CHAHINE CAPITAL
Performance Engineering

28/11/2020

STRATEGY OVERVIEW

Covid vaccines beat even the most optimistic expectations

Summary

Although the second wave of the pandemic is killing more people than the first, a series of announcements on vaccines at phase 3 test stage have boosted morale and rekindled hopes of a return to normality. Equity markets reacted by posting new highs. Covid-19 is still raging in the USA, Eastern Europe and the Middle East, but it does seem to have peaked in Western Europe. Governments worldwide are trying to balance health and the functioning of healthcare systems with the need to maintain economic activity. East and Southeast Asian countries have proved the most adept at dealing with the pandemic and their monthly death toll is lower than the daily death toll in France. Readers looking at some of the reasons for that are invited to consult our previous edition *("Life and liberty – or life versus liberty?")*. This theme is not about to go away, as we are preparing ourselves for vaccines that may be an unhoped-for 95% effective and the question arises as whether vaccination should be compulsory or not. The problem will materialise once priorities have been met; requirements for vaccines for travellers, government officials and at national borders will naturally raise questions over vaccine certificates on smartphones.

Equity prices have hit new highs. The world index is now up 10.9% since the start of the year, while Wall Street is up 17% according to MSCI and 14.5% according to the S&P 500, which does not include Tesla. These gain reflect abundant liquidity and declines in interest rates into negative territory in some cases. Growth prospects are good, with the economy needing no more than to recover its pre-crisis levels. Emerging markets are up 15%, almost entirely because of China and Taiwan. China has its own Gafam-type companies, whose share prices are up between 30% and 1,243% in the case of NIO, China's very own Tesla. China's digital transformation continues to unsettle the Americans.

In terms of sector, the biggest winners all involve digital technology, whether it be in cyclical goods (Amazon, Tesla), IT (Microsoft, Apple) or in communication services (Facebook, Netflix, Google). In the case of Tesla, new technology is reviving sectors that would otherwise be headed for extinction. The market revered direction on all the vaccine news and cyclicals have soared since 6 November: energy is up 33% from its lows. Finance is another striking beneficiary. Investors' hopes clearly rest on effective vaccination.

Joe Biden's election did not undermine the rally, especially as many Republicans will have been happy to see the defeat of a disturbed and unpredictable president. Mr Biden has promised $2 trillion in infrastructure and climate spending, an increase in the corporation tax rate from 21% to 28%, higher taxes on annual incomes greater than $400,000 and a return to multilateralism.

World GDP is expected to increase 5.1% in 2021 after a 3.85% drop this year. China will be the biggest contributor to the gain; its GDP will have risen this year and is set to climb 8.1% in 2021. The pandemic was particularly damaging to the eurozone economy, which is not expected to renew with its pre-crisis levels of activity before 2022. In the USA, macroeconomic indicators such as the ISM indices show buoyant manufacturing and consumer spending has rebounded. Inflation is significantly higher in the USA than in Europe, leaving American real interest rates negative. A steeper slope to the US yield curve confirms other signs of recovery. Government deficits are still climbing rapidly and the creation of money continues apace. US corporate profits limited their losses to 17% this year and are expected to increase 24% in 2021. Wall Street's 2021 PER is 21.9, a figure warranted by low interest rates. According to our calculations, the combination of a 67% increase in profits and the decline in interest rates over the past 10 years gives us a 179% actuarial gain in share prices, compared to the actual 189%. There is no bubble, in other words. At the same time, our risk premium model indicates a slightly overvalued S&P 500: the latest close at the time of writing was 3,630 points, compared with a theoretical objective of 3,552 points. We are maintaining our recommendation to overweight equities, which we introduced on 28 March at 2,600 points.

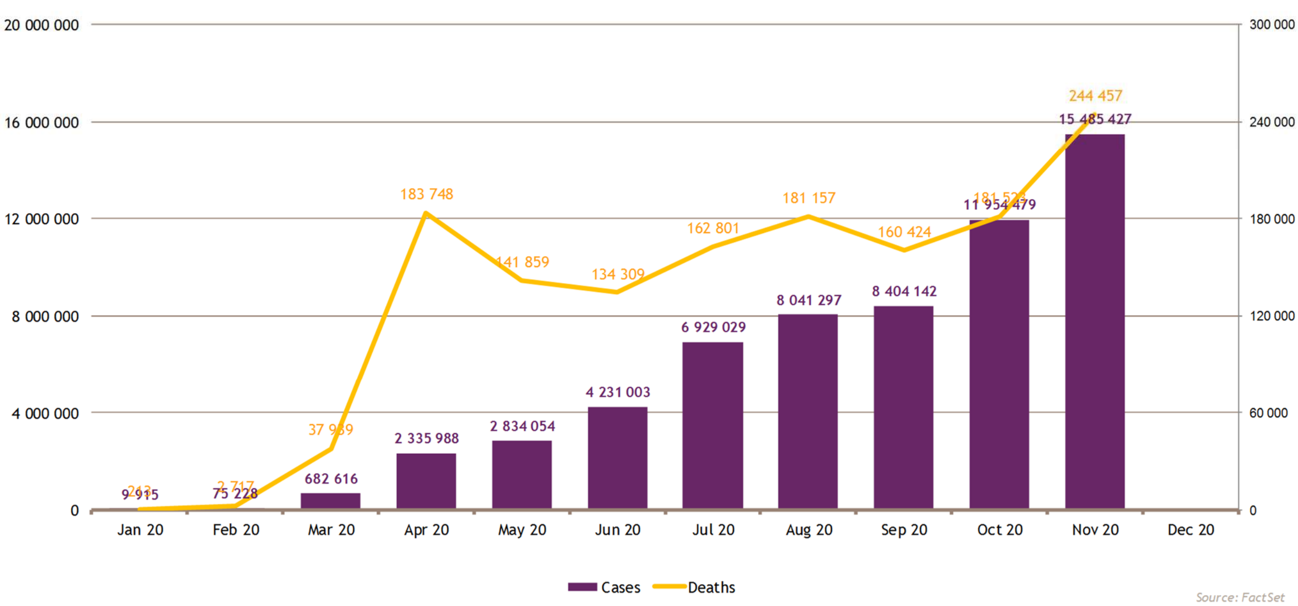
Jacques Chahine

The second wave has killed more people than the first

Although the second wave of the pandemic is killing more people than the first, and just as we were all sinking into quiet despair, a series of announcements on vaccines at phase 3 test stage have boosted morale and rekindled hopes of a return to normality. Stock markets have rallied on the news and posted new highs, including a first breach of the 30,000-point level for the Dow Jones. The monthly death toll was a record 244,000 to 27-28 November, far higher than the 183,000 peak in April, during the first wave. Lockdowns were far tighter at that time, and their repetition would not be politically acceptable in any case. Governments are all trying to balance saving lives and the need to keep healthcare systems afloat against the needs of the economy.

