Greek Market

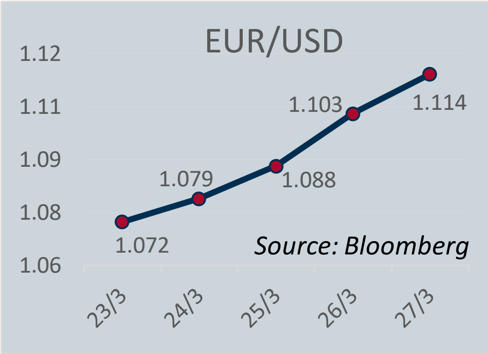
Uncertainty across EU pressures investors to cash-out short-term gains

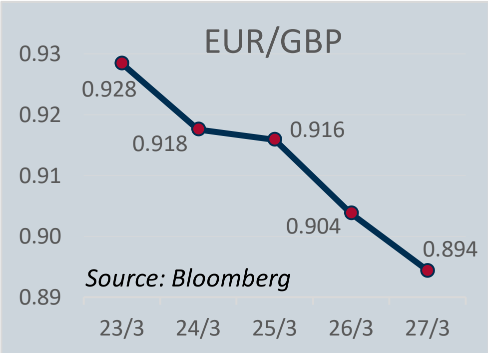
The Athens Stock Exchange General Index ended this week at 550.85 points presenting a 0.77% decline from last Friday's closing of 555.13 points. The Large-Cap FTSE 20 yielded -1.10%, while the banks index FTSEB posted +7.60% weekly gains. Unlike global indices, such as in the US, where investors rediscovered their appetite for risk, Greece's GI seems to strongly project resistance. The Greek GI had a rough beginning this week, as the Athens Stock Exchange started with a four-hour delay due to technical issues in data transmission. Triggered by the conservative, however optimistic approach regarding the coronavirus' domestic limitation as well as the fiscal easing intentions within the EU, the Greek GI finally managed to catch a breath. ECB's decision to purchase assets maturing as soon as 70 days along with the abolishment of the limit to buy no more than 33% of any country's debt in the euro-area, the ATHEX GI presented a significant recovery. Unfortunately, the Index's rebound seemed to be cashed-out quickly, as the backslide returned, driven this time by the EU's summit failure to reach a decision considering the issuance of "coronabonds". Apart from the uncertainty and division that prevails within the Union regarding the aid to virus-hit economies, the lure of liquidating the mid-week's short-term gains caused the benchmark to fall back to 550 points.

