CHAHINE CAPITAL
Performance Engineering

01/10/2021

STRATEGY OVERVIEW

After Merkel: the prospects for Germany, the EU and monetary policy

Summary

Angela Merkel has been Germany's Chancellor since 2005 but is set to retire as soon as a successor emerges from the results of the 26 September election. German GDP per capita has increased almost 18.5% over that time, despite the pandemic. Unexpectedly, the election campaign had little to do with Mrs Merkel's record and politics, focusing instead on the environment and social questions such as the minimum wage, the taxation of firms and the wealthy and the welfare system. In that respect it echoed many of the themes aired in the US presidential election a year ago.

Europe's politics are now all about budgetary stimulus. On 15 September, Ursula von der Leyen declared in her State of the Union address to the European Parliament that the EU would not repeat its mistake after the 2008 crisis of tightening fiscal policy too quickly. This suggests that EU budgets will remain expansionary for some time yet. The 'Frugal Four' – the Netherlands, Austria, Denmark and Sweden – have said that they are open-minded, although remain profoundly attached to sound finances. Will they and other member States keen on tight fiscal policies now lose an ally in Germany? Not really. We believe that Germany will support recovery via the EU stimulus package but would not want free lunches to persist into the long term.

Interestingly, of all the candidates for Mrs Merkel's job, front-runner Olaf Scholz is closest to her politics, albeit minus a shot of liberalism. It seems likely that Germany will continue with its balancing act, having a degree of sympathy for the 'Frugals' and an unappreciative eye for the financial position of southern eurozone countries. The challenge for Mr Scholz would be to reconcile German rigour with a more sustainable social model. If he becomes Chancellor and meets that challenge, Germany should retain its economic status as well as its leadership in European institutions.

Following the best second quarter for US companies since the end of the subprime crisis, with S&P 500 firms reporting a 90.9% jump in earnings growth, the coming quarters will normalise amid fading Covid-related base effects. The FactSet consensus estimate for Q3 is a 27.6% gain, which would be the third-largest since 2010. Sector performances are expected to mirror those in Q2, meaning particularly striking earnings recoveries among companies that suffered the most in 2020. The energy sector will be top of the heap, especially as it continues to benefit from surging oil prices (WTI and Brent crude prices are now $75 and $80 per barrel, respectively). In the near term, the catch for many US firms is inflation. In the light of recent CPI data, almost half of S&P companies used the word in their Q2 results announcements. This was the highest proportion noted since 2010.

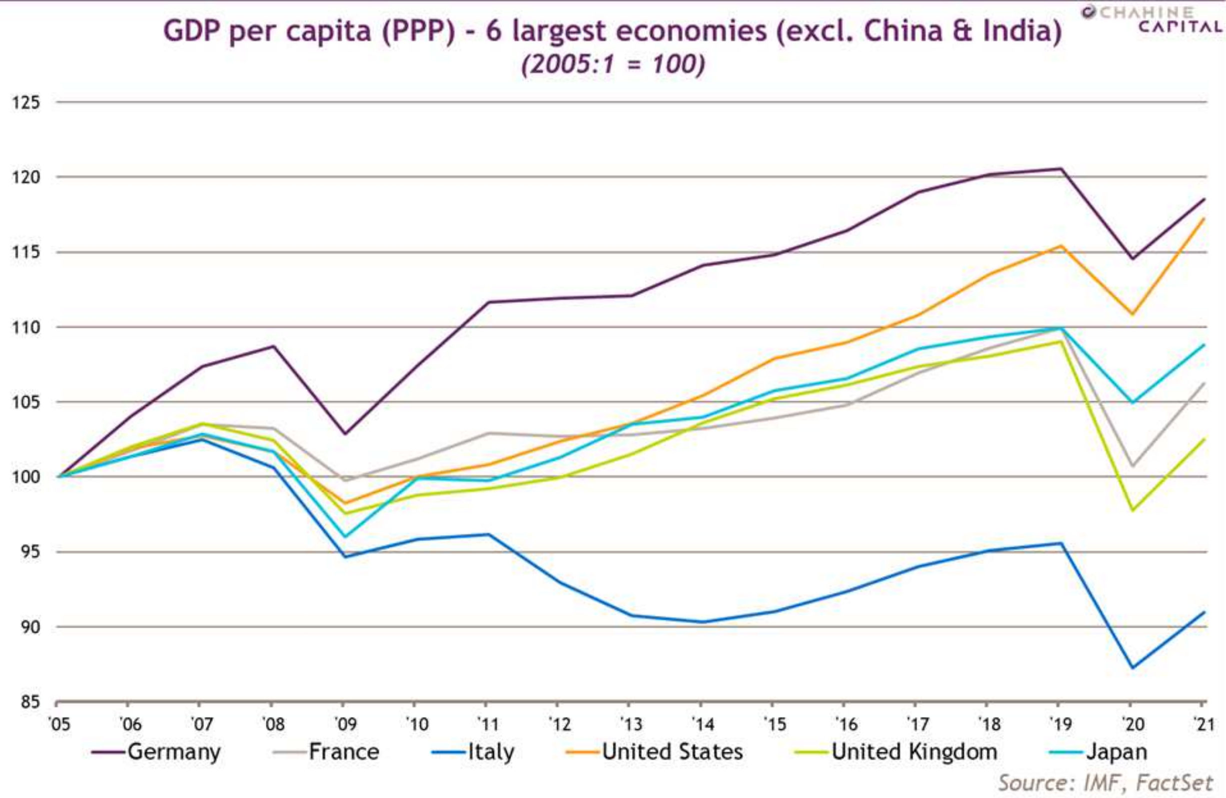
Both American and European equity indices corrected in September. Bond yields rose upon Fed chairman Jerome Powell's observation that quantitative easing would start tapering off reasonably soon (probably before year-end). In the Federal Open Market Committee put it, "If progress continues broadly as expected, the Committee judges that a moderation in the pace of asset purchases may soon be warranted". Against this backdrop, our valuation model indicates that a further consolidation in US share prices is required. In the euro zone, 30-year yields have followed the same trajectory as their US equivalent. Here too, we expect 2021 to be as good for corporate results as it will be in America, and our model suggests that European equities are currently at fair value or even slightly underpriced, and irrespective of the economic scenario.

Michaël Sellam

Social issues make an unexpected impact in Germany's federal election campaign

Chancellor since 2005, Angela Merkel is to retire from politics once her successor emerges. One would normally have thought that her economic record would have been enough to propel CDU leader Armin Laschet to victory: even with the pandemic, GDP per capita has risen by almost 18.5% since she came to power. This record is significantly better than that of the country's competitors, excepting certain emerging countries that clearly started off in a completely different situation (see chart below). Germany's unemployment rate was just 5% before Covid struck and its participation rate is a very high 80.5%. At first sight, it is hard to understand why the Chancellor affectionately known as 'Mutti' to many Germans could not transmit solid confidence to the CDU/CSU ticket at the polls.

Merkel's admirable record on national income



Unexpectedly, much of the focus of the election campaign was on social policy rather than on continuing (or not) the Merkel policy line. In that sense it resembled the debates during the US presidential election campaign a year ago, with themes ranging from the environment to the minimum wage, the taxation of companies and the wealthy and the welfare system. In the event, the 26 September poll resulted in a narrow lead for the centre-left SPD, which took 25.7% of the vote. Then came the conservative CDU/CSU (24.1%), followed by the Greens (14.7%) and the centrist-liberal FDP (11.4%). A 'grand coalition' between the SPD and CDU/CSU – often referred to as 'GroKo' – is highly unlikely, as neither side wants it. The more probable outcome of this rather fractured situation is a coalition without the CDU/CSU, led by Olaf Scholz. Despite its minor party status, the FDP's attitude will be crucial. That will give them significant influence and leverage in almost any coalition configuration.

The question of the minimum wage turned out to be one of the election's biggest issues. Mrs Merkel has never favoured the concept but has been astute enough to raise it from time to time (see chart). Mr Laschet's performance on this and other social issues was his Achilles' heel; SPD leader Olaf Scholz called for an increase in the minimum wage from its current €9.50 per hour to €12. Although an increase to €10.45 has already been voted for July 2022 onwards, the proposal had a real impact on the campaign. Especially as the Greens' Annalena Baerbock went a step further with a pledge of €13…