More deaths the second time around

Covid statistics per month World total



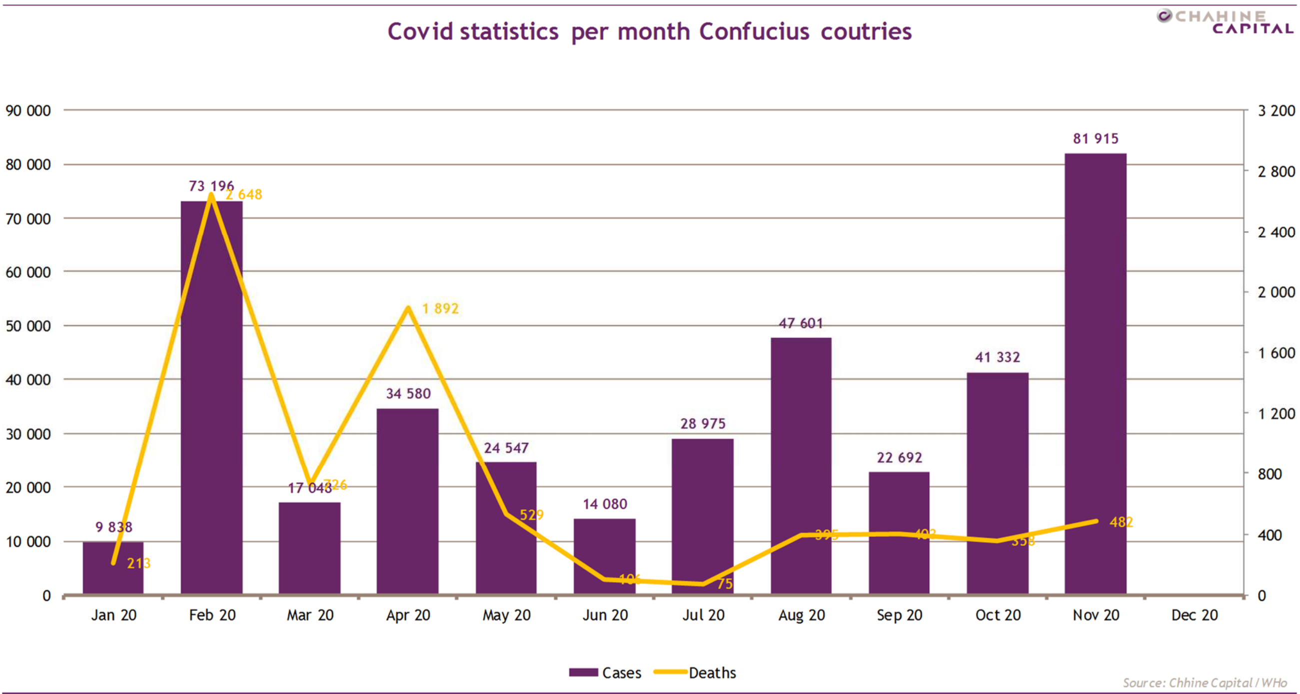
Source: FactSet

Intertemporal comparisons of cases are unhelpful, as there were relatively few testing facilities during the first wave and it has been estimated that there were ten undetected cases for every positive test. The number of deaths is much more to the point, and unfortunately it has been higher during the second wave than during the first. The severity of the pandemic varies, and right now Eastern Europe and the Middle East are being hit hard while Western Europe has recorded more or less the same death rate as during the first wave. That said, the outlook for December is very bad indeed, as we saw surging numbers of new cases in November. There were 3.9 million new cases in the USA last month, up from 1.7 million in October; the comparable figures for Europe are 5.6 million and 4.1 million. The levelling off of new cases in Western Europe has resulted in the relaxation of Covid restrictions in France and the UK. In the USA, the already frightening jump in case numbers will have been aggravated by Thanksgiving travel. Vaccines may have been developed in an unimaginably quick time, but they will not help people already infected and we will need patience as well as compliance with restrictions before we get to the end of this saga. And continuing restrictions for some time yet will hamper economic recovery.

The victory of Confucianism

We suggest that readers that did not take the opportunity to consult our edition of last month *("Life and liberty – or life versus liberty?")* do so now, as we considered the dilemma of societies such as ours in which individual freedom is sometimes considered more sacred than life itself. We noted that countries that we tagged as "Confucian", such as China, Japan and South Korea, have weathered the storm without the same sort of damage that has been recorded elsewhere. Our chart below refers to a total population of 1.9 billion people. The combined death toll in these countries in November was lower than it was in a single day in France. China's authoritarian regime imposed iron discipline without any regard to individual liberty, with the result that it will be the only major economy to post growth this year. Temporary loss of freedom can mean more freedom of movement later on than anywhere else. One other telling statistic is Chinese exports, which have increased 13% this year despite the state of the world economy. The surge in new cases recently is concentrated in Japan and South Korea, but these governments have been quick to react to every new outbreak.

The pandemic is under control in Asia



A 95% success rate for new vaccines

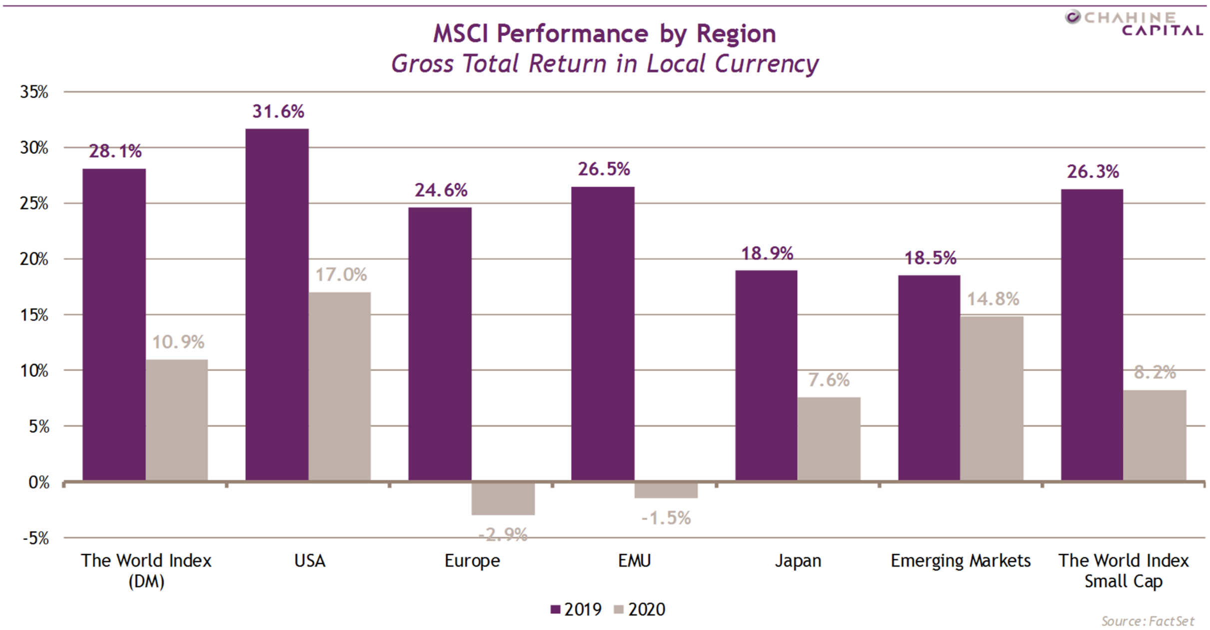
Our freedom versus life theme will remain pertinent when the new vaccines arrive. The Moderna and Pfizer products use innovative technology to insert synthetic mRNA into cells to trigger immune system response. Both vaccines have been found to be 95% effective for very large test samples. This means that they reduce the risk of contamination by 95%, in line with vaccines for diseases that have entirely or all but completely disappeared such as polio and smallpox. The big uncertainty is how long the protection lasts, and we will not know that ahead of time and until results are back from panels of vaccinated people. The AstraZeneca-Oxford product was the third piece of good news, and their vaccine uses more conventional technology. Its success rate is between 62% and 90% and we need clarification about the discrepancies. Either way, it clearly has a welcome impact and is cheap to make and administer. Dozens of other vaccines are already being used, notably in China and Russia, or are in advanced test phases. The message could hardly be more encouraging: we are no longer at the mercy of this dangerous virus.

Vaccinating everyone will take time, of course, and at the time of writing we are trying to guess which of the big three vaccines just mentioned will be the first to be made available. We are talking about days, not weeks. The UK authorities are likely to be quicker than America's FDA, and all being well the first vaccinations will happen well before year-end. Production is being ramped up and we believe that vaccination will be faster than many commentators suppose. We also expect humanity to be able to travel around the world without risking contamination in the run-up to next summer. While there are obvious priorities in vaccination programmes, the issue of obligatory vaccination will go live sooner or later. It depends perhaps on whether we go for herd immunity or complete elimination. People refusing vaccination may find it difficult to travel, fly on certain or all airlines or enter certain buildings. That suggests good old-fashioned health cards, albeit on smartphones rather than paper.

An enthusiastic response from investors

Stock markets were delighted with the stunning news and moved quickly to new highs. The MSCI World is now up 10.9% on the start of the year after its 28% gain in 2019, and despite the sharp contraction in the world economy. Equities already enjoyed support from abundant liquidity worldwide, which not only drove interest rates down but left them in negative territory in some cases. The news on vaccines and the prospect of an end to the pandemic has simply added more fuel to the rally.

