CHAHINE CAPITAL
Performance Engineering

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STRATEGY OVERVIEW

Is Joe Biden's victory good news for the markets?

Summary

Covid was Donald Trump's downfall. It turned Wall Street and his financial backers against him, despite what he could offer in terms of the economy and business. Joe Biden has only been in office since 20 January, but some commentators have already described his presidency as a third Obama term. That may be premature, as Mr Biden could turn out to be far more welfare-minded than his former boss. He is already looking to raise the federal minimum wage to $13 per hour and a hike in corporation tax from 21% to 28%, for example. A proposed $1.9 trillion stimulus package will dominate the start of his term; it includes helicopter money in the form of $1,400 direct payments to individuals.

The implications of such policies for public finance could have serious consequences for the markets. The Fed's balance sheet is not expanding nearly fast enough to fund what the federal government is spending now, let alone plans to increase expenditure on infrastructure. This means that the Fed will either have to reconsider its self-imposed restrictions on intervening on Treasury bond markets or international savers will have to step up even more than they do already. If neither happens, the risk is that burgeoning government debt siphons liquidity from other financial and non-financial assets, potentially forcing a major correction to US equities. While this outcome is emphatically not our central scenario, investors would be wise to pay close attention to the way in which the US government finances its massive requirements in 2021.

For equities, 2020 turned out to be relatively straightforward in thematic terms. It was essentially a year for IT (up 42.8%) and discretionary consumption (up 34.1%), which of course includes internet shopping. As 2021 should be a rebound year, should investors switch out of last year's winners and into sectors that fell behind? In our view, this year will be a lot less stark in sector terms and that stock-picking will be a better guide to performance. Investors will have to be quick to spot the companies able to adapt their original business models to a durable shift in the international environment. In geographical terms, the only major indices up on the year so far are Asian (MSCI China up 15% before retracing 6.7%), reflecting their lower sensitivity to the latest wave of the pandemic. We expect that the losses posted in Europe (down 1%) and the USA (down 0.9%) will gradually be recovered as vaccination programmes take effect and bring more visibility to subsequent economic recovery.

The US Q4 results reason has just started, and the first announcements from S&P 500 companies look very good. Despite upward revisions to earnings estimates, the steady rise in share prices since their lows in mid-March last year has left market multiples at high levels: its PER is between 22x and 23x future earnings, for example. That said, this figure should be put in perspective. Key US interest rates are at zero, Treasury yields are not far off (1.1% for the 10-year and 1.8% for the 30-year) and continuing massive liquidity injections by central banks are pushing the prices of risky assets up all on their own. Although Wall Street has flatlined since our edition of last month, a rise in the 30-year yield has reduced our S&P 500 objective to 3,603 points. That compares with a recent market high of 3,850 points before its retreat to 3,715 points at month-end. It would take a drop in the 30-year yield to lift the objective given by our model to above current prices (around 3,900 points with a 30-year at 1.5%). In Europe, by contrast, a combination of extremely low interest rates and the prospect of a sharper rebound in profits give us 17.5% upside potential for the main indices between now and year-end. We therefore recommend overweighting European equities relative to their US counterparts.

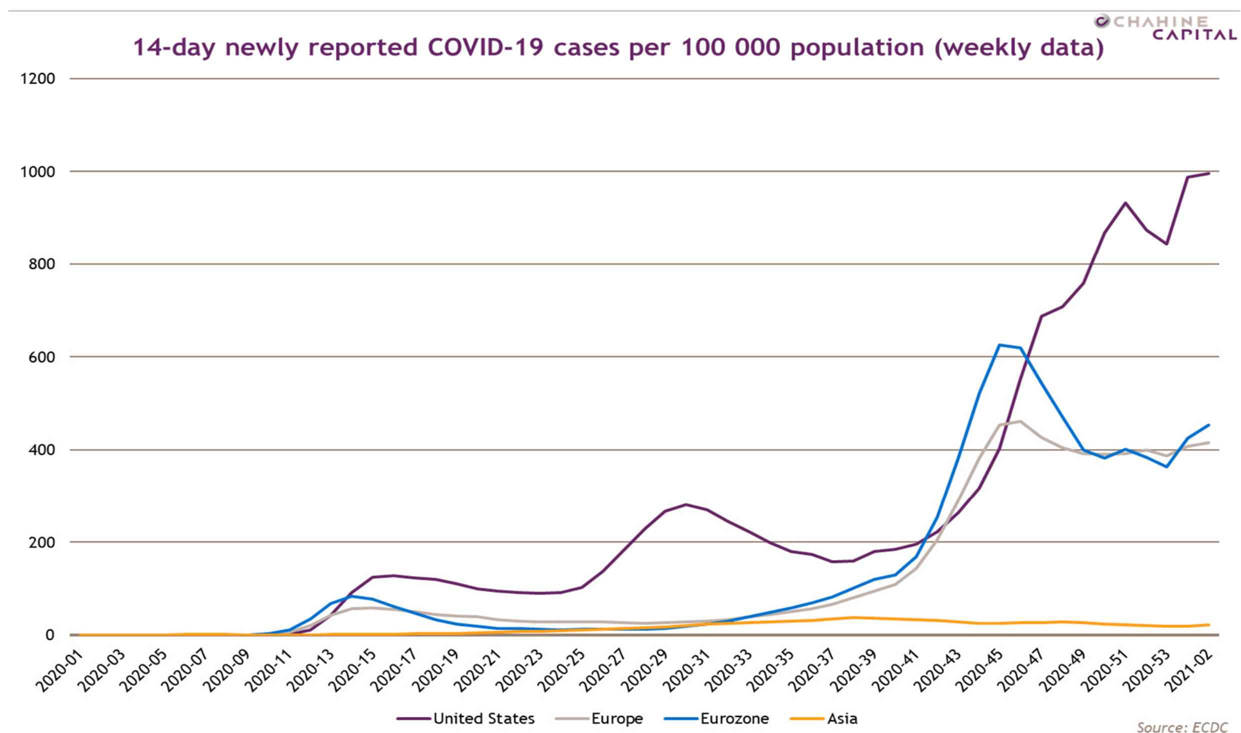
Michaël Sellam

Market-friendly, but that was not enough

Covid was Donald Trump's downfall. It turned Wall Street and his financial backers against him, despite what he could offer in terms of the economy and business. The US presidential election cost around $6.6 billion, some $2 billion more than the 2016 election and more than $4 billion more than that of 2012; Joe Biden's campaign was funded miles better than Donald Trump's, with Wall Street Democrats proving far more willing to put their hands in their pockets than Wall Street Republicans were for the outgoing president. It was not that Mr Trump's economic and financial record was poor: the US unemployment rate was down to 3.5% before the pandemic, the participation rate had increased (to 83% for 24-54 year-olds) and the overall tax burden dropped by more than a point of GDP during his term of office to around 25%. His tax policy was symbolised by a cut in the corporation tax rate to only 22%. From a stock market viewpoint, Wall Street benefited hugely from the president's obsession with the markets and his use of equity indices as a political objective. US market capitalisation surged to 188% of GDP.

The problem for Mr Trump was that these things were not enough to offset incessant outrages, intemperate language and unpredictability against a backdrop of a mismanaged response to the coronavirus outbreak (cf. chart below). The US death toll from the disease is now over 400,000, or almost 20% of the loss of life from Covid worldwide. While the figure is similar to those for France, the UK and Italy, it highlights Mr Trump's failure to match China's drive for world domination. China's figures may well be suspect but they are certainly far lower than America's. The sentiment that Americans were losing ground on the international scene was probably the key to Mr Trump's fall.

Very mixed infection rates around the world

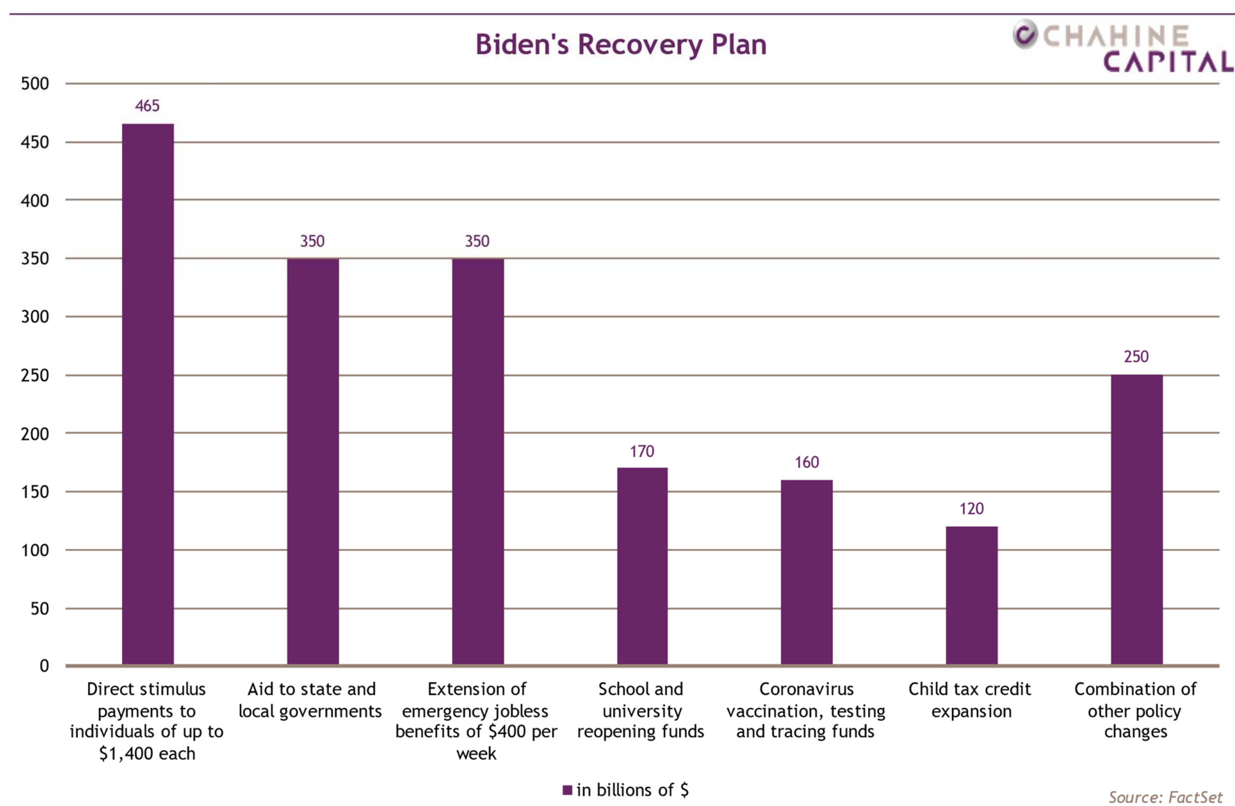


Joe Biden takes back the Senate, renews with Obama politics

The Biden presidency has a definite Obama feel to it so far, notably in his 15 nominations to cabinet posts in the new administration. Some commentators have already dubbed it a 'third Obama term', referring also to the White House's calmer approach at a time when conflicts are likely to be all the more damaging for the fact that the pandemic has left the world – apart from Asia – without a sizeable chunk of its potential growth.

