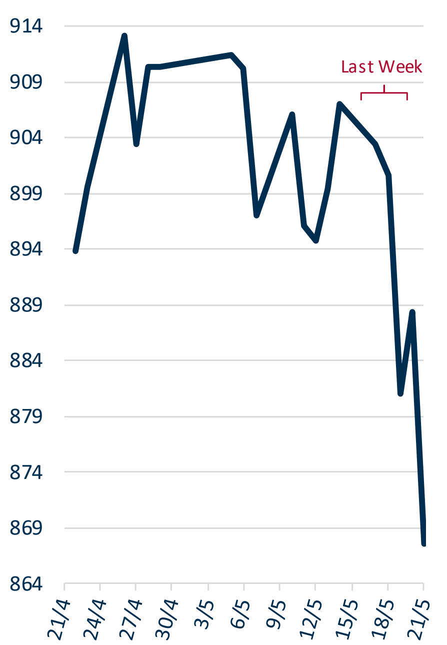
GREECE | History repeats itself: bank's share capital increase bend GI again

ASE General Index Closing Prices



Source: Bloomberg

Market Comment & Driving Events

The Athens Stock Exchange (GI) ended last week at 867.56 points presenting a 4.35% weekly downside from previous Friday's 907.08 points. The FTSE 25 Large Cap decreased by 5.18% and the FTSEB banks index yielded –12.94% on a weekly basis.

A week with a strong drop ended for the GI, reminding investors of the stock market image during the first lockdown. Influenced by the general climate of concern in international markets and in combination with the lack of support from the banking sector, the crash was inevitable and affected the whole market. On the one hand, caution on the domestic market arose from the mini crash in cryptocurrencies that caused losses amounting to $1 tn, which in combination with the fear of rising inflation turned investors to safer assets (gold, bonds). On the other hand, for another week banks took the role of the brakes, preventing the market's upturn. Accountable for the fall in the banks sector is Alpha Bank's stock, which fell over 27% within a day, after the announcement that it will probably need a share capital increase of €800 mn. It is rather obvious that Alpha Bank is following the footsteps of Piraeus Bank, as the latter was the first to follow this strategy. As a result, there was another strong slide on the banking index, thus prolonging its downward trajectory. Nevertheless, there were also positive developments in the market, which, however, were not able to reverse the negative climate. Initially, news from the pandemic front continued to be encouraging, with the economic activity showing signs of improvement. It is also noteworthy that the bookings in the tourism industry exceed expectations. At the same time the eyes of the investors were focused all week on Moody's rating for the Greek economy, which was finally postponed. However, it is worth noting that the rating agency has pointed out the great growth prospects of the domestic economy, which, as it states, is one of the winners of Europe in terms of funds to be raised from the ERF. Last but not least, of major importance is the fact that within the month the financial report for Q1 of several listed companies is expected, like Lamda Development, - the company that has undertaken the largest construction project in the Balkan area, Elliniko - so investors remain cautious until they evaluate the results and act accordingly. There will be also announcements in the banking sector, which can give impetus to the industry, as well as the addition of Eurobank in the Global Standard index, due to the half-yearly restructuring of the Morgan Stanley index.

Stock of the week: Titan Cement International S.A.

Last week, Titan's share recorded a 1.5% weekly upside and closed at €17.86 per share, from previous Friday's €17.56, thus recording a 15-month high. The company was founded in 1902 and holds a leading position in the field of production of building materials. The company has also a long history in ATHEX, in which it was listed in 1912. It is worth mentioning that the announcement of the new plan of the company, which aims to reduce its environmental footprint as well as its participation in the transformation of the Greek economy through the funds from ERF, attracted the investors' interest. At the same time, the company's quarterly results were equally encouraging, as its net profits reached €15 mn. As a result, Wood rating house predicts strong growth for the company and sets a target price of €22.

