CHAHINE CAPITAL
Performance Engineering

24/8/2019

STRATEGY OVERVIEW

Without wanting it, Mr Trump is risking recession

Summary

Donald Trump's "America first" policy has not won him many friends abroad. Having created conflicts with China, Mexico, and Japan, he is looking to start a fight with Europe. At the same time, America's withdrawal from the Paris climate change agreement and from the Iranian nuclear deal, not to mention Mr Trump's questions over the relevance of NATO, his interference in the Brexit debate and efforts to derail the European Union have hardly helped either.

That said, he is not wrong over China. The Chinese have systematically robbed developed countries of their intellectual property, either illegally or by commercial force, copying Western know-how. They have played on fierce competition between liberal economies to develop their own competitive industry on the back of abundant, cheap labour. The country has inundated an open world economy with its own goods, but has left its domestic market firmly in the hands of the Chinese communist party. Since 6 April 2017, when Mr Trump and Xi Jinping set themselves 100 days to sort out their differences, the trade war has gone from bad to worse. Relations deteriorated particularly badly in August, when both countries upped the ante and China ended up by devaluing. Talks have stalled and the financial markets are swinging between hope and despair with each passing development. The overall impact has been a slump in long rates and yield curve inversion.

The consequences are starting to affect world growth. Germany's car industry is caught in the crossfire, for example, with BMW and Mercedes exporting to China via the USA. They are taxed as American products and their share prices are tumbling. The world's growth rate has dropped one-tenth of a point to 2.8% in local currency terms; Germany is suffering more than the eurozone as a whole: its growth is expected to amount to just 0.7% in 2019. US growth forecasts have been revised down for both 2019 and 2020, while Singapore's position as an international trading hub has cut its growth rate in half this year. Despite the efforts of a populist president, Brazil is on the verge of recession. Quite separately, the impact of a hard Brexit does not appear to have been taken into account. Official figures do not show any deceleration in China, but its car market has slumped. Australia's raw materials exports have slowed and the Australian dollar is trading at its lowest level against the greenback for a decade. Manufacturing PMIs are down on both sides of the Atlantic, although services PMIs are proving more resilient. The US economy is hardly struggling, with unemployment at fresh lows and robust consumer confidence, but that could change quickly if firms start laying people off in response to rising costs or falling exports.

The markets are still nervous about the shape of the yield curve, especially as the US 30-year yield has dipped as low as 2%. The Federal Reserve says it is ready to intervene if growth falters, but has pointed out to Mr Trump that it can do nothing about the trade war. Eurozone rates have slipped deeper into negative territory, and even out to 30 years in Germany. Gold is recovering its status as a safe haven.

Analysts are revising their estimates of US corporate profits down again. Overall EPS growth for 2019 has been revised from 1% to zero, and the figure for 2020 has been cut by 1.5% in just two months. This has cut our own CAGR from 3.2% to 2.1%. We would be happy with even flatlining profits in the eurozone. Lower interest rates have partly offset weak profits in our model, and our year-end objective for the S&P 500 is now 2,951 points, some 100 points above last Friday's close. Underweight investors might look at this as a potential entry point. Our recession scenario would lower our objective to between 2,580 and 2,744 points. We would start buying at 2,744 points; in the meantime, we are maintaining our below-benchmark weighting (35% rather than 40%, in our case).

Jacques Chahine

Hope and despair on the financial markets

Donald Trump's "America first" policy has not won him many friends abroad. He has pulled the plug on NAFTA – the common market with Canada and Mexico – and Congress has not approved its replacement. He has opened hostilities with the European Union, Japan and of course China. At the same time, America's withdrawal from the Paris climate change agreement and from the Iranian nuclear deal, not to mention Mr Trump's questions over the relevance of NATO, his interference in the Brexit debate, efforts to derail the European Union and indiscriminate threats of sanctions to those that fail to back him have hardly helped either. The list of open conflicts is already long enough but could well lengthen further.

That said, he is not wrong over China. The Chinese have systematically robbed developed countries of their intellectual property, either illegally or by commercial force, copying Western know-how. They have played on fierce competition between liberal economies to develop their own competitive industry on the back of abundant, cheap labour. The country has inundated an open world economy with its own goods, but has left its domestic market firmly in the hands of the Chinese communist party.

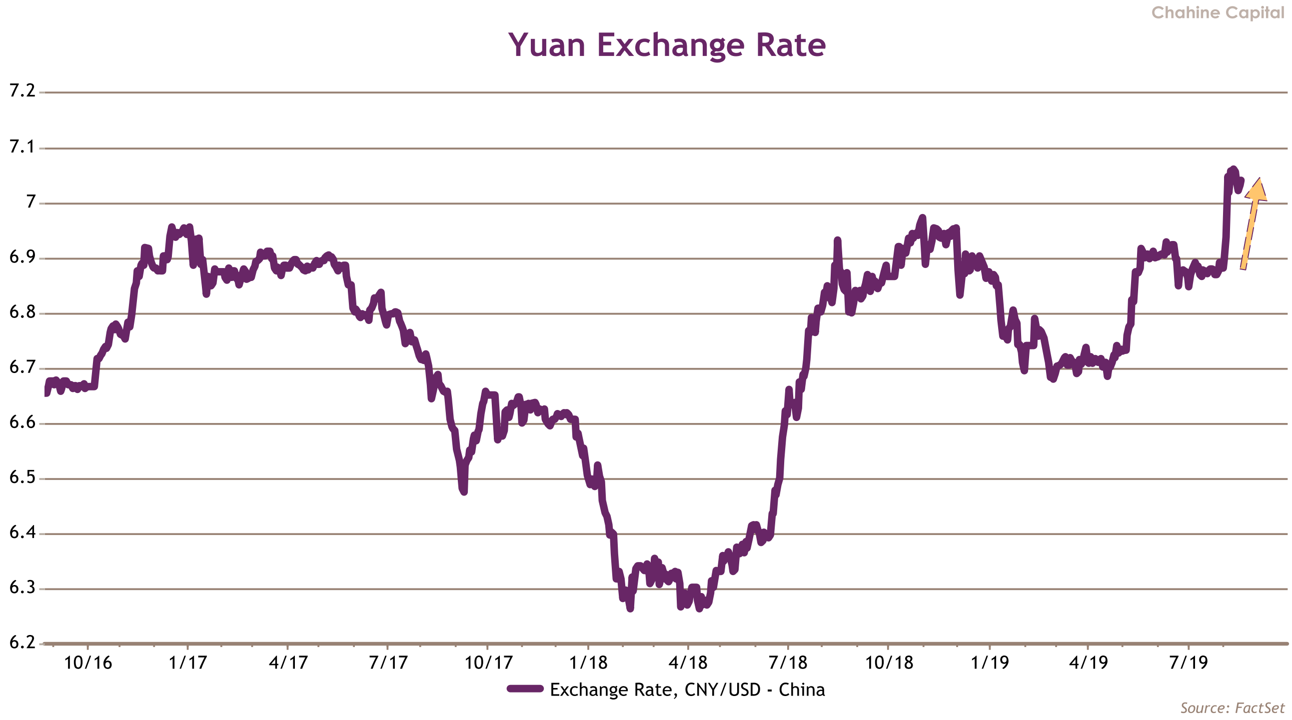
Instead of operating as a lone wolf, Mr Trump could have forged alliances against China. Europe has the same issues with the Chinese, after all. But he has opted for precisely the opposite, threatening a trade war with Europe as well because it has been too successful selling BMWs and Mercedes in the USA. And instead of working towards an OECD agreement over the taxation of multinationals, he is firmly in their corner and is looking to tax French wine heavily in response to France's imposition of a modest 'GAFA tax' ahead of an international accord.

