

Real yields on long-term US Treasury securities increased at their highest level since 2009 (+2.17%)

- In the past week, global equity markets lost ground, as long-term government bond real yields surged, recording their highest level since 2009 due to the higher-for-longer message from the Federal Reserve, the ongoing reduction in its balance sheet (see graph below) and the elevated risk of unexpected inflation.
- The Federal Reserve kept the Federal Funds Rate unchanged at 5.25%-5.50%, in order to assess the effects on (future) output and inflation of the insofar monetary policy tightening. The Fed has raised short-term rates by +525 bps since March 2022, while continues to reduce its holdings of Treasury securities and agency mortgage-backed securities (\$7.5 trillion or 28% of US GDP) at a pace of \$95 billion per month.
- Economic projections by the Fed continue to point to an additional 25 basis points increase by end-2023 (5.50% - 5.75%). Equally importantly, the median estimate for 2024 was revised higher by +50 bps to 5.0% - 5.25%, suggesting a more conservative normalization path for interest rates, from restrictive levels. Market implied expectations for the next year moved only slightly.
- Output projections were revised higher, supporting the soft-landing narrative. The Fed anticipates real GDP growth of +2.1% year-over-year in Q4:2023 and +1.5% in Q4:2024, from +1.0% and +1.1%, respectively, three months ago. The unemployment rate expected path was revised lower by 0.3 to 0.4 pps across the forecasting horizon to circa 4.0%, reflecting strong economic growth. Finally, the baseline inflation outlook is for a continuing deceleration, from +3.3% year-over-year in Q4:2023 to +2.5% in Q4:2024 and +2.2% in Q4:2025.
- At the same time, elevated geopolitical tensions, the possibility of a US Federal Government shutdown and the ongoing United Auto Workers (UAW) strike weigh on sentiment, increasing equity market volatility. The S&P500 ended the week down by circa -3%, recording the largest weekly decline since March 2023.
- With less than one week before the end of the US Fiscal Year, the US Congress must pass several appropriation bills or approve a stopgap temporarily funding measure, called a continuing resolution (CR) before the September 30 deadline, to avert a Federal Government shutdown.
- On Friday, the UAW union decided to expand its strike against General Motors and Stellantis at additional 38 plants across 20 states, in response to the lack of progress in negotiations. Overall, 5.6k additional workers will join the 12.7k workers who are already on strike. On the contrary, no further strikes would be initiated against Ford, as substantial progress has been made with Ford deciding to reinstate the cost-of-living adjustment (COLA) formula that offsets increases in inflation and was suspended in 2009.
- Regarding China/EU relations, less than two weeks since the European Commission President Ursula von der Leyen's announcement that the EC will launch an anti-subsidy investigation into Chinese EVs, the EU Trade Commissioner Dombrovskis visited China to explain that the probe aims to create fairer trading practices. The Commissioner called for a more balanced trade as the EU posted a goods trade deficit with China of almost €400 billion in 2022 or -2.5% of EU GDP.

Ilias Tsirigotakis^{AC}
Head of Global
Markets Research
210-3341517
tsirigotakis.ilias@nbg.gr

Panagiotis Bakalis
210-3341545
mpakalis.pan@nbg.gr

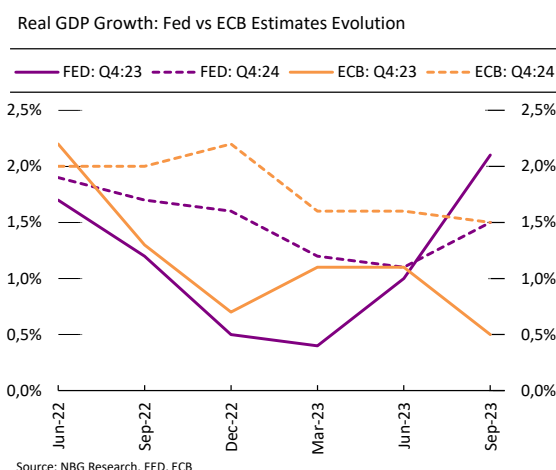
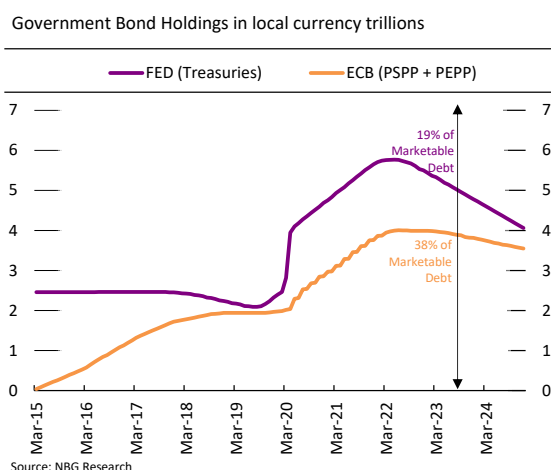
Vasiliki Karagianni
210-3341548
karagianni.vasiliki@nbg.gr

Leonidas Patsios
210-3341533
Patsios.Leonidas@nbg.gr

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Charts of the week



Fed macroeconomic projections were significantly revised up for real GDP

- **Solid data in recent months for activity and resilient ones for the labor market, prompted the 19 participants in the Federal Open Market Committee (FOMC) to revise accordingly their projections for GDP and unemployment rate compared with three months ago.** Indeed, the median estimate was revised up sharply by +1.1 pp to +2.1% yoy for 2023 GDP growth (Q4/Q4) and by +0.4 pps to +1.5% for Q4:24. The respective estimate for Q4:25 was maintained at +1.8% yoy, matching the newly introduced projection for Q4:26 and the (unrevised) long-term one. On the labor market, the median FOMC projection was revised substantially down by -0.3 pps to 3.8% on average in Q4:23 (3.8% in August) and by -0.4 pps to 4.1% on average in both Q4:24 and Q4:25. A 4.0% unemployment rate is envisaged for Q4:26 as well as in the long-term (unrevised).
- **On inflation, the FOMC's outlook was little changed.** Indeed, regarding the headline PCE inflation, the median projection for 2023 (Q4 average) was slightly revised up, by +0.1 pp to +3.3% yoy, likely with higher energy prices offsetting a somewhat less intense core PCE growth. Later on, it is still anticipated at +2.5% yoy in Q4:24 and was revised up by +0.1 pp to +2.2% yoy in Q4:25 (+2.0% yoy in Q4:26, matching the target as well as the longer-term estimate). Core PCE growth is anticipated at +3.7% yoy in Q4:23 (-0.2 pps versus June's projections), at 2.6% in Q4:24 (unrevised), at 2.3% yoy in Q4:25 (instead of 2.2%) and +2.0% yoy in Q4:26.
- **The macroeconomic outlook is conditioned on the Fed proceeding with a higher (compared with the one in June) path for the Federal Funds Rate (FFR).** In the event, the median of FOMC participants' respective assumptions, still points to 5.6% by end-2023, suggesting one more hikes of 25 bps, to a target range of 5.5% - 5.75%. In view of the higher estimated trajectory for GDP, the FFR is expected to remain "higher for longer" for the timely return of inflation to target. Indeed, the respective FOMC median moved significantly up to 5.1% in end-2024 (instead of 4.6%) and 3.9% in end-2025 (instead of 3.4%). The newly introduced assumption for end-2026 was +2.9%, while the respective one for the long-term was maintained at +2.5%.

US housing market: higher interest rates and stretched affordability are risk factors

- **Sales of existing homes were depressed in August, in view *inter alia*, of particularly low availability of existing houses for sale** (1.10mn versus an average of 2.24mn since 1990). Specifically, existing home sales fell by -0.7% mom in August (-15.3% yoy), to 4.04mn (annualized), and substantially below a long-term average of 4.93mn (-36.0% compared with a peak of 6.36mn in November 2021).
- Recall that, currently, 72% of total houses for sale are existing ones, compared to an average of 87% since 1990, *inter alia* as **higher mortgage interest rates due to monetary policy tightening have limited the incentive of households to re-finance home purchases.** In the event, according to data from Freddie Mac, the 30-year fixed mortgage rate continues to hover at 20-year highs, at 7.19% for the week ending on September 21st, the highest since May 2021, compared with 3.45% in January 2022 and far above an average of 4.2% since 2010. In that context, mortgage applications remain depressed according to the Mortgage Bankers Association, lower by -69% compared with late-January 2022 levels for the week ending September 15th.

