CHAHINE CAPITAL
Performance Engineering

29/9/2020

STRATEGY OVERVIEW

Equities swinging between hope and despair

Summary

The coronavirus alarm bells started ringing as soon as Europe's all but sacred summer holidays ended. The number of cases has started rising again and fresh restrictions threaten attempts at economic recovery. In the USA, the pandemic is still spreading quickly; the country's death toll is the highest in the developed world and could cost Donald Trump the presidential election. Although Chinese statistics are not necessarily credible, the fact remains that Asia has coped best with the crisis. Authoritarian regimes and/or greater cultural discipline are certainly part of the explanation. Japan has suffered 12 coronavirus deaths per million, compared with 616 (and rising) for the USA. Germany is at 113 and France is at 485 despite a more costly health system than in other European countries. So far the surging number of cases has not meant a proportional increase in deaths: the detection rate is higher and treatment has improved.

Dominated by Wall Street, stock markets are swinging between hope and despair. Investors' eyes are fixed firmly on the media, where alarming news on the pandemic alternates with good tidings on vaccines and care. The markets have just rebounded from a 10% correction on hopes for vaccination. Despite the crisis, US equities are still over 5% this year. Except for China, all other markets are in the red. Gafam are largely responsible for Wall Street's relative health, while the financial and energy sectors are down significantly. The market does not seem to be nervous about the solidity of the financial system; after all, central bankers are prepared to pump trillions into it if required. The real estate sector is not a stock market heavyweight but is a spectacular casualty. This reflects its exposure to retailing, offices and hotels, all of which are vulnerable to bankruptcy.

The outlook for world GDP growth this year has sagged again, from -3.85% to -4.27% following revisions from Europe, Japan and India. In contrast, China has revised its projection upwards, to 2%. The consensus forecast for 5.2% growth in 2021 is fragile, although China is banking on 7.9%! This is upsetting Americans who fear that China is catching them up by using the same tech-driven model; some want embargoes on China as a result.

Massive liquidity injections in the form of central bank purchases of government bonds are still a major support factor for the financial markets. In the USA, the Federal Reserve financed a first wave of government crisis support worth $3 trillion and will do the same for the second wave, amounting to perhaps $2 trillion. The ECB is in a similar situation. US federal government debt now totals $20.8 trillion, or almost 100% of GDP, and it is likely to rise to 110% as a result of the latest stimulus package. 34% of this debt is held by foreign investors, with a further 35% by the Fed. In the meantime, the US trade deficit has widened to $64 billion per month. All this leads us to confirm our recommendation to underweight the dollar and invest in gold. US monetary policy will remain accommodating for a very long time, even if inflation rises above 2%.

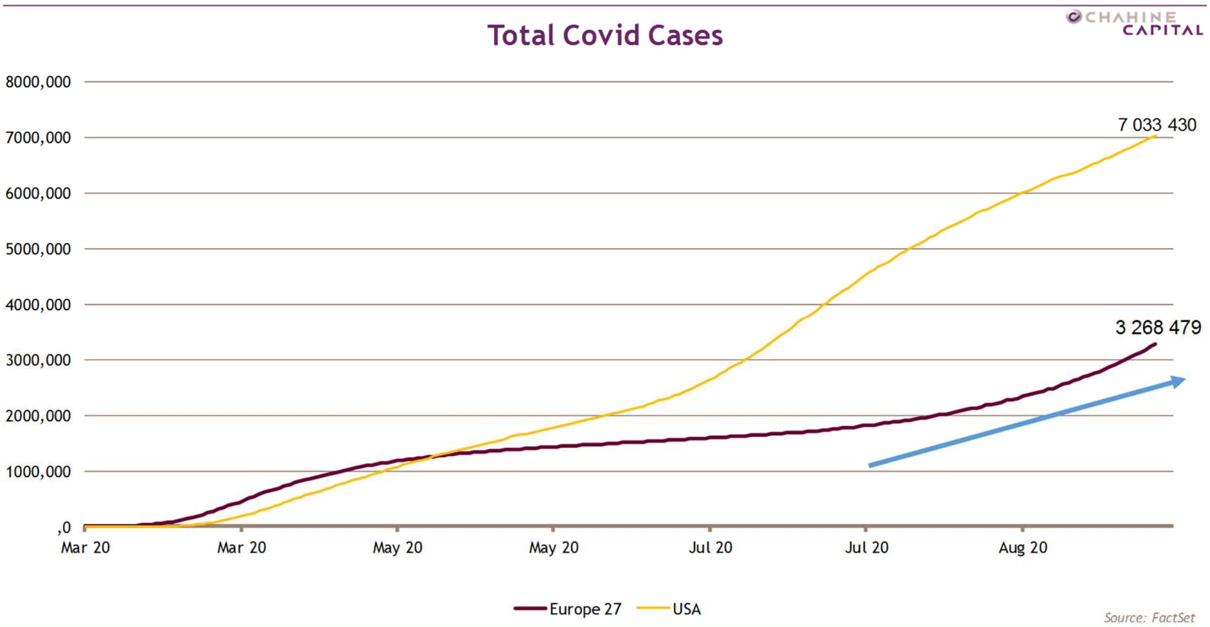
Macroeconomic data are mixed. Chinese car sales are back to pre-pandemic levels; in the USA, we note fairly good PMIs and the return to work of around half of furloughed workers. The US inflation rate has inched up to 1.3% because of higher food and raw materials prices. Forecasts for S&P 500 EPS growth are unchanged at -21% in 2020 and +27% in 2021. Our theoretical index objective for year-end is 3,448 points, which the market exceeded last month. There was a buying opportunity when the index dipped to 3,237 points. We have been overweight equities since the end of March, when we were buying at 2,600 points.

Jacques Chahine

A disturbing second wave

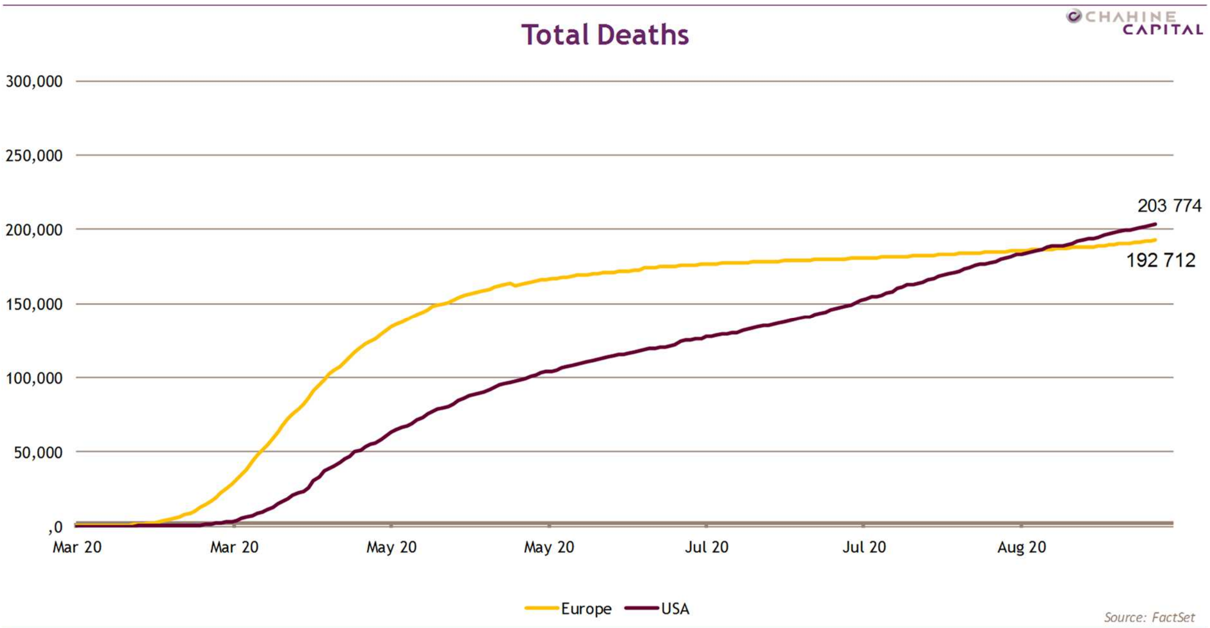
The coronavirus alarm bells started ringing as soon as Europe's all but sacred summer holidays ended. Contamination curves were generally under control in June and July but an acceleration in new cases since then has unnerved health professionals. Renewed restrictions are hampering economic activity again. Young people are rarely seriously affected by the virus, but many fail to realise the dangers contamination creates for the elderly. Some eight months into the crisis, not many countries have the ability to test enough people to contain local outbreaks. Even then, testing is not enough; tracing is needed once positive results are confirmed. Disciplined and well-organised Asian countries appear to be the best at this, with communist China an extreme case. It helps to have no possibility of objecting either to the most sweeping measures or being tracked by 'big brother' technology, of course. In Europe, software that alerts individuals to the risk of contamination has been an abject failure. More disciplined responses in South Korea and Japan have helped minimise the damage wrought by the crisis.

