AUEB Students' Investment & Finance Club

Market Report – Volume 15, May 2024

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 May, the US dollar experienced fluctuations driven by economic data and Fed policy expectations, ultimately ending the month with a mixed performance. The dollar depreciated by 0.78% at one point due to optimism about potential Fed rate cuts but gained 0.21% after hawkish Fed comments despite disappointing home sales. It ended the month slightly lower by 0.04% following a modestly lower second estimate of Q1 GDP growth. The euro weakened against the dollar, closing at $1.0843, influenced by expectations of ECB rate cuts. The Japanese yen had mixed performance, initially strengthening despite weak Q1 GDP growth but ultimately weakening to 156.95 due to fluctuating economic signals.

Fixed Income

In May, the fixed income markets experienced significant fluctuations, marked by varying economic data and central bank signals. The Bloomberg US Aggregate Bond Index gained 1.7% month-over-month (MoM), its best performance in five months, driven by falling Treasury yields and encouraging inflation data. Early in the month, US Treasury yields rose but later fell, with the 2-Year and 10-Year yields ending at 4.80% and 4.50%, respectively, due to below-consensus labor data. Throughout the month, yields fluctuated with the 2-Year yield ending at 4.89% and the 10-Year at 4.51%. US investment-grade bonds saw their best monthly performance this year, gaining 1.9% MoM as spreads narrowed. Internationally, the 10-Year UK Gilt and German Bund yields experienced declines early on but rose towards the end of the month, closing at 4.22% and 2.66%, respectively, influenced by central bank signals and economic data

Commodities

In May 2024, the Bloomberg Commodity Index experienced a marginal decline of 0.5%. After a brief recovery earlier in the year, commodities faced mixed performances throughout the month. Crude oil prices fluctuated amid investor expectations and reports of weak demand in the US. Ultimately, WTI and Brent crude finished the month lower at $76.99 and $81.62/bbl, respectively, marking their worst month of the year. Natural gas prices continued to rally, surging over 8% due to increased future demand expectations. In the precious metals sector, gold prices declined slightly, ending the month at $2345.80/troy oz. The earlier gains in gold were tempered by a stronger dollar and fluctuating US interest rates. Industrial metals showed resilience, providing some support to the overall index, despite the broader market challenges. Overall, May 2024 saw a stabilization in the commodities market, with sector-specific dynamics influencing the outcomes. Geopolitical developments and economic indicators played crucial roles in shaping investor sentiment and market movements.

Markets Summary

Equities

During May 2024, global equities experienced mixed results, with the MSCI All Country World Index remaining relatively flat, posting a marginal decline of 0.5%. In the US, ongoing concerns over persistent inflation and the Federal Reserve's commitment to maintaining higher interest rates led to volatility. The S&P 500 edged down by 0.8%, while the NASDAQ 100 managed a slight gain of 0.3%, buoyed by continued strength in the technology sector. Corporate earnings remained a bright spot, with a significant number of companies surpassing market expectations, which helped mitigate broader market declines. In Europe, the economic outlook was mixed, with the MSCI Europe ex-UK slipping by 0.9%. Despite continued strength in the manufacturing and services sectors, as indicated by the PMI indexes, concerns over geopolitical tensions and rising energy costs weighed on investor sentiment. However, the UK market outperformed again, with the FTSE 100 gaining 1.8%, driven by strong performances from energy and financial sectors amid rising commodity prices. Asian markets presented a varied picture. Japanese equities rebounded, with the Nikkei 225 rising by 2.1%, recovering from the previous month's decline, supported by positive corporate earnings and a weaker yen boosting export-oriented companies. Chinese equities, on the other hand, faced a correction after the sharp gains earlier in the year. The Hang Seng Index fell by 3.5% as investors took profits and concerns over regulatory actions resurfaced.

Macroeconomic Developments Summary

Monetary Policy

In the US, as the next FED meeting approaches in June, investors monitored FOMC members' speeches and the minutes from the May meeting. Fed officials, including the chairman, stressed a data-driven approach and the need for "greater confidence" that inflation is nearing the 2% target. The FOMC minutes indicated a move to less restrictive policy might be appropriate this year. The May FOMC minutes noted slow progress toward the 2% inflation target, with expectations for the first rate cut shifting to September from July. In Europe, the ECB held rates steady for the sixth consecutive meeting, signaling that cooling inflation could justify cuts soon. Markets expect the first ECB rate cut in early June 2024. In the UK, the BoE held the bank rate at 5.25%, with inflation expected to fall to 1.9% by 2Q 2026. The BoE is anticipated to cut rates in June, barring high wage growth and services inflation. The Bank of Japan kept its interest rate range at 0%-0.1% and did not signal any bond purchase reductions, maintaining an accommodative stance amid economic uncertainties.

Growth & Inflation

In the US, a slowdown in inflation resumed in April with the Consumer Price Index (CPI) falling 0.1% from March, to 3.4%. The disinflationary trend was driven by slower growth in the primary rent measure. However, the Producer Price Index (PPI) reaccelerated, rising by 2.2% year-over-year, its highest level in twelve months. In Europe, core inflation printed slightly above consensus expectations at 2.6% year-over-year, while headline inflation remained at 2.4%. The European Central Bank (ECB) is expected to deliver its first rate cut in June, with cuts proceeding quarterly until the policy rate reaches 2.25%. In the UK, April inflation surprised to the upside with headline inflation at 2.3%, shifting expectations for the first Bank of England (BoE) rate cut to August instead of June. Japan's headline inflation slowed to 2.5% year-over-year in April, marking the second consecutive month of decline due to fragile consumption. Meanwhile, US core and headline Personal Consumption Expenditures (PCE) printed at 2.8% and 2.7% year-over-year, respectively, and in the Euro area, headline and core inflation were at 2.6% and 2.9% year-over-year, respectively, driven by strong services prices amidst a tight job market.

In the US, real GDP grew at a revised 1.3% annualized pace in Q1, below the 1.6% consensus expectation. The revision was due to lower consumption growth, partially offset by higher housing and capital expenditures. The goods trade deficit widened in March with a sharper decline in exports than imports. In the Euro area, Q1 GDP grew 0.3% quarter-over-quarter, surpassing expectations, with Germany, France, and Italy showing growth above market estimates. The UK's Q1 GDP grew 0.6%, above the 0.4% consensus, lifting the economy out of a technical recession. GIR has raised the UK's 2024 growth forecast to 0.8% from 0.6%. Japan's Q1 GDP contracted by 2.0% quarter-over-quarter annualized, but a rebound is expected in Q2. In China, May's manufacturing PMI fell to 49.5, and non-manufacturing PMI to 51.1, indicating economic challenges, though Q1 GDP grew 5.3%, beating expectations.

Global Markets

Pair	31/5 Close	MoM	YtD
USD Index	104.63	-0.39%	3.25%
EUR/USD	1.086	0.89%	-1.61%
GBP/USD	1.2737	1.51%	0.03%
USD/JPY	157.25	2.74%	11.5%
USD/CHF	0.9028	-0.24%	7.26%

EUR/USD

Monthly Overview

The EUR/USD currency pair exhibited a volatile trajectory throughout May 2024, with the Euro strengthening during the month. The Euro initially appreciated on the back of disappointing US employment data and was further bolstered by US disinflationary trends, with lower-than-expected Inflation Rate YoY being reported at 3.4%. Meanwhile, Eurozone data showed modest economic progress, with Q1 GDP growth at 0.3% and April's Inflation Rate YoY at 2.4%. However, hawkish rhetoric from the Federal Reserve, along with market expectations of a potential European Central Bank (ECB) rate cut in June, dampened optimism for the Euro, resulting in a modest decline and leading the pair to close the month at 1.0835.

Weekly Breakdown

The EUR/USD pair initiated trading at 1.065 and concluded the initial trading week of May with a notable uptick of 1.02%, settling at 1.076. Amidst this, it nearly breached the 1.08 mark, buoyed by a weakening US dollar during Friday's early American session. This was largely attributed to the Non-Farm Payrolls report, which revealed a figure of 175K, falling short of earlier projections. In the second trading week the EUR/USD pair opened at 1.0758 and closed at 1.0772. In the third week of May, EUR/USD pair increased for a fourth consecutive week, as it opened at 1.0770 and closed at +0.94%, driven by broad US Dollar weakness following disappointing US inflation and retail sales data. The pair opened the fourth week at 1.0875 and closed lower by -0.57% at 1.0813, reflecting the overall weakness of the Euro throughout the week. This decline coincided with positive US economic data and hawkish comments from the Fed. During the last trading week of May EUR/USD experienced mixed movements. Initially the pair dropped as the US dollar strengthened amid expectations of prolonged high Fed rates, reaching 1.078. The pair rebounded after the release of major inflation reports for Europe as the Pan-European Core HICP inflation rose above expectations to 2.9% MoM, but these gains were limited after a sharp downside miss in German Retail Sales data, finally closing the month at 1.0835.

GBP/USD

Monthly Overview

Amid fluctuations, the Pound gained ground against the dollar in May. The start of the month saw the pound rise, but early gains were tempered by differing expectations on FED policy while the Bank of England decided to maintain interest rates at 5.25%. A key turning point came in the third week when the Pound surged due to weak US inflation at 3.4%, vindicating FED doves. This positive momentum was countered by strong US economic and employment indicators as well as hawkish Fed rhetoric later in the month suggesting delayed rate cuts, but the pair ultimately managed to close the month 2.01% higher at 1.2730.

Weekly Breakdown

The GBP/USD pair commenced the month at 1.248 and wrapped up the first week with a modest 0.60% increase, settling at 1.254. While the Pound sustained its gains against the Dollar, it retracted from the three-week high of 1.2634, prompted by a disappointing US Nonfarm Payrolls report that fell short of expectations. In the second trading week of May, the GBP/USD pair experienced relative stability, opening at 1.2541 and closing near its initial point at 1.2525. The third week witnessed a notable 1.46% rise in the pair, primarily attributed to broad US Dollar weakness following disappointing US inflation and retail sales data. GBP/USD initiated the fourth week of May at 1.2708 and closed slightly lower at 1.2694, due to robust US economic data indicating a tight labor market. These factors reinforced expectations of a hawkish stance from the Federal Reserve, exerting pressure on the Pound throughout the week. The final trading week of May witnessed mixed performance for the GBP/USD pair. Initially ascending, the Pound subsequently plunged to 1.2686 as market sentiment grew cautious. Investors harbored uncertainty regarding risk assets, anticipating that the Federal Reserve would postpone interest rate cuts until the fourth quarter. Nevertheless, the Pound Sterling rebounded from its losses in Friday's session, closing the month at 1.2730.

USD/JPY

Monthly Overview

Throughout May 2024, the USD/JPY currency pair was influenced by conflicting forces, ultimately leading to a declining trajectory. Initially, the Japanese Yen strengthened against the US Dollar due to unconfirmed interventions by BoJ and a weak US employment report. However, the pair reversed course later in the month, exhibiting sensitivity to both US economic data and Federal Reserve policy pronouncements regarding delayed rate cuts as well as weaker-than-expected Japanese GDP data that contracted by 0.5% QoQ in Q1. The USD/JPY currency pair closed the month down by -0.49%, reflecting the combined influence of a dovish Bank of Japan maintaining ultra-low rates and diminishing expectations of an immediate US rate cut.

