FINANCE
CLUB UNIPI

FINANCIAL MARKETS DEPARTMENT

WEEKLY OUTLOOK

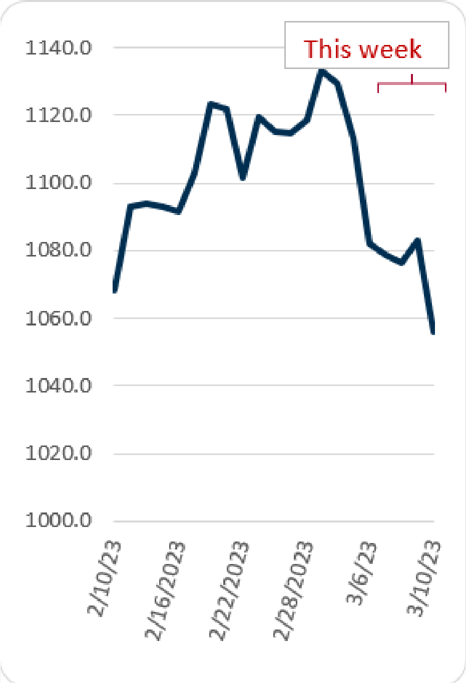
06.03.2023 - 10.03.2023

GREECE | GI slips as banks sell-off hits Greece

MARKET COMMENT & DRIVING EVENTS

This week signaled the end of a 11 week-long rally for the Greek Markets as the Athens General Composite Index (ATG) closed the week down 5.24% or 58.42 points reaching 1,056.26, while the FTSE/LARGE Cap (ATF) dropped 6% or 163.71 points closing at 2,564.24. The FTSEB banks index recorded a significant weekly drop of 13.57% finishing the week at 793.34 facing its biggest weekly drop since March 2022. The above can be attributed to SVB's stock plummeting almost 60% due to a bond selloff that resulted in a $1.8 billion loss, thus destroying shareholder equity leading to Moody's downgrading the bank's credit ratings due to liquidity and funding problems. Furthermore, many of the bank's customers rushed to withdraw their deposits, further hurting its liquidity. SVB's collapse caused many investors to sell their bank stocks, fearing the impact of the bank's closure if no buyer materializes. The worldwide bank sell-off added to the already negative atmosphere in the country, as the general elections will be held sometime next month and a tragic train accident in Tempi has perplexed the political scene even more than before.

ASE General Index Closing Prices



Source: Bloomberg

STOCK OF THE WEEK: **JUMBO SA**

Although this week was flooded with negative international events and uncertainty some companies presented promising results. Among those was Jumbo which ended 2022 with an increase in turnover of 14.12% over 2021, and the company's launch for 2023 is proceeding quickly. Jumbo Anonymi Etairia is a Greek company whose main operation is retail sale of toys, baby items, seasonal items, decoration items, books and stationery. The company was listed on Athens stock exchange in 19th of June of 1997. Although the company's sales rose by 40% in the two months January and February, its year projections appear conservative. On Thursday, Jumbo was able to surpass the 21.6-point threshold. The company was able to catch investors' attention and maintain a generally positive trend over the entire week while most ASE stocks recorded an overall weekly loss.

Athens Stock Exchange General Index Movers	Weekly Change
Top Gainers	
Jumbo	5.35%
Public Power	3.85%
Athens Medical	2.82%
Petros Petropoulos SA	2.24%
KRI-KRI	1.60%
Top Losers	
National Bank of Greece	-16.56%
Alpha Bank	-15.35%
Kekrops	-15.20%
Eurobank Ergasias	-11.84%
Piraeus Bank	-10.48%

