# STRATEGY OVERVIEW

## A temporary mismatch between the world's economic cycles


## Summary

Having been expected to peak in Q2, the US inflation rate topped out during the summer. It climbed from 1.4% at the start of the year to just over 5.3% in June and started to flatten out in July. Although its current level is well above the Federal Reserve's target, we would agree with Fed officials that price pressures are temporary in nature and do not present any real risk to the American economy at this stage. Jerome Powell himself confirmed this view at the recent Jackson Hole Economic Policy Symposium, when he said that the Fed could tighten monetary policy slightly after year-end but that nothing dramatic was on the cards. We are therefore sticking with our conviction that there is little likelihood of a bond market crash in the short, medium or long term and that sovereign debt yields will stay low for longer than generally expected. This implies that current equity market valuations are sustainable.

In contrast with China and the USA, the euro zone (and the EU as a whole) suffered a second wave of recession in Q4 2020, when real GDP contracted by an annualised 0.6%. It was therefore the last of the world's main economic blocs to stage a post-Covid recovery, and it is only now that purchasing managers' indices are upbeat. The European economy can also count on budgetary stimulus from now on, which ought to bolster a recovery that has so far thrown up a number of mixed signals. Needless to say, there is even less chance of a change in monetary policy in Europe than there is in America. It all lends credibility to our own scenario of the 'Japanisation' of Europe.

By virtue of its temporary nature, the pickup in inflation is not a major risk for the world's big economies. But it could amount to a real blow to weaker emerging countries. China is not among that number: it is increasingly capable of dealing with inflationary pressures and its economy now looks more like a rich than an emerging one anyway. Derailing the Chinese economy at this point would require an accelerated shift in the division of value added domestically, which looks improbable in the near term as the authorities are focusing instead on cracking down on the big Chinese trusts.

As far as the microeconomy is concerned, corporate newsflow has demonstrated resilience for quarter after quarter, especially in America. Q2 results have been record breakers: 97% of S&P 500 companies have published to date and together are posting a 93.8% increase in earnings. If we include the 3% of firms that have not yet published their results, we obtain a 91.9% gain for the index, far greater than analysts expected even at end-June (an estimated 63% increase).

Equity indices are pursuing their inexorable rise. Since our previous strategy letter, the American and European markets have appreciated 5% and 4%, respectively, in local currency terms. That should be placed in the context of a significant decline in bond yields since the end of June, although corporate earnings estimates have continued to rise. 2021 as a whole is revised sharply higher, too. Even so, our valuation model still suggests that consolidation is possible in the US market. We will continue to overweight European stocks to the detriment of their American counterparts.

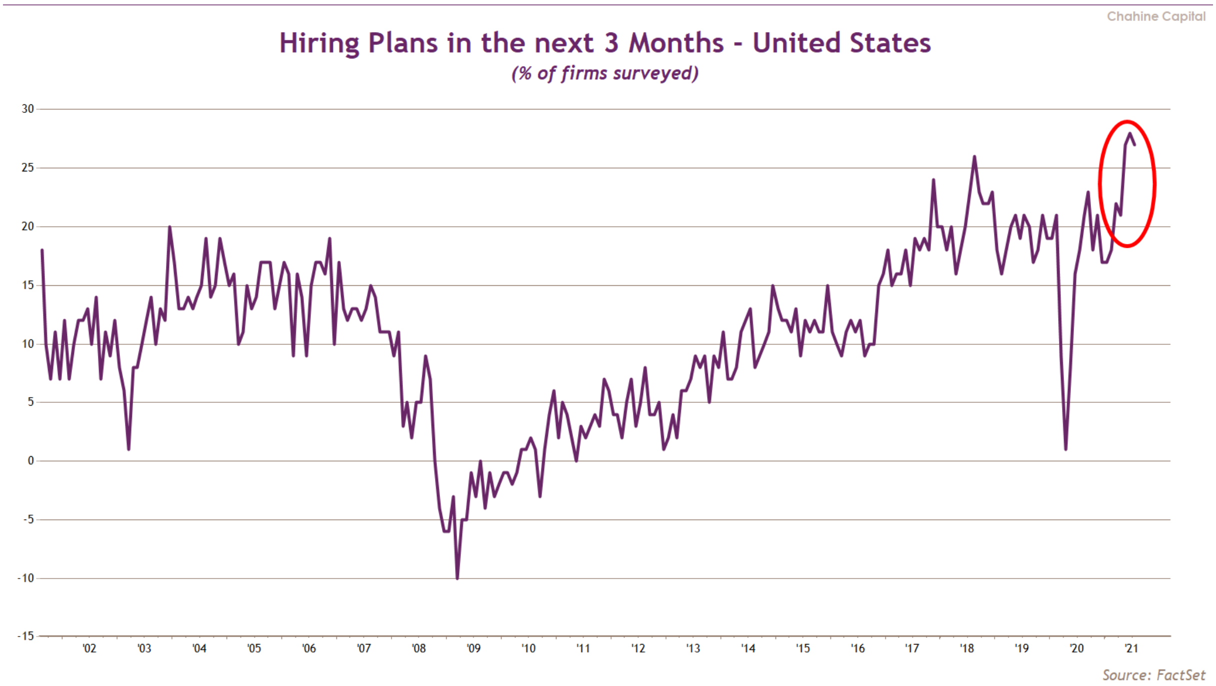

*Michaël Sellam*

## US inflation starts to level off

Having been expected to peak in Q2, the US inflation rate topped out during the summer. It climbed from 1.4% at the start of the year to just over 5.3% in June and started to flatten out in July with a 4bp tick downwards. Although its current level is well above the Federal Reserve's target, we would agree with Fed officials that price pressures are temporary in nature and do not present any real risk to the American economy at this stage.

The US labour market is not entirely free of pressure, with 27% of firms reporting to the National Federation of Independent Business in July that they were looking to hire over the next three months – a record high – and more than one in ten companies saying that they have experienced difficulties in hiring recently. But other indicators suggest that it will be some time before the US economy can be considered to have moved out of under-employment and presents a high risk of knock-on inflation.

### A new high in hiring plans

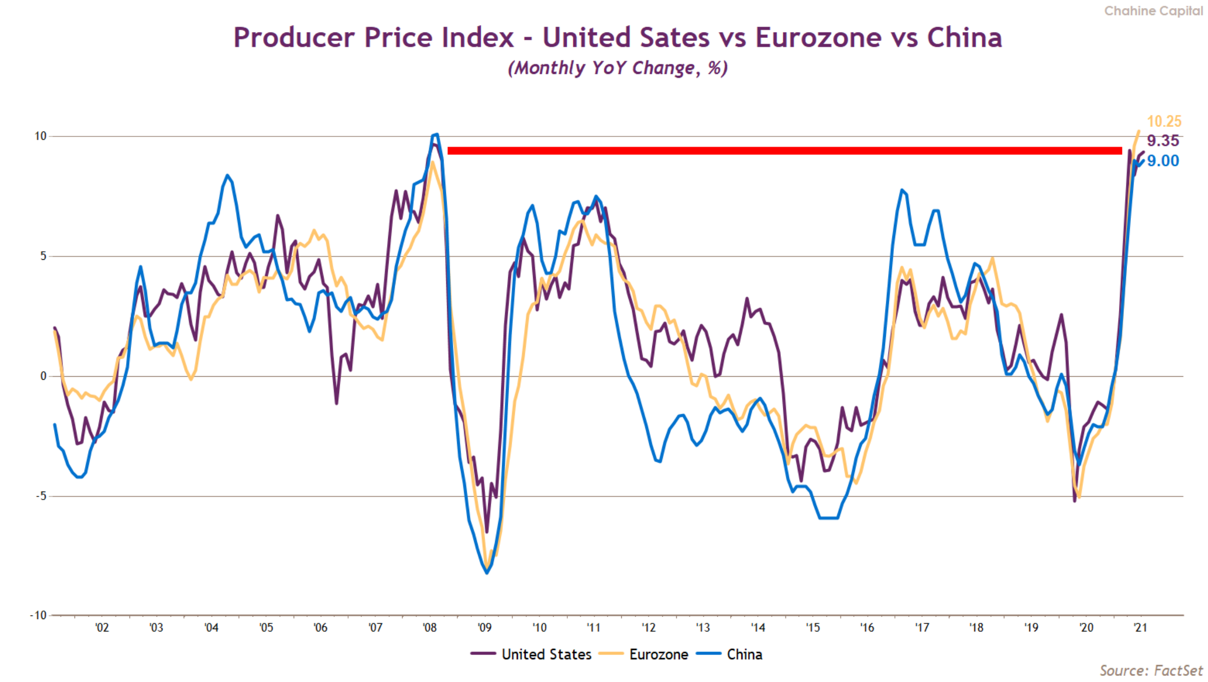



We note that the economy's capacity utilisation rate was still only 75.4% at the beginning of summer, and although the headline unemployment rate dropped to 5.9% in Q2, the rate adjusted for people who have given up the search for work and temporary jobs was a high 11.7% in July. Given that the US participation rate was 61.7% in July, a level so depressed that we have to go back to the oil shocks era to find anything similar, readers will understand our view that it is far too early to talk of full employment in America.

## Higher production costs could start squeezing margins

As in other major economies (see chart), US producer prices surged in July, climbing 9.4% year-on-year to match levels last seen in 2008. For the time being, the increase is being absorbed via reductions in inventories of both raw materials and finished goods (down $88.3 billion in Q1 and down $165.9 billion in Q2, respectively). This process cannot continue indefinitely, of course, and although this is not our baseline scenario any further pressure on producer prices in the coming months could start eating into US corporate margins. And that would mean the first disappointments in microeconomic newsflow for a very long time.

## Surging producer prices are making little difference to consumption or profit margins




# Only marginal changes in Fed monetary policy

As expected, Jerome Powell confirmed our view at the recent Jackson Hole Economic Policy Symposium, when he said that the Federal Reserve could tighten monetary policy slightly after year-end but that nothing dramatic was on the cards. The Fed clearly wants to extend its accommodating stance to bolster economic growth; although it is already robust (GDP rose by an annualised 6.3% in Q1 and 6.5% in Q2) the facts of a low capacity utilisation rate and underemployment indicate that the economy is far from overheating. We are therefore sticking with our conviction that there is little likelihood of a bond market crash in the short, medium or long term and that sovereign debt yields will stay low for longer than generally expected. This implies that current equity market valuations are sustainable.

