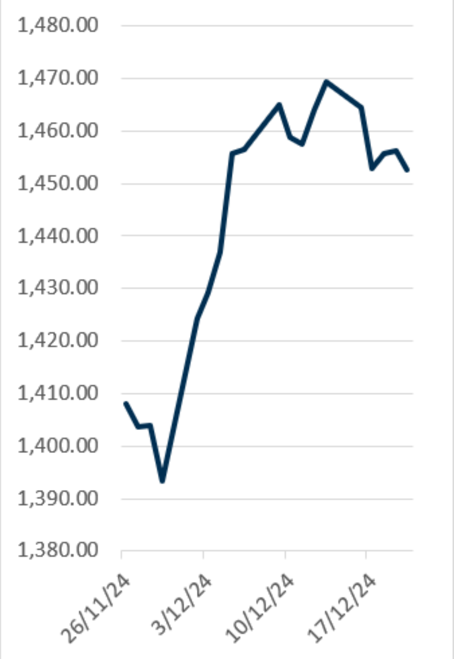
ASE General Index Closing Prices



Source: Refinitiv

Athens Stock Exchange General Index Movers	Weekly Change
Top Gainers	
Elinoil Hellenic Petroleum Co	5.83%
Holding Company ADMIE	5.26%
Ellaktor	3.97%
Crete Plastics	2.80%
BriQ Properties	2.37%
Top Losers	
Dimand Societe Anonyme for Real Estat	-6.01%
Viohalco BR	-5.39%
Coca Cola HBC AG	-5.07%
Elvalhalcor Hellenic	-3.59%
Jumbo	-3.23%

GREECE | Greece showed mixed economic performance, with progress in energy transition and fiscal policies

MARKET COMMENT & DRIVING EVENTS

During the week of **December 16-20**, the **Greek financial markets** experienced a decline, reflecting broader economic and sector-specific challenges. The **General Index** fell by **1.14%**, closing at **1,452.50** points. Similarly, the **FTSE Large Cap index** dropped by **1.33%** to **3,536.70** points, while the **FTSE Mid Cap index** showed a smaller decline of **0.33%**, settling at **2,306.38** points. The **Banks Index** was relatively more resilient, decreasing by just **0.25%** to **1,295.08** points. Additionally, the **FTSE index rebalancing** will take place, with the most notable changes being the **inclusion of Optima Bank** and the **removal of Autohellas** from the **large-cap index**.

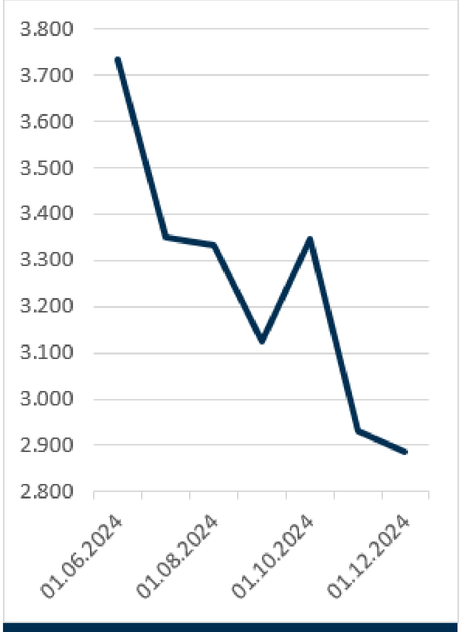
On the macroeconomic level, **Standard & Poor's** maintained a **positive outlook** for **Greece**, forecasting **GDP growth** of **2.6%** in **2024** and **2.5%** in **2025**. The agency highlighted ongoing **structural reforms**, effective utilization of **EU funds**, and consistent **budget surpluses** as key factors supporting the positive trajectory. However, risks remain, particularly related to **geopolitical uncertainties** and **external economic imbalances**.

From a fiscal perspective, **tax revenues** exceeded expectations, reaching **€60.67 billion** in the first eleven months of **2024**, surpassing budget targets by **€106 million**. This fiscal overperformance has been partially driven by **inflationary pressures**, which continue to impact households. The resulting **primary surplus** exceeded **€12 billion**, reinforcing **Greece's fiscal stability**.

