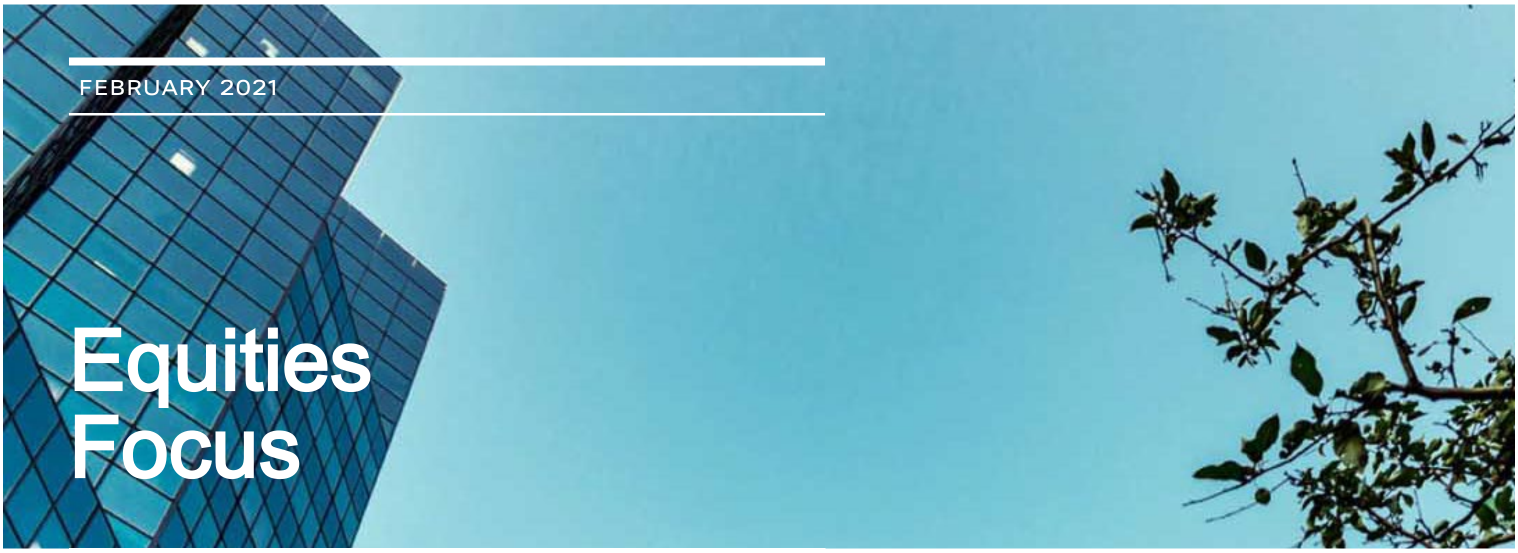


FEBRUARY 2021

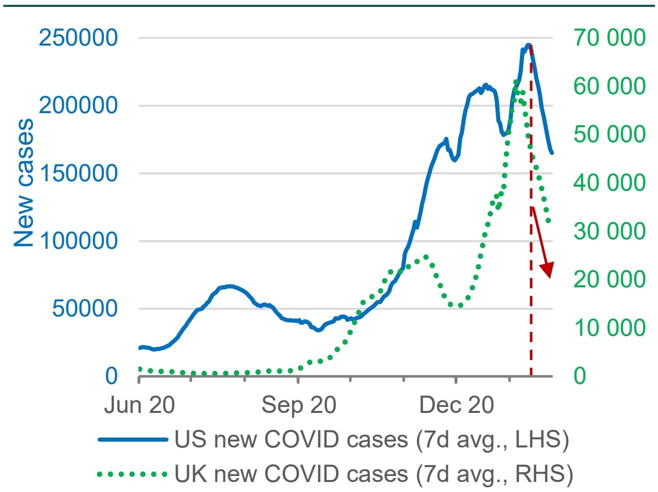
Equities Focus

Summary

1. **Buoyant US Q4 '20 earnings season** US companies having reported so far (around 40% of the S&P 500) are beating their forecast in 84% of cases (well above the 74% average). An important support for equities.
2. **Market volatility declines**: VIX stock market volatility fell back to under 23 by 3 February, after jumping to 37 in late January. This reflects the unprecedented volumes in call option buying by US retail investors, a new development.
3. **Bubble worries**: mini bubbles have appeared in many areas of markets, fuelled by surging retail investor volumes. This could be the prelude to a near-term market correction. We would use any correction as a buying opportunity in stocks.
4. **Small-caps lead in January:** the Russell 2000 index (US small companies) recorded +5% in January against -1% for the S&P 500 (US large companies). We like US, EU small caps.
5. **Cyclicals continue to lead defensive sectors**: most cyclical sectors have registered double-digit gains over the last 3 months whereas consumer staples are a significant laggard. We like cyclicals.
6. **ESG Focus – Clean Energy**: Clean energy indices continue to perform very well, buoyed by expected US and EU renewable infrastructure investment. Fund flows continue to favour ESG funds including renewable energy funds.

Contents

US AND UK NEW COVID-19 CASES ARE DECLINING RAPIDLY



Source: covidtracker.com, UK government

Edmund Shing, PhD
Global CIO
BNP Paribas Wealth Management

Alain Gerard, MSc, MBA
Senior Investment Advisor, Equities
BNP Paribas Wealth Management

BNP PARIBAS
WEALTH MANAGEMENT

The bank for a changing world

Global Equities view

Positive fundamentals, but bubble risk

Fundraising mania in January: According to Refinitiv, companies have raised as much as USD 400 billion from issuing fresh bonds (USD 337bn) and equity (USD 64bn) in just the first three weeks of January. This is roughly USD 170bn above the average for this time of the year.

Rising stock market valuations and easy liquidity conditions have been potent catalysts for fundraising by companies, together with record-low corporate bond yields (4.2% on average for US high yield bonds at 26 January).

Combined with the emergence of mini bubbles in a number of areas of financial markets, including hydrogen stocks, cryptocurrencies and SPACs (Special Purpose Acquisition Companies) over the last few months, this does suggest a heightened level of risk for equity investors today.

