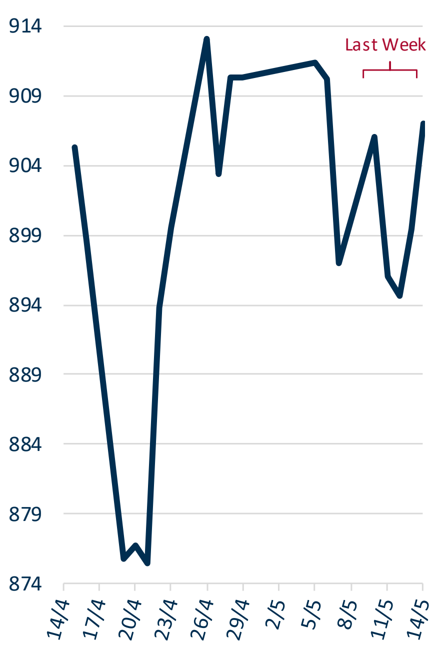
GREECE | Blue-chips marginalize banks and keep GI above 900 points

ASE General Index Closing Prices



Source: Bloomberg

Market Comment & Driving Events

The Athens Stock Exchange (GI) ended last week at 907.08 points presenting a 1.12% weekly upside from previous Friday's 897.01 points. The FTSE 25 Large Cap increased by 0.46% and the FTSEB banks index yielded –5.39% on a weekly basis.

A week with strong volatility ended for the GI, with supports in the zone of 900 units providing a boost that led to the completion of the 9th consecutive upward week. Initially, this augmented volatility stemmed from the downward trading sessions on the international markets, which were mainly due to the rising of inflation, thus leading investors to scepticism about the next day. At the same time, a supplementary reason for the aforementioned performance, is the fatigue and the need for correction that existed in the banking sector, which completed 6 consecutive falling sessions. Despite the banking sector's earlier upward rally, a correction was inevitable as there had been no positive developments for a long time. However, the banking sector's drag in the GI's performance was offset by the news from the pandemic front, with the index balancing at positive ground despite the fall of the banks that constitute a key-branch for the market. The gradual lifting of restrictions due to the recession of the pandemic, brought optimism to investors after the foundations were laid for a gradual return to the pre-Covid19 era. It is worth noting that since the Greek borders will be opening for tourists from May 15, a stronger GDP growth is expected for 2021 as tourism contributes over 25% to GDP. At the same time, energy and construction sectors provided significant support to the stock market, since after the pandemic subsides, capital inflows are expected to start arriving from the ERF for investment activities, while private investors have already been mobilized. Finally, the key factor that maintains the positive climate of the bourse, is the fact that the market has withstood the pandemic crisis, mainly due to fiscal support and gradually, as the virus subsides, the economy will be recovering at a higher pace. This is clearly shown by the quarterly data that several listed companies announced (PPC, Titan, Cenergy) which start showing profits again.

Stock of the week: **Aegean Airlines S.A.**

Last week, Aegean's share recorded an 8.2% weekly upside and closed at €5.63 per share, from previous Friday's €5.20. The company was founded in 1987 and today is the largest airline company in Greece, serving over 150 destinations, while since 2010 it is a member of Star Alliance. Undoubtedly, the company saw a sharp decline in revenues during the pandemic, as travel was banned, which drove its price to historic lows. For this reason, its state support, amounting to 120 mn, was deemed necessary, but in order to be activated, a share capital increase of €60 mln is required. Eventually, this condition was accepted by the general meeting of the company and the issue price of the new shares was set at 3.2. Lastly, it is worth noting that the company expects high profits, since travelling is now allowed and the tourist season has begun.