More cases in Europe, soaring contamination in the USA



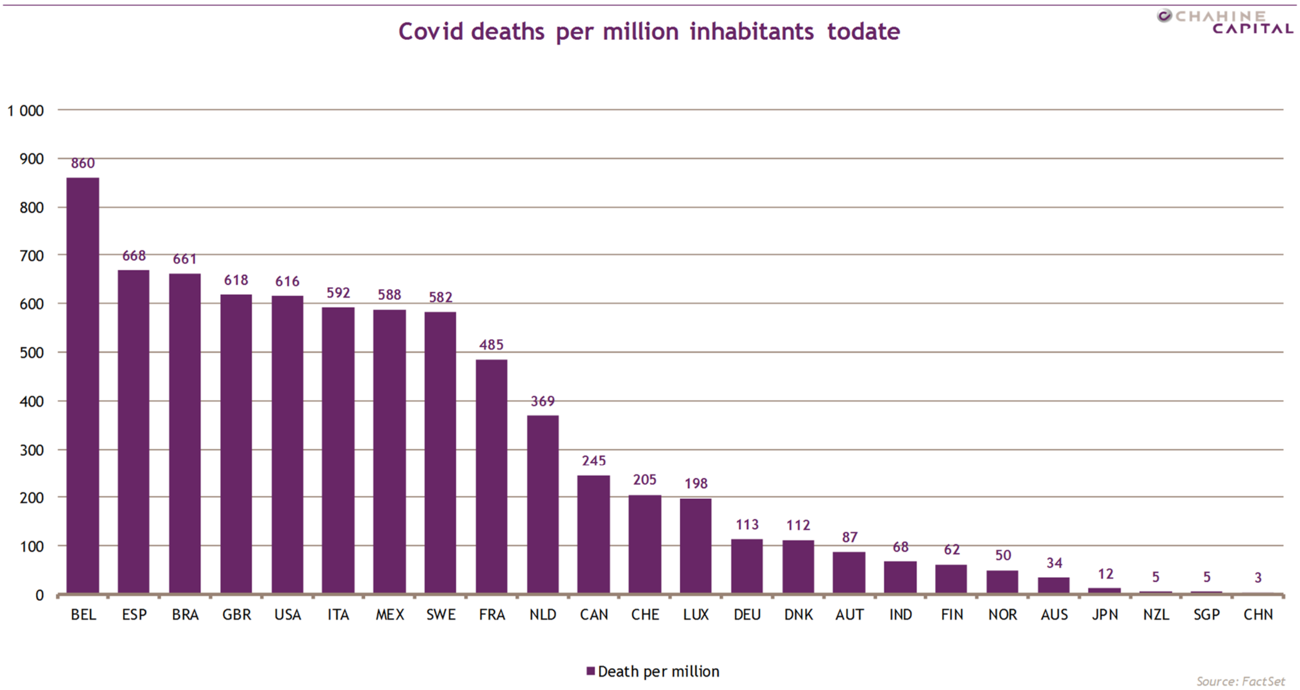
The situation in the USA is more disturbing than it is in Europe. A continuing rise in cases has left the total at twice that of the European Union, despite a much smaller population. Covid-19 has heightened America's disturbing gap between rich and poor, with the former benefiting from top-quality care and the latter none at all. Life expectancy in the USA is 78 years, compared with 83 in Europe. America's 10.7% diabetes rate is double Europe's and is associated with obesity. The pandemic has hurt the USA more than any other developed country: the death toll is over 200,000 and increasing by 800 per day, or around 10% of normal mortality. These figures should be a source of shame to Mr Trump but are contested with selective statistics that purport to show higher mortality rates in Europe. Either way, the 200,000 deaths have not gone unnoticed in the media and could well cost Mr Trump his re-election.

In Europe, mortality has not followed infection rates



The above chart could well reflect the fact that more testing reveals more asymptomatic or benign cases. Some observers would have us believe that they show that the virus is becoming slightly less virulent, however.

Massive differentials in death rates



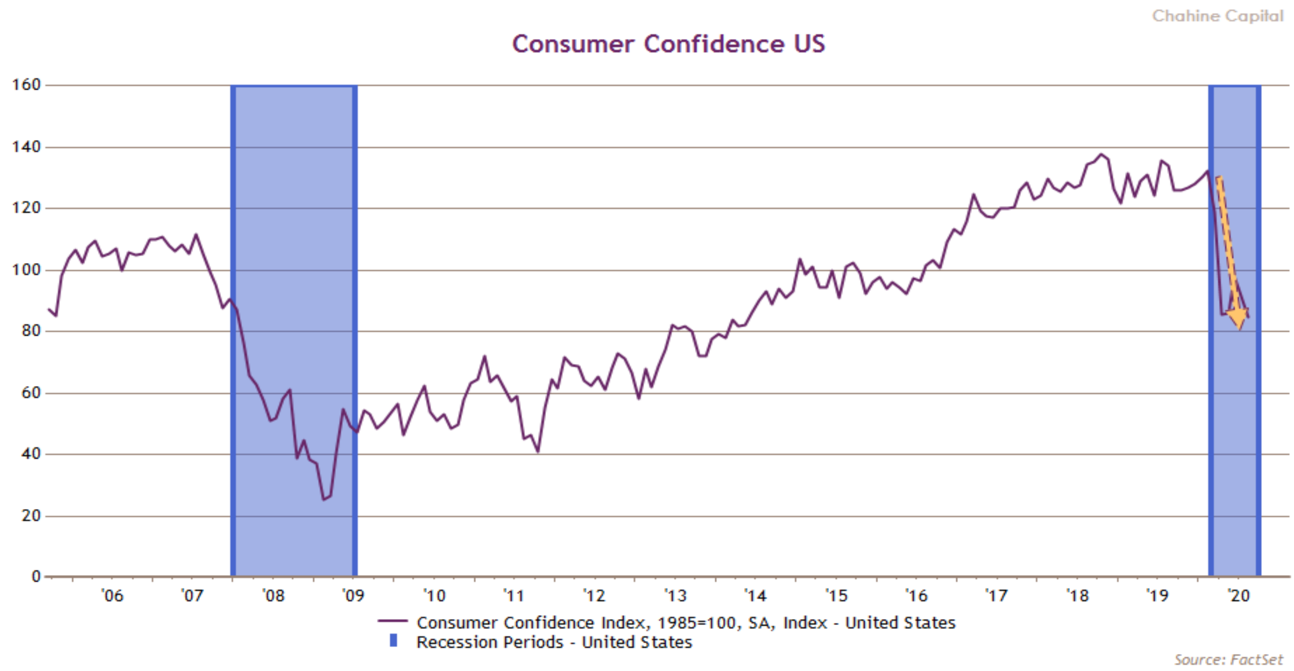
A rather confused mass of statistics shows Belgium as the country with the highest death rate, and well above those in neighbouring Netherlands and France. Other countries with particularly high death rates include Spain and Brazil, where the curve is still rising steeply. The US death rate is close to Brazil's and is also rising swiftly. The UK is in line with the USA but with a mortality curve that has flattened off considerably. France is not in a great place either, despite its much-vaunted health system. The fact is that the French health service costs a great deal more than its equivalents in Germany and other European countries and has not performed well during the pandemic. The better performers include Germany and the Nordics apart from Sweden, where a no-lockdown policy appears have resulted in more deaths among the elderly and has seen an uptick in cases since the start of the school year. That said, Sweden's 'herd immunity' strategy is being followed with a great deal of interest because of its limited economic fallout.

China is among the countries in denial, and its leaders ought to be shunned by the international community for that. Its reported 3 deaths per million is a lie – a simple count of funeral urns in Wuhan suggests ten times more. But there is no denying that its discipline and crackdown on individual liberty has helped limit the spread of the virus and the economy will maintain a positive growth rate this year. Japan, South Korea and Singapore have been far more credible crisis managers. New Zealand and Australia are also good examples of crisis management.

Equities at the mercy of pandemic news

Dominated by Wall Street, equities are trading both ways according to the latest coronavirus news in America and worldwide efforts to combat the crisis. Many schools and universities remain closed, and remote learning is surely now weighing on students that have been off-campus since March. Restaurants and bars that had been closed have found customers unwilling to return once they reopen. Long weekends like Labor Day in the USA have resulted in spikes in new infections. Disruption to normal economic life is affecting consumer confidence, and in America it is at its lowest point since the crisis started.

