



## Central banks will continue to lower policy interest rates from restrictive levels

- Risk asset prices moved higher in 2024 across the board (see graph below) due to strong economic growth and profitability, as well as due to less restrictive monetary policy. In the past week, policy decisions were roughly as expected and main economic data announcements came out as anticipated (US CPI, see Economics).
- The European Central Bank on December 12<sup>th</sup>, cut the policy interest rates by -25 bps as expected, to +3.0% for the Deposit Facility Rate (DFR), as the disinflation process appears well on track.
- The overall ECB signaling (quarterly macro projections, press-conference), did not contain meaningful surprises, policy is restrictive and as a result, the ECB is expected to lower rates in Q1:2025. Markets, according to overnight index swaps, price-in back-to-back cuts of -25 bps each, in the next four meetings up to June 2025, with another one following during H2:2025, for the DFR to settle at 1.75% in the medium term.
- The euro was down by -0.7% w/w against the US Dollar to \$1.049 in the past week, albeit with a muted reaction to the ECB meeting. Another such reaction took place on Monday December 16<sup>th</sup> following (i) a downgrade by one notch of France’s sovereign credit rating to Aa3 with a stable outlook from Moody’s (in an unscheduled assessment) and (ii) December’s euro area PMIs.
- The latter continue to suggest anemic economic activity, with the composite index at 49.5 (expansion/contraction threshold of 50.0). Having said that, the composite index improved from 48.3 in November and modestly exceeded consensus for 48.2, due to the services PMI coming out at 51.4 from 49.5, whereas its manufacturing peer was stable at 45.2 (see graph below).
- The Swiss National Bank reduced its policy rate by -50 bps to +0.5%, the most profound increment decided since 2015, in view of inflation standing at +0.7% in November, versus a target range of 0% - 2%. The move was unexpected (consensus economic analysts’ estimates called for -25 bps).
- The appreciation of CHF recently (c. +5% against the euro and c. +2% against the US Dollar since past July), which also has possible downside ramifications for consumer inflation, via lower import prices in nominal CHF terms, played a role in the SNB’s decision.
- The interest rate cut put a brake in CHF’s rise, with a -0.4% against the euro following the meeting, to CHF/EUR 0.93 and -0.5% versus the USD to CHF/USD 0.89.
- Attention now turns to the meetings of the Bank of England (December 19<sup>th</sup> – consensus suggests that the Bank Rate will be maintained at 4.75%, albeit a -25 bps reduction cannot be ruled out), the Bank of Japan (December 19<sup>th</sup> – short-term rate of +0.25%, with officials having left the door open for an increase) and, more so, the US Federal Reserve on December 18<sup>th</sup>.
- A -25 bps cut to the Federal Funds Rate (FFR) to a range of 4.25% - 4.5% is widely anticipated both by investors and analysts. Nevertheless, with inflation demonstrating stickiness (the core CPI has been stable at +3.3% yoy in the past three months) and with the economic activity impetus remaining solid, led by the consumer), a cautious outlook appears on the cards for the speed of future monetary policy easing.

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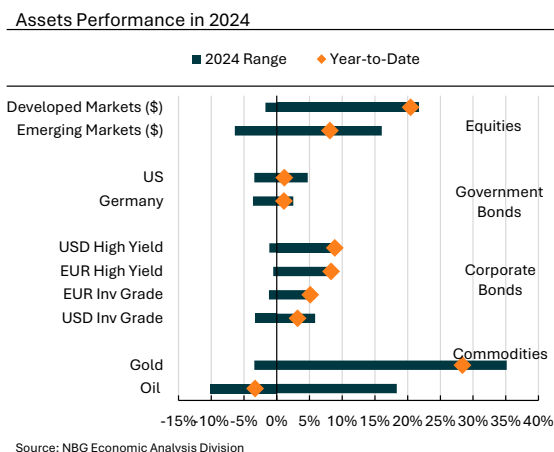
*This is our last GMR issue of the year.*

*We wish our readers a joyful holiday season and a happy New Year!*

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Charts of the week



	2024					
	Q1	Q2	Q3	October	November	December
<b>Manufacturing PMI</b>						
US				48,5	49,7	48,3
Euro Area				46,0	45,2	45,2
Germany				43,0	43,0	42,5
France				44,5	43,1	41,9
Italy				46,9	44,5	
Spain				54,5	53,1	
<b>Services PMI</b>						
US				55,0	57,0	58,5
Euro Area				51,6	49,5	51,4
Germany				51,6	49,3	51,0
France				49,2	46,9	48,2
Italy				52,4	49,2	
Spain				54,9	53,1	

Legend:  
■ PMI >= 50 & Increasing  
■ PMI < 50 & Increasing  
■ PMI >= 50 & Decreasing  
■ PMI < 50 & Decreasing

Sources: NBG Economic Analysis Division, S&P Global

## US CPI inflation was in line with expectations in November

- **Headline US CPI inflation accelerated by +0.1 pp to +2.7% yoy in November (peak of +9.1% yoy in June 2022, the highest since November 1981).** The outcome was expected, mainly on the back of positive base effects related to energy prices. In the event, the annual growth of energy prices (weight: 7%) came out at -3.2% from -4.9% in October, due to a +0.2% mom in seasonally adjusted “sa” terms in November 2024 and, more importantly, a -1.6% mom sa in November 2023. Furthermore, food prices (14% weight) recorded a robust +0.4% mom (20-year average of +0.2% mom), with the annual pace of growth at +2.4% from +2.1% in October (peak of +11.4% in August 2022).
- Importantly, the annual growth of core CPI (79% weight) was stable at +3.3% for a 3<sup>rd</sup> consecutive month in November, in line with consensus estimates (peak of +6.6% yoy in September 2022). The monthly growth held steady at +0.3% mom sa for a 4<sup>th</sup> consecutive month, as expected, versus a 20-year average of +0.2% mom. Unlike in most of recent months when the shelter prices (circa 1/3 of the headline CPI and circa 45% of the core index) were a rather dominant contributor to the core’s monthly growth, in November the respective contributions were broader based.
- In the event, shelter prices were up by +0.3% mom in November, from +0.4% in October and a 12-month average also of +0.4% mom (20-year average of +0.3%). Regarding the two major and relatively stickier shelter components, the index for the rent of primary residence came out at +0.2% mom from +0.3% mom in October (the annual growth was +4.4% from +4.6%) and the owners’ equivalent rent of residences (i.e. the implicit rent that owner occupants would have to pay if they were renting their homes) at +0.2% mom from +0.4% mom (the annual growth was +4.9% from +5.2%). Excluding the dominant shelter component as well as the volatile one for used cars & trucks, core CPI rose by +0.2% mom (+2.4% yoy) from +0.1% mom (+2.3% yoy) in October.
- Looking forward, the Federal Reserve Bank of Cleveland’s Inflation Nowcasting model, points to a further acceleration in December for the headline CPI to +2.9% (monthly gains of +0.4%) and to the core again holding steady at +3.3% (monthly gains of +0.3%).

