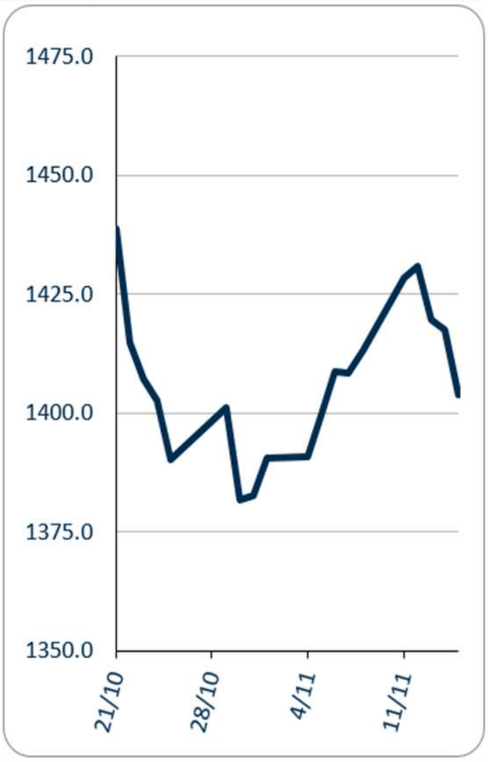
GREECE | Greece's markets showed resilience due to strong earnings and increased investor confidence

ASE General Index Closing Prices



Source: Refinitiv

MARKET COMMENT & DRIVING EVENTS

During the week of November 11 to 15, 2024, the Greek financial markets exhibited mixed performance, reflecting investor caution amid varied economic and corporate developments. The **Athens General Index** recorded decline of **0.66%**, closing at **1,403.87 points**, while retaining gains of **1.53%** since the start of November and **8.56%** year-to-date. The **Banking Index** inched up by **0.3%**, as concerns over vulnerabilities in the financial sector eased following positive corporate updates. Investor sentiment showed a significant shift, with **foreign inflows** into the Athens Stock Exchange reaching **€416.6 million** in October, a marked improvement from September's outflows of **€62.6 million**. Foreign investors accounted for **65.7%** of total transaction value, up from **60%** the previous month, reflecting increased interest in Greek equities. Notably, **JP Morgan** upgraded Greece from a neutral rating to overweight, citing stronger-than-expected GDP growth compared to the Eurozone and improved bank balance sheets, which are translating into increasing capital returns.

Greece's economic outlook remains stable, supported by projections of **2.4% GDP growth** in 2024. Key drivers include investments funded by the **EU Recovery and Resilience Plan**, growth in the tourism and energy sectors, and declining inflation, expected to ease to **2.1%** next year, boosting household purchasing power. On the fiscal front, Greece continues to reduce its **public debt-to-GDP ratio**, strengthening confidence in its economic stability. The **primary balance** is projected to exceed expectations, reaching **2.6%-2.7%**, above both the **2.1% target** in the stability program and the **2.4% goal** in the 2025 budget. Inflation moderated further, reaching **2.4%** in October, compared to **2.9%** in September, with notable price increases in hospitality, clothing, and healthcare. Import prices fell by **10.6%** in September, signaling a potential easing of input costs for domestic industries.

Athens Stock Exchange General Index Movers	Weekly Change
Top Gainers	
Domiki Kritis	16.50%
Alumil	12.95%
Titan Cement	12.00%
Thrace Plastic	5.00%
Austriacard Holdings	4.72%
Top Losers	
Iktinos Hellas	-9.22%
Autohellas	-6.29%
National Bank of Greece	-5.68%
Piraeus Bank	-4.59%
Intralot	-4.06%

The Greek banking sector continues to demonstrate resilience and profitability. The **National Bank of Greece** successfully issued a **€650 million green bond** (MREL eligible) with a yield of **3.5%** and a maturity of six years. The issuance saw strong demand, attracting approximately **€4 billion** and oversubscribed more than six times. Meanwhile, **Reggeborgh Invest** increased its stake in **Alpha Services and Holdings** to **9.99%**, pending ECB approval to surpass the 10% threshold. UBS, in its latest analysis, upgraded the target prices for **Alpha Bank** and **Eurobank** to **€2.42** and **€2.75**, respectively, while maintaining **National Bank** and **Piraeus Bank** as top picks, reflecting continued optimism about improved financial performance and healthier bank balance sheets.On some corporate news, several leading Greek companies reported positive results this week. **Public Power Corporation (PPC)** recorded adjusted net profits of **€241 million** for the first nine months of 2024, up from **€144 million** during the same period in 2023, driven by strong operational performance and expansions in Romania and Greece.