Consumer confidence at a coronavirus low

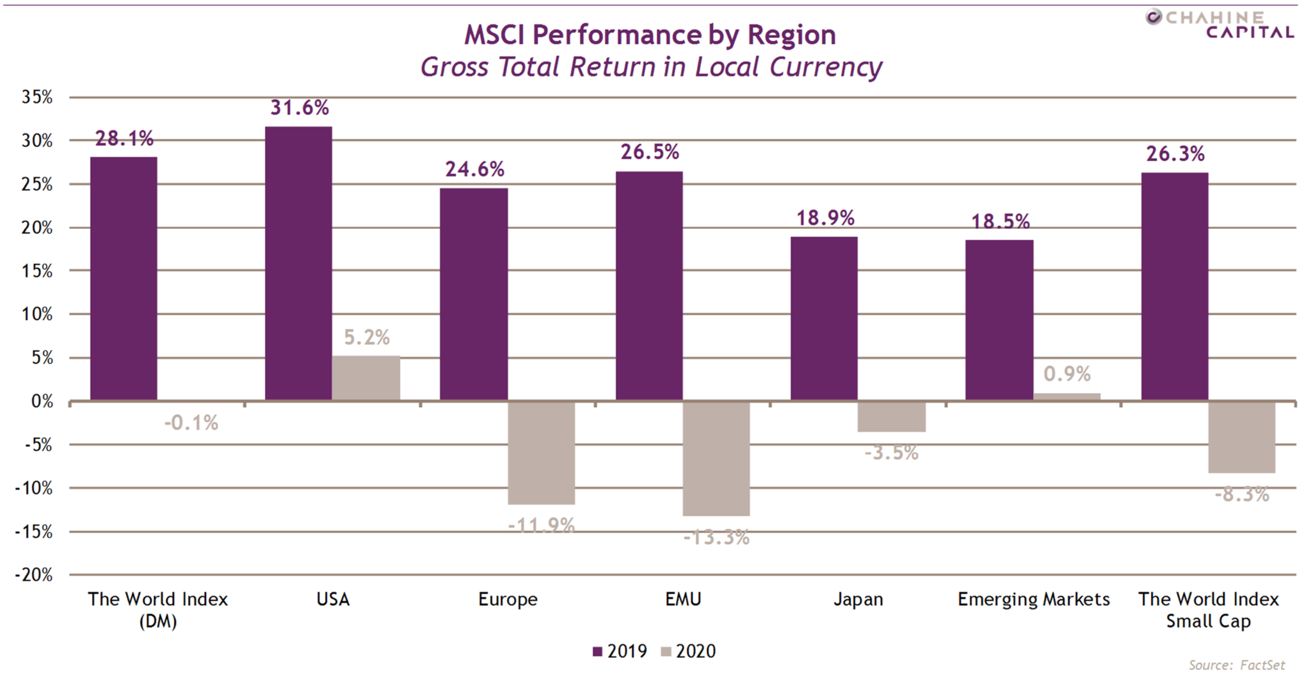


It is still difficult to get tested in the USA and there are some serious gaps in coverage. Worse, there appear to be shortages of some test kit components, something that simply doesn't happen in countries like China, Japan or Germany. Immediate test results are still not available.

Mixed national and sector performance

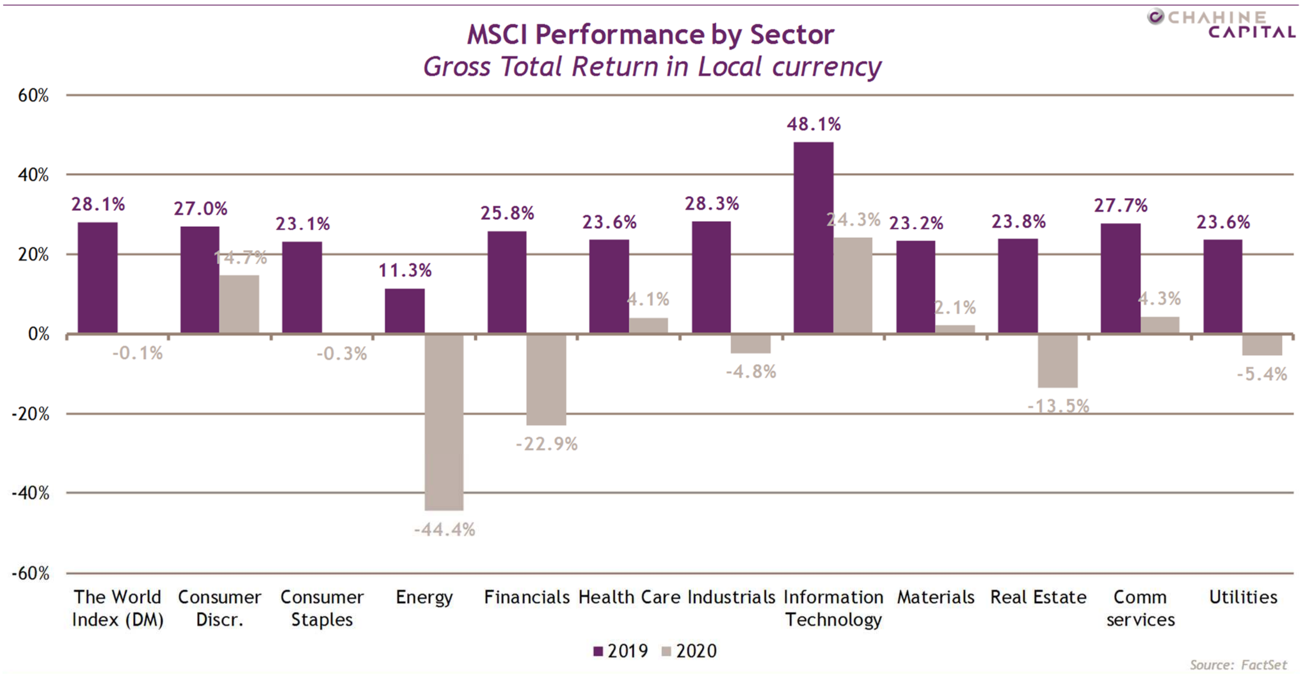
The continuing spread of the pandemic and its economic implications are certainly dampening enthusiasm on Wall Street at the moment, although hopes of a vaccine and effective treatments emerging from non-stop research efforts occasionally buoy investors' spirits. Swings in sentiment between hope and despair explain corrections to the S&P 500 and Nasdaq of 10% and 12%, respectively, in the space of a few days as well as the subsequent rebounds. Massive liquidity constantly looking for a cheap home is hugely supportive of the market, of course, and despite the recent dip in prices the US market is up 5.2% on the year on a total return basis. It is also outperforming other markets. The only other national indices up so far this year are in Asia, where the crisis is less severe. The MSCI China is up up 13% in dollars.

Wall Street ahead of the pack



World sector performances largely reflect the weight of the US market. Top of the table are IT (Apple and Microsoft), discretionary consumers (Amazon and Tesla), communications (Google, Facebook and Netflix) and healthcare. The worst performer is energy, as oil prices crashed upon the virtual halt to air transport and the contraction in economic activity. The financial sector is next, reflecting additional provisioning and negative interest rates. It is down 23% in the USA and 35% in Europe, raising fears that some banks may fail. The European bank index has even posted a low below that of the 2008 financial crisis. HSBC has been particularly affected by the impact of the crisis on its business in China. That said, most investors remain convinced that central banks would not hesitate to rescue banks unable to cope with the situation. Tracking the financial sector, listed real estate is down 13%, but this does not reflect the realities of the sector as many of its firms are not in the world index. Sector giant Simon Properties is the shopping mall leader and is down 57%, Vornado Real Estate Trust – which owns a large portfolio of officers and shops in New York, among other places – is down 50%. If we assume that this REIT is geared at 70%, the value of its property portfolio would be down 25%. Killed off by the crisis, shopkeepers are left with no solution but to file for bankruptcy with a view to renegotiating their rents.

