		2,98	3,14	3,08	3,77	4,48	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
Ireland		2,46	2,57	2,38	2,89	1,13	US IG		82	80	104	114	128
Italy		3,34	3,51	3,70	4,26	2,27	US High yield		269	261	334	390	436
Spain		2,84	2,98	2,99	3,50	1,63	Euro area IG		106	105	135	147	123
Portugal		2,61	2,73	2,79	3,16	2,03	Euro area High Yield		339	333	395	438	402
Emerging Markets (LC)**		4,31	4,34	4,67	4,93	4,55	Emerging Markets (HC)		171	165	244	262	303
US Mortgage Market		Current	Last week	Year Start	One Year Back	10-year average	iTraxx Senior Financial 5Y <sup>2</sup>		64	64	67	80	77
30-Year FRM <sup>1</sup> (%)		6,86	6,90	6,71	7,37	4,65							
vs 30Yr Treasury (bps)		242,0	226,0	273,0	285,0	174,5							

### Foreign Exchange & Commodities

Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates							Agricultural		373	-0,2	3,8	-5,7	-3,7
EUR/USD		1,06	1,4	-2,3	-3,9	-4,5	Energy		233	-3,3	3,0	-11,3	-5,0
EUR/CHF		0,93	0,2	-0,6	-3,4	0,2	West Texas Oil (\$/bbl)		69	-3,7	2,3	-9,2	-4,0
EUR/GBP		0,83	0,1	0,2	-3,9	-4,0	Crude Brent Oil (\$/bbl)		71	0,0	0,0	-12,6	-7,3
EUR/JPY		159,91	-0,8	-3,5	-1,5	2,7	HH Natural Gas (\$/mmbtu)		3,2	2,6	36,2	12,7	27,5
EUR/NOK		11,66	0,9	-1,5	-0,3	4,0	TTF Natural Gas (EUR/mwh)		46	-1,1	6,3	7,5	46,7
EUR/SEK		11,53	0,3	0,2	1,2	3,6	Industrial Metals		450	0,3	-3,0	9,9	6,6
EUR/AUD		1,62	1,3	-1,4	-1,8	0,3	Precious Metals		3451	-2,7	-4,8	28,5	28,5
EUR/CAD		1,48	1,6	-1,6	-0,9	1,5	Gold (\$)		2641	-2,6	-4,8	29,4	28,0
USD-based cross rates							Silver (\$)		30	-3,3	-12,1	21,0	27,4
USD/CAD		1,40	0,2	0,7	3,2	5,8	Baltic Dry Index		1419	-7,7	1,2	-40,7	-32,2
USD/AUD		1,54	-0,1	0,9	2,2	5,0	Baltic Dirty Tanker Index		893	-1,7	-10,0	-26,0	-25,6
USD/JPY		151,53	-2,2	-1,3	2,5	7,5							

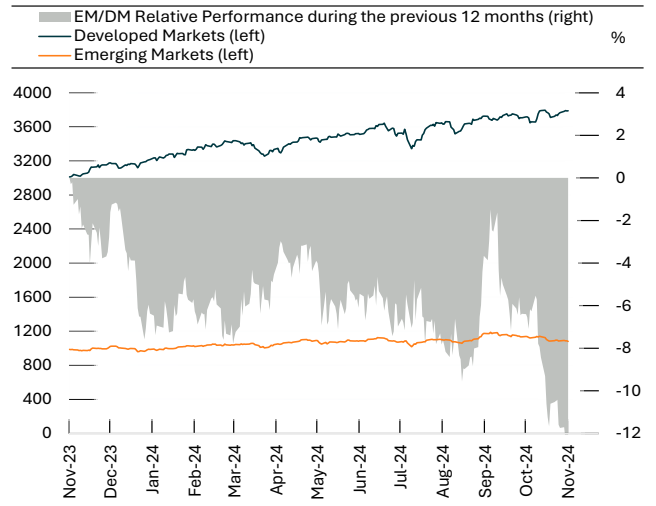
Source: NBG Economic Analysis Division, Data as of November 28<sup>th</sup>; \*: Unless otherwise noted, <sup>1</sup> Fixed-rate Mortgage; \*\*: Emerging Markets Sovereign Bond index has an effective duration of c.7 years; <sup>2</sup> The Markit iTraxx Europe Senior Financials index is made up of 5-yr CDS spreads on European financial companies.

