# China ramps up pressure on commodity prices

There's no slowing China. Like everywhere else, it suffered early last year from the pandemic but its economy rebounded smartly afterwards. Surging exports were all the more unexpected for the fact of slowing international trade, and ironically exports to the USA rose fastest of all just as Donald Trump's presidency drew to a close. That battle is far from over, however, and Joe Biden has already started to address the issue by denouncing "coercive and unfair" trade when he spoke to Xi Jinping in mid-February. That raised hackles in Beijing and resulted in Chinese threats to reduce exports of rare-earth metals, particularly to the Americans. These elements are indispensable to defence and high-tech industries.

So far, investors are untroubled by the prospect of heightened international tensions that could build over open conflict between the world's two largest economies. They are focused entirely on the Chinese-led recovery theme and its implications for the prices of raw materials, whether energy-related or agricultural. But note that commodity price inflation is hitting levels that could well penalise corporate margins and already fragile purchasing power among Western households, thereby stifling the rebound in economic activity that would otherwise gain traction as vaccination programmes make progress. Fears of an early return to inflation are starting to unnerve investors, hence higher bond yields (especially in the USA) and the beginnings of a correction in equity indices late last month.

Following China's example, world GDP growth should resume this year but forecasts from the major international institutions diverge widely. Taking account of progress in vaccination programmes, we lean towards the IMF's growth estimates, which are more favourable to the USA (5.1%) than to the euro zone (4.2%). The vaccination rate is three times faster in America than in Europe, producing a logical difference in outlook and resulting in a strong possibility that the euro zone will not do as well as forecast. Given that poorer growth prospects than elsewhere are penalising European equity indices, and Wall Street is suffering from rising interest rates (the US 10-year yield is closing on the S&P 500 dividend yield), Asian and emerging equities have been the best performers since the start of this year (MSCI Japan up 8%, MSCI Emerging Markets up 8.9%).

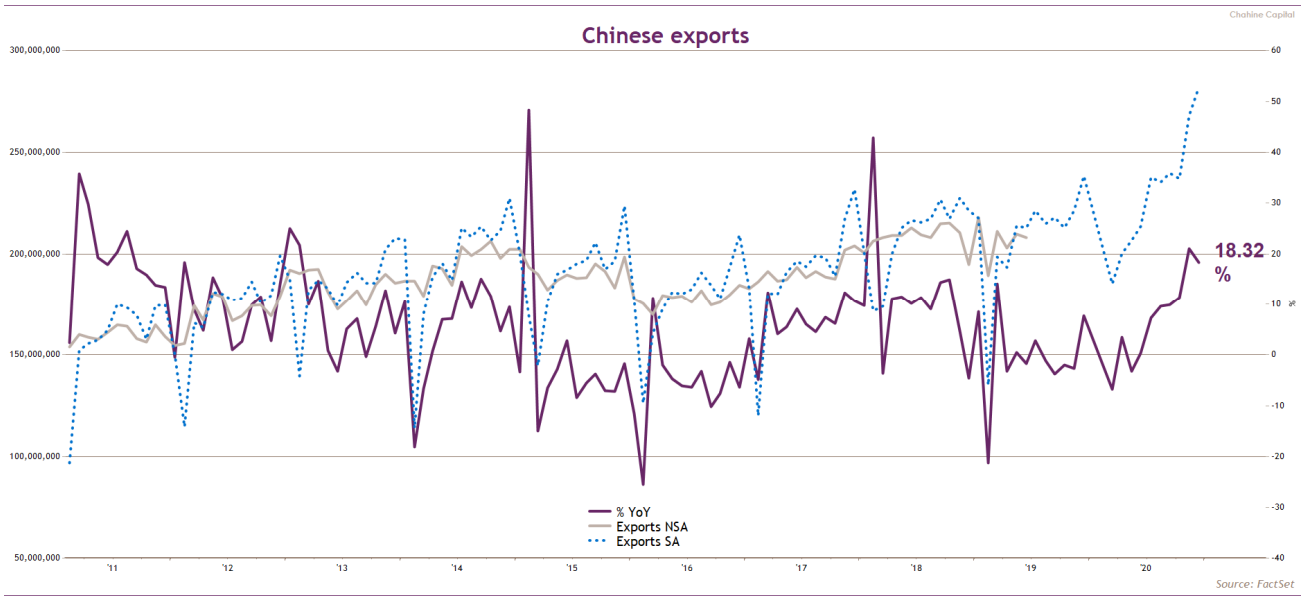
On the microeconomic front, the news is encouraging. We are almost at the end of the US Q4 results season; 85% of S&P 500 firms have now published, and 80% of them came with positive surprises on profits. As things stand, aggregate S&P 500 earnings will be up 3.1%, and initial guidance for Q1 2021 is mostly positive. An absence of bad news on earnings is essential to keep share prices at least at current levels, especially in the USA, where our model indicates that some market consolidation is required. Our theoretical objective for the S&P 500 is now 3,443 points, compared with its recent peak at 3,925 points (up 3.6% since our letter last month). This implies downside potential of 12% relative to its highs, and the index has already eased 2.9%. From a fundamental point of view, our model effectively emphasises the need for this index to pause after an almost uninterrupted 68% gain since mid-March 2020. This is all the more pressing in a context where investors are probably too aggressive on the interest-rate outlook in the near term. In the circumstances, we recommend caution on US equities. The situation is very different in the euro zone, where our model suggests that equities are fair value irrespective of the scenario. We are therefore overweighting European equities against Americans in the near term.

*Michaël Sellam*

# Chinese exports soar despite Covid damage to the world economy

There's no slowing China. Like everywhere else, it suffered early last year from the pandemic but its economy rebounded smartly afterwards on the back of a wholly unexpected surge in exports. Remarkably, this was in a context of slowing international trade. Its exports totalled almost $2,700 billion last year, up 11.4% on the year before and including a 9% gain in Q3 2020 and a staggering 17% in Q4. We have to go back to 2012 to find faster export growth. China's trade surplus swelled to a colossal $780 billion, contributing handsomely to renewed growth for the economy as a whole.

## Chinese exports shrug off anaemic international trade to jump 20% towards the end of 2020

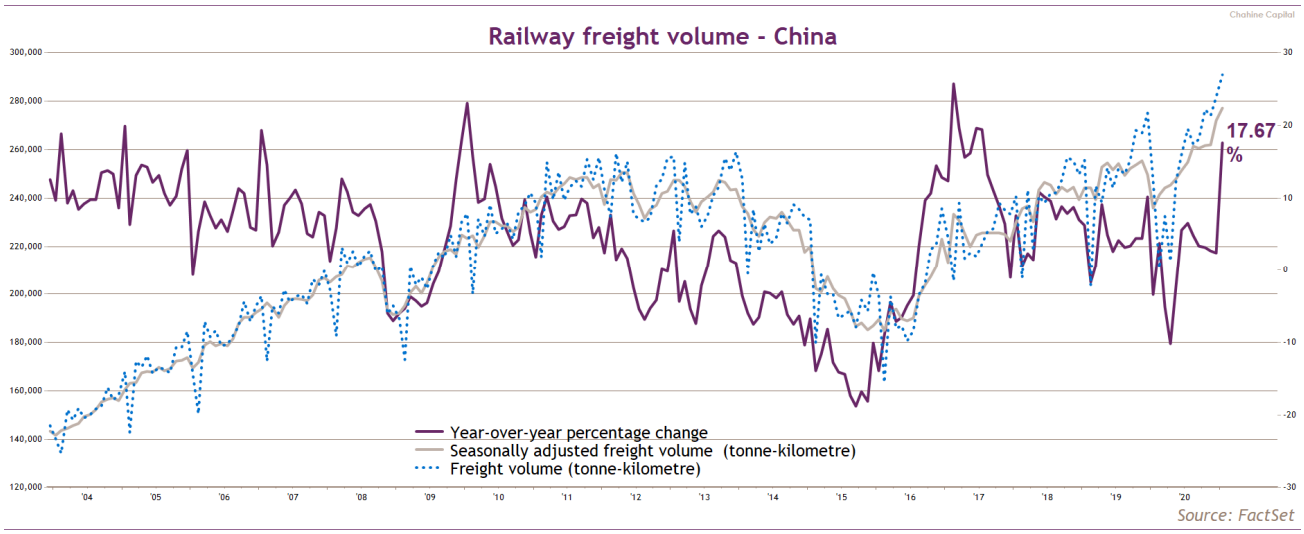



Ironically, exports to the USA rose fastest of all just as Donald Trump's presidency drew to a close. We need hardly add that Mr Trump failed dramatically to cut China down to size in world trade. The battle is not over, however, and Joe Biden will be addressing the issue soon enough. Although he will not be using the same means of persuasion as his predecessor, the new president will maintain that the rebalancing of trade with China is a priority. Both Republicans and Democrats consider it a matter of national security. China's growing market shares at a time when Western countries are seeking to repatriate jobs and activity is likely to mean heightened international tensions once the current health crisis has passed.

