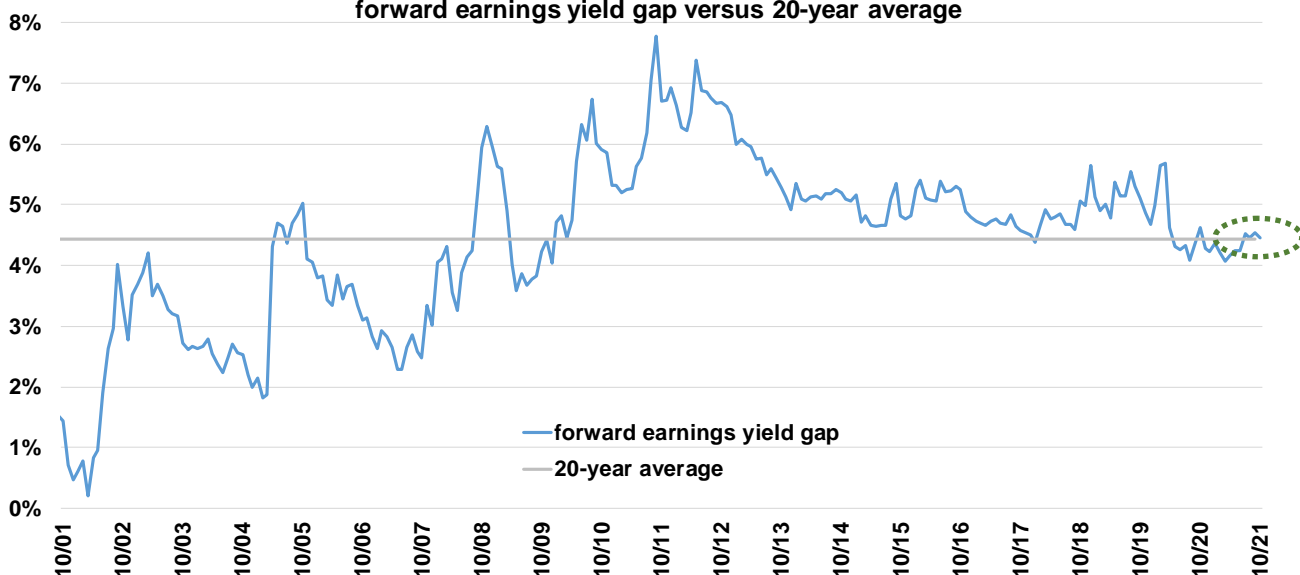


During this week, the main **developed market equity** indices remained **above support levels**. In the **US**, the S&P 500 index retreated mildly (by -5.2%) in the period from the historic high close (2/9: 4,537) to October 4 (close: 4,300.5). Most recently, it bounced upwards at a level (7/10: 4,399.8, 200-day average: 4,150) close to the 21-day average (4,404). The US Senate has agreed to raise the debt ceiling by \$480 bn. to cover the period until December 3, which has recently supported market sentiment. The **earnings** per share estimate of the S&P 500 index are expected strongly higher on yearly basis close to the area of 30%, almost triple the 30-year average. The MSCI all countries **world** index has retreated by -5.7% in the period from the historic high on September 6 until the October 4, but has started rising from a level just above (intraday 6/10: 701.5) the support area of the 200-day average (700). The 12-month forward earnings estimate stands at \$40.6, which if divided by the current level (7/10: 717.8) gives forward earnings yield of 5.7%. If the yield of the global aggregate bond index is deducted (1.2%), then the forward earnings yield gap stands at 4.5%, which is above the 20-year average (4.4%). **This is consistent with the relative attractiveness of global equities versus global bonds.**

**MSCI all countries world index:
forward earnings yield gap versus 20-year average**



Source: Bloomberg

WTI crude oil price posted high (6/10: \$79.8/barrel) since November 2014 and the **US 10-year yield** increased at a high (8/10: 1.6%) since early June. Resistance for the crude oil price is at \$83/barrel (October 2014 high), while support is at \$70/barrel area. Resistance for US 10-year yield is at 1.77% (30/3 high), while support is at 1.45% (21-day average, 4/10/21 low).