## US federal budget deficit remains elevated

- **The US federal budget balance, in 12-month sum terms, was -\$2.076 tn in November or 7.2% of GDP, versus -\$1.739 tn or 6.3% of GDP in the same period a year ago.** Recall that the US federal budget balance came out at -\$1.832 tn in fiscal year (“fy”) 2024 (i.e. from October 2023 to September 2024) or 6.4% of GDP. These figures follow also oversized ones in fy:2023, when a deficit of -\$1.695 tn or 6.2% of GDP was recorded. Recall that that the fy:2023 readings were distorted by the June 2023 Supreme Court decision prohibiting the cancellation of outstanding student loans (provided by the Department of Education) for many borrowers. Excluding the effects of that decision, the fy:2023 deficit would be -\$2.025 tn or 7.4% of GDP. In all, the federal deficits in recent years have been particularly oversized, compared with an average of -2.7% of GDP from 1962 and up to the pandemic. As a result, the federal debt held by the public stood slightly below 100% of GDP in fy:2024, compared with 79% of GDP in fy:2019, given also deficits of -13.4% of GDP on average in fiscal years 2020 and 2021 due to emergency measures to stem the economic impact of the pandemic.

## The ECB modestly revised down its forecasts for inflation and real GDP

- **Despite real GDP growth in Q3:2024 coming out higher than envisaged at the time of September’s quarterly ECB staff’s estimates, recent weak indicators prompted moderate downward revisions for the respective projections.** In the event, real GDP rose by +0.4% qoq in Q4:2024 versus ECB’s estimates in September for +0.2% qoq. Nevertheless, ECB staff expects that a weakening of momentum has been underway in Q4:2024, estimating a deceleration of GDP growth to +0.2% qoq. In all, the estimate for real GDP growth in 2024, was revised down by -0.1 pp to +0.7% yoy, after +0.5% yoy in 2023. For 2025 & 2026, ECB’s forecasts were also revised down, by -0.2 pps to +1.1% yoy & by -0.1 pp to 1.4% yoy, respectively, while the newly introduced forecast for 2027 stands at +1.3%. The anticipated improvement continues to be mainly linked to stronger envisaged private consumption in view of rising real incomes (in 2024, growth of real disposable income is foreseen at +2.3% yoy from +1.2% yoy in 2023, followed by +0.9% yoy on average in the next 3 years).
- **The inflation outlook was also moderately revised down, following softer than previously expected readings recently.** Recall that on average in October – November, headline CPI stood at +2.1% yoy and the core at +2.7% yoy, versus ECB staff’s estimates in September’s exercise for +2.6% yoy and +2.9% yoy, respectively, in Q4:2024 on average. In all, headline inflation projections were revised down by -0.1 pp for both 2024 & 2025 to 2.4% & 2.1%, respectively, were maintained 1.9% in 2026 and came out at 2.1% for 2027 (+5.4% in 2023). On core CPI, following an outcome of +4.9% in 2023 (on average), the projection was unrevised at +2.9% in 2024 and at 2.3% in 2025, while coming out at 1.9% in both 2026 (-0.1 pp versus September’s projections) and 2027.
- The changes in technical assumptions also contributed somewhat to the aforementioned revisions of the inflation outlook. In the event, oil prices are assumed to average €81.8/barrel in 2024 instead of €83.2/barrel in September’s projections, €71.8/barrel in 2025 instead of €76.1/barrel and €70.1/barrel in 2026 instead of €73.2/barrel, down by -3.8%, on average, for the period 2024-2026 compared with the same period in September’s projections. The assumptions for natural gas prices were slightly revised up following price developments in recent months, to an average of €34.3/MWh in 2024, €42.9/MWh in 2025 and €34.9/MWh in 2026 instead of €34.2/MWh, €41.1/MWh and €35.4/MWh, respectively. Finally, a weaker euro exchange rate is assumed, \$1.07 against the US Dollar on average in 2024 - 2026, instead of \$1.10.

## China’s external trade was below consensus in November

- **The annual pace of growth of both (merchandise) exports and imports moved down in November.** Specifically, exports -- in USD terms – came out at +6.7% yoy from +12.7% in October, versus consensus for +8.5% yoy. At the same time, the annual growth of total imports was -3.9% yoy from -2.3% yoy, versus expectations for +0.3% yoy. Regarding the composition of external trade flows in terms of directions, exports to the US rose by +8.0% yoy in November (imports from the US: -11.2% yoy), to the European Union (EU) by +7.2% yoy (imports from the EU: -6.6% yoy) and to the Association of Southeast Asian Nations (ASEAN) by +14.9% yoy (imports from ASEAN: -3.0% yoy). China’s (merchandise) trade balance stood at +5.2% of GDP in 9M:2024 from +4.6% in FY:2023. The bilateral trade balance with the US stood at +2.0% of China’s GDP in 9M:2024 from +1.9% in FY:2023.

## Equities

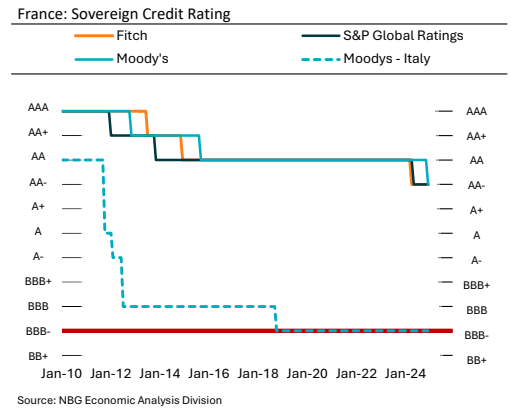
- Global equity markets recorded modest changes in the past week** (MSCI ACWI: -0.9%). In the US, the S&P500 index recorded losses of -0.6% on a weekly basis. The NASDAQ, a tech-heavy weighted index increased by +0.7%, "breaking" the 20,000-point barrier during the week (+29% since the beginning of 2024), with Alphabet (+8.7% weekly, after its announcement of progress in quantum computing technology development) and Tesla (+12.1%) in the spotlight. On the other side of the Atlantic, Eurostoxx was broadly stable on a weekly basis (by -0.3%), having recorded gains of +3% since the beginning of the month as the Banking sector rebounded (+5%) following a period of market pressure related to downward revisions of the ECB's rate path and the negative (in relative terms) impact on the sector's net interest income expectations. Similarly, the Greek banking sector has risen by +13% in December and by +22% since the beginning of the year. In France, the CAC40 remained largely unchanged on a weekly basis, ahead of political developments. On Friday, President Macron appointed Mr. Bayrou as the new Prime Minister, who is expected to promptly present the 2025 Budget for parliamentary approval. Finally, Chinese equity markets were broadly down on a weekly basis (CSI300: -1.0%), as recent policy announcements underwhelmed investors. CSI300 declined by a further -0.5% on Monday, after some weaker-than-expected economic data (retail sales).

## Fixed Income

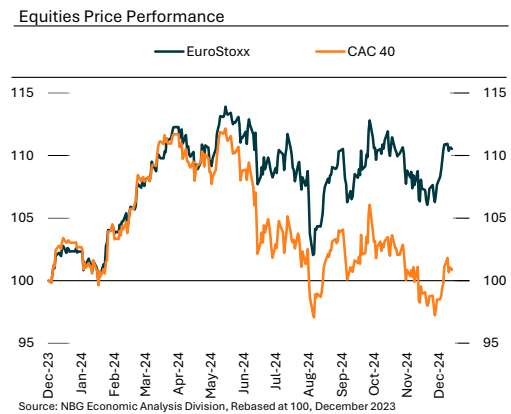
- US Treasuries moved higher in the past week amid strong momentum in economic activity.** Overall, the 10-year yield rose by +25 bps on a weekly basis to 4.40%, and the 2-year yield increased by +14 bps to 4.25%. In Germany, the 10-year yield rose by +13 bps on a weekly basis to 2.25%, with the bulk of the increase occurring on Thursday (+6 bps) after the ECB meeting. Periphery 10-year bond spreads widened slightly in Italy (+5 bps wov to 114 bps) and in Greece (+2 bps wov to 82 bps), although from very low levels. The ECB continues to reduce its government bond portfolio, as expected, without showing concern about potential negative consequences for bond markets. Note that on Saturday, Moody's, in an unscheduled change, downgraded France by one notch to Aa3 (outlook stable). Meanwhile, the Hellenic Republic proceeded on December 13<sup>th</sup> with the early repayment of €7.94 billion of intergovernmental loans (GLF) received under the first support program, having now fully repaid approximately €16 billion over the past three years, saving an additional €0.15 billion in interest that would have been paid until 2028. **Corporate bond spreads were little changed in the past week.** Specifically, USD high yield rose by +1 bp to 78 bps remaining at extremely low levels (260 bps in mid-November, the lowest since June 2007), while their EUR counterparts were down by -8 bps to 298 bps. In the Investment Grade spectrum, both USD and EUR spreads were down by -3 bps to 78 bps and 96 bps respectively.

