



## Emerging market equities are negative month-to-date (-1.9%), as investors price in less interest rate cuts by the Fed and the USD has increased to a 2-1/2 month high

- The S&P500 rose by +0.9% w/w at fresh record highs (5865) on the back of strong economic data and positive earnings announcements. US Treasury yields have increased aggressively in October (+40 bps to 4.20%) as investors trimmed their expectations *vis-à-vis* sizeable rate cuts by the Fed and term premia have also moved higher ahead of the November Elections (see graphs page 3).
- The US outlook remains strong, driven primarily by the consumer, with upbeat retail sales in September (+0.4% mom and +5.3% qoq saar in Q3:2024, in nominal terms). All told, the Atlanta Fed's GDPNowcast model points to a solid +3.4% qoq saar growth (+2.8% yoy) for real GDP in Q3:2024 after +2.3% qoq saar on average in H1:2024 (+3.0% yoy).
- Regarding earnings, with 71 of the S&P500 companies having reported so far, EPS has surpassed analysts' estimates by +6.4%, above an average "beat rate" of +4.2% since 1994. Analysts' estimates (combining actual and estimated results) point to +4% year-over-year Q3:2024 EPS growth, from +13.2% in the previous quarter.
- The earnings season enters full speed, with 114 companies due to report in the current week and 172 in the next one including heavy-weights Tesla (23/10), Alphabet (29/10), Meta (30/10), Microsoft (30/10), Apple (31/10) and Amazon (31/10).
- The ECB cut its policy interest rates for a second consecutive meeting by -25 bps to 3.25%, as expected. The decision came as financial conditions remain restrictive, economic activity has been weaker than anticipated and euro area CPI inflation has decelerated by more than expected.
- The ECB maintained its data-dependent and meeting-by-meeting approach on forward guidance, not pre-committing to any path. Nevertheless, with economic growth risks tilted to the downside and the disinflation progress well on track, market pricing according to overnight index swap markets suggests another -25 bps cut to take place in December.
- Chinese bourses were mixed (CSI300: +1.0% w/w | MSCI China: -2.8% w/w), posting large swings, with the rollout of stimulus policies being the epicenter of investors' attention. USD strength (highest level since August) has also weighed, with emerging market equities down by -1.9% month-to-date.
- The People's Bank of China reduced by -25 bps the 1-year Loan Prime Rate (a benchmark for interest rate setting by commercial banks for most corporate and short-term household loans) to 3.1% and its 5-year peer (a benchmark for mortgage loans) to 3.6%.
- The real estate sector is in the spotlight of Authorities' support efforts, as it faces significant fundamental challenges. Note that as of September, sales of residential buildings fell by -19% in cumulative year-to-date yoy terms and housing starts by -22% ytd yoy (both in terms of floor space). House prices have declined by -5.8% yoy in September (the weakest since 2015).
- On a positive note, China's real GDP growth modestly exceeded expectations in Q3:2024, at +4.6% year-over-year from +4.7% yoy in Q2:2024 and +5.3% yoy in Q1:2024, versus consensus for +4.5%. Momentum-wise, the positive surprise was due to stronger than expected economic activity in September.

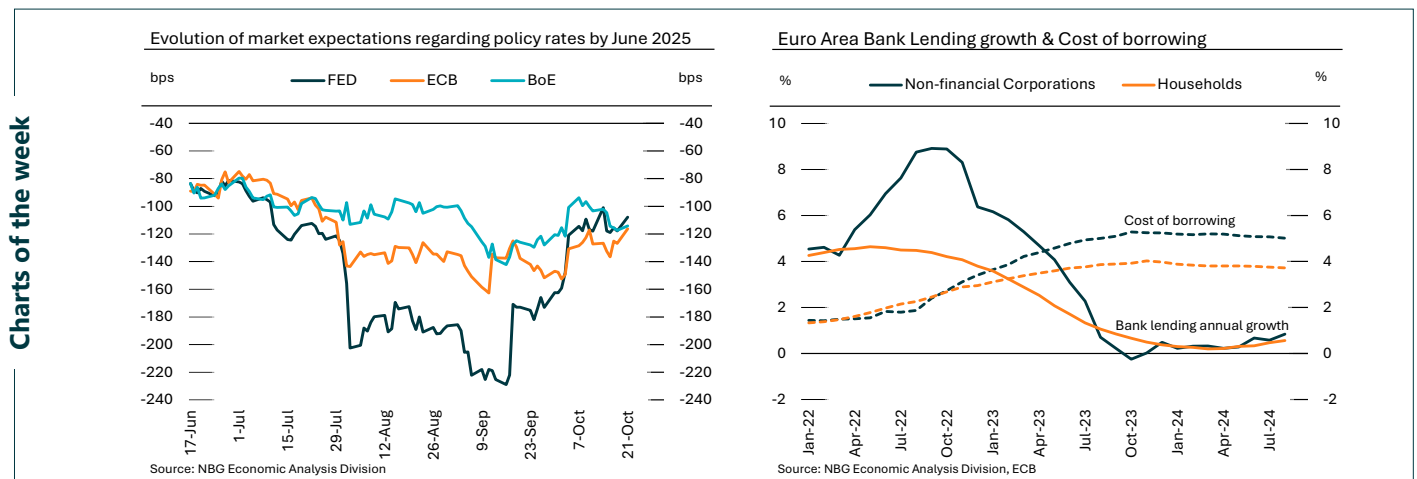
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### US federal budget deficit remained sizable in 2024

- **The US federal budget balance came out at -\$1.833 tn in fiscal year (“fy”) 2024 (i.e. from October 2023 to September 2024) or an estimated 6.4% of GDP.** These figures follow also oversized ones in fy:2023, when a deficit of -\$1.695 tn or 6.3% 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 appears set to have somewhat exceeded 98% of GDP in fy:2024, compared with 79.0% 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.

