

INVESTMENT STRATEGY

Equity Focus: Improving conditions

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Equities at a glance

Key Points

1. **Over the last month, the 4 key factors we monitor to drive our global equities view have all improved, some quite considerably:** financial conditions (looser), real yields (lower), US dollar (lower) and aggregate liquidity (higher).
2. **Lower valuations = higher long-term returns:** Most segments of the global stock market are cheap today relative to their own long-term valuation history. Europe, Japan, China and US mid- and small-caps all trade today between 10% and 24% cheap to their own 10-year averages in P/E ratio terms. However, US mega-cap tech remains on the expensive side even after correcting.
3. **Not all is supportive for stocks, short-term...** Earnings estimates are falling in Europe, the US and in Emerging Markets. We expect earnings estimates to fall further as company guidance deteriorates as we enter recession in Europe and in the US.
4. **Euro STOXX 50 index is currently overbought:** we would expect consolidation in this upwards trend in the very short term, which could then offer a better entry point with higher conviction. **We remain neutral on equities overall, for now.**



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Key recommendations



Energy Producers

Overweight sectors providing a hedge against high inflation. European sanctions against Russia (embargo on Russian oil to start in December) and the recently-announced 2 million barrel/day OPEC+ production cut support the sector. This very profitable sector is still extremely cheap.



UK, Japan, Share Buyback + High Dividend equities

UK: energy exposure, cheap with currency benefit, high yields.

Japan: the Japanese TOPIX index is enjoying a good momentum, supported by the weak yen. Valuations are still low whereas earnings growth has been rather good.



Key Risks: still no pivot yet from the US Federal Reserve, as US inflation has not declined sharply. The ISM manufacturing survey looks set to dip below 50 to follow the Markit composite PMI, which has typically been a drag on US corporate earnings.



Our position for this month

Evolution of our position from last month

Uses of cash: Dividends/buybacks have been best



Source: Goldman Sachs

European stocks are historically cheap v US



Source: IBES, Game of Trades

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IBES Forecast Europe & US

1. Conditions are improving for stock markets

Key factors improve for stocks

IMPROVEMENT EVIDENT IN 4 KEY FACTORS

Over the last month, the 4 key factors we monitor to drive our global equities view have all improved, some quite considerably:

- 1. Financial conditions have loosened:** these conditions are an aggregate of volatility (lower), credit spreads (tighter) and liquidity measures such as the TED spread (tighter). In both the US and Europe, these conditions have turned more favourable for the outlook for stocks.
- 2. Long-term real yields are falling:** 10-year bond yields have eased globally on the back of the latest US inflation prints which have come in lower than expected. We further look for US inflation to decline rapidly over the months ahead; given leading indicators for housing, goods prices and employment.
- 3. The US dollar is finally weakening:** following lower US CPI and PPI inflation prints, market expectations for the US Federal Reserve's terminal rate has fallen under 5% (expected in January 2023). This has weakened support for the US dollar. In the past, a weaker dollar has typically been good news for risk assets such as stocks, and particularly for emerging market assets.
- 4. Aggregate liquidity is finally improving:** broad global M2 money supply growth has been falling sharply since early this year, reflecting the tightening bias of central banks after years of ultra-easy liquidity conditions. But of late, this liquidity has improved as central banks, led by the People's Bank of China and the Bank of England, have boosted money supply.

In addition, note that near-term economic momentum, in the form of economic surprise indices, have also entered positive territory since late September, led by the eurozone and the UK.

LOOSER FINANCIAL CONDITIONS, IMPROVING LIQUIDITY



Source: Bloomberg



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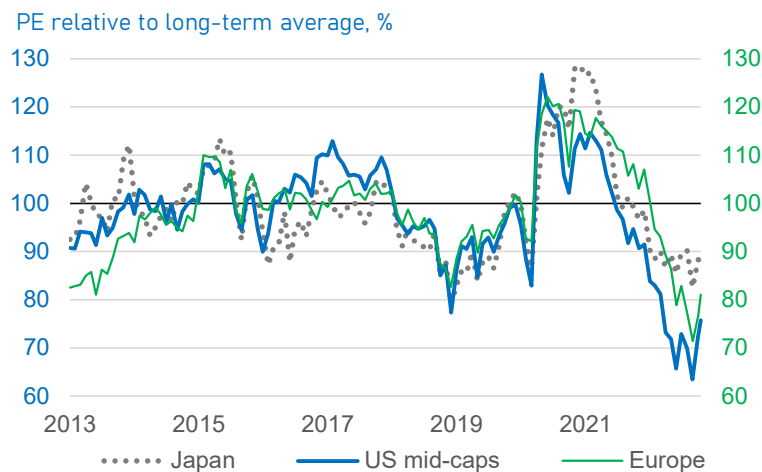
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2. Lower valuations = higher long-term returns

Valuation split: US mega tech v rest

EUROPE, US SMALL/MID, AND JAPAN ARE CHEAP

Most segments of the global stock market are cheap today relative to their own long-term valuation history. Europe, Japan, China and US mid- and small-caps all trade today between 10% and 24% discount to their own 10-year averages in P/E ratio terms. Short-term, this reflects the uncertainty around earnings forecasts. Remember that on a 5-10 year investment horizon, stock market valuations are a good guide to expected returns. So, cheap Eurozone, UK, Emerging Markets and US mid-/small-cap stock indices implies higher long-term returns from here.



Source: Bloomberg

WHILE US LARGE-CAP TECH STILL EXPENSIVE...

Large-cap US tech stocks in general disappointed investors over the Q3 results season, with only Apple really beating estimates. Lower profit margins and slower growth are reflected in lower Nasdaq 100 earnings forecasts. But these forecasts could fall further as margins come under further pressure in the quarters ahead.

At the same time, large-cap US tech remains relatively expensive at 21x forecast PE, versus a 2015-2020 range of 16-20x.



