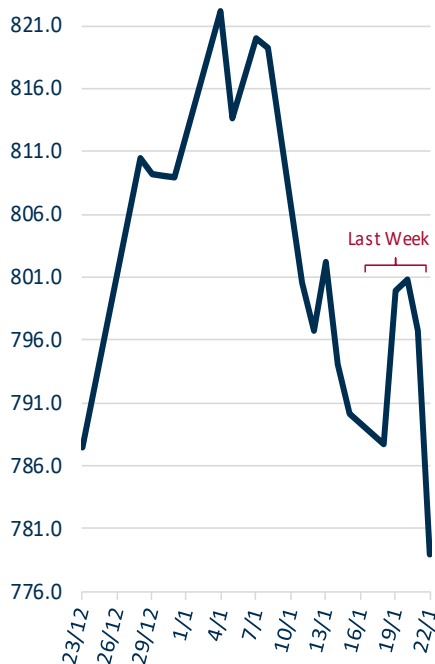


**ASE General Index Closing Prices**


Source: Bloomberg

**GREECE | GI on a downward trajectory pushed by grim outlook for Q1 2021**
**Market Comment & Driving Events**

The Athens Stock Exchange (GI) ended last week at 778.98 points presenting a 1.41% weekly downside from previous Friday's 790.14 points. The FTSE 25 Large Cap declined by 1.52% and the FTSEB banks index yielded +0.13% on a weekly basis.

For another week caution prevailed, as GI was unable to escape the negative trajectory it has been at since the beginning of the year. The "January Effect" seems to be falling apart, since so far, the market is showing fatigue and sluggishness. A typical example was Monday's session, which saw the lowest turnover of the quarter (€ 30.4 mn). All these prove that Biden's inauguration, without turmoil, combined with the resumption of retail did not have an impact on the Greek GI as opposed to foreign markets. Greek macroeconomic data seem dim as the national GDP declined by 10.2% in 2020 while the primary deficit stands at € 18.2 bn signalling recession for Q1 2021. Developments on the pandemic front (virus mutations, delay in vaccinations) create an uncertain environment that cannot tackle the already pessimistic views of investors. The stock market has lost its momentum and has entered in a phase of correction, expecting a strong catalyst that will stimulate investing activity and the banking sector's stabilization. Speaking of banks, volatility characterized banks stocks with NBG and Piraeus Bank leading FTSEB, recording significant gains fuelled by the swap of government bonds with the Greek republic. Last but not least, Fitch on Friday, did not finally upgrade Greece's credit rating, maintaining it BB with stable growth prospects.

**Stock of the week: Bitros Holdings S.A.**

Last week, Bitros Holding's share recorded a 52.78% weekly upside and closed at €0.33 per share from previous Friday's €0.22. The company has been attracting a lot of investors lately, recording an increase of over 165% in the last quarter. This is due to the recent business moves of the company (restructuring of lending, acquisition of the 25% stake of the Sidma Company in 2020), coupled with the growth prospects that are expected within the sector by ERF funds. Bitros is a small-cap company whose portfolio focuses on metallurgy, energy and real estate. The company was founded in 1945, processing steel as a core activity and was listed on ATHEX in 1990 and in 2000 it was transformed into a holding company.

**Conclusion & Outlook**

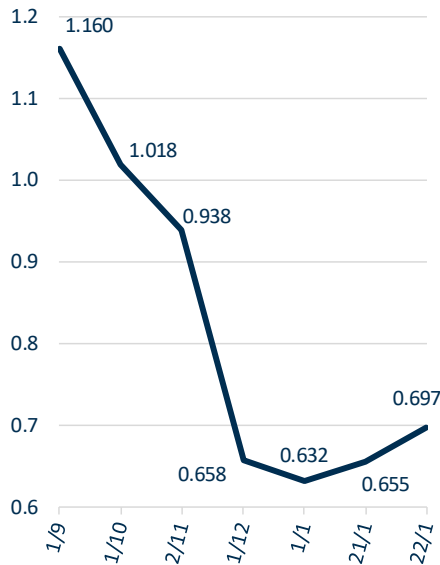
It is obvious that the market data does not meet the expectations of 2021 so far. The pandemic has returned to the forefront and its effects are those that constitute a barrier to the continuation of an upward course. For this reason, catalytic news' announcements are deemed catalytic for an upward reaction in order to improve GI's turnover -but realistically that might not be enough based on the index's historical reactions. The benchmark should effectively price in good news as foreign indices did this week and embrace encouraging developments rather than always weigh dramatically in bad ones.

