AUEB Students' Investment & Finance Club

Market Report – Volume 12, December 2023

Our purpose

AUEB Students' Investment and Finance Club is a non-political and non-profit student initiative, and the first Finance Club amongst Greek Universities, founded in 2013.

It aims to promote the social dimension of Finance, demonstrate the potential positive impact of investments on society, train and inspire its members on different functions of Finance.

For this purpose, we plan and implement innovative activities which are mainly related to:

- Investments and Stock Markets
- Consulting
- The broad universe of finance through activities such as insight days, internships, workshops and involvement in research
- Building a strong network with other European finance clubs and maintain a strong alumni base

Last but not least, we emphasize on the cultural fit of our members, in order to ensure the Club's success, and for this purpose we have established a selection process. Thus, our members are well-rounded and highly motivated individuals with a genuine interest in Finance.

Organizational Structure

General Assembly	Management Board	Audit Committee

- The **General Assembly** consists of the members of the Club as well as honorary members. It is held annually and decides on any matter of the Club.

- The **Management Board** is consisted of 5 members of the Club with one year incumbency. It is elected by the Annual General Assembly and their role is the management of the Club and achieving the objectives of the Club.

- The **Audit Committee** is elected by the Annual General Assembly as well with one year incumbency. Their role is to supervise and monitor the financial management of the Club.

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Markets Summary

Foreign Exchange

In the Foreign Exchange Markets, monetary policy decisions from the most prominent central banks across the globe acted as the key drivers for the path of global currencies. In December, the US dollar depreciated against major rivals, with the DXY down -1.88% MoM, as commentary from the FED officials indicated further interest rate cuts in 2024. Furthermore, progress on the US inflation continued, suggesting that the FED CPI target is in place for 2024. Relatedly, the Euro, Pound sterling and Swiss franc strengthened against the US dollar, closing the month +1.6%, +0.65% and +3.22%. It is imperative to observe that the Swiss franc outperformed the other peers against the US dollar for a second consecutive month. Additionally, the Japanese Yen edged upward as the BOJ signaled an end to its ultra-low interest rate policy, ultimately ending the month +4.15%.

Fixed Income

In December, the US government bonds rallied as investors bet on additional easing from the FED over the next 12 months. As a result, the Bloomberg US Aggregate Bond Index posted the best quarterly gain since 2Q89 with an increase of 6.8%. Additionally, the US 10-year Treasury Yield and the US 2-year declined 50 basis points and 40 basis points, respectively. Longer-term instruments saw larger declines. In Europe and the UK, the ECB and BOE left their interest rate ranges unchanged. Despite the comments from ECB and BOE officials which are affirming the need to hold interest rates higher for longer, bond yields continued lower, with the Germany 10-year Bund closing the month below 2% and the UK 10-year down 64 basis points. In Asia, despite the possibility of turning BOJ from its ultra-dovish policy, the Japan 10-year government bond diminished by 12 basis points.

Commodities

During December, Oil prices reached their lowest levels since June 2023, despite elevated geopolitical risk and a weaker dollar. Dutch TTF declined sharply as warmer winter expectations reduced demand. As a result, the Bloomberg Energy Index continued downwards by -5.3%. Overall, weakness in energy led to a decline in the Bloomberg Commodity Index of -3.6% for the second consecutive month. Over the month, Gold experienced a volatile month, trading in a range of $1,980 up to $2,080.

Equities

Following the November rally, Global equities continued to rise and posted their best quarterly gain since 4Q20, with the MSCI All Country World Index +11.1%. Falling global yields and rising expectations for earlier central banks cuts led equities to these levels. More specifically, US equities rallied into the end of the year. The Dow Jones Industrial Average rose 4.9%, the S&P 500 advanced 4.5%, and the NASDAQ jumped 5.6%. Real estate led the way with a 9% increase, followed by a 7.1% increase in industrials. In Europe, European Equities outperformed global equities by 1.3%, with the MSCI Europe ex UK gaining almost 13% in the last quarter of 2023. Japanese equities rose for the second consecutive month. In emerging markets, MSCI closed the month at +3.5%.

Economic News Summary

Policy

In the US, the FED left the target range for the federal funds rate unchanged at 5.25-5.50%. The FOMC's post-meeting press conference indicated the committee's increased willingness to discuss the prospect of rate cuts. The European Central Bank kept interest rates on hold for a second meeting with inflation tumbling. In the UK, the BOE left unchanged its interest rate range at a 15-year high, sticking with its message that borrowing costs will remain elevated for some time despite growing bets on a wave of cuts in 2024. In Japan, the BOJ has held off on lifting negative interest rates, with Governor Kazuo Ueda highlighting that the BOJ was not yet ready to map out an exit from its ultra-loose monetary policy. In December, the Bank of China injected nearly $50 billion worth of low-cost funds into policy-oriented banks.

Inflation

In the US, consumer prices continued to decline with the headline CPI YoY coming at 3.1% and the core CPI YoY at 4%, both in line with analyst expectations. On a monthly basis, CPI MoM increased by 0.1% and the core CPI MoM increased by 0.3%. The US PPI was soft, remaining unchanged in November on the back of recent declines in energy prices. In Europe, consumer prices remained on a similar path in the US. The EU CPI YoY decreased to 2.4%, only 0.4% above the ECB target. Similarly, the UK consumer price index YoY edged lower to 3.9%, down 0.7% from the November print. In Asia, both Japanese and Chinese inflation rate YoY came lower than expected at -0.5% and 2.8%, respectively.

Growth-Activity

In December, the economy of the United States of America expanded, with the GDP Growth Rate QoQ at 4.9%. Moreover, GDP sales QoQ beat estimates of 3.6%. Overall, the PMI indexes were printed in line with expectations. The Eurozone economy expanded YoY by 0%. In the United Kingdom, the economy grew by 0.3% YoY, in line with the November print. In December, the Japanese economy continued to descend, contracting by -2.9% year-over-year and -0.7% quarter-over-quarter.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

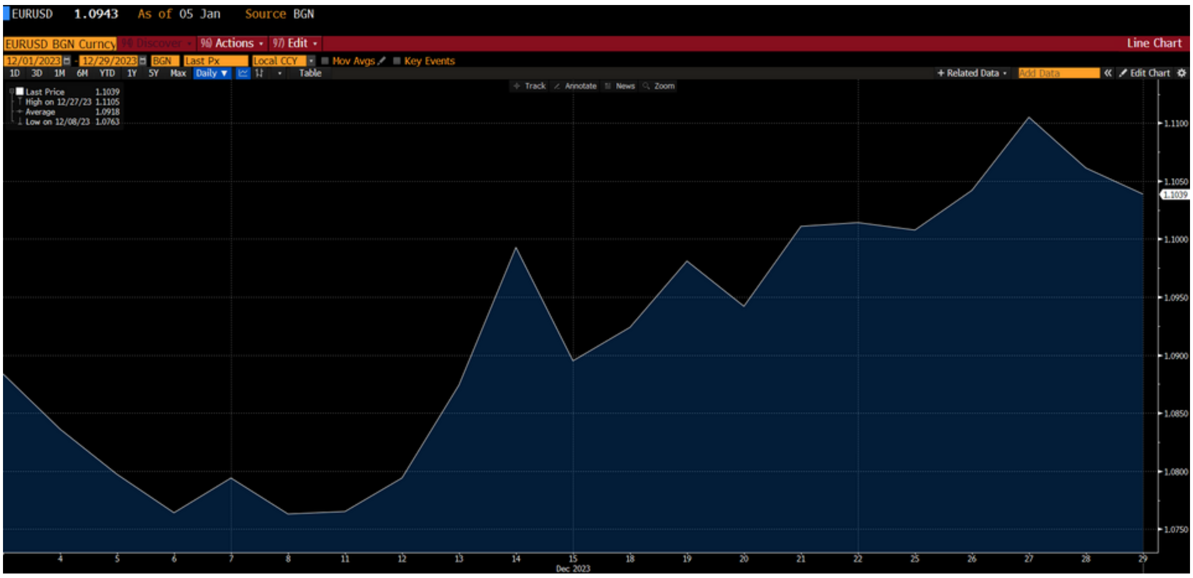
Global Markets

Pair	29/12 Close	MoM	YtD
USD Index	101.33	-2.09%	-2.45%
EUR/USD	1.103	1.38%	3.45%
GBP/USD	1.27	0.85%	5.52%
USD/JPY	141.06	-4.93%	7.61%
USD/CHF	0.841	-3.9%	-9.46%

EUR/USD

Despite high volatility, EUR/USD managed to maintain November's uptrend, closing the year at 1.1068, trading once again above the 1.10 mark. The month started on a downtrend, which continued throughout the first two weeks, with the pair losing most of late November's gains. This was mainly due to the drop of inflation in the eurozone as well as positive news regarding the US economy. However, during the second half of the month, there was a massive trend shift, erasing the previous losses and reaching new highs last seen in late July. The catalyst for this was the weakening of the US dollar, mainly caused by the FED's dovish stance regarding interest rates. Inflation in the US fell to 3.1%, lower than the previous month's 3.2%, meeting market expectations. The FED kept interest rates unchanged at 5.25%-5.50% with Jerome Powell stating among others that "It's not likely we will hike further." and "We are very focused on not making the mistake of keeping rates too high too long." This renewed market confidence that the end of rate hikes is near, fueling speculation about a timeframe for cuts.

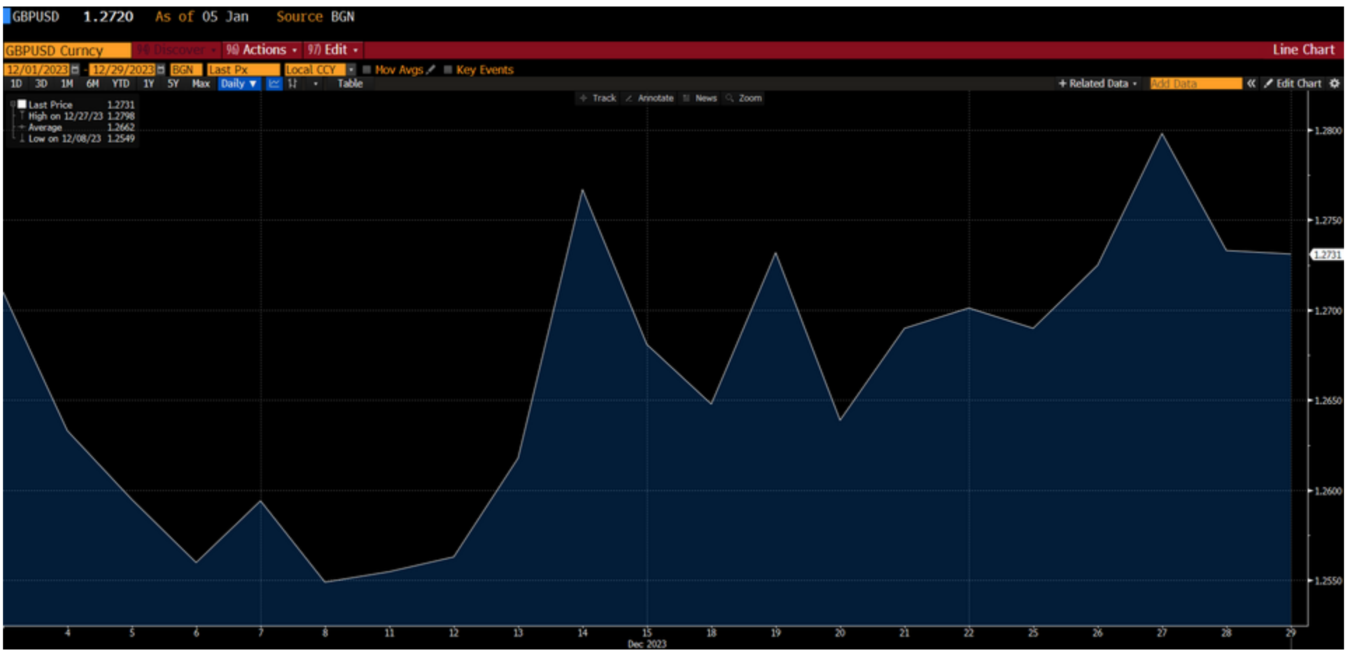
More specifically, EUR/USD started the month strong at 1.0892, taking advantage of late November's uptrend. EU inflation came in lower than expected, at 2.4%, nearing the ECB official target of 2%. This was followed by dovish statements from ECB officials, further increasing expectations of rate cuts. Other than that, overall economic data was more favorable for the US compared to the EU, with Nonfarm payrolls beating expectations in the US, while German Factory Orders dropped 3.7% MoM vs. 0% expected, highlighting persistent fears for a coming recession in Europe. This resulted in a sharp decline for the Euro, falling as low as 1.0731. The highly expected announcement of US inflation, as well as the FED's decision, proved a tipping point for the pair. The maintenance of interest rates combined with a sharp drop in inflation created expectations for rate cuts, causing a drop in treasury yields as well as significant weakening for the dollar. EU inflation also fell significantly lower than expected, to 2.4%, temporarily creating a reversal in the pair's momentum. Moreover, while ECB maintained interest rates steady, Christine Lagarde dispelled any expectations of rate cuts, thus allowing the uptrend to continue, eventually reaching a peak of 1.1139. With investors seeing a rate cut even as early as April from the FED, EUR/USD managed to finish the year on the upside, closing at the multi-month high of 1.1068.



GBP/USD

For December, GBP/USD managed to maintain and extend to some point the recent positive momentum, erasing any loses sustained earlier in the month. Opening at 1.2632, the pair initiated a sharp decline soon after, caused mainly by the strengthening of the dollar. Positive US data announcements pushed the dollar higher, with the pound falling as low as 1.2505 on the dollar. The announcement of inflation in the UK as well as the FED's decision proved a turning point, starting an uptrend that lasted throughout the month. UK inflation fell sharply to 3.9% vs 4.4% expected, creating hopes for earlier rate cuts. The Bank of England maintained interest rates steady at 5.25%, while maintaining a hawkish stance on future policy, giving strength to the pound. On the other side of the pond, US inflation continued its decline, coming in at 3.1%. This was followed by the FED's decision to keep interest rates unchanged at 5.25%-5.50%, with Jerome Powell leaving the door open for earlier than expected rate cuts. This of course caused the weakening of the dollar, which continued throughout the month, closing at 1.2734.

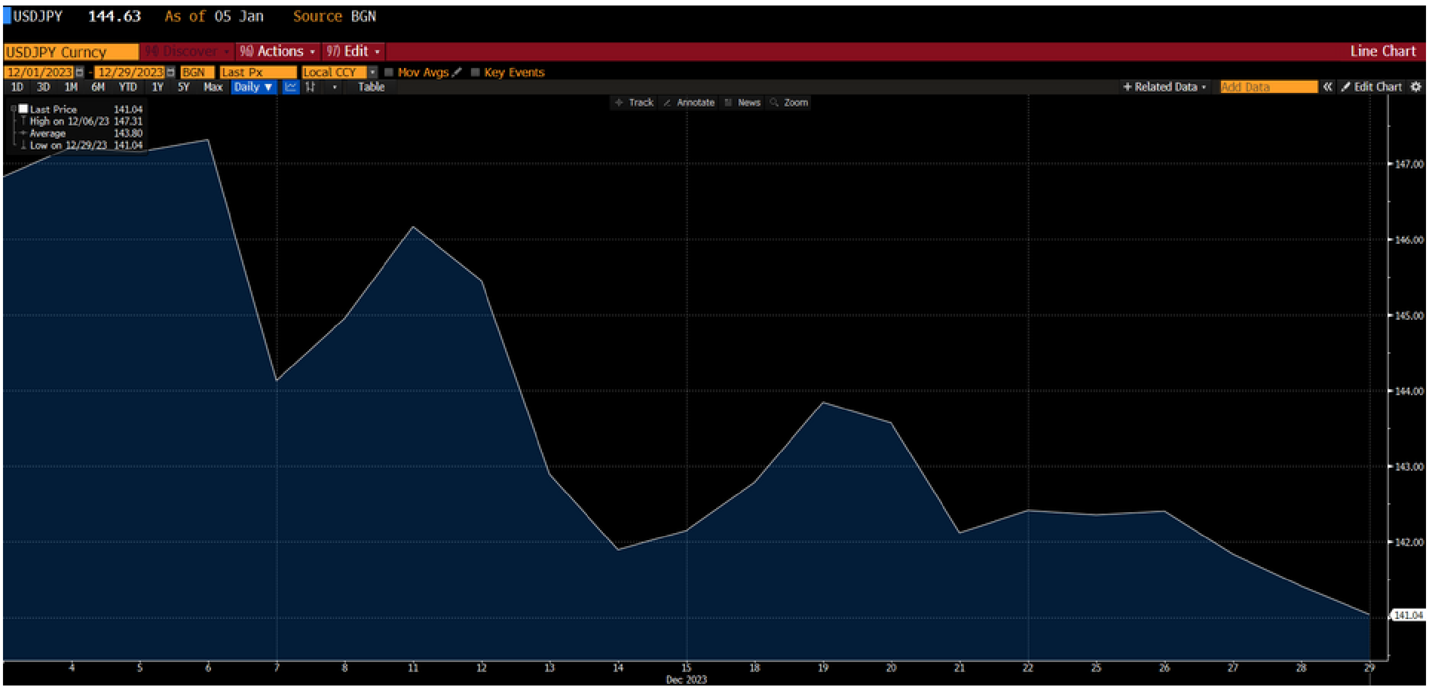
In detail, the first two weeks were bearish for GBP/USD, opening at 1.2632 and falling as low as 1.2505 with multiple data releases highlighting the continued strength of the US economy.
The second half of the month saw a reversal, with inflation announcements as well as central bank/banks policies playing a major role. Inflation in the US announced at 3.1%, lower than the previous reading of 3.2% and in line with market expectations. FED maintained interest steady at 5.25%-5.50% while Jerome Powell's speech set a more dovish tone, creating expectations for rate cuts in early 2024. The situation was similar in the UK, with inflation coming in at 3.9% from 4.6% in October, significantly lower than 4.4% expected. The Bank of England maintained interest rates steady at 5.25%, with the key difference compared to the FED being the outlook on policy change, with the BoE maintaining its hawkish posture. Although inflation dropped faster than expected, it's still one of the highest in G10 nations, making the BoE much more reluctant to indulge in the rate cut speculation that other western Central Banks have not snuffed out. All this helped GBP/USD achieve one of the highest points in recent months, closing the year at 1.2734.