# Democrats will struggle to get more out budgetary stimulus

The latest inflation figures could unnerve Congress when it resumes its work on the Biden infrastructure plan. The whole stimulus package has been under close scrutiny since February, when the economist Larry Summers underlined its potentially inflationary impact during a celebrated debate with Paul Krugman at Princeton.

On 10 August, the Senate finally approved a $1,200 billion bipartisan infrastructure and green stimulus package. Notwithstanding the perception of inflation risk among legislators, and accepting that the House of Representatives is unlikely to vote the package through before Q4, the impact of the package will certainly be positive. It will be quite another challenge for Democrats looking to add another $3,500 billion to it, and their success will depend entirely what happens to the economy in the coming months.

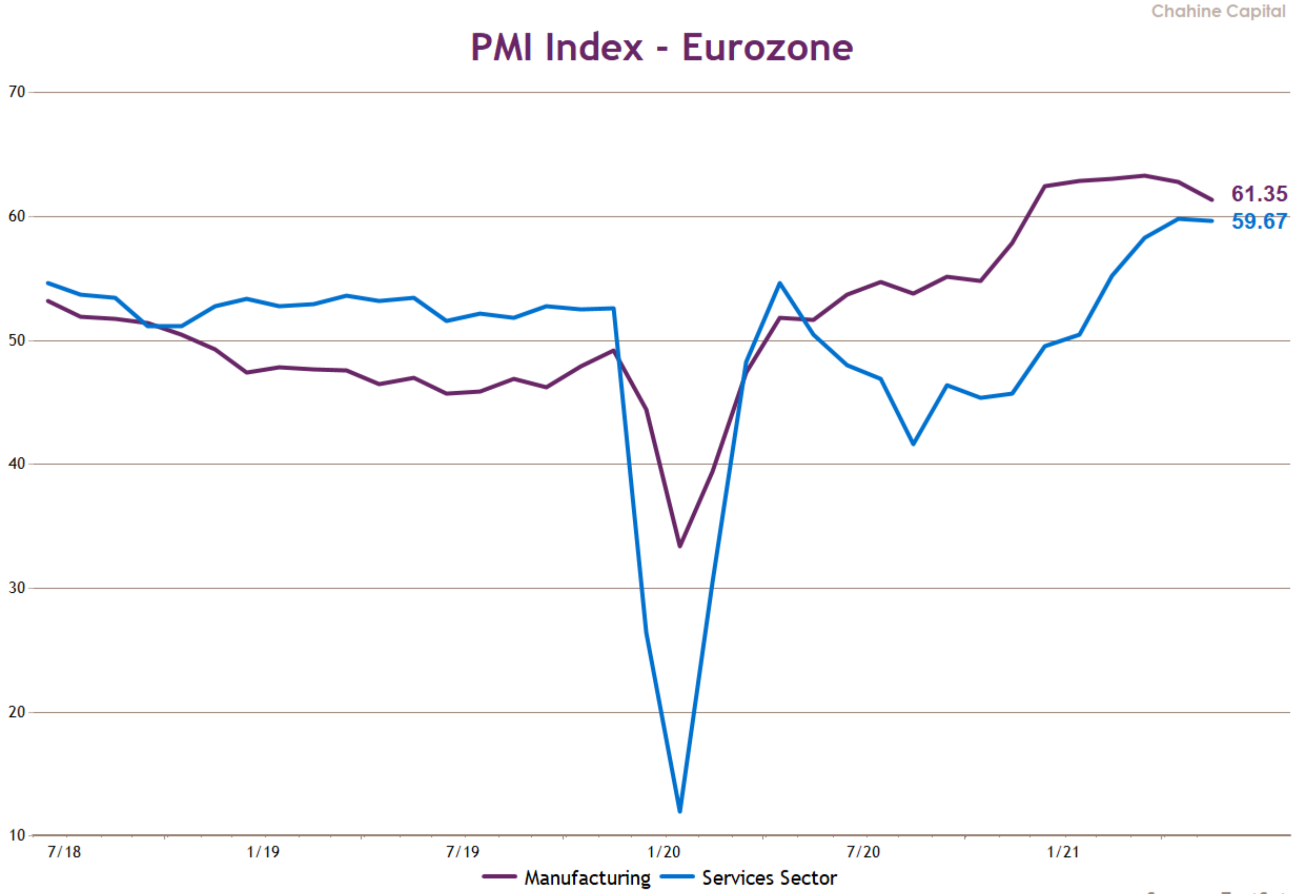
## A partial catch-up in Europe, but consumption to remain anaemic

In contrast with China and the USA, the euro zone (and the EU as a whole) suffered a second wave of recession in Q4 2020, when real GDP contracted by an annualised 0.6% (and by 0.4% for the EU); it dropped by another 0.3% in Q1 2021 (-0.1% for the EU). It was therefore the last of the world's main economic blocs to stage a post-Covid recovery. Fortunately, growth returned in Q2: 2% for the euro zone and 1.9% for the EU. This helps explain the slight mismatch between growth cycles in Europe on the one hand and the USA and China on the other.

Renewed growth has boosted purchasing managers' confidence. PMIs were at record highs in the euro zone in August (see chart): 59.7 for services and 61.3 for manufacturing. We therefore expect better industrial production figures in the months ahead, following monthly declines of 1.1% in May and 0.3% in June.

The European economy can also count on budgetary stimulus from now on, which ought to bolster a recovery that has so far thrown up a number of mixed signals. The first payments (13% of the pre-financing) under the European Commission's 'Next Generation EU' plan were made in mid-August, including €24.9 billion for Italy, €9 billion for Spain, €5.1 billion for France and €2.25 billion for Germany.

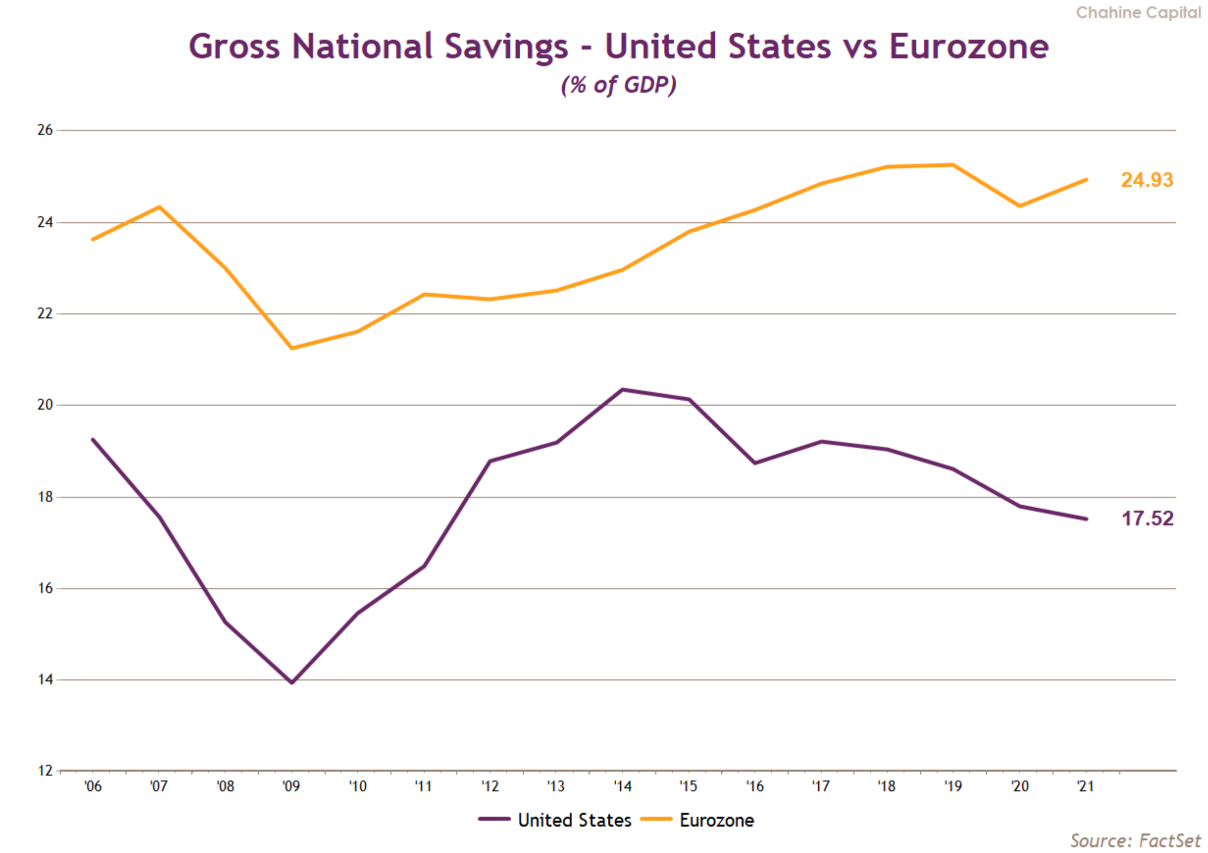
## Europe is lagging the cycle and should look better in H2




*Source: FactSet*

The ability of the European authorities to stimulate demand is limited, however, as the continent has been reporting surplus savings for some time (see chart). Eurozone households saved almost 22% of their disposable income in Q2, and at almost 7.5% of GDP, the gap between the European and US savings rates has never been wider. In the circumstances, it is hardly surprising that consumer price inflation is tamer on this side of the Atlantic than it is in America (2.2% in July, with underlying inflation at just 0.7%). Against a backdrop of persistent coronavirus issues, the eurozone unemployment rate is still 7.7%. This helps explain European households' caution, especially as the eurozone tax burden amounts to almost 42% of GDP, compared with under 26% in the USA. They prefer investing in assets (especially real estate: house prices rose 5.8% in the year to Q1 in the euro zone, an inflation rate that will have accelerated since and into year-end) to consumption. Betting on a change in behaviour in the next few months would be a bold move.