This presidency could take a far more welfare-oriented turn than Barack Obama's two terms, however. No sooner than had he sworn his oath of office on 20 January, Mr Biden called for an immediate increase in the federal minimum wage to $13 per hour (or 75% of his campaign promise, which was originally planned for a five-year horizon) and an increase in the corporation tax rate from 21% à 28%. Apart from the minimum wage, a $1.9 trillion stimulus package will dominate the start of the presidency; it includes more helicopter money in the shape of cheques for $1,400 to each individual. That is to come on top of the $600 handed out in December. Mr Biden also plans to make massive investments in infrastructure.

Budgetary stimulus, Biden style



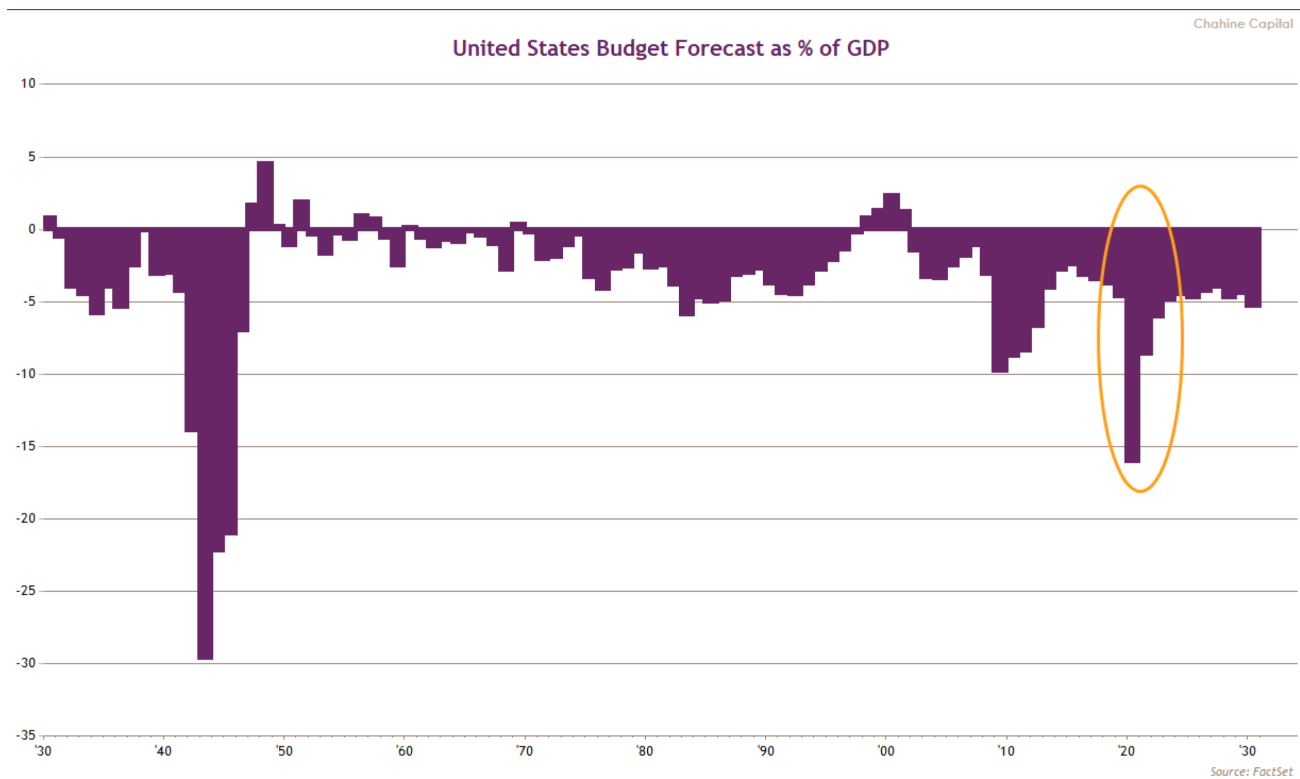
Unexpectedly, Mr Biden should have the votes in Congress to obtain what he is asking for. Following January's Senate elections in Georgia, Democrats have effective control of Congress for the coming two years at least. Although the Senate is split evenly between Republicans and Democrats, the US Constitution gives the new Vice-President Kamala Harris the casting vote in the event of a tie. This could change investors' attitude to the new administration.

Immediately after the election, the markets settled down quite happily to the idea of an end to Mr Trump's outbursts, as they expected that Mr Biden would not have a free hand to be less market-friendly than his predecessor. Without control of the Senate, he would be unable to enact tighter regulations and raise taxes, especially on the most well-off. That situation has clearly not materialised. Although the Democrats' control

of Congress is not a cast-iron guarantee that the president will get his way, and requires party loyalties to stick for some time, they should be able to legislate far more of the measures in their programme than was previously thought through the budget reconciliation process or straight votes in a number of areas.

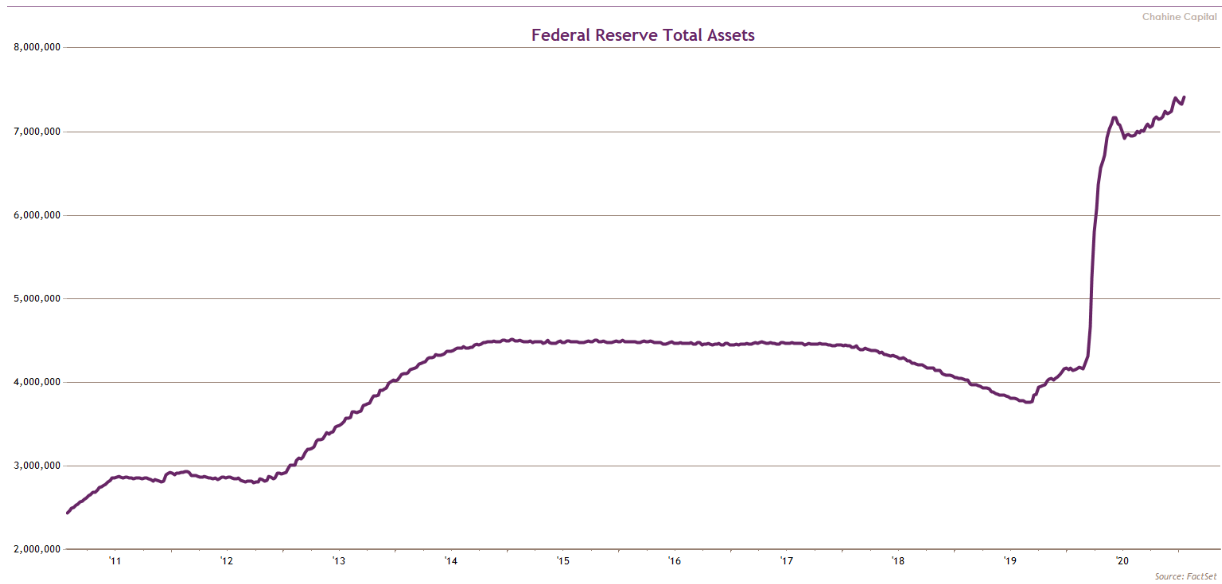
US financing requirements could be a major market theme in 2021