USD/JPY

December was a volatile month for USD/JPY, with the pair starting the month close to 148 and ending up around 141. A strong downtrend, which lasted throughout the month, continued the weakening of the dollar, which started in late November. Despite the rise of DXY/Dollar Index in the first week, a series of news regarding Bank of Japan's monetary policy helped the Yen appreciate against the dollar. More specifically, markets expected Japan to abandon the negative policy rate, something that played an important role in favor of the Yen. These rumors were later dismissed by BoJ officials, stating there was no need for a policy change. Although this was enough for a change of direction, news regarding inflation in the US as well as the future moves of the FED regarding interest rates helped the downtrend continue.

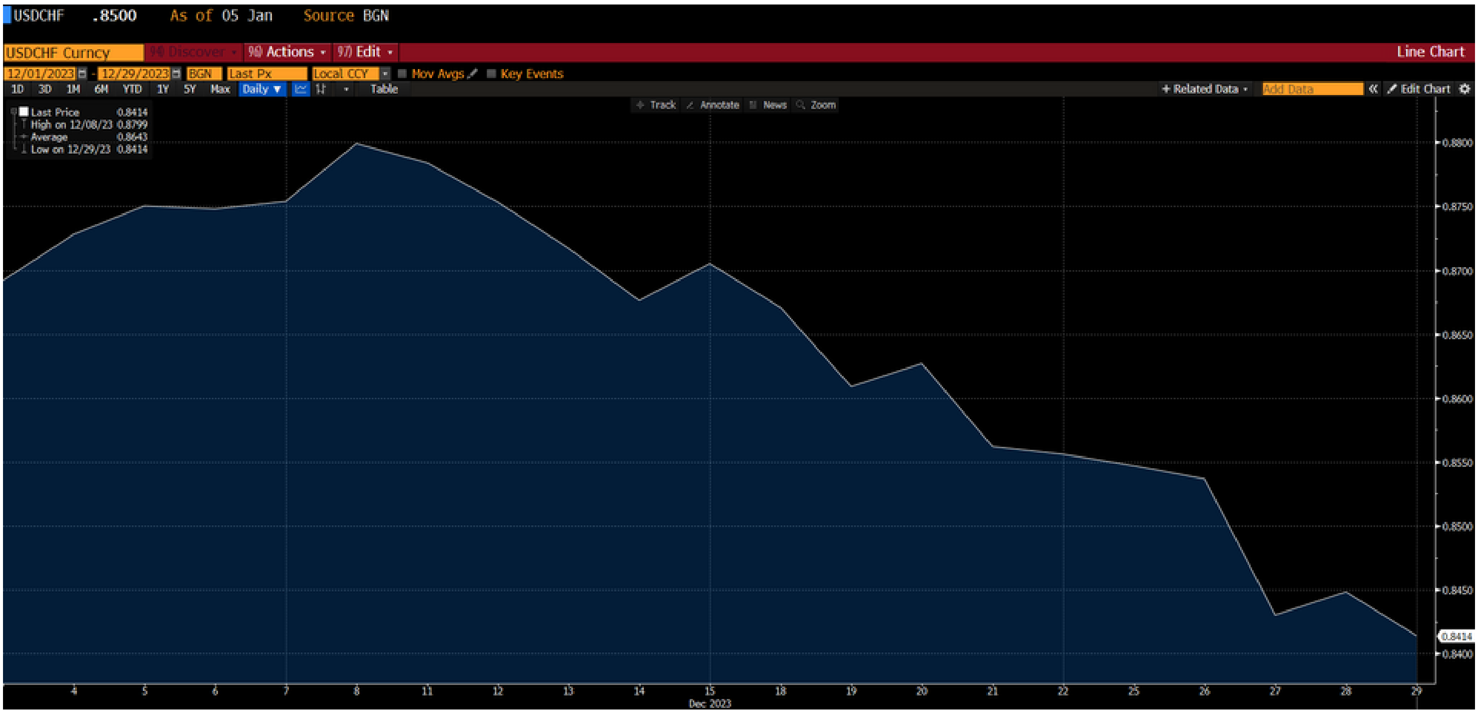
More specifically, there were many rumors regarding Bank of Japan abandoning the negative interest rate policy earlier than anticipated, something that seemed more likely after the visit of BoJ's head Ueda to Prime Minister Fumio Kishida's office. This helped the Yen appreciate, sending the pair lower, closer to 145. Other important factors were the reduction of inflation in Japan to 2.6% as well as the shrinkage of GDP in Q3 by 0.7%. The highly anticipated interest rate policy change was later deemed unnecessary by BoJ officials, putting an end to speculation. This helped put an end to recent losses for the pair, although it was short lasted. The lower than expect inflation announcement in the US later in the month caused a significant weakening in the dollar, thus continuing the recent downtrend. The FED's decision to keep interest rates unchanged at 5.25%-5.50%, while adopting a more dovish stand on future moves, left little room for an increase. Later in the month, the BoJ announced the decision to keep rates unchanged at -0.1% and no indication oof future hikes. This had a positive impact on the pair, although it couldn't outweigh the trend set by the weakening of the dollar, eventually closing the year at 141.430.



USD/CHF

The Swiss franc continued its appreciation over the dollar in December. The pair began the month trading around 0.875 and sustained a mildly positive trend, capitalizing on the strengthening of the dollar. Additionally, Swiss inflation unexpectedly reported at a lower 1.4%. However, the positive momentum quickly dissipated when the Swiss Central Bank reiterated its commitment to maintaining a hawkish posture, emphasizing its focus on price stability. This stance contrasted with the Fed's consideration of rate cuts, leading markets to speculate about the specific timeframe. As a result, the pair plummeted to 0.843.

In the first week, new released indicated that inflation in Switzerland fell to 1.4% from 1.7% the previous month, lower than market expectations of 1.6%. This caused the strengthening of the dollar as it created hopes for earlier rate cuts by the SNB. However, The Swiss Central Bank maintained interest rates steady at 1.75%, with Thomas Jordan mentioning the possibility of further rate hikes, putting an end to any hopes for rate cuts and marking a turn for the pair as it started losing ground. The reduction of inflation in the US (3.1% vs 3.2% the previous month) followed by the maintenance of interest rates by the FED at 5.25%-5.50% continued the downtrend. Jerome Powell's speech made clear that rate cuts were highly likely from this point on fueling market speculation, while the announcement of KOF indicator, a key metric indicating the path of the Swiss economy, coming in at above market expectations (at 97.8 vs. 97.0). The strength of the CHF along with expected rate cuts by the FED pushed the pair downwards, closing the year at 0.8434.



Poll Summary - Poll Date: 07-Dec-2023 EUR/USD				
	1M	3M	6M	1Y
Effective Date	29-Dec-2023	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	1.08	1.08	1.09	1.12
Min	1.03	1.03	1.04	1.04
Max	1.11	1.12	1.15	1.18
Standard Deviation	0.02	0.02	0.03	0.03
Forecasters	60.00	71.00	69.00	63.00

Poll Summary - Poll Date: 07-Dec-2023 GBP/USD				
	1M	3M	6M	1Y
Effective Date	29-Dec-2023	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	1.25	1.25	1.26	1.28
Min	1.18	1.18	1.17	1.17
Max	1.31	1.30	1.34	1.35
Standard Deviation	0.03	0.03	0.04	0.04
Forecasters	46.00	54.00	53.00	53.00

Poll Summary - Poll Date: 07-Dec-2023 USD/JPY				
	1M	3M	6M	1Y
Effective Date	29-Dec-2023	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	148.01	146.44	142.87	137.23
Min	145.00	133.00	130.00	125.00
Max	153.00	155.00	155.00	150.00
Standard Deviation	1.98	4.08	5.10	5.91
Forecasters	47.00	57.00	56.00	53.00

Poll Summary - Poll Date: 07-Dec-2023 USD/CHF				
	1M	3M	6M	1Y
Effective Date	29-Dec-2023	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	0.89	0.89	0.89	0.88
Min	0.87	0.87	0.85	0.82
Max	0.94	0.95	0.95	0.98
Standard Deviation	0.02	0.02	0.02	0.03
Forecasters	27.00	31.00	31.00	30.00

Rates	29/12 Close	MoM	YtD
FED Funds Rate Target	5.25%-5.50%	No Change	+25 bps (02/02/2023) +25 bps (17/03/2023) +25 bps (04/05/2023) +25 bps (26/11/2023)
ECB Main Refinancing Operations Rate	4.50%	No Change	+50 bps (08/02/2023) +50 bps (22/03/2023) +25 bps (10/05/2023) +25 bps (21/06/2023) +25 bps (02/08/2023) +25 bps (20/09/2023)
ECB Deposit Facility Rate	4.00%	No Change	+50 bps (8/02/2023) +50 bps (22/03/2023) +25 bps (10/05/2023) +25 bps (21/06/2023) +25 bps (02/08/2023) +25 bps (20/09/2023)
EURIBOR 1M	3.845%	-2.4 bps	+196 bps
USA 3 Month Treasury	5.353%	-4.8 bps	+73 bps
USA 10 Year Treasury Bill	3.881%	-45 bps	+31 bps
Germany 10 Year Bond	2.009%	-35 bps	-20 bps
UK 10 Year Gilt	3.539%	-60 bps	+6 bps
Greece 10 Year Bond	3.103%	-57 bps	-124 bps

European Union

European bond yields continue to fall as the continent starts to see the end of the inflation tunnel. The latest report states that November inflation fell to 3.1% in the Eurozone, inching closer and closer to the 2% target of the ECB. Hopes of an easing of financial conditions are boosted by the prospect of recession in Europe, solidified by a contraction in the previous quarter (0.1%) and a decline in business activity, prompting speculation about when will the ECB start cutting. The ECB tries to keep attention turned to inflation but, with the FED expected to start cutting in 2024, markets are starting to price in rate cuts by the ECB too, pushing yields down.

All major 10-year bonds have had significant drops in their yields, with the German bond sliding down from around 2.5% to 2%, while the 2-year bond showing similar movement, although of a different magnitude, as it fell around 40 bps to 2.4% at the end of the month. The French 10-year and 2-year bond yields followed on the same path, with the 10-year one falling approximately 50bps to around 2.5% and the 2-year one showing a more modest fall from 3.092% to around 2.9%. Italian bond yields similarly fell, although starting from much higher levels than those of the European "core", indicating continuing worry about Italian fiscal sustainability. The 10-year yield fell from 4.098% to 3.747% with the 2-year one ending the month close to 3%. All bonds followed a downward trend during the month with a slight upwards swing in the third week prompted by speculation about central bank decisions and the future path of rates.

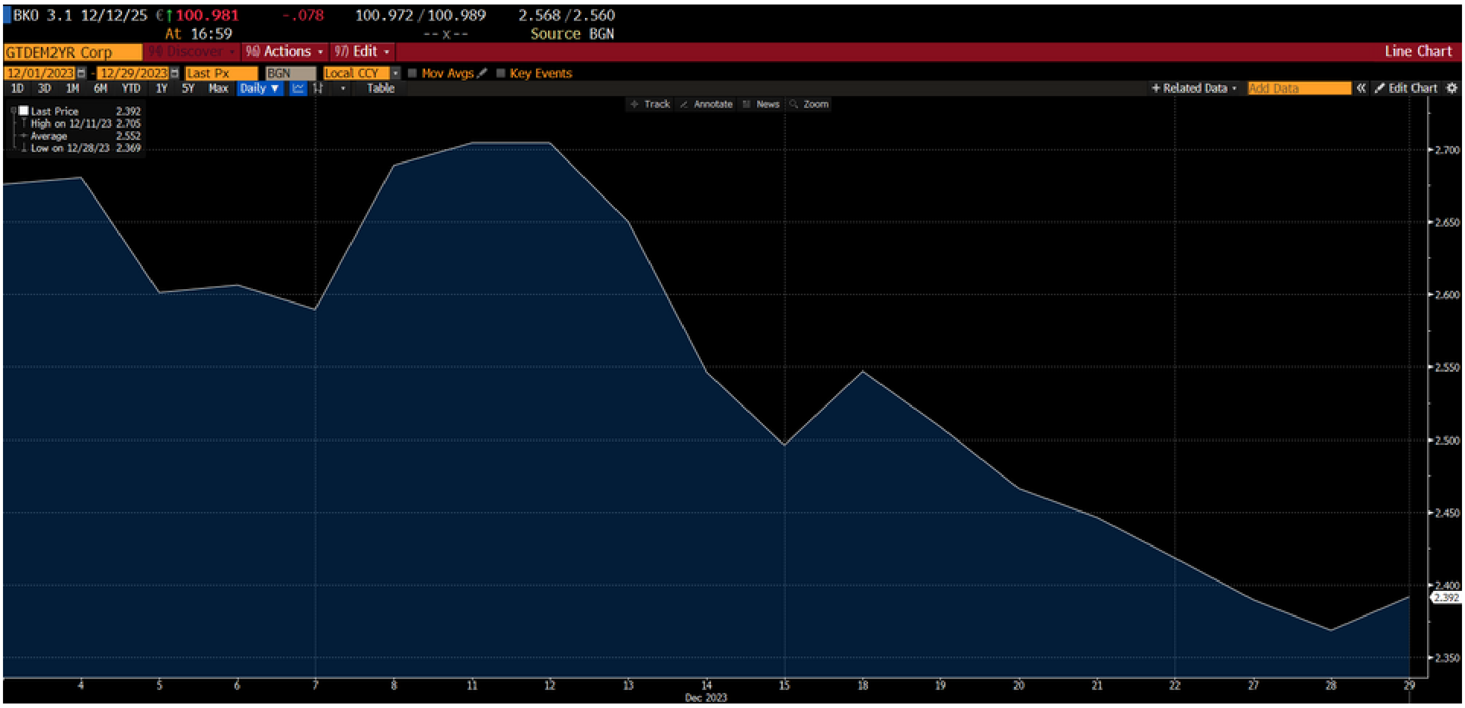
Markets are showing increasing confidence in the financial conditions of the Eurozone as German-Italian and German-Greek bond yield spreads are falling, indicating a relaxation of the fears brought on by the hike cycle. Market expectations of cuts can also be seen in the gradual fall in 10Y/2Y yield spreads of major European countries, as investors are buying up high yield bonds trying to "lock-in" higher returns for the future.

United Kingdom

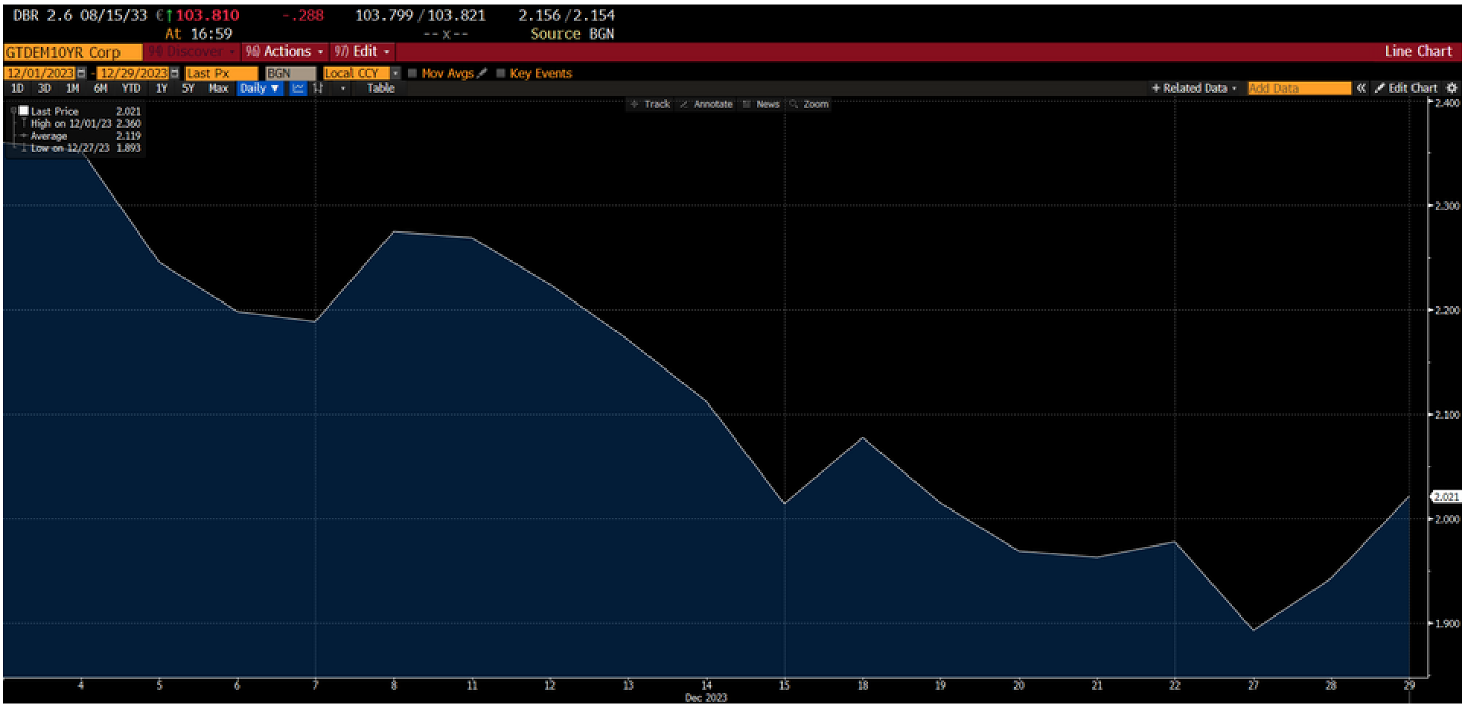
Britain is seemingly in a different predicament as inflation has proved sturdier than in the continent, although it had another large fall in November to 3.9% (from 4.6% in October). However, the BoE is adamant about keeping its rates at 5.25%, waving away all talk of future cuts. Despite the Bank's Resoluteness. The markets seem to have a very different expectation of its future conduct, indicated by large falls in Gilt Yields. The 10-year Gilt fell almost 70bps, from 4.2%, to 3.53% with the 2-year bond yield being more modest in its descent, from 4.59% to around 4%.

Markets are anticipating cuts as they believe the BoE won't keep its hawkish stance for too much longer if the ECB and the FED start cutting, especially since the United Kingdom is most at risk from the threat of recession, indicated by a 0.3% GDP contraction in October. However, the 10Y-2Y spread in gilt yields is still negative, indicating some uncertainty in the short-term future.