The week ahead:

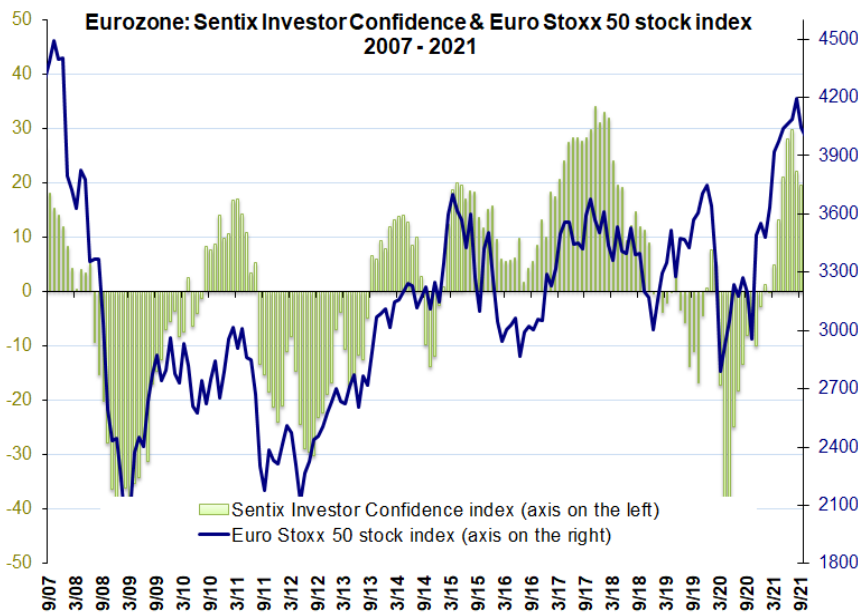
In **Germany**, the ZEW expectations index (12/10) may have dropped in October at a low (expected: 24.5, September: 26.5) since March 2020. **Eurozone** industrial production (13/10) has likely declined on monthly basis in October. **US** headline inflation (13/10) has probably remained in September at 5.3%, while the core inflation may have slightly increased at 4.1% from 4%. The minutes of the Fed meeting in September will be released on October 13. The University of Michigan consumer confidence (15/10) may have risen in October, but at a level lower (73.5) than the 12-month average (80.1). Companies, which will report results during the next week include: JPMorgan (13/10), Morgan Stanley, Citigroup (14/10) and Goldman Sachs (15/10). The release of non-farm payrolls and unemployment for September today (8/10) will be important for market sentiment in the short-term.

Quote of the Week:

The President of the ECB said (5/10): “The ECB should not overreact to supply shortages or rising energy prices”

Global Markets in Charts

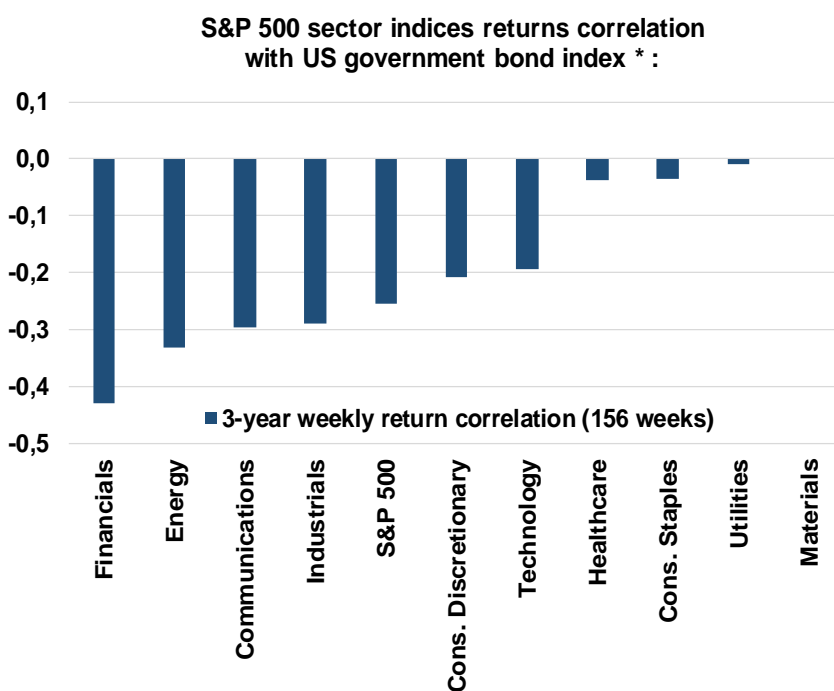
In the Eurozone, the Sentix investor confidence index declined in October, but at a level above the historic average