The government's surging funding requirements



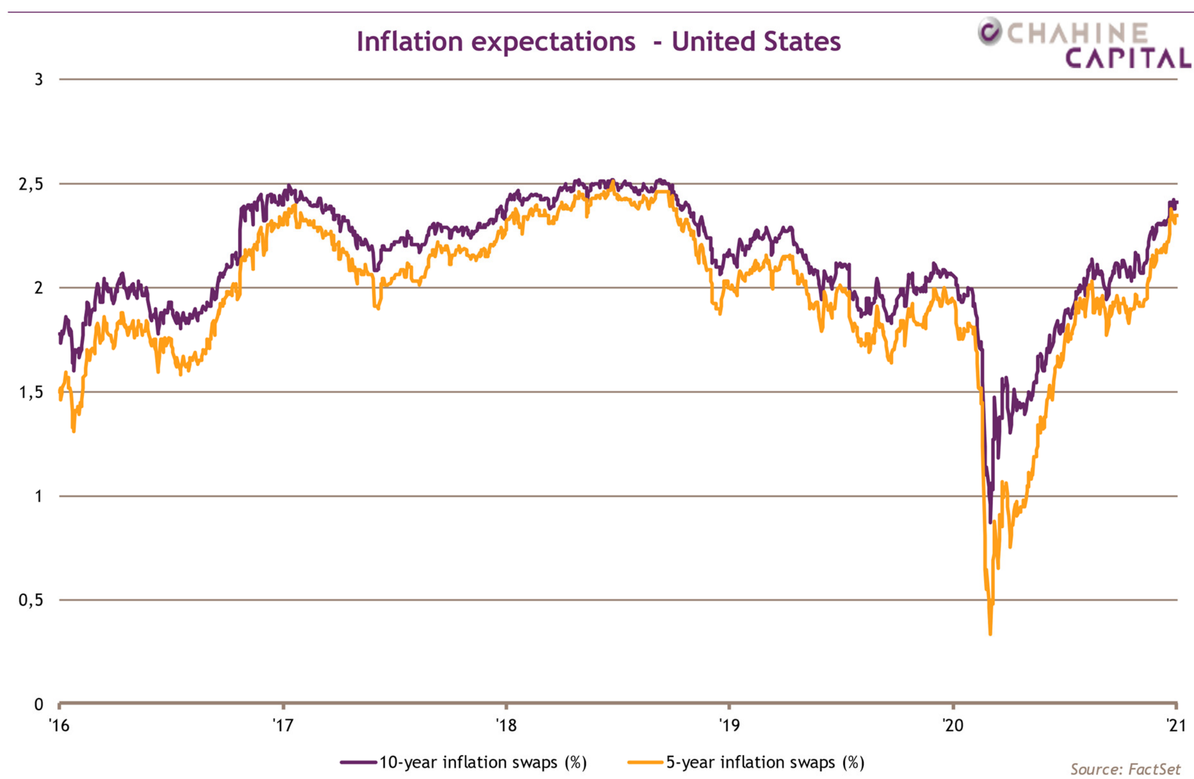
The soaring public financing requirements implied by Mr Biden's spending proposals – now that he has the political means to enact them – could have significant consequences for the markets, including outside the USA itself. The problem is that the expansion in the Federal Reserve's balance sheet is not nearly fast enough to cover all of the government's financing needs, even without the new president's planned infrastructure programme. This means that the Fed will either have to change its own policy and intervene a great deal more on US Treasury bond markets or that international savers buy more of this debt themselves. Failing that – i.e. if the Fed does not step up its QE programme and international investors decline to buy more US government paper – liquidity could be siphoned out of other financial assets and real estate, triggering a major correction in US asset prices. While this outcome is not our central scenario, investors would be wise to pay close attention to the way in which the US government finances its massive requirements in 2021.

The Fed's balance sheet is still growing... but not by enough



Another unintended consequence could be fears of inflation. While US inflation rates are still very tame (according to the CPI, 1.2% at the end of last year), liquidity injections and the Biden programme are starting to make investors nervous about where they might go from here. Inflation expectations have risen by between 10 and 20 basis points since the start of the year, to 2.3% over 5 years and 2.4% over 10 years. This is unhelpful, as it could push interest rates further along the uptrend that has emerged over the past month. The current situation of burgeoning public and private debt to historic highs argues for vigilance over a deterioration in financing conditions that would automatically dampen economic recovery this year.

A return to persistently higher inflation?

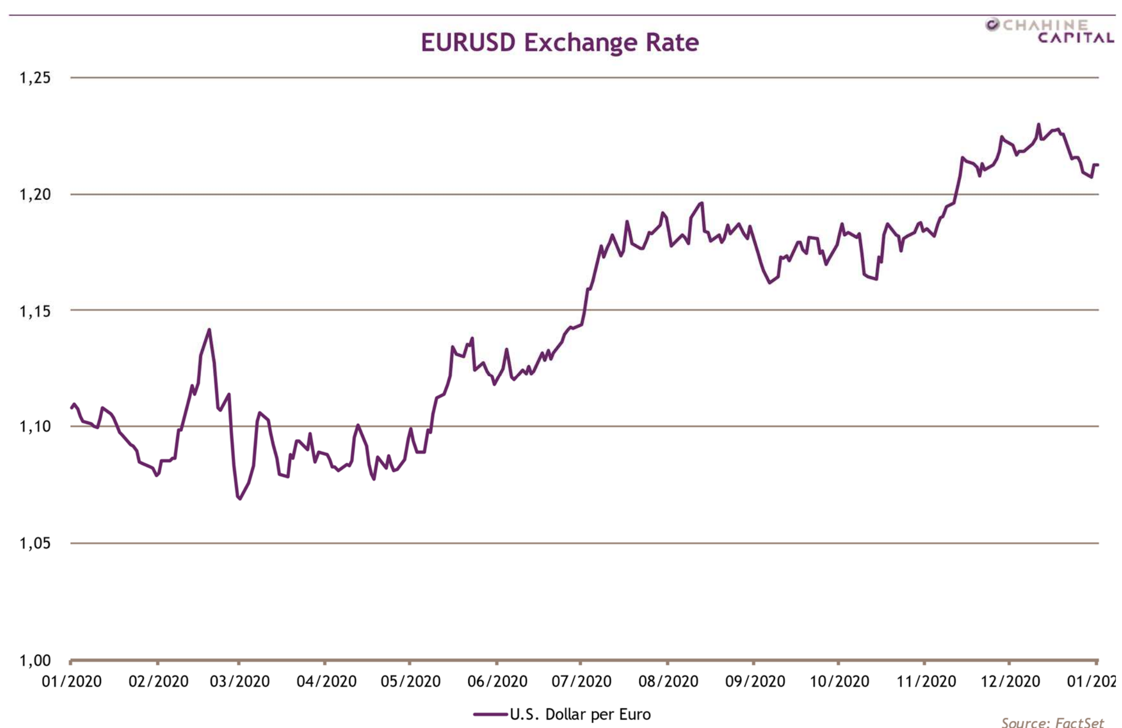


We would caution against excessive pessimism on this front, however. Inflation is above all a phenomenon related to the time it takes for an economy's production to adapt to increasing demand, and we believe that the US economy is still too fragile – especially given the deteriorating labour market – to produce the required conditions for price pressures in any durable way. Note also that no inflationary pressure has been observed in the services sector, on which the US economy is largely based. All in all, we do not think there is much likelihood of either a substantial increase in the ex-food and energy inflation rate or in a continuing increase in US Treasury yields beyond recent highs (1.2% in the 10-year maturity).

Waiting for a sharply weaker dollar would be a dangerous bet

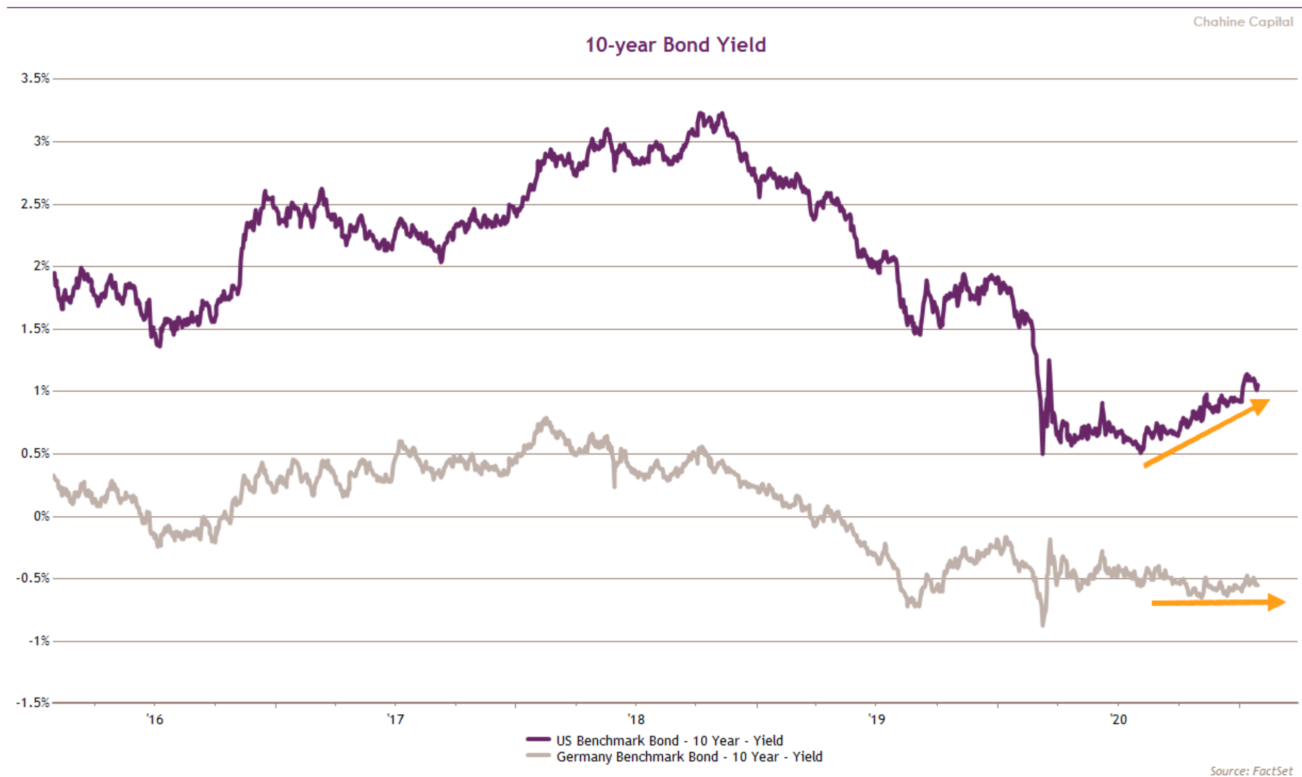
The dollar has depreciated against the euro in two moves since the US presidential election: firstly at the point of the election itself, and then during Mr Biden's inauguration, to stabilise at lows around 1.20 to the euro. Needless to say, Janet Yellen's remarks on the need to "act big" on budgetary stimulus did nothing to reassure investors. While logic is uncontestably on her side, the idea should be to take advantage of very low interest rates to deliver as much stimulus as possible, the risk being to undermine the dollar's safe haven role… While we understand investor nervousness, we would argue that betting on a long-term decline in the dollar's role is dangerous, simply because there is no credible substitute at the moment. The euro is not nearly as important as a reserve currency: it accounts for around 20% of the world's foreign exchange reserves, compared with over 60% for the dollar. And contrary to what some observers may believe, no cryptocurrency is in a position to seriously rival the dollar either. Recent bitcoin trading demonstrates the point. It was changing hands at over $40,500 at the beginning of January; Ms Yellen then commented on the possibility of US legislation to regulate cryptocurrencies and that dropped its price to around $32,000 by month-end. We believe that that sort of volatility rules out the prospect of private cryptocurrencies ever posing a credible threat to fiduciary money.