Since 6 April 2017, when Mr Trump and Xi Jinping set themselves 100 days to sort out their differences, the trade war has gone from bad to worse. The Chinese are not moving on the underlying issues of intellectual property, forced technology transfer or hidden subsidies. The Americans assumed that China would translate its promises into law; China appropriated de Funès's words to his chauffeur in the film *Les Aventures de Rabbi Jacob*: "You promise me everything and I give you nothing". The Chinese are still trying to get away with vague verbal assurances, preventing any real progress on talks to break the impasse. The financial markets are left swinging between hope and despair.

On 1 August, Mr Trump kicked off another round of hostilities with the announcement of a 10% tariff on $300 billion-worth of goods, effective 1 September. Equity prices corrected 2% in two days. The Chinese responded with a surprise yuan devaluation on 5 August, from 6.90 to 7.04 to the dollar. This was unusually brutal, even for China. Equity prices corrected a further 3% that day. Given the Chinese central bank's constant managed devaluation over the past 18 months, the dollar has appreciated from 6.28 to 7.04 overall. This 12% gain has already absorbed the latest announcements of tariff increases.

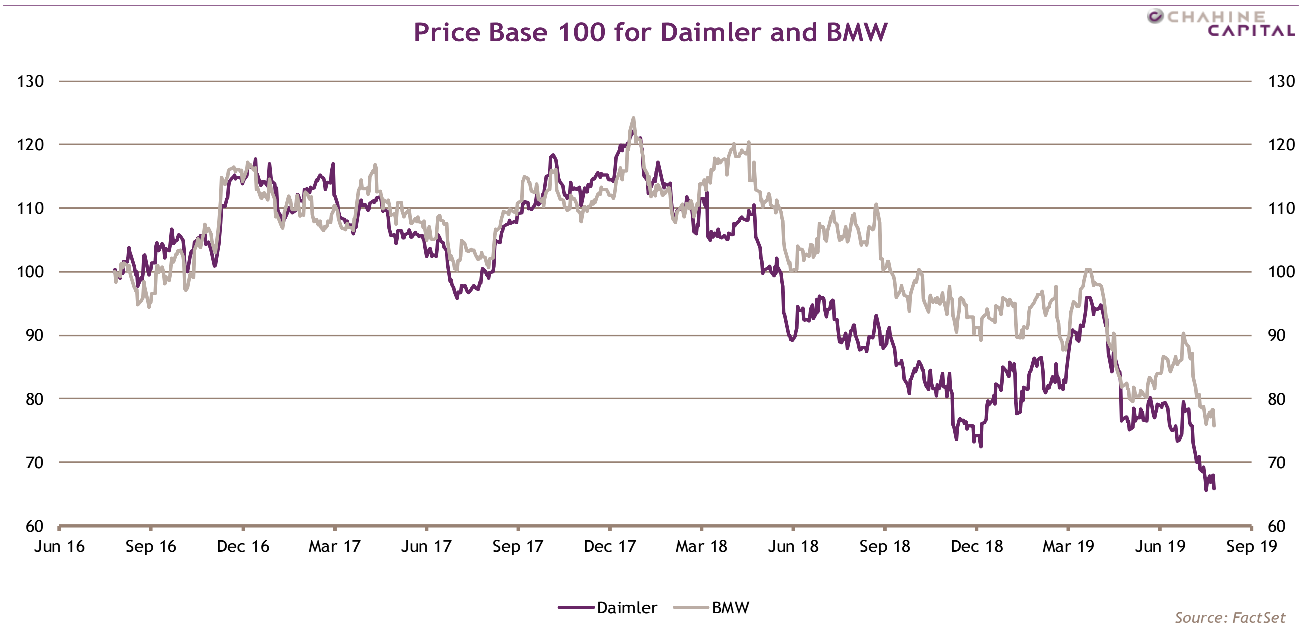
The financial markets' volatility and correction triggered a change of heart in the White House. On 13 August, Mr Trump pushed back the effective date of his latest 10% tariffs to 15 December, explaining that he pitied the consumers that would suffer a loss in purchasing power in the run-up to Christmas – they would of course have to pay more for their smartphones, video games and PCs. The Americans also published a convoluted review of these tariffs, hoping to soften up Chinese negotiators. The market reacted positively, closing that day up 1.5%.

China resorts to devaluation



Hopes of a truce lasted only one day. On 14 August, renewed fears of recession with an inverted US yield curve dropped equities by 2.9%; they then recovered enough to bring the S&P 500 back within range of the 3,000-point level. On 23 August, when the markets appeared finally to have dozed off for the summer, China hit back with an announcement of new tariffs on $75 billion-worth of goods, including soybeans, meat, cars (a 25% tax) and spare parts. The auto tariffs were a major blow to firms like Daimler and BMW, which export from US plants.

The trade war hits German carmakers



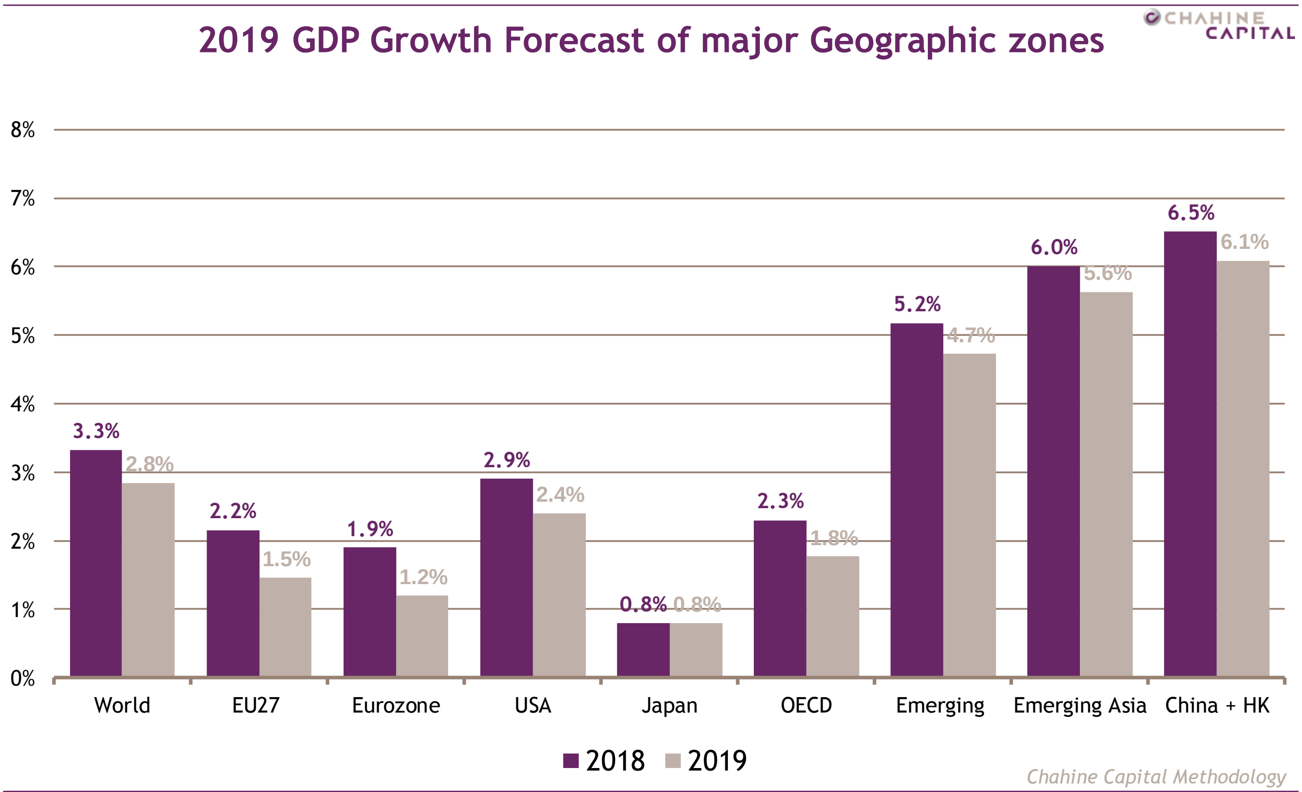
The market dropped like a stone, losing 3% of its value before closing on a 2.6% decline. The S&P 500 ended the week at 2,847 points. Mr Trump waited until the closing bell before responding with another 5% tariff hike on top of those already implemented or planned. It still remains the case that the tariffs most likely to hit American consumers will not be implemented until after the Christmas rush, which leaves time for negotiation. The president is also exhorting US multinationals to relocate their Chinese operations, preferably to the USA, but it is hard to imagine much of a response on that one. It would be difficult to find alternatives to an increasingly skilled but still cheap labour force for the specialised work it does. Low value-added goods such as clothing are already being produced in Bangladesh and Vietnam, for example, but shifting production of industrial products and electronics is not the same thing at all. If it does happen, Vietnam, Indonesia and India would benefit.