Source: Bloomberg

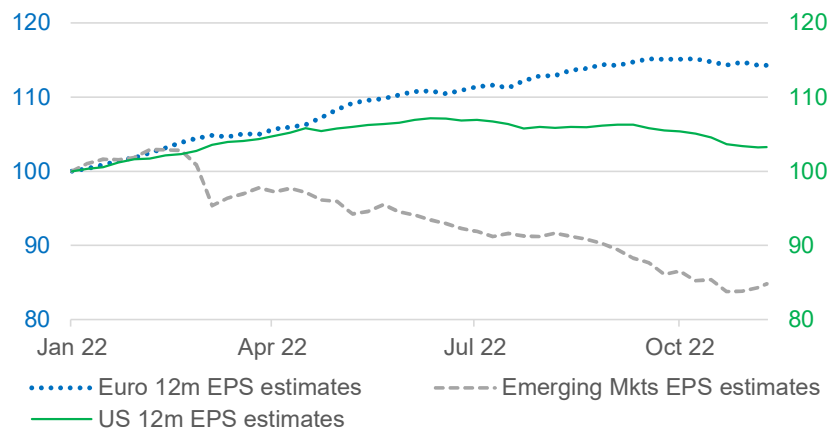
3. Not all is supportive for stocks, short term...

Bear market rally, or more?

RECESSION MEANS A WEAKER EARNINGS OUTLOOK

In aggregate, earnings estimates are falling in Europe, the US and Emerging Markets. We expect earnings estimates to decline further as company guidance deteriorates on the eve of a recession in Europe and in the US. This clearly undermines the argument for US and Emerging Market equities in particular, although further weakness in the US dollar may begin to support the earnings outlook in these regions. Look for earnings forecasts to fall in consumer cyclical sectors in the near term.

Rebased to 100 at Jan 2022

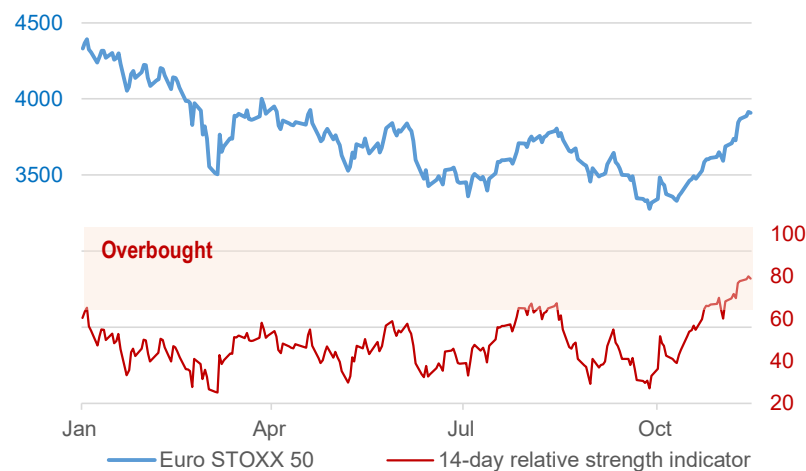


Source: Bloomberg

EUROPEAN STOCKS ALREADY OVERBOUGHT, NEAR TERM

In the very short term, it is clear that stock markets have already rallied quite a way since the October lows. The Euro STOXX 50 reference index (see below) has entered an overbought zone (a reading of above 70 on the Relative Strength Index) for the first time this year.

We would expect some consolidation in this upward price momentum in the very short term, which could then offer a better entry point with higher conviction.



Source: Bloomberg



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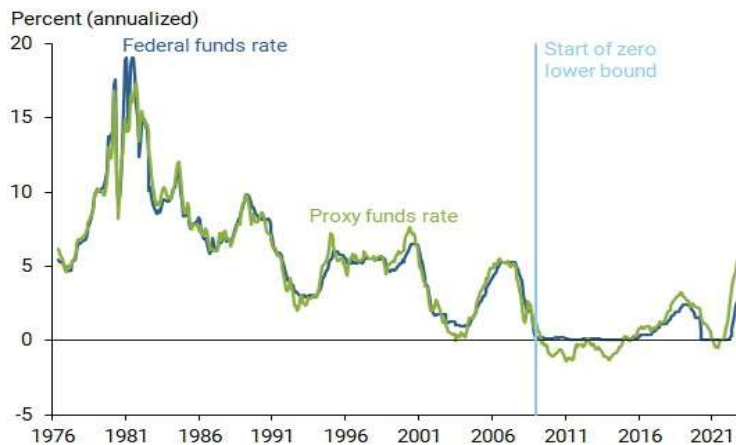
4. Fed pressure is intense: Pausing soon?

A Fed pause is a key trigger for stocks

CENTRAL BANKS HAVE TIGHTENED POLICY A LOT ALREADY

At first glance, today's Fed Funds rate of 4.0% might not seem all that high, given current elevated inflation levels. However, once we add the effects of much higher interest rates on mortgages and corporate borrowing plus the additional effects of reduced liquidity via the Fed's Quantitative Tightening policy, we can see that the "proxy" Fed Funds rate (according to the San Francisco Fed) in fact today already exceeds 5%, a level last seen in 2008. This proxy Fed rate has not been significantly higher than 5% for any length of time since the early 1990s.