The dollar has cheapened enough



The dollar is also drawing support from widening interest-rate differentials. Higher yields on US bonds relative to other markets are making them an attractive option once again for international investors looking for risk-free returns. This development will not have gone unnoticed.

US bonds far more attractive than European debt



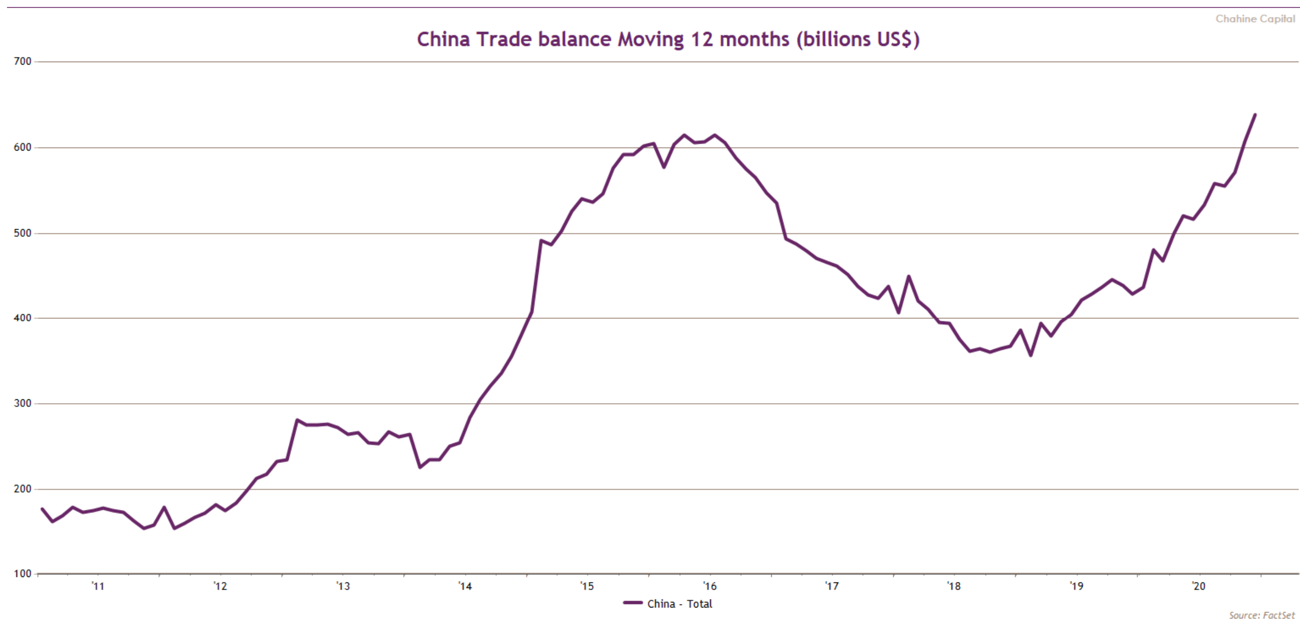
America and China to continue their tussle for world leadership

The trade war between the USA and China since 2018 has hampered international trade and slowed economic growth in many countries. Initiated by President Trump, conflict between the two nations has been essentially around tariffs, at least until the 'Phase 1' agreement was signed in January 2020. On the face of it, the incoming administration will adopt a very different approach to Mr Trump's. American diplomats that had been sidelined because of their president's behaviour will be looking forward to renewing with their former status. That said, there is no reason why the Biden administration would cut any slack to China on the basic principles of the Phase 1 deal: respect for intellectual property rights (Article 1) and a halt to forced technology transfer (Article 2). Especially as (partly for Covid reasons) China will almost certainly have failed to meet its commitment to raise its US imports by at least $76.7 billion in 2020 and another $123.3 billion at least in 2021. Instead of that $200 billion gain over two years, US exports to China amounted to $81.1 billion in the first three quarters of 2020, compared with $120.3 billion in 2018 and $106.6 billion in 2019. Given that the total is unlikely to have caught up in Q4, the change is precisely the wrong way…

This is all happening at a time when China looks like it is stealing a march on the USA. Firstly, it has bounced back from the pandemic and associated economic crisis far more quickly: after dropping 6.8% in Q1 2020, real GDP growth resumed at a rate of 3.2% in Q2 and 4.9% in Q3. China's trade balance even improved further last year (see chart). Secondly, by joining the new Regional Comprehensive Economic Partnership (RCEP),

China is at the heart of the world's biggest market: 2.25 billion people in 2019 (29.3% of the world's population) generating almost 30% of world GDP. The Biden administration will certainly want to make up for lost time – and influence.

China's trade surplus rises again



Relations between the two superpowers could even worsen, given that China is increasingly open about its imperialist ambitions. To many observers, the mammoth RCEP looks a bit like the old USSR. China's policy could well raise tempers with the rest of the world; the question is whether Europe takes sides with the USA now that Mr Trump is no longer in power.

A disappointing but very mixed world recovery in 2021… Asia to increase its advantage

One thing is for certain, and that is 2020 will go down in economic history with an almost 4% decline in world GDP. The shock would have been even greater without Asia's success in dealing with the pandemic and renewing with economic activity. The question now is how strong the recovery in world growth will be, especially as it has already largely been priced into raw materials markets. It looks as though the forecasts made towards the end of last year will be tough to meet, partly because of the resurgent pandemic but above all with the lockdowns associated with it. Getting into the light at the end of the tunnel will demand more patience: a priori towards mid-year in the USA and the end of Q3 in the EU, which is when both powers will have secured herd immunity through vaccination.

The EU is making a habit of lagging the English-speaking world, and that applies to its vaccination programme. Only 2.2% of its population has received a first dose of a vaccination, compared with 7.5% in the USA and 12.5% in the UK. Supply chain issues could slow its progress even further, and London is refusing to share its own supplies of vaccines produced in AstraZeneca's British plants.

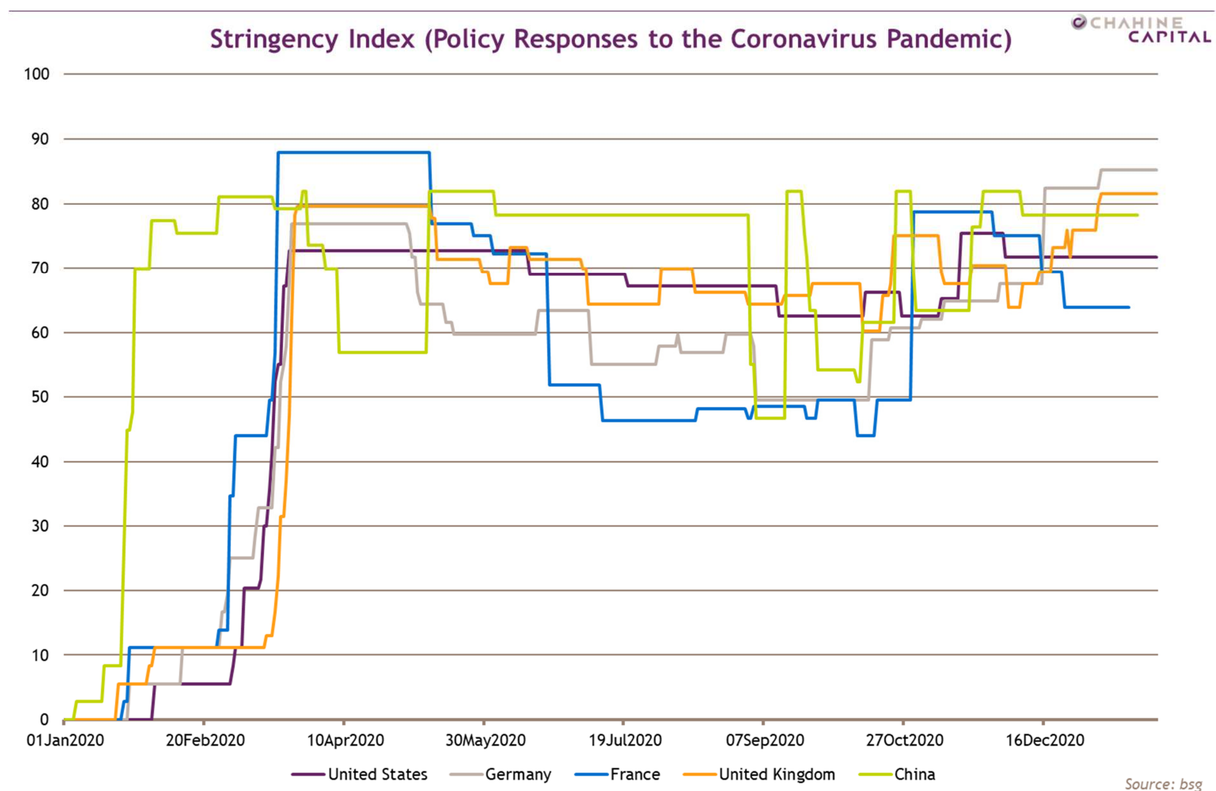
The EU lags on vaccinations

Country	Doses Administered	Population given at least 1 dose	Population given 2 doses
Israel	4,259,949	32.9%	18.8%
U.K.	7,638,543	12.5%	0.7%
U.S.	25,646,032	7.5%	1.7%
EU	10,197,734	2.2%	0.4%

It is hard to see how current restrictions on movement and business can be relaxed without herd immunity. In the meantime, the reverse is happening amid fears of new variants of the virus, which according to initial studies are more contagious than the original. European countries are tightening curfews or lockdowns and closing their borders again.

