

INVESTMENT STRATEGY

Equity Focus: Hope on the horizon?

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Equities at a glance

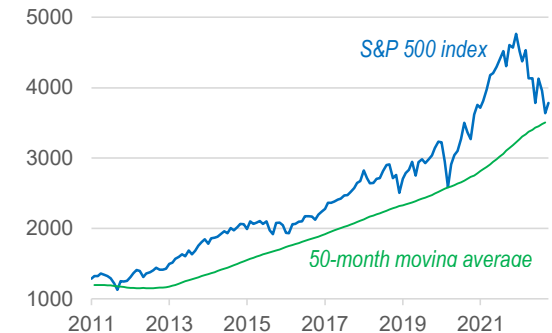
Key Points

- 1. Will the US stock market definitively break the June lows?** US stock market indices have returned to the June lows, as a combination of tighter financial conditions (including a stronger US dollar) and higher long-term real bond yields continue to put pressure on both earnings and stock valuations.
- 2. We could well be at an important turning point for stock markets,** if financial conditions (including the US dollar) and real yields are peaking now, as we suspect. Recent improvement in US economic data could also support near-term earnings trends.
- 3. High volatility levels point to better returns.** Since 1990, the highest 10% of VIX volatility index levels (VIX>29) have typically preceded strong periods of subsequent US stock returns. Over 1 year, post a high VIX reading, US stocks have returned 24% on average over 1 year, and 39% over 2 years. Today's VIX of 32 underlines investor fears, but suggests strong returns going forwards.

Key recommendations

- + Energy Producers**
Overweight sectors provide 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, stronger growth.
Japan: the Japanese TOPIX index is finally breaking out versus the US S&P 500, signalling further potential outperformance ahead.
- ! 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.

Bull market trend: S&P 500 still above its 50-month moving average



Source: BNP Paribas, Bloomberg

Nasdaq seasonality turns very positive in late October



Source: Seasonax



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Our position for this month
 Evolution of our position from last month

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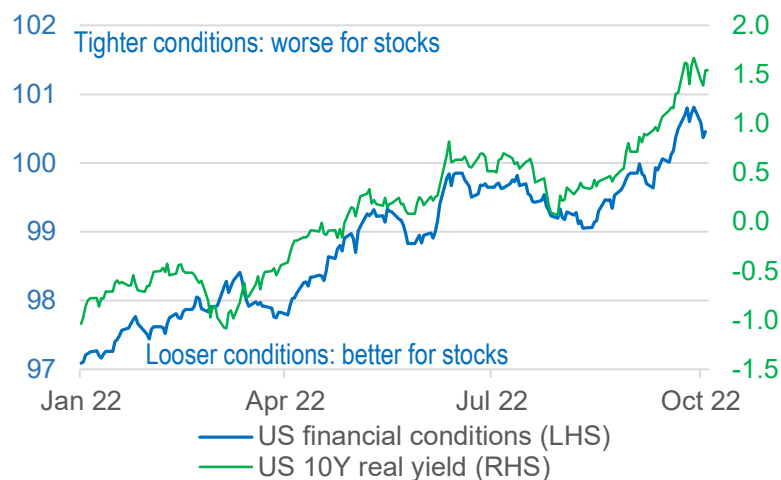
Appendices:
IBES Forecast Europe & US

1. Financial conditions, real yields, USD fall

Real bond yields need to fall more

FINANCIAL CONDITIONS HAVE LOOSENED A LITTLE

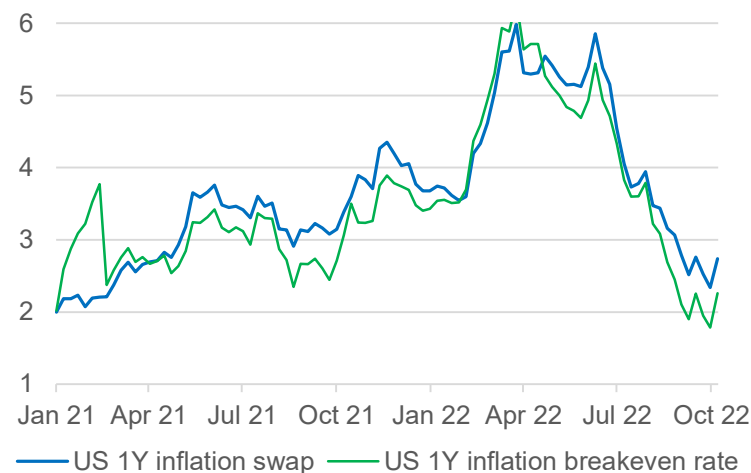
US and European financial conditions have loosened a little as volatility and credit spreads have narrowed. But higher interest rates and the start of the Federal Reserve's balance sheet reduction are preventing financial conditions from loosening much more. Lower US inflation prints and less aggressive communication from the Federal Reserve about future interest rate hikes are needed to loosen financial conditions further, triggering a risk asset rally.



Source: BNP Paribas, Bloomberg

US 1-YEAR INFLATION EXPECTATIONS FALL SHARPLY

Huge decline in 1-year inflation expectations: 1-year US inflation swaps price CPI inflation at 2.7% in 1 year's time, versus a peak of 6% mid-year. A large number of inflation prices components are starting to fall sharply, including: housing, gasoline, goods like used cars, logistics/trucking costs, and construction materials like lumber. This is also reflected in the falling prices paid components of the ISM manufacturing and non-manufacturing surveys.



Source: Bloomberg



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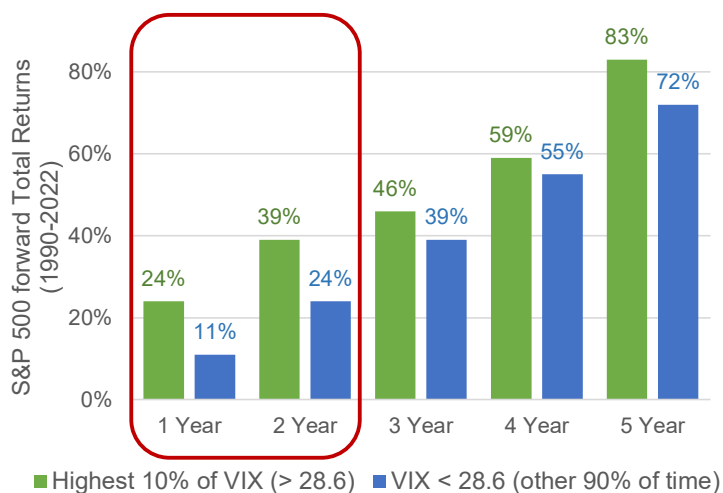
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2. Don't be scared of volatility

POST HIGH VIX VOLATILITY, STOCKS PERFORM STRONGLY

Don't be scared of the current high stock market volatility levels (VIX index at 32). Yes, investors have been buying put option protection for stock portfolios at an unprecedented rate, judging by the latest US equity put/call ratio.