Athens Stock Exchange General Index Movers	Weekly Change
Top Gainers	
Byte Computer SA	12.33%
Space Hellas SA	9.09%
Alumil	4.90%
Aegean Airlines	2.31%
Coca Cola	1.65%
Top Losers	
Alpha Bank	-29.80%
Attica Bank SA	-20.83%
Athens Medical	-11.63%
Lykos Inform	-8.28%
Jumbo SA	-7.43%

Conclusion & Outlook

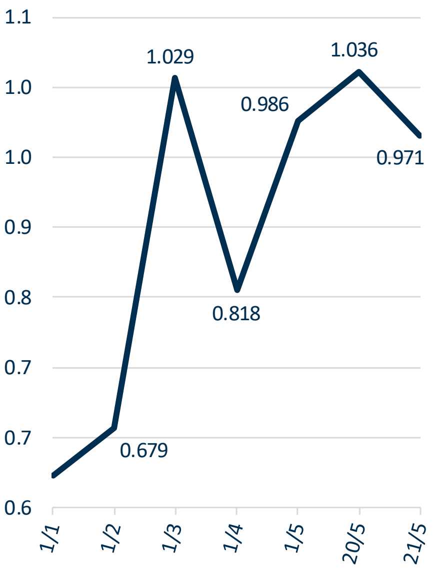
A week of strong correction was completed for GI, proving once again the great impact of the banking sector on the whole market. It is obvious that in order to halt this downward trend, the isolation of Alpha Bank's share is required, as happened with Piraeus Bank. Positive business developments and the further remission of the pandemic can contribute to this.

News & Economy

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

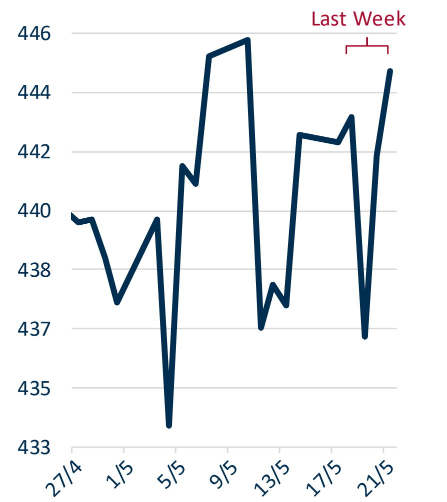
At the pandemic front, the new data show that the virus is slowly receding. More specific, daily infections remain above 2000 and deaths around 50, whereas the hospitals' occupancy fell to 65%, fact that is extremely positive. Furthermore, the vaccinations

10Y Greek Bond YTM



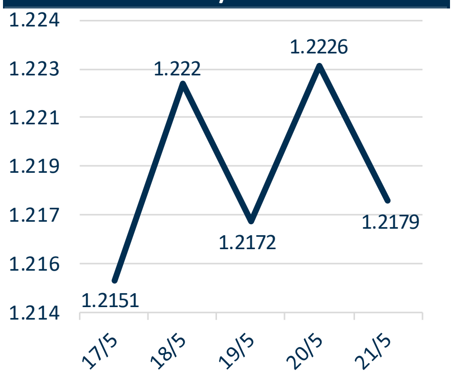
Source: Bloomberg

STOXX 600 Closing Prices



Source: Bloomberg

EUR/USD



Source: Bloomberg

procedure continues with a steady rate and according to government sources Greece will reach 5 mn vaccinations by the end of May, a significant number in order to reach immunity against COVID-19 in order to return to normality. Based on this information, the committee of epidemiologists decided to lift further restrictions (concerts, theatres), thus declaring that a full return to the pre-pandemic era is not far. Finally, the news from the tourism sector is equally encouraging, where bookings so far are at the same levels as those made in 2019. This fact indicates that the Greek economy will have satisfactory revenues from its “heavy” industry, as well as that this year’s tourist season will not be lost like last year.

