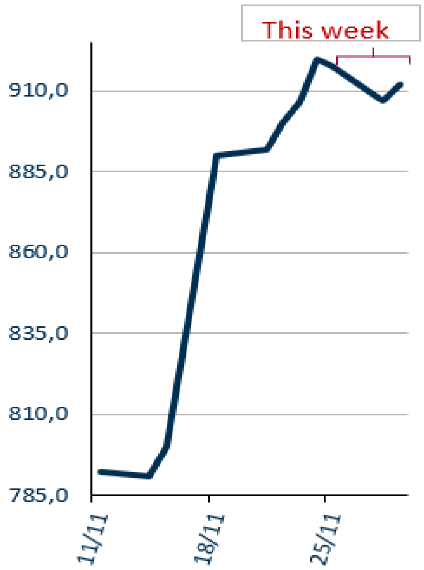
## GREECE | GI's rally severely interrupted by the banks' giddiness




### Market Comment & Driving Events

Over the last week the ASE Composite Index rose 1.32% reaching 915.99 points, trying to maintain levels above 900 points. The FTSE Large Cap through this week has seen an increase of 0.9% reaching a price of 2,219.91 hoping for a move towards 2250 points. FTSE/ATHEX Banks Index saw a decline of 1.84%.

In general, despite the high uncertainty, the week ended with high expectations for a better end to 2022 and chances of a Santa rally receding. Although an announcement of moderate growth going forward, if next week both the European Central Bank and the Federal Reserve manage to make a positive surprise and announce a smaller-than-expected rate hike, we could see a change in the balance of the market and (potentially) it will set the stage for a Christmas rally.

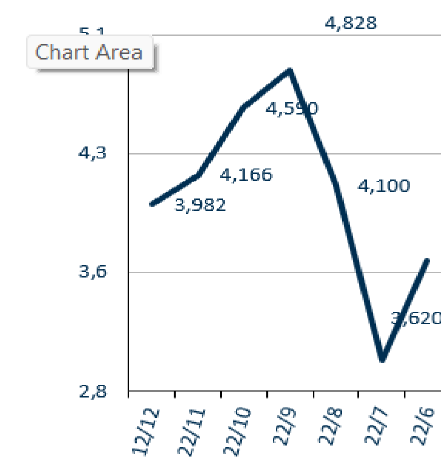
### Stock of the week: Mitilineos S.A

Mitilineos S.A, one of the highest performing stocks, is considered a promising investment, while trading below the industry PE ratio. Investment bank, Citi has reported a new target price of 26€ per share in the short-term expecting an outperformance of the stock. Mitilineos' price increased by 4.77% with a closing price at 18.86€.

### Conclusion & Outlook

It is obvious that the market is still recovering from high inflation and can't be fully relieved till the ECB finally manages to bring down the inflation and stop hiking the rates. Despite that there are positives signs such as the increased investments on the country and the growing banking sector.

**10Y Greek Bond YTM**




Source: Bloomberg

### News & Economy

Greek CPI report-The upcoming ECB meeting

The CPI for the month of November is at 8.5% which indicates a 0.6% decrease since last month. This is a sign of relief for the investors, but there is more to be done as the ECB wants to avoid sticky inflation. Next week, ECB will hold a conference to decide on the next rate hike and many analysts expect it to be 50 basis points.

### Eurobank expands to yet another country

Eurobank looks to expands its operations in the neighboring Bulgaria by acquiring BNP Paribas network there. Last July, Eurobank's offer was accepted, but negotiations kept going and on Friday the agreement was finalized. After the deal was done Eurobank's COO said that Eurobank will remain focused on the expansion of its network in other countries as it accounts for over 30% of its total profits. Also, it is forecasted that in 2022 profits from operations outside of Greece will exceed 200 mn euros which indicates a remarkable increase from 2021 profits of 150 mn. Its newest acquisition has over 450 mn in assets, 100 mn euros of deposits and around 44 branches in Bulgaria. This ensures that Eurobank's operations are diversified as the bank is looking to lower its risk profile.

