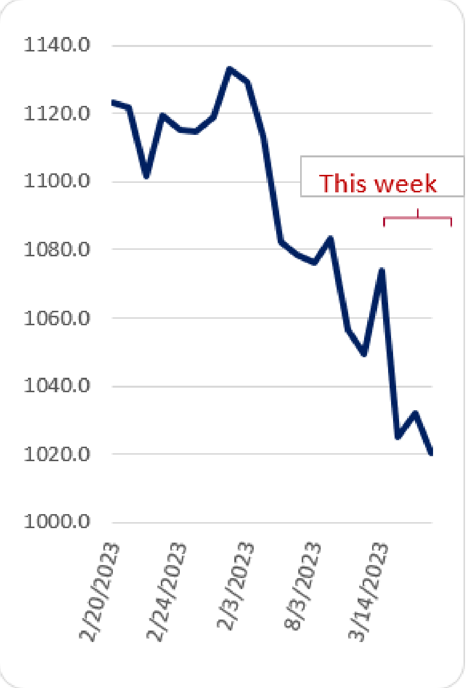
FINANCE CLUB UNIPI

FINANCIAL MARKETS DEPARTMENT

WEEKLY OUTLOOK

13.03.2023 - 17.03.2023

ASE General Index Closing Prices



Source: Bloomberg

Athens Stock Exchange General Index Movers	Weekly Change
Top Gainers	
Gr Sarantis SA	3.87%
Elton SA	1.79%
Athens Water	1.78%
Jumbo SA	1.71%
Coca Cola HBC	1.29%
Top Losers	
Alpha Bank SA	-11.25%
Cenergy Holdings SA	-10.15%
Holding Company ADMIE	-9.28%
Motor Oil Hellas	-9.21%
Piraeus Bank SA	-8.77%

GREECE | Second straight week in the red-Loses fueled by bank fears

MARKET COMMENT & DRIVING EVENTS

This week was a rough one for the Greek markets as both major indices recorded significant losses for a second straight week. More specifically, the Athens General Composite (ATG) plummeted 3.41% or 36.07 points closing at 1,020.19 and the ATHEX Large Cap (ATF) fell 3.37% or 86.48 points ending the week at 2,477.24. In the last few days of the past week, concerns have arisen about the European banking sector as Credit Suisse, the second largest Swiss bank, is facing serious liquidity problems which have driven its share price to an all-time low. On Thursday the bank announced that it would borrow around 51 billion euros from the Swiss National Bank to support its core operations and clients, but JPMorgan analysts believe that this liquidity injection won't be enough to rescue Credit Suisse due to its questionable global strategy and many years of mismanagement. They also claim that another bank will probably have to acquire Credit Suisse in order to make core changes to the way the bank operates thus saving it from bankruptcy. The main candidate is another Swiss bank, UBS. Despite the recent banking sector trembles, the ECB decided to increase the interest rates by another 50-bps bringing the total rate hikes to 350 bps since July 2022, while forecasting that inflation will remain at high levels through the next few months. Moreover, ECB analysts said that they anticipate average CPI through 2023 to be around 5.3% in EU, while the situation will get better in 2024 and 2025 as inflation is projected to remain below the 3% mark.

STOCK OF THE WEEK: OTE

Last week, OTE's stock plummeted 4.97% and closed at €12.81 per share, from previous Friday's €13.48. The stock recorded its first daily gain on Friday, rising over 1.8% after 11 straight losing daily sessions during which it lost 14.59% of its value. In total, OTE is down 17% in the last month raising concerns amongst investors since it's the second largest company in the Greek stock market, valued at €5.6 billion. The recent sell-offs might be a direct result of the highly competitive environment that the company operates in which is reflected on its financials. Moreover, till recently there were rumors that Deutsche Telekom, the mother company, might sell its OTE shares thus negatively affecting investors' sentiment on the company before the first came forward to refute them.