### Equity Market Performance



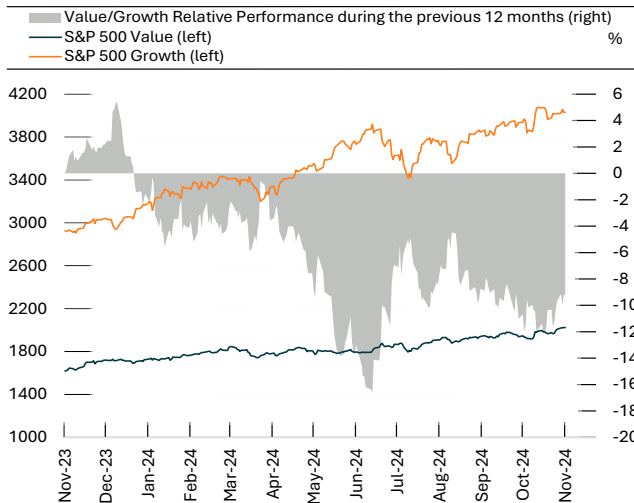
Data as of November 28<sup>th</sup> – Rebased @ 100

### EM vs DM Performance in \$



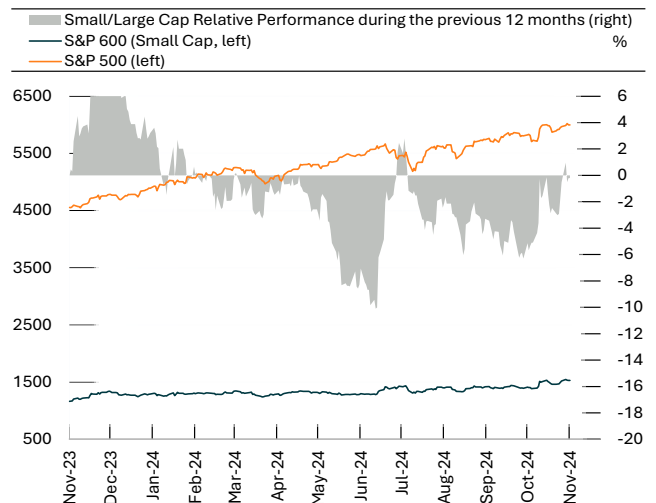
Data as of November 28<sup>th</sup>

### S&P 500 Value & Growth Index



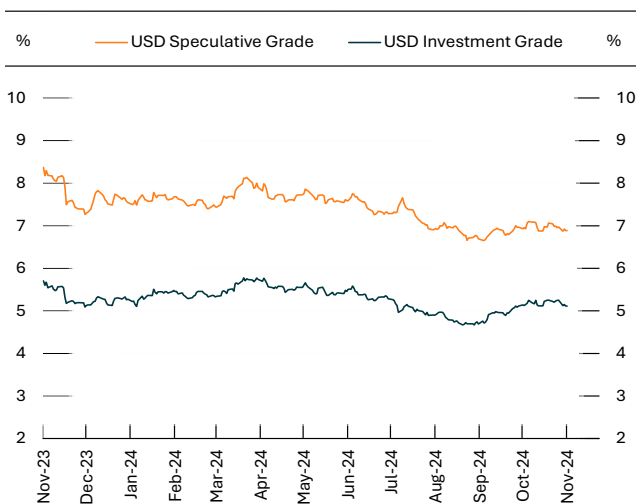
Data as of November 28<sup>th</sup>