CONCLUSION&OUTLOOK

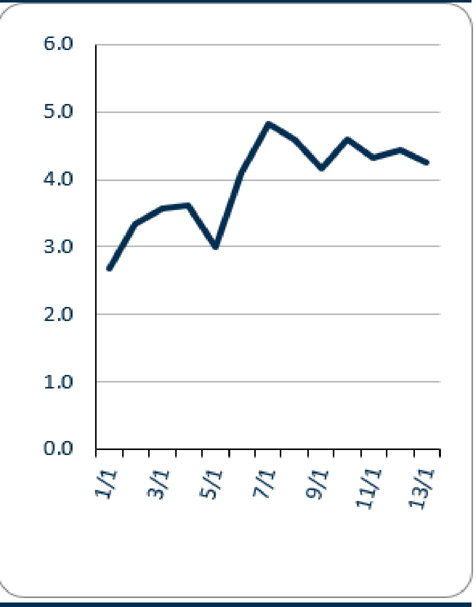
This week reminded investors that markets have their ups and downs, although the Greek stock market has been on steady uptrend with major increases since October 2022, whereas other markets underperform and, in some cases, the Greek indices outperformed their major peers from around the world. Just as investors priced in the possibility of a higher interest rates hike, the news of the collapse of the Silicon Valley Bank with deposits of over 160 billion had a very negative impact both on the Greek and world markets, as it is the first major bank to go bankrupt after of the 2008 financial crisis in America. It is no wonder that investors react the way they do and if the political stage doesn't stabilize soon, we could see even more major sell offs and possibly the GI will drop below the crucial 1000-point mark.

NEWS&ECONOMY

Major economic data released by ELSTAT

On Friday, ELSTAT released a report on the Greek economy for 2022. Most importantly the GDP increased by 5.9% beating the analysts'

10Y Greek Bond YTM



Source: Bloomberg

forecasts of 5.5%. Real GDP crossed the 192 billion euros mark, from 181 billion in 2021, while nominal GDP reached 208 billion euros, increasing by 14.5% or 26.5 billion euros reaching a 11 year high. The above readings are proof that the economy is slowly but surely rebounding to pre-2008 levels, as 2022 has been a positive year with only exception the war in Ukraine that Greece had to suffer high inflation due to the rising energy and food prices. It is estimated that the country spend 121 billion euros for gas, fuel, raw materials and food imports in 2022, an 37% increase since 2021 when it only spent 88 billion euros.

DBRS confirms BB (high) rating with steady outlook for Greece

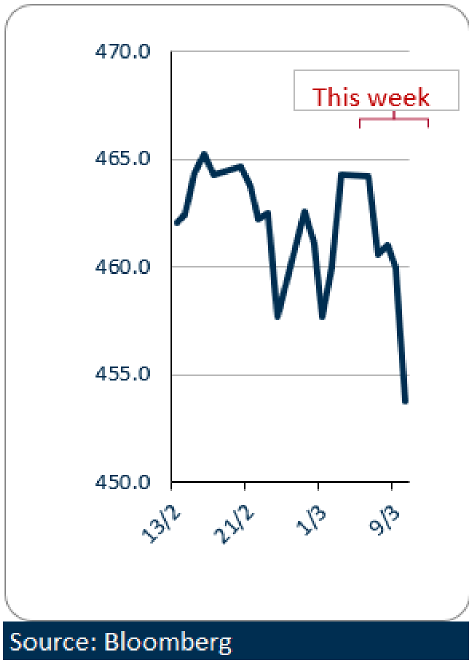
The Canadian DBRS rating agency confirmed that its rating for Greece stands at BB (high), one scale below the investment grade, which will allow Greece to borrow more money for lower rates. The agency said that it will maintain the steady outlook as Greece is obliged to ensure fiscal and debt sustainability despite the harsh macroeconomic environment. Moreover, DBRS emphasized that the outlook for future growth is under great pressure from events like the war in Ukraine.

EUROPE | SVB's failure and high inflation put pressure on the markets.

MARKETS & ECONOMY

This week closed in the red for the European markets as all of the major indices recorded loses. Specifically, the German DAX fell by 0.97% closing the week at 15,427.97 points, the French CAC 40 fell 1.73% closing at 7,220.67 points and the FTSE 1000 in the U.K fell 2.50% closing the week at 7,748.35. There is little room for optimism in Europe after the Fed chairman Jerome Powell testified to Congress this week, saying that higher rate hikes will be needed to fight the persistent inflation. His testimony was backed by Friday's nonfarm payrolls release as it beat the forecast of 205K jobs by over 100K, which indicated that the jobs market is still strong, a sign that higher prices might stick around for longer if drastic measures aren't implemented. Many analysts and traders are now increasingly betting that the next rate hike will be 50-bps, instead of 25.Back in the continent, U.K GDP beat the forecast as it rose 0.3% in January indicating a substantial improvement from the 0.5% drop in December making investors optimistic that a lengthy recession can be avoided, as the economy rebounds faster than expected. In continental Europe, the German CPI, harmonized to be comparable to other EU members, rose by 9.3% Y.o.Y, climbing 1% in February. This indicates that the ECB has still a lot work to do in order to tame inflation and bring it down to more manageable levels. Lastly, the banks in Europe were hit hard this week following the $2.25 billion capital raise after taking a loss of $1.8 billion, due to selling its bonds for much needed liquidity. More notably on Friday, HSBC fell 5.1%, BNP Paribas slipped 4.5% and Deutsche Bank fell 7.2%