But statistically speaking, over the last 30+ years the highest VIX volatility index levels have typically preceded strong periods of subsequent US stock returns. Over 1 year, post a high VIX reading US stocks have returned 24% on average over 1 year, and 39% over 2 years.

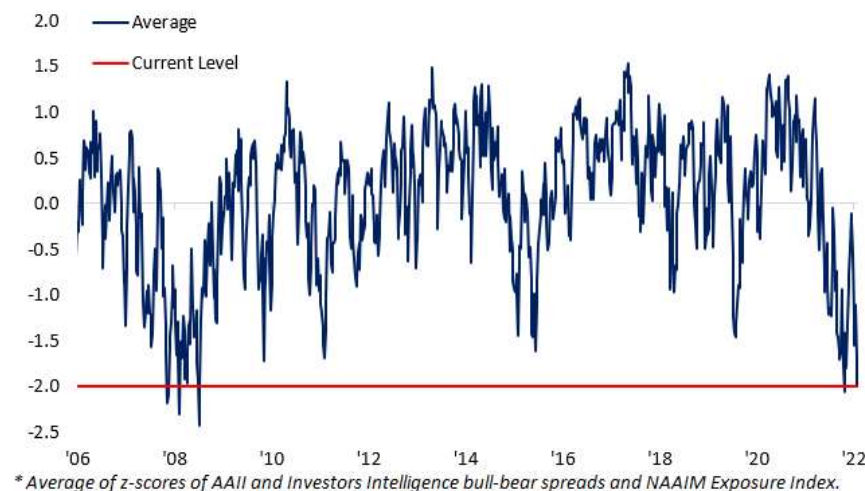


Source: BNP Paribas, Bloomberg

High volatility yields opportunities

RECORD PESSIMISTIC INSTITUTIONAL + RETAIL INVESTOR SENTIMENT

Professional investor sentiment at record lows: professional investor sentiment is measured by the NAAIM and Investors' Intelligence sentiment surveys. These two surveys combined with the retail AAI sentiment survey reveal a level of pessimism only ever seen in the depths of the 2008 financial crisis. We see this as an excellent contrarian indicator, as it was at end-2008 and again in late 2015. Combined with record short positions on index futures and record put protection option buying activity, this underlines the potential for a market rally.



Source: AAI, NAAIM, Investors' Intelligence, Bespoke



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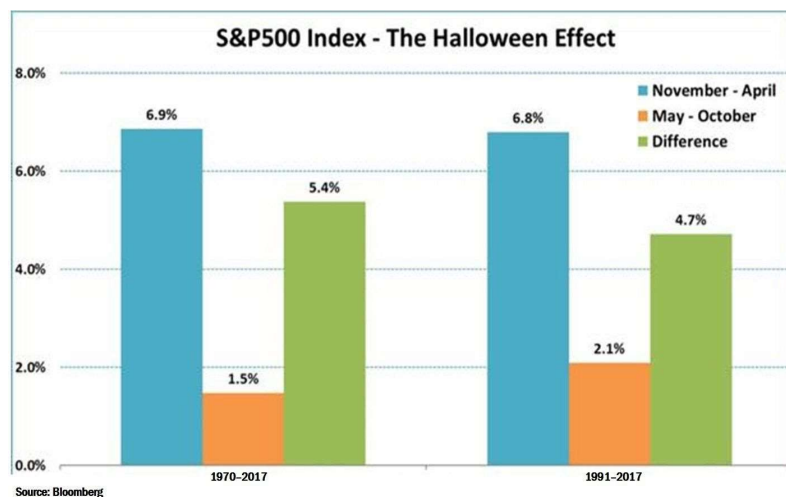
3. Halloween Effect: Positive seasonality

Seasonal effect positive now until end-April

NOVEMBER-APRIL, S&P 500 PERFORMS MUCH STRONGER

From early October to the end of April, the US S&P 500 has typically gained 8% (2001-2021 average), in contrast to a flat performance from May to start-October. In Europe, the German DAX index has on average risen by 9% over this same winter/spring period.

Add to this the US Presidential mid-term year effect, a year when US stocks have traditionally performed well.

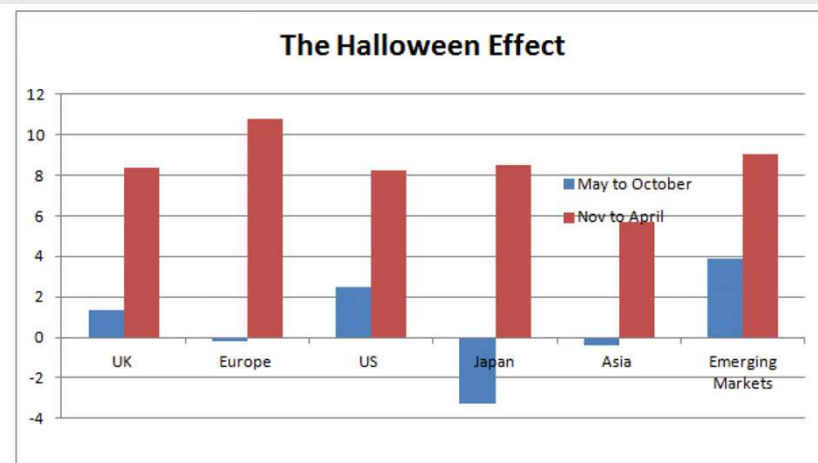


Source: Investopedia, Bloomberg

SEASONALITY EFFECT STRONGEST IN UK, EUROPE, JAPAN

Over the last 20+ years, the Halloween Effect has been strongest in the UK and Europe, with outperformance of as much as 10% for Europe from the beginning of November to the end of April, as compared with the May-October period.

Note also the strong seasonal effect evident in Japanese stocks, a region we continue to favour given the benefits of a weak currency, rising profitability and dividend payments, and attractive valuations.



Source: FE Trustnet / Architas. Data from May 1995 to April 2017 for UK, Europe, US and Japan. Asia data starts May 1999 and Emerging Markets from May 2001.