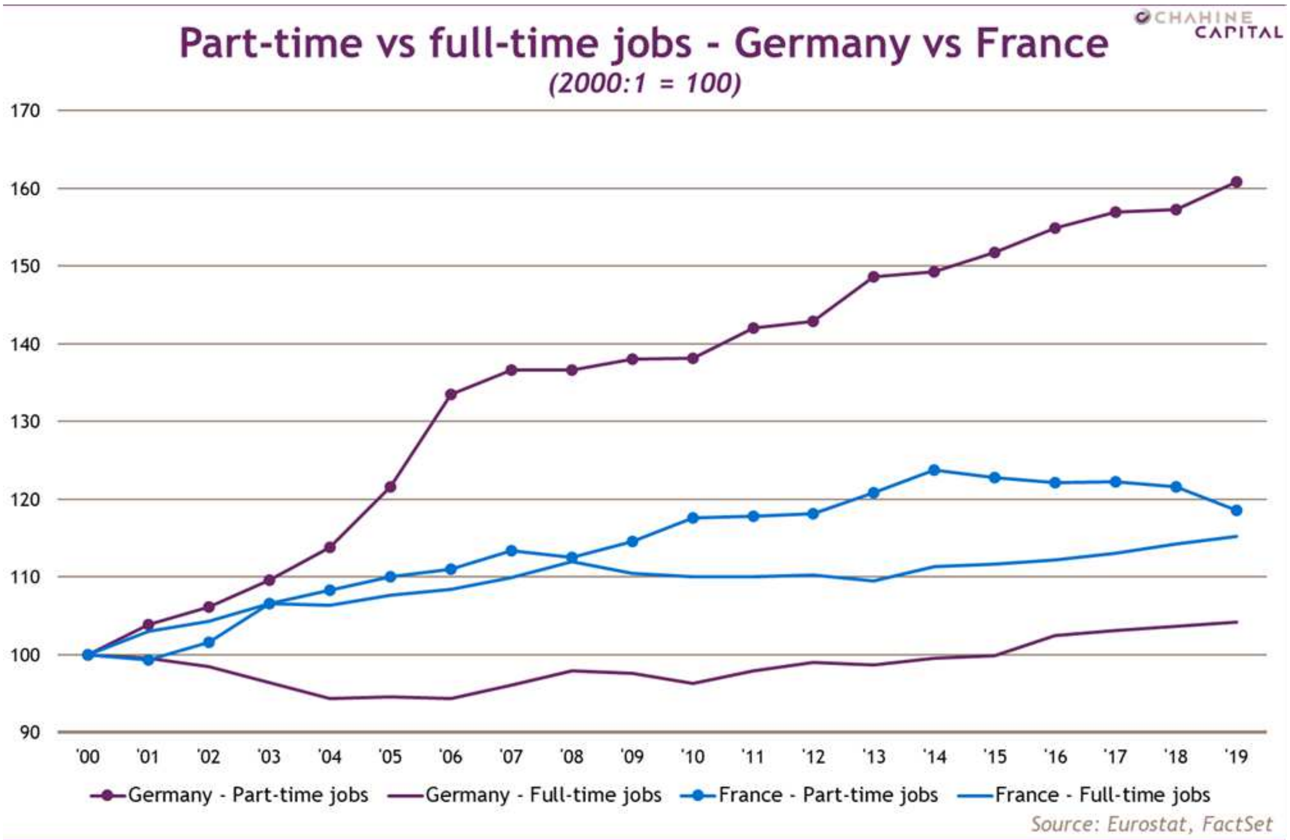
Following a cautious start, Germany's minimum wage could start rising significantly

Given a slow deterioration in working conditions in recent years, we were not really surprised by this political development:

- Employees' bargaining power has weakened continuously since Mrs Merkel became Chancellor. The unionisation rate was 21.5% when she took power in 2005 but 16.3% at the start of the pandemic;

- Ever since the Hartz IV reform in 2005, which was part of a package of labour market measures introduced by Mrs Merkel's predecessor Gerhard Schröder (SPD), the number of part-time jobs has risen sharply. This has been to the detriment of full-time jobs (see chart);

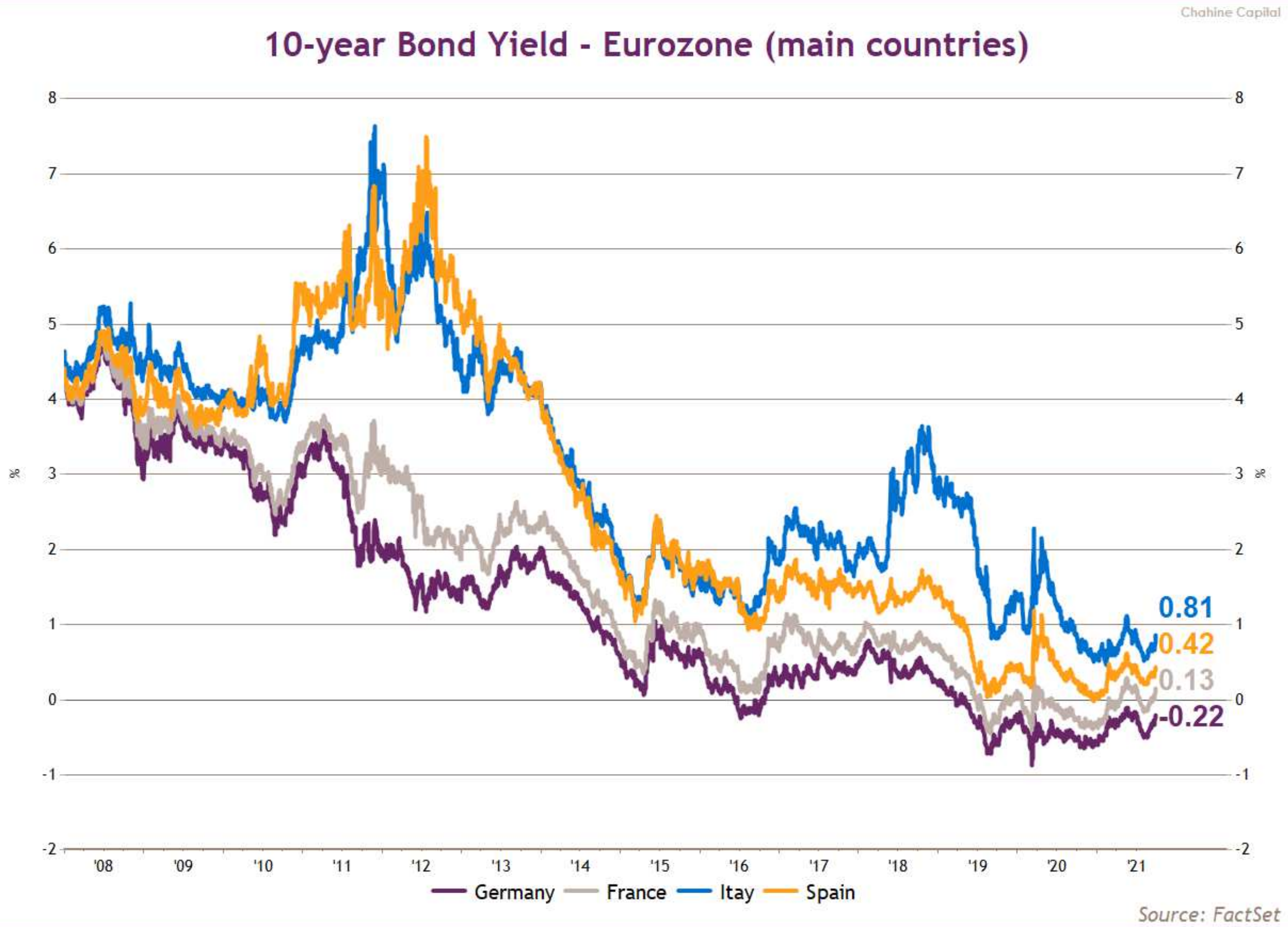
Vigorous growth in part-time employment has unbalanced the German labour force



- By the end of 2019, just before the pandemic, there was more income inequality in Germany than in France (Gini coefficients of 0.297 and 0.292, respectively);
- Even so, German labour costs have not declined. In 2020, they amounted to €36.60 per hour, scarcely better than France's €37.50. Worse, labour costs have risen by almost 30% in Germany over the past decade, undermining the country's whole cost-competitiveness narrative.

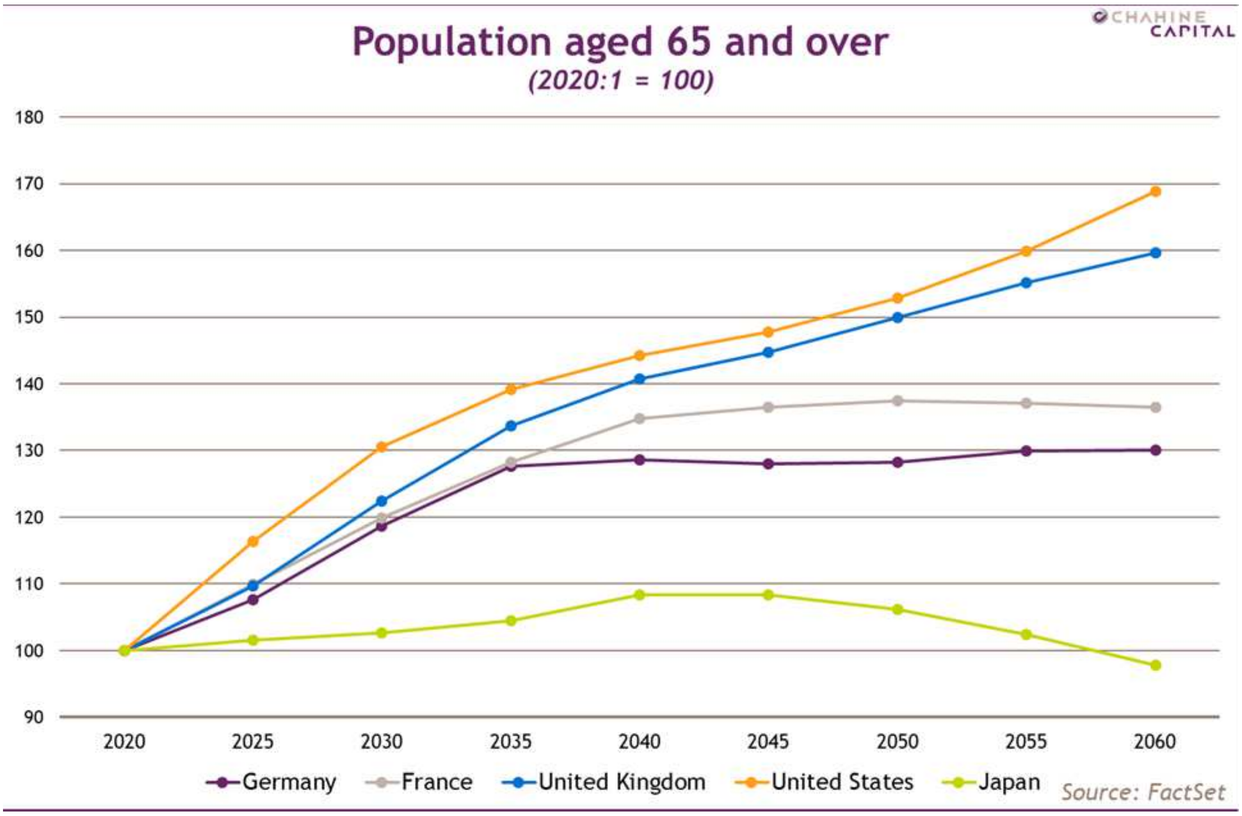
Like Joe Biden, Mr Scholz is seeking more of a private sector contribution in improving employees' social conditions. He is backing Mr Biden's proposal for a minimum corporation tax rate of 15% worldwide (and would not oppose a rate of 21%), although it would make little difference domestically as Germany's corporation tax rate is already around 16%.