Eurozone Sentix investor confidence index dropped in October at a low (16.9, September: 19.6) since April, however it remained above the 12-month average (12, historic average: 3.2). The Stoxx 50 Eurozone has posted intra-day low (6/10: 3,966) since mid-July, approaching the 200-day average (3,950), but then the index reacted upwards (7/10: 4,098).

Despite the recent retreat of the Stoxx 600 **Europe** index, the index remained above (intraday low of 6/10: 446) the 200-day average (441), while the corrective move has been mild (13/8-4/10: -5.3%). The forward earnings per share estimate of the Stoxx 600 **Europe** index has risen at a high (€29.5) since the end of 2007, supporting the mid-term path. The 12-month forward P/E of the Stoxx 600 **Europe** index is relatively mild (15.5 times, 10-year average: 14.2 times).

While the increased yields have affected market sentiment in the short-term, the mid-term outlook can be favorable, if economic expansion persists



*Bloomberg Barclays US government bond index weekly returns

Source: Bloomberg

The rise of **crude oil** and the increase of **US 10-year government bond yield** is associated with the recent mild retreat of the main equity markets. In the medium term, the rise of yields can be consistent with favourable path for the main **equity** markets. The return series of the S&P 500 sector indices versus the returns of the (Bloomberg Barclays) US government bond index, has been mildly negative, i.e. **the drop of bond returns** (yields higher) has been consistent with **rising equity returns** (from mid-term perspective: 3-year weekly returns). **Financials** and **energy** tend to benefit from rising yields. Sectors, which exhibit record high 12-month forward estimate, such as the **technology** sector, may not be hindered by rising yields in the mid-term, continuing in upwards trend, assuming that economic expansion persists.

Global Markets Minesweeper
Event Risk Calendar, 11 - 15 October 2021

Monday 11/10						
Date Time	Country	Event	Period	Survey	Prior	
11/10 09:00	JN	Machine Tool Orders (YoY)	Sep P		85.20%	
Columbus Day, US bond markets closed						
Tuesday 12/10						
Date Time	Country	Event	Period	Survey	Prior	
12/10 02:50	JN	PPI (YoY)	Sep	5.80%	5.50%	
12/10 02:50	JN	PPI (MoM)	Sep	0.20%	0.00%	
12/10 09:00	UK	Employment Change 3M/3M	Aug	200k	183k	
12/10 12:00	GE	ZEW Survey Expectations	Oct	24	26.5	
12/10 12:00	GE	ZEW Survey Current	Oct	28.5	31.9	
12/10 12:00	EC	ZEW Survey Expectations	Oct		31.1	
12/10 13:00	US	NFIB Small Business Optimism	Sep	99.5	100.1	
Eco Event	US	IMF releases updated economic forecasts				
Wednesday 13/10						
Date Time	Country	Event	Period	Survey	Prior	
13/10	CH	Trade Balance	Sep	\$47.22b	\$58.33b	
13/10 09:00	UK	Industrial Production (MoM)	Aug	0.20%	1.20%	
13/10 09:00	UK	Trade Balance GBP/Mn	Aug	-£2672	-£3117m	
13/10 09:00	UK	Monthly GDP (3M/3M)	Aug	3.00%	3.60%	
13/10 09:00	GE	CPI (MoM)	Sep F	0.00%	0.00%	
13/10 09:00	GE	CPI (YoY)	Sep F	4.10%	4.10%	
13/10 09:00	GE	CPI EU Harmonized (YoY)	Sep F	4.10%	4.10%	
13/10 12:00	EC	Industrial Production SA (MoM)	Aug	-1.50%	1.50%	
13/10 15:30	US	CPI (MoM)	Sep	0.30%	0.30%	
13/10 15:30	US	CPI Ex Food-Energy (MoM)	Sep	0.20%	0.10%	
13/10 15:30	US	CPI (YoY)	Sep	5.30%	5.30%	
13/10 15:30	US	CPI Ex Food-Energy (YoY)	Sep	4.10%	4.00%	
Eco Event	US	FOMC Meeting Minutes (21:00)				
	US	G-20 finance ministers and central bank governors meet in Washington				
Corp. Results	US	JPMorgan, BlackRock, Delta Airlines,				
Thursday 14/10						
Date Time	Country	Event	Period	Survey	Prior	