### Surplus savings explain lower inflation in the euro zone than in the USA

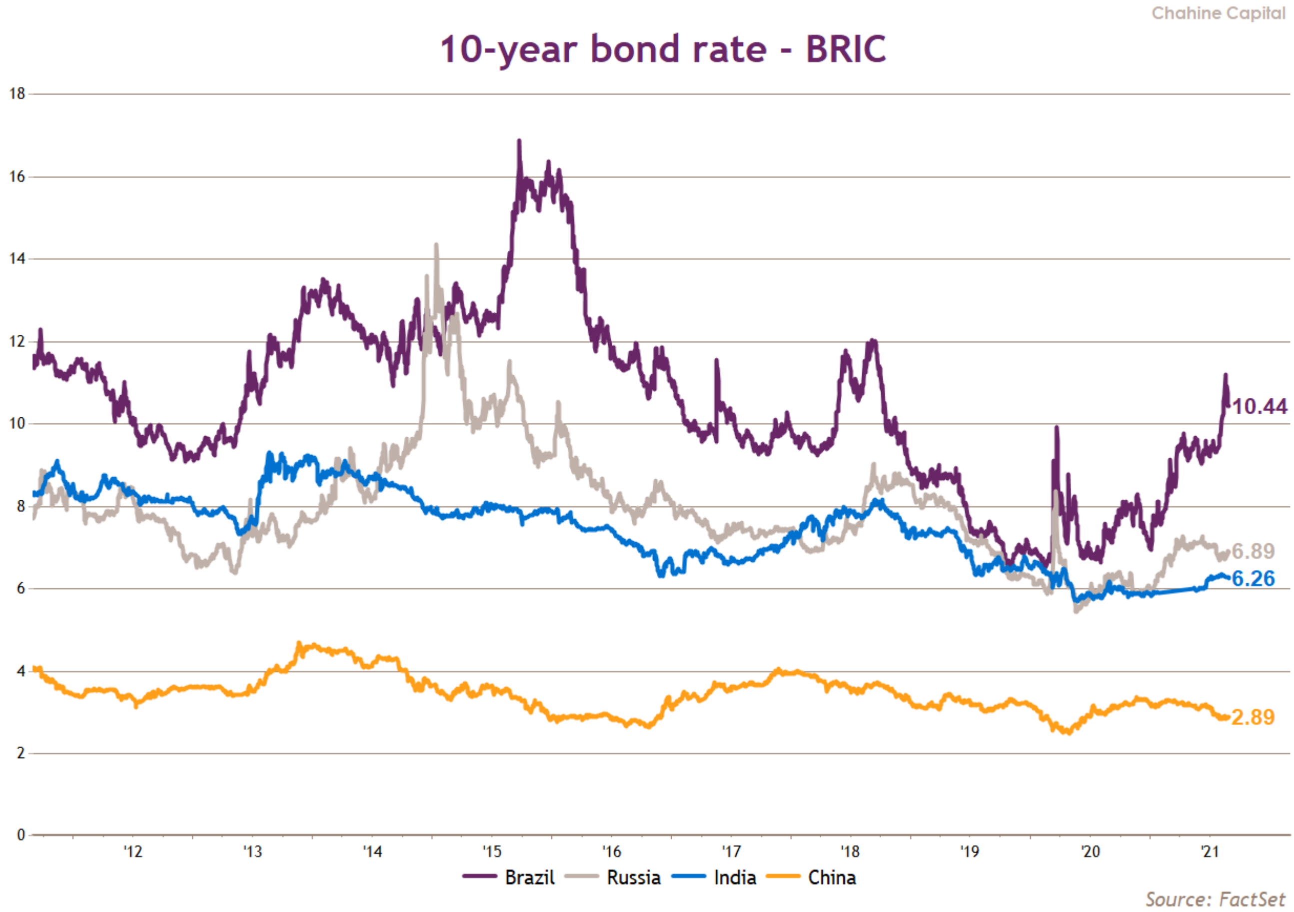



Well aware of the sluggishness of European household demand, the ECB altered its inflation target at the beginning of July. It is now “symmetrical”, by which it means that the target is still 2% but that it can exceed that level. Up until then inflation had to be “below, but close to, 2%”. Surges in inflation that go well above that target may even be tolerated so long as they are for a limited period. In the meantime, ECB interest rates will be unchanged unless or until the inflation target is met in a durable fashion. This means that there is even less chance of a change in monetary policy at the ECB than there is at the Fed. It all lends credibility to our own scenario of the ‘Japanisation’ of Europe.

## Apart from China, emerging countries could suffer from higher costs of production

By virtue of its temporary nature, the pickup in inflation is not a major risk for the world’s big economies. But it could prove a real blow to weaker emerging countries. By the middle of Q2, core inflation was up to 4.5% in emerging countries; this excludes China, where it was limited to under 1%. To counter price pressures, the Russian central bank raised its key interest rate to 6.5% (back to where it was in October 2019); in Brazil, signalling a shift in priorities away from bolstering growth, the authorities hiked their key rate from 3.5% to 4.25%.

### Higher Brazilian and Russian bond yields

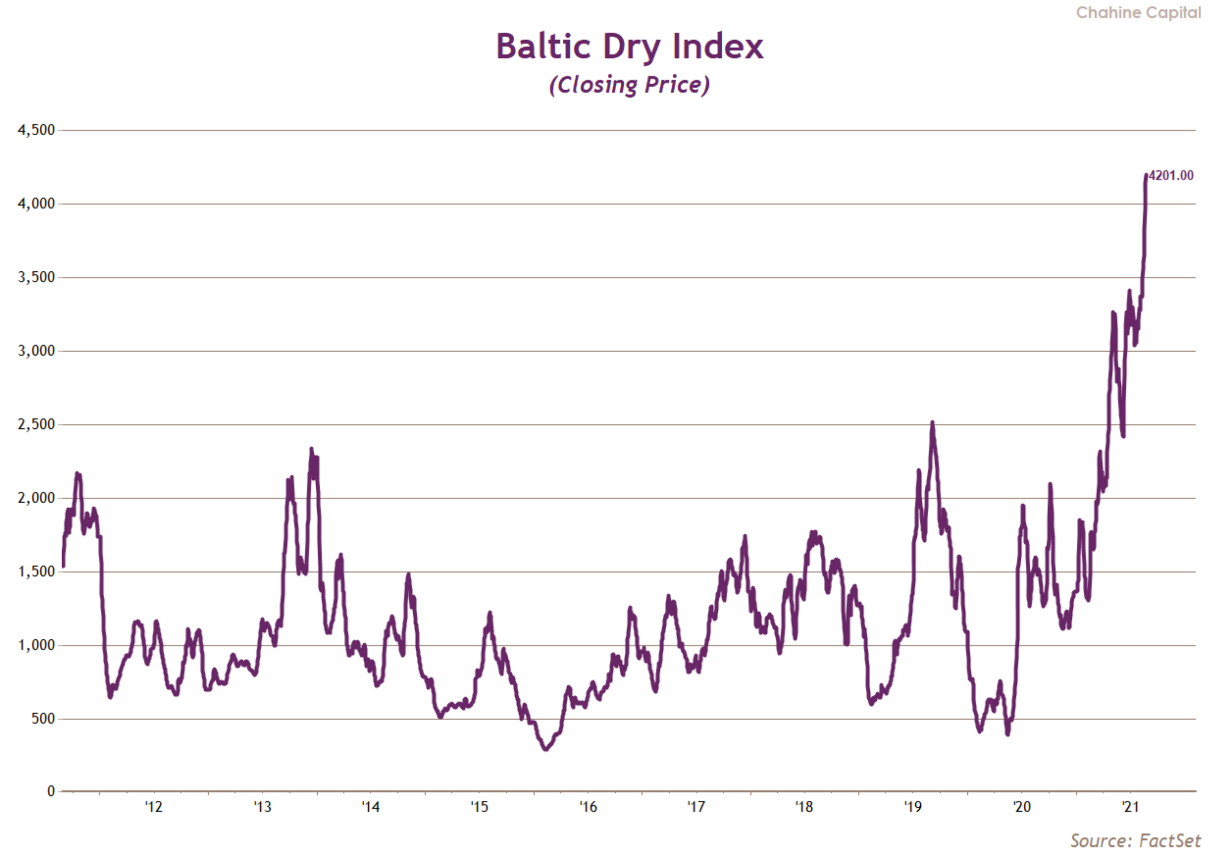



China is not in the same situation. It is increasingly capable of dealing with inflationary pressures and its economy now looks more like a rich than an emerging one anyway. It has sorted out its food security problem, ensuring that food price inflation has tumbled from a peak at almost 22% in the winter in early 2020 to 13.2% in July 2020 and -3.7% in July 2021. This development stems largely from the construction of massive pig farms, as most of the Chinese population's protein comes from pork. This solved a problem dating back to the swine flu epidemics of 2018.

## A slowdown in Chinese exports… but only after a massive expansion


The news from China has been sombre recently, with flooding in Zhengzhou (the capital of Henan province) killing hundreds of people and causing serious damage, never mind sporadic outbreaks of Covid-19. Even so, H1 2021 was impressive in economic terms. Real GDP rose by an annualised 18.3% in Q1 and by 7.9% in Q2. And although the national growth rate could well slow slightly amid the Delta variant and on the back of softer exports, the situation is hardly catastrophic. The data we have suggest that the economy is leading the economic cycle relative to other major economies: the manufacturing PMI dipped from 50.3 in July to 49.2 in August, but the services PMI held up at a robust 54.9 in July. Derailing the Chinese economy at this point would require an accelerated shift in the division of value added domestically, which looks improbable in the near term as the authorities are focusing instead on cracking down on the big domestic trusts (see our July letter).