STOXX 600 Closing Prices



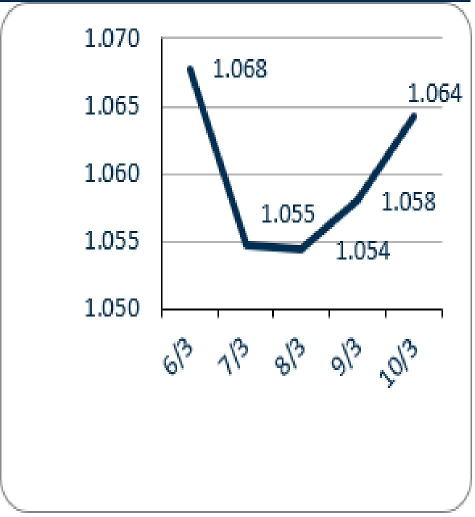
Source: Bloomberg

US | Fed's tightening cycle weighs on equity markets.

MARKETS & ECONOMY

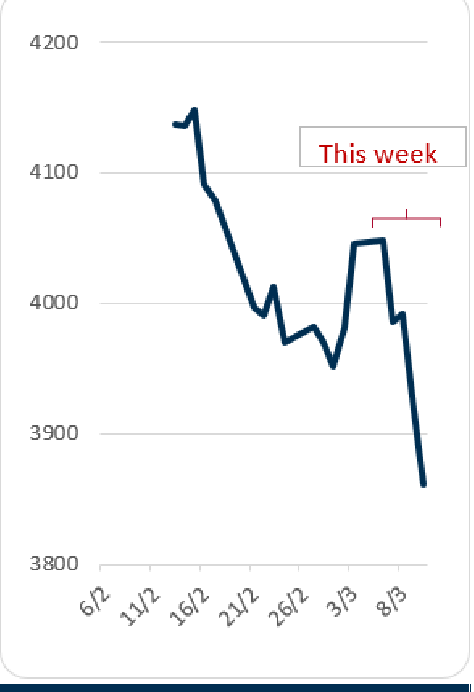
Equity markets closed the week sharply lower as Federal Reserve officials remarks addressing a much less accommodative monetary policy in the year ahead, drove investors to price in higher rate expectations. Dow Jones Industrial Average slipped -4.4% for the week closing at 31,910 points, NASDAQ closed at 11,139 down -4.7% as the higher interest rate environment is taking its toll on the tech sector and the S&P 500 closed at 3,862 falling -4.5%. During the week Fed's Chair Powell testified to Congress, emphasizing the central bank's commitment to taming inflation, bringing it back to its