### S&P 500 & S&P 600 Index



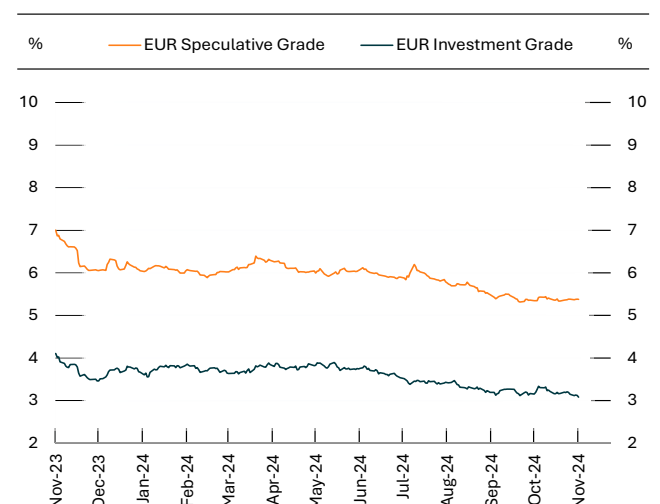
Data as of November 28<sup>th</sup>

### USD Corporate Bond Yields



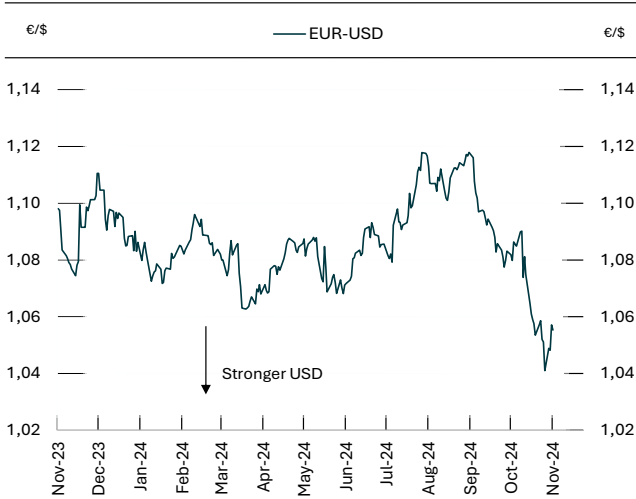
Data as of November 28<sup>th</sup>

### EUR Corporate Bond Yields



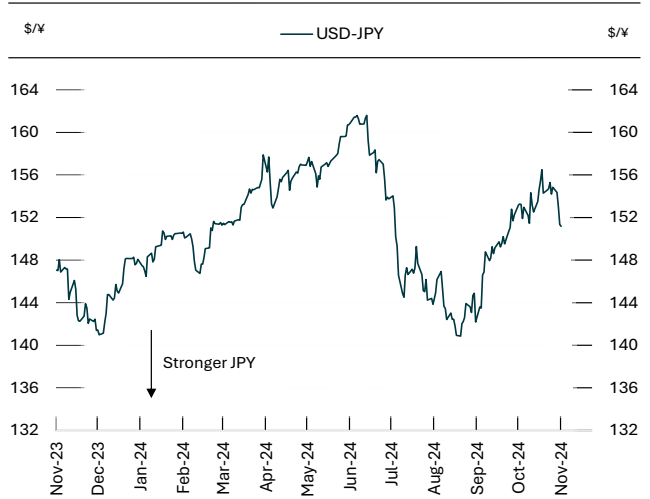
Data as of November 28<sup>th</sup>

EUR/USD



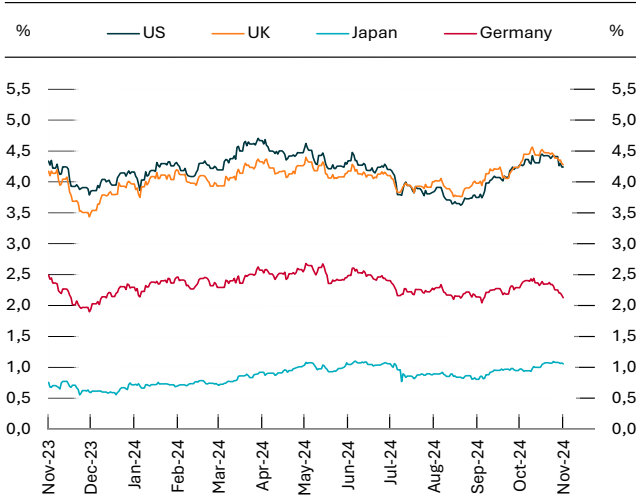
Data as of November 28<sup>th</sup>