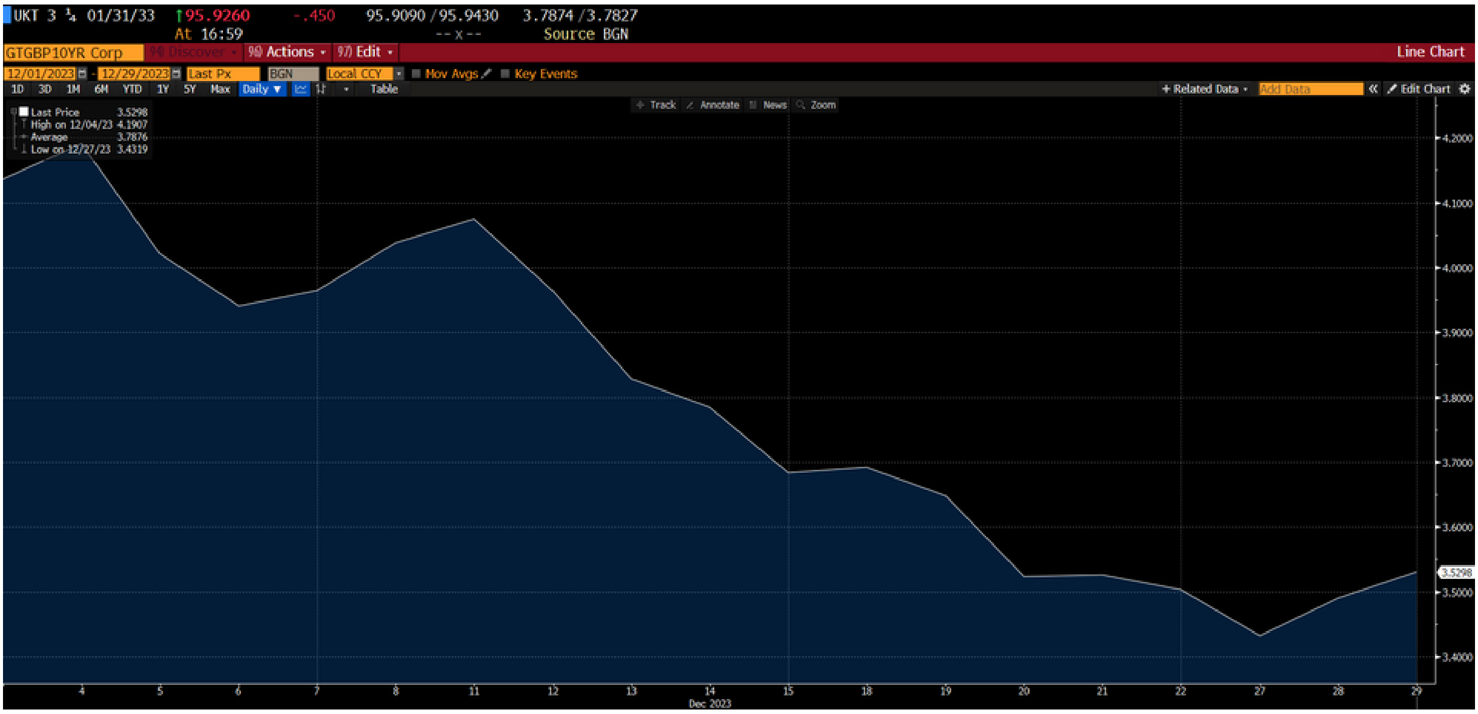
German 2Y Bond Yield



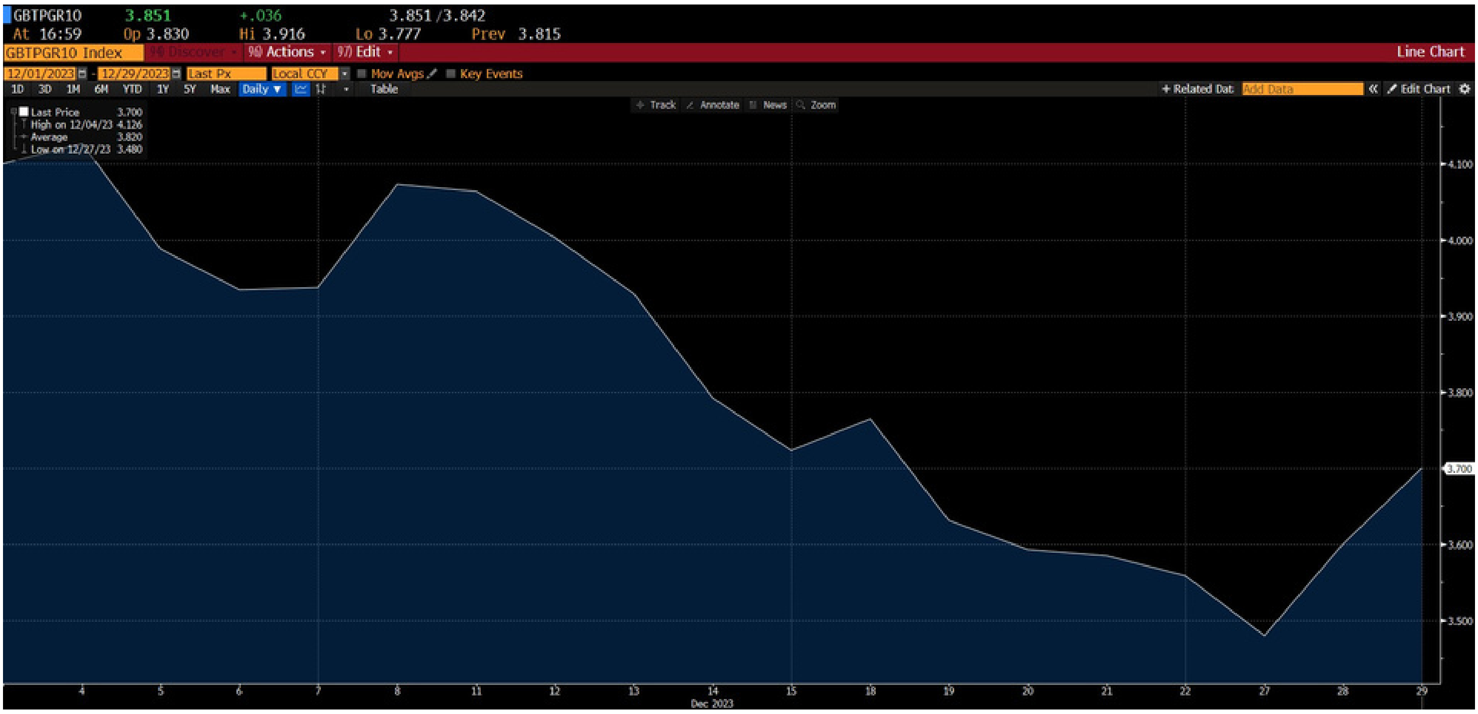
German 10Y Bond Yield



British 10Y Gilt



Italian 10Y Bond Yield



USA

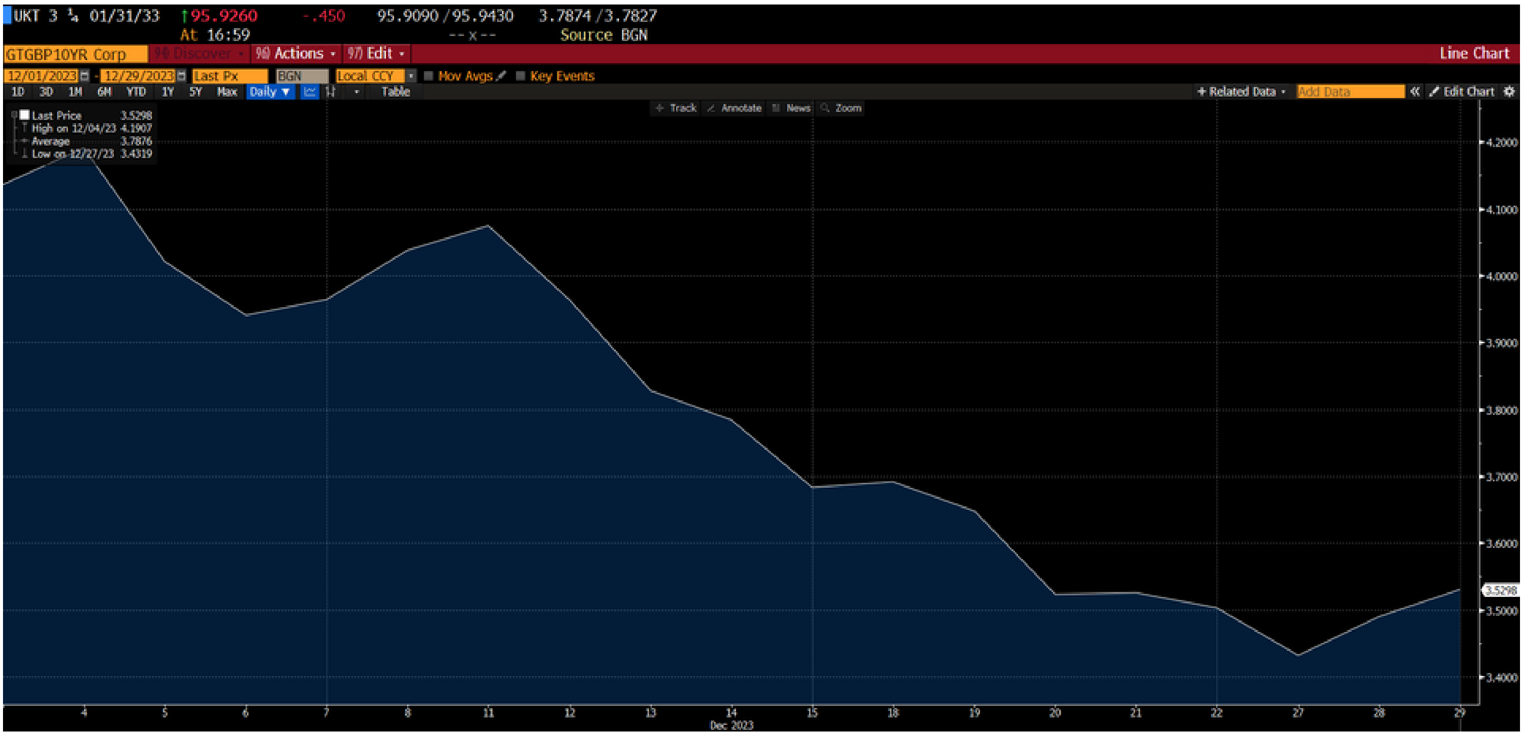
The last month of the year witnessed the US Treasury Notes and Bond yields continue their declining trend, as market participants seem to have incorporated into the basic scenario for the next year, the following two expectations:

1) Inflation is finally pushed down and returning to target,
2) The real economy manages to soft land and a deep recession will be avoided.

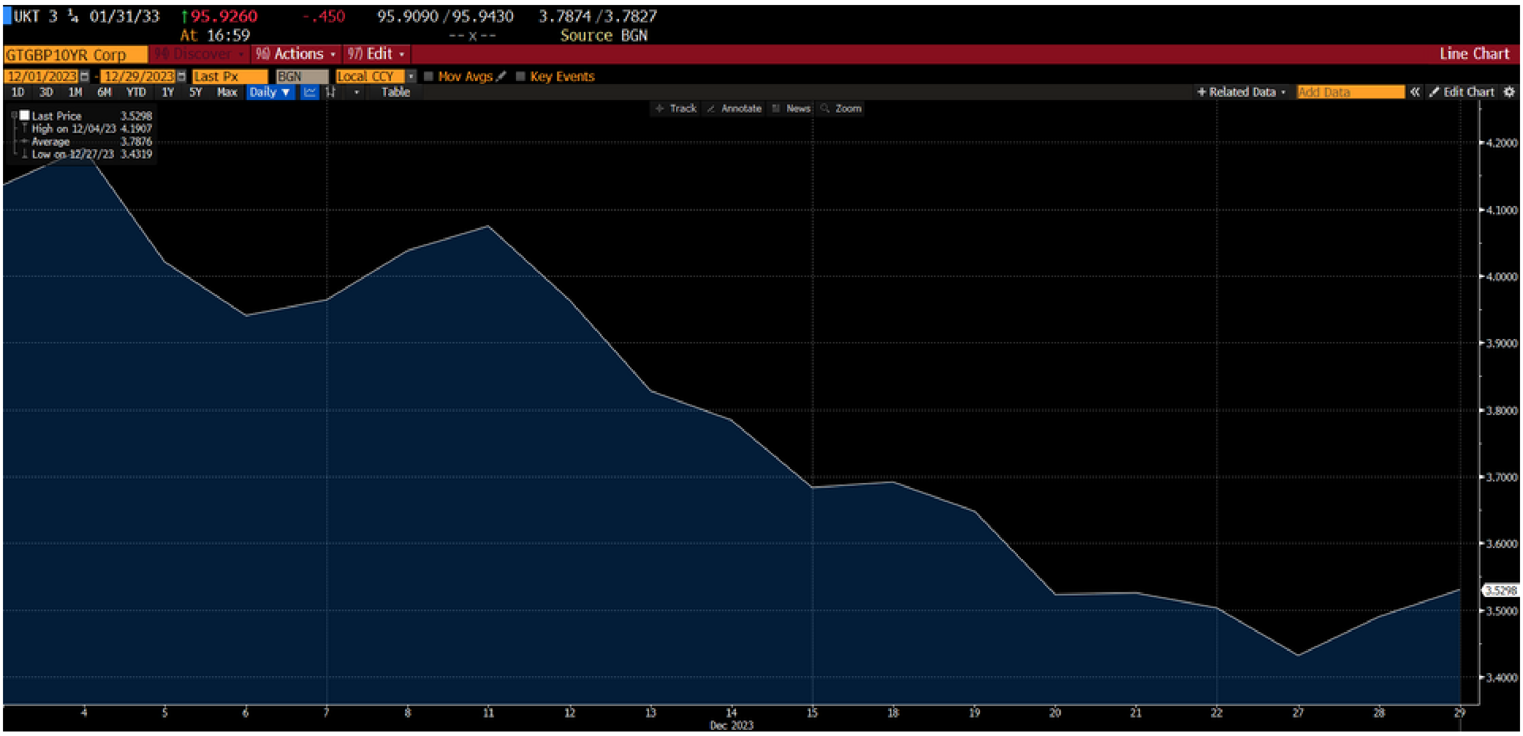
Consequently, rates have reached maximum level, and the FED will start pivoting soon. The above scenario, which seems to be backed by the month's macroeconomic data releases (Core Inflation further decreasing at 4%, solid non-farm payroll, Q3GDP growth strongest since 21Q4 at 4.9%) as well as statements from Policy Makers (FED indicates 75 bps of rate cuts in 2024), has driven Rates, across all term structures, downwards and significantly away from their late-October yearly highs. More specifically, the benchmark 2Y Treasury Bond yield finished the month at 4.26% compared to 4.56% at 1/12 (-30 bps) and substantially lower than 5.19% yearly highs at 18/10 (-93 bps). Also, the 10Y Treasury Bond finished December at 3.84%, compared to 4.22% at 1/12 (-38 bps) and yearly highs of 4.98% at 19/10 (a staggering -114 bps in a matter of 2 months). As a result of the above rally, US Bonds's performance witnessed their best year since the late 90's. Investors seem to linearly extrapolate the above-mentioned macroeconomic narrative, which currently seems dominant in the market, and thus start adding Duration Risk to their portfolio, pushing long-end yields lower. The Yield Curve (2Y10Y) further inverted on a monthly basis to -0.35%, as a result of the above aggressive move in the long-end yields.

From a micro perspective, Yields entered December continuing in their downward trend that started in late October. On the first of the month, the 2Y yield was at 4.56%, whereas the 10Y yield stood at 4.22%. Moving into the next week of the month, on 8/12 non-farm payroll (199K vs exp180K) and unemployment rates (3.7% vs exp3.9%) were announced, being slightly hotter than expected, resulting in Yields increasing slightly, with the 2Y yield reaching 4.73% on 12/12 vs 4.58% on 7/12 (+15 bps) and the 10Y yield reaching 4.20% on 12/12 vs 4.13% on 7/12 (+7 bps). However, the market's sentiment quickly reverted back to being bullish over the following days, as the following events happened on 12/12 and 13/12, making the above-mentioned macroeconomic narrative stronger, amongst participants. 1) 12/12 Inflation Print announcement: annual Core Inflation stayed at 4% (as expected) and CPI annual stood at 3.1% in line, again, with market expectations. 2) FED Interest Rate Decision, Macro Projections, and Public Statement: Not only did policy rate remain unchanged for a 3rd consecutive meeting at 5.5%, but also FED indicated cuts of 75 bps in 2024, showing substantial signs of pivoting. Besides, Jeremy Powel himself stated in a dovish tone: "We're likely at or near the peak rate of this cycle". As a result of the above two events, the 2Y yield fell by 36 bps in a matter of two days (4.37% on 14/12 vs 4.73% on 12/12), while 10Y declined by 28bps (3.92% on 14/12 vs 4.20 on 12/12). For the last 13 days of the month, and as the market entered the Christmas holidays period, yields continued to decline, finally reaching 4.26% and 3.84% for the 2Y and 10Y subsequently.

US 2-Year Bond Yield



US 10-Year Bond Yield



Asian Markets

China

In November, China experienced a continuation of its distinctive economic landscape, marked by a deflationary trend. The year-on-year Consumer Price Index (CPI) recorded a decrease to -0.5%, down from October's -0.2%, marking the lowest point since the depths of the pandemic three years ago. This contraction in inflation is primarily attributed to the slump in the housing market, weak domestic demand, and global corrections in oil prices. The consequential economic challenges prompted Moody's to issue a credit rating downgrade warning for China in early December.

While a further reduction in lending rates, following October's all-time low of 3.45% for the one-year loan prime rate, could stimulate the economy and alleviate deflationary pressures, China chose to maintain the one-year loan prime rate (LPR) at 3.45%. This decision was influenced by the previous decrease in interest rates on existing first-home mortgages, which had a negative impact on the banks' interest income. Notably, in contrast to the bond issuance observed in November, liquidity injection this time took the form of medium-term lending facility (MLF) loans, totaling a net 800 billion yuan ($112.22 billion)—the most significant monthly increase on record.