EUR/USD



Source: Bloomberg

S&P 500 Closing Prices



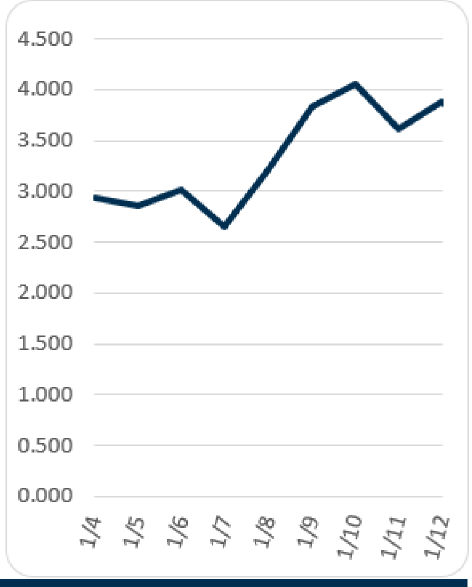
Source: Bloomberg

long-term 2% target. That deciding comes as recent stronger than expected economic data continues to fuel inflationary pressures, leaving no choice for officials but to keep rates higher for a longer period of time, despite its negative impact to economic growth. As investors tried to digest this information, markets expectations regarding the fed-fund's rate peak adjusted higher, leading to an expected range of 5.5%-5.75%, as a 0.50% increase is highly expected during the March FOMC meeting which will take place by the end of the month. With a higher anticipated peak rate and such fast pace of hikes, the 2-year Treasury note, which is sensitive to monetary policy changes, jumped above 5% for the first time since 2007, while the 10-year note remain below the 4% mark, keeping the yield curve inverted, reflecting concerns over the negative impact of a restrictive policy to the economy. However, these comments came before the important jobs report for February as well as the CPI, which will be released next week, as both will give a clearer view of how the central bank will gradually move. According to the Commerce Department there were 311K jobs added in February, well above expectations of 215K, which however is interpreted as discouraging news for the Federal Reserve's campaign to battle high inflation, making a recession more likely as officials will use stricter measures. In the meantime, the unemployment rate came in above expectations at 3.6%, even though the labor participation is currently at its highest level since March 2020, as the monthly job gains remain well above pre-pandemic levels, highlighting that after one year of Fed's first rate hike the economy is hardly landing. However the wage growth figure surprised to the upside with a 4.6% y-o-y increase, below estimates of a 4.8% advance, even though the Fed indicated that it will have to fallback to the 3.5% range in order for them to achieve their 2% inflation target, as higher figures boost consumer strength extremely not leaving room for inflationary pressures to ease. Furthermore, labor data released for January showed that job openings came in at 10.9 mn, falling less than expected, while both initial and continuing claims rose higher than expected. In the week ended March 4th initial jobless claims increased to 211K, the greatest since December, while continuing claims hit the highest since November of 2021. While these numbers are bad news for the economy, some weakness in the labor market is undeniably encouraging for the future path of policy. By the end of the week, market losses were intensified by the underperformance of the banking sector after the failure of Silicon Valley Bank, a lender to start-up companies and venture capital firms. After SVB failed to raise capital to boost its finances, regulators took possession of the bank, creating volatility across the financial sector as the news followed also the shutting down of the Silvergate Capital bank, but financial contagion is being somewhat limited. While these incidents are presented alarming, the probability of systemic problems in the banking sectors is restricted, with rising interest rates being the main cause of distress for investors.

STOCKS | Performance & Fundamental Analysis

SVB Financial Group (NASDAQ: $SIVB) a diversified financial services company, offers various banking and financial products and services. It operates through four segments: Silicon Valley Bank, SVB Private, SVB Capital, and SVB Securities. The Silicon Valley Bank segment provides commercial banking products and services. The SVB Private segment offers mortgages, home equity lines of credit, restricted and private stock loans, capital call lines of credit, and other secured and unsecured lending products. The SVB Capital segment provides venture capital investment services. The SVB

US 10Y Bond YTM



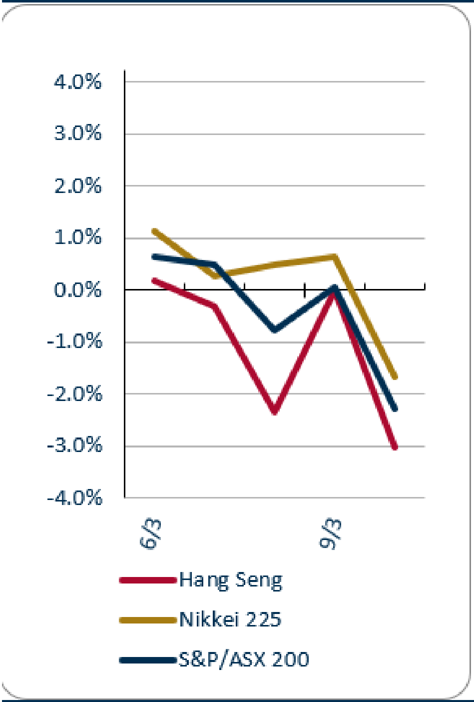
Source: Bloomberg

Dow Jones Movers	Weekly Change
Top Gainers	
Intel	4.73%
Cisco	-1.74%
Honeywell International	-1.88%
Coca-Cola Co	-1.91%
Nike Inc	-2.23%
Top Losers	
Caterpillar	-10.62%
Goldman Sachs	-8.23%
American Express	-7.46%
Walt Disney	-7.04%
JPMorgan	-6.42%