Inflation risks nudge European bond yields higher



As in the USA (cf. the Summers/Krugman debate), the question is whether the Scholz programme would be inflationary. Clearly, a 15% jump in the minimum wage would be, especially if it was achieved in one go. Note that Germany's CPI inflation rate has already risen – to 4% in August. While we remain convinced that current price pressures are cyclical and will prove temporary, a structural change on the scale of the proposed change in the minimum wage would be something else altogether. The recent rise in German bond yields partly reflects this risk. That said, there is little chance that these campaign promises will be honoured. We expect the minimum wage to be increased only marginally, and it is likely to be combined with other stimulus expenditure that is far less inflationary in nature.

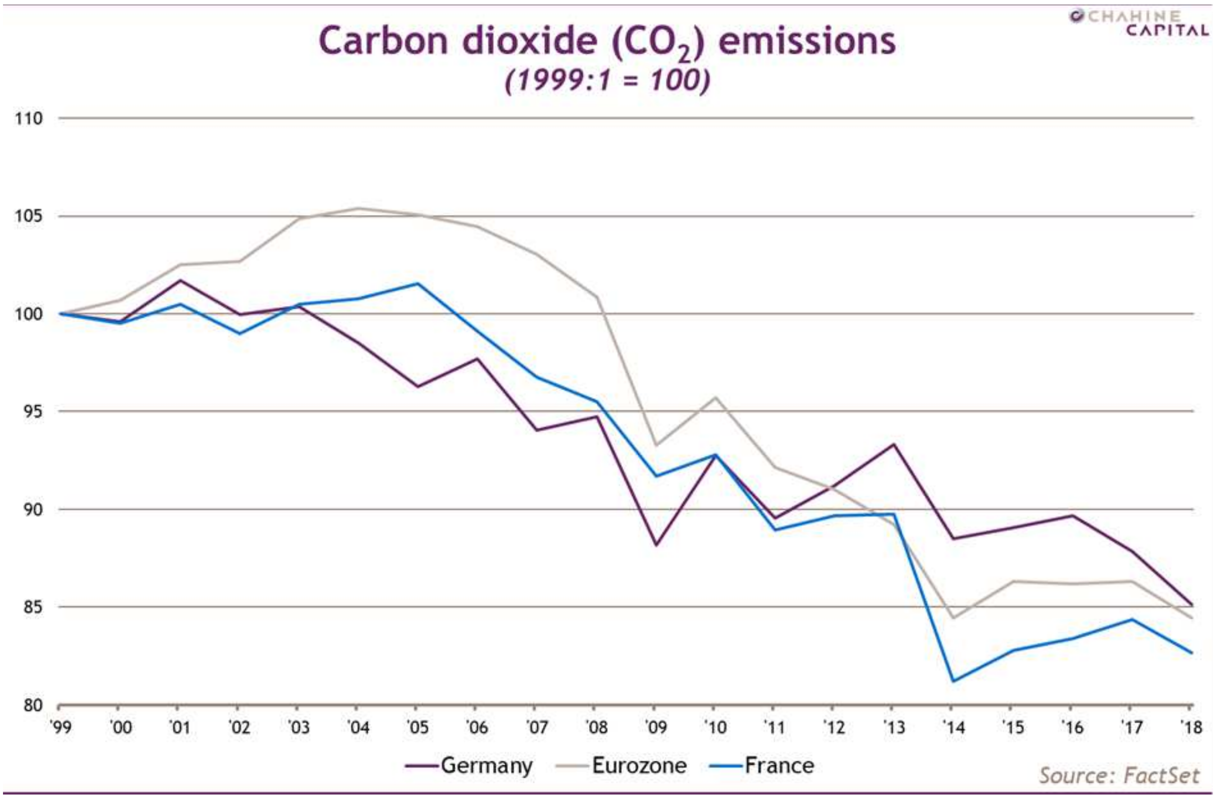
Germany's population will continue to age, especially over the coming 15 years



On top of all that, the new Chancellor will face two major long-term challenges: an ageing population (a strengthening trend, see above) and the energy transition. Over the coming five years, the number of 65 and overs to every 100 people of working age (24-65 year olds) is due to rise from 36 to 40, and in 15 years' time the two segments will be equal in size. And as far as the energy transition is concerned, Germany is less advanced than its European partners (see chart below), which could seriously damage industry by raising its production costs.

Above all, we need to remember that Germany's macroeconomic problems will be all the greater for the fact that productive investment as measured by gross fixed capital formation has been depressed for two decades, fluctuating around the 20% of GDP mark over the period. While this is clearly an economic issue, it is eminently social as well, and hence the new tone of German politics.

Germany is no longer Europe's leader in terms of energy transition

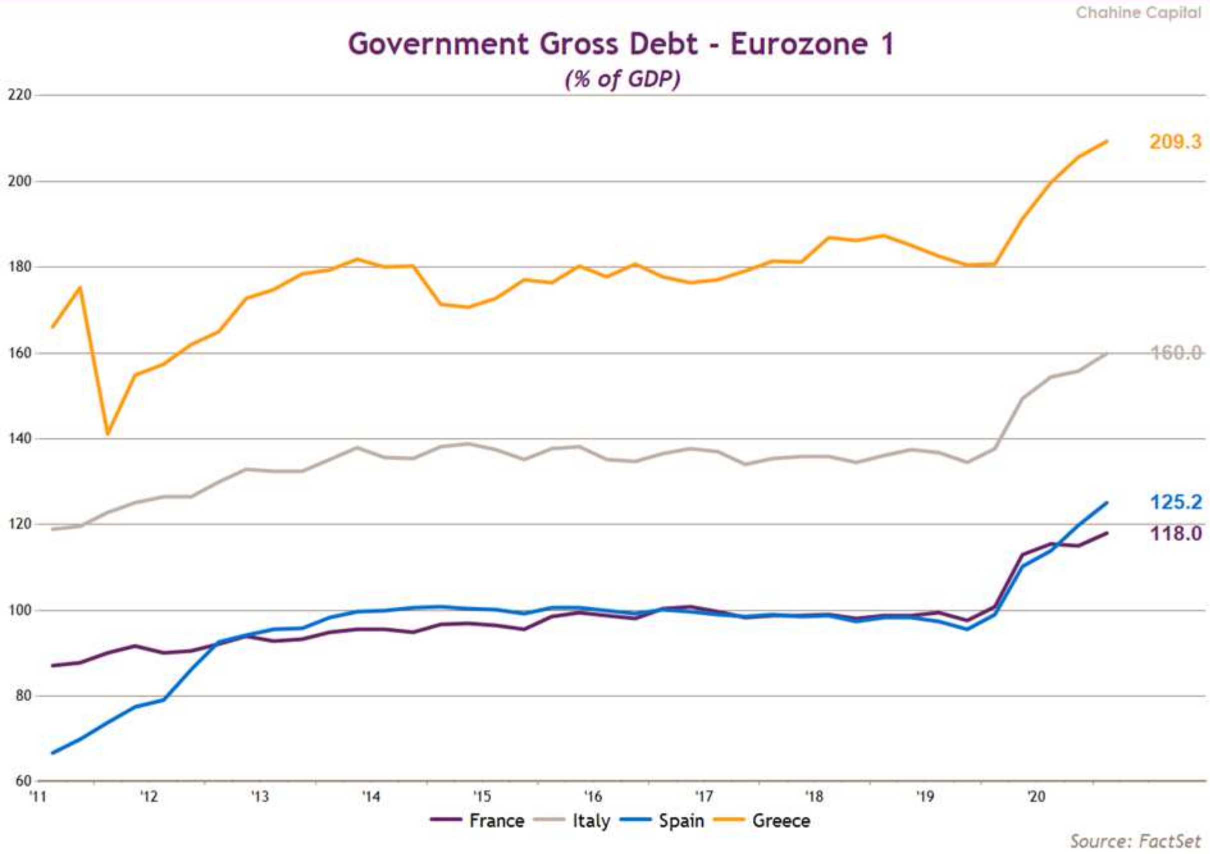


The implications of German politics for European monetary and fiscal policies

Europe's politics are now all about budgetary stimulus. On 15 September, Ursula von der Leyen declared in her State of the Union address to the European Parliament that the EU would not repeat its mistake after the 2008 crisis of tightening fiscal policy too quickly. This suggests that EU budgets will remain expansionary for some time yet. Before that speech, France's Bruno Le Maire told his fellow EU finance ministers in Slovenia at their meeting on 10-11 September that the eurozone's 'Stability Pact' – a budget deficit of less than 3% of GDP, government debt below 60% of GDP – was obsolete.

Even the eight 'frugal' countries – the 'Frugal Four' of the Netherlands, Austria, Denmark and Sweden plus Finland, the Czech Republic, Slovakia and Latvia – have said that they are open-minded, although remain profoundly attached to sound finances, particularly with regard to soaring debt levels in Southern EU member States (see chart).

Southern eurozone debt levels are too high to ignore



So are the Frugals and other proponents of budgetary rigour about to lose their German ally? Not exactly. We expect that Germany will support European recovery via the EU stimulus package, which involves issuing €800 billion (around 5% of EU GDP) in bonds between now and 2027. But it will not be keen on any free lunches over an extended period, for several reasons.