- New residential construction posted a setback in August, with higher interest rates and stretched affordability weighing. In all, housing starts in August decreased by -11.3% mom (-14.8% yoy) to 1283k (annualized rate), versus consensus for 1440k and somewhat below a long-term average of 1322k. It should also be noted though that the sharpness of the aforementioned fall was in a big part due to the highly volatile multifamily (apartment buildings and condominiums) component. In addition, building permits rose substantially on a monthly basis (+6.9% yoy) to 1543k (annualized rate), well above a long-term average of 1347k. Looking forward, the National Association of Home Builders (NAHB) survey for September, which captures homebuilders' confidence for new home sales, suggested increased cautiousness for a 2nd consecutive month. Indeed, following seven months of improvement (from January to July 2023), the respective index fell by -5 pts to 45, following a -6 pts in August, below the threshold above/below which a positive/negative stance is indicated, for the first time in five months.
- The low supply of existing homes supports the bargaining power of sellers. As a result, the easing of the median existing home sales price, which had been evident from a peak in June 2022 to a trough in January 2023 (-13% in that period), has broadly reversed course. Indeed, an increase of +13% has taken place from January 2023 to August 2023. Home price valuations appear stretched, with the nominal price levels for existing homes standing in August at +53% compared with January 2020, while nominal personal incomes have risen by +20% from January 2020 to June 2023. Notably, many new houses remain in the pipeline (1.70mn in the phase of construction, versus an average of 0.95mn since 1990), arguing in favor of the prospects for new home supply. However, high construction costs limit the downside for prices. In the event, note that prices paid for goods used in residential construction were up by +1.2% mom in August, higher by +38% versus January 2020.

The Bank of England stood pat

- **The Bank of England, on September 21st, kept its Bank Rate unchanged at 5.25%, for the first time since December 2021,** with a vote majority of 5, versus 4 members who opted for a 25-bps hike to 5.50%. Moreover, the BoE indicated that monetary policy would need to be sufficiently restrictive for sufficiently long in order inflation to return to the target of 2% sustainably in the medium term. Nevertheless, the BoE left the door open to further tightening in case of more persistent inflationary pressures. Meanwhile, the Bank staff, considering recent data developments, revised lower its real GDP growth projections for Q3:2023 to +0.1% qoq from +0.4% qoq in the August report.
- Furthermore, the BoE announced, with a unanimous vote, the reduction of its gilt holdings by £100 bn in the next 12 months, to £658bn (26% of GDP), including via sales, a modest increase in the pace of gilt stock reduction compared with the October 2022 – September 2023 period (£80 bn). From the above-mentioned amount, almost £50 bn will occur from maturing gilts in the next 12 months (£35 bn in the previous 12 months) and the remaining amount (£50 bn) via gilt sales. Specifically, in Q4:2023, the BoE intends to hold 12 gilt sale auctions with a planned size of £0.67 bn per auction.

Equities

- Global equity markets declined in the past week (MSCI ACWI: -2.7%), as investors adapt to the prospect that (real) interest rates will remain higher for longer.** In the US, the S&P500 ended the week down by -2.9% (+13 ytd) as the US 10-year government bond yield reached its highest level in 16 years. This was the largest weekly decline for the index since March and the 3rd consecutive week in the red. Sector-wise, the Automobiles and Components sector fell by -9.6% w/w, with Tesla underperforming (-10.8% w/w), due to, inter alia, growing concerns regarding vehicle demand in a high interest rate environment and downward revisions by analysts of Tesla's Q3:23 delivery figures, ahead of the official announcement on October 2. Investors' attention also turns on iPhone 15 models' sales in China, launched on Friday, following earlier media reports that China expanded a ban on iPhone use in certain agencies and state-owned enterprises. At the same time, Chinese stocks were mixed in the past week (CSI300: +0.8% | MSCI China: -0.9%). The sluggish Chinese economy is adding another layer of caution for investors. S&P on Monday lowered its forecast for Chinese growth to 4.8% in 2023 from 5.2%, and to 4.4% in 2024 from 4.8%. In Italy, equity markets fell by -1% w/w (+20% ytd), with the Italian Banks overperforming (+3.3 w/w | +33 ytd), following media reports that the Italian government will provide banks an opt-out clause regarding the windfall tax on their "extra earnings", if they allocate 2.5 times the amount of the tax to strengthen their common equity tier 1 ratio as non-available reserves.

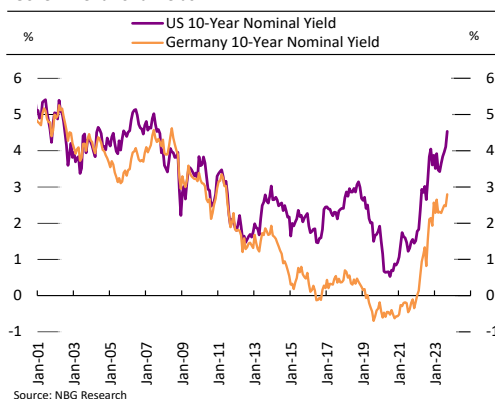
Fixed Income

- Government bond yields rose in the past week**, with the 10-year Bund yield increasing by +7 bps w/w to 2.74%, re-testing 12-year highs, while the 2-year yield rose by +4 bps w/w to 3.24%. Periphery spreads over the 10-year Bund widened slightly in Italy (+5 bps to 183 bps), recording their highest level since late-May as investors and policymakers await the release of the latest Italian Economic and Financial Document (NADEF), which is presented by 27 September of each year and includes the updated economic and public finance forecasts carried out by the Ministry of Economy and Finance. The Hellenic Republic had a successful reopening of a 10-year bond (initially issued in January 2023, maturing on June 15th 2033 and bearing a 4.25% annual coupon), attracting offers of €1.016 bn for an auctioned amount of €0.2 bn. The US 10-year yield increased by +10 bps w/w to 4.43% and by further +11 bps on Monday, reaching a new 16-year high (4.53%), with real yields leading the increase, up by +8 bps w/w to 2.06% and by further +11 bps on Monday to 2.17% (see Graph 2). The 2-year yield rose by +6 bps w/w to 5.10%, its highest level since July 2006. **Finally, corporate bond spreads widened in the high yield spectrum in the past week.** Indeed, USD HY bond spreads were higher by +14 bps w/w to 393 bps, and their EUR counterparts increased by +6 bps w/w to 421 bps. In the investment grade spectrum, USD IG bonds spreads narrowed by -2 bps w/w to 120 bps, while EUR IG bonds spreads were broadly stable at 146 bps.

FX and Commodities

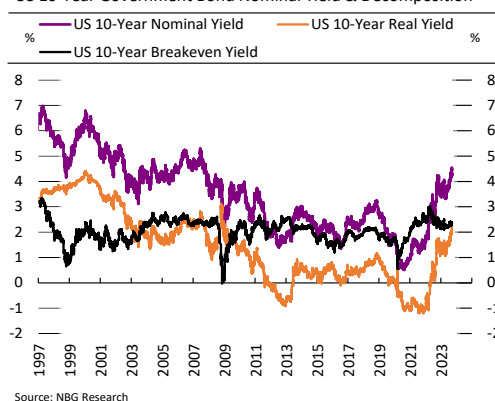
- In foreign exchange markets**, the US Dollar ended the week broadly stable against the euro at \$1.07 and increased by +0.8% on Monday, recording a 6-month high (\$1.059), as US robust economic growth momentum continues to support the USD. **In commodities, oil prices were broadly unchanged in the past week (Brent: \$93/barrel) and fell by -1% on Monday**, after a c 20% rally since mid-June, due to expectations for a widening supply deficit for the rest of 2023 stemming from extended oil production cuts by Saudi Arabia and Russia.