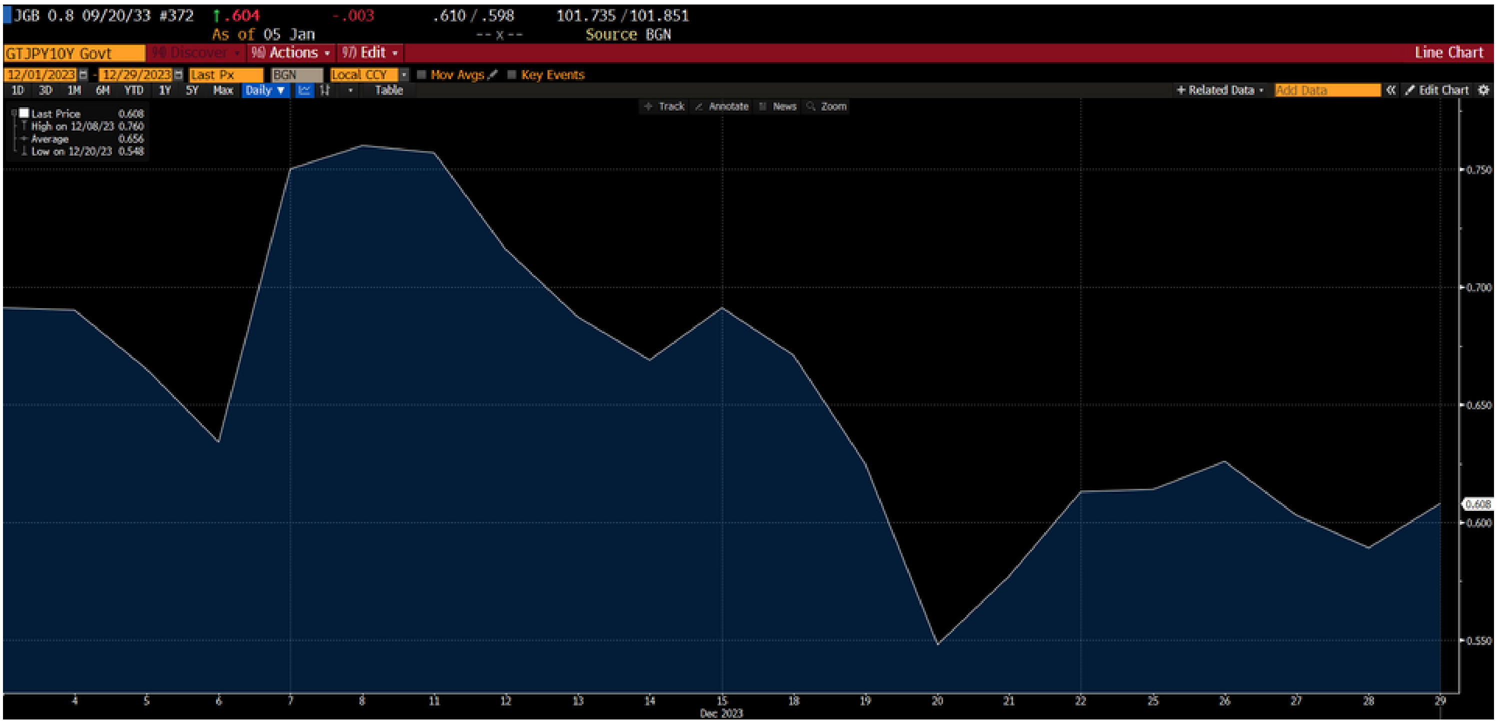
Considering the imperative for quantitative easing and economic growth amid deflationary challenges, expectations persist for a further reduction in China's lending rate. This anticipation is reflected in the drop of the 10-year government bond yield from 2.68% in November to 2.57%.

Japan

On the contrary, China's Asian counterpart, Japan, finds itself in a unique economic situation distinct from both China and the Western major economies. In November, the year-on-year annual inflation rate in Japan declined to 2.8% from October's 3.3%, while the core Consumer Price Index (CPI) fell to 2.5% from 2.9%. In contrast to the Western approach, Japan's objective is not to curtail inflation but, according to BOJ Governor Kazuo Ueda, to replace recent cost-push inflation with a demand-driven increase in prices supported by substantial wage gains. To achieve this, Japan has maintained the negative short-term lending rate at -0.1% for another month, employing extreme monetary policy looseness.

Regarding Japan's fixed-income assets, it is projected that the country will issue climate transition bonds amounting to 1.6 trillion yen ($11 billion) with five and ten-year tenors in the coming months. This initiative aligns with Prime Minister Fumio Kishida's plan to issue an estimated 20 trillion yen worth of "green transition" bonds. The objective is to finance investments that contribute to achieving a carbon-neutral society, spurred by the need for alternative energy sources, following Russia's invasion of Ukraine. Lastly, the 10-year bond yield in Japan continued its downward trajectory, decreasing from November's 0.67% to December's 0.61%, indicative of ongoing market trends and economic dynamics.

Japanese 10Y Bond



Poll Summary - Poll Date : 14-Dec-2023

GERMANY 2-Year Government Bond

	One Month	Three Months	Six Months	Twelve Months
Effective Date	29-Dec-2023	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	2.76	2.82	2.68	2.32
Mode	2.68	3	2.75	2.25
Min	2.63	2.57	2.45	1.93
Max	3	3	2.97	2.6
Standard Deviation	0.11	0.15	0.16	0.21
Forecasts	13.00	16.00	17.00	17.00

Poll Summary - Poll Date : 14-Dec-2023

GERMANY 10-Year Government Bond

	One Month	Three Months	Six Months	Twelve Months
Effective Date	30-Nov-2023	31-Jan-2024	30-Apr-2024	31-Oct-2024
Mean	2.5	2.51	2.44	2.33
Mode	2.5	2.5	2.4	2.25
Min	2.29	2.1	2	1.87
Max	3.3	3.1	2.93	2.9
Standard Deviation	0.21	0.19	0.23	0.24
Forecasts	28	35	35	36

Poll Summary - Poll Date : 14-Dec-2023

Japan 2-Year Government Bond

	One Month	Three Months	Six Months
Effective Date	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	0.22	0.24	0.34
Min	0.14	0.15	0.15
Max	0.37	0.4	0.55
Standard Deviation	0.09	0.1	0.15
Forecasts	5	5	5

Poll Summary - Poll Date : 14-Dec-2023

Japan 10-Year Government Bond

	One Month	Three Months	Six Months	Twelve Months
Effective Date	29-Feb-2024	31-May-2024	29-Nov-2024	31-Oct-2024
Mean	0.89	0.93	1.03	1.04
Min	0.7	0.77	0.82	0.86
Max	1.13	1.12	1.3	1.3
Standard Deviation	0.1	0.1	0.12	0.12
Forecasts	23	22	22	17

Poll Summary - Poll Date : 14-Dec-2023

UK 2-YEAR GILT

	Three Months	Six Months	Twelve Months
Effective Date	31-Jan-2024	30-Apr-2024	31-Oct-2024
Mean	4.65	4.61	4.41
Min	4.5	4.4	4.25
Max	5.2	5	4.63
Standard Deviation	0.24	0.17	0.12
Forecasts	7.00	10.00	10.00

Poll Summary - Poll Date : 14-Dec-2023

UK 10-YEAR GILT

	Three Months	Six Months	Twelve Months
Effective Date	31-Jan-2024	30-Apr-2024	31-Oct-2024
Mean	4.16	4.13	4.03
Min	4	3.77	3.47
Max	4.31	4.4	4.35
Standard Deviation	0.1	0.16	0.2
Forecasts	22.00	28.00	27.00

Poll Summary - Poll Date : 14-Dec-2023

US 2-Year Government Bond

	One Month	Three Months	Six Months	Twelve Months
Effective Date	29-Dec-2023	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	4.67	4.58	4.26	3.8
Min	4.2	3.87	3.5	2.93
Max	4.95	4.9	4.7	4.6
Standard Deviation	0.17	0.26	0.32	0.36
Forecasts	18.00	23.00	24.00	23.00

Poll Summary - Poll Date : 14-Dec-2023

US 10-Year Government Bond

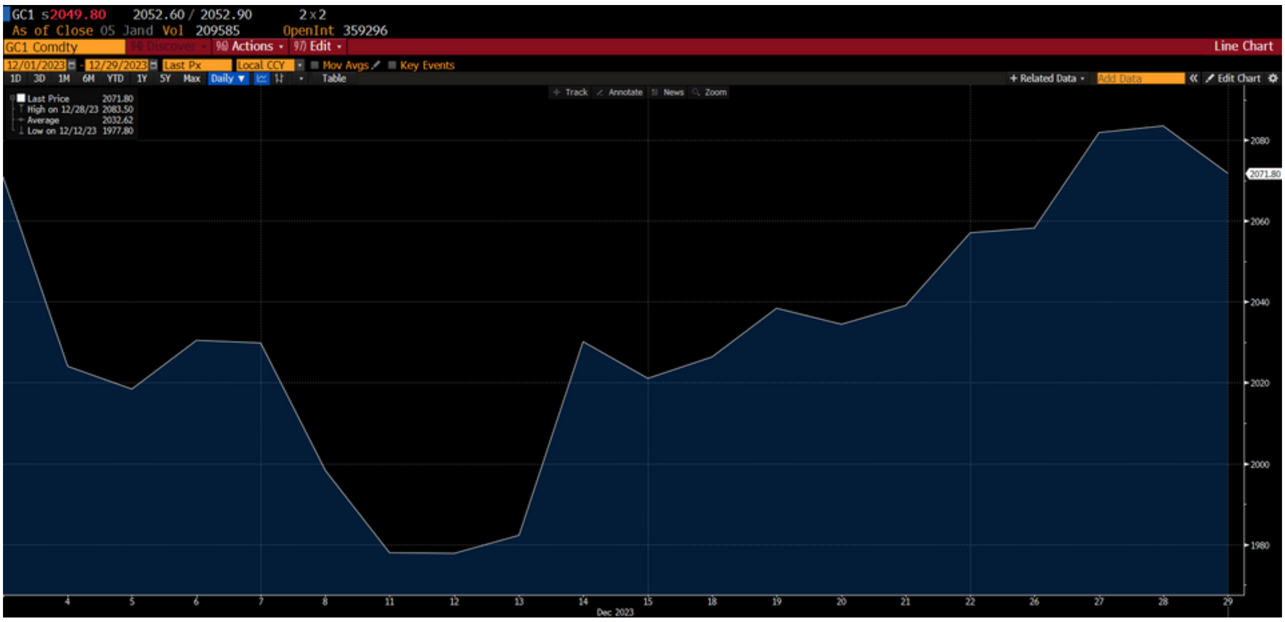
	One Month	Three Months	Six Months	Twelve Months
Effective Date	29-Dec-2023	29-Feb-2024	31-May-2024	29-Nov-2024
Mean	4.37	4.25	4.11	3.87
Min	4	3.45	3.5	3
Max	4.8	4.7	4.65	4.6
Standard Deviation	0.19	0.24	0.27	0.34
Forecasts	43.00	50.00	50.00	48.00

Commodity	29/12 Close	MoM	YtD
Bloomberg Commodity Index	98.64	-1.51%	-10.5%
Bloomberg Energy Index	70.43	-7.54%	-18.43%
Gold Continuous Cont	USD 2,071	1.22%	13.1%
Silver Continuous Cont	USD 24.46	-6.46	-2.3%
Crude WTI Continuous Cont	USD 71.65	-2.61%	-4.2%
Crude Brent Continuous Cont	USD 77	-4.9%	-3.96%
Natural Gas TTF Continuous	EUR 32.5	-20.16%	-55.73%

Gold

December was a volatile month for Gold. The precious metal opened the month at $2,056 and closed $2,071, the interest rates path and lower than expected CPI acted as the key factors Gold performance. Overall, Gold experienced a 13% increase, making its best performance since 2020.

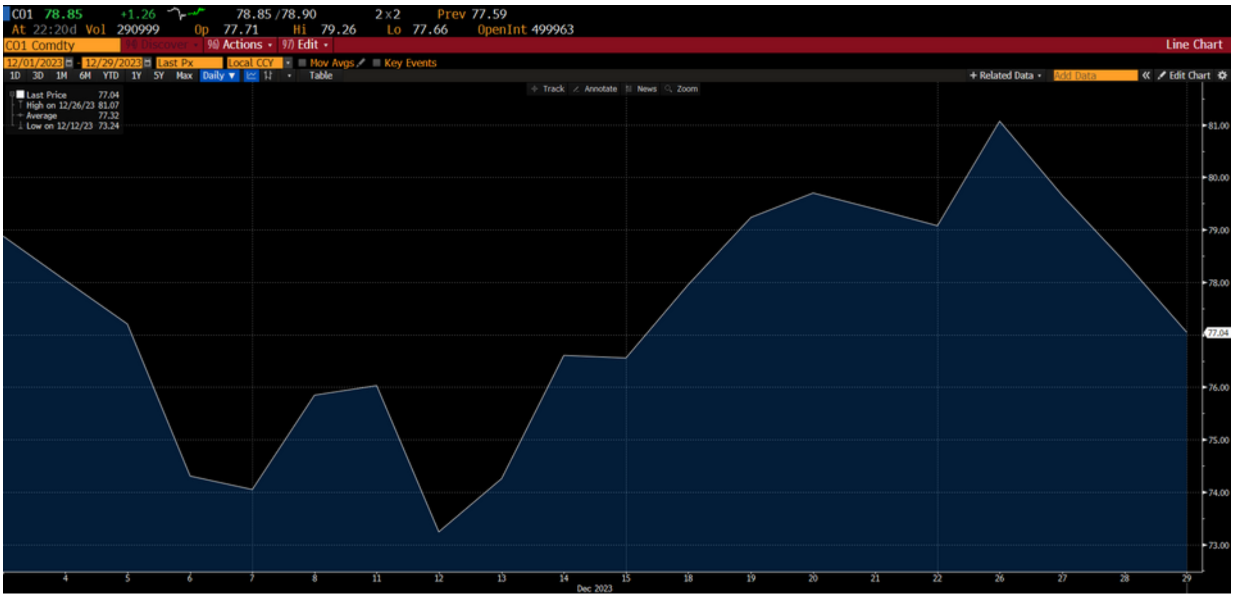
On a micro level, Gold prices exhibited a week of fluctuation, on 1/12 the commodity price reached a seven-month high. A subsequent surge on Monday (3/12) propelled gold to an all-time high of $2,148.78 before a retracement. Factors including less hawkish signals from the Fed and demand for safe-haven assets amid Middle East tensions were the main drivers for this all-time high movement. On 6/12, Gold reached $2,100, supported by Powell's comments. From that point, gold prices hovered around $1,980 per ounce, influenced by a rise in the US CPI and its impact on the dollar index. Gold prices rebounded from a three-week low to $1,988.69 per ounce on 12/12, boosted by a weaker dollar. On 13/12, the Fed decided to maintain the interest rates level at 5.25-5.50% and signaled an end to interest rate hikes, driving by this policy meeting decision Gold price reached a one-week high. On December 15, a weakened dollar and lower Treasury yields, following the Fed's dovish stance, nudged gold prices to increase to $2,036.83 per ounce. However, by December 19, as Fed officials tempered dovish expectations, gold prices dipped to $2,024.67 per ounce, emphasizing the metal's sensitivity to U.S. monetary policy shifts. Moving to the fourth week of December, gold prices traded in the range of $2,000-$2,050 amid speculation on when the Federal Reserve would trim interest rates. However, with the Fed officers warned against overly optimistic bets on early rate cuts, gold erased its gains. On 21/12 Gold price edged higher as the announcement of lower-than-expected US GDP. In the final session of the year, Gold opened at $2,077 per ounce, touching an intraday high of $2,088.



Oil

December brought a rollercoaster of volatility to the global oil market, with multiple factors influencing price movements throughout the month. Concerns about oversupply persisted as both benchmarks recorded a substantial 3.8% loss for the month. Chinese crude oil imports fell by 9%, driven by high inventories and weak economic indicators, contributing to global concerns. In contrast, positive signs from the US, such as robust job growth and strong consumer sentiment, supported fuel demand. The market dynamics were further complicated by the OPEC+ agreement on output cuts, as some members faced challenges adhering to commitments, prompting calls from Saudi Arabia and Russia for compliance.

In December, the oil market exhibited considerable turbulence, with prices responding to various economic and geopolitical factors. On 7/12, Brent crude futures rose to $74.05 per barrel, and US WTI crude futures increased to $69.34 per barrel. However, the delicate balance of the week, influenced by US production levels and Chinese demand concerns, led to significant volatility. The following week, on 9/12, Brent and US WTI posted their first gain in six sessions, settling 2% higher at $75.84 per barrel and $71.23 per barrel, respectively. The week witnessed intricate economic challenges in China and corrections in the dollar index, contributing to the fluctuating prices. As tensions escalated in the Middle East and disruptions in maritime trade occurred due to Red Sea attacks, oil prices soared on 14/12. Brent crude rose to $76.75 per barrel, and US WTI crude climbed to $71.88 per barrel. The market's sensitivity was evident as a US task force dedicated to protecting Red Sea vessels was announced, further influencing the surge, reaching $78.66 per barrel for Brent. However, the subsequent week saw the biggest weekly gain in two months, triggered by concerns about supply chain disruptions and positive US economic news. On 19/12, Brent crude reached $78.66 per barrel, and US WTI crude rose to $73.35 per barrel. The following week, prices experienced a decline of over 1% as Red Sea transport disruptions eased, with shipping companies gradually returning to the region. As the year drew to a close, on 30/12, the oil market reported its most significant annual drop since 2020, with Brent settling at $77.04 per barrel, and US WTI settling at $71.65 per barrel. The complex interplay of geopolitical tensions, OPEC+ commitments, and global economic conditions remained key determinants of oil price dynamics, underlying the expectation of continued volatility in the oil market.



Natural Gas

Throughout December, the TTF Gas exhibited a fluctuating trend marked by significant volatility. The commodity started at €43/MW, but the price constantly dropped, reaching a total drop of 25% since the start of the month. The sharp decline is mainly attributed to mild weather predictions throughout the year, which didn't let the commodities price go up. On a YoY basis commodity performance, the price has dropped 58%, a huge downfall since December'22.

On a Micro-basis TTF Gas, initially priced at €44/MW/h, embarked on a downward trajectory in the first week, reaching a low of €38/MW/h due to hotter temperatures experienced in Europe. Despite a slight uptick to €40.5/MW/h by the week's end on 7/12, TTF Gas continued to decline. Continuing to the second week, TTF kept following a bearish trend with its price reaching €36/MW/h on 11/12, a 12% downfall since the start of the second week. The commodity persistently decreased in value, trading below €39/ MW/h and eventually hitting €32.3/MW/h on 18/12, marking its lowest point in nearly three months. This downward trend coincided with signs of restrained demand and a notably abundant supply in the market. The decrease in prices aligns with these indicators, reflecting the ongoing impact of these market conditions on TTF Gas values. However, European natural gas futures surged to €35/MWh on 21/12, marking a 4% increase for the week due to the recent intensification of the Israeli-Hamas conflict. This escalation caused disruptions in LNG tanker routes within the Red Sea, compelling vessels to opt for longer and more expensive paths. The fourth and final week began on a positive note as the commodity surged to its highest point at €37/MWh, driven by colder forecasts and growing concerns regarding LNG supplies from the Middle East due to attacks on shipping in the Red Sea. However, this upward movement was short-lived, as TTF plummeted by 58% on 29/12, hitting a nearly four-month low of €32/MWh. By the end of 30/12, the price settled at €34/MWh, marking the final TTF price for 2023.