Athens Stock Exchange General Index Movers	Weekly Change
Top Gainers	
Thrace Plastic	20.75%
J&P Avax	19.80%
Attica Bank	16.95%
Lykos Inform	13.80%
Athens Medical	10.68%
Top Losers	
Eurobank Ergasias	-7.46%
National Bank of Greece	-6.79%
Alpha Bnak	-4.90%
Quest Holdings	-4.43%
Flexopack SA	-2.22%

Conclusion & Outlook

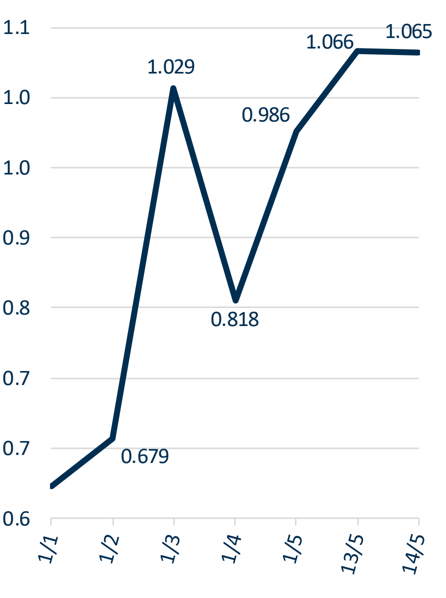
Last week, the market relied on the blue-chips and especially in the construction and energy sector. However, in order to continue the upward trend, the contribution of the banking sector is considered necessary. Of major importance is the fact that, the positive developments on the pandemic front create a momentum for the benchmark, so that combined with positive business developments, it chases higher levels.

News & Economy

Economy recovers due to the recession of Covid-19 and the opening of tourism

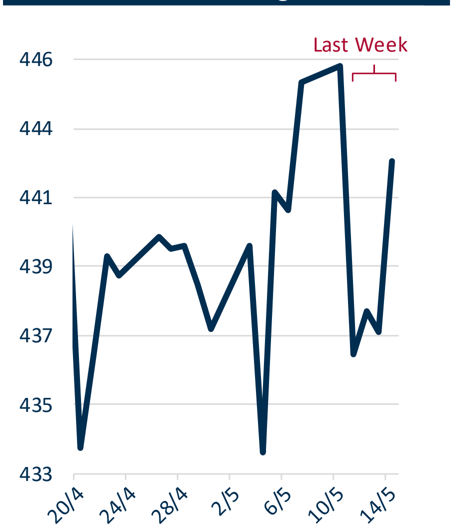
At the pandemic front, the situation seems to normalize, since with the contribution of the good weather, the community testing and the vaccination plan, the country seems to be gradually building a firewall against the virus. Of primary importance is the fact that the occupancy of the hospitals has significantly decreased since it now reaches 70% while having reached 100% in the previous month. All this led to the further lifting of restrictions, which is expected to bolster businesses' activities and the economy, while it also should be imprinted in the stock market. As for the vaccination process, which is the main

10Y Greek Bond YTM



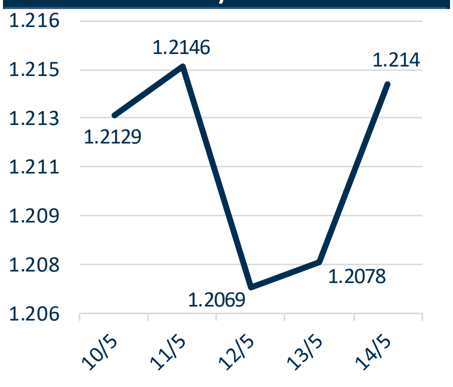
Source: Bloomberg

STOXX 600 Closing Prices



Source: Bloomberg

EUR/USD



Source: Bloomberg

weapon against the pandemic, to date 30% of the population has been vaccinated with at least one dose and more than 100K vaccinations are performed daily. Moreover, in its effort to minimize potential disruptions of the tourist season, the Greek state promotes the immediate vaccination of the islands' inhabitants, while from the end of May, the vaccination of all citizens over 18 years old is expected to be available. All these positive developments have led the Commission to revise upwards its estimates for the Greek economy's development, which is now expected to be 4.1% in 2021 and 6% in 2022.

Hercules Project becomes a lifeline for banks.