Government Bond Yields



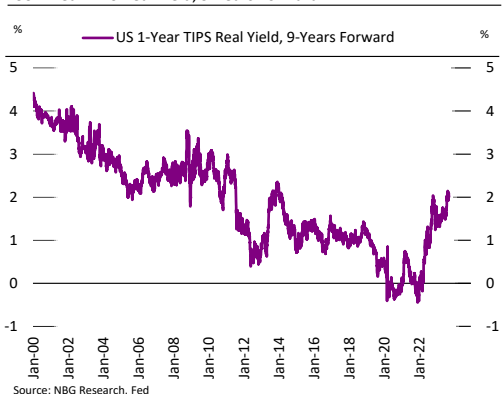
Graph 1.

US 10-Year Government Bond Nominal Yield & Decomposition



Graph 2.

US 1-Year TIPS Real Yield, 9-Years Forward



Graph 3.

Quote of the week: "Inflation is still too high, and I expect it will likely be appropriate for the Committee to raise rates further and hold them at a restrictive level for some time to return inflation to our 2 percent goal", **Member of the Board of Governors of the Federal Reserve System and a FOMC voting member, Michelle W. Bowman, September 22nd 2023.**

Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 22nd	3-month	6-month	12-month	Official Rate (%)	September 22nd	3-month	6-month	12-month
Germany	2,74	2,60	2,70	2,70	Euro area	4,00	4,00	4,00	4,00
US	4,43	4,10	4,20	4,20	US	5,50	5,75	5,75	5,50
UK	4,24	4,28	4,15	3,98	UK	5,25	5,55	5,55	5,10
Japan	0,74	0,72	0,71	0,82	Japan	-0,10	-0,10	-0,10	-0,05

Currency	September 22nd	3-month	6-month	12-month	September 22nd	3-month	6-month	12-month	
EUR/USD	1,07	1,08	1,09	1,10	USD/JPY	148	147	144	139
EUR/GBP	0,87	0,87	0,88	0,88	GBP/USD	1,23	1,24	1,23	1,25
EUR/JPY	158	159	157	153					

Forecasts at end of period

Economic Forecasts

United States	2021a	Q1:22a	Q2:22a	Q3:22a	Q4:22a	2022a	Q1:23a	Q2:23a	Q3:23f	Q4:23f	2023f
Real GDP Growth (YoY) (1)	5,9	3,7	1,8	1,9	0,9	2,1	1,8	2,5	2,5	2,1	2,2
Real GDP Growth (QoQ saar) (2)	-	-1,6	-0,6	3,2	2,6	-	2,0	2,1	3,5	1,0	-
Private Consumption	8,3	1,3	2,0	2,3	1,0	2,7	4,2	1,7	3,8	1,4	2,5
Government Consumption	0,6	-2,3	-1,6	3,7	3,8	-0,6	5,0	3,3	0,7	1,0	3,1
Investment	7,4	4,8	-5,0	-3,5	-3,8	-0,2	-0,4	3,9	8,7	1,6	0,2
Residential	10,7	-3,1	-17,8	-27,1	-25,1	-10,6	-4,0	-3,6	7,0	3,0	-10,9
Non-residential	6,4	7,9	0,1	6,2	4,0	3,9	0,6	6,1	0,9	1,3	3,0
Inventories Contribution	0,2	0,3	-2,1	-1,4	2,0	0,7	-2,6	-0,1	0,4	-0,3	-0,6
Net Exports Contribution	-1,7	-3,8	1,2	3,3	0,6	-0,6	0,6	-0,1	-0,1	-0,1	0,7
Exports	6,1	-4,6	13,8	14,6	-3,7	7,1	7,8	-10,6	3,0	1,6	2,0
Imports	14,1	18,4	2,2	-7,3	-5,5	8,1	2,0	-7,0	2,6	1,8	-2,3
Inflation (3)	4,7	8,0	8,7	8,3	7,1	8,0	5,8	4,0	3,5	3,7	4,3

Euro Area	2021a	Q1:22a	Q2:22a	Q3:22a	Q4:22a	2022a	Q1:23a	Q2:23a	Q3:23f	Q4:23f	2023f
Real GDP Growth (YoY)	5,6	5,4	4,2	2,3	1,7	3,4	1,1	0,5	0,6	0,9	0,8
Real GDP Growth (QoQ saar)	-	2,6	3,3	1,3	-0,2	-	0,3	0,5	1,3	1,3	-
Private Consumption	4,1	0,0	4,7	3,6	-2,8	4,3	0,1	-0,3	1,3	1,4	0,6
Government Consumption	4,1	1,5	-1,1	-0,1	2,1	1,4	-2,4	-3,3	0,8	1,8	0,1
Investment	3,6	-2,3	3,5	3,5	-0,8	2,9	1,3	1,4	1,9	1,9	0,3
Inventories Contribution	0,3	-0,4	0,7	1,0	-1,1	0,4	-2,1	1,8	-0,4	-0,1	0,1
Net Exports Contribution	1,4	3,2	-0,4	-2,3	2,1	-0,1	2,6	-1,0	0,5	-0,1	0,3
Exports	11,0	6,4	6,8	5,0	-1,4	7,2	0,1	2,8	4,1	2,5	3,3
Imports	8,7	0,2	8,2	10,5	-5,6	8,1	-5,1	5,2	3,5	3,0	2,9
Inflation	2,6	6,1	8,0	9,3	10,0	8,4	8,0	6,2	4,8	3,6	5,6

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

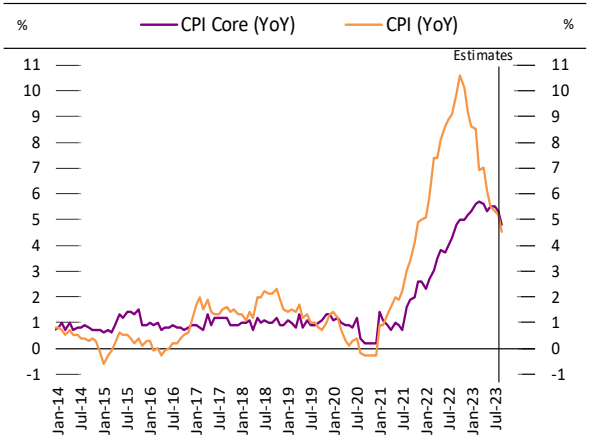
	US	Euro Area	Japan	UK
Equity Markets	<ul style="list-style-type: none"> + Corporate profitability is expected to improve in 2024, with annual EPS growth of 12% + Households' balance sheets are healthy (low debt, still elevated excess savings) - Peaking profit margins - Recession risks remain - P/Es (Valuations) above long-term means, with a premium of 15%. Current P/E of 18.1x vs a 20-year average of 15.8x <p>● Neutral</p>	<ul style="list-style-type: none"> + Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) + China's policy support measures could accelerate an export-led recovery - Geopolitical uncertainty (Ukraine-Russia, natural gas) could re-intensify - The economic backdrop remains muted - Fiscal policy will turn restrictive in 2024 <p>● Neutral/Positive</p>	<ul style="list-style-type: none"> + Higher equity risk premium (lower P/E ratio) relative to benchmark market (US) + China's policy support measures could accelerate an export-led recovery - JPY depreciation from ¥132 to ¥148 (12%), if continues, could support exporters - Signs of policy fatigue regarding structural reforms and fiscal discipline - Yield-Curve Control twists, let alone a sustained shift in ultra-loose monetary policy, could hurt market benchmarks (but support Banks) <p>● Neutral</p>	<ul style="list-style-type: none"> + Significant exposure to commodities + Undemanding valuations in relative terms relative to other regions - Elevated domestic policy uncertainty - The BOE is expected to continue increasing interest rates as inflation remains very high and labor market extremely tight <p>● Neutral</p>
Government Bonds	<ul style="list-style-type: none"> + Valuations appear somewhat rich, with term premium, albeit increasing to -0.1%, remaining below 2000-2015 averages (1.4%) + Fiscal deficits to remain sizeable in following years - Underlying inflation pressures remain acute - FED: passive (lower rollover) Quantitative Tightening - Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) could reverse - Safe-haven demand bid to support prices assuming geopolitical risks re-intensify - The FED is likely close to be done with rates <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> + ECB to continue unwinding its balance sheet via its APP portfolio + Global spillovers from higher US interest rates - ECB QE "stock" effect, with government bond holdings of €3.9 trillion (27% of GDP) - The ECB is likely close to be done with rates - Fragile economic growth outlook due to the war in Ukraine <p>▲ Slightly higher yields</p>	<ul style="list-style-type: none"> + Sizeable fiscal deficits + The range of Yield-Targeting of 10-Year JGB at around 0% could widen further (implicitly @ +100 bps) + Global spillovers from higher US interest rates - Safe-haven demand - Monetary stance remains extremely dovish, despite the unexpected shifts in YCC policy QE "stock" effect, with government bond holdings of ¥594 trillion (102% of GDP) <p>▲ Slightly Higher yields</p>	<ul style="list-style-type: none"> + Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China) + The BOE is expected to continue increasing interest rates as inflation remains very high and labor market extremely tight - BOE: active (sales) Quantitative Tightening - Slowing economic growth post-Brexit <p>▲ Slightly Higher yields</p>
Foreign Exchange	<ul style="list-style-type: none"> + USD interest rate differential vs peers remain significant + Weak global economic growth - Safe-haven demand status - US political uncertainty to increase - The FED is close to be done, which reduces potential USD upside <p>● Broadly Flat USD against G10 FX</p>	<ul style="list-style-type: none"> + Lower geopolitical uncertainty (Ukraine-Russia, natural gas) is positive for EUR + Economic growth could accelerate in 2024, suggesting further interest rate hikes by the ECB - Global growth risks could abate <p>● Range-bound with upside risks against the USD</p>	<ul style="list-style-type: none"> + Safe haven demand + More balanced economic growth recovery (long-term) - Higher core Inflation rates could accelerate the shift of monetary policy (less accommodative) <p>▲ Stronger JPY</p>	<ul style="list-style-type: none"> + Valuations appear undemanding with REER below its 15-year average - Sizeable Current account deficit <p>● Broadly stable GBP</p>