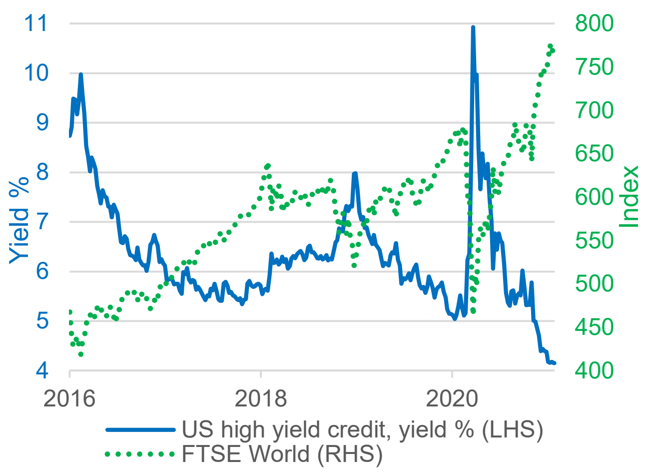
US caution: for this reason, we remain Neutral on the US stock market, given its elevated valuation and overexposure to the technology sector.

US and UK Covid new cases are falling: while there has been much focus on the acceleration in Covid-19 vaccinations in the US and UK, and the relatively slow start to vaccination programmes in Continental Europe, note that new Covid-19 cases are already falling rapidly in the US and UK – indeed, new case rates have been falling since 12 January.

The positive impact from vaccinations should accelerate this autumn in new cases over the next few months, allowing for a progressive re-opening of the consumer economy.

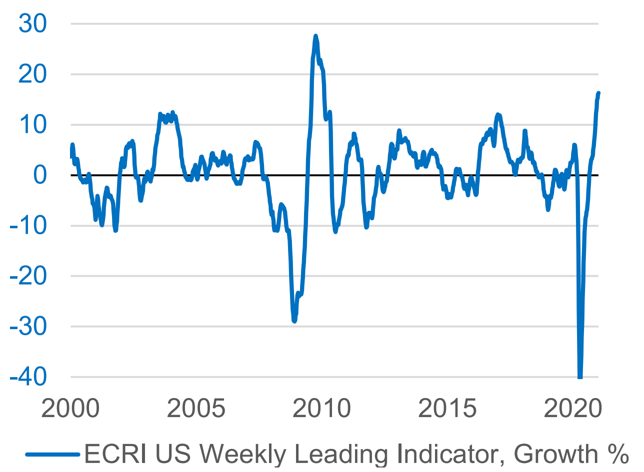
US leading economic indicator accelerates the weekly ECRI US leading economic indicator continues to accelerate, underlining the positive momentum that should carry over into positive Q4 earnings announcements and positive guidance for 2021. This remains a potent driver of stock market momentum, together with long-term real interest rates.

GLOBAL EQUITIES AT NEW HIGHS, US HIGH YIELD CREDIT YIELDS JUST 4.2%



Source: Refinitiv Datastream

ECRI US LEADING ECONOMIC INDICATOR SURGES IN JANUARY 2021



Source: Goldman Sachs, MSCI

CONCLUSION

Our medium-term equity market view remains resolutely positive, with the potential for double-digit gains over 2021. However, in the very short term, sentiment and fund flows appear somewhat over exuberant, suggesting the risk of a small market correction. We look to accumulate equities on any market dips, as the undiminished global liquidity flows combined with historically low real yields and rebounding earnings momentum should remain a bullish cocktail for stocks over this year.

Q4 earnings season

Very strong releasesin the US

The Q4 2020 earnings seasonhas started very strongly: US companies having reported so far (around 40% of the S&P 500) are beating their forecast in 84% of cases (well above the 74% average).

USearnings have so far surprised by 13.6% on average above expectations (somewhat boosted however by some positive 'exceptionals' for financials such as a decrease in provisioning); it is well above the 5-year average of 6.3%. If this trend holds it would be the fourth-largest earnings percentage surprise since 2008.

With this trend, **the 4th quarter could show year-on-year positive earnings growth in the US** This would be an impressive achievement given the covid pandemic context.

Companies are now providing guidance for 2021 whereas up until recently, many did not dare to give any outlook. **Earnings expectations have continuously beenrevised upward (seechart).**

Positive revisions also in Europe but fading

We have also seen plentiful **positive earnings revisions in Europe** However, with the Covid-19 resurgence in some countries, new strains, and slow rate of vaccination, earnings revisions are somewhat losing momentum.

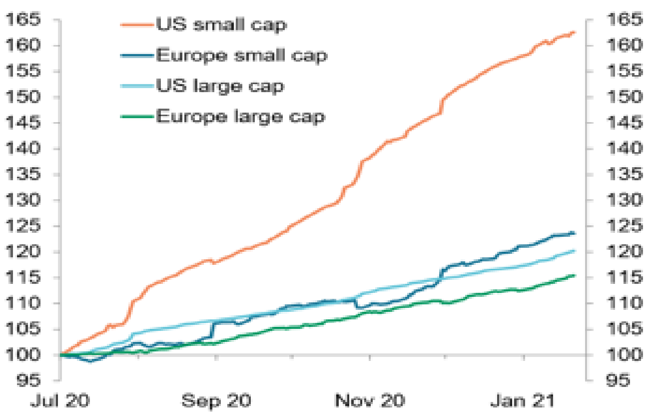
In Europe, after robust upward earnings revisions of late, **2021 earnings per share (EPS) expectations are now 5% below 2019 EPS** Latest improvements have been seen mainly in Materials, Energy and Autos.

Consensus EPS expectations for 2022 are now 11% above 2019 EPS

We are still in the early stages of the Q4 reporting seasonin Europe but there have been **plentiful positive earnings surprises in various sectors Several European tech results have beenimpressive.**

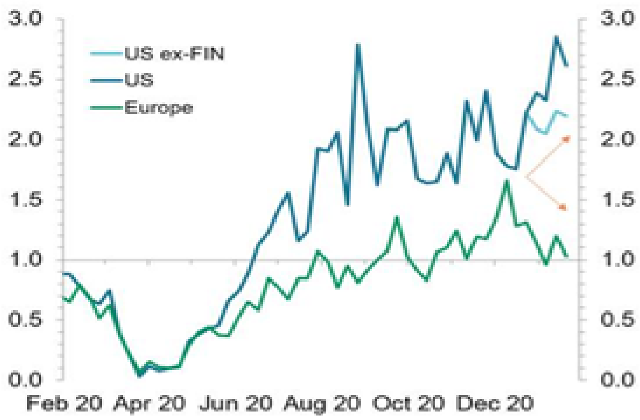
But there is nervousness relating to the Covid-19 new strains, particularly the UK and the South-African variants. This is weighing on confidence.