Hercules Project: a lifejacket for banks

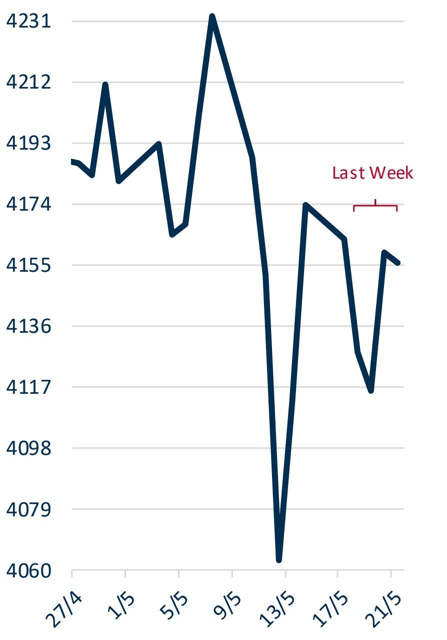
The developments of Alpha Bank played a decisive role in the movement of GI, as a share capital increase of 800 mn is possible. In fact, consultants from Goldman Sachs and JP Morgan are invited to investigate this proposal. According to the bank’s announcements, the goal is to take advantage of the positive climate in the markets, so that the losses from NPEs are balanced and the bank has the required funds in order to support the Greek economy to a greater extent and the effort for its transformation. This move was opposed by investors who made massive liquidations, that led to the activation of the limit down for the share. Nevertheless, we must not forget that several rating houses emphasize the positive prospects of this particular bank, which are expected to increase if capital share increase is completed. Until now, two of the four systemic banks have led to this move, with the other two rushing to stress that they will not follow the same path despite the financial losses caused by the pandemic.

EUROPE | High inflation overshadows vaccine rollout and ECB meeting

Markets & Economy

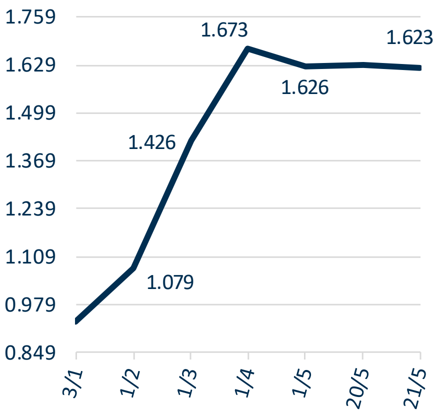
Increased volatility prevailed the past week in euro-markets. On the one hand, inflation data and the coronavirus’ mutations rise concerns and push the investors towards a more conservative approach leading to a 2% sell-off on Wednesday with miners, travel and technology stocks being the top decliners. On the other hand, the vaccination rollout and the corporate and macro data give hope regarding the economies’ reopening. As a result, a rebound took place in the end of the week reducing potential losses in European equites. On the inflation front, Consumers’ Price Index for eurozone increased by 1.6% y-o-y in April, driven by energy and services sectors, as inflation has already reached the goal of 2%. However, ECB reassured that it is still too early to consider winding down its bond purchase program amounted at €1.85 tr as Europe is in the process of recovery. and in 2022 the economy will return to pre-pandemic levels. On more macro data, Eurostat announced that Eurozone’s GDP fell by 0.4% in Q1 as every country except from France presented a declining GDP. Additionally, financial activity’s growth accelerated at its fastest rate in 3 years according to HIS Markit. More specifically, Composite PMI Index hit 3-year high at 56.9 units in May supported by the resurgence of the services industry and a recovery in demand for goods after the phasing out of the restrictive measures. It is also noteworthy that EU and US are willing to come to an agreement regarding duties on steel and aluminum products. Such an agreement will be profitable for both parties and is well received from the investors as it is expected to decrease uncertainty. On the pandemic front, Investor’s landscape has been slightly boosted by optimism news concerning Sanofi’s and GSK’s vaccines proven high efficacy, as well as the announcements from the European Commission that 70% of the adult population of EU will be vaccinated until July. The promising news regarding the pandemic give hope for a, much needed, recovery in travel industry. As for now, airlines have been severely hit by the COVID-19 pandemic. Ryanair, Europe's largest passenger airline, reported record losses of € 815 mn in terms of passenger numbers presenting the worst performance in its 35-year history, while the losses of the British airline EasyJet also increased in the first semester. In Germany, PPI in April increased 5.2% on an annual basis being the highest annual increase since August. At the same time, PMI moved upwards compared to a month ago, reaching 56.2 points in May, being though lower than analysts’ expectations. In UK, the gradual lift in restrictions paved the way for an enhancement in labor market in April, moving up the number of employees by 97,000 and job vacancies by 13%, while dropping the unemployment rate in the first quarter, reaching 4.8%. In addition, inflation more than doubled in April, to 1.5% creating the preconditions for an annual inflation of