Weekly Breakdown

The USD/JPY pair started May at 157.72 and closed the first week at 152.94, marking a 3.18% decrease. The Yen showed strength against the Dollar amid unconfirmed interventions, but their impact was uncertain. Despite this, the Greenback's depreciation combined with a weak US Nonfarm Payrolls report pushing USD/JPY below 152.00, enticed buyers. In the second week of May, the pair saw a notable uptick of 1.39%. This increase was attributed to a consistent climb, particularly spurred by a surprising downturn in consumer sentiment, as indicated by a University of Michigan poll. During the third week, USD/JPY opened at 155.80 and closed the week at 155.379. Meanwhile weaker-than-expected economic performance data in Japan led to some selling pressure on the JPY, offsetting some of the USD weakness. However, on Thursday's session the dollar rebounded and extended its recovery on Friday after the Federal Reserve dismissed expectations of near-term rate cuts. The USD/JPY currency pair had a relatively quiet fourth trading week for May 2024. Opening at 155.754 and closing at 156.9730, it hovered around 157.00 on Friday as central bank policies indicated a continuation of the weakness of the Yen. During the last trading week of May, the pair initially rose reaching 157.77. However, the Yen snapped its losses after BoJ board member Seiji Adachi emphasized gradually reducing bond purchases to ensure long-term yields reflect market signals, managing to close the month at 156.9530.

USD/CHF

Monthly Overview

The USD/CHF currency pair exhibited constant fluctuations in May. Initially, the Dollar gained ground, before retreating due to higher-than-expected Swiss inflation that was reported at 1.4%, which fueled expectations of tighter monetary policy from the Swiss National Bank. The following weeks saw the pair range-bound, but in the third week the USD/CHF pair exhibited sensitivity to economic data, declining in response to disappointing US figures before recovering on news of a contraction in Swiss industrial production. The month ended with a sharp USD/CHF decline, as strong Swiss GDP data showed a quarterly increase of 0.5% and softer-than-expected US inflation data reversed earlier Dollar gains leading this way the USD/CHF currency pair to close the month -1.76% lower at 0.9033.

Weekly Breakdown

The USD/CHF pair started May at 0.9195 and closed the first trading week at 0.9060. Though it initially exhibited an upwards trajectory, the momentum shifted abruptly as the pair underwent a sharp decline, ultimately closing the week below its opening price, influenced by a higher-than expected Swiss inflation report that fueled speculation over tighter SNB policy. Throughout the second week, USD/CHF traded in a narrow range, ending with a marginal decrease of 0.53%. Meanwhile, US Initial Jobless Claims surged, while the yield on 10-year Swiss bonds dipped to a fresh monthly low, dampening the attractiveness of Swiss assets. During the third week, USD/CHF opened at 0.9064 and closed at 0.9060. During the first trading days the pair declined, hovering around 0.9000. However, it rebounded on Thursday due to a depreciation of the Swiss Franc after Industrial Production YoY came in at -3.1. In the fourth week of May, the USD/CHF currency pair rose due to increased demand for the US Dollar, fueled by strong US manufacturing data. The Swiss Employment Level slightly declined to 5.484 million in Q1, while Swiss interest rates remained stable. In the last trading week of May, the USD/CHF currency pair exhibited a notable downward trajectory following the release of a stronger-than-expected Swiss GDP growth rate report. The pair declined further on Friday to close the month at 0.9033.

Poll Summary - Poll Date: 28-May-2024 EUR/USD				
	1M	3M	6M	1Y
Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025
Mean	1,0712	1,0726	1,0811	1,1005
Min	1,0500	1,0400	1,0300	1,0000
Max	1,1100	1,1300	1,1400	1,1800
Standard Deviation	0,0111	0,0197	0,0255	0,0378
Forecasters	60	80	79	66

Poll Summary - Poll Date: 28-May-2024 GBP/USD				
	1M	3M	6M	1Y
Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025
Mean	1,2538	1,2545	1,2628	1,2800
Min	1,2200	1,2000	1,1800	1,1600
Max	1,3000	1,3200	1,3400	1,3800
Standard Deviation	0,0142	0,0241	0,0324	0,0436
Forecasters	43	57	56	47

Poll Summary - Poll Date: 28-May-2024 USD/CHF				
	1M	3M	6M	1Y
Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025
Mean	0,9153	0,9163	0,9139	0,9066
Min	0,8900	0,8900	0,8600	0,8600
Max	0,9300	0,9400	0,9600	0,9900
Standard Deviation	0,0091	0,0126	0,0212	0,0264
Forecasters	30	37	37	31

Poll Summary - Poll Date: 28-May-2024 USD/JPY				
	1M	3M	6M	1Y
Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025
Mean	153,75	151,56	148,38	143,20
Min	145,00	141,00	139,00	130,00
Max	160,00	160,33	160,00	160,00
Standard Deviation	3,12	4,37	5,19	6,71
Forecasters	46	60	60	47

References: Bloomberg, Reuters, Financial Times, Baroon's, FXToday, DailyFX

Rates	31/5 Close	MoM	YtD
FED Funds Rate Target	5.25%-5.50%	No Change	No Change
ECB Main Refinancing Operations Rate	4.50%	No Change	No Change
ECB Deposit Facility Rate	4.00%	No Change	No Change
EURIBOR 1M	3.717%	-16 bps	-13 bps
USA 3 Month Treasury	5.386%	-1.4 bps	-1.8 bps
USA 10 Year Treasury Bill	4.502%	-13 bps	56 bps
Germany 10 Year Bond	2.671%	8.4 bps	66 bps
UK 10 Year Gilt	4.321%	-5.2 bps	78 bps
Greece 10 Year Bond	3.655%	20 bps	53 bps

Eurozone

May was a month of changing expectations as markets participants had doubts over the ECB's plan to cut rates in its June meeting (note: ECB cut rates by 25 bps in its June meeting). The first half of the month has been characterized by decreasing yields across the curve, but they started increasing after the FED indicated its reluctance to cut rates before making sure that it had inflation under control. To top it all off, Eurozone HICP inflation for the month of May came in at a higher than expected 2.6%, casting doubt over the prospect of immediate rate cuts which had made the markets anxious to lock in high-yielding bonds.

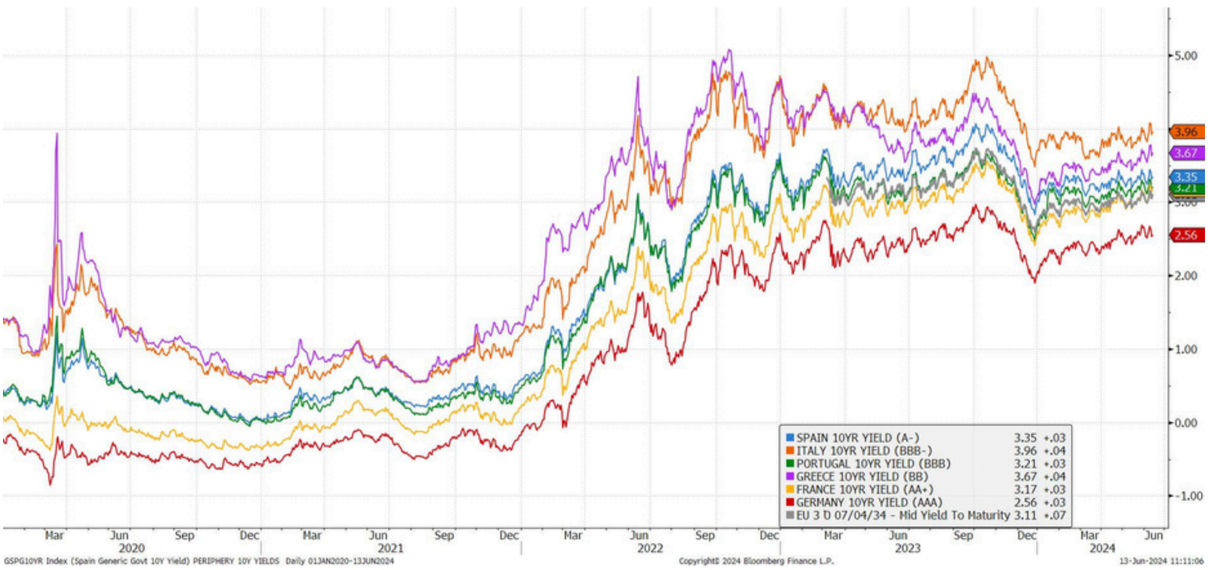
All of this was reflected in the climbing yields along all major European government bonds. The German 10-year ended up at 2.671% while the 2-year climbed to 3.113%. French bonds followed a similar trajectory with the 10-year reaching 3.13%. The Italian 10-year is at 3.968% while the 2-year sits at 3.585%. The German-Italian 10-year spread is still hovering around 1.3%, one of its lowest points in this hike cycle and continuing to indicate that markets don't see huge risks in the biggest economy of the European periphery, at least for now.

United Kingdom

While markets continue to bet on the BoE cutting rates to prop up the island's lagging economy, persistent inflation is continuing to tie the Bank's hands. The BoE kept rates steady at 5.25% for May but signaled intent to start cutting in the coming quarters. Markets expected fast progress, some even forecasting a June rate cut, but a flurry of inflation and wage data came in to discredit such notions, with inflation coming in at 2.3%, above the expected 2.1%. This rattled markets and pushed 10-year yields to new 2-month highs above 4.4%, even though they dipped back below at the end of the month, and kickstarting a whole new cycle of speculation over the timeline of the cuts.

German 2Y Bond Yield

German 10Y Bond Yield



Eurozone Countries 10Y Yiled

British 10Y Gilt Yield

Italian 10Y Bond Yield

USA

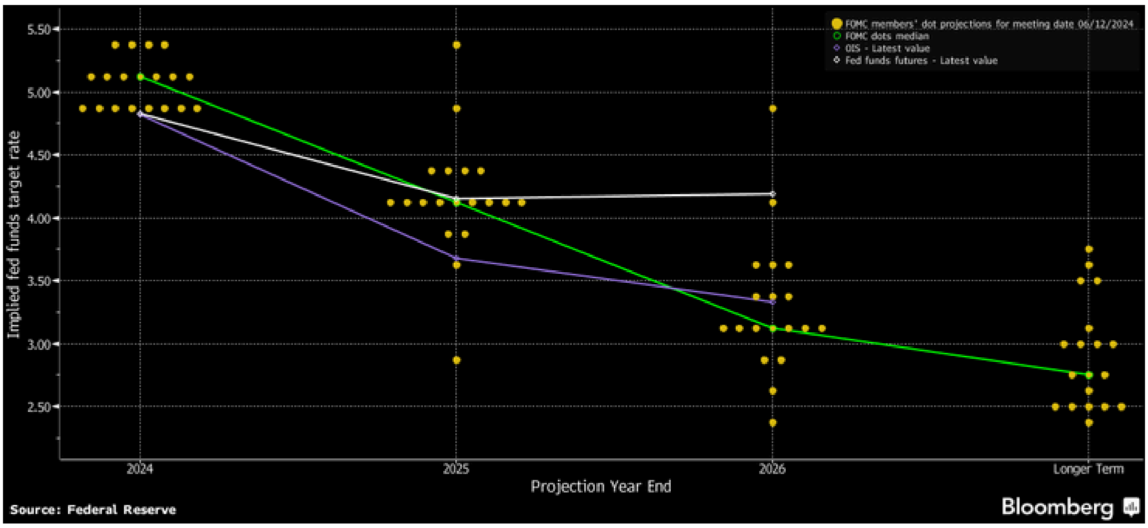
May began with a Federal Reserve meeting on the 1st, where it was announced that interest rates would remain unchanged at 5.25%-5.5%. Fed Chairman Jerome Powell indicated that an interest rate hike was unlikely at the next meeting in June, while also announcing plans to slow the pace of quantitative tightening starting in June. Following these announcements, Treasury yields dropped to session lows. By the 3rd, yields had further declined as April's jobs report showed weaker-than-expected payroll growth of 175,000, compared to the anticipated 240,000, and a slight increase in the unemployment rate to 3.9. A weaker labour market could force the FED to lower interest rates sooner than expected, in order to achieve its dual mandate of stable prices and maximum employment.