## China's recovery is sending commodity prices through the roof

There are plenty of indicators that bear witness to the Chinese economy's renewed vigour. Rail freight traffic is up sharply (see below), and by year-end annual rates of increase in industrial production and electricity output had risen to 7.3% and 7.8%, respectively. This mainly reflects the profile of the country's productive capacity, which turned out to be the primary beneficiary of the stimulus packages adopted in most Western countries.

### China's impressive industrial dynamism

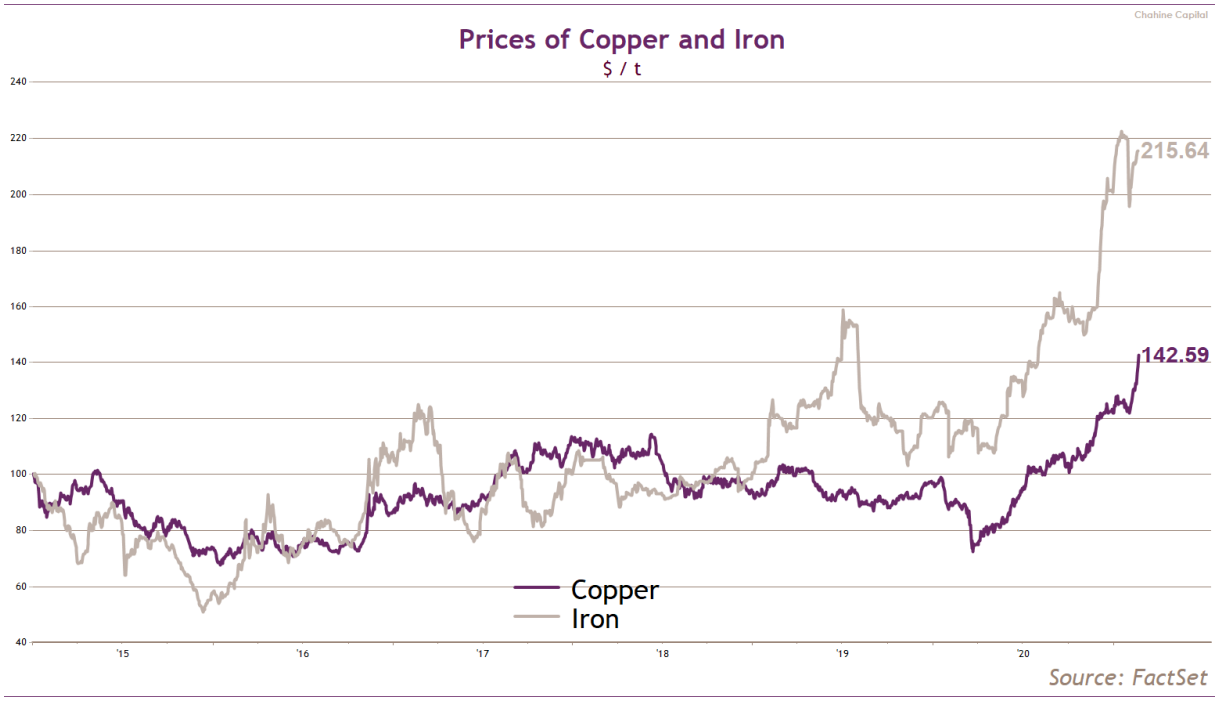



Logically enough, the resumption of activity in the world's main workshop has quickly fed through to the prices of raw materials. The combination of rapid Chinese recovery and massive speculation stemming from excess market liquidity has driven prices of the most cyclical raw materials sharply higher. Industrial commodity prices rose 15.2% last year, while metals prices jumped 28.6%.

The story does not end there. The China-lead recovery theme has pushed all commodity prices higher, from energy to agriculture. Agricultural commodity prices have appreciated 20.8% over the past six months; wheat is trading at over €230/tonne, pulling other cereals along with it. The prices of farm products are close to their levels of the late 2000s, and this is not good news for social stability in poor countries in particular.

This trend is so powerful that it has given short-term support to equity indices in emerging countries, which are the world's main producers of raw materials. But commodity price inflation has reached such levels that it could quickly start eating into corporate profit margins and – above all – the already wobbly purchasing power of Western households, thereby killing off the rebound that would otherwise be expected as vaccination programmes roll out.

## More than a rebound in metals prices




It is precisely this fear of an excessively swift return of commodity price inflation that is starting to unnerve investors. This is reflected in the rise in bond yields and the beginnings of a correction in equity indices that we saw late last month.

## China tests Joe Biden early over rare-earth metals

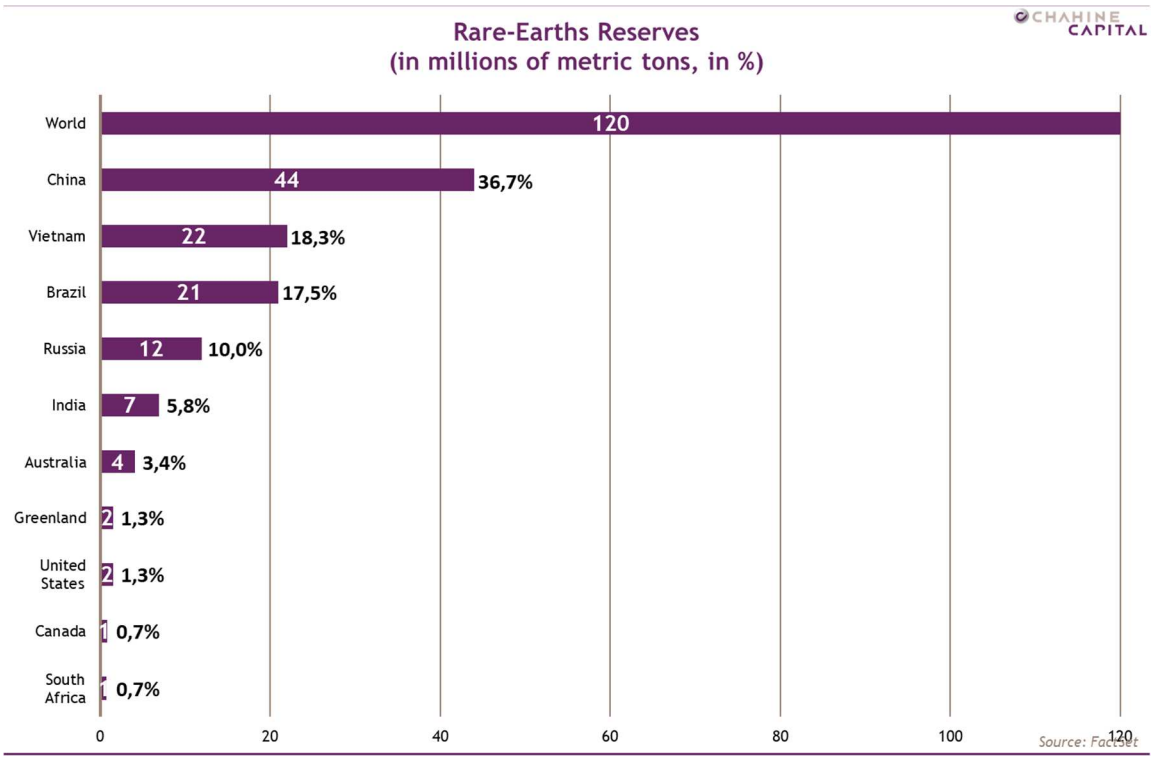
The background is straightforward: Donald Trump's attempts to rebalance trade with China failed, with Chinese imports from the USA rising only marginally (just 6.5% of all Chinese imports by the end of 2020) and well below what was promised in the 2019 agreement. Joe Biden has made no secret of his wish to put pressure on China, explaining that "If we don't get moving, they are going to eat our lunch." The US president denounced China's "coercive and unfair" trade practices in a conversation with Xi Jinping in mid-February.

China responded quickly by asserting that confrontation would be a "disaster" for the USA and is using the rare-earths question as leverage. Beijing says that it wants to reduce exports of these elements, which are vital to defence and high-tech industries in the USA in particular. China boasts more than a third of the world's reserves of rare-earth metals (44 million tonnes), compared with just 1.3% or so in the USA.

This war of words is nothing new, of course, and relations between the two superpowers have been difficult for years. Ever since Mr Trump triggered the trade war in 2018, the USA has sought to free itself of its dependence on China: its mine output of rare earths rose 111% between then and 2020 (18,000 tonnes in 2018, 38,000 tonnes in 2020). Chinese output rose 16.6% over the period, to 140,000 tonnes last year; world output rose 26.3%.

Is US strategy a high-risk gamble? Not yet, but the rare earths issue could become a serious problem for the Biden administration if the Chinese carry out their threat. The preconditions for a new cold war between the two powers appear all too present.