Economic Calendar

In the US, the main macro event next week is the final estimate of GDP for Q2:23, which is released on Thursday. GDP growth is expected to be higher compared with the previous estimate at +2.2% qoq saar. August's personal income and consumption along with PCE data (the Fed's preferred measure for gauging inflation developments) for August will gather investors' attention. On Monday, ISM Manufacturing survey (latest: 47.6 | consensus of 47.8) will provide an update on business confidence.

In the euro area, attention turns to inflation data for September. CPI is expected at 4.5% yoy from 5.2% yoy in the previous month, while the core figure is expected to be at 4.8% yoy from 5.3% yoy. Also, on Thursday the ECB will publish its Economic bulletin.

Euro Area Inflation



Economic News Calendar for the period: September 19 - October 02, 2023

Tuesday 19					Wednesday 20					Thursday 21											
UK					US					US											
Building permits (k)	August	1443	+	1543	1443	Fed announces its intervention rate	September 20	5.50%	5.50%	5.50%	Philadelphia Fed Business Outlook	September	-0.7	-	-13.5	12.0					
Housing starts (k)	August	1440	-	1283	1447	UK					Existing home sales (mn)	August	4.10	-	4.04	4.07					
WORLD					JAPAN					EURO AREA											
OECD Economic Outlook					CPI (YoY)	August	7.0%	6.7%	6.8%	Initial Jobless Claims (k)	September 16	225	+	201	221						
					CPI Core (YoY)	August	6.8%	6.2%	6.9%	Continuing Claims (k)	September 9	1695	+	1662	1683						
					Imports YoY	August	-19.4%	+	-17.8%	-13.6%	EURO AREA										
					Exports YoY	August	-1.7%	+	-0.8%	-0.3%	Consumer Confidence Indicator	September	-16.5	-	-17.8	-16.0					
					UK					UK											
					BoE announces its intervention rate					September 21	5.50%	-	5.25%	5.25%							
Friday 22					Monday 25																
US					JAPAN					GERMANY											
S&P Global US Manufacturing PMI	September	48.0	+	48.9	47.9	Jibun Bank PMI manufacturing	September	..	48.6	49.6	IFO - Business Climate Indicator	September	85.2	+	85.7	85.7					
EURO AREA					EURO AREA					EURO AREA											
HCOB Eurozone Manufacturing PMI	September	44.0	-	43.4	43.5	CPI (YoY)	August	..	3.2%	3.3%	IFO - Current Assessment	September	88.0	+	88.7	89.0					
HCOB Eurozone Composite PMI	September	46.5	+	47.1	46.7	Core CPI (YoY) - ex. Fresh Food	August	3.0%	3.1%	3.1%	IFO-Expectations	September	82.9	..	82.9	82.6					
HCOB Eurozone Services PMI	September	47.7	+	48.4	47.9	Core CPI (YoY) - ex. Fresh Food and Energy	August	..	4.3%	4.3%											
UK					Bank of Japan announces its intervention rate																
S&P Global / CIPS UK PMI	September	43.0	+	44.2	43.0	September 22	-0.10%	-0.10%	-0.10%												
Manufacturing SA	September	49.2	-	47.2	49.5																
S&P Global / CIPS UK Services PMI	August	0.6%	0.6%	-1.4%																	
Retail sales Ex Auto MoM	August	0.6%	0.6%	-1.4%																	
Tuesday 26					Wednesday 27					Thursday 28											
US					US					US											
S&P Case/Shiller house price index 20 (YoY)	July	..	..	-1.2%	Durable goods orders (MoM)	August	-0.4%	..	-5.2%	GDP (QoQ, annualized)	Q2:23	2.2%	..	2.1%					
Consumer Confidence Index	September	105.6	..	106.1	Durable goods orders ex transportation (MoM)	August	0.2%	..	0.4%	Pending home sales (MoM)	August	..	..	0.9%					
New home sales (k)	August	700	..	714	EURO AREA					Initial Jobless Claims (k)	September 23	217	..	201							
					M3 money supply (YoY)					EURO AREA											
					August					-1.0%					..	-0.4%					
					JAPAN					EURO AREA											
					Coincident Index					July					114.5
					Leading Index					July					107.6
Friday 29					Monday 02																
US					JAPAN					US											
Personal income (MoM)	August	0.4%	..	0.2%	Retail sales (MoM)	August	..	..	2.1%	Construction spending	August	0.5%	..	0.7%					
Personal spending (MoM)	August	0.5%	..	0.8%	Retail sales (YoY)	August	6.6%	..	7.0%	ISM Manufacturing	September	47.8	..	47.6							
PCE Deflator (YoY)	August	3.5%	..	3.3%	Construction Orders YoY	August	..	..	8.7%	EURO AREA									
PCE Core Deflator (YoY)	August	3.9%	..	4.2%	Unemployment rate	August	2.6%	..	2.7%	Unemployment Rate	August	..	..	6.4%					
EURO AREA					Industrial Production (MoM)					UK											
CPI flash estimate (YoY)	September	4.5%	..	5.2%	August	-0.8%	..	-1.8%	Nationwide House Px NSA YoY	September	..	..	-5.3%						
CPI Core flash estimate (YoY)	September	4.8%	..	5.3%	Industrial Production (YoY)	August	-3.7%	..	-2.3%	JAPAN											
UK										JAPAN											
GDP (QoQ)	Q2:23	0.2%	..	0.2%						Tankan - large manufacturers current index											
GDP (YoY)	Q2:23	0.4%	..	0.4%						Q3:23					6	..	5				
GERMANY										CHINA											
Retail sales (MoM)	August	0.1%	..	-0.8%						Caixin PMI Manufacturing											
Retail sales (YoY)	August	-2.2%						September					51.4	..	51.0				
										NBS Manufacturing PMI											
										September					50.0	..	49.7				

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

Equity Markets (in local currency)

Developed Markets						Emerging Markets						
		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	S&P 500	4320	-2.9	12.5	15.0	-1.7	MSCI Emerging Markets	58966	-1.9	2.6	4.1	-17.1
Japan	NIKKEI 225	32402	-3.4	24.2	19.3	9.3	MSCI Asia	901	-2.1	2.9	5.2	-17.3
UK	MSCI UK	2199	-0.2	2.6	6.7	10.9	China	60	-0.9	-7.1	-0.3	-32.3
Euro area	EuroStoxx	445	-2.0	8.5	18.1	-4.1	Korea	773	-3.7	15.3	11.3	-18.4
Germany	DAX 40	15557	-2.1	11.7	24.1	0.3	MSCI Latin America	89407	-1.6	1.3	-1.9	-7.7
France	CAC 40	7185	-2.6	11.0	21.4	8.3	Brazil	296972	-2.3	0.6	-5.3	-12.1
Italy	MSCI Italy	908	-1.0	20.1	31.2	12.7	Mexico	47388	0.8	5.2	8.8	-0.4
Spain	IBEX-35	9502	-0.5	15.5	22.2	7.9	MSCI Europe	3449	-1.4	22.5	51.1	-51.8
Hong Kong	Hang Seng	18057	-0.7	-8.7	-0.5	-25.4	Russia	3049	-3.3	41.5	39.2	-24.4
Greece	ASE	1218	-3.2	31.0	48.9	36.2	Turkey	7867597	1.4	46.1	126.4	391.4