USD/JPY



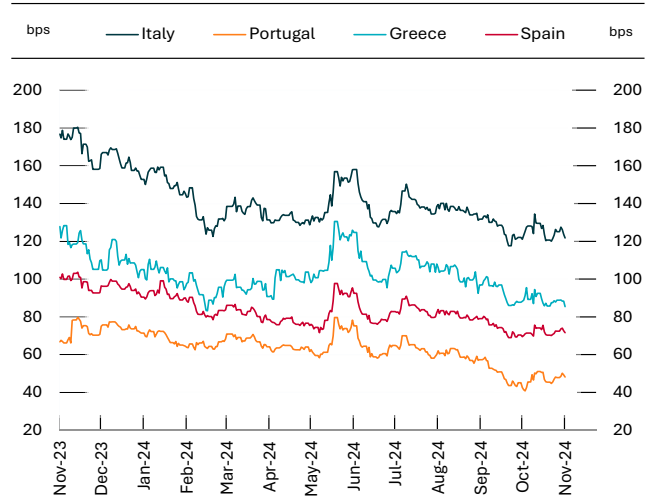
Data as of November 28<sup>th</sup>

10- Year Government Bond Yields



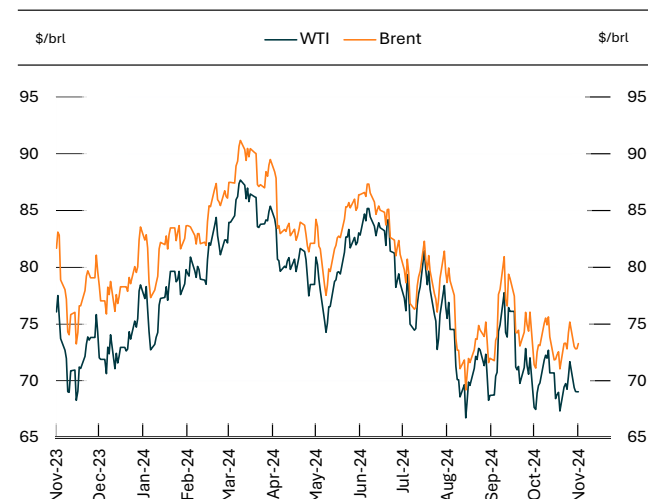
Data as of November 28<sup>th</sup>

10- Year Government Bond Spreads



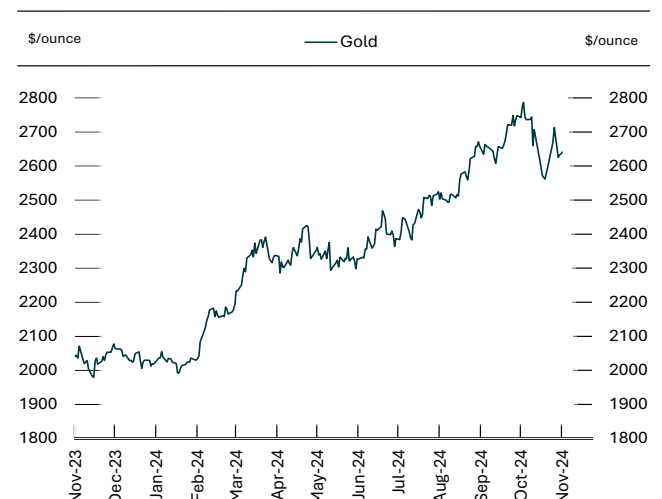
Data as of November 28<sup>th</sup>

West Texas Intermediate and Brent (\$/bbl)