Neither Mr Trump nor Mr Xi seem ready to back down, and losing face would be difficult for China in particular. Mr Trump has already chopped and changed, and with re-election in mind would not want a full-scale market meltdown and an accompanying recession. His head-on approach has not had the effect on China that he had hoped for, reflecting China's newfound autonomy in most sectors, notably the digital economy. US firms in the sector will be the main losers.

A slowdown in world growth

Against a backdrop of worsening trade conflict, world growth is slowing. In line with our comments on the car industry, Germany is suffering more than the euro zone as a whole.

Decelerating activity this year



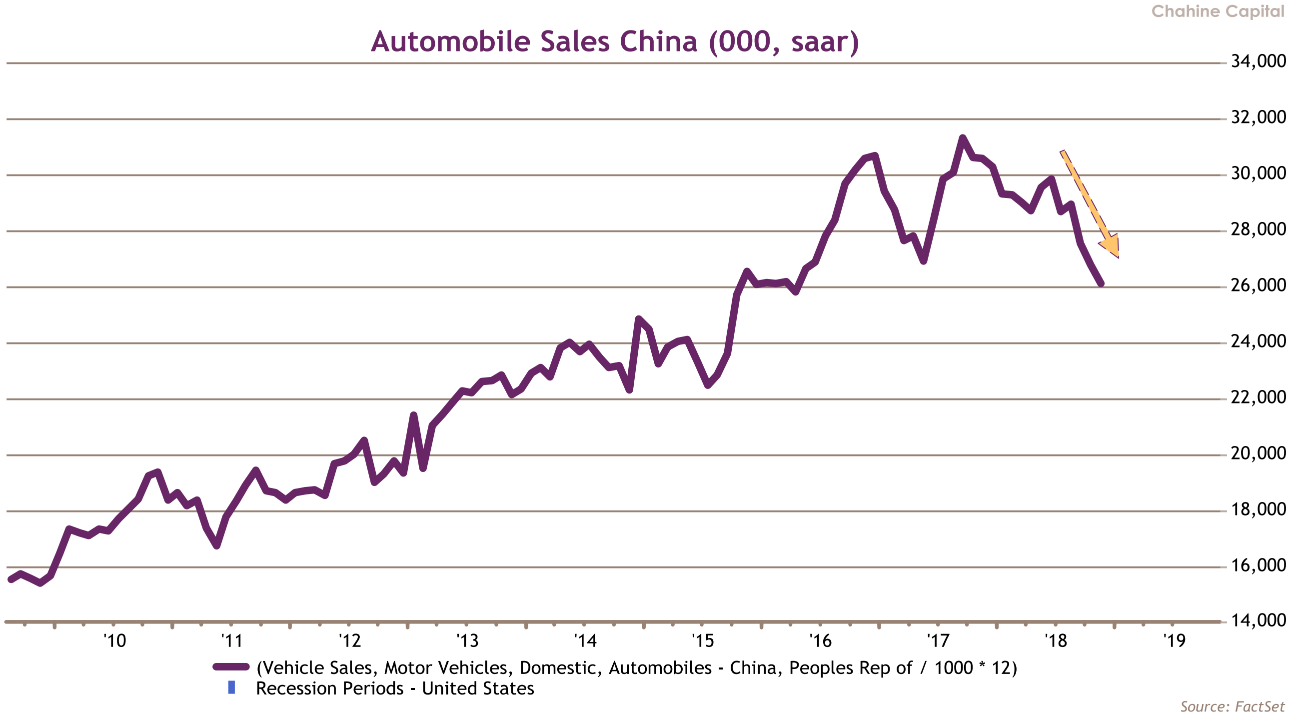
Estimates of US GDP growth have been cut from 2.5% to 2.3% following disappointing Q2 data, and the consensus forecast for 2020 has been trimmed from 1.9% to 1.8%. The world growth figure for 2019 is down from 2.9% to 2.8%. Forecasters have not taken account of Brexit, as visibility on that outcome is poor. Both the UK and EU would lose out under a hard Brexit scenario, and we would expect knock-on effects elsewhere. The trade war between Japan and South Korea has knocked a quarter of a point off the latter's growth rate, while Singapore's success in establishing itself as a world trade hub is now penalising it badly. The government has just halved its own growth forecast, precisely because of the trade situation. In Brazil, and despite the efforts of the populist President Bolsonaro, recession appears imminent in the wake of Argentina. In China, growth is effectively decreed by the Communist party and is being maintained at 6.2%.

Lower world growth forecasts

	2019 GDP Forecast main Countries			
Country	**31/05/19**	**30/06/19**	**31/07/19**	**24/08/19**
AR	-1.20	-1.20	-1.35	-1.35
AU	2.25	2.00	2.00	2.00
BR	2.00	1.00	1.00	1.00
CA	1.50	1.40	1.40	1.40
CN	6.30	6.20	6.20	6.20
DE	0.90	0.80	0.70	0.70
ES	2.20	2.30	2.30	2.30
Euz	1.10	1.20	1.10	1.10
FR	1.20	1.30	1.30	1.30
GB	1.20	1.30	1.30	1.30
ID	5.10	5.07	5.07	5.03
IN	7.00	7.00	6.70	6.70
IT	0.10	0.20	0.10	0.10
JP	0.70	0.70	0.70	0.70
KR	2.30	2.20	2.10	2.05
RU	1.40	1.35	1.20	1.20
SG	2.40	2.05	1.30	1.25
TH	3.80	3.45	3.30	3.30
TW	2.10	2.00	2.00	2.00
US	2.40	2.50	2.50	2.30

