



FINANCE
CLUB UNIPI

FINANCIAL MARKETS DEPARTMENT

WEEKLY OUTLOOK

15.05.2023 - 19.05.2023



ASE General Index Closing Prices


Source: Bloomberg

GREECE | Positive signs ahead of elections
MARKET COMMENT & DRIVING EVENTS

Greek markets closed this week on a positive note as analysts and investors have their eyes set on the May 21st elections. More specifically, the General Index rose 0.85% reaching 1,123.34 points while FTSE/Large Cap index rose 1.18% closing the week at 2,767.02 points. There was no major news this week except for the earnings announcements from the banking sector, as three out of four major banks announced Q1 earnings. Only National Bank of Greece wasn't on the analysts' calendar this week, while Alpha Bank, Eurobank and Piraeus Bank all released Q1 earnings. Other than that no major occurred as investors' risk appetite dropped significantly ahead of the general elections which are of outmost importance for the sentiment of the Greek stock market.

STOCK OF THE WEEK: EUROBANK

Last week, Eurobank's share recorded a 5.31% weekly upside and closed at €1.44 per share from previous Friday's €1.374. The bank attracted a lot of investors due to the excellent results about the first quarter of the year. Furthermore, the CEO of Eurobank announced that the bank received approval from the SSM to repurchase the stake held by the financial stability fund. Also, Mr. Karabias clarified the management's intention to distribute at least 25% of this year's profits, in the form of dividends. Eurobank is a Large-cap company whose portfolio focuses on bank services and it's the largest bank in Greece by market cap. Eurobank was incorporated in 1924 and listed at Athens Stock Exchange in 1926.

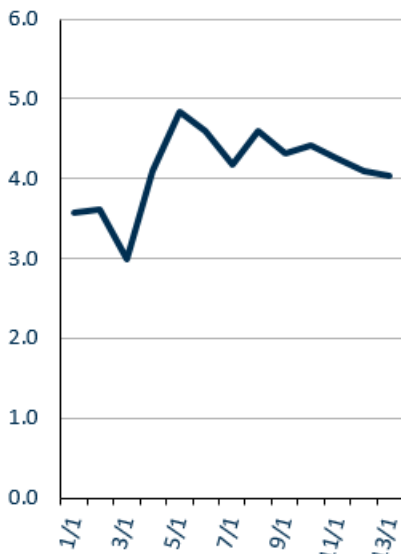
CONCLUSION&OUTLOOK

As mentioned above there was very little to no news due to the upcoming May 21st elections. This is considered the most important event of the year so far, as the results will indicate the general direction and focus of Greece's economy. Investors significantly reduced their appetite risk this past week as many surveys about the elections' results indicate that the race for the 1st place although not extremely tight it might have many surprises along the way. So far, this year has been a positive one for the Greek stock market despite the rough economic conditions and uncertainty that looms over every developed economy. The General Index, has outperformed its global counterparts due to signs that the country is finally out of the economic crisis and more prosperous days seem to be coming.

NEWS&ECONOMY
US exposure is the next headache for European companies

Cracks are appearing behind European companies' better-than-forecast earnings as exporters begin to feel the "sting" of regional exchange rate strength against the dollar, according to Bloomberg. The euro, Swiss franc and Sterling are forecasted to rise further against the US Dollar, which could spell trouble for the Stoxx 600 stock index as North America accounts for a third of the total revenue generated by its companies, according to data compiled by Bloomberg, so far, the outcome is not entirely clear - despite the euro's 13% rise against the dollar since September's

Athens Stock Exchange General Index Movers		Weekly Change
Top Gainers		
MIG Holdings		67.28%
Piraeus Bank		16.26%
National Bank of Greece		14.88%
Entersoft		14.88%
Alpha Bank		13.92%
Top Losers		
Ideal Group		-3.14%
Kekrops		-3.13%
Elastron SA		-0.76%
Ellaktor		-0.24%
Coca Cola HBC		0.44%

10Y Greek Bond YTM

Source: Bloomberg

Crlow, the majority of Stoxx companies have beaten first-quarter earnings estimates. But if one digs deeper, it becomes clear that a large number of companies, especially export groups such as Bayer and Roche, are feeling the pain.