S&P 500 Closing Prices



Source: Bloomberg

US 10Y Bond YTM



Source: Bloomberg

Nasdaq Movers	Weekly Change
Top Gainers	
NetEase Inc	11.42%
Pinduoduo	9.26%
JD.com Inc	6.75%
Marvell Technology Group	6.60%
Analog Devices Inc	6.52%
Top Losers	
Comcast Corp	-6.13%
Ross Stores Inc	-5.56%
T-Mobile US Inc	-3.87%
CSX Corporation	-3.36%
Marriott International Inc	-2.99%

2.5% by the end of 2021 further exacerbating the lingering fears among investors. (STOXX600 0.43%, DAX 0.14%, CAC40 0.02%, FTSE100 -0.36%, FTSE MIB 0.84%)

US | Stocks driven by inflation fears - Fed's intends to keep monetary stimulus steady

Markets & Economy

Wall Street ended the week little changed, with equities fluctuating between gains and losses and completing a volatile week, as rising inflation concerns did not abate, overshadowing optimism for the economic recovery, supported by encouraging economic data and strength in corporate earnings. Dow Jones Industrials Average slipped -0.5% and closed at 34,208 points, NASDAQ closed at 13,471 gaining 0.3% and the S&P 500 Index closed at 4,156 down -0.4%. As higher-than-expected inflation readings remain the primary source of market anxiety, attention was shifted on the minutes from the Federal Reserve's last meeting in April, over concerns policymakers will be forced to tighten the easy monetary policy that continues to support the economic rebound. However, the central bank views the inflationary pressures as transitory, considering the accelerated economic recovery, which leads to strong consumer demand, and on the other side supply shortages, while measurements are based on low comparisons from the height of the pandemic last year. Even though inflation might exceed the near 2% goal in the near term, longer-term inflation expectations match the Fed's goals, as reduced supply and high demand will be balanced as the economy approaches to normal conditions. All are reflecting pandemic related factors for the recent spike in prices, which are not expected to force the central bank to adjust its near zero interest rate policy neither the $120 bn asset purchasing program according to this year's projections, easing some concerns and sending the technology sector higher, which has been under pressure due to fears of elevated interest rates, as higher borrowing costs would threaten earning growth on the high leveraged and growth sector. Even though some officials noted the need to discuss about tapering in upcoming meetings in case the economy continues to progress rapidly, the statements were made before the disappointing jobs report, which showed the economy added only 266K jobs in April, well below estimates, marking it will take some time for employment to reach pre-pandemic levels. These remarks boosted investor sentiment over a lasting monetary policy, as the Fed remains focused on maximum employment. In a sign that the labor market recovery is heading to the right direction, initial jobless claims declined below estimates for the third week to 444K the week ended May 15th, the lowest since the pandemic began, as the ongoing vaccination campaign is allowing states to lift restrictions and businesses to reopen, which will lead to a pick-up in hiring in the coming months and demand strengthens. As consumer demand picks up, boosted by ongoing fiscal support and an improving labor market, the Purchasing Managers Index rose to a record pace to 61.5, topping estimates and noting business activity is expanding rapidly as the economy reopens and consumers return to normal spending habits. Still sales of previously owned homes decreased 2.7% in April, falling to the lowest in 10 months as a result of lack of inventory leading to record high prices, which are currently rising more than 10% y-o-y, the strongest level since before the 2008/2009 financial crisis, despite low mortgage rates continue to support demand and keeping sales at their highest level in more than a decade. Even though fears of higher inflation and a rising rate environment briefly subsided due to Fed's commitment to easy monetary policy, inflationary pressures will remain in focus, yet are not expected to undermine the expansion, which will be led by cyclical parts of the market as the economic recovery broadens.