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		254.3	-2.0	3.4	16.3	59.7	Growth	4092.7	-3.5	20.7	21.2	-11.7
Materials		310.7	-3.1	0.0	13.9	-7.3	Value	3144.1	-1.9	1.3	10.0	-1.9
Industrials		321.9	-2.8	7.6	21.5	-5.3	Large Cap	1819.3	-2.7	12.1	16.8	-4.3
Consumer Discretionary		354.2	-5.2	21.6	12.7	-14.9	Small Cap	473.7	-2.9	2.0	7.9	-18.2
Consumer Staples		263.9	-1.5	-2.2	4.0	-4.2	US Growth	2771.9	-2.8	17.4	13.3	-10.1
Healthcare		337.8	-1.8	-2.1	9.0	-4.7	US Value	1537.9	-3.0	7.2	15.5	6.4
Financials		133.4	-2.1	1.9	11.4	-6.9	US Large Cap	4320.1	-2.9	12.5	15.0	-1.7
IT		510.6	-2.7	29.8	29.2	-3.2	US Small Cap	1146.5	-3.4	-1.0	3.7	-13.4
Telecoms		87.0	-3.0	30.6	24.6	-21.8	US Banks	290.4	-3.5	-11.5	-7.5	-27.8
Utilities		144.1	-1.8	-5.7	-5.6	-6.1	EA Banks	110.6	-0.2	15.4	28.6	16.2
Real Estate		183.2	-4.5	-6.7	-7.7	-28.0	Greek Banks	946.3	-3.8	47.7	73.4	68.2

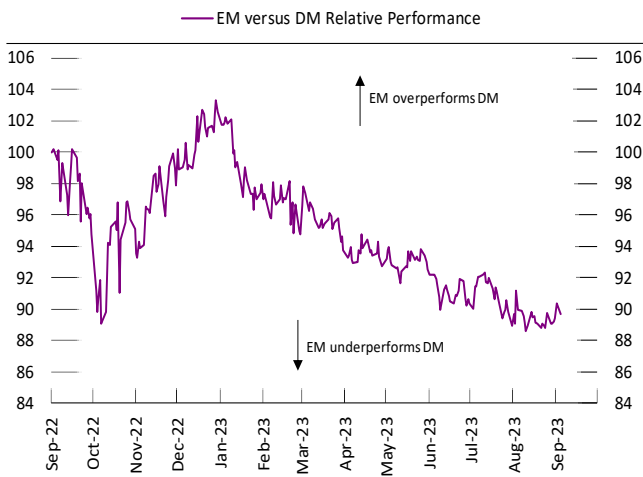
Bond Markets (%)

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	4.43	4.33	3.88	3.69	2.26	US Treasuries 10Y/2Y	-66	-70	-54	-44	78
Germany	2.74	2.67	2.53	1.95	0.52	US Treasuries 10Y/5Y	-13	-13	-13	-23	39
Japan	0.74	0.70	0.42	0.23	0.17	Bunds 10Y/2Y	-50	-53	-16	13	65
UK	4.24	4.35	3.66	3.47	1.61	Bunds 10Y/5Y	-0.8	-1.4	-0.4	3	46
Greece	4.18	4.08	4.59	4.49	4.90						
Ireland	3.16	3.08	3.06	2.54	1.12	Corporate Bond Spreads (in bps)					
Italy	4.57	4.45	4.64	4.16	2.19	US IG	120	122	138	148	131
Spain	3.81	3.73	3.61	3.07	1.61	US High yield	393	379	481	491	444
Portugal	3.47	3.38	3.57	2.95	2.19	Euro area IG	146	145	167	197	121
EM	4.97	4.92	5.04	4.97	4.66	Euro area High Yield	421	415	498	548	401
						EM	256	256	295	327	318
US Mortgage Market						EUR Senior Financial	177	175	204	237	N/A
30-Year FRM ¹ (%)	7.31	7.27	6.42	6.25	4.35	EUR Subordinated Financial	293	295	311	362	N/A
vs 30Yr Treasury (bps)	276.7	282.4	240.1	250.3	154.5	EUR AT1	745	738	718	871	N/A

Foreign Exchange & Commodities

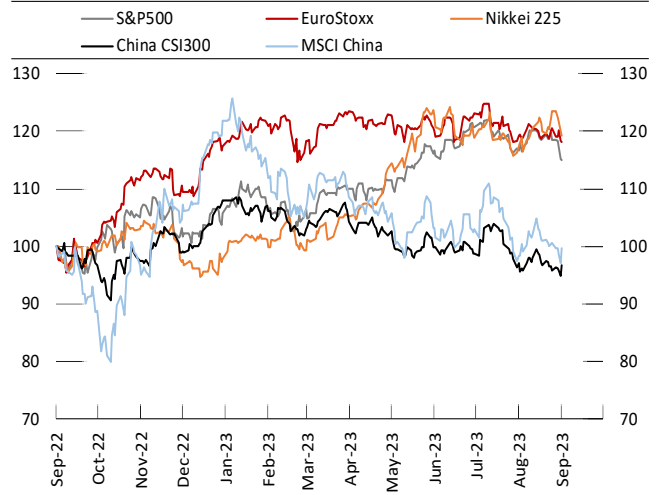
Foreign Exchange						Commodities					
	Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates						Agricultural	396	-2.0	-2.1	-19.2	-15.9
EUR/USD	1.07	-0.1	-1.7	8.6	-0.1	Energy	302	-1.0	9.9	-2.2	4.8
EUR/CHF	0.97	0.9	1.2	0.2	-2.2	West Texas Oil (\$/bbl)	90	-0.8	14.1	7.8	12.2
EUR/GBP	0.87	1.0	1.6	-0.3	-2.1	Crude Brent Oil (\$/bbl)	93	-0.7	12.1	3.1	8.6
EUR/JPY	157.83	0.1	0.5	13.2	12.1	HH Natural Gas (\$/mmbtu)	2.6	-3.8	1.4	-66.0	-25.1
EUR/NOK	11.43	-0.5	-0.9	11.7	8.7	TTF Natural Gas (EUR/mwh)	40	9.1	8.2	-78.8	-47.9
EUR/SEK	11.84	-0.7	-0.3	8.7	6.5	Industrial Metals	413	-0.4	-0.3	-0.5	-8.5
EUR/AUD	1.65	-0.4	-1.7	11.4	4.8	Precious Metals	2535	0.2	-0.5	16.3	5.8
EUR/CAD	1.43	-0.6	-2.5	8.3	-0.8	Gold (\$)	1926	0.1	0.5	15.2	5.5
USD-based cross rates						Silver (\$)	24	2.3	-3.1	19.8	-1.7
USD/CAD	1.35	-0.5	-0.7	-0.3	-0.7	Baltic Dry Index	1593	15.4	38.4	-7.4	5.1
USD/AUD	1.55	-0.3	0.0	2.6	5.0	Baltic Dirty Tanker Index	790	6.8	-1.5	-47.2	-57.8
USD/JPY	148.09	0.2	2.3	4.2	12.2						

EM vs DM Performance in \$



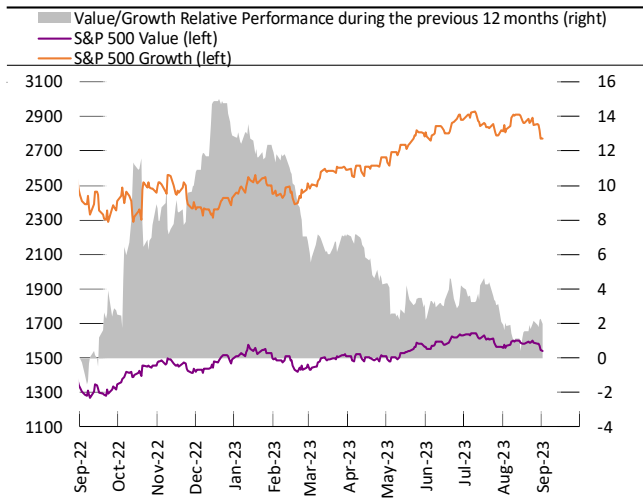
Data as of September 22nd – Rebased @ 100