### Euro area bank credit standards were little changed in Q3:2024, remaining tight

- **According to the Bank Lending Survey for Q3:2024 (ECB)** euro area banks’ credit standards (i.e. banks’ internal guidelines or loan approval criteria) on loans to corporations were little changed for a 4<sup>th</sup> consecutive quarter (+0% from +3% on average from Q4:2023 to Q2:2024). Recall that a positive reading indicates that the fraction of banks tightening standards, is greater than those easing. The recent stability follows a substantial period of tightening from Q2:2022 to Q3:2023 (+17% on average in that period), suggesting an effective transmission of tightening monetary policy to broader financial conditions in that period. Regarding households, euro area banks’ standards were also little changed for a 4<sup>th</sup> consecutive quarter in Q3:2024 for mortgage loans (-3%, roughly matching the average from Q4:2023 to Q2:2024) and modestly tightened for consumer credit (+6% for a 2<sup>nd</sup> consecutive quarter in Q3:2024).
- **A rise in loan demand from firms was reported by survey panelists in Q3:2024, for the first time since Q3:2022.** Having said that, the share of banks reporting an increase, minus the share of banks citing a decline, was only a moderate +4% in Q3:2024. With the net percentage at -26% on average in the prior seven quarters, demand overall remains depressed. The modest increase in loan demand in Q3:2024 was reported as mainly driven by declining interest rates, with a small contribution also from fixed investment plans. Recall that the composite cost of borrowing indicator for loans to non-financial corporations has gradually eased to 5.01% as of August 2024 from a peak of 5.28% in October 2023, albeit still standing well above an all-time low of 1.36% in December 2021, +365 bps compared with a cumulative increase of +413 bps in the same period for short-term market rates (euribor three month).
- **A strong improvement in loan demand from households was cited in Q3:2024.** Specifically, the net percentage of panelists reporting an increase of demand for housing loans was a sharp +39% (the highest since Q2:2015) from +16% in Q2:2024 and following an overwhelming -40% in the prior eight quarters on average. The level of interest rates and housing market prospects were reported as the main drivers of higher demand. Recall that the composite cost of borrowing indicator for loans to households for house purchase (calculated as a weighted average of interest rates on both short-term and long-term loans) stood at 3.72% in August 2024, compared with a peak of 4.02% in November 2023 and a trough of 1.31% in

December 2021. Finally, demand for consumer credit was also cited to have increased in Q3:2024, albeit the net percentage was relatively more modest, at +8%.

### UK real GDP momentum remains positive, albeit having moderated

- **According to the monthly estimate from the UK Office for National Statistics,** real GDP rose by +0.2% mom in August, following two consecutive months of being roughly unchanged. The outcome was in line with consensus estimates. The monthly growth was led by manufacturing (+1.1%) and construction (+0.4%) output. The latter, being particularly sensitive to the interest rates environment, is expected to draw relatively more significant support from the anticipated easing of monetary policy. At the same time, the dominant services sector (79% of GDP) posted a modest growth of +0.1% mom in August. Recall that real GDP had posted strong growth in Q1:2024 (+0.7% qoq) and Q2:2024 (+0.5% qoq), following a roughly stagnant GDP since mid-2022 (the Q4:2023 level stood +0.1% above the respective one in Q2:2022). The annual growth in Q2:2024 stood at +0.7%. On the momentum, according to the UK National Institute of Economic and Social Research, real GDP is estimated to have risen by +0.1% mom in September. Such a performance would lead to a rise of +0.2% qoq (+1.0% yoy) overall in Q3:2024. Note that the latest (September 18<sup>th</sup>) estimates from the Bank of England called for +0.3% qoq in Q3:2024.

### UK inflation meaningfully undershot expectations in September

- **The annual growth of headline CPI decelerated substantially, to +1.7% in September, the lowest since April 2021, from +2.2% in August, versus consensus estimates for +1.9%** (peak of +11.1% in October 2022, the highest since 1981 | +6.7% yoy in September 2023). The respective trend for the energy sub-index went deeper in negative territory (-16.2% yoy from -13.2% yoy in August), as the liquid fuels, vehicle fuels & lubricants component came out at -10.9% yoy from -3.8% previously (both due to a substantial monthly fall in September 2024 and negative base effects). Recall that the annual growth of the other major energy component, i.e. electricity, gas & miscellaneous energy, was steady at -20.6%. As of October 2024 though, that deeply negative annual pace is expected to moderate sharply, a development related to the price cap (reset on a quarterly frequency) from the Great Britain’s independent energy regulator Office of Gas and Electricity Markets (Ofgem | the price cap limits the rates which suppliers can charge for their default tariffs). Prices of food, alcoholic beverages & tobacco posted a “norm-like” +0.3% on a monthly basis in September, with the annual growth at +2.6% from 2.5% in August. Importantly, core CPI’s monthly growth was +0.1% in September, a muted outcome especially for the particular month. As a result, the core’s annual growth decelerated substantially, by -0.4 pps to +3.2% in September, well below consensus estimates for +3.4%. The non-energy industrial goods component stood at +0.2% yoy from +0.3% yoy in August, with its services peer which is relatively more sensitive to wage costs, continuing to be the major driver of core inflation (4.9% yoy in September), albeit easing substantially (5.6% yoy).
- Note that the annual (nominal) wage growth eased by -0.3 pps in August, albeit at a still resilient pace of +3.8%, while wage growth excluding bonus payments, was +4.9% from +5.1% yoy in July. The unemployment rate was down by -0.1 pp to 4.0% in August.

## Equities

- Global equity markets were mixed on a weekly basis (MSCI ACWI: +0.5% wow).** The S&P500 rose by +0.9% wow, reaching a fresh record high (5865). Regarding S&P500 sectors, Financials overperformed (+2.4%), in view of somewhat stronger than expected Q3:2024 results and higher market interest rates. European bourses were roughly unchanged on a weekly basis, with the EuroStoxx up by +0.2%. Technology underperformed (-5.1% wow), due to the chipmaker giant ASML (weight of 37.75% in the Euro Stoxx Technology index), which shed -13.8% on a weekly basis, after reporting a weaker outlook for sales in 2025. In Greece, the ASE index increased by +1.9% wow. Chinese bourses swung wildly in the past week, in view of skepticism about the extent of economic stimulus policies, but also of stronger than expected activity data for September (and for GDP in Q3:2024 as a whole). Indicative of past week's volatility was the performance of the CSI300 Real Estate index. A rise of +5.1% took place on Wednesday when it became known that a press conference of the Ministry of Housing and Urban-Rural Development would take place on Thursday. The CSI300 Real Estate though, shed -7.8% on Thursday, as the announcements fell short of expectations. In all, the CSI300 ended the week up by +1.0% (+22% since September 23<sup>rd</sup>) and the MSCI China down by -2.8% wow (+18% since September 23<sup>rd</sup>).