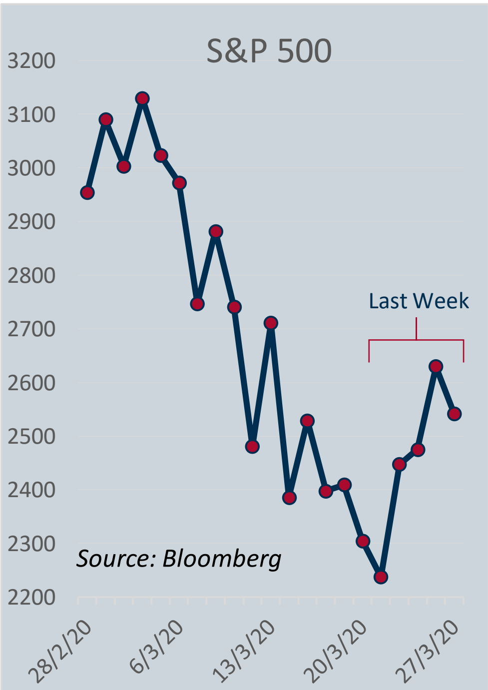
Greek Economy

Additional fiscal easing measures as people cope with lockdown's 1st week

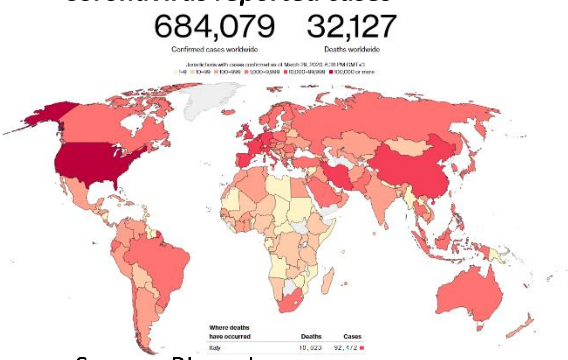
In an effort to encourage, both the public-private sector cooperation and the donations of medical equipment, the Ministry of Finance decided to exclude donors' supplies from VAT. Amid the negative news, BoG released data about January tourism income, which appears augmented by 24.4% in comparison with the same period of '19. After Tuesday's Eurogroup, the Ministry of Finance announced a new set of far-reaching support measures to cover approximately 600,000 businesses and 1.2 million employees. The cost of the aforementioned measures will reach €4.7 bn, an amount that represents 2.5% of the country's GDP. Alongside the previous amount, an estimated funding of €4 bn, provided by the ESM will be available upon government request. On Thursday, the Labor and Social Insurance Ministry, passed a legislation act according to which, employers are given the freedom to designate 50% of their employees, essentially cutting the monthly pay in half, in order to continue to operate. The act met an intense reaction by both the opposition parties and the labor union. Following the pressure-relieving trend, the supervisory institutions are relaxing the banking system's regulations on NPL and capital sufficiency.







Coronavirus reported cases



Source: Bloomberg

European Markets & Economy

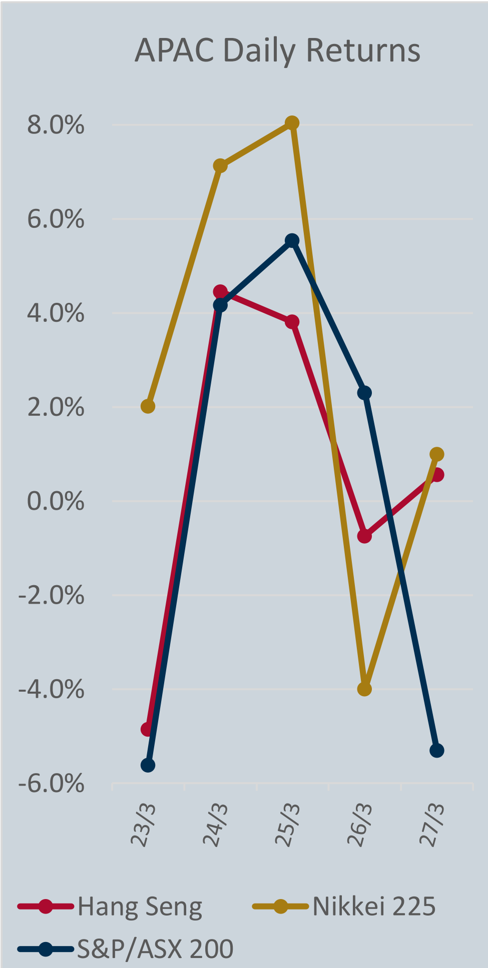
EU's reaction and ergo its unity are challenged during this difficult period

The ever-increasing evidence of the pandemic's financial damage keeps markets nervous, as on Tuesday the Markit Composite March's PMI plunged to a historic low of 31.4 points from 51.6 points in February, in by far the largest monthly decline since 1988, when the Index was established. As a result, in response to the pandemic, the Bundestag decided to borrow €156 bn to finance additional social spending and direct business support. At the same time, Germany has agreed to set up a €600 bn rescue fund to provide loans and guarantees to companies affected by the pandemic and to buy stake in affected companies. The break down includes €400 bn of guarantees, €100 bn to rescue companies and €100 bn in State loans. The UK pound (£) weakened significantly, encouraging the exporting-led British stock market. On Friday, EU leaders also discussed the possibility of EU launching joint bonds to fight the pandemic, with the countries of the European north, led by Germany, impeding once again such an initiative. However, European Indices posted strong gains in the week boosted by headlines across the Atlantic (DAX30 +7.88%, CAC40 +7.48%, FTSE100 +6.16% and FTSE MIB 6.93%).