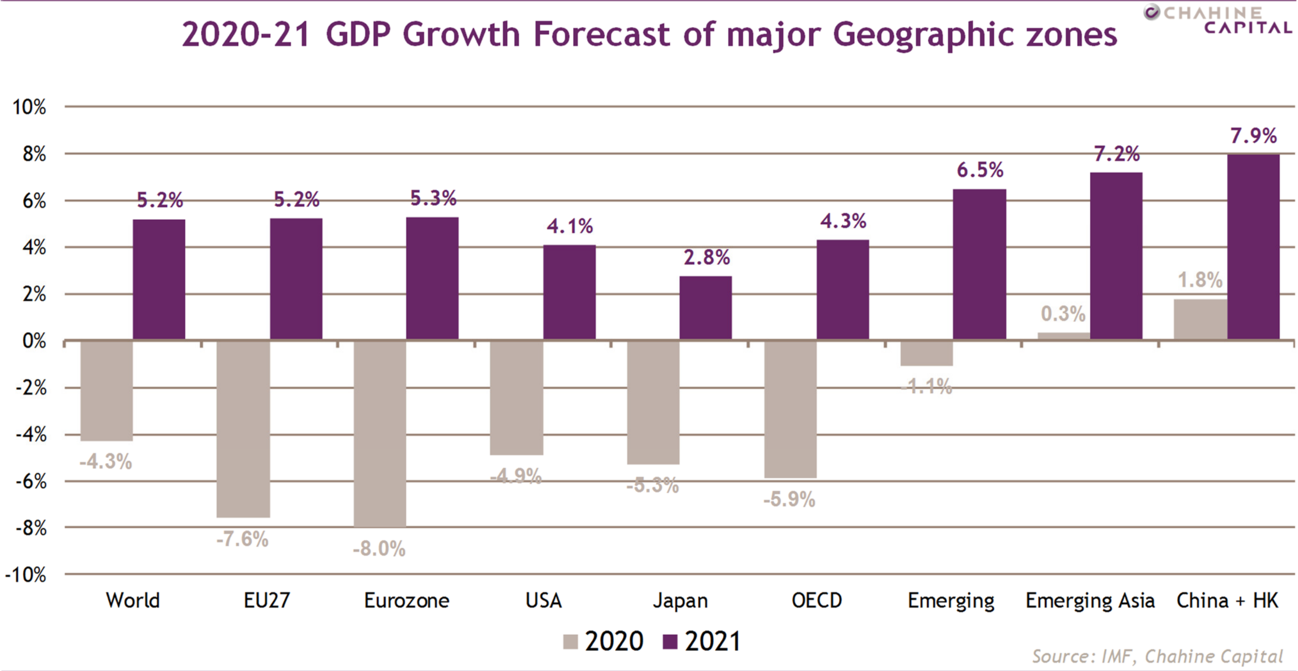
Contrasting sector performance



World growth revised down

The overall projection for world GDP growth this year has worsened again, from -3.85% to -4.27%. This follows revisions in Europe, India and Japan. China's projection is up from 1.3% two months ago to 2%, ensuring that it will take over form the USA as the driver of world activity. US GDP is expected to decline 5%, while the euro zone is looking at an 8% contraction. These figures should all be treated with particular caution, as the pandemic may trigger fresh lockdowns or other measures that hamper activity. The 2021 recovery has also been revised down and depends on the arrival of an effective vaccine. European and American stimulus packages will have no effect until there is some sort of a return to normality. China is forecasting 7.9% growth, which may not be impossible in the light of its control of the virus and a command economy in with the Party decides investment. Such rapid growth is unnerving the USA, as it is increasingly based on high-tech expertise. China can already boast a lead in such fields as telecoms and artificial intelligence. Donald Trump wants to prevent the Chinese becoming self-sufficient in microprocessors by imposing embargoes. He has even blocked the sale of cutting-edge machines produced by the Dutch specialist ASML, but we would expect China to source what they need through intermediaries.

Uncertain forecasts reflect uncertainty over the pandemic



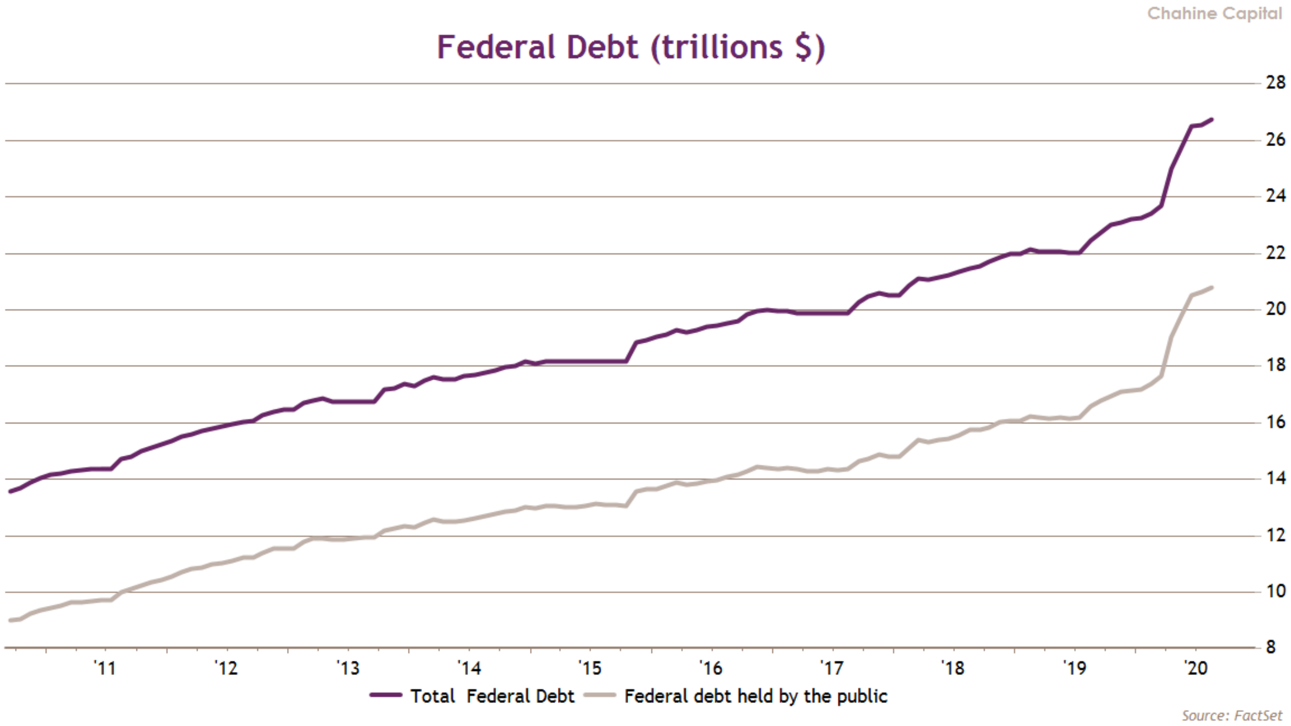
How high can the deficits get?

Naturally, central bankers' willingness to spend trillions on buying government bonds – directly and indirectly – is keeping bond markets buoyant. America's $3 trillion first support package was aimed at supporting the economy via unemployment benefit, direct payouts to households, grants and loans to business (especially in leisure and transport) and additional funding for healthcare. Similar efforts have been made around the world, and in Europe the French government has proved particularly generous. The ECB has also printed €2 trillion by purchasing government and corporate debt.