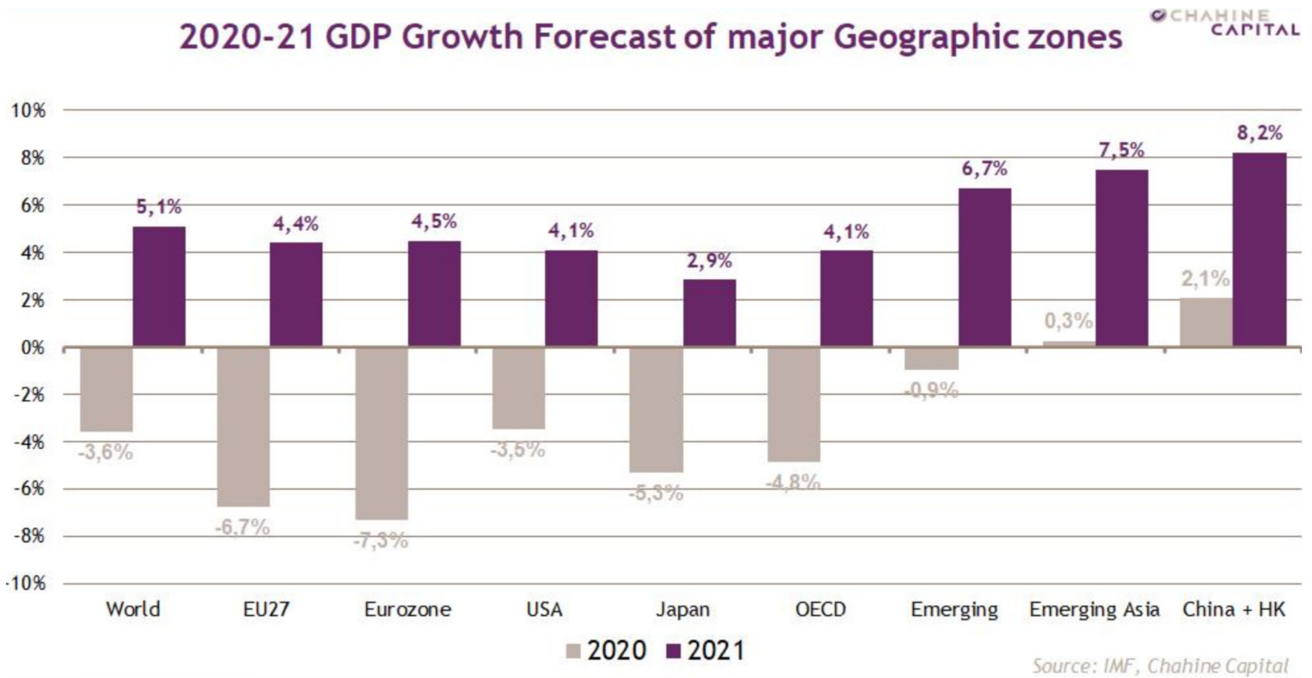
It follows that growth forecasts are strongly correlated with the success and speed of vaccination programmes. If herd immunity is not achieved before the end of Q3 in the developed countries most affected by the crisis (USA, UK, France, Germany, Italy, Spain), forecasts for 2021 will have to be revised down again.

Tight restrictions worldwide



Asian countries, and particularly China, will not have to wait for as long to renew with sparkling growth rates. Consensus forecasters now expect Chinese GDP to increase 8.2% this year after 2.1% in 2020. Excellent management of the pandemic in most Asian countries – even if some of the figures are doubtful – means less dependence on vaccination strategies, of course. Asian financial assets can therefore be expected to continue outperforming other markets, at least in the first part of the year.

Asia at the top of the growth league

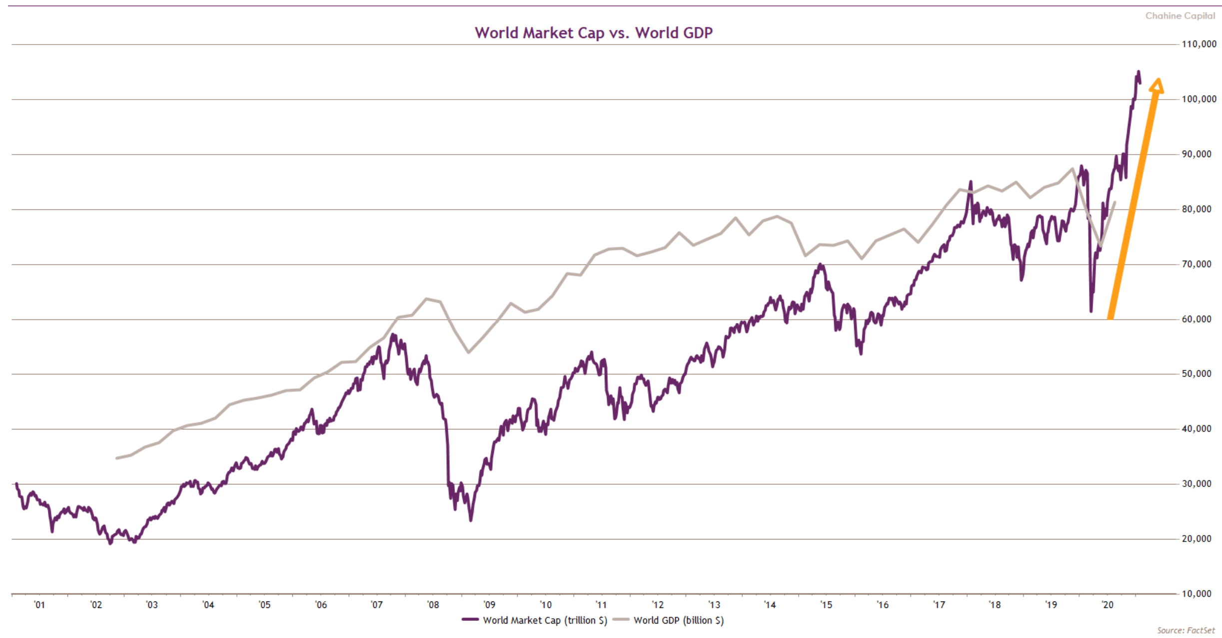


Equities still in rally mode

Despite the economic crisis and the worst recession of the post-war period, most equity markets appreciated or came close to neutral performance in 2020. World capitalisation increased 17.8%, and the markets have continued rallying so far this year. This has lifted world capitalisation to over $100,000 trillion (cf. chart below).

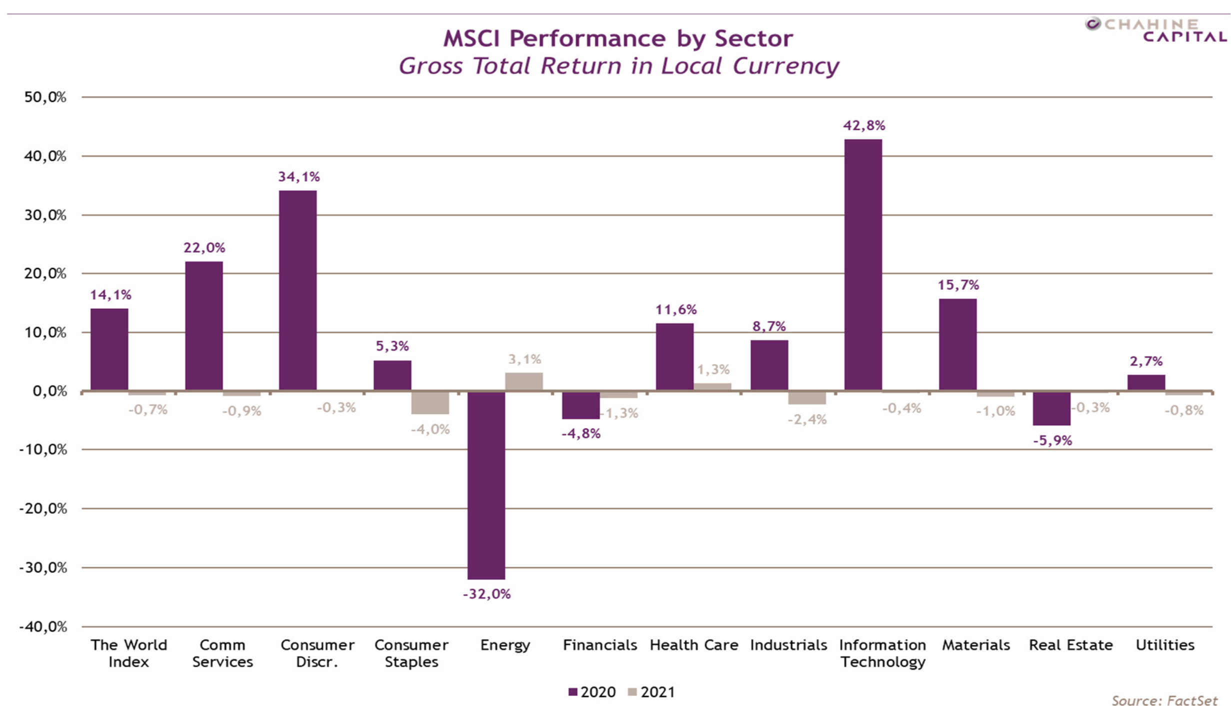
Given the degree to which GDP growth will depend on successful vaccination programmes in the biggest markets (USA and Europe), these numbers could fade quickly. Central bank liquidity injections are clearly buoying the markets but more support would be needed in the event that progress in vaccination is not as quick as expected.