US Markets & Economy

Unlimited liquidity and the largest stimulus package ease markets for now

A new, massive wave of measures to support the troubled US economy have been announced by Federal Reserve, including the purchase of an unlimited amount of government bonds and mortgage-backed securities. In particular, the Fed has announced that it will buy assets "in the quantities needed" to support the smooth functioning of the market and the efficient transmission of monetary policy while keeping borrowing costs low. In addition, on Tuesday the expectations that Congress will act along the Federal Reserve to boost the US economy for a massive $ 2 tn stimulus package, led Wall Street mid-week rallies with Dow Jones jumping 11.3%, which is the highest percentage increase since 1933 and the highest in unit terms in the history of the Index. A record of 3.28 million workers have applied for unemployment benefits last week amid the COVID-19 outbreak with the weekly level exceeding by far the previous high of 695,000 in October 1992. Lastly, the US president Donald Trump on Friday night signed a $ 2.2 trillion dollar aid package which is the largest in US history in order to help individuals and businesses cope with the economic downturn caused by pandemic of the coronavirus and provide hospitals with the opportunity to obtain medical supplies that are in urgent need. The package includes $ 290e bn one-time direct checks to people with up to 5-figure incomes, extension and expansion of unemployment insurance, $ 27 bn to cover medical supplies, $ 380 bn for small businesses and grants, $ 60 bn for specific industries such as hotel and airlines and $ 454 bn to allow Fed to pump as much as $ 4 tn lending in the economy. It should be reminded that Fed, through SPVs is capable of not only buying government and corporate bonds, but also other asset-backed securities that could include student and auto loans (S&P500 +10.26%, DOW +12.84% and NASDAQ +9.05%).



Asian Pacific Markets & Economy

Markets bounce back responding to governments' efficient intervention

Following the previous positive -in terms of gains- week, Asian markets seem to regain some sort of stability and security as the COVID-19 crisis continues. In the shadows of the Olympic Games' cancellation until 2021, the Japanese market tried to balance its feet after a not so substantial raise in coronavirus cases on daily level this past week. Following suit, the BoJ prepared an aggressive stimulus so to balance the economic repercussions of the pandemic. The stimulus being up to ¥56 tn ($500 bn), c 5% of Japan's GDP, is the highest in the country's history and includes cash payments to households, direct government spending and loans from financial institutions. On the same page, China appears to be the first country to contain the virus, offering some sense of stability and signs of normalcy, following the previous two disastrous months. Schools reopen, as the Chinese Government has faith that the outbreak is being contained under constant observation. Still there is no fiscal package on sight so to boost the wounded Chinese economy and the public sector, which has taken a big blow. Its representatives stated that Tax receipts in the past two months fell 9.9%, in relevance to the past year. Lastly, the Prime Minister of India announced a "complete lockdown" for 21 days, excluding the public sector organizations such as banks, police and hospitals and the local grocery stores. All this while the Finance Minister announced a package stimulus so to boost the damaged Indian economy (Shanghai Composite Index +0.97%, KOSPI +9.68%, Nikkei 225 +17.14%, Hang Seng +2.98%, BSE Sensex 30 -0.34%).

Commodities

Oil remains in turmoil as gold, once a haven, faces unprecedented volatility

The previous week was significant for the yellow metal, reaching two-week-highs at $1,699.15 and marking the best week since 2008 with a weekly rise of 9.5%, ending at $1,625. This rally was mainly fueled by FED's decision to purchase assets without any limits, while Initial Jobless Claims exceeding 3 million, halted gold's rally. After the historic crash of almost 52% over the last month, oil finally seems to stabilize, though analysts expect further downturn. Fiscal policies to combat COVID-19 had little effect on oil, as demand fades due to the extensive lockdown across the globe. A transient glimpse of hope appeared on Wednesday as crude stockpiles rose less than expected (1,624m actual vs 2,774m forecast). Generally, both Brent and WTI marked negative weeks (Brent: -7.12%, WTI: -2.63%) as it remains to be seen how suppliers will store excess production, while onshore and offshore tanks are overflowed and demand is not expected to catch up any time soon. Despite the turmoil in oil markets, Natural Gas marked a weekly gain of 4.30% after reaching historic lows during the previous week. The fact that China is gradually returning back to normal, surged prices. Additionally, a bigger than expected rise decline on Natural Gas stockpiles (29b cf actual vs 27b cf forecast) helped the price. Concerns for the gaseous fossil fuel remain, as India, the 3rd biggest NG importer in now in a 3-week quarantine, putting more pressure on demand.