The **banking sector** faced increased financial burdens due to regulatory and fiscal measures. The elimination of fees on bill payments via web and mobile banking is projected to cost **Greek banks** approximately **€35 million**. Additionally, the imposed cap on money transfer fees for transactions up to **€5,000** is expected to result in a cost of **€95 million**. These measures, combined with the upcoming doubling of property taxes from **2026**, are anticipated to add an annual cost of **€10-20 million**. Furthermore, **systemic banks** will contribute **€100 million** for school reconstruction projects and another **€100 million** for establishing a property, sale, and leaseback agency. Altogether, the financial impact on **Greek banks** is estimated to reach **€350 million** in **2025**.

Despite these financial headwinds, **Piraeus Bank's CEO** reaffirmed the institution's strategic objective of expanding credit by **€10 billion** over the four-year period from **2024 to 2027**, translating to approximately **€2.5 billion annually**. The **CEO** also emphasized the upcoming launch of **Snappi**, the bank's fully digital banking platform, which will operate under a **pan-European license** and is expected to attract a broader customer base.

10Y Greek Bond YTM



Source: Refinitiv

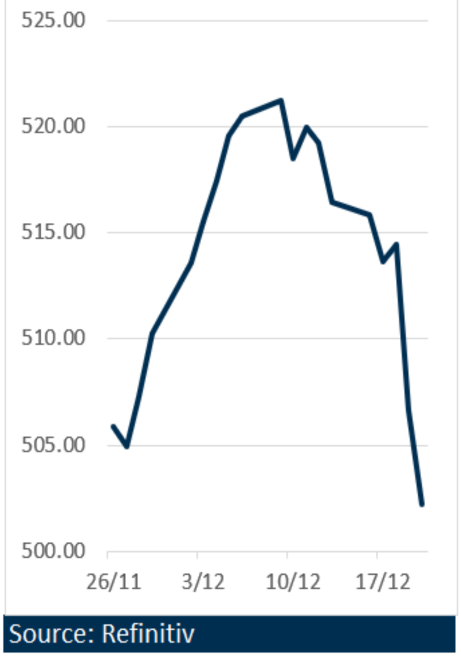
In parallel, the process of merging **Eurobank Holdings** with **Eurobank Bank** has begun. As part of this transformation, **Eurobank Holdings** will cease to exist, and its shareholders will become shareholders of the **Bank** with the same participation percentages and the same number of shares. The transformation balance sheet date has been set for **December 31, 2024**.

Investor confidence in **Greek banking stocks** remains robust, as evidenced by updated price targets from major financial institutions. **Jefferies** reaffirmed its '**buy**' recommendation for **National Bank of Greece (NBG)** with a target price of **€11 per share**, while **Citi** raised its targets for **Eurobank** to **€2.80**, **National Bank of Greece** to **€9.50**, and **Piraeus Bank** to **€5.40**. **Alpha Bank's** target remained unchanged at **€2.35**. Meanwhile, **Axia Research** expressed confidence in the sector's performance for **2025**, increasing **Piraeus Bank's** target to **€6.00** while maintaining its targets for **Alpha Bank (€2.50)**, **Eurobank (€3.00)**, and **National Bank of Greece (€9.90)**.

On the corporate front, **Terna Energy** has been a focal point with **Masdar Hellas** initiating a mandatory public offer to acquire remaining shares at **€20 per share**. This move reflects ongoing consolidation and strategic interest in **Greece's renewable energy sector**. Similarly, **Metlen**, following the conclusion of its relevant strategic review, has submitted a draft prospectus to the **UK Financial Conduct Authority** as the first step towards its **London listing**.

In the **infrastructure sector**, **Meridiam** acquired a **49.9% stake** in the **Greece-Cyprus-Israel Great Sea Interconnector project**, valued at **€1.9 billion**, with **IPTO** retaining the majority **50.1% share**. This project marks a significant step in **Greece's energy infrastructure development** and its role in **regional energy interconnection**.

STOXX 600 Closing Prices



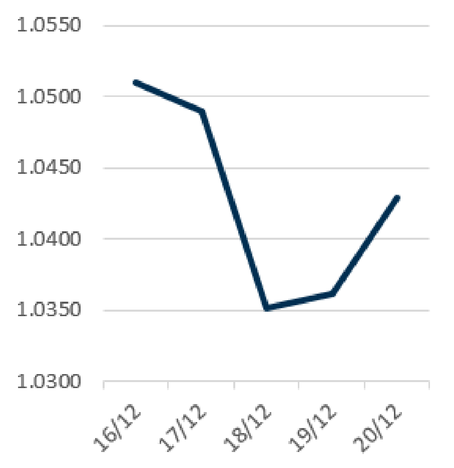
Source: Refinitiv

EUROPE | European markets were mixed, with gains in healthcare offset by economic challenges and energy sector setbacks