### Maritime and other transport costs are hurting emerging countries



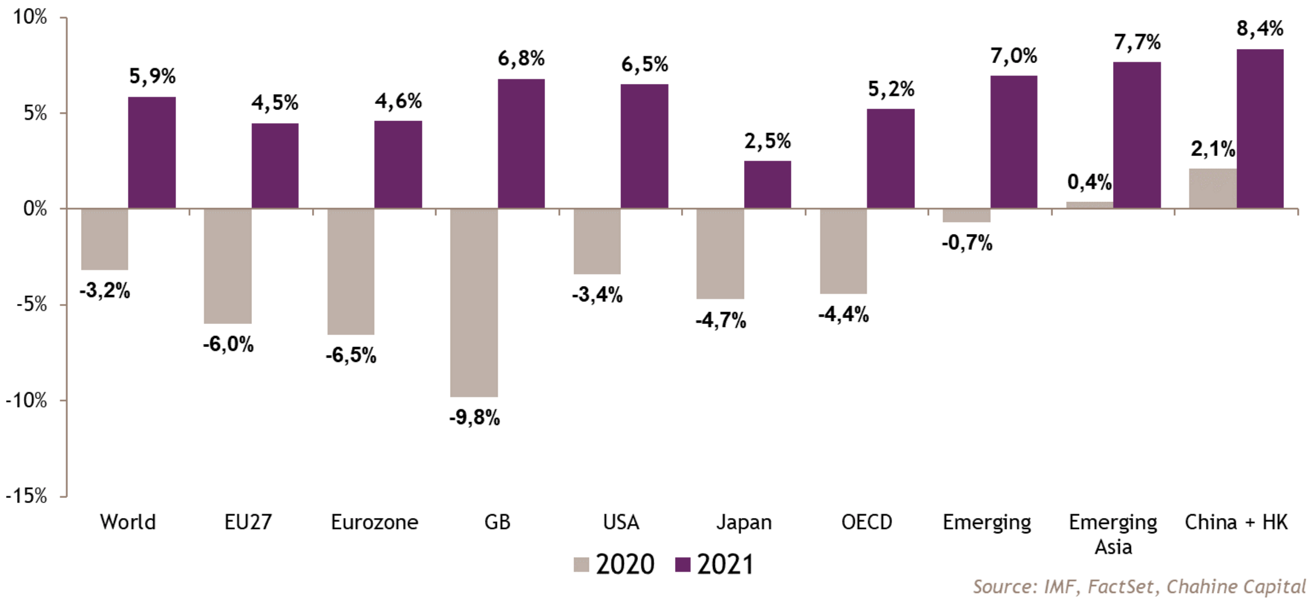

In contrast, emerging countries heavily dependent on imports should be watched carefully. They could be tempted to limit or even call a temporary halt to their exports if higher input prices (the prices of basic industrial commodities have risen almost 15% since February) and rising transport costs (China has defused at least part of the transport conundrum by investing in the Trans Siberian Railway) cannot be passed onto final consumer prices. That would of course hamper their economic recovery and is why we are cautious on these economies. Note that maritime transport costs have been rising continuously since 2020 and accelerated recently. The Baltic Dry Index surged over 31% in August to over 4,200 points, a level last seen in 2009 (see chart). We will be paying close attention to exchange rates and government bond yields in non-Asian emerging countries in the months ahead; if the wheels fall off there, it could destabilise the world economy.

## Growth forecasts: global convergence?

GDP growth forecasts for 2021 shifted somewhat over the summer, with estimates improving for developed countries and worsening for emerging countries. Overall, real world GDP growth has been revised up 10bp to 5.9%. China is likely to be the best post-Covid performer with 8.4%, while stimulus efforts have improved the outlook for the USA (6.5%) and the euro zone (4.6%). On the other hand, projections have been revised down for emerging countries in Asia (7.7%) and elsewhere (down 10bp to 7%) because of the latest developments in the pandemic and uneven access to vaccines. Their situation could worsen further if inflation-related problems kick in.

## Growth forecasts revised up for developed economies and down for emerging countries

### 2020-21 GDP Growth Forecast of major Geographic zones



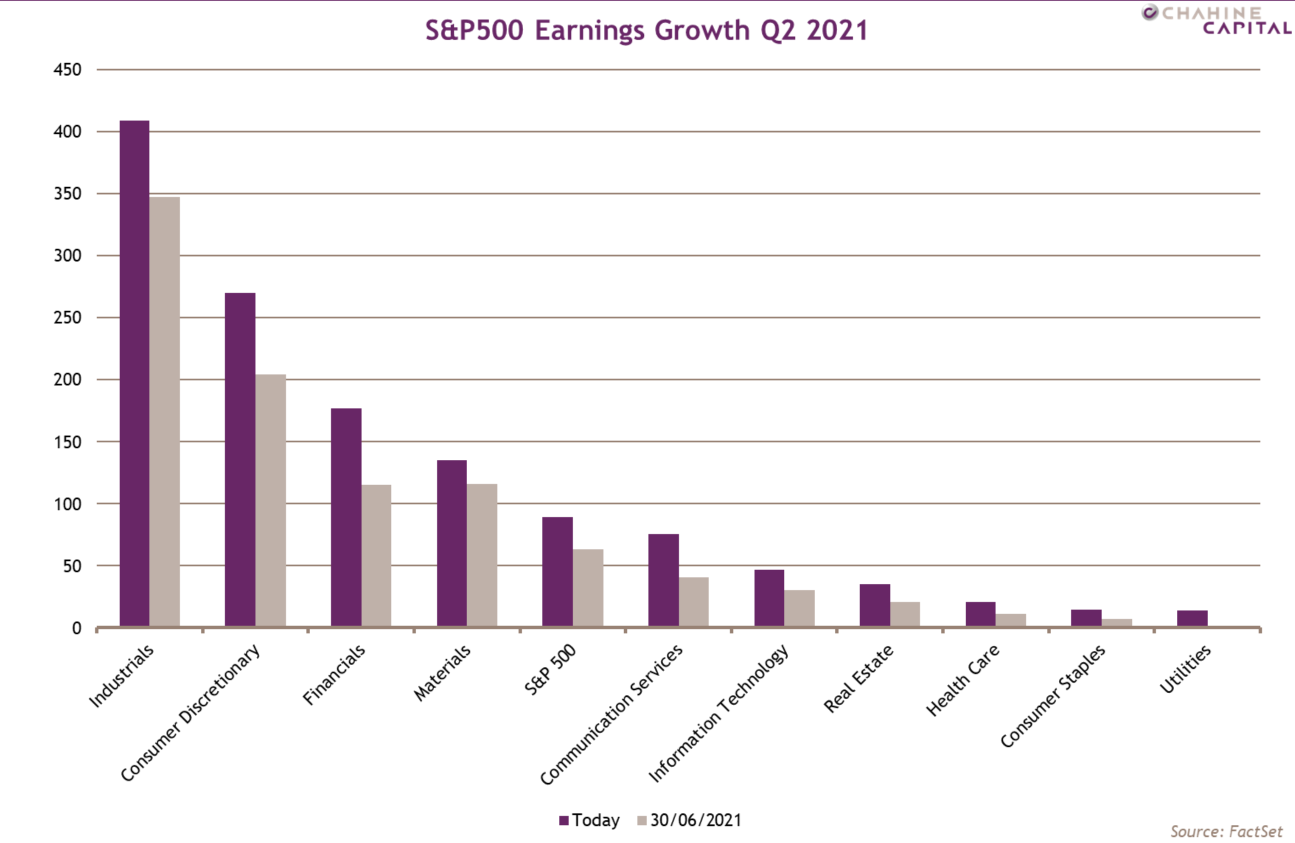

*Source: IMF, FactSet, Chahine Capital*

## Q2 profits largely exceeded expectations, but how often can that be repeated?

As far as the microeconomy is concerned, corporate newsflow has demonstrated resilience for quarter after quarter, especially in America. Q2 results have been record breakers: 97% of S&P 500 companies have published to date and together are posting a 93.8% increase in earnings. If we include the 3% of firms that have not yet published their results, we obtain a 91.9% gain for the index, far greater than analysts expected even at end-June (an estimated 63% increase). Q2 therefore produced the biggest jump in US corporate profits since the rebound from the subprime crisis in Q4 2009 (up 108.9%). We should add that 86.1% of the companies that have published beat the consensus EPS estimate, the highest proportion ever recorded since FactSet started following it in 2008, and S&P 500 firms published earnings an average 16.4% higher than analysts predicted.

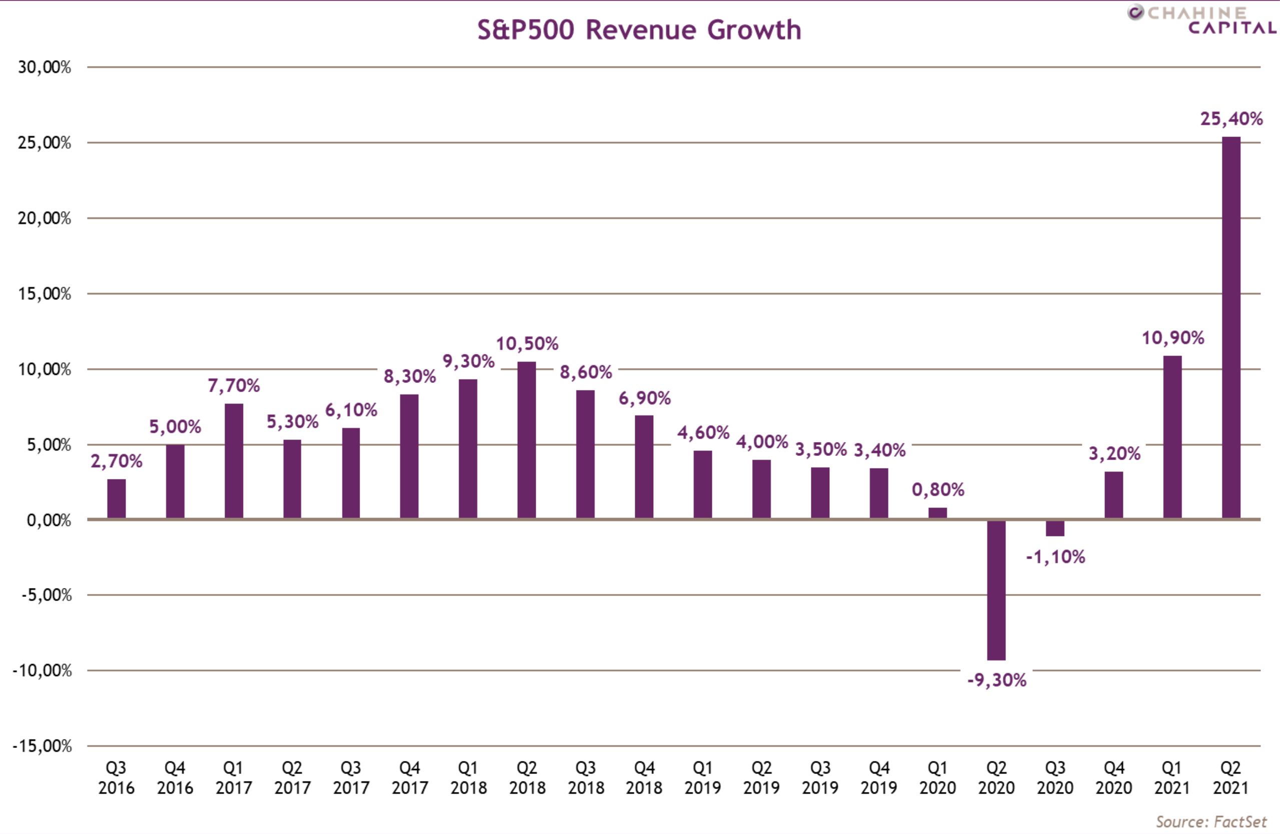
In terms of sector, some of the best Q2 results came from the biggest casualties of 2020. We finally saw a significant rebound from the energy sector, although its earnings growth cannot be calculated because of outright losses in Q2 2020. This reflects a 136% jump in oil prices from an average $28 per barrel in Q2 2020 to $66.20 a year later.