Effective federal funds rate and proxy rate, 1976–2022

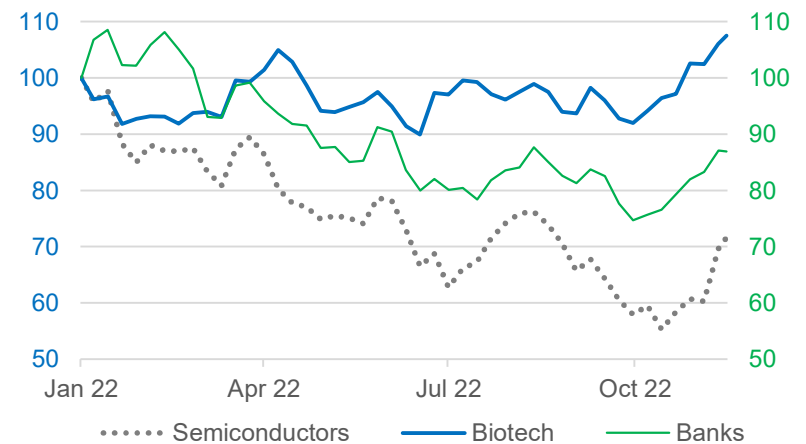


Source: San Francisco Fed

WATCH LEADING SECTORS FOR MARKET MOMENTUM

The key global semiconductor, banks and biotech sectors are developing into new leaders for stock markets worldwide. They have all rebounded strongly and broken pre-existing downtrends since early October. These relatively risky sectors need to maintain this upwards momentum if stocks overall are to develop a new bull market, rather than just a short-term bear market rally.

Global sector indices, USD



Source: BNP Paribas, Bloomberg



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5. Q3 earnings & forecasts

A MIXED BAG IN THE US; BIG TECH DISAPPOINTS

Most S&P500 companies have now reported their Q3 earnings. Revenues are growing a bit more than +10% compared with last year (slightly better than expected). Earnings have also been slightly above (revised lower) expectations, with a growth of +3% 'only', compared with Q3 2021. Quite disappointing. New forecasts in the 'Mega Tech' sphere shocked the markets in some cases. Margins are under pressure (higher wages & costs, strong USD, etc).

Valuations are still rich in the US: after the October rally, the forward P/E is 17. Tech, consumer discretionary and staples sectors still trade at average P/E levels above 20. Downward revisions still abound, especially in the tech sector.

Consumption resilience will be key to determining if earnings can stabilise or if we will enter a deeper recession than what the market has priced in.

DOWNWARD EARNINGS REVISIONS DOMINANT IN THE US



Source: Raymond James, Factset



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Profit margins are under pressure

EARNINGS ARE RELATIVELY BETTER IN EUROPE

Now that more than 80% of European companies have reported their results, we note relative strength in most sectors. Revenues and earnings have beaten forecasts by slightly more than 4% on average. European exporters have been helped by the strong USD whereas so far high energy prices have not damaged profitability too much. In 2022 earnings are set to grow by +18% in Europe but almost zero growth is on the cards for 2023. As mentioned last month, inflation is key, which level will depend on how fast governments can find solutions to geopolitical tensions and to the energy crisis. After the Oct/Nov rally, Europe still trades at a cheap forward P/E, at slightly under 12. Some sectors that perform well during inflation times are very cheap: Energy, Financials, but also Health Care. These (favourite) sectors are enjoying upward earnings revisions.

EARNINGS FORECASTS ARE HOLDING BETTER IN EUROPE

Exhibit 35: Currently, the 4-week EPS Revision Ratio is the strongest in Europe, while it is the weakest in EM
BofA 4w EPS Revision Ratio



Source: BofA European Equity Quant Strategy, IQDatabase

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6. Sector Allocation

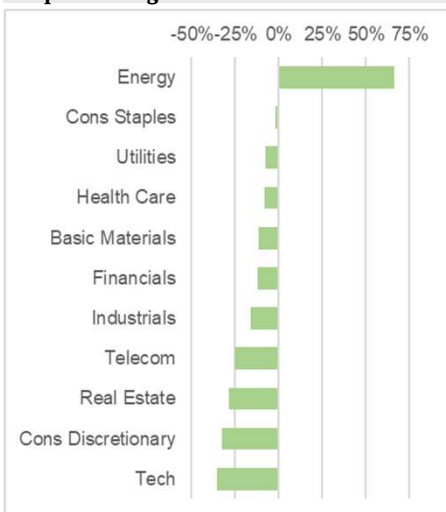
Earnings season supports our sector positioning and our relatively careful stance

NO RUSH TO ADD BETA WHEN THE GLOBAL ECONOMY IS SLOWING DOWN; ACCUMULATE WITH SELECTIVITY

Q3 corporate earnings season has been very supportive of our sector preferences. Energy, Health Care and Financials have in general reported strong results. On the other hand, there were big disappointments in the US 'Mega Tech', Social Networks and Consumer Discretionary sectors.

- Momentum, earnings and valuations are still very supportive to **Energy**, **some Metals & Mining** (preference for those related to energy and the energy transition), **Health Care** and **Financials**. These sectors also tend to perform better in times of high inflation and higher rates/bond yields.
- European sanctions against Russia (embargoes on Russian oil to start in December) and OPEC+ cutting their production support Energy in general. This very profitable sector is still extremely cheap.
- **Following the sharp corrections this year, we recommend repositioning on the energy transition & efficiency theme**, which are very important in view of the global environment.

US sector performance in 2022: Energy is well in the lead and defensive sectors are outperforming.

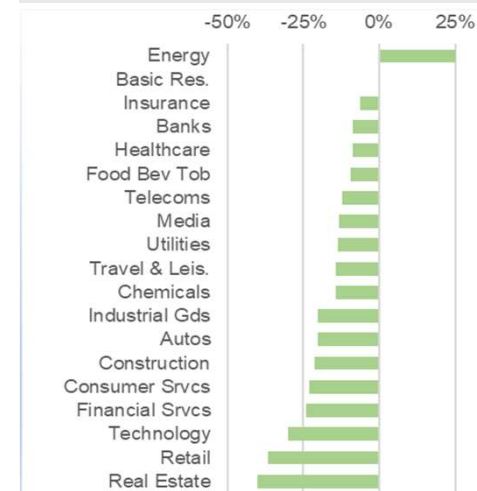


Source: FTSE Russell. Note: performance to 8 Nov. 2022

We still recommend keeping a good portion of any equity portfolio invested in **companies with pricing power and/or returning big amounts of cash to shareholders**. Among defensive sectors, we still prefer **Health Care**.