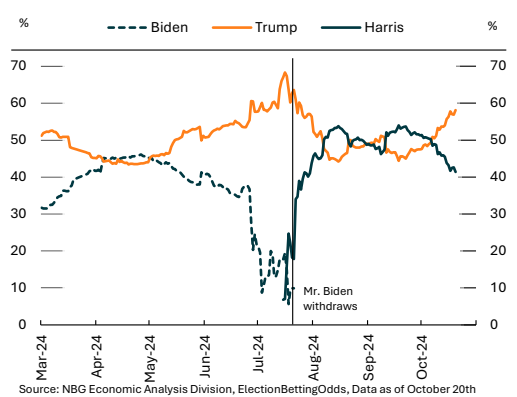
## Fixed Income

- Government bond yields were also mixed in the past week.** The US Treasury 10-year bond yield was roughly unchanged on a weekly basis to 4.08% and its 2-year peer was slightly up by +1 bp to 3.96%. In the United Kingdom, the 10-year Gilt yield was down by -15 bps wow to 4.06% and its 2-year peer by -17 bps to 4.00%, following a weaker than expected CPI print in September. Finally, euro area government bond yields fell across the board (10-year Bund: -9 bps to 2.18%) with euro area periphery bond spreads tightening further (GGB/Bund @ 85 bps and BTP/Bund @ 118 bps). **However, the downtrend was interrupted abruptly early in the current week, suggesting that bond market volatility will remain elevated.** The Hellenic Republic had a successful reopening of bonds maturing in March 2029 and bearing a fixed 3.875% annual coupon. Indeed, offers of €939 mn were attracted for an auctioned amount of €250 mn, with the average annual yield coming out at 2.38%, whereas the previous reopening of the same bonds that took place c. a month ago, had attracted €906 mn and resulted in an annual yield of 2.81%. **Corporate bond spreads narrowed in the past week.** Specifically, in the high yield spectrum, USD spreads decreased by -10 bps wow to 288 bps and their EUR counterparts by -2 bps to 327 bps. In the investment grade spectrum, both USD and EUR spreads fell modestly, by -1 bp wow to 83 bps and by -3 bps to 105 bps, respectively. Issuance of debt securities in the euro area by non-financial corporations remains strong so far in 2024, at €298.8 bn cumulatively from January to September 2024 (€59.7 bn net) compared with €288.9 bn (€54.8 bn net) in the same period in 2023.

## FX and Commodities

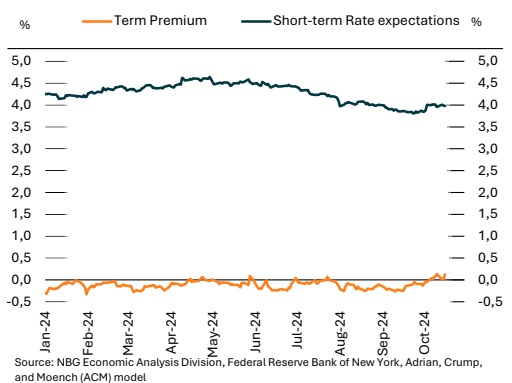
- In foreign exchange markets, the US Dollar appreciated in the past week on the back of strong economic data** (which also led to a widening of interest rate differentials), +0.8% wow against the euro €//\$1.086. Against the British Pound, the USD gained +0.3% wow to £/\$1.304, with a weaker than expected CPI in the UK, which also strengthened markets' expectations that the Bank of England will cut the Bank Rate on November 7<sup>th</sup>. **In commodities, oil prices fell substantially in the past week** (Brent: -7.6% wow to \$73.1/bbl and WTI: -8.3% to \$69.8/bbl), mainly on account of media reports that Israel does not plan to strike Iran's oil facilities. Furthermore, the OPEC revised down compared with one month ago its projection for oil demand growth, by -0.1 million barrels/day for both 2024 & 2025, to +1.9 mn bbl/day & +1.6 mn bbl/day, respectively (for total demand to reach 105.8 mn bbl/day in 2025).

2024 Presidential Election: Prediction Market Probabilities



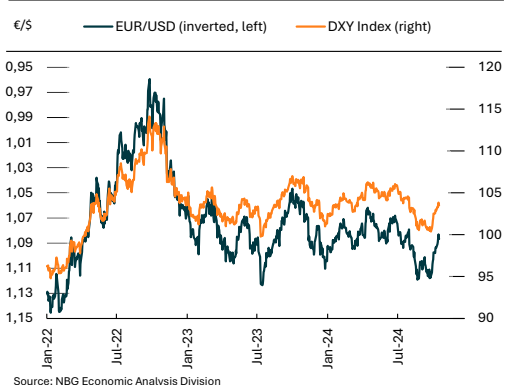
Graph 1.

US 10-Year Government Bond Nominal Yield Decomposition



Graph 2.

EUR/USD & DXY Index



Graph 3.

**Quote of the week:** "To me, the most beautiful word in the dictionary is tariff", former US President and Presidential candidate in the November 2024 elections, Donald J. Trump, October 16<sup>th</sup> 2024

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	October 18th	3-month	6-month	12-month	Official Rate (%)	October 18th	3-month	6-month	12-month
Germany	2,18	2,20	2,15	2,10	Euro area	3,25	3,00	2,50	2,25
US	4,08	3,90	3,80	3,70	US	5,00	4,50	4,00	3,25
UK	4,06	3,80	3,75	3,60	UK	5,00	4,75	4,50	3,75
Japan	0,97	1,00	1,20	1,40	Japan	0,25	0,35	0,50	0,60

Currency	October 18th	3-month	6-month	12-month	October 18th	3-month	6-month	12-month	
EUR/USD	1,09	1,08	1,09	1,10	USD/JPY	150	146	142	140
EUR/GBP	0,83	0,84	0,84	0,84	GBP/USD	1,31	1,29	1,29	1,31
EUR/JPY	163	158	154	154					

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)	5,4	3,9	2,6	1,7	3,3	1,3	0,5	0,0	0,2	0,4	0,8
Real GDP Growth (QoQ saar)	1,5	3,7	2,1	-0,4	-	-0,1	0,4	0,2	0,3	-	-
Private Consumption	1,4	4,3	4,9	-3,7	4,9	0,9	1,4	1,0	0,2	0,8	1,1
Government Consumption	1,1	-0,7	-1,3	2,6	1,1	1,1	0,8	3,0	2,7	1,2	1,2
Investment	-3,0	0,8	4,3	-0,3	2,1	1,8	-0,4	-0,1	4,0	1,1	0,0
Inventories Contribution	-1,1	0,5	0,3	-0,2	0,1	-2,3	1,3	-1,3	-1,1	-0,5	-0,3
Net Exports Contribution	2,3	0,9	-1,3	1,3	0,0	1,1	-1,7	0,4	-0,2	0,1	0,3
Exports	5,5	8,1	5,7	1,4	7,5	-1,9	-4,2	-4,6	1,4	-0,4	1,1
Imports	1,0	6,8	9,2	-1,3	8,3	-4,3	-1,1	-5,8	1,9	-0,7	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 in 2024, with annual EPS growth of 10%</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/Es (Valuations) above long-term means, with a premium of 31%. Current P/E of 21x 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 2024</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 ¥149 (+8%), 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 increasing to -0.1%, 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 is set to cut rates this year</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 has started cutting rates this year</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 ¥590 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 has started cutting rates this year</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 is set to cut rates this year, 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 2024</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							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	5865	0,9	23,0	35,9	57,7	MSCI Emerging Markets	71254	-0,2	15,8	22,6	30,7
Japan	NIKKEI 225	38982	-1,6	16,5	21,7	43,5	MSCI Asia	1118	-0,4	20,3	25,7	37,6
UK	MSCI UK	2387	1,3	7,8	9,7	19,6	China	69	-2,7	21,8	18,2	22,5
Euro area	EuroStoxx	516	0,2	8,9	19,8	36,1	Korea	788	-0,3	-5,1	3,1	15,3
Germany	DAX 40	19657	1,5	17,3	30,2	54,0	MSCI Latin America	95207	1,0	-5,3	8,5	3,4
France	CAC 40	7613	0,5	0,9	9,3	25,5	Brazil	312074	1,0	-6,9	6,1	-2,6
Italy	MSCI Italy	1133	2,7	17,7	26,7	65,4	Mexico	49949	1,1	-6,3	9,9	15,4
Spain	IBEX-35	11925	1,8	18,0	29,4	56,7	MSCI Europe	4094	-0,3	8,6	16,3	75,9
Hong Kong	Hang Seng	20804	-2,1	22,0	17,3	23,0	Russia	3216	0,0	3,8	-1,0	58,2
Greece	ASE	1444	1,9	11,6	22,5	69,6	Turkey	9586908	-1,5	23,9	24,4	138,8