EARNINGS EXPECTATIONS (FORWARD 12 MONTHS – REBASED TO 100)



Data as of 23 January 2021. Sources: FactSet, BNP Paribas Asset Management.

EARNINGS REVISIONS UPWARD TO DOWNWARD REVISIONS



Data as of 23 January 2021. Sources: FactSet,, BNP Paribas Asset Management.

CONCLUSION

Similar to Q2 and Q3 2020 earnings releases, Q4-2020 is showing earnings much stronger than expected, especially in the US. Analysts were too cautious after the first covid-19 related lockdowns. In Europe, the first Q4 corporate results are also encouraging. Improving earnings are a key support for equities.

Theme in Focus

Time to Rotate out of Big Tech?

Can 2021 possibly be a repeat of 2020? US mega-cap technology stocks, personified by the FAANG group of stocks (including Facebook, Apple, Amazon, Netflix and Google), rose over 100% in 2020, leading the global stock market. One of the most frequently-asked questions we receive is: "*Surely this has gone too far already, so does this mean it must correct?*"

Lessons of the 1990s: the 1990s were a strong decade for stock market investors. As early as 1995, noted investors such as Ray Dalio of Bridgewater and Peter Lynch of Fidelity were warning of the risks of a significant stock market correction, following the 38% gain for the S&P500 in that year.

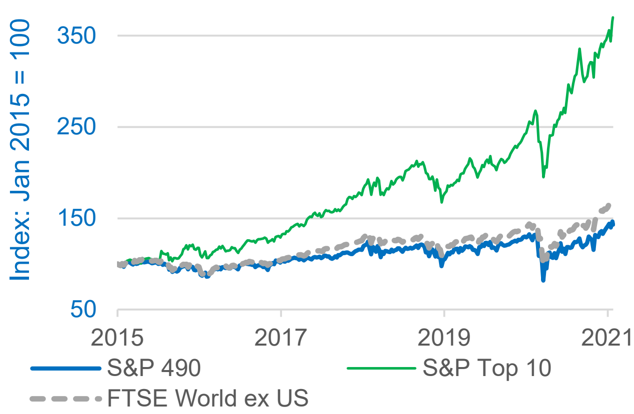
"Irrational Exuberance": this was followed in late 1996 (after a further 23% gain for the S&P500) by a similar warning of "irrational exuberance" in financial markets from the then US Federal Reserve chairman, Alan Greenspan

1997-2000, the Nasdaq soared even more! In the five years from 1994 to 1999, the Nasdaq Composite index gained about 40% per year, rising 86% in 1999 alone, plus a further 15% in the first few months of 2000. We would conclude from this that timing the top in any parabolic market is difficult, with potential risks of missing out on huge further gains.

Where to focus in Tech today? There are two particular areas of technology that we believe can continue to perform particularly well, potentially outperforming the mega-cap FAANG stocks in 2021. These are the **semiconductor industry** and **video games & eSports stocks**.

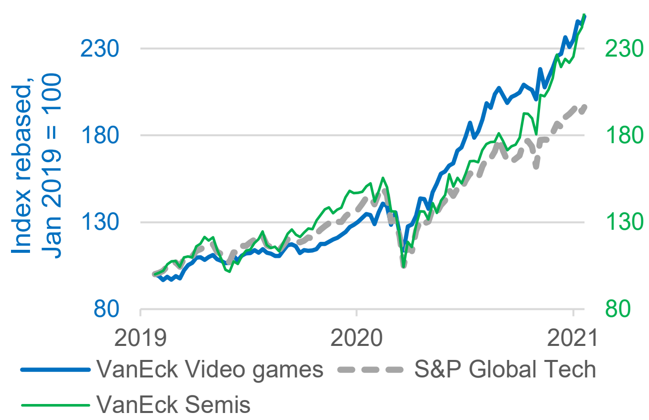
The semiconductor sector is set to enjoy structural demand growth for processors, memory and storage chips on the back of the investment boom in 5G mobile phone and Artificial Intelligence infrastructure. This in turn will enable the Internet of Things, which will drive demand for much more semiconductor content.

S&P 500 INDEX OUTPERFORMANCE DRIVEN ALMOST COMPLETELY BY TOP 10 (TECH)



Source: BNP Paribas, Refinitiv Datatsream

SEMICONDUCTORS, VIDEO GAMES CONTINUE TO LEAD GLOBAL TECH



Source: BNP Paribas, VanEck, S&P

CONCLUSION

US mega-cap technology companies are unlikely to outperform in 2021 as they did in 2020, given today's far higher starting valuation levels and risks from further US and EU regulation and taxation. The technology subsectors we prefer include semiconductors, video games and eSports.

Other thematic preferences

Renewable energy under the spotlight

EU and US stimulus focused on clean energy: the combination of the EU Recovery Fund and further US fiscal stimulus from the new Democrat administration underpins the strong momentum in clean energy stocks, even after a stellar 2020 for the sector.

All clean energy indices are not created equally: interestingly, the choice of global clean energy stock index to follow has had a huge impact on investor returns over the past two years. The Wilderhill Clean Energy index has more than doubled the return of the S&P Global Clean Energy index since start-2019.

This reflects huge sector weighting differences: the Wilderhill index has a large concentration of hydrogen power, fuel-cell and battery technology companies in its methodology, while the S&P 500 index has more than 50% of its weighting in Utilities.

Clean Energy started 2021 strongly: The Wilderhill Clean Energy index rose over 20% in the month of January alone.

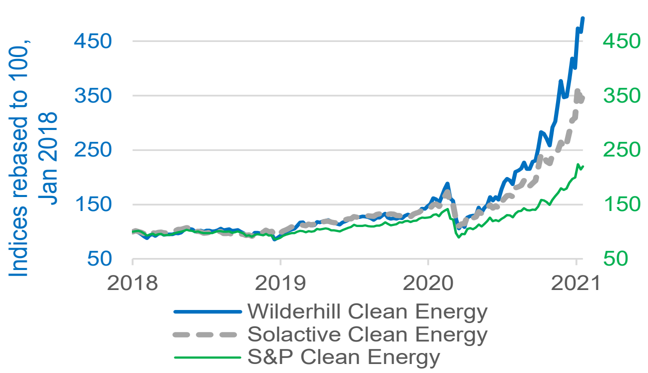
Small- and mid-caps ('SMID caps') should continue to outperform.