Investments reached **€1.6 billion**, with **80%** allocated to renewable energy projects, while lignite production decreased to **15%** of the total energy mix, reflecting PPC's shift toward cleaner energy. **Aegean Airlines** posted a consolidated revenue of **€1.38 billion** for the first nine months of 2024, marking a **4% increase** year-on-year. The airline transported **12.6 million passengers**, a **5% rise** from the previous year, despite EBITDA declining by **10%** to **€330 million** due to higher operating costs. **Helleniq Energy** reported EBITDA of **€183 million** for Q3 2024 and comparable Q3 profits of **€49 million**, though net profits were impacted by extraordinary taxation of **€223 million**. The company proposed an interim dividend of **€0.20 per share**, signaling shareholder confidence despite the challenges. Meanwhile, **OTE Group** achieved a **5.5% increase** in net profits to **€445.2 million** for the first nine months of 2024, driven by its competitive edge in **FTTH infrastructure** and **5G coverage**. In industrial production, Greece recorded a **2.5% year-on-year increase** in September, mainly due to a **9.6% rise** in the **Mining and Quarrying** sector.

In the energy sector, according to Energypress.gr, the Greek government is considering imposing a cap on wholesale electricity prices, in light of recent spikes, instead of additional taxes on excess profits. This move aims to stabilize energy costs while supporting investment in green energy. Trade data showed mixed results, with the trade deficit excluding oil products and ships increasing by **6.1%** year-on-year for January to September 2024, as imports rose by **2.7%**, outpacing the **0.4%** increase in exports. However, the trade deficit for September improved, declining by **8.4%** to **€2.1 billion**, reflecting slight progress in balancing trade flows.

EUROPE | European markets faced challenges stemming from geopolitical tensions and economic uncertainties

MARKETS&ECONOMY

During the week of November 11–15, 2024, European stock markets faced a challenging environment, marked by geopolitical uncertainties, disappointing corporate earnings, and subdued economic indicators. The pan-European **STOXX 600 Index** dropped **0.8%**, closing near three-month lows. Concerns about U.S. President-elect Donald Trump's proposed trade policies and political instability in Germany have big impact on public confidence. Major indexes reflected this uncertainty, with **France's CAC 40** declining **0.94%** to **7,269.63 points**,**Germany's DAX** slipping marginally by **0.02%** to **19,210.81 points**, and the **UK's FTSE 100** falling **0.11%** to **8,063.61 points**. Conversely, **Italy's FTSE MIB** outperformed, gaining **1.11%** to close at **34,191.79 points**, supported by steady economic growth and corporate resilience.

The announcement of Trump's proposed **10% import tax on all European goods** and a **100% tax on imported cars** sparked fears of reduced competitiveness for European exports, particularly for industries like automotive manufacturing. These concerns, combined with the economic stagnation of countries like Germany, painted a dark picture for the eurozone. Germany, is projected to see a **0.1% GDP reduction** in 2024, revised downward from previous growth expectations of 0.1%.

Meanwhile, the European Commission forecasts a modest GDP growth of **0.8%** for the euro area in 2024, driven by resilient labor markets and steady domestic consumption.

Germany's political instability added to the challenges, with the collapse of the coalition government prompting calls for snap elections in January. Analysts warned that prolonged uncertainty could further weaken Europe's largest economy. In addition, fiscal pressures remain high in France and Italy, where debt-to-GDP ratios significantly exceed the EU's 60% benchmark. Both countries face increased pressure to implement fiscal reforms to reduce deficits below the **3% threshold** and ensure long-term debt sustainability.

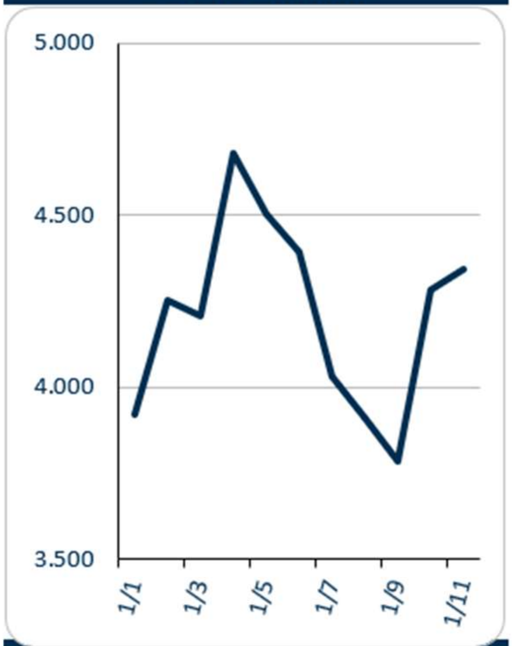
In this context, the euro fell to **$1.05**, its lowest level in a year and the sharpest drop since the 2022 energy crisis. "Investors fear that Europe will be at the forefront of the upcoming trade war," said Chris Turner, Global Head of Markets at ING. "In the absence of European fiscal incentives, it seems that support will have to come from the ECB." On some news on monetary policy, **European Central Bank (ECB)** maintained a cautious stance, citing the growing disinflationary trend as a basis for October's **25 basis point rate cut**. Supportively, François Villeroy de Galhau, a member of the ECB's governing council and Governor of the Bank of France, stated that further rate reductions could be on the horizon. He noted that France's inflation rate, currently at **1.5%**, indicates room for monetary easing. Speaking to France Inter, he emphasized that with prices now rising more slowly than wages, the ECB can reduce interest rates to support the economy. This reinforced expectations of additional rate cuts to mitigate economic harm and support recovery. Despite these measures, concerns over Europe's economic vulnerability in the face of escalating trade tensions. Goldman Sachs revised its EU growth forecast for 2025 downward from **1.6%** to **1.4%**, citing potential economic fallout from trade disruptions and limited fiscal flexibility. On some corporate news, European equities were weighed down by weak earnings in several sectors. Among the top gainers, **Burberry Group** surged **12.6%** to **906.20 GBP**, driven by robust luxury goods demand, while **Deutsche Bank** rose **3.47%** to **16.06 EUR**, reflecting increased investor confidence in financial services. **Renault** climbed **1.2%** to **41.18 EUR**, benefitting from strategic initiatives aimed at boosting profitability.