## FX and Commodities

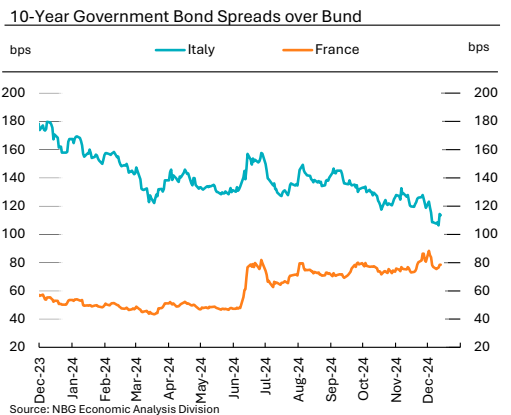
- In foreign exchange markets, the euro declined by -0.7% in the past week against the US dollar,** having declined by -4% since the US election to €//\$1.05 due to the diverging prospects for growth and monetary policy in the two economies. **In commodities, oil priced rose in the past week (Brent: +4.7% wov to \$74/barrel, WTI: +4.2 to \$72/barrel).** Meanwhile, the OPEC revised its global oil demand growth forecasts downward for a fifth consecutive month, by -0.2 million barrels per day for 2024 to 1.6 million barrels per day and by -0.1 million barrels per day for 2025 to 1.45 million barrels per day. Gold prices rose, +0.6% on a weekly basis to \$2649/ounce (+28% since the beginning of 2024), with the People's Bank of China announcing the resumption of purchases for its reserves after a six-month pause.



Graph 1.



Graph 2.



Graph 3.

**Quote of the week:** "Even though we are not there yet, we are close to achieving our target. If the incoming data continue to confirm our baseline, the direction of travel is clear and we expect to lower interest rates further", **President of the European Central Bank, Christine Lagarde, December 16<sup>th</sup> 2024**

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	December 13th	3-month	6-month	12-month	Official Rate (%)	December 13th	3-month	6-month	12-month
Germany	2,25	2,20	2,15	2,10	Euro area	3,00	2,50	2,00	2,00
US	4,40	4,10	4,00	3,90	US	4,75	4,00	3,50	3,25
UK	4,41	3,80	3,75	3,65	UK	4,75	4,75	4,50	3,75
Japan	1,04	1,10	1,20	1,40	Japan	0,25	0,40	0,50	0,70

Currency	December 13th	3-month	6-month	12-month	December 13th	3-month	6-month	12-month	
EUR/USD	1,05	1,08	1,09	1,10	USD/JPY	154	151	148	146
EUR/GBP	0,83	0,82	0,83	0,83	GBP/USD	1,27	1,31	1,31	1,33
EUR/JPY	161	163	161	161					

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	2,9	2,0	3,6	1,4	0,6	0,0	0,1	0,5	0,8
Real GDP Growth (QoQ saar)	2,2	3,7	2,4	-0,4	-	-0,1	0,3	0,0	0,2	-	-
Private Consumption	2,1	4,9	4,2	-3,9	4,9	0,7	1,9	1,0	-0,1	0,7	1,1
Government Consumption	0,8	-0,1	-0,7	2,6	1,1	1,4	1,4	3,1	2,8	1,6	1,2
Investment	-4,2	1,8	3,6	0,4	2,2	4,2	-1,2	0,3	5,6	1,8	0,0
Inventories Contribution	-0,3	0,8	0,0	0,1	0,5	-3,1	1,2	-2,0	-1,8	-0,9	-0,3
Net Exports Contribution	2,1	0,0	-0,4	1,1	-0,1	1,5	-1,9	0,8	0,3	0,3	0,3
Exports	4,9	7,5	6,9	0,7	7,5	-2,9	-4,0	-4,1	1,3	-0,5	1,1
Imports	0,6	8,1	8,4	-1,5	8,5	-6,1	-0,3	-6,1	0,8	-1,2	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 "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>

## Economic Calendar

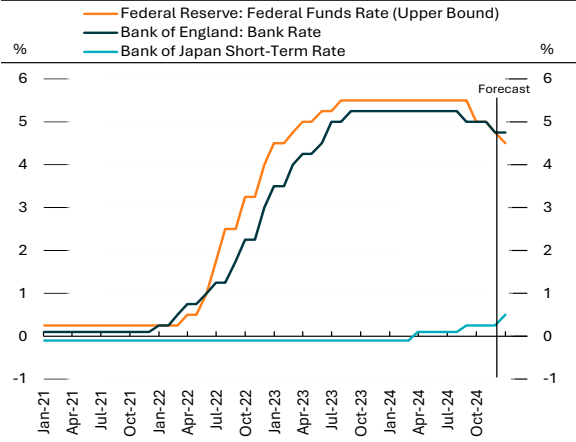
In the **US**, the focus will be on the Federal Reserve meeting, with a cut by -25 bps to a range of 4.25% - 4.5% being expected for the federal funds rate.

In the **United Kingdom**, the meeting of the Bank of England will be closely monitored.

In **Japan**, officials have left the door open for an increase in the policy rate by the Bank of Japan.

Finally, in **China**, prominent monthly indicators for November are due.