Equity Market Performance



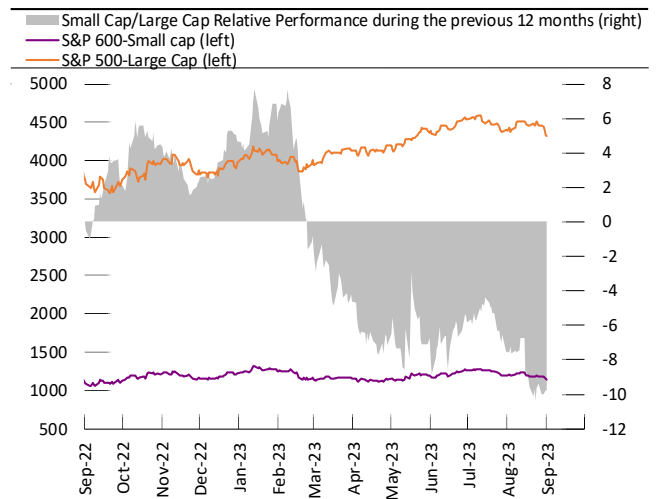
Data as of September 22nd – Rebased @ 100

S&P 500 Value & Growth Index



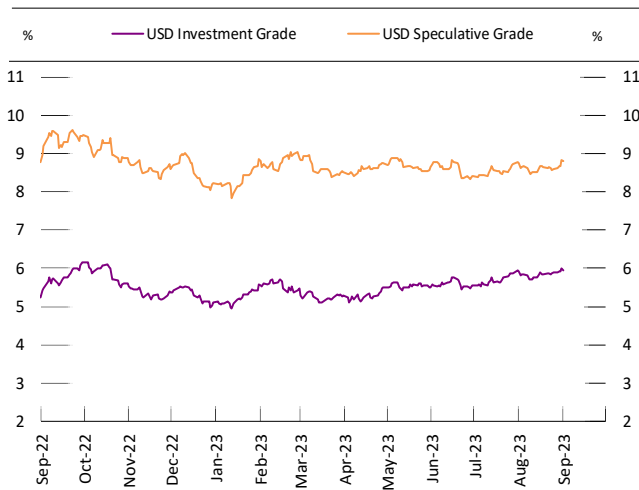
Data as of September 22nd

S&P 500 & S&P 600 Index



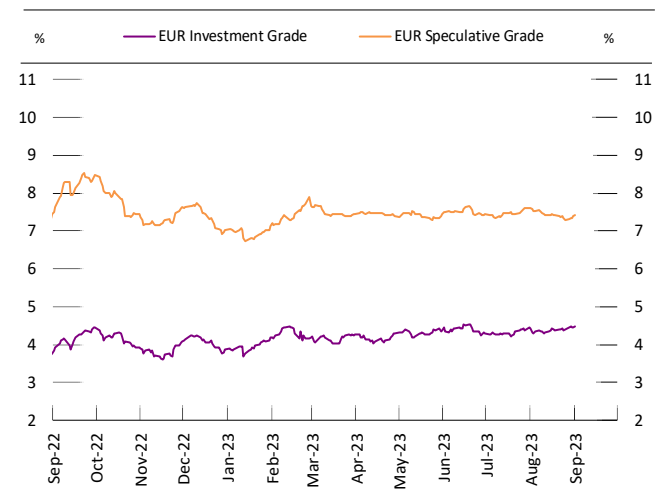
Data as of September 22nd

USD Corporate Bond Yields



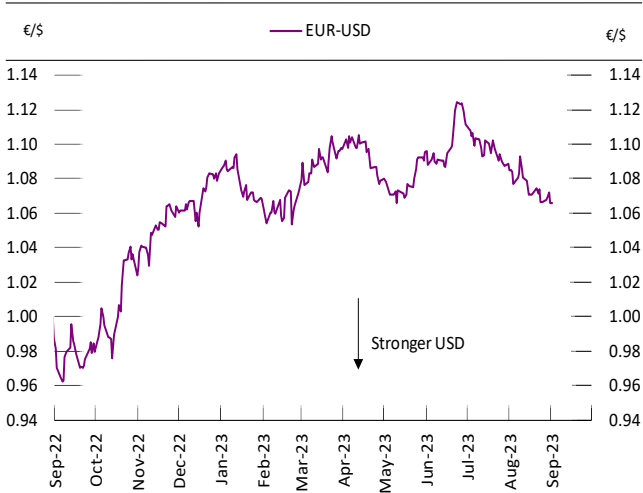
Data as of September 22nd

EUR Corporate Bond Yields



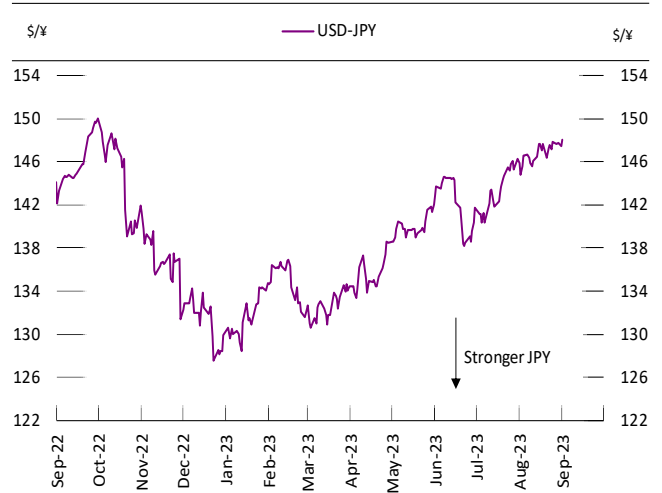
Data as of September 22nd

EUR/USD



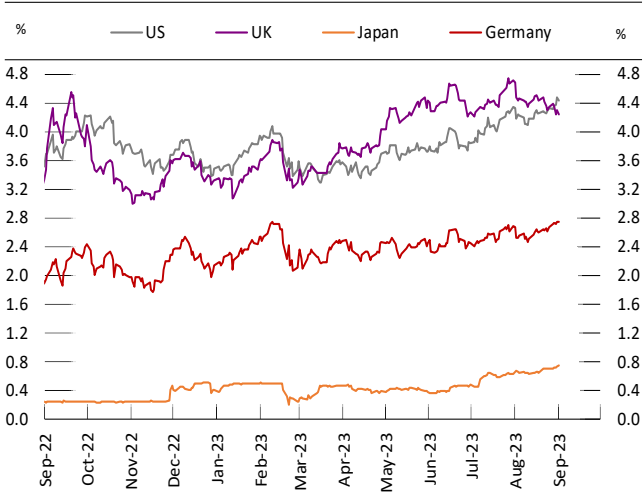
Data as of September 22nd

JPY/USD



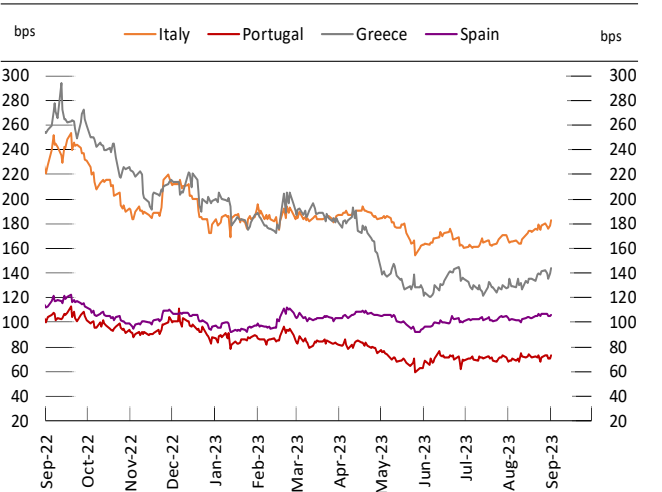
Data as of September 22nd

10- Year Government Bond Yields



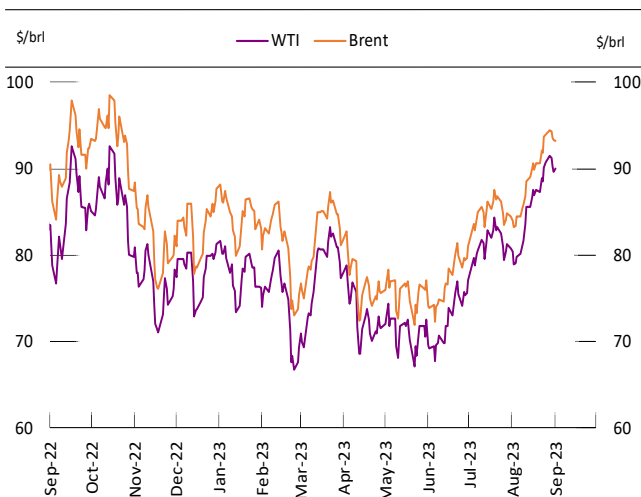
Data as of September 22nd

10- Year Government Bond Spreads



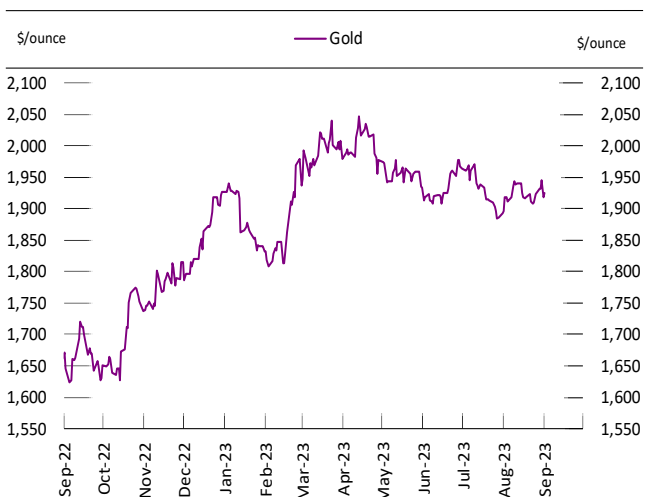
Data as of September 22nd

West Texas Intermediate and Brent (\$/bbl)



Data as of September 22nd

Gold (\$/ounce)



Data as of September 22nd

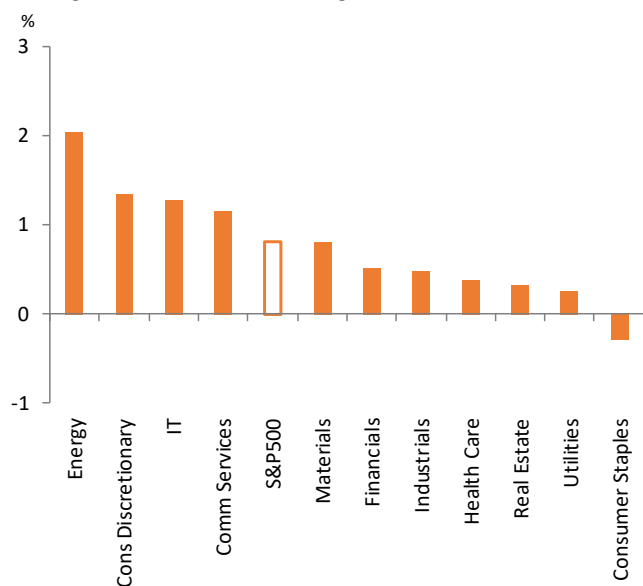
US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	22/9/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	20Yr Avg	2022	2023	Current	20Yr Avg
S&P500	4320	-2.9	12.5	5.0	1.9	1.7	1.6	18.4	19.7	18.1	15.8	3.9	4.0	4.0	2.9
Energy	685	-2.3	2.0	154.4	-27.7	3.4	3.3	8.1	12.0	11.7	15.1	2.3	2.3	2.3	2.0
Materials	494	-3.7	0.9	5.4	-20.9	2.2	2.1	14.6	17.7	16.9	15.1	2.9	2.7	2.7	2.8
Financials															
Diversified Financials	989	-3.5	3.3	-8.4	2.1	1.3	1.4	18.9	18.6	16.8	16.0	2.7	2.5	2.5	2.3
Banks	290	-3.5	-11.5	-21.3	10.3	3.0	3.8	11.2	8.4	8.6	11.8	1.2	0.9	0.9	1.2
Insurance	616	0.8	3.5	-10.0	15.4	1.7	1.8	16.8	14.9	12.8	11.2	2.2	2.1	2.1	1.4
Real Estate	217	-5.5	-6.7	11.8	0.8	3.8	4.2	17.4	15.6	15.1	18.6	2.6	2.6	2.6	2.7