**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	258,2	-2,6	5,7	-1,1	13,0	Growth (Developed)	5608,2	0,3	21,6	36,8	69,1
Materials	368,0	0,4	6,0	21,0	34,0	Value (Developed)	3882,1	0,8	15,1	26,2	36,9
Industrials	427,8	0,4	17,9	36,3	59,3	Large Cap (Developed)	2390,4	0,5	19,5	32,3	55,5
Consumer Discretionary	423,7	0,5	9,0	23,2	39,8	Small Cap (Developed)	580,6	1,0	9,9	27,2	32,5
Consumer Staples	294,8	0,3	9,2	15,7	19,1	US Growth	3934,8	0,6	29,8	40,5	64,7
Healthcare	396,6	-0,4	12,2	18,4	24,8	US Value	1981,5	1,1	15,3	30,9	48,4
Financials	182,6	2,2	23,3	39,9	53,2	US Large Cap	5864,7	0,9	23,0	35,9	57,7
IT	775,0	0,3	29,4	49,5	102,6	US Small Cap	1435,2	1,6	8,9	27,7	26,5
Telecoms	115,3	1,5	19,7	30,9	53,7	US Banks	448,2	1,6	27,6	55,0	37,3
Utilities	179,4	2,9	20,4	33,0	31,1	EA Banks	148,1	2,1	25,1	35,0	76,1
Real Estate	1116,3	2,2	9,2	29,0	24,1	Greek Banks	1237,8	2,6	16,6	31,8	113,0

**Bond Markets (%)**

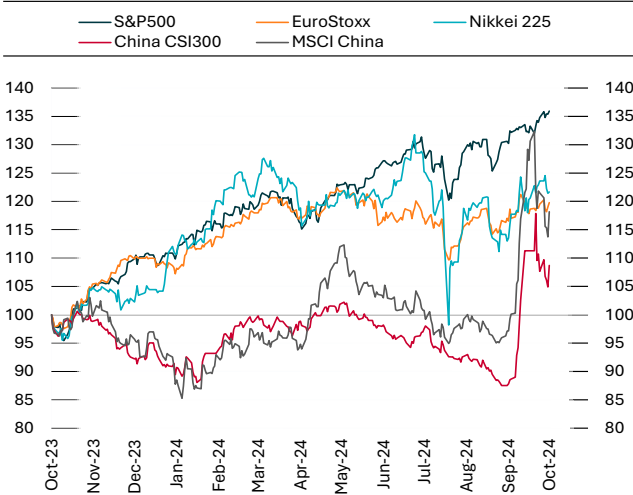
10-Year Government Bond Yields						Government Bond Yield Spreads (in bps)					
	Current	Last week	Year Start	One Year Back	10-year average		Current	Last week	Year Start	One Year Back	10-year average
US	4,08	4,07	3,86	4,90	2,44	US Treasuries 10Y/2Y	12	13	-39	-32	51
Germany	2,18	2,28	2,03	2,92	0,62	US Treasuries 10Y/5Y	20	19	3	-2	28
Japan	0,97	0,95	0,62	0,81	0,20	Bunds 10Y/2Y	8	2	-37	-33	46
UK	4,06	4,21	3,54	4,66	1,76	Bunds 10Y/5Y	16	14	8	8	36
Greece	3,04	3,24	3,08	4,39	4,53						
Ireland	2,54	2,64	2,38	3,38	1,12	Corporate Bond Spreads (in bps)					
Italy	3,36	3,56	3,70	4,98	2,26		Current	Last week	Year Start	One Year Back	10-year average
Spain	2,87	3,02	2,99	4,05	1,62	US IG	83	84	104	129	129
Portugal	2,62	2,78	2,79	3,65	2,04	US High yield	288	298	334	432	438
Emerging Markets (LC)**	4,35	4,40	4,67	5,10	4,56	Euro area IG	105	108	135	159	123
						Euro area High Yield	327	329	395	471	403
						Emerging Markets (HC)	173	175	244	263	305
						iTraxx Senior Financial 5Y <sup>2</sup>	62	65	67	99	77
US Mortgage Market											
	Current	Last week	Year Start	One Year Back	10-year average						
30-Year FRM <sup>1</sup> (%)	6,52	6,36	6,71	7,70	4,63						
vs 30Yr Treasury (bps)	214,0	213,0	273,0	270,0	173,2						

**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	1,09	-0,8	-2,3	3,0	-1,7	Agricultural	359	-2,6	-1,3	-10,2	-7,1
EUR/CHF	0,94	0,1	-0,1	-0,7	1,1	Energy	231	-8,0	-0,5	-21,4	-5,9
EUR/GBP	0,83	-0,5	-1,0	-4,0	-3,9	West Texas Oil (\$/bbl)	70	-8,3	-2,9	-21,0	-2,9
EUR/JPY	162,43	-0,6	2,9	2,9	4,3	Crude Brent Oil (\$/bbl)	73	-7,6	-0,8	-20,2	-5,2
EUR/NOK	11,87	1,2	0,8	1,8	5,8	HH Natural Gas (\$/mmbtu)	2,3	-14,4	-1,7	-26,5	-10,4
EUR/SEK	11,44	0,8	0,9	-1,5	2,8	TTF Natural Gas (EUR/mwh)	39	-0,8	12,1	-20,3	24,7
EUR/AUD	1,62	-0,2	-1,4	-2,5	0,0	Industrial Metals	467	-1,7	3,1	16,8	10,4
EUR/CAD	1,50	-0,6	-0,8	3,9	2,9	Precious Metals	3554	2,2	5,3	39,1	32,3
USD-based cross rates											
USD/CAD	1,38	0,3	1,4	0,6	4,2	Gold (\$)	2721	2,4	6,3	39,7	31,9
USD/AUD	1,49	0,6	0,9	-5,4	1,7	Silver (\$)	34	7,0	12,1	47,3	41,8
USD/JPY	149,61	0,2	5,3	-0,1	6,1	Baltic Dry Index	1576	-12,9	-16,6	-25,1	-24,7
						Baltic Dirty Tanker Index	1043	0,7	17,3	-18,0	-13,1

