

KEPE Indices
July 2022 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 2022,² the CLI recorded a decrease, following the preceding increase, remaining close to the highest level for the total period of investigation, recorded during the previous period of reference. The respective development appears to be related to the intermediate variability that frequently characterizes the CLI and does not seem to signal a reversal of the overall favourable course of the CLI from 2020 onwards. **On these grounds, it is assumed not to generally contradict the formation of positive expectations and assessments by agents involved in economic activity and to continue to offer leading indications for the preservation of an overall favourable economic environment.** At the same time, it indicates that the adverse impact from inflationary pressures and the energy sector crisis associated with the pandemic and the war in Ukraine is not predominant. In any case, under the specific conditions that prevail, it becomes necessary to re-estimate the CLI with the aim to acquire additional evidence. The inclusion of new data is expected to demonstrate the continuation or interruption of the observed trends regarding the course of future domestic economic activity.

Figure 1: KEPE monthly CLI, February 2000–April 2022



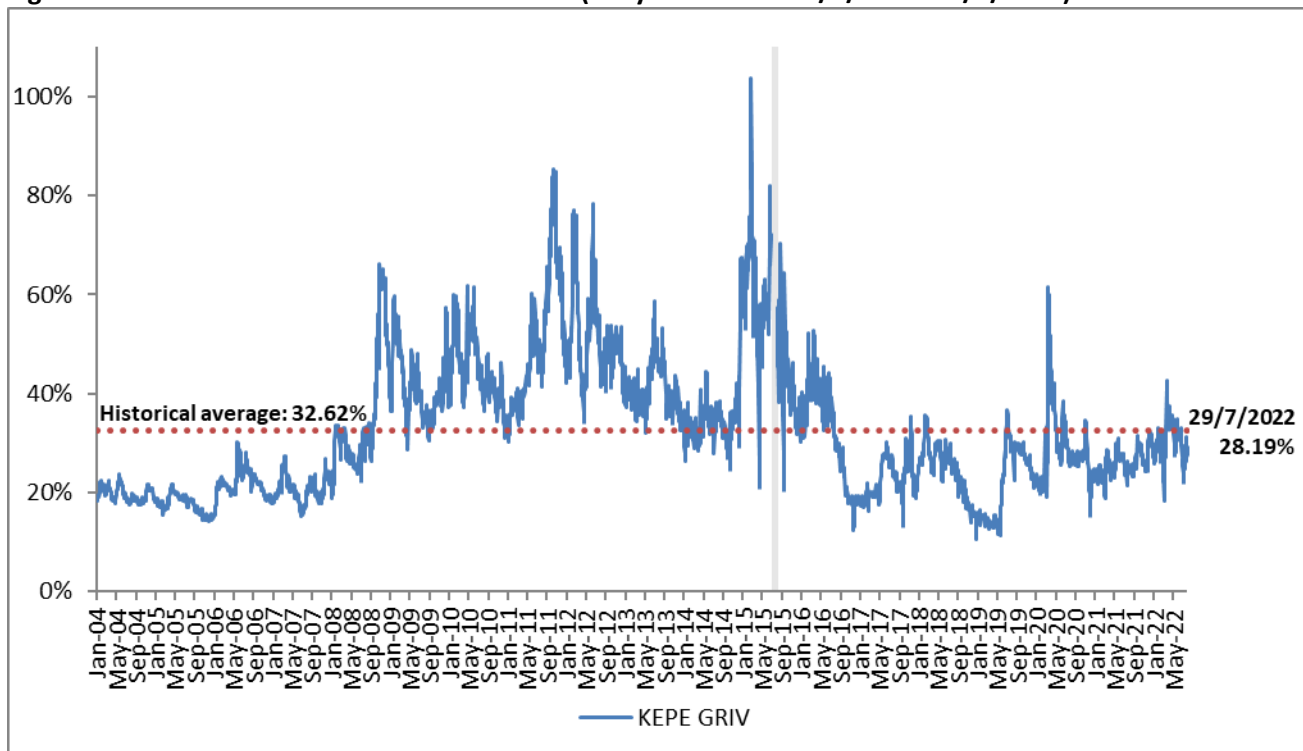
¹ More information regarding the indices is provided on [KEPE's](http://www.kepe.gr) website.

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 reached 28.19% on 29/7/2022 from 25.27% on 30/6/2022 (See Figure 2). **The evolution of the index indicates an increase in uncertainty for the expected short-term course of the Greek market compared to the end of the previous month, with fluctuations within the month.** Note that the average daily value of the index decreased in July 2022, reaching 26.93% from 30.46% in June 2022. Moreover, the index remained below its historical average level (since January 2004) for the Greek market, which stands at 32.62%.

Figure 2: The evolution of the KEPE GRIV index (daily estimations 2/1/2004–29/7/2022)



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.