**News & Economy**
**Vaccination at a slow pace -Financial support is intensified**

On the pandemic front, although there is a tortuously slow decline, evidence still troubles experts. Infections, as in the previous week, are about 500 daily and deaths around 30, while ICU beds occupation was reduced to 49%. With these data, government proceeded to the extension of the lockdown for another week, while at the same time it was announced that the full opening of the schools will follow last week's retail opening, thus creating optimism for a gradual recovery. However, the vaccination of the population is proceeding at a rather slow pace, -since within a month, only 1.13% of the population has been vaccinated- elderly aged between 80-84 are now in turn. In addition to the problem of delayed receipt of vaccines from Pfizer, the Moderna's announcement for reduction in its production prompted the Greek PM's reaction who called for acceleration of approval process of other vaccines, so that vaccination could proceed faster. Moreover, there is concern about the possibility of an outbreak of the pandemic before the full opening of

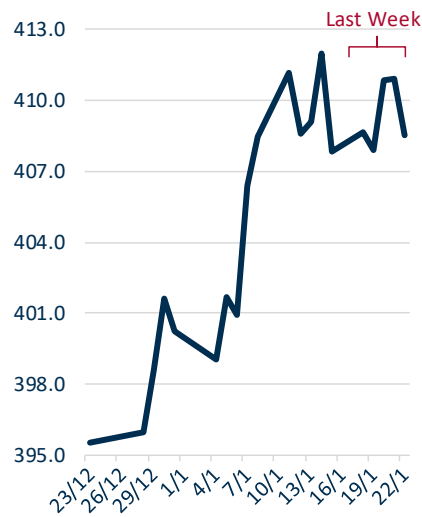
Athens Stock Exchange	
General Index 2020 Movers	Weekly Change
<b>Top Gainers</b>	
Athens Medical	7.61%
National Bank of Greece SA	6.87%
AS Company SA	5.91%
Kekrops SA	4.10%
Iaso	3.10%
<b>Top Losers</b>	
Piraeus Bank S.A.	-9.69%
Alumil	-6.67%
Byte Computer SA	-6.07%
Profile Syst	-5.14%
Intracom Holdings SA	-4.41%

### 10Y Greek Bond YTM



Source: Bloomberg

### STOXX 600 Closing Prices



Source: Bloomberg

### EUR/USD



Source: Bloomberg

the economy, with experts estimating that only after the vulnerable group vaccination (20-25% of the population) restrictions can begin to be lifted.

### ERF to the rescue, shift to bonds & banks substantial profits

The first installment is soon expected by the ERF and the Ministry of Finance plans to channel it as quickly as possible into the "Bridge II" plan to subsidise business loans for 9 months in order to support a large number of businesses that are under pressure while also aiming to prevent new red loans. As equity risk rises, more and more investors are turning to the bond market, leading to a de-escalation of their returns. So, the Greek 5-year bond yield dropped to +0.058% from previous Friday's +0.128% and the 10-year bond is now at +0.690%. The assessments of Citigroup and JP Morgan also had a positive effect, claiming that Greece's positive outlook will lead to 20-year and 30-year bonds issuance. Extremely encouraging for the economy is the fact that the repurchase of government bonds by ECB in the context of COVID-19 support will reach €10 bn. Finally, it is worth mentioning that through swap with of bonds with the Hellenic Republic, Piraeus Bank made a profit of € 200 mn, while NBG -through double swap of the bonds received from "Titlos" program- made a profit of €900 mn, thus covering the loss that arose (€440 Mn) from the NPEs program "Frontier" (€6.1 bn).

