

Press Release

March 7, 2024

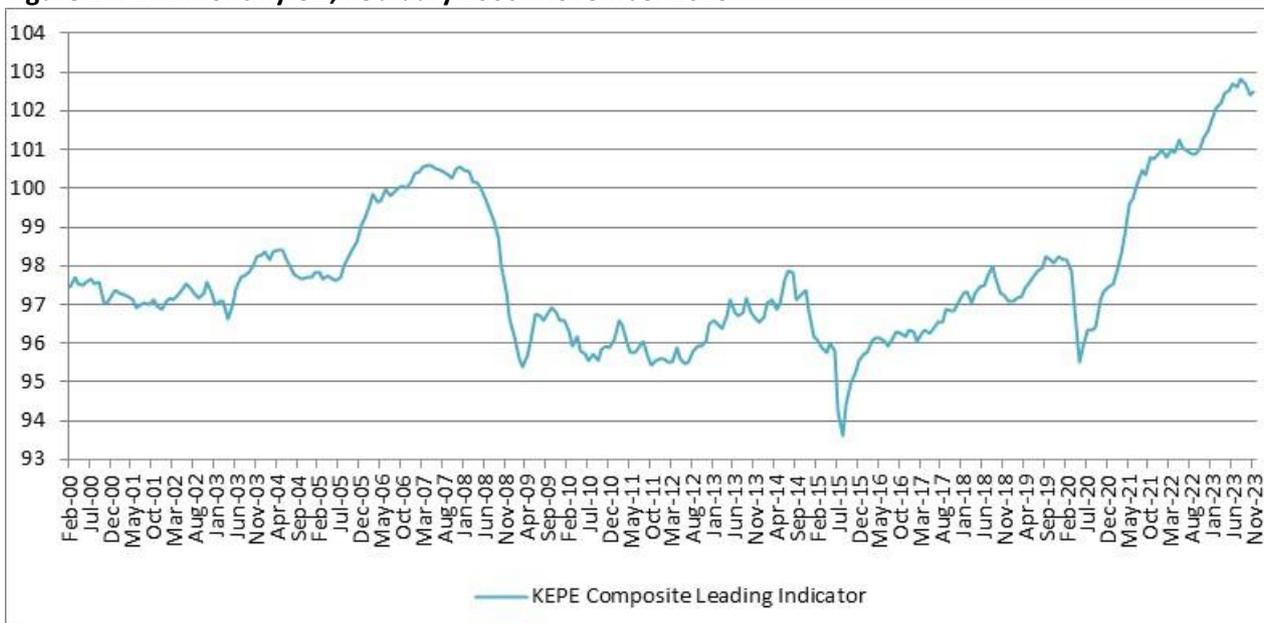
KEPE Indices
February 2024 estimations

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 November 2023,² the CLI recorded an increase, following the decrease of the preceding period of reference, while it remains at high levels for the total period of investigation. **The respective development does not provide clear indications for the continuation or the reversal of the recent course of the CLI. It could be part of the CLI's intermediate variability, while it might, alternatively, signal the interruption of the recent downward trend. On this basis, it may reflect an enhancement of expectations and assessments by agents involved in economic activity, offering leading indications for an intermediate improvement in future economic conditions. In such a case, the impact of the rise of geopolitical risks, due to the armed conflict between Hamas-led Palestinian militant groups and Israel, could be considered short-lived.** In order to acquire additional evidence, it becomes necessary to re-estimate the CLI. The inclusion of new data is expected to offer further information regarding the course of future domestic economic activity.

Figure 1: KEPE monthly CLI, February 2000–November 2023



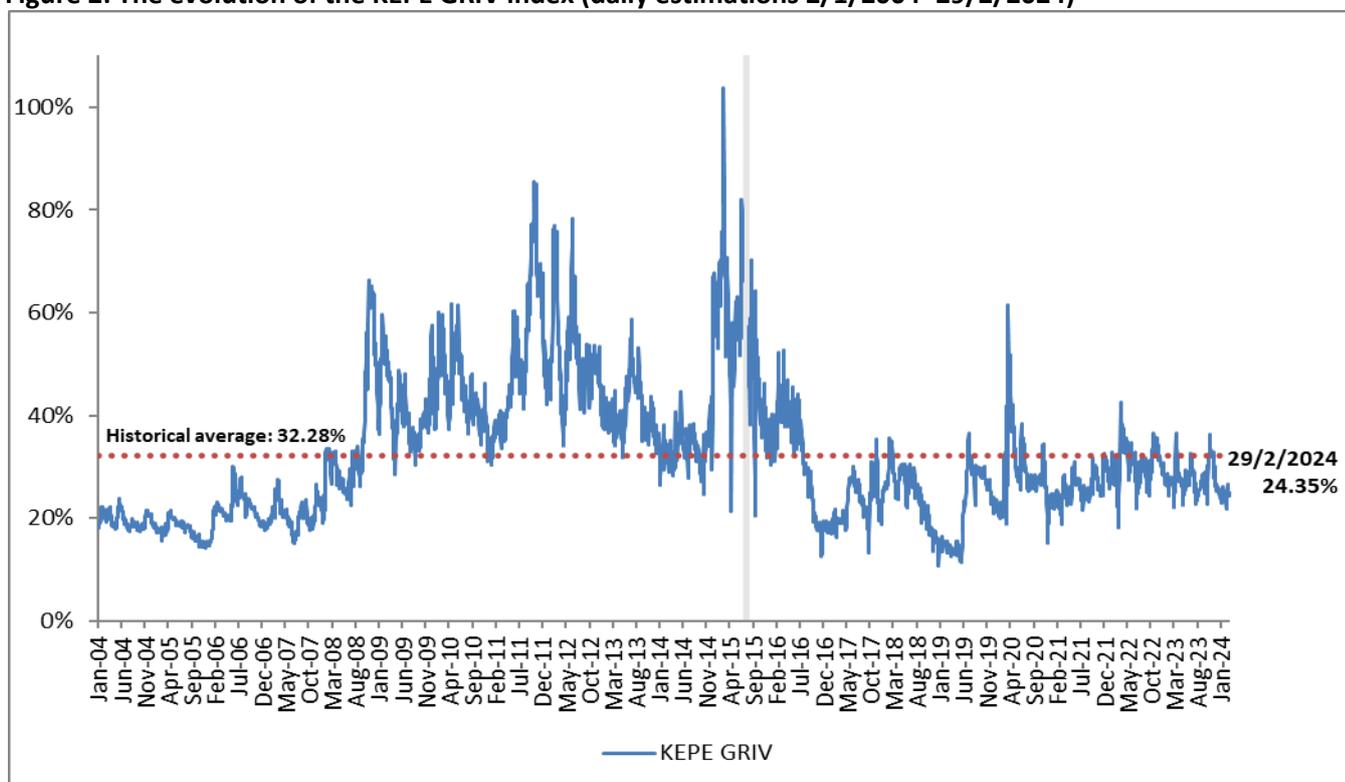
¹ More information regarding the indices is provided on [KEPE's](https://www.kepe.gr) website.

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 increased in February 2024, reaching 24.35% on 29/2/2024, from 23.90% on 31/1/2024 (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 was very close to the level of the previous month, reaching 24.64% in February 2024, from 24.67% in January 2024. The index remained below its historical average level (since January 2004) for the Greek market, which stands at 32.28%.

Figure 2: The evolution of the KEPE GRIV index (daily estimations 2/1/2004–29/2/2024)



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.