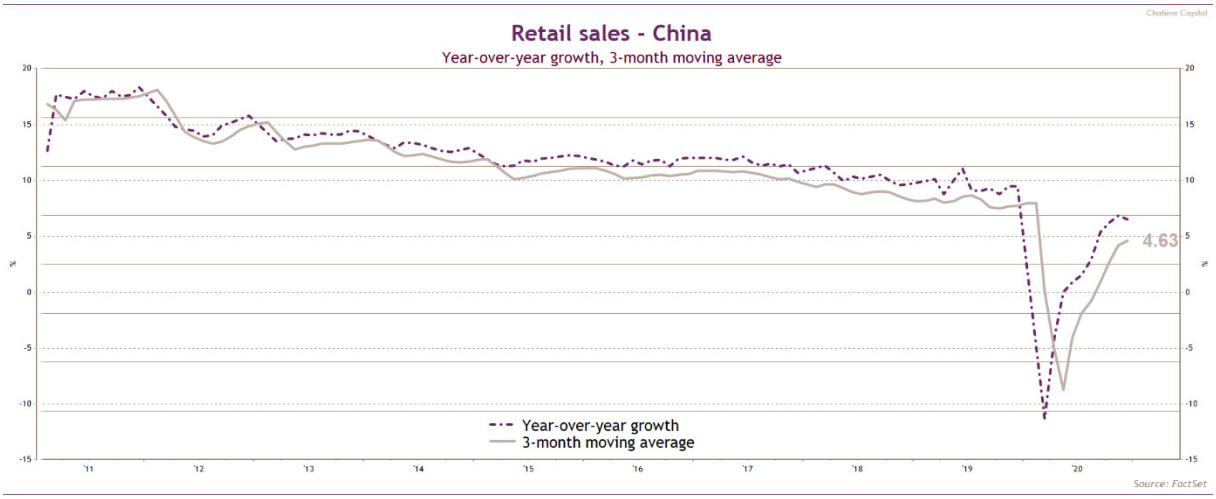
## China's dominant position in rare-earth metals offers serious leverage




## Exports may be booming, but Chinese domestic demand is sluggish… and will remain so

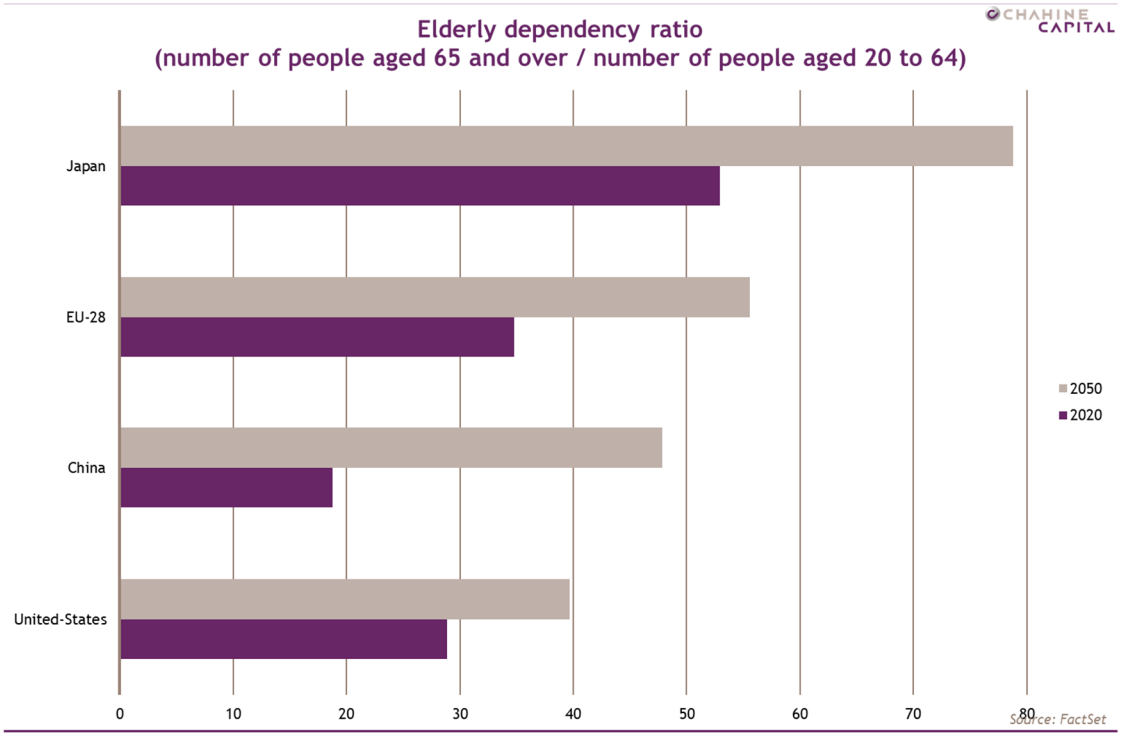
It is not all going China's way, however. Chinese household consumption is struggling to recover its pre-Covid vigour; 24.8 million cars were sold last year, representing a retreat to 2016 levels. While part of the sluggishness in consumption can be traced back to the fact that people are still not completely reassured about the state of the pandemic, the main point is structural. For various reasons, and particularly an ageing population, China will not find it easy to renew with the sorts of domestic demand growth rates we have seen in the past.

## Household consumption growth on a long-term downtrend




China has a low dependency ratio today, with fewer than 20 people aged 65 or over for every 100 aged between 20 and 64. That compares with a ratio of just under 30 in the USA, for example, which is itself towards the low end of the scale. But by 2050 China's ratio will be similar to Europe's, at around 50. At that point there will be almost 500 million people in China aged over 60, out of a total population that will have shrunk to 1.36 billion.

## China faces a particularly sharp change in its population structure



The speed at which the population is ageing in China – and the sheer magnitude of the change – is unparalleled in history and will structurally hamper its domestic demand. Moreover, the economy's potential growth rate will swiftly converge on that of the USA. Investors have not fully understood that change yet. Close attention should be paid to the way in which Beijing tackles this colossal challenge; the authorities face a lack of preparation for an elderly population (in contrast with Europe) combined with deficiencies in infrastructure. This prospect helps explain why China worked so hard to set up the RCEP, the world's biggest free trade area with almost a third of the planet's people and GDP.

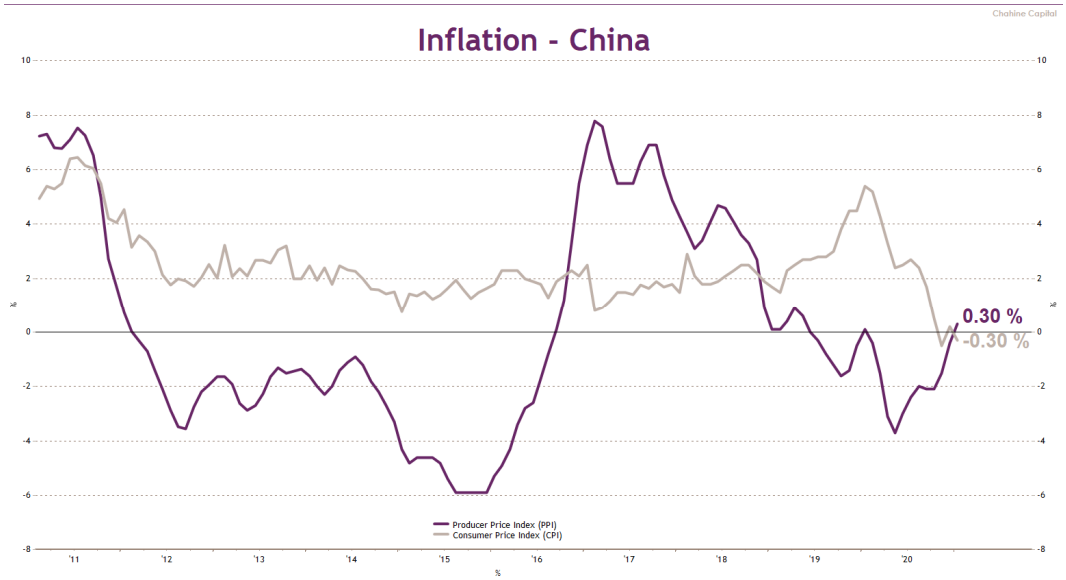
Given projections of pension fund insolvencies within the coming 15 years, the Chinese Communist party is contemplating increases in the retirement age. At the moment, this is set at 60 for men and 50 for women (but 55 for women in the public sector). This is not proving a popular move, with citizens unwilling to relinquish one of their rare privileges. Open opposition on social media highlights an increasingly emboldened Chinese public.

## In the shorter term, real worries over Chinese corporate finances

China's economic recovery is currently unbalanced between stagnating domestic demand and an expanding manufacturing sector (a PMI of 51.5 in January) on the back of export growth. This situation cannot last for long. In January we saw a very unwelcome development for the economy, or more specifically its companies: producer prices rose 0.3% while headline inflation remained negative at -0.3%. This means pressure on local corporate margins in the wake of the damage inflicted by significant yuan appreciation last year.