### EUROPE | Weak economic data and travel restrictions sapped European stocks

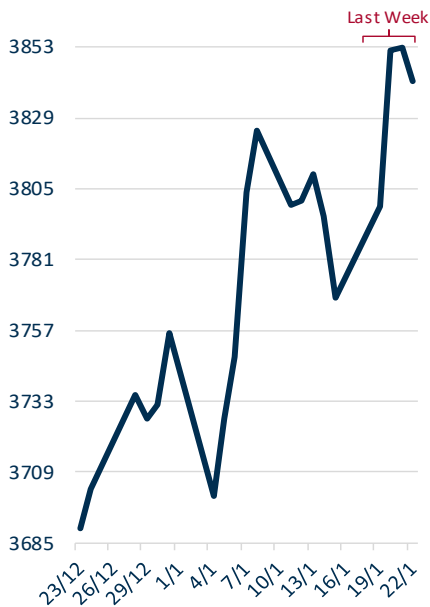
All EU countries continue vaccinations in hopes of restraining the COVID-19 cases, which will lead to the re-opening of the economies and the increase of the financial activity. Along those lines, the European Medicine Agency considers licensing the Russian vaccine Sputnik-V. Thus, travel and leisure stocks fell 2.5%, leading declines among sectors amid concerns over fresh travel restrictions in Europe. Other economically sensitive sectors like banks, oil & gas and mining shed more than 1%. Additionally, procurement and services PMI indices reached 2-month lows with 54.7 and 45.0 points, respectively. In the European political scene, part of the uncertainty for investors is eliminated as Armin Laschet was elected President of the Christian Democratic Party in Germany and the current President of Italy remains in power after a vote of confidence in the Senate. In addition, ECB maintains fixed interest rates and the level of the asset purchase program (PEPP), since the risks of the coronavirus have not been avoided yet, as confirmed by the lower-than-expected increase to the EU's GDM at 4.4% instead of 5.3%. In corporate news, Fiat Chrysler and Peugeot PSA Group merged under the Stellantis title and its stock price rose by 7.6%. On the contrary, Carrefour's stock, one of the biggest retailers in Europe, dropped by 6.9% due to the withdrawal of redemption proposal from Alimentation Couche-Tard. Germany seems to be maintaining its economic resilience despite a 5% drop in its a GDP on an annual basis. The German ZEW Economic Sentiment Index is above expectations at 61.8 points, indicating that Europe's largest economy is on a small but steady recovery. Lastly, Britain's retail sales marked a weak end to their worst year on record in December, with the Retail Sales Index being 0.9 units below the forecasted price at just 0.3 units, while at the same time business activity contracted sharply in the latest month. UK also has a slow start in 2021 with the macro data for January being disappointing. Composite PMI dropped by 10 points and Manufacturing PMI decreased by 4 points reaching 52.9 points. (STOXX600 0.17%, DAX 0.63%, CAC40 -0.93%, FTSE100 -0.60%, FTSE MIB -1.31%)

### US | New record highs and Joe Biden's first actions as the new president

#### Markets & Economy

Wall Street recorded strong gains last week, in which all three major indices reached new all-time highs, as the guaranteed fiscal support from the new administration as well as announcements from banks and companies for better-than-expected quarterly earnings, boosted investors sentiment. The trading week was shorter due to Martin's Luther King Day on Monday. Dow Jones Industrials Average rose 0.6% and closed at 30,997 points, NASDAQ closed at 13,543 gaining 4.2% and the S&P 500 Index closed at 3,841 up 1.9%. NASDAQ outperformed since tech stocks were among the biggest gainers of the week, offsetting weaknesses of defensive stocks of energy and industrials. Investors continue to balance good news with near-term challenges as Joe Biden, who was sworn in as the 46th president of the United States, has already laid emphasis on his administration's priorities, which is the immediate handling of the pandemic and its impact on the economy, raising hopes for a sooner than expected economic rebound as another relief package for near-term stimulus is in sight. The importance for additional government support is

## S&P 500 Closing Prices



Source: Bloomberg

S&P 500 Movers	Weekly Change
<b>Top Gainers</b>	
Ford Motor Company	17.19%
PulteGroup Inc	14.50%
PACCAR Inc	12.13%
Dr Horton Inc	12.04%
CarMax Inc	11.46%
<b>Top Losers</b>	
Coty Inc	-11.84%
MarketAxess Holdings Inc	-11.06%
Twitter Inc	-10.95%
Nektar Therapeutics	-10.24%
Coca-Cola Co	-9.26%

