

**Press Release**

**January 9, 2023**

**KEPE Indices**

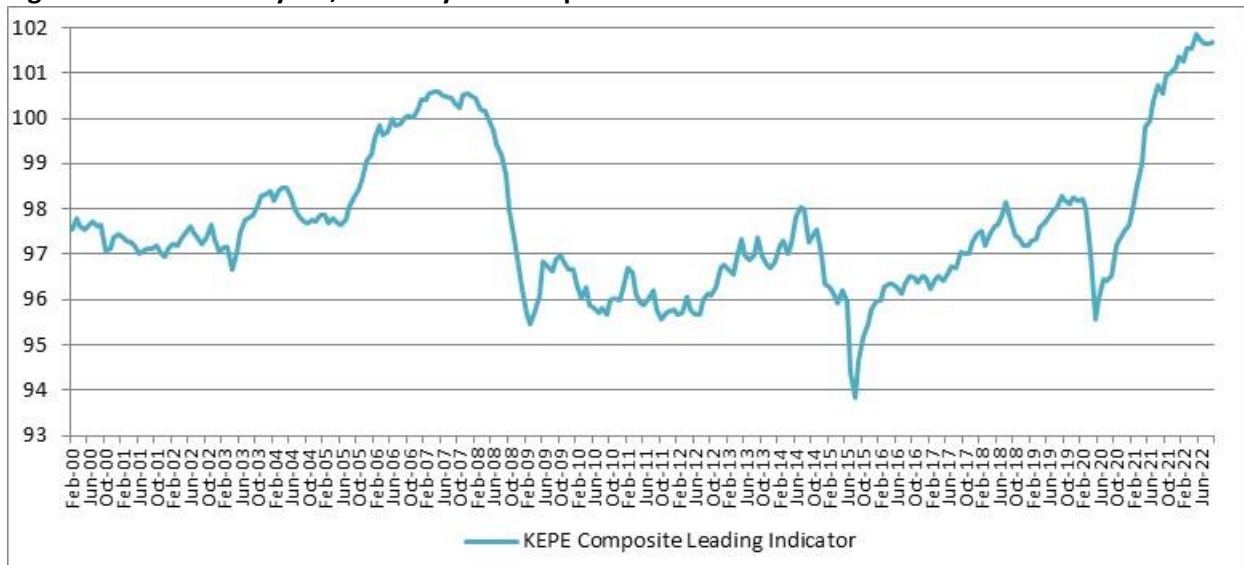
December 2022 estimations

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

**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 September 2022,<sup>2</sup> the CLI recorded a marginal increase, following the marginal decline of the preceding period, while it continues to move around levels that are the highest for the total period of investigation. **The respective development might signal a rebalancing with respect to the recorded decrease. Alternatively, it may be part of the intermediate variability that often characterizes the CLI. Overall, it does not provide clear indications for the continuation or the reversal of the recent course of the CLI and does not reflect a clear trend about the expectations and assessments by agents involved in economic activity and, hence, about the future economic conditions.** In any case, the negative impact from inflationary pressures and from the ensuing uncertainty related to the energy crisis and the war in Ukraine does not seem to be predominant. Nevertheless, the economic juncture necessitates a re-estimate of 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–September 2022**



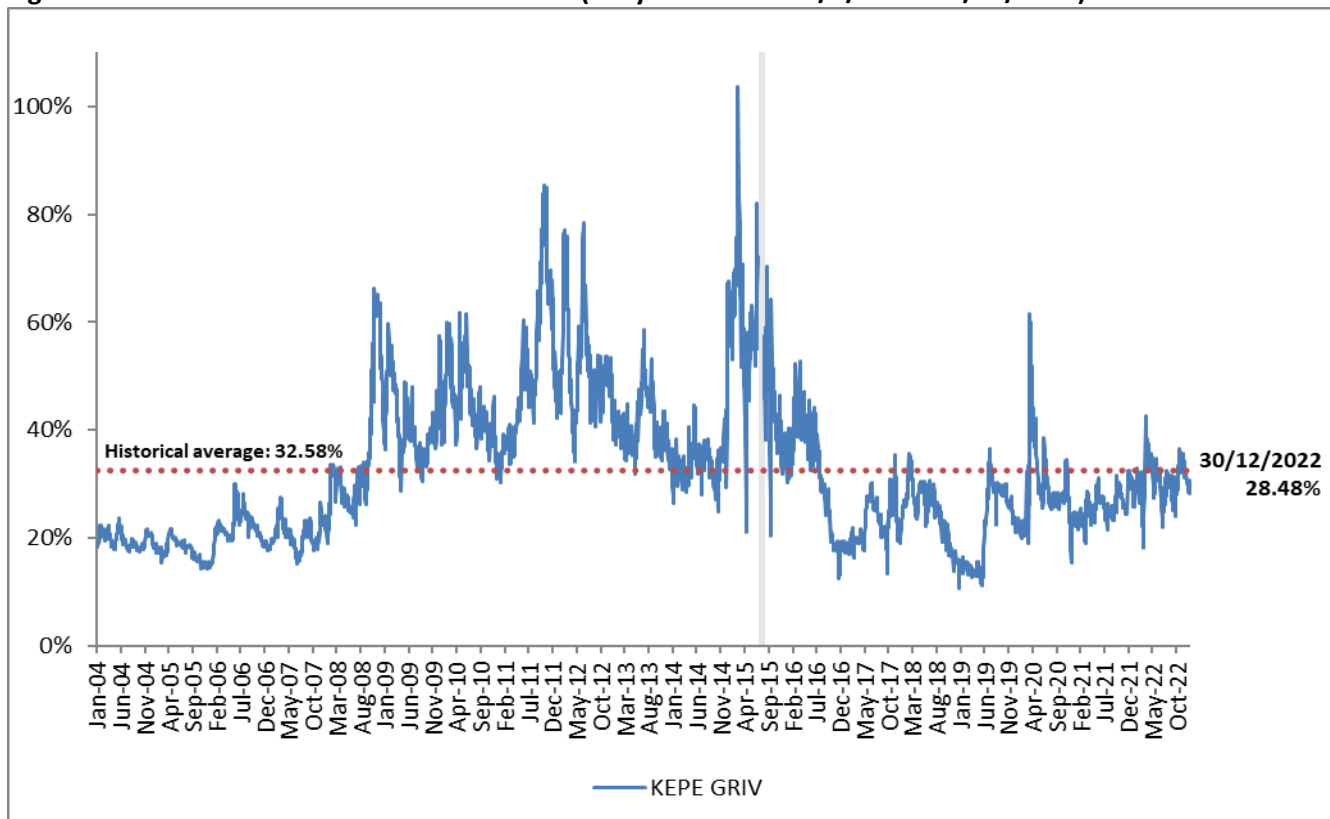
<sup>1</sup> More information regarding the indices is provided on [KEPE's](http://www.kepe.gr) website.

<sup>2</sup> 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 December 2022, reaching 28.48% on 30/12/2022 from 31.52% on 30/11/2022 (See Figure 2). The index remained below its historical average level (since January 2004) for the Greek market, which stands at 32.58%. Moreover, the average daily value of the index decreased, reaching 29.77% in December 2022, from 33.07% in November 2022. **The evolution of the index indicates a decrease in uncertainty for the expected short-term course of the Greek market compared to the end of the previous month.**

**Figure 2: The evolution of the KEPE GRIV index (daily estimations 2/1/2004–30/12/2022)**



**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.