CONCLUSION&OUTLOOK

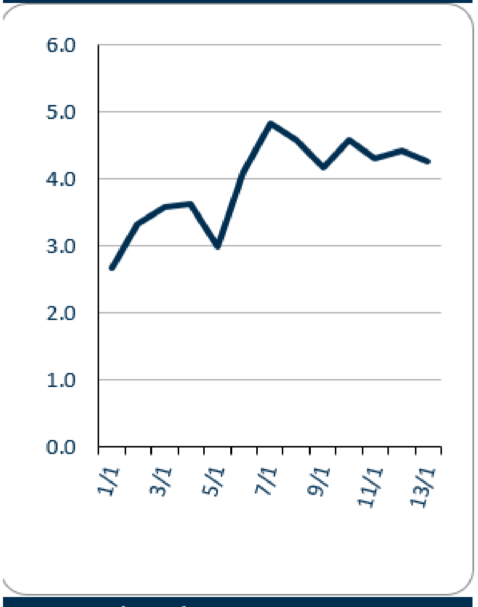
Uncertainty looms over the Greek markets as bank shares plummeted for a second straight week due to bank failures in the U.S and the possible collapse of a systemic bank, like Credit Suisse in Europe. Despite the ongoing turmoil, the ECB didn't slow down its rates hike program prioritizing its fight against inflation, that seems to be well entrenched in European economies, over a possible banking sector collapse domino effect.

NEWS&ECONOMY

Greek unemployment fell to 11.9% Y.o.Y

According to ELSTAT, the unemployment rate in Greece for Q4 of 2022 was 11.9%, slightly higher than the 11.6% of Q3. On Y.o.Y basis, it decreased 1.3% since Q4 of 2021 when it was recorded at

10Y Greek Bond YTM



Source: Bloomberg

13.2%. In greater detail, the total work force was measured at 4.1 million, a 2% increase Y.o.Y and the number of unemployed people was measured around 550K, a staggering 9.6% decrease since Q4 of 2021.

Minimum wage increased for the third time in the last 1.5 years

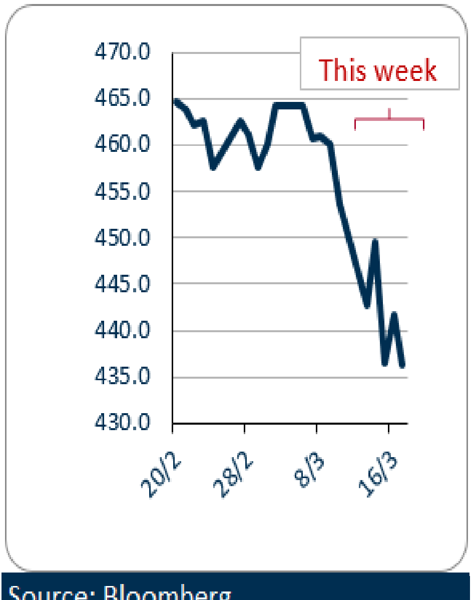
On Friday morning, the Greek Prime Minister Kyriakos Mitsotakis and the Minister of Labor Kostis Hatzidakis held a meeting to discuss a possibly minimum wage increase which would be implemented on April 1st. Later in the day, Mr. Hatzidakis announced a 9.4% increase of the minimum wage that reached 780 euros. This was the third increase in the last 1.5 years. In total minimum wage has grown from 650 to 780 euros, since the current government won the elections of 2019. According to Kyriakos Mitsotakis, minimum wage is still not on par with other EU nations but this increase was a step in the right direction.