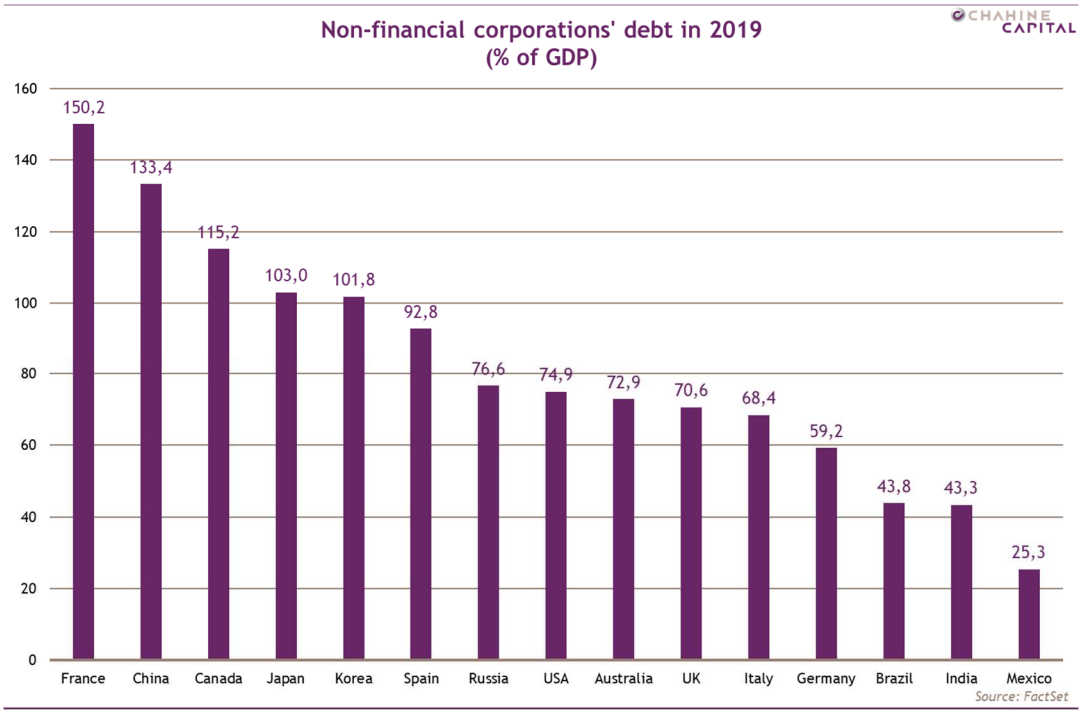
Beyond these cyclical difficulties, we should recall that Chinese corporate balance sheets are less than solid. Corporate debt amounts to 133% of GDP, compared with 75% in the USA, 103% in Japan and 63% in the euro zone. This vulnerability was already evident in 2019, when corporate bankruptcies jumped 20%, the number of zombie companies soared and the authorities expressed fears over the lack of transparency around credit to non-financial firms. Clearly, the pandemic will not have improved matters, and pressure on the Chinese corporate bond market (collapse of Yongcheng Coal, the difficulties of real estate developer Evergrande, etc.) does not look likely to ease. We suggest keeping a close eye on emerging country yield spreads in the coming months.

## Rising production costs pressure margins just as currency appreciation hits competitiveness




*Sources: Primeview, National Bureau of statistics of China, FactSet* *Source: FactSet*

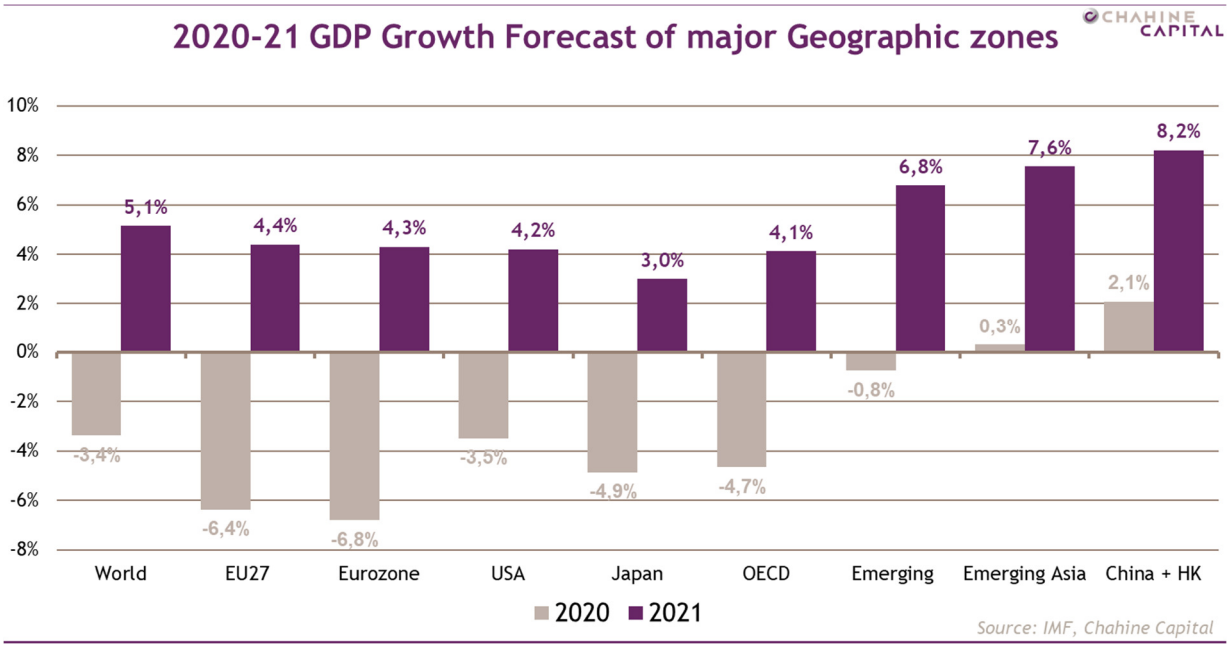
## Chinese corporate debt leaves little room for manoeuvre



# Without a faster vaccination rate in Europe, growth forecasts will be revised down

GDP growth forecasts published by the major international institutions vary considerably. The IMF believes that growth will be faster in the USA than in the euro zone this year (5.1% vs. 4.2%), while the OECD is more optimistic about the euro zone than it is about the USA (3.6% vs. 3.2%). So who is right?

## Asia leads the post-Covid growth table




If we take account of vaccination progress, the IMF's estimate looks the more credible. The US vaccination rate is almost three times faster than the euro zone's, at 1.4 million doses per day compared with just 570,000 in the euro zone. Population size is very similar, at around 330 million. The vaccination differential is widening as a result: at the time of writing, 13.3% of the US population had received a first dose (and 5.9% both doses), compared with 4.1% (and 2.1%) in the euro zone.

At current rates, the USA will reach herd immunity (estimated at between 60% and 90% of the population) in seven and a half months; the euro zone will not be there for a year and a half. As EU member states have committed to vaccinating their populations by the end of Q3 2021, the euro zone has some catching-up to do. This is why there is every likelihood of its growth turning out to be slower than many expect.

Note that Israel and the UK have been the most effective vaccinators of all. It will be just one month and four and a half months, respectively, before their entire populations have received at least one dose of a vaccination. China is in a very different position, but it found the winning formula early on. Its vaccination rate is similar to that of the USA, at around 1.5 million doses per day, and given a population around four times greater that may appear insufficient. But then China is in no particular hurry, as its strict lockdown policy has proved far more successful in containing the coronavirus in the first place than the stop and go approach adopted in the West. Assuming Chinese figures are reliable, it made the right choices. There is good consensus around Chinese GDP growth forecasts for this year: 8% from the OECD and 8.1% from the IMF. These are entirely credible estimates.

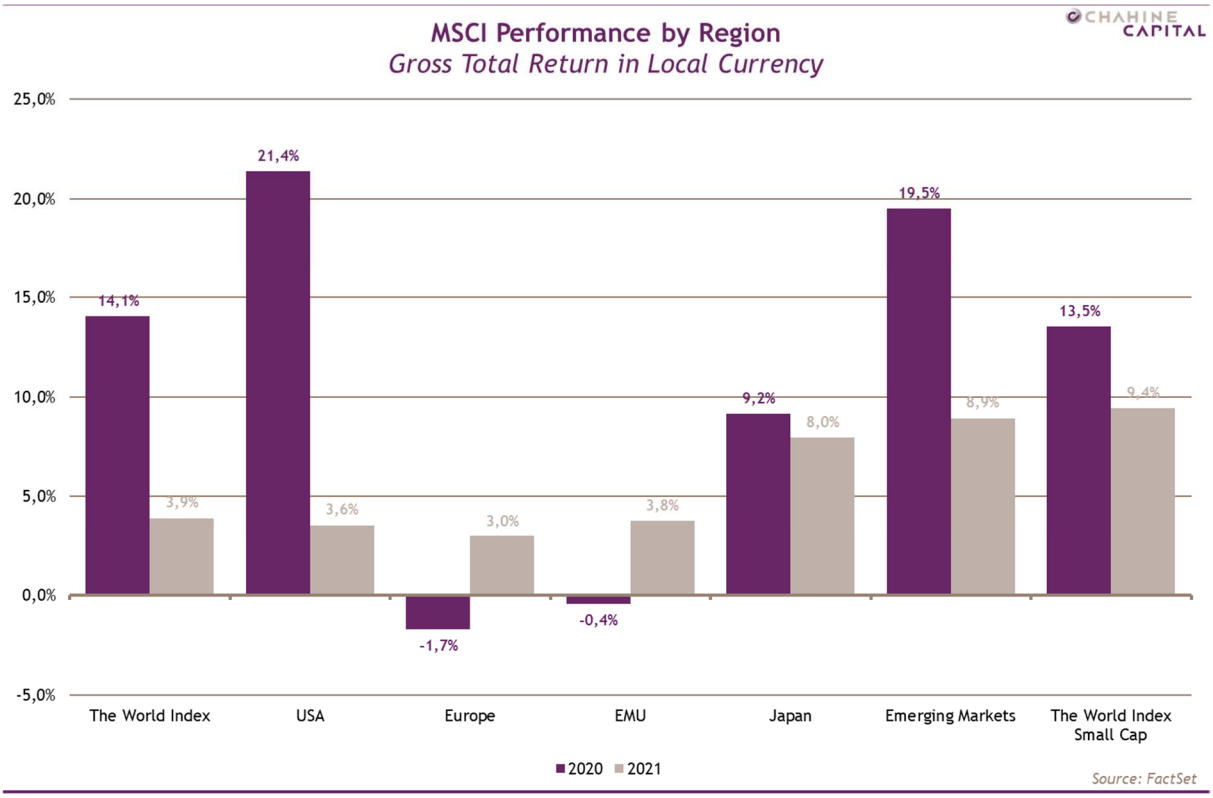
### Europe still lagging on vaccinations