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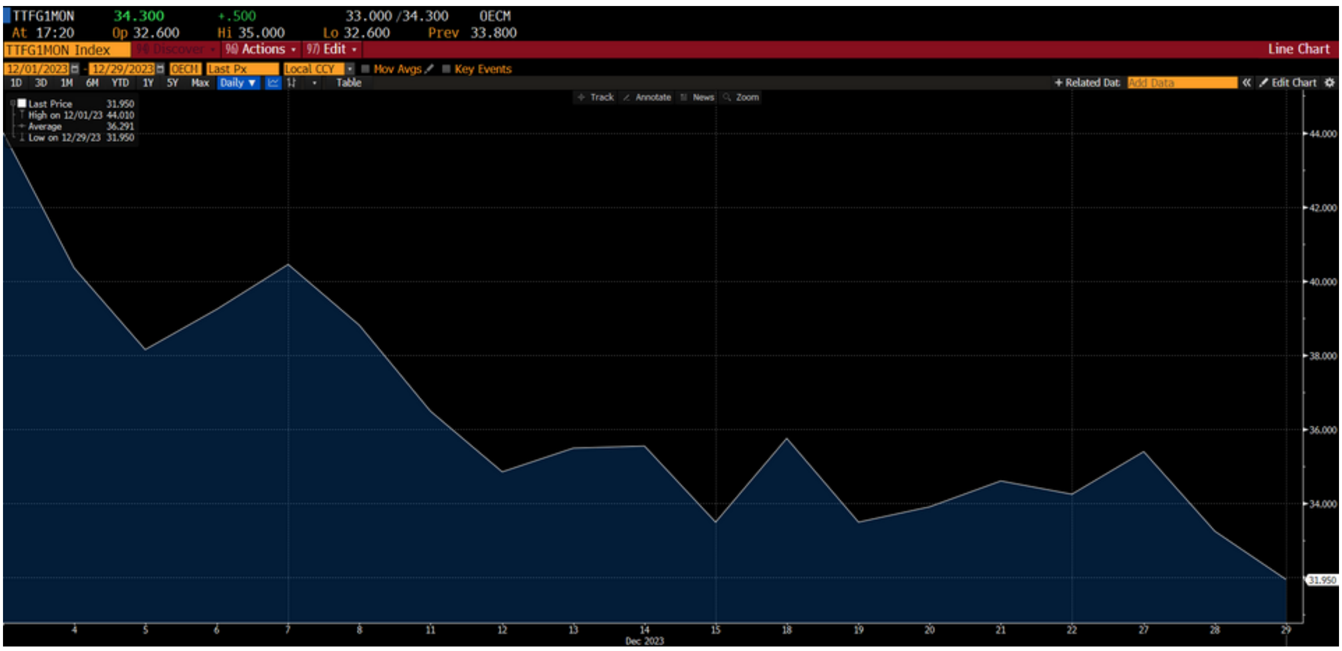


Poll Summary - Poll Date : 19-Dec-2023 Crude WTI Oil					
Poll Summary - WTI		Q4 2023	Q1 2024	Q2 2024	Q3 2024
Reuters Poll (Mean)		82.64	80.92	80.53	81.2
Standard Deviation		3.33	5.08	5.54	6.44
Max		89	90	89	91
Min		76.5	72	70	70

Poll Summary - Poll Date : 19-Dec-2023 Crude Brent Oil					
Poll Summary - Brent		Q4 2023	Q1 2024	Q2 2024	Q3 2024
Reuters Poll (Mean)		86.67	84.67	84.3	84.81
Standard Deviation		3.03	4.62	4.88	6.26
Max		93	93	92	95
Min		82	75	75	72.5

Poll Summary - Poll Date : 19-Dec-2023 Gold					
Poll Summary - Gold		Q4 2023	Q1 2024	Q2 2023	Q3 2024
Reuters Poll (Mean)		1919.6	1944.48	1924.87	1970.03
Standard Deviation		59.41	96.74	28.83	105.44
Max		2075	2150	1975	2160
Min		1825	1775	1803	1750

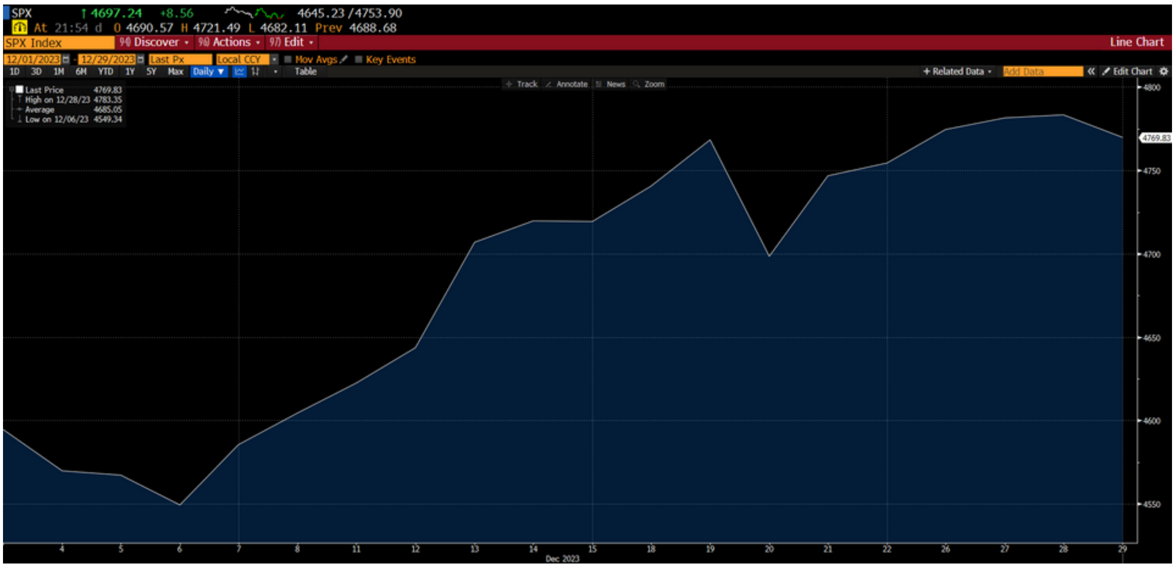
References: Reuters Terminal

Index	30/12 Close	MoM	YtD
S&P 500	4,567.79	3.84%	24.72%
NASDAQ 100	16,825.91	5.17%	54.98%
DJIA	37,689.51	3.98%	13.73%
FTSE 100	7,733	2.7%	2.37%
DAX	16,751.64	2.15%	18.21%
CAC 40	7,533.18	2.68%	13.87%
STOXX 600	479.01	2.74%	10.32%
ATHEX GD	1,293.14	1.01%	36.1%
HANG SENG	17,047.88	1.28%	-13.43%
NIKKEI 225	33,464	0.09%	30.41%

American Market - Indices

Marked by the significant decision of the Federal Reserve to maintain interest rates at their current levels and project three rate cuts in 2024, US stocks enjoyed another month of rallying. The S&P 500 gained 4.48%, the NASDAQ 100 increased by 5.96%, and the Dow Jones Industrial Average achieved a record high, closing the month 4.81% higher. Inflation continued its easing trajectory, falling to 3.1%, and the Unemployment Rate dropped to 3.7% (from the previous 3.9%). Non-Farm Payrolls saw a notable increase, rising from 150K to 199K. The technology sector emerged as one of the winners of the month, gaining 4.11%, with Apple Inc. (AAPL) increasing by 1.67% and Broadcom Inc. (AVGO) gaining 18.65%. However, the only sector that closed the year with losses was the Energy sector (-0.21% down), with Exxon Mobil Corp. (XOM) marking a -2.31% loss.

In the first week of December, US equities sustained their upward trajectory, building on the positive momentum from November. The S&P 500 commenced the month at $4,559.43 and concluded the first week at $4,604.37, registering a 0.98% increase and reaching a record high for the year. Similarly, the NASDAQ 100 started at $15,892.59 and closed the week at $16,084.69, marking a 1.21% upward growth. The DJI, beginning the month at $35,914.45, concluded its first week at $36,247.87, reflecting a 0.93% increase. The market's positive momentum was fueled by enthusiasm surrounding artificial intelligence, with tech giant Google (Alphabet Inc) unveiling its new AI platform and AMD introducing a new AI chip to rival industry leader Nvidia (NVDA) on Thursday. As the first week concluded, the Non-Farm Payrolls Report Month/Month increased to 199K against a consensus of -3K (previous 150K). This data instilled optimism among investors that the Federal Reserve's rate hikes have peaked, paving the way for a potential "soft landing" for the US economy. During the second week, US equities once again experienced gains, capitalizing on the Federal Reserve's Interest Rate Decision on Dec. 13 to maintain rates at 5.50%, aligning with the market consensus that rate hikes are likely over, and rate cuts could begin in 2024. The S&P 500 closed the week 2.60% higher, the NASDAQ 100 rose by 3.21%, and the DJI marked a 2.92% gain, reaching a new all-time high, surpassing $37,000 for the first time on Wednesday. Several economic indicators were released beyond the Fed's decision in the second week of December. CPI MoM increased by 0.1% (compared to the previous 0.0%), PPI MoM remained at 0.0% (previous -0.4%), and the PPI YoY was 0.9% (previous 1.3%). Additionally, Retail Sales MoM increased to 0.3% (previous -0.2%). Noteworthy movements among tech giants included Amazon (AMZN), Nvidia (NVDA), and Meta (META) advancing by 1.7%, 1.1%, and 0.5% and closing the week at $149.47, $488.90, and $334.92 respectively. In the third week of December, US stocks continued to perform in the positive territory as S&P 500 increased by 0.65%, NASDAQ 100 gained 0.90% while DJI closed the week 0.15% higher. Despite Wednesday's sharp decline on December 20, attributed to investors capitalizing on profits after the market's robust run—where DJI slid by 475.92 points, NASDAQ 100 dropped by -1.76%, and S&P 500 fell by -1.47%, marking its worst day since September—resilient performance persisted. Additionally, Friday's mixed closing on December 22, influenced by November's key inflation reports, with the PCE Price Index YoY at 2.6% (below the consensus of 2.8%) and PCE Price Index MoM at -0.1%, indicated further signs of cooling. The US markets ended the month on a positive note, with the S&P 500 rising by 0.24%, the NASDAQ 100 gaining 0.06%, and the DJI increasing by 0.75%. This resulted in the year closing at $4,769.83, $16,825.93, and $37,689.54 for each index, respectively. The Real Estate and Technology sectors saw increases of 0.83% and 0.22%, while the Energy sector experienced a decline of -1.34%.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SPX Index
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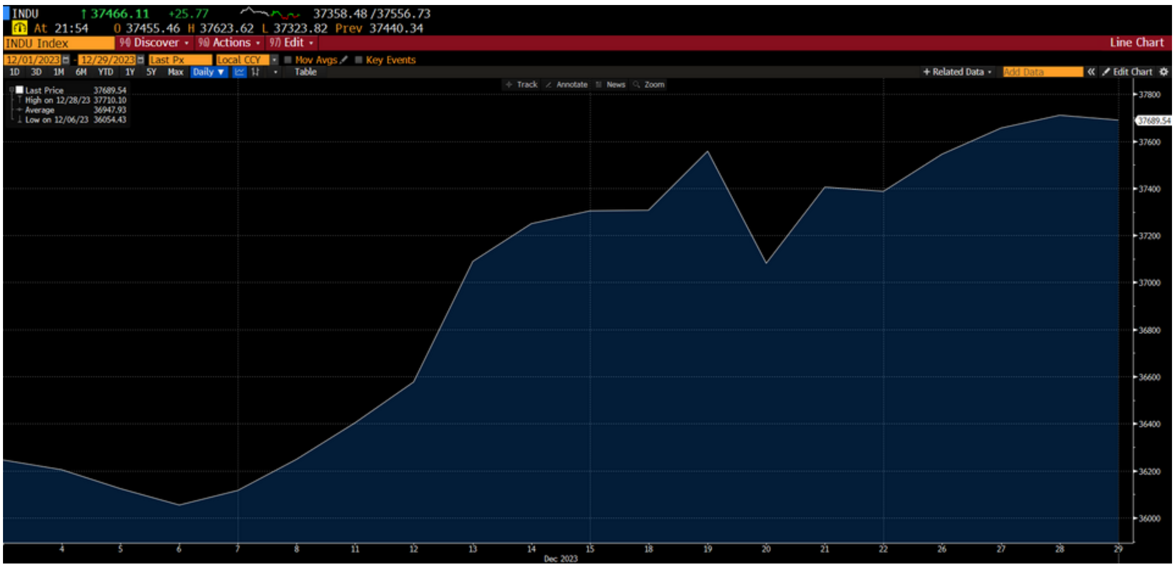
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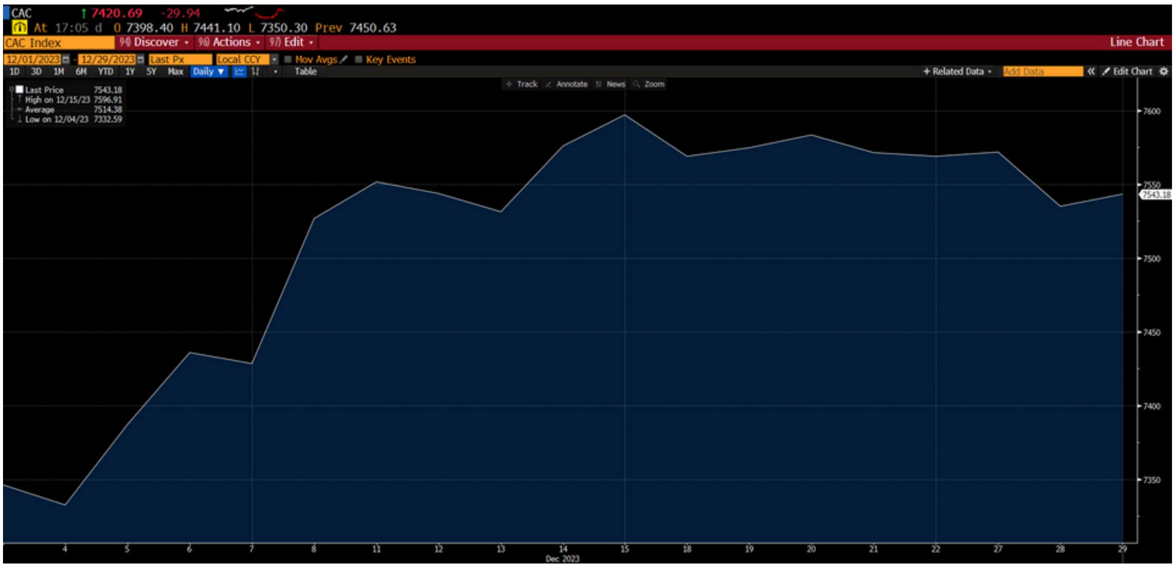
European Market - Indices

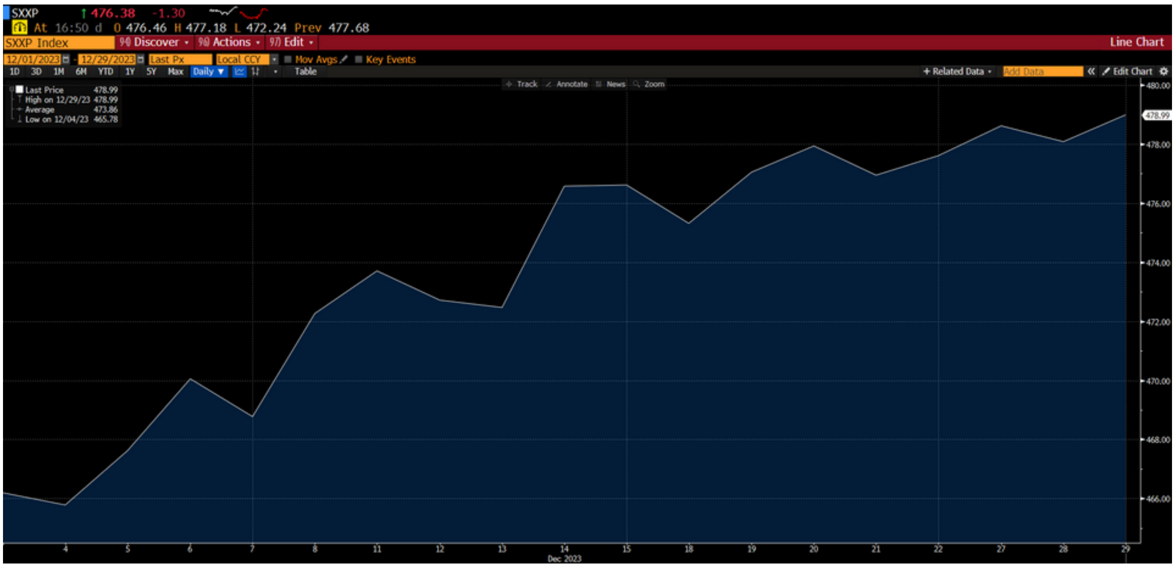
FTSE100, CAC40, STOXX600

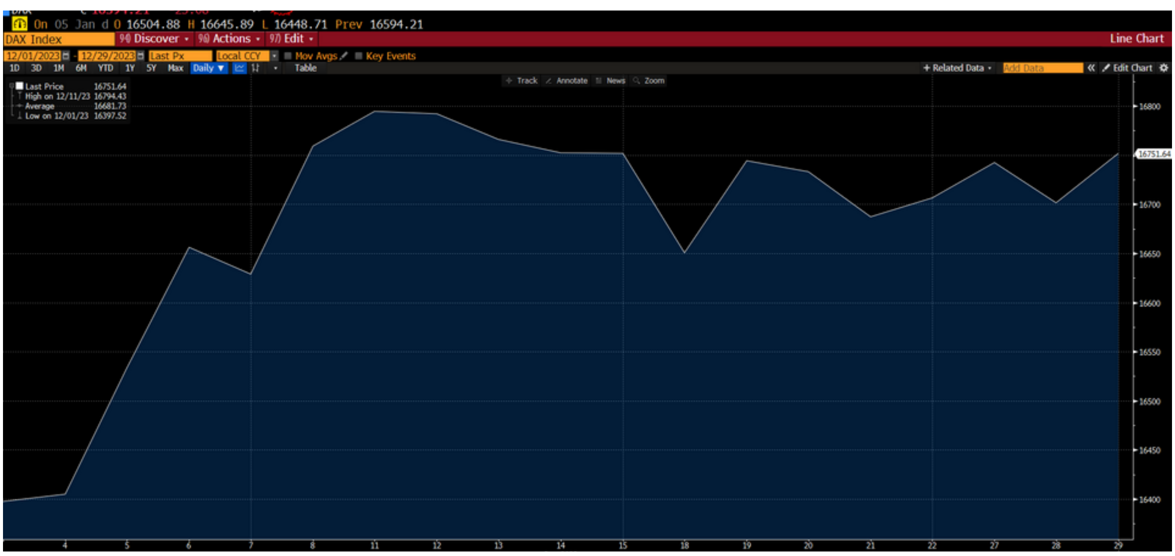
European stocks maintained their upward trajectory in December, propelled by the Federal Reserve's decision to keep rates at their current level and the European Central Bank's decision on December 14 to also maintain rates at 4.5%. This instilled optimism among investors, signaling that rates may have peaked. The German index DAX closed the month 3.21% higher, the French CAC 40 concluded with a 3.00% increase and the Pan-European index STOXX 600 marked a significant 3.78% rise. Key reports released in December included a decrease in the GDP Growth Rate QoQ for the third quarter to -0.1%, and the Inflation Rate YoY approached the target of 2%, standing at 2.4% (down from the previous 2.9%).