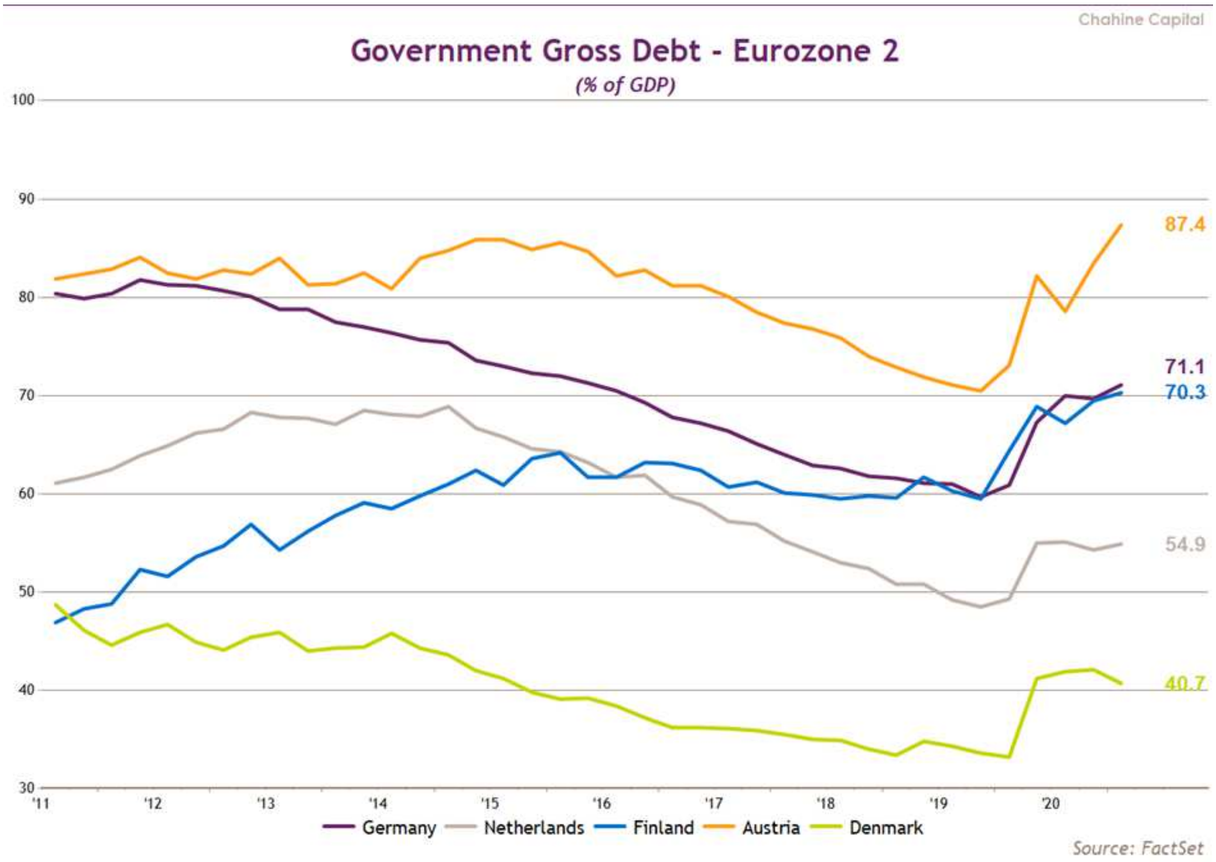
For one thing, Mr Scholz is no fan of expansionary fiscal and monetary policies. Quite the opposite, in fact: he has preached economic orthodoxy throughout his political life, and the most he would concede is a certain adaptability to circumstances. And that should not be overestimated.

- On fiscal policy:
  - As a counterweight to the EU's new common debt, Mr Scholz has proposed a European tax on financial transactions;
  - In Germany itself, he is planning to re-establish a rule of thumb that the structural budget deficit should not exceed 0.35% of GDP. This would apply from 2023 onwards.
- On monetary policy and in banking:
  - In a bid to forestall any banking sector crisis, Mr Scholz is opposed to the relaxation of the Basel III rules on banks' liquidity ratios and regulatory capital;
  - He favours the mutualisation of banking and capital markets, with oversight and solvency organised at European level;

- He is an inflation hawk. He says that the ECB should not abandon its efforts to tame inflation by keeping interest rates too low for too long;
- He initially agreed with the ECB's €1,850 billion pandemic emergency purchase programme (PEPP) but will undoubtedly come under pressure from the CDU, CSU and FDP to urge tapering. ECB policy is currently to remain accommodating until March 2022 at least.

Although the Bundestag should heavily favour budgetary stimulus for as long as the SPD-Green coalition lasts, the German right will offer serious opposition and the FDP is fairly sceptical about it. The 'Next Generation EU' plan, under which Germany received €2.25 billion on 26 August, or 9% of what will eventually be its total allocation, did not enjoy consensus support nationally and it is hard to see Germany welcoming any explosion of the EU's new common debt. Especially as it is keeping its own debt under reasonable control, unlike some other EU countries.

Without intervention, the yawning gap between 'Southern' and 'Frugal' debt rates could only mean wider interest-rate differentials



Interestingly, of all the candidates for Mrs Merkel's job, front-runner Olaf Scholz is closest to her politics, albeit minus a shot of liberalism. It seems likely that Germany will continue with its balancing act, having a degree of sympathy for the Frugals and an unappreciative eye for the financial position of Southern eurozone countries. The challenge for Mr Scholz would be to reconcile German rigour with a more sustainable social model. If he becomes Chancellor and meets that challenge, Germany should retain its economic status as well as its leadership in European institutions.

Slowing upward revisions to earnings estimates for 2022 fail to dent a promising outlook

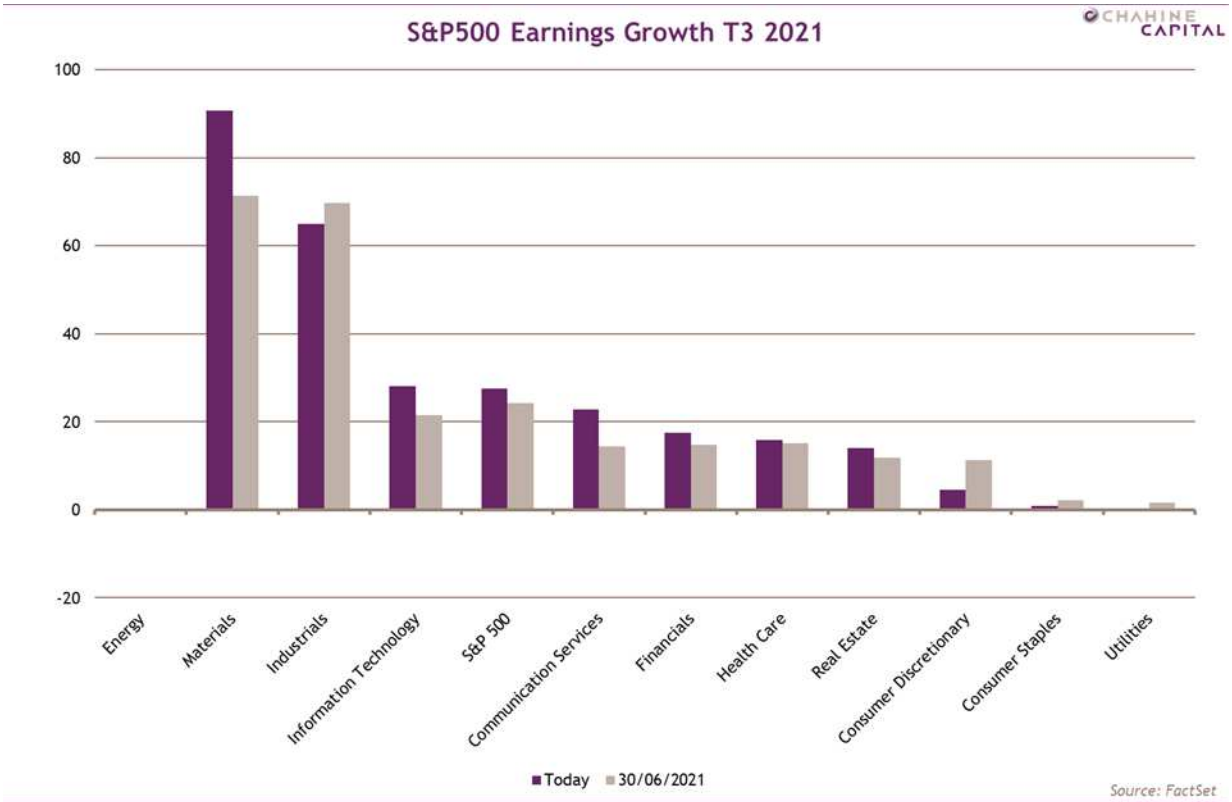
Following the best second quarter for US companies since the end of the subprime crisis, with S&P 500 firms reporting a 90.9% jump in earnings growth, the coming quarters will normalise amid fading Covid-related base effects.

The FactSet consensus estimate for Q3 is a 27.6% gain, up from 24.2% at the end of June, and if realised it would be the third-largest since 2010. Moreover, our guidance ratio[1] is still positive, despite pressure on commodity prices and on supply chains. 54% of S&P 500 companies have issued positive guidance for the quarter, compared with 46% issuing negative guidance. The balance is typically been the converse over the past five years, with an average positive guidance proportion of just 39%.

Sector performances are expected to mirror those in Q2, meaning particularly striking earnings recoveries among companies that suffered the most in 2020. The energy sector will be top of the heap, especially as it continues to benefit from surging oil prices (WTI and Brent crude prices are $75 and $80 per barrel, respectively, at the time of writing).

[1] Positive guidance describes the situation where the company's earnings growth projection is higher than the consensus figure (on the day of the announcement); negative guidance is where that projection is below the consensus view.