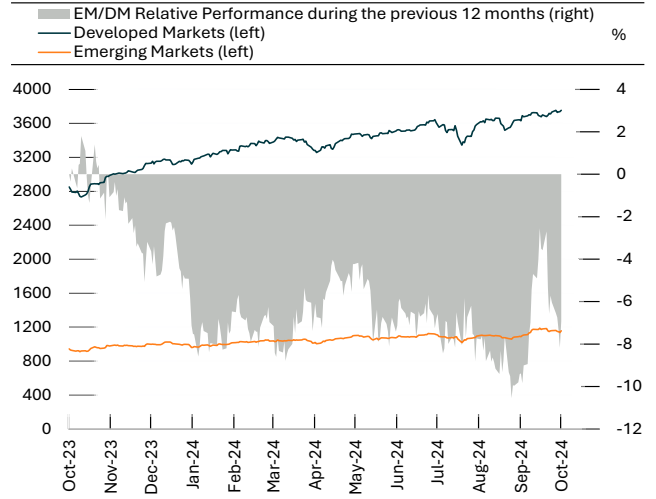
Source: NBG Economic Analysis Division, Data as of October 18<sup>th</sup>. \*: Unless otherwise noted, <sup>1</sup> Fixed-rate Mortgage, \*\*: Emerging Markets Sovereign Bond index has an effective duration of c.7 years, <sup>2</sup> The Markit iTraxx Europe Senior Financials index is made up of 5-yr CDS spreads on European financial companies.

Equity Market Performance



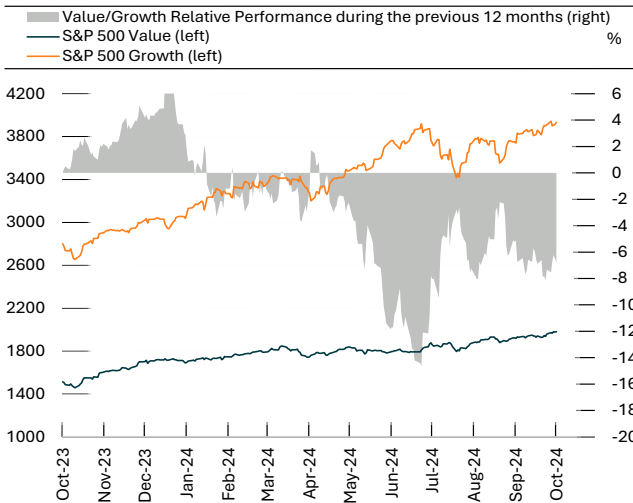
Data as of October 18<sup>th</sup> – Rebased @ 100