In contrast, **Bayer** jumped **15.66%** to **20.31 EUR**, impacted by litigation concerns and disappointing earnings, while **Sanofi** fell **4.63%** to **91.31 EUR**, affected by fears of stricter U.S. regulatory oversight under Trump's administration. Shares of **Novo Nordisk** dropped **5.3%**, **Sanofi** declined **3.3%**, and **GSK** fell **3.9%**, dragging the Swiss healthcare-heavy **SSMI Index** down by 1.3%.

In the industrial sector**, Siemens Energy** recorded a **19%** surge after upgrading its medium-term financial targets, projecting revenue growth of **8%-10%** for the next fiscal year. Meanwhile, **Allianz** exceeded expectations with a **22% rise** in Q3 net profits, driving its stock up by **0.5%.**

Nasdaq Movers	Weekly Change
Top Gainers	
DexCom	7.92%
Dollar Tree	4.88%
Datadog	3.05%
Netflix	2.30%
American Electric Power	1.90%
Top Losers	
Super Micro Computer	-20.02%
Moderna	-13.80%
Amgen	-11.87%
Micron	-11.33%
Illumina	-10.86%

US 10Y Bond YTM



Source: Refinitiv

US | U.S. markets declined this week due to policy uncertainty and mixed corporate earnings

MARKETS & ECONOMY

During the week of November 11–15, 2024, U.S. financial markets experienced a pullback, relinquishing some of their robust post-election gains. The **S&P 500** declined by **2.28%**, closing at **5,870.76**, while the **Nasdaq Composite** dropped **2.92%** to end the week at **18,680.12**. Similarly, the **Dow Jones Industrial Average** fell **2.34%**, settling at **43,444.99**. Despite these weekly losses, the indices remain significantly up year-to-date, reflecting overall resilience despite short-term uncertainties.

Market sentiment was influenced by uncertainty surrounding President-elect Donald Trump's proposed trade policies, particularly potential tariffs on imports. While tariffs are often viewed as a consumer tax, historical trends suggest their long-term inflationary impact is limited. Corporate earnings highlighted contrasting performances. **Disney (DIS)** outperformed, driven by better-than-expected Q4 earnings, The renewable energy sector, represented by the **ICLN Index**, also fell **2.22%** under similar pressures. Conversely, financial and energy stocks continued to benefit from expectations of deregulation and merger activity under the incoming administration.

The healthcare sector faced sharp declines following news of Robert F. Kennedy Jr.'s appointment to lead the Department of Health and Human Services (HHS). Stocks like the **iShares Biotechnology ETF** dropped **4.79%**, reflecting concerns over Kennedy's critical stance on the pharmaceutical industry and public health policies.

The October Consumer Price Index (CPI) data revealed mixed results, with headline inflation ticking up to **2.6%** year-over-year from **2.4%** in September, driven by stubbornly high housing costs, while core inflation remained steady at **3.3%**. Declines in energy and vehicle prices provided some relief but highlighted the uneven path toward the Federal Reserve's **2% target**. Fed Chair Jerome Powell remarked that the economy showed no immediate need for aggressive rate cuts, tempering expectations for monetary easing. Futures markets reflected this sentiment, with the probability of a December rate cut declining to **58.4%** from **64.6%** earlier in the week.

Electric vehicle stocks, particularly **Tesla** declined **7.39%**,experienced significant volatility. Initial optimism around Tesla CEO Elon Musk's potential role in the Trump administration faded as reports confirmed plans to eliminate the $7,500 EV tax credit .**Rivian**, another EV player, saw its stock plummet **14.3%**, emphasizing the sector's vulnerability to policy shifts. Meanwhile, Bitcoin surged **32.46%** post-election, as investors anticipated looser cryptocurrency regulations under the new administration. The investment-grade corporate bond market saw heavy issuance, with spreads widening slightly as companies sought to capitalize on favorable conditions. Treasury yields rose, with the benchmark 10-year U.S. Treasury yield reaching **4.51%**, its highest level since June, reflecting expectations for higher long-term rates.

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