Source: FE Trustnet/Architas



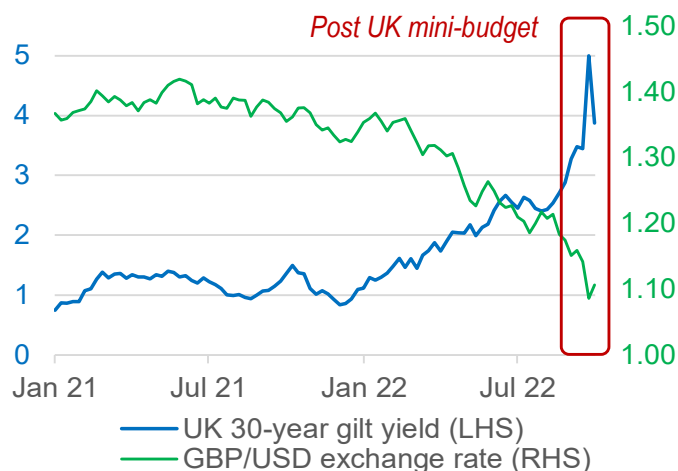
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4. UK assets look attractive post mini-budget

FINANCIAL MARKETS DROVE 30-YEAR UK YIELDS UP, STERLING DOWN POST BUDGET

Surprise tax cuts introduce volatility: following the recent UK tax-cutting mini-budget, UK assets (FX, bonds, stocks) have experienced a sharp sell-off as investors worry over the UK's long-term debt sustainability. In all, sterling has depreciated against the US dollar by nearly 22% since May 2021. The latest extreme increases in UK bond yields obliged the Bank of England to step in with an emergency bond-buying programme in an attempt to calm this financial market stress.

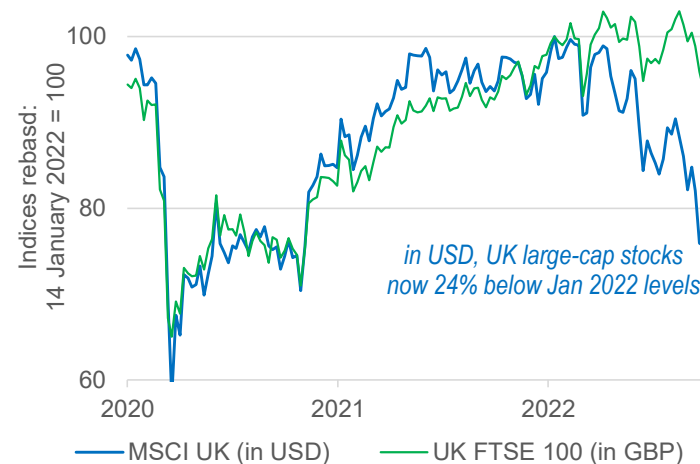


Source: BNP Paribas, Bloomberg

Cheap sterling boosts FTSE 100 appeal

POST MINI-BUDGET, A BUYING OPPORTUNITY IN UK FTSE

Buy UK large-cap stocks: for non-GBP based investors, the 24% drop in US dollar terms in UK large-cap stocks presents an excellent opportunity to buy the UK FTSE 100. Recall that this is a global index which generates over 50% of its earnings from overseas in US dollars. Aggregate FTSE 100 earnings are thus expected to grow over the next 12 months. The FTSE is attractive given the cheap valuation level (< 8x forward P/E, 4.8% dividend yield), heavy commodity and defensive sector exposures and a cheap currency.



Source: BNP Paribas, Bloomberg



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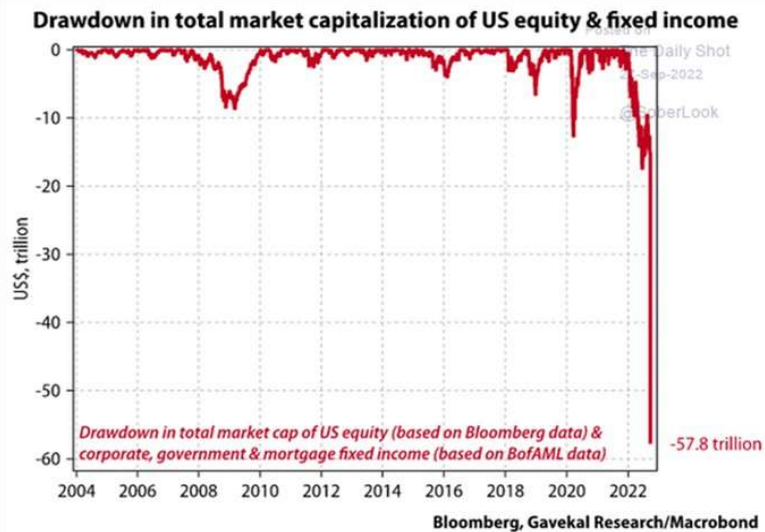
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5. Long-term threat to growth stocks: Millennials

Will Millennials return to investing?

HUGE DRAWDOWN IN US FINANCIAL WEALTH IN 2022

Believe it or not, the current sell-off in stocks, corporate credit and sovereign bonds has already resulted in far more damage to investors' wealth than the Great Financial Crisis in 2008! Indeed, in 2008, total loss of value in US stocks, credit and bonds totalled less than USD10 trillion at its worst point. So far in 2022, the fall in value of US stocks, credit and bonds has reached nearly USD58 trillion, more than 6 times more than at worst in 2008.



YOUNGER INVESTORS HAVE POTENTIALLY BEEN SCARRED

But it seems to be far worse for Millennial investors (between 26 and 41 years old today). They had disproportionately invested in growth/technology stocks, in particular chasing the latest hot investing trends. Since November 2021, the US meme stock index has fallen 70%. Cryptocurrencies such as bitcoin have fallen 73% from November 2021 peak. Hardly surprising then that Millennials have been heavy sellers of their investments over the last 12 months. Will this experience scar them for life?

Millennials Take Profits And Run

In the past 12 months, more millennials sold their investments than any other generation



Source: Ally. Data for the last 12 months through August 2022.



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6. Earnings expectations

INFLATION IN THE US IS NOW HURTING REVENUES AND MARGINS

In the US, revenues are now expected to grow by +8.7% YoY for 3Q22 (down from +9.7% YoY estimated on 30 June) and earnings are also continuously being revised down: now +3.2% YoY earnings growth in Q3 (compared with the estimates of 9.8% YoY growth rate at the start of the quarter). Ex-energy, Q3 earnings are estimated at -8.2% in the US.