**US 10Y Bond YTM**

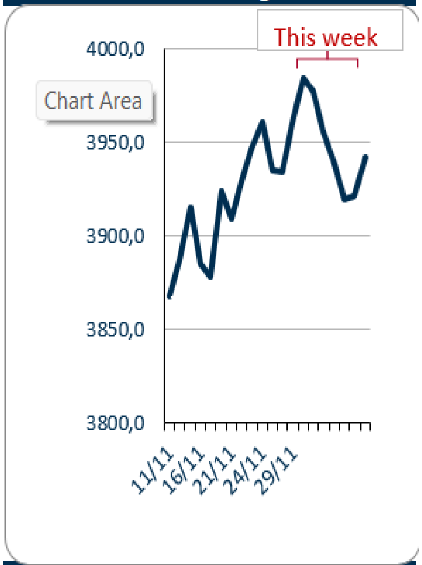

Source: Bloomberg

JPM thing Greece has good potential as an emerging market

JP Morgan created a list which consists of the 10 most promising stocks from Central-East Europe, Africa and Middle East and Alpha Bank is in it. That's the first time it happens since 2014 and it doesn't only show the potential of the bank's stock, but it also indicates that Greece has fully recovered from 2010 financial crisis and 2015 capital controls which left the average consumer "handicapped". JPM seems to have noticed that the relations between Greece and the EU have gotten better which makes the country an ideal place for investments.

## EUROPE | European shares retrace on COVID-19 worries

STOXX 600 Closing Prices




Source: Bloomberg

The European Market the past week was volatile, as inflation rates give mixed signals to investors. In the Eurozone area, the inflation rate decreased for the first time since June 0.6% and is now settled at 10%. It is still higher than the ECB target of 2%. During the next week, the FED will meet with the ECB, and interest rate hikes are awaited. The President of the ECB commented that the inflation rate has not peaked, so interest rates will keep increasing. The Eurozone Business Activity declined for the fifth month. The unemployment rate in the Eurozone decreased slightly to a record low of 6.5%, suggesting that uncertainties and recession fears left the labor market unaffected. Furthermore, business activity is lower for the 5th consecutive month with the PMI at 48.5 signals, still lower than 50.0, as consumers due to the high inflation rates, have decreased their spendings. On Monday December 5, the G7, the EU and Australia set a price cap on imported via sea Russian oil at $60 per barrel, in order to minimize the amount of money Russia can use to support its war in Ukraine. Although, countries such as Hungary and Slovakia can import through the pipeline, till they have new suppliers, but they cannot resell to other European Countries. On the corporate front, the Credit Suisse, has announced that is has successfully raised 4 billion for its Swiss franc fund, boosting its liquidity. The inflation rate in Germany is 10%, 0.4% lower in the first days of December, in France it is 6.2% with no variation and in the UK, it has increased 1% and is now 11.1%. Weekly, the percentage changes are the following FTSE 100 -1.5%, CAC40 -0.96%, DAX -1.09%. Nevertheless, on Friday there was a slight increase in all the indexes, as Credit Suisse gave hope to investors.

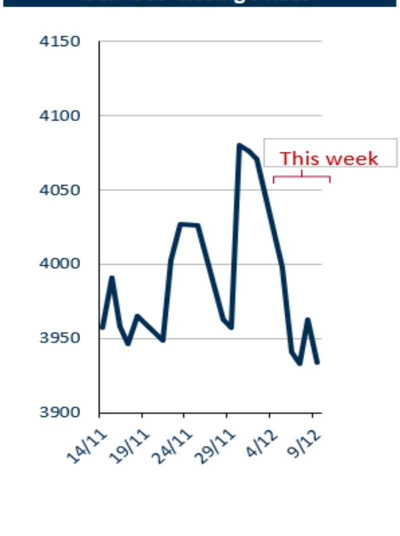
| Dow Jones Movers | Weekly Change |
|---|---|
| **Top Gainers** | |
| United Health Group | 0,57% |
| Procter & Gamble | 0,21% |
| McDonald's | -0,50% |
| 3M | -0,97% |
| IBM | -1,09% |
| **Top Losers** | |
| Salesforce Inc | -9,30% |
| Chevron | -7,20% |
| Walt Disney | -6,08% |
| Goldman Sachs | -5,63% |
| Walmart | 5,16% |