Data as of November 28<sup>th</sup>

Gold (\$/ounce)



Data as of November 28<sup>th</sup>



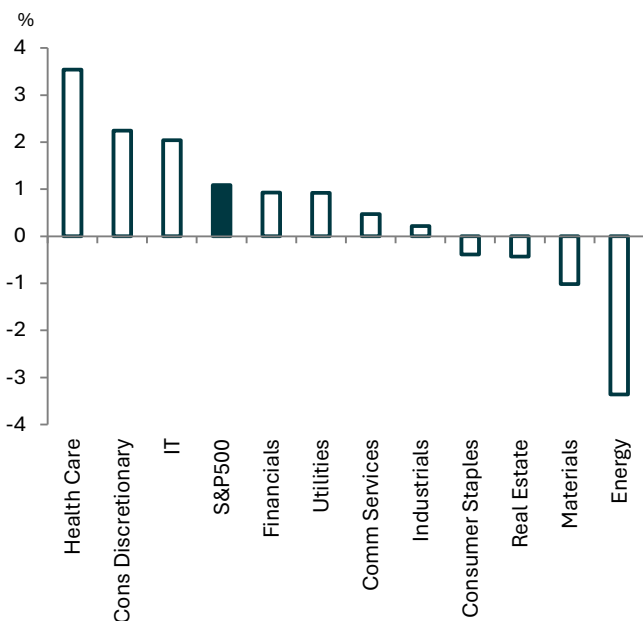
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	28/11/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
<b>S&amp;P500</b>	5999	0,5	25,8	9,8	14,3	1,3	1,3	25,0	21,9	22,0	16,0	5,0	4,5	5,0	3,0
<b>Energy</b>	722	-2,3	12,7	-18,7	4,5	3,2	3,3	15,6	14,9	15,0	17,7	2,1	2,1	2,2	2,0
<b>Materials</b>	592	0,2	9,7	-8,0	18,5	1,8	1,9	23,4	19,7	19,9	15,8	2,9	2,8	3,0	2,8
<b>Financials</b>															
<b>Diversified Financials</b>	1448	1,0	32,8	18,4	9,0	1,0	1,1	23,1	21,2	21,3	13,9	3,1	2,9	3,1	1,5
<b>Banks</b>	505	1,0	43,7	3,0	2,9	2,5	2,6	13,3	13,0	13,0	12,2	1,4	1,4	1,4	1,3
<b>Insurance</b>	869	1,7	36,1	24,8	11,1	1,5	1,6	15,5	13,9	14,1	11,1	2,5	2,2	2,5	1,4
<b>Real Estate</b>	283	2,5	12,6	1,4	7,4	3,2	3,4	40,7	37,9	38,1	16,8	3,1	3,2	3,1	N/A
<b>Industrials</b>															
<b>Capital Goods</b>	1329	0,1	29,8	-4,4	20,1	1,3	1,3	28,1	23,4	23,7	16,3	6,5	5,8	6,5	3,7
<b>Transportation</b>	1091	1,1	9,4	3,5	17,3	1,7	1,8	20,3	17,3	17,6	16,3	5,0	4,4	5,0	3,9
<b>Commercial Services</b>	740	1,2	27,7	11,1	11,0	1,1	1,2	33,0	29,8	29,7	19,6	10,6	9,3	10,6	4,3
<b>Consumer Discretionary</b>															
<b>Retailing</b>	5044	3,7	29,7	30,1	13,5	0,6	0,6	32,1	28,3	28,6	22,3	10,2	7,8	10,4	7,4
<b>Consumer Services</b>	1936	0,7	18,6	4,5	13,1	1,2	1,3	26,9	23,8	23,9	22,3	N/A	N/A	N/A	N/A
<b>Consumer Durables</b>	428	2,0	-1,1	0,9	7,3	1,1	1,2	16,9	15,7	15,9	16,1	3,6	3,2	3,5	3,2
<b>Automobiles and parts</b>	179	-5,2	30,8	3,2	8,8	0,3	0,3	38,2	35,1	35,3	15,3	5,5	4,9	5,6	2,9
<b>IT</b>															
<b>Technology</b>	4326	1,5	21,7	9,1	11,4	0,6	0,7	30,1	27,0	26,5	16,3	20,2	18,6	20,1	6,7
<b>Software &amp; Services</b>	4962	0,2	16,8	16,7	10,5	0,7	0,7	35,2	31,9	30,9	20,6	11,0	8,7	10,4	6,0
<b>Semiconductors</b>	5528	-3,5	68,6	39,6	44,8	0,5	0,5	39,9	27,5	28,2	17,9	11,0	8,7	11,1	4,5
<b>Communication Services</b>	329	1,6	33,7	24,1	15,2	0,9	1,0	21,7	18,8	19,0	15,5	4,6	4,0	4,5	2,6
<b>Media</b>	1343	1,5	33,9	10,1	3,7	2,3	2,5	10,7	10,3	10,4	6,7	2,0	1,8	2,0	N/A
<b>Consumer Staples</b>															
<b>Food &amp; Staples Retailing</b>	965	1,0	36,9	2,5	5,0	1,8	1,2	30,2	28,7	28,8	17,6	7,5	6,7	7,5	3,7
<b>Food Beverage &amp; Tobacco</b>	849	0,9	6,4	3,0	5,4	3,5	3,7	17,6	16,7	16,8	17,0	5,2	4,9	5,2	5,2
<b>Household Goods</b>	937	1,4	16,4	8,1	5,0	2,4	2,6	25,0	23,9	23,4	19,8	8,7	7,9	8,5	6,1
<b>Health Care</b>															
<b>Pharmaceuticals</b>	1347	2,2	5,6	6,6	28,7	2,1	2,2	21,0	16,3	16,6	14,6	5,6	4,9	5,6	4,4
<b>Healthcare Equipment</b>	2087	1,3	9,9	3,5	9,7	1,2	1,3	20,4	18,6	18,8	16,1	4,0	3,6	4,0	3,1
<b>Utilities</b>	419	1,7	30,1	13,2	8,6	2,8	3,0	19,9	18,3	18,4	15,9	2,3	2,1	2,3	1,9