| Country | Doses Administered | Population given at least 1 dose | Population given 2 doses |
|---|---|---|---|
| Israel | 7 673 423 | 50.1% | 35% |
| U.K. | 18 558 969 | 26.8% | 1% |
| U.S. | 65 032 083 | 13.4% | 6% |
| EU | 27 967 512 | 4.0% | 2% |

## Equity markets hold up but conviction wavers

While equity indices have generally made progress since the start of the year, Asian indices are alone in posting substantial gains over the period. MSCI Japan is up 8% and MSCI Emerging Markets is up 8.9%, reflecting their success in managing and taming the pandemic. As we explained last month, this factor favouring Asian markets is likely to persist until mid-year at least, assuming no resurgence of serious international tensions.

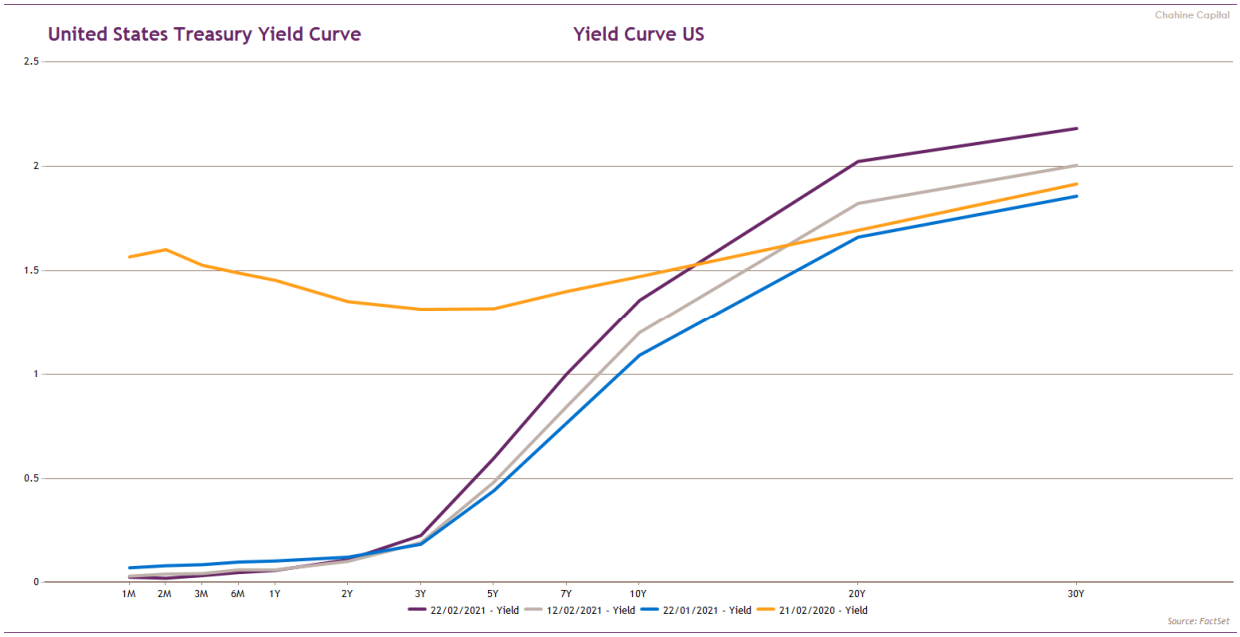
### Asian markets make a strong start to the year




Equities in developed countries are lagging because of continuing (and sometimes tighter) coronavirus restrictions and the fact that vaccination programmes have some way to go before herd immunity is achieved.

More importantly still, investors are nervous about rising interest rates amid forecasts of faster inflation. This is especially true of the US market. Higher interest rates could derail both economic recovery and share prices, and we note that the yield on the 10-year US Treasury is closing on the S&P 500 dividend yield.

The US yield curve steepens further

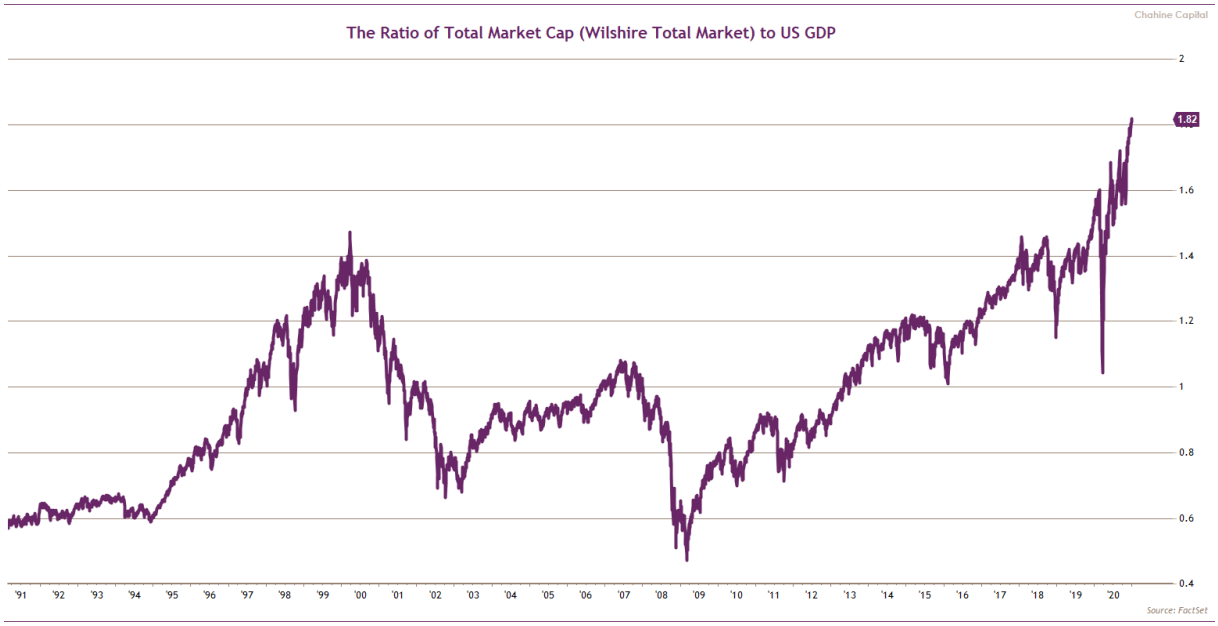



## World equity markets now look expensive

Commentary in recent days has followed a consistent theme: despite the steepest and deepest recession of the postwar period, world equities have rallied from record to record. It seems to many as though the markets have decoupled from reality. The Wilshire Total Market index, which represents the market capitalisation of all American stocks, is trading at over 180% of US GDP. In other words, it would take 1.8 years of US output to pay for the country's market capitalisation.