EUROPE | Loses fueled by hawkish ECB and Credit Suisse bailout

MARKETS&ECONOMY

Another week of drops was marked in Europe’s markets. Weekly, the CAC 40 fell 1.43% at 6,925.40 points, the DAX ended at 14,768.20 falling 1.33% and the FTSE 100 dropped 1.01% ending at 7,335.40 points. Although the week ended with drops, stocks rose on Friday as Europe supported under-pressure lenders in order to avoid another bank crisis. Europe had to cope with many incidents. Apart from the collapse of the two American banks, Europe was largely influenced by two other events. The first one was the concern around the viability of the Credit Suisse Bank. Credit Suisse’s failings include a criminal conviction for allowing drug dealers to launder money in Bulgaria, leak of clients’ data, the engagement with controversial clients. The bank delayed the publication of its annual report and with the fall of Silicon Valley Bank and the refusal of the bank’s biggest shareholder to invest more in the company, led to frustration of investors. However, Credit Suisse on Thursday was given $54B by the National Swiss Bank. The ECB, announced, as it was awaited on Thursday 16/03, a 50 basis point hike of all interest rates with effect from 22 of March. As a result, the interest rate on the main refinancing operations will be 3.5%, the interest rates on the marginal lending facility will be 3.75% and the deposit facility will be increased 3.00%. As the ECB stated that "Inflation is projected to remain too high for too long", it is possible that new rate hikes are expected. With this announcement, it is important to underline that short-dated and long-dated bond yields whipsawed a lot. On the corporate front, Inditex announced a 29% jump in annual profit due to increased sales in physical stores and online. Furthermore, Deliveroo, a food delivery company in the UK marked a 3% fall in stocks as the food delivery service reported lower than expected annual revenue and a very unstable trading environment.

STOXX 600 Closing Prices



Source: Bloomberg

US | Financial stability concerns weigh on markets

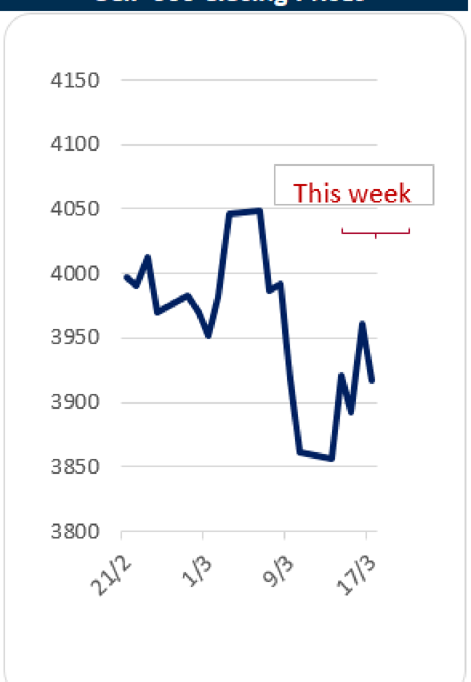
MARKETS & ECONOMY

Last week markets recorded gains as immediate actions were taken to ease the pressure on the banking sector, while in the meantime tightening financial conditions changed expectations for future monetary policy, making a less aggressive approach more reasonable. Dow Jones Industrial Average slipped -0.1% closing at 31,862 points, NASDAQ closed at 11,631 gaining 4.4% and the S&P 500 was up 1.4% closing at 3,917. With multiple negative bank headlines emerging during the week, equities found some support from the