## US | The combination of strong economic data and high inflation point to rate hike

### Markets & Economy

The market rally that lasted for the past month and a half ended last week as higher-than-expected inflation once again weighed on investors sentiment by reinforcing the prospect of a more hawkish Federal Reserve ahead of its long-awaited December meeting next week. The Dow Jones Industrials Average slipped -2.8% closing at 33,476 points, NASDAQ closed at 11,005 down -4% and the S&P 500 closed at 3,934 losing -3.4%. All three major indices cut some gains as a better-than-expected ISM services report, following the strong November Job and wage growth report the week prior, sent markets lower as both were interpreted as a potential threat to falling inflation. While a healthy labor market is undeniably favorable for the economy, combined with strong consumer demand is expected to keep inflation elevated, while data continue to prove the ongoing trend of strength in employment as weekly jobless claims increased to 230.000 last week, although continuing claims rose to a 10-month high, which can't be explained as alarming due to volatility around this time of the year. According to the survey from the Institute for Supply Management the services PMI index unexpectedly rose to 56.5 in November, marking the 30$^{th}$ straight month of growth in the services sector, fueling the flow of strong data which raises the risk that the Fed will rise its policy rate to a higher level than recently projected, even though the central bank's rate-hiking cycle is already the fastest since 1980s. To intensify these worries the Producer Price Index exceeded estimates in November by soaring 0.3% monthly or 7.4% y-o-y, which was on a positive note the slowest increase since May 2021, while the core measure was up 0.4% from last month and on an annual basis 6.2%, showing producer inflation remains elevated but is easing at a gradual pace. However, a move lower in the used-car index, one of the sectors that did undergo extreme price increases after the pandemic, has given investors some hope that inflationary pressures could be moving lower in the months to come, while it also highlights that the supply chain is healing and material shortages are easing. Likewise, reflecting the growing expectations of an economic slowdown in the next quarters ahead, yields rose, with the 10-year Treasury hovering around 3.56%, still below recent highs, while the yield curve turned out to be the most inverted since the early 1980s, a warning sign for a recession, as short-term rates reflect restrictive Fed policy and longer-term rates signal falling inflation and a declining growth outlook. With Fed policy being one of the most important market drivers this year, its not surprising that investors remain cautious

S&P 500 Closing Prices




Source: Bloomberg

| Nasdaq Movers | Weekly Change |
|---|---|
| **Top Gainers** | |
| Docu Sign | 5,49% |
| Baidu | 5,44% |
| Pinduoduo | 3,90% |
| AstraZeneca | 1,58% |
| American Electric Power Company | 1,53% |
| **Top Losers** | |
| Lululemon Athletica | -15,44% |
| Lucid Group Inc | -14,48% |
| Match Group Inc | -10,46% |
| Zscaler | -9,13% |
| AMD | -8,52% |

| S&P 500 Movers | Weekly Change |
|---|---|
| **Top Gainers** | |
| Evergy | 6,65% |
| Newell Brands Inc | 3,46% |
| Campbell Soup Comp | 2,88% |
| CMS Energy | 2,81% |
| Realty Income Corp | 2,46% |
| **Top Losers** | |
| NRG | -21,75% |
| Lincoln National Corp | -18,44% |
| VF | -15,11% |
| Halliburton Company | -15,08% |
| Catalent Inc | -14,49% |

EUR/USD


Source: Bloomberg

ahead of the inflation data and Fed meeting next week as elevated wage gains, robust job growth and strong consumer spending all point to a possible 0.5% rate hike, following the 0.75% hikes in the last four meetings, until the Fed's fund rate reaches 5% compared to the 4.6% projected in September, as even though the leading indicators of inflation are moderating, they have yet to move meaningfully lower. However, such a rate hike is likely largely priced-in already thus focus will shift more towards Chair Powell's commentary and projections for the economy.