MARKETS & ECONOMY

During the week of **December 16-20, 2024**, European stock markets experienced significant declines, reflecting heightened investor uncertainty driven by geopolitical tensions, monetary policy concerns, and sector-specific challenges. The **pan-European STOXX Europe 600 Index** fell by **0.78%** to close at **502.71 points**. Major national indices followed a similar trajectory, with the **UK's FTSE 100** declining by **0.16%** to **8,092 points**, **Germany's DAX** falling by **0.27%** to **19,916 points**, and **France's CAC 40** slipping by **0.09%** to **7,287 points**. On a weekly basis, the **FTSE 100** recorded a loss of **2.5%**, the **DAX** decreased by **2.4%**, and the **CAC 40** closed the week with a decline of **1.6%**.

EUR/USD



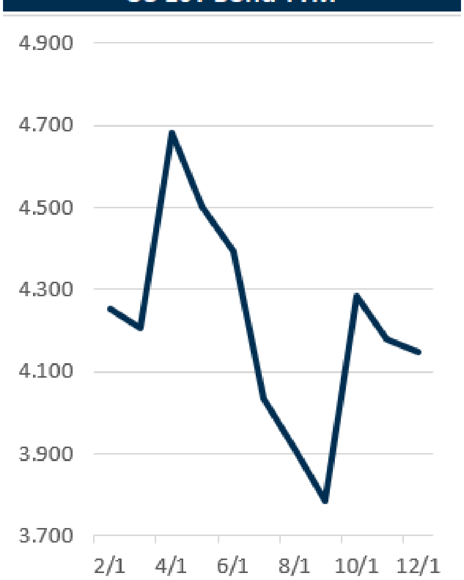
Source: Refinitiv

The decline began in the **healthcare sector** after **Novo Nordisk**, the Danish pharmaceutical giant, reported disappointing results for its obesity drug, triggering a sell-off. This weakness extended into the **technology and real estate sectors**, further fueled by overnight losses on **Wall Street**. **Banks and oil stocks** also experienced downward pressure, contributing to European shares reaching two-week lows. **Labor costs and job vacancies** in Europe showed signs of reduction, particularly in **Germany**, where a decrease in employment expenses offered a glimmer of hope for achieving the **European Central Bank's 2% inflation target** in **2025**.

In **Germany**, the **retail sector** faced headwinds during what is typically a strong holiday season, showing a slight decline in performance compared to **November**. Sentiment among German retailers remains subdued, with only **12.6% of 8,000 firms** surveyed by the **Ifo Institute** expressing optimism about **business conditions in 2025**. However, **federal and state governments** reported a **9% year-over-year increase** in **tax revenue** for **November**, totaling **€61 billion**. While **real estate transactions** climbed to **€35 billion**, activity remains near decade lows, underscoring ongoing challenges in the **property market**.

In the **United Kingdom**, economic indicators provided mixed signals. **Retailers** reported weaker sales and rising concerns about higher operational costs in **2025**. **Regular wages** increased by **5.2% year-over-year** in **October**, while **annual inflation** rose to **2.6% in November** from **2.3% in October**, driven by higher **gasoline and clothing prices**. **Consumer prices** are nearing the **Bank of England's 2% target**, though **services inflation** remains elevated at **5%**. The **UK government** borrowed **£11.2 billion** in **November**, below the expected **£13 billion**, resulting in a smaller deficit. Despite this improvement, the **Bank of England** forecasted **0% GDP growth** for the final quarter of the year and decided to **maintain its key interest rate at 4.75%**. This decision was met with mixed views within the **Monetary Policy Committee**, with three out of nine members advocating for a **0.25% rate cut**. The **UK's housing market**, however, showed resilience, with **Halifax** predicting a potential **3% increase in house prices in 2025** as demand continues to outpace supply. The **average rent** rose to **£1,362**, marking a **9.3% year-over-year increase**.