Apparently, according to the head of SSM, Greek banks have reduced NPEs through securitizations and have settled their balance sheets, though there is still much ground to cover. As a result, Greek banks should proceed with the securitizations and complete agreements in order to further reduce red loans, while the ECB provides the banking system with the necessary liquidity. At the same wavelength, ratings agency Fitch is forecasting an improvement in the outlook of the four systemic banks and expects that their credit profiles will improve faster, supported by Greek economy's recovery which is expected to gain momentum. At the same time, the firm expects that the banks' plan for additional securitizations of NPEs through the Hercules II framework, combined with other initiatives, can reduce their rate. Finally, it is worth mentioning that Hercules I project has achieved a vote of confidence from global markets and is expected to help banks enter a new era.

EUROPE | US Inflation overshadows positive macro data

Markets & Economy

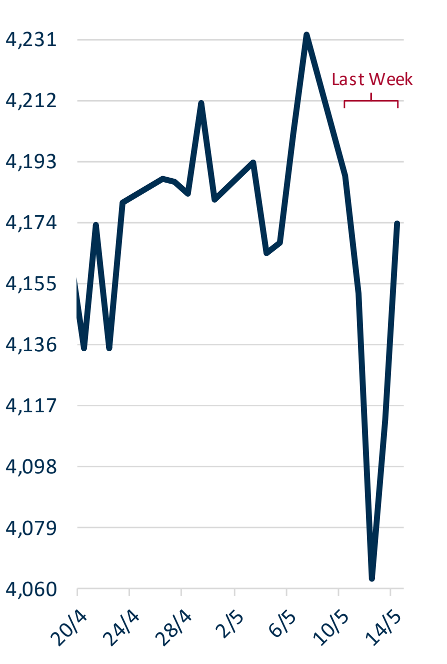
European shares presented increased volatility the past week leading to modest losses by the end of it. On Monday, European stocks hit record highs as cyclical sectors, like miners and financial, rallied. This rise was followed by a three-day decline in markets in which the Stoxx600 fell 2%, the largest in 6 weeks, as the week concluded with a strong rebound driven by energy and retail sectors. The main reason for this course in the markets is that the investors adopted a more conservative approach due to US' inflation and unemployment data which overshadowed EU's encouraging macro data and the positive outcome of the pandemic. More specifically, April's inflation in US rose by 4.2% y-o-y posing a new record since 2008 while unemployment increased too, leading to concerns about a shift in FED's monetary policy earlier than expected which may affect the overall recovery. On the contrary, investment conditions seem prosperous for Europe. Both Sentix investment climate index and current situation index reached their highest spot since the outburst of the pandemic with 21 and 6.3 point respectively while the index which evaluates the investment expectations posed a record at 36.8 units. Moreover, Eurostat announced that Marche's industrial production for EU surged by 11% y-o-y despite slipping by 0.6% in comparison to April. These data led the European Commission to revise the forecasts for EU's recovery. Europe will grow by 4.2% in 2021 and by 4.4% in 2022 which means that most European countries can reach their pre-pandemic status next year. In Germany, Zew Financial climate index for April reached a record at 84.4 points. It is also noteworthy that Consumers' Price index continued rising for April at 2.1% on a yearly basis and 0.5% on a monthly basis following experts' estimations. In France Minister of Economy and Finance Bruno Le Maire announced that the country will present a 5% growth rate in 2021 fully recovering in the first semester of 2022. Lastly, the lift in the restrictive measures really benefited UK's economy which despite a 1.5% shrinkage in Q1 it developed beyond the expectations in March by 2.1% in comparison to the forecasted 1.3% while UK's Central Bank estimates further increase by the surprising rate of 7.25%. (STOXX600 -0.54%, DAX 0.11%, CAC40 -0.01%, FTSE100 -1.21%, FTSE MIB 0.63%)

US | Higher inflation rises doubts about Fed's commitment to loose monetary policy