European stocks extended their rally in the first week of December with the German DAX index elevating by 2.84% as it closed at €16.759, French index CAC 40 increasing by 2.59% closing the week at €7.526,55 and the European STOXX600 achieving a year high as it closed the week with a 2.25% gain. A spate of economic data including European GDP Growth Rate QoQ 3rd Est being -0.1% and Germany Inflation Rate MoM -0.4% (cons. -0.4%, previous 0%), indicated a persistent decline in inflation and a slowdown in growth. This led traders to adjust their expectations for the trajectory of interest rates across the Eurozone, with markets now factoring in potential rate cuts from the ECB in early 2024. In the second week of December, European equities exhibited a mixed performance. The CAC 40 concluded the week 0.88% higher, the STOXX 600 recorded a 0.9% increase with rates-sensitive real estate stocks leading the gains as it reached its highest level since January 2022. However, the German index DAX closed with a slight decline of -0.06%. On Dec. 14, European markets witnessed a significant upswing, driven by investor optimism following the US Federal Reserve's decision to hold rates and indication of potential interest rate cuts next year. However, these gains were tempered after the European Central Bank decided to keep interest rates unchanged and maintained plans to keep policy tight well into the next year to counteract inflation. During the third week of December European stocks had a soft performance but closed in the positive territory with CAC 40 increasing by 0.07%, the German index DAX gaining 0.13% and the Pan-European STOXX 600 advancing by 0.37%. Key inflation reports confirmed its easing trajectory as November's Inflation Rate YoY reported to 2.4% (previous 3.6%), Core Inflation Rate YoY to 3.6% and CPI Final to 123.85 (previous 124.54). European stocks concluded the last week of the year with a mixed performance as STOXX 600 gained 0.23%, the German index DAX increased by 0.15%, while CAC 40 retreated by -0.50%.

European Market – Indices





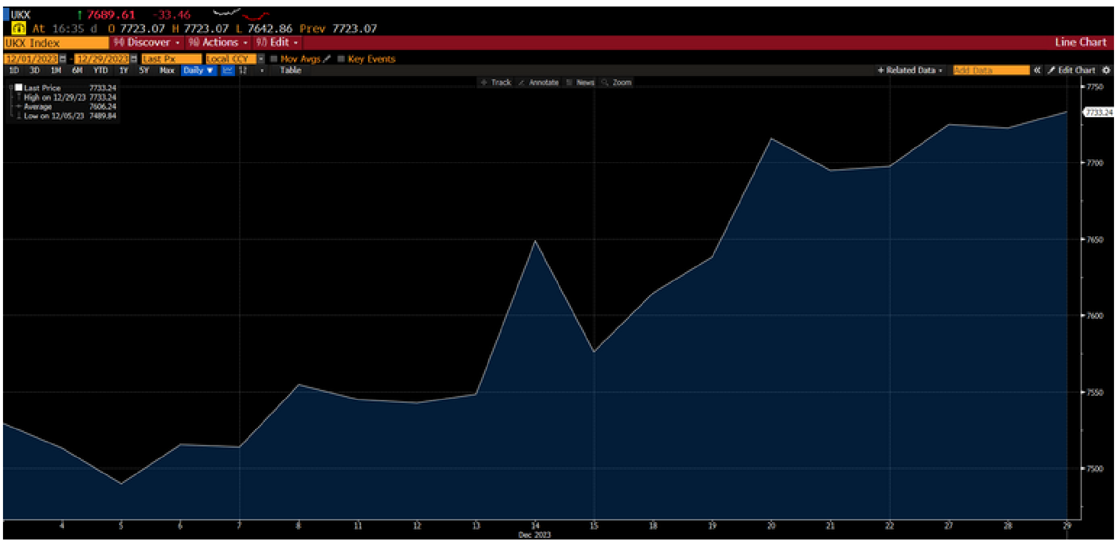


United Kingdom - Indices

FTSE100

In the initial week of December, the UK's equities enjoyed an upsurge of 0.33%. On Tuesday, 12th the unemployment rate remained steady at 4.2% (forecast 4.3%), the British GDP MoM contracted by -0.3% (cons 0%, prev 0.2%), reversing the growth from the previous two months and felling short from market forecasts of a flat reading, indicating a sing of recession. Moreover, the Bank of England maintained its benchmark interest rate at a 15-year high of 5.25%, with a 6-3 voting, following FED's and ECB's interest rate pause decision. The FTSE 100 wrapped up the week with an increase of 0.41%. UK's yearly inflation rate decelerated to 3.9% (cons 4.4%, prev 4.6%), highlighting the lowest mark since September 2021. In line with the preceding inflation, annual core inflation rate also saw a decrease for a fourth consecutive month to 5.1%, being the lowest since January 2022. Moving towards the end of the month, British economy experienced an annual GDP growth rate of 0.3% in the third quarter of 2023, half the initially reported expectations of 0.6%, aligning with the Q2 growth which was also stated to be 0.3%. The FTSE 100 concluded the final week of the year with a settle increase of 0.10%.

On a micro level, the UK's Nationwide House Price Index information was released. House prices experienced a 2% YoY decrease, marking the tenth sequential decline. The index was at a lower point than the anticipated 2.3% drop and represents the smallest reduction in house prices since February. Furthermore, Mortgage rate in the United Kingdom was brought down to 8.03% (prev 8.05%). The FTSE 100 opened at 7,529.35 and concluded at 7,554.47 points on Friday 8th. In the end of the second week the GfK Consumer Confidence indicator in the United Kingdom rose to -22 in December 2023 (prev -24) Pessimism is fading for British citizens as regards to their future financial situation, mainly due to a reduction in inflationary pressures. Analysts pointed out that wages started to outpace inflation, and mortgage rates have eased from their summer peak. The UK market commenced at 7,544.89 and closed at 7,576.36. Moving on, retail sales in the UK elevated by 1.3% (cons 0.4%, prev 0%), strongest growth since the beginning of this year, mainly attributed to the preceding Black Friday sales and more extensive discount initiatives targeting non-food retailers. The Nationwide House Price Index YoY dropped by -1.8% (cons -1.4%, prev -2%) in December, nearly 4.5% under the peak reached in late summer 2022. On the contrary, UK stock exchange faces various challenges, including a diminishing number of listed companies and the FTSE 100 Index being the poorest-performing benchmark in Europe this year. The UK market finalized the year at 7,733.20 points.



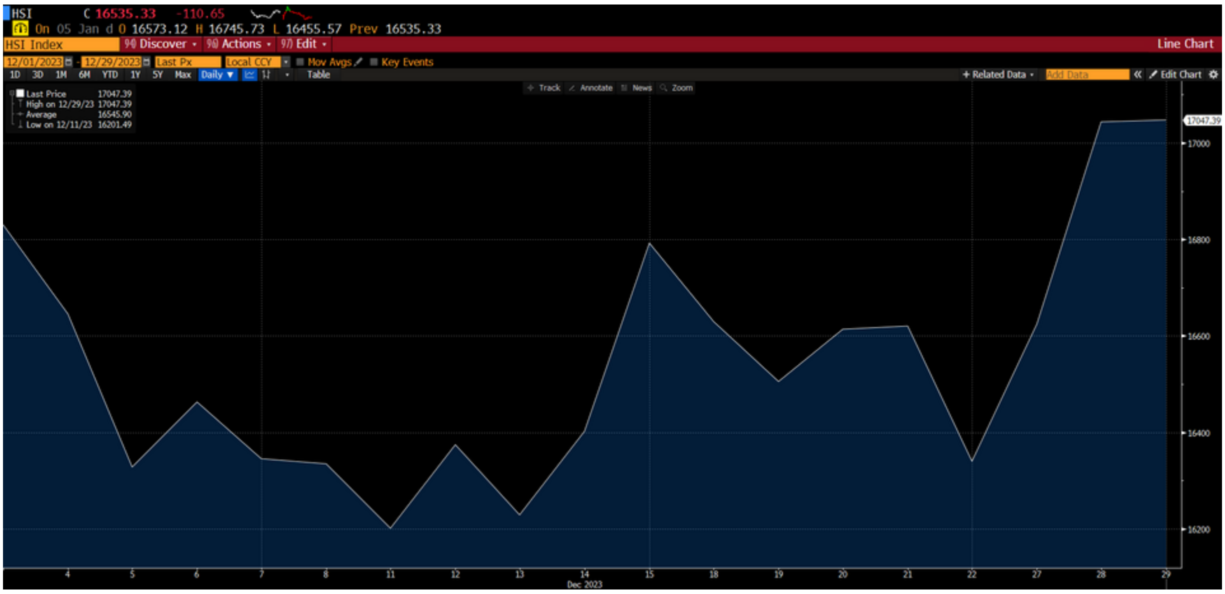
Asian Markets - Indices

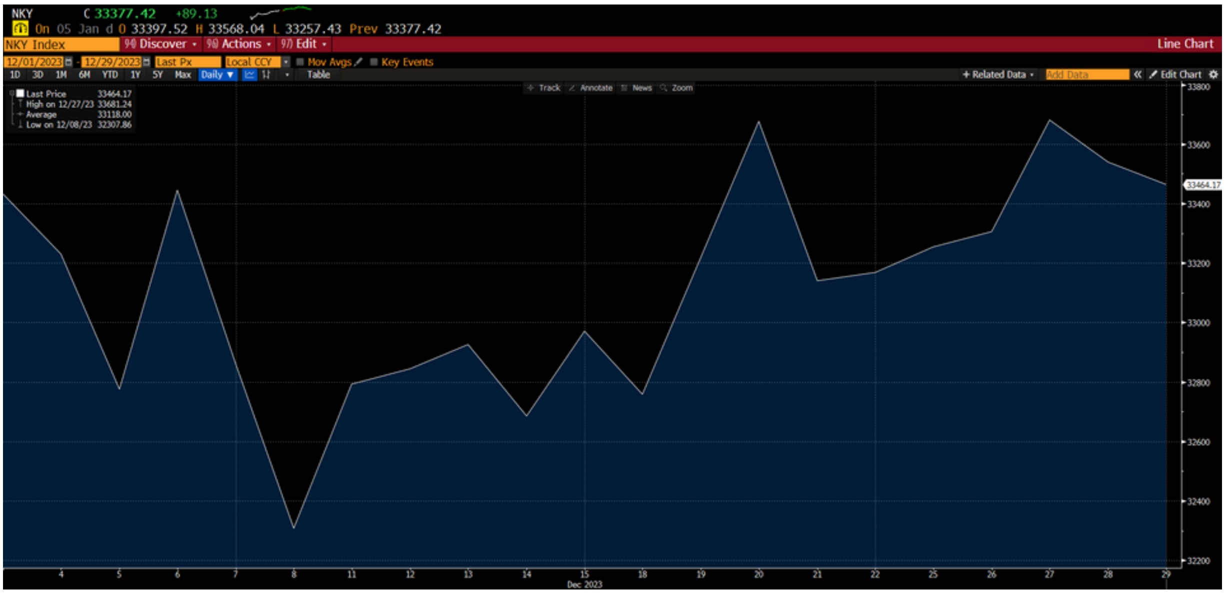
Following November's negative ending trajectory, the Asian stock markets suffered losses regarding the first week of December, with HSI and NIKKEI 225 indexes closing with a decrease of - 2.94% and -3.36%. Japan's unemployment rate was surprisingly recorded at 2.5%, diverging from market predictions and Japanese annual GDP faced a downturn at -2.9% during the third quarter of 2023, marking the first yearly compression in Japan's economy in a year. Additionally, Chinese Inflation rate YoY lowered to -0.5%, far below the consensus of -0.1%, while China's unemployment rate held at 5%, unchanged from the previous two months. The People's Bank of China held its lending rates unchanged in December, as the central bank persisted in its efforts to assist its struggling economy. On Tuesday 19th, the Bank of Japan maintained its short-term interest rate at -0.1% and 10-year bond yields at around 0% with a unanimous vote. Japan's inflation rate YoY declined to 2.8% (prev 3.3%) and core inflation declined to 2.5% (prev 2.9%), corresponding with the market forecasts. Nevertheless, core inflation exceeds the 2% target, posing a challenge for the BOJ to create an exceedingly loose monetary policy. The HSI index ended the final week of 2023 with a growth of 2.54% and the NIKKEI 225 index with a decline of -0.64%.

More specifically, on a micro level, The Caixin China General Manufacturing PMI rose to 50.8 units, surpassing November's 50.7. This exceeded market forecasts of 50.4 and represented its highest reading since August. The data surpassed expectations, indicating positive growth. On the contrary, Jibun Bank Japan Manufacturing PMI declined to 47.7, down from 48.3 in the preceding month. This indicates the seventh consecutive month of decline in manufacturing activity, primarily attributed to subdued demand and pressures on prices. China's balance of trade expanded to $68.39 billion, easily surpassing market expectations of $58 billion. China witnessed a -0.2% YoY decrease in new home prices, marking the fifth consecutive month of decline, driven by persistently sluggish demand. Besides, China's industrial production YoY upscaled by 6.6%, following a 4.6% gain in the previous month, while retail sales showed a robust growth of 10.1% compared to the previous year, surpassing the 7.6% increase. At the end of the second week both the HSI and the NIKKEI 225 ended on a positive note with HSI and NIKKEI 225 opening at 16,201.49 and 32,791.80 and concluding at 16,792.19 and 32,970.55. Japan's trade deficit decreased to -776.94 billion (prev -661 billion), Japanese exports experienced a marginal 0.2% YoY decline, highlighting the first decrease in three months, influenced by subdued demand from China. The NBS Manufacturing PMI in China unexpectedly fell to 49.0 units, missing market forecasts of 49.5, signifying the third consecutive month of decline in manufacturing operations, attributed to a struggling rebound amid challenges posed by a weakened property sector. The HSI and NIKKEI 225 indexes ended the year at 17,047.39 and 33,464.17 points.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

Asian Markets – Indices





Poll Summary - Poll Date: 19-Dec-2023						
	DOWJONES			S&P500		
Period	Mid-24	End-24	Mid-25	Mid-24	End-24	Mid-25
Mean	36822	38118	39516	4593	4795	5035
High	45664	45947	46495	5340	5500	5700
Low	32500	35000	33000	3800	3900	4375

Poll Summary - Poll Date: 19-Dec-2023						
	STOXX600			CAC40		
Period	Mid-24	End-24	Mid-25	Mid-24	End-24	Mid-25
Mean	448	472	464	7444	7596	7649
High	470	530	501	8000	8400	8900
Low	385	410	420	7051	7000	6700

Poll Summary - Poll Date: 19-Dec-2023						
	FTSE100			DAX		
Period	Mid-24	End-24	Mid-25	Mid-24	End-24	Mid-25
Mean	7709	8028	8181	16350	16938	17525
High	8010	8800	8600	17500	19000	22000
Low	7110	7600	7650	15100	15538	15650

Poll Summary - Poll Date: 19-Dec-2023			
	NIKKEI 225		
Period	MID-24	END-24	MID-25
Mean	35316	35890	34732
High	39500	40900	43000
Low	31143	30497	29927

References: Reuters Terminal, Bloomberg, Thomson Reuters

Fidelity and Jane Street Back CoreWeave at $7 Billion Valuation

The M&A Market started off strong this month with CoreWeave, a cloud computing provider that's among the hottest startups in the artificial intelligence race, said it closed a minority stake sale to investors led by Fidelity Management & Research Co.
Investment Management Corp. of Ontario, Jane Street, JPMorgan Asset Management, Nat Friedman, Daniel Gross, Goanna Capital and Zoom Ventures also participated in the deal. The transaction values the company at $7 billion, reported industry insiders without an official number being announced yet.

Mastercard to buy back shares worth $11 billion

On December 5th, Mastercard announced a buy back of $11 billion worth of its Class A shares. The payments processing giant also raised its quarterly dividend to 66 cents per share over previous dividend of 57 cents. The company said its new share repurchase program will become effective at the completion of its previously announced $9 billion program. Its share price gained about 1% to $411.75 in after-hours trading.

Elon Musk's AI startup seeks to raise $1 Billion in equity

Elon Musk's artificial intelligence startup, xAI, is seeking to raise $O.8 billion as the world's richest man tries to keep pace with rivals including OpenAI, Microsoft and Google in the race to dominate the field announced on the 6th of the month. The company has already raised $135 million from investors and is seeking a total of $1 billion in equity financing, according to a filing with the US Securities and Exchange Commission. In spite of the filing, Musk tweeted on Wednesday: "We are not raising money right now." The race to develop generative AI – products that generate convincing text, image and audio from simple prompts – has intensified as Silicon Valley's biggest companies battle for supremacy after the release of OpenAI's ChatGPT in November last year. After the sensational impact of that chatbot, Microsoft announced a deepening of its partnership with OpenAI in January backed by a $1Obillion investment.