EUROPE | European stocks up due to positive news from the U.S

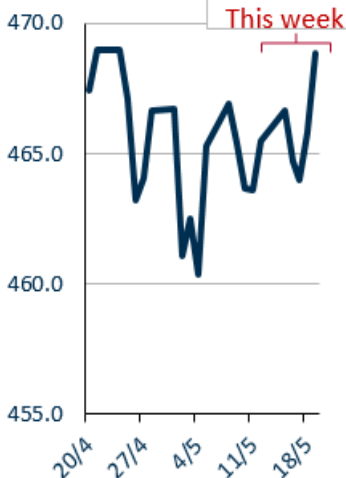
MARKETS&ECONOMY

This week the European stock markets performed strongly as investors kept digesting global news and closely watching corporate earnings. On Monday, the European Commission upgraded its GDP estimate for this year and it is now forecasting 1% growth, up from the previous estimate of 0.8%. This estimate lift improved the sentiment in the European markets which are currently under pressure due to global factors such as China's recent underperformance and the uncertainty that looms over Turkey. Luckily, U.S officials announced that a deal over the debt ceiling could be reached in the next few days thus alleviating significant pressure of European markets. Despite this promising news, investors are concerned as unemployment rate in the U.K unexpectedly grew 3.9% in March, while one of the main inflation drivers, wage growth, remained strong. Moreover, the ECB raised its forecasts for inflation for the euro area to 5.8% for 2023 and 2.8% in 2024, which is a sign that more rate hikes are on the way. Lastly, the U.K consumer confidence index rose to -27 from -30 a month later moving away from last September's low of -49. The CAC 40 rose 1.04% reaching 7,491,96, the FTSE 100 rose 0.03% reaching 7756.87, the DAX rallied 2.27% closing at 16,275.38 and the IBEX 35 rose 0.19% closing at 9,251.5.

US | Markets rallied despite emerging weakness on economic fundamentals

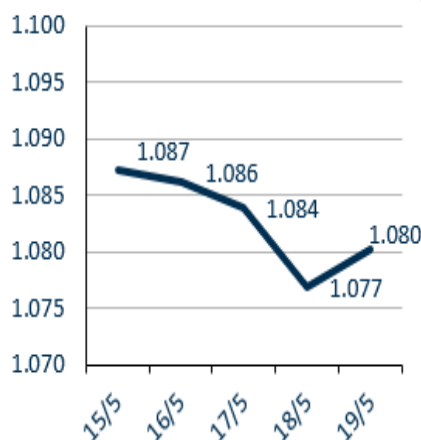
MARKETS & ECONOMY

Last week equity markets marked their biggest weekly gain since March, despite weak economic data reflecting a decelerating economy, as well as the uncertainty around the ongoing negotiations for raising the US debt ceiling. Dow Jones Industrials Average closed at 33,427 points up 0.4%, NASDAQ rose 3% closing at 12,658 and the S&P 500 increased 1.6% at 4,192. Both the S&P 500 and NASDAQ hit the highest since 2022 even though latest reports showed consumer spending, which accounts for more than two-thirds of US GDP, decreased more than expected after hitting the highest in two years in the first quarter. According to the Commerce Department retail sales rose 0.4% in April, after two consecutive months of declines, but still came in well below expectations as a result of higher interest rates and elevated inflation. On a positive note core retail sales, excluding automobiles and gasoline, topped estimates marking a 0.7% increase, while overall seven out thirteen categories rose last month, pointing to a still healthy state of consumer spending in the leisure and hospitality sector rather than goods, mostly supported by a resilient labor market, a half-century low unemployment rate and strong wage growth. In the week ended May 13th initial jobless claims continued their downward trend dropping by 22K, the largest drop since November of 2021 and finally totaling 242K, well below estimates for 254K new claims. Even though initial claims remain below historical numbers, they are up nearly 25% since the beginning of the year, which combined with the latest manufacturing data creates an unfavorable outlook for the path of the economy ahead. Philadelphia Fed's Manufacturing Business Outlook Survey showed the