Central Banks Reference Interest Rates



Source: NBG Economic Analysis Division

Economic News Calendar for the period: December 9 - December 20, 2024

Monday 9				Tuesday 10				Wednesday 11			
<b>JAPAN</b>				<b>CHINA</b>				<b>US</b>			
GDP (QoQ)	Q3:2024	0.2%	0.3%	Exports (YoY)	November	8.5%	6.7%	CPI (YoY)	November	2.7%	2.7%
Eco Watchers Survey Current	November	..	49.4	Imports (YoY)	November	0.3%	-3.9%	Core CPI (YoY)	November	3.3%	3.3%
<b>CHINA</b>											
CPI (YoY)	November	0.5%	0.2%								
PPI (YoY)	November	-2.8%	-2.5%								
Thursday 12				Friday 13							
<b>EURO AREA</b>				<b>JAPAN</b>							
ECB Deposit Facility Rate	November 12	3.00%	3.00%	Tankan - large manufacturers current index	Q4:2024	12	14				
<b>US</b>				<b>UK</b>							
Initial Jobless Claims (k)	November 30	220	242	Tankan - large manufacturers outlook index	Q4:2024	11	13	GDP (MoM)	October	0.1%	-0.1%
Continuing Jobless Claims (k)	November 23	1875	1886					<b>EURO AREA</b>			
								Industrial Production (sa, MoM)	October	-0.1%	0.0%
								Industrial Production (wda, YoY)	October	-1.9%	-1.2%
Monday 16				Tuesday 17				Wednesday 18			
<b>JAPAN</b>				<b>UK</b>				<b>UK</b>			
au Jibun Bank Japan PMI	December	..	49.0	ILO Unemployment Rate	October	4.3%	4.3%	CPI (YoY)	November	2.6%	2.3%
<b>CHINA</b>				<b>GERMANY</b>				<b>US</b>			
Industrial production (YoY)	November	5.3%	5.3%	IFO- Business Climate Indicator	December	85.6	85.7	CPI Core (YoY)	November	3.6%	3.3%
Retail sales (YoY)	November	4.6%	4.8%	IFO- Current Assessment	December	84.0	84.3	Building permits (k)	November	1431	1419
<b>EURO AREA</b>				<b>US</b>				<b>US</b>			
HCOB Eurozone Composite PMI	December	48.2	48.3	IFO-Expectations	December	87.5	87.2	Housing starts (k)	November	1342	1311
HCOB Eurozone Services PMI	December	49.5	49.5					Federal Reserve announces its intervention rate	December 18	4.50%	4.75%
HCOB Eurozone Manufacturing PMI	December	45.3	45.2	Retail sales (MoM)	November	0.5%	0.4%				
<b>UK</b>				<b>US</b>							
S&P Global UK Services PMI	December	51.0	50.8	Industrial Production (MoM)	November	0.3%	-0.3%				
S&P Global UK Manufacturing PMI	December	48.2	48.0	NAHB housing market confidence index	December	47	46				
<b>US</b>											
S&P Global US Manufacturing PMI	December	49.8	49.7								
Thursday 19				Friday 20							
<b>JAPAN</b>				<b>JAPAN</b>							
Bank of Japan announces its intervention rate	December 19	0.50%	0.25%	CPI (YoY)	November	..	2.3%				
<b>UK</b>				<b>EURO AREA</b>							
Bank of England announces its intervention rate	December 19	4.75%	4.75%	Core CPI (YoY) - ex. Fresh Food	November	2.6%	2.3%	Consumer Confidence Indicator	December	-14.0	-13.7
<b>US</b>				<b>US</b>							
Initial Jobless Claims (k)	December 7	229	242	Personal income (MoM)	November	0.4%	0.6%	Personal spending (MoM)	November	0.5%	0.4%
Continuing Jobless Claims (k)	November 30	..	1886	PCE Price Index YoY	November	2.5%	2.3%	Core PCE Price Index YoY	November	2.9%	2.8%
GDP (QoQ, annualized)	Q3:2024	2.8%	2.8%								
Existing home sales (mn)	November	4.05	3.96								



### 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	6051	-0,6	26,9	28,6	50,5	MSCI Emerging Markets	69363	0,4	12,7	16,9	19,0
Japan	NIKKEI 225	39470	1,0	17,9	19,9	41,2	MSCI Asia	1084	0,4	16,6	20,8	21,4
UK	MSCI UK	2366	-0,1	6,8	9,3	9,7	China	66	0,4	16,8	19,7	2,0
Euro area	EuroStoxx	512	-0,3	8,0	8,4	19,7	Korea	747	2,8	-10,1	-4,1	4,6
Germany	DAX 40	20406	0,1	21,8	21,7	40,8	MSCI Latin America	90287	-0,7	-10,2	-6,6	4,2
France	CAC 40	7410	-0,2	-1,8	-1,6	9,9	Brazil	291546	-1,6	-13,0	-10,1	4,0
Italy	MSCI Italy	1115	0,3	15,9	15,9	42,8	Mexico	48313	0,8	-9,4	-5,7	3,2
Spain	IBEX-35	11752	-2,6	16,3	16,4	41,1	MSCI Europe	4310	-0,2	14,3	15,5	55,8
Hong Kong	Hang Seng	19971	0,5	17,2	23,1	1,9	Russia	3216	0,0	3,8	6,1	47,9
Greece	ASE	1469	0,9	13,6	13,7	59,6	Turkey	10922163	-0,3	41,1	40,2	113,2

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

in US Dollar terms						Investment Styles					
	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	249,5	-1,9	2,1	5,2	2,1	Growth (Developed)	5941,6	-0,1	28,9	31,5	64,5
Materials	338,2	-2,3	-2,6	2,8	4,0	Value (Developed)	3781,0	-1,9	12,1	14,8	19,1
Industrials	419,4	-2,3	15,6	20,0	35,4	Large Cap (Developed)	2435,9	-0,8	21,8	24,2	43,8
Consumer Discretionary	486,3	1,0	25,0	27,3	56,1	Small Cap (Developed)	585,1	-2,1	10,7	15,9	22,0
Consumer Staples	289,7	-0,6	7,3	8,5	5,0	US Growth	4206,0	0,3	38,8	40,3	67,1
Healthcare	361,7	-2,6	2,4	3,9	2,0	US Value	1947,7	-2,0	13,4	15,2	32,0
Financials	187,6	-1,7	26,7	30,1	41,2	US Large Cap	6051,1	-0,6	26,9	28,6	50,5
IT	810,5	-0,5	35,3	36,8	89,4	US Small Cap	1488,6	-1,5	12,9	17,6	23,7
Telecoms	123,9	-0,9	28,7	30,7	60,7	US Banks	480,8	-3,2	36,9	43,3	45,9
Utilities	166,6	-2,7	11,9	10,7	6,5	EA Banks	147,3	1,0	24,4	24,9	56,5
Real Estate	1056,5	-2,4	3,4	6,8	5,1	Greek Banks	1298,4	1,4	22,3	21,7	103,6

### Bond Markets (%)

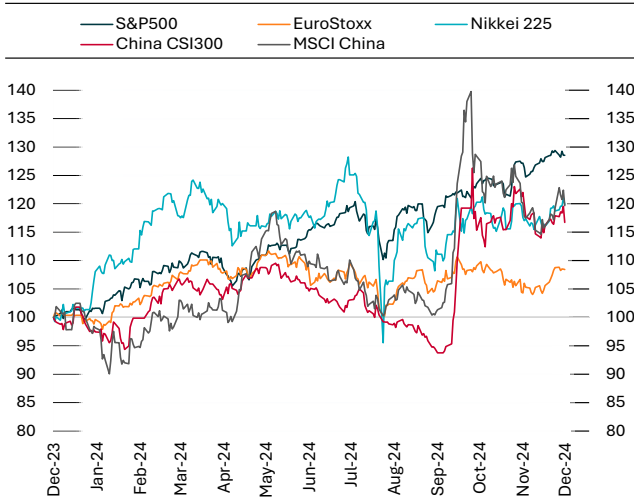
10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)					
	Current	Last week	Year Start	One Year Back	10-year average	Current	Last week	Year Start	One Year Back	10-year average	
US	4,40	4,15	3,86	4,03	2,47	US Treasuries 10Y/2Y	16	5	-39	-45	48
Germany	2,25	2,12	2,03	2,17	0,64	US Treasuries 10Y/5Y	15	12	3	3	28
Japan	1,04	1,05	0,62	0,69	0,21	Bunds 10Y/2Y	19	10	-37	-49	45
UK	4,41	4,28	3,54	3,83	1,80	Bunds 10Y/5Y	17	14	8	1	36
Greece	3,06	2,90	3,08	3,43	4,45						
Ireland	2,56	2,41	2,38	2,51	1,14	Corporate Bond Spreads (in bps)					
Italy	3,39	3,19	3,70	3,94	2,27	US IG	78	81	104	108	128
Spain	2,92	2,76	2,99	3,18	1,64	US High yield	268	267	334	379	435
Portugal	2,71	2,53	2,79	2,94	2,03	Euro area IG	96	99	135	142	123
Emerging Markets (LC)**	4,24	4,29	4,67	4,83	4,55	Euro area High Yield	298	306	395	417	402
						Emerging Markets (HC)	164	174	244	265	302
						iTraxx Senior Financial 5Y <sup>2</sup>	60	59	67	73	0
US Mortgage Market											
	Current	Last week	Year Start	One Year Back	10-year average						
30-Year FRM <sup>1</sup> (%)	6,67	6,69	6,71	7,07	4,67						
vs 30Yr Treasury (bps)	206,0	233,0	273,0	288,0	174,9						