Apart from Europe, all major markets are up

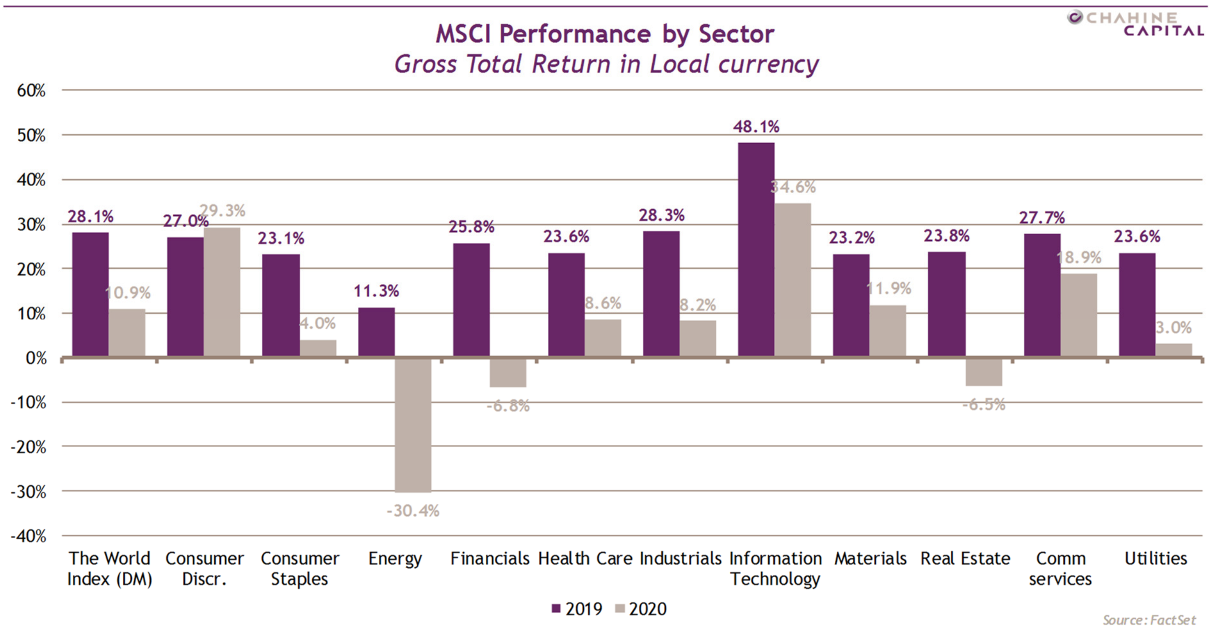


Wall Street has been especially buoyant. Including gross dividends, the MSCI is up 17% this year; the S&P 500 has underperformed by 1.5% because it does not yet include Tesla (but then the MSCI underperformed when the internet bubble collapsed). Next on the performance table come emerging markets; as we have seen, many Asian countries have kept the pandemic under control. The emerging markets index is up 14.8% in local currency terms and 12.9% in dollars: that is almost entirely attributable to Chinese stocks listed in Hong Kong (up 10.2%) and on the mainland (up 3.22%). Taiwan has contributed 3.22%. The region's major groups have all benefited, notably Tencent (up 56%), Alibaba (up 30%), Meituan (up 207%), JD.com (up

153%), Xiaomi (up 142%), NIO (up 1,243%), Pinduoduo (up 280%) and Taiwan Semiconductor Manufacturing (up 59%). Our readers may be unfamiliar with some of these names. NIO is China's Tesla, Meituan is an internet conglomerate with interests in discount coupons (like Groupon), meal deliveries and travel services, Piduoduo and JD.com are e-business platforms. These types of stocks highlight China's stunning progress in digitalisation and explain Americans' fears of being overtaken in this area.

While sector performances this year largely reflect their exposure to new economy firms and Gafam, the arrival of Covid vaccines and the promise of an end to the pandemic triggered reversals from 6 November in the fortunes of sectors that had been struggling. Since that time the energy sector has rallied 34% and financials 14%, and abrupt turnarounds have boosted all the cyclicals that collapsed earlier in the year. In contrast, Gafam and similar stocks have been relatively calm or even slightly in retreat; the big exception is Tesla, which has taken advantage of its cyclical profile to progress another 36% over the period. Share prices for cruise ship operators, hotel chains, department stores and companies such as Boeing and Disney have as much as doubled. This indicates that the market strongly believes in the end of the crisis and a return to a more normal life in which consumers spend their unplanned savings.

Sector performances for the year mask recent reversals

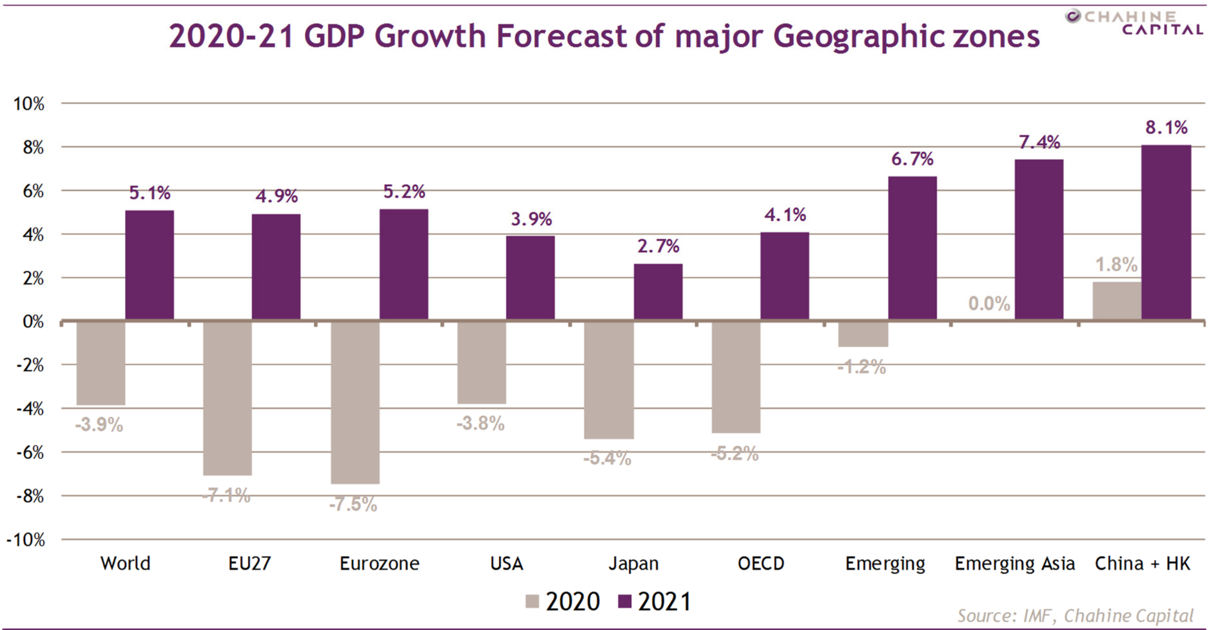


Joe Biden's election did not undermine the rally. Many Republicans will have been happy to see the defeat of a disturbed and unpredictable president, although his record on economic and foreign policy is by no means all negative. Mr Biden has promised to spend billions on households and companies affected by the pandemic and to help with state budgets. He has programmed an additional $2 trillion over four years for infrastructure, healthcare and climate change, and in terms of climate is aligned with the EU. He intends to increase the corporation tax rate from 21% to 28%, which would have a negative 9% theoretical impact on share prices. Higher taxes are expected on annual incomes greater than $400,000. The president-elect wants to improve Obamacare, but this could prove difficult if the Senate remains Republican. We can also hope for a return to multilateralism and perhaps more coordinated action with Europe in dealing with China. Respect for intellectual property rights would be an excellent common interest.

World GDP expected up 5.1% in 2021

Assuming no more changes to forecasts, world GDP will decline by 3.85% this year. The biggest contributor to the decline will have been Europe, and within that the euro zone. Remarkably, China has completely made up for its Q1 decline and will end the year with GDP up 1.8%. As we have mentioned, exports are surging and local stock markets are a speculator's delight. US GDP will be down 3.8% this year but that should be made up in 2021. All in all, world GDP will rise 5.1% next year, somewhat less than the 5.4% estimated last month because all regions have been revised down. China's growth is expected to come in at 8.1%, which would leave it accounting for 20.!% of the world economy. That compares with 25.3% for the USA and suggests that China will move into to top place in the next decade.