EUR/USD

Source: Bloomberg

S&P 500 Closing Prices



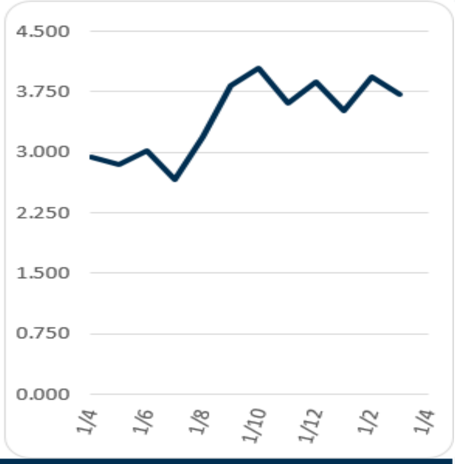
Source: Bloomberg

policy response. As Silicon Valley Bank, now the biggest US lender to fail since the global financial crisis and Signature Bank in New York both shut down the week prior, Federal Reserve as well as the Treasury and FDIC took measures over the weekend to limit any fears for possible financial contagion. These actions included making whole all deposits of both failed banks, regardless of whether they exceeded the FDIC insurance limit of $250K, while the central bank announced that it will provide loans up to one year to institutions affected by these bank failures. Yet not only government assistance was offered as a group of 11 large financial institutions, including JP Morgan, Citi bank and Bank of America offered a 30 bn aid package to support First Republic, which is carrying the third highest rate of uninsured deposits, following the two mentioned above which already failed. After the rescue, even though the bank's shares rebounded following the good news after a 30% loss caused by investors worries, both S&P and Fitch downgraded its debt, as the rating agencies warned this act could worsen the bank's future earning prospects. However, the rising concerns around the financial system did not remain among US banks as Credit Swiss experienced some troubles, but as an systemically important bank, according to reports the Swiss National Bank will support the bank with a $54 bn loan in an attempt to limit the spillover effect from bank failures. Considering the challenges, the financial system is currently facing, investors are expecting the Fed to follow a more accommodating strategy than earlier expected, now pricing in a 0.25% rate hike, which will lead to a peak of 4.75%-5% for the Fed's funds rate sharply lower than 5.5%-5.75% expected earlier this month. Latest inflation reports support the view for a supportive policy as both CPI and PPI showed inflationary pressures continue to moderate leaving some flexibility for officials to act less aggressive than it was stated at their last meeting, which raised worries for a recession. The Consumer Price Index increased 6% y-o-y in February, while the core measure showed a 5.5% increase, falling for the 8th month in a row from its peak in June, but still way above the Fed's target. The Producer Price index also surprised to the upside by falling by 0.1% from January, even though a 0.3% advance was expected, while retail sales slipped 0.4% m-o-m as consumers changed their habits considering the economic projections for the near-term don't seem quite favorable, probably leading them to increase their savings. As data are showing that Fed's tightening cycle has already cool off economic activity, while the financial system is in need of support, in their scheduled meeting next week, where the FOMC committee is expected to announce its interest rate decision and its projections for the economy, the central bank is expected to follow a less restrictive path ahead, as well to cut rate hikes sooner than anticipated, as its role in resolving stability in the banking system is more important than bringing inflation down aggressively.

STOCKS | Performance & Fundamental Analysis

AMC Entertainment Holdings Inc (NYSE: $AMC)) engages in the theatrical exhibition business through its subsidiaries. It operates through the U.S. Markets and International Markets segments. The U.S. Markets segment is involved in owning, leasing, or operating theaters and screens in the U.S. The company was founded by Barney Dubinsky, Maurice Durwood and Edward Durwood in 1920 and is headquartered in Leawood, KS. On Tuesday (14/3/2023) the shareholders of the AMC Entertainment made an important decision: they decided to back plans to increase the company's shares outstanding and implement a 1-for-10 reverse stock split. The two proposals will allow the company to convert a recently issued series

US 10Y Bond YTM



Source: Bloomberg

Dow Jones Movers	Weekly Change
Top Gainers	
Microsoft	12.41%
Intel	9.52%
Salesforce	6.74%
Apple	4.38%
Procter & Gamble	4.18%
Top Losers	
Goldman Sachs	-7.36%
Dow Inc	-7.16%
The Travelers Companies	-6.06%
JPMorgan	-5.87%
American Express	-5.54%

of preferred shares, known by their trading symbol APE, into common stock, although the moves are being challenged and going to be judged by a Delaware Chancery Court judge. They expect that these measures should give AMC the flexibility to issue new stock, exchange debt for shares. As a result, company's common stock sank 15.02% to $4.64. On Monday (13/3/2023) the stock price opened at $5.44 and on Friday (17/3/2023) it soared to $4.18 with change -22.30%.