- Regarding European REITs, we believe that the worst is behind us (as we consider that bond yields have peaked); they trade at **huge discounts to NAVs**.
- We still recommend keeping a good chunk of any equity portfolio invested in **companies with pricing power**. Q3 results and forecasts prove once again that this is one of the best segments to be invested in this year. **Secure and rising dividends are another style we like**.
- On the other hand, cyclical stocks sensitive to the global economy, the likely slowdown in consumption and the supply chain issues are likely to continue to underperform. Richly valued stocks (mainly tech) are still vulnerable, especially those reporting disappointing results or forecasts. Be very selective there.

Europe: Commodities, Financials and Healthcare in the lead



Source: STOXX. Note: performance to 8 November 2022

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7. Sector Preferences

	Sector	Industry (Level 2)		
Reco	(Level 1)	+	=	-
+	Energy	Energy		
	Health care	Pharmaceuticals + Biotech Health Care equip. + services		
	Financials	Diversified Fin. Insurance	Banks	
=				
	Materials	Metals & Mining (related to energy and energy transition)	(other) Materials	
	Real estate	EU real estate	US real estate	
	Consumer Staples		Food & Beverages Food Retail Household & Personal Care Products	
	Communication Services		Telecoms Media	
	Utilities		Utilities	
	Industrials		Commercial Services Infrastructure Capital Goods Transportation	
	Technology		Technology Luxury Goods Consumer Services	
	Consumer Discretionary		Retail Automobiles Travel & Leisure	

8. Focus on sector valuations, expected earnings growth + our comments/expectations

Price index - in €																			
04-11-22	PE				EPS Growth - %			1m / 3m % Δ in EPS			Sales growth - %			1m / 3m % Δ in Sales		Divid end yield (%)			
	2022	2023	2024	12m fwd	2022	2023	2024	2022	2023		2022	2023	2024	2022					
MSCI EUROPE (€) (*)	11,4	11,2	10,7	11,3	17,6	1,4	5,7	-0,2	2,5	-0,7	0,9	14,7	1,5	1,40	0,2	1,34	3,5		
(*) EU15 + Switzerland + Norway																		Comments	
MSCI USA	18,0	16,9	15,4	17,0	6,4	6,4	9,6	-1,5	-2,5	-2,8	-3,97	11,3	3,5	4,3	-0,3	-0,3	2,2		
MSCI EUROPE ENERGY (BUY) MSCI USA ENERGY (BUY)	4,4 8,8	5,1 9,9	6,1 11,3	5,0 9,7	116,2 160,8	-14,9 -10,4	-16,6 -13,4	1,4 1,8	9,2 -0,3	1,9 5,1	9,7 -1,6	49,5 1,6	-5,7 8,3	-9,3 -1,4	-1,2 6,0	1,5 65,7	4,3 49,2	Strong results; earnings forecasts have been strongly revised up recently; assumptions for 2023 look conservative. Idem but the sector is more expensive in the US (sector growth expected to be lower in Europe).	
MSCI EUROPE MATERIALS MSCI USA MATERIALS	8,3 12,5	10,8 14,2	10,7 13,8	10,3 13,9	4,6 9,1	-22,9 -12,4	1,3 3,1	-0,8 -9,1	0,5 -4,0	-2,9 -6,1	-5,6 -6,2	14,0 -5,2	-5,7 -7,1	-0,5 -5,8	-0,8 -7,6	-0,6 30,2	4,6 12,1	Earnings under pressure (rising costs) but a lot seems to have already been priced in; this sector is quite correlated with China. Earnings under pressure (rising costs) but a lot seems to have already been priced in; this sector is quite correlated with China	
MSCI EUROPE INDUSTRIALS MSCI USA INDUSTRIALS	14,6 20,5	14,8 17,4	13,7 15,4	14,7 17,9	21,0 10,1	-1,6 18,0	8,3 12,7	-0,1 15,9	1,4 -1,7	-1,5 -4,9	-2,0 -3,2	13,9 -2,4	2,0 -3,5	4,0 -2,9	0,8 -4,8	2,3 11,9	2,8 8,5	The sector has derated in 2022 ; latest results ok. European industrials are quite correlated to the Chinese economy. The sector has derated in 2022; latest results a mixed bag.	
MSCI EUROPE CONS DISCR MSCI USA CONS DISCR	11,3 31,1	11,0 23,2	10,0 19,3	11,1 24,3	17,2 4,0	2,4 33,9	10,0 20,6	-0,8 27,3	3,9 -2,8	-2,1 -7,3	-2,7 -2,8	13,4 -2,3	5,6 -4,7	5,3 -2,8	0,3 -6,3	1,4 18,2	3,3 11,3	Sensitive to consumer demand; expected growth could be optimistic (but this sector is not expensive in Europe). Expensive sector compared to Europe (mainly due to Amazon, Tesla); forecasts could be optimistic.	
MSCI EUROPE CONS STAPLES MSCI USA CONS STAPLES	18,5 20,6	16,9 19,8	15,5 18,4	17,1 19,9	9,5 3,3	9,3 4,1	9,6 7,5	0,2 4,0	1,4 -0,1	0,3 0,3	1,6 -1,2	11,5 -1,4	5,1 -1,6	4,1 -1,1	0,8 -1,5	2,1 8,3	2,8 8,7	Expensive sector but defensive & with still good pricing power. Expensive sector but defensive & with still good pricing power.	
MSCI EUROPE HEALTH CARE (BUY) MSCI USA HEALTH CARE (BUY)	16,2 17,3	15,0 16,9	13,5 15,6	15,2 16,9	7,1 1,9	8,5 2,2	11,3 7,9	-0,2 2,2	0,5 -0,1	-0,9 -0,9	-1,2 -1,0	7,7 -0,7	4,4 -1,6	5,9 -0,9	0,0 -1,7	1,3 14,8	2,7 7,8	Solid results. Still among cheapest defensives with visible/secure growth. Solid results. Still among cheapest defensives with visible secure growth.	
MSCI EUROPE FINANCIALS (BUY) MSCI USA FINANCIALS (BUY)	8,5 13,0	7,5 11,5	6,7 10,4	7,6 11,7	-1,4 -14,7	13,8 12,8	11,3 10,7	-0,5 7,6	2,1 -2,0	-0,2 -1,8	2,5 -2,4	1,7 -2,5	5,2 -2,6	2,4 -2,4	-0,8 -2,5	-0,4 5,3	5,2 3,5	Strong results in general ; earnings forecasts have been revised up recently ; cheap sector. Sector is more expensive in the US than in Europe but the US economy also looks stronger.	
MSCI EUROPE REAL ESTATE (BUY) MSCI USA REAL ESTATE	11,0 30,7	11,0 31,8	10,8 29,4	11,0 31,6	18,1 -3,5	0,0 -3,5	1,7 8,0	1,7 -3,5	1,7 -0,3	0,1 2,9	-1,5 -3,5	14,9 -3,6	-0,5 -3,3	2,8 -3,0	-0,1 -2,3	0,9 17,7	5,1 11,9	Very cheap now! But financing new projects/growth is now much more expensive --> zero growth expected in 2023. The sector is more expensive than in Europe (but less leveraged).	
MSCI EUROPE IT MSCI USA IT	22,4 21,5	19,0 20,7	16,6 18,2	19,5 20,5	3,0 9,2	17,5 4,2	14,9 13,4	-1,9 4,7	-1,1 -1,2	-2,7 -5,8	-2,0 -3,3	16,0 -2,9	8,3 -5,6	6,9 -3,3	1,1 -7,0	2,0 18,0	1,4 10,5	Results were rather reassuring in Europe compared with the US big tech. Expected growth could however still be optimistic. Still expensive despite 2022 derating; some big disappointments during the last earnings season.	
MSCI EUROPE COMM. SERVICES MSCI USA COMM SERVICES	13,4 16,5	12,3 14,9	11,1 12,8	12,5 15,1	20,8 -16,5	8,5 10,5	10,8 16,7	-0,5 5,1	2,1 -3,4	-0,8 -6,4	1,4 -6,8	4,7 -5,4	2,4 -7,7	2,2 -6,3	0,7 -9,2	1,6 15,8	4,6 5,0	Cheap but expected growth could be optimistic due to rising costs, high competition, etc. Big derating in 2022 but growth has become more uncertain, especially for media & social media companies (loss of advertising revenues, higher costs, etc); forecasts might still be optimistic.	
MSCI EUROPE UTILITIES MSCI USA UTILITIES	15,4 18,4	12,4 17,1	11,6 15,8	12,9 17,3	-10,3 7,2	24,7 7,8	6,5 7,9	-1,3 7,7	-8,5 -0,7	-0,6 -0,5	0,7 -0,2	8,3 -0,2	1,0 0,2	1,9 -0,3	5,0 0,4	4,6 14,0	4,8 2,5	Be selective here as some companies profit from high energy prices & others don't! Be selective here as some companies profit from high energy prices & others don't!	

