

Press Release

August 9, 2021

KEPE Indices

July 2021 estimations

KEPE compiles and publishes two innovative and sophisticated indices on a monthly basis with the aim to regularly monitor the economic conjuncture.¹

KEPE Composite Leading Indicator

The KEPE Composite Leading Indicator (CLI) is constructed based on a dynamic factor model, using six selected monthly economic series assumed to have leading properties. It provides early evidence on the course of and any turns in Greek economic activity, ahead of the developments in major economic aggregates. According to the most recent observation for April 2021,² the CLI recorded a significant increase for the second consecutive period, thus approaching the levels of the first quarter of 2020. **The respective development reflects the continuation of recovering expectations and improving assessments by agents involved in economic activity. The recent course of the CLI offers leading indications for the upcoming recovery of the Greek economy, anticipating the expected gradual lifting of restrictive measures and the associated reopening of major sectors in the short term.** At the same time, uncertainty regarding the overall development of the pandemic at domestic and international levels remains notably high, despite progress made in terms of dealing with the health crisis and implementing the vaccination programme. For that reason, it is necessary to re-estimate the CLI, given that the inclusion of new data is expected to demonstrate the continuation or interruption of the observed trends and provide evidence on the course of future domestic economic activity.

Figure 1: KEPE monthly CLI, February 2000–April 2021



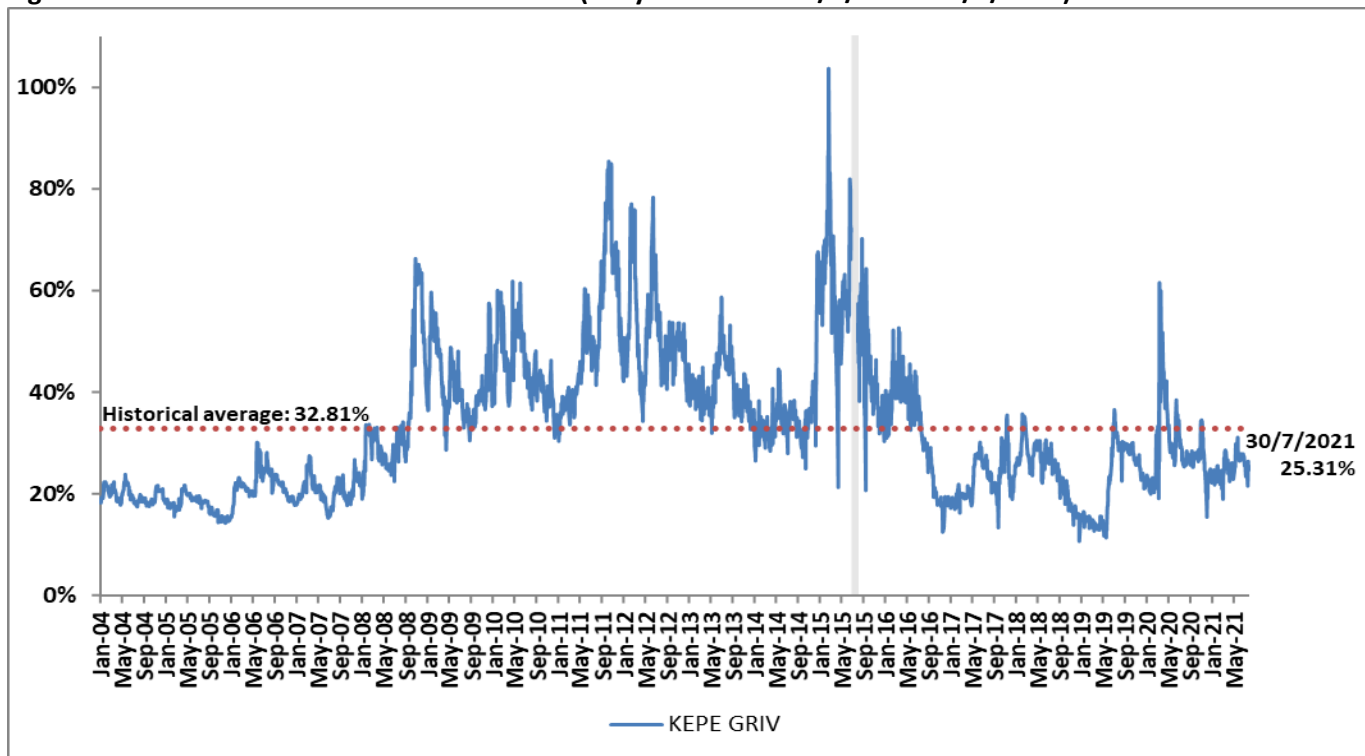
¹ More information regarding the indices is provided on [KEPE's](http://kepe.gr) website.

² The lag in the data is associated with the non-availability of more recent data for building activity.

KEPE GRIV "Fear" Index

The KEPE GRIV implied volatility index, or the "Fear" index, reflects the uncertainty of the derivatives market participants regarding the expected short-term course of the Greek market and is calculated based on the FTSE/Athex Large Cap Index options prices. The KEPE GRIV index decreased in July 2021, reaching 25.31% on 30/7/2021 from 26.22% on 30/6/2021 (See Figure 2). The index remained below its historical average level (since January 2004) for the Greek market, which stands at 32.81%. Moreover, the average daily value of the index decreased in July 2021, reaching 24.81% from 27.20% in June 2021. **The evolution of the index reflects a decrease in uncertainty for the expected short-term course of the Greek market.**

Figure 2: The evolution of the KEPE GRIV index (daily estimations 2/1/2004–30/7/2021)



Note: There is no data for the period 29/6/2015–31/7/2015 due to the suspension of trading of all derivatives traded on the ATHEX Derivatives Market following the bank holiday.