Thanks to China, a sharp rebound in 2021

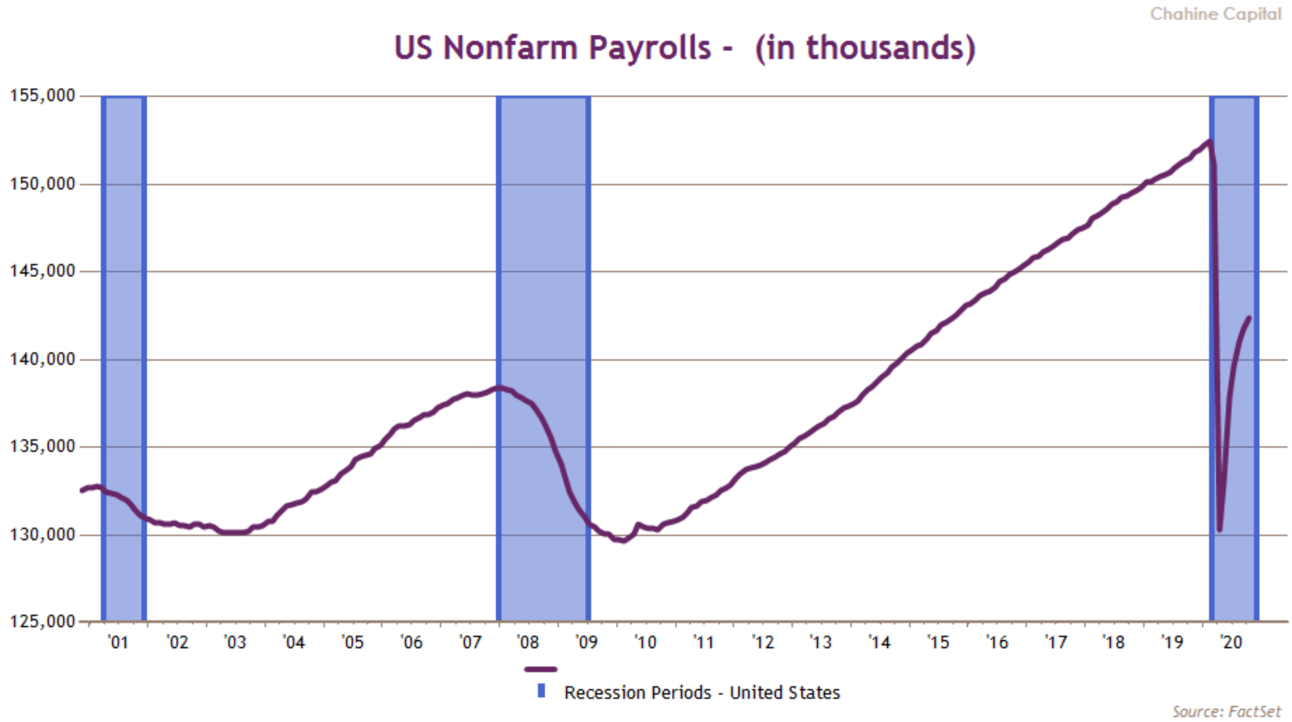


Europe and the euro zone will take more time to recover to pre-crisis levels. France has been one of the worst-affected countries, dropping almost 10% of its GDP over the year. Spain, Italy and the UK are in much the same position. A no-deal Brexit would affect forecasts for the UK, where the budget deficit continues to widen. A no-deal scenario could also hit the pound, as the BoE does not have the ECB's firepower and outflows from sterling would be a serious matter.

Stronger US macroeconomic indicators

The main US indicators offer considerable encouragement. Employment has rebounded strongly and 12 million of the country's unemployed are back in work. That leaves 10 million that have not found jobs after coronavirus layoffs; they will be gradually absorbed into the workplace as growth and normality resumes. 3 million jobs will depend on the reopening of the tourism and leisure sectors.

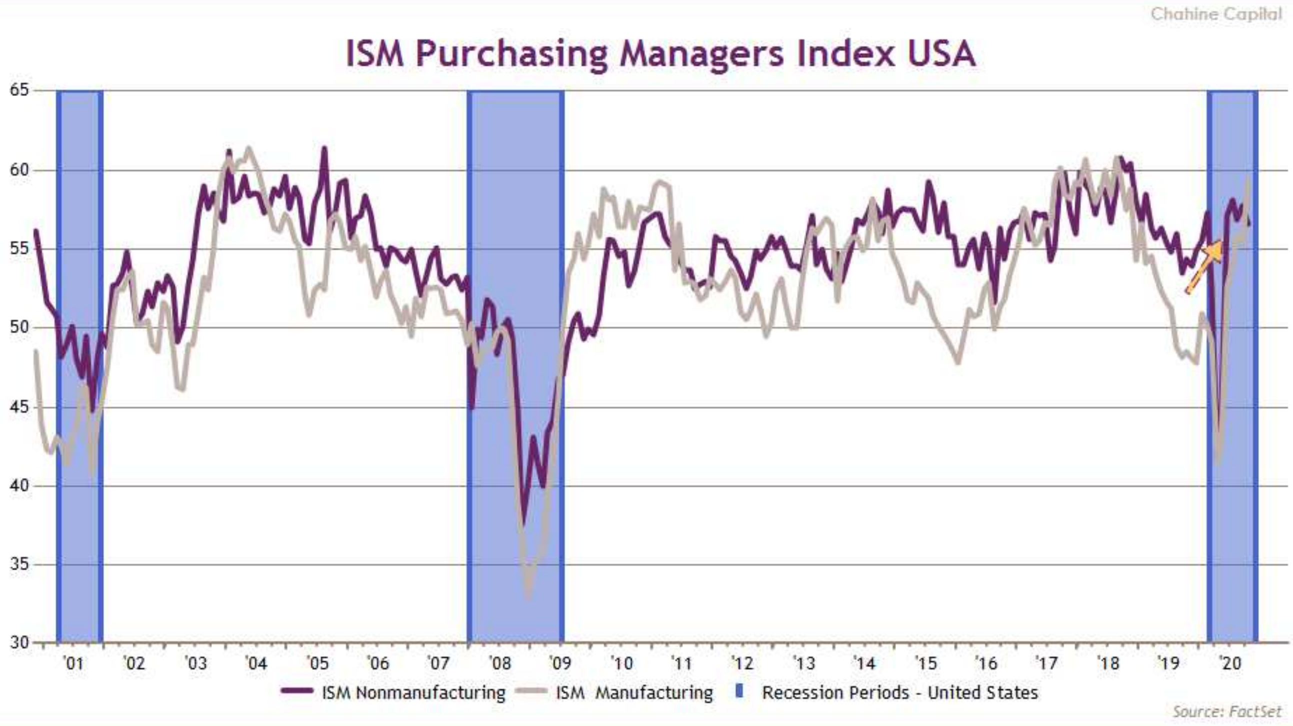
Employment up sharply



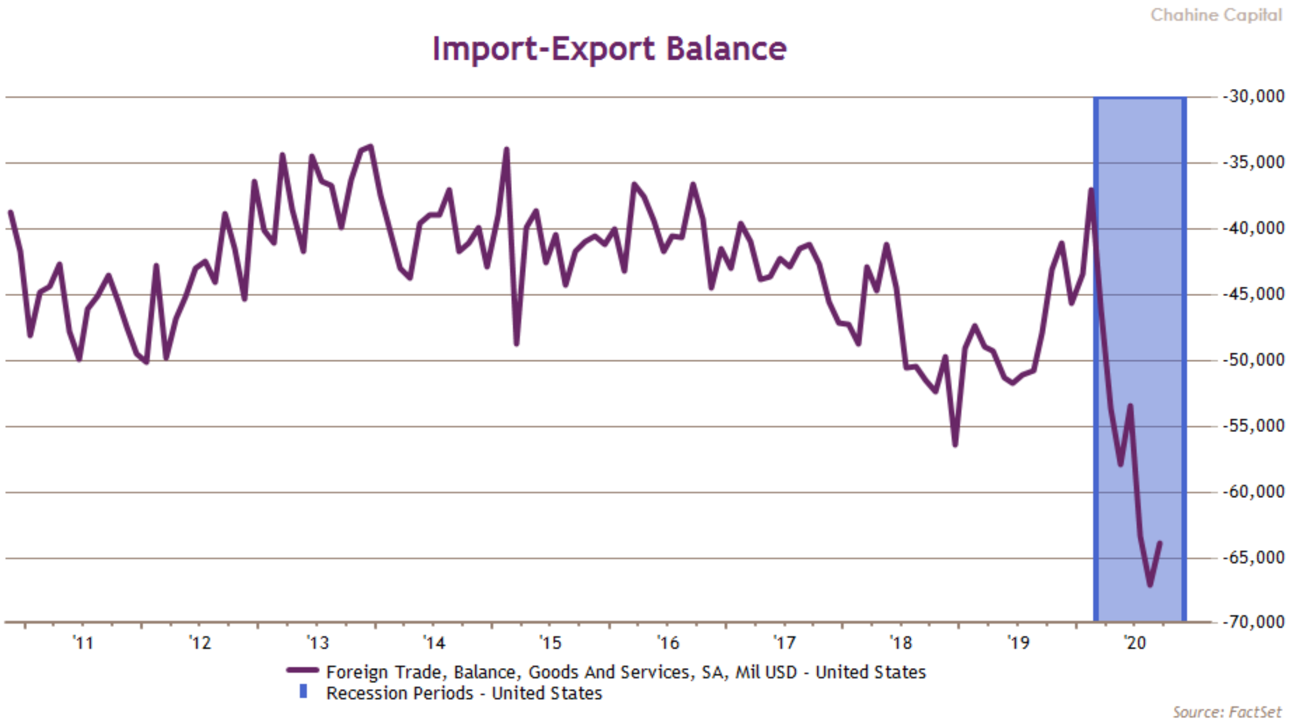
The crisis has raised hourly wages for many people still in work, especially in 'frontline' occupations. The rate of increase in wages hit 7% at the worst of the pandemic and is still running at 4-5%. Consumer confidence has improved markedly from its lows (and in Europe, for that matter) but is still below its highs. This has boosted household spending and the retail sector (which includes internet buying), which are back to pre-crisis levels. Construction has also picked up and building permits are back to where they were before the pandemic. Consumers are still saving more than usual but the savings rate is down from a high at 30% to 13%, compared with 7% in normal times. That suggests room for an acceleration in spending when the state of the economy permits it. Inflation remains tame at 1.6%, but this is much higher than in Europe (-0.3%). Real Fed rates are therefore far lower than their European equivalents. The CRB commodity index is back above pre-crisis levels, reflecting the rude health of the Chinese economy.