### 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											
EUR/USD	1,05	-0,7	-0,9	-2,8	-5,0	Agricultural	380	0,1	3,6	-2,8	-1,7
EUR/CHF	0,94	1,1	0,2	-0,9	0,8	Energy	239	5,0	2,9	0,3	-2,7
EUR/GBP	0,83	0,3	-0,1	-3,5	-4,0	West Texas Oil (\$/bbl)	72	4,3	4,0	3,5	-0,5
EUR/JPY	161,20	1,8	-1,8	2,9	3,5	Crude Brent Oil (\$/bbl)	74	4,7	3,1	0,3	-3,3
EUR/NOK	11,70	-0,6	-0,6	-0,8	4,3	HH Natural Gas (\$/mmbtu)	3,3	5,1	9,7	39,7	30,3
EUR/SEK	11,52	-0,1	-0,8	2,2	3,5	TTF Natural Gas (EUR/mwh)	41	-11,3	-5,8	15,2	30,4
EUR/AUD	1,65	-0,2	1,2	0,6	1,9	Industrial Metals	451	-0,2	1,6	12,9	6,7
EUR/CAD	1,49	0,0	1,0	1,9	2,5	Precious Metals	3468	0,4	2,3	34,1	29,1
USD-based cross rates											
USD/CAD	1,42	0,5	1,7	5,3	7,4	Gold (\$)	2649	0,6	2,9	30,7	28,4
USD/AUD	1,57	0,5	2,2	3,5	7,3	Silver (\$)	31	-1,3	0,8	28,6	28,5
USD/JPY	153,69	2,5	-0,9	5,9	9,0	Baltic Dry Index	1051	-9,9	-35,5	-56,9	-49,8
						Baltic Dirty Tanker Index	921	-2,3	3,6	-15,5	-23,3

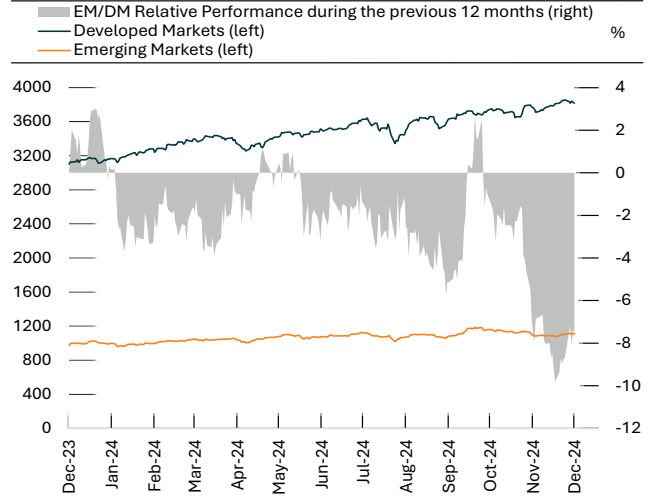
Source: NBG Economic Analysis Division, Data as of December 13<sup>th</sup>. \*: Unless otherwise noted, <sup>1</sup> Fixed-rate Mortgage, \*\*: Emerging Markets Sovereign Bond index has an effective duration of c.7 years, <sup>2</sup> The Markit iTraxx Europe Senior Financials index is made up of 5-yr CDS spreads on European financial companies.

### Equity Market Performance



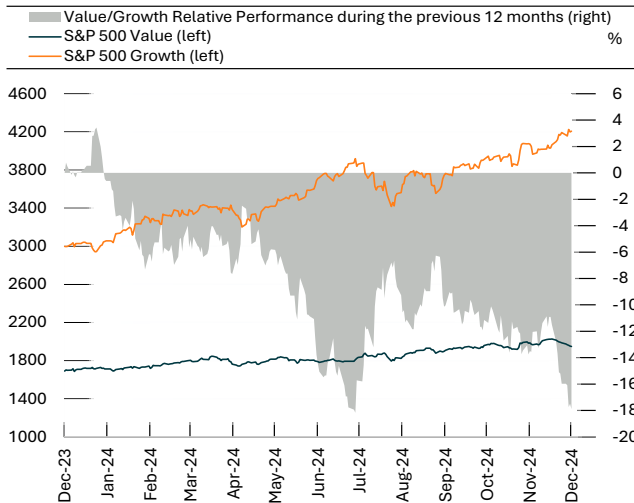
Data as of December 13<sup>th</sup> – Rebased @ 100