STOCKS | Performance & Fundamental Analysis

Seagate Technology Holdings PLC (NASDAQ: $STX): is a data storage company mainly producing SSDs (Solid State Drives) and HDDs (Hard Disk Drives). A SSDs is a new generation mechanical hard disk that speeds up computers significantly due to their low read-access times and fast throughputs, while an HDD is a traditional storage device that stores and retrieves data. $STX shares soared 12.4% in the closing section of 17/5/2021 (Monday). The increase in the share price is associated to an unusual rise in demand for SSDs and HDDs, used for "farming" CHIA, a new echo-friendly cryptocurrency. Chia, unlike all other cryptocurrencies, use a different mechanism for "farming" its coins, called "Proof of Space" (and Time). Other cryptocurrencies use the "Proof of work" mechanism to verify transactions by solving difficult hashing problems that earns them the coin. This procedure requires a lot of computational power. On the other hand, Chia, by using the

S&P 500 Movers	Weekly Change
Top Gainers	
Ford Motor Company	12.58%
Take-Two Interactive Software Inc	10.40%
ViacomCBS Inc	8.33%
Target Corporation	6.60%
Centene Corp	6.55%
Top Losers	
Kohls Corp	-11.82%
Discovery Inc Class A	-11.73%
Ralph Lauren Corp A	-11.28%
VF Corportion	-9.60%
Gap	-8.80%

"proof of Space" mechanism uses 30 times less energy for "farming" it's coin. The fact that Chia's approach to create new coins is tied to storage capacity rather that computational performance is its main competitive advantage. The total storage space used by Chia network is nearly 8 Exabytes, while in the end of April was just 1 Exabyte, an increase of 2000% in one month(66%/Day). Even if we have a 5% Growth/ Day, the total Chia NetSpace will be around 17000 Exabytes by the end of the year. Going forward there is potential for more echo-friendly cryptocurrencies to be created using the "Proof of Space" mechanism making them an ESG diversification instrument. To put all that in perspective, $STX sold 140 Exabytes of storage in the March quarter, up about 10 Exabytes from the December quarter, increasing the disk's prices by 22%. $STX closed Friday at 94$, falling 4% from previous week's close. While there is no way of knowing how long demand will last or how much the industry will be warped by Chia "farmers", $STX has been gifted an exciting road ahead of her.

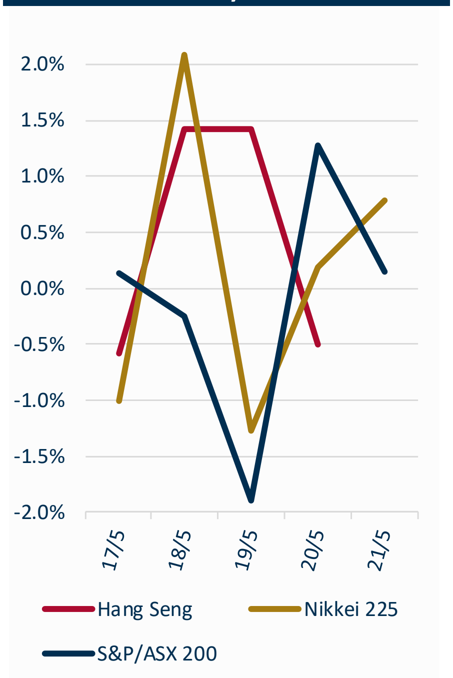
Walmart Inc. (NYSE: $WMT) engages in retail and wholesale business. The Company offers an assortment of merchandise and services at everyday low prices. It operates through the following business segments: Walmart U.S., Walmart International, and Sam's Club. The company was founded by Samuel Moore Walton and James Lawrence Walton in 1945 and is headquartered in Bentonville, AR. On Tuesday 18th, Walmart reported Q1 earnings that beats analysts' expectations as the company reported strong grocery sales and e-commerce growth and raised its outlook for the year. E-commerce sales in the U.S. rose by 37%, even as consumers returned to more typical patterns. Walmart reported net income rose to $2.73 bn, or 97 cents per share, from $3.99 bn, or $1.40 per share, a year earlier. Excluding items, the company earned $1.69 per share. Analysts were expecting Walmart would earn $1.21 per share, according to Refinitiv. Total revenue grew by 3% to 138.31 bn from 134.62 bn a year earlier, beating analysts' expectations of $131.97 bn. Walmart's same-store sales in the U.S. grew by 6%, higher than the 0.9% increase expected by analysts surveyed by StreetAccount. Shares closed Tuesday up 2.2% to $141.91 per share. On Friday closing $WMT price was $141.75, up 1.59% from previous Friday's closing.