Cyclical sectors look the most at risk in the US, due to the slowing down economy, rising costs and persistent supply chain issues.

Valuations are still rich in the US (forward P/E lies around 16), particularly in the tech, consumer discretionary and staples sectors, where some companies are still trading at P/Es way beyond 20. We are now observing lots of downward revisions.

MANY DOWNWARD EARNINGS REVISIONS IN THE US



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Source: Raymond James, Factset

Negative revisions in the US; earnings hold up better in Europe so far

EARNINGS IN EUROPE ARE SUPPORTED BY ENERGY, BASIC MATERIALS AND FINANCIALS

Q2 earnings season was good in Europe. Expectations for H2 2022 and 2023 have remained stable. Obviously, the weak USD and commodities related companies have been pushing up European earnings forecasts, expected to grow at +30% Y/Y in Q3 3022. In 2022, earnings are expected to grow +18% in Europe whereas in 2023, they are expected to grow little. Of course, a lot will depend on how fast countries find solutions amid the geopolitical tensions and energy crisis. Including the recent revisions, **Europe is now trading at a forward P/E of less than 11, almost its recent trough, which was reached at the height of the COVID crisis.** Sectors that perform well during times of inflation are particularly cheap at the moment: Energy and other Commodities, Financials, but also Health Care.

CONTINUOUS UPWARD EARNINGS REVISIONS IN EUROPE HAVE STOPPED



Source: Bank of America

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7. Sector Allocation

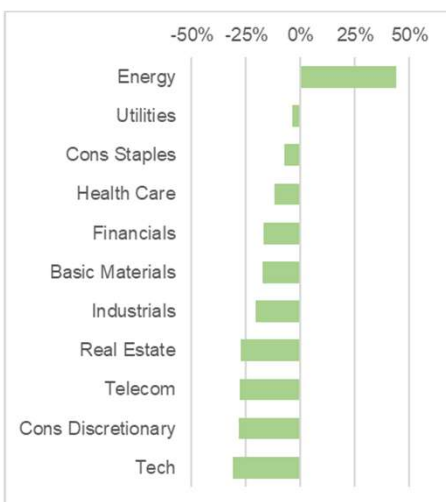
Better to keep a defensive/low beta bias and inflation hedges for now

TOO EARLY TO SIGNIFICANTLY ADD BETA BUT PROFIT FROM DEPRESSED LEVELS TO ACCUMULATE

Interest rates and yields are rising fast. At the same time, a deep recession starts to be priced into some cyclical sectors, such as the Banks. We believe that with pessimism so high, investors should profit from these new market troughs to accumulate solid value and growth names at depressed levels.

- Investors should hold sectors that perform well during times of inflation, such as Energy, some Metals & Mining (related to energy and the energy transition) and select Financials.
- European sanctions against Russia (embargoes on Russian oil to start in December) and OPEC+ cutting their production support the sector. This very profitable sector is still extremely cheap.
- Though we are cautious about the Banking sector due to the global economic slowdown, Financials are cheap in general. Financials' forward P/E is 11.2 in the US and only 7.9 in Europe. Balance sheets look very solid; cash flows, profitability and dividends are very high.

US sectors performance in 2022: Energy far ahead. Defensives outperforming.

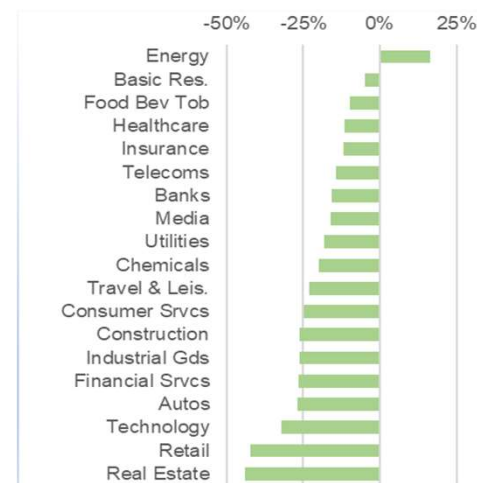


Source: FTSE Russell. Note: performance to 4 Oct. 2022

- We still advise to keep a good chunk of any equity portfolio invested in **companies with pricing power and/or returning big amounts of cash to shareholders. Among defensives, we still prefer Health Care.**

- European REITs** also trade at bargain prices (discounts to NAVs and dividend yields stand at multi-year highs), after a collapse this year, due to bond yields rising sharply.
- Some Technology and Communication Services also start to look more appealing after their sharp derating.
- On the other hand, Cyclical and Consumption stocks which are sensitive to the global economy, a likely slowdown in consumption and supply chain issues (Industrials, Consumer Staples & Discretionary, Materials) are likely to underperform in the short term. Be very selective there.
- Major corporate Q3 results, being released from 14 October, will help determine which companies are resilient to the economic slowdown.

Europe: Commodities and defensive sectors also in the lead



Source: STOXX. Note: performance to 4 October 2022

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8. Sector Preferences

Reco	Sector	Industry (Level 2)		
	(Level 1)	+	=	-
+	Health care	Pharmaceuticals + Biotech Health Care equip. + services		
	Financials	Diversified Fin. Insurance	Banks	
	Energy	Energy		
=				
	Materials	Metals & Mining	(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 (preference for 'Metaverse', Semis & Cybersecurity)	
	Consumer Discretionary		Luxury Goods Consumer Services Retail Automobiles Travel & Leisure	



9. Asian Equities view

CHINA AND ASIAN EQUITIES DOWN IN SEPTEMBER

ASIA COUNTRY PREFERENCE



COUNTRY

China A-shares
Singapore
South Korea
Indonesia

India, Taiwan, Thailand
Malaysia
Philippines

-

- The stronger dollar drove weakness in the Chinese currency during September falling to 7.14 as of 29 September. In addition, China equities did not detach from the sell-off in global equities in September, either, with the CSI-300 falling 9% and Hang Seng Index falling nearly 14% as of 29 September.
- The two catalysts for a market recovery are a stabilisation in the property market which has suffered 12 months of falling sales and gradual loosening in COVID restrictions. In that regard, it is positive that Hong Kong is lifting its mandatory quarantine. While we do not expect a rapid change in mainland China, any signs of a gradual opening will be monitored after the party congress meetings. With regard to fiscal stimulus, which is key to the ailing property market, China's augmented fiscal deficit, a signal of fiscal stimulus which is its broadest measure of spending, is likely above 9% signalling more resolve. The key will be transmission of easier policy, infrastructure spending, and local property restructurings in terms of lending and business confidence.
- We remain overweight Singapore and Indonesia equities as of 29 September respectively, which are significantly outperforming year-to-date despite absolute falls in September. Singapore is benefiting from the reopening and companies that are defensive with high dividend yields. Indonesia is helped by the commodity cycle, rising local consumption and the reopening in South East Asia as well.