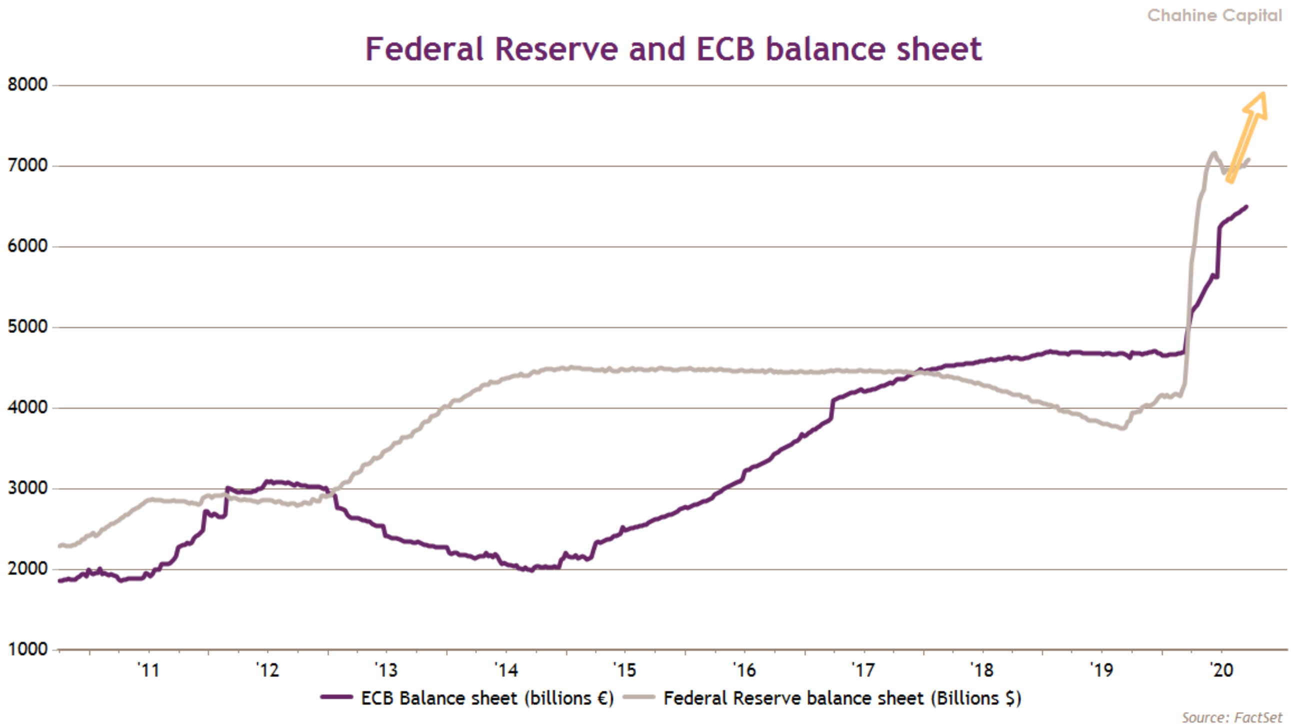
Several elements of the US government's package are about to expire, but there is no congressional agreement on their replacement. The Democrats have presented a new $2.4 trillion stimulus package, but Republicans believe it is too generous. For his part, the Federal Reserve chief is calling for major stimulus because he believes that the economy will be in difficulty otherwise. In Europe, the first-ever EU stimulus package, worth €750 billion, has been approved. It will partly cover national stimulus efforts, such as the €100 billion approved in France. Germany has assembled a total of €1 trillion to deal with the crisis.

In this context, we expect a second jump in the size of central bank balance sheets. Central banks are becoming the biggest holders of government debt. Total US federal government debt has accelerated to the upside during the crisis. Debt held by the public amounts to $20.8 trillion, to which we should add additional liabilities such as debts to pension funds. All in all we are looking at $26.75 trillion, or 97% of 2019 GDP. It will be more than 100% once we include the economic downturn this year, and when we add another $2 trillion in budgetary stimulus we could be up to 110% of GDP in 2021.

US federal government debt soars…



… financed almost exclusively by the Federal Reserve



US debt in the hands of central banks and foreign investors

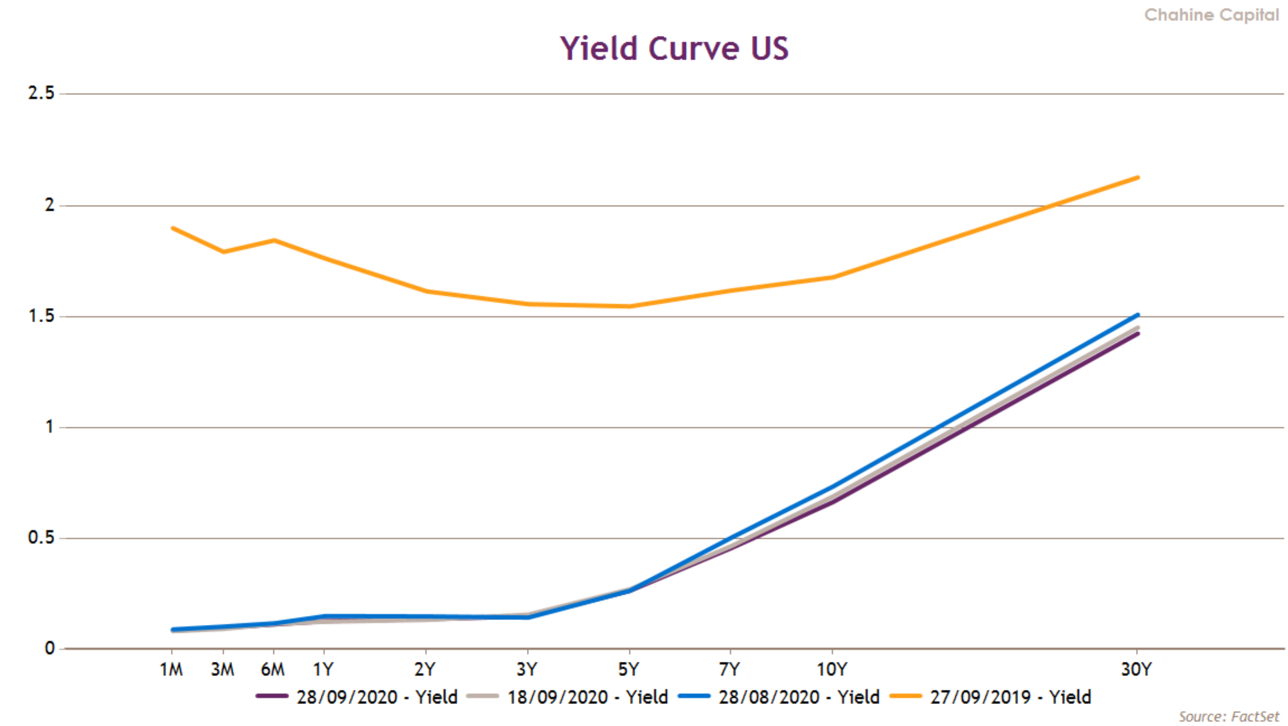
America's federal government debt increased by $3.48 trillion between December 2019 and this July. The Fed bought $2.79 trillion of this massive increase, with the American public buying $450 billion and foreign investors $240 billion. Generally speaking, it is considered dangerous when government debt is held by non-residents, but the US dollar is an international reserve currency. Although non-resident holdings of US debt have dipped as a percentage of the total to 34% - they have still increased in absolute terms to $7.1 trillion. True, some of that is held by US residents such as multinationals through tax havens in Ireland, Switzerland, the UK and Luxembourg. The biggest foreign holders of US debt are Japan ($1,293 billion) and China ($1,073 billion). By way of contrast, note that almost all of Japanese government debt is held by residents, of which 70% by the Bank of Japan.

The US trade balance has deteriorated during the crisis, too, from $40-50 billion per month to $64 billion in July. If non-residents stop covering these deficits, the result would be dollar depreciation and imported inflation. In the extreme case, we could see a flight from printed money and refuge in gold. We are maintaining our recommendation to lighten up on dollars and buy gold, especially given the recent correction.

Interest rates to stay low

The Fed has confirmed that its policy of keeping interest rates at zero will stay in place until at least 2023 and will accept an inflation rate at over 2%. Its stance is a major support factor for the markets but risks creating a bubble. The point is that without attractive bond yields, not many assets offer decent returns (at least not without excessive risk). Real estate is not what it was either, given the state of retail premises, offices and hotels.

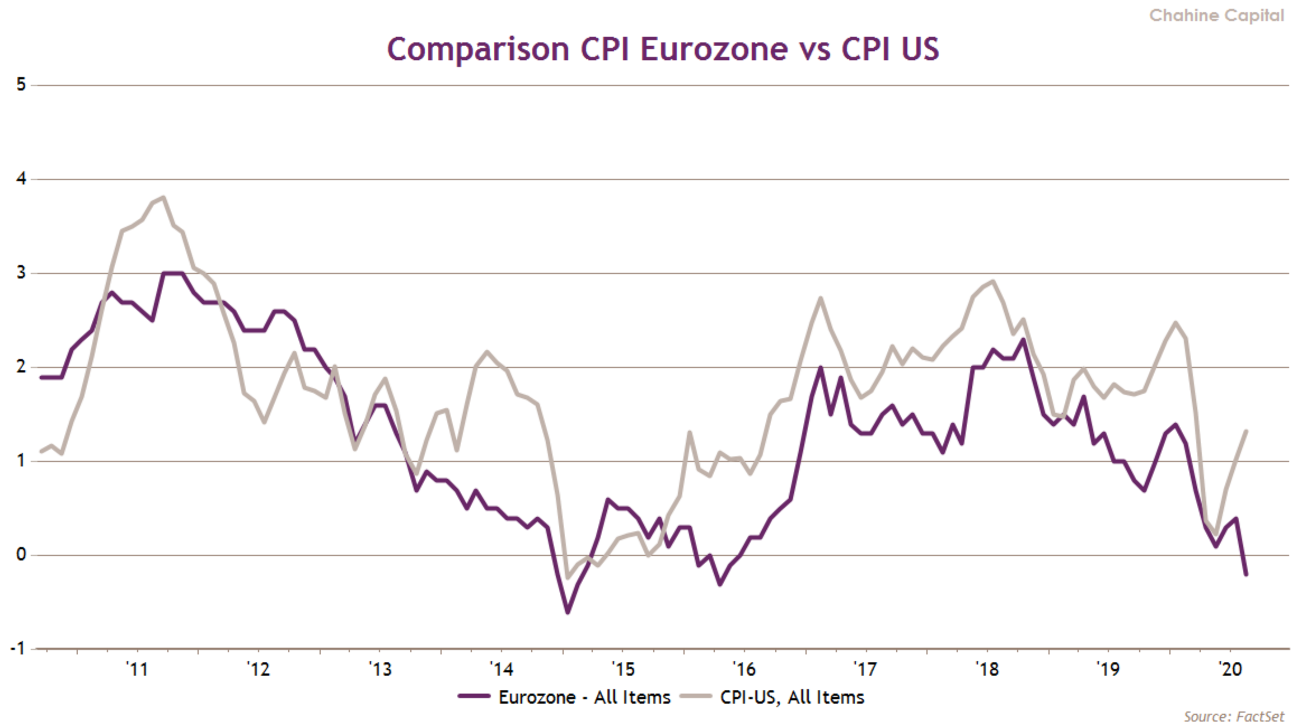
Low interest rates, and for a long time yet