EM vs DM Performance in \$



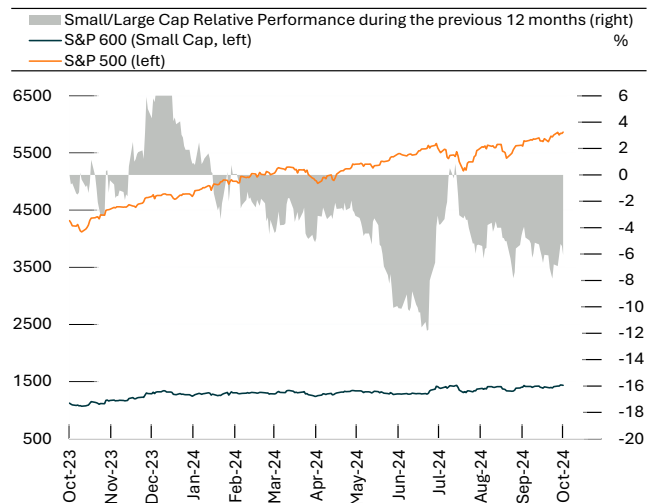
Data as of October 18<sup>th</sup>

S&P 500 Value & Growth Index



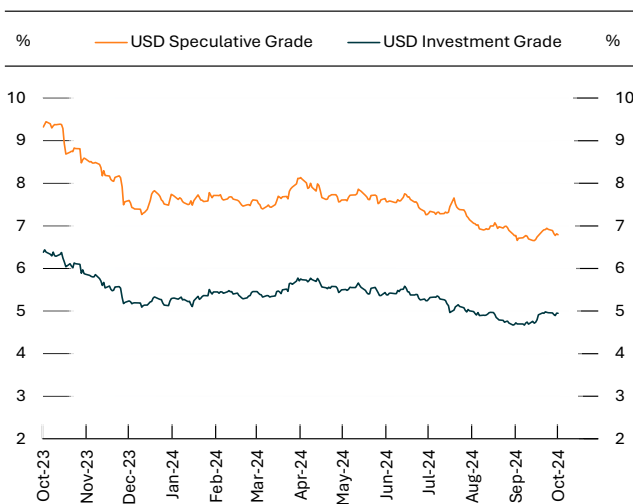
Data as of October 18<sup>th</sup>

S&P 500 & S&P 600 Index



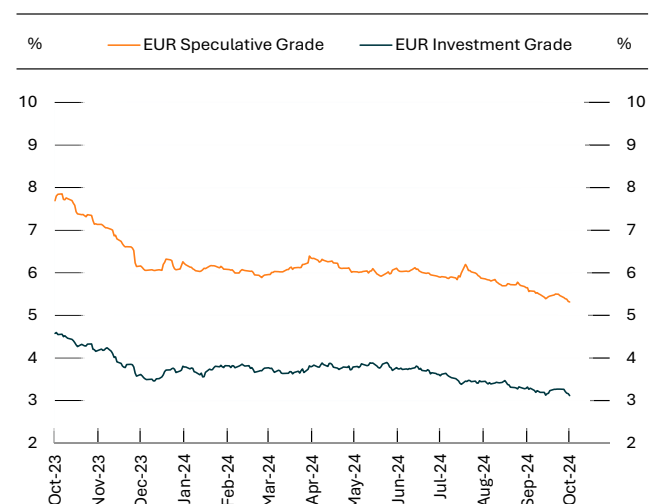
Data as of October 18<sup>th</sup>

USD Corporate Bond Yields



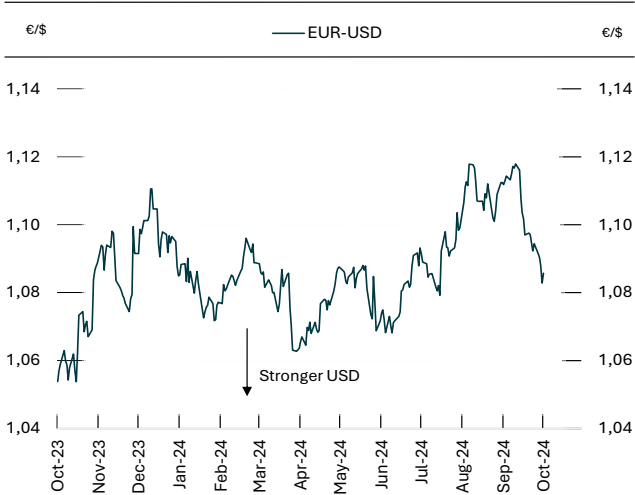
Data as of October 18<sup>th</sup>

EUR Corporate Bond Yields



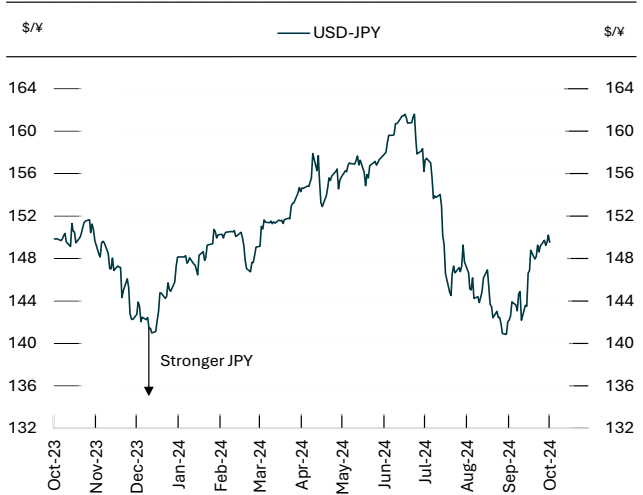
Data as of October 18<sup>th</sup>

### EUR/USD



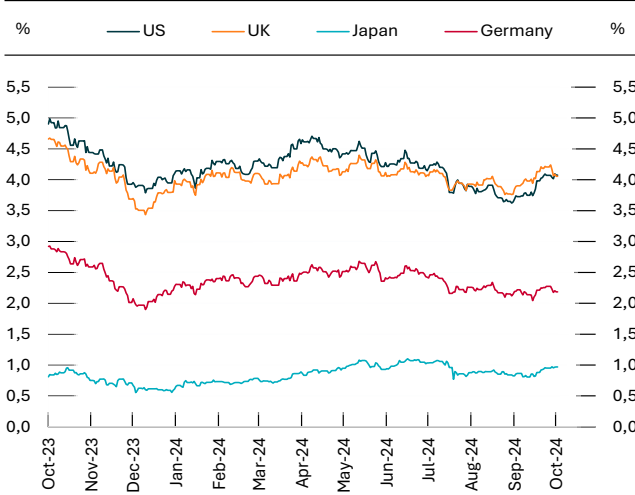
Data as of October 18<sup>th</sup>

### USD/JPY



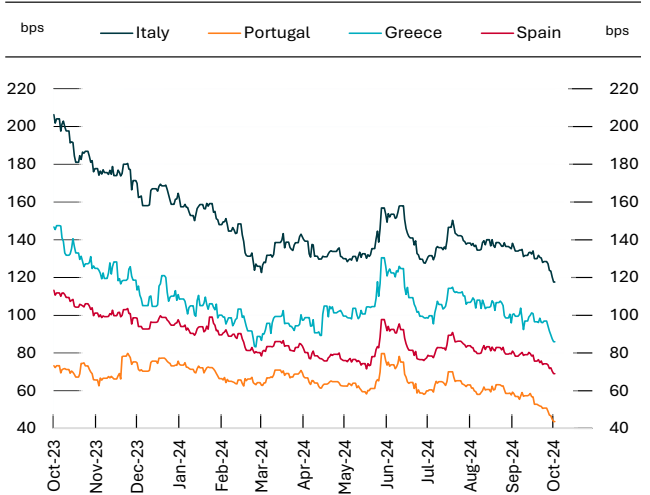
Data as of October 18<sup>th</sup>

### 10- Year Government Bond Yields



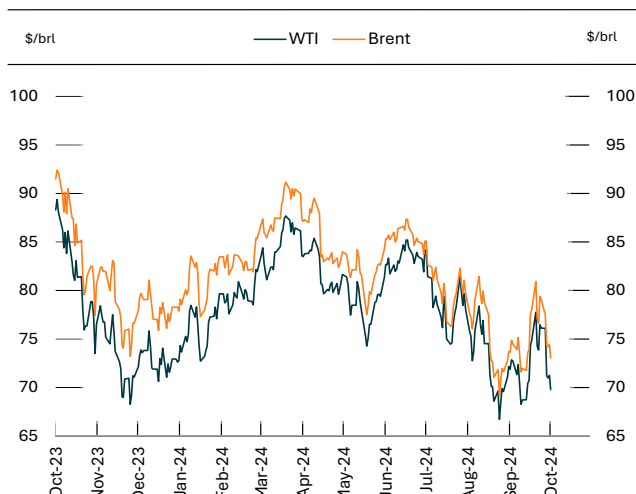
Data as of October 18<sup>th</sup>

### 10- Year Government Bond Spreads



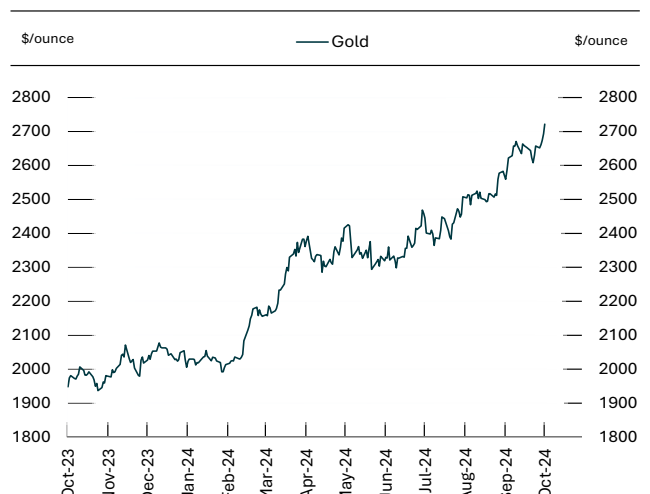
Data as of October 18<sup>th</sup>

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



Data as of October 18<sup>th</sup>

### Gold (\$/ounce)



Data as of October 18<sup>th</sup>



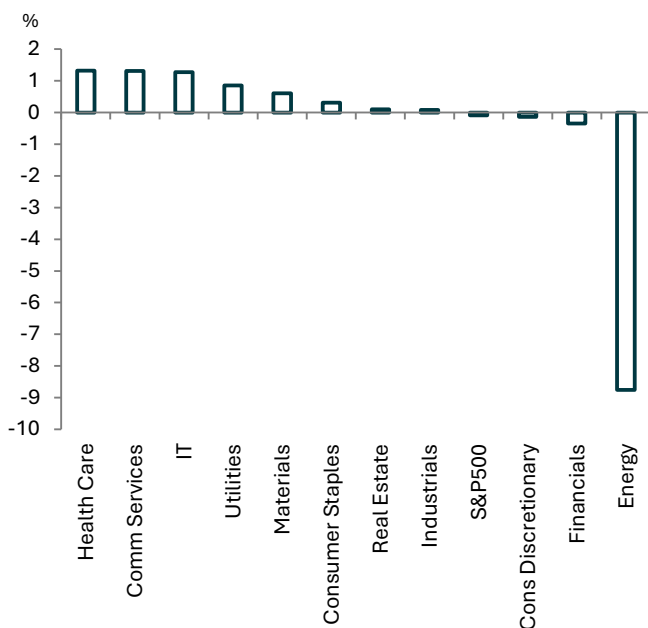
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	18/10/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
	S&P500	5865	0,9	23,0	9,4	14,9	1,3	1,3	24,6	21,4	21,7	16,0	4,9	4,4	4,9
Energy	695	-2,6	8,6	-16,9	8,5	3,2	3,4	14,7	13,5	13,7	17,7	2,1	2,0	2,1	2,0
Materials	617	1,9	14,3	-4,9	19,2	1,8	1,9	23,5	19,7	20,2	15,7	3,1	2,9	3,1	2,8
Financials															
Diversified Financials	1359	3,0	24,6	16,6	9,1	1,0	1,1	21,8	20,0	20,2	13,8	2,9	2,7	2,9	1,5
Banks	448	1,6	27,6	0,7	4,0	2,8	3,0	11,9	11,5	11,5	12,2	1,3	1,2	1,3	1,3
Insurance	841	1,5	31,6	24,2	10,7	1,5	1,6	15,4	13,9	14,1	11,1	2,5	2,3	2,6	1,4
Real Estate	281	3,0	11,5	1,4	8,1	3,2	3,4	40,6	37,6	38,1	16,6	3,1	3,2	3,1	N/A
Industrials															
Capital Goods	1301	0,9	27,1	2,9	14,4	1,3	1,4	25,6	22,4	22,8	16,3	6,4	5,8	6,4	3,7
Transportation	1064	-0,6	6,6	-1,3	22,5	1,7	1,8	20,8	17,0	17,7	16,3	4,9	4,3	5,0	3,9
