

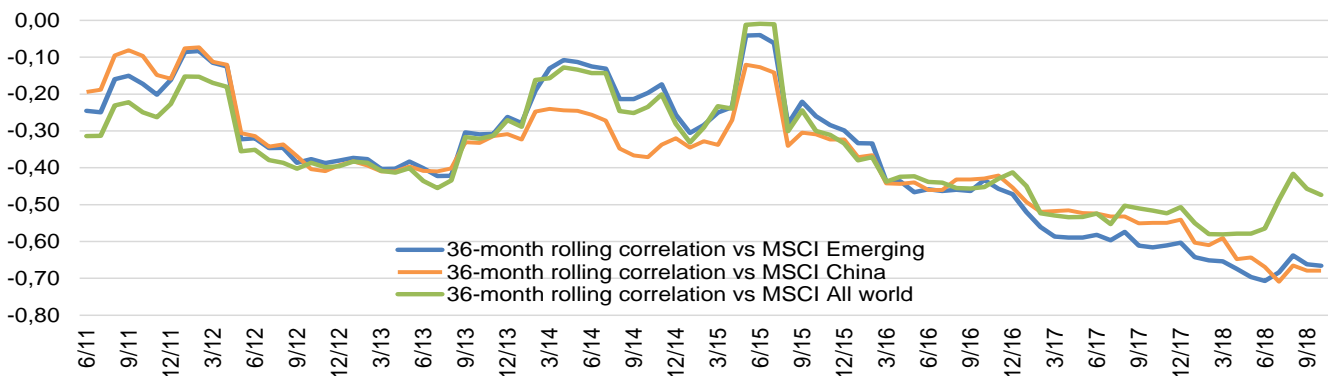
During the current week, equity markets attempt to recover, following the speech of the Chairman of the Federal Reserve on November 28. Also, US President (29/11) said that he is very close to “doing something” with China regarding trade, as the focus is on the G-20 meeting (30/11-1/12). The MSCI All Countries **world** index is upwards by 3% (23-29/11). Fed’s J. Powell confirmed that the current level of the Fed funds rate (2.00%-2.25%) is considered as “just” below the neutral rate, the rate that neither stimulates nor restrains economic activity. The minutes of the latest FOMC meeting showed that officials discussed modifying language on “further gradual hikes” and focus more on data-dependency. **US** annualized quarterly growth was 3.5% in the third quarter, the annual change was strong at 3% (three quarters average: 2.8%). **Eurozone** economic sentiment index dropped in November for ninth consecutive month. **UK** parliamentary votes are expected on December 11, regarding approving or rejecting the withdrawal agreement from the EU. In **China** manufacturing index dropped in November at a low (50) since July 2016.

The week ahead:

Following the G-20 Summit (30/11-1/12), US employment figures will be released next week (7/12). The Chairman of the Federal Reserve will testify at the joint economic committee of the Congress (5/12). The OPEC meeting is on December 6. In the **US**, the ISM manufacturing index (3/12) is expected higher in November, indicating strong expansion. The unemployment rate has probably remained in November at 3.7% (historic average: 5.8%). The final reading of **Eurozone** GDP for the third quarter will be released on December 7. In **China**, the Caixin PMI manufacturing index and the services index will be announced during the next week.

USD/CNY rate is at 6.94, close to the high (6.98) since January 2017 which was posted on November 1. The 36-month rolling return correlations of MSCI China index, the MSCI emerging index and the MSCI All Countries with the USD/CNY are negative. It seems that the recent weakening of the Chinese currency is considered as a market proxy for assessing US-China trade war, the state of the Chinese economy and policies.

36-month rolling correlations of monthly changes of USD/CNY versus MSCI China, Emerging, All World indices (2011-2018)



Source: Bloomberg

In case, the G-20 meeting ends with no material improvement in US-China relations, it is probable that risky assets will suffer and market sentiment will deteriorate considerably. In contrast, if G-20 signals that US-China are close to achieving a trade deal soon and that further protectionism measures will not be taken in the near future, then it is possible to see a substantial re-positioning into equity markets. The meeting of US-China Presidents on Saturday and the outcome of the G-20 meeting will be crucial in order to see whether investors will shift into “search for yield/buy into the dips” mode or instead will enter into a dangerous “fear of the unknown” mode.

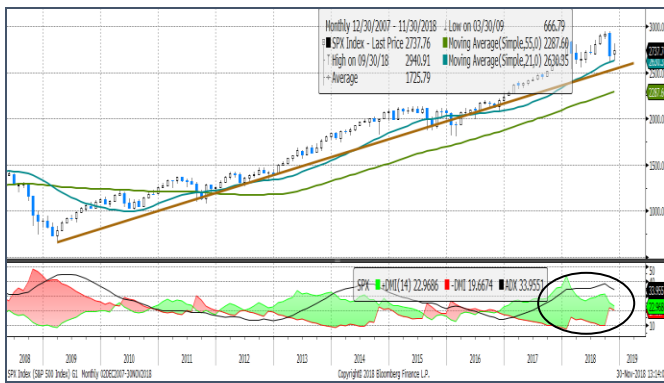
Quotes of the Week

The Chairman of the Federal Reserve said: “The current level of the Fed funds rate is just below the so-called neutral range, the rate that does neither stimulate nor constraints economic activity”.