Good PMIs and a robust Chinese car market

The macroeconomic data are too mixed at the moment to give us any clear pointer; the best we can say is that the rebound in activity appears to have faltered. Hence the downward revision to GDP forecasts. US inflation has accelerated from a low of 0.5% to 1.3%, with rising food prices offsetting cheaper energy. A number of breakdowns in food supply chains have been reported. In the euro zone, lower inflation is a result of lower oil prices. There have been no supply chain failures reported in the euro zone. The CRB commodity index has rebounded following basic metals purchases by China.

An upturn in US inflation

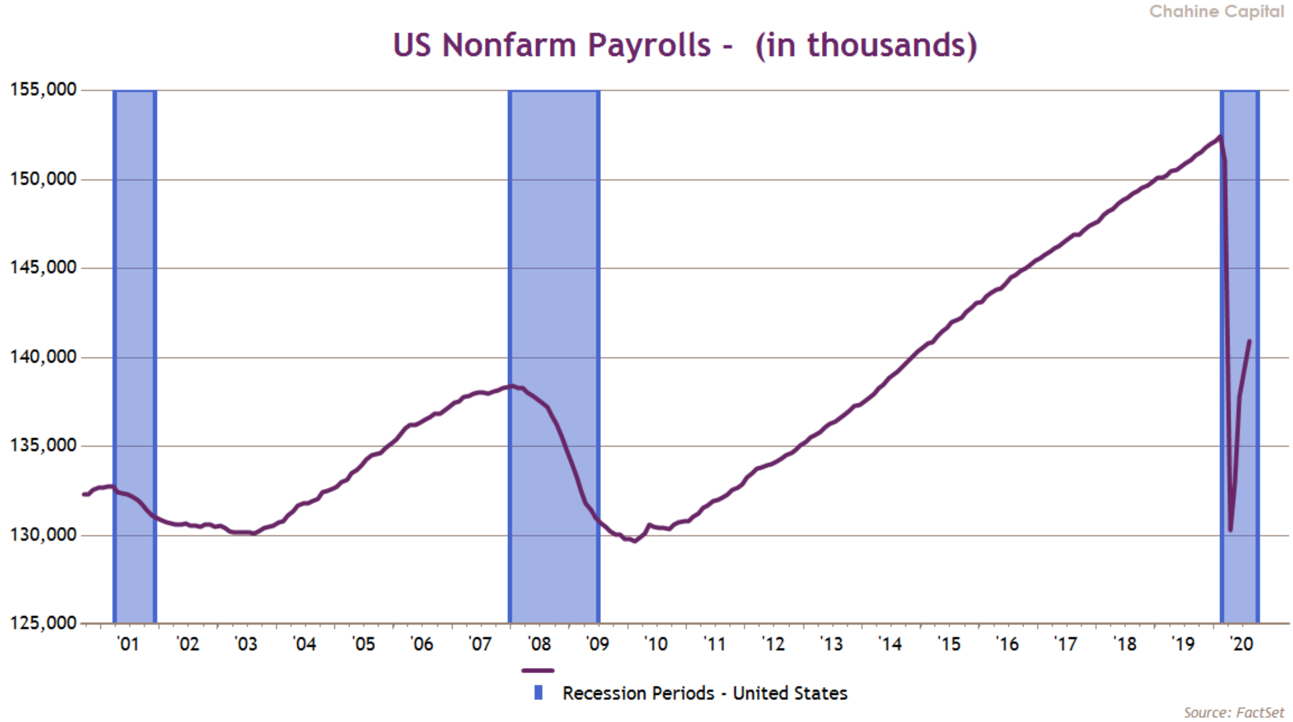


By the end of August, US employment had clawed back half of the 22 million job losses reported between February and April. The rebound in employment has slowed since, and new jobless claims are still running at four times their pre-crisis level. In some sectors, employers have increased hourly wages to compensate workers for the risks they are taking in returning to work. The residential real estate sector is still active, partly because some households have decided to sell their apartments and live in detached properties instead. House prices are up slightly. Manufacturing PMIs have picked up on both sides of the Atlantic; the services PMI is reasonably robust in the USA but has declined in Europe.

Trends on the world car market are mixed. Chinese deliveries are back to pre-crisis levels at the equivalent of 23 million per year, Europe has recovered to 12 million compared with 15 million before the pandemic and the USA is at 15.5 million compared with 18 million. In other words, China is the only major market in good shape and carmakers are competing vigorously on electric vehicles in particular.

Wall Street is sensitive to developments in the trade war between the USA and China, which could derail all the good economic indicators. Tit-for-tat embargoes continue, with Tik Tok a high-profile recent casualty. Given the number of US high-tech giants barred from China, that particular ban does not seem unjust. China could retaliate on Apple, and the car sector could also been drawn into the conflict. The stock market would not remain indifferent to that sort of event.

US employment recovers half its losses



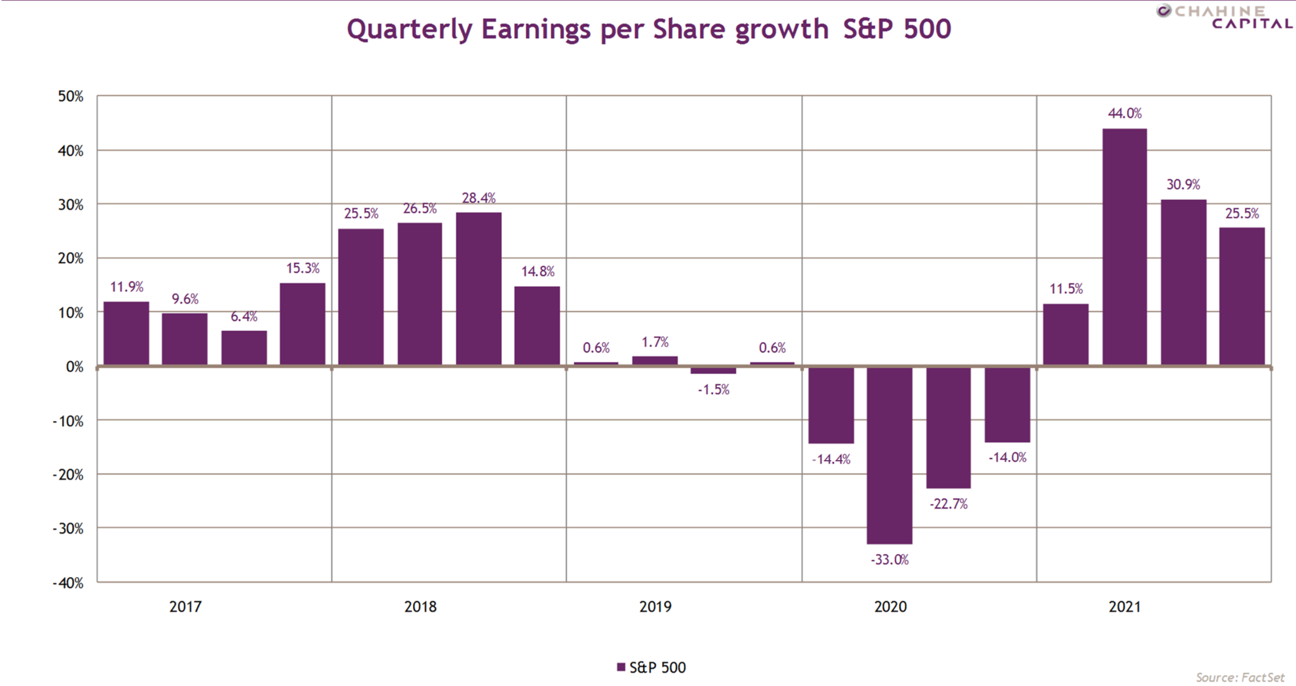
Little change in earnings estimates

Having been revised up two months ago, US corporate earnings forecasts have barely changed over the past month. We will have to wait for Q3 announcements to detect any new trend. Consensus analysts expect a 21% drop in profits in 2020 and we are retaining that figure. Their estimate of a 27.4% rebound in 2021 looks unrealistic, however, and we are using 21.1% In our model. As far as Q3 itself is concerned, analysts expect a 22.7% drop after the 33% slump in Q2.