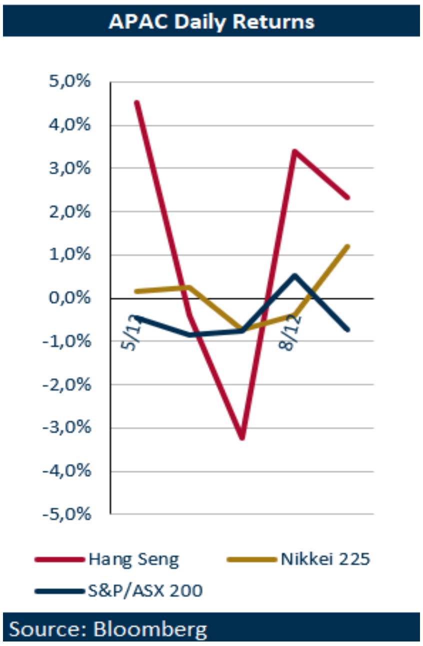
## STOCKS | Performance & Fundamental Analysis

**AbbVie Inc. (NYSE: $ABBV)** is an American research-based Biopharmaceutical company which discovers, develops, manufactures, and sells pharmaceuticals in the worldwide. The company's most known Pharmaceutical are: HUMIRA for autoimmune and intestinal Behçet's diseases, SKYRIZI for adult psoriasis, RINVOQ for rheumatoid arthritis in adults, IMBRUVICA which treats chronic lymphocytic leukemia. AbbVie was incorporated in 2012 and is headquartered in north Chicago, Illinois. Market capped at 293.55 billion dollars this Mega cap is backed by huge institutions such as: The vanguard Group which holds 8.82%, Blackrock Inc. with 7.52%, State Street Corp. with 4.38%, as well as JP Morgan with 3.31%. On Tuesday 6th of December, AbbVie announced a strategic collaboration with HotSpot Therapeutics. Quoted by Jonathon Sedgwick VP and Global head of discovery research, AbbVie, "This collaboration with HotSpot has the potential to deliver an entirely new target class of modulators to patients with serious autoimmune diseases, such as systemic lupus erythematosus, and will help to further strengthen our robust immunology pipeline,". Under the terms of the agreement, HotSpot will receive an upfront cash payment of $40 million and may be eligible to receive up to $295 million in option fees and research and development milestones, with potential for further commercial milestones as well as tiered royalties on global net sales. AbbVie also announced that the company will be paying its dividend of $1.48 on the 15th of February increased from the last year's payment. Furthermore its 3.6% dividend yield is 132 basis points over the 2.28% dividend yield of the average company in the Healthcare sector and a 185 basis points over the average S&P 500 company's dividend yield. Over the last 3-months AbbVie inc. has seen a huge stock price rise of 14.2% as well as its weekly closings from 11/13 – 12/04 of an average of 2.72% per week, With a Slim downside of -.55% for 12/04-12/09. AbbVie's stock price closed at $163.06 on Friday, down -0.35% on weekly basis.

**Rio Tinto Group (NYSE: RIO)** is an Anglo-Australian multinational company that is the world's second-largest metals and mining corporation founded in 1873 in Spain. To this day it extracts precious minerals such as diamond, bronze, copper, gold, lithium and more. Rio Tinto is a dual-listed company traded on both the London Stock Exchange and the Australian Securities Exchange. Additionally, American depositary shares of Rio Tinto's British branch are traded on the NYSE, giving it listings on a total of three major stock exchanges. On Friday, shareholders of Turquoise Hill Resources Ltd ($TRQ: NYSE) have accepted Rio Tinto's $3.3 billion bid to buy all the shares in the Canadian miner it did not already own, ending a tumultuous takeover battle. The deal gives Rio greater control over the Oyu Tolgoi copper mine in Mongolia, which has been a priority for the company. Oyu Tolgoi, one of Rio's most valuable assets, will be one of the largest copper mines in the world when it reaches full production by 2030. Rio operates the mine and already owns 51% of Turquoise Hill, which own's 66% of Oyu Tolgoi. The remaining stake is held by the Mongolian government. Rio's stock price closed at $72.49 on Friday, up 3.84% on weekly basis.