STOXX 600 Closing Prices

Source: Bloomberg

EUR/USD



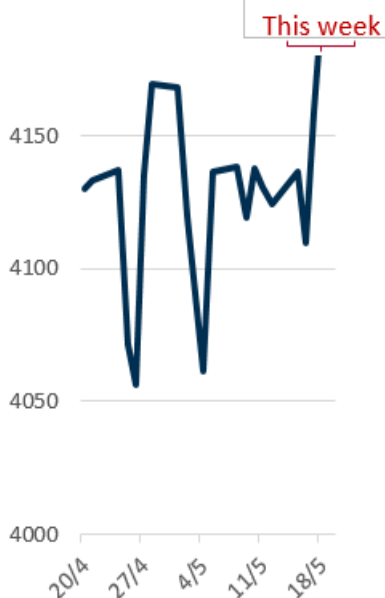
Source: Bloomberg

manufacturing index marked its ninth consecutive negative reading at -10.4, improving from a month earlier and coming in well above forecasts for a -19.8 reading. The impact of the disappointing economic data in markets overshadowed the latest earnings announcements, which still remain in focus, with about 78% of companies having reported better-than-expected results, above the 73% long-term average rate, thus bringing first quarter earnings down 2.5% compared to a year earlier, while economists predicted a 7% y-o-y drop. These reports spread a more optimistic outlook for the path of the economy, even though markets experienced some volatility from the ongoing Democrats' and Republicans' talks on closing a debt-ceiling deal, with the latter supporting spending cuts, as well as Fed officials' commentary on another possible rate hike. Even though Fed Chair Powell ruled out such a probability, investors remain cautious sending yields higher, which however remain below recent highs as markets are pricing in rate cuts by September.

STOCKS | Performance & Fundamental Analysis

EVgo Inc (NASDAQ: EVGO) is a network of DC electric vehicle fast charging stations in the United States. It was founded in 2010 and is headquartered in Los Angeles, California. The company offers electricity directly to drivers, with multiple plan options, including subscription plans that start as low as \$0.99 per month, who access its publicly available networked chargers and plans to replace, upgrade or retire hundreds of stations over the coming year. It also provides ancillary services, such as customization of digital applications, charging data integration, loyalty programs, access to chargers behind parking lot or garage pay gates and microtargeted advertising, and charging reservations. As a charging technology first mover her charging network includes around 800 fast charging locations, 60 metropolitan areas and 30 states. Moreover, lately announced the pricing of an underwritten public offering of 29,411,765 shares of its Class A common stock, par value \$0.0001 per share (the "Class A common stock"), at \$4.25 per share. Net proceeds to the Company from the offering, after deducting underwriting discounts and fees but before other offering expenses, are expected to be approximately \$121 million. EVgo has granted the underwriters a 30-day option to purchase up to 4,411,764 additional shares of Class A common stock. EVgo intends to use the net proceeds of this offering for general corporate purposes. The companies that are acting as the underwriters for the offering is J.P. Morgan, Evercore ISI and Goldman Sachs & Co. LLC. Although, forward-looking statements in this press release include, but are not limited to, statements relating to the completion of the public offering and the anticipated use of net proceeds from the offering. As of May 11, 2023, the average one-year price target for EVgo Inc - is 9.09. The forecasts range from a low of 6.26 to a high of \$12.60. This week's open stock price was at \$4.04 and closed at \$4.16.