The extremely high valuation gap that had widened between small and large companies after the collapse of equity markets in March 2020 has been partly closed. Raymond James & Associates, an American multinational banking institution, calculated that **"The Russell 2000 has outperformed the S&P 500 by 24% since March 23** compared to 51% in the early 2000s and 25% in post-Great Financial Crisis early cycle". And again, **in January this year, US small companies have gained 4.8% versus -1.1% for the S&P500.**

The estimated consensus S&P 500 P/E is 23x (expensive!); the median S&P 500 P/E is now around 18.5 whereas the median Russell 2000 (adjusted for stocks with no/low earnings) is 14x (still cheap!). **The discount between small and large caps is still extremely wide on a historic basis.** Furthermore, 'SMID caps' are expected to grow earnings faster in 2021: +41% EPS growth for the US S&P mid 400 Index and +79% for the US S&P small 600 Index.

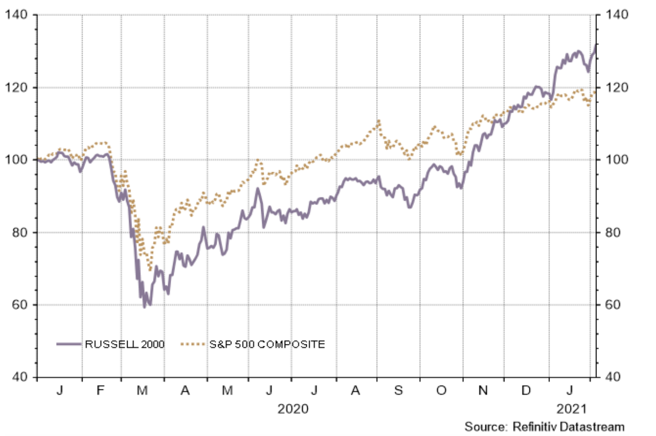
A similar situation can be seen in European SMID caps.

BIG DISPARITIES IN CLEAN ENERGY INDICES, BUT ALL HAVE DONE WELL RECENTLY



Source: Yahoo! Finance

RUSSELL 2000 (US SMALL CAPS) SHARPLY OUTPERFORMS THE S&P 500 (INDICES REBASED TO 100)



Source: Refinitiv/ Datastream

CONCLUSION

Several investment themes we have been recommending are doing very well, among others: clean energy or the reflation theme including small and mid caps where we can still find value. Some specialized semiconductor companies, key suppliers for clean tech, gaming and a whole range of new technologies still have many years of structural demand growth in from of them, in our view.

Sector preferences

We like cyclical sectors, but prefer to buy on dips

We continue to play the ongoing economic recovery via materials, industrials, as well as insurance and European energy stocks (we are positive on these sectors).

Pharmaceuticals and real estate globally as well as European tech are not overvalued; they provide diversification and reduce portfolio volatility. Moreover their outlook is also improving.

In January (see graph), several of our favourite sectors/industries performed well in Europe (materials, tech, energy, health care). That said, insurance and real estate have lagged so far in 2021.

Some doubts have resurfaced: **new coronavirus strains** could hamper people's movements and delay the recovery in the services sector (including commercial real estate).

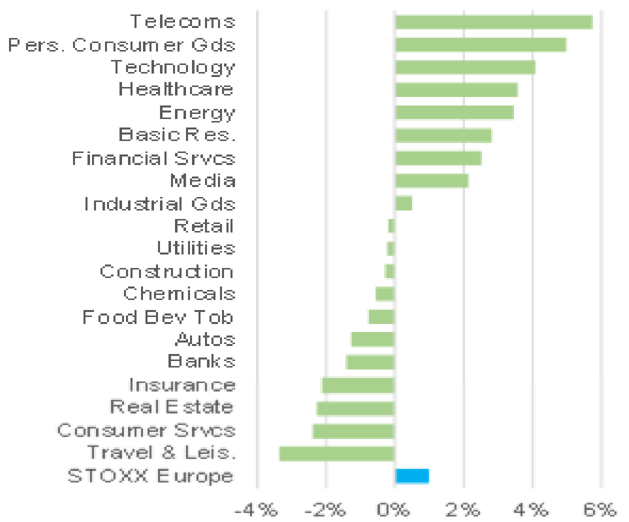
No change in our sector allocation this month.

In the United States, energy, tech and health care have been strong, while industrials, consumer staples and telecoms have lost ground.

Besides autos and energy for which we recommend selectivity (some companies are more advanced and better positioned in restructuring and in the energy transition than others), banks are cheap. But the backdrop remains challenging for universal banks with the yield curve still flat and disruption and heightened competition from online players. We still recommend selectivity for this sector.

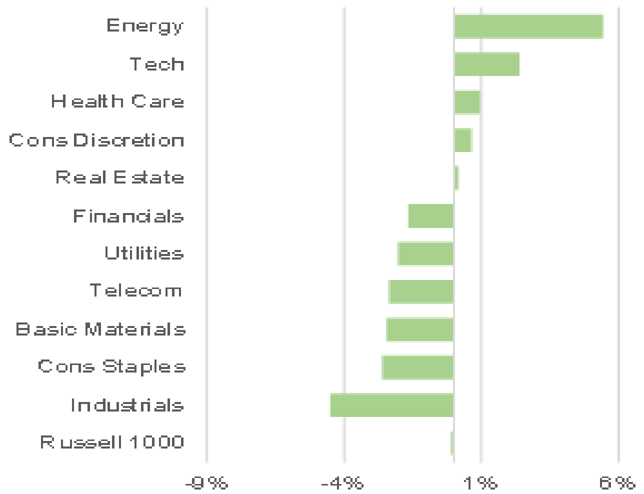
We favour a thematic approach for technology (we like semiconductors, 5G, AI and European tech), as well as consumer **discretionary, telecoms and utilities**. We avoid consumer staples (expensive and too defensive).