Nasdaq Movers	Weekly Change
<b>Top Gainers</b>	
Netflix	13.49%
PACCAR Inc	12.13%
NetEase Inc	11.12%
Alphabet Inc Class A	9.55%
Alphabet Inc Class C	9.50%
<b>Top Losers</b>	
Match Group Inc	-6.53%
CSX Corporation	-6.19%
Align Technology Inc	-5.84%
Fastenal Company	-5.74%
Intuitive Surgical Inc	-4.41%

evident considering data is showing an abiding slowdown in labor market, as the US initial jobless claims slightly declined to 900K the week ended January 16<sup>th</sup> but remain to alarming high levels due to restraining orders on businesses and social life. However, given the Fed's ongoing monetary policy to support the market, housing starts and permits in December recorded a 5.8% increase reaching the highest level since 2006, as mortgage rates remain at a low level leading to high demand, according to the Commerce Department. Except for the President's immediate actions to tackle the pandemic, such as efforts to accelerate the testing processes and greater use of the Defense Act to help with the vaccine production, which is essential due to worsening coronavirus news, Joe Biden from his first day at the office signed several executive orders including one for the US to rejoin the Paris accord in order to combat climate change. As a result, investors directed their attention towards the ESG sectors and green energy, which continues to record high returns as the Biden administration is predicted to provide big figures to support this critical change in the energy sector, which will fuel investments in ESG stocks and funds in the foreseeable future. Some remarkable moves were on Wednesday in two specific stocks as Netflix rallied 17% after the streaming service's announcements for hitting a new record of 36.6 mn customers last year, considering the pandemic limited people's outdoor activities and alternative entertainment options. Microsoft on the other hand, announced a collaboration with General Motors in an investment of more than \$2 bn in self-driving carmaker Cruise, which will use Microsoft's Azure cloud platform for its vehicles, led the GM's shares up 10%.

## STOCKS | Performance & Fundamental Analysis

**Paccar Inc. (NASDAQ: \$PCAR)** is a designer, manufacturer and distributor of commercial trucks, trucks' parts and provider of financial support, regarding the truck industry in the form of leasing and guarantee. The company owns a leading position in the sector of industrial transportation and truck manufacturing, thanks to its diesel truck engines and its well-established market brands, DAF, Peterbilt and Kenworth, top-notch in their respective category of transportation. This week, an upcoming cooperation between Paccar and Aurora Driver was announced. Aurora Driver, a start-up in the self-driving-technology sector, will offer its specialized software, hardware, and operational services in a strategic agreement with Paccar. Both companies aim at scaling up, by introducing the Peterbilt and Kenworth autonomous trucks. This collaboration intends to increase the amount of freight deliveries and upgrade the speed and safety in their transportation to the customers, which is substantial for the sustainability of the business model and coping with competitors, especially with this year's ongoing pandemic causing delivery services to surge. The above news caused Paccar's stock price to surge 10% on Thursday and finally closed the week at \$98.85 from \$88.73 in the beginning on Tuesday January 19<sup>th</sup>. The company's market cap was shaped at \$34.246 bn, the P/E ratio at 24.11 and the EPS at \$4.10. With the quarterly earnings' date on 26<sup>th</sup> of January and the estimates at \$1.21 in earnings per share with \$5.03 bn in revenue, Paccar's stock will be a stock to watch for the upcoming months, as investors are still pending the Biden's Infrastructure plan.

**Netflix (NASDAQ: \$NFLX)**, the famous streaming entertainment service, which provides subscription services in movies and episodes streaming over the internet has reported unprecedented upbeat earnings this week, beating analyst's expectation and soaring to new all-time highs. The company at its core business activities, provides members the ability to receive streaming content through a host of internet-connected screens, including TVs, digital video players, television set-top boxes, and mobile devices. The California based streaming leader soared as much as 18% on Tuesday January 20<sup>th</sup>, to trade at an all-time high of \$593.29 in the first hour of trading, a day after the company's Q4 2020 results beat expectations both revenue and subscription wise, with the latter hit 200 mn after Europe's newest lockdown restrictions and fresh blockbuster hits, with Queen's Gambit Netflix series to receive the lion's share. It also announced that it would consider stock buybacks, a supply mitigating move, that statistically increase the price. On the tableau, \$NFLX closed the week up by 13.48%, at \$565.17 shaping its after-results market cap at \$249.689 bn. \$NFLX's trailing P/E ratio is at 92.96, with beta at 0.92 and EPS at 6.08 (ttm).