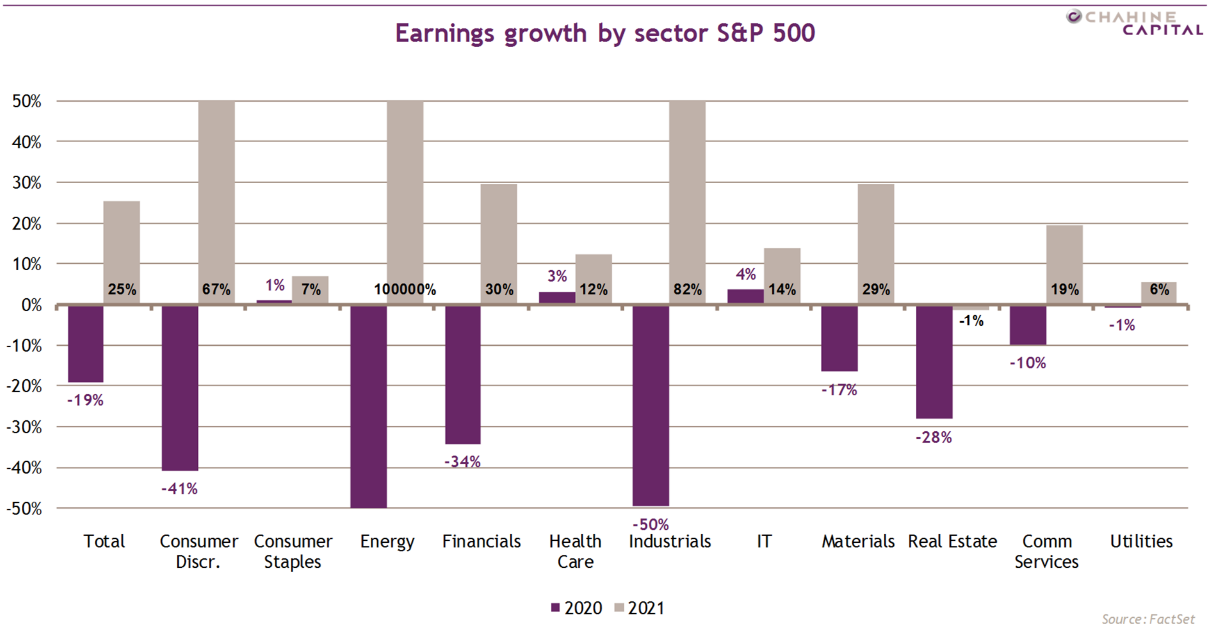
2020 performances are wildly divergent, with some companies doing very well and others on the verge of collapse. The winners include Amazon, Facebook, Apple and Microsoft, which are generating billions of dollars in additional profits this year. The pharmaceutical majors are also in this category. On the other hand, firms posting sharply lower profits or outright losses include banks, who are shedding their usual dozens of billions. Airlines are in the same position, and oil companies are losing money. The leisure sector as a whole is in the red, cruise operators conspicuously so. As the sectors with disappearing profits have low PERs and the sectors with rising profits have high PERs, the market has held up well overall. Growth stocks are in, value stocks are out. 175 S&P 500 companies have higher share prices than their pre-crisis peak.

Earnings forecasts for 2021 assume rebounds in the most affected sectors, but that is far from certain. In the financial sector, for example, we do not know just how much the economy has been damaged and therefore what credit portfolios are really worth. We accept that banks have set aside substantial provisions this year, but many of their borrowers are surviving only because of government loans or other temporary measures. Real estate could cause huge problems if the crisis persists – and it is one of the rare sectors where analysts do not see a catch-up in profits.

US profits to drop 23% in Q3



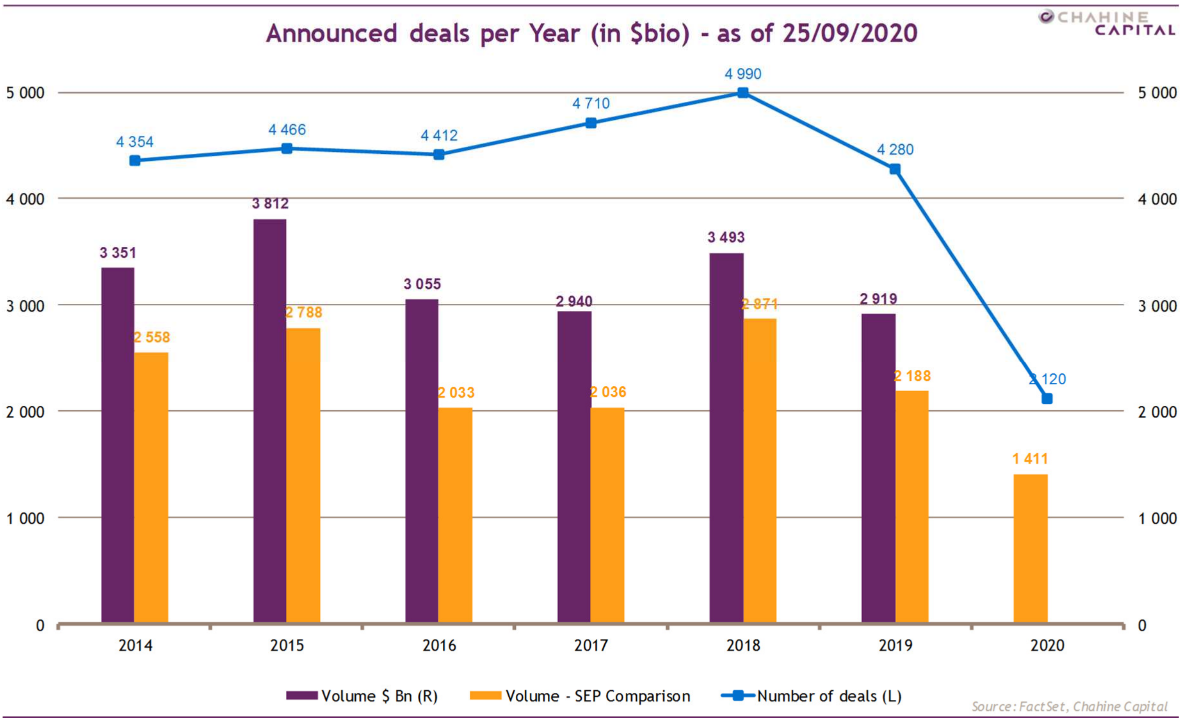
An uncertain rebound in 2021



A slump in M&A

Mergers and acquisitions volumes have taken a steep dive this year. While there can be no doubt that the pandemic is largely to blame, stratospheric valuations have also played a role. The volume of announced deals for the year was $1,400 billion at end-September, one-third down on the year before. There are no mega-deals in progress; the biggest is the $38 billion Arm Holdings sale by its parent SoftBank to Nvidia. One of Europe's remaining few microprocessor jewels is about to become American...

The M&A dive



The other large deal is the forced sale of Tik Tok. That one is still under discussion, with the Chinese desperate to retain control.

The pace of US share buybacks has also slowed, from an annualised 3.8% in Q1 to 1.4% in Q2. We recall that share prices were falling in Q1; that would have encouraged buybacks at the time. They are less inclined to do so now, despite abundant cash.

Market valuations

Virtually unchanged earnings estimates and interest rates have left us with a theoretical S&P 500 objective of 3,448 points, virtually identical to last month's objective. The market traded up to a high at 3,581 points last month but corrected to 3,237 points. This was a buying opportunity below our objective. Our valuation is based on a 30-year yield of 1.4% and an 8-year CAGR at 5% starting from the 2019 high. Disappointment on Q3 earnings with downward revisions on guidance would undermine our objective. Assuming profits rebound as expected, the market's 2021 PER is 20.1.