A. IBES forecasts: Europe

Price index - in €																						
03-11-22	PE				EPS Growth - %				1m / 3m % Δ in EPS								Sales growth - %			1m / 3m % Δ in Sales		Divid end yield (%)
	2022	2023	2024	12m fwd	2022	2023	2024	12m fwd	2022	2023	2024	12m fwd	2022	2023	2024	2022	2023	2024	2022	2023	2024	
MSCI EUROPE (€) (*)	11,4	11,2	10,7	11,3	17,6	1,4	5,7	3,7	-0,2	2,5	-0,7	0,9	-0,7	0,5	-0,6	1,3	14,7	1,5	1,40	0,2	1,34	3,5
(*) EU15 + Switzerland + Norway																						
MSCI UK (€)	8,8	9,0	8,9	9,0	22,0	-2,1	1,1	0,9	0,1	4,0	-0,8	2,3	-0,5	1,9	-0,6	2,6	21,8	0,7	-1,4	-1,5	-0,2	4,1
MSCI Switzerland (CHF)	18,1	16,0	14,5	16,3	2,8	13,3	9,9	11,7	-2,2	-4,4	-1,8	-2,6	-1,6	-2,5	-1,9	-2,9	0,8	2,1	3,3	-0,6	-1,0	2,9
MSCI Germany	10,3	9,8	8,9	9,8	5,1	5,4	10,6	5,9	-0,8	-1,0	-1,4	-2,1	-1,6	-1,8	-1,3	-1,7	8,9	2,6	3,8	0,2	2,1	3,9
MSCI France	11,2	11,3	10,7	11,3	29,8	-1,5	5,3	2,7	0,6	5,8	0,5	3,2	0,1	2,6	0,6	3,6	18,6	1,5	1,5	1,0	2,2	3,0
MSCI Spain	9,8	9,6	9,0	9,6	25,7	2,2	6,8	5,6	1,1	4,2	0,2	0,6	-0,2	0,5	0,4	1,2	17,6	0,4	0,8	1,6	3,3	4,0
MSCI The Netherlands	19,3	16,2	14,0	16,8	6,7	18,7	17,7	17,0	-1,2	-0,3	-3,6	-3,6	-2,4	-1,7	-3,2	-3,1	9,4	5,3	4,7	0,2	1,0	2,7
MSCI Belgium	17,5	16,4	13,9	16,6	-2,0	6,6	17,8	5,2	-0,2	3,2	-1,2	0,6	-1,5	-0,9	-1,0	1,0	4,5	1,0	9,2	0,9	1,1	3,6
MSCI EUROPE ENERGY	4,4	5,1	6,1	5,0	116,2	-14,9	-16,6	-3,8	1,4	9,2	1,9	9,7	0,7	6,3	1,8	9,6	49,5	-5,7	-9,3	-1,2	1,5	4,3
MSCI EUROPE MATERIALS	8,3	10,8	10,7	10,3	4,6	-22,9	1,3	-18,5	-0,8	0,5	-2,9	-5,6	-1,4	-2,4	-2,5	-4,3	14,0	-5,7	-0,5	-0,8	-0,6	4,6
MSCI EUROPE INDUSTRIALS	14,6	14,8	13,7	14,7	21,0	-1,6	8,3	2,5	-0,1	1,4	-1,5	-2,0	-1,5	-1,7	-1,2	-1,2	13,9	2,0	4,0	0,8	2,3	2,8
MSCI EUROPE CAP GDS	17,1	14,9	13,3	15,1	8,2	14,7	12,2	15,2	-0,2	-1,6	-1,1	-1,8	-1,3	-1,5	-0,9	-1,4	11,7	4,5	4,5	0,7	1,7	2,6
MSCI EUROPE COML SVS/SUP	20,6	19,1	17,5	19,4	13,1	8,0	9,1	8,8	0,1	1,0	0,2	1,0	0,4	1,6	0,2	1,0	12,5	5,6	4,4	0,9	1,9	2,4
MSCI EUROPE TRANSPT	5,8	10,7	12,3	9,4	78,0	-45,8	-12,8	-33,3	0,0	9,7	-4,8	-5,4	-4,5	-6,3	-3,5	-1,7	26,1	-11,0	0,7	1,1	5,0	4,5
MSCI EUROPE CONS DISCR	11,3	11,0	10,0	11,1	17,2	2,4	10,0	4,6	-0,8	3,9	-2,1	-2,7	-3,1	-3,4	-2,0	-1,8	13,4	5,6	5,3	0,3	1,4	3,3
MSCI EUROPE AUTO & COMPO	4,8	5,3	5,0	5,2	15,9	-8,5	6,9	-4,7	0,4	9,9	-2,4	-1,5	-3,6	-2,4	-1,9	0,4	12,0	4,4	4,4	0,3	1,7	5,8
MSCI EUROPE CONS DUR/APP	18,6	17,2	15,9	17,5	14,4	8,1	8,3	9,6	-1,8	-1,3	-1,7	-3,0	-2,7	-4,5	-2,0	-3,1	13,0	5,6	5,9	0,4	0,3	2,5
MSCI EUROPE CONS SVS	27,1	20,2	16,9	20,7	90,8	33,9	19,5	36,9	0,6	-1,9	-1,0	-3,0	-0,5	-1,7	-0,7	-2,6	29,7	13,7	7,1	-0,2	1,4	1,5