First Republic Bank (NYSE: $FRC) was founded in 1985 and is headquartered in San Francisco, California. Together with its subsidiaries, provides private banking, private business banking, and private wealth management services to clients in metropolitan areas in the United States. It operates in two segments, Commercial Banking and Wealth Management. The company accepts deposit products , as well as certificates of deposit. It also offers a range of lending products that comprise residential mortgage loans, home equity lines of credit, multifamily loans, commercial real estate and construction loans, both personal and business loans, single family construction loans, and other loans and lines of credit to businesses and individuals. A few predicted that a ripple effect would be inevitable , especially after SVB and Signature Bank files of bankruptcy. It seemed unfeasible to ascertain whether that would be confirmed soon ,but unfortunately First Republic Bank's stock plummeted throughout the week as 11 banks, including Bank of America, Citigroup and JPMorgan, have agreed to provide a total of $30 billion in deposits to First Republic, in a sign of their "confidence in the US banking system", they said in their joint statement. It is believed that the downfall was triggered by the fact that the bank halted its dividend payments and said it would focus on reducing its exposure. The stock is down almost 32,8%, despite that managed to close up 10% amid record daily trading volume. Optimistic views are based on that the bank has a much more diversified portfolio than SVB and Signature Bank , in contrary to the views that affirm that In light of the new capital being added to market interest rates, is is expected profits to be significantly revised downwards for the next quarter and that this will act as a short-term brake on the stock, as a large portion of the bank's asset gains are linked to fixed interest rates and have lower returns than the market with limited revaluation benefits on the horizon. The stock closed the week at $23,03, down 71,83% from previous Friday.

APAC | Mixed results in Asia as investors digest bank failures in U.S

MARKETS & ECONOMY

The past week was a volatile one for the Chinese stock market as investors adjusted their positions to limit their exposure to bank stocks amid fears from a possible financial sector collapse. More specifically, the Shanghai Composite (SSEC) closed in Friday with weekly gains of 0.63% or 20.47 points reaching 3,250.55, whereas Shanghai Shenzhen (CSI 300) recorded a small weekly loss of 0.21% or 8.32 points closing at 3,958.82. As mentioned above, the last five days was a roller-coaster for the country's financial markets mainly due to a potential banking crisis looming over U.S. At the start of the week, uncertainty took over analysts and investors as fears of a domino effect, which could cause the collapse of even more banks, grew bigger. These fears were reignited on Thursday, as Credit Suisse announced that it would be borrowing 50 billion Swiss francs

APAC Daily Returns

Source: Bloomberg

Crude Oil WTI Futures

Source: Bloomberg

(or $54 billion) from Swiss National Bank to support its core businesses and clients, after its biggest investor Saudi National Bank said that no further assistance would be provided to the bank, driving the markets down even further. On Friday, the two major indices recovered most of their loses as analysts priced in a lower Fed rate hike in March, to limit the risk of more potential bank collapses. Moreover, U.S officials as well as institutions announced support measures for many regional banks in order to protect depositors and avoid a broader banking crisis. Another sign of relief for the Chinese markets came from Goldman Sachs, which boosted its economic growth forecast for the country from 5.5% to 6%, as the economy continues to rebound after the easing of the anti-Covid measures and data indicates improving economic trends. Across the border, things aren't looking as bright in Japan as the Nikkei 225 plummeted 2.88% or 810.18 points closing the week at 27,333.79. The country's main index crashed at the start of the week as SVB's collapse highlighted similar risks for major Japanese banks which hold large amounts of foreign bonds in their portfolios and are currently carrying over $30 billion in unrealized losses. Many believe that Japan is the most exposed country to interest rate volatility in the APAC region as not only its banks but many other financial firms and investors hold U.S Treasuries in their portfolio, outlining the country's vulnerability. To better understand Japan's exposure to foreign bonds data showed that the top three banks accumulated over 3 trillion Yen in losses while regional banks' unrealized losses total 1.4 trillion Yen.

COMMODITIES | Oil and Natural Gas tumble, Gold rallies as banking crisis fears flood markets

