Athenian Investment Growth

Markets are volatile. Constant adjustment is required. We, in Athenian, act as your independent asset managers bringing to the table smart and personalized solutions for your assets. We co-operate with reputable custodian banks to ensure you get the best possible deal in terms of service, deal execution and fees.

Through our open-architecture platform, we offer access to all major international markets. Starting with a wide range of investments products, we filter them down to select those best suited to your investment profile. Moreover, we have the technology and the knowhow that enable us to perform holistic analysis on your consolidated portfolio and to calculate market risks and volatility, as well as to conduct portfolio stress-testing under various scenarios.

<u>NEWS – APRIL 2021</u>

Macro

- ✓ Covid-19 recovery
- ✓ Global economic growth
- ✓ Low rates
- ✓ Temporary inflation spike
- ✓ Fiscal packages support

As the globe is recovering from Covid-19, the IMF joined other organizations and economists who continue to upgrade their forecasts for the global economic growth, lifting its estimate for 2021 to 6%.
The FED is committed to support the economy through its very accommodative monetary policy with no discussion or thought to slow down their bond-buying program and no intention to start raising rates this year and they view any inflation spike as temporary.
For the first time the FED has opened a discussion on the levels of bond yields, which have reached 1.70%, but with no sign of worry or willingness to act. The fact that there was an actual discussion on yields, gave the impression to market participants that any further quick rise in yields will be closely monitored by the FED.

Equities

- ✓ High liquidity
- ✓ Low rates
- ✓ Boosted economic activity
- ✓ Risk is encouraged

Growth rates both for company data and macroeconomic figures, equity markets continued to move higher, as liquidity in the system remains high and risk-taking is supported, if not encouraged, by the central banks. On the fiscal front, the various government spending packages (Biden’s infrastructure bill, EU recovery plan) are expected to take form and shape in the next 3-6 months and will boost economic activity even further.
The only worrying factor is that the new administration in the US has already started talking about raising corporate taxes and as the markets move higher and the economy is improving, this discussion will gain traction and supporters. The new Treasury Secretary, Mrs. Yellen was the first senior official from the new administration to mention to the word “taxes”, as heated discussions have started with respect to the 3trillion $ infrastructure package proposed by President Biden.

The sell-off in government bonds seems to have stopped for now, which helped the beaten-down Technology stocks recover and out-perform the rest of the market, after a long period of time.
UK equities also managed to out-perform, as the country seems to be reaching herd immunity much sooner than expected, although it should be noted that the vaccination progress has not been a deciding factor for investment performance so far this year.
On the contrary, Chinese equities continue to struggle and remain close to this year's lows after an explosive start in January. The CSI300 index which tracks the local equities is hovering very close to its 200day moving average, which should provide support for now and a fresh buying opportunity for the long-term investors.

Greek market

- ✓ Structural reforms
- ✓ Fiscal accommodation
- ✓ Low borrowing costs
- ✓ Equities on discount

On a relative basis Greece has coped much better with Covid-19, than other EU countries with fewer cases and deaths.

However, the impact on GDP was harsher due to Greece's reliability on tourism and services.

With Greece gradually set to emerge from its lockdown restrictions from April onwards, economic activity should begin to normalize. Meanwhile, as outlined by Prime Minister Mitsotakis at the end of March, the Greek National Recovery Plan has the potential to add up to seven percentage points to GDP growth over 6 years, on top of the normal underlying growth rate. All things considered, this could mean a potential real GDP growth rate of 3.5% to 4% per annum for Greece, a rate which would compare favorably to long term forecast growth rates achieved elsewhere in the EU.

Potential growth may exceed this given Greece should also benefit from the structural reform agenda being enacted by the government. We are not only encouraged by the potential GDP boost promised by the National Recovery Plan, but also the way in which EU grant monies and loans are to be spent. The four main pillars of the plan comprise green transition; digitalization; employment, skills & social cohesion; and private investment and economic & institutional transformation. As such, the plan can be described as forward-looking, involving modernization, structural reform, and a rebalancing of the economy towards secular growth areas. It has the potential to both increase and improve the quality of long run economic output.

We believe that Greek equities represent a compelling way to play the ongoing macro recovery and there stands a strong upside potential and therefore a major opportunity! It should be noted, that Greek equities trade at a 30% discount compared to peers and Greek banks at >50% discount compared to peers!

Greek market requires first-hand local knowledge in order to navigate the huge wealth opportunity and risk. Athenium, has analysts on the ground, who understand local context and provide insights that directly end up to trading investment ideas.