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The dollar drives weakness in September

ASIAN EQUITIES NEGATIVELY IMPACTED BY GLOBAL GROWTH CONCERNS

	1-month (%)	YTD (%)	2021 (%)	Forward PE (x)	Trailing PB (x)	Dividend Yield (%) 2022f	EPS Growth (%) 2022f	EPS Growth (%) 2023f	ROE (%) 2022f
Asia Ex-Japan	-12.8	-29.2	-6.4	11.8	1.5	3.2	7.5	9.1	11.7
China	-13.2	-30.1	-22.7	10.2	1.3	3.6	9.5	15.5	11.2
China A-shares	-6.1	-22.5	-5.2	14.2	2.6	2.0	17.3	15.9	11.2
Hong Kong	-10.9	-21.0	-5.9	13.3	1.1	3.7	-2.3	23.7	7.2
South Korea	-12.3	-28.4	-1.6	8.8	0.9	2.6	-3.6	-0.9	12.3
Taiwan	-11.3	-28.0	21.6	11.1	2.1	4.6	8.3	-5.1	22.7
India	-5.2	-3.0	27.3	22.0	3.9	1.4	12.4	17.0	14.3
Indonesia	1.4	11.7	1.5	14.4	2.8	2.8	33.2	5.1	17.2
Malaysia	-7.3	-10.7	-7.3	13.3	1.5	4.2	-8.0	13.1	10.3
Philippines	-11.4	-16.8	0.9	14.7	1.8	1.7	14.8	20.8	8.4
Singapore	0.6	4.4	9.8	14.8	1.3	4.2	74.3	22.5	9.1
Thailand	-2.7	0.6	7.1	16.9	2.2	2.5	22.8	9.2	9.6

Source: Datastream, BNP Paribas (WM) as of 29 September 2022

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10. Focus on the Banking and European REIT sectors

BANKS LOOK VERY CHEAP BUT NEW HEADWINDS STILL ADVOCATE FOR SELECTIVENESS

The Banking sector is very cheap although it remains well-capitalised and profitable. The expected PE ratios are on average 6.2x for European banks and 8.5x for the US. The recession is priced in to bank stocks, while new revenues linked to recent interest rate hikes do not seem to be sufficiently priced in, according to us. We prefer to remain selective. The sharp economic slowdown is diverting investors away from Cyclical, and investment banking activity is slowing sharply. In the wake of this year's shocks, financial institutions are starting to worry about profitability or even liquidity. But the Banking sector is very well capitalized and we do not expect a systemic crisis. Focus on strong banks with the least exposure to risky investment banking business.

BANKS TRADE AT VERY DISCOUNTED LEVELS

Sector 2-year forward P/E relative to the market (%)



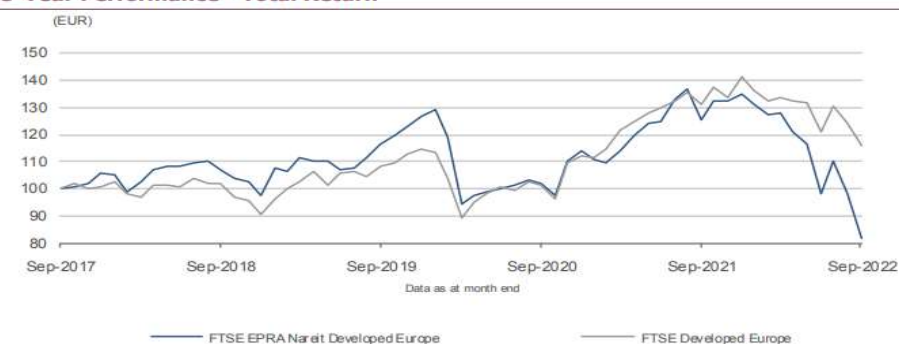
Source: BNPP Exane

EUROPEAN REITS TRADE AT BARGAIN LEVELS, DUE TO THE BOND SELL-OFF AND POOR LIQUIDITY

European listed real estate (REITs) performed poorly in 2022, with a drop of around 39% in euros (total return index as at 30/9). This is due to the sharp rise in bond yields and rising costs. Present discounts to net asset values (40%+ on average today) seem exaggerated. There will be little refinancing required in the medium term, and we do not expect major corrections in the valuations of buildings, even though prices have already fallen to a certain degree. The dividend yield is over 6%. A study by Kempen shows that when bond yields stabilise or even fall, European real estate significantly outperforms the STOXX Europe index. The real estate segments that underperformed the most subsequently bounced back the most!