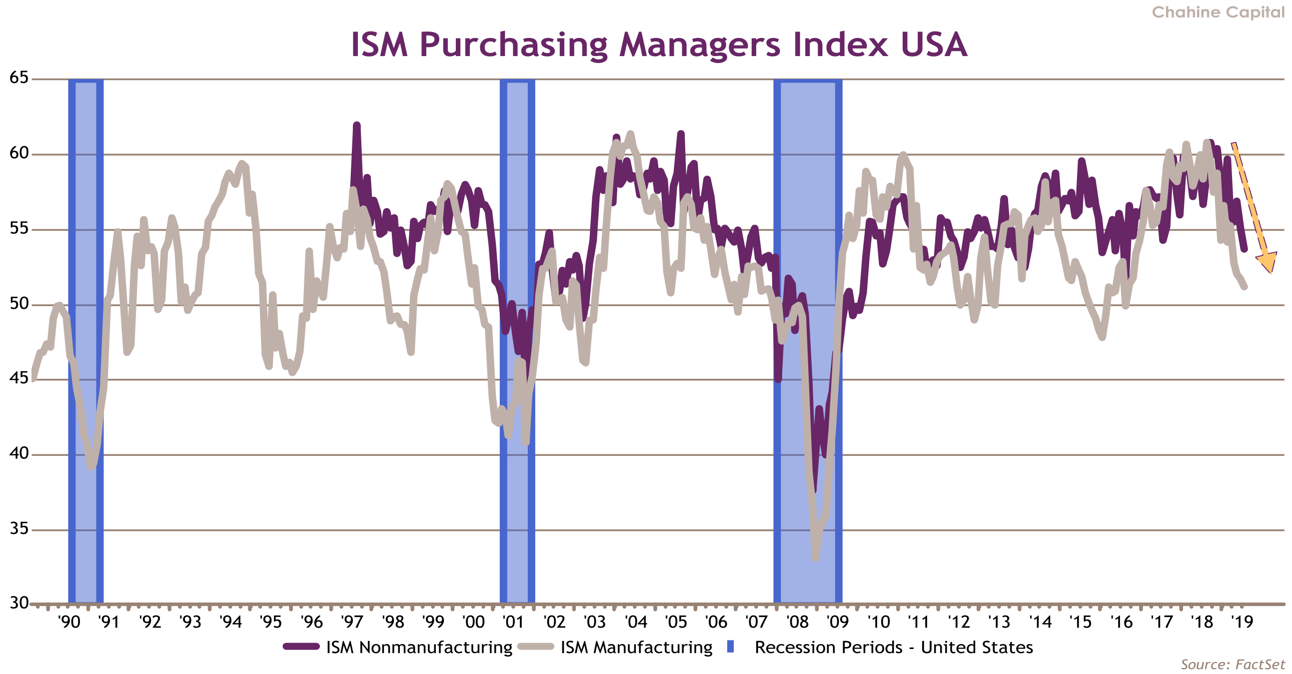
The problem for the Chinese authorities is that slower activity is evident from a number of sources. China is Australia's biggest export market for raw materials, and iron ore prices slumped in August in expectation of softer Chinese demand. The Australian dollar has also slumped to a 10-year low against the greenback. Weaker Chinese demand for iron ore is logical, given a drop in its annual car sales from 31 million to 26 million. This affects all Chinese carmakers, especially as the country's local industry is focused on electric vehicles.

A sharp drop in Chinese car sales



In the USA and other developed economies, the leading manufacturing and services ISM indices and PMIs are trending badly.

Purchasing managers indices turn lower



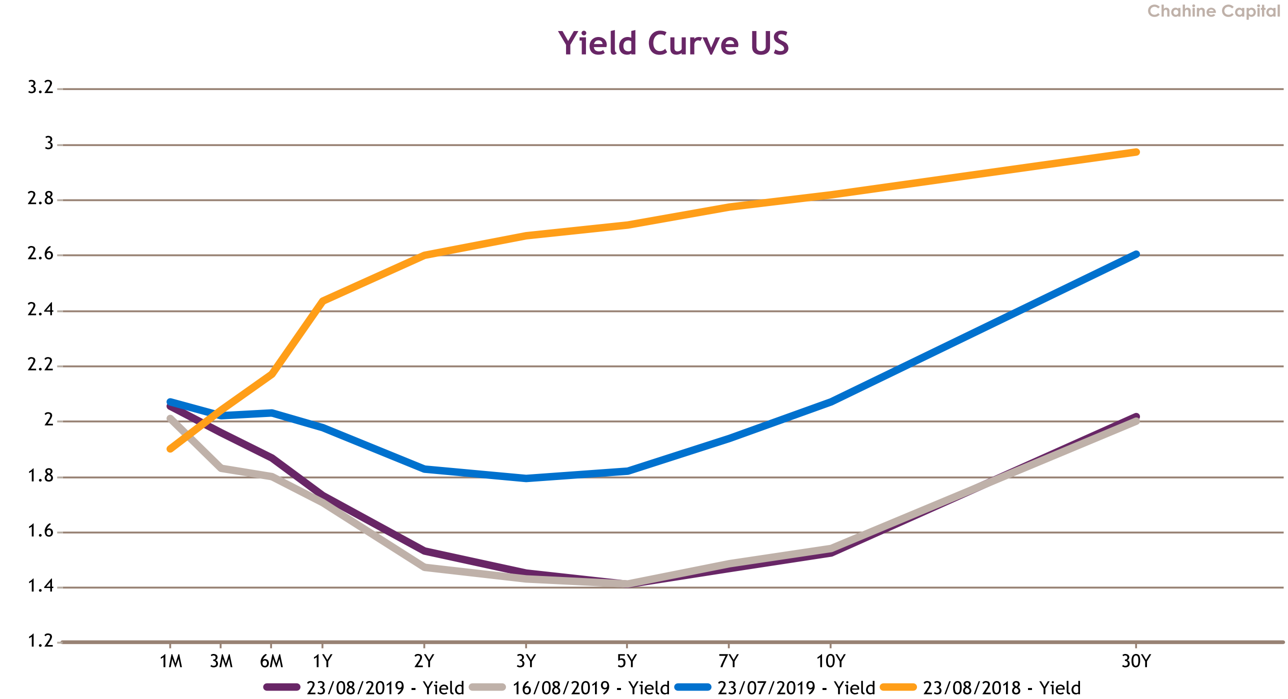
The US ISM indices have been sinking ever since Mr Trump unleashed his trade wars, although they are still above the critical 50 level that separates expansion from contraction. Note that negative ISM indicators have preceded all of America's recent recessions – but then, not all negative indicators have led to recession. The same goes for an inverted yield curve, which is the other issue unnerving the financial markets. The US economy certainly looks strong right now, with the unemployment rate at a 50-year low and consumer confidence at its highs. But it would not take long for fears to spread if firms start to cut costs and shed employees in response to the trade situation.

Eurozone PMIs are uninspiring, and the manufacturing index has been below 50 since the start of the year. The index for Germany is down to 43, while that for France has ticked up to 51. The services indices are rather better.

