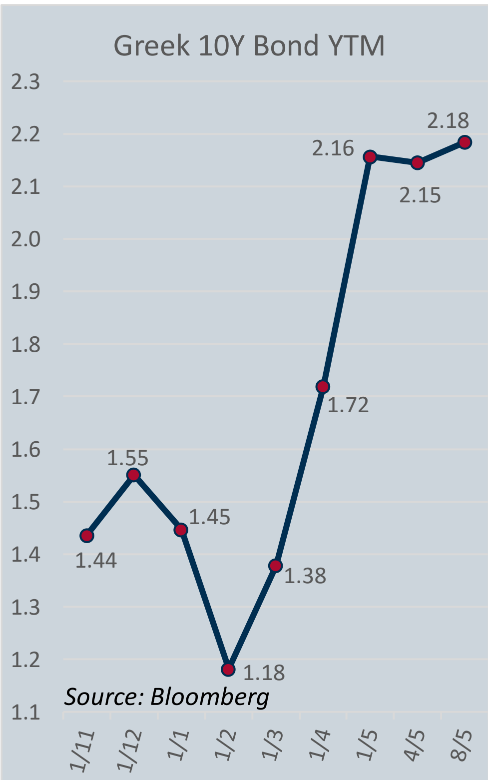
Greek Market

Uncertainty drove down volume, while ASE struggled to remain above 600

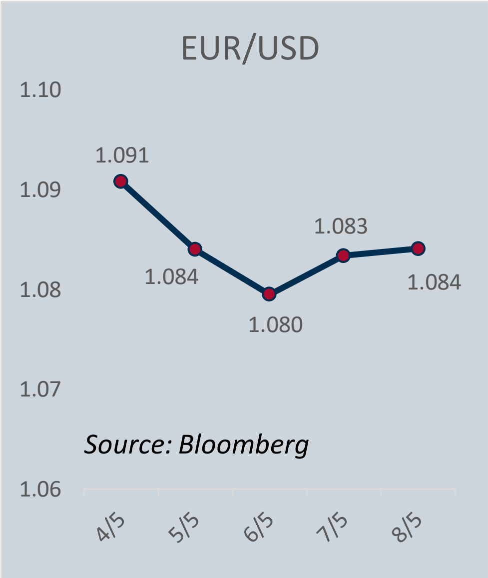
The Athens Stock Exchange ended last week at 604.05 points presenting a 3.85% weekly downside. The Large-Cap FTSE posted losses of 4.71% while the banks index FTSEB shed 9.22% on a weekly basis as well. The coronavirus repercussions are now starting to arise as the market was severely affected by the figures announced regarding the Greek economy's outlook. The public sector counts its losses as tax unfulfillments rise to €1 bn, looking back two months ago. While March's and April's figures are yet to be published and given the fact that the national lockdown started in March, it is rather certain that February's damage is only the tip of the iceberg. The benchmark however, managed to recover slightly temporarily, fueled by Lamda's reassurances around its main project, considered of vital importance that can change the economy's prospects and support the attempt of counterbalancing the GDP's damage until now. On the contrary, Societe Generale's estimation on removing the three Greek systemic banks along with Titan and Motor Oil from the MSCI Upcoming Market's Index was quite alarming as well and partially contributed to the GI's weekly slump. Ending the previous week, the awaiting of Moody's rating on Greece – which was eventually postponed- coupled with the EU's Statement on the pandemic crisis support, resulted in the index's lowest daily turnover since early March.