On the 9th, yields fell after weekly jobless claims reached their highest level since August and a $25 billion bond auction saw strong demand. However, by the 10th, yields had risen again due to disappointing consumer sentiment data, with the University of Michigan's index falling to 67.4 and inflation expectations rising. The 10-year Treasury yield briefly declined again on the 14th following a higher-than-expected producer price index increase of 0.5%. Mid-month, consumer price index data showed a 0.3% rise from March to April, which was slightly below expectations, providing mixed signals for inflation.

As the month progressed, import prices and initial jobless claims data on the 16th influenced yields. Better-than-expected economic data on the 22nd, including strong services and manufacturing activity indices, pushed yields higher as the economy proves to be more resilient and prices are falling at a slower rate than expected despite the high policy rates. Additionally, a weak Treasury auction of 5-year notes on the 28th and 29th led to further yield increases. By the month's end, the Fed's preferred inflation measure, the core personal consumption expenditures price index, rose 0.2% in April, matching expectations, and annual core PCE increased by 2.8%. These data points caused Treasury yields to retreat slightly on the 31st, concluding a volatile month for U.S. bond markets.

US 2-Year Treasury Yield

US 10-Year Bond Yield



FED Latest Dot Plot

China

In May 2024, China continued to face economic challenges, although there were some positive signs. The year-on-year Consumer Price Index (CPI) turned positive, registering at 0.3%, a slight improvement from the deflationary pressures of previous months. Weak domestic demand and ongoing struggles in the property sector persisted, but there was a notable increase in exports. China's exports grew by 6.0% year-on-year in May, up from a 1.5% increase in April, driven by improving global demand. Imports also saw growth, albeit at a slower rate of 4.2%, compared to April's 8.4% gain.

Reflecting these mixed economic signals, the International Monetary Fund (IMF) revised China's 2024 growth forecast upwards to 5%, from an earlier estimate of 4.6%, citing a stronger-than-expected first quarter performance. However, the IMF cautioned that deflationary pressures and a protracted property crisis remain significant risks for China's economic outlook.

The People's Bank of China (PBoC) maintained the one-year Loan Prime Rate (LPR) at 3.45% for the third consecutive month in May, balancing the need to support economic growth with the potential financial risks. Bond yields continued their downward trend, with the yield on the 10-year government bond decreasing to 2.34% from 2.37% in April. The Ministry of Finance began issuing long-term special treasury bonds worth 1 trillion yuan ($138 billion) starting May 17, aimed at stimulating key sectors of the economy. This issuance included 300 billion yuan in 20-year bonds, 600 billion yuan in 30-year bonds, and 100 billion yuan in 50-year bonds, contributing to slight declines in bond yields.

Japan

In Japan, the inflation rate continued to be moderate in May, with the year-on-year core CPI rising 2.2%, down from April's 2.6%. The "core core" CPI, which excludes both fresh food and energy costs, increased by 2.4%, the slowest growth since September 2022. Despite inflation tracking above the Bank of Japan's (BOJ) 2% target, the BOJ remained cautious about tightening monetary policy too soon, given fragile consumption levels.

As expected, the BOJ maintained its ultra-loose monetary policy stance in May, keeping the short-term interest rate at 0.1%. Governor Kazuo Ueda reiterated the commitment to achieving sustainable inflation through a combination of monetary easing and structural reforms. The weak yen, which has depreciated by roughly 10% against the dollar this year, continues to exert upward pressure on import prices, impacting household purchasing power and consumption.

Japan's 10-year government bond yield briefly crossed 1% in May, the highest level in 12 years, reflecting increased expectations of further BOJ policy tightening. The yield on the 10-year JGB inched up to 1.005%, while other maturities also saw slight increases. The market is bracing for potential further reductions in the BOJ's bond-buying amounts, which could signal a gradual shift in policy. Despite the inflationary pressures and the weakening yen, Japan's bond market performance has been mixed. The issuance of climate transition bonds, announced earlier, continues to attract interest from investors focused on sustainable investments.

Overall, The fixed-income markets in China and Japan continued to show divergent trends in May 2024. China grappled with ongoing economic challenges, including weak domestic demand and a protracted property crisis, but saw improvements in export growth and a slight positive turn in CPI. The IMF's upward revision of China's growth forecast to 5% reflects these mixed signals. In contrast, Japan maintained its ultra-loose monetary policy despite moderating inflation, focusing on achieving its long-term inflation target amid weak domestic consumption and a depreciating yen. These contrasting approaches highlight the different economic challenges faced by both countries.

Japanese 10Y Bond

References: Bloomberg, Market Watch, Kathimerini Money Review, Financial Times, Nikkei Asia

Poll Summary - Poll Date : 28-May-2024 Japan 2-Year Government Bond					Poll Summary - Poll Date : 28-May-2024 Japan 10-Year Government Bond				
	One Month	Three Months	Six Months	Twelve Months		One Month	Three Months	Six Months	Twelve Months
Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025	Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025
Mean	0,21	0,21	0,29	0,43	Mean	0,89	0,91	0,98	1,02
Min	0,2	0,15	0,2	0,25	Min	0,84	0,80	0,80	0,70
Max	0,21	0,25	0,4	0,65	Max	0,95	1,10	1,10	1,11
Standard Deviation	0,01	0,04	0,08	0,16	Standard Deviation	0,04	0,08	0,09	0,12
Forecasts	2	8	8	8	Forecasts	6	14	14	12

Poll Summary - Poll Date : 28-May-2024 GERMANY 2-Year Government Bond					Poll Summary - Poll Date : 28-May-2024 GERMANY 10-Year Government Bond				
	One Month	Three Months	Six Months	Twelve Months		One Month	Three Months	Six Months	Twelve Months
Effective Date	30-Apr-2024	28-Jun-2024	30-Sep-2024	31-Mar-2025	Effective Date	30-Apr-2024	28-Jun-2024	30-Sep-2024	31-Mar-2025
Mean	2,83	2,65	2,44	2,32	Mean	2,43	2,36	2,32	2,37
Min	2,65	2,27	1,88	2,05	Min	2,25	2,08	1,88	2,00
Max	2,97	3,07	2,97	2,85	Max	2,59	2,90	2,87	2,77
Standard Deviation	0,09	0,19	0,21	0,19	Standard Deviation	0,08	0,16	0,20	0,19
Forecasts	14	21	22	16	Forecasts	21	32	32	22

Poll Summary - Poll Date : 28-May-2024 US 2-Year Government Bond					Poll Summary - Poll Date : 28-May-2024 US 10-Year Government Bond				
	One Month	Three Months	Six Months	Twelve Months		One Month	Three Months	Six Months	Twelve Months
Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025	Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025
Mean	4,81	4,68	4,44	3,99	Mean	4,49	4,42	4,26	4,13
Min	4,60	4,23	3,77	3,35	Min	4,00	3,90	3,70	3,40
Max	4,95	5,00	5,00	4,50	Max	4,75	5,00	5,00	5,00
Standard Deviation	0,10	0,19	0,27	0,32	Standard Deviation	0,14	0,21	0,27	0,31
Forecasts	18	27	29	23	Forecasts	34	55	54	44

Poll Summary - Poll Date : 28-May-2024 UK 2-YEAR GILT					Poll Summary - Poll Date : 28-May-2024 UK 10-YEAR GILT				
	One Month	Three Months	Six Months	Twelve Months		One Month	Three Months	Six Months	Twelve Months
Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025	Effective Date	31-May-2024	31-Jul-2024	31-Oct-2024	30-Apr-2025
Mean	4,34	4,20	3,98	3,63	Mean	4,12	4,02	3,89	3,78
Min	4,28	4,07	3,78	3,40	Min	3,98	3,63	3,43	3,25
Max	4,46	4,30	4,15	3,96	Max	4,29	4,20	4,20	4,23
Standard Deviation	0,06	0,10	0,13	0,18	Standard Deviation	0,10	0,14	0,18	0,25
Forecasts	8	10	11	6	Forecasts	14	22	22	17

Commodity	Close	MoM	YtD
Bloomberg Commodity Index	102	0.9%	4.29%
Bloomberg Energy Index	75	1%	7.72%
Gold Continuous Cont	USD 2,360	3.2%	17.51%
Crude WTI Continuous Cont	USD 77.6	-1%	9%
Crude Brent Continuous Cont	USD 81	-5%	6.34%
Natural Gas TTF Continuous	EUR 34	9.7%	-2.97%

Gold (1M Future Contract)

Monthly Overview

In May, gold prices were significantly influenced by expectations of Federal Reserve rate cuts, geopolitical tensions, and various market dynamics. Despite intermittent volatility, the overall trend remained positive subsequent to the unprecedented high of April as persistent geopolitical uncertainties, particularly those associated with the Middle East and Russia-Ukraine conflicts, continued to bolster gold prices, with investors still searching for "safe-haven" assets to hedge against increasing risk in the global economy. Additionally, a weakened US dollar has resulted in a marginal decline in the price of gold for international buyers. Moreover, analysts have identified China's considerable gold acquisitions as a significant contributing factor in recent months.

Weekly Breakdown

Presenting a more in-depth analysis, gold prices presented a decline from their record high in April, reflecting investors' optimism regarding tensions in the Middle East ending in the first week of May at $2330.60. During the second week, there was a slight uptick in gold prices, reaching $2397.70, as signals of a slowing U.S. labor market led to a decline in the value of the dollar and Treasury yields. The following week, gold prices increased even more as market's sentiment was influenced by recent comments from Federal Reserve officials, which created uncertainty regarding potential interest rate cuts, reaching $2440.40. In the beginning of the fourth week of May, the price of gold hit a record high, nearly reaching $2,500. However, by the end of the week, the price closed slightly lower at $2356.90. In summary, over the last weeks of the month, gold prices experienced a decline, stepping back from their previously achieved record highs. This drop was influenced by reduced uncertainty surrounding Iran, which reduced risk perception in markets and thus the appeal of the precious metal. Finally, gold prices concluded the month of May at $2345.80.