## Continuing recovery from sectors hit by Covid-19 last year




Revenue data were just as encouraging in Q2. Revenue growth for S&P 500 companies was 25.4%, the biggest gain since FactSet started publishing these figures in 2008. Naturally, the numbers owe a great deal to a base effect, with many sectors reporting lower turnover when lockdowns were at their tightest in Q2 2020. While all sectors reported higher revenues in Q2 this year, energy topped the table with a 112.8% jump.

## Thanks to a Covid-19 base effect, a record rebound in corporate revenues in Q2

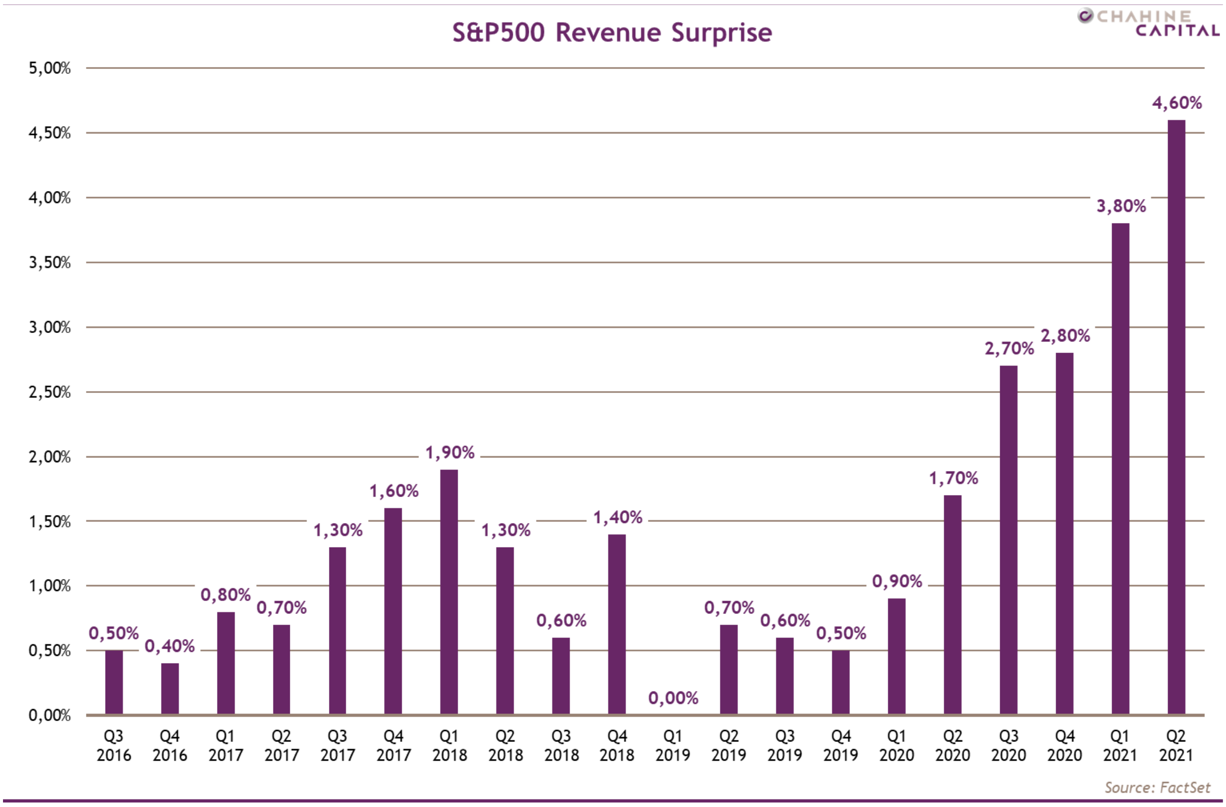



More specifically, 87% of the index firms that have published Q2 results reported revenue higher than analysts' estimates – the greatest proportion ever recorded in a FactSet series dating back to 2008. In aggregate terms, this represented a positive surprise[1] of 4.6% over estimates. With energy in the lead, all sectors generated positive surprises in their own right.

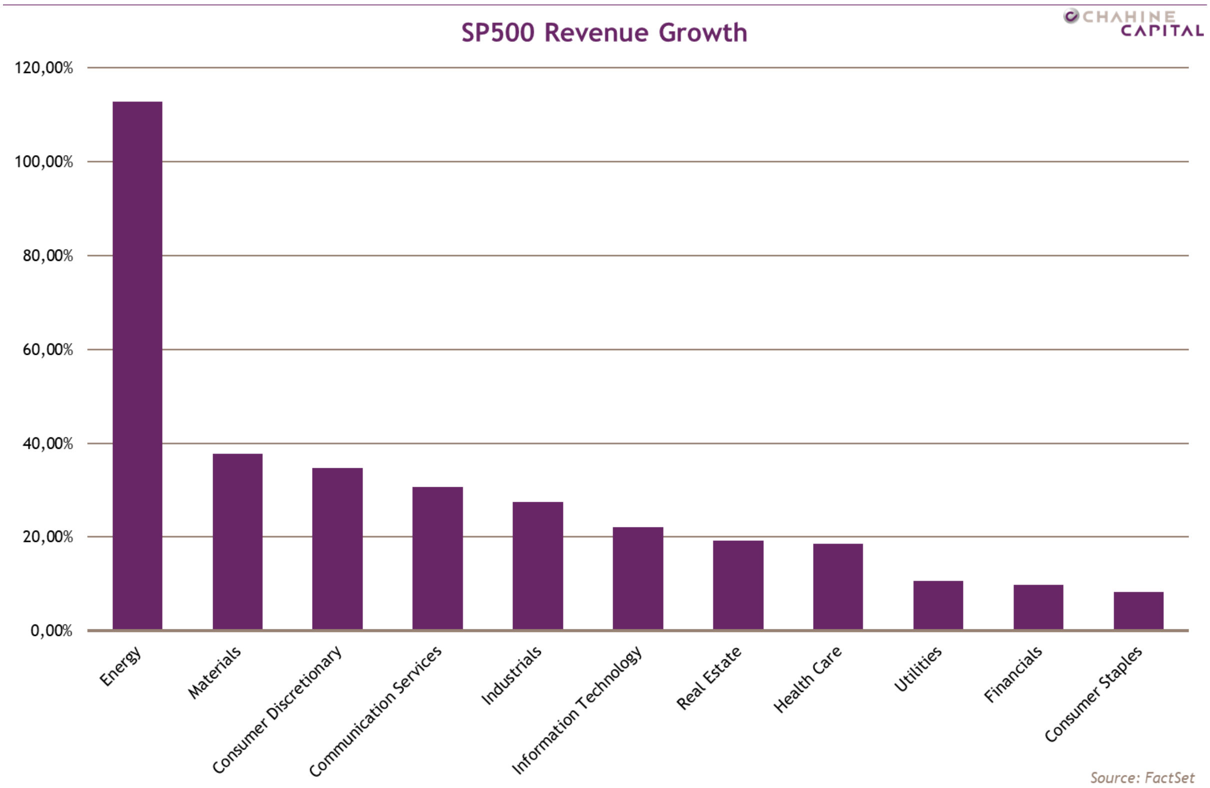
[1] A surprise is defined as the difference between a result published by a company and the consensus estimate as of the eve of publication. It is described as positive when the company announces a result higher than the consensus estimate and negative in the contrary case.

# STRATEGY OVERVIEW

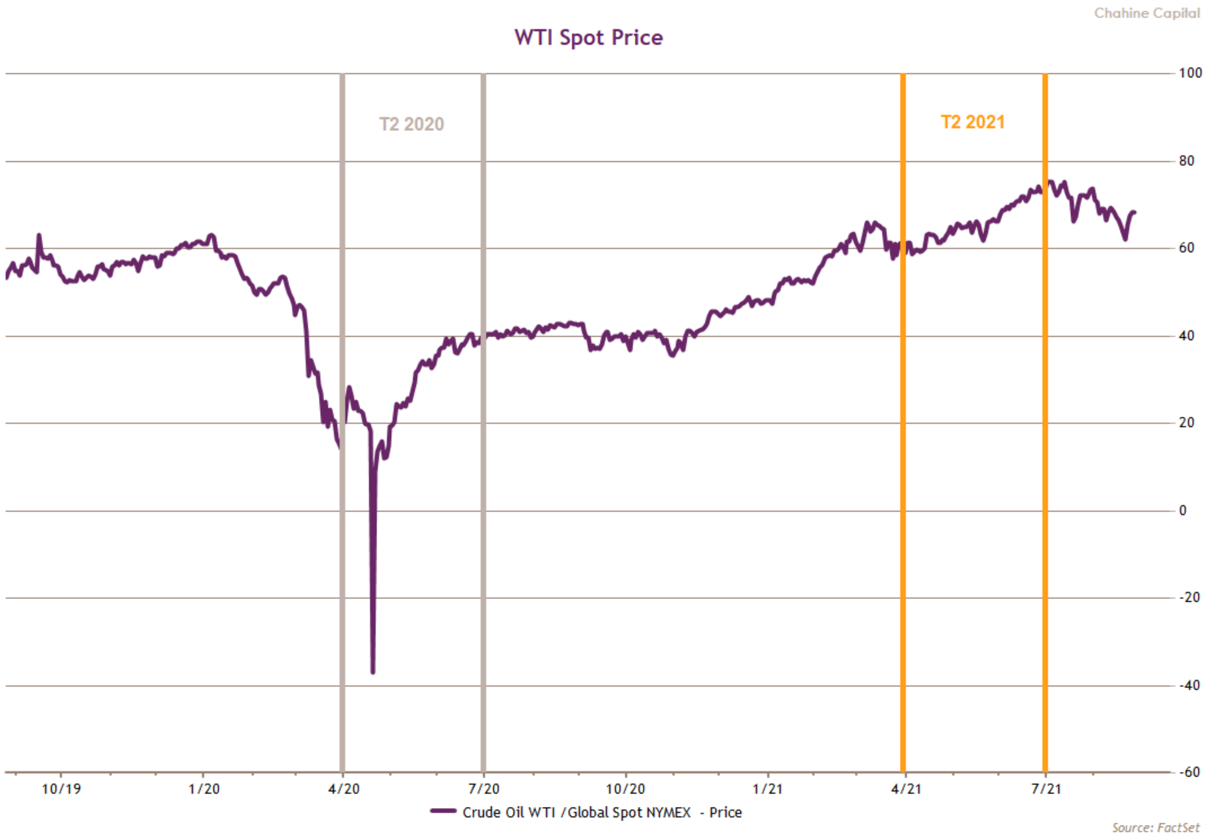
## Analysts missed the scale of the Q2 bounce




