

**ASE General Index Closing Prices**



Source: Bloomberg

**GREECE | GI concludes the its first monthly headway since March**

**Market Comment**

The Athens Stock Exchange General Index (GI) ended last week at 736.60 points presenting a 5.31% weekly upside from last Friday's 699.45 points. The FTSE 25 Large Cap increased by 5.86% and the FTSEB banks index yielded +7.44%.

**Key Market Driving Events**

Even though this month was the month of the second lockdown and restriction reimplementaion the Greek benchmark is close to reaching +30% in November, making a strong comeback after 7 months of depression. The epidemiological curve seems to be flattening -albeit slowly- as the vaccine process is progressing, resulting in the market's prosperous reaction approaching the 750- point barrier – unaffected from the expected extension of the national lockdown. This euphoric wave cannot drift away the fact that economic activity is suffering -to say the least- and it would be a rather naïve approach to conclude that difficult times are long gone. However, the market is surely riding a wave of enthusiasm and only the EU and/or the government's interventions can hopefully trigger a "correction" in the market so that the stocks' pricings somewhat reflect their intrinsic values. 9-month results announced by many companies, whose profits may have been limited, had a positive effect on the market as the growth margins provided a boost to the investing activity. Last but not least, window dressing carried out by foreign funds in view of the closing of their books increased the volume of transactions and banks occupied the largest share.

**Conclusion & Outlook**

The pandemic crisis tested and continues to test the Greek market's most vulnerable spot: effectiveness. In the beginning of the pandemic GI discounted and priced in bad news in a heartbeat while any hopeful developments did not nearly have the same effect. Fast forward, the current rally is supported by the confident approach that the pandemic will vanish as soon as the vaccine is available while the increased number of cases and deaths along with the grim growth forecasts are overlooked. Neither of the aforementioned reactions is desirable as the market tends to be either overpessimistic or overoptimistic and nothing in between. If one thing is certain that is the COVID-19 chapter might be towards its end, but its repercussions are going to occupy us in the years to come. Yes, GI is now better prepared, but history tends to repeat itself, will it this time?

**News & Economy**

**Stabilization of the pandemic – Government stimulates the economy**

The pandemic's evolution in Greece remains stable with a small decrease of the daily infections observed, with fatalities reaching c.100 daily. In that context, the country's hospitals continue to be pressured and Civil Protection announced that now 18 regions are on alert. The extension of the lockdown decision was a one-way option for the government and thereafter Mr. Petsas confirmed the extension of the lockdown until 7th of December, as well as further support measures for the affected businesses. However, the big losers remain the retail, tourism and catering sectors as they watch the Christmas period, that would be a liquidity injection, being wasted. At the same, the government will provide financial support to Aegean S.A.– the

**10Y Greek Bond YTM**



Source: Bloomberg

### EUR/USD



Source: Bloomberg

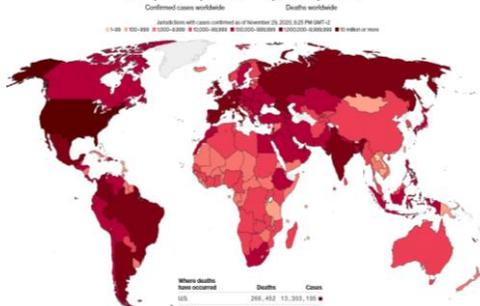
### STOXX 600 Closing Prices



Source: Bloomberg

### Coronavirus Reported Cases

62,530,978 1,456,794



Source: Bloomberg

country's largest airline company which has seen a drop of more than 95% in ticket sales since the beginning of the pandemic - amounting to €120 mn.