Industrials															
Capital Goods	896	-2.9	2.6	12.8	19.2	1.6	1.8	22.8	19.2	17.5	16.1	5.0	4.5	4.5	3.6
Transportation	925	-2.0	2.1	123.7	4.9	1.9	2.2	16.0	14.9	N/A	15.0	5.5	4.5	4.5	3.7
Commercial Services	537	-2.6	10.5	16.4	10.3	1.5	1.5	27.8	28.1	25.9	21.7	8.1	8.1	8.1	4.8
Consumer Discretionary															
Retailing	3406	-6.3	23.7	-43.9	60.3	0.8	0.7	43.6	32.1	28.4	23.0	10.9	10.3	10.3	8.1
Consumer Services	1449	-3.8	14.1	N/A	198.5	1.1	1.1	67.2	23.6	N/A	28.3	152.6	112.4	N/A	12.5
Consumer Durables	350	-3.9	-5.4	3.5	-5.5	1.6	1.8	13.1	12.7	11.9	16.4	3.3	2.7	2.7	3.2
Automobiles and parts	135	-9.6	72.2	28.6	-3.3	0.3	0.3	24.2	28.4	N/A	11.4	4.7	4.7	4.7	2.3
IT															
Technology	3243	-0.6	28.9	5.0	0.1	0.9	0.8	21.8	25.1	23.5	16.1	15.8	16.2	16.2	5.8
Software & Services	3613	-3.3	27.1	10.8	10.6	1.0	0.9	26.0	28.7	26.3	18.5	8.8	9.1	9.1	6.2
Semiconductors	2635	-3.9	58.7	-5.8	-2.1	1.4	1.0	20.3	27.3	22.4	18.0	5.1	6.3	6.3	3.8
Communication Services	222	-3.2	39.4	-20.6	25.7	1.0	0.8	18.2	18.6	16.5	17.5	2.9	3.3	3.3	2.8
Media	909	-3.4	49.9	-23.0	31.5	0.3	0.3	21.1	21.8	18.9	21.4	3.3	4.0	4.0	3.2
Consumer Staples															
Food & Staples Retailing	630	-1.9	1.6	-3.5	-1.5	1.5	1.6	21.9	22.2	21.0	17.2	5.3	4.9	4.9	3.7
Food Beverage & Tobacco	806	-1.7	-6.6	5.9	3.2	3.1	3.4	18.7	17.6	16.8	17.0	5.2	4.7	4.7	4.7
Household Goods	811	-1.8	-6.1	-3.4	6.9	2.5	2.5	25.2	23.8	22.5	19.7	9.6	8.4	8.4	6.1
Health Care															
Pharmaceuticals	1240	-2.0	-4.2	5.5	-24.3	2.0	2.0	14.1	19.3	17.4	14.5	5.3	5.3	5.3	4.1
Healthcare Equipment	1768	0.0	-4.3	4.3	3.5	1.2	1.3	18.7	18.2	17.0	15.8	3.8	3.6	3.6	3.1
Utilities	322	-1.7	-10.3	1.2	6.1	3.2	3.5	18.5	17.1	16.1	15.4	1.9	1.8	1.8	1.8