Inverted yield curves are unsettling investors

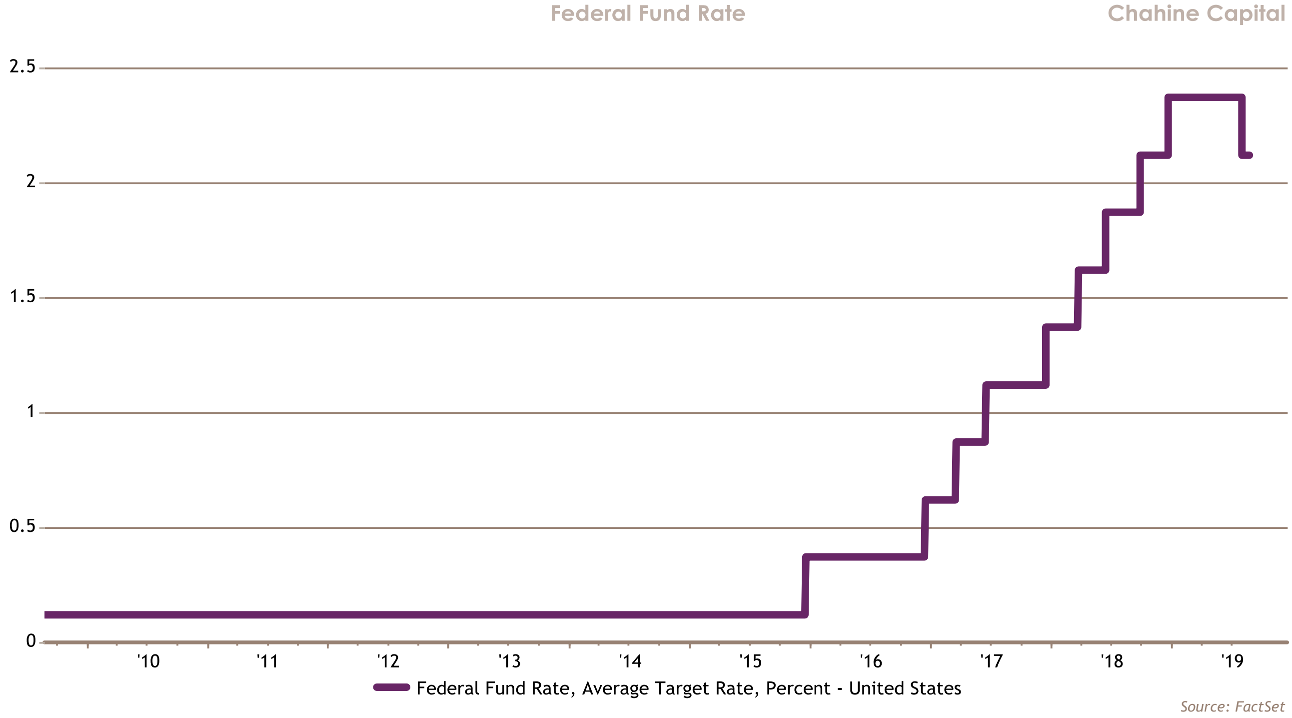
Apart from the trade war, yield curve inversion is making the markets nervous because it implies economic slowdown or even recession. The chart below shows the change in the US curve over just 12 months: from a proper normal slope to inversion out to 5 years. This means that the market is pricing in serious rate cuts from the Fed, which has caved in once already back in July. The Fed is itself divided on the subject and says that its decisions will depend on the economic data. It also points out to Mr Trump that it can do nothing about a trade war that is clouding the economy's future.

The curve inverted further in August



Source: FactSet

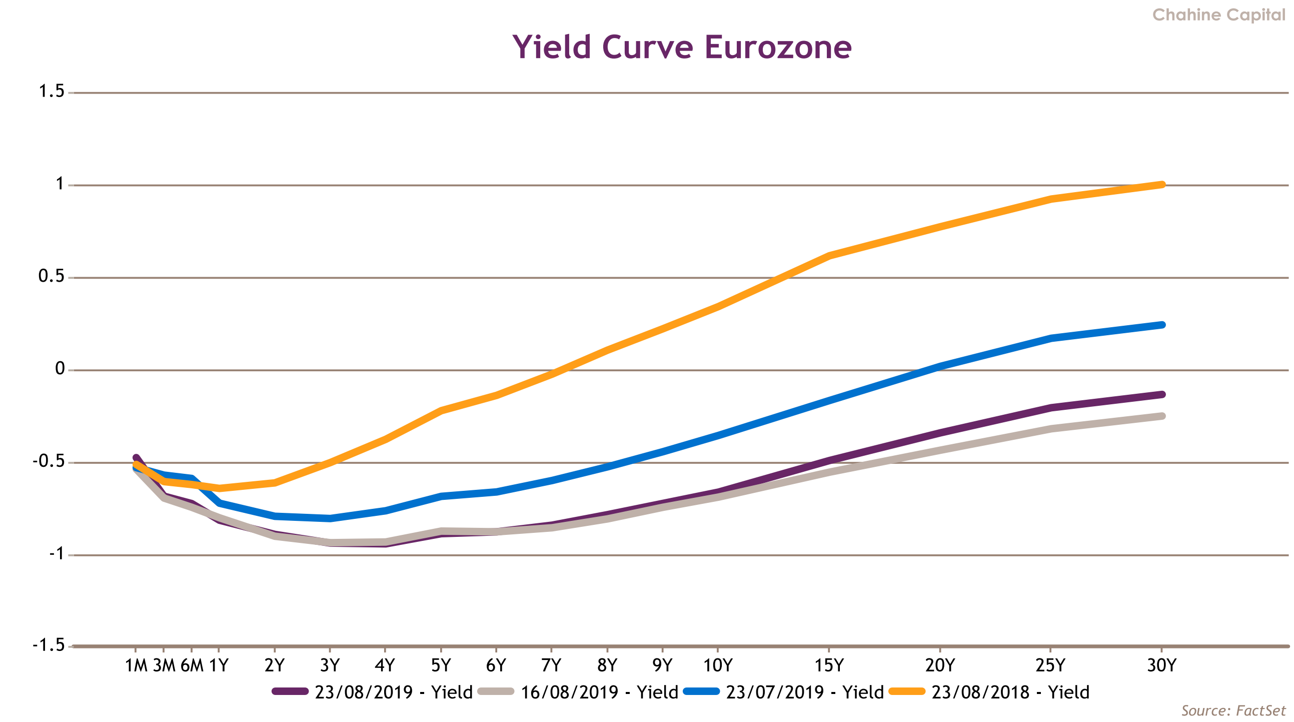
The Fed has room to ease



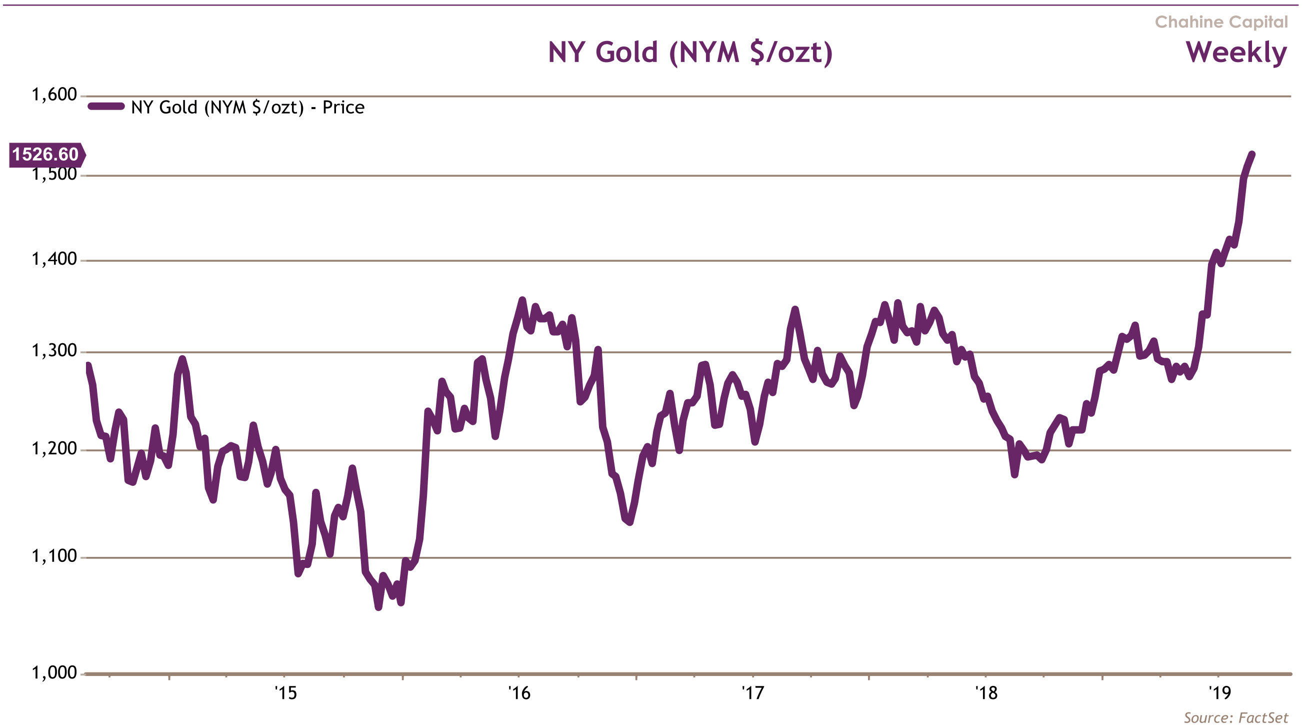
Interest rates have crashed in the past few months. This is especially true of the euro zone, where government bond yields are now negative out to 30 years. 3-month Euribor is down to -0.4%, meaning that you can buy European equities and pay 0.4% less for them in a year. The banks, who use Euribor as their benchmark for loans, have made sure that their small print declares that 'their' Euribor cannot be negative. Arbitrage theory says that you could borrow a 30-year bond, invest in equities for the same period and earn a negative 0.2% each year plus a 3.8% dividend yield. In other words, after 30 years the market could have corrected 4% per year and you would still be flat on the trade. This is purely hypothetical, of course, as the arbitrage is not a practical option, but it does illustrate the degree of pessimism for the future. By the same token, investors that do not think the end of the world is at hand would note that the mere stability of equity prices over the long term would be a profitable trade in an environment where any sort of yield is at a premium. The deflationary sentiment explains why gold has resumed its status as a safe haven. It is not subject to negative interest rates and is always the ultimate haven during monetary and economic crises. Its value has climbed from $1,200 to $1,526 per ounce in a very short time, and it would make sense to take some aboard in diversified portfolios even at current prices.