The prices data are as of 28/11/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 21/11/2024. 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 12-month Forward EPS

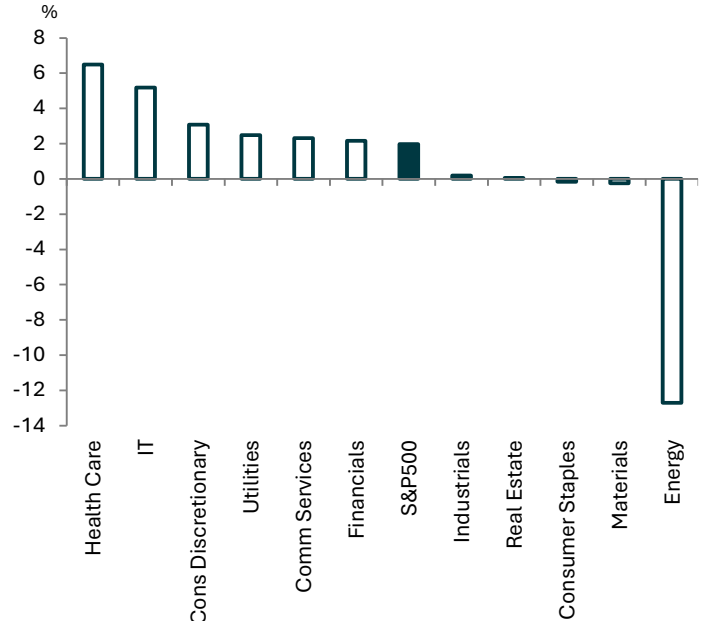
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of November 21<sup>st</sup>  
12-month forward EPS are 8% of 2024 EPS and 92% of 2025 EPS