EUROPEAN EQUITY RETURNS AS AT 27 JANUARY 2021



Source: STOXX

US EQUITY RETURNS AS AT 27 JANUARY 2021



Source: Russell

CONCLUSION

We continue to recommend playing the ongoing economic recovery, and at this stage by buying on dips after the recent strong performance of value cyclicals and owing to some doubts relating to new Coronavirus strains and the speed of vaccination programmes in Continental Europe. Diversify with pharmaceuticals, real estate and select tech companies (semiconductors, 5G, AI, European tech).

Sector Preferences

	SECTOR (MSCI level 1)	INDUSTRY +	INDUSTRY =	INDUSTRY -
+	Real Estate	Real Estate		
+	Materials	Materials		
+	Industrials	Commercial Services & Supplies Infrastructure Capital Goods Transportation		
+	Health Care	Pharmaceuticals & Biotech	Health Care Equipt, tech & Services	
=	Technology	EU Tech Hardware EU Software & Services EU Semiconductors & Equip	US Tech Hardware US Software & Services US Semiconductors & Equip	
=	Financials	Insurance	Banks & Divers. Fin.	
=	Energy	EU Energy	US Energy	
=	Consumer Discretionary		Consumer Durables & Apparel (Luxury goods) Consumer Services Retail Automobile & Components	
=	Communication Services		Telecom Media	
=	Utilities		Utilities	
-	Consumer Staples			HPC Food & Beverage Food Retail

Sector performances over three months and YTD (as at 26/01/2021)

26/01/2021	MSCI USA (in $) -3M	MSCI USA (in $) YTD	MSCI EUROPE (in LC) -3M	MSCI EUROPE (in LC) YTD
MSCI Zone	*14,0*	*2,5*	*14,5*	*2,3*
Energy	**36,9**	**7,1**	**40,4**	**5,7**
Materials	13,2	0,6	**19,1**	**3,8**
Industrials	10,3	-1,6	**15,3**	**2,5**
Consumer Discretionary	**17,1**	**5,3**	**17,6**	0,4
Consumer Staples	2,8	-2,0	2,7	-0,2
Health Care	11,3	**4,3**	6,5	**5,0**
Financials	**20,6**	0,9	**22,1**	0,7
Information Technology	**15,8**	**2,9**	**22,2**	**5,3**
Communication Services	**15,7**	**3,2**	10,5	1,9
Utilities	-1,7	0,9	9,9	1,5