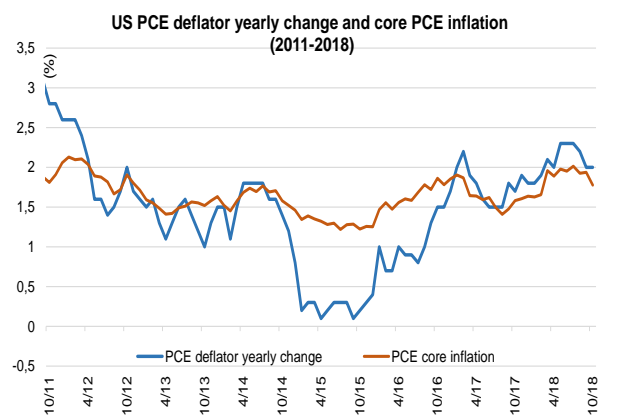
The Managing Director of the IMF said: “We have had a good stretch of solid growth by historical standards, but now we are facing a period where significant risks are materializing and darker clouds are looming”.

Global Markets in Charts

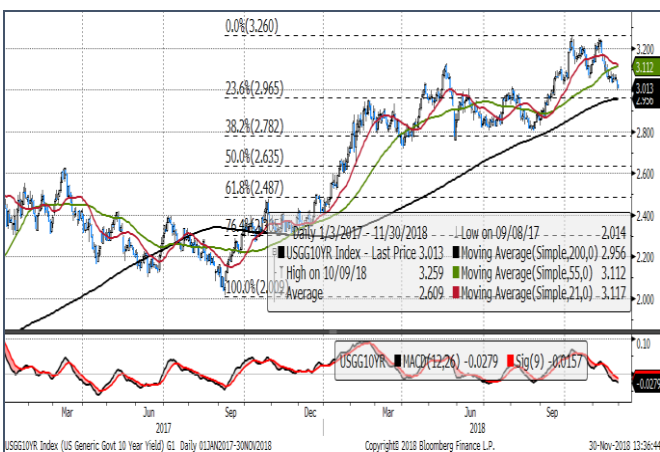
- In the **US**, the S&P 500 Index posted a three-week intraday high (29/11: 2.753,8), close to the 200 days average (2,762). Looking at the monthly prices chart below, the long term upwards move of the index seems resilient, even after the selling pressure, which was intense in October. However, the long-term momentum is now facing a critical test. The ADX/DMI with monthly prices is still indicative of upwards trend, but the signal is the weakest since mid-2017. Resistance is placed at 2,817 (17/10 high), at 2,874 (10/10 high) and at 2,941 (21/9 historic high). Support is at 2,604 (29/10 low) and 2,533 (9/2 low).



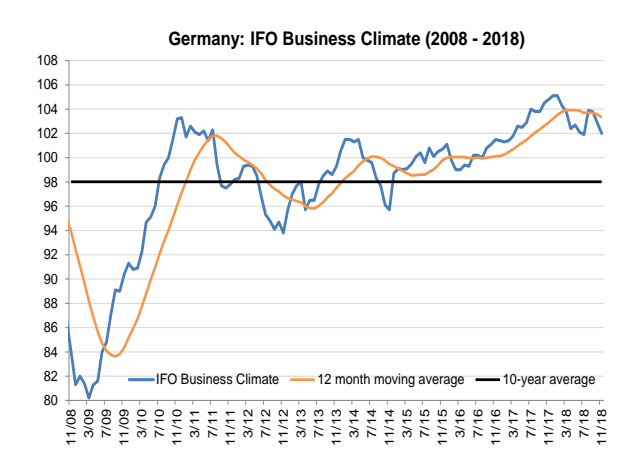
- The latest **US** inflation figures indicate that the previous hikes by the Fed since December 2015, have succeeded in constraining inflation pressures at a level around the target, which will provide favourable flexibility for monetary policy in the medium to long term. PCE deflator yearly increase of 2% in December was lower than expected (2.1%) and the PCE core inflation dropped in October at a low (1.8%, expected: 1.9%) since February. This paves the way for the Fed to end the hike cycle in a matter of few months, probably in June 2019.



- US** 10-year government bond yield dropped at a low (29/11: 2.995%) since mid-September, as the speech of the Chairman of the Fed on November 28, was a bit dovish. Furthermore, uncertainty about global economy strength has pushed US and German government bond prices higher. Support for the US 10-year government bond yield is at 2.95% (200 days average), at 2.8% (Fibonacci retracement 38.2%: 2%-3.26%). Resistance is at 3.25% area (9/10 high).



- In **Germany**, the IFO business climate index dropped in November at a low (102, 12-month average: 103.3) since July, however it remains above the 10-year average (98). German industrial production is expected higher in October (7/12) on monthly and annual basis. The economic growth slowdown in Germany is considered as still mild.