EUROPEAN REITS ARE OVERSOLD

5-Year Performance - Total Return



Source: FTSE Russell

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A. IBES forecasts: Europe

Price index - in €																							
05-10-22	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					
MSCI EUROPE (€) (*)	10,7	10,5	10,0	10,6	18,1	1,8	5,6	5,3	0,5	3,0	-0,1	1,6	0,2	1,3	0,1	2,1	14,6	1,1	1,46	0,1	1,58	3,7	
(*) EU15 + Switzerland + Norway																							
MSCI UK (€)	8,5	8,6	8,5	8,5	22,8	-1,4	0,5	3,3	0,7	4,9	0,0	4,1	0,6	3,3	0,2	4,3	23,4	0,2	-1,9	0,7	0,0	4,2	
MSCI Switzerland (CHF)	16,8	14,9	13,6	15,4	5,3	12,6	9,7	11,0	0,0	-4,8	-0,7	-3,1	-0,6	-2,8	-0,5	-3,5	1,4	2,9	3,3	-0,1	-0,8	3,0	
MSCI Germany	9,5	9,0	8,1	9,0	6,0	6,0	10,9	6,8	0,2	-1,1	-0,1	-2,2	-0,1	-1,2	0,0	-1,5	8,6	2,7	4,5	0,8	2,5	4,2	
MSCI France	10,2	10,4	9,8	10,3	29,7	-1,9	5,6	4,6	0,7	7,3	0,2	3,9	0,5	3,7	0,3	4,7	17,6	1,2	1,6	-0,4	2,5	3,2	
MSCI Spain	9,4	9,2	8,5	9,2	24,3	3,1	7,2	7,9	0,3	4,6	-0,6	1,4	-1,2	1,1	-0,4	2,2	15,7	0,2	1,3	0,6	3,5	4,1	
MSCI The Netherlands	18,5	15,1	13,0	15,9	8,1	22,5	16,3	18,6	-0,1	-4,8	0,0	-1,2	0,1	-0,4	-0,1	-2,2	9,2	5,9	3,3	0,0	0,9	2,8	
MSCI Belgium	16,7	15,5	13,1	15,8	-2,3	7,9	18,3	5,3	1,5	2,5	0,2	-0,1	-0,5	-1,4	0,5	0,5	3,7	1,4	9,1	-0,4	0,3	3,8	
MSCI EUROPE ENERGY	3,9	4,7	5,5	4,5	112,9	-15,2	-15,7	2,1	0,8	18,2	-0,4	18,2	0,3	13,4	-0,1	18,2	50,5	-6,6	-8,6	0,4	4,5	4,2	
MSCI EUROPE MATERIALS	7,4	9,4	9,5	8,8	5,9	-21,1	-0,6	-14,6	0,6	-2,0	-1,3	-8,1	0,0	-3,1	-0,8	-6,3	14,9	-5,1	-1,2	0,0	-0,4	5,1	
MSCI EUROPE INDUSTRIALS	13,2	13,3	12,3	13,2	21,5	-0,7	8,1	5,4	0,1	1,9	-1,3	-2,2	-0,5	-1,9	-0,8	-0,7	13,0	2,4	3,9	0,3	2,3	3,0	
MSCI EUROPE CAP GDS	15,5	13,4	11,9	13,7	8,7	15,5	12,3	16,1	-0,2	-2,6	-0,6	-2,4	-0,5	-1,8	-0,4	-1,8	10,9	4,9	4,6	0,2	1,7	2,8	
MSCI EUROPE COML SVS/SUP	19,2	17,8	16,3	18,2	13,0	7,8	8,9	9,0	0,5	0,2	0,4	-0,7	0,6	-0,5	0,4	-0,4	11,4	5,3	4,4	0,4	1,3	2,6	
MSCI EUROPE TRANSPT	5,2	9,2	10,6	7,7	77,6	-43,6	-13,5	-24,4	0,7	15,1	-5,4	-2,3	-1,4	-3,8	-3,2	3,5	24,8	-10,0	0,3	0,4	5,3	4,9	
MSCI EUROPE CONS DISCR	11,0	10,6	9,6	10,8	18,4	4,0	11,1	7,1	1,6	4,5	-0,7	-1,5	-0,5	-1,2	-0,2	-0,2	13,4	6,2	5,6	0,3	1,5	3,3	
MSCI EUROPE AUTO & COMPO	4,5	4,8	4,5	4,7	15,3	-6,1	8,3	-1,3	2,8	9,7	-0,1	-0,7	0,6	-0,2	0,7	1,9	11,7	5,0	4,6	0,4	1,7	6,0	
MSCI EUROPE CONS DUR/APP	17,7	16,4	15,0	16,8	17,5	8,3	9,5	11,1	0,4	0,1	-1,0	-1,7	-1,5	-2,4	-0,7	-1,5	14,3	6,2	6,4	-0,2	0,9	2,4	
MSCI EUROPE CONS SVS	25,3	18,7	15,7	19,6	90,4	35,7	18,8	40,7	-1,5	-2,7	-1,9	-2,7	-1,1	-1,5	-1,7	-2,5	29,8	13,6	7,5	0,4	2,7	1,5	