APAC | PBOC leaves interests steady – Mixed economic data announced in Japan

Markets & Economy

Last week, major stock indices in China closed in mixed signs, with the benchmark Shanghai Composite Index falling 0.1% and the large-cap CSI 300 Index rising by 0.5%. In bond market news, the yield on China's 10-year bond marked a decline and ended the week at 3.09% as a result of April's disappointing economic data. In macros, retail sales of consumer goods in China increased 17.7% YoY according to an official report, while the country's industrial production figure advanced 9.8% in April on an annual basis, thus staying in line with investors' estimates. China's regulatory authorities stated during last week that financial institutions would be banned from engaging in cryptocurrency trading. After that announcement, Bitcoin's price dived abruptly reaching $37,000. In foreign relations, on Thursday, the European Parliament decided to halt the approval of the investment deal between EU-China, in response to the decision of the Chinese government to sanction Brussels' lawmakers. Finally, the Chinese central bank announced on Thursday that it decided to keep interest rates stable for the 13th consecutive month. The PBOC left its one-year loan prime rate at 3.85% and maintained its five-year loan prime at 4.65%. These two benchmark lending rates were lowered since last year amid the outbreak of the COVID-19 pandemic. Moving to Japan territory, the Nikkei 225 rose by 0.83% and the broader index TOPIX followed suit (1.13%). As for coronavirus, the Tokyo Medical Practitioners Association has called for the cancelation of the 2021 Olympics as COVID-19 cases surge in Japan's largest city and inoculations' drive has been the slowest among advanced nations. Furthermore, mixed economic data released this week. On the bright side, industrial production rose 1.7% in March compared to the previous month, while on an annual basis, the figure increased by 3.4%. The exports' rise was remarkable, as they soared by 38% YoY in April, reporting the fastest gain since April 2010. Moreover, manufacturers' business confidence hit a more than two-year high in May, as firms benefited from solid overseas demand. In contrast, the GDP went down by 5.1% YoY for Q1 2021. When compared to the previous quarter, the GDP contracted by 1.3%, thus failing to meet expectations. Adding to the negative side of news, the headline manufacturing PMI was reported at 52.5 after reaching 53.6 in April. The decline,

APAC Daily Returns

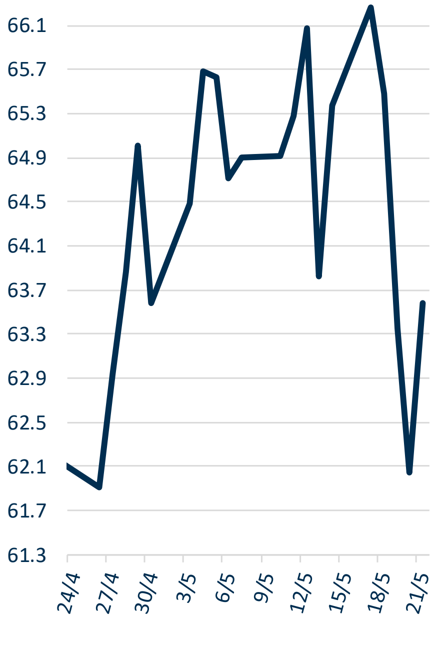


Source: Bloomberg

according to the survey, comes amid a resurgence in coronavirus cases accompanied by "state of emergency" restrictive measures in Japan. In the bond market, the 10-year yield slightly decreased (8 bps), while in currency, the yen strengthened against the US dollar, and finished the week at JPY 108.66.