Markets & Economy

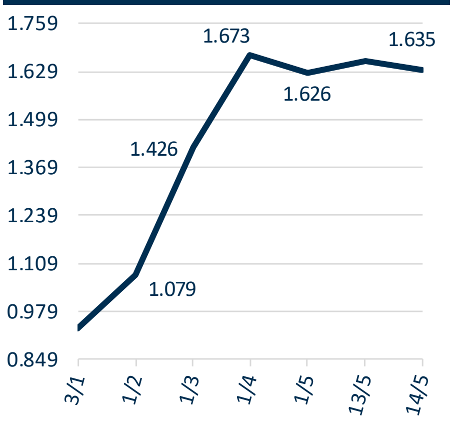
Wall Street ended the week with losses, after stocks hit new all-time highs the week prior, as higher than expected inflation readings raised concerns over a sooner withdrawal of easy monetary policy, despite recent data continued to highlight a positive outlook for the economic recovery. Dow Jones Industrials Average slipped -1.1% and closed at 34,382 points, NASDAQ closed at 14,430 losing -2.3% and the S&P 500 closed at 4,174 down -1.4%. Equities recorded their worst performance in six months after reports showed both

S&P 500 Closing Prices



Source: Bloomberg

US 10Y Bond YTM



Source: Bloomberg

Nasdaq Movers	Weekly Change
Top Gainers	
Peloton Interactive Inc	15.24%
Seagen Inc	5.74%
Zoom Video Communications Inc	4.28%
Intuit Inc	4.04%
Regeneron Pharma	4.00%
Top Losers	
Tesla Inc	-12.29%
Pinduoduo	-11.56%
MercadoLibre Inc	-10.68%
JD.com Inc	-9.75%
Micron Technology Inc	-7.30%

producer and consumer prices rose more than forecasts, overshadowing the positive fundamental backdrop that has pushed markets to record highs. According to the Labor Department the Consumer Price Index increased 0.8% in April, leading to a 4.2% advance compared to a year earlier, the highest reading since 2009, while the core index, which excludes food and energy, showed a 0.9% increase. The Producer Price Index followed suit surging 0.6%, marking a 6.2% y-o-y advance, all providing evidence of inflationary pressures, which remain a primary source of market volatility, with weakness concentrated in high-growth and technology stocks, which appear to be more sensitive on higher interest rate environments. Even though the sudden rise in prices was anticipated by investors, the magnitude of the increase was well above estimates, raising doubts over a lasting monetary policy that has supported the economic rebound thus far. However, policymakers view these price pressures as transitory, considering an economy that is gaining momentum due to ongoing monetary and fiscal stimulus, with the later remaining in focus as negotiations on Joe Biden's recently proposed $1.8 tn American Families Plan continue. Therefore, the Federal Reserve is not expected to adjust its policy as the upturn in inflation is attributed to pandemic related factors, while the central bank remains focused on a broad recovery in employment, which is a long way from being accomplished considering the discouraging jobs report for April. High inflation readings are related to easy comparisons from when prices collapsed during the height of the pandemic last year, while another catalyst for the sudden rise is the current imbalance between supply and demand, as manufacturing industries limited production and reduced inventories in anticipation of a prolonged recession leading to shortages, while consumer demand accelerated by multiple rounds of stimulus checks. Still according to a report retail sale remained flat in April, as the impact of stimulus checks faded and spending diverted to services as the economy reopens, a factor that also contributed to the surge in the CPI, as prices rose most in sectors that have been heavily impacted by the pandemic and are benefiting from the reopening of the economy, with the price adjustments reflecting a return to typical spending habits. Consumer confidence is expected to pick up in the coming months in view of ongoing improvement of the labor market as the initial jobless claims declined for a second week to 473K the week ended May 8th, the lowest since the pandemic began. In the meantime, job openings in March rose to 8.12 mn, the highest since 2000, as restrictions are broadly being lifted and activity picks up leading to increased labor demand, with the number of vacancies exceeding hires by more than 2 mn, the most on record. Even though higher inflation readings could be the main source of volatility, higher inflation tends to benefit cyclical sectors, which so far led the market gains this year, while the outlook for strong economic growth will continue to support the overall market.