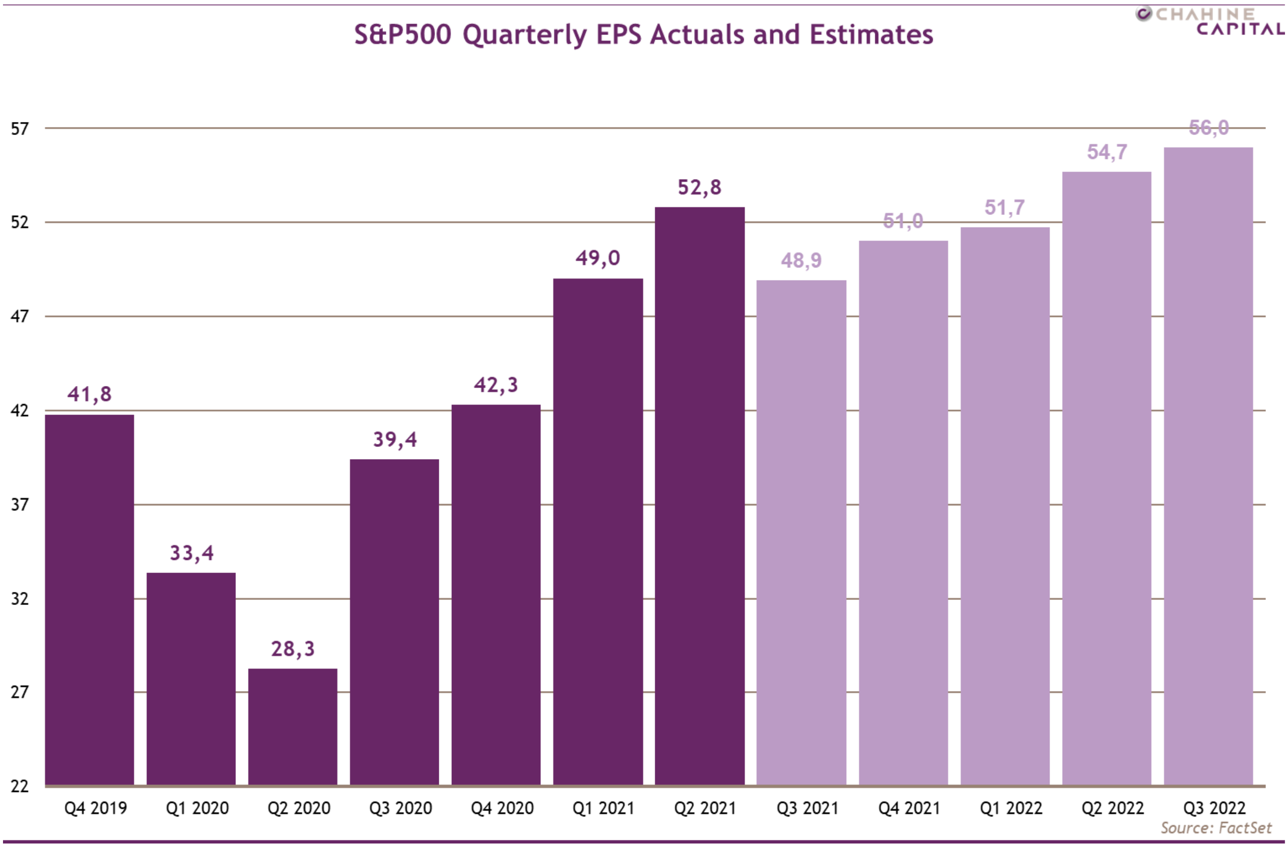
The energy sector's rebound reflects changes in oil prices[2]



These trends carry into Q4, for which S&P 500 earnings growth is expected to be over 20%. That would mean 42.8% for 2021 as a whole! Analysts are clearly upbeat at the moment, although that should not come as a surprise. Historically speaking, and at the start of each quarter, they have overestimated earnings figures actually published by about 2.9% on average in the past 20 quarters, by 3.7% in the past 40 quarters and by 4.9% in the past 60 quarters…

[2] The energy sector's earnings growth for Q3 cannot be calculated as its earnings were negative in Q2 2020.

Upbeat forecasts for Q3 and Q4 point to a 42.8% gain for the S&P 500 over 2021 as a whole

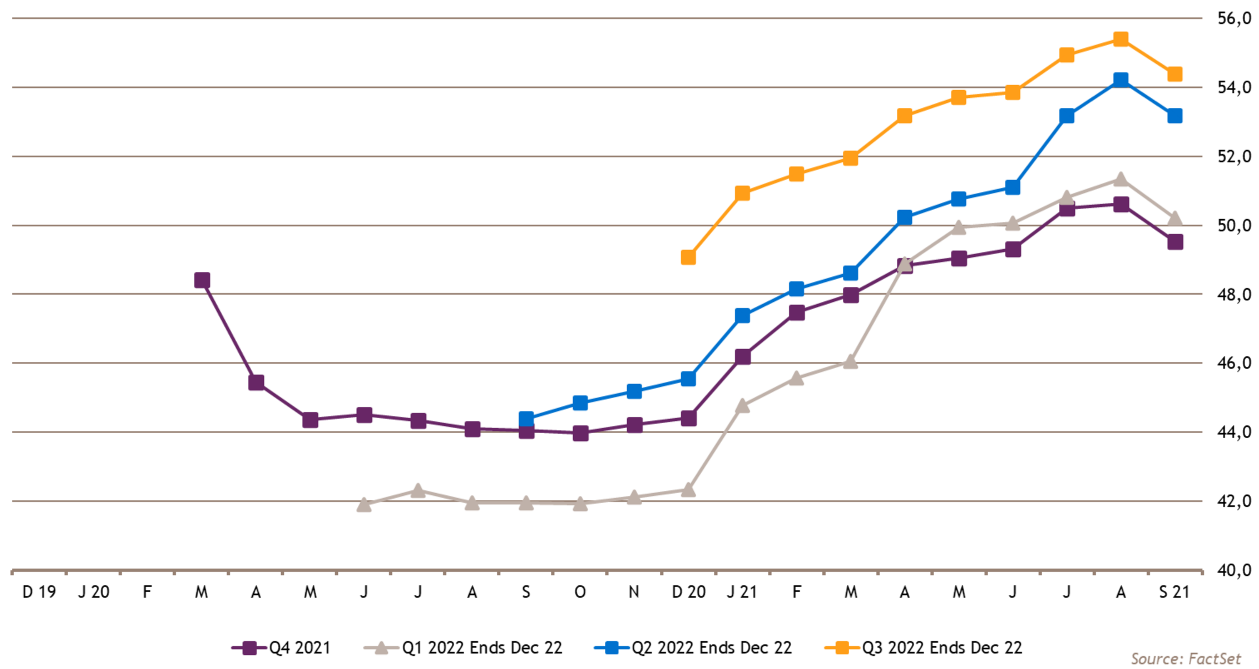


The current tendency to underestimate earnings – implying upward revisions supportive of equity markets – will probably disappear once Covid-related base effects fade away in H1 2022. This is what we are already seeing, with downward revisions since the end of June for next year: analysts now believe that aggregate S&P 500 earnings growth will be 9.5% next year, not the 11.5% they were expecting at end-June.

STRATEGY OVERVIEW

Slowing momentum behind upward revisions

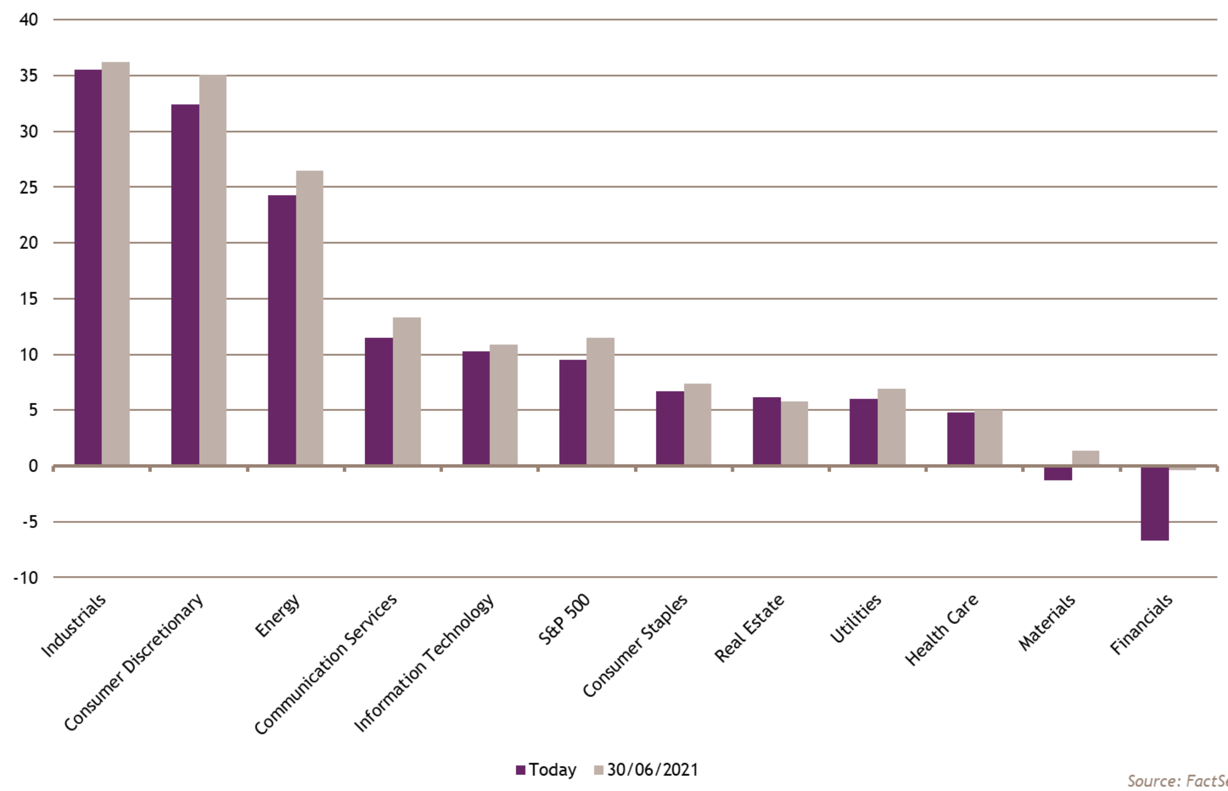
Estimates Quarterly EPS for S&P 500 (US) in USD as of 09/28/21