IBES forecasts for Europe & US

Price index - in €

26/01/2021	PE				EPS Growth - %				1m / 3m % Δ in EPS								Sales growth - %			1m / 3m % Δ in Sales		Dividend yield (%)
	2020	2021	2022	12m fwd	2020	2021	2022	12m fwd	2020		2021		2022		12m fwd		2020	2021	2022	2020		
MSCI EUROPE (€) (*)	**24,1**	**17,3**	**15,0**	**17,1**	**-30,9**	**39,1**	**15,8**	**36,0**	**0,5**	**3,4**	**1,3**	**2,8**	**0,7**	**1,8**	**1,3**	**2,7**	**-9,3**	**6,8**	**4,47**	**0,1**	**0,11**	**2,7**
(*) EU15 + Switzerland + Norway																						
MSCI UK (£)	20,9	14,2	12,5	14,1	-38,0	46,8	13,9	41,4	0,5	1,7	3,4	7,6	1,4	4,2	3,2	7,2	-16,0	10,4	5,2	0,0	-0,2	3,8
MSCI Switzerland (CHF)	22,5	19,4	17,5	19,2	-8,0	16,0	10,8	15,4	0,2	1,2	-0,1	0,8	-0,2	0,5	-0,1	0,8	-7,6	4,2	3,8	0,2	0,8	2,6
MSCI Germany	22,9	16,3	13,8	16,0	-22,5	40,4	18,3	37,6	0,9	4,3	0,8	-0,3	0,6	-0,6	0,7	-0,3	-3,7	5,5	4,8	-0,1	0,4	2,6
MSCI France	30,2	18,3	15,2	18,0	-45,3	65,1	20,2	59,6	0,0	2,6	1,0	1,6	0,7	1,2	1,0	1,6	-11,3	7,3	3,5	0,2	0,1	1,9
MSCI Spain	29,3	16,2	13,3	15,9	-58,0	80,3	22,1	72,4	-0,2	24,5	0,1	-0,7	0,0	1,1	0,1	-0,5	-13,2	4,1	3,7	0,0	-1,5	4,5
MSCI The Nertherlands	29,3	24,2	20,7	24,0	-9,6	20,8	16,9	20,4	-1,2	-2,1	-0,1	0,9	-0,2	-0,2	-0,1	0,8	3,4	1,2	4,4	-0,1	0,6	1,5
MSCI Belgium	24,2	21,4	18,9	21,9	-33,6	13,2	17,5	17,0	0,0	5,4	-0,6	-0,7	-0,8	0,6	-0,6	-0,7	-11,9	5,7	2,0	-0,2	0,5	1,8
MSCI EUROPE ENERGY	68,0	14,6	10,2	14,1	-85,3	364,9	43,8	269,5	-1,0	0,6	7,2	12,4	1,8	4,8	6,5	11,4	-31,4	19,2	8,1	0,0	-1,9	6,0
MSCI EUROPE MATERIALS	22,1	15,3	15,4	15,4	-12,0	44,7	-0,6	35,2	1,8	6,8	9,5	20,0	5,8	14,6	9,2	19,7	-11,0	11,6	1,5	0,3	0,9	2,7
MSCI EUROPE INDUSTRIALS	40,6	23,3	19,4	22,8	-48,9	73,8	20,3	65,7	1,7	-5,1	0,4	-0,4	0,2	0,2	0,3	-0,3	-13,1	6,2	5,0	0,4	0,6	1,6
MSCI EUROPE CAP GDS	39,4	23,0	19,2	22,4	-48,7	71,7	19,4	63,6	2,2	-7,8	0,2	-0,5	-0,1	-0,1	0,1	-0,5	-14,3	5,5	4,7	0,4	0,9	1,6
MSCI EUROPE COML SVS/SUP	28,5	24,0	21,5	23,9	-17,2	18,6	11,6	17,6	0,5	2,3	-0,3	0,4	0,0	1,1	-0,3	0,5	-8,9	5,9	5,6	0,2	0,5	1,8
MSCI EUROPE TRANSPT	169,9	25,4	18,3	24,6	-87,5	569,1	39,0	368,6	1,7	4,8	2,7	-0,5	2,3	1,0	2,7	-0,3	-8,7	10,4	6,2	0,5	-0,3	1,3
MSCI EUROPE CONS DISCR	60,0	19,8	15,7	19,5	-67,4	202,8	26,3	163,3	6,8	22,9	1,7	7,3	1,9	6,2	1,7	7,2	-13,2	11,9	7,0	0,1	1,0	1,1
MSCI EUROPE AUTO & COMPO	65,8	8,9	7,0	8,7	-86,1	635,4	27,6	391,9	32,3	354,5	2,1	14,2	2,4	10,3	2,1	13,8	-14,0	10,9	5,7	0,1	1,2	1,9
MSCI EUROPE CONS DUR/APP	48,6	27,4	23,5	27,2	-45,7	77,5	16,4	66,0	0,9	2,3	2,0	3,7	1,8	3,7	1,9	3,6	-14,9	16,9	7,2	0,1	0,4	1,0
MSCI EUROPE CONS SVS	162,8	43,3	25,0	38,8	-84,6	275,7	73,1	204,8	-28,9	-63,5	-2,7	-19,4	0,0	-5,9	-2,4	-16,5	-14,5	5,0	15,3	-0,7	0,0	0,2
MSCI EUROPE RETAILING	65,1	37,1	29,0	37,4	-19,6	75,3	28,1	72,5	3,7	6,1	1,0	5,1	0,5	3,7	1,0	4,9	1,0	15,3	9,8	0,7	1,5	0,6
MSCI EUROPE CONS STAPLES	21,0	19,3	17,7	19,1	-10,2	8,6	9,1	9,0	-0,5	-0,6	-0,8	-1,0	-0,8	-0,7	-0,8	-1,0	-3,0	1,5	3,2	0,0	0,2	2,8
MSCI EUROPE FD/STAPLES RTL	15,1	13,5	12,6	13,6	-3,7	12,2	6,7	10,0	-2,1	-4,5	0,3	2,6	0,1	2,3	0,0	1,8	0,3	-0,2	1,8	-0,1	0,2	3,4
MSCI EUROPE FD/BEV/TOB	21,3	19,4	17,6	19,1	-12,6	9,5	10,1	10,4	-0,5	-0,4	-1,1	-1,4	-1,0	-1,2	-1,1	-1,4	-7,5	3,3	4,4	-0,1	-0,1	2,9
MSCI EUROPE H/H PERS PRD	22,9	21,9	20,4	21,8	-6,0	4,4	7,5	4,7	0,3	0,8	-0,5	-1,3	-0,4	-0,8	-0,5	-1,2	-0,7	1,7	3,9	0,4	0,9	2,5
MSCI EUROPE HEALTH CARE	19,4	17,8	16,0	17,7	-0,8	9,0	11,2	9,2	-0,1	-0,1	-0,5	-1,8	-0,6	-1,9	-0,5	-1,8	1,5	5,0	5,4	-0,2	-1,0	2,7
MSCI EUROPE H/C EQ/SVS	31,8	25,9	22,9	25,6	-13,7	23,1	13,2	21,7	1,3	0,0	0,5	-1,4	0,3	-1,3	0,4	-1,3	0,9	6,4	6,0	-0,1	-0,3	1,1
MSCI EUROPE PHARM/BIOTEC	17,9	16,7	15,0	16,5	1,0	7,3	10,9	7,6	-0,2	-0,1	-0,7	-1,8	-0,8	-2,0	-0,7	-1,9	1,8	4,6	5,3	-0,2	-1,2	3,1
MSCI EUROPE FINANCIALS	15,5	11,5	9,7	11,3	-36,7	35,3	18,3	33,6	-0,4	10,2	0,4	2,8	0,4	1,6	0,4	2,8	-4,3	1,4	3,4	0,0	0,9	3,4
MSCI EUROPE BANKS	16,4	10,8	8,5	10,5	-55,5	52,1	27,3	49,2	-0,6	24,2	0,6	3,6	0,5	1,3	0,6	3,3	-6,1	-0,5	1,9	0,0	0,6	3,4
MSCI EUROPE DIV FIN	17,1	15,9	13,5	15,8	6,7	7,4	18,5	7,8	0,5	8,7	1,7	6,6	1,4	6,6	1,7	7,0	-0,8	-3,6	2,6	0,0	1,6	2,0
MSCI EUROPE INSURANCE	13,7	10,2	9,5	10,2	-21,0	34,0	7,9	31,2	-0,6	-0,3	-0,3	0,4	-0,2	-0,3	-0,3	0,3	-4,2	3,9	4,4	0,0	0,9	4,3
MSCI EUROPE REAL ESTATE	19,3	18,0	16,7	18,0	-9,1	6,9	7,9	6,0	-1,4	-4,6	-0,8	-0,7	0,6	0,8	-0,6	-0,6	-1,9	1,0	2,1	0,1	-2,5	3,9
MSCI EUROPE IT	33,9	30,3	25,9	29,7	-2,2	12,1	16,8	12,7	1,6	3,5	0,1	-5,9	-0,1	-6,8	0,2	-5,9	1,1	7,5	6,2	0,3	-0,4	0,9
MSCI EUROPE S/W & SVS	30,8	28,2	24,7	27,9	-15,8	9,4	14,0	10,0	0,0	1,7	-0,6	-10,2	-0,3	-12,3	-0,6	-10,4	-2,3	9,0	6,4	0,1	-0,9	1,2
MSCI EUROPE TCH H/W/EQ	21,4	21,5	18,4	21,1	18,3	-0,2	16,9	2,8	4,6	5,9	-1,6	-9,2	-1,7	-5,6	-1,2	-8,3	0,2	1,1	3,7	0,6	-0,2	0,9
MSCI EUROPE COMM. SERVICES	17,4	14,8	13,1	14,8	-15,7	17,1	13,6	16,3	0,2	-1,9	0,0	-0,8	0,0	0,7	0,0	-0,7	-0,2	2,5	2,0	0,1	0,1	4,4
MSCI EUROPE TELECOM	15,6	13,7	12,1	13,7	-9,8	13,9	13,4	13,2	0,3	-2,3	0,1	-1,0	-0,2	0,4	0,0	-0,9	1,8	2,1	1,4	0,0	0,1	5,4
MSCI EUROPE MEDIA & ENTER.	24,1	18,7	16,3	18,5	-32,6	29,2	14,3	28,1	0,0	-0,2	-0,2	-0,1	0,7	1,4	-0,1	0,0	-8,9	4,5	4,8	0,3	-0,1	1,7
MSCI EUROPE UTILITIES	19,3	17,5	16,5	17,5	6,3	10,1	6,3	9,3	0,9	1,1	0,3	0,4	0,1	0,4	0,4	0,4	11,2	4,3	2,2	-0,1	-1,2	3,6