## After several dire quarters, energy is back…



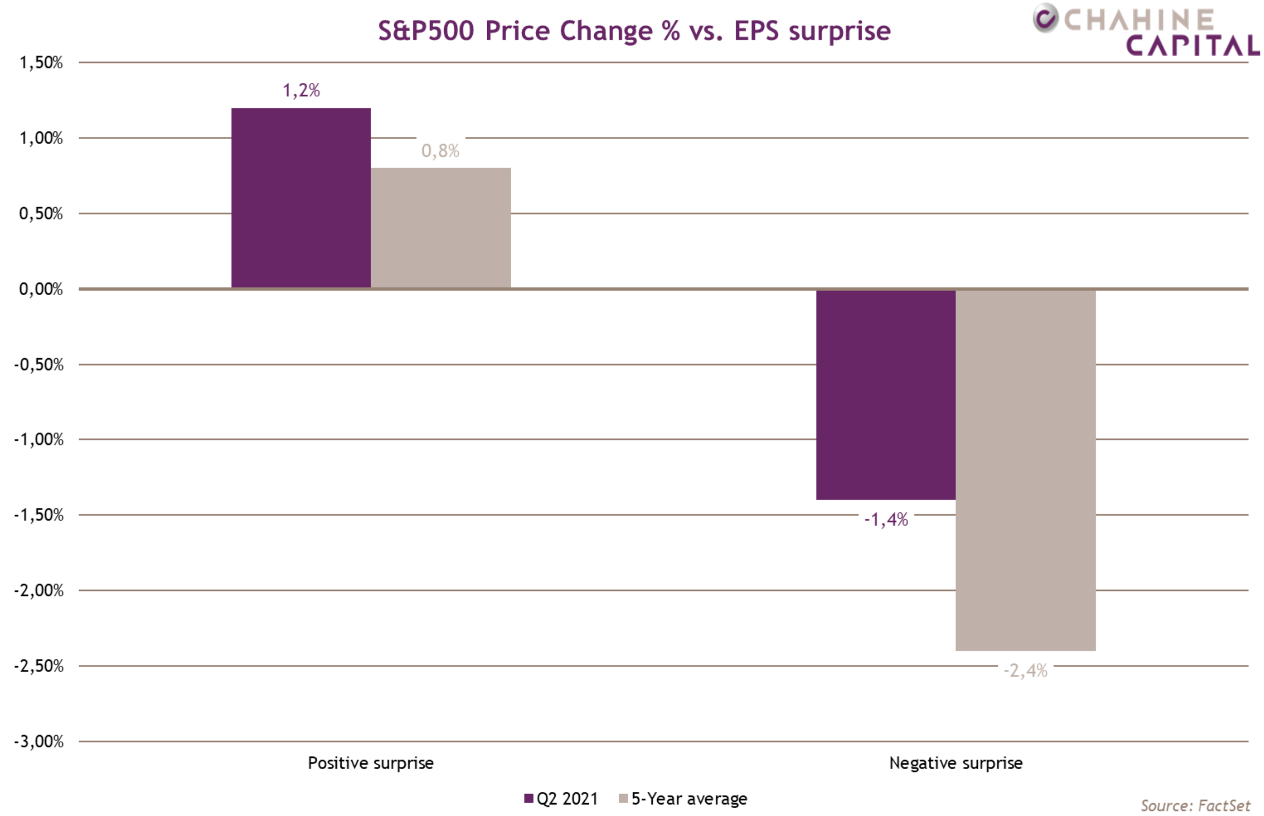
## … thanks largely to higher oil prices




Given the underlying bullish context for equities, investors welcomed these results. Although the S&P 500 is up 'only' 4.4% since the end of June, a modest return given the excellent data, the market rewarded positive surprises by more than usual by raising the share prices of the firms concerned by 1.2% compared with an average 0.8% over the past five years[2]. The same went for companies posting negative surprises, which were penalised less than usual (-1.4% compared with a five-year average of -2.4%).

[2] Change in share price between 2 days before the results announcement and 2 days afterwards.

## Investors rewarded positive surprises more - and penalised negative surprises less - than usual

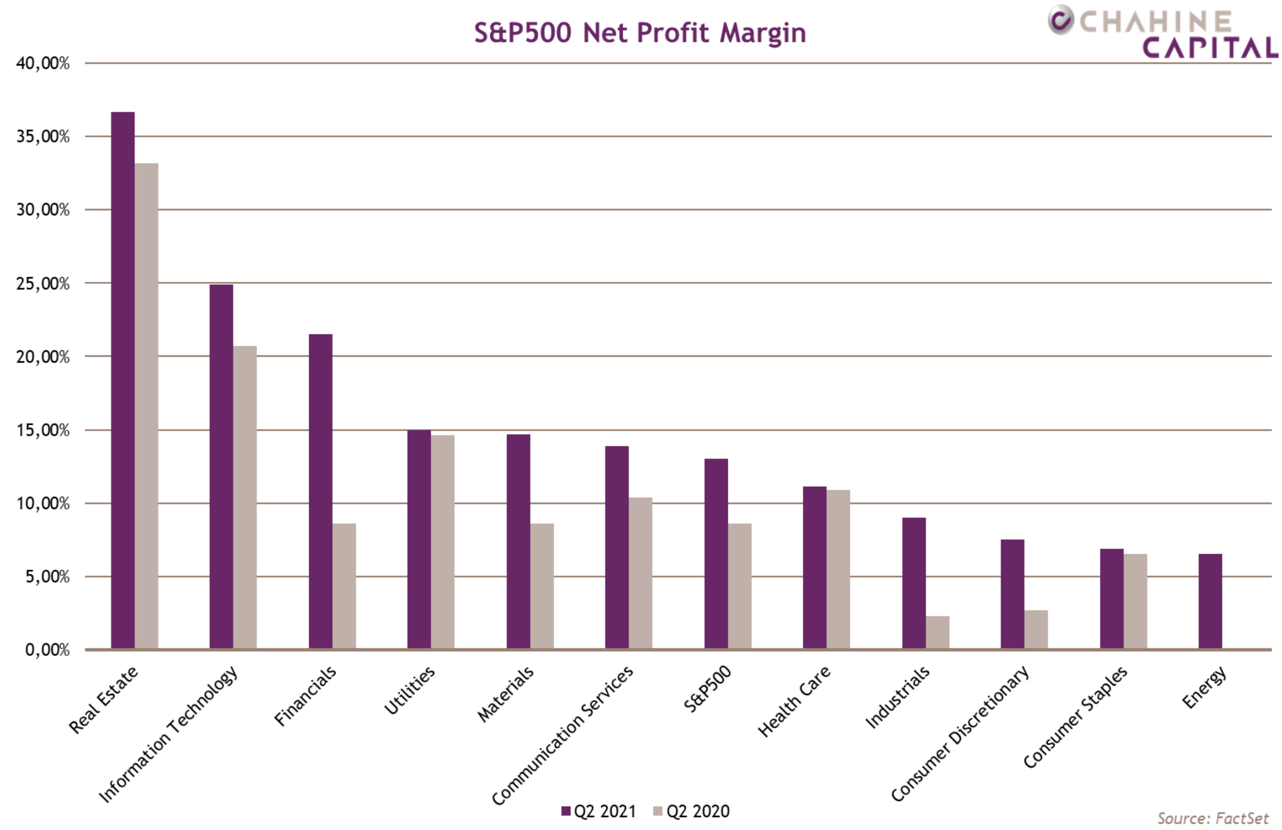



Net profit margins were also robust, lifting the S&P 500 aggregate to 13%. This was yet another high in a FactSet series dating back to 2008. All sectors have or will report higher net margins than they did in Q2 2020. The biggest gain was from the financial sector, and specifically banks, thanks to a straightforward base effect related to provisioning during the pandemic. We have discussed this phenomenon in previous letters and note that this base effect should disappear between now and Q4.

IT margins are still stratospheric (almost 25% in Q2), highlighting the particularly profitable nature of the sector's business model. As we have argued before, the widespread bearish commentary on the sector is misguided. It is certainly premature, and being right too early is often a handicap on financial markets! We believe that for as long as their regulatory environment has not actually changed, these firms' valuations may be high but are eminently sustainable. This is particularly true of leaders such as GAFAM, and remember that interest rates are structurally depressed. We cannot see how US indices could continue to make progress without the sector, as FAANGM[3] now represent 26% of S&P 500 capitalisation.