The world's major central banks are still pumping out liquidity even though it has only widened inequalities through hoarded capital gains. The pace at which companies are buying back their own shares shows how few investment ideas there really are. Buybacks slowed somewhat in Q2, but only because firms believe that their own share prices have peaked.

Europe's grim yield curve



Gold, the safe haven once more



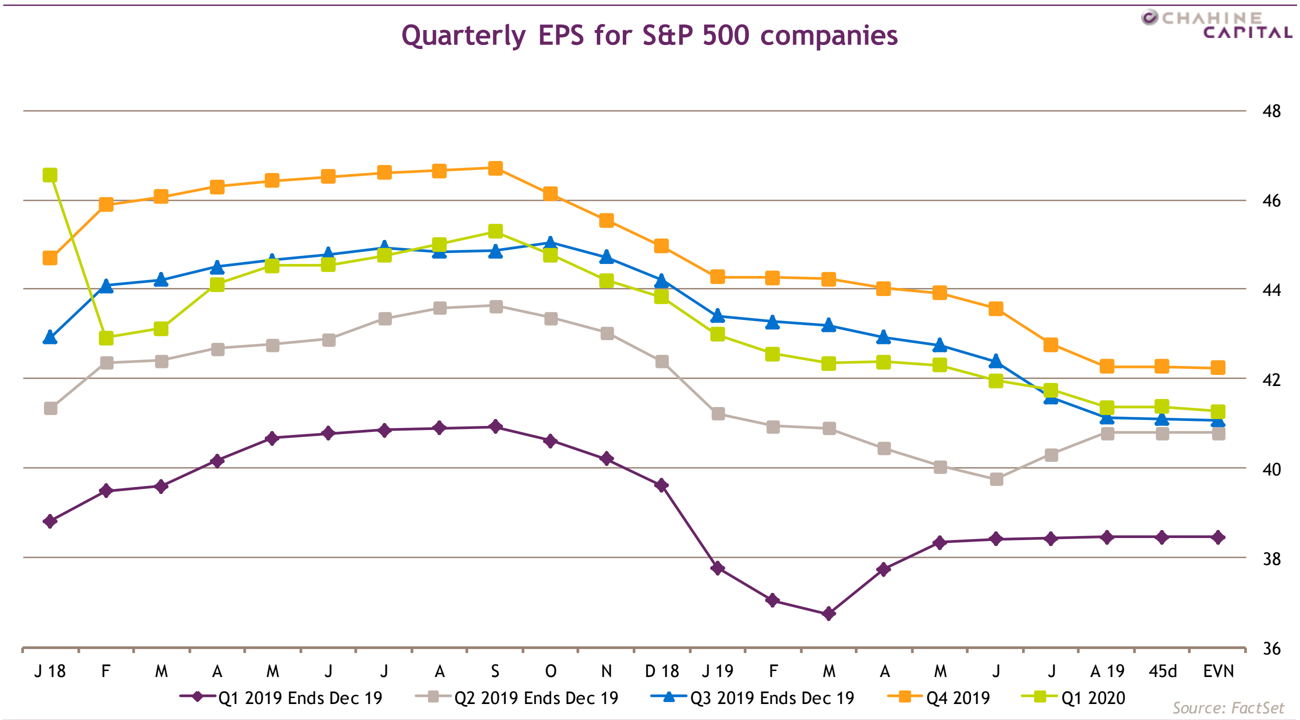
It is no coincidence that inequality was at the top of the Biarritz G7 agenda. Emmanuel Macron stood tall at the meeting, but then nobody expected anything of it. If the ECB is to react to the situation with another round of monetary stimulus, we would hope that a form of 'helicopter money' is involved, much as we explained a couple of months ago. The French economy's timid improvement can be attributed to the yellow jacket movement and the burst of government spending that was aimed at quelling it. The Germans would be well advised to loosen their own purse strings to keep activity going.

Brexit will be in the headlines over the coming weeks, and the battle between hard and soft versions of it is likely to trigger market volatility. So far, Boris Johnson has flexed his muscles and engaged in a bit of bluff. The ideas that crossing the Channel will be soon be restricted and that thousands of workers will be plunged into legal no-man's land are disturbing all on their own. We find it hard to believe that whole ranges of continental goods are about to disappear from the shelves, medicines will be in short supply and that French farmers will lose precious markets. We hope that a good old-fashioned last-ditch solution will be found to prevent the worst.

Profits revised down

US corporate earnings for Q2 offer little comfort. As usual, we have been through the game of companies lowering their guidance in order to hit the market with positive 'surprises': note the lows in Q1 estimates in March and the June lows for Q2. Revisions for Q3 in August will continue for a while in September and – lo and behold! – results will be better than expected in October or November. Notwithstanding this game, analysts' estimates of cumulative growth over four quarters have been cut from 1% to zero. Note also the red line for Q1 2020, also revised down.

Persistent downward revisions



2020 earnings depend a great deal on a stabilisation of world economic growth and are being revised down by 1.5% every two months. The consensus estimate of 10.5% next year looks optimistic; our estimates are 8% at most and just 6.3% in 2021, both lower than the figures we gave in June. Our CAGR has come down from 3.2% to 2.1%, which as seriously dented valuations in our model. Remember that US EPS growth includes a 3% gain from buybacks and the consequent reduction in the number of shares.