Source: FactSet

2022 revised down slightly after major adjustments to estimates in Q2 2021

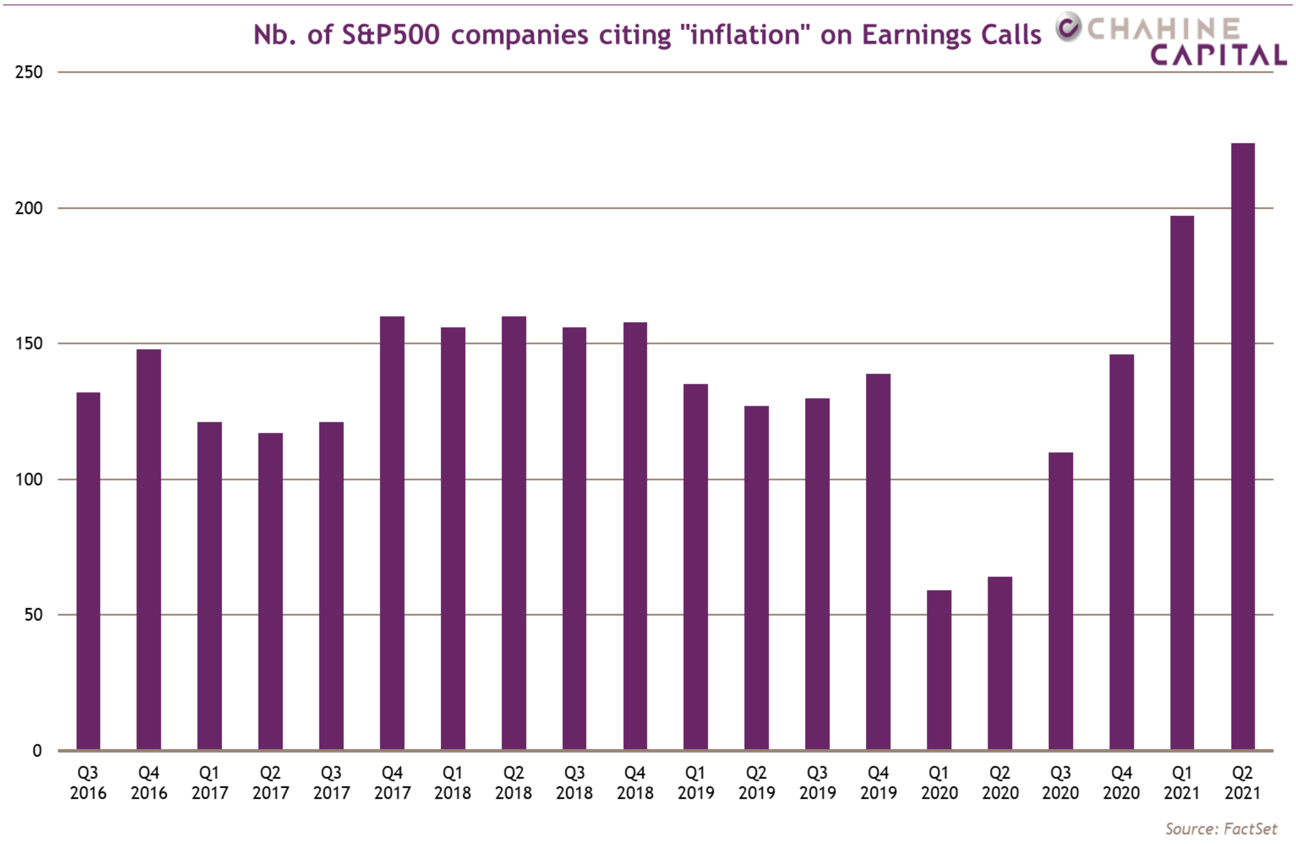
S&P500 Earnings Growth 2022



Source: FactSet

In the near term, the catch for many US firms is inflation. In the light of recent CPI data (annual inflation rates of 5.3% in June, 5.3% in July and 5.2% in August), the number of S&P 500 companies explicitly citing inflation in their Q2 results announcements hit its highest level (according to FactSet) since 2010. 224 of them did so, and the next highest score was 197 in Q1. By sector, and unsurprisingly, industrials contained the most firms using the word ‘inflation’.

Inflation has not been cited as often by S&P 500 firms since 2010



Industrial firms are particularly preoccupied because the annual rise in producer prices was higher in August than it had been at any time since 2008, when surging costs of basic materials ended up derailing the economy. Last month, annual producer price inflation – the index measures the prices of goods leaving the factory gate – stood at 12.1% in Europe, 10.3% in the USA and 9.5% in China. There are several causes of this phenomenon: strong demand, reduced productive capacity, a continuing rise in transport costs amid supply chain constraints and a significant rise in commodity prices.

Producer prices soar worldwide…

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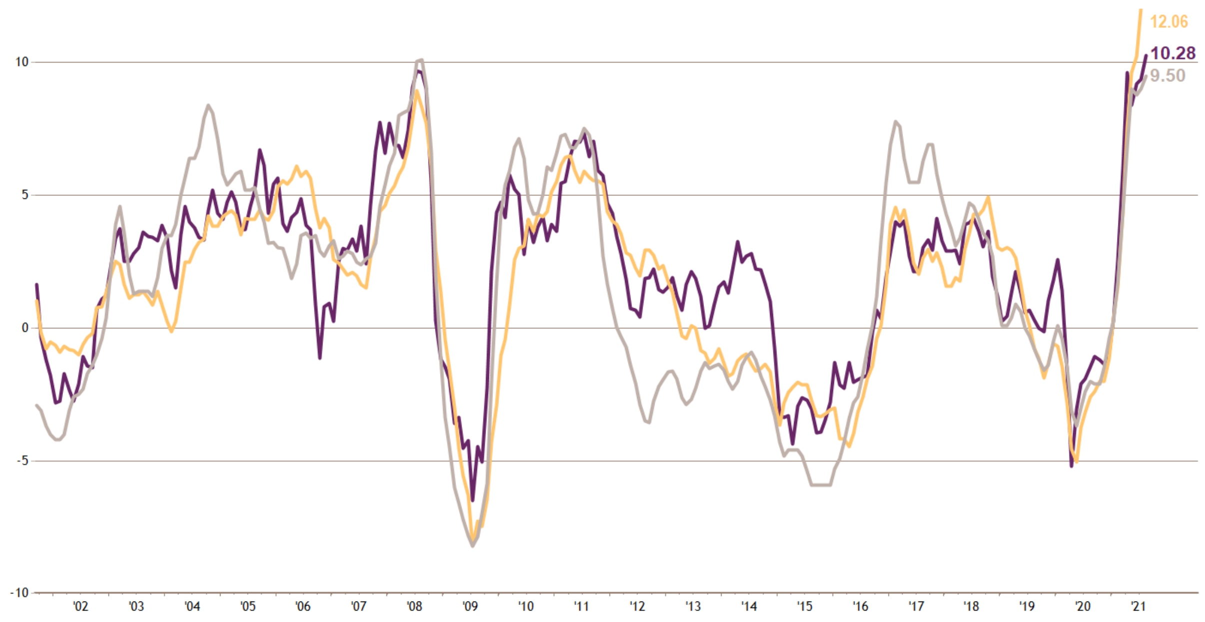
Producer Price Index - United Sates vs Eurozone vs China

(Monthly YoY Change, %)