### Weekly Stock Talk: When Reddit short-squeezed Wall Street

Everything started when the brick-and-mortar video game retailer, GameStop (\$GME) - which has consecutively disappointed in its several past earnings reports regarding the company's sustainability - announced on Monday in a note to investors, that former CEO

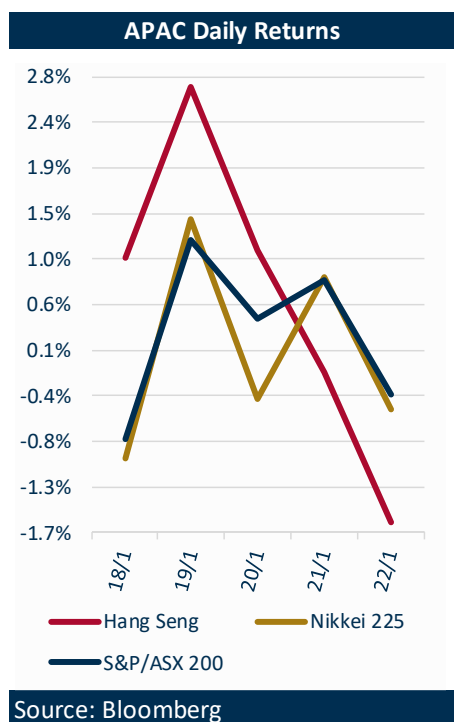
Dow Jones Movers	Weekly Change
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Apple	9.38%
Microsoft Corporation	6.25%
Salesforce.com Inc	5.93%
American Express Company	3.27%
Amgen Inc	3.26%
<b>Top Losers</b>	
IBM	-7.62%
Golfdam Sachs Group Inc	-3.86%
Procter & Gamble Company	-3.55%
JPMorgan Chase & Co	-3.50%
Walgreens Boots Alliance Inc	-3.00%

of Chewy and activist investor, Ryan Cohen is joining its board. The initial news made GameStop surge almost 60% in aspiring volume, forcing many short sellers to cover up their bets. For the Record, GameStop according to CNBC is the single most shorted name in the US stock market, with more than 138% of its float shares sold short. The day after the surge, which found GameStop traded at \$31.40, a famous short seller, Citron Research has been vocal about the stock, saying buyers at these elevated levels are “the suckers at this poker game” and the stock goes back at \$20. However, members of a famous Reddit Group, WallStreetBets, had a different opinion, criticizing the Citron Research report and continuing praising the stock on social media. Then out of the blue, without any further news, GME’s stock price on Friday halted trading momentarily, after spiking 69% due to increased volatility. The volume on Friday was almost double than on Monday, when the news initially broke, and the short sellers have been squeezed to unprecedented levels with the stock’s \$65.01 closing. Citron Research, which a day before, had posted a video on YouTube explaining 5 reasons for the \$GME to return to \$20 levels, denied commenting on Friday after the impressive more than 100% weekly surge, citing that the “angry Reddit mob” were on the attack! Members of WallStreetBets, known for its crude markets-based humor and celebration of triple-digits portfolio swings, remain largely bullish on the stock and featured several posts chiding Citron for their bearish stance.