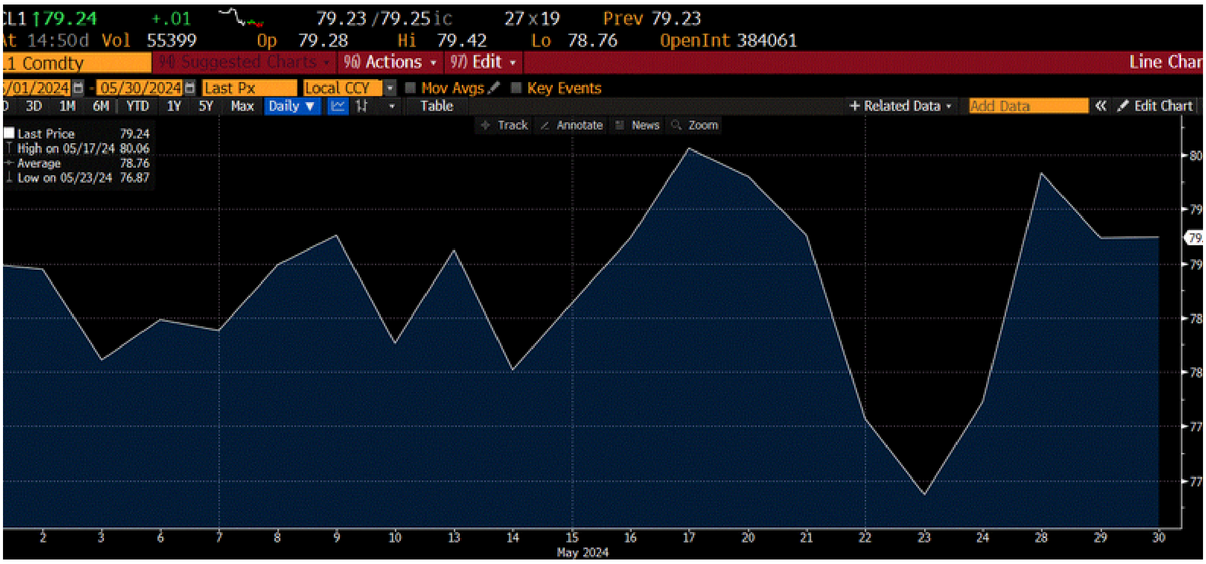
Crude Oil (WTI & Brent Crude 1M Future Contract)

Monthly Overview

In May, the global oil market experienced a general downward trend attributed to heightened geopolitical uncertainty. Optimism regarding the latest round of peace negotiations in the Middle East dwindled, and tensions in Ukraine escalated, leading to a series of tit-for-tat attacks on energy infrastructure. Consequently, global demand for crude weakened, creating a persistent risk premium in crude oil markets as the instability in the Middle East threatens the region's oil supply. Furthermore, throughout the firsts weeks of the month there were more fluctuations in oil prices due to US crude inventories falling short of consensus expectations, while China's oil imports have added to the overall positive sentiment. Lastly, reports of the OPEC intentions to extend output cuts have also supported oil prices towards the end of the month.

Weekly Breakdown

In the first week of the month, WTI and Brent Crude prices hit a three-month low, closing at $78.11 and $82.96 per barrel due to speculation about a potential ceasefire in the Middle East and an increase in US crude inventories. Despite the Federal Reserve's expectation of higher interest rates in the long term, the second week saw a slight increase in oil prices. This was in response to a stronger-than-expected oil imports from China, with WTI closing at $78.26 and Brent at $82.79 per barrel. The third week continued the upward trend, with WTI crude futures finishing slightly higher at $78.26 and Brent crude futures closing at $83.98 per barrel. However, WTI and Brent crude ended the fourth week lower, closing at $77.72 and $82.12 per barrel, respectively, due to higher-than expected Q1 inflation levels. Altough the last week of the month started with crude oil prices rising due to investors' expectations regarding OPEC supply cuts, May ended with WTI and Brent prices decreasing to $76.99 and $81.62 per barrel, respectively.



Brent Crude 1M

WTI 1M

Natural Gas - Dutch TTF

Monthly Overview

The Dutch TTF natural gas market experienced significant price fluctuations in May 2024 due to various factors. These included concerns about the reliability of natural gas supply from Russia, with any disruptions leading to price spikes. Although warmer weather decreased demand, cooler forecasts towards the end of the month caused prices to slightly rebound. European natural gas futures have increased by 33% since yearly lows in February, reflecting worries about the necessity to replenish fuel inventories for the upcoming winter. Additionally, Ukraine's decision not to renew its transit agreement with Russia's Gazprom and preparations for potential disruptions in gas supply by European countries, such as Austria, have caused European natural gas prices to surge to their highest levels since January.

Weekly Breakdown

Moving to a Week-to-Week breakdown, Natural Gas prices started the month with a slight increase from April, closing at $30.53. In the following week, the market witnessed increased volatility, with natural gas eventually closing at $30.03 as price hikes have been kept in check by adequate short-term supply, with European gas storage facilities currently at seasonal highs of capacity. By mid-May, TTF prices started to rise significantly, reaching $30.76 per MWh, representing a rise of over 2% from early May prices. The increase was attributed to a combination of cooler weather forecasts and geopolitical concerns regarding supply routes and reliability. The fourth week of May was characterized by a sharp increase in European Natural Gas prices rising nearly $35, reaching their highest levels since January. This market reaction was the result of an announcement by OMV, an Austrian energy company, regarding a potential disruption in Russian gas supply. The announcement refers to a court ruling which could hinder payments to Gazprom Export for the natural gas delivered, as well as Ukraine's decision not to extend its transit agreement with Russia's Gazprom for the transportation of Russian gas to Europe. Following these spikes, Natural gas prices settled at $34.22, closing the month slightly lower.

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Poll Summary - Poll Date : 28-May-2024 Crude Brent Oil					
Poll Summary - Brent		Q2 2024	Q3 2024	Q4 2024	Q1 2025
Reuters Poll (Mean)		86,41	86,2	84,96	83,58
Standard Deviation		3,25	4,51	6,19	7,32
Max		91,99	94	99	100
Min		79	75	70	70

Poll Summary - Poll Date : 28-May-2024 Crude WTI Oil					
Poll Summary - WTI		Q2 2024	Q3 2024	Q4 2024	Q1 2025
Reuters Poll (Mean)		82,49	82,08	80,66	77,67
Standard Deviation		3,69	4,76	6,55	5,9
Max		89	93	95	90
Min		75	72	67	70

Poll Summary - Poll Date : 28-May-2024 Gold					
Poll Summary - Gold		Q1 2024	Q2 2024	2024	2025
Reuters Poll (Mean)		2238,71	2229,69	2227,65	2241,46
Standard Deviation		133,94	175,03	149,85	246,09
Max		2600	2700	2700	2924
Min		2000	2000	2000	1815

References: Reuters Terminal

Index	Close	MoM	YtD
S&P 500	5277	3.4%	9%
NASDAQ 100	18533	11.4%	16.42%
DJIA	38647	5%	2.47%
FTSE 100	8275	0.72%	5.73%
DAX	18369	0.62%	8.92%
CAC 40	7988	-1.3%	2.35%
STOXX 600	518	1.2%	4%
ATHEX GD	1431	-2.43%	11.36%
HANG SENG	17763	10.5%	6.7%
NIKKEI 225	38269	-5.5%	15.53%

American Market Indices - SPX, NASDAQ100, DJIA

Monthly Overview

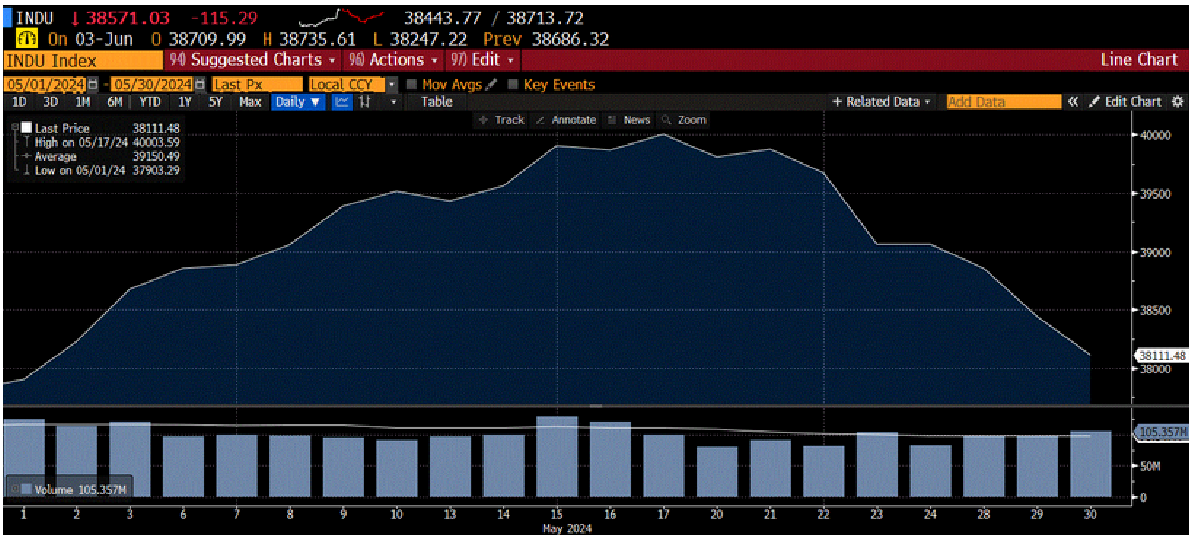
May has been a dynamic period for U.S. equities, characterized by significant gains and remarkable milestones. The S&P 500 surged by 4.5%, closing at 4,493.5 points, up from 4,300 points in April. The Nasdaq Composite outperformed with a 5.8% gain, finishing at 13,965.6 points, compared to 13,200 points in April. The Dow Jones Industrial Average (DJIA) surpassed the 40,000-point milestone, ending May at 40,961.5 points, an increase from 39,500 points in April. This achievement underscored a broad-based recovery and heightened investor confidence in blue-chip stocks. Macroeconomic indicators played a pivotal role in shaping market sentiment. U.S. inflation eased, with the Consumer Price Index (CPI) rising by 3.2% year-over-year, down from 3.8% in April. This moderation in inflation alleviated concerns about the Federal Reserve's tightening policies. The Fed's decision to pause interest rate hikes further bolstered market confidence. The labor market remained resilient, with the unemployment rate steady at 3.6%, and nonfarm payrolls adding 250,000 jobs in May, exceeding expectations.

Weekly Breakdown

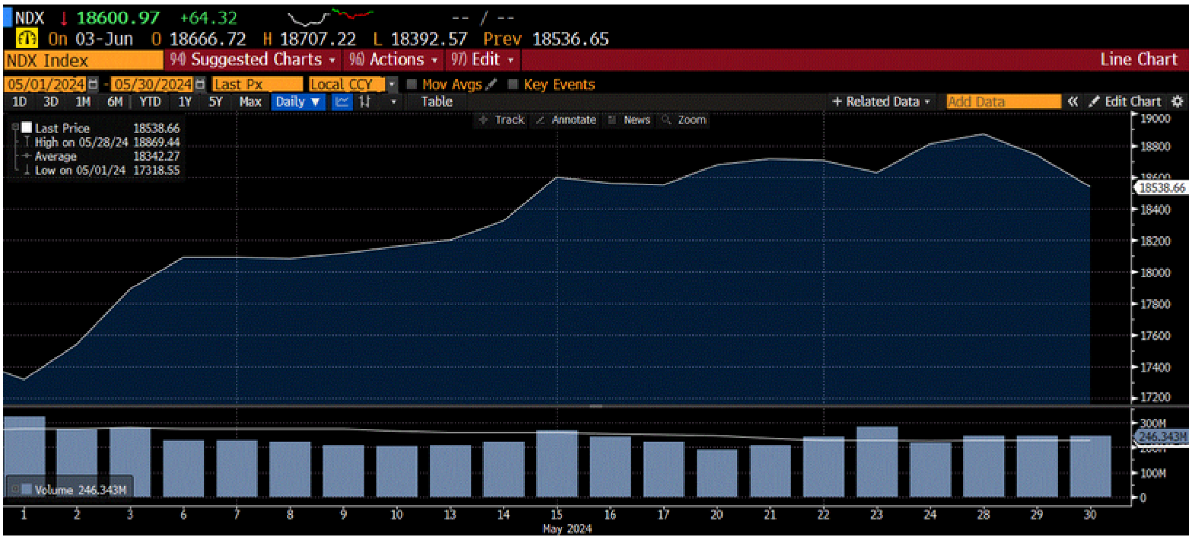
In the first week of May, U.S. equities rose sharply following the Federal Open Market Committee (FOMC) announcement of no changes to key interest rates. The S&P 500 rose by 1.2%, driven by strong earnings from tech giants such as Apple and Microsoft. The Nasdaq outperformed, gaining 1.5%, amid ongoing investor enthusiasm for tech advancements. Despite this positive start, the S&P 500 finished April 4.16% lower, marking its worst month since September 2023, as Fed Chair Powell noted a lack of further disinflationary progress in his post-meeting remarks.

