



FINANCE
CLUB UNIPI

FINANCIAL MARKETS DEPARTMENT

WEEKLY OUTLOOK

27.02.2023 - 03.03.2023



GREECE | GI rises for 11th straight week
MARKET COMMENTS & DRIVING EVENTS

Over the last week the ASE Composite Index increased by + 0,118% reaching 1,114.68 points maintaining levels above 1000 points. The FTSE Large Cap during this week increased by 0,77 %, reaching 2,727.95 points. The markets appeared to be very promising at the middle of the previous week where a local top was formed at 1140,96 points. Nevertheless, the political reasons in combination with the overbought stocks, pushed the sellers to take their profits. Since the rise of the previous two months had considerable gains and capital gains, the market would, as is customary in these circumstances, recalibrate medium-term expectations. As a result, liquidations in nearly all capitalization ranges occurred at the end of the week. This was the 11th consecutive week that saw the stock market rising. The devastating railway accident in Tempe though, significantly affected Market's dynamics, resulting in a comprehensive reassessment of the data that determine the political relationships in the run-up to the upcoming elections. Now, there is a strategy of taking a pause and observing the situation in order to assess how the railway accident in Tempe has influenced the Electoral College. Therefore, the schedule of the upcoming elections has once again become more unpredictable.

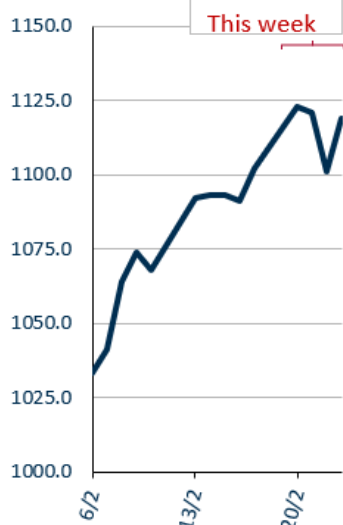
Also due to the FED and ECB meetings taking place this month the situation is further complex. All the aforementioned factors are reflected in the rise of volatility, since, in a market that has increased by 20% since the year's beginning, investors are becoming more sensitive in news, particularly to the announcements of economic data.

News & Acquisitions
Eurobank reaches a deal with AIK Banka

Eurobank has recently confirmed that it has reached a firm agreement with AIK Banka a.d. Beograd ("AIK") for the purchase of its Serbian subsidiary, Eurobank Direktna. The deal has been valued at 280 million euros for the entire share capital of Eurobank Direktna and aligns with Eurobank's overall plan to focus its capital on investments that offer greater potential for return on tangible book value (RoTBV), while simultaneously reinforcing its position in its primary operating markets, including Greece, Bulgaria, and Cyprus. Another thing we want to keep an eye on is the DBRS's report coming up on 10/03 and Standard and Poor's on 21/04 where we expect both rating agencies to upgrade Greece's debt a step below investment grade. Those evaluations can start a new rally, especially at the bank sector.

EUROPE | European markets receive mixed inflationary signals

As markets put aside their concerns about interest rates and concentrated on indicators of an improving economic outlook, shares in Europe increased. According to official data, the eurozone's inflation rate decreased to 8.5% annually in February from 8.6% in January, primarily as a result of falling energy prices. However, core inflation increased from 5.3% to 5.6%, which gives a clearer picture of underlying price pressures because it does not include volatile food and energy prices. At 6.7% in January, the unemployment rate in the eurozone was stable and very low. At the meeting on March 16, President of the European Central Bank Christine Lagarde predicted that an additional half-point rate increase would likely be announced. "We have every reason to believe that there will be another 50-basis-point increase at our next meeting,". According to Morgan Stanley's estimate, the European Central Bank will raise its key interest rate to 4% before stopping, from the current 3%. On some corporate news, Blackstone Inc. a leading asset management giant and a prolific real estate investor defaulted on a \$562.5 million bond backed by a portfolio of offices and stores owned by the Finnish company Sponda Oy. The default occurred as rising interest rates hit European property values. The pan-