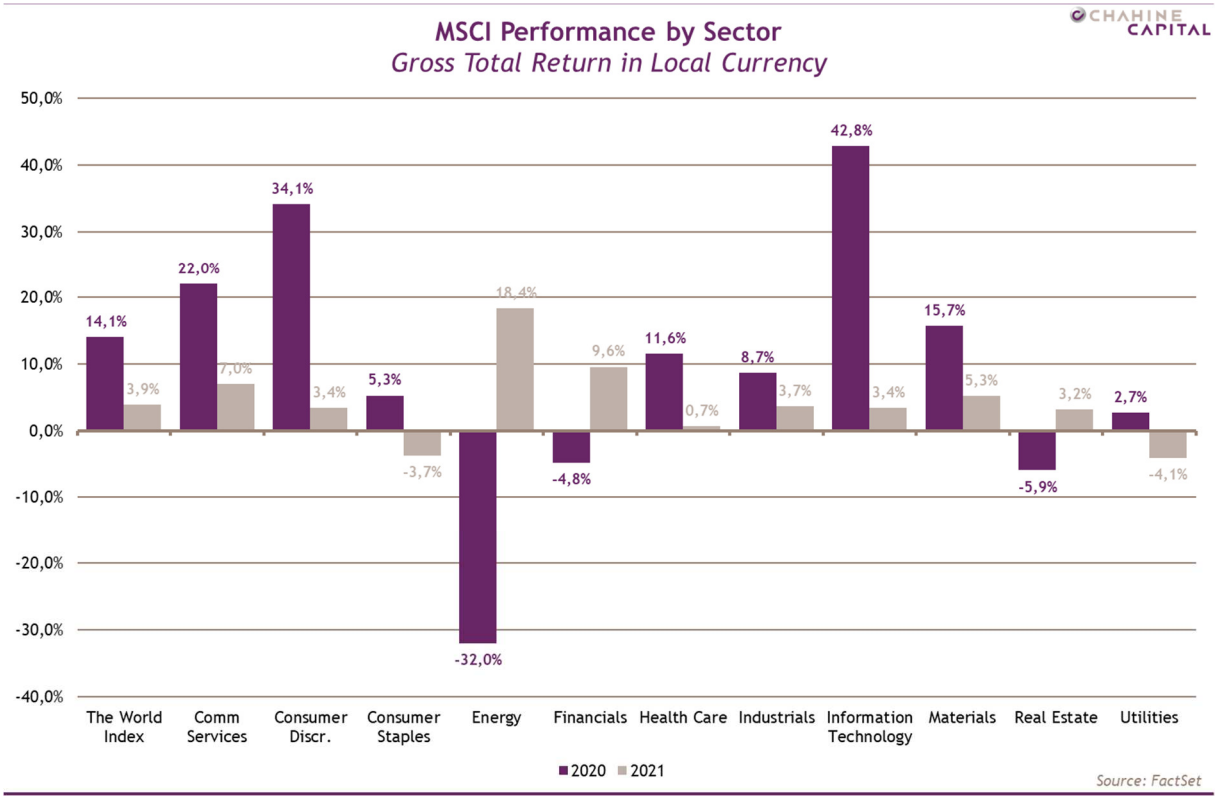
It is worth recalling that this indicator reached 'only' 140% during the height of the dot com bubble. While central bank liquidity injections are supportive of financial assets and largely explain the phenomenon today, there can be no doubt that yet another addition of liquidity by the Federal Reserve would be required to firm up equity markets in the event of an obstacle to economic recovery in developed countries. As we have seen, vaccination programmes in these countries are now the main factor in hopes of a brighter economic picture.

## New highs for the Wilshire index




In terms of sector, the two big outperformers owe their progress to the major investment theme of the day: reflation. The energy sector is up 18.4% so far this year amid higher commodity prices, and higher oil prices above all. At the same time, financials (up 9.6%) are clearly benefiting from rising long rates and a steeper yield curve, which is good for their maturity transformation business.

## Energy a beneficiary of the recovery theme



# A far better results season than analysts initially expected

The US corporate results season for Q4 2020 is almost over, and the least one could say is that S&P 500 companies have performed far better than analysts initially thought. Of the 427 index firms that have already published (i.e. 85% of the S&P 500), 80% came with positive surprises on their profits. At the time of writing, aggregate S&P 500 earnings are expected up 3.1% in Q4; at the end of last month analysts were looking for a 2.5% drop in Q4, and at end-December they were expecting -9.2%.

## A very positive Q4 results season

| S&P 500 Earnings Scorecard (Net Income) for Q4 2020 | # Cos Reported | % Cos Reported | Growth Blended (%) | % Pos Surprise |
|---|---|---|---|---|
| Communication Services | 24 | 92,3 | 10,5 | 95,8 |
| Consumer Discretionary | 45 | 73,8 | 3,8 | 75,6 |
| Consumer Staples | 27 | 84,4 | 5,1 | 70,4 |
| Energy | 13 | 56,5 | -104,9 | 61,5 |
| Financials | 64 | 98,5 | 17,3 | 82,5 |
| Health Care | 56 | 88,9 | 13,2 | 80,4 |
| Industrials | 67 | 91,8 | -52,6 | 80,6 |
| Information Technology | 64 | 84,2 | 16,1 | 92,2 |
| Materials | 28 | 100,0 | 22,3 | 78,6 |
| Real Estate | 23 | 76,7 | -0,4 | 60,9 |
| Utilities | 16 | 57,1 | -3,3 | 68,8 |
| **S&P 500** | **427/505** | **84,6** | **3,12** | **80,0** |

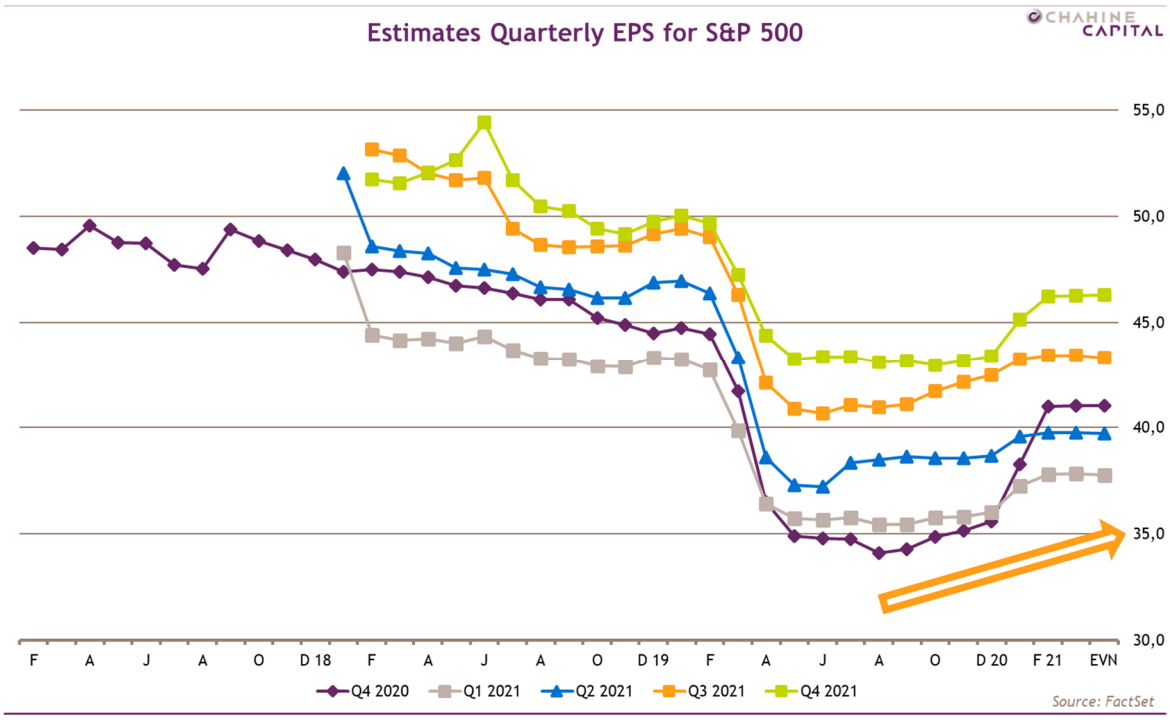
Initial guidance on Q1 2021 is also encouraging: 63% of the companies that have so far commented on Q1 are positive, compared with a five-year average of 33%. America's microeconomic resilience can certainly be considered to be an important support factor for the markets in the near term.

There has been no change in analysts' long-term earnings projections. The consensus view is for aggregate S&P 500 EPS growth of 24.2%, 15.5% and 12.2%, respectively, in the coming three years. That means that by the end of 2023, analysts expect EPS to be 39% higher than it was at the end of 2019 (and 61% higher than its 2020 low).

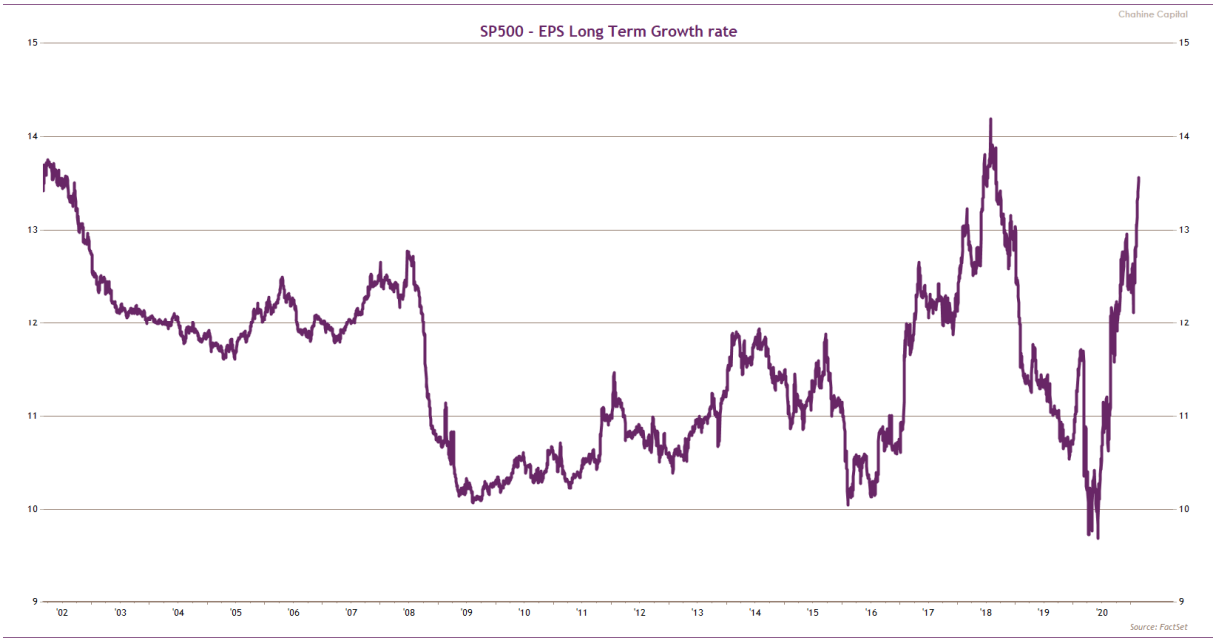
As we mentioned last month, we believe these long-term forecasts are too aggressive. Although a return to normality is a credible scenario for 2021, US potential growth rates will not permit continuing earnings growth at such high levels.