During the second week, the Dow Jones Industrial Average made history by surpassing the 40,000 mark, ending the week up 1.3%. The S&P 500 and Nasdaq posted gains of 0.9% and 1.1%, respectively, reflecting broad-based market strength. Investor confidence was buoyed by continuous strong earnings reports, which helped to maintain market momentum. In the third week, the market saw a slight pullback, with the S&P 500 dipping by 0.5% due to mixed economic data and profit-taking. The Nasdaq also declined by 0.4%, while the Dow remained flat. Despite the temporary decline, market sentiment remained positive overall, bolstered by solid corporate earnings and economic fundamentals.

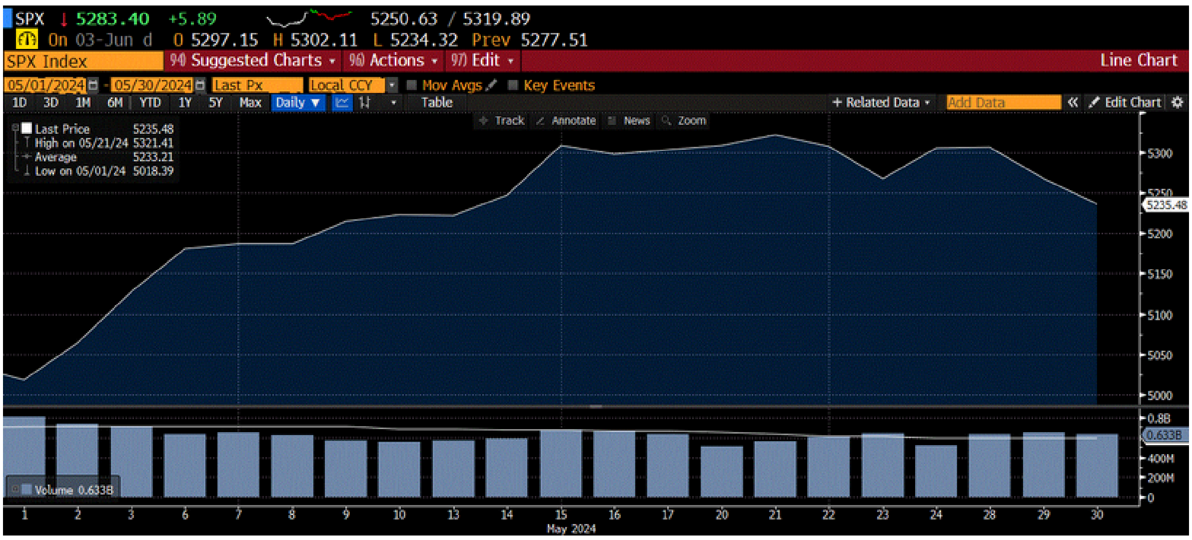
The final week of May concluded on a high note with the S&P 500 gaining 2.9%. Investors reacted positively to easing inflation and the Fed's decision to pause rate hikes. The Nasdaq surged by 3.6%, and the Dow added 2.5%, reflecting widespread optimism. U.S. equities rose as S&P 500 earnings continued to surpass consensus expectations, with 1Q 2024 blended earnings growth reaching 5.4% year-over-year, the highest since 2Q 2022. This strong earnings performance marked the fifth consecutive quarter of positive earnings growth, reinforcing investor confidence and contributing to the overall market rally.



DJIA



NASDAQ 100



S&P500

European Market Indices - STOXX600, DAX 30, CAC 40

Monthly Overview

European equities experienced notable gains in May 2024, driven by strong corporate earnings and improving economic indicators. The STOXX Europe 600 index rose by 3.2%, closing the month at 464.4 points, up from 450 points at the end of April. France's CAC 40 saw a 3.8% increase, ending May at 7,577.4 points compared to 7,300 points in April. Germany's DAX index climbed by 3.5%, closing at 16,146.0 points from 15,600 points at April's close. The UK's FTSE 100 posted a 2.4% gain, finishing May at 7,782.4 points, up from 7,600 points.
The European Central Bank (ECB) maintained its steady course, keeping interest rates unchanged amidst a complex economic recovery. Inflation in the Eurozone showed an uptick in May, climbing by 0.2% MoM to 2.6%, an increase not big enough to deter the ECB from its chosen path. The labor market remained stable, with the unemployment rate holding at 6.8%. Despite these positive signs, overall economic growth remained modest, with GDP growth for 2024 projected at 0.7%.

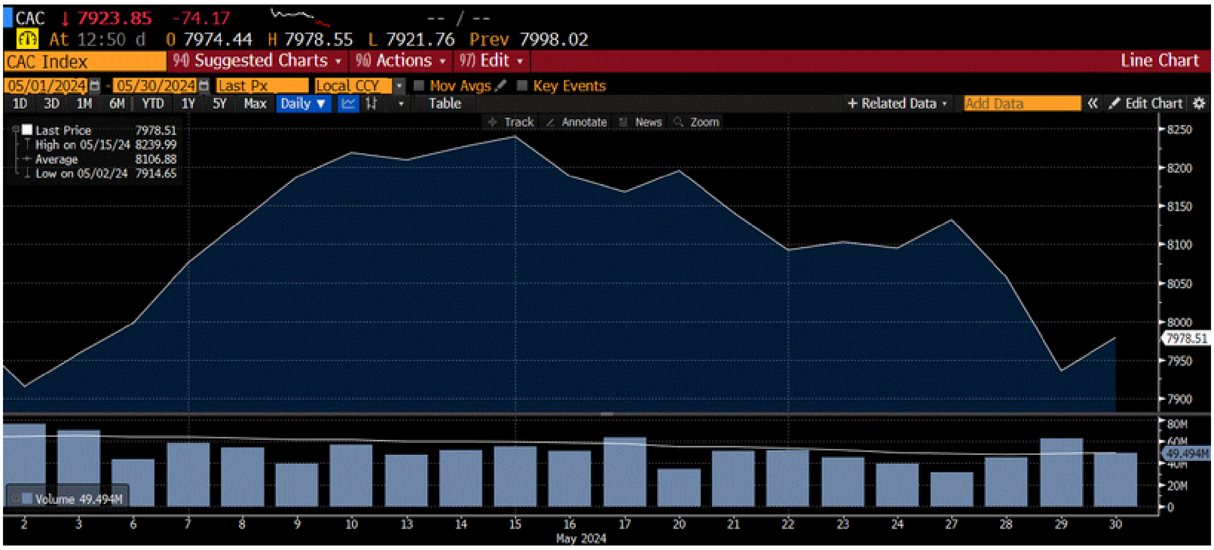
Weekly Breakdown

In the first week of May, European markets started strong, with the STOXX Europe 600 rising by 1.1%. The CAC 40 led with a 1.4% increase, driven by robust performance in the luxury goods sector. The DAX and FTSE 100 posted gains of 1.2% and 0.8%, respectively. Continued strength marked the second week, with the DAX climbing by 1.5% on strong industrial data. The CAC 40 and STOXX Europe 600 rose by 1.2% and 1.3%, respectively, while the FTSE 100 gained 0.9%. A minor correction occurred in the third week, with the STOXX Europe 600 falling by 0.6%. The DAX and CAC 40 declined by 0.7% and 0.5%, respectively, due to profit-taking and economic growth concerns. The FTSE 100 was down by 0.4%.

The final week of May saw a rebound, with the STOXX Europe 600 gaining 1.4%. The CAC 40 and DAX rose by 1.6%, driven by positive earnings and easing inflation. The FTSE 100 ended with a 1.1% increase, supported by gains in the energy sector. Elsewhere, the STOXX Europe 600 ended a week -0.31% lower as Euro area inflation printed above consensus expectations. However, outside the US, the STOXX Europe 600 and FTSE 100 finished a week 3.18% and 2.76% higher, respectively, both notching new all-time highs.

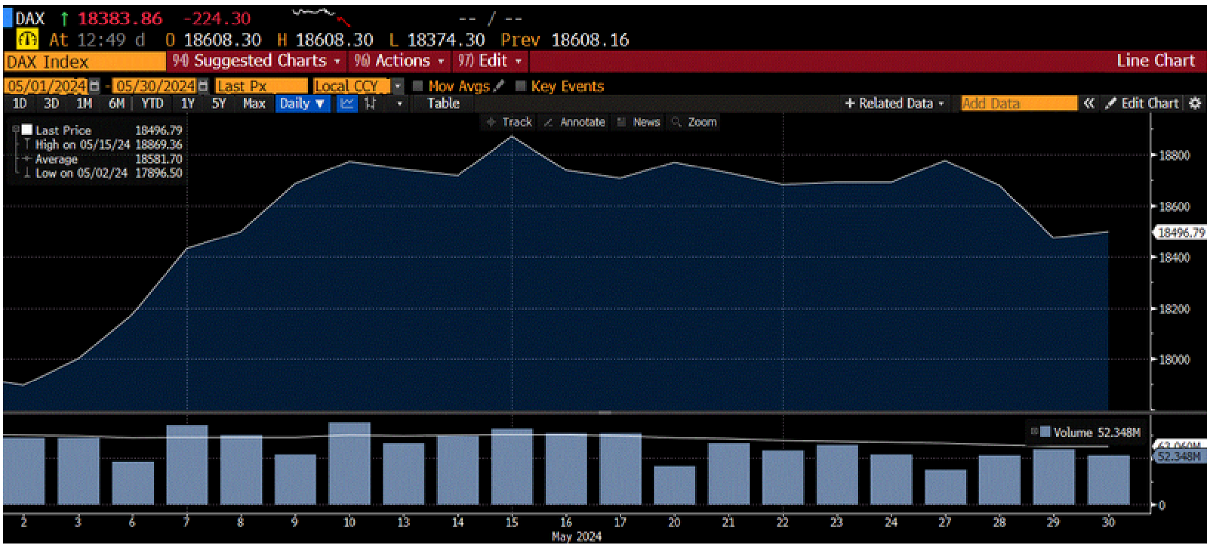
References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

AUEB Students' Investment & Finance Club



CAC 40

STOXX600



DAX 40

United Kingdom Indices - FTSE100

Monthly Overview

Throughout the month of May, the FTSE 100, Britain's premier stock index, exhibited notable fluctuations but demonstrated resilience, achieving record highs despite various economic uncertainties and global market fluctuations. The index navigated these challenges with mixed performance week by week, ultimately closing the month at 8,275.38 points (+1.6% from the previous month), reflecting its ability to rebound and adapt to changing market conditions.