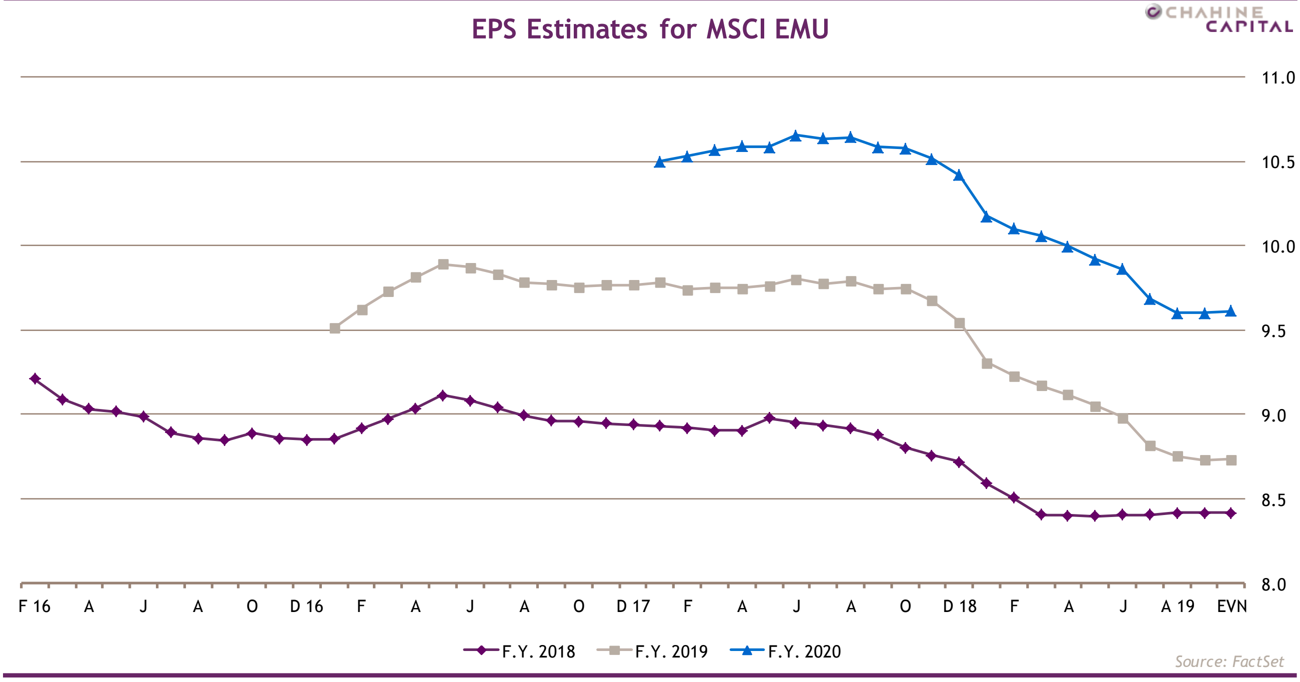
Negative profits growth in Q3

The chart highlights the impact of tax reform. It made a massive difference to 2018 but had dissipated by 2019.

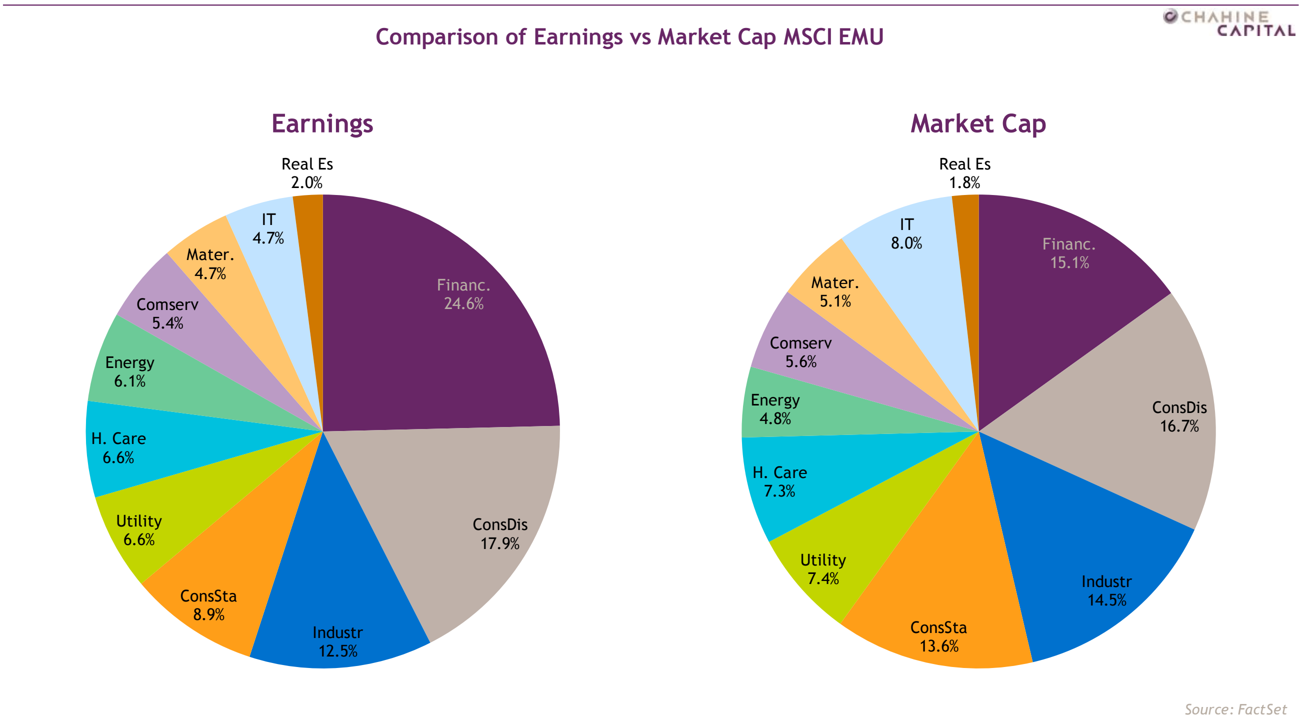
It is the same old story in the euro zone. A rise in profits this year would follow a flat 2018, but from a starting estimate of 6% we are now down to 3.8% and it could be zero by the end. Similarly, we are starting at 10% for 2020 but who knows how much of that will be left by the end of it?

This month we have compared the weight of profits in the MSCI Emu by market capitalisation, the aim being to pick up disparities and to try and identify where a possible drop in index profits might come from. As we might have expected, the financial sector has been overblown, and especially banks: 15% of capitalisation and 24.6% profits in 2019. The financial sector's capitalisation to equity ratio is 70%, unmatched by any other sector. It implies that the market does not believe in the results of a financial sector that is still carrying significant bad debt. Deutsche Bank is a good example, with €63 billion in equity for a capitalisation of €13 billion. Were the banks to provision properly for their bad debts, billions of euros would vanish from index profits. Companies like Arcelor are capitalised at 33% of their equity. We are astonished that the introduction of IFRS still leaves non-performing assets on the balance sheets of listed firms.

Down go eurozone earnings estimates, too



Financial companies yet to clean up their balance sheets



Market valuations

Our S&P 500 valuation has been affected by conflicting developments. The 30-year yield moved significantly lower in August, from 2.5% to 2.1%, but at the same time clear signs of downward revisions to profits growth forced us to revise our EPS estimates for 2020 and 2021. These dropped our CAGR from 3.2% to 2.1%. Given that this is an 8-year average, this is a powerful factor for valuations, albeit not as powerful as long rates. Our year-end objective for the index was 3,043 points at end-June but is now 2,951 points, some 100 points above last Friday's close. The CAGR is both low and more or less in line with inflation, implying a sharp drop in earnings at some point. That could be 15-20%, to a level from which they could rebound. But when profits drop by that much, the economic situation is usually dire, with massive job losses amid collapsing asset price bubbles. The market is bleak and our recession scenario would be an index between 2,580 and 2,744 points. These would be good entry points for long-term investors. The market's current level is tempting for investors with excess cash, as we cannot exclude an outbreak of peace in the trade wars and note inevitable support from central banks.

We are still recommending an equities allocation below benchmark levels (35% versus 40% in our case). That said, cash-rich investors would be wrong to keep out of the market and refrain from buy-and-hold positioning. We urge all underweight investors to set entry points: our own is 2,740 points. Our model requires a 3% risk premium, of course, and that could be ambitious in the current interest-rate environment. It makes equities held as long-term investments an attractive option.