### 3-month revisions to 12-month Forward EPS

Earnings Revisions indicate 3-month change in 12-month Forward EPS



Data as of November 21<sup>st</sup>  
12-month forward EPS are 8% of 2024 EPS and 92% of 2025 EPS

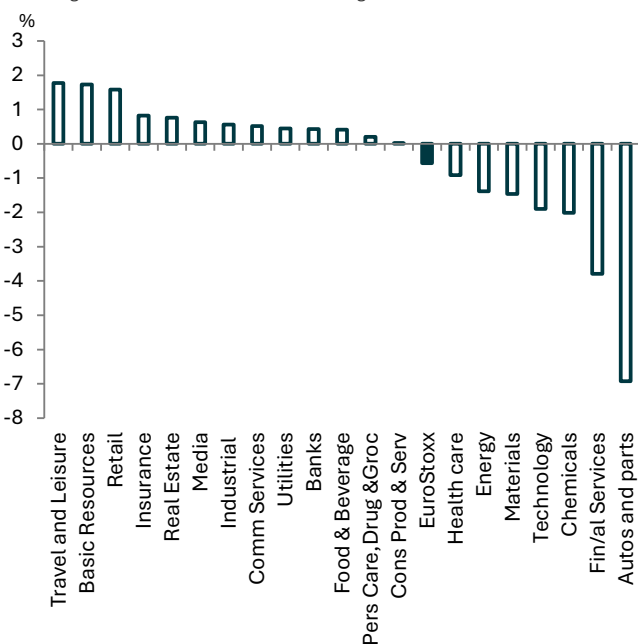
### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	28/11/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
<b>EuroStoxx</b>	495	-0,4	4,4	-0,4	8,5	3,4	3,7	13,6	12,5	12,6	12,8	1,7	1,6	1,7	1,6
<b>Energy</b>	121	-2,6	-1,5	-14,5	5,3	5,2	5,5	9,2	8,7	8,7	10,3	1,2	1,1	1,2	1,5
<b>Materials</b>	918	-1,5	-11,7	5,3	19,7	3,0	3,3	17,7	14,8	15,0	14,2	1,4	1,3	1,4	1,8
<b>Basic Resources</b>	173	-1,6	-21,7	-17,7	30,5	3,6	3,8	11,8	9,0	9,2	11,6	0,6	0,6	0,6	1,0
<b>Chemicals</b>	1403	-1,4	-9,5	16,0	16,1	2,9	3,2	19,6	16,9	17,1	15,2	1,8	1,8	1,8	2,2
<b>Financials</b>															
<b>Banks</b>	138	-1,4	16,8	9,9	2,5	7,1	7,3	6,8	6,7	6,7	9,2	0,8	0,7	0,8	0,9
<b>Insurance</b>	420	-0,9	19,9	10,3	12,3	5,2	5,6	10,8	9,6	9,7	9,1	1,6	1,5	1,6	1,1
<b>Financial Services</b>	625	0,6	12,2	9,2	-28,2	3,0	3,2	10,0	13,9	13,4	14,2	1,5	1,4	1,5	1,5
<b>Real Estate</b>	154	1,4	2,9	16,3	3,1	5,0	5,2	12,5	12,1	12,1	12,6	0,8	0,8	0,8	1,0
<b>Industrials</b>															
<b>Industrial Goods &amp; Services</b>	1290	0,6	13,4	6,7	15,6	2,2	2,5	19,9	17,2	17,4	15,4	3,2	2,9	3,2	2,6
<b>Construction &amp; Materials</b>	629	-0,7	3,5	-0,3	11,3	3,4	3,8	13,3	12,0	12,1	13,2	1,7	1,6	1,7	1,6
<b>Consumer Discretionary</b>															
<b>Retail</b>	918	-2,1	31,7	16,1	10,8	3,2	3,5	24,7	22,3	22,6	17,4	5,6	5,2	5,6	2,9
<b>Automobiles and parts</b>	508	-0,7	-16,1	-31,3	12,8	5,1	5,5	6,9	6,1	6,2	11,2	0,6	0,6	0,6	1,1
<b>Travel and Leisure</b>	237	0,5	5,9	-9,9	22,5	2,8	3,1	12,8	10,5	10,7	27,7	2,2	1,9	2,2	2,1
<b>Consumer Products &amp; Services</b>	417	0,9	-15,3	4,6	15,0	1,9	2,0	27,0	23,5	23,8	21,1	4,6	4,2	4,6	3,9
<b>Media</b>	362	-0,5	10,4	6,4	9,0	2,3	2,5	20,1	18,4	18,5	15,4	3,5	3,3	3,5	2,3
<b>Technology</b>	1003	-0,7	5,6	-6,6	18,2	1,1	1,2	27,6	23,3	23,7	19,2	4,8	4,3	4,9	3,4
<b>Consumer Staples</b>															
<b>Food, Beverage &amp; Tobacco</b>	149	-1,4	-9,6	3,5	9,5	2,6	2,8	17,7	16,2	16,3	17,8	1,7	1,6	1,7	2,8
<b>Personal Care, Drug &amp; Grocery</b>	176	0,1	2,6	-1,4	10,0	3,5	3,7	13,8	12,6	12,7	N/A	1,9	1,8	1,9	2,1
<b>Health care</b>	813	-0,7	7,1	3,5	11,9	2,2	2,4	15,9	14,2	14,3	14,8	1,8	1,7	1,8	2,0
<b>Communication Services</b>	337	1,8	21,5	12,1	11,7	4,0	4,2	16,1	14,4	14,5	13,0	1,6	1,6	1,6	1,8
<b>Utilities</b>	389	0,0	-0,6	1,6	-5,8	5,5	5,5	11,5	12,2	12,1	13,0	1,5	1,4	1,5	1,5