# STRATEGY OVERVIEW

## Revisions on a short-term roll…



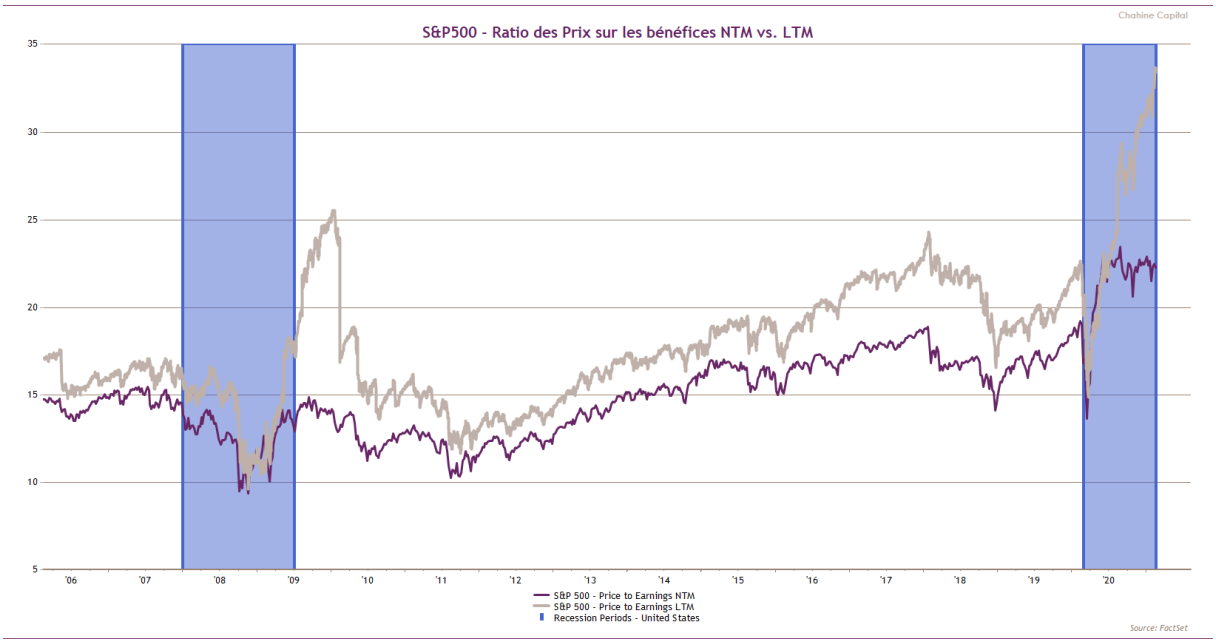

## … but long-term EPS growth forecasts are at risk of disappointment



## Market valuations: multiples are of limited use just now

Positive revisions to US earnings estimates for the coming 12 months have amounted to 6.1% since the end of 2020, during which time Wall Street has rallied 4.2%. The steady rise in share prices since their lows of mid-March 2020 has left market multiples at high levels: the LTM PER has ranged between 22 and 23 for the past few months. As we have argued in the past, these figures may appear excessive by historical standards but need to be put into perspective. Fed intervention rates are at zero, bond yields are very low (10-year Treasury 1.3%, 30-year 2.1%) and continuing central bank liquidity injections are automatically raising the prices of risky assets (and therefore market multiples). In these highly unusual circumstances, we would not consider the PER to be a useful timing indicator for equities. That said, we acknowledge that the further this indicator diverges from its norm, the bigger the market's reaction to any disappointment will be.

### Valuations leave no scope for bad surprises




## Our valuation model: correction on Wall Street but not in Europe

US 30-year yields have risen in line with fears of inflation related to the massive stimulus measures proposed by Mr Biden and the China-led rebound in commodity prices. The past month has seen that long bond yield climb from 1.8% to 2.2%. As far as earnings growth is concerned, we agree that 2021 will probably be as good as analysts expect, but estimates for 2022 are over-optimistic and are unlikely to be met. We are retaining an 8-year CAGR of 6.6%, up from 6.2% at the end of January.

With these parameters, our model indicates that consolidation is now required on Wall Street. Our year-end objective for the S&P 500 is 3,443 points but the market has rallied as high as 3,925 points (up 3.6% since our letter of last month). Its downside potential is therefore 12%. From a fundamental point of view, our model emphasises the need for the S&P 500 to pause for breath after its almost uninterrupted 68% gain since mid-March 2020. Investors are probably too aggressive on the interest-rate outlook in the near term. It therefore seems opportune to recommend caution on US equities.

# STRATEGY OVERVIEW

| S&P 500 - Valuation end 2021 except implied scenario | | | | | |
|---|---|---|---|---|---|
| *CAGR Compounded Annual Growth Rate from 2020* | 30 Years Gvt bonds | | | | |
| | 1,50% | 2,00% | **2,24%** | 2,50% | 2,75% |
| **Slow recovery: 19.2% in 2021, 5.4% in 2022 - CAGR 3.5%** | **3 338** | **2 939** | 2 776 | 2 616 | 2 476 |
| **Implied Scenario CAGR 8% over 8 years** | 4 734 | 4 160 | **3 925** | 3 695 | 3 494 |
| **Return to normal: 21% in 2021, 10.7% in 2022 - CAGR 6.6%** | 4 152 | **3 649** | **3 443** | **3 241** | 3 065 |
| **Current Index S&P 500** | | | **3 925** | | |

As in the past few months, the situation is very different in the euro zone. Although the weighted average 30-year yield has risen from 0.28% to 0.64% over the past month, the trend is less marked than in America. The consensus view on earnings has barely changed since our last edition, and according to analysts we will have to wait until the end of 2022 at the earliest to recover the profitability recorded at the end of 2019. The recent rise in bond yields leads us to believe that European equities are fair value, and irrespective of the scenario envisaged (in the event of a slow recovery, interest rates would inevitably sink towards zero again). We are 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% | 0,25% | **0,64%** | 0,75% | 1,00% |
| **Slow recovery: 14.1% in 2021, 4% in 2022 - CAGR -3.7%** | **132** | **121** | 108 | 104 | 98 |
| **Implied Scenario: CAGR -1.4% over 8 years** | 162 | 149 | **133** | 129 | 120 |
| **Return to normal: 26.7% in 2021, 6% in 2022 - CAGR -0.8%** | 165 | 152 | **135** | **130** | **122** |
| **Current Index MSCI EMU** | | | **133** | | |

## Conclusions

There's no slowing China. Like everywhere else, it suffered early last year from the pandemic but its economy rebounded smartly afterwards. Surging exports were all the more unexpected for the fact of slowing international trade, and ironically exports to the USA rose fastest of all just as Donald Trump's presidency drew to a close. That battle is far from over, however, and Joe Biden has already started to address the issue by denouncing "coercive and unfair" trade when he spoke to Xi Jinping in mid-February. That raised hackles in Beijing and resulted in Chinese threats to reduce exports of rare-earth metals, particularly to the Americans. These elements are indispensable to defence and high-tech industries.

So far, investors are untroubled by the prospect of heightened international tensions that could build over open conflict between the world's two largest economies. They are focused entirely on the Chinese-led recovery theme and its implications for the prices of raw materials, whether energy-related or agricultural. But note that commodity price inflation is hitting levels that could well penalise corporate margins and already fragile purchasing power among Western households, thereby stifling the rebound in economic activity that would otherwise gain traction as vaccination programmes make progress. Fears of an early return to inflation are starting to unnerve investors, hence higher bond yields (especially in the USA) and the beginnings of a correction in equity indices late last month.