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

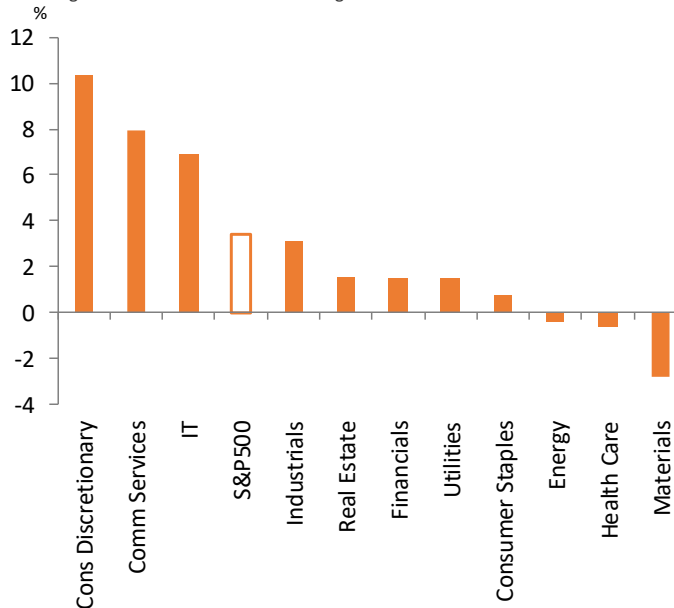
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of September 22nd
12-month forward EPS are 27% of 2023 EPS and 73% of 2024 EPS

3-month revisions to 12-month Forward EPS

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



Data as of September 22nd
12-month forward EPS are 27% of 2023 EPS and 73% of 2024 EPS

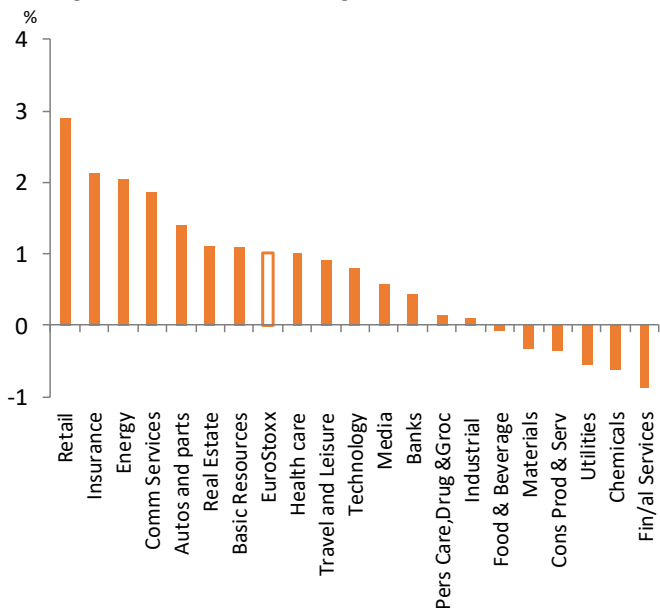
Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	22/9/23	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	20Yr Avg	2022	2023	Current	20Yr Avg
EuroStoxx	445	-2.0	8.5	21.7	3.5	3.1	3.5	13.3	12.5	12.0	13.1	1.8	1.6	1.6	1.6
Energy	357	-0.9	3.0	121.8	-31.7	5.6	5.0	5.2	7.8	7.7	11.1	1.3	1.2	1.2	1.5
Materials	947	-4.1	2.6	13.4	-42.3	3.8	3.5	8.9	14.6	13.3	13.4	1.4	1.2	1.2	1.6
Basic Resources	206	-2.8	-7.8	-11.2	-49.4	2.9	3.2	5.0	8.4	8.3	10.4	0.8	0.6	0.6	0.9
Chemicals	1403	-4.3	4.8	28.3	-38.2	4.0	3.5	11.2	17.5	15.4	14.3	1.7	1.6	1.6	2.1
Financials															
Banks	111	-0.2	15.4	18.4	29.0	5.3	7.6	8.6	6.2	6.0	9.8	0.8	0.7	0.7	0.9
Insurance	342	-0.9	11.4	-17.4	41.1	5.2	5.3	13.3	9.8	9.0	9.4	1.5	1.4	1.4	1.0
Financial Services	501	-1.5	2.9	31.5	14.9	3.1	3.5	11.3	9.5	10.1	15.4	1.3	1.1	1.1	1.3
Real Estate	126	-1.3	-4.2	2.1	-4.4	5.5	5.1	11.6	10.6	10.6	16.2	0.6	0.6	0.6	1.0
Industrials															
Industrial Goods & Services	995	-3.8	3.4	18.6	14.8	2.2	2.7	19.5	15.7	14.6	15.3	2.8	2.4	2.4	2.3
Construction & Materials	547	-1.9	18.4	1.5	2.4	3.6	3.8	12.2	12.2	11.4	13.5	1.7	1.6	1.6	1.6
Consumer Discretionary															
Retail	634	-3.1	23.8	2.5	18.2	3.7	4.1	23.1	20.9	19.4	22.5	4.7	5.0	5.0	5.5
Automobiles and parts	588	-0.3	16.2	9.6	0.1	4.9	5.3	5.9	5.8	5.9	8.4	0.9	0.8	0.8	1.1
Travel and Leisure	219	-4.9	19.5	N/A	56.9	1.0	1.5	19.1	12.5	N/A	N/A	2.7	2.3	2.3	2.0
Consumer Products & Services	476	-3.8	11.6	2.3	15.0	1.4	1.6	33.4	28.4	25.7	21.3	6.8	5.9	5.9	3.7
Media	290	-2.0	11.5	21.4	14.1	2.2	2.5	22.5	19.7	18.4	15.5	3.0	3.1	3.1	2.0
Technology	818	-1.8	14.6	-3.6	27.4	1.0	1.2	28.3	22.1	19.9	21.2	4.0	3.9	3.9	3.5
Consumer Staples															
Food, Beverage & Tobacco	157	-0.5	-4.6	11.7	-5.1	1.8	2.3	19.6	18.7	16.9	17.8	2.2	1.8	1.8	2.6
Personal Care, Drug & Grocery	183	-0.5	9.6	6.8	-0.3	2.4	2.5	16.0	16.2	14.9	16.2	2.3	2.2	2.2	2.6
Health care	820	-2.4	5.4	7.2	-4.0	2.4	2.4	15.9	17.0	15.5	15.0	2.0	1.9	1.9	2.1
Communication Services	284	-0.1	8.6	27.8	-4.5	3.8	4.2	14.4	14.6	13.5	13.2	1.5	1.4	1.4	1.9
Utilities	364	-2.3	4.1	23.1	5.2	5.3	5.4	11.9	11.5	11.8	13.2	1.8	1.6	1.6	1.5

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

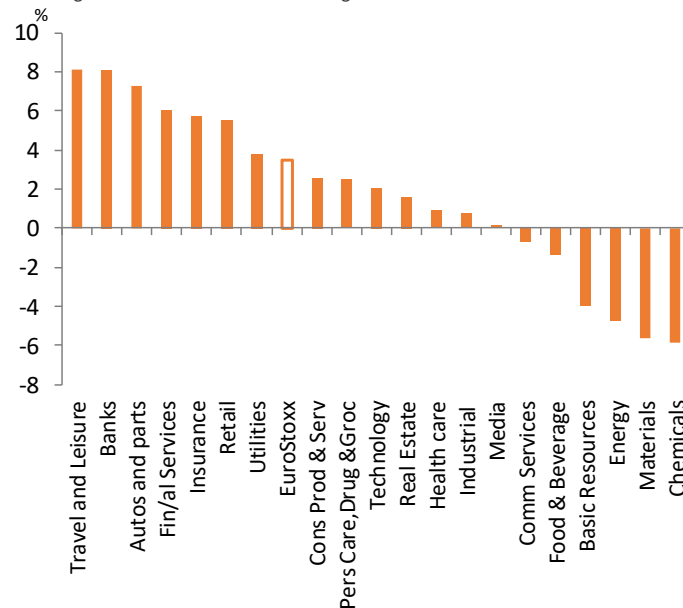
Earnings Revisions indicate 1-month change in 12-month Forward EPS



Data as of September 22nd
12-month forward EPS are 27% of 2023 EPS and 73% of 2024 EPS

3-month revisions to 12-month Forward EPS

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



Data as of September 22nd
12-month forward EPS are 27% of 2023 EPS and 73% of 2024 EPS

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