Commercial Services	701	0,8	21,0	11,9	10,0	1,2	1,2	32,2	29,3	29,5	19,5	10,2	9,0	10,2	4,3
Consumer Discretionary															
Retailing	4750	0,6	22,1	24,8	15,3	0,6	0,6	31,9	27,7	28,3	22,3	9,9	7,7	10,3	7,3
Consumer Services	1840	2,0	12,7	5,1	14,4	1,2	1,3	25,5	22,3	22,8	22,3	N/A	N/A	N/A	N/A
Consumer Durables	433	3,4	0,1	0,4	9,8	1,1	1,1	17,6	16,0	16,3	16,0	3,7	3,3	3,6	3,2
Automobiles and parts	125	1,5	-8,2	1,2	8,8	0,4	0,4	28,6	26,3	26,7	15,2	4,1	3,6	4,2	2,9
IT															
Technology	4313	2,8	21,3	7,9	13,2	0,6	0,7	30,4	26,9	26,6	16,3	19,8	17,5	19,7	6,6
Software & Services	4775	0,2	12,5	16,4	10,9	0,7	0,7	34,4	31,0	30,4	20,5	10,7	8,4	10,2	6,0
Semiconductors	5807	-0,1	77,1	39,4	41,2	0,5	0,5	39,9	28,3	29,4	17,8	10,8	8,6	11,0	4,4
Communication Services	316	0,3	28,3	19,5	16,8	0,9	1,0	21,3	18,2	18,7	15,5	4,4	3,8	4,2	2,6
Media	1290	0,1	28,5	8,9	4,9	2,5	2,6	10,4	9,9	9,9	6,6	1,9	1,7	1,9	N/A
Consumer Staples															
Food & Staples Retailing	901	0,7	27,7	3,3	5,8	1,9	1,2	29,4	27,7	28,0	17,6	7,2	6,5	7,3	3,6
Food Beverage & Tobacco	871	0,7	9,2	3,3	6,2	3,4	3,6	18,1	17,1	17,3	17,0	5,3	4,9	5,4	5,2
Household Goods	913	0,3	13,4	8,0	6,5	2,4	2,5	25,2	23,6	23,3	19,8	8,8	8,0	8,6	6,1
Health Care															
Pharmaceuticals	1469	-0,4	15,2	6,0	30,2	1,7	1,8	23,9	18,4	19,1	14,5	6,2	5,5	6,3	4,4
Healthcare Equipment	2057	-0,8	8,3	6,3	11,0	1,2	1,3	20,0	18,0	18,3	16,1	4,0	3,6	4,0	3,1
Utilities	416	3,4	29,3	12,5	9,1	2,9	3,1	19,6	18,0	18,2	15,9	2,2	2,1	2,2	1,9

The prices data are as of 18/10/2024, while the EPS growth, Dividend yield, P/E ratio and P/BV ratio are as of 10/10/2024. 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

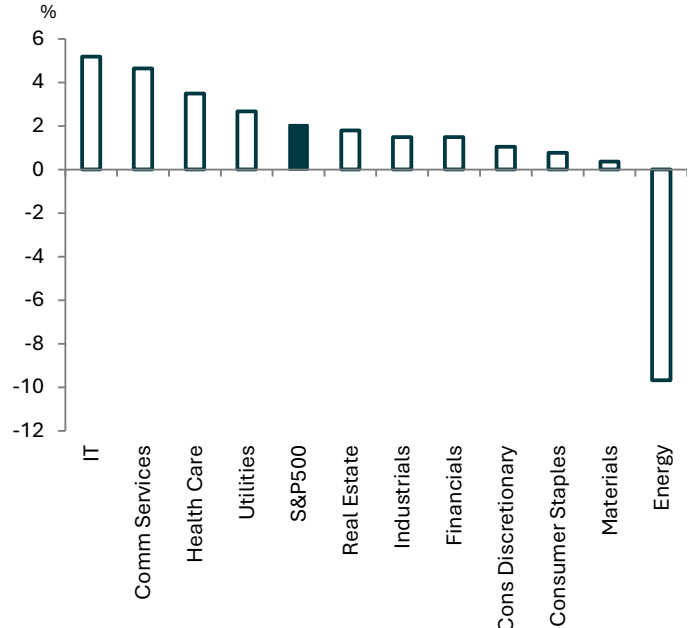
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of October 10<sup>th</sup>  
12-month forward EPS are 20% of 2024 EPS and 80% 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 October 10<sup>th</sup>  
12-month forward EPS are 20% of 2024 EPS and 80% of 2025 EPS