Ford Motor Co (F)	Key Ratios
EPS ($,TTM)	0.03
Beta	1.29
P/E	149.57x
Div Yield (TTM)	11.56%

Source: CNBC

Microsoft (MSFT)	Key Ratios
EPS ($,TTM)	5.41
Beta	1.01
P/E	27.69x
Div yield (TTM)	1.36%
YTD Chg	-5.07%
Market Cap ($, 27/3)	1.14 tn
Next Earnings Date	April 22nd

Source: CNBC

Stocks: Fundamental & Technical Analysis

Ford Motor Co (F:NYSE): The previous week was critical for the motor company one, as on Wednesday the S&P Global Ratings Agency downgraded the company's credit rating one notch to BB+, aka "junk". S&P stated that the company's credit metrics were on the verge long before the COVID-19 outbreak. The c $36 bn enters the high-yield market as the company becomes a "fallen angel" from the inverstment grade market. Though stock was up 9% on Wednesday, it slumped 3.5% in afterhours trading and decreased further until Friday at $5.19, marking a 11.6% decrease from week's highs, just before the rating downgrade.

Microsoft Corp (MSFT:NASDAQ): The software giant signed on Wednesday the definitive agreement of the acquisition of Affirmed Networks. Bloomberg reported the valuation of the deal at $1.35 bn. Affirmed Networks is provider of fully virtualized, cloud-native mobile network solutions and was founded in 2005. After the deal was announced, Microsoft's stock rose 5.23% at $154.61. Additionally, Microsoft announced on Friday to cooperate with Slack in order to provide cross-platform calls. This, did not stop the stock to mark a negative close to the week at $149.70 (-9%).

The following two-hour candlestick chart shows MSFT prices since June 2019. The stock steadily rose to new historical highs, in an 11-year rally. On February 11th, Microsoft stock rose to its historical high of $190.7. At the same time, markets were already worried about the COVID-19 surge. In the same day, shortly before the closing of the session, MACD (12, 26, close, 9) crossed below its signal and issued a sell signal, which is highlighted in the chart. On March 23rd the share had already lost 30% of its value and stopped at a very strong support level that was created between June and October in the levels between 131-136. The technical chart also shows an increase in volatility. On 13th March SMA 50period crossed below SMA 200period in a possible confirmation of a bearish trend. Now as the chart was formed, a level of resistance is between 153.5-156.5 and a stronger resistance level is between 171.5-174.5 while the strong support level is remaining between 131-136.

APRIL 2020	What to look for this week		
MON 30	TUE 31	WED 1	THU 2
▪ US Pending Home Sales (Feb MoM forecast: -1%) ▪ Japan's Industrial Production (Feb MoM forecast 0.1%)	▪ UK GDP 4Q'19 (YoY forecast 1.1%) ▪ Germany's Unemployment Rate (forecast: 5.1%) ▪ EU CPI Mar (YoY forecast: 0.8%) ▪ US CB Consumer Confidence (forecast: 112 vs previous 130.7)	▪ German Manufacturing Mar PMI (forecast: 45.4) ▪ UK Man. PMI Mar (forecast: 47.0) ▪ EU Man. PMI Mar (forecast: 44.7) ▪ US Man. PMI Mar (forecast: 49.2)	▪ US Initial Jobless Claims (forecast: 3 m vs previous 3.28 m)
FRI 3	SAT 4	SUN 5	
▪ India Interest Rate Decision (forecast: 4.65% vs previous 5.15%) ▪ US Mar non-farm payrolls (forecast: -100K vs previous 273K)			

What to look for this week

As the 1Q'20 wraps up, global economies try to rebound in hopes of future stability. The US economy seems to have taken a big hit, as the predictions on unemployment show that more than 3 million citizens will be filing for benefits sending a strong message that the $2 tn stimulus may prove futile. The US President's statements regarding US economy's "business as usual" after Easter will probably fade even further. On the other side of the Atlantic, Eurozone leaders await the March 30th reports on economic sentiment as inflation has tumbled due to the oil prices drop. As a lot of EU leaders push for the issuance of a joint debt instrument, economists predict a shrinkage of 9% for the EU economy. Same goes for China, whose trade counterparties suffering losses, leading the Chinese manufacturing industry to hit its lowest ever for the Jan-Feb period, while PMI reports could depict an even worse situation. At last the biggest loss comes from frontier markets who have been damaged both by the COVID-19 pandemic and by the oil price war these past few months as IMF urges both for immediate debt relief to the 3rd world countries. In the beginning of the 2nd quarter, all the attention falls to the measurement of the impact on the 1st quarter, an impact that for the global economy JP Morgan's analysts estimate it at 12% contraction. As fund managers will not share the burden of posting quarter results, it remains to be seen whether the last week's performance can keep up or as window-dressing ends, bears will return into the spotlight.

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