Lower rates offset by poor earnings growth

S&P 500 - Valuation end 2019 except implied scenario					
CAGR Compounded Annual Growth Rate from 2018	**30 Years Gvt bonds**				
	1.75%	2.00%	**2.10%**	2.25%	2.50%
Mild recession: -1.3% in 2019, and -1.5% in 2020 - CAGR =0.3%	**2 744**	**2 580**	2 520	2 433	2 299
Implied Scenario CAGR 2.1% over 8 years	3 188	2 995	**2 923**	2 821	2 663
Base scenario: 0.7% in 2019 and 8% in 2020 - CAGR = 2.1%	3 216	**3 023**	**2 951**	**2 849**	2 691
Current Index S&P 500			**2 847**		

As we have seen, eurozone rates are down as well. Our weighted 30-year yield has fallen from 0.86% to 0.43%. Profits estimates are unreliable, although we have argued that there are some nuggets around large firms with low-risk cashflows. The model's theoretical valuations surge at such low rates, and while an undercapitalised financial sector carries its own risks the ECB will do all it can to avoid a serious crisis.

Low rates make European equities an attractive prospect

MSCI EMU - Valuation end 2019					
CAGR Compounded Annual Growth Rate from 2018	**30 Years Gvt bonds**				
	0.25%	0.50%	**0.43%**	0.75%	1.00%
Depression scenario: -10% in 2019, and +2% in 2020 - CAGR =-10%	**101**	**94**	96	88	82
Implied Scenario: CAGR -9.1% over 8 years	126	117	**119**	109	102
Base scenario: 3% in 2019, and 5% in 2020 - CAGR = -7.3%	141	131	**134**	**122**	**114**
Current Index MSCI EMU			**119**		

Conclusions

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Main ratios for markets and sectors as of 23/8/2019 (in local currency)

Data as of	Weight vs	Perf		Weighted P/E		% Wted EPS Chge			Div Yield	Revision vs M-2%	
23/08/19	MSCI World	2019	2018	2020	2019	2020	2019	2018	2019	Fiscal 20	Fiscal 19
MSCI The World Index	**100.0%**	**11.3%**	**-10.3%**	**14.6 x**	**16.0 x**	**9.1%**	**1.9%**	**12.4%**	**2.62%**	**-2.0%**	**-1.6%**
MSCI USA	61.4%	13.9%	-6.5%	16.0 x	17.7 x	10.4%	0.9%	22.2%	2.02%	-1.5%	-1.0%
MSCI Japan	8.5%	1.2%	-15.8%	11.8 x	12.3 x	4.0%	-4.0%	1.1%	2.80%	-1.7%	-1.1%
MSCI EMU	13.8%	9.1%	-14.5%	12.3 x	13.5 x	9.8%	4.1%	0.4%	3.78%	-2.5%	-2.5%
MSCI Europe	25.1%	9.4%	-13.1%	12.6 x	13.8 x	9.0%	5.9%	5.3%	4.00%	-1.2%	-1.0%
MSCI Europe ex Energy	23.4%	10.6%	-13.7%	13.0 x	14.0 x	7.8%	7.1%	2.1%	3.81%	-0.9%	-0.4%
MSCI Austria	0.1%	4.6%	-26.7%	8.8 x	9.5 x	8.5%	-17.6%	14.1%	4.35%	-1.6%	-1.1%
MSCI Belgium	0.6%	18.6%	-24.9%	15.2 x	15.5 x	2.4%	16.2%	-0.5%	3.26%	-1.8%	2.0%
MSCI Denmark	0.8%	17.5%	-12.4%	19.0 x	21.6 x	14.1%	-2.5%	-0.8%	2.25%	-1.2%	-2.1%
MSCI Finland	0.4%	3.5%	-1.5%	14.3 x	16.5 x	15.5%	0.6%	2.2%	4.86%	-2.8%	-3.3%
MSCI France	5.2%	12.7%	-9.7%	13.1 x	14.5 x	10.4%	6.0%	6.5%	3.51%	-2.1%	-1.8%
MSCI Germany	3.5%	5.7%	-20.3%	11.6 x	13.0 x	11.7%	1.8%	-9.8%	3.49%	-4.3%	-4.8%
MSCI Great-Britain	5.5%	4.9%	-12.7%	11.5 x	12.5 x	8.4%	3.0%	9.9%	5.10%	0.4%	-0.2%
MSCI Ireland	0.1%	6.2%	-23.5%	13.9 x	14.5 x	4.6%	-5.9%		2.12%	-3.4%	-2.6%
MSCI Italy	1.0%	10.8%	-15.5%	9.7 x	10.3 x	5.4%	6.3%	14.2%	5.09%	-1.6%	-1.9%
MSCI Netherlands	1.3%	13.2%	-10.9%	14.2 x	16.0 x	12.8%	-2.7%	6.8%	3.31%	-1.0%	-2.3%
MSCI Norway	0.4%	2.0%	-6.0%	12.2 x	14.2 x	16.7%	-4.0%	19.8%	4.96%	-2.0%	-3.5%
MSCI Spain	1.3%	0.9%	-15.0%	10.7 x	11.2 x	4.6%	9.4%	-5.1%	5.05%	-1.7%	-0.7%
MSCI Sweden	1.0%	7.3%	-8.1%	12.1 x	12.1 x	0.0%	52.1%	-7.8%	4.28%	10.7%	16.8%
MSCI Switzerland	3.4%	18.1%	-10.1%	16.2 x	17.6 x	8.9%	10.8%	24.9%	3.19%	-0.9%	-0.3%
MSCI Europe Consumer Discretionary	2.9%	13.7%	-17.5%	11.9 x	13.1 x	10.1%	2.0%	-7.0%	3.30%	-2.2%	-3.5%
MSCI Europe Consumer Staples	4.0%	21.4%	-11.3%	17.7 x	19.1 x	7.9%	10.3%	7.8%	2.92%	0.7%	1.2%
MSCI Europe Energy	1.7%	-3.7%	-5.0%	9.3 x	11.3 x	21.3%	-5.5%	50.1%	6.51%	-3.9%	-7.5%
MSCI Europe Financials	4.1%	-0.8%	-21.8%	8.6 x	8.9 x	4.2%	12.3%	5.7%	5.94%	-0.6%	1.5%
MSCI Europe Health Care	3.2%	17.0%	-2.5%	15.6 x	16.9 x	8.8%	7.1%	4.8%	2.99%	1.5%	1.7%
MSCI Europe Industrials	3.4%	14.3%	-15.0%	14.9 x	16.4 x	9.6%	6.3%	3.1%	2.94%	-0.8%	-0.4%
MSCI Europe Information Technology	1.4%	18.2%	-8.2%	18.0 x	21.3 x	18.3%	8.0%	12.7%	1.53%	-1.2%	-1.1%
MSCI Europe Materials	1.6%	2.7%	-16.4%	12.0 x	13.1 x	8.9%	2.2%	1.6%	4.66%	-4.7%	-6.0%
MSCI Europe Real Estate	0.3%	0.8%	-17.5%	14.3 x	13.5 x	-5.6%	-21.0%	10.7%	5.11%	-5.8%	-3.1%
MSCI Europe Communication Service	1.3%	-2.9%	-10.7%	13.2 x	14.3 x	9.0%	2.1%	-8.6%	4.89%	-1.3%	-1.8%
MSCI Europe Utilities	1.3%	12.9%	-1.6%	14.0 x	15.4 x	10.3%	15.4%	-14.5%	4.96%	-0.8%	0.0%

Benchmarks source iShares ETF - Data as of 23/08/2019

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