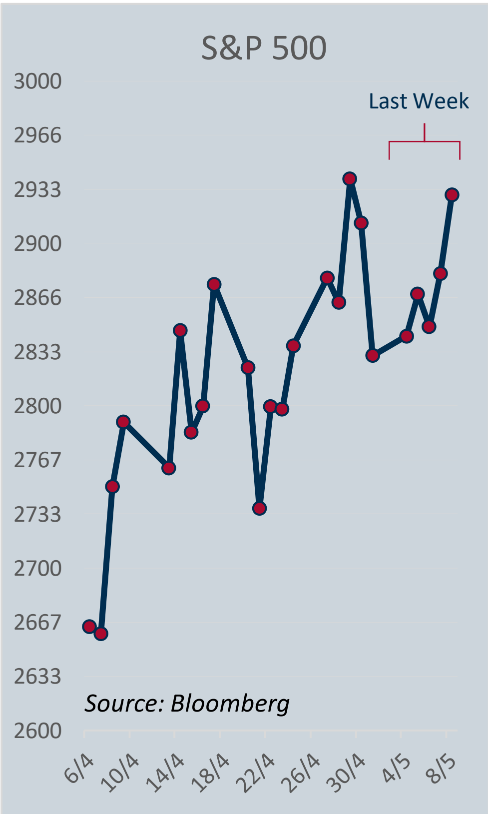


Greek Economy

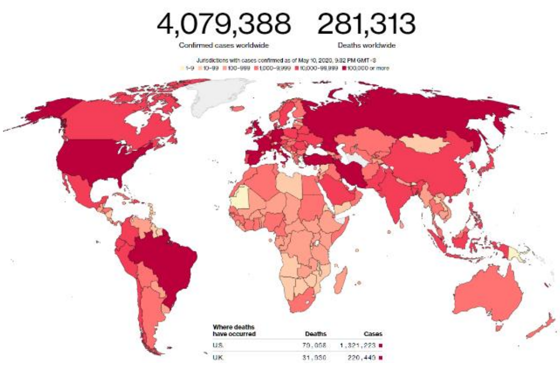
Liquidity and coordination could result in a smooth transition into summer

The MoF submitted to the Commission a report around the lastest actions that are based on estimations of a 7.9% GDP contraction in 2020 followed by a 5.1% growth in '21, while the debt will augment to 188.8% and the primary deficit will stand at 1.9%. On Wednesday, the MoF, the BoG governor and heads from the four systemic banks, held a meeting focusing on the channeling of, much needed, liquidity (€25 bn) towards businesses and individuals in order to avoid a rise in NPLs. In this frame, the government will subsidize above 50% of the monthly loan payments of individuals with a mortgage on their primary residence. The FEIR reported that ECI (Economic Sentiment Index) fell back at 99.3 units in April from 109.4 units recorded in March. On Wednesday, PDMA conducted an auction of €625 ml 13W T-bills and the rate reached 0.28%. The offered amount exceeded the auctioned one 184% and the State borrowed the auctioned amount and non-competitive bids of €187.5 ml. On Friday, the HSA announced that the country's HICP descended below zero levels at -0.9% in April as opposed to March's 0.1%. The Greek PMI shrunk to 29.5 units in the beginning of 2Q, significantly lower than in the end of March at 42.5 units, resulting in the biggest shortfall since 1999.





Coronavirus reported cases



Source: Bloomberg

European Markets & Economy

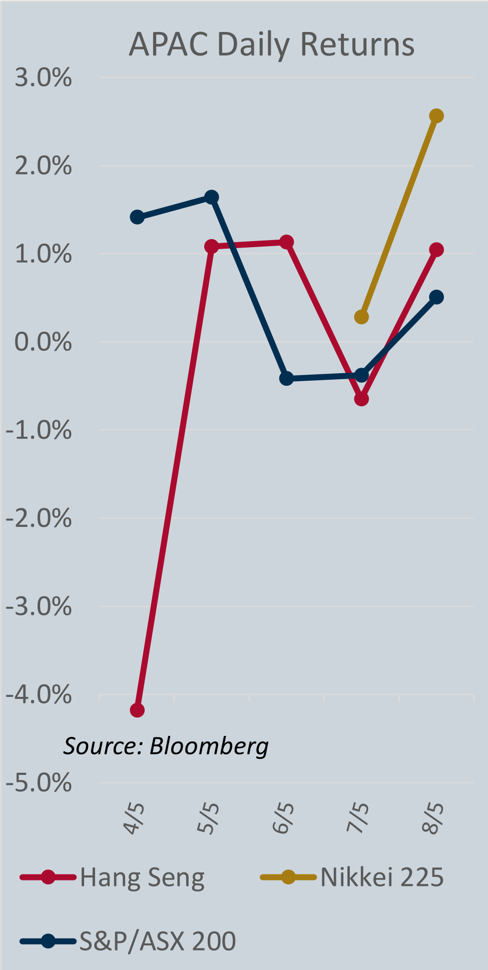
Credit lines from ESM to accommodate direct and indirect pandemic costs