The ISM indices are leading indicators. The manufacturing index has climbed to almost 60, where 50 is the threshold dividing expectations of growth from expectations of contraction. The US economy is bouncing back so quickly that it is sucking in more imports, especially from China. Having contracted following the so-called Phase 1 trade agreement with China, the US trade deficit is running at $65 billion per month.

ISM indices point to buoyant US demand



A deteriorating US trade balance

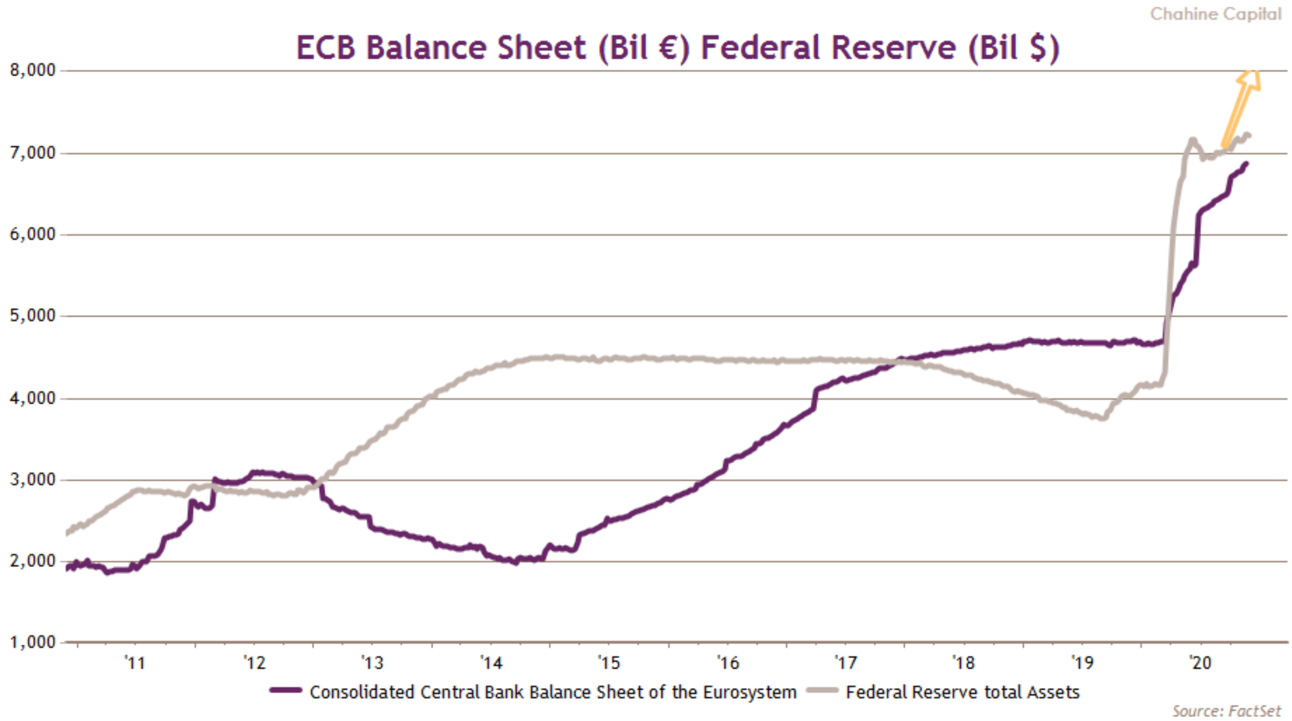


The combination of Fed liquidity injections and yawning trade deficit is still hurting the dollar on currency markets. It has sagged to almost 1.20 against the euro and has depreciated 8% against the yuan, from 7.14 à 6.56. The crisis has enabled China to increase its reserves.

Central banks funding higher budget deficits

Central banks are still buying up debt, especially in the euro zone, although the Fed has taken a short breather. It will resume with Mr Biden's stimulus package, and in the meantime the euro zone is trying to get its own €750 billion package through against opposition from Poland and Hungary.