Securities segment provides investment banking services; products and services, including capital raising, merger and acquisition advisory, equity research, and sales and trading. The company was founded in 1983 and is headquartered in Santa Clara, California. Shares of SVB Financial Group, known as Silicon Valley Bank, tumbled for a second day Friday before the bank was shut down by regulators. The failure raised fears more banks would incur heavy losses on their bond portfolios. SVB's CEO, Greg Becker, held a call with clients Thursday afternoon to calm their fears, CNBC learned, after a 60% tumble in the stock that day. The shares were down another 62% in premarket trading Friday before they were halted for pending news. They did not open for trading with the market at 9:30 a.m. ET. Midday Friday, regulators shut down the bank and said the FDIC would protect insured deposits. Silicon Valley failure led a lot of other banks stocks to lose value. Concern among founders and venture capital investors spiked earlier this week after Silicon Valley Bank surprised the market by announcing late Wednesday it needed to raise $2.25 billion in stock. The bank had been forced to sell all of its available-for-sale bonds at a $1.8 billion loss as its startup clients withdrew deposits, it said. That news, coming on the heels of the collapse of crypto-focused Silvergate bank, sparked another wave of deposit withdrawals Thursday as VCs instructed their portfolio companies to move funds, according to people with knowledge of the matter. SVB customers said they didn't gain confidence after Becker urged them to "stay calm" in a call Thursday afternoon, and the stock's collapse continued unabated, reaching 60% by the end of trading. In conclusion, Silicon Valley Bank collapsed, marking the largest bank failure since the 2008 financial crisis.

Asana, Inc. (NYSE: $ASAN) was founded in 2009 by Dustin Moskovitz and Justin Rosenstein and is headquartered in San Francisco, California. Both ex-Facebook engineers were bothered by the time-consuming tasks of preparing meetings, replying to emails etc. rather than doing actual skilled work. Equipped with those resentful feelings and an idea of a workflow and project management platform that enables organizations of all sizes to break down projects into smaller tasks and so encourage collaboration, they raised a $1,2 million angel round investment back in 2019 to initiate the development. Upon receiving feedback by customers Asana concluded later on, into a much-needed UI redesign which delighted both ends. Asana helps nowadays employees better utilize their time by keeping track of the needs for upcoming projects. Moreover, Asana is powered by its multi-dimensional data model called the Asana Work Graph. The Asana Work Graph captures and associates' units of work, the people responsible for executing those units of work, the processes in which work gets done, information about that work, and the relationships across and within this data. Lately, plethora of analysts are highlighting the stock as a potential gain winner since it is expected the price target to soar. These high hopes are derived from the fact that Asana reported better than expected Q4 results (revenues of $150.23 million), thus CEO Dustin Moskovitz announced a 30M share trading plan he expects to execute this year, all of which left the stock up 25% in the aftermarket. It is believed Asana has product superiority in the enterprise, which is supported by its growth rate in the $5K plus category of 46% in the quarter and says the company addresses a large TAM (Total Addressable Market), estimated to be $50.7B by 2025. On the contrary, these optimistic expectations seem groundless to a portion of analysts as the Q4 report still came out with a quarterly loss of $0.15 per share versus some estimates which forecast a loss of $0.2. The stock closed at $19.15 on Friday, up 15.08% on weekly basis.

APAC Daily Returns



Source: Bloomberg

APAC | Turbulence in Asia after Fed's increase in yields

MARKETS & ECONOMY

The Chinese stock market closed the week in the red as both major indices recorded significant loses. Specifically, the Shanghai Composite (SSEC) fell 2.95% or 98.31 points closing at 3,232.08 and the Shanghai Shenzhen (CSI 300) dropped 3.96% or 163.41 points closing at 3,967.14. On Wednesday, Federal Reserve chairman Jerome Powell announced that the interest rates could reach a higher terminal rate than expected. Many traders now expect a 50 basis points hike this month instead of the previous 25-bps hike. According, to Powell the most recent CPI reading indicates that a sharper rate hike is needed to tame sticky inflation. More bad news came from USA this week as the nonfarm payrolls report came out on Friday, showing resilience in the jobs market as it beat the forecast of 205K as it reached 311K, which gives one more reason to the Fed to hike the rates even more. The news from inside the country were no better, as CPI failed to hit the forecast of 1.9% as it grew a mere 1%, while the PPI contracted 1.4%. Data also showed that Chinese imports remained weak as they decreased 10.2% Y.o.Y, indicating that the economic recovery will take longer than anticipated, despite the easing of the anti-Covid measures earlier this year. Crossing the border, this week the Japanese Nikkei 225 gained 0.78% or 216.5 points closing at 28,143.97, outperforming most of its other regional peers, as it wasn't largely affected by Jerome Powell's comments on interest rates. This is due to the BOJ which is expected to maintain the interest rates at ultra-low levels to boost the economy after a two-day meeting. The bank said that after the Q4 GDP data missed the forecast low rates and an extensive open market asset purchase program are essential in order to boost the economy.