## APAC | China loosens zero covid policy-BoJ stands behind loose monetary policy

This week proved to be a good one for the Asia-Pacific markets as all of the main indices closed in the green. More specifically the Shanghai Shenzhen (CSI 300) rose 3.29% or 127.24 points reaching 3,998.19,




the Hang Seng (HSI) gained 6.56% or 1,225.52 points finishing at 19,900.87 and the Japanese Nikkei 225 recorded small gains of 0.44% to close at 27,901.01. At the start of the week, the Chinese government announced radical changes to its zero-Covid policy which will now be focusing on preventing serious cases rather than infection itself. This will be achieved by expanding the countries vaccination program, leading infectious disease expert Zhong Nanshan said. This policy loosening will increase the number of Covid cases in the near future which might take a toll on China's economy, but in the medium and long term combined with expansive monetary and fiscal policies the economy will start growing again. Some analysts claim that the zero-Covid policy loosening might be China's reaction to the country's declining business activity as the CPI fell from 2.1% to 1.6% y.o.y and the PPI declined to 1.3% y.o.y. Moreover, the manufacturing and services sector experienced a contraction for the third consecutive month and are high in the government's agenda regarding fiscal and monetary policies. In other news, BOJ policymaker Hajime Takata announced that the country isn't ready yet to experience an exit from the loose monetary policy that BOJ has implemented to boost the economic Covid 19 recovery. There have been a few positive signs of recovery as the GDP shrank by 0.2% which is less than the 0.3% forecast for Q3. In the next quarter, the economy is expected to fully recover as worldwide inflation is being contained to some extent and China reopens its economy.

## **COMMODITIES | Spike on US 10Y bond yields halt the uptrend on oil prices**

Oil markets ended the weekly session with huge losses carrying on with the downtrend despite last week's gain. WTI ended Friday's session with a loss of 10.96%, at $71.5/b, and Brent 11.07% lower, at $76.1/b. The week started with the decision of the G7 countries to apply a price cap on Russian oil, fluctuating prices. The price cap is at $60/b something which, of course, is not accepted from the Russian side which is threatening with a production cut and already discussing the use of a floor price. In addition to that, ongoing worries regarding China's new COVID-19 infections, which is one of the biggest oil consumers of the world, has been troubling investors. Its harsh stance against new infections and the ease with which new lockdowns are introduced led prices to drop. Concern over the declining world economy has been another factor bearing down on prices for the last couple of weeks. Furthermore, the strong US dollar makes dollar denominated commodities more expensive to foreign investors, hitting prices. Adding to that, FED plans to continue with hawkish rate hikes creates demand for the greenback. The late week Producers Price Index (PPI) report made matters worse as it came hotter-than-expected shattering any dreams of looser FED rate hikes. The Energy Information Administration (EIA) reported a draw in crude inventories by 5.187 million barrels, against expectations for a draw of 3.305M barrel. According to Baker Hughes, the total US rig count fell by 4 to 780 this week—204 rigs higher than the rig count this time in 2021, and 295 rigs lower than the rig count at the beginning of 2019, prior to the pandemic. U.S. Natural Gas markets formed a s smooth U-shaped price chart this week with prices finishing Friday's session 0.57% lower, $6.245 /MMbtu. The weekly session started with a huge 11% drop in prices as expected milder temperatures and EIA's bearish report last week drove investors away. Weather forecasts changed mid-week bolstering prices, but not enough to turn the week green. On the other hand, European Natural Gas prices increased for the fourth consecutive week as heating demand soars, with the benchmark ICE Dutch TTF index closing the week 7.66% higher at, €145.95. The EIA reported a draw of 21 Bcf in Natural Gas inventories in comparison to an expected 31Bcf withdrawal according Bloomberg. Gold ended the week with marginal gains of 0.06%, at the price of $1810.7/ounce, thus breaking the $1800/ounce barrier for the second consecutive week. The week started rough for the 'safe-haven' as investors worry about a more hawkish FED rate hike and widespread uncertainty about the world economy. Prices reversed mid-week due to a slight fall of the dollar and the higher-than-expected PPI report.