MSCI EUROPE RETAILING	24,6	16,6	13,0	19,0	12,3	47,8	28,2	37,4	-0,9	-10,7	-2,5	-4,7	-2,0	-2,8	-2,6	-6,8	11,8	8,5	9,0	1,4	0,5	4,0	
MSCI EUROPE CONS STAPLES	18,7	17,1	15,6	17,3	9,3	9,3	9,4	9,2	0,2	1,6	0,5	1,7	0,5	1,8	0,5	1,8	10,7	4,4	4,0	0,5	2,2	2,8	
MSCI EUROPE FD/STAPLES RTL	12,9	11,9	10,7	12,1	-1,5	8,2	10,8	5,1	-0,8	-0,2	-1,0	-1,3	-1,1	-0,6	-0,9	-1,0	9,0	2,7	3,0	0,6	2,2	4,3	
MSCI EUROPE FD/BEV/TOB	18,9	17,3	15,8	17,5	13,1	9,4	9,3	9,6	0,3	1,4	0,4	1,8	0,5	1,8	0,4	1,8	11,6	5,8	4,6	0,3	2,0	2,7	
MSCI EUROPE H/H PERS PRD	20,2	18,5	16,9	18,9	2,6	9,5	9,3	9,7	0,3	2,7	1,7	3,0	1,3	3,0	1,4	2,9	12,5	4,7	4,5	0,8	2,5	2,7	
MSCI EUROPE HEALTH CARE	15,1	13,8	12,4	14,1	6,9	9,3	11,4	8,7	0,3	-0,7	0,0	-2,0	-0,3	-1,9	0,1	-1,7	7,0	4,5	5,9	0,6	-0,6	2,9	
MSCI EUROPE H/C EQ/SVS	16,7	14,7	12,7	15,2	-2,1	13,6	15,8	9,6	-0,8	-8,0	-1,6	-8,4	-1,9	-7,5	-1,5	-8,4	8,4	5,8	5,7	0,3	0,3	2,2	
MSCI EUROPE PHARM/BIOTEC	14,9	13,7	12,4	14,0	8,0	8,8	10,9	8,6	0,4	0,1	0,2	-1,1	-0,1	-1,2	0,3	-0,8	6,7	4,1	6,0	0,6	-0,9	3,0	
MSCI EUROPE FINANCIALS	8,1	7,1	6,4	7,4	-0,6	13,7	11,2	9,6	0,7	1,1	0,9	1,8	1,1	2,1	0,9	2,2	2,3	4,9	2,4	0,4	-0,7	5,4	
MSCI EUROPE BANKS	6,6	6,1	5,4	6,2	1,4	8,2	12,0	6,5	1,1	8,3	1,5	5,1	1,5	4,9	1,4	5,8	7,1	4,7	3,7	0,9	2,7	6,0	
MSCI EUROPE DIV FIN	11,5	9,0	8,0	9,5	-15,5	27,6	14,0	11,8	0,2	-16,0	-0,6	-6,2	0,3	-4,6	-0,4	-5,4	10,3	2,5	6,2	0,2	-1,9	3,3	
MSCI EUROPE INSURANCE	9,6	8,2	7,5	8,5	4,3	18,0	8,3	14,7	0,2	-2,6	0,6	0,3	0,5	0,5	0,5	-0,4	-1,8	5,5	0,8	0,1	-2,4	5,9	
MSCI EUROPE REAL ESTATE	10,1	10,0	9,7	10,0	16,4	1,3	3,2	4,7	0,8	0,1	-1,2	-2,4	-3,5	-3,6	-0,7	-1,8	14,8	-1,5	2,5	0,7	1,8	5,6	
MSCI EUROPE IT	20,0	16,8	15,0	17,5	5,0	18,7	12,3	14,1	-0,3	-3,4	0,1	-0,3	-0,2	-0,6	0,0	-1,0	14,7	8,3	6,7	0,0	0,9	1,5	
MSCI EUROPE S/W & SVS	21,5	18,3	16,0	19,0	-5,2	17,8	14,3	11,8	0,7	-1,0	0,5	-0,2	0,1	-0,1	0,5	-0,4	16,5	9,0	8,7	0,2	2,1	1,7	
MSCI EUROPE TCH H/W/EQ	13,0	11,5	10,8	11,9	2,5	12,2	7,2	8,5	0,2	-3,2	-0,3	-2,4	-1,2	-3,9	-0,2	-2,7	8,8	3,8	2,8	0,2	1,0	1,8	
MSCI EUROPE COMM. SERVICES	13,3	12,2	11,0	12,5	21,7	8,9	11,4	11,7	2,1	3,8	2,0	3,4	0,8	2,4	2,1	3,6	3,9	2,6	2,2	0,4	1,3	4,6	
MSCI EUROPE TELECOM	12,7	12,0	10,8	12,2	20,1	6,5	11,0	9,3	0,9	1,2	0,6	0,0	-0,4	-1,3	0,8	0,4	2,8	2,0	1,7	0,4	1,0	5,4	
MSCI EUROPE MEDIA & ENTER.	15,3	13,1	11,7	13,7	27,3	16,7	12,6	20,2	6,6	13,7	6,4	15,3	4,8	15,4	6,4	14,9	9,4	5,6	4,6	0,4	2,6	2,1	
MSCI EUROPE UTILITIES	14,7	12,1	11,4	12,7	-7,5	21,7	6,0	13,4	-4,3	-13,9	0,2	1,3	0,2	1,5	-0,8	-2,5	4,8	-2,5	3,0	-3,2	3,9	4,9	