COMMODITIES | Recession fears tackle commodity prices - Gold rises

Crude Oil WTI Futures

Source: Bloomberg

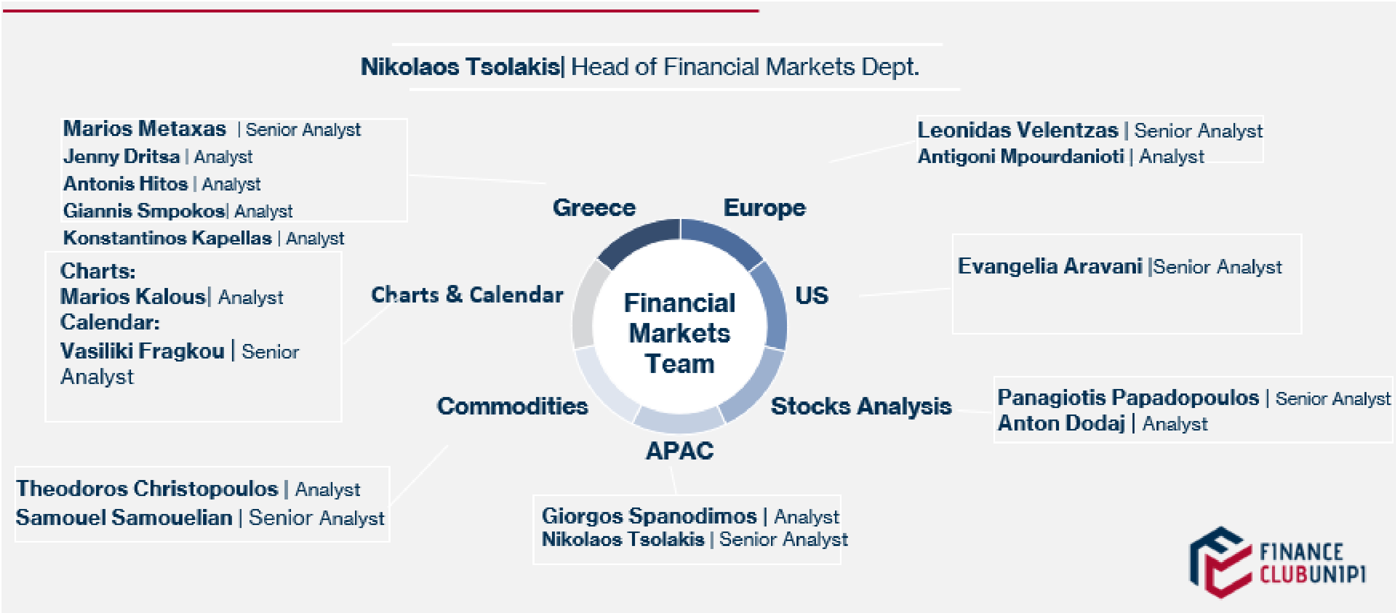
Starting with Oil, prices followed a downtrend throughout the week with benchmark WTI ending Friday's session at $76.65/b, 3.8% lower, and Brent at $82.72/b, 3.62% lower. Monday started with some gains as optimism regarding Chinese demand and last week's bullish sentiment supported the market. On Tuesday, prices reversed and followed a downtrend for the rest of the week as concern regarding higher interest rates, leading to a stronger U.S. dollar, and an escalation in recession worries after a big jump in weekly unemployment claims pressured prices. On Wednesday, the Energy Information Administration (EIA) reported a draw in U.S. crude oil inventories by 1.694 million barrels during the week ending on March 3rd, after 10 weeks of inventory increases. The fall didn't have the expected effect on prices, as recession fears were the main market drivers of the week. Adding to that, FED Chair Jerome Powell warned that U.S. interest rates are likely to rise more than market expectations, following recent stickiness in inflation. Prices edged higher Friday after U.S. jobs growth slowed in February but the market closed with the biggest weekly loss in five weeks. U.S. Natural Gas gave away a big part of last week's 22% gains after it ended Friday's session with a weekly loss 19.01%, to $2.437/MMbtu. Gas futures rose a cumulative 30% the past two weeks supported by cold weather forecasts which were replaced by warmer expected temperatures this week. That made gas bulls flee thus triggering the market crash. On the other hand, European Natural Gas saw an uptrend with a big 17.83% positive yield to €53/MWh according to ICE Dutch TTF future prices. Last but not least, Gold followed a U-shape trend this week managing to close the weekly session with a gain of 0.97%, consolidating at $1872.6/ounce. The week was intense