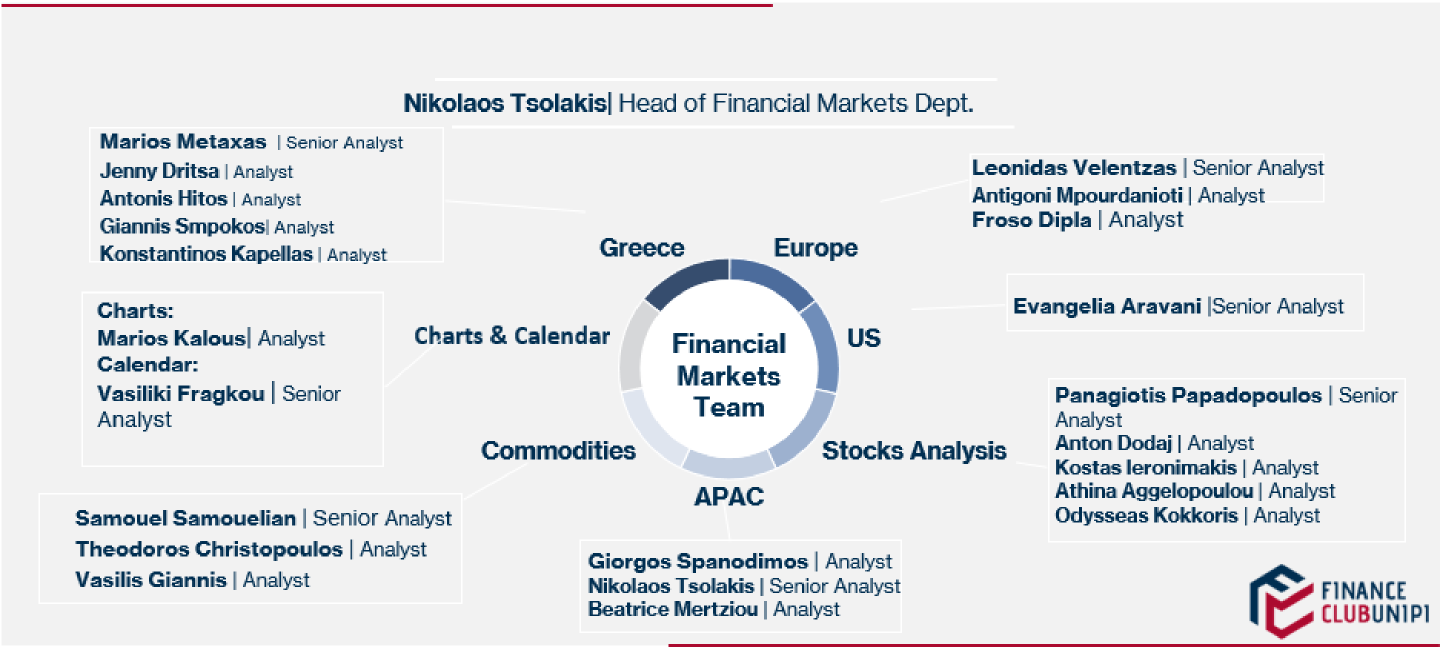
It has been a crazy week for markets as after SVB's default on Friday other American and European banks have been on the verge of closure. Oil prices hit 15-month lows with WTI losing 13.52%, to $66.31/b, and Brent −12.44%, to $72.48/b. The week started with investors fleeing oil markets after the default of SVB and Signature Bank in the U.S. intensifying fears of an economic crisis. Rising interest rates and poor risk management led to huge losses on government bonds bought by the U.S. bank. Considering that SVB is mainly a startup financier there was further concern regarding the impact on the bank's clients. On Wednesday, prices dipped once more as the troubled Credit Suisse came under the spotlight of investors leading to a 30% slump of its shares. The Swiss bank has been facing many problems over weak finances, money laundering and other scandals for the past years. Adding to that, the Energy Information Administration reported a 1.55-million-barrel build in U.S. crude inventories. The pressures led prices to fall to pre-Ukraine levels. Prices eased late Wednesday, and after, as the FED and the Swiss Central Bank intervened to avoid a widespread contagion in the banking system. U.S. Natural Gas was in a similar position with prices consolidating at $2.345/MMbtu, 3.5% lower than last Friday. In contrast to the big losses in oil prices, Natural Gas saw milder declines after previous week's 19% freefall. Gas in storage stood at a total 1.972, trillion cubic feet (tcf), as of March 10 — up 36% from the year-ago level of 1.451 tcf and 24% higher than the five-year average of 1.594 tcf, the EIA, or Energy Information Administration, reported. That balance was after another unimpressive weekly drawdown of just 58 bcf, or billion cubic feet, from storage versus forecasts for a 62 bcf deficit and the previous week's drop of 84 bcf. European benchmark ICE Dutch TTF followed suit but with a more dramatic fall of 18.92%, to €42.857. European Natural Gas has been under immense pressure after Russia's invasion to Ukraine last year and the turmoil in markets due to inflation and rate hikes, something observed by the volatility in the market. As expected Gold rose this