### EM vs DM Performance in \$



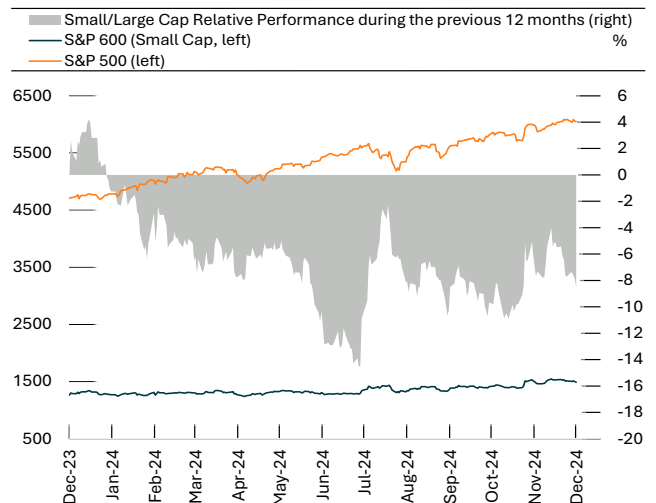
Data as of December 13<sup>th</sup>

### S&P 500 Value & Growth Index



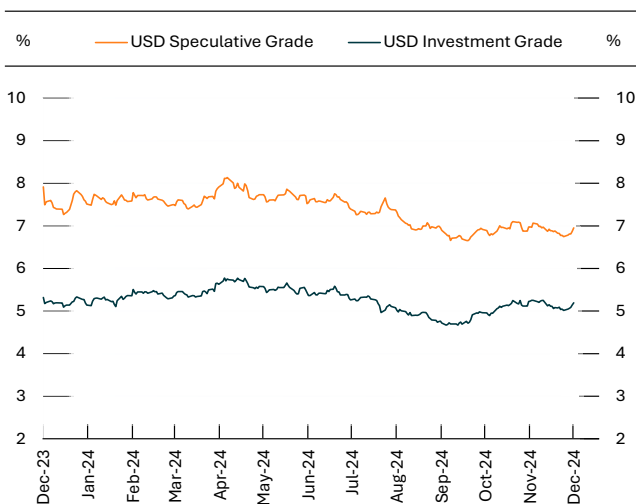
Data as of December 13<sup>th</sup>

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



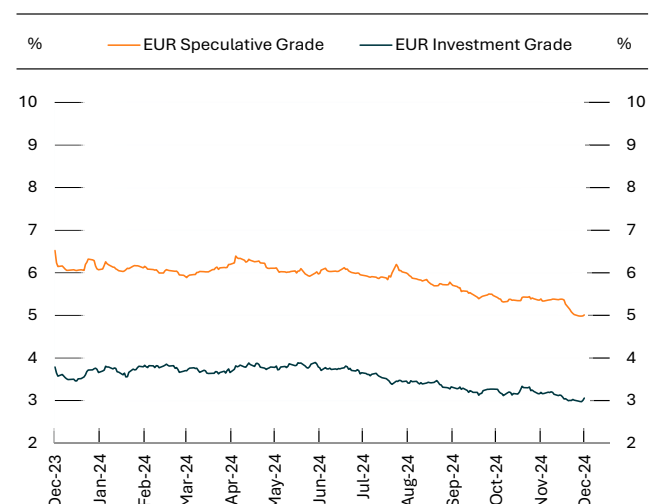
Data as of December 13<sup>th</sup>

### USD Corporate Bond Yields



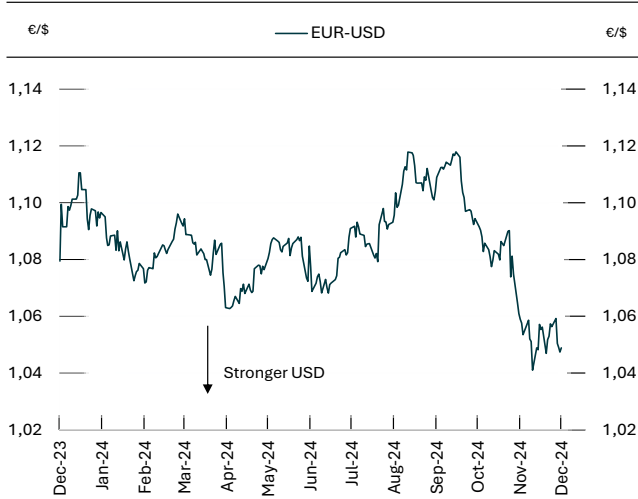
Data as of December 13<sup>th</sup>

### EUR Corporate Bond Yields



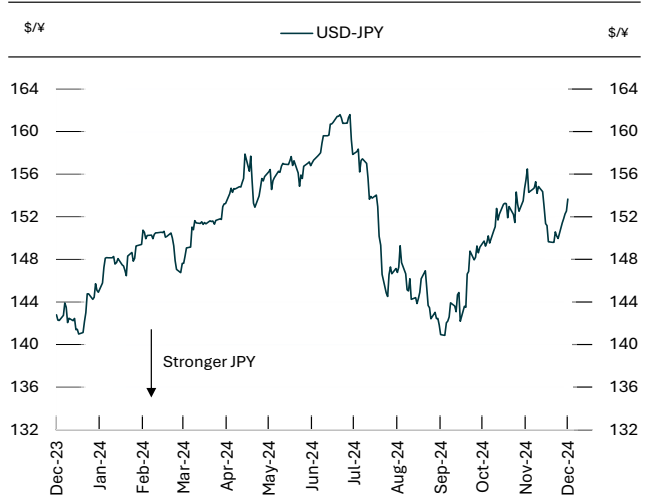
Data as of December 13<sup>th</sup>

### EUR/USD



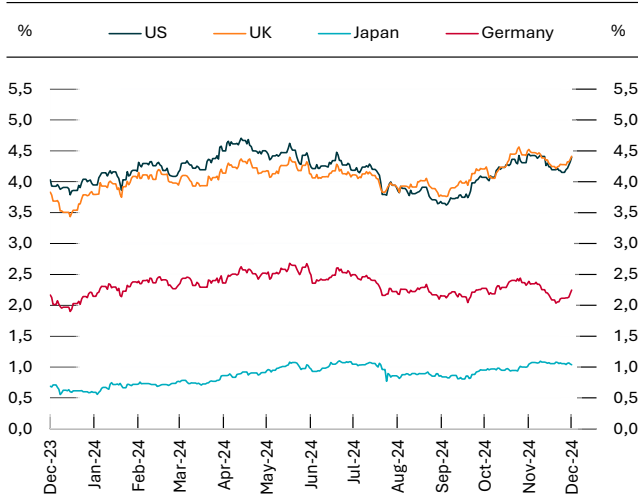
Data as of December 13<sup>th</sup>

### USD/JPY



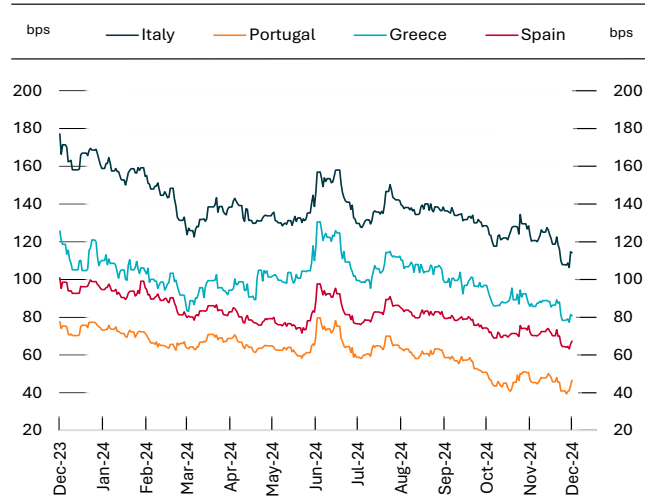
Data as of December 13<sup>th</sup>

### 10- Year Government Bond Yields



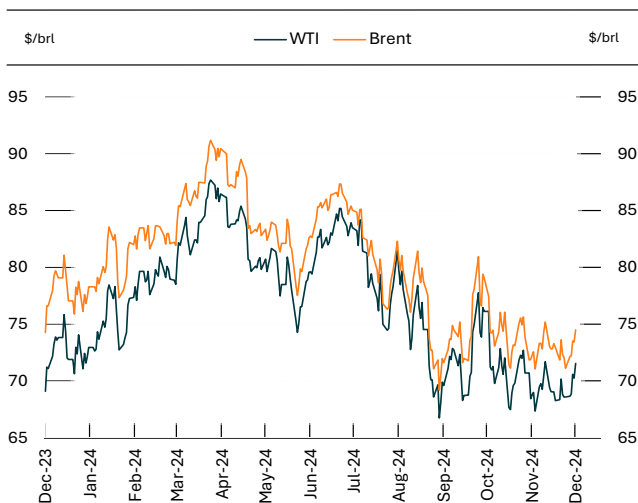
Data as of December 13<sup>th</sup>

### 10- Year Government Bond Spreads



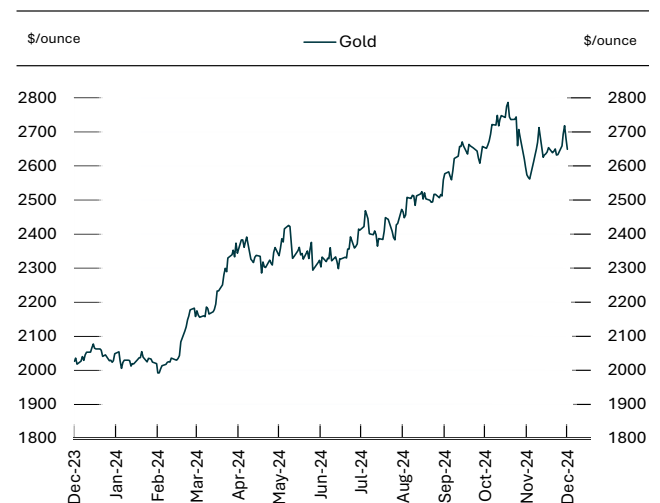
Data as of December 13<sup>th</sup>

### West Texas Intermediate and Brent (\$/bbl)



Data as of December 13<sup>th</sup>

### Gold (\$/ounce)



Data as of December 13<sup>th</sup>



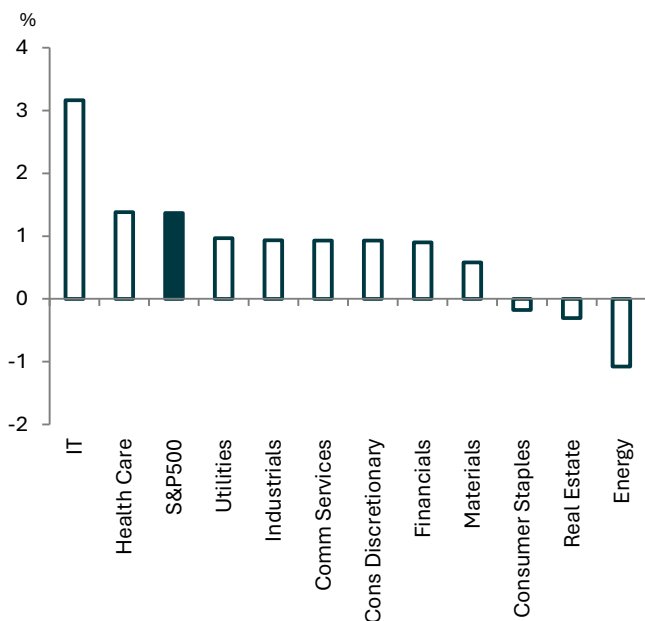
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	13/12/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
	S&P500	6051	-0,6	26,9	9,9	14,4	1,2	1,3	25,7	22,5	22,4	16,0	5,1	4,6	5,1
Energy	677	-2,1	5,7	-17,7	4,9	3,3	3,5	15,0	14,2	14,2	17,7	2,1	2,0	2,1	2,0
Materials	560	-2,9	3,7	-8,2	18,9	1,8	1,9	23,7	19,9	19,9	15,8	3,0	2,8	3,0	2,8
Financials															
Diversified Financials	1414	-1,0	29,7	18,4	9,2	1,0	1,0	23,4	21,5	21,4	13,9	3,1	2,9	3,1	1,5
Banks	481	-3,2	36,9	3,0	3,0	2,4	2,6	13,5	13,1	13,1	12,2	1,5	1,4	1,5	1,3
Insurance	811	-3,4	26,9	24,7	11,2	1,5	1,6	15,8	14,2	14,2	11,1	2,6	2,3	2,6	1,4
Real Estate	268	-2,4	6,3	1,3	7,7	3,2	3,3	41,2	38,2	38,2	16,9	3,2	3,3	3,2	N/A
Industrials															
Capital Goods	1285	-2,1	25,5	-4,5	19,8	1,2	1,3	29,0	24,2	24,1	16,3	6,7	6,0	6,7	3,7