Following China's example, world GDP growth should resume this year but forecasts from the major international institutions diverge widely. Taking account of progress in vaccination programmes, we lean towards the IMF's growth estimates, which are more favourable to the USA (5.1%) than to the euro zone (4.2%). The vaccination rate is three times faster in America than in Europe, producing a logical difference in outlook and resulting in a strong possibility that the euro zone will not do as well as forecast. Given that poorer growth prospects than elsewhere are penalising European equity indices, and Wall Street is suffering from rising interest rates (the US 10-year yield is closing on the S&P 500 dividend yield), Asian and emerging equities have been the best performers since the start of this year (MSCI Japan up 8%, MSCI Emerging Markets up 8.9%).

On the microeconomic front, the news is encouraging. We are almost at the end of the US Q4 results season; 85% of S&P 500 firms have now published, and 80% of them came with positive surprises on profits. As things stand, aggregate S&P 500 earnings will be up 3.1%, and initial guidance for Q1 2021 is mostly positive. An absence of bad news on earnings is essential to keep share prices at least at current levels, especially in the USA, where our model indicates that some market consolidation is required. Our theoretical objective for the S&P 500 is now 3,443 points, compared with its recent peak at 3,925 points (up 3.6% since our letter last month). This implies downside potential of 12% relative to its highs, and the index has already eased 2.9%. From a fundamental point of view, our model effectively emphasises the need for this index to pause after an almost uninterrupted 68% gain since mid-March 2020. This is all the more pressing in a context where investors are probably too aggressive on the interest-rate outlook in the near term. In the circumstances, we recommend caution on US equities. The situation is very different in the euro zone, where our model suggests that equities are fair value irrespective of the scenario. We are therefore overweighting European equities against Americans in the near term.

*Michaël Sellam*

# STRATEGY OVERVIEW

## Main ratios for markets and sectors as of 26/02/2021 (in local currency)

CHAHINE CAPITAL

| Data as of 26/02/21 | 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%** | **2,53%** | **15,04%** | **17,4 x** | **20,4 x** | **17,17%** | **38,60%** | **-19,05%** | **1,96%** | **1,3%** | **1,8%** |
| United States | 53,3% | 2,63% | 20,22% | 20,4 x | 23,8 x | 17,00% | 35,29% | -15,74% | 1,48% | 2,0% | 2,5% |
| Japan | 8,4% | -0,11% | 11,46% | 15,7 x | 18,4 x | 17,57% | 28,68% | -9,15% | 2,06% | -0,5% | 0,9% |
| Eurozone | 10,8% | 1,32% | 8,66% | 15,3 x | 18,7 x | 21,87% | 49,75% | -37,39% | 2,68% | 0,5% | 0,5% |
| Europe | 19,9% | 1,05% | 7,19% | 15,4 x | 18,3 x | 18,89% | 48,55% | -35,20% | 2,82% | 0,5% | 0,6% |
| Austria | 0,2% | 6,15% | -3,26% | 11,2 x | 13,5 x | 20,85% | 53,81% | -41,65% | 3,33% | 0,7% | 2,3% |
| Belgium | 0,4% | -3,11% | -2,41% | 16,5 x | 20,3 x | 18,63% | 9,10% | -27,49% | 2,71% | -1,5% | -1,5% |
| Denmark | 0,7% | -4,06% | 40,90% | 23,1 x | 25,7 x | 11,28% | 28,79% | -6,76% | 1,70% | -0,1% | 1,9% |
| Finland | 0,4% | 1,08% | 27,09% | 18,5 x | 21,7 x | 17,00% | 15,90% | -13,67% | 3,05% | 0,4% | -1,4% |
| France | 3,6% | 1,48% | 6,34% | 16,6 x | 20,4 x | 23,37% | 76,45% | -50,46% | 2,57% | 0,5% | 0,7% |
| Germany | 2,9% | 1,10% | 13,28% | 14,2 x | 17,0 x | 19,87% | 36,92% | -20,01% | 2,62% | 1,5% | 1,3% |
| United Kingdom | 4,0% | 3,46% | -8,98% | 13,3 x | 15,8 x | 18,74% | 60,27% | -41,62% | 3,41% | 0,9% | 1,8% |
| Ireland | 0,1% | -2,70% | 11,11% | 17,1 x | 29,4 x | 73,66% | 1501,97% | -105,16% | 1,18% | -0,5% | -4,7% |
| Italy | 0,9% | 1,46% | 1,91% | 11,5 x | 14,2 x | 23,48% | 65,07% | -41,79% | 3,73% | -0,3% | -0,6% |
| Netherlands | 1,3% | 3,93% | 21,86% | 19,5 x | 22,7 x | 16,60% | 41,21% | -25,24% | 1,64% | -0,4% | 0,2% |
| Norway | 0,4% | 2,76% | 5,88% | 15,5 x | 18,4 x | 18,92% | 133,07% | -54,50% | 3,27% | 2,4% | 2,2% |
| Spain | 0,9% | 0,58% | -4,61% | 14,5 x | 18,2 x | 25,64% | 32,64% | -43,09% | 3,57% | 0,6% | 1,4% |
| Sweden | 1,4% | 3,31% | 31,77% | 18,6 x | 20,1 x | 7,79% | 59,47% | -38,20% | 2,54% | 1,5% | 0,5% |
| Switzerland | 2,5% | -3,64% | 10,73% | 17,1 x | 19,2 x | 12,40% | 17,42% | -7,89% | 2,84% | -1,6% | -1,9% |
| Europe / Commercial Services | 0,5% | -0,85% | 3,13% | 18,2 x | 22,1 x | 21,23% | 39,20% | -29,10% | 2,11% | -0,9% | -0,9% |
| Europe / Communications | 0,5% | -1,08% | -3,23% | 13,2 x | 14,9 x | 12,69% | -5,69% | 1,50% | 4,72% | -1,7% | -1,3% |
| Europe / Consumer Durables | 0,9% | 3,88% | 18,46% | 9,0 x | 11,3 x | 25,23% | 200,90% | -58,51% | 3,03% | 2,9% | 4,0% |
| Europe / Consumer Non-Durable | 3,1% | -5,08% | 8,89% | 20,4 x | 22,9 x | 12,31% | 20,46% | -20,98% | 2,39% | -0,4% | -1,2% |
| Europe / Consumer Services | 0,5% | 7,78% | -1,65% | 20,9 x | 42,3 x | 102,84% | 349,27% | -122,72% | 1,81% | 3,2% | -5,5% |
| Europe / Distribution Services | 0,2% | 1,18% | 22,70% | 19,1 x | 22,8 x | 18,97% | 28,22% | -15,15% | 1,88% | 0,7% | -1,5% |
| Europe / Electronic Technology | 0,8% | 4,16% | 8,85% | 19,8 x | 25,4 x | 27,97% | 85,69% | -50,05% | 1,29% | -0,3% | -2,6% |
| Europe / Energy Minerals | 0,8% | 10,38% | -27,63% | 11,2 x | 14,9 x | 33,24% | 878,39% | -92,24% | 4,74% | 1,2% | 4,8% |
| Europe / Finance | 3,6% | 4,76% | -5,87% | 10,9 x | 12,7 x | 16,38% | 27,73% | -33,52% | 4,04% | 1,3% | 2,5% |
| Europe / Health Services | 0,2% | 0,68% | 12,06% | 20,6 x | 22,7 x | 9,77% | 14,92% | -1,41% | 1,67% | -4,4% | -4,5% |
| Europe / Health Technology | 2,2% | -2,37% | 8,87% | 17,4 x | 20,0 x | 14,46% | 6,56% | -1,01% | 2,49% | -2,5% | -3,0% |
| Europe / Industrial Services | 0,3% | 2,49% | -9,31% | 13,3 x | 16,9 x | 27,06% | 70,69% | -50,39% | 3,15% | 0,5% | -1,0% |
| Europe / Miscellaneous | 0,0% | 3,83% | 33,67% | 11,4 x | 15,9 x | 40,53% | 257,05% | -60,65% | 1,88% | 0,6% | -2,0% |
| Europe / Non-Energy Minerals | 0,7% | 11,72% | 17,23% | 12,3 x | 11,4 x | -7,76% | 41,35% | 27,85% | 4,21% | 2,1% | 4,7% |
| Europe / Process Industries | 0,8% | -0,21% | 17,61% | 18,1 x | 20,6 x | 13,88% | 23,43% | -13,80% | 2,72% | 0,3% | 0,4% |
| Europe / Producer Manufacturin | 1,8% | 4,49% | 31,52% | 20,3 x | 24,6 x | 20,78% | 70,54% | -31,18% | 1,81% | 1,6% | 1,2% |
| Europe / Retail Trade | 0,5% | -0,71% | 21,69% | 19,7 x | 25,2 x | 26,84% | 51,14% | -25,46% | 2,08% | -0,4% | 0,8% |
| Europe / Technology Services | 1,0% | 0,39% | 23,86% | 24,2 x | 29,1 x | 20,37% | 17,68% | -6,22% | 0,84% | 0,4% | -0,9% |
| Europe / Transportation | 0,6% | 5,27% | 3,88% | 17,1 x | 47,6 x | 181,02% | 127,39% | -254,08% | 2,02% | 1,4% | -8,1% |
| Europe / Utilities | 0,9% | -9,14% | 24,35% | 15,6 x | 16,9 x | 8,02% | 13,08% | -14,26% | 4,16% | 0,0% | 0,1% |

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