Arctos takes stake in Paris Saint-Germain to value club at more than €4 Billion

On the 7th of December Paris Saint-Germain's Qatari owners have agreed to sell a minority stake to US investment group Arctos Partners, in a deal that values the French football club at more than €4 billion and showcases how investors continue to bet on the growth of sports assets. PSG stated that the arrival of a new shareholder would help to fund growth, including international expansion into markets such as the US, and fund investment in infrastructure such as upgrading its stadium and new training ground. Financial terms were undisclosed. Arctos will buy up to 12.5% of the French champions, giving the PSG deal a value of more than €4 billion, according to the press. Talks started more than a year ago. It is the latest sign of investor demand for top European football brands, with sport increasingly recognised as an asset class with attractive revenue streams and the potential for capital appreciation.

AbbVie Continues Buying Spree with $8.7 Billion Cerevel Acquisition to Bolster Neuro

The 1st week of December closed off strong with AbbVie having its second multi-billion dollar deal in a week, dropping $8.7 billion to acquire Massachusetts-based Cerevel Therapeutics and its pipeline of potentially best-in-class assets targeting psychiatric and neurological conditions, the companies announced. Under the agreement, AbbVie will acquire all of Cerevel's outstanding shares for $45 a pop, which according to Seeking Alpha is a 22% premium over their closing price on Wednesday. The Board of directors of both companies have already approved the deal, which is expected to close in mid-2024, pending approval by Cerevel shareholders as well as customary regulatory and anti-trust clearances. Cerevel's stock jumped 14% higher in after-hours trading, in reaction to the news of the buyout.

Occidental Finances $10.8 Billion CrownRock Deal Without Buffett's Help

Occidental Petroleum Corp. plans to finance its biggest takeover in more than four years without the assistance of top shareholder Warren Buffett, announced on December 11. In a turnabout from the blockbuster acquisition of Anadarko Petroleum Corp. in 2019, Occidental Chief Executive Officer Vicki Hollub said the $10.8 billion purchase of CrownRock LP was arranged without any funding guarantees from the billionaire chairman of Berkshire Hathaway Inc. Buffett's intervention was crucial to Hollub's effort to Chevron Corp. in the pursuit of Anadarko. "Berkshire and Warren Buffett were helpful with the Anadarko acquisition," Hollub said during an interview with CNBC, just hours after the CrownRock deal was announced. "We wouldn't be in the position we are had it not been for Berkshire and Warren Buffett. We didn't need help with this deal.

Hollysys to be Acquired by Ascendent Capital Partners for $26.50 in Cash Per Share

On December 11 Hollysys has reached an agreement to be acquired by Ascendent Capital Partners ("Ascendent"), an international private investment firm headquartered in Hong Kong. The acquisition, which concludes a months-long sale process, will be completed through an all-cash transaction valued at approximately $1.66 billion. According to the terms of the agreement, Ascendent will acquire all outstanding shares of Hollysys that it does not currently own for $26.50 per share in cash. This price represents a premium of 42% to the unaffected price of $18.66 as of August 23, 2023. The Board of Directors of Hollysys (the "Board"), upon the unanimous recommendation of the Special Committee of independent directors, has given its unanimous approval for the transaction. Today's agreement enables Hollysys' shareholders to realize substantial cash value at a significant premium to the Company's recent trading price. Additionally, the ability of Ascendent to secure reputable funding sources and execute the transaction expeditiously further enhances the attractiveness of the deal. This agreement marks the successful culmination of a formal sale process that was part of a review of various strategic options to maximize value for shareholders, including continued execution of the current strategic plan. A sale was determined to provide maximum value discovery to realize the highest value for shareholders.

Iliad proposes merger of Italian operations with Vodafone Italia
On December 18, French billionaire Xavier Niel's telecoms company Iliad proposed merging its Italian operations with Vodafone Italia, less than two years after the UK-based telecoms group rejected a previous offer of more than €11 billion. Under the offer, which now values Vodafone Italia at €10.45 billion, Vodafone would receive €6.5 billion in cash, a shareholder loan of €2 billion and a 50% stake in the new business. Iliad would receive €500 million in cash, a €2 billion shareholder loan and 50% of the new business. The plan also includes an option for Iliad to buy an additional 10% of the venture's shares every year, paving the way for the company to take control. Under the terms of the offer, Iliad would be able to choose top executives after the first block of options are exercised.

Blue Origin, Cerberus looking to buy rocket firm United Launch Alliance
Jeff Bezos' Blue Origin and private equity firm Cerberus are among companies that have shown interest in buying rocket company United Launch Alliance (ULA), the Wall Street Journal reported on Thursday 21, December. Lockheed Martin and Boeing have equal ownership in ULA, which makes one of the launch vehicles for Amazon.com's satellite internet network, Kuiper. Business jet maker Textron has also expressed interest in ULA, the report said adding that a bidding price could not be determined and a deal may not materialize. ULA has faced delays in the development of its new rocket named Vulcan Centaur, which will carry Astrobotic's Peregrine lunar lander in its first launch in January. Blue Origin's BE-4 engine powers the spacecraft's first stage. It's worth noting that private equity firms have been showing interest in space companies that have exposure to government contracts, a segment dominated by Elon Musk's SpaceX.The U.S. Space Force has assigned 21 launches to SpaceX and ULA worth about $2.5 billion, CNBC reported in November, with the Boeing-Lockheed Martin joint venture receiving 11 missions valued at $1.3 billion.

Synopsys seeks to acquire engineering software company Ansys
On Friday (22/12) Synopsys Inc, a maker of software used in chip design, has submitted an offer to acquire Ansys Inc, an engineering software vendor with a market value of $30 billion, as stated by people familiar with the matter. The deal negotiations come as Synopsys co-founder Aart de Geus prepares to transition to an executive chairman role and hand over the chief executive reins to CEO Sassine Ghazi on Jan. 1. Synopsys' pursuit of a transformative acquisition amid a leadership change, underscores the commercial appeal of Ansys' software, which is used widely in design, including in tennis to design rackets for players like Novak Djokovic. Synopsys is one of the companies that has been in talks with Ansys about a potential deal, the sources said. Ansys has also attracted other suitors, and there is no certainty that Synopsys bid will prevail, the sources added. The offers that Ansys has garnered, value the company at well over $400 per share. According to the press, a deal could be announced in the coming weeks if the ongoing talks do not encounter any setbacks.

References: Bloomberg, Reuters, Financial Times, The Associated Press

Largest Mergers & Acquisitions (M&A) Deals in December 2023			
Date	Acquiring Company	Acquired Company	DEAL SIZE
3/12/2023	Fidelity and Jane Street	CoreWeave	$7.0 billion
5/12/2023	Mastercard	Mastercard(shares buyback)	$11.0 billion
7/12/2023	Arctos	Paris Saint-Germain's	$4.0 billion
18/12/2023	Nippon	U.S. Steel	$14.9 billion
22/12/2023	Synopsys	Ansys	$30.0 million
27/12/2023	Williams	Hartree Partners Lp	$1.95 million

Largest IPOs in December 2023					
Date	Company	Ticker	IPO Price	Deal Size	Shares Offered
1/12/2023	Garden Stage Limited	GSIW	$4.00	10.0M	2,500,000
4/12/2023	Aimei Health Technologies	AFJK	$10.00	60.0M	6,000,000
14/12/2023	Inno Holdings Inc.	INHD	$4.00	10.00M	2,500,00
15/12/2023	Bayview Acquisition Corp	BAYA	$10	60.00M	6,000,000
15/12/2023	ZHK Group Limited	ZHK	$15.50	62.00M	4,000,000
19/12/2023	Linkage Global Inc	LGCB	$4.00	6.00M	1,500,000
27/12/2023	Iron Horse Acquisitions Corp.	IROH	$10.00	61.00M	6,100,000

References: Reuters Terminal, Bloomberg, Market Screener

AUEB Students' Investment & Finance Club

Greek Market

Macroeconomic Environment

The Greek Economy stays on a stable growth path with a continuation of worrying signs being counterbalanced by fiscal solidity and increasing global interest in Greek investment opportunities. The unemployment rate is continuing on its slow descent, staying in the single digits for October (9.6%). In late December, the Bank of Greece estimated a robust growth of 2.4% for the year 2023, expressing optimism and anticipating a slightly higher value for 2024. This outlook augurs well for the Greek economy. However, it is increasingly clear that persisting inflation, especially among core consumer goods, is still dampening consumer sentiment, with November inflation falling to 2.9%, higher than the Eurozone average of 2.4%. The asymmetrical impact on food and beverages impacts business revenues across the board, with both industrial and retail sales falling to lower-than-expected levels in the past months and putting a halt to the constant upwards recovery that was expected in the crisis-ridden country. A significant stride toward economic normalization occurred with Fitch Ratings upgrading the credit rating of Greek bonds to Investment Grade. This designation creates additional opportunities for the Greek economy, allowing for increased foreign capital investments. This development comes at a crucial juncture for Greece, as it seeks to enhance its investment rate and recover from the crisis of the 2010s.

The Government can be content with the success of its debt policy, including paying old debtholders early, as the Debt-to-GDP ratio continues to decline with forecasts anticipating a future where it falls below the 150% mark (from approximately 160% in 2023). This is even more important due to the highest rates seen in decades increasing the cost of borrowing. An extra incentive seems to be pushing the government to become more fiscally prudent, at least in terms of revenue extraction, that being the approach of an agreement for reform of the fiscal rules of the Eurozone. The rules, having been suspended in the pandemic, are to make a comeback in 2024 with the European south starting to brace for impact with the fiscal stabilization provisions. Although Greece doesn't project large deficits for 2024, debt-reduction rules may force it to considerably accelerate debt-reduction plans in the coming years.

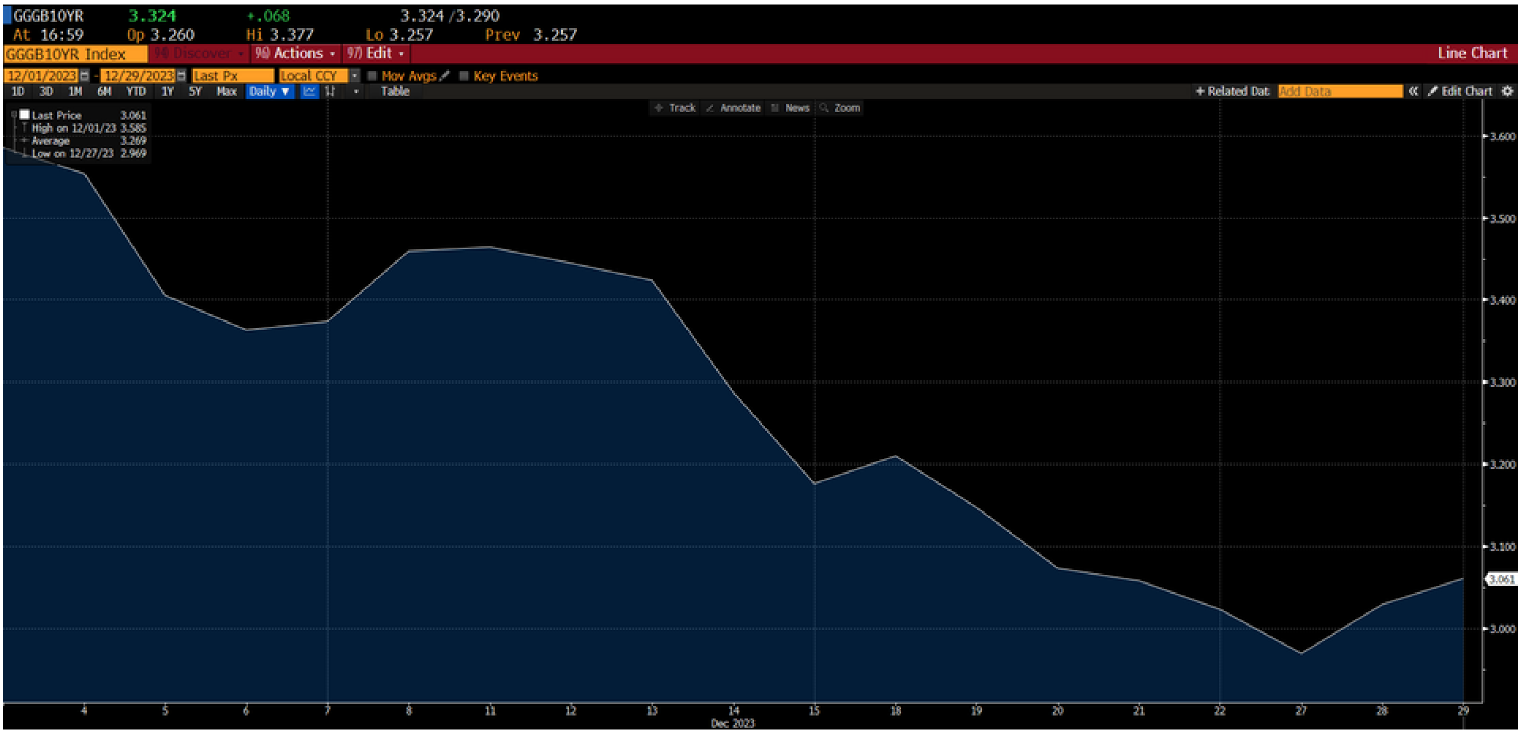
On the corporate front, special attention should be given to the ONEX-Attica Group deal of €1 Billion as the Greek shipbuilding sector starts to recover from the fall it suffered during the crisis. Another noteworthy development were the fines imposed by the Hellenic Competition Commission on 5 Greek banks for coordinated behavior leading to harm to consumers, as worries about the lack of competition in the sector intensify.

Greek Bonds

The Greek bond yield has followed the general trend of Eurozone bonds, with the 10-year bond falling to 3.103% at the end of the month. Yields are falling across the board as the ECB is indicating a stop to rate hikes and investors have started speculating on the date of rate cuts. Greece's yields have also moved downwards due to the upgrade of its credit rating by Fitch Ratings, with markets charging smaller risk premia, indicated by the contraction of the German-Greek 10-year bond spread to 1.12%, a level unseen since 2021.

The month started with the announcement of the anticipated upgrade by Fitch, pushing 10-year yields to below 3.4% around the 5th of December, along with even bigger reductions in the 2-year yield. The downward trend was reversed on the 8th of the month due to weak jobs data in the US pushing the possibility of rate cuts further away in the next year and European bond yields upwards. In anticipation of the decision of the ECB and FED, yields stayed relatively stable until the middle of the month but started falling after the anticipated lack of rate changes by the central banks. Even though monetary policymakers try not to get their eyes off inflation, markets are sensing that we are seeing the summit of the hike cycle, with Greek 10-year bond yields falling down below 3.2% after the 18th of December and then plateauing around 3% for the rest of the month, ending up at 3.1% after a slight rebound.

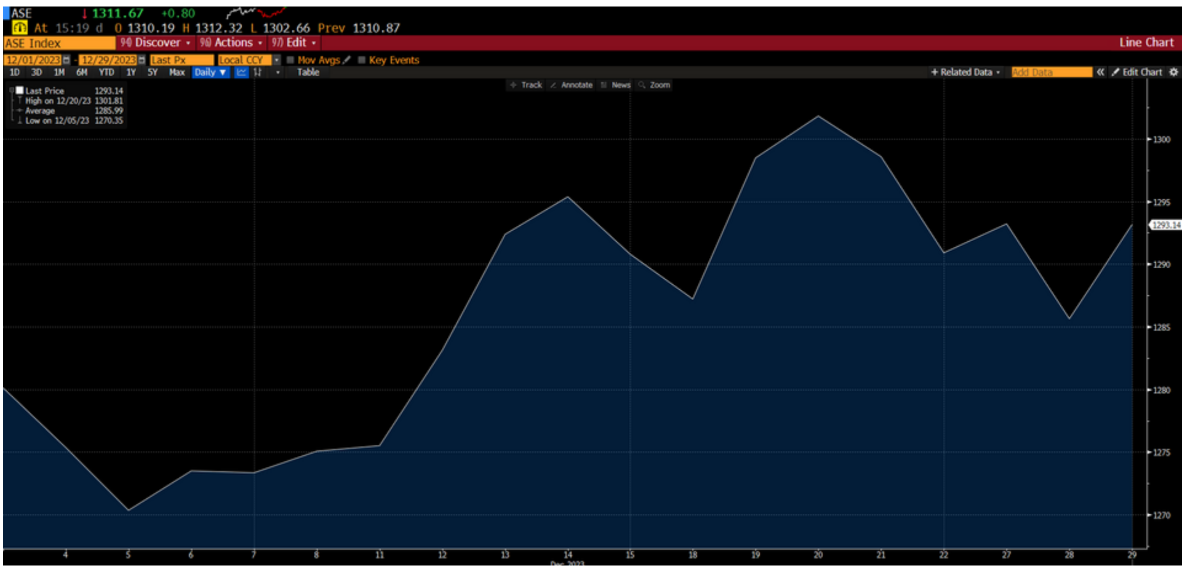
10-Year Greek Bond Yield



Athens General Index

Despite November's satisfactory conclusion, Greek markets experienced a downfall by the end of the first week, decreasing by 0.39%. Greece's GDP Growth rate data showed an expansion of 2.1%, beating forecasts. Greece's annual inflation rate dropped to 3% in November 2023, down from the previous month's seven-month peak of 3.4%. The second week ceased with an edge of 1.20%, in tandem with the announcement of the favourable economic results. It is crucial to mention that Greece regaining its investment-grade status in 2023, after 13 years, in the latter part of this year has unlocked access to a significant investment pool for the nation's bonds, indicating a return to stability following a decade-long debt crisis. Regardless being the euro zone's most indebted nation, Greece has recovered strongly, and its economic growth is outpacing many European counterparts. Greek equities finished the year with a slight decline of 0.003%.

More specifically, the ATG index had a loss as for the starting week of December, initiating at 1,280.11 and finishing at 1,275.09. Greece's trade deficit contracted to €2.8 billion (prev -2.7 billion) in October 2023, compared to €4.1 billion in the same month the previous year, primarily attributed to the gradual normalization of prices for energy commodities that Greece imports. Greek industrial production growth quickened to 10.5% year-on-year in October 2023 (forecast 1.7%, prev 1.9%). This acceleration was propelled by a resurgence in the production of both intermediate goods (5.2% compared to -6.1% in September) and capital goods (6.9% compared to -3.0%), while the overall output saw faster growth rates for energy (12.8% compared to 10.5%). Greek equities had a pleasant week as the market started at 1,275.50 and finalized at 1,290.79. Approaching the end of the month PPI YoY lowered to -8.9% (prev -13.5%) and retail sales decreased to -6.3% (prev -3.4%). The ATG index concluded to 1,293.14 units.