Transportation	1008	-2,6	1,0	3,6	16,9	1,7	1,8	20,5	17,5	17,6	16,2	5,0	4,4	5,0	3,9
Commercial Services	711	-2,7	22,7	11,0	10,8	1,1	1,2	34,2	30,9	30,5	19,6	11,0	9,6	10,8	4,3
Consumer Discretionary															
Retailing	5366	-0,6	38,0	30,0	13,7	0,5	0,6	34,4	30,2	30,3	22,3	11,0	8,4	11,0	7,4
Consumer Services	1931	-1,9	18,3	4,5	13,2	1,1	1,2	27,9	24,6	24,6	22,3	N/A	N/A	N/A	N/A
Consumer Durables	420	-2,7	-2,8	0,9	7,1	1,1	1,1	17,8	16,6	16,7	16,1	3,8	3,4	3,7	3,2
Automobiles and parts	226	10,8	65,8	3,0	8,9	0,3	0,3	39,8	36,5	36,5	15,3	5,7	5,1	5,7	2,8
IT															
Technology	4522	1,3	27,2	8,9	11,3	0,6	0,6	31,6	28,4	27,6	16,3	21,6	20,1	21,3	6,7
Software & Services	5143	-1,2	21,1	16,6	10,7	0,6	0,7	37,2	33,6	32,2	20,6	11,0	9,2	10,2	6,0
Semiconductors	5781	-0,2	76,3	39,9	44,8	0,5	0,5	40,2	27,8	27,7	17,9	11,1	8,8	11,0	4,5
Communication Services	352	2,4	43,1	24,1	15,2	0,8	0,9	22,2	19,3	19,3	15,5	4,7	4,1	4,8	2,6
Media	1452	2,9	44,7	10,0	3,9	2,4	2,5	10,8	10,4	10,4	6,7	2,0	1,8	2,0	N/A
Consumer Staples															
Food & Staples Retailing	993	-0,5	40,7	2,4	4,8	1,7	1,1	32,5	31,0	30,9	17,7	8,0	7,2	8,0	3,7
Food Beverage & Tobacco	829	-0,3	3,9	3,1	5,0	3,5	3,7	17,6	16,7	16,7	17,0	5,2	4,9	5,2	5,2
Household Goods	896	-1,6	11,3	8,1	5,0	2,4	2,6	25,5	24,3	23,7	19,8	8,9	8,4	8,7	6,1
Health Care															
Pharmaceuticals	1320	-1,9	3,5	6,6	28,7	2,0	2,1	21,8	16,9	16,9	14,6	5,8	5,1	5,8	4,4
Healthcare Equipment	1946	-2,9	2,5	3,4	9,7	1,2	1,2	20,7	18,9	18,9	16,1	4,0	3,7	4,0	3,1
Utilities	392	-2,7	21,7	13,4	8,7	2,8	3,0	19,8	18,2	18,2	15,9	2,2	2,1	2,2	1,9

The prices data are as of 13/12/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 5/12/2024. 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

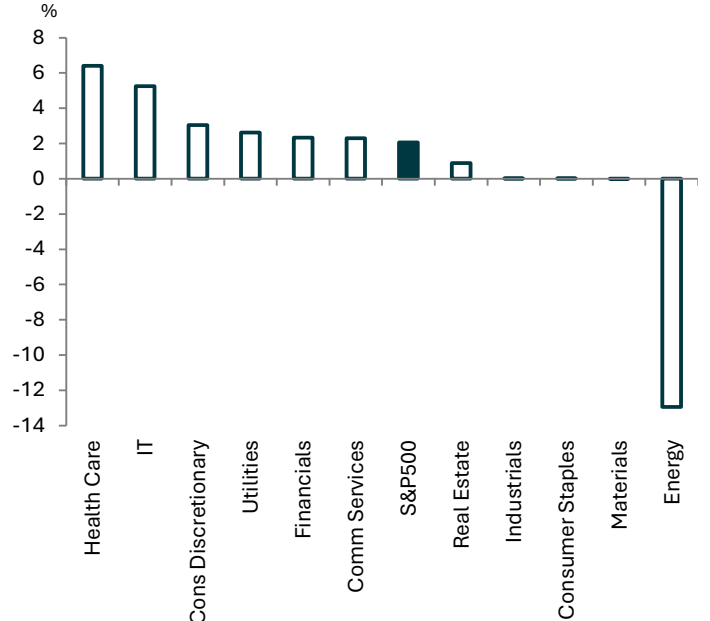
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of December 12<sup>th</sup>  
12-month forward EPS are 4% of 2024 EPS and 96% 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 December 12<sup>th</sup>  
12-month forward EPS are 4% of 2024 EPS and 96% of 2025 EPS