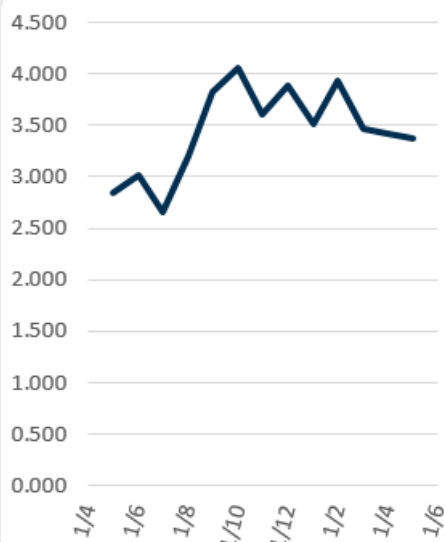
S&P 500 Closing Prices



Source: Bloomberg

Foot Locker (NYSE: FL) was formerly known as Venator Group, Inc. and changed its name to Foot Locker, Inc. in November 2001. The company was founded in 1879 and is headquartered in New York. Foot Locker, Inc., through its subsidiaries, operates as a footwear and apparel retailer in North America, Europe, Australia, New Zealand, Asia, and the Middle East. The stock drew the attention of the investing world as experienced a significant decline in its stock price of over 27% following disappointing results for the first fiscal quarter. The company reported a double-digit sales drop due to a consumer slowdown, leading to a revision of its outlook just two months after its initial introduction. Foot Locker missed expectations for both earnings

US 10Y Bond YTM



Source: Bloomberg

per share and revenue, citing the need to aggressively promote merchandise to clear high inventory levels and attract customers to spend on shoes and clothing. During the first quarter, the company's net income was \$36 million, or 38 cents per share, compared to approximately \$132 million, or \$1.37 per share, in the same period the previous year. Sales dropped by 11.4% to \$1.93 billion compared to \$2.18 billion a year earlier. As a result of the disappointing performance, Foot Locker adjusted its sales expectations for the year, now projecting a decline of 6.5% to 8%, compared to the previous range of 3.5% to 5.5%. They also anticipate a decrease in comparable sales of 7.5% to 9%, compared to the previous range of 3.5% to 5.5%. The company revised its non-GAAP earnings per share outlook to be between \$2 and \$2.25, down from the previous range of \$3.35 to \$3.65. The company's target demographic, consisting of middle to lower-income shoppers, is facing constraints on discretionary spending due to inflation and increased credit usage. Foot Locker experienced challenges with full-price sales, relying on higher-than-usual promotions during back-to-school and holiday seasons. In conclusion, Foot Locker's results, including a sales drop and lowered outlook, reflect the challenging consumer environment and increased promotional activity. The company faces headwinds from macroeconomic factors and shifts in customer behavior. The impact of these results on the broader retail sector remains to be seen as other companies prepare to release their earnings reports. The price stock closed on Friday at 30.21\$, down 22.99% on weekly basis.

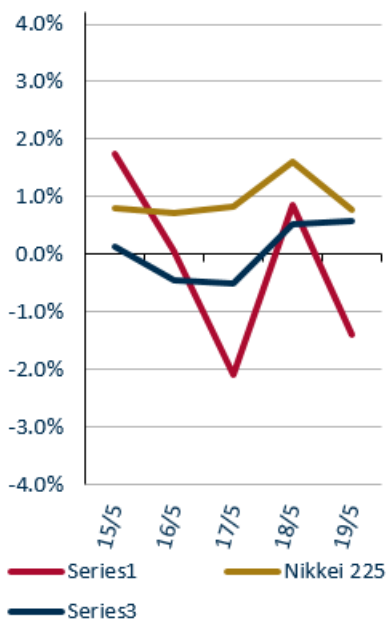
APAC | Marginal gains in China – Nikkei 225 up after GDP growth