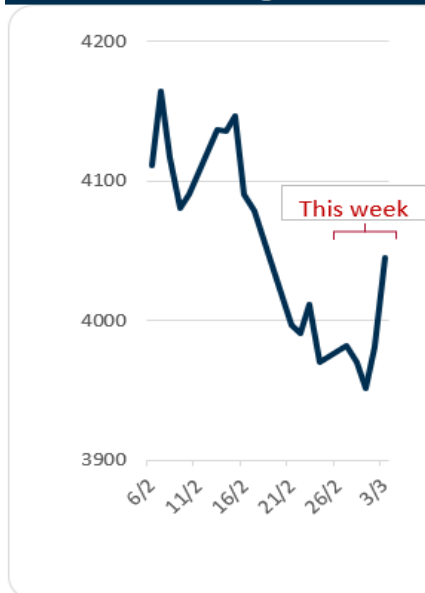
ASE General Index Closing Prices


Source: Bloomberg

EUR/USD


Source: Bloomberg

S&P 500 Closing Prices



Source: Bloomberg

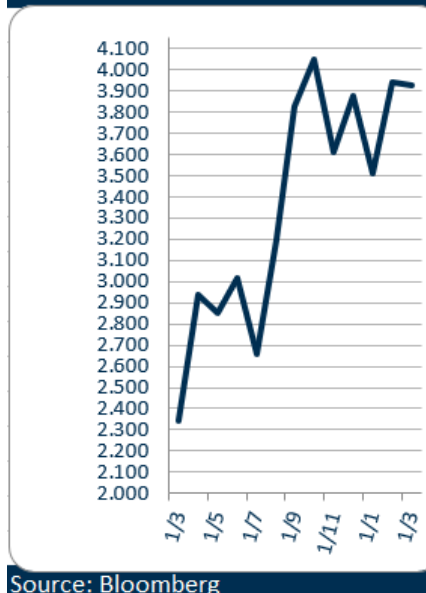
values. The pan-European STOXX Europe 600 Index increased 1.43% in local currency. Important stock indices also rose. The DAX Index in Germany rose 2.42%, the CAC 40 Index in France increased 2.24%, and the FTSE MIB Index in Italy increased 3.11%. The FTSE 100 in the UK increased by 0.87%.

US | Higher rate expectations trigger volatility

Markets & Economy

Equity markets started the month with gains as better economic data raised optimism that the economy can remain resilient through further rate hikes this year ahead. Dow Jones Industrials Average closed at 33,391 points gaining 1.7%, NASDAQ closed at 11,689 points up 2.6% and the S&P 500 rose 1.9% closing at 4,046. Markets remained torn between improving economic conditions and a more restrictive approach from Federal Reserve officials to battle inflationary pressures, proving the risk-off appetite among investors, caused by recent higher-than-expected inflation reports, hasn't worn off yet. As fixed income investors are reprising the probability of a more hawkish Fed, the 10-year Treasury note topped 4.1% during the week, before retreating to lower levels, the highest figure since November. In the meantime, the 2-year Treasury yield, which appears to be more sensitive to monetary policy changes, jumped to a 15-year high hovering around 4.9%. As a result the yield curve between the 2 and 10-year remains reversed at -0.89%, indicating concerns over a recession. As the benchmark 10-year T-note still remains near highs, it is putting not only the equity and bond market under pressure but also the housing market. As the benchmark note is being used to set mortgage rates, mortgage applications drop to a 28-year low, falling for the third week in a row as rates climb, marking a decrease of 5.7% the week ending February 24th. However, persistent inflation is not the only catalyst that challenges the Fed to keep interest rates elevated. Amid other factors, labor market data intensified concerns that the central bank has no other option than to further tighten their policy. Initial jobless claims decreased to 190K the week ended February 25th, continuing to mark figures below 200K since the beginning of the year, reflecting a strong recovery, which however is contributing to inflationary pressures as consumer strength raises with wages noticeably growing. According to a report unit labor costs increased 3.2% in the fourth-quarter by far exceeding expectations of a 1.6% increase as salaries continue to move higher, while productivity fails to offset such expenditures, by falling far lower than expected. Nonetheless as activity picks up and so does hiring, the US services industry activity picked up in February, as according to the Institute for Supply Management the non-manufacturing PMI increased 55.2, signaling expansion. On the other hand the manufacturing activity report for February remained in contractionary territory with an increase of 47.7%. However as inflation has peaked and is fading gradually, there is room for equity valuations to go higher in the months ahead, with investors mainly being focused on the path of inflation and Federal Reserve response.