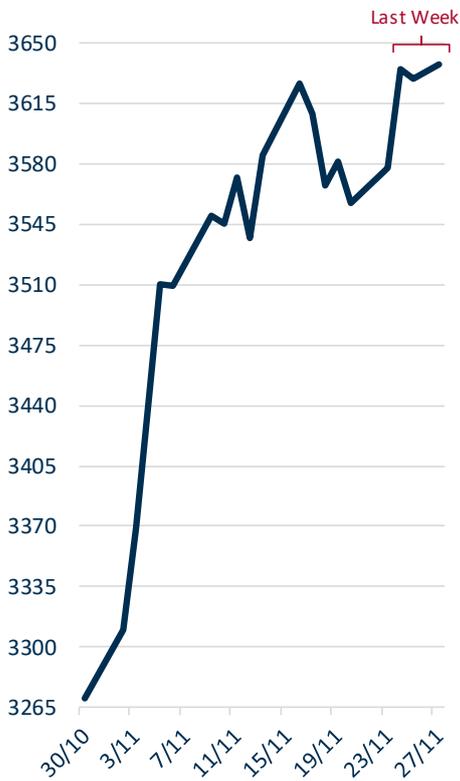
**Bonds in the spotlight of investors** -Piraeus Bank completed its nationalization. The publication of the minutes from the meeting of the board of the directors of the ECB together with the news from the front of the pandemic led to non-stop placements in the bond market resulting in the decline of yields to historical lows. The 10-year bond reached a historic 0.649% low and 5-year bond yield fell 88% to 0.009%. The decline is supported by the expectation of a new support package due to the grim recovery forecasts in the Euro-area. This means an increase in the € 1.35 tn package that has been already set for bond purchase, included the Greek. The soaring volume of transactions – 21 bn since the beginning of the year – and the yield drop shows that Greek government bonds are attracting investors. Piraeus Bank's BoD has called off its CoCo interest payments that sum up to €2.040 mn. This triggered the conversion of the bank's CoCos into shares at the price of € 6 p.s., inducing in a shareholder dilution increasing the Greek's state stake from 26% to 61.3%.

### EUROPE | Sharp drop in EU's business activity amid lockdown extensions

#### Markets & Economy

The vaccine race continues while the COVID-19 cases raise concerns about the economies' future stability. In the beginning of the week the investors climate was favorable affected by AstraZeneca's vaccine jointly with University of Oxford and the end of the US political uncertainty. This boost of the European markets later gave its place to minor falls due to short-term liquidation of profits. The adoption of a "wait and see" approach from the investors prevailed, as the pandemic coupled with the non-encouraging macro data is causing increased volatility. In this context, ECB warns that if the fiscal support measures stop, the national economies' growth will face a 2%-4% decline. ECB's meeting, two weeks from now, is expected to officially approve pandemic emergency purchase program (PEPP) increase at €2 tn from €1.35 tn. However, Greece, Italy, and Portugal are among the eurozone members that offer positive yield for their 10-year government bond purchases. Germany presented an +8.5% growth in Q3, but business climate index dropped to 90.7 from 92.7, while the financial expectations index landed on -0.2 and PMI index declined by 3 units. Similarly, France announced a 18.7% development of the economy compared to the previous quarter, but a 3.9% YoY drop. France's PMI index retreated from 47.5 to 39.9 units. Despite the difficulties, the two countries seem optimistic about the lift of the restrictive measures before the holiday period. In Spanish territory, the upcoming deal of BBVA and Banco Sabadell to create the 2nd biggest Spanish bank collapsed after ending merger talks. BBVA gained 4,2% while Banco Sabadell shares fell by 13%, as the merger failure is expected to add pressure on the lender, which was the weaker link in the potential transaction. In the UK, the State Department announced that 2020 was the year with the biggest lending at a peaceful period: 394 bn, 19% of UK GDP. Furthermore, UK reported a 11.3% decline of the economic growth on an annual basis, the biggest slump in 300 years. Onto the Brexit front, trade deal negotiations do not seem to reach to an agreement as we slowly approach December 31<sup>st</sup>. The two parties hope that there will be an agreement as they have their eyes fixed to this weekend's meeting. (STOXX600 0.93%, DAX 1.51%, CAC40 1.86%, FTSE100 0.25%, FTSE MIB 2.97%).