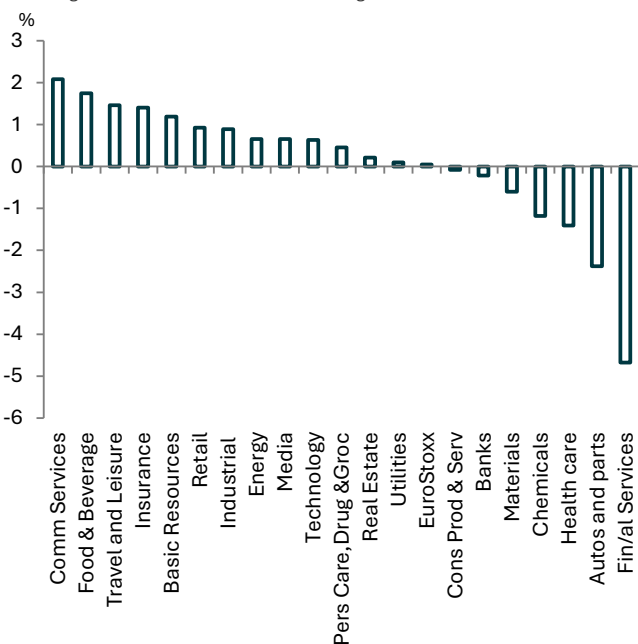
### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	13/12/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
<b>EuroStoxx</b>	512	-0,3	8,0	-0,4	8,2	3,4	3,6	13,9	12,9	12,9	12,8	1,7	1,6	1,7	1,6
<b>Energy</b>	119	-1,7	-3,0	-14,6	4,7	5,4	5,6	9,0	8,6	8,5	10,3	1,2	1,1	1,2	1,5
<b>Materials</b>	944	-0,7	-9,2	4,8	18,3	3,0	3,2	17,9	15,1	15,1	14,2	1,4	1,4	1,4	1,8
<b>Basic Resources</b>	179	-1,1	-18,9	-19,2	30,1	3,6	3,8	11,9	9,2	9,2	11,6	0,6	0,6	0,6	1,0
<b>Chemicals</b>	1440	-0,6	-7,0	16,0	14,5	2,9	3,1	19,8	17,3	17,3	15,2	1,8	1,8	1,8	2,2
<b>Financials</b>															
<b>Banks</b>	147	1,0	24,4	10,3	2,2	7,2	7,5	6,7	6,5	6,5	9,2	0,8	0,7	0,8	0,9
<b>Insurance</b>	436	0,1	24,6	10,0	12,6	5,1	5,5	11,0	9,8	9,8	9,1	1,6	1,5	1,6	1,1
<b>Financial Services</b>	633	-0,3	13,6	7,9	-28,4	3,0	3,1	10,3	14,4	14,3	14,2	1,5	1,4	1,5	1,5
<b>Real Estate</b>	149	-2,9	-0,3	15,7	3,7	4,8	5,1	12,9	12,5	12,5	12,7	0,8	0,8	0,8	1,0
<b>Industrials</b>															
<b>Industrial Goods &amp; Services</b>	1327	-1,2	16,6	6,6	15,9	2,2	2,4	20,7	17,9	17,9	15,4	3,3	3,0	3,3	2,6
<b>Construction &amp; Materials</b>	645	-0,5	6,1	-1,0	12,2	3,4	3,8	13,4	12,0	12,0	13,2	1,7	1,6	1,7	1,6
<b>Consumer Discretionary</b>															
<b>Retail</b>	912	-8,6	30,8	16,4	10,5	3,0	3,3	26,5	24,0	24,1	17,4	6,0	5,6	6,0	2,9
<b>Automobiles and parts</b>	549	2,9	-9,4	-31,6	10,9	5,1	5,5	6,9	6,2	6,2	11,2	0,6	0,6	0,6	1,1
<b>Travel and Leisure</b>	253	1,4	13,1	-9,7	22,6	2,8	3,1	12,8	10,5	10,5	27,7	2,2	1,9	2,1	2,1
<b>Consumer Products &amp; Services</b>	450	0,7	-8,6	4,1	14,6	1,7	1,9	28,5	24,9	24,9	21,2	4,8	4,4	4,8	3,9
<b>Media</b>	376	0,8	14,8	6,3	9,1	2,2	2,4	20,7	19,0	19,0	15,4	3,6	3,4	3,6	2,3
<b>Technology</b>	1075	0,3	13,2	-6,1	18,2	1,0	1,2	29,0	24,6	24,6	19,2	5,1	4,6	5,1	3,4
<b>Consumer Staples</b>															
<b>Food, Beverage &amp; Tobacco</b>	151	1,2	-8,7	3,6	9,3	2,6	2,8	17,5	16,0	15,9	17,8	1,7	1,6	1,7	2,8
<b>Personal Care, Drug &amp; Grocery</b>	175	0,1	2,0	-1,4	10,1	3,5	3,7	13,9	12,6	12,6	N/A	1,9	1,8	1,9	2,1
<b>Health care</b>	811	-0,7	6,9	3,5	11,4	2,2	2,3	16,2	14,6	14,6	14,8	1,9	1,7	1,9	2,0
<b>Communication Services</b>	334	-1,9	20,2	13,2	12,0	3,8	4,1	16,5	14,7	14,7	13,0	1,7	1,6	1,7	1,8
<b>Utilities</b>	382	-2,0	-2,4	1,6	-5,6	5,4	5,4	11,6	12,3	12,3	13,0	1,5	1,5	1,5	1,5

The prices data are as of 13/12/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 5/12/2024. 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

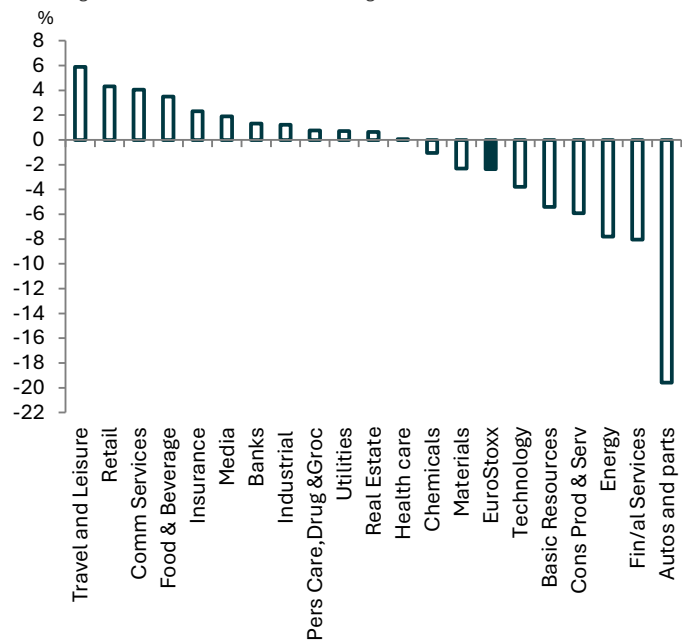
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of December 12<sup>th</sup>  
12-month forward EPS are 4% of 2024 EPS and 96% 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 December 12<sup>th</sup>  
12-month forward EPS are 4% of 2024 EPS and 96% of 2025 EPS

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