MSCI EUROPE RETAILING	25,6	16,4	12,8	18,2	1,7	56,4	27,4	45,6	-9,1	-17,7	-3,2	-8,7	-3,7	-6,5	-3,4	-9,8	11,6	7,5	8,5	-0,1	1,0	3,8
MSCI EUROPE CONS STAPLES	18,5	16,9	15,5	17,1	9,5	9,3	9,6	9,2	0,2	1,4	0,3	1,6	0,4	1,7	0,3	1,7	11,5	5,1	4,1	0,8	2,1	2,8
MSCI EUROPE FD/STAPLES RTL	13,0	12,1	10,8	12,3	-1,3	6,9	12,0	5,1	0,4	0,6	-0,8	-0,9	0,2	0,5	-0,4	-0,4	10,0	3,9	3,4	1,0	2,0	4,3
MSCI EUROPE FD/BEV/TOB	18,8	17,1	15,7	17,2	13,0	9,9	9,2	9,9	0,0	1,0	0,3	1,6	0,2	1,4	0,3	1,7	12,3	6,2	4,5	0,7	2,1	2,7
MSCI EUROPE H/H PERS PRD	19,8	18,3	16,6	18,5	3,8	8,5	9,9	9,0	0,5	2,7	0,6	2,7	0,9	3,1	0,6	2,7	13,4	5,3	4,4	0,8	2,4	2,8
MSCI EUROPE HEALTH CARE	16,2	15,0	13,5	15,2	7,1	8,5	11,3	8,3	-0,2	0,5	-0,9	-1,2	-1,0	-1,6	-0,8	-1,0	7,7	4,4	5,9	0,0	1,3	2,7
MSCI EUROPE H/C EQ/SVS	19,4	17,8	15,5	18,0	1,6	9,3	14,8	8,1	-1,3	-4,9	-4,1	-9,1	-4,2	-9,1	-3,7	-8,5	11,1	5,6	5,7	-0,2	0,3	1,9
MSCI EUROPE PHARM/BIOTEC	15,8	14,6	13,2	14,8	7,9	8,3	10,8	8,3	0,0	1,3	-0,5	0,0	-0,5	-0,4	0,2	6,7	4,0	6,0	0,1	1,6	2,9	
MSCI EUROPE FINANCIALS	8,5	7,5	6,7	7,6	-1,4	13,8	11,3	10,8	-0,5	2,1	-0,2	2,5	-0,1	2,5	-0,3	3,0	1,7	5,2	2,4	-0,8	-0,4	5,2
MSCI EUROPE BANKS	6,8	6,3	5,6	6,4	2,3	7,4	12,1	6,5	1,0	8,2	0,3	4,8	0,4	4,5	0,4	5,3	7,7	5,3	3,3	0,5	3,0	5,8
MSCI EUROPE DIV FIN	11,9	9,7	8,7	10,1	-16,4	23,0	15,2	13,0	-0,1	-8,4	-2,8	-3,3	-1,7	-1,7	-2,4	-0,4	10,5	1,7	5,6	-0,6	-0,4	3,1
MSCI EUROPE INSURANCE	10,5	8,5	7,9	8,8	0,2	22,7	7,9	19,0	-3,8	-4,1	0,1	1,1	-0,3	1,0	-0,5	0,3	-3,3	5,9	1,2	-1,5	-2,3	5,7
MSCI EUROPE REAL ESTATE	11,0	11,0	10,8	11,0	18,1	0,0	1,7	2,6	1,7	1,7	0,1	-1,5	-1,4	-3,7	0,4	-0,9	14,9	-0,5	2,8	-0,1	0,9	5,1
MSCI EUROPE IT	22,4	19,0	16,6	19,5	3,0	17,5	14,9	14,3	-1,9	-1,1	-2,7	-2,0	-0,6	0,1	-2,6	-1,9	16,0	8,3	6,9	1,1	2,0	1,4
MSCI EUROPE S/W & SVS	25,1	20,7	17,8	21,3	-9,2	21,0	16,4	15,5	-4,2	-3,7	-1,7	-1,4	0,1	0,5	-2,0	-1,7	17,5	8,9	8,5	0,8	2,2	1,5
MSCI EUROPE TCH H/W/EQ	13,8	12,3	11,3	12,6	-1,4	12,8	8,6	9,1	-4,3	-4,8	-2,8	-3,3	-2,1	-3,5	-3,0	-3,6	10,7	5,3	2,9	1,7	1,7	1,8
MSCI EUROPE COMM. SERVICES	13,4	12,3	11,1	12,5	20,8	8,5	10,8	10,4	-0,5	2,1	-0,8	1,4	-1,4	-0,1	-0,7	1,6	4,7	2,4	2,2	0,7	1,6	4,6
MSCI EUROPE TELECOM	12,5	11,8	10,8	12,0	18,8	5,7	9,9	7,4	-0,8	-0,1	-1,5	-1,5	-2,5	-3,2	-1,3	-1,1	3,0	2,0	1,7	0,2	0,9	5,6
MSCI EUROPE MEDIA & ENTER.	16,2	13,8	12,2	14,2	27,8	17,6	13,3	20,5	0,4	9,9	1,2	10,6	1,9	10,1	1,2	10,7	12,8	4,2	4,3	3,2	4,6	1,9
MSCI EUROPE UTILITIES	15,4	12,4	11,6	12,9	-10,3	24,7	6,5	17,9	-1,3	-8,5	-0,6	0,7	-0,3	1,3	-0,6	-0,5	8,3	1,0	1,9	5,0	4,6	4,8