| DECEMBER 2022 | THIS WEEK'S ECONOMIC AGENDA |
|---|---|
| MON 12 | •GBP: Manufacturing Production (MoM)(Oct)(fc:-0.4%)<br>•GBP:Trade Balance Non-EU(Oct)<br>•GBP:Trade Balance (Oct)(fc:-18.75B) |
| TUE 13 | •GBP: Average Earnings Index +Bonus (Oct)(fc:5.9%)<br>•GBP: Claimant Count Change (Nov)<br>•EUR: German CPI (YoY)(Nov)(fc:10.4%)<br>•EUR: German ZEW Economic Sentiment (Dec)<br>•USD: Core CPI (MoM)(Nov)(fc:0.4%)<br>•USD: CPI (YoY)(Nov)<br>•USD: CPI (MoM)(Nov)(fc:0.3%)<br>•JPY: Tankan Large Manufacturers Index (Q4)(fc:11)<br>•JPY: Tankan Large NoN-Manufacturers Index(Q4) |
| WED 14 | •GBP: CPI (YoY)(Nov)(fc:10.7%)<br>•USD: FOMC Economic Projections<br>•USD: FOMC STATEMENT<br>•USD: Fed Interest Rate Decision<br>•USD: FOMC Press Conference<br>•NZD: GDP (QoQ)(Q3)(fc:1.0%)<br>•AUD: Employment Change (Nov)(fc:15.0k)<br>•CNY: Industrial Production (YoY)(Nov)(fc:3.9%) |
| THU 15 | •CHF:SNB Interest Rate Decision (Q4)<br>•GBP:BoE Interest Rate Decision (Dec)(fc:3.50%)<br>•EUR:Deposit Facility Rate (Dec)(fc:1.50%)<br>•EUR:ECB Interest Rate Decision (Dec)(fc:2.50%)<br>•USD:Core Retail Sales (MoM)(Nov)(fc:0.3%)<br>•USD:Philadelphia Fed Manufacturing Index(Dec)(fc:-6.2<br>•USD:Retail Sales (MoM)(Nov)(fc:-0.1%) |
| FRI 16 | •GBP:Retail Sales (MoM)(Nov)<br>•EUR:German Manufacturing PMI (Dec)<br>•EUR:CPI (YoY)(Nov)(fc:10.7%)<br>•RUB:Interest Rate Decision (Dec)(fc:7.50%) |