MARKETS & ECONOMY

This week the Chinese markets recorded marginal gains as investors tried to consider a variety of clashing factors to figure out their strategy. The Shanghai Composite rose 0.34% or 11.18 points closing the week at 3,283.54 and the Shanghai Shenzhen (CSI 300) gained 0.18% or 7.18 points closing at 3,944.54. Chinese stocks have been underperforming their other Asian peers as weaker-than-expected readings keep coming out throughout this month. Specifically, industrial production grew 5.6% in April, but it largely missed analyst forecasts of 10.9%. The sluggish growth is driven by an underperforming manufacturing sector as both local and foreign demand declined. Moreover, Chinese retail sales also grew at a slower pace as analysts expected a 21% growth, but the actual reading was 18.4%. These weak economic reading indicate that China won't have a total economic rebound in 2023 as its main economic drivers are still under pressure. It is evident that due to the uncertainty that looms over the markets investors will stay clear of risk-heavy market like the Chinses and consumers are afraid to make big purchases due to the rough economic conditions. On the other hand, good news is coming for the U.S front as president Joe Biden said that he seeks to improve the U.S-China relations during the next months. During the g-7 Summit in Japan, Biden also announced that the group is looking to diversify supply chains to reduce their reliance to China, as pandemic-linked disruptions shook the global economy, given the country's key role in trade. Crossing the border, Japanese markets had a great week as the Nikkei 225 rallied 4.83% or 1420.05 points closing at 30,808.35. The main driver was the strong GDP growth which was measured at 0.4% in Q1, doubling the analysts' estimates of a 0.2% growth. This was due to BoJ's dovish monetary policy which boosted corporate profits thus improving the market sentiment while other banks across the world are tightening their policies. Moreover, the trade deficit experienced a larger-than-expected drop which coupled with Sony's outstanding

Dow Jones Movers	Weekly Change
Top Gainers	
Cisco	4.31%
Salesforce	3.46%
IBM	3.16%
JPMorgan	2.92%
Microsoft	2.87%
Top Losers	
Amgen	-4.33%
Nike	-4.23%
Verizon	-1.96%
Procter & Gamble	-1.82%
Coca-Cola	-1.74%

APAC Daily Returns



Source: Bloomberg

performance in the same day had a big impact on the market's sentiment. Positive news from the U.S debt ceiling situation further boosted Nikkei's gains, as Biden said that a deal might be reached within week..

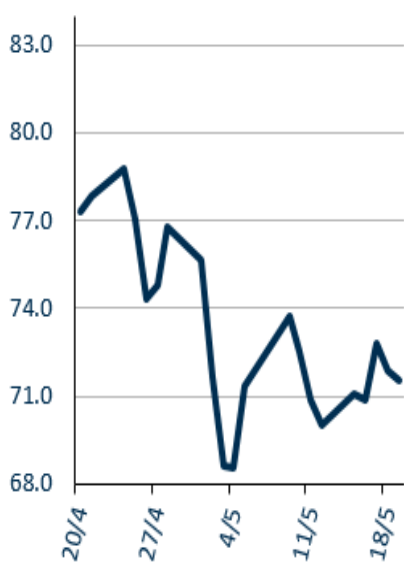
COMMODITIES | Oil and Natural Gas hit new lows – Gold on the rise

Oil prices managed to shake off the losses of the five previous weeks with the two oil benchmarks, WTI and Brent, closing Friday's session on the green. WTI ended the weekly session at \$71.55/barrel, profiting 2.16%, and Brent at \$75.58/barrel, gaining 1.9%. Debt talks have been the main driver of prices for the past couple of weeks as the U.S. will not be able to meet its obligations from June 1st if a new debt ceiling agreement is not reached. This week was the first time that Democrats and Republicans were close to a deal to raise the debt ceiling to \$31.4 trillion boosting investor sentiment and prices. More specifically, oil markets entered the week with volatility as uncertainty was widespread, while demand worries also weighed on prices as the Energy Information Administration (EIA) reported an unexpected crude oil inventory build of 5 million barrels for the week ending on May 12th. Optimism outweighed fears, as President Joe Biden and top U.S. congressional Republican Kevin McCarthy underscored their determination to reach a deal soon, and that a conclusion could come as early as Sunday to avoid a federal default, bolstering prices. By Friday though, it was clear that the talks were going nowhere leading prices to dip. Nonetheless, the price surge of Wednesday led to the weekly gains. On the same note, but with a stronger price surge, U.S. Natural Gas yielded +14.08% W-o-W, consolidating at \$2.585/MMbtu. Prices were stable until Wednesday after the positive news regarding the debt ceiling deal supported prices. Prices remained near a nine-week high on Friday, supported by a technical rebound and increased gas usage in electricity generation due to a decrease in wind power. Power generators burned more gas to compensate for the drop in wind power, resulting in less gas available for storage. Gas exports from Canada also declined due to wildfires in Alberta and other western provinces, causing a reduction in gas flowing to the United States. On the other hand, European Natural Gas benchmark ICE Dutch TTF fell for the seventh consecutive week by 7.91% to €30.176/MWh as the Russia- Ukraine carries on and European countries have changed energy sources over the past year and almost totally adapted to the new reality of not having direct energy supply from Russia. The U.S. debt drama also took its toll from Gold as prices followed a downtrend throughout the week. The precious metal lost 1.89% and consolidated at \$1981.60/ounce. Gold prices have been on the rise for the past couple of months as fears of a U.S. recession and now fears of the U.S. defaulting on its obligations, made the 'safe-haven' attractive to investors. Optimism of a deal soon-to-be-reached tackled prices and led to the loss of more than half of the gains investors made in March