US 10Y Bond YTM

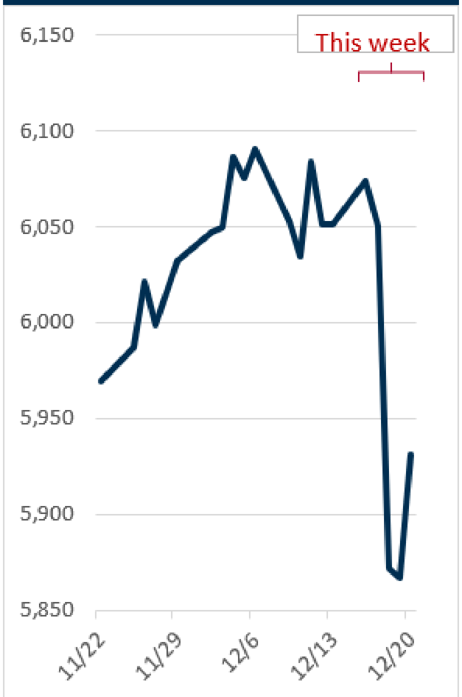


Source: Refinitiv

France presented a more stable economic outlook, with **INSEE** projecting **GDP growth of 0.2%** in the first half of **2025**. However, the **French central bank** revised its **full-year 2025 GDP growth forecast** downward to **0.9%** from an earlier estimate of **1.2%**. Political developments added to economic uncertainty, as the **French parliament** passed a transitional bill to secure the approval of the **Bayrou government's budget**, expected to be finalized in **early 2025**.

Sector performance across **European markets** varied. **Top gainers** included **Renault**, which rose by **4.58%** to close at **€46.82**, **IAG** with a **4.30% gain** to **£305.80**, and **Siemens Energy AG**, which climbed **3.72%** to **€50.70**. Conversely, **top losers** included **Entain**, down by **13.18%** to **£707.60**, **Stellantis NV**, which fell by **7.2%** to **€12.38**, and **Mercedes Benz Group**, declining by **5.45%** to **€53.45**.

S&P 500 Closing Prices



Source: Refinitiv

External **geopolitical pressures** played a notable role in market sentiment. **U.S. President-elect Donald Trump** warned of potential tariffs on **European imports** unless the **European Union** increased its purchases of **U.S. oil and gas**, raising fears of a renewed **trade conflict**. Additionally, the **U.S. Federal Reserve** signaled a more **hawkish monetary policy stance**, suggesting fewer interest rate cuts than markets had anticipated for **2025**. This stance contributed to **investor caution** and amplified volatility across **European equity markets**.

US | The U.S. stock market rose on strong earnings and economic optimism despite geopolitical and fiscal concerns

MARKETS & ECONOMY

During the week of December 16-20, 2024, U.S. stock markets faced significant volatility and posted notable losses across major indices. The **Nasdaq Composite** fell by **1.78%** to close at **19,572**, ending a four-week winning streak. The **S&P 500** recorded its second consecutive weekly decline, dropping by **2%** to **5,930**, while the **Dow Jones Industrial Average (DJIA)** saw its third straight weekly drop, losing **2.25%** to finish at **42,840**. Wednesday was particularly challenging for the markets, marking their worst one-day performance in four months after the **Federal Reserve (Fed)** signaled a more measured approach to rate cuts in **2025**.

Investor sentiment was heavily influenced by the Fed's policy announcement, which included a **25-basis-point rate cut**, bringing the **federal funds rate** to a target range of **4.25% to 4.5%**. However, the Fed's updated "dot plot" projected fewer rate cuts in 2025, dampening market optimism. **Fed Chair Jerome Powell** emphasized a cautious approach to future cuts, noting that policymakers' forecasts for **core inflation in 2025** had increased to **2.5%** from **2.2%** in September. Powell's hawkish stance pushed equity markets lower, with the **S&P 500** suffering its second-worst daily decline of the year, falling nearly **3%** on Wednesday.

Despite the market's negative reaction, inflation data provided a glimmer of optimism. The **Personal Consumption Expenditures (PCE) index**, the Fed's preferred inflation gauge, rose by **2.8% year-over-year** in November, slightly lower than consensus expectations. Similarly, the latest **Consumer Price Index (CPI)** report showed **12-month inflation at 2.7%**, with core CPI rising **3.3% year-over-year**. Speaking on CNBC, **Chicago Fed President Austan Goolsbee** expressed optimism, describing recent upticks in inflation as more of a "bump than a change in path" toward the **2% target**.

In the bond market, the yield on the **10-year U.S. Treasury note** ended the week at **4.53%**, down slightly from **4.57%** the previous day but still marking its highest levels since May. Mixed signals from the bond market reflected investor uncertainty over the Fed's interest rate trajectory.