26/01/2021	PE				EPS Growth - %				1m / 3m % Δ in EPS								Sales growth - %			1m / 3m % Δ in Sales		Dividend yield (%)
	2020	2021	2022	12m fwd	2020	2021	2022	12m fwd	2020		2021		2022		12m fwd		2020	2021	2022	2020		
MSCI USA	**28,8**	**23,8**	**20,6**	**23,3**	**-9,9**	**21,3**	**15,3**	**20,5**	**0,1**	**5,3**	**1,8**	**4,21**	**1,04**	**3,19**	**1,73**	**4,08**	**-1,5**	**8,4**	**6,8**	**0,0**	**1,4**	**1,9**
MSCI USA ENERGY		29,3	17,5	27,7	-108,8		67,7				20,4	27,1	6,5	13,2	18,3	25,1	-34,5	20,2	12,3	0,0	-1,6	5,0
MSCI USA MATERIALS	27,9	21,2	19,2	20,9	-9,2	32,0	10,3	29,6	0,9	5,2	2,6	7,0	1,9	6,2	2,6	6,9	-5,9	9,3	3,7	0,2	0,8	1,8
MSCI USA INDUSTRIALS	31,3	24,0	20,1	23,6	-22,6	30,3	19,7	30,1	-0,3	6,9	0,0	1,8	0,5	2,9	0,1	2,0	-7,9	7,6	6,8	0,0	1,1	1,6
MSCI USA CAP GDS	29,5	22,9	19,1	22,4	-29,1	28,6	20,0	27,8	-0,5	6,0	0,3	1,3	0,4	2,6	0,3	1,4	-11,1	7,5	6,6	0,0	0,6	1,7
MSCI USA COML SVS/SUP	35,7	32,3	28,7	31,8	2,5	10,6	12,6	11,0	0,5	5,2	-0,1	2,8	0,0	3,0	0,0	3,0	-0,6	8,3	6,1	0,0	1,0	1,1
MSCI USA TRANSPT	35,9	24,6	20,2	24,3	-2,4	46,0	21,5	48,1	0,3	13,1	-0,7	3,2	1,0	4,0	-0,6	3,4	0,9	7,8	7,4	0,0	2,6	1,6
MSCI USA CONS DISCR	58,4	38,6	29,7	37,7	-23,0	51,5	29,7	49,2	0,1	15,1	0,5	5,2	0,6	5,6	0,5	5,2	2,4	14,1	10,5	0,1	2,2	1,3
MSCI USA AUTO & COMPO	88,7	45,1	37,6	44,4	-36,5	96,5	20,2	84,9	0,3	136,3	1,8	19,7	1,3	9,6	1,7	18,6	-12,3	22,2	7,5	0,1	1,7	0,2
MSCI USA CONS DUR/APP	28,4	22,5	19,4	22,7	25,3	26,2	15,9	26,2	0,4	10,3	1,0	10,0	0,5	8,1	1,0	10,0	4,9	15,2	8,5	0,1	2,5	1,3
MSCI USA CONS SVS		63,1	28,6	54,7	-113,4		120,5				-1,1	-12,2	0,2	0,8	-0,8	-9,7	-34,6	26,9	23,5	-0,2	-3,4	1,6
MSCI USA RETAILING	48,0	38,1	30,6	37,5	6,4	26,2	24,5	26,5	0,2	6,8	0,3	3,3	0,5	5,2	0,3	3,5	15,4	9,8	10,2	0,1	2,8	1,4
MSCI USA CONS STAPLES	21,7	20,5	18,9	20,1	3,7	6,2	8,1	6,4	0,3	3,1	0,5	1,9	0,5	1,4	0,5	1,8	2,9	2,9	3,7	0,0	0,5	2,8
MSCI USA FD/STAPLES RTL	24,6	24,3	22,0	23,5	2,3	1,3	10,5	3,7	0,0	4,5	-0,1	2,2	0,1	1,9	0,0	2,3	5,0	1,9	3,9	0,0	0,7	1,5
MSCI USA FD/BEV/TOB	18,9	17,8	16,5	17,7	2,0	6,6	7,8	6,9	0,4	3,0	0,4	1,7	0,3	1,1	0,4	1,6	-0,6	3,6	3,4	0,0	0,1	3,6
MSCI USA H/H PERS PRD	26,5	24,2	22,7	23,5	10,2	9,7	6,8	7,7	0,1	1,2	1,3	2,1	1,2	1,8	1,3	2,0	3,8	5,6	4,0	0,1	1,3	2,2
MSCI USA HEALTH CARE	20,2	17,8	16,5	17,7	9,0	13,6	8,0	12,6	0,2	2,7	0,6	1,8	0,4	0,0	0,6	1,6	9,0	7,6	5,1	0,1	1,0	2,0
MSCI USA H/C EQ/SVS	24,3	21,1	19,2	21,0	6,1	15,4	9,9	13,7	0,0	4,4	0,1	1,8	0,0	0,8	0,1	1,6	8,6	6,6	5,6	0,0	1,0	1,3
MSCI USA PHARM/BIOTEC	17,6	15,7	14,7	15,6	11,0	12,4	6,8	11,8	0,3	1,9	0,9	1,7	0,6	-0,6	0,9	1,5	10,7	11,6	3,2	0,2	1,0	2,6
MSCI USA FINANCIALS	17,5	14,3	12,6	14,1	-19,4	22,4	13,6	21,5	0,5	4,5	6,4	10,6	2,7	6,0	6,1	10,1	-4,5	3,1	4,6	0,1	4,4	2,3
MSCI USA BANKS	16,4	12,9	11,2	12,8	-32,4	26,6	15,8	25,4	1,1	9,2	11,7	18,3	2,7	6,4	10,8	17,0	-0,4	-3,5	3,3	0,0	0,6	2,6
MSCI USA DIV FIN	20,2	16,9	14,8	16,7	-7,9	19,3	13,9	18,7	0,9	6,4	4,8	8,0	4,0	7,2	4,7	7,9	-10,1	5,9	5,6	0,1	9,3	1,8
MSCI USA INSURANCE	14,8	12,3	11,2	12,2	-8,6	20,8	9,2	19,6	0,0	2,6	0,6	2,8	0,6	3,0	0,6	2,8	-1,1	5,9	4,6	0,1	0,6	2,6
MSCI USA REAL ESTATE	51,6	50,0	42,9	49,4	-30,8	3,0	16,5	4,2	0,4	0,7	1,6	-1,6	1,7	1,7	1,6	-1,3	-1,6	5,8	6,8	0,0	0,3	3,1
MSCI USA IT	35,0	30,3	26,7	29,3	6,1	15,5	13,5	14,3	0,0	4,9	0,5	2,9	0,6	2,5	0,5	2,7	5,1	9,4	7,5	0,0	2,1	1,1
MSCI USA S/W & SVS	41,7	36,2	31,5	35,0	7,6	15,0	15,2	14,4	0,0	3,9	-0,1	1,2	0,2	0,9	0,0	0,9	8,8	10,4	10,7	0,0	1,4	1,1
MSCI USA TCH H/W/EQ	31,9	27,3	24,9	26,4	4,4	17,0	9,9	14,9	0,0	8,2	0,9	3,8	0,6	3,1	0,8	3,6	0,8	8,4	4,2	0,0	2,8	0,9
MSCI USA COMM SERVICES	28,9	25,4	21,1	24,7	-4,4	14,0	20,3	15,8	-0,1	8,1	0,4	2,2	0,3	2,6	0,3	2,4	1,3	10,7	9,1	0,0	1,6	2,8
MSCI USA TELECOM	12,0	11,6	11,1	11,6	-5,1	2,9	4,7	3,1	-0,1	1,0	-0,3	1,4	-0,5	1,3	-0,3	1,4	-1,5	3,4	0,6	0,0	0,5	5,8
MSCI USA MEDIA & ENTER.	38,2	31,8	24,9	30,6	-4,2	20,2	27,5	22,9	-0,1	12,8	0,7	2,6	0,6	3,1	0,6	2,8	3,1	14,8	13,5	0,0	2,4	0,9
MSCI USA UTILITIES	18,9	18,4	17,4	18,3	-4,3	2,6	5,7	2,9	0,0	1,2	0,1	0,3	0,3	1,3	0,1	0,4	-1,1	4,0	1,9	0,1	0,1	3,0