In its spring pessimistic report, Commission forecasted a record 7.75% contraction in '20GDP followed by a 6.25% rebound in '21. It is worth noting that these revised projections are down c 9 percentage points compared to late 2019' respective economic reports. Meanwhile, the Eurogroup came to an agreement with the ESM, on the details around the 10Y credit lines that will allow EU members to finance COVID-19-related expenditures until 2022. Specifically, the loans could reach up to 2% of each member's GDP with a rate of 10 bps above the ESM's lending rate, which is close to zero. BoE's gloomy forecasts were not accompanied with a policy change, when on the contrary Norway, unexpectedly, cut its policy rate by 25 bps to zero, in order to assist the country's attempted recovery. (DAX30 +0.39%, CAC40 -0.49%, FTSE100 +3.0%, FTSE MIB -1.42%, STOXX 600 +1.08%)

US Markets & Economy

Stock rally seeks to convince that alarming labor data belong to the past

US stock market recorded concrete gains last week, mainly driven by investors' hopes that last week's data represent the bottom of this recent economic deterioration. Adding to this, optimism was also bolstered from Gilead Sciences remdesivir's approval for use of the possible therapeutic in Japan. Stocks performance should not, although, subsume labor market's data. 20.5 million jobs were lost during April, resulting in an unemployment rate spike at 14.7%, last seen during the Great Depression. The largest shortfall ever recorded was, however, below market expectations and the subsequent mean reversion led markets to put it behind them and rally. This rally drove not only the Nasdaq Composite back into positive territory for the year on Thursday with a recorded increase to overcome the 9,100 boundary for the first time since late February, but also S&P500 into its priciest levels, trading at around 22 times more than its 12-month expected earnings, a level not seen in roughly 20 years, according to FactSet. The latter resulted after equity analysts trimmed down their earnings expectations by more than 28%, in the largest forecast reduction ever recorded. Trade negotiators from the U.S. and China committed to implement the 'phase 1' deal agreed between the two countries in January, putting fears of a renewed trade war on the back burner at least for now. President Donald Trump had threatened earlier last week to abandon the deal if China, whose own economy has contracted sharply due to the pandemic, failed to buy the promised volumes of US goods. Rising oil prices, albeit below $25, boosted energy stocks that make up a large part of the high yield market that reported positive flows last week. Treasury yields generally decreased last week, contributing partly in a rally above $10,000 for BTC, which was also supported by news about hedge fund's long position in BTC futures, as well as by the slowdown in the creation of new bitcoin due to the so-called 'halving' of rewards for miners. Lastly, Federal funds futures traded at levels that implied expectations for negative rates in 2021. (Dow30 2.56%, S&P500 3.5%, NASDAQ 6.0%, RUSSELL2000 5.49%)



Asian Pacific Markets & Economy

JPY posts gains amid concerns while China facilitates foreign investors

Japanese markets gain during the holiday week as JPY strengthens near March-highs against both the US dollar and the euro as concerns arose around ECB stimulus and US-China tensions. A Reuters report showed that BoJ's commercial paper holdings grew by 27.8% in April reaching ¥3.3 tn as corporate holding rose to ¥3.4 tn. The end of the holiday week finds China stronger and more stable as no more than 2 new cases were reported. Talks with the US trade representatives continue in contrast to the rising fears of a trade dead-end. The Labor Day holiday was extended to two days as analysts wanted to test the consumers' behavior, which showed a visible, yet slow return to normality. Average daily revenues were down 68% YoY despite the rise in domestic tourism throughout the holiday period. Overall, Chinese exports for April beat consensus as merchandise rose 3.5% YoY contrary to imports which came below expectations falling 14.2% YoY. As a matter of fact China's trade surplus widened to $45.3 bn in April beating the odds showing, great stability and perseverance. At last, Chinese authorities announced the removal of the foreign investment quotas in an effort to boost the hard-hit Chinese economy. More specifically both QFI and RQFI schemes have been abolished as investors are now able to operate on a currency of their choice. All this, as said before is a welcoming gesture to foreign investors to buy in the Chinese domestic market in hopes of a rapid increase both in revenues and exports (Shanghai Composite Index +1.23%, Nikkei 225 +2.85%, KOSPI -0.09%, Hang Seng -1.68%, MOEX -0.34%, RTSI +1.01%)