US 10Y Bond YTM



Source: Bloomberg

STOCKS | Performance & Fundamental Analysis

Okta, Inc. (NASDAQ: OKTA) - formerly known as Saasure Inc- engages in the provision of an identity management platform for enterprises. It operates through the United States and International geographical segments. The firm's products include single sign-on, multi-factor authentication, API access management, authentication, user management, and lifecycle management. The company signed with more than 15,000 corporate customers of which 3,100 customers with an annual contract value greater than \$100,000.

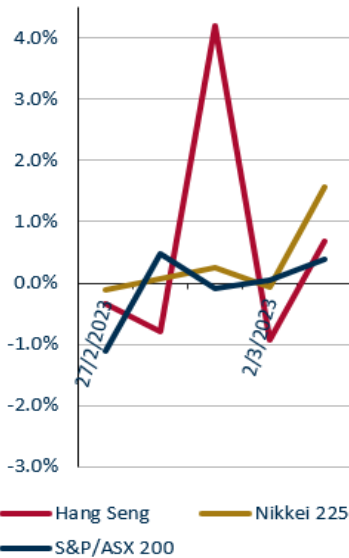
S&P 500 Movers	Weekly Change
Top Gainers	
Salesforce	14.28%
Illumina	12.35%
Dentsply	12.13%
DexCom	11.16%
Catalent Inc	10.44%
Top Losers	
Universal Health Services	-12.96%
Hormel Foods Corp	-9.31%
DISH Network Corp	-7.95%
Lumen Technologies	-6.76%
Alexandria Real Estate Equities	-5.08%

Customers proportions vary nearly all from small organizations with fewer than 100 employees to companies in the Fortune 50, some of which use the Okta Identity Cloud to manage millions of their customers' identities. The company generates about 80% of its sales from the US. It went public back in 2017, being valued at over \$6 billion at the time. Shares of Okta rallied this week, as the company reported earnings for its fourth quarter of Fiscal Year 2023, it closed with a 0,30\$ uprise per share. Some of the factors that played a key role to that, was that sales increased by 33.2% year-over-year, with revenue marking \$510 million point in contrary to analysts expectation, which was about of \$489.58 million. Okta escalated noticeable gains, focusing in subscription revenue, which was up 34% against this time last year, reaching a total of \$495 million. Meanwhile, its subscription backlog achieved a 12% year over year gain with a total of \$3.01 billion. It is estimated that contracted subscription revenue, which should take place in the next 12 months will reach up to \$1,68 billion marking a 25% increase compared to Q4 2022. Total customers increased 17% to 17,600, and customers with more than \$100,000 in annual contract value rose 27% to 3,930. As a result, Okta's stock price closed at \$85.50 this Friday, up 18.38% on weekly basis.

Nasdaq Movers	Weekly Change
Top Gainers	
Illumina	12.35%
PDD Holdings	11.27%
DexCom	11.16%
Align	9.82%
Meta Platforms	9.27%
Top Losers	
Zscaler	-9.56%
Rivian Automotive	-8.29%
Ttesla	-4.74%
Sirius XM	-4.71%
Zoom	-3.95%