Source: IBES



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B. IBES forecasts: US

03-11-22	PE				EPS Growth - %				1m / 3m % Δ in EPS								Sales growth - %			1m / 3m % Δ in Sales		Divid end yield (%)
	2022	2023	2024	12m fwd	2022	2023	2024	12m fwd	2022	2023	2024	12m fwd	2022	2023	2024	12m fwd	2022	2023	2024	2022	2023	2024
MSCI USA	18,0	16,9	15,4	17,0	6,4	6,4	9,6	6,2	-1,5	-2,5	-2,8	-3,97	-2,28	-3,25	-2,7	-3,82	11,3	3,5	4,3	-0,3	-0,3	2,2
MSCI USA ENERGY	8,8	9,9	11,3	9,7	160,8	-10,4	-13,4	1,8	-0,3	5,1	-1,6	6,2	1,6	8,3	-1,4	6,0	49,2	-6,9	-10,0	-1,5	1,0	2,6
MSCI USA MATERIALS	12,5	14,2	13,8	13,9	9,1	-12,4	3,1	-9,1	-4,0	-6,1	-6,2	-8,0	-5,2	-7,1	-5,8	-7,6	12,1	-4,3	-0,5	-0,9	-1,0	2,1
MSCI USA INDUSTRIALS	20,5	17,4	15,4	17,9	10,1	18,0	12,7	15,9	-1,7	-4,9	-3,2	-4,8	-2,4	-3,5	-2,9	-4,8	8,5	4,5	5,2	-0,4	-0,7	1,9
MSCI USA CAP GDS	20,0	17,1	15,1	17,4	14,9	17,2	12,6	16,7	-2,7	-3,3	-3,0	-3,6	-2,0	-2,1	-2,9	-3,5	7,0	6,0	5,5	-0,5	-0,7	1,9
MSCI USA COML SVS/SUP	26,6	24,6	21,7	24,9	10,3	8,2	13,3	8,3	-0,3	0,1	-2,5	-2,4	-2,4	-2,5	-2,2	-2,1	10,4	5,6	6,7	-0,3	-0,1	1,2
MSCI USA TRANSP	19,4	15,6	13,9	16,4	-3,7	25,6	12,7	16,5	1,2	-11,5	-4,0	-9,1	-3,5	-8,1	-3,4	-9,9	12,0	0,1	4,0	-0,1	-1,0	2,5
MSCI USA CONS DISCR	31,1	23,2	19,3	24,3	4,0	33,9	20,6	27,3	-2,8	-7,3	-2,8	-6,1	-2,3	-4,7	-2,8	-6,3	11,3	8,5	8,8	-0,3	-0,6	2,2
MSCI USA AUTO & COMPO	26,6	23,8	20,8	24,2	61,4	11,9	14,1	17,4	-0,3	0,6	-3,7	-4,2	-2,5	-1,5	-3,2	-3,5	22,4	12,1	10,0	0,2	0,0	2,7
MSCI USA CONS DUR/APP	11,7	12,8	11,7	13,0	8,4	-8,7	9,3	-11,9	-6,5	-8,0	-9,3	-15,4	-10,7	-16,6	-9,4	-14,9	8,6	-2,7	4,7	-1,4	-2,3	2,1
MSCI USA CONS SVS	40,8	22,7	18,7	24,0	348,9	79,6	21,3	91,2	-5,6	-5,6	-2,0	-5,3	-1,3	-4,1	-2,2	-5,1	29,8	15,3	9,0	-0,6	-0,3	2,0
MSCI USA RETAILING	38,9	25,9	20,6	27,6	-27,8	49,8	25,9	31,7	-1,6	-11,3	-0,9	-4,4	-0,4	-2,9	-0,9	-5,2	5,8	8,0	9,0	-0,2	-0,5	2,2
MSCI USA CONS STAPLES	20,6	19,8	18,4	19,9	3,3	4,1	7,5	4,0	-0,1	0,3	-1,2	-1,7	-1,4	-1,6	-1,1	-1,5	8,7	2,9	3,2	0,5	1,0	2,7
MSCI USA FD/STAPLES RTL	23,4	21,6	19,8	21,7	6,1	8,1	9,1	6,3	0,1	1,9	-0,5	-0,4	-0,4	-0,5	-0,5	-0,2	9,1	4,4	4,0	0,0	0,5	1,5