World equity markets at their highs



And shall the first now be the last? 2020 was pretty clear-cut in terms of investment theme, with the stand-outs being IT (up 42.8%), discretionary consumption (up 34.1%) – especially internet retailing – and healthcare (up 11.6%). As 2021 ought to be an economic rebound year, would it make sense to switch out of these sectors and into the laggards, playing the value theme? Investors have been wrestling with this dilemma since the start of the year. Our view is that sector themes will be less obvious this year and stock-picking will dominate. As the recovery takes shape and government support is withdrawn, investors will have to be quick to spot the companies able to adapt their original business models to a durable shift in the international environment.

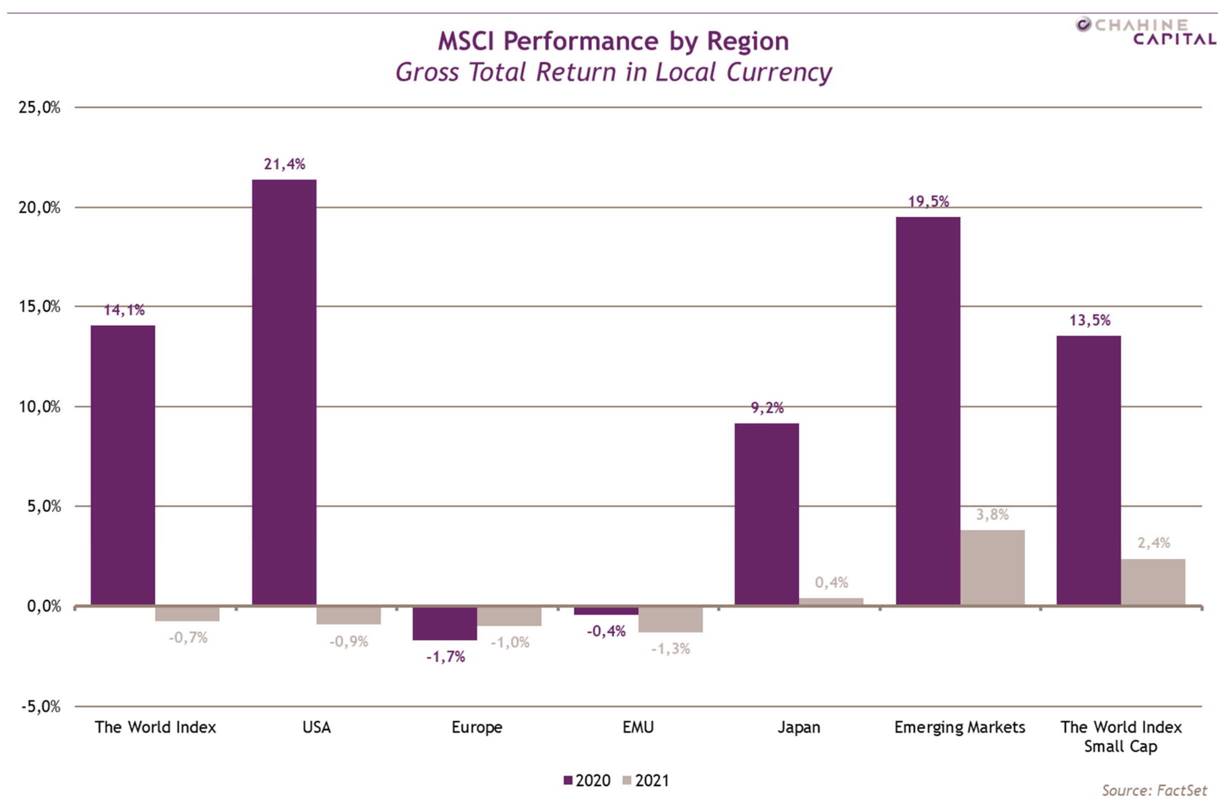
IT and retailing benefiting the most from Covid



In geographical terms, the only major indices up on the year so far are Asian (MSCI China up 15% to 29 January, before retracing 6.7%), reflecting their lower sensitivity to the latest wave of the pandemic. We expect that the losses posted in Europe (MSCI Europe down 1%) and the USA (MSCI US down 0.9%) will gradually be recovered as vaccination programmes take effect and bring more visibility to subsequent economic recovery.

As we have said, Asian equity markets could well outperform in the first half of the year, before the trend reverses in line with the relaxation of restrictions in the USA and Europe as a direct result of herd immunity and a gradual return to normality.

US and European performance will depend on vaccination



High expectations on profits

The first announcements of the US Q4 results season from S&P 500 companies have been very good. 184 firms have already published, or 37% of the index. 82% announced positive surprises on profits; if that rate persists for all the remaining companies, it would be the highest level ever recorded since FactSet started to calculate it in 2008.

A very good start to the Q4 results season

S&P 500 Earnings Net Income for Q4 2020	# Cos Reported	% Cos Reported	Growth Blended (%)	% Pos Surprise
Communication Services	6	23,08	-5,99	83,33
Consumer Discretionary	16	26,23	-19,04	68,75
Consumer Staples	14	43,75	3,80	78,57
Energy	8	33,33	-107,63	62,50
Financials	42	64,62	14,49	90,48
Health Care	13	20,63	9,52	92,31
Industrials	38	52,05	-57,10	76,32
Information Technology	29	38,67	15,13	96,55
Materials	10	35,71	15,25	80,00
Real Estate	6	20,00	-3,23	57,1429
Utilities	2	7,14	-3,60	50
S&P 500	**184/505**	**36,44**	**-2,47**	**82,16**

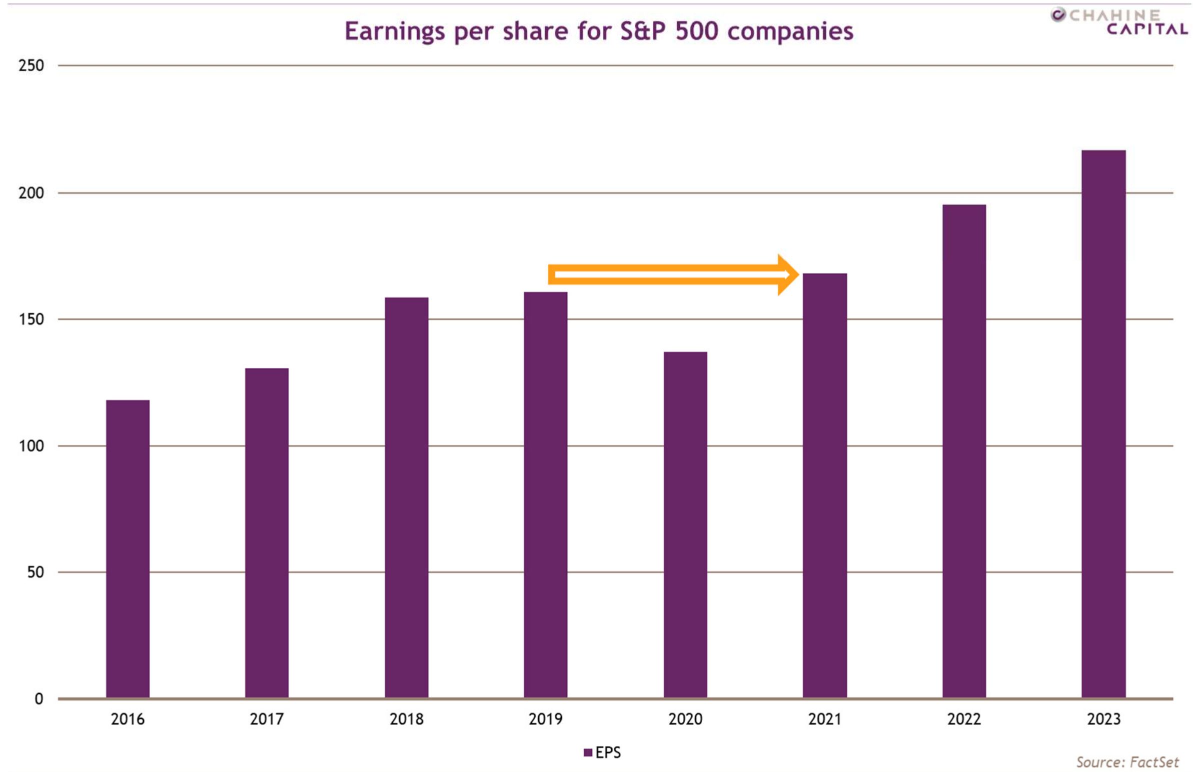
At the time of writing, aggregate S&P 500 earnings are expected down 2.5% for Q4 2020, which would be the fourth consecutive quarter of year-on-year decline. But the trend is improving sharply, and we recall that the consensus estimate for Q4 was -9.2% as recently as 31 December. Analysts are still banking on a marked return to profitability in 2021: a 23.6% increase in S&P 500 earnings per share this year, which would lift EPS to just above their end-2019 level. And they are also pencilling in a 15.9% gain in 2022!