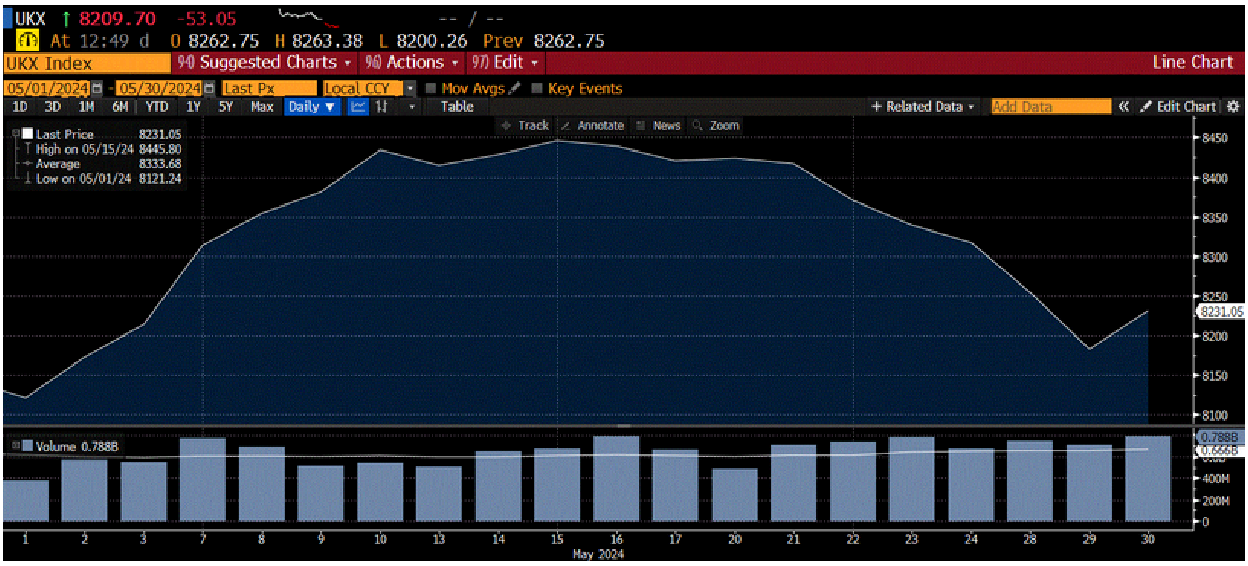
Weekly Breakdown

In the first week of May, the FTSE 100 demonstrated a notable upward performance. Despite falling by 0.3% on May 1st due to UK house prices and the anticipation of the FED's meeting, the index rebounded the next day, rising by 0.7% and reaching 8,177 after the announcement of steady interest rates. The upward trend continued with a 0.4% increase on May 3rd, mainly due to strong UK services sector data and hopes about US rate cuts. Britain's premier index surpassed 8,300 points on May 7th, with a 1.2% growth after a bank holiday break on Monday, May 6th.

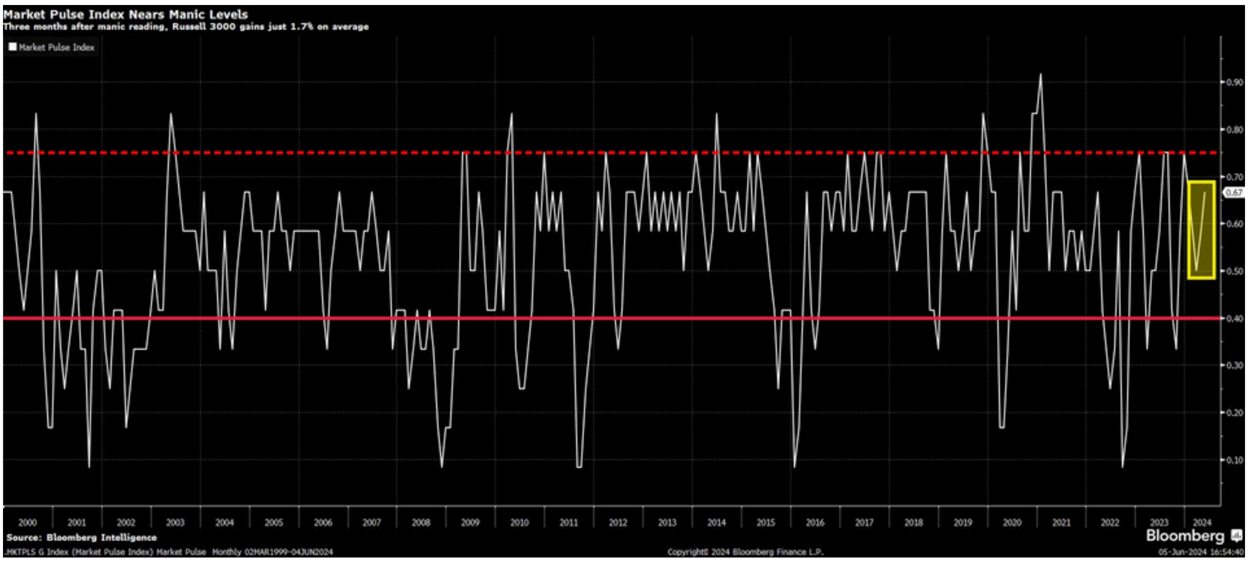
During the second week, the index displayed volatility, starting the week with a 0.5% rise on May 8th driven by a weaker pound and investors' expectations about future rate cuts from the BoE. The upward trend carried on May 9th and 10th, with England's premier index experiencing a 0.4% and 0.7% increase respectively, due to positive data about the UK's GDP and the BoE keeping interest rates steady, reaching 8,433 points. However, later that week (May 13th), the index fell by 0.2%, influenced by the US inflation data, but managed to rebound the next day after the publication of UK wage growth and unemployment data.

In the third week, the FTSE 100 experienced a mix of gains and losses. On May 16th, a small decline of 0.2% marked a pause after the recent record-breaking run. The downward movement persisted on May 17th, with a marginal drop of 0.1%, influenced by Federal Reserve officials signaling that interest rates might need to remain higher for longer, disrupting market optimism. On May 20th, the FTSE 100 edged up by 0.1%, supported by a rally in commodity prices and geopolitical tensions in the Middle East. However, this modest gain was overshadowed by an equal decline on May 21st, as the market reacted to falling oil prices and uncertainty regarding future interest rate cuts. At the end of week three, the index stood at 8,416 points.

In the final week of May, the FTSE 100 was influenced by both economic data and political developments. The week started with a 0.6% fall to 8,370 points after the announcement of disappointing inflation figures and the UK's general election scheduled for July. The FTSE 100 extended its decline on May 23rd, closing 0.3% lower, impacted by a 2.3% drop in UK retail sales. The index fell another 0.8% on May 28th and 29th due to inflation concerns and rising Treasury yields. Lastly, on May 30th, the FTSE 100 broke a six-day losing streak, gaining 0.6%, and continued to rise by 0.6% on May 31st, reaching 8,275 points as investors processed new inflation data, highlighting the week's complex market dynamics.



FTSE 100



Market Pulse Index

Asian Markets Indices - HKHS, NIKKEI 225

Monthly Overview

In May 2024, China's economy presented a mix of economic indicators, reflecting both growth and challenges. The Consumer Price Index (CPI) showed a slight increase to 0.3% from 0.1% in the previous month, indicating modest inflationary pressures. GDP saw a robust annual increase in industrial production by 6.7%, exceeding market expectations. The labor market remained stable with an unemployment rate of 5.0%, suggesting steady employment conditions.

On the trade front, China experienced a notable decrease in its trade surplus to USD 72.35 billion from USD 86.46 billion, missing market forecasts. This decline in the trade surplus was a key factor affecting overall market sentiment. Additionally, China's current account surplus narrowed to USD 39.2 billion, the smallest since 2020, highlighting shifts in international trade dynamics.

Weekly Breakdown

In the first week of May, the economic data pointed to a steady inflation increase and robust industrial production growth, setting a positive tone for the month. The Consumer Price Index (CPI) showed a slight increase to 0.3%, indicating modest inflationary pressures.

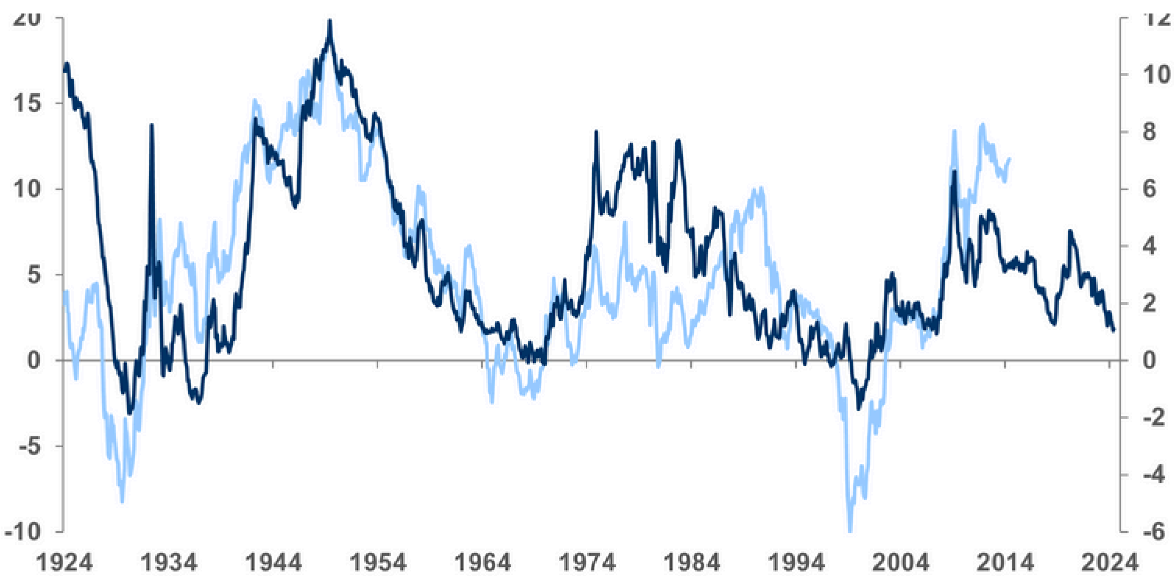
As the month progressed, the second week saw China maintaining stable unemployment rates at 5.0%, suggesting a resilient labor market. The industrial production growth continued to outpace expectations, reinforcing confidence in China's economic growth trajectory.

In the third week, China's trade surplus showed signs of strain, decreasing to USD 72.35 billion from USD 86.46 billion, which missed market forecasts and impacted market sentiment. Despite this, industrial production remained strong, continuing its annual increase of 6.7%.

The final week of May saw a further narrowing of China's current account surplus to USD 39.2 billion, the smallest since 2020. This decline, coupled with the decreasing trade surplus, reflected significant shifts in international trade dynamics. The Hang Seng Index (HSI) rose by +4.31% during the month, ending at 18,993.0, highlighting positive investor sentiment despite broader economic challenges.

NIKKEI 225

HANG SENG INDEX



US Histrociall Equity Risk Premium

Poll Summary - Poll Date: 22-Mar-2024						
	DOWJONES			S&P500		
Period	Mid-24	End-24	Mid-25	Mid-24	End-24	Mid-25
Mean	39,413	41,670	42,857	4,982	5,058	5,379
High	40,700	46,876	47,402	5,400	6,060	6,750
Low	36,800	38,000	38,500	4,500	4,000	4,722

Poll Summary - Poll Date: 22-Mar-2024						
	STOXX600			CAC40		
Period	Mid-24	End-24	Mid-25	Mid-24	End-24	Mid-25
Mean	480	506	541	7,770	7,977	7,903
High	525	550	575	8000	8400	8,100
Low	390	430	510	7,552	7,500	7,762

Poll Summary - Poll Date: 22-Mar-2024						
	FTSE100			DAX		
Period	Mid-24	End-24	Mid-25	Mid-24	End-24	Mid-25
Mean	7,694	7,917	8,041	17,081	17,701	17525
High	8,060	8,700	8,304	18,000	19,500	19,500
Low	7,300	6,600	7,800	16,300	15,000	17,400

Poll Summary - Poll Date: 22-Mar-2024			
	NIKKEI 225		
Period	MID-24	END-24	MID-25
Mean	36,982	38,757	39,586
High	40,000	43,000	45,000
Low	32,249	31,556	30,928

References: Reuters Terminal, Bloomberg, Thomson Reuters

Abu Dhabi AI company Presight takes majority stake in tech venture AIQ.
The month of May started off with Artificial intelligence company Presight AI Holding acquiring a majority stake in AIQ, a technology joint venture between Abu Dhabi National Oil Company (ADNOC) and G42, under a new ownership structure announced by the companies on Wednesday (1/5). Under the new arrangement, Presight will hold a 51% stake in AIQ with ADNOC retaining a 49% shareholding, valuing the company at $1.4 billion. Prior to the new structure, AIQ was 60% owned by ADNOC and 40% by G42, another Abu Dhabi advanced technology company. AIQ uses AI and machine learning to optimize processes, improve planning and increase profitability for ADNOC and the wider oil and gas industry. ADNOC's CEO and minister of industry and advanced technology Sultan Al Jaber, will take over as AIQ chairman.