Key sectors experienced varying levels of pressure throughout the week. In the **technology sector**, semiconductor stocks faced additional headwinds following an **antitrust probe into Nvidia (NVDA)** and new restrictions imposed by the **U.S. Department of Commerce** on China's access to AI chips and related machinery.

Nasdaq Movers	Weekly Change
Top Gainers	
Applovin	5.09%
DexCom	3.69%
Apple	2.56%
Airbnb	2.49%
Alphabet A	0.83%
Top Losers	
Vertex	-14.33%
Super Micro Computer	-13.33%
Arm	-13.01%
Micron	-12.08%
Cintas	-11.50%

S&P 500 Movers	Weekly Change
Top Gainers	
Darden Restaurants	12.36%
Match Group	7.34%
Jabil Circuit	7.25%
Palantir	5.88%
Fox Corp A	5.20%
Top Losers	
Lamb Weston Holdings	-21.67%
Amentum Holdings LLC	-16.83%
Vertex	-14.33%
Super Micro Computer	-13.33%
Micron	-12.08%

Meanwhile, in the **consumer discretionary sector**, **Tesla (TSLA)** ended the week as one of the weakest performers in the **S&P 500**, falling **3.5%** on Friday after announcing a recall of **700,000 vehicles** in the U.S. due to issues with tire pressure monitors.

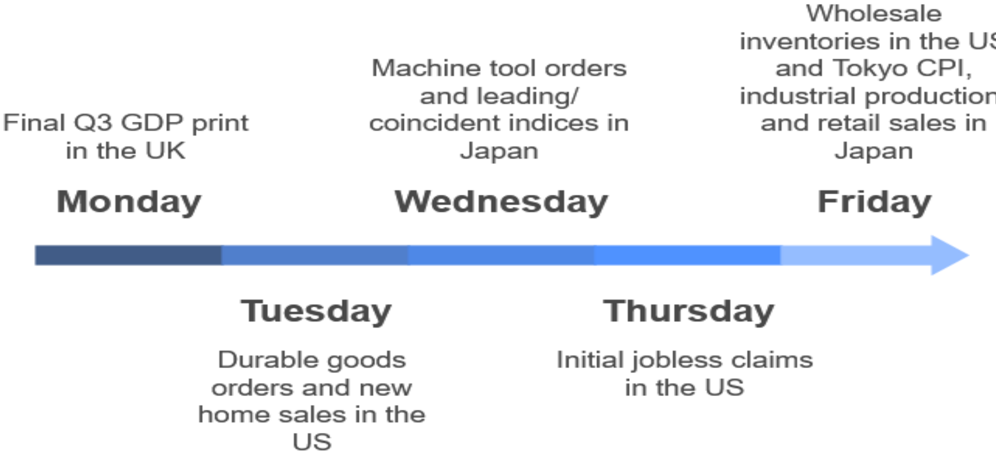
On the positive side, **Enphase Energy (ENPH)** led the **S&P 500** with an **8.6% gain**, buoyed by competitor **SolarEdge's** weakening sales and an expansion into the Indian market. Similarly, **Palantir (PLTR)** surged by **8.5%**, extending its remarkable **369% rally in 2024** on the back of U.S. Army contracts and anticipated inclusion in the **Nasdaq 100 Index.**

Macroeconomic data released during the week painted a mixed picture. **Retail sales** rose by **0.7% month-over-month** in November, exceeding expectations and suggesting holiday sales are on track for a **3% year-over-year gain** through **December 24.** Additionally, **U.S. GDP growth** for the third quarter was revised upward to an **annualized rate of 3.1%**, surpassing the earlier estimate of **2.8%**. Jobs data also showed resilience, with **initial jobless claims** falling to **220,000** and **continuing claims** dropping to **1.87 million**, both lower than the previous week's figures.

The **cryptocurrency market** saw notable movement as **Bitcoin (BTC)** surged past **$107,000**, hitting an **all-time high** amid optimism surrounding the incoming **Trump administration's** support for a **U.S. Bitcoin strategic reserve**. Meanwhile, **gold futures** climbed by **1.2%**, reaching approximately **$2,640 per ounce**, and **crude oil futures** experienced a slight increase.

Geopolitical tensions also contributed to market volatility. Threats of a **10% tariff on Chinese imports** and the assassination of a **Russian general** heightened global uncertainty. Additionally, ongoing political gridlock in **Washington D.C.** over a government spending bill amplified investor unease.

Key Economic Indicators for the Week



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