Source: FactSet

… in line with commodity prices…

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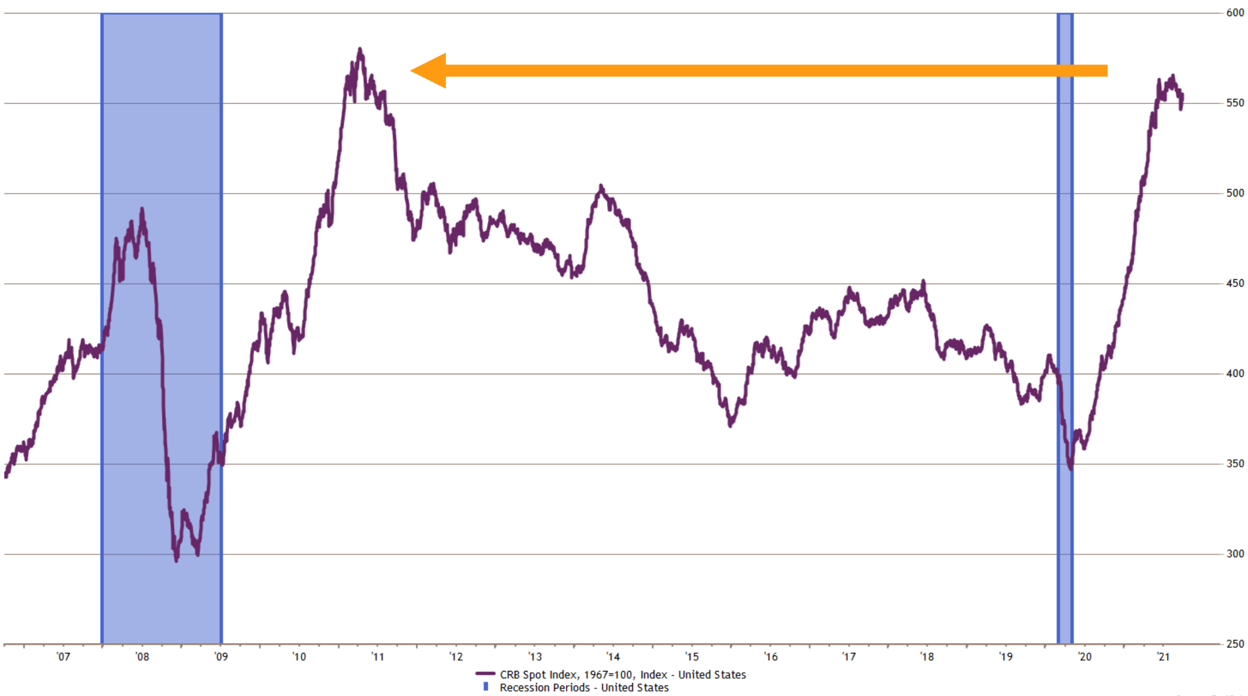
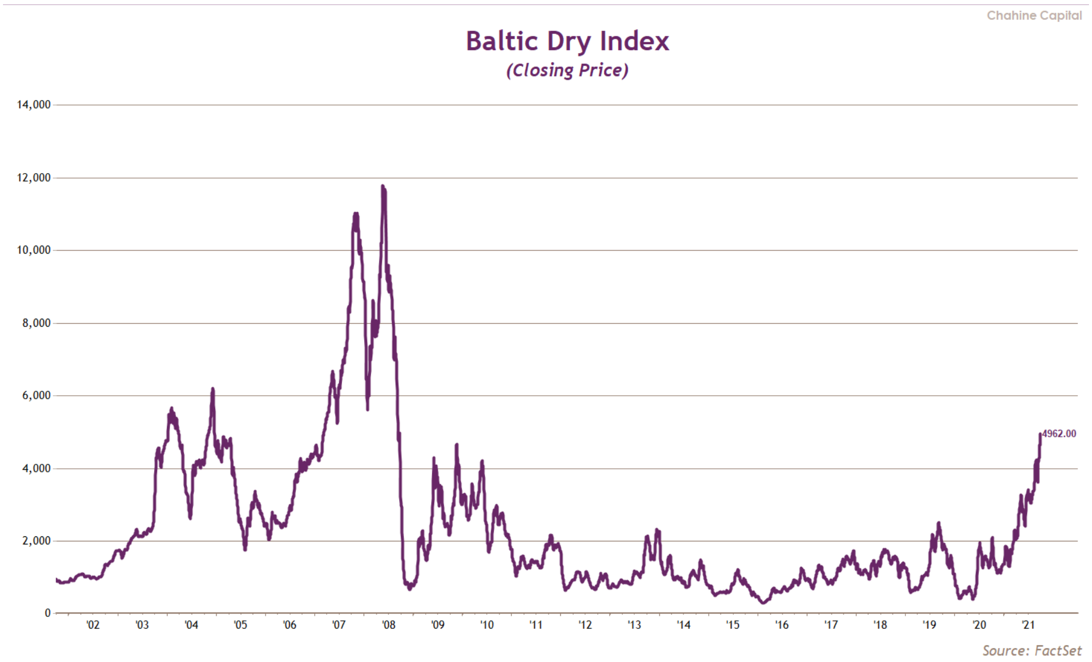
CRB Index



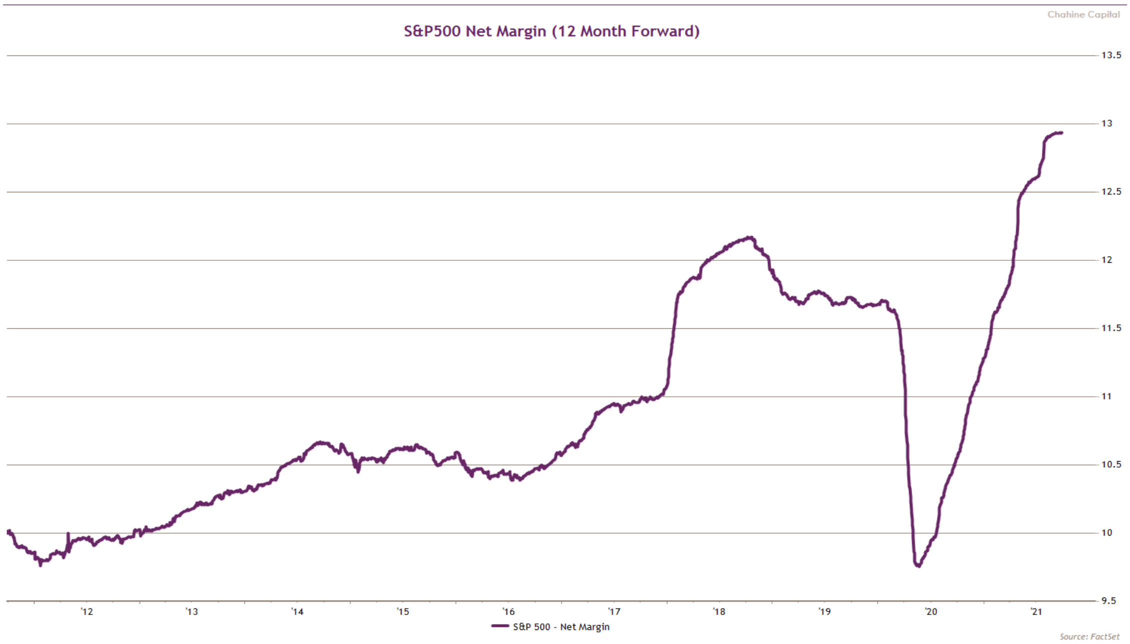
Source: FactSet

… and transport costs



We continue to believe – like the world's central bankers at the moment – that current inflationary pressures will prove temporary and should dissipate by the end of 2022. In that vein, we also think that companies are strong enough to avoid passing on the full rise in producer prices to the goods that consumers buy. After all, US profit margins are expected to remain stratospheric at 12.1% in Q3.

The stabilisation of profit margins at record levels will cushion increases in production costs

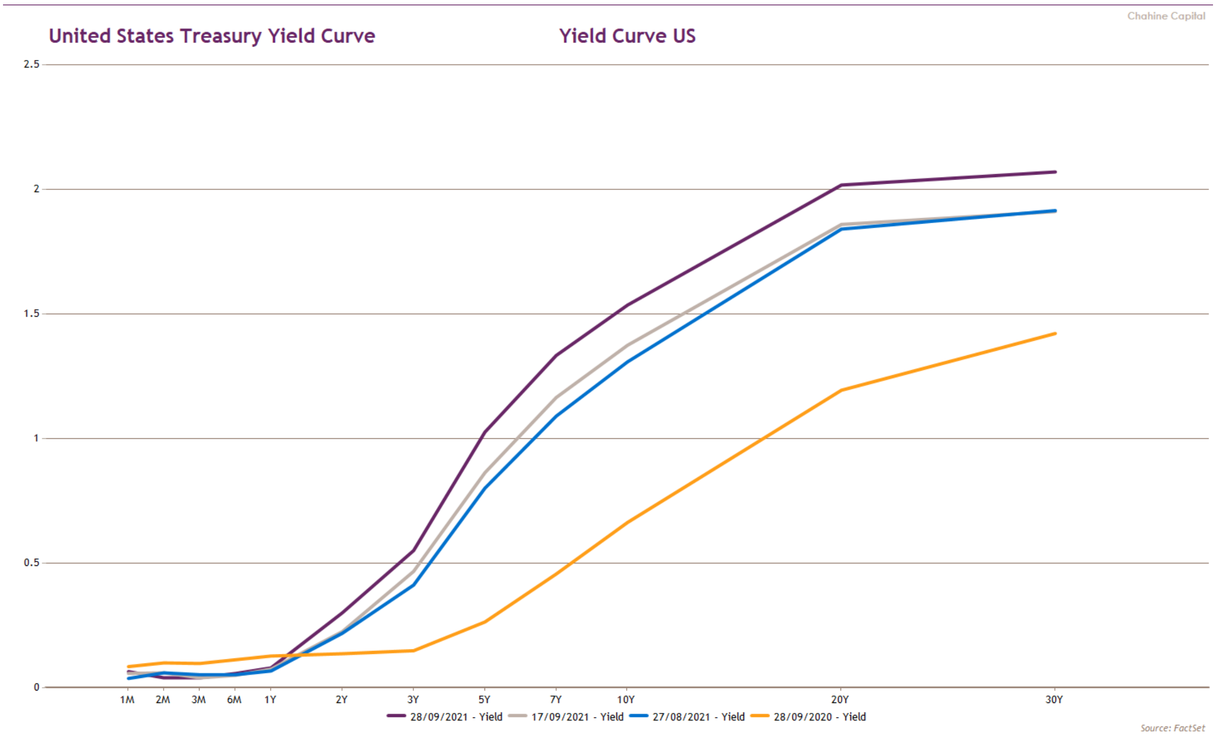


That said, we should not lose sight of the possibility of an extended period of pressure on commodity prices. Were that to happen, we would expect many more downward revisions to earnings estimates and disappointment on results published next year.

Valuation model: Wall Street is still expensive, but European equities are fair value or even slightly underpriced

US and European equity indices corrected in September (S&P 500 -3.8%, EuroStoxx 50 -3.3% at the time of writing). Bond yields rose upon Fed chairman Jerome Powell's observation that quantitative easing would start tapering off reasonably soon (probably before year-end). In the Federal Open Market Committee put it, "If progress continues broadly as expected, the Committee judges that a moderation in the pace of asset purchases may soon be warranted". But then Mr Powell had also stated that Fed rates would stay low for a considerable time; in his words, tapering would be decorrelated from the subsequent rise in interest rates. All in all, US 30-year yields rose 20bp from 1.9% last month to 2.1%, while in Europe they ticked up from 0.5% to 0.7%.