[3] Facebook, Amazon, Apple, Netflix, Google (Alphabet) and Microsoft

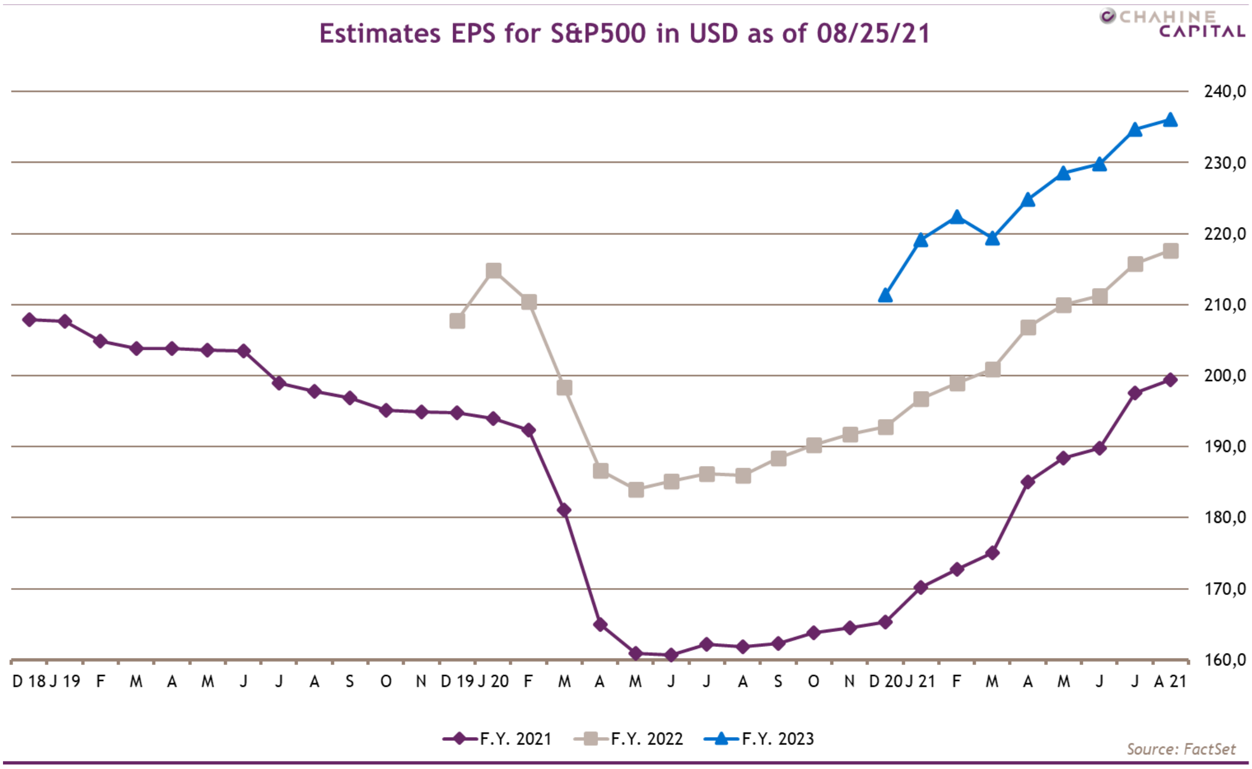
## America’s buoyant profit margins



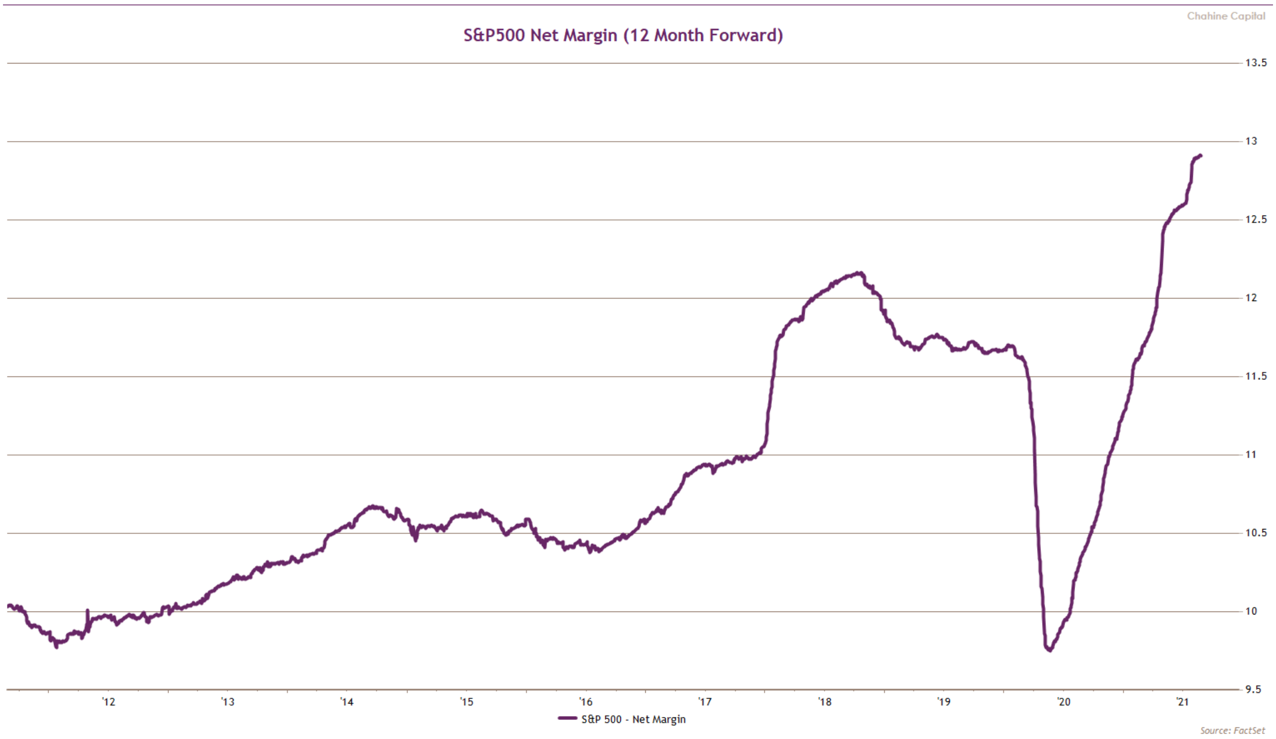

Turning to the coming quarters, fading base effects will mean less impressive results than in Q1 and Q2. Even so, analysts expect S&P 500 earnings to be up 27.8% in Q3 and 21.3% in Q4, leaving 2021 as a whole of a 41.9% increase. The trend is also for upward revisions to earnings estimates in the coming two years, with consensus forecasts now at increases of 9.2% in 2022 and 8.5% in 2023. Were that to materialise, EPS at end-2023 would be around 70% higher than in 2020 and 45% higher than at the end of 2019, before the pandemic struck.

We would take these sorts of projections with a pinch of salt, however. Firstly, the current tendency to underestimate corporate performance is likely to end once Covid base effects fade at the beginning of next year. We recall that before the pandemic analysts tended to overestimate corporate earnings (by around 3.4% on average over the past 20 quarters or 4% on average over 40 quarters) at the start of each quarter. It follows that we should expect 2022 and 2023 to be less effervescent than analysts currently think. Secondly, we think it unlikely that US firms will continue to generate double-digit EPS growth (or almost) over the coming years, especially given plans for significant tax hikes (albeit probably not before 2023). It would be unreasonable to expect margins to stay at their record highs (the aggregate net margin for S&P 500 companies for the nest 12 months is almost 13%) when taxes will be higher than they are now.

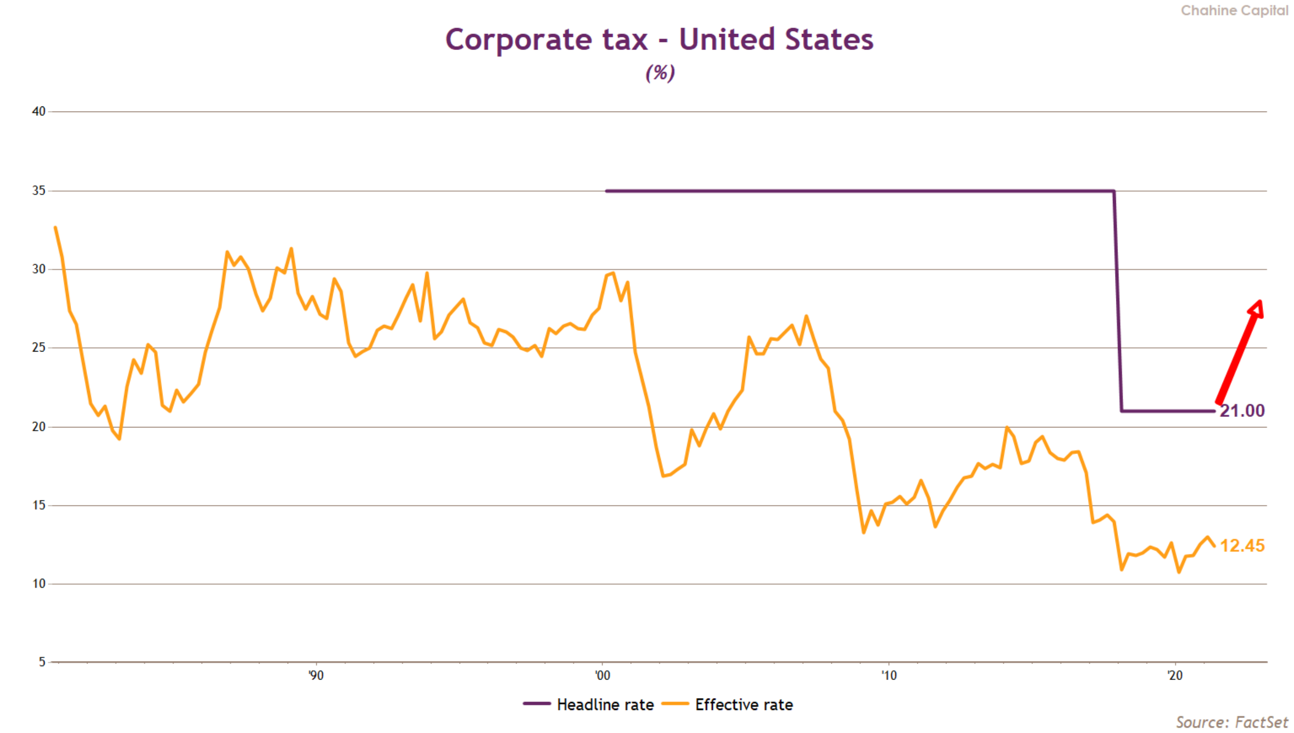
## More upward revisions, but how long can that trend last?




## Margins expected to climb to record highs…



### … thanks to an abnormally low tax burden




## Valuation model: Wall Street is still expensive, European equities on the cheap side

Equity indices are still rallying. In local currency terms, the US and European markets have appreciated another 5% and 4%, respectively, since the end of June. That should be seen in the context of lower long-term interest rates on both sides of the Atlantic: the 30-year Treasury yield is down around 15bp, having eased from 2.06% to 1.92% over the period, while the weighted average European 30-year yield has dropped from 0.82% to 0.53%. On top of all that earnings growth estimates for 2021 are up sharply, from 35.2% at the end of June to 41.1% in the USA and from 43.5% to 55.7% over the same period in Europe.

While we have no doubt that 2021 will be as rosy overall as analysts expect, we believe that EPS growth estimates may be seen as high for future years. This is especially true of Wall Street at 9.2% in 2022 and 8.5% in 2023.

Against this backdrop, our valuation model indicates that consolidation is possible in the US market.