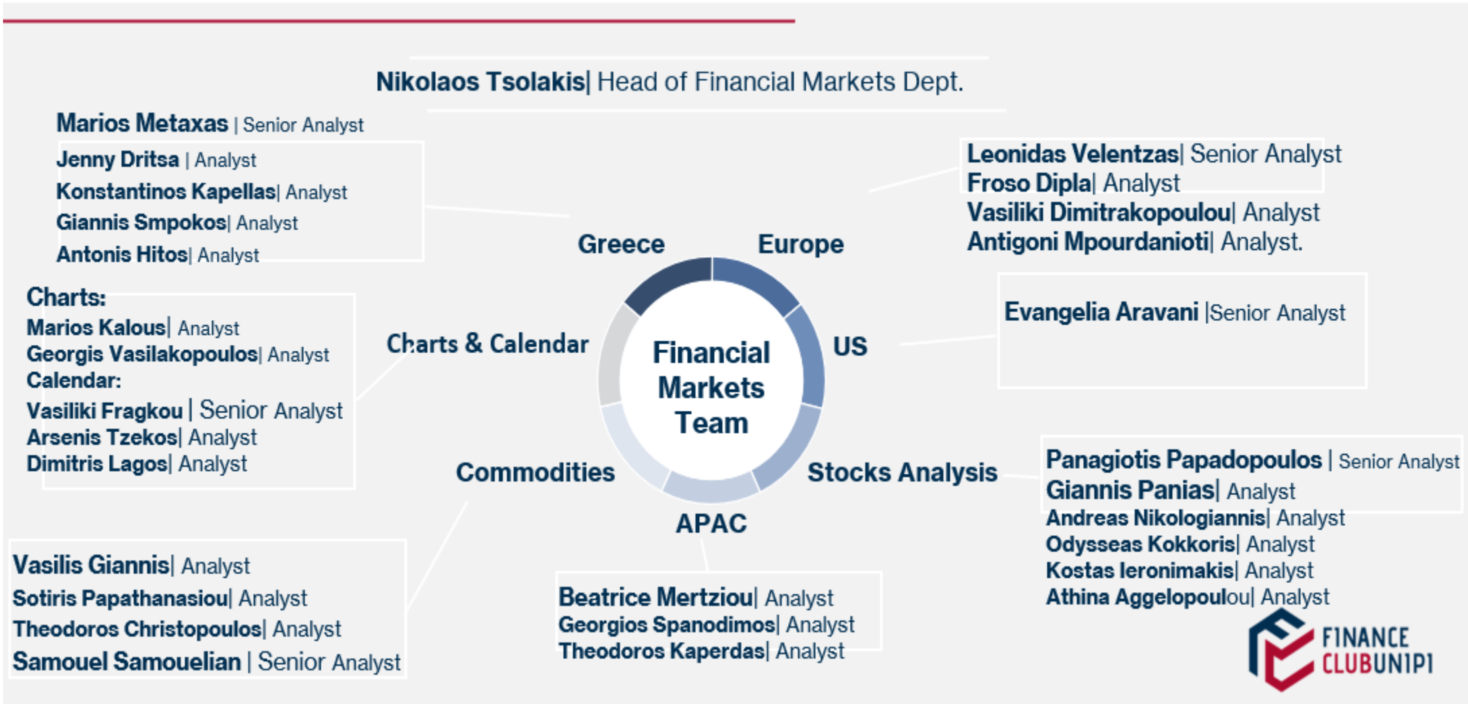
## What to look for this week

On Monday 09:00 the Gross Domestic Product (GDP) of the United Kingdom will be released. Analysts expect a 0.2% decrease this quarter. At the same time UK's Manufacturing Production report is coming out which is expected to show a MoM increase of 0.1% despite October's -1.1% decrease.

On Tuesday the German CPI is being released with a forecast of -0.5% for the month of November. With German economy being the largest one in the EU it is believed that the ECB's decision on the interest rates hike will be heavily influenced by the country's monthly inflation report.

Later in the day, the U.S consumer price index is being announced and many analysts forecast a 0.3% rise. This specific report is of outmost importance as the Fed has signaled that it may slow down the rate hikes, but it is possible to stick to this plan for longer to avoid an inflation entrenchment.

On Thursday, the BOE will decide on the next rate hike and the upcoming Wednesday's CPI report will be playing an important part in this decision.



## Disclaimer

About the article

This article has been compiled by the authors mentioned above and published by them via the Finance Club UniPi platform. The club confirms that the authors are active members at the time this article is published but emphasizes the fact that opinions and views given by the authors in this article are his/her own views. Finance Club UniPi takes no responsibility for the completeness or correctness of information provided. No investment advice is given with the text above and the reader should not take any financial position based on the information published in this article. The Club recommends extensive research by the reader before investing in any financial asset.

General

The article may be based on the information extracted from various sources including but not limited to various companies' and statistical agencies' websites, online portals, third-party research, annual reports etc. No representation or warranty of any kind is or may be made with respect to the accuracy or completeness of, and no representation or warranty should be inferred from, any projections or futuristic statement contained herein or any underlying assumptions. This article may include descriptions, statements, estimates and projections/futuristic statements with respect to current and anticipated performance of the underlying. Such statements, estimates and projections reflect various assumptions and best estimates made by the participants concerning anticipated results, whose assumptions and estimates may or may not prove to be accurate or correct. There are no assurances whatsoever that any statements, estimates or projections contained in this article, including without limitation any financial or business projections, accurately present in all material respects the underlying's financial and/or business position as of the respective dates specified and the results of its operations for any respective periods indicated. No copyright or trademark infringement is intended in any form.