Source: IBES



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B. IBES forecasts: US

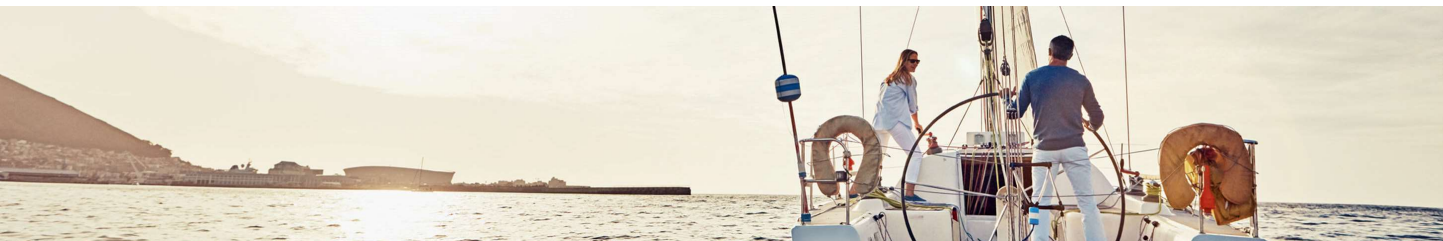
05-10-22	PE				EPS Growth - %				1m / 3m % Δ in EPS								Sales growth - %			1m / 3m % Δ in Sales		Divid end yield (%)
	2022	2023	2024	12m fwd	2022	2023	2024	12m fwd	2022	2023	2024	12m fwd	2022	2023	2024	2022	2023	2024				
MSCI USA	17,2	15,9	14,6	16,2	7,7	8,2	9,0	7,6	-0,5	-1,8	-0,3	-3,15	-0,22	-2,98	-0,33	-3,02	11,6	4,2	4,2	-0,1	0,2	2,3
MSCI USA ENERGY	7,3	8,0	9,5	7,8	161,7	-9,3	-16,2	10,0	0,2	13,6	1,5	14,3	1,4	10,6	1,2	14,1	52,0	-6,3	-10,3	0,0	7,0	3,2
MSCI USA MATERIALS	11,1	12,4	12,1	12,1	13,7	-10,5	2,3	-5,1	-2,0	-5,8	-1,9	-7,5	-1,4	-4,4	-1,9	-7,0	13,2	-2,8	-0,8	-0,6	-1,3	2,3
MSCI USA INDUSTRIALS	19,0	15,9	14,2	16,6	11,9	19,8	11,8	17,0	-1,4	-4,4	-1,1	-3,7	-0,9	-3,3	-1,2	-3,9	8,9	5,3	4,8	-0,3	-0,7	2,1
MSCI USA CAP GDS	17,9	15,2	13,6	15,7	18,0	17,6	11,5	17,5	-0,1	-2,5	0,1	-2,8	0,2	-2,2	0,1	-2,8	7,5	6,8	5,2	0,0	-0,9	2,1
MSCI USA COML SVS/SUP	26,4	23,8	21,1	24,4	10,6	10,7	13,1	10,3	0,2	0,3	0,0	-1,1	-0,5	-0,9	0,0	-0,8	10,7	6,3	6,8	0,3	0,6	1,2
MSCI USA TRANSP	19,4	14,8	13,2	15,9	-4,8	32,4	12,1	18,6	-6,2	-12,1	-5,1	-7,1	-4,7	-7,5	-5,7	-8,6	12,2	1,2	3,3	-1,0	-0,7	2,5
MSCI USA CONS DISCR	31,2	23,3	19,4	25,0	6,9	34,2	20,0	26,0	0,1	-6,5	-1,0	-6,0	-1,0	-5,8	-0,9	-6,2	11,6	9,4	8,7	-0,1	-0,9	2,2
MSCI USA AUTO & COMPO	32,2	27,7	24,5	28,7	61,7	16,2	13,0	24,0	0,2	1,8	-0,5	-0,4	0,1	-1,5	-0,3	0,1	22,2	14,6	8,5	-0,1	0,0	2,9
MSCI USA CONS DUR/APP	11,2	11,8	10,7	12,1	15,9	-5,5	10,8	-6,3	-0,6	-3,6	-4,4	-11,6	-4,3	-9,4	-3,8	-10,6	10,2	-1,1	6,8	-0,5	-2,4	2,1
MSCI USA CONS SVS	37,2	21,4	17,8	23,5	373,8	73,7	20,4	92,9	0,8	-2,0	0,1	-5,6	-0,5	-5,2	0,2	-5,1	30,6	15,4	9,2	0,0	-0,4	2,0
MSCI USA RETAILING	37,9	25,5	20,3	27,9	-26,7	48,8	25,4	24,1	0,1	-12,8	-0,7	-6,6	-0,8	-6,5	-0,5	-7,7	6,0	8,3	9,0	-0,1	-1,0	2,3
MSCI USA CONS STAPLES	19,9	18,9	17,6	19,1	3,4	5,3	7,6	4,6	0,2	-0,4	0,0	-1,8	0,0	-1,7	0,1	-1,7	8,4	3,3	3,1	0,1	1,0	2,8
MSCI USA FD/STAPLES RTL	22,4	20,6	18,9	20,8	5,9	8,7	8,9	6,0	0,9	-4,7	0,6	-2,5	0,4	-2,8	0,6	-2,8	9,1	4,5	3,9	0,1	0,6	1,6
MSCI USA FD/BEV/TOB	17,9	17,1	16,0	17,3	3,9	4,5	6,6	4,0	0,1	0,8	-0,1	-0,6	-0,1	-0,2	0,0	-0,3	8,3	1,6	1,4	0,0	1,5	3,5
MSCI USA H/H PERS PRD	23,7	22,7	20,8	22,5	-0,9	4,4	9,3	4,6	-0,3	-2,1	-0,3	-4,8	-0,3	-4,7	-0,3	-4,8	4,8	1,9	4,4	-0,2	-0,6	2,6
MSCI USA HEALTH CARE	16,3	15,8	14,7	15,9	2,0	3,2	7,5	2,9	0,1	-2,0	-0,1	-1,8	-0,1	-1,5	0,0	-1,8	7,7	3,2	5,1	0,0	0,4	2,1
MSCI USA H/C EQ/SVS	20,4	17,4	15,4	18,1	-6,1	17,7	12,6	11,6	0,4	-2,2	-0,1	-1,6	-0,1	-1,9	0,0	-1,7	8,1	4,9	5,8	0,0	0,8	1,5
MSCI USA PHARM/BIOTEC	14,3	14,8	14,2	14,7	6,5	-4,0	4,4	-1,5	-0,1	-1,8	-0,1	-1,9	-0,1	-1,2	-0,1	-1,9	6,4	-2,7	2,7	0,0	-0,8	2,4
MSCI USA FINANCIALS	11,9	10,5	9,5	10,8	-12,8	13,4	10,7	6,1	0,0	-2,3	0,0	-2,5	-0,4	-2,6	0,0	-2,4	3,4	9,5	5,0	0,1	-1,4	3,0
MSCI USA BANKS	9,4	8,2	7,5	8,5	-16,8	14,6	9,0	5,6	-0,1	-1,4	0,0	-1,7	-0,7	-3,0	-0,1	-1,6	3,9	8,8	3,3	0,1	0,1	3,5
MSCI USA DIV FIN	14,0	12,7	11,3	13,0	-13,3	10,8	11,9	4,1	-0,1	-3,5	-0,1	-4,0	-0,3	-3,1	-0,1	-3,9	-0,6	14,4	5,7	0,0	-4,5	3,0
MSCI USA INSURANCE	13,1	11,3	10,1	11,7	-1,3	16,1	12,5	11,7	0,2	-2,0	0,2	-1,0	0,0	-0,7	0,2	-1,2	8,3	4,1	5,6	0,3	1,4	2,1
MSCI USA REAL ESTATE	31,4	31,6	29,2	31,6	-4,1	-0,7	8,4	-1,5	-0,2	2,9	-0,2	-0,6	-1,0	-0,3	-0,2	0,2	12,0	2,8	6,8	-0,1	-0,3	3,5
MSCI USA IT	21,3	19,9	17,6	20,0	9,7	7,2	13,0	6,6	-0,1	-3,3	-0,7	-6,5	-0,3	-4,7	-0,6	-6,3	10,6	5,7	8,3	-0,1	-1,8	1,3
MSCI USA S/W & SVS	25,9	23,0	19,6	23,0	12,5	13,0	17,0	12,7	-0,4	-0,3	-0,6	-3,4	-0,7	-3,2	-0,6	-3,2	14,7	10,8	12,3	-0,1	-1,0	1,3
MSCI USA TCH H/W/EQ	20,8	20,1	18,5	20,0	9,8	3,6	8,4	4,5	0,1	-0,8	-0,2	-3,8	-0,2	-1,6	-0,2	-3,5	6,0	2,0	5,0	-0,1	-1,3	1,0
MSCI USA COMM SERVICES	16,1	14,0	12,2	14,4	-13,9	15,1	15,1	6,8	-3,2	-8,6	-0,1	-9,8	0,5	-8,5	-0,8	-9,5	5,3	5,8	7,2	-0,2	-1,9	4,7
MSCI USA TELECOM	9,0	8,4	8,0	8,6	-19,5	6,5	6,0	-1,1	-10,7	-4,9	-0,1	-2,8	0,5	-3,8	-2,9	-3,3	-11,6	-1,4	1,4	-0,4	-0,4	6,9
MSCI USA MEDIA & ENTER.	18,5	15,7	13,3	16,2	-11,9	18,0	17,8	9,6	-0,3	-9,8	-0,1	-11,7	0,5	-9,7	-0,1	-11,2	13,5	8,5	9,1	-0,1	-2,5	2,5
MSCI USA UTILITIES	19,5	18,2	16,9	18,5	7,9	7,2	7,9	7,5	-0,4	1,5	0,2	0,6	0,2	0,7	0,1	0,8	2,1	2,2	2,5	0,0	1,3	3,1

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