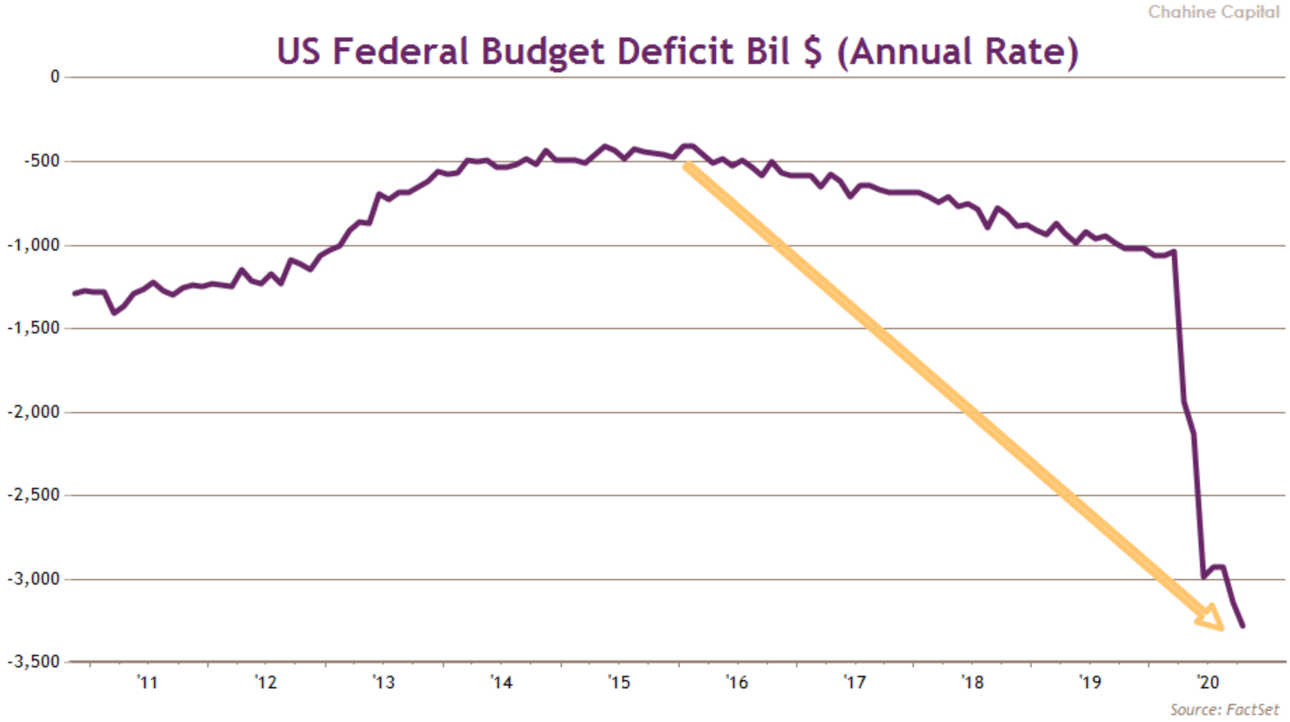
No end to central bank asset purchases



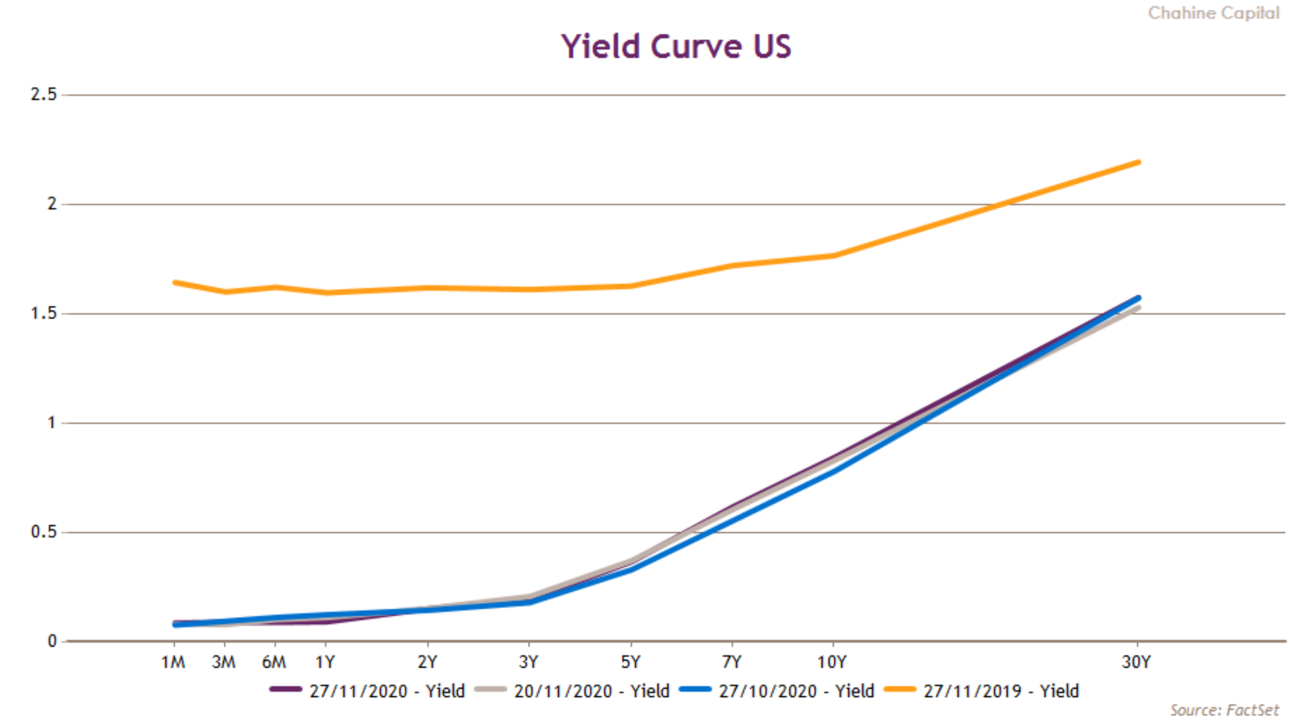
These purchases reflect soaring budget deficits, of course, The US federal deficit is running at an annualised $3.4 trillion, or 16% of GDP. Higher employment and growth will reduce those numbers in the second half of 2021. No government would be willing to raise taxes at this point, as that could kill off the recovery. Federal debt could hit 125% of GDP by the end of next year, but given the ratios prevailing in Japan and Europe that is unlikely to upset investors.

The US curve has been largely unchanged over the past month and has a positive slope, again pointing to economic recovery. The 30-year Treasury yield, which we use in our valuation model, is at 1.6%; the 10-year is at 0.84%. In the euro zone, the Germany curve is negative out to 30 years…

A sharp deterioration in the US budget deficit



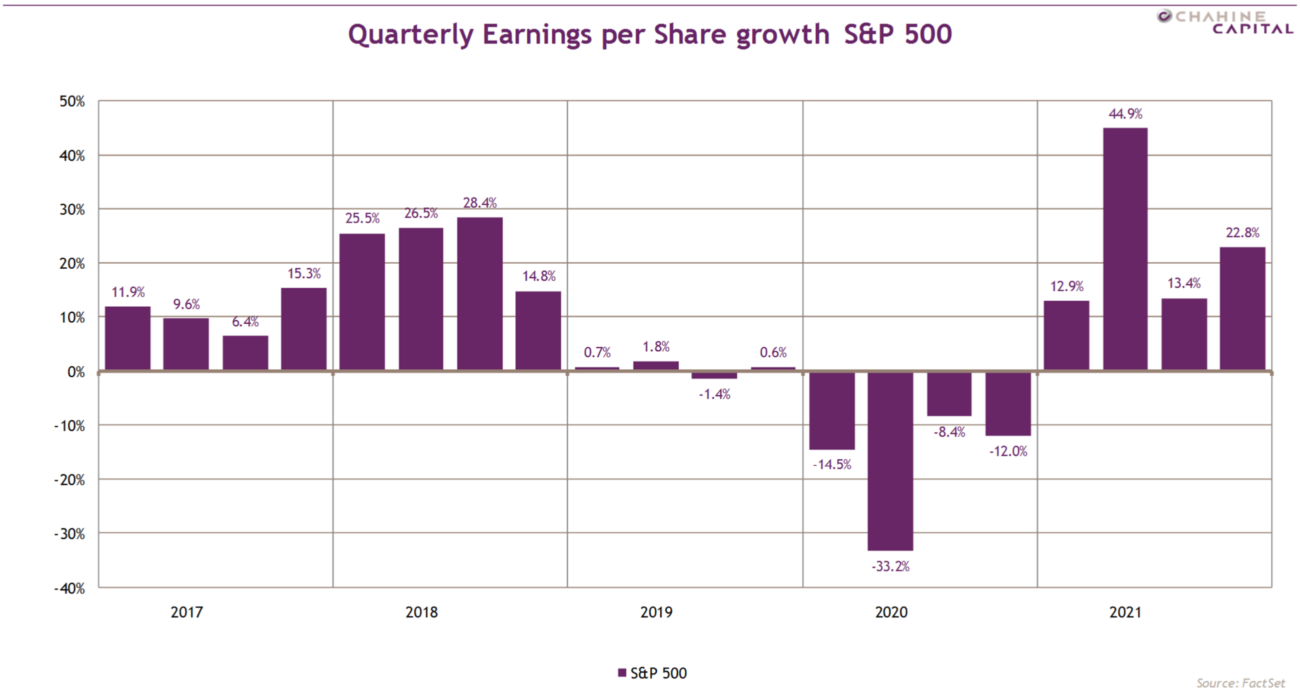
A positively-sloping curve adds credibility to US growth forecasts



Positive momentum on US profits

Upward revisions to American earnings estimates have reduced the drop in S&P 500 EPS this year from an expected 24% in June to 17%. Estimates for 2021 have been revised to a 24% gain, which would virtually offset this year's decline. Consensus analysts have pencilled in 13% for 2022, but our model is retaining 8.5%. The consensus estimate for Q4 this year is a 12% drop, but we expect less than that as companies typically issue cautious guidance. The market's 2021 PER is up to 21.9, its dividend yield is down to 1.65% and the share buyback rate has slowed to 1.5%, reflecting the recent appreciation in share prices.