Source: Bloomberg

Global Markets Minesweeper
Event Risk Calendar, 3 - 7 December, 2018

Monday 3/12						
Date Time	Country	Event	Period	Survey	Prior	
3/12 02:30	JN	Nikkei Japan PMI Mfg	Nov F	--	51.8	
3/12 03:45	CH	Caixin China PMI Mfg	Nov	50.1	50.1	
3/12 10:30	SZ	PMI Manufacturing	Nov	56.3	57.4	
3/12 10:50	FR	France Manufacturing PMI	Nov F	50.7	50.7	
3/12 11:00	EC	Eurozone Manufacturing PMI	Nov F	51.5	51.5	
3/12 11:30	UK	UK PMI Manufacturing SA	Nov	52	51.1	
3/12 16:45	US	US Manufacturing PMI	Nov F	--	55.4	
3/12 17:00	US	ISM Manufacturing	Nov	58	57.7	
Eco Event	EC	Euro-area finance ministers meeting				
	US	Dallas Fed President R. Kaplan speaks (20:00)				
Tuesday 4/12						
Date Time	Country	Event	Period	Survey	Prior	
4/12 10:15	SZ	CPI (YoY)	Nov	1.10%	1.10%	
4/12 11:30	UK	UK Construction PMI	Nov	52.6	53.2	
4/12 12:00	EC	PPI (MoM)	Oct	0.50%	0.50%	
4/12 12:00	EC	PPI (YoY)	Oct	4.60%	4.50%	
Wednesday 5/12						
Date Time	Country	Event	Period	Survey	Prior	
5/12 02:30	JN	Nikkei Japan PMI Services	Nov	--	52.4	
5/12 03:45	CH	Caixin China PMI Services	Nov	50.8	50.8	
5/12 10:50	FR	France Services PMI	Nov F	55	55	
5/12 10:55	GE	Germany Services PMI	Nov F	53.3	53.3	
5/12 11:00	EC	Eurozone Services PMI	Nov F	53.1	53.1	
5/12 11:30	UK	UK Services PMI	Nov	52.7	52.2	
5/12 12:00	EC	Retail Sales (MoM)	Oct	0.30%	0.00%	
5/12 15:15	US	ADP Employment Change	Nov	200k	227k	
5/12 15:30	US	Nonfarm Productivity	3Q F	2.30%	2.20%	
5/12 15:30	US	Unit Labor Costs	3Q F	1.10%	1.20%	
5/12 17:00	US	ISM Non-Manufacturing Index	Nov	59.5	60.3	
Eco Event	US	Fed Chairman J. Powell testifies before Congress's Joint Economic Committee (17:15)				
	US	U.S. Federal Reserve Releases Beige Book (21:00)				
Thursday 6/12						

November 30, 2018

Date Time	Country	Event	Period	Survey	Prior	
6/12 09:00	GE	Factory Orders (MoM)	Oct	-0.50%	0.30%	
6/12 09:00	GE	Factory Orders WDA (YoY)	Oct	-3.50%	-2.20%	
6/12 15:30	US	Trade Balance	Oct	-\$54.9b	-\$54.0b	
6/12 15:30	US	Initial Jobless Claims	1-Dec	--	234k	
6/12 17:00	US	Factory Orders (YoY)	Oct	-2.00%	0.70%	
6/12 17:00	US	Durable Goods Orders (YoY)	Oct F	--	-4.40%	
Eco Event	AT	Oil ministers from OPEC/OPEC+ meet in Vienna to discuss output strategy				
	US	Atlanta Fed President R. Bostic speaks (19:15)				
Corp. Results		US: Broadcom Inc				
		Friday 7/12				
Date Time	Country	Event	Period	Survey	Prior	
7/12 02:00	JN	Real Cash Earnings (YoY)	Oct	-0.50%	-0.60%	
7/12 07:00	JN	Leading Index CI	Oct P	104.9	104.3	
7/12 09:00	GE	Industrial Production SA (MoM)	Oct	0.30%	0.20%	
7/12 12:00	EC	GDP SA (QoQ)	3Q F	0.20%	0.20%	
7/12 12:00	EC	GDP SA (YoY)	3Q F	1.70%	1.70%	
7/12 15:30	US	Change in Nonfarm Payrolls	Nov	205k	250k	
7/12 15:30	US	Change in Private Payrolls	Nov	210k	246k	
7/12 15:30	US	Unemployment Rate	Nov	3.70%	3.70%	
7/12 15:30	US	Average Hourly Earnings (YoY)	Nov	3.20%	3.10%	
7/12 17:00	US	U. of Mich. Sentiment	Dec P	97	97.5	
7/12 22:00	US	Consumer Credit	Oct	\$12.500b	\$10.923b	
Eco Event	GE	CDU party elects a new chair to succeed Chancellor A. Merkel				

Global Markets Analysis

+30 210-3268410

marketanalysis@alpha.gr

Panos Remoundos

panos.remoundos@alpha.gr

Maria Koutouzi

maria.koutouzi@alpha.gr

Ioannis Kouravelos, CFA

ioannis.kouravelos@alpha.gr

Konstantinos Anathreptakis

konstantinos.anathreptakis@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.