The uptick in long rates is forcing a consolidation in share prices, especially for growth stocks



As far as earnings prospects are concerned, and although we expect 2021 to be as buoyant overall as analysts are predicting, we repeat that EPS growth predictions for the coming years appear to us to be far too aggressive, particularly for US companies at 9.5% in 2022 and 9.1% in 2023.

Against this backdrop, our valuation model indicates that a further consolidation in US share prices is required. Were interest rates to stabilise at current levels, another 3.5% or so would need to come off share prices (for a total correction of around 8%, as we indicated last month). Our scenario that integrates the fact that tax hikes will affect US profits from 2023 onwards – something not yet priced into the market, as far as we can see – suggests a bigger correction of around 7% at unchanged rates, for a total 12%. In these circumstances, we are still recommending caution on US equities.

S&P 500 - Valuation end 2021 except implied scenario					
CAGR Compounded Annual Growth Rate from 2021	30 Years Gvt bonds				
	1,50%	1,75%	**2,07%**	2,25%	2,50%
Tax increase to 25% (approx. -5% impact on EPS) - CAGR 3.7%	**4 667**	**4 368**	4 031	3 860	3 642
Implied Scenario CAGR 4.9% over 8 years	5 050	4 723	**4 353**	4 165	3 926
Return to normal: 39% in 2021, 9.2% in 2022 - CAGR 4.3%	4 863	**4 552**	**4 200**	**4 021**	3 794
Current Index S&P 500			**4 353**		

In the euro zone, 30-year yields have followed the same trajectory as their US equivalent. Here too, we expect 2021 to be as good for corporate results as it will be in America, with a 'deliverance' phenomenon from vaccinations set to materialise in macro and micro data from H2 onwards. Our model suggests that European equities are currently at fair value or even slightly underpriced, and irrespective of the economic scenario (in the event of a slow recovery, interest rates would inevitably sink towards zero). We have not changed our recommendations since last month and would therefore continue to overweight European equities against their American equivalents.

MSCI EMU - Valuation end 2021 except implied scenario					
CAGR Compounded Annual Growth Rate from 2021	30 Years Gvt bonds				
	0,00%	0,50%	**0,71%**	1,00%	1,25%
Slow recovery: 55% in 2021, 4% in 2022	**174**	**148**	139	129	121
Implied Scenario: 55% in 2021, 7.6% in 2022	183	156	**146**	135	127
Return to normal: 55% in 2021, 6% in 2022	199	169	**159**	**147**	**138**
Current Index MSCI EMU			**146**		

Conclusions

Angela Merkel has been Germany's Chancellor since 2005 but is set to retire as soon as a successor emerges from the results of the 26 September election. German GDP per capita has increased almost 18.5% over that time, despite the pandemic. Unexpectedly, the election campaign had little to do with Mrs Merkel's record and politics, focusing instead on the environment and social questions such as the minimum wage, the taxation of firms and the wealthy and the welfare system. In that respect it echoed many of the themes aired in the US presidential election a year ago.

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Michaël Sellam

Main ratios for markets and sectors as of 30/09/2021 (in local currency)

Data as of	Weight vs	Perf		Weighted P/E		% Wted EPS Chge			Div Yield	Revision vs M-2%	
09/30/21	World	2021	2020	2022	2021	2022	2021	2020	2021	Fiscal 22	Fiscal 21
World - Developed	**100,0%**	**8,36%**	**15,04%**	**17,6 x**	**19,6 x**	**11,31%**	**61,39%**	**-19,07%**	**1,90%**	**-0,3%**	**-0,5%**
United States	55,6%	13,32%	20,22%	21,2 x	23,7 x	11,60%	57,54%	-15,60%	1,34%	0,3%	0,2%
Japan	8,0%	3,27%	11,46%	15,2 x	17,2 x	12,74%	32,63%	-8,89%	2,03%	-0,4%	-0,2%
Eurozone	10,9%	7,31%	8,66%	15,6 x	17,3 x	11,04%	88,73%	-38,92%	2,64%	-0,8%	-0,5%
Europe	20,1%	7,80%	7,19%	15,7 x	17,3 x	9,95%	79,48%	-35,66%	2,82%	-0,7%	-1,4%
Austria	0,2%	22,41%	-3,26%	11,6 x	12,3 x	6,22%	93,95%	-41,33%	3,06%	1,8%	0,4%
Belgium	0,4%	1,64%	-2,41%	17,9 x	19,3 x	7,98%	31,34%	-25,07%	2,75%	-1,6%	-0,3%
Denmark	0,7%	7,29%	40,90%	23,0 x	22,3 x	-3,31%	61,20%	-7,16%	1,90%	4,4%	2,7%
Finland	0,4%	3,23%	27,09%	18,1 x	19,5 x	7,70%	31,57%	-13,69%	2,85%	-0,5%	-0,9%
France	3,6%	10,61%	6,34%	16,6 x	19,1 x	15,18%	152,79%	-55,00%	2,49%	-1,0%	-1,1%
Germany	2,9%	3,72%	13,28%	14,4 x	15,4 x	7,08%	71,32%	-20,06%	2,68%	-1,0%	-1,6%
United Kingdom	4,1%	8,54%	-8,98%	13,2 x	14,4 x	9,12%	91,50%	-39,98%	3,69%	-1,2%	-4,7%
Ireland	0,1%	11,61%	11,11%	19,0 x	28,1 x	48,02%	4382,24%	-105,07%	1,23%	0,7%	1,2%
Italy	0,9%	9,66%	1,91%	12,1 x	13,7 x	12,78%	64,08%	-41,54%	3,85%	-0,7%	-0,5%
Netherlands	1,4%	11,19%	21,86%	19,5 x	20,3 x	3,92%	88,18%	-27,12%	1,53%	0,3%	0,5%
Norway	0,5%	13,01%	5,88%	15,5 x	18,2 x	17,58%	178,73%	-55,06%	3,28%	1,8%	2,1%
Spain	0,8%	1,40%	-4,61%	14,8 x	17,2 x	16,55%	58,55%	-42,71%	3,55%	-1,5%	2,6%
Sweden	1,4%	13,09%	31,77%	19,9 x	20,3 x	1,74%	84,00%	-38,46%	2,36%	-0,2%	-1,1%
Switzerland	2,5%	5,34%	10,73%	18,4 x	20,7 x	12,67%	20,52%	-7,91%	2,59%	-1,2%	-0,6%
Europe / Commercial Services	0,6%	7,89%	3,13%	20,8 x	25,7 x	23,52%	58,81%	-29,26%	1,83%	-0,9%	-2,7%
Europe / Communications	0,5%	5,63%	-3,23%	14,7 x	16,3 x	10,74%	-19,66%	4,86%	4,34%	-0,9%	-8,5%
Europe / Consumer Durables	0,9%	13,16%	18,46%	8,8 x	9,4 x	7,36%	281,09%	-58,41%	3,65%	-1,2%	-1,7%
Europe / Consumer Non-Durable	3,1%	3,51%	8,89%	22,0 x	24,7 x	12,20%	27,22%	-21,01%	2,13%	-1,4%	-1,1%
Europe / Consumer Services	0,4%	12,51%	-1,65%	24,6 x	176,9 x	620,12%	134,75%	-122,49%	1,38%	-2,7%	-1,7%
Europe / Distribution Services	0,2%	12,62%	22,70%	20,1 x	21,7 x	7,90%	55,46%	-15,06%	1,84%	0,5%	2,3%
Europe / Electronic Technology	0,8%	13,43%	8,85%	17,6 x	21,0 x	19,33%	131,02%	-51,15%	1,34%	-0,7%	0,0%
Europe / Energy Minerals	0,7%	21,60%	-27,63%	9,5 x	9,9 x	4,78%	37146,27%	-92,11%	4,74%	1,8%	2,0%
Europe / Finance	3,6%	11,44%	-5,87%	11,5 x	11,7 x	1,86%	66,31%	-34,63%	4,08%	-1,2%	-2,1%
Europe / Health Services	0,2%	14,32%	12,06%	22,3 x	23,2 x	3,94%	20,73%	-0,81%	1,50%	-1,2%	-0,4%
Europe / Health Technology	2,3%	8,51%	8,87%	19,8 x	22,3 x	12,34%	11,73%	-0,94%	2,21%	-1,0%	-0,9%
Europe / Industrial Services	0,3%	6,07%	-9,31%	14,9 x	19,7 x	32,49%	77,69%	-51,28%	2,88%	-1,1%	0,3%
Europe / Miscellaneous	0,0%	26,42%	33,67%	12,4 x	10,1 x	-21,24%	142,00%	-81,20%	3,17%	0,7%	35,3%
Europe / Non-Energy Minerals	0,7%	7,82%	17,23%	8,0 x	6,7 x	-16,77%	115,15%	27,70%	7,19%	0,1%	-2,8%
Europe / Process Industries	0,8%	4,35%	17,61%	18,1 x	18,8 x	3,88%	50,63%	-13,98%	2,63%	-0,9%	-1,1%
Europe / Producer Manufacturin	1,8%	12,71%	31,52%	21,2 x	25,7 x	20,99%	88,57%	-32,22%	1,64%	-1,7%	-1,9%
Europe / Retail Trade	0,5%	0,55%	21,69%	22,6 x	29,0 x	26,80%	80,93%	-24,96%	1,95%	-2,2%	1,1%
Europe / Technology Services	1,1%	-0,35%	23,86%	26,5 x	31,0 x	17,14%	27,66%	-5,83%	0,77%	-0,5%	-0,7%
Europe / Transportation	0,6%	20,60%	3,88%	16,7 x	41,5 x	147,94%	136,21%	-255,23%	2,68%	6,1%	10,0%
Europe / Utilities	0,9%	-12,18%	24,35%	15,4 x	16,2 x	5,31%	18,67%	-17,21%	4,11%	-1,3%	-1,3%

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