### APAC | China on pre-COVID momentum albeit lockdowns – BoJ keeps policy steady

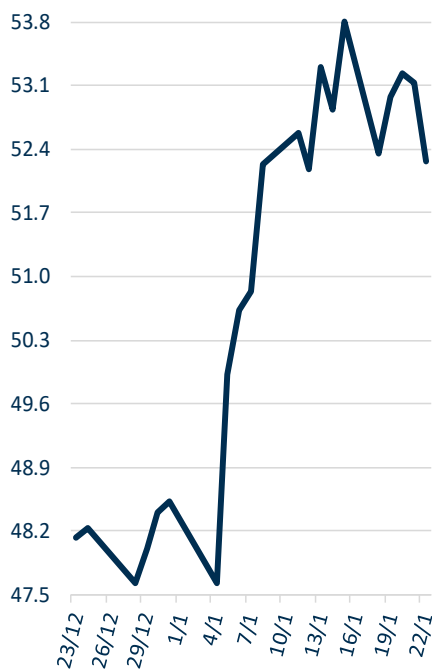
#### Markets & Economy

Chinese stock market rallied amid positive economic data and on optimism of warmer US-China relations under President Biden with the Shanghai Composite Index rising 1.1% and the CSI 300 large-cap index growing 2.0%. Alibaba shares boosted about 8% as the company's founder Jack Ma reappeared publicly after three months. On the COVID-19 front, the authorities put 29 mn people under lockdown measures as the country recorded more than 100 cases of the disease for six days in a row. It was announced that three of the country's vaccine developers applied to join the COVAX plan. In macros, the China's GDP advanced 6.5% YoY in Q4 2020. The data marked that primary industry increased to 3% on an annual basis, while the secondary industry rose by 2.6% and the tertiary industry went up 2.1%. Also, China's industrial production advanced 7.3% in December YoY beating analysts' forecasts with the measure of output of the industrial sector growing by 2.3% annually. Retail sales of consumer goods for December in China increased to 4.6%, failing to reach analysts' projections and marking a fall. In other news, China's MOFCOM announced on Thursday that Beijing aims to broaden its "free trade network" and to negotiate with its partners on new deals while new U.S Secretary of Treasury Janet Yellen declared that will not change China tariffs before consulting allies. Ultimately, the central bank committed to leave interest rates stable in January, ensuring the continuity, stability, and sustainability of the country's economy. The PBOC kept its one-year loan prime rate at 3.85% and maintained its five-year loan prime at 4.65%. Crossing the border to Japan, Nikkei 225 Stock Average advanced 0.4%, recording another 30-year-high during the week. The Bank of Japan's policy committee maintained its targets under yield curve control (YCC) at -0.1% for short-term interest rates and around 0% for 10-year bond yields. However, the monetary policy committee upgraded its GDP growth forecast for the current year to -5.6% from -5.5%, due to the high uncertainty caused by the coronavirus. According to government's data, exports rose last month for the first time in two years, marking the first annual increase since November 2018. On the not-so-bright side, Japan's industrial production index fell by 0.5% in December, and 3.9% on annual basis. Moreover, the country's manufacturing sector fell slightly in January to signal a renewed deterioration in business conditions and consumer deflation surprised expectations decreasing by 1.2%. Moving to Australia, the ASX 200 pulled away from 11-month high on Friday but for the week the market was strong and still added 1.3%. Data showed that unemployment rate declined to 6.6% from 6.8% in November, beating economists' median estimate of 6.7%. On the contrary, Australian retailers suffered their biggest sales drop in eight months in December. The 4.2% month-on-month drop was spread across five of the six retail categories, while economists had predicted a 2.5% fall.





## Crude Oil WTI Futures



Source: Bloomberg

## COMMODITIES | The dollar and new fiscal relief programs drive commodity markets

This week's market was pretty mixed after the new surge in COVID-19 cases around the world. WTI closed at \$52.27/b, 0.17% lower than last week and Brent closed with a small gain of 0.56%, at \$55.41/b. The week started positively, supported basically by the new stimulus talks introduced by President Joe Biden which is expected to boost demand in the near term. The International Energy Agency (IEA) reported a cut of its outlook for oil demand in 2021 but pointed to a recovery in demand in the second half of the year to an annual average of 96.6 mn barrels per day. Wednesday was the best day for the two oil benchmarks, the highest point being \$53.82/b for WTI and \$56.62/b for Brent, after Biden's inauguration and his powerful start against COVID-19 flooded the market with optimism. This changed on Thursday after a private industry report showed an unexpected rise in crude oil inventories. More specifically, the API reported a build in crude oil inventories of 2,562 mn barrels for the week-ending January 15, although analysts had predicted an inventory draw of 1,167 mn barrels for the week. Friday looked even grimmer after news for a surge in COVID cases in China and Biden's announcement that the US COVID death-toll could reach 500,000 in the next month. China is one of the world's largest consumers of oil, and during the COVID era probably the most important, so the continued spread of the virus in China increases risks for the rebound of oil demand. Meanwhile, the Energy Information Administration (EIA) reported an increase in crude oil inventories by 4.4 mn barrels in its Weekly Petroleum Status Report thus leading the WTI market to close lower than last week and leaving Brent not as much affected. US oil remains at 11 mn bpd, according to the latest data provided by the EIA, and there is unlikely to be any significant increase to oil production while stocks remain high – higher than a few-million-barrel draw could correct. Natural Gas followed a downtrend throughout the whole week ending Friday at \$2.446/MMBtu, marking a big loss of 10.63%. Warmer than expected weather has been an issue for Natural Gas for many weeks, and it will not stop being one. At the end of last week, meteorologists were anticipating a "polar vortex", something which still hasn't happened, thus driving bullish investors away. The EIA reported a decrease of 187 Bcf in Natural Gas inventories from the previous week. Expectations were for a 164 Bcf draw according to survey provider Estimize. The safe-haven metal, Gold, had an excellent week and performed the best since mid-December. The precious metal started the week with an uptrend and hit a 2-week high on Thursday at \$1,874.65/ounce before finding resistance and closing at the price of \$1,856.20/ounce, with yield of +1.44% from last week. The weak dollar and optimism for President Biden's fiscal relief programs to combat the COVID-19 crisis were the main reasons for the uptrend of Gold. During the week, the dollar gained power because of the uncertainty around the increasing COVID-19 cases around the globe, thus pushing Gold downwards to its closing price.