MSCI USA FD/BEV/TOB	18,7	18,1	17,0	18,3	3,7	3,3	6,4	3,2	-0,1	0,1	-1,3	-1,2	-1,4	-1,1	-1,1	-1,0	9,3	1,4	1,7	0,9	1,7	3,3
MSCI USA H/H PERS PRD	23,6	23,1	21,2	22,7	-1,0	2,4	8,9	3,9	-0,7	-1,7	-2,0	-4,4	-2,4	-4,5	-2,1	-4,4	4,7	0,2	4,0	-0,4	-0,4	2,6
MSCI USA HEALTH CARE	17,3	16,9	15,6	16,9	1,9	2,2	7,9	2,2	-0,1	-0,9	-1,0	-1,9	-0,7	-1,6	-0,9	-1,7	7,8	3,0	5,0	0,1	0,5	2,0
MSCI USA H/C EQ/SVS	21,7	18,7	16,6	19,1	-5,7	16,3	12,1	12,6	0,4	0,0	-0,7	-1,3	-1,2	-1,9	-0,6	-1,1	8,3	5,0	5,6	0,2	0,8	1,5
MSCI USA PHARM/BIOTEC	15,0	15,8	15,0	15,7	6,0	-4,8	5,4	-3,1	-0,4	-1,3	-1,2	-2,2	-0,4	-1,4	-1,1	-2,1	6,2	-3,3	3,0	-0,2	-0,7	2,3
MSCI USA FINANCIALS	13,0	11,5	10,4	11,7	-14,7	12,8	10,7	7,6	-2,0	-1,8	-2,4	-2,6	-2,5	-2,6	-2,4	-2,5	3,5	9,3	4,4	0,3	-1,1	2,7
MSCI USA BANKS	10,3	9,1	8,5	9,3	-16,9	12,5	7,5	6,8	-0,1	-0,3	-1,9	-2,0	-3,2	-3,8	-1,7	-1,8	5,1	8,7	1,9	1,1	1,1	3,2
MSCI USA DIV FIN	14,9	13,7	12,1	13,9	-14,9	8,6	13,1	4,2	-1,8	-2,0	-3,7	-3,9	-2,7	-2,5	-3,4	-3,6	-0,5	13,4	5,8	0,0	-3,9	2,8
MSCI USA INSURANCE	15,0	12,2	10,8	12,6	-8,4	22,8	13,2	17,2	-6,5	-5,1	-1,1	-1,1	-0,5	-0,3	-1,9	-1,7	7,5	4,9	5,0	-0,1	0,5	1,9
MSCI USA REAL ESTATE	30,7	31,8	29,4	31,6	-3,5	-3,5	8,0	-3,5	-0,3	2,9	-3,5	-3,3	-3,6	-3,3	-3,0	-2,3	11,9	2,7	6,2	-0,1	-0,1	3,7
MSCI USA IT	21,5	20,7	18,2	20,5	9,2	4,2	13,4	4,7	-1,2	-5,8	-3,3	-7,2	-2,9	-5,6	-3,3	-7,0	10,5	4,2	8,3	-0,4	-2,5	1,3
MSCI USA S/W & SVS	26,3	23,8	20,3	23,5	12,5	10,6	16,9	11,4	-0,3	-0,4	-2,3	-3,7	-2,4	-3,6	-2,4	-3,7	14,7	9,5	12,2	0,0	-0,6	1,3
MSCI USA TCH H/W/EQ	20,9	20,5	18,7	20,3	9,8	2,3	9,3	3,8	-0,2	-1,3	-1,3	-3,9	-0,4	-1,4	-1,1	-3,3	6,2	1,2	5,0	-0,1	-2,3	1,0
MSCI USA COMM SERVICES	16,5	14,9	12,8	15,1	-16,5	10,5	16,7	5,1	-3,4	-6,4	-6,8	-9,7	-5,4	-7,7	-6,3	-9,2	5,0	4,4	7,4	-0,3	-0,9	4,6
MSCI USA TELECOM	8,9	8,7	8,1	8,7	-17,2	2,7	6,6	-1,2	1,3	0,4	-0,8	-1,2	-0,1	-0,6	-0,4	-1,0	-11,0	-1,7	1,8	0,7	0,2	6,9
MSCI USA MEDIA & ENTER.	19,3	17,0	14,2	17,3	-16,2	13,4	20,0	7,4	-5,1	-8,7	-8,7	-12,2	-6,9	-9,6	-8,1	-11,6	12,8	6,7	9,4	-0,7	-1,3	2,5
MSCI USA UTILITIES	18,4	17,1	15,8	17,3	7,2	7,8	7,9	7,7	-0,7	-0,5	-0,2	0,6	-0,2	0,2	-0,3	0,4	2,5	1,9	2,1	0,1	1,5	3,3

Source: IBES


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