Novartis to buy radiology drug specialist Mariana for $1 billion.
On the following day, Tuesday (2/5) Novartis agreed to acquire U.S. radiopharmaceutical company Mariana Oncology for $1 billion upfront, boosting its portfolio of precision cancer treatments in development. The deal includes up to $750 million of further payments upon achieving certain milestones. Mariana Oncology is working on novel radioligand cancer therapies (RLTs) that have not yet been tested on humans. "The transaction bolsters the Novartis RLT pipeline and expands the company's research infrastructure and clinical supply capabilities," Novartis said in a statement.

GIP to buy U.S. utility owner Allete for $3.9 billion.
In the second week of May, Monday (6/5), Global Infrastructure Partners and Canada Pension Plan Investment Board agreed to acquire Allete Inc., a Minnesota-based utility owner, for about US$3.9 billion. The companies will acquire all the outstanding common shares of Allete for $67 a share in cash, a 19% premium to the utility owner's closing share price. The tie-up is valued at $6.2 billion including the assumption of debt. The acquisition comes as U.S. electric utilities are facing the biggest demand jump in a generation. Booming interest in artificial intelligence is spurring development of data centres, while new factories and efforts to electrify more of the economy are all taxing the U.S. power grid. Allete shares slipped one per cent to $63.62 at 10:12 a.m. in New York. They gained 5.6% on Friday, the most in almost five months, after initial reports that the deal was in the works.

Perpetual to be broken up with name being sold to KKR in nearly $1 billion deal.
On Tuesday (7/5) Australia's Perpetual, will be broken up, with its name sold to global investment firm KKR & Co, in a deal worth over $1.5 billion. The transaction will represent the biggest overhaul in the fund manager's 138-year-old history and will give KKR the Perpetual name. In late April, Perpetual had confirmed it was in exclusive talks with the U.S.-based buyout firm over a sale of its corporate trust and wealth management business. Concluding, this deal would help KKR expand its investment management footprint in Australia.

Siemens to sell drive division to KPS for $3 billion, sources.

Germany's Siemens will sell its Innomotics large motors and drives division to financial investor KPS Capital Partners for $3.25 billion, announced on Wednesday (15/5). KPS had contended with Japanese engine manufacturer Nidec for Innomotics, which is based in Nuremberg, Germany, employs around 14,000 people, and has been a separately managed subsidiary of Siemens since July 2023. The company was created by Siemens combining its activities in low- to high-voltage motors, geared motors, medium-voltage converters and motor spindles - operations which share suppliers, customers and technologies - in a new company. Siemens said in February that plans for complete independence of the business, which has sales of more than 3 billion euros, were progressing well.

Emirati bank FAB in advanced talks to buy Turkey's Yapi Kredi.

On Tuesday (21/5) First Abu Dhabi Bank got in advanced talks to acquire Turkish conglomerate Koc Group's 61.2% stake in Istanbul-based lender Yapi Kredi for about $8 billion. Final details of the potential deal for Turkey's fourth-biggest private bank are being hammered out after several months of negotiations. Yapi Kredi shares soared 10% after the news of what would be one of Turkey's largest bank buyouts, while Koc Holding jumped more than 7%, both touching record highs and driving Istanbul's main index (XU100) to a new peak.

T-Mobile to buy US Cellular's wireless operations in $4.4 billion deal.

T-Mobile will buy almost all of regional carrier United States Cellular's wireless operations including customers, stores and 30% of its spectrum assets in a deal valued at $4.4 billion, the telecom giant mentioned on Tuesday (28/5). U.S. Cellular's shares jumped more than 10% in trading before the bell and comes nearly ten months after the company said it was exploring strategic options. U.S. Cellular will retain ownership of about 70% of its spectrum, its equity-method investments as well as 4,400 telecom towers. It said T-Mobile will become a long-term tenant on at least at least 2,600 towers. T-Mobile, which eyes improved coverage for its customers, will fund the deal in a combination of cash and up to $2 billion of debt to be assumed through an exchange offer to be made to some of U.S. Cellular's debtholders. T-Mobile does not expect any impact on its financial forecast or shareholder return program for 2024.

Hess shareholders sign off on $53 billion sale to Chevron.

The month of May ended off with Hess shareholders on Tuesday (29/5) approving the proposed $53 billion merger with Chevron that paves the way for the No. 2 U.S. oil company to gain a prize asset and a foothold in rival Exxon Mobil's massive Guyana discoveries. The approval clears one hurdle, but the deal still requires regulatory approval and must face a lengthy arbitration battle with Exxon and CNOOC Hess' partners in Guyana. Regulatory approval could come next month, said Frederic Boucher, risk arbitrage analyst at Susquehanna Financial Group, based on the time the Federal Trade Commission took to approve Exxon's acquisition of Pioneer Natural Resources earlier this month.

Largest IPOs in May 2024				
Date	Company	Ticker	IPO Price	Shares Offered
1/5/2024	Viking	$VIK	$24,00	64.041.668
2/5/2024	Churchill Capital Corp IX/Cayman	$CCIXU	$10,00	25.000.000
3/5/2024	Ale Group	$ALEH	$4,00	1.300.000
8/5/2024	Nano Nuclear Energy	$NNE	$4.00 - $6.00	3.000.000
9/5/2024	Proficient Auto Logistics	$PAL	$15,00	14.333.333
10/5/2024	ZEEKR Intelligent Technology	$ZK	$21,00	21.000.000
14/5/2024	Armlogi	$BTOC	$5,00	1.600.000
15/5/2024	Raytech	$RAY	$4.00 - $5.00	1.500.000
17/5/2024	RF Acquisition Corp II	$RFAIU	$10,00	10.000.000
17/5/2024	Super Hi International	$HDL	$19,56	2.692.700
23/5/2024	Bowhead Specialty	$BOW	$17,00	7.529.412
31/5/2024	Kindly MD	$KDLY	$5,50	1.200.000

Largest Mergers & Acquisitions (M&A) Deals in May 2024			
Date	Acquiring Company	Acquired Company	Deal Size
6/5/2024	EQT Group	Perficient	$3 billion
13/5/2024	Permira	Squarespace	$6.9 billion
16/5/2024	Nippon Life Insurance	Corebridge Financial	$3.8 billion
16/5/2024	KPS Capital Partners	Innomotics GmbH	$3.5 billion
23/5/2024	Hg Capital	AuditBoard	$3 billion
28/5/2024	Energy Transfer	WTG Midstream	$3.3 billion
29/5/2024	T-Mobile	UScellular	$4.4 billion
29/5/2024	Merck & Co	EyeBio	$3 billion
29/5/2024	ConocoPhillips	Marathon Oil	$22.5 billion

References: Reuters Terminal, Bloomberg, Market Screener

AUEB Students’ Investment & Finance Club

Greek Market

Macro Overview

The Greek economy has continued its 2024 trend in the month of May. Inflation shows signs of slowing down, falling to 3.2% in April but high food prices continue to plague households and their outlook for the economy. This did not stop them from increasing retail purchases in the first quarter, although March saw a significant downturn in retail sales. This, along with decreased optimism from the side of firms is pointing to an uncertain and volatile economic environment. However International economic organizations still project a robust growth of around 2% for the whole year that will heavily depend on the performance of the tourist sector which is expected to break yet more records in 2024.

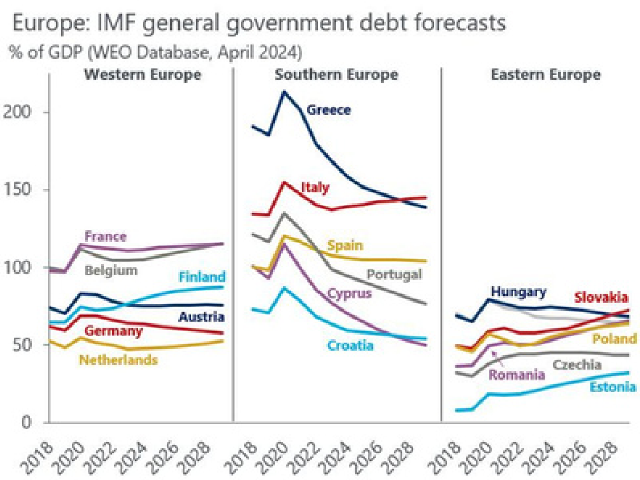
The Greek Government is continuing to benefit from high revenue stream amid the inflation wave which have been used to fund ad-hoc grants and subsidies, prompting discussion over the medium-term sustainability of this kind of policy. However, the government may regard them as necessary evils in its fight to help consumers deal with inflation, with results being ambiguous as pure demand-side policies may be looping back into inflation numbers. All of this comes amid calls for tax-cuts, especially for low-income households and consumers, which have been ruled out by the Prime Minister as fiscally impossible.

Greek Sovereign Bonds

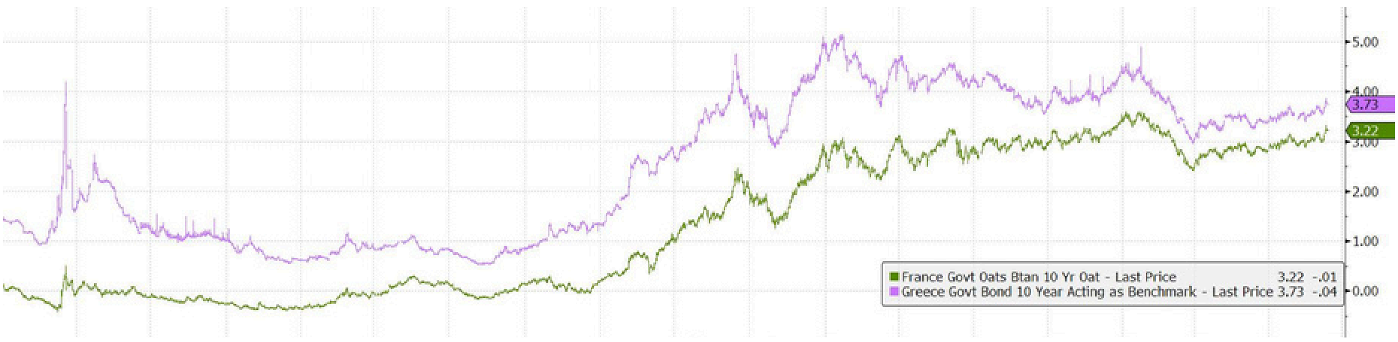
The month of May was characterized by volatility in the bond markets which affected the Greek bond as well. Investor demand for bonds fluctuated the whole month due to the continuous ebb and flow of data and remarks causing expectations of rate cuts to change on both sides of the Atlantic. The month started with more confidence in the prospects of a looser policy, especially in Europe, pushing Greek 10-year bond yields below 3.5% around the half point of May. However, in the rest of the month doubts started to grow among investors, especially after higher than expected German inflation data rattled markets expecting smooth sailing towards a lower-rate environment. This pushed yields all around Europe higher with the Greek 10-year and 2-year bonds ending the month at 3.676% and 3.012% respectively. The Greek bond market also showed healthy demand with 500 million worth of medium-term bonds sold for 3.55% yield.