Canoo Inc. (NASDAQ: \$GOEV) is an American automotive startup based in Torrance, California, that develops and manufactures electric vehicles. It was founded in 2017 under the name Evelozcity. Canoo hasn't yet released any of their electric vehicles to the public but civilians can pre-order their car. Even if the total number of civilian pre-orders is unknown Canoo has signed binding agreements of 16.800 total EVs to be purchased by 3 companies, Walmart, Zeeba and Kingbee. At April of 2022 NASA has selected Canoo to provide crew transportation vehicles for crewed Artemis lunar exploration launches. Canoo signed contract with the Defense department of USA to supply her with \$67500 for modified EV research to provide the U.S.A. army with a modified light tactical electric vehicle in November of 2023 for further testing. In January of 2023, Canoo has signed an exclusive agreement with GCC Olayan a leading multi-national subsidiary of Olayan Saudi Holding Company (OSHCO), for sale, service and distribution of Canoo fleet solutions In Saudi Arabia. GCC Olayan has been a distributor of premier brands in Saudi Arabia for more than 75 years and is the founding company of the global Olayan Group. At the start of February of 2023, Canoo has been awarded by U.S. DEPARTMENT OF DEFENSE for its BATTERY MODULE CONTRACT FOR ADVANCED TESTING. Even if the company has a bright future ahead with all these contracts it's still in production phase and hasn't physically sold any EV yet, which means its running dangerously low on cash. The statements of its CEO Tony Aquila throughout the last year on promising to deliver 15 cars by the end of 2022 which later has proven to be not only audacious but also unreachable. Canoo stock price has hit its all-time low this week of 0.67\$. With that said, many are wondering if Canoo will survive 2023. The answer to that depends if its cash reserve can support

APAC Daily Returns



Source: Bloomberg

APAC | Japanese manufacturing misses the forecasts-Chinese chip makers blacklisted by US

Markets & Economy

Last week closed in the green for all the major Asian indices as the Japanese Nikkei 225 ended the week up 1.72% or 473.9 reaching 27,927.47, the Chinese Shanghai Composite increased by 1.87% or 61.23 points closing at 3,328.39 and Hang Seng increased by 2.78% or 557.5 points closing at 20,567.54. At the start of the week, China's PMI rose to an over-a-decade high in February indicating surging business activity that reached pre-Covid levels. The easing of the anti-Covid measures in the country helped the economic recovery to gain momentum as both the Shanghai Composite and the CSI 300 recorded significant gains, which could have been even bigger if it weren't for the fears about US interest rates and data from other regions which made the investors uncertain about the future. A private study also showed that the Chinese services sector is growing at a rapid pace as it expanded faster than anticipated in February. Japan also saw its major indices surge as the Tokyo core inflation index dropped from 4.3% to 3.3%, falling from the 40-year high reading of January. This alone eases the pressure on the BoJ to begin tightening its policy as inflation seems unlikely to entrench itself in the economy, which is a positive indicator for the country's stock market. The only worrying news for the policymakers in

COMMODITIES | Commodities close in the green

This week all main commodities, Oil, Natural Gas and Gold, followed an uptrend. Starting with the oil markets, U.S. WTI rose 4.2%, to \$79.68/b, and Brent rose 3.21%, to \$85.83/b. The weekly session started with volatility as concern of more FED rate hikes faced optimism of a Chinese demand rebound after improved economic activity. Russian supply cuts also provided some support. Fluctuations continued mid-week, though with a growing rate, after the Energy Information Administration (EIA) reported that U.S. crude stockpiles rose for the 10th straight week by 1.165 million barrels for the week ending on Feb. 24. Furthermore, the agency reported that U.S. crude oil exports increased to a record high of 5.6 million barrels a day over the last week, boosted by healthy demand from Europe, bolstering WTI prices. Friday's session was again volatile as prices initially tumbled on a Wall Street Journal report that the United Arab Emirates had an internal debate about leaving OPEC and pumping more oil. By midmorning though, the market retraced the losses and headed sharply higher on the back of a weaker U.S. dollar which makes the dollar-denominated commodities more affordable to international investors. Adding to that, a Reuters report quoted a UAE official as saying that the WSJ story was "far from the truth" relieving fears of a crisis in the ranks of the oil cartel and giving way to the weekly gain. U.S. Natural Gas followed an uptrend for the most part of the week, especially after last Wednesday's almost 2-year low of \$1.967/MMbtu, with prices gaining an astonishing 22.77%, to \$3.009/MMbtu. This huge weekly gain was mainly due to reports that the supply of gas flowing to U.S. liquefied natural gas (LNG) export plants was set to hit a daily record high on Friday and on weather forecasts for colder temperatures and higher heating demand in two weeks than previously expected. The EIA reported a draw of 81 bcf, or billion cubic feet, from gas storage during the week ended Feb. 24. European Natural Gas benchmark ICE Dutch TTF lost 11.40% this week, consolidating at €45.2/MWh. Gold prices also rose this week at \$1854.6/ounce yielding +2.06%. For more than one month the 'safe-haven' has been less attractive to investors due to the FED's rate hikes and the entailing stronger dollar. This week, the greenback lost some ground giving way to the precious metal. Adding to that, recent comments from Federal Reserve officials helped provide more clarity on the path of monetary policy this year. Bond yields also fell late-week favoring Gold.