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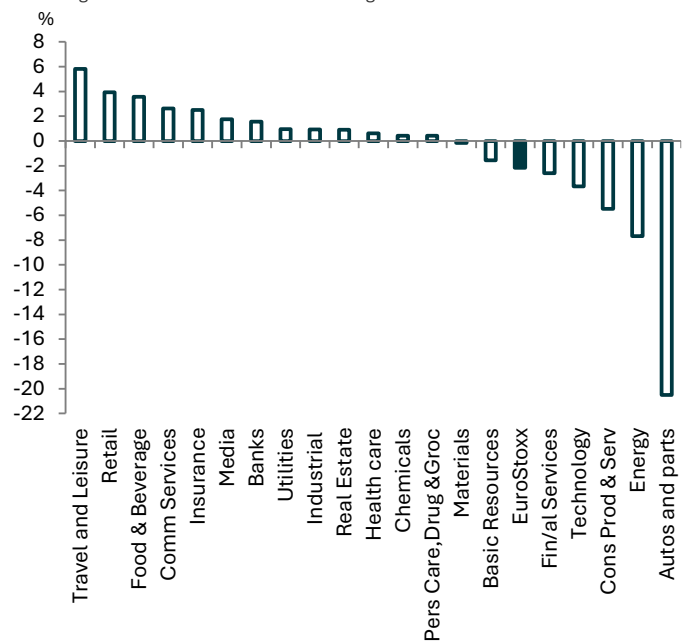
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of November 21<sup>st</sup>  
12-month forward EPS are 8% of 2024 EPS and 92% of 2025 EPS

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Earnings Revisions indicate 3-month change in 12-month Forward EPS



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**DISCLOSURES:**

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