10-Year Greek Bond Yield

Germany vs Greece Real GDP Trend



Gov Debt/GDP Ratios EU



Greece vs France 10Y Spread

Athens Stock Exchange General Index

Monthly Overview

The Greek stock market experienced a mixed performance in May 2024. Initially, the Athens Stock Exchange showed robust gains, but this positive trend reversed midway through the month. The Consumer Price Index (CPI) in Greece decreased slightly year-over-year to 3.1% from 3.2%, indicating stable inflationary conditions. GDP growth forecasts remained positive, with the European Commission predicting a 2.2% growth rate for Greece, outperforming the Eurozone average. The labor market improved, with the unemployment rate falling to 10.8% from a revised 11.5% the previous year. However, industrial production contracted by -0.6% year-over-year, marking the first decline after six months of growth. The trade deficit narrowed to EUR 2.4 billion from EUR 2.6 billion, driven by a significant decrease in both imports and exports.

Weekly Breakdown

In the first week of May, the Athens Stock Exchange's General Index rose by 2.19%, reaching its highest level in 13 years at 1500 points, fueled by strong investor confidence and overall positive market sentiment. The market capitalization exceeded EUR 102 billion, and the banking sector showed resilience with the banking index closing at +2.12%, driven by gains in major banks like National Bank of Greece SA and Alpha Bank.

Through the second half of the month, the General Index began a downward trajectory, losing its previous gains. By the third Friday, the index had fallen to around 1473 points. Retail sales data indicated a slight downturn towards the end of the month, reflecting broader economic stabilization efforts.

Overall, the Greek stock market exhibited a volatile performance in May, with the Athens Stock Exchange closing the month at 1431.84 points, down by -1.4% from the month's opening. Despite early gains, the market faced challenges that eroded investor confidence and led to a decline by the end of the month.

References: Investing.com, Financial Times, Bloomberg, Reuters, Capital.gr, newmoney.gr

ASE GENERAL INDEX

Greek Competition Commission to allow the acquisition of Euromedica by Strix-Farallon to proceed

On Monday (13/5) the competition commission gave the green light to the acquisition of Euromedica by Strix Asset Management and Farallon Capital Management. In more detail, as indicated in a relevant announcement, at a meeting of the Competition Commission on May 13th, it was unanimously decided to approve the notification concerning the acquisition of joint control by the companies "STRIX ASSET MANAGEMENT LTD" and "FARALLON CAPITAL MANAGEMENT L.L.C." of the company "EUROMEDICA ANONIME COMPANY PROVIDING MEDICAL SERVICES.

Motor Oil offers €114.7 million to Ellaktor to buy Helector

A proposal of 114.7 million euros was submitted by Motor Oil to Elaκtor for the percentage it owns in Helector. This is the conclusion of the negotiations between the two Groups, with Motor Oil's interest in the Ellaktor subsidiary active in the waste management and green energy production sector having been expressed months ago. The due diligence had started last April and has ended, according to the announcement by the two companies, in the submission of a proposal for 94.44% of the company by MOH. Based on Motor Oil's proposal for 94.44% of Helector, the company is valued at 121.45 million euros.

Mytilineos CEO lays out future investments and strategic moves

Mytilineos the Greek industrial conglomerate is planning a dual listing on the London Stock Exchange and will invest 3.3 billion euros over the next four years in Renewable Energy projects in Italy, the Group's Chief Executive Director, Yiannis Kalafatas announced on the 27th of May. According to the CEO the Group has chosen Morgan Stanley and City as advisors for the listing on the London Stock Exchange. The company had announced last month that it was considering listing on the London Stock Exchange or another international exchange within the next 12-18 months.

Intracom Holdings acquires Europa Insurance for 47 million euros

May ended off with the acquisition of Europa Insurance by Intracom Holdings which got announced on the 29th of May. The negotiations between Intracom Holdings and the owner of Europa Insurance, Nikos Makropoulos, started months ago. Based on the structure of the deal Intracom Holdings, which is a 100% shareholder of Intracom Properties and shareholder in KLM, will initially acquire 65% with the remaining 35% of Europa Insurance being bought at a later date, for a total price of 46.5 million euros.

Introduction

This section provides a detailed examination of the Greek real estate market, focusing on the residential, commercial, industrial real estate, as well as hospitality. It explores current trends, major transactions, and recent news influencing the real estate landscape. These sectors reflect the evolving preferences and needs of Greek inhabitants and stakeholders. The following analysis highlights the key market monthly updates.

Residential Real Estate

Outlined below are the noted values per square meter for residential rentals in the major urban and regional areas of the country during May 2024.

In the centre of Athens, rent and sale prices continue to rally. The average rent per square meter per month is at ca. €10.4/sq.m./month, noting a +10.4% change from 2023, while property sale prices stand at €2,073/sq.m. up 14.6% from last year. Athens' suburbs followed a positive trajectory with the southern ones leading the way, offering an average rent price of ca. €12.4/sq.m./month.
The Southern Suburbs have become the top performers in the real estate market in recent years. Studies for 2023 and early 2024 indicate their lead in new constructions, as well as in terms of pricing, continually drawing significant interest from foreign investors.
Moreover, recent data from REMAX highlights the dynamic price growth in the Southern Suburbs. Prices for newly constructed properties have seen substantial increases in recent months, averaging 15.8%, particularly the areas of Vari, Glyfada, and Hellinikon experiencing the highest increases per sq.m. Used properties saw even greater price hikes, averaging 17.2%.

In the Municipality of Thessaloniki, central area rental values are lower compared to Athens, with average rents at ca. €8.8/sq.m./month in the city centre and €6.7/sq.m./month in the suburbs. New properties average between €8/sq.m./month and €10/sq.m./month, while remote areas offer lower average rents of ca. €4.1/sq.m./month. However, sale prices in Thessaloniki are higher than those in the corresponding areas of Athens, averaging €2,273/sq.m.

The highest asking sales price for houses is observed in the southern suburbs of Athens, at €3,664 per square meter, with the lowest in Kastoria, at €566/sq.m. The largest increase this quarter compared to last year was in Piraeus, at +27.30%, while the largest decrease was in Kastoria, at -15.10%. For rentals, Kilkis offers the lowest €3.6/sq.m./month, with the highest in Chalkidiki at €32.3/sq.m./month.

Commercial Real Estate

In Q1 2024, there was a notable surge of 10.2% in the rental rates for contemporary office spaces, as per the quarterly report by Cushman & Wakefield Proprius. In downtown Athens, the highest office rents reached €29.5/sq.m./month, from €25/sq.m./month, with a yield of 5.8%. Similarly, the northeastern regions, including Kifisias, Attiki Odos, and Mesogeion, saw a notable rise to €29/sq.m./month from €25/sq.m./month, with a yield of 6%.

The investments made in office spaces in the first three months of the year were worth a total of €58mn. (€170mn. Last year), with diverse transactions including one from an institutional investor. The most significant deals included the transfer of Cecil in downtown Kifissia to the "Laskaridis" group, the purchase of office spaces from the Black Sea Trade and Development Bank in Thessaloniki as well as the acquisition of an office building of 1,681 sq.m. at 7, Irakleitou Street by Trastor REIC. C&W Proprius projected a rise in investment activity during the latter part of the year, partially attributed to the anticipated decrease in interest rates, among other factors.

With the redevelopment of the historic building on Christou Lada Street in central Athens, a project worth €8.5mn., the German real estate company Ehret+klein has begun its operations in Greece. The 3.074 sq.m. property, former headquarters of the "Lambrakis" Group until 2004, has been leased to the Public Power Corporation (PPC), which will move part of its operations in the office space under a three-year contract. The estimated lease price stands at ca. €25 to €30/sq.m./month, with an option for renewal. Ehret+klein plans to expand its activities in Greece by purchasing new properties and seeking opportunities for further development. In Germany, the company is involved in multimillion projects.

PREMIA Properties' significant investments continued in Q1 2024, with active portfolio management. Projects on the pipeline are expected to be completed in H1 2024 include the conversion of the Athens Heart shopping center into a green office complex as well as the development of modern student residences in Xanthi. Two new investment commercial properties worth €1.5mn. were acquired, and preliminary sale agreements for two underdeveloped plots in Paros worth €0.6mn. each were signed by the company.

Industrial Real Estate

Trastor REIC announces that it has proceeded to sign a binding memorandum of understanding for the acquisition of 100% of the shares of the company "MILITOS REAL ESTATE SOLE SHAREHOLDER PRIVATE COMPANY", owner of two plots of land with a total surface area of 185,110 sq.m. in Aspropyrgos, Attica, where a state-of-the-art commercial storage and distribution center with a total surface area of 74,766 sq.m will be constructed. The construction of the property aims for LEED-Gold certification, and the project is in the process of receiving co-financing from the Recovery and Resilience Fund.

Hospitality

The Mitsis Group is adding a new destination to its portfolio with two new hotel units in Corfu. Specifically, it recently acquired the seaside all-inclusive 4-star "Messonghi Beach Hotel" in the area of Mesongi and signed a 10-year Property Management Agreement for the 3-star seaside all-inclusive "Belvedere Hotel" in the area of Agios Ioannis Peristeron, two properties owned by the Georgoulis family. This marks the third hotel acquisition completed by the Group in the last two years, following the acquisitions of two units in Crete in 2022, and the fifth consecutive property management agreement over the past year following its expansion agreements in Crete, Santorini, and Chalkidiki.

Additionally, Everty has announced the acquisition of two five-star boutique resort hotels in Kea, Cyclades. Ydor Hotel & Spa and the Porto Kea Suites Hotel & Spa. The hotels operate under the management of Sandglass Hotels & Villas, the hotel arm of Everty. They are currently the only operating five-star hotels on the constantly developing island of Kea. With these new additions to Everty's portfolio in Greece, the company positions itself as a significant player in the hospitality and real estate sectors. Since 2020, the company has owned, developed, and operated many properties, with some main ones being the Adytum Villas in Porto Heli, four boutique hotels (Iconic Santorini Hotel in Santorini, Elounda Gulf Villas in Crete, Ydor Hotel & Spa, and Porto Kea Hotel Suites & Spa in Kea), three office buildings (ART1, AP10 in Maroussi, and the Metamorfosi Office Building in Metamorfosi), and two logistics centers in Aspropyrgos (Melissa Center and Mavro Lithari Center). Everty's future plans include further expansion through acquisitions and developments of high-end properties, in carefully selected locations in Greece.

Lastly, the Odera Tinos, Autograph Collection, has opened its doors as the first high-end hotel on the island of Tinos. Spanning an area of 20,000 sq.m., the hotel represents the latest project of the Greek private equity fund "Tethys" in collaboration with TConstructions, operated by Trésor Hospitality. It is the first hotel in Tinos to be part of the Marriott Bonvoy program and the latest addition to the extensive portfolio of independent hotels under the Autograph Collection Hotels brand.

References: ered.gr, spitogatos.gr, naftemporiki, capital.gr, bizness.gr

Authors

Giorgos Voutyreas (Vice President – Head of FX/Fixed Income)
Kostas Kiriakidis (Board Member – Head of Equities/Commodities)
Panagiotis Sarivasileiou (Head of Advisory Board – Real Estate)
Apostolos Dimas (Lead of Corporate News)
Simos Athanasiadis (Global Markets – FX)
Achilleas Kazamias (Global Markets – Fixed Income)
Angelos Lagos (Global Markets – Fixed Income)
Theodora Mattera(Global Markets – Commodities)
Alexandros Giannakakis (Global Markets – Commodities)
Estela Mane (Global Markets – Equities)
Kristian Imerai (Global Markets – Equities)
Ilias Balatsouras (Global markets – Equities)
John Karalis (Global/Greek Market – Corporate News)
Angelos Konstantinidis (Greek Market – Real Estate)

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!"