We believe that 2022 estimate to be extremely optimistic. Assuming smooth vaccination programmes and a gradual removal of restrictions, a return to normality is certainly possible this year. But a continuation of rapid EPS growth beyond that lacks credibility, unless Mr Biden reverses his policies completely and cuts taxes…

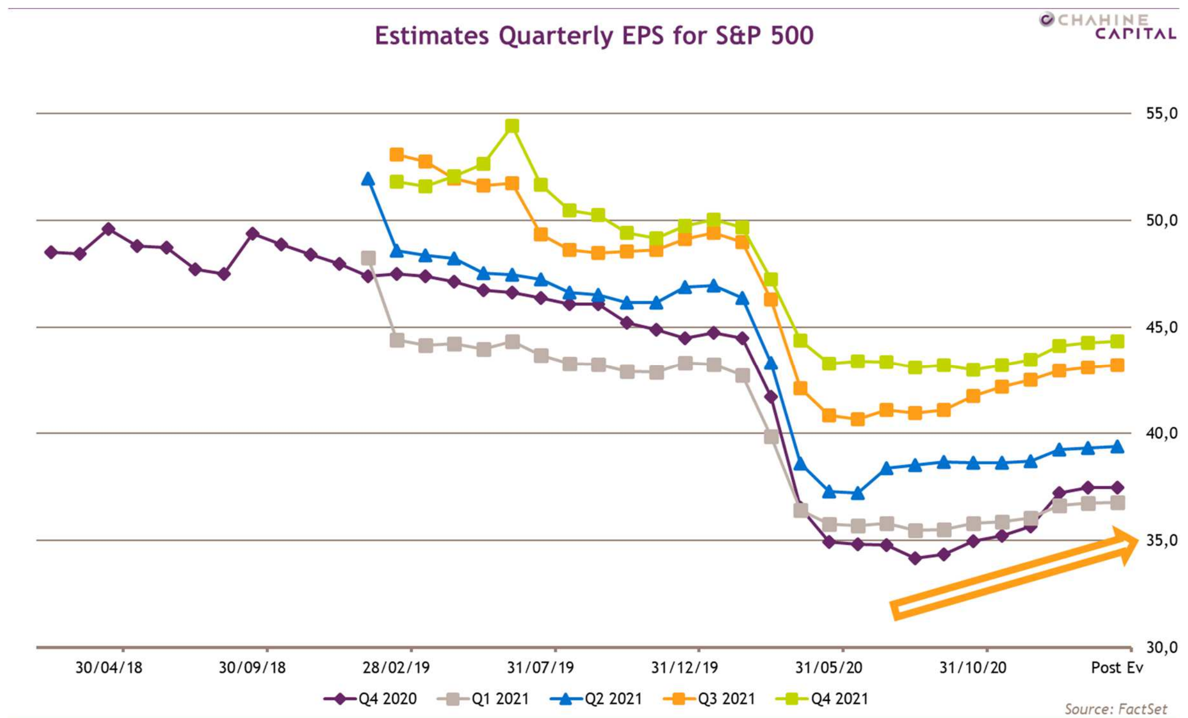
Analysts also expect net margins among S&P 500 companies to hold up well at above 10%. They are expected to rise to 10.6%, 11.1% and 11.6%, respectively, over the first three quarters of 2021. From a sector viewpoint, we believe that basic materials and energy could rebound on the back of the impressive rebound in prices observed over the past few weeks.

STRATEGY OVERVIEW

In terms of profits, the recession lasted only a year



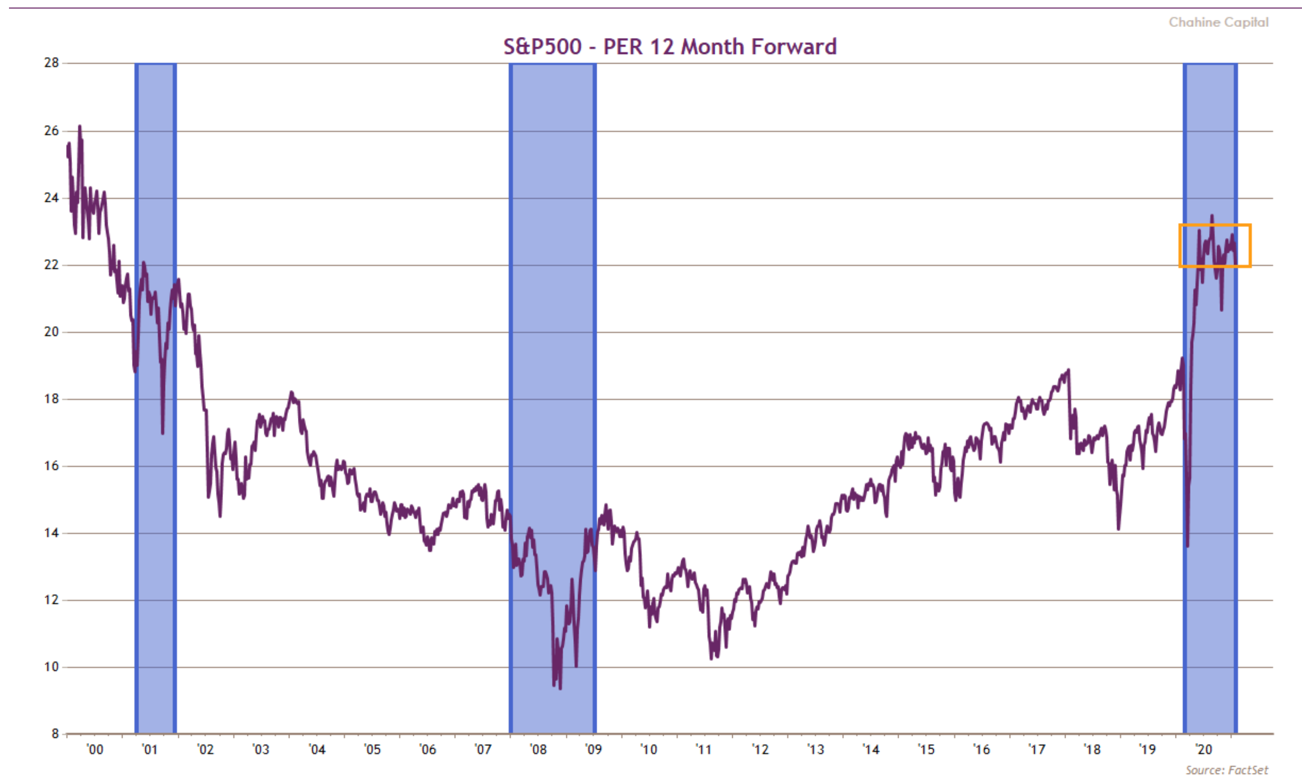
Revisions to earnings estimates on a positive track



Market valuations: no rise in multiples, but abundant liquidity

Despite upward revisions to earnings estimates, the steady rise in share prices since their lows in mid-March last year has left market multiples at high levels: the S&P 500 is trading at between 22x and 23x future earnings, for example. That said, this figure should be put in perspective. Key US interest rates are at zero and Treasury yields are not far off (1.1% for the 10-year and 1.8% for the 30-year). Moreover, continuing massive liquidity injections by central banks are pushing the prices of risky assets up all on their own, which of course raises their multiples. In these very unusual circumstances, we do not consider them to be a useful indicator for timing investments in equity markets.

A high PER, but meaningless in current conditions



Our valuation model: upside in Europe but not on Wall Street

US 30-year yields have inched up again, rising from 1.66% last month to 1.8%. We agree with analysts' upbeat view on 2021 earnings and have therefore incorporated consensus forecasts in our various scenarios. We are not sticking with the excessively rosy consensus numbers for 2022, however, and our 8-year CAGR is 6.2%. That compares with 5.6% at the end of November and 6% at the end of December.

With these parameters, our model is struggling to validate the US market's inexorable rally over the past few months. It may have stalled since our previous edition, but the rise in the 30-year yield has reduced our S&P 500 objective to 3,603 points. The index topped out at 3,850 points to close last month at 3,715 points. It would take a decline in interest rates – unlikely, given the vigour of the US economy – to raise our objective to above the market's current level (around 3,900 points with a 30-year at 1.5%). It follows that further support for the market would have to come from good news on profits, implying a stronger economic rebound than we expect at the moment. We therefore recommend a degree of caution on US equities.

S&P 500 - Valuation end 2021 except implied scenario					
CAGR Compounded Annual Growth Rate from 2020	30 Years Gvt bonds				
	1,25%	1,50%	**1,80%**	2,00%	2,25%
Slow recovery: 15.3% in 2021, 8.2% in 2022 - CAGR 3.5%	**3 528**	**3 297**	3 052	2 906	2 739
Implied Scenario CAGR 6.2% over 8 years	4 340	4 054	**3 751**	3 570	3 364
Return to normal: 21.4% in 2021, 9.6% in 2022 - CAGR 5.8%	4 171	**3 895**	**3 603**	**3 428**	3 229
Current Index S&P 500			**3 714**		

The situation in the euro zone is rather different. The weighted average 30-year yield is a stable 0.28%, and the consensus forecast for EPS growth in 2021 has been revised up slightly, to 34.6%. Note that even this growth would not make up for the 34.9% drop expected for 2020; analysts believe that the profitability recorded at end-2019 will return no earlier than the end of 2022. Either way, the combination of very low interest rates and a vigorous rebound in profits has pushed our model to an MSCI EMU objective of 148 points, compared with a January close at 126 points. That means a substantial 17.5% upside potential between now and year-end, and we are therefore overweighting European equities against Americans.

MSCI EMU - Valuation end 2021 except implied scenario					
CAGR Compounded Annual Growth Rate from 2020	30 Years Gvt bonds				
	0,00%	0,10%	**0,28%**	0,40%	0,50%
Slow recovery: 15% in 2021, 4% in 2022 - CAGR -3.6%	**130**	**126**	119	114	111
Implied Scenario: CAGR -3% over 8 years	140	136	**128**	123	120
Return to normal: 28% in 2021, 6% in 2022 - CAGR -0.7%	163	157	**148**	**143**	**138**
Current Index MSCI EMU			**128**		

Conclusions

Covid was Donald Trump's downfall. It turned Wall Street and his financial backers against him, despite what he could offer in terms of the economy and business. Joe Biden has only been in office since 20 January, but some commentators have already described his presidency as a third Obama term. That may be premature, as Mr Biden could turn out to be far more welfare-minded than his former boss. He is already looking to raise the federal minimum wage to $13 per hour and a hike in corporation tax from 21% to 28%, for example. A proposed $1.9 trillion stimulus package will dominate the start of his term; it includes helicopter money in the form of $1,400 direct payments to individuals.