References: Investing.com, Financial Times, Bloomberg, Reuters, Capital.gr, Kathimerini Money Review

Attica Group merges with ANEK

Attica Group has finalized the merger with ANEK, creating the world's second-largest shipping company. As reported on Friday December 1st despite minor delays in notarial processes, the deal was sealed following November's general meeting's decision to merge the ferry companies. The notarial deed and independent expert reports pave the way for listing 27,358,350 new shares of "ATTICA HOLDINGS COMPANY" on the Athens Stock Exchange. The new company, managing 45 ferries under five brand names—Superfast Ferries, Blue Star Ferries, Hellenic Seaways, Africa Morocco Links (AML), and ANEK—has received approval from the Hellenic Competition Commission. The commission recognized ANEK as a failing firm, justifying the merger due to its financial difficulties and lack of other credible interest in acquiring its assets. The merged company is expected to generate annual revenues exceeding €700 million. The fleet distribution includes routes in the Adriatic, Dodecanese, Cyclades, North Aegean, Sporades, Saronic, and Africa Morocco Links. Notably, the company plans a €31.3 million investment for fleet modernization, including the installation of exhaust gas cleaning systems and maintenance. Trading of the new shares commenced on December 8th.

Entersoft acquires Infopower HR Solutions

On Monday (4/12) Entersoft, a publicly listed company, recently entered into an Agreement to acquire the entirety of Infopower HR Solutions. This strategic move is set to encompass 100% ownership of Infopower. Looking ahead to 2023, Infopower is anticipated to generate revenues nearing €0.45 million, accompanied by an EBITDA of approximately €150 thousand, reflecting a positive net fund position. Boasting a robust track record, Infopower specializes in executing projects related to Payroll, Timekeeping, Human Resource Management, and Access Control. Notably, the company actively serves major clients, including Piraeus Bank, Union of Hellenic Banks, among others. This acquisition aligns with Entersoft's comprehensive strategy to make a dynamic entry into the Payroll, Timekeeping, and Human Resources Management software market. The aim is to introduce innovative technological solutions that seamlessly cover end-to-end HR processes, marking a significant leap forward for Entersoft in this domain.

Eurobank Asset Management acquired a minority stake in the British company Mintus.

On Tuesday (8/12) Eurobank Asset Management MFMC, a wholly owned subsidiary of Eurobank S.A., acquired a minority stake in the UK-based Mintus Group Limited (Mintus). With this strategic investment, Eurobank lays the foundation for an extended collaboration with the objective of exploring global alternative investment opportunities. By leveraging Mintus Trading Limited, a subsidiary of Mintus Group regulated by the Financial Conduct Authority (FCA), Eurobank Asset Management gains access to an innovative alternative investment platform. Through this collaboration, Eurobank Asset Management can explore diverse alternative investments, including projects related to art and real estate. The platform also provides a gateway to cutting-edge technological solutions driven by Artificial Intelligence (AI), enabling the company to enhance its digital services for clients. This partnership underscores Eurobank Asset Management's commitment to delivering innovative investment opportunities, utilizing advanced technology to bolster financial results.

ECM Partners acquired 68% of the share capital of Private Polyclinic Hygeia

The acquisition of Polyclinic by ECM Partners, based in Cyprus, has successfully passed regulatory processes, securing approvals from the Cyprus Commission for the Protection of Competition, as was published on Monday (5/12). The terms of the acquisition agreement outline the potential for the ownership percentage to increase to 75% soon. ECM Partners has entrusted the management of the hospital to Athens Medical Group, the largest Greek health services conglomerate, leveraging its extensive and successful track record in healthcare and secondary care services both within Greece and internationally. Demonstrating a high level of confidence in the project, Athens Medical Group will soon acquire a minority stake in the Private Polyclinic HYGEIA. This strategic move aligns with ECM Partners' overarching goal to act as a catalyst in the broader healthcare sector in Cyprus and the Mediterranean region.

HRADF launches book-building process for placement of 10% of Helleniq Energy

The preparation of the offer book for the sale of existing shares of HelleniQ Energy (formerly ELPE) has been successfully completed, establishing the share price at €7. The offer, as reported by HRDAF, has surpassed expectations by more than 3 times. The selling stakeholders include HRDAF, currently holding a 35.48% share of the company, and PanEuropean Oil and Industrial Holdings S.A. ("POIH"), holding a 47.10% stake. Together, these selling parties intend to offer approximately 10% of the company's share capital, contingent on market conditions. The specific price per share and the quantity to be sold by each selling shareholder will be determined through an accelerated offer book. This process, led by joint international coordinators Goldman Sachs Bank Europe SE and J.P. Morgan SE, retains the flexibility to close the books at their discretion. Following the completion of the offer book and transaction pricing, a subsequent announcement will be made. Notably, the listed company's stock experienced a robust 4.30% surge, closing at €7.77, putting an end to a nine-session streak of negative performance.

Ideal Holdings bond issue raises €100 mln

On Thursday (14/12) Ideal's bond issuance witnessed significant investor interest, with a remarkable oversubscription rate of 1.89 times. Acting as Coordinators Main Underwriters, National Bank, Piraeus Bank, and Eurobank facilitated the Public Offer for the Joint Bond Loan of Ideal Holdings. The offering comprised 100,000 intangible common anonymous bonds, each carrying a nominal value of €1,000, resulting in a successful capital raise of €100 million. By the Public Offering, investor enthusiasm surpassed expectations, with a total valid demand reaching €188.58 million, signaling robust interest and an oversubscription of the issue. The Bonds were priced at par, i.e., €1,000 per Bond. The final yield of the Bonds stands at 5.50%, aligning with the interest rate set at 5.50% per annum. Allocation details reveal that 60% of the total issued Bonds, equivalent to 60,000 Bonds, were assigned to Private Investors, while the remaining 40%, amounting to 40,000 Bonds, found placement with Special Investors. This allocation strategy reflects a well-balanced distribution, catering to both private and special investment interests.

Lamda Development completes the share capital increase of Lamda Malls

In a recent announcement on Friday 15/12, Lamda Developments S.A revealed the successful completion of the share capital increase for its subsidiary, Lamda Malls. The Extraordinary General Meeting of Lamda Malls shareholders decided to raise the share capital by €330 million through the issuance of 330 million new common registered shares, each with a nominal value of €1. Lamda covered this increase by contributing all shares from Lamda Ellinikon Malls Holdings S.M.S.A, Malls Management Services S.M.S.A., and The Mall Athens S.M.S.A. Following this move, Lamda Malls now boasts a share capital of €495 million divided into 495 million common registered shares with a nominal value of €1 each. Lamda Development's stake in Malls has risen to 95.44%, while its foreign subsidiary, Lamda Developments (Netherlands) holds a 4.56% share. This strategic maneuver marks the conclusion of a comprehensive plan by the Group to consolidate all Shopping Centers/Developments, including The Mall Athens, Golden Hall, Mediterranean Cosmos, Designer Outlet Athens, Vouliagmenis Mall, and Riviera Galleria. By bringing these activities under the control of Lamda Malls, the Group aims to streamline its operations and enhance efficiency in managing its diverse portfolio.

Motor Oil acquires 25% stake in Anemos RES for €123.5 mln

The Ellaktor Board of Directors has given the green light for the sale of the remaining 25% stake in Anemos RES to Motor Oil Renewable Energy (MORE), a subsidiary of the Motor Oil Group. On Monday 18/12 it was announced that the agreed price for this transaction is set at €123.5 million. However, the finalization of the share transfer is contingent upon the approval of the General Assemblies of both Ellaktor and MORE. Once completed, this sale is expected to significantly bolster the Ellaktor Group's liquidity, pushing it beyond €650 million. The decision to sell aligns with Ellaktor's strategic approach to optimize its holdings portfolio. The United Kingdom-based Akereos Capital played a crucial role as the financial advisor to Ellaktor throughout this transaction. This move furthers Ellaktor's strategy for the optimal management of its holdings portfolio and marks a significant step in achieving its corporate objectives.

References: Naftemporiki, Businessnews.gr, Financial Times, Reuters, Mononews.gr

Residential Real Estate

In Q4 2023, the Spitogatos Price Index (SPI) reveals a continued upward trajectory in rents and home sale prices.

The Southern Suburbs persist as the region with the highest rents, averaging €12 per sq.m., reflecting a 10.5% increase from the previous year's €10.86 per sq.m. For property sales, prices have risen to €3,636 per sq.m. from €3,261 per sq.m. in 2022, marking an 11.5% uptick.

The Northern Suburbs emerge as the second most expensive area, experiencing a renewed demand for housing from both local and international markets. In Q4, average rental prices reached €10.7 per sq.m., while property sale prices stand at €2,950 per sq.m. This resurgence underscores the region's appeal for real estate investments, contributing to the overall positive momentum in the real estate market.

The center of Athens remains a focal point for both Greek and international investors. However, due to diminishing housing availability, prices continue to surge. Currently, rents are at €10 per square meter, and property purchase prices stand at €2,037 per sq.m.

Piraeus stands out as a notable leader in price increases across Attica, both in rental rates and real estate sales. Renting a residence in Piraeus now averages at €9.6 per sq.m., reflecting a significant 17.40% increase from the previous year's €8.18. Similarly, the average asking price for property sales in Piraeus has risen by 23.20%, reaching €2,174 per sq.m., compared to €1,765 per sq.m. in the corresponding quarter of 2022. This robust price growth underscores Piraeus as a prominent player in the region's real estate market.

In the Western Suburbs, both rental and purchase prices for homes remain affordable this quarter. Rent prices stand at €8.05 per sq.m., reflecting a 9.20% increase from last year's €7.37 per sq.m. Meanwhile, property sale prices have risen to €1,875 per sq.m., compared to €1,580 per sq.m. in the previous year.

Across the rest of Greece, prices have seen an overall uptick, especially in Thessaloniki, driven by the impending arrival of the Metro. In the city center, rents have reached €8.5 per sq.m., marking a notable 10.7% increase from the 2022 rate of €7.68 per sq.m. This surge is indicative of a broader trend of rising prices in response to increased demand and infrastructure developments.

Slight increases in asking prices for winter holiday homes are noted in 2023 compared to 2022 in Arachova and Karpenisi, at 2.31% and 1.61%, respectively. Specifically, in Arachova, the asking price has risen from €1,558 per sq.m. in 2022 to €1,594 per sq.m. (2.31%). In Karpenisi, the increase is from €992 per sq.m. in 2022 to €1,008 per sq.m. (1.61%). Other marginal changes include Agios Athanasios Pella from €1,050 per sq.m. in 2022 to €1,053 per sq.m. (0.29%), and in Trikala Corinthia from €1,095 per sq.m. in 2022 to €1,097 per sq.m. (0.18%).

Commercial Real Estate

LAMDA Development has announced the pre-agreement for the sale of the Cecil office building to Kontias Monoprosopi SA for €19.4 million. The sale is part of the company's strategy to focus on key projects, including the Elliniko development and various commercial centers. The transaction is expected to be completed by January 2024, resulting in a pre-tax profit of approximately €4 million for the LAMDA Development Group and the repayment of €5.3 million of the subsidiary's loan.

Recent developments in office complexes include a noteworthy investment of €20.4 million by Trastor REIC in an office building located on Mesogeion Avenue. Additionally, the completion of the Syggrou Office Complex on Syggrou Street stands out as a significant achievement, being one of only nine projects in Greece to attain LEED Platinum certification. This certification underscores the project's commitment to environmentally sustainable and energy-efficient design.

Furthermore, Prodea Investments has made a substantial announcement regarding a new office complex in Marousi, with a total investment of €60 million. This initiative reflects the continued growth and investment within the commercial real estate sector, contributing to the evolving landscape of office developments in the region.

Orilina Properties, a real estate investment company (REIC), has set its primary focus on substantial investments in Elliniko following its listing on the Stock Exchange. However, within its diverse portfolio, there are also properties in Thessaloniki awaiting development. One notable property comprises plots totaling 10,448 sq.m., earmarked for the construction of an office complex, along with two adjacent plots covering 3,822.40 sq.m. Another property, acquired in 2022 with an estimated value of approximately €7.6 million, encompasses ten adjacent land parcels for the development of a Commercial Park spanning 6,883.53 sq.m.

In addition, Premia Properties announces a significant development in Peania, leasing a property to Pepco for a duration of 10 years. Pepco, one of Europe's major clothing and home goods chains, has entered into an agreement with Premia Properties REIC for the construction and development of a store, effective from January 2023. This strategic move adds another noteworthy milestone to Premia's portfolio and contributes to the continued growth of its real estate ventures.

Lastly, there is ongoing progress in the construction of a new retail park on the former ABEX site in Patras. Spanning 21.5 acres, the property, located in the Akti Dymaion area opposite the city's new port, was acquired by Ten Brinke in late 2020. The upcoming commercial park, covering 20,000 sq.m. with a leasable area of 13,900 sq.m., is set to feature a medium-sized IKEA store along with four additional retail spaces. The estimated investment for the development of this commercial park in Patras stands at approximately €20 million. This initiative marks a significant investment in the local commercial landscape, contributing to the economic development of the region.

Infrastructure & Industrial Real Estate

In the logistics sector, there is robust demand, particularly in Aspropyrgos, Attica, and Sindos, Thessaloniki. The increased investment volume and the launch of new projects have driven rental prices up by 5% over the last twelve months. This surge is attributed to an imbalance in the supply/demand ratio and rising construction costs. Notably, HIG's strategic investment of €244 million in the logistics park in Aspropyrgos has progressed with the publication of licensing approval.

Orilina Properties is set to introduce a new 46,854 sq.m. supply chain infrastructure in Thessaloniki, following the acquisition of a plot of land in 2022 with an estimated value of €2.1 million.

A significant transaction involved the sale of Heraklion's port, the largest in Crete, for a total of €80 million. "Grimaldi Euromed SpA" and "Minoan Lines ANE" acquired 67% of the shares, establishing dominance in maritime transport and managing the country's maritime trade routes. This acquisition strategically positions Grimaldi, considering its previous acquisition of the port of Igoumenitsa.

Additionally, the contract for the Western Attica Suburban railway extension was signed. The project, a partnership between METKA (part of the Mytilineos group) and the Organization of Railway Companies (OSE), aims to construct a new suburban railway branch from Ano Liosia to Megara. The project's cost is €95.7, with a revision estimate of €5.3 million, and a 24-month implementation duration, contributing to the enhancement of the country's railway infrastructure.

Hospitality

The hospitality sector in Greece is experiencing a surge, fueled by tourism, which stands as the country's primary revenue generator. A multitude of hotel developments are consistently announced, particularly in sought-after coastal areas like Chalkidiki and popular islands such as Mykonos, Crete, Santorini, Naxos, and Milos.

This month's highlight is the initiation of the €1.5 billion Integrated Resort Casino (IRC), a joint venture between GEK TERNA and Hard Rock International. The project aims to be operational in three years, generating 3,000 jobs during construction and subsequently creating 3,000 well-paid positions.

Mare Terra, Azur Selection's latest €40 million hospitality investment in Achaia, is of significant note. Azur Selection, a Real Estate Investment Company primarily focused on hospitality in Greece and the South of France, made this investment after deciding not to proceed with the development of a 5-star hotel in Mykonos, considering the business plan unprofitable.

Additionally, EKTER has announced the acquisition of a 56% stake in "Energeiakos Komvos," owner of the "Summer Senses Luxury Resort" in Paros, for €2.48 million. This strategic move is part of EKTER's plan to strengthen its equity and integrate expertise in hotel management, particularly for a €53.3 million investment in Agios Ioannis Detis, Paros, scheduled for completion by summer 2025. The ambitious project includes a five-star hotel, luxury residences, sports facilities, and commercial spaces.

Meanwhile, a new hospitality complex is underway on the island of Ios, featuring a 5-star hotel operated by STAMANIA Investments. Covering approximately 7.11 acres, the hotel will boast 24 rooms.

Lastly, the commencement of the €125 million investment in the 5-star IKOS Kissamos in Chania, Crete is significant. With a capacity of 414 rooms, suites and bungalows along a 600-meter beachfront, the project is slated to begin, with operations expected to start in the 2025 season, creating over 750 new jobs.

Conclusion

It is also worth mentioning the sectoral real estate index of the Athens Stock Exchange, which reflects the trends outlined in this report. This index comprises a sample of companies that are key players in the real estate market in Greece and actively engaged in it. Specifically, it includes construction companies (DIMAND, LAMDA DEVELOPMENT), REICs (BLE KEDROS, BRIQ PROPERTIES, PREMIA) and companies emphasizing hotel sector investments (KEKROPS).

The index opened at around 4,470 (the month's lowest value) at the beginning of the month, reaching 4,527 as the highest towards in the middle of December, ultimately closing at 4,478 units until 15 of December, which is the latest update for this month. One of the roles performed by listed Real Estate companies is providing investors with access to real estate investments with liquidity and smaller amounts of initial capital required compared to traditional real estate investments. As expected, the index's performance is positively correlated with the performance of the physical Real Estate market, given that the latter is composed of companies active in the sector, performing well as the market grows and expands.

In summary, the Greek real estate market exhibits a vibrant and multifaceted landscape, encompassing residential, commercial, industrial, and hospitality segments. Notable trends are evident, such as a growing emphasis on sustainability within office spaces, the development of new office complexes, the construction of new hospitality facilities on islands and new retail parks in urban areas along Greece. The investments that were highlighted and mentioned in this report show that Greece faces a considerable construction and development boom with prices increasing and new announcements being made every week.

References: Naftemporiki, Capital.gr, B2Green, Bizness.gr, eRed, efsyn.gr

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Our emblem, a symbol of the creation and the deeper mentality of our club.

In the center, there is the legendary mermaid, the Medusa's head, which had the ability to turn into stone whoever dared to look it in the eyes. It's undoubtedly an Ancient Greek element. The choice of the mermaid is a kind of allegorical gate. Looking Medusa is like looking into yourself in the eyes and putting the greatest effort to overcome your biggest fears. You can either step back or proceed forward in a way that will make you considerably stronger.

At the bottom, the phrase «esse est percipi» is written. The deeper meaning of this expression is that the perception of something, is what really establishes the foundations of its existence. It consists of an element of the philosophy of "plasticity" that describes the world, or in other words it is a basis that highlights the fundamental importance of the power of ideas and analytical thinking in its creation, by providing many different alternative dimensions and perspectives.

Last but not least, the background is dominated by the exciting wheel of luck (rota fortunae). As it is lyrically mentioned in the poem collection Carmina Burana of the 13th century, "Fortune rota volvitur; descendo minoratus; alter in altum tollitur; nimis exaltatus; rex sedet in vertice; caveat ruinam!"