## S&P 500 Closing Prices



Source: Bloomberg

## US | Indices embrace vaccine progressions and the end of political distress

### Markets & Economy

Wall Street Indices rose last week, in which the S&P 500 reached a new closing high at \$3,638.35, up +2.24%, the Dow Jones Industrial Average has increased +2.21% at \$29,910.37 and the Nasdaq 100 gained 2.96% closing at \$12,205.85. All three indexes rose for the week, in which Dow Jones rallied 450 points and finally closed above 30,000 points for the first time ever on Tuesday breaking a record. NASDAQ also outperformed as tech-related stocks were among the biggest gainers of the week as investors interest for growth stocks remains strong during the pandemic. On the contrary, value stocks continued to mark a weakness for a big rebound as the concern of an expected sudden rise of coronavirus cases is taking over investors, since Americans did not hesitate to travel over the country for the Thanksgivings holiday, during which online sales rose by 22% YoY to \$5.1 bn, hitting a new record, according to Adobe Analytics data. However, this is no good news as COVID-19 cases already soared the previous weeks, leading to the health care system operating at nearly maximum capacity. On the bright side, the fact that at least 3 vaccines are nearby, creates investor optimism for economic recovery. A third major coronavirus vaccine candidate has revealed promising results in late-stage trials. As researchers announced the Oxford vaccine is around 70% effective in preventing COVID-19 and it can be 90% effective when given at a specific dose. Vaccine news have pushed the Dow 30 up by 12.2% in November, leading to its biggest monthly increase since January 1987. The S&P 500 and the Nasdaq 100 are up 9.92% and 9.12% respectively so far this month. The positive course of the market could be attributed not only on the ongoing studies upon the virus vaccines, but mainly to a new triggering event as former president Donald Trump was forced to climb down finally leading to a smooth transition to Joe Biden's presidency, bringing all the uncertainty and apprehension to an end. As far as the FOMC meeting minutes is concerned, the theme can be summed up to three main pillars. COVID-19 is still setting the agenda, the economy needs more time to heal and the committee is eyeing changes to its bond buying program. In macros, business activity was further strengthened in November as Manufacturing PMI Nov rose to 56.7 and Services PMI Nov increased to 57.7 showing the strongest expansion since March 2015. CB Consumer Confidence Nov was reduced to 96.1 from 101.4 in October, marking a decrease for the second consecutive month amid successive records of COVID-19 cases and hospitalizations. Initial Jobless Claim increased by 30,000 to 778,000 while the US Department of Commerce announced a jump in 33.1% of GDP QoQ Q3 after the catastrophic second quarter.

### STOCKS | Performance & Fundamental Analysis

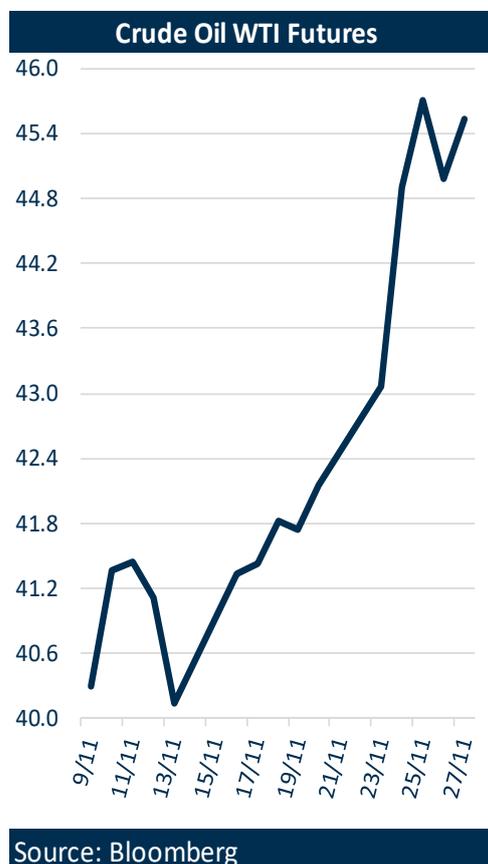
Intuit (**INTU: NASDAQ**) is a provider of financial management and compliance products for consumers, small businesses, self-employed and accounting professionals in the US, Canada and internationally. Intelligibly Intuit provides TurboTax, a software package, that facilitates tax filling. It operates in three segments, dedicated to Small Biz & Self Employed, Consumers and Strategic Partners, respectively, providing services complementary to its main Business Unit TurboTax. Among its branches, Intuit has a payroll solutions and processing package, which facilitates the issuance of online payrolls after federal and state taxes, direct deposits of employee paychecks, payroll reports and electronic filling of tax forms. Additionally, it offers payment-processing solutions, including debit and credit cards, as well as financing for small businesses. In February, Intuit inked an agreement to acquire Credit Karma, a peer of its, in tax filing software packages, in a cash-stock deal worth