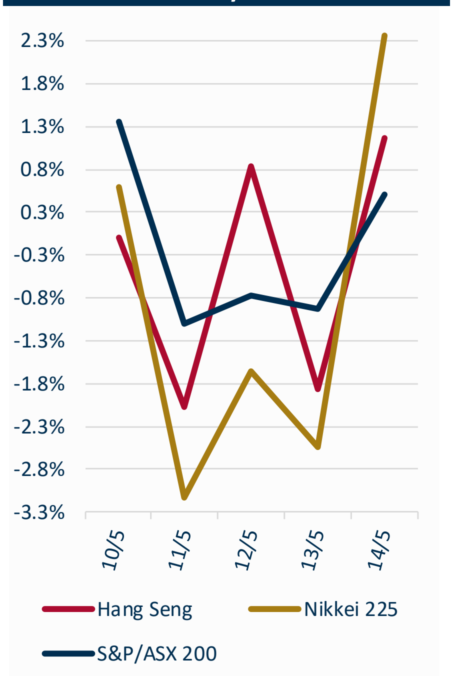
STOCKS | Performance & Fundamental Analysis

Roblox Corporation (NYSE: $RBLX) develops and operates an online entertainment platform. It offers Roblox Client, an application that allows users to explore 3D digital worlds; and Roblox Studio, a toolset that allows developers and creators to build, publish, and operate 3D experiences and other content. The company also provides Roblox Cloud, a solution that provides services and infrastructure to power the human co-experience platform. Roblox Corporation was incorporated in 2004 and is based in San Mateo, California. Company shares surged on Tuesday after the popular video game platform operator delivered strong first-quarter results. Roblox's revenue increased 140% y-o-y to $387 mn. In the first quarter, daily active users rose to 42.1 mn, up 79% from last year. Users spent 9.7 bn hours on the platform, up 98% year over year from March 2021. Roblox's booking climbed 161% to $652.3 mn, with average bookings per daily active user increasing 46% to $15.48. $RBLX price closed at $70.95 on Friday, up 4.49% from previous week's closing.

Upstart Holding Inc. (NASDAQ: $UPST) is an AI-powered lending platform, using machine learning models to accurately identify and measure credit risks. $UPST partners with banks to improve the efficiency of the lending processes. Some of the variables in the AI model include employment history, banking transactions, cost of living and credit experience, making this automated data processing analysis its primary competitive advantage going forward. The lending platform implied that their AI-model could find extreme success in the lending/credit sectors such as business loans, student loans and credit cards, unveiling themselves in a massive new market. The shares of the lending

S&P 500 Movers	Weekly Change
Top Gainers	
NortonLifeLock Inc	23.68%
Viatris Inc	13.64%
Seagate	7.00%
CME Group Inc	6.93%
DXC Technology Co	6.84%
Top Losers	
Hanesbrand Inc	-14.26%
Coty Inc	-13.44%
Tesla	-12.29%
ABIOMED Inc	-9.52%
Occidental Petroleum Corp	-8.36%

APAC Daily Returns



Source: Bloomberg

platform soar 19% following the company's first quarter 2021 results. Revenues for the quarter were increased 90% compared to Q1 2020 at $121 mn, beating the analysts' expectations by $5.29 mn. Non-GAAP EPS touched $0.22, exceeding analysts again by $0.07 per share. Lastly, their Loan obligations surged 102% y-o-y. Regardless of the earning beat, $UPST closed at just $103.36 on Friday 15th, up 8,4% from its previous week's closing, due to the sell-off in growth stocks, as a result of the inflation fears.