Commodities

Further pressure is taken off oil as demand picks up, while LNG plummets

Bullish sentiment prevailed last week in the oil market, as various countries gradually lift lockdown measures, while traffic activity mainly in Europe, is rising, increasing demand for crude oil and its products. Additionally, the EIA reported that Crude Oil Inventories rose significantly less than expected (4.590M actual vs 7.759M forecast) contributing in the same upward direction. Saudi Aramco increased their Official Selling Prices (OSP) against traders' predictions giving more hope for better days ahead for oil. Finally, on Friday more US producers cut down production and as OPEC+ historic deal also finally kicks in, both benchmarks, WTI and Brent extended their recent streak (Brent +17.13% at $30.97, WTI +25.07% at $24.74). Natural Gas experienced a turbulent week amid an explosion on Texas Eastern Transmission (TETCO) pipeline in Kentucky, hitting a big part of supply. The warmer weather hit demand as it was 15.3% lower, while supply and production fell 1.4% and 1.3% respectively. Net injection was 109 bcf for the week while stocks 2.319 bcf, both significantly higher than the 5y-avg. Natural gas closed the week at $1.823 down 3.55%. Sino-U.S. trade war fears, historic high unemployment, and near-zero interest rates globally, caused the yellow metal to surge last week. Gold also surfaces as a portfolio alternative during these unprecedented times, as the whole economy recovery remains uncertain, boosting midterm the commodity (Gold at $1.713.9 slightly up 0.76%).

Dow Jones Movers	Weekly Change
Top Gainers	
Apple Inc (AAPL)	7.29%
Home Depot Inc (HD)	7.26%
Exxon Mobil Corp (XOM)	7.05%
Chevron Corp (CVX)	6.74%
Microsoft Corporation (MSFT)	5.79%
Top Losers	
Raytheon Technologies Corp (RTX)	-3.99%
Merck & Company Inc (MRK)	-1.64%
Pfizer Inc (PFE)	-1.12%
McDonald's Corporation (MCD)	-0.78%
Procter & Gamble Company (PG)	-0.74%
S&P 500 Movers	**Weekly Change**
Top Gainers	
Fortinet (FTNT)	31.15%
IPG Photonics Corporation (IPGP)	27.73%
PayPal Holdings Inc (PYPL)	20.19%
Phillips 66 (PSX)	16.12%
News Corp B (NWS)	16.10%
Top Losers	
WestRock Co (WRK)	-12.45%
Legget & Platt Incorporated (LEG)	-11.70%
Norwegian Cruise Line Holdings (NCLH)	-10.19%
Xylem Inc (XYL)	-9.08%
Vulcan Materials Company (VMC)	-8.65%

Stocks: Fundamental & Technical Analysis

Disney (DIS:NYSE) is considered one of the largest and hardest-hit companies in a wide range of different ways amid the Covid-19 pandemic. All six of its theme parks around the world have been shut down, its cruise ships are docked, movie theaters are closed , live sports are gone from its ESPN Platform , while live-action film production has been halted or cancelled , cutting off, in the meantime, its studio entertainment division. On May 5th DIS revealed its numbers for the first quarter since the pandemic started, wrapping up in a nutshell the sentiment of the market, mirroring the aforementioned hit. The company took on nearly $7 billion on debt and added another $5 billion to its credit facilities , as well as according to the report, Disney announced a forego of the semi-annual dividend payments , saving around $1.6 billion and furlough of about 100,000 employees mainly associated with the theme parks activities. On the investors' side, the news were mainly taken in stride, as the stock barely moved on the earning report, helped by the overall momentum of the market during the week, as well as the news of a possible reopening of the Shanghai-based theme park the second week of May, though at a significantly reduced capacity. On the company's streaming operations, which proved to be the stronghold amid the pandemic, Disney+ platform (54.5 m subs), Hulu and ESPN+ have achieved under the stay-at-home orders to challenge and compete with Netflix's streaming supremacy.