Slight upside to the US market

S&P 500 - Valuation end 2020 except implied scenario					
CAGR Compounded Annual Growth Rate from 2019	30 Years Gvt bonds				
	1.00%	1.25%	**1.40%**	1.50%	1.75%
Deep recession: -22% in 2020, 3% in 2021 - CAGR 1.3%	**2 888**	**2 690**	2 583	2 515	2 359
Implied Scenario CAGR 3.9% over 8 years	3 635	3 383	**3 247**	3 161	2 962
Return to normal: -21% in 2020,21% in 2021 - CAGR 5%	3 861	**3 594**	**3 448**	**3 357**	3 145
Current Index S&P 500			**3 370**		

We are maintaining the overweight recommendation we introduced on 28 March, with an entry level at 2,600 points. Given that the US elections could mean more volatility, investors may yet have occasions to enter the market at that level.

The eurozone market is well off its pre-crisis highs. It is also suffering from its weighting towards financials, oil companies and cyclicals and has very few new economy stocks that could offset them. Dividend yields are high but some firms have been frightened by the pandemic into not paying them. SocGen has lost well over a hundred millions on equity derivatives, including dividend futures. 2020 earnings are likely to be down almost 50% and expectations for a rebound next year are less than firm. The market's 2021 PER is 15 with a 30-year rate of 0.34%! Digital funds are returning positive performances, thanks to their investments in niches outside crisis-damaged sectors.

The eurozone market at fair value

MSCI EMU - Valuation end 2020 except implied scenario					
CAGR Compounded Annual Growth Rate from 2019	30 Years Gvt bonds				
	0.15%	0.25%	**0.34%**	0.50%	0.75%
Deep recession: -46% in 2020, 12.5% in 2021 - CAGR -4.4%	**97**	**94**	91	87	81
Implied Scenario: CAGR -2.7% over 8 years	119	116	**113**	107	100
Return to normal: -43% in 2020, 19% in 2021 - CAGR -2.1%	121	117	**114**	**109**	**101**
Current Index MSCI EMU			**113**		

Conclusions

The coronavirus alarm bells started ringing as soon as Europe's all but sacred summer holidays ended. The number of cases has started rising again and fresh restrictions threaten attempts at economic recovery. In the USA, the pandemic is still spreading quickly; the country's death toll is the highest in the developed world and could cost Donald Trump the presidential election. Although Chinese statistics are not necessarily credible, the fact remains that Asia has coped best with the crisis. Authoritarian regimes and/or greater cultural discipline are certainly part of the explanation. Japan has suffered 12 coronavirus deaths per million, compared with 616 (and rising) for the USA. Germany is at 113 and France is at 485 despite a more costly health system than in other European countries. So far the surging number of cases has not meant a proportional increase in deaths: the detection rate is higher and treatment has improved.

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Jacques Chahine

Main ratios for markets and sectors as of 25/9/2020 (in local currency)

Data as of	Weight vs	Perf		Weighted P/E		% Wted EPS Chge			Div Yield	Revision vs M-2%	
25/09/20	MSCI World	2020	2019	2021	2020	2021	2020	2019	2020	Fiscal 21	Fiscal 20
MSCI The World Index	**100.0%**	**-1.40%**	**25.30%**	**18.7 x**	**23.8 x**	**27.2%**	**-22.6%**	**-1.6%**	**2.10%**	**-0.4%**	**-0.5%**
MSCI USA	65.0%	3.71%	29.20%	20.8 x	25.5 x	22.8%	-17.9%	-0.2%	1.71%	0.7%	1.5%
MSCI Japan	8.2%	-5.80%	15.70%	16.6 x	22.3 x	34.3%	-20.4%	-28.5%	2.35%	-2.9%	-4.3%
MSCI EMU	12.5%	-15.19%	21.69%	15.0 x	22.3 x	48.6%	-40.6%	0.4%	2.88%	0.1%	-0.6%
MSCI Europe	22.3%	-15.52%	22.17%	15.3 x	21.1 x	38.4%	-37.2%	3.8%	2.98%	-0.6%	-2.6%
MSCI Europe ex Energy	21.4%	-13.07%	23.79%	15.5 x	20.6 x	32.8%	-32.7%	5.7%	2.82%	-0.5%	-1.5%
MSCI Austria	0.1%	-37.91%	13.38%	9.2 x	14.6 x	59.0%	-50.0%	-24.9%	3.58%	-0.7%	1.0%
MSCI Belgium	0.4%	-27.48%	19.37%	14.6 x	17.4 x	19.3%	-32.1%	11.0%	3.03%	-0.7%	7.9%
MSCI Denmark	0.9%	17.05%	28.95%	24.8 x	30.8 x	23.8%	-8.4%	-3.7%	1.44%	0.9%	0.7%
MSCI Finland	0.4%	1.72%	8.28%	17.5 x	20.6 x	17.9%	-13.7%	-0.8%	3.22%	0.6%	-0.9%
MSCI France	4.4%	-18.75%	26.10%	15.3 x	25.0 x	64.1%	-46.7%	4.7%	2.87%	-0.2%	-1.8%
MSCI Germany	3.4%	-8.50%	20.10%	14.4 x	21.1 x	46.7%	-31.9%	-4.7%	2.76%	0.4%	1.0%
MSCI Great-Britain	4.1%	-23.02%	11.37%	13.2 x	18.4 x	40.0%	-40.0%	-5.2%	3.62%	-0.5%	-6.3%
MSCI Ireland	0.1%	-5.01%	21.49%	30.5 x	67.7 x	122.3%	-69.7%	-22.5%	0.59%	1.2%	-25.0%
MSCI Italy	0.9%	-21.87%	25.49%	12.2 x	19.5 x	59.6%	-49.7%	-1.5%	3.82%	2.3%	0.9%
MSCI Netherlands	1.7%	-4.38%	26.85%	18.6 x	24.6 x	32.3%	-29.2%	-3.3%	2.13%	0.7%	-2.7%
MSCI Norway	0.3%	-14.12%	8.26%	13.6 x	18.9 x	38.1%	-26.1%	-10.8%	3.77%	3.0%	0.6%
MSCI Spain	1.0%	-31.17%	9.85%	13.1 x	17.9 x	36.1%	-52.1%	7.0%	3.89%	-3.1%	-2.5%
MSCI Sweden	1.2%	1.28%	25.01%	17.5 x	19.6 x	12.1%	-34.7%	66.5%	2.64%	1.4%	7.0%
MSCI Switzerland	3.3%	-3.93%	26.97%	17.8 x	20.8 x	16.7%	-10.9%	9.6%	2.89%	-0.6%	-2.0%
MSCI Europe Consumer Discretion	3.1%	-12.93%	30.01%	17.9 x	62.4 x	249.2%	-75.5%	-12.2%	1.13%	2.5%	0.6%
MSCI Europe Consumer Staples	3.3%	-7.65%	22.38%	18.3 x	20.1 x	10.0%	-11.2%	10.1%	2.94%	-1.6%	-1.4%
MSCI Europe Energy	0.9%	-49.89%	3.55%	11.3 x	63.1 x	457.6%	-89.3%	-14.7%	6.79%	-1.6%	-46.4%
MSCI Europe Financials	2.9%	-34.61%	17.31%	9.1 x	12.5 x	37.0%	-45.9%	15.1%	4.22%	-1.7%	-1.8%
MSCI Europe Health Care	3.3%	-1.25%	28.40%	16.6 x	18.4 x	10.8%	-1.8%	9.2%	2.70%	-1.7%	-1.9%
MSCI Europe Industrials	3.1%	-11.07%	32.02%	19.1 x	31.1 x	63.1%	-45.2%	4.9%	2.13%	-0.3%	-9.0%
MSCI Europe Information Technol	1.6%	3.85%	36.00%	24.5 x	30.0 x	22.6%	-13.0%	6.0%	0.98%	-0.4%	-0.7%
MSCI Europe Materials	1.6%	-7.20%	21.39%	16.0 x	20.7 x	29.3%	-19.1%	-13.2%	3.34%	6.2%	7.6%
MSCI Europe Real Estate	0.3%	-26.61%	18.93%	14.8 x	14.8 x	0.3%	-27.2%	-15.0%	4.40%	-3.1%	4.2%
MSCI Europe Communication Serv	1.0%	-24.25%	0.60%	13.2 x	14.7 x	12.0%	-23.5%	2.9%	4.64%	-4.6%	-1.9%
MSCI Europe Utilities	1.2%	-3.94%	24.29%	15.4 x	17.1 x	10.8%	-10.7%	23.7%	4.58%	-1.1%	-1.0%

Benchmarks source iShares ETF - Data as of 25/09/2020