Mar 2023	Next Week's Economic Agenda
MON 20	EUR: German PPI (MoM) (Feb) (fx: -1.6%)
	EUR:Trade Balance (Jan) (fx:-12.5B)
	BRL:BCB Focus Market Readout
	NZD:Trade Balance (YoY)(Feb)
	NZD:Trade Balance (MoM)(Feb)
TUE 21	EUR:German ZEW Economic Sentiment (Mar) (fx:22.0)
	CAD:Core CPI (MoM) (Feb)
	CAD: Core Retail Sales (MoM) (Jan) (fx: -0.1%)
	USD:Existing Home Sale(fx:4.17M)
	USD:Existing Home Sales (Feb)(fx:4.17M)
	EUR: German ZEW Current Conditions (Mar) (fx: -46.5)
	CAD: CPI (MoM) (Feb)(fx:0.7%)
	USD: Existing Home Sales (MoM) (Feb)(fx:2.0%)
WED 22	GBP: CPI (YoY) (Feb)(fx:10.3%)
	BRL:BCB Copom Meeting Minutes
	USD:Fed Interest Rate Decision
	GBP: CPI (MoM) (Feb) (fx: -0.4%)
	GBP:CBI Industrial Trends Orders (Mar)
	USD: Interest Rate Projection - 1st Yr. (Q1)
	USD: Interest Rate Projection - 2nd Yr. (Q1)
THU 23	CHF: SNB Interest Rate Decision (Q1) (fx:1.00%)
	GBP: BoE Interest Rate Decision (Mar)(fx:4.00%)
	GBP:BoE MPC Meeting Minutes
	USD:Building Permits
	USD:New Home Sales (Feb)(fx:638K)
FRI 24	GBP:Retail Sales (MoM) (Feb)
	EUR:German Manufacturing PMI (Mar)(fx:47.0)
	USD:Core Durable Goods Orders (MoM) (Feb)
	EUR:S&P Global Composite PMI (Mar)(fx:51.8)
	EUR:French Services PMI (Mar)(fx:49.9)
	EUR:Spanish GDP (QoQ) (Q4)

week as investors rushed to the 'safe-haven' asset to protect themselves from the turmoil in the banking sector. The weekly session started relatively flat as uncertainty around the Fed's rate hike decision hovered around the markets. SVB's default created speculation and uncertainty regarding the size of the next rate hike. Bulls entered the market on Wednesday, after the tumble of Credit Suisse shares as the fear of a widespread banking crisis seemed very real. Prices hit 11-month-high levels on Friday closing just under the $2000-point. The precious metal consolidated at the price of $1993.25, yielding a fairly big weekly profit of 6.75%.

What to look for this week

The upcoming week is not going to be very busy, but there are expected to be some eventful releases. Specifically, on Monday the Trade Balance for Europe is expected to experience a huge drop down to -12.5B, whereas the previous closing was at -8.8B, indicating that less goods and services were exported than imported, causing damages to the EUR. Furthermore, on Tuesday the Japanese market is going to be closed due to the celebration of Vernal Equinox, while the South African market is expected to be closed due to the celebration of Human Rights Day. Also, on the same day the Canadian Core Retail Sales (MoM) is about to be released with an expectation of rising up to -0.1% affecting positively the CAD. On Wednesday the GBP is about to be positively affected by the fact that the Consumer Price Index(CPI) is about to increase up to 10.3%, while in the U.S. the Fed Interest Rate Decision is expected to be released .The next day the small drop of the New Home Sales at 638K (previous:670K) will be bearish for the USD, while on the other hand Singapore will experience better days as the Core CPI (YoY)is going to be released at 5.60% affecting positively to SGD. Finally, on Friday the EUR is going to be positive affected by the fact that the German Manufacturing PMI (Purchasing Managers Index) is expected to rise up to 47.0, indicating that the activity level of purchasing managers in the manufacturing sector will be increased.



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