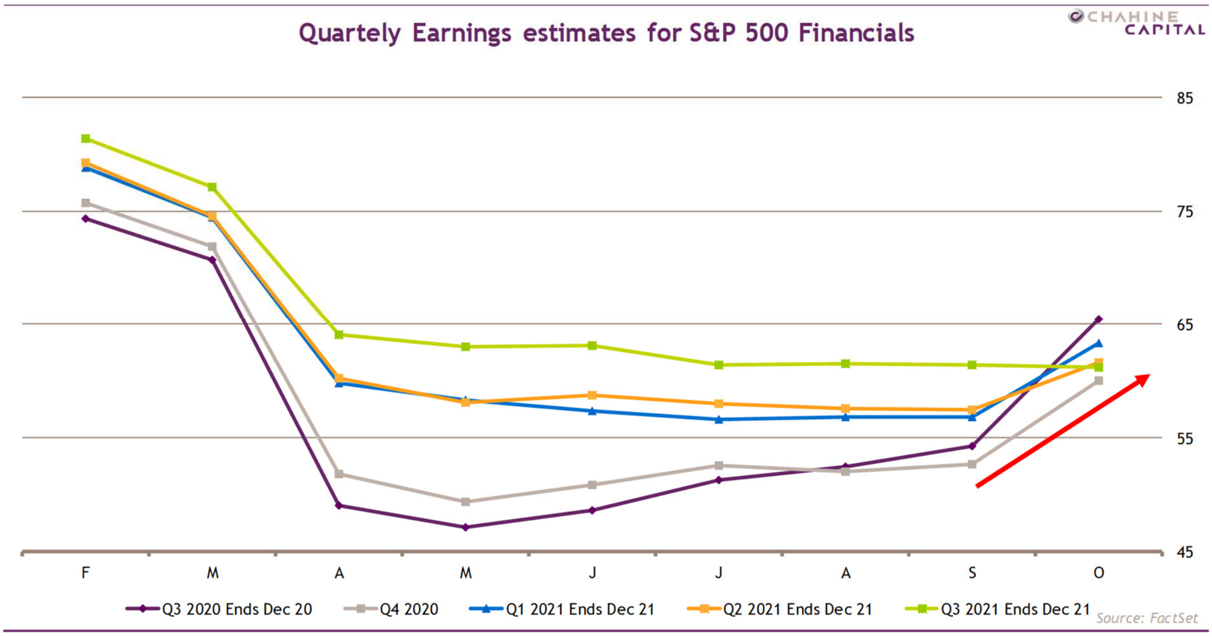
US firms set to rebuild their profits



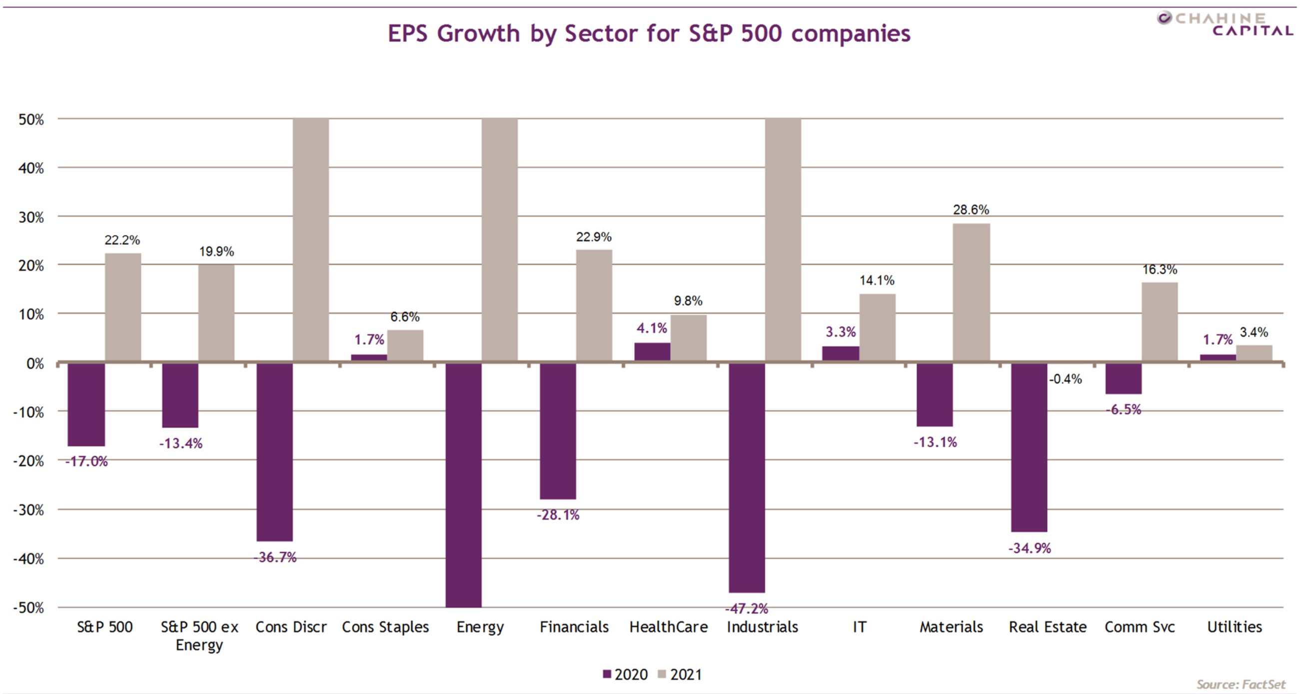
Momentum on profits has shifted between sectors, too. Companies that suffered badly from the crisis have enjoyed a turnaround in their prospects: all quarters are revised up for financials, for example. Energy will still be down overall for the year but a return to profit is expected in 2021. Industrials have been hit hard by the pandemic, as they include air transport. Losses in that industry run into the billions and analysts expect the situation to remain difficult in 2021. Boeing's problems with its 737 Max have not helped. Either way, a rebound next year will not take profits back to 2019 levels.

Without Amazon and Home Depot, discretionary consumers would have looked much worse than they do, especially as the sector includes leisure and tourism. The financial sector is taking full advantage of surging equity markets, but provisioning has hampered earnings already this year. A 28% drop in EPS is expected to give way to a 23% gain in 2021. Real estate is another notable casualty of the crisis, particularly retailing, hotels and shopping malls. The situation is not expected to return to normal in 2021. Sectors that avoided damage from the crisis include healthcare, consumer staples and IT. Communication services benefited greatly from the presence of Facebook, Netflix and Google. Gold mines have buoyed basic materials.

Upward revisions for the financial sector



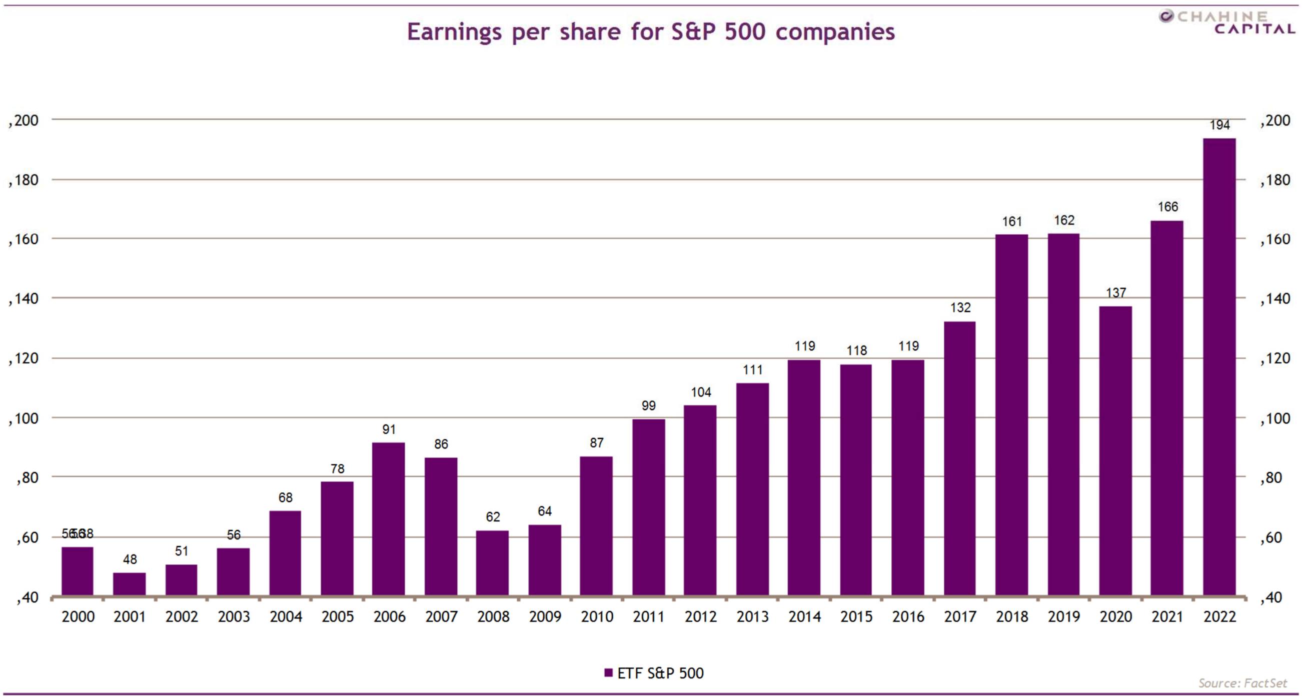
Very mixed sector performances



Market valuations

The chart below shows EPS for the S&P 500 over the past 20 years. Its impressive progress partly explains the market's gains over the period. Between 2011 (a 'normal' year) and 2021, profits have risen 67%; the index has appreciated 189% during that time, without any account taken of dividends. A higher PER is one corollary. The difference reflects a decline in the 30-year yield from 4.42% to 1.6% over the period. In other words, the price of a 30-year bond would have appreciated a massive 67%. The combination of higher profits and lower interest rates gives us a total theoretical index gain of 179%, very close to the actual increase. This suggests that there is no bubble; our risk premium model tells us the same thing.

An impressive run for US profits



The US 30-year yield is virtually unchanged at 1.62% this month, but we have revised our estimates of profits upwards by retaining the consensus forecast for 2021 and adjusting the consensus figure for 2022 by less than we had previously. Our objective for the S&P 500 is up from 3,306 to 3,552 points, but the market beat us to the draw by rallying to 3,630 points at the time of writing. Our 8-year CAGR starting from the lows of 2020 is 5.6%. Valuations are toppish, but without any sign of a bubble. It would take only 10bp off the 30-year to leave the market at its theoretical fair value.

The dilemma for investors is the absence of return for moderate risk. Real estate has become dangerous, especially offices, hotels and retail space. There are few alternative investments that appeal. At least equities are liquid assets and – according to a VIX that has eased to 20% - are only moderately risky. We are maintaining our overweight recommendation, which we first issued on 28 March at 2,600 points.