COMMODITIES | US-Iran nuclear deal pressures oil prices -Gold hits 5-month high

Crude Oil WTI Futures



Source: Bloomberg

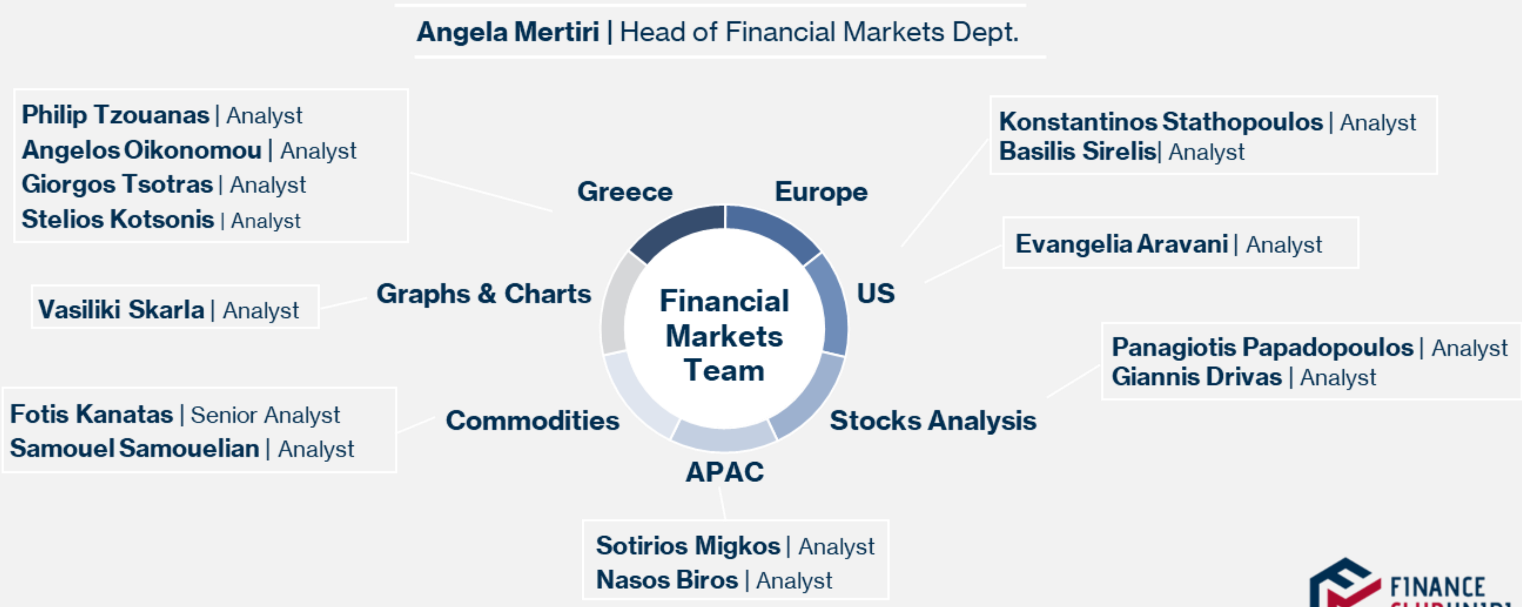
This week oil prices had a roller-coaster ride with the two oil benchmarks, WTI and Brent, hitting a 2-month high before losing ground. The weekly session ended with the WTI closing 2.74% lower than last Friday, at $63.58/b, and Brent 3.30% lower, at $66.44/b. Monday's session ended with gains, after news about lifting restrictions and progress in vaccinations in the US and Europe boosted the markets, despite the fact that Asia's COVID-19 crisis has been deteriorating. At the same time, the US dollar lost ground, thus helping the dollar-dominated oil gain in price. On Tuesday, Brent hit the $70/b mark before plunging after news that the United States and Iran have made progress on reviving a deal restricting Iran's nuclear weapons development, that could release more barrels into the market. The downtrend carried on Wednesday, with investors reacting to the Government's inventory report. More specifically, the Energy Information Administration (EIA) reported that crude inventories rose by 1.3 mn barrels in the week to May 14 to 486 mn barrels, compared with analysts' expectations in a Reuters poll for a 1.6-million-barrel rise. The report combined with a stronger dollar drove prices further down. The EIA's report and the nuclear deal talks between Iran and the US weighed on Thursday's session. Furthermore, India's COVID crisis and the re-activation of the US Colonial Pipeline increased concern over demand, with prices falling an additional 2%. The market turned around on Friday with a big surge driven by a storm which was formed in the Gulf of Mexico. Baker Hughes reported that the number of active US rigs drilling for oil was up by four at 356 this week, following increases in each of the previous two weeks. Natural Gas followed a similar trend with oil with prices hitting a 2-month high on Monday, at $3.150/MMbtu, and then plunging to the weekly closing price of $2.906/MMbtu, yielding –0.65%. The week started with weather forecasts calling for a burst of early summer heat that could drive increased cooling demand, which is providing a tailwind to prices, driving to a 6% rally. Prices reversed on Tuesday as the National Oceanic Atmospheric Administration reported that the weather is expected to remain warmer than normal for the upcoming days. The EIA reported that the average total supply of natural gas rose by 0.5% compared with the previous report week. The fall continued on Wednesday with prices easing at the end of the daily session, as investors prepared for the EIA's upcoming inventory report. According to the EIA domestic supplies of natural gas rose by 71 Bcf for the week ended May 14. That was larger than the average increase of 63 Bcf. The report combined with weather forecasts led both Thursday's and Friday's session to close lower than they opened. Gold had a good weekly session with prices following an uptrend for the whole week, leading to the close price of $1881.85/ounce, 2.06% higher than last Friday. The week started with a fall of US treasury yields and a weaker dollar leading to a boost of Gold prices. On Tuesday, the dollar lost more ground, and an increase of inflationary fears helped the precious metal gain momentum. Wednesday's session was marked by an increase of yields and the dollar, but Gold was supported with the big fall of cryptocurrencies making the 'safe-haven' attractive to investors, though prices fell afterwards. Additionally, investors assessed the release of the minutes from the Fed's April meeting during which participants reported that a strong pickup in economic activity would warrant discussions about tightening monetary policy. The Fed's meeting drove yields and the dollar upwards on Thursday, though both reversed afterwards pushing Gold higher. On Friday, despite the dollar reversed once more, Gold prices went up leading to the weekly close price.