Crude Oil WTI Futures



Source: Bloomberg

What to look for this week

Mar 2023	Next week's economic calendar
MON 06	GBP:Construction PMI(Feb) (fx:48.5)
	CAD: Ivey PMI (Feb)
	AUD: RBA Interest Rate Decision (Mar) (fx:3.35%)
	EUR: Retail Sales (MoM)(Jan) (fx: -2.5%)
	CHF: CPI (MoM) (Feb) (fx:0.4%)
	CNY:Imports(YoY) (Feb)(fx:76.20B)
TUE 07	CHF: Unemployment Rate n.s.a. (Feb) (fx:2.2%)
	NZD:Global Dairy Trade Price Index
	EUR:German Factory Orders(MoM) (Jan)
	JPY:Adjusted Current Account (Jan)
	JPY:Current Account n.s.a. (Jan) (fx:0.098T)
	USD:Consumer Credit (Jan) (fx:23.00B)
WED 08	USD:ADP Nonfarm Employment Change (Feb)(fx:168K)
	USD:JOLTs Job Openings (Jan) (fx:10.250M)
	CAD: BoC Interest Rate Decision (fx:4.50%)
	JPY:GDP (QoQ)(Q4)
	CNY: CPI (MoM) (Feb)(fx:0.7%)
	CNY: PPI (YoY) (Feb) (fx: -0.5%)
	EUR: German Industrial Production (MoM) (Jan) (fx: -0.7%)
	EUR: German Retail Sales (MoM) (Jan) (fx:0.2%)
	CAD: Trade Balance (Jan) (fx: -0.50B)
THU 09	EUR:French Non-farm Payrolls (QoQ) (Q4)
	NZD:Business NZ PMI (Feb)
	JPY: Household Spending (YoY) (Jan) (fx: -0.2%)
	JPY:Household Spending (MoM)(Jan) (fx:0.3%)
FRI 10	GBP: GDP (MoM) (Jan) (fx: -0.3%)
	GBP:Monthly GDP 3M/3M Change (Jan)
	USD:Nonfarm Payrolls (Feb)(fx:200K)
	EUR: German CPI (YoY) (Feb) (fx: 8.7%)
	CAD: Employment Change (Feb)
	USD: Unemployment Rate (Feb) (fx:3.5%)

The upcoming week is about to be very interesting. On Monday the Construction PMI is going to be released with the expectation to experience a small rise up to 48.5 which will have a positive outcome for the GBP. Furthermore, on Tuesday the Indian market is going to be closed for holiday, while the Current Account n.s.a. is expected to increase up to 0.098 T which will be positive for the JNY. Also, on the same day the Switzerland Unemployment Rate n.s.a. is not expected to experience any changes. On Wednesday the Russian market will be closed due to the celebration of Women's Day, while the USD will be negatively affected by the fact that the JOLTs Job Openings is about to drop down to 10.250M demonstrating the fewer job vacancies that will be available at the U.S. market. The next day the Household Spending (YoY) will have a positive impact at the JPY as it is expected to -0.2%. Finally, on Friday the U.K. Gross Domestic Product(GDP) (MoM) is about to increase up to -0.3% which will be positive for the GBP as GDP measures the annualized change in the inflation-adjusted value of all goods and services produced by the economy, while on the other hand the US' Nonfarm Payrolls are about to experience a huge drop down to 200K, while the previous close was at 518K, which will be bearish for the USD as it measures the change in the number of people employed during the previous month, excluding the farming industry, thus it accounts for the majority of the economic activity.

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