**S&P 500 - Valuation end 2021 except implied scenario**

| *CAGR Compounded Annual Growth Rate from 2021* | 30 Years Gvt bonds | | | | |
|---|---|---|---|---|---|
| | 1,50% | 1,75% | **1,92%** | 2,25% | 2,50% |
| **Tax increase to 25% (approx. -5% impact on EPS) - CAGR 3%** | **4 451** | **4 167** | 3 991 | 3 683 | 3 476 |
| **Implied Scenario CAGR 5% over 8 years** | 5 040 | 4 712 | **4 509** | 4 154 | 3 915 |
| **Return to normal: 39% in 2021, 8.2% in 2022 - CAGR 3.5%** | 4 622 | **4 327** | **4 144** | **3 824** | 3 608 |
| **Current Index S&P 500** | | | **4 509** | | |

The drop in the average 30-year yield to 0.53% in the euro zone has coincided with more upward revisions to EPS growth forecasts for European firms. Consensus analysts now expect them to generate a 55.7% increase in earnings in 2021, although this largely reflects a much bigger base effect than in the USA (European earnings collapsed by 31.2% last year). As with Wall Street, we believe that 2021 will be as good as analysts expect and our model suggests that European equities are slightly undervalued. That holds true for a return to normal and a slow recovery scenario, as interest rates would fall towards zero in the latter event. We will therefore continue to overweight European stocks to the detriment of their American counterparts.

**MSCI EMU - Valuation end 2021 except implied scenario**

| *CAGR Compounded Annual Growth Rate from 2021* | 30 Years Gvt bonds | | | | |
|---|---|---|---|---|---|
| | 0,00% | 0,25% | **0,53%** | 0,75% | 1,00% |
| **Slow recovery: 54% in 2021, 4% in 2022** | **174** | **160** | 147 | 138 | 129 |
| **Implied Scenario: 54% in 2021, 7.5% in 2022** | 180 | 165 | **151** | 142 | 133 |
| **Return to normal: 54% in 2021, 6% in 2022** | 200 | 183 | **168** | **158** | **147** |
| **Current Index MSCI EMU** | | | **151** | | |

## Conclusions

Having been expected to peak in Q2, the US inflation rate topped out during the summer. It climbed from 1.4% at the start of the year to just over 5.3% in June and started to flatten out in July. Although its current level is well above the Federal Reserve's target, we would agree with Fed officials that price pressures are temporary in nature and do not present any real risk to the American economy at this stage. Jerome Powell himself confirmed this view at the recent Jackson Hole Economic Policy Symposium, when he said that the Fed could tighten monetary policy slightly after year-end but that nothing dramatic was on the cards. We are therefore sticking with our conviction that there is little likelihood of a bond market crash in the short, medium or long term and that sovereign debt yields will stay low for longer than generally expected. This implies that current equity market valuations are sustainable.

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*Michaël Sellam*

## Main ratios for markets and sectors as of 31/08/2021 (in local currency)

| *Data as of 08/31/21* | 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%** | **13,04%** | **15,04%** | **18,2 x** | **20,2 x** | **11,00%** | **61,29%** | **-19,08%** | **1,85%** | **0,8%** | **1,9%** |
| | | | | | | | | | | | |
| United States | 55,8% | 18,64% | 20,22% | 22,0 x | 24,4 x | 11,15% | 57,86% | -15,61% | 1,30% | 0,9% | 1,9% |
| Japan | 7,6% | 1,58% | 11,46% | 14,9 x | 16,8 x | 12,93% | 30,31% | -8,89% | 2,10% | 3,1% | 3,6% |
| Eurozone | 11,0% | 13,52% | 8,66% | 16,3 x | 18,1 x | 11,14% | 88,93% | -38,92% | 2,53% | 1,8% | 5,4% |
| Europe | 20,3% | 13,84% | 7,19% | 16,4 x | 18,0 x | 9,55% | 79,58% | -35,67% | 2,70% | 1,1% | 3,3% |
| | | | | | | | | | | | |
| Austria | 0,2% | 23,51% | -3,26% | 11,1 x | 11,8 x | 6,35% | 104,32% | -41,33% | 3,11% | 2,4% | 5,4% |
| Belgium | 0,4% | 6,86% | -2,41% | 18,5 x | 20,1 x | 8,92% | 31,69% | -25,07% | 2,59% | 3,4% | 3,2% |
| Denmark | 0,8% | 14,70% | 40,90% | 25,7 x | 24,4 x | -5,25% | 54,49% | -7,16% | 1,75% | 3,3% | 6,2% |
| Finland | 0,4% | 14,17% | 27,09% | 19,6 x | 21,3 x | 8,46% | 30,83% | -13,69% | 2,63% | 1,1% | 20,2% |
| France | 3,7% | 15,96% | 6,34% | 17,8 x | 20,6 x | 16,04% | 157,83% | -55,01% | 2,36% | 1,0% | 3,0% |
| Germany | 2,9% | 11,07% | 13,28% | 14,9 x | 15,8 x | 6,25% | 72,48% | -20,07% | 2,60% | 1,5% | 5,7% |
| United Kingdom | 4,0% | 12,58% | -8,98% | 13,5 x | 14,7 x | 8,44% | 91,53% | -39,98% | 3,61% | -0,1% | 0,8% |
| Ireland | 0,1% | 19,17% | 11,11% | 20,1 x | 29,9 x | 49,09% | 4062,12% | -105,07% | 1,18% | 2,5% | 19,5% |
| Italy | 0,9% | 13,97% | 1,91% | 12,5 x | 14,0 x | 12,30% | 62,87% | -41,54% | 3,71% | 5,2% | 10,2% |
| Netherlands | 1,4% | 20,10% | 21,86% | 20,7 x | 21,7 x | 4,62% | 87,11% | -27,12% | 1,43% | 3,3% | 5,8% |
| Norway | 0,4% | 10,28% | 5,88% | 15,5 x | 16,3 x | 5,22% | 193,65% | -55,06% | 3,26% | 1,8% | 1,7% |
| Spain | 0,8% | 3,97% | -4,61% | 14,8 x | 17,2 x | 16,39% | 57,83% | -42,71% | 3,51% | -0,6% | 1,6% |
| Sweden | 1,5% | 21,92% | 31,77% | 21,3 x | 21,5 x | 1,19% | 84,23% | -38,43% | 2,21% | -0,2% | -0,2% |
| Switzerland | 2,6% | 13,48% | 10,73% | 19,7 x | 22,3 x | 13,54% | 20,07% | -7,91% | 2,42% | -0,3% | -0,3% |
| | | | | | | | | | | | |
| Europe / Commercial Services | 0,5% | 14,34% | 3,13% | 21,5 x | 26,5 x | 23,15% | 58,67% | -29,27% | 1,70% | -0,7% | -0,2% |
| Europe / Communications | 0,5% | 11,38% | -3,23% | 15,3 x | 16,9 x | 10,33% | -19,53% | 4,86% | 4,19% | 0,2% | 0,4% |
| Europe / Consumer Durables | 0,9% | 18,36% | 18,46% | 9,0 x | 9,7 x | 7,30% | 280,27% | -58,41% | 3,58% | 3,0% | 9,7% |
| Europe / Consumer Non-Durable | 3,1% | 9,96% | 8,89% | 22,6 x | 25,4 x | 12,58% | 26,66% | -21,01% | 2,08% | -0,3% | -0,4% |
| Europe / Consumer Services | 0,4% | 14,31% | -1,65% | 23,0 x | 103,2 x | 348,09% | 174,15% | -122,49% | 1,48% | -0,7% | -17,5% |
| Europe / Distribution Services | 0,2% | 21,03% | 22,70% | 21,7 x | 25,0 x | 15,12% | 43,99% | -15,06% | 1,72% | -0,5% | -0,5% |
| Europe / Electronic Technology | 0,8% | 18,62% | 8,85% | 21,7 x | 26,6 x | 22,74% | 161,17% | -51,15% | 1,07% | 0,0% | 1,0% |
| Europe / Energy Minerals | 0,6% | 9,52% | -27,63% | 8,8 x | 9,2 x | 4,70% | 32788,19% | -92,11% | 5,18% | 1,1% | 3,6% |
| Europe / Finance | 3,6% | 15,54% | -5,87% | 11,8 x | 12,1 x | 2,14% | 65,32% | -34,64% | 3,96% | 0,6% | 3,8% |
| Europe / Health Services | 0,2% | 22,82% | 12,06% | 23,5 x | 24,8 x | 5,51% | 20,98% | -0,81% | 1,35% | 0,1% | 2,8% |
| Europe / Health Technology | 2,4% | 15,37% | 8,87% | 20,8 x | 23,5 x | 12,63% | 11,48% | -0,94% | 2,09% | 1,7% | 3,7% |
| Europe / Industrial Services | 0,3% | 9,83% | -9,31% | 14,6 x | 19,0 x | 29,78% | 86,60% | -51,28% | 2,80% | 2,4% | -3,4% |
| Europe / Miscellaneous | 0,0% | 21,51% | 33,67% | 12,3 x | 13,4 x | 4,75% | 75,90% | -81,20% | 3,26% | 8,9% | 8,7% |
| Europe / Non-Energy Minerals | 0,7% | 18,97% | 17,23% | 9,0 x | 7,4 x | -18,00% | 121,00% | 27,70% | 6,64% | 5,0% | 2,6% |
| Europe / Process Industries | 0,8% | 12,47% | 17,61% | 19,3 x | 20,0 x | 3,25% | 50,00% | -14,00% | 2,42% | 0,8% | 1,6% |
| Europe / Producer Manufacturin | 1,9% | 22,50% | 31,52% | 22,5 x | 27,2 x | 20,95% | 88,23% | -32,22% | 1,54% | 0,6% | 0,6% |
| Europe / Retail Trade | 0,6% | 8,57% | 21,69% | 23,5 x | 30,4 x | 27,64% | 78,71% | -24,96% | 1,84% | -1,4% | -2,0% |
| Europe / Technology Services | 1,2% | 8,57% | 23,86% | 28,4 x | 33,2 x | 17,02% | 26,95% | -5,84% | 0,73% | -0,6% | 0,6% |
| Europe / Transportation | 0,6% | 24,38% | 3,88% | 17,7 x | 33,5 x | 89,11% | 144,14% | -255,23% | 2,64% | 4,0% | 33,4% |
| Europe / Utilities | 1,0% | -3,55% | 24,35% | 16,6 x | 17,4 x | 4,99% | 17,19% | -17,20% | 3,88% | 1,3% | 10,0% |