APAC | PBOC keeps rates steady – worries about coronavirus spike in Japan

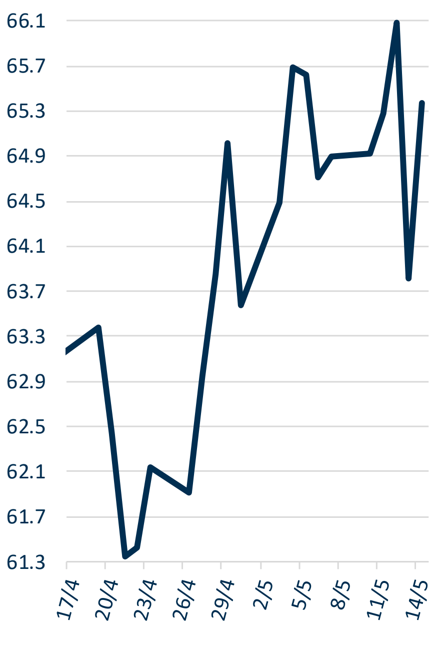
Markets & Economy

Last week, Chinese stocks marked a strong advance with the benchmark Shanghai Stock Exchange Composite Index increasing 2.1% and the large-cap CSI 300 Index rising 2.3%. In macros, lots of indices were announced marking the normalization after the COVID-19 pandemic. Specifically, auto sales rose by 8.6% y-o-y continuing their upturn for the 13th month in a row. Additionally, China's PPI increased by 6.8% in April beating last months' reports, due to a strong increase of raw material price, while CPI rose by 0.9% disappointing investors' estimations. On corporate front, Alibaba Group unveiled that its revenue in the final quarter of fiscal 2021 surged 64% comparing to last year's figure despite the loss of $1.2 bn due to an anti-trust fine issued by Chinese government, confirming its leading role in international e-commerce. On Thursday, China's Commerce Ministry expressed its support of the WTO discussions for vaccine patent waiver proposal in a bid to increase the global vaccine supply in order to accelerate the global immunization. Finally, the Chinese government is considering a reform in property taxation. Home prices seems to be a serious concern for Beijing as it is believed that is the basic factor for the rising fertility rate that was announced, and analysts estimate that the government will respond by new economic initiatives to encourage families to have more children. The yield on China's sovereign 10-year bond remained stable at 3.17%. Moving to Japan territory, markets nosedive amid surging commodity prices and growing inflationary pressure in the United States. The Nikkei 225 declined 4.34%, hitting a four-month low, and the broader index TOPIX fell 2.57%. As a consequence of the increasing inflations, the government announced that the government was declaring a state of emergency in three more prefectures, which might last until June 13. The Bank of Japan stated that the country's economy is likely to recover, mainly led by external demand, but the outlook still remains uncertain, with the primary contributing factors being the pandemic and vaccine rollout. In data, household spending posted its biggest monthly gain in 18 months in March, in which surged 6.2% in March from a year earlier, after a 6.6% decline in February. In bonds, the yield on benchmark 10-year Treasury notes rose 0.09%, mainly affected by the risk sentiment. In currency, the yen weakened slightly against US dollar, remaining at the end of the week at JPY 109. Moving to southern hemisphere, the benchmark S&P/ASX200 posted its biggest weekly drop in 11 weeks, ending up 0,9% lower. The Commonwealth Bank of Australia analysts stated that they expect the country to move from the AAA credit rating to the AA+ rating with the next annual S&P review, in the wake of Australia's new budget, which, while focusing on economic recovery after the pandemic and expanding the job market, features a large increase in government spending, prompting fears of an increase in the national debt. In data, retail turnover climbed 1.3% in March from a 1.4% rise in February. Separately, the National Australia Bank's index of business conditions jumped 8 points to a record +32 in April.

COMMODITIES | US pipeline closure and inflation spike drive this week's market

This week, oil markets followed a bumpy session with the two benchmarks, WTI and Brent, ending the week at $65.41/b, yielding +0.79%, and $68.73/b, yielding +0.66%, respectively. The week started with investors cautiously following the news about the closure of a major US pipeline after a cyberattack at the end of previous week, overshadowing India's ongoing COVID crisis. The Colonial pipeline transports roughly 2.5 mn barrels per day of gasoline and other fuels from refiners on the Gulf Coast to consumers in the mid-Atlantic and southeastern United States, leading to fears of fuel shortages. On Tuesday, prices surged after OPEC's demand outlook for 2021 remained unchanged and the Energy Information Administration (EIA) reported that U.S. crude oil production is expected to fall by 290,000 bpd in 2021 to 11.02 mn bpd. Furthermore, the EIA reported on Wednesday a smaller than forecasted draw in crude oil inventories of 0.427 mn barrels for the week ending May 7. Analysts had predicted a draw of 2.817 mn