Nasdaq Movers	Weekly Change
<b>Top Gainers</b>	
Moderna	36.93%
Tesla	17.32%
Dollar Tree	16.23%
Zoom	13.84%
Paypal	10.73%
<b>Top Losers</b>	
Dexcom	-3.76%
Verisk Analytics	-3.64%
Seagen	-3.01%
Workday	-3.01%
Qualcom	-2.51%

S&P 500 Movers	Weekly Change
<b>Top Gainers</b>	
Occidental Petroleum	23.85%
Apache	22.64%
CF Industries	20.59%
Etsy	19.37%
Dollar Tree	16.23%
<b>Top Losers</b>	
GAP	-10.04%
FisteEnergy Corp.	-7.99%
Catalent	-6.49%
Salesforce.com	-6.43%
Hormel Foods	-5.58%

\$7.1 bn. However, the announcement of the deal raised antitrust concerns, as the acquisition would eliminate a player in an already dominant market, as Intuit's TurboTax holds approximately 67% of the market share. On Wednesday, though, INTU in a joint announcement with Credit Karma, solidified the agreement, after the Department of Justice gave them clearance to proceed with the acquisition. According to inside's projections the acquisition will help expand Intuit's reach to approximately 100 mn customers, in need to manage their personal finance, amid a global pandemic which has skyrocketed the U.S household debt to \$14.3 tn. Markedly, Intuit's shares have grown 1.80% during the week ended Friday 27/11, having rallied 33.8% YTD. Intuit's P/E is calculated at 47.04, falling from its 60.43 valuation at the end of summer. Profit Margin (before the deal payment) is 25.10% with an operating margin of 30.31%.

Slack (**WORK: NYSE**) is a messaging app, mainly used in workplaces by groups, which allows using it in different devices and platforms. Slack was developed by the American software company, Slack Technologies Inc. based in San Francisco in 2009. On Wednesday an announcement by the cloud-computing, latest Dow addition, Salesforce.com. about an upcoming acquisition of Slack, resulted in an intraday surge of 38% in Slack's price a closing at \$40.70 and a weekly gain of 39.09% at \$40.67. With a market cap of \$23.203 bn, Slack's acquisition will be Salesforce's largest deal and one of the largest in the software industry, if it finally takes place. Even though, Slack is not yet profitable, indicating a profit margin of almost -45%, the market seems to believe in its innovation and business model as it has grown almost 80% in the year. Furthermore, COVID-19 has created an adequate environment for Slack's Business Unit, forming an increase in its competitiveness, especially against the opposite option of Microsoft Teams. As for its CEO and co-founder, Stewart Butterfield, when the acquisition news went public late Wednesday, he became \$400 mn richer in less than an hour of trading, following the immense surge. Slack is announcing its earnings report on Dec 8<sup>th</sup>.



### COMMODITIES | OPEC's expected cuts support oil prices once again

During this much shorter trading week due to Thanksgiving, both benchmarks of oil, Brent and WTI continued their strong rally to reach record highs in 8 months. Brent yielded 7.16% closing at \$48.28, while WTI yielded 8.02% closing at \$45.53. This time was AstraZeneca's turn to report that a C-19 vaccine is ready, boosting the already present hope for quicker return to normality, even though its vaccine is not as effective as Moderna's and Pfizer's. Despite the recent rally in the oil market, fundamentals remain grim and the demand is still fragile. OPEC along with its ally Russia, are about to meet this week to discuss the fragile equilibrium, and the extension of production cuts for 3 to 6 months should be considered possible. OPEC+'s decision comes as a remedy to the increasing oil output of Libya and further much-needed support to the market, according to Reuters. Nonetheless, OPEC members like Iraq and Nigeria are against the extension of cuts, as their economies have been hit hard by low prices and they are pushing for an increase in production, to benefit from higher prices. The only sure thing is that the OPEC meeting will be interesting next week. According to Baker Hughes, the oil rigs continued to rise from 231 to 241, while oil and gas rigs totaled 320 from 310 last week. Natural Gas followed oil in a weekly rise of 7.28%, closing at 2.849/MMbtu. The rally came as President-elect Biden named Kerry as US climate envoy, for the US to re-enter the Paris Agreement on climate, and NG as the transitional fuel, yielded significant profits. Of course, the prices are also supported by growing heating demand as the