### What to look for this week

The week ahead is a significant one with many major data announcements, meetings, and earnings. First of all, the Federal Reserve is expected to meet on a two-day event on Wednesday, where policymakers are expected to keep their policies intact since employment (full employment) and inflation (2%) have not yet been met. It will be the first meeting with a Democrat-held Senate. Data from the U.S. will shed light on how the economy performed in the last quarter of 2020. Consensus amongst economists and market participants is that GDP grew 4% in Q4, following a record Q3 (33.4%), a reading that concludes the year for the U.S. on a 3.5% annual contraction. Countries from the Eurozone are announcing GDP data on Friday, with Germany, France, and Spain all contracting in 2020, but Germany on a smaller percent (<5%). Additionally, the annual World Economic Forum traditionally held in Davos, Switzerland, will be held online this year. Many world leaders like Christine Lagarde, Angela Merkel, and Xi Jinping will be speaking. IMF is expected to revise its estimates for global growth in 2021 to 5.2%. As far as stocks are concerned, the earnings season is continuing with tech giants like Apple, Microsoft, Facebook, and Tesla all reporting this week. Good earnings reports are expected to push all indices, especially the tech-heavy Nasdaq higher.

JAN 2021	THIS WEEK'S ECONOMIC AGENDA
MON 25	<ul style="list-style-type: none"> <li>•ECB President Lagarde Speaks</li> <li>•German Ifo Business Climate Index Jan (fc: 91.8)</li> </ul>
TUE 26	<ul style="list-style-type: none"> <li>•Australia Holiday- Australia Day</li> <li>•India Holiday- Republic Day</li> <li>•UK Average Earnings Index +Bonus Nov (fc: 2.9%)</li> <li>•UK Claimant Count Change Dec</li> <li>•Brazil BCB Copom Meeting Minutes</li> <li>•US CB Consumer Confidence Jan (fc: 89.0)</li> <li>•Australia's CPI QoQ Q4 (fc: 0.7%)</li> </ul>
WED 27	<ul style="list-style-type: none"> <li>•US Core Durable Goods Orders MoM Dec (fc: 0.5%)</li> <li>•US Crude Oil Inventories</li> <li>•US FOMC Statement</li> <li>•US Fed Interest Rate Decision (fc: 0.25%)</li> <li>•US FOMC Press Conference</li> </ul>
THU 28	<ul style="list-style-type: none"> <li>•US GDP QoQ Q4 (fc: 4.0%)</li> <li>•US Initial Jobless Claims</li> <li>•US New Home Sales Dec (fc: 860K)</li> </ul>
FRI 29	<ul style="list-style-type: none"> <li>•German GDP QoQ Q4</li> <li>•German Unemployment Change Jan (fc: 3K)</li> <li>•Canada's GDP MoM Nov (fc: 0.4%)</li> <li>•US Pending Home Sales MoM Dec (fc: -0.6%)</li> </ul>

**Angela Mertiri | Head of Financial Markets Dept.**



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