October 8, 2021

14/10 04:30	CH	CPI (YoY)	Sep	0.90%	0.80%	
14/10 04:30	CH	PPI (YoY)	Sep	10.60%	9.50%	
14/10 15:30	US	Initial Jobless Claims	9-Oct		326k	
14/10 15:30	US	PPI Final Demand (MoM)	Sep	0.60%	0.70%	
14/10 15:30	US	PPI Ex Food - Energy (MoM)	Sep	0.50%	0.60%	
14/10 15:30	US	PPI Final Demand (YoY)	Sep	8.80%	8.30%	📈*
14/10 15:30	US	PPI Ex Food- Energy (YoY)	Sep	7.10%	6.70%	📈*
Corp. Results	US	Bank of America, Morgan Stanley, Citigroup				
		Friday 15/10				
Date Time	Country	Event	Period	Survey	Prior	📈*
15/10 12:00	EC	Trade Balance SA (EUR)	Aug		13.4b	
15/10 15:30	US	Empire Manufacturing	Oct	25	34.3	
15/10 15:30	US	Retail Sales Advance (MoM)	Sep	-0.30%	0.70%	📈*
15/10 15:30	US	Retail Sales Ex Auto (MoM)	Sep	0.50%	1.80%	
15/10 15:30	US	Import Price Index (MoM)	Sep	0.60%	-0.30%	
15/10 15:30	US	Retail Sales Ex Auto-Gas	Sep	0.20%	2.00%	
15/10 15:30	US	Export Price Index (MoM)	Sep	0.50%	0.40%	
15/10 17:00	US	Business Inventories	Aug	0.70%	0.50%	
15/10 17:00	US	U. of Mich. Sentiment	Oct P	73.5	72.8	📈*
Corp. Results	US	Goldman Sachs				

Global Markets Analysis

+30 210-3268410

marketanalysis@alpha.gr

Maria Koutouzi

maria.koutouzi@alpha.gr

Ioannis Kouravelos, CFA

ioannis.kouravelos@alpha.gr

Konstantinos Anathreptakis

konstantinos.anathreptakis@alpha.gr

Nikolaos Sakarelis

nikolaos.sakarelis@alpha.gr

Disclaimer: The information herein is believed to be reliable and has been obtained from sources believed to be reliable, but we make no representation or warranty, express or implied, with respect to the fairness, correctness, accuracy or completeness of such information. In addition we have no obligation to update, modify or amend this communication or to otherwise notify a recipient in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. We therefore strongly suggest that recipients seek their own independent advice in relation to any investment, financial, legal, tax, accounting or regulatory issues discussed herein. Analyses and opinions contained herein may be based on assumptions that if altered can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Furthermore, past performance is not necessarily indicative of future results. This communication is provided for information purposes only. It is not an offer to sell, or a solicitation of an offer to buy, any security, nor to enter into any agreement or contract with Alpha bank or any affiliates. In addition, because this communication is a summary only it may not contain all material terms, and therefore this communication in and of itself should not form the basis for any investment decision. Financial instruments that may be discussed herein may not be suitable for all investors, and potential investors must make an independent assessment of the appropriateness of any transaction in light of their own objectives and circumstances, including the possible risks and benefits of entering into such a transaction. By accepting receipt of this communication the recipient will be deemed to represent that they possess, either individually or through their advisers, sufficient investment expertise to understand the risks involved in any purchase or sale of any financial instrument discussed herein. Any duplication, copy, reprint or transmission of this document is prohibited without the prior written permission of the issuer.