What to look for this week

This week is expected to be a quiet one. As the month is approaching to an end and the earnings season has not many companies reporting left, investors will be more focused on the course of the whole economy. In particular, market participants are concerned about inflation and what the Fed is doing about that. As a result, the rotation from tech and growth stocks to real-economy stocks and blue chips will be more prevalent this week. As far as data is concerned, Friday's personal income and spending data, which includes the personal consumption expenditures (PCE) index carries a lot of significance as the Fed is using the latter to measure inflation. Friday's personal income and spending

MAY 2021	THIS WEEK'S ECONOMIC AGENDA
MON 24	•Germany, Switzerland – Holiday: Pentecost •Canada – Holiday: Victoria Day
TUE 25	•German GDP QoQ Q1 (fc: -1.7%) •German Ifo Business Climate Index May (fc: 98.1) •US CB Consumer Confidence May (fc: 119.0) •US New Home Sales Apr (fc: 975K) •New Zealand's RBNZ Interest Rate Decision (fc: 0.25%) •New Zealand's RBNZ Rate Statement •New Zealand's RBNZ Press Conference
WED 26	•Singapore -Holiday: Vesak Day •US Crude Oil Inventories
THU 27	•US Core Durable Goods Orders MoM Apr (fc: 0.7%) •US GDP QoQ Q1 (fc: 6.5%) •US Initial Jobless Claims •US Pending Home Sales MoM Apr (fc: 1.1%)

data, which includes the personal consumption expenditures (PCE) index. Additionally, cryptocurrencies will be closed watched. The previous month was a disaster for the whole spectrum of crypto, and the real question is where the price is going to end at the end of the month. A wide range of regulators and big market participants around the world fell out of favor for crypto during the last month. Consequently, Fed Governor Lael Brainard will be speaking at the virtual Consensus by CoinDesk Conference on Monday about the future of crypto.



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