Crude Oil WTI Futures



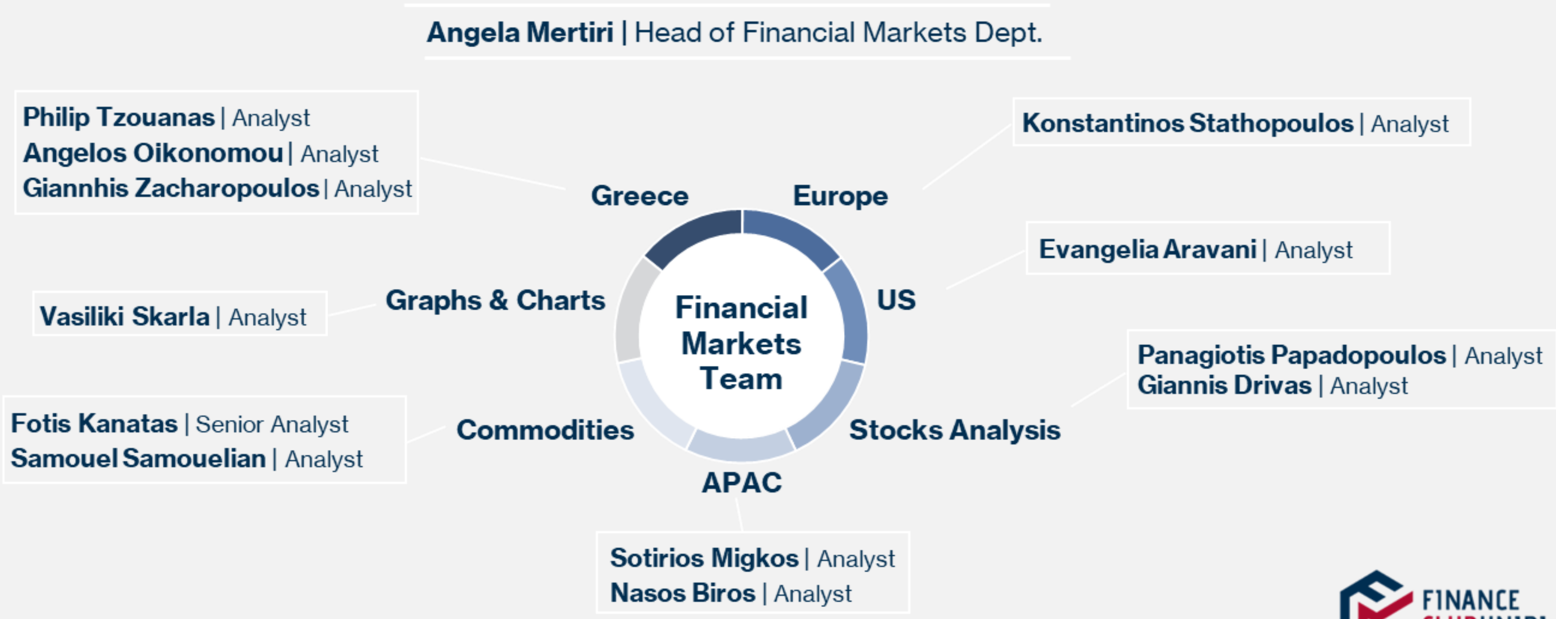
Source: Bloomberg

barrels for the week. On Thursday, prices tumbled as investors reacted to the inventory report and to Colonial officials' reports that the restoration of Colonial pipeline was successful. At the same time, India's festering COVID-19 situation hit the spotlight once more, since infections and deaths have skyrocketed, leading to increased concern over oil demand in the world's third-largest oil importer. Baker Hughes reported on Friday that the number of oil and gas rigs in the United States increased by 5 this week, bringing the total rig count to 453. Natural Gas ended the weekly session 0.37%, at $2.969/MMbtu. The week started with prices edging lower, after being boosted by last week's friendly storage report, since warm temperatures are expected to continue. On Tuesday, prices rebounded after a slight tweak to the weather forecasts. The uptrend continued on Wednesday with the Natural Gas Intelligence (NGI) reporting that Bespoke Weather Services said the domestic demand outlook is uneven, with near-term demand holding up early this week as cool weather swept the Midwest and parts of the East. On Thursday, the EIA reported that Natural gas in storage was 2,029 Bcf as of Friday, May 7. This represents a net increase of 71 Bcf from the previous week, which was generally in line with expectations. The report boosted prices and drove the commodity to an almost 3-month high on Friday, also underpinned by LNG, before tumbling due to weather forecasts suggesting that warmer-than-normal temperatures will remain for most of the next 2-weeks. Gold had its second week of gains closing the weekly session with a yield of +0.65%, at $1843.85/ounce. On Monday, the precious metal ended the session with small gains as the dollar lost ground and hit a 2,5-month low price. On Tuesday, fears about inflation boosted US yields, leading to losses for Gold. Prices continued the choppy ride on Wednesday affected by anxiety over US inflation data for April, which later in the day showed a higher than expected increase of the US CPI. The US core consumer price index (CPI) grew by 4.2% in the 12 months to April for its largest increase in almost 13 years, while the Producer Price Index expanded by 6.2% last month over a one-year period for its biggest expansion in a decade. Thursday's and Friday's sessions closed with small gains, despite the increase in inflation, driven by a fall in yields and the reassurance of the Fed that these inflationary pressures are "transitory" and will fade as the economy makes a full recovery.