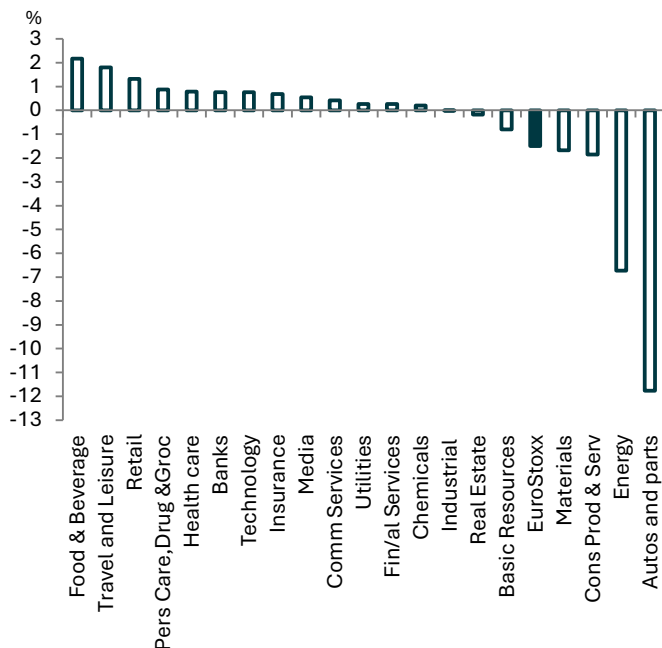
### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	18/10/24	% Weekly Change	%YTD	2024	2025	2024	2025	2024	2025	12m fwd	20Yr Avg	2024	2025	Current	20Yr Avg
EuroStoxx	516	0,2	8,9	0,7	10,1	3,3	3,6	14,0	12,7	12,9	12,8	1,7	1,6	1,7	1,6
Energy	122	-3,0	-0,2	-7,7	1,5	5,0	5,4	8,9	8,7	8,7	10,4	1,2	1,1	1,2	1,5
Materials	1011	-0,4	-2,8	10,8	20,1	2,9	3,1	18,8	15,6	16,1	14,2	1,5	1,5	1,5	1,8
Basic Resources	185	-3,9	-16,3	-9,6	30,3	3,6	3,9	11,7	9,0	9,4	11,6	0,7	0,6	0,7	1,0
Chemicals	1552	0,3	0,2	18,8	17,0	2,8	3,0	20,9	17,8	18,3	15,1	2,0	1,9	2,0	2,2
Financials															
Banks	148	2,1	25,1	9,0	3,3	6,9	7,2	6,9	6,7	6,7	9,2	0,8	0,7	0,8	0,9
Insurance	439	2,1	25,5	13,0	9,5	5,2	5,6	10,5	9,6	9,7	9,1	1,6	1,5	1,6	1,1
Financial Services	641	2,7	14,9	-20,3	6,9	3,0	3,1	13,9	13,0	13,1	14,2	1,6	1,5	1,6	1,5
Real Estate	161	0,2	7,6	15,9	3,2	4,6	4,8	13,5	13,1	13,1	12,6	0,9	0,8	0,9	1,0
Industrials															
Industrial Goods & Services	1318	2,6	15,9	8,5	14,9	2,3	2,5	19,6	17,0	17,4	15,4	3,2	2,9	3,2	2,6
Construction & Materials	648	1,7	6,6	1,0	10,7	3,5	3,8	13,1	11,8	12,0	13,2	1,7	1,6	1,8	1,6
Consumer Discretionary															
Retail	946	0,6	35,6	14,9	11,4	3,1	3,3	26,0	23,3	23,9	17,3	5,8	5,4	5,9	2,9
Automobiles and parts	548	1,1	-9,6	-25,1	12,5	5,4	5,8	6,5	5,8	5,9	11,2	0,6	0,6	0,6	1,1
Travel and Leisure	232	3,4	3,7	-10,9	23,4	3,0	3,3	11,9	9,6	10,0	27,8	2,0	1,8	2,0	2,1
Consumer Products & Services	445	-3,3	-9,5	9,5	16,4	1,7	1,9	29,0	24,9	25,5	21,1	5,1	4,6	5,2	3,9
Media	377	2,5	15,0	6,9	8,5	2,3	2,4	20,4	18,8	19,0	15,4	3,5	3,4	3,5	2,3
Technology	1019	-5,1	7,3	-7,7	32,5	1,0	1,2	30,1	22,7	23,7	19,2	5,1	4,6	5,2	3,4
Consumer Staples															
Food, Beverage & Tobacco	167	1,6	1,1	3,8	10,8	2,4	2,5	19,3	17,4	17,6	17,7	1,9	1,8	1,9	2,8
Personal Care, Drug & Grocery	172	-1,1	0,5	-0,2	10,7	3,5	3,7	13,6	12,3	12,5	N/A	1,9	1,8	1,9	2,2
Health care	852	1,6	12,2	3,6	14,7	2,1	2,3	16,8	14,6	14,9	14,8	1,9	1,8	1,9	2,0
Communication Services	334	3,3	20,4	14,2	8,5	4,0	4,3	15,5	14,3	14,5	13,0	1,6	1,5	1,6	1,8
Utilities	410	2,3	4,7	-0,4	-4,9	5,2	5,3	12,1	12,8	12,7	13,0	1,6	1,5	1,6	1,5

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

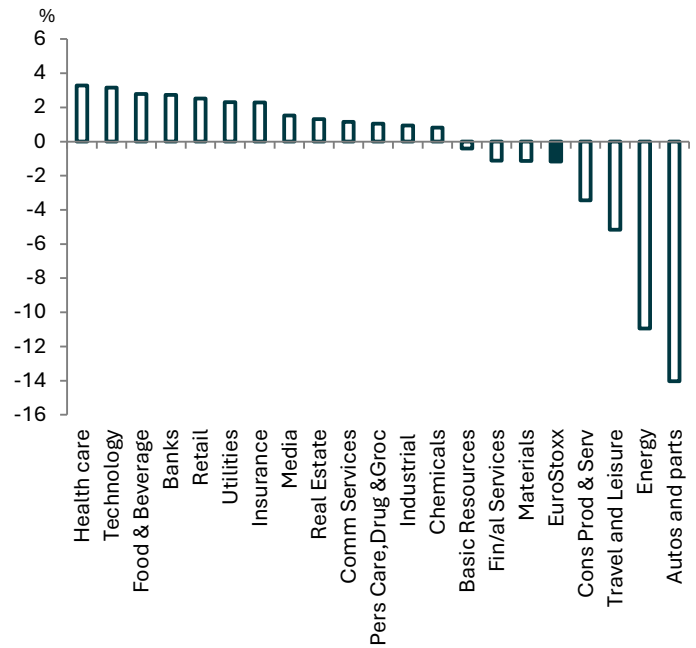
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Data as of October 10<sup>th</sup>  
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Earnings Revisions indicate 3-month change in 12-month Forward EPS



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