What to look for this week

The upcoming week is not going to be very busy, but there will take place some interesting releases. Specifically ,on Monday, the Canadian market is going to be closed due to Victoria Day. Also, on the same day the FOMC Members Bullard and Bostic speak about the benchmark interest rate. On Tuesday, the German Manufacturing PMI is expected to be released at 45.0 points and as it measures the activity level of purchasing managers in the manufacturing sector is going to affect positively the EUR. Also, the U.K's Services PMI is about to be released at 55.5, while the previous closing was at 55.9, which will be bearish for the GBP. Furthermore, on Wednesday, the

Crude Oil WTI Futures



Source: Bloomberg

May 2023	Next week's economic calendar
MON 22	BRL:BCB Focus Market Readout
	USD:FOMC Member Bullard Speaks
	USD:FOMC Member Bostic Speaks
	EUR: French 12-Month BTF Auction
	EUR:French 6-Month BTF Auction
TUE 23	JPY: Services PMI
	EUR:German Manufacturing PMI (May)(fx:45.0)
	GBP:Composite PMI (fx:54.6)
	GBP:Manufacturing PMI (fx:48.0)
	GBP:Services PMI (fx:55.5)
	USD:Building Permits(fx:1.416M)
	USD: Services PMI (May) (fx:52.6)
	USD:New Home Sales (Apr)(fx:660K)
	NZD: RBNZ Interest Rate Decision (fx:5.50%)
	NZD:RBNZ Rate Statement
	NZD:RBNZ Press Conference
	GBP: CPI (YoY) (Apr)(fx:8.3%)
WED 24	EUR:German Ifo Business Climate Index (May)(fx:93.0)
	GBP:BoE Gov Bailey Speaks
	USD: Crude Oil Inventories(fx:-0.920M)
	USD:FOMC Meeting Minutes
	USD:5-Year Note Auction
	EUR: German GDP (QoQ) (Q1) (fx: -0.1%)
THU 25	USD: GDP (QoQ) (Q1) (fx:1.1%)
	USD: Initial Jobless Claims(fx:250K)
	USD: Pending Home Sales (MoM) (Apr)(fx:0.5%)
	AUD: Retail Sales (MoM) (Apr)
	GBP: Retail Sales (MoM) (Apr)(fx:0.4%)
FRI 26	USD:Core Durable Goods Orders (MoM) (Apr)
	USD: Core PCE Price Index (MoM) (Apr)(fx:0.3%)
	USD: Personal Spending (MoM) (Apr)(fx:0.4%)

CPI (YoY) of U.K. is expected to drop down to 8.3% indicating changes in purchasing trends and inflation, while the German Ifo Business Climate Index is about to decrease at 93.0 affecting negatively the EUR .On Thursday, the German GDP (QoQ) (Q1) is about to be released at - 0.1%, while the previous closing was at -0.4%, which is a sign of economic health for the country. Also, on the same day, the U.S’ Pending Home Sales (MoM) are about to rise up to 0.5% ,which will be bullish for the USD. Finally, on Friday, the Hong Kong’s market is going to be closed due to the celebration of Buddha’s birthday, while the U.K’s Retail Sales (MoM) are about to rise up to 0.4%,with the previous closing at -0.9%,indicating a good economic activity for the country.

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