- **Key Metrics:** P/E 41.04x, Beta 1.08, RoE TTM: 5.36%

Twilio Inc(TWLO:NYSE): Twilio is a cloud communications platform, which enables developers to build, scale and operate real-time communications within software applications. The Company's platform comprises of Programmable Communications Cloud, Super Network and Business Model for Innovators. Twilio announced outperforming earnings on May 6th, beating both EPS ($0.06/-$0.11) and revenue forecast ($364.9M /$331.3M). Revenues managed a 57% YoY growth beating Wall Street's expectations by 16 pps. CEO Jeff Lawson commented that the company was built for these times as its cloud-based products offer agility that is essential during the pandemic. After the earnings announcement, the stock jumped 12% reaching new all-time highs at $179.69.

The following 2h candlestick chart following $TWLO since the beginning of the year show a bullish pattern that slows up within the trendline. Additionally, looking at the MACD, the 2 highlighted crossings were boosting the claims for the uptrend. Moreover, looking at the two resistance lines, the steep breakthrough after the earnings announcement indicates that these regions may be reached again in a pullback. The previous argument can be supported by the short-term MA (20), indicating a strong momentum, while the mid-term MA (100) and long-term MA (200) show a more stable and restricted uptrend. The resistance lines remain at the $150 and $117 price region.

MAY 2020	What to look for this week		
MON 11	TUE 12	WED 13	THU 14
▪ China CPI MoM Apr (forecast: -0.5%) ▪ Brazilian IPCA Inflation Index MoM Apr ▪ Russian Holiday- Victory Day	▪ US Core SPI MoM Apr (forecast: -0.2%) ▪ US Federal Budget Balance Apr ▪ Brazil BCB Copom Meeting Minutes ▪ UK BRC Retail Sales Monitor YoY Apr ▪ Japan Current Account n.s.a Mar (forecast: 2.211T) ▪ New Zealand RBNZ Interest Rate Decision (forecast:0.25%)	▪ UK GDP YoY & QoQ Q1 (forecast: -2.1% & - 2.5%) ▪ UK Manufacturing Production MoM Mar (forecast: -5.7%) ▪ US PPI MoM Apr (forecast: -0.5%) ▪ Australia Employment Change (forecast: -575K) ▪ New Zealand Annual Budget Release	▪ German CPI MoM Apr (forecast: 0.3%) ▪ US Initial Jobless Claims (forecast: 2,500K) ▪ US Import& Export Price Index MoM Apr (forecast: -3.2% & -2.2%) ▪ China Industrial Production YoY Apr (forecast: 1,5%)
FRI 15	SAT 16	SUN 17	
▪ EU GDP YoY & QoQ Apr (forecast: -3.3% & -3.8%) ▪ US Retail Sales MoM (forecast: -11.6%) & JOLT's Job Openings			

What to look for this week

US has rekindled trade tensions with China and as it is clear that neither stakeholder can bear another economic confidence knock out amidst the pandemic's global financial shock next steps are of crushial importance. Staying on the virus' effects in the US market, worries arise regarding the industrial production forecast slumping by 11.6%, after March's 5.4% drop, with retail sales estimations following suit tumbling 10%; expected to outperform the 8.4% record drop in March. Analysts declare that if the 30 mil. job losses did not achieve to break the benchmarks rally, these figures might as well leave it indifferent. On Turkish territory, the domestic currency has plummeted on record lows with the central bank already spending over a quarter of its forex reserves. As funding concerns weigh, Turkey is shifting the blame over lira's devaluation to foreign banks quite resembling the 2018 country crisis. Moving West, euro zone's first-quarter GDP is forecasted to decline by c 4% QoQ topping off euro's greatest weekly losses in more than a month. On the other hand, BoE estimates that UK is entering a 300-year recession so EU can be relieved of not being the worst for now. Bitcoin is about to undergo a "halving" – when the number of new coins awarded to miners are cut in half. History tells that previous halvings fueled huge bitcoin rallies. Nevertheless, there is a debate whether such rallies are not to be repeated or if the bitcoin has what it takes – almost 40% year-to-date increase- to outperform, becoming a hedge against shorts.

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