Mar 2023	Next week's economic calendar
MON 13	INR: CPI (YoY) (Feb) (fx:6.35%)
	AUD:Westpac Consumer Sentiment (Mar)
	AUD: NAB Business Confidence (Feb) (fx:0)
	USD: CB Employment Trends Index (Feb)
	KRW:Import Price Index(YoY) (Feb)
	KRW:Export Price Index (YoY) (Feb)
TUE 14	GBP:Average Earnings Index +Bonus (Jan)
	GBP:Claimant Count Change (Feb)
	USD: Core CPI (MoM) (Feb) (fx:0.4%)
	USD:CPI (YoY) (Feb)
	USD: CPI (MoM) (Feb) (fx:0.4%)
	CNY: Industrial Production (YoY) (Feb) (fx:2.6%)
	NZD: Current Account (QoQ) (Q4) (fx: -8.25B)
	EUR: Spanish CPI (YoY) (Feb) (fx:5.8%)
	GBP: Employment Change 3M/3M (MoM) (Jan) (fx:40K)
WED 15	USD: Core Retail Sales (MoM) (Feb) (fx:0.3%)
	USD: PPI (MoM) (Feb) (fx:0.3%)
	USD: Retail Sales (MoM)(Feb)(fx:0.2%)
	USD: Crude Oil Inventories
	NZD: GDP (QoQ) (Q4) (fx: -0.2%)
	JPY: Trade Balance (Feb) (fx: -1,069.4B)
	USD: Business Inventories (MoM) (Jan) (fx:0.1%)
THU 16	USD: Building Permits (Feb) (fx:1.350M)
	USD: Philadelphia Fed Manufacturing Index (Mar) (fx: -7.4)
	EUR: Deposit Facility Rate (Mar) (fx:3.00%)
	EUR: ECB Interest Rate Decision (Mar)(fx:3.50%)
	USD: Export Price Index (MoM) (Feb) (fx: -0.2%)
FRI 17	EUR: CPI (YoY) (Feb) (fx:8.5%)
	RUB: Interest Rate Decision (Mar) (fx:7.50%)
	USD: Industrial Production (MoM) (Feb)(fx:0.4%)
	EUR: CPI (MoM) (Feb) (fx:0.8%)
	CAD: Foreign Securities Purchases (Jan)
	CAD:RMPI (MoM)(Feb)

for gold investors as they waited for key economic measures to be released. Prices were flat in the beginning of the week before tumbling on Wednesday after Jerome Powell's comments hinting more hawkish rate increases. That also led to higher bond yields and a stronger U.S. dollar. Prices remained stable after that until Friday when they reversed bolstered by a steep slide in U.S. Treasury yields, a weak U.S. Dollar and a plunge in higher risk assets as worries over a fallout in the banking sector. The fallout offset a strong U.S. jobs report for February which could otherwise create fears of more aggressive FED moves.

What to look for this week

The upcoming week is about to be eventful, as we're starting on Monday with the release of NAB Business Confidence with an expectation to drop down to zero, while the previous closing was at six (6),affecting negatively the AUD. Furthermore, on Tuesday the U.S' Consumer Price Index(CPI) YoY is about to decrease down to 6.0% and the CPI MoM down to 0.4%, demonstrating that there will be small changes in purchasing trends and inflation, therefore they will be bearish for the USD. Also on the same day the Industrial Production (YoY) for China is about to increase up to 2.6% ,affecting positively the CNY. On Wednesday the USD is about to be negatively affected by the fact that the Core Retail Sales are expected to experience a huge drop down to 0.2%,while the huge increase of Australia's employment change while have a positive impact on the AUD. The next day the ECB Monetary Policy Statement will be released demonstrating their decision on asset purchases and commentary about the economic conditions that influenced them, while the U.S' Initial Jobless Claims are about to decrease down to 205K,affecting positively the USD.Finally, on Friday the Europe's Consumer Price Index (CPI) is about to be stable at 8.5% which signs that there won't be any changes in the price of goods and services from the perspective of the consumer.



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