A valuation sensitive to long rates

S&P 500 - Valuation end 2020 except implied scenario					
CAGR Compounded Annual Growth Rate from 2020	**30 Years Gvt bonds**				
	1.25%	1.50%	**1.62%**	1.75%	2.00%
Slow recovery: -17% in 2020, 16% in 2021 - CAGR 3.6%	**3 410**	**3 186**	3 087	2 986	2 806
Implied Scenario CAGR 5.6% over 8 years	4 013	3 747	**3 630**	3 509	3 297
Return to normal: -17% in 2020, 22% in 2021 - CAGR 5.6%	3 926	**3 666**	**3 551**	**3 434**	3 226
Current Index S&P 500			**3 630**		

In the euro zone, the weighted average 30-year yield is a pretty stable 0.24%. Consensus analysts have stopped revising their estimates down and the expected decline in profits this year is 36%. The forecast 21% rebound next year is still a long way from making up for that decline. Even so, the less bleak outlook have prompted us to raise our objective for the MSCI EMU to 136 points, compared with a close at the time of writing at 126 points.

Good opportunities, especially outside the main indices

MSCI EMU - Valuation end 2020 except implied scenario					
CAGR Compounded Annual Growth Rate from 2020	**30 Years Gvt bonds**				
	0.00%	0.10%	**0.24%**	0.40%	0.50%
Deep recession: -39% in 2020, 15% in 2021 - CAGR -4.1%	**118**	**114**	109	104	101
Implied Scenario: CAGR -3% over 8 years	137	132	**126**	120	117
Return to normal: -36% in 2020, 21% in 2021 - CAGR -1.8%	148	143	**136**	**129**	**129**
Current Index MSCI EMU			**126**		

Conclusions

Although the second wave of the pandemic is killing more people than the first, a series of announcements on vaccines at phase 3 test stage have boosted morale and rekindled hopes of a return to normality. Equity markets reacted by posting new highs. Covid-19 is still raging in the USA, Eastern Europe and the Middle East, but it does seem to have peaked in Western Europe. Governments worldwide are trying to balance health and the functioning of healthcare systems with the need to maintain economic activity. East and Southeast Asian countries have proved the most adept at dealing with the pandemic and their monthly death toll is lower than the daily death toll in France. Readers looking at some of the reasons for that are invited to consult our previous edition ("Life and liberty – or life versus liberty?"). This theme is not about to go away, as we are preparing ourselves for vaccines that may be an unhoped-for 95% effective and the question arises as whether vaccination should be compulsory or not. The problem will materialise once priorities have been met; requirements for vaccines for travellers, government officials and at national borders will naturally raise questions over vaccine certificates on smartphones.

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Main ratios for markets and sectors as of 27/11/2020 (in local currency)

Data as of 27/11/20	Weight vs MSCI World	Perf 2020	Perf 2019	Weighted P/E 2021	Weighted P/E 2020	% Wted EPS Chge 2021	% Wted EPS Chge 2020	% Wted EPS Chge 2019	Div Yield 2020	Revision vs M-2% Fiscal 21	Revision vs M-2% Fiscal 20
MSCI The World Index	**100.0%**	**10.20%**	**25.30%**	**20.4 x**	**25.0 x**	**22.6%**	**-17.6%**	**-1.5%**	**1.92%**	**2.5%**	**6.1%**
MSCI USA	64.3%	15.12%	29.20%	22.7 x	27.0 x	18.7%	-13.8%	-0.1%	1.54%	2.0%	5.1%
MSCI Japan	8.4%	4.02%	15.70%	17.9 x	23.9 x	33.4%	-17.8%	-28.6%	2.15%	1.4%	3.2%
MSCI EMU	13.0%	-3.66%	21.69%	17.3 x	23.5 x	35.9%	-36.4%	0.9%	2.56%	-0.5%	8.2%
MSCI Europe	22.8%	-6.42%	22.17%	16.8 x	21.7 x	29.6%	-32.4%	3.7%	2.75%	1.0%	7.2%
MSCI Europe ex Energy	21.8%	-4.35%	23.79%	16.9 x	21.0 x	24.7%	-27.6%	5.7%	2.62%	1.2%	7.1%
MSCI Austria	0.1%	-18.79%	13.38%	12.5 x	18.9 x	51.6%	-49.6%	-25.1%	2.80%	-4.2%	-1.7%
MSCI Belgium	0.5%	-14.41%	19.37%	20.6 x	20.4 x	-0.9%	-30.7%	9.9%	2.21%	-0.5%	6.5%
MSCI Denmark	0.9%	24.07%	28.95%	25.1 x	30.5 x	21.4%	-1.8%	-3.9%	1.43%	4.5%	6.3%
MSCI Finland	0.4%	9.40%	8.28%	20.4 x	22.7 x	11.5%	-16.0%	-0.7%	2.88%	-7.7%	-2.6%
MSCI France	4.8%	-4.32%	26.10%	18.3 x	29.0 x	58.4%	-45.9%	4.8%	2.47%	-0.9%	2.4%
MSCI Germany	3.4%	-3.23%	20.10%	15.4 x	18.7 x	21.5%	-20.5%	-2.5%	2.58%	-0.4%	19.8%
MSCI Great-Britain	4.2%	-16.16%	11.37%	14.2 x	18.9 x	33.4%	-35.8%	-5.9%	3.43%	0.9%	4.8%
MSCI Ireland	0.1%	-2.13%	21.49%	30.4 x	66.4 x	118.3%	-66.3%	-26.6%	0.51%	2.0%	3.0%
MSCI Italy	1.0%	-7.65%	25.49%	13.9 x	23.5 x	69.1%	-50.4%	-2.3%	3.29%	3.6%	-1.5%
MSCI Netherlands	1.7%	7.61%	26.85%	21.4 x	27.3 x	27.9%	-28.1%	-3.6%	1.85%	-2.0%	1.6%
MSCI Norway	0.3%	-6.24%	8.26%	15.9 x	20.3 x	27.4%	-23.9%	-12.0%	3.72%	-2.7%	2.6%
MSCI Spain	1.1%	-13.58%	9.85%	16.9 x	20.4 x	21.1%	-47.2%	6.5%	3.54%	1.2%	11.7%
MSCI Sweden	1.2%	10.57%	25.01%	17.4 x	17.1 x	-2.0%	-17.4%	65.1%	2.54%	10.0%	24.8%
MSCI Switzerland	3.0%	-2.26%	26.97%	18.0 x	20.8 x	15.8%	-9.7%	9.7%	2.83%	0.6%	1.3%
MSCI Europe Consumer Discretion	3.3%	1.42%	30.01%	19.5 x	63.1 x	223.6%	-71.5%	-13.2%	0.99%	7.2%	16.6%
MSCI Europe Consumer Staples	3.1%	-6.25%	22.38%	18.6 x	20.1 x	8.1%	-9.8%	9.9%	2.88%	-0.4%	1.1%
MSCI Europe Energy	1.0%	-35.34%	3.55%	15.1 x	73.2 x	383.8%	-88.1%	-14.8%	5.34%	-2.4%	14.7%
MSCI Europe Financials	3.4%	-16.85%	17.31%	11.2 x	13.7 x	22.7%	-37.5%	14.9%	3.66%	3.2%	14.8%
MSCI Europe Health Care	3.0%	-3.62%	28.40%	16.7 x	18.0 x	7.7%	-2.6%	9.7%	2.72%	-2.0%	-0.1%
MSCI Europe Industrials	3.2%	1.28%	32.02%	21.6 x	34.0 x	56.9%	-42.8%	4.7%	1.90%	1.0%	2.2%
MSCI Europe Information Technol	1.5%	8.71%	36.00%	27.9 x	31.2 x	11.8%	-10.5%	3.9%	0.90%	-7.6%	1.7%
MSCI Europe Materials	1.6%	1.41%	21.39%	16.5 x	17.1 x	3.8%	0.7%	-7.8%	3.22%	3.8%	27.7%
MSCI Europe Real Estate	0.3%	-17.45%	18.93%	16.3 x	15.0 x	-8.0%	-18.1%	-16.0%	3.70%	1.8%	14.2%
MSCI Europe Communication Serv	1.0%	-15.07%	0.60%	15.0 x	17.0 x	13.0%	-24.2%	1.3%	4.16%	-0.2%	-1.9%
MSCI Europe Utilities	1.3%	7.26%	24.29%	17.1 x	19.0 x	10.9%	-10.2%	23.6%	4.15%	0.5%	0.0%

Benchmarks source iShares ETF - Data as of 27/11/2020

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