MAY 2021	THIS WEEK'S ECONOMIC AGENDA
MON 17	•Japan's GDP QoQ Q1 (fc: -1.2%) •Australia's RBA Meeting Minutes
TUE 18	•UK Average Earnings Index +Bonus Mar (fc: 4.6%) •UK Claimant Count Change Apr •US Building Permits Apr (fc: 1.774M)
WED 19	•Hong Kong – Holiday: National Day •South Korea – Holiday: Buddha's Birthday •UK CPI YoY Apr (fc: 1.4%) •EUR CPI YoY Apr (fc: 1.6%) •Canada's Core CPI MoM Apr •US Crude Oil Inventories •US FOMC Meeting Minutes •Australia's Employment Change Apr (fc: 15.0K) •China's PBoC Loan Prime Rate •New Zealand's Annual Budget Release
THU 20	•US Initial Jobless Claims •US Philadelphia Fed Manufacturing Index May (fc: 44.0)
FRI 21	•UK Retail Sales MoM Apr (fc: 4.0%) •German Manufacturing PMI May (fc: 65.8) •UK Composite PMI May (fc: 60.0) •UK Manufacturing PMI May (fc: 60.7) •UK Services PMI May (fc: 60.1) •Canada's Core Retail Sales MoM Mar (fc: 3.7%) •UK Existing Home Sales Apr (fc: 6.08M)

What to look for this week

Upcoming Q1 2021 financials for leading US retail companies (Walmart, Target, Home Depot etc.) are going to define consumer spending as the US economy is set to recovery, especially after April's record rise in consumer prices in nearly 12 years. Tech stocks have underperformed recently due to inflation concerns, corporate tax hikes and anti0trust policies but all corrections on the sector have proven to be short-term and shallow so it is unclear whether investors are going to neglect tech stocks just yet. In the meantime, Fed's extended asset buying policy seems to be coming soon to an end (that could be towards the end of next year) after Treasury Secretary Janet Yellen's comment that interest rates have to rise someday. The previous statement coupled with the recent inflation upturn has caused distress that rates can rise sooner than expected. Economic data is going to play a leading role towards the end of next week as US PMI of May. Prior to that, eyes will be on Eurozone and Japanese Q1 GDP numbers. The vaccination progress for major economies should pose PMI's above 50 -enough to separate them from the contraction. Australia's labour data are due on Thursday defining whether the recent jobs acceleration can stand without the government's support. Nevertheless, the Reserve Bank of Australia does not expect robust long-term wage growth before 2024.



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