Source: Bloomberg

world is entering deeper in the winter. The net injections into storage totaled 31 Bcf for the week ending November 13, compared with the five-year (2015–19) average net withdrawals of 24 Bc. The previous week and generally the previous month, showed signs that maybe market participants are looking at Bitcoin instead of Gold as far as hedging is concerned. The yellow metal lost another 4.38% closing at 1,788.10/ounce for the week. Since, another vaccine contender released results, investors turned their attention in riskier assets like stocks and Bitcoin, which rose to \$19,000 just a little shy of all-time highs. Even the worsening Initial Jobless Claims could not lift the precious metal forcing it to reach levels last seen in the middle of July. Gold's downhill is also assisted by the continuing tumbling of the US Dollar which reached 3-month lows during the previous week.

### What to look for this week

The previous three weeks were full of positive news on vaccine developments from 3 pharmaceutical companies. Now the big question is when and how the vaccine doses are going to reach the population. The FDA is expected to give approval on the vaccine developed by Pfizer and BioNTech this week, and further information cindering the previous question are expected soon. Possibly, the first to receive the vaccine will be healthcare workers and groups at high risk. A lot of US data is expected this week as November's nonfarm payrolls, unemployment data and the manufacturing PMI are all expected before Friday. This data is going to show how the US is combating the COVID-19 gloom and how its economy is performing in this stage of the pandemic. Inflation data is also due in the Eurozone providing insights on how the EU is navigating its economy during these unprecedented times and whether further fiscal stimulus is needed. Last but not leas, the OPEC and Russia are meeting on November 30-December 1, and a decision about the output is expected. Despite the disagreements between some OPEC members considering the production cuts, analyst expect that cuts are about to stay put for at least three months, with the possibility of reaching even 6 months.

NOV 2020	THIS WEEK'S ECONOMIC AGENDA
MON 30	<ul style="list-style-type: none"> <li>• ECB President Lagarde Speaks</li> <li>• Canada GDP MoM</li> <li>• US Pending Home Sales MoM Oct (fc: 1%)</li> <li>• China Caixin Manufacturing PMI Nov (fc: 53.5)</li> <li>• Australia RBA Interest Rate Decision Dec (fc: 0.1%)</li> </ul>
TUE 01	<ul style="list-style-type: none"> <li>• German Manufacturing PMI Nov (fc: 57.9)</li> <li>• German Unemployment Change Nov (fc: 10K)</li> <li>• UK Manufacturing PMI Nov (fc: 55.2)</li> <li>• EU CPI YoY Nov (fc: -0.2%)</li> <li>• Canada GDP MoM Sep (fc: 0.9%)</li> <li>• US Fed Chair Powell Testifies</li> <li>• US ISM Manufacturing PMI Nov (fc: 57.9)</li> <li>• ECB President Lagarde Speaks</li> <li>• Australia GDP QoQ Q3 (fc: 2.5%)</li> </ul>
WED 02	<ul style="list-style-type: none"> <li>• US ADP Nonfarm Employment Change Nov (fc: 400K)</li> <li>• US Fed Chair Powell Testifies</li> <li>• US Crude Oil Inventories (fc: 0.127M)</li> </ul>
THU 03	<ul style="list-style-type: none"> <li>• UK Composite PMI Nov (fc: 47.4)</li> <li>• UK Services PMI Nov (fc: 45.8)</li> <li>• US Initial Jobless Claims (fc: 770K)</li> <li>• US ISM Non-Manufacturing PMI Nov (fc: 56)</li> </ul>
FRI 04	<ul style="list-style-type: none"> <li>• India Interest Rate Decision (fc: 4%)</li> <li>• UK Construction PMI Nov (fc: 52.0)</li> <li>• US Nonfarm Payrolls Nov (fc: 500K)</li> <li>• US Unemployment Rate Nov (fc: 6.8%)</li> <li>• Canada Employment Change Nov (fc: 27.5K)</li> </ul>

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