The implications of such policies for public finance could have serious consequences for the markets. The Fed's balance sheet is not expanding nearly fast enough to fund what the federal government is spending now, let alone plans to increase expenditure on infrastructure. This means that the Fed will either have to reconsider its self-imposed restrictions on intervening on Treasury bond markets or international savers will have to step up even more than they do already. If neither happens, the risk is that burgeoning government debt siphons liquidity from other financial and non-financial assets, potentially forcing a major correction to US equities. While this outcome is emphatically not our central scenario, investors would be wise to pay close attention to the way in which the US government finances its massive requirements in 2021.

For equities, 2020 turned out to be relatively straightforward in thematic terms. It was essentially a year for IT (up 42.8%) and discretionary consumption (up 34.1%), which of course includes internet shopping. As 2021 should be a rebound year, should investors switch out of last year's winners and into sectors that fell behind? In our view, this year will be a lot less stark in sector terms and that stock-picking will be a better guide to performance. Investors will have to be quick to spot the companies able to adapt their original business models to a durable shift in the international environment. In geographical terms, the only major indices up on the year so far are Asian (MSCI China up 15% before retracing 6.7%), reflecting their lower sensitivity to the latest wave of the pandemic. We expect that the losses posted in Europe (down 1%) and the USA (down 0.9%) will gradually be recovered as vaccination programmes take effect and bring more visibility to subsequent economic recovery.

The US Q4 results reason has just started, and the first announcements from S&P 500 companies look very good. Despite upward revisions to earnings estimates, the steady rise in share prices since their lows in mid-March last year has left market multiples at high levels: its PER is between 22x and 23x future earnings, for example. That said, this figure should be put in perspective. Key US interest rates are at zero, Treasury yields are not far off (1.1% for the 10-year and 1.8% for the 30-year) and continuing massive liquidity injections by central banks are pushing the prices of risky assets up all on their own. Although Wall Street has flatlined since our edition of last month, a rise in the 30-year yield has reduced our S&P 500 objective to 3,603 points. That compares with a recent market high of 3,850 points before its retreat to 3,715 points at month-end. It would take a drop in the 30-year yield to lift the objective given by our model to above current prices (around 3,900 points with a 30-year at 1.5%). In Europe, by contrast, a combination of extremely low interest rates and the prospect of a sharper rebound in profits give us 17.5% upside potential for the main indices between now and year-end. We therefore recommend overweighting European equities relative to their US counterparts.

Michaël Sellam

STRATEGY OVERVIEW

Main ratios for markets and sectors as of 29/01/2021 (in local currency)

CHAHINE CAPITAL

Data as of 29/01/21	Weight vs World	Perf 2021	Perf 2020	Weighted P/E 2022	Weighted P/E 2021	% Wted EPS Chge 2022	% Wted EPS Chge 2021	% Wted EPS Chge 2020	Div Yield 2021	Revision vs M-2% Fiscal 22	Revision vs M-2% Fiscal 21
World - Developed	**100,0%**	**0,08%**	**15,04%**	**17,1 x**	**20,1 x**	**17,61%**	**36,91%**	**-19,47%**	**2,00%**	**1,4%**	**1,9%**
United States	53,0%	-0,19%	20,22%	20,0 x	23,5 x	17,34%	34,36%	-16,06%	1,52%	2,1%	2,9%
Japan	8,5%	-1,10%	11,46%	15,5 x	18,6 x	19,94%	32,14%	-14,82%	2,09%	-0,3%	-0,1%
Eurozone	10,9%	-1,88%	8,66%	15,0 x	18,2 x	21,80%	50,58%	-37,97%	2,77%	0,9%	1,5%
Europe	20,0%	-1,42%	7,19%	15,1 x	18,0 x	19,38%	46,91%	-34,90%	2,88%	1,2%	1,6%
Austria	0,2%	3,08%	-3,26%	11,0 x	13,4 x	21,64%	51,55%	-42,30%	3,34%	0,5%	3,9%
Belgium	0,5%	-2,32%	-2,41%	16,6 x	20,2 x	16,94%	19,66%	-25,78%	2,62%	-1,2%	-1,7%
Denmark	0,7%	-3,97%	40,90%	23,0 x	25,9 x	12,74%	29,54%	-8,12%	1,65%	-0,8%	1,8%
Finland	0,4%	1,37%	27,09%	18,6 x	21,3 x	14,88%	21,33%	-16,07%	3,20%	-1,2%	-0,2%
France	3,5%	-3,43%	6,34%	16,0 x	19,7 x	23,07%	75,11%	-50,66%	2,69%	-0,3%	-1,1%
Germany	2,9%	-0,63%	13,28%	14,1 x	17,0 x	20,89%	36,87%	-21,35%	2,61%	1,1%	1,7%
United Kingdom	4,0%	-0,46%	-8,98%	12,9 x	15,4 x	19,36%	64,21%	-42,96%	3,48%	3,1%	3,0%
Ireland	0,1%	-6,99%	11,11%	16,3 x	26,7 x	64,32%	1839,49%	-104,37%	1,22%	-4,1%	-4,2%
Italy	0,9%	-4,07%	1,91%	10,9 x	13,4 x	22,24%	63,91%	-40,38%	3,86%	6,6%	10,8%
Netherlands	1,4%	1,73%	21,86%	19,0 x	22,3 x	17,37%	42,96%	-28,09%	1,78%	0,2%	2,0%
Norway	0,4%	0,30%	5,88%	15,3 x	18,5 x	20,44%	94,84%	-49,51%	3,25%	2,0%	6,0%
Spain	0,8%	-4,02%	-4,61%	14,0 x	17,5 x	25,07%	35,08%	-44,93%	3,77%	0,9%	-0,1%
Sweden	1,4%	0,88%	31,77%	18,3 x	20,7 x	12,95%	18,44%	-22,42%	2,58%	-0,7%	-0,7%
Switzerland	2,6%	-1,62%	10,73%	17,1 x	19,3 x	12,58%	19,33%	-8,71%	2,83%	-0,4%	-0,4%
Europe / Commercial Services	0,5%	-2,67%	3,13%	17,9 x	21,6 x	20,31%	43,12%	-30,58%	2,13%	0,4%	-0,4%
Europe / Communications	0,5%	-0,65%	-3,23%	12,7 x	14,7 x	15,45%	6,52%	-8,61%	4,84%	0,6%	1,0%
Europe / Consumer Durables	0,9%	-0,90%	18,46%	9,0 x	11,1 x	23,87%	208,55%	-59,84%	3,03%	11,7%	12,1%
Europe / Consumer Non-Durable	3,1%	-5,04%	8,89%	20,2 x	22,6 x	11,65%	22,17%	-21,43%	2,44%	-0,1%	-0,4%
Europe / Consumer Services	0,5%	-2,57%	-1,65%	19,0 x	35,2 x	86,08%	396,86%	-120,57%	2,02%	-1,8%	-13,0%
Europe / Distribution Services	0,3%	0,91%	22,70%	18,7 x	21,8 x	17,06%	30,37%	-14,67%	2,00%	1,4%	0,5%
Europe / Electronic Technology	0,8%	0,42%	8,85%	19,0 x	24,0 x	26,31%	88,88%	-50,07%	1,32%	-1,1%	-0,8%
Europe / Energy Minerals	0,7%	2,06%	-27,63%	10,6 x	14,6 x	37,52%	488,16%	-87,77%	5,11%	1,7%	10,3%
Europe / Finance	3,5%	-2,74%	-5,87%	10,2 x	12,2 x	19,01%	28,86%	-35,76%	4,34%	0,4%	0,4%
Europe / Health Services	0,2%	5,71%	12,06%	20,7 x	22,9 x	10,44%	19,07%	-1,37%	1,58%	-1,5%	0,6%
Europe / Health Technology	2,3%	-0,14%	8,87%	17,3 x	19,7 x	13,36%	10,02%	-1,50%	2,46%	-2,4%	-2,4%
Europe / Industrial Services	0,3%	-3,69%	-9,31%	12,6 x	15,7 x	24,38%	73,42%	-49,49%	3,36%	0,3%	-2,5%
Europe / Miscellaneous	0,0%	1,58%	33,67%	11,2 x	15,2 x	36,39%	180,95%	-48,90%	1,92%	0,5%	2,9%
Europe / Non-Energy Minerals	0,6%	0,84%	17,23%	11,3 x	10,7 x	-5,30%	40,87%	22,31%	4,29%	13,2%	19,2%
Europe / Process Industries	0,8%	-0,04%	17,61%	18,4 x	21,1 x	14,23%	25,59%	-16,48%	2,64%	2,4%	2,5%
Europe / Producer Manufacturin	1,9%	3,07%	31,52%	20,3 x	24,7 x	21,32%	61,23%	-29,26%	1,83%	0,6%	1,1%
Europe / Retail Trade	0,6%	1,86%	21,69%	20,1 x	25,3 x	24,40%	49,96%	-21,84%	2,08%	0,8%	-2,2%
Europe / Technology Services	1,0%	-1,31%	23,86%	24,0 x	28,6 x	19,06%	17,55%	-5,96%	0,84%	-0,5%	-0,8%
Europe / Transportation	0,5%	-4,99%	3,88%	15,5 x	43,4 x	182,05%	138,55%	-206,82%	2,23%	-0,1%	-8,5%
Europe / Utilities	1,0%	-3,19%	24,35%	16,7 x	18,0 x	7,64%	11,57%	-13,05%	3,89%	-0,3%	0,4%

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