THE INVESTMENT STRATEGY TEAM

FRANCE

Edmund SHING
Global Chief Investment Officer

ASIA

Prashant BHAYANI
Chief Investment Officer, Asia

Grace TAM
Chief Investment Advisor, Asia

BELGIUM

Philippe GIJSELS
Chief Investment Advisor

Alain GERARD
Senior Investment Advisor, Equities

Xavier TIMMERMANS
Senior Investment Strategy, PRB

LUXEMBOURG

Guy ERTZ
Chief Investment Advisor

Edouard DESBONNETS
Investment Advisor, Fixed Income

CONNECT WITH US

wealthmanagement.bnpparibas

DISCLAIMER

This marketing document is communicated by the Wealth Management Métier of BNP Paribas, a French Société Anonyme, Head Office 16 boulevard des Italiens, 75009 Paris, France, registered under number 662 042 449 RCS Paris, registered in France as a bank with the French Autorité de Contrôle Prudentiel et de résolution (ACPR) and regulated by the French Autorité des Marchés Financiers (AMF). As marketing material, it has not been prepared in accordance with legal and regulatory requirements aimed at ensuring the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. It has not been submitted to the AMF or any other market authority.

This document is confidential and intended solely for the use of BNP Paribas SA, BNP Paribas Wealth Management SA or their affiliates ("BNP Paribas") and the persons to whom this document has been delivered. It may not be distributed, published, reproduced or disclosed by any recipient to any other person, nor may it be quoted or referred to in any document, without the prior consent of BNP Paribas.

This document is provided solely for information and shall not constitute an offer or solicitation in any state or jurisdiction in which such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer, solicitation or sale. It is not, and under no circumstances is it to be construed as, a prospectus.

Although the information provided herein may have been obtained from published or unpublished sources considered to be reliable and while all reasonable care has been taken in the preparation of this document, BNP Paribas does not make any representation or warranty, express or implied, as to its accuracy or completeness and does not accept responsibility for any inaccuracy, error or omission. BNP Paribas gives no warranty, guarantee or representation as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of any product or transaction. Investors should not place undue reliance on any theoretical historical information regarding such theoretical historical performance. This document may contain or refer to past performance; past performance is no guarantee for future performance.

The information contained in this document has been drafted without prior knowledge of your personal circumstances, including your financial position, risk profile and investment objectives.

Prior to entering into a transaction each investor should fully understand the financial risks, including any market risk associated with the issuer, the merits and the suitability of investing in any product and consult with his or her own legal, tax, financial and accounting advisors before making his or her investment. Investors should be in a position to fully understand the features of the transaction and, in the absence of any provision to the contrary, be financially able to bear a loss of their investment and willing to accept such risk. Investors should always keep in mind that the value of investments and any income from them may go down as well as up and that past performance should not be seen as an indication of future performance. Any investment in a product described herein is subject to the prior reading and understanding of the legal documentation concerning the product, and in particular the one which describes in details the rights and obligations of investors as well as the risks inherent to an investment in the product. Save as otherwise expressly agreed in writing, BNP Paribas is not acting as financial adviser or fiduciary of the investor in any transaction. The information, opinions and projections expressed herein reflect the opinion of their author at the time of writing; they are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by anyone, and are subject to change without notice. Neither BNP Paribas nor any BNP Paribas Group entity accepts any liability whatsoever for any consequences that may arise from the use of information, opinions or projections contained herein.

As distributor of the products described herein, BNP Paribas may receive distribution fees on which you can obtain more information upon specific request. BNP Paribas, their employees or administrators may hold positions in these products or have dealings with their issuers.

By accepting this document, you agree to be bound by the foregoing limitations.

Pictures from Getty Images.