INVESTMENT STRATEGY

Equities in a MAGA World

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BNP PARIBAS WEALTH MANAGEMENT

The bank for a changing world

Equities in a MAGA World

Elections and beyond

- **Seasonal tailwinds –** The market is entering the best six-month period of the year. Since 1950, the S&P500 returned on average 7,1% and traded higher in 77% of the occasions.
- **November – when the sun shines bright for equities.** November is the among the best months of the year, even in election years. We see several factors supporting this thesis. Supply from the largest sellers in the market – mutual funds having year end and pensions – will fade. In fact, November is the 4th largest month in terms of inflows into mutual equity funds in the US. Demand is likely to be increased further as corporates - the biggest buyers of equities - are about to come back online. November is the most important month for US buybacks, accounting for ~ 10,4% of the yearly flows
- **Earnings Season – A global mixture of light and shadows** Europe continued to report earnings falling short of expectations. Companies with substantial China exposure have cited this factor as a drag on earnings. Consequentially, earnings expectations continue to fall. The S&P 500 is continuing to report mixed results vs estimates as well. Earnings surprises remain positive but trail their long-term averages. However, the index is still reporting higher earnings for Q3 relative to the end of last quarter.

Main recommendations

The **US** economy should see a growth boost which we expect will disproportionally benefit domestically exposed cyclical areas of the market. We thus **upgrade US equities to overweight but remain our relative preference of mid-/small-caps over equal-weight S&P 500 over cap-weighted S&P 500 in the US.**

The **eurozone** economy is weak and the manufacturing sector is deteriorating. With the threat of tariffs, we don´t see substantial drivers to change this. The fact that the region **is cheap isn´t sufficient to maintain an overweight rating. We downgrade Europe to neutral.**

The election outcome also has a **material impact** on our sector views. We thus changed several ratings, such as **downgrading Energy** on a global basis to underweight or **upgrading US Consumer discretionary** to neutral.

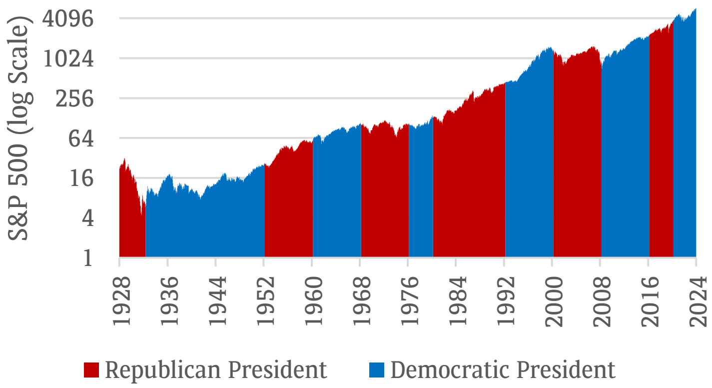
The key risk is a resurgence of trade wars with increasing tariffs and retaliations. These actions could derail growth and force central banks to reverse course on rates, as inflation would likely flare up again under such a scenario.

THE BEST TIME IS NOW

	S&P 500 Ø % change*	% up
Nov - Apr	7,1%	77,0%
Oct - Mar	6,7%	70,3%
Dec - May	5,4%	71,6%
Jul - Dec	4,8%	71,6%
Sep - Feb	4,7%	68,9%
Aug - Jan	4,5%	70,3%
Mar - Aug	4,4%	72,0%
Feb - Jul	4,4%	72,0%
Jan - Jun	4,3%	68,9%
Jun - Nov	3,4%	67,6%
Apr - Sep	2,7%	65,3%
May - Oct	1,7%	64,9%

Source: BNP Paribas, Bloomberg, Data since 1950

PRESIDENTS DON´T CONTROL MARKETS



Source: BNP Paribas, Bloomberg

Around the globe – our key convictions at a glance

REACTING TO A TRUMP WORLD WHILE MAINTAINING OUR PREFERENCE FOR SMIDS > SPW > SPX IN THE US

		USA	Europe	Japan	Emerging Markets
overall view		positive	neutral	positive	positive
What we (especially) like		Cyclicals SMIDs Financials Energy Infrastructure	UK Periphery > Core Real Estate Financials	SMIDs domestically oriented exposure Financials	Asia Brazil
What we don´t (really) like		Growth mega caps, particularly within consumer discretionaries	German SMIDs Autos		
preferred themes & trades	Regional basis	Buybacks & Quality Dividend growth Equal weighted over capital weighted S&P	Software Repower Europe (incl Renewable Energies) FTSE 250	Governance Reform achievers	APAC Tech, particularly semi materials/equipment sectors Hang Seng Technology
	Global Basis	Precious and energy transition metal miners Healthcare			

Focus on

Trump 2.0

Index & Macro Observations

Asian Equity View

Sector Views

Trump 2.0

Upgrading US while downgrading European Equites

IS MAGA ALSO MEGA FOR US EQUITIES?

Downgrading European equities to neutral

The prospects for Europe worsened materially recently. Not only is the threat of a reacceleration of global trade wars jeopardizing our view of a growth recovery, but it also does at the potentially worst moment in time. With the breakdown of the German ruling coalition, the second large component of the European core besides France will most likely be occupied by domestic issues in the near term. This makes a coordinated European response to any US demands more complicated. Due to its open and export-oriented business structure, Europe would also suffer from escalating trade tensions between the US and China. While our base case neither assumes a global 10% tariff rate nor a 60% tariff on China, the mere tariff uncertainty could create severe growth scares, as uncertainty usually hinders investments.

Earnings for European companies so far have been mixed. While free float market cap-weighted earnings results have come in 3.7% ahead of consensus, earnings revisions breadth remains negative. Earnings trends appear broadly negative, with significant revisions, but the impact is particularly for severe China-related sectors such as automakers, luxury goods, and commodity producers. This is particularly important as it puts the expected earnings growth for 2025 at risk. Even more, as a 0.1 ppt sales weighted GDP reduction could cause STOXX 600 earnings to fall by 1%.

Within Europe we favor the UK and see value in the periphery as well as in the Nordics, especially Sweden.

Upgrading US equites to overweight

Following the "Red Sweep", we should see the implementation of many – if not basically – all proposed fiscal stimulus packages, including tax cuts and deregulation.

It´s worth to keep in mind that SMIDs have a higher gearing to tax rates because, among other factors, their effective tax rate is currently higher than for large caps. If we combine that with a policy mainly focused on the domestic economy, we see the stars aligning for a more sustainable move from rather expensive US mega caps to more reasonably priced areas of the market. We thus stick to our relative preference of SMIDS > SPW > SPX.

Since tax cuts and deregulation should also help driving manufacturing PMIs higher, we continue to like cyclical, domestically oriented exposure. Financials is our key sector conviction in the US as the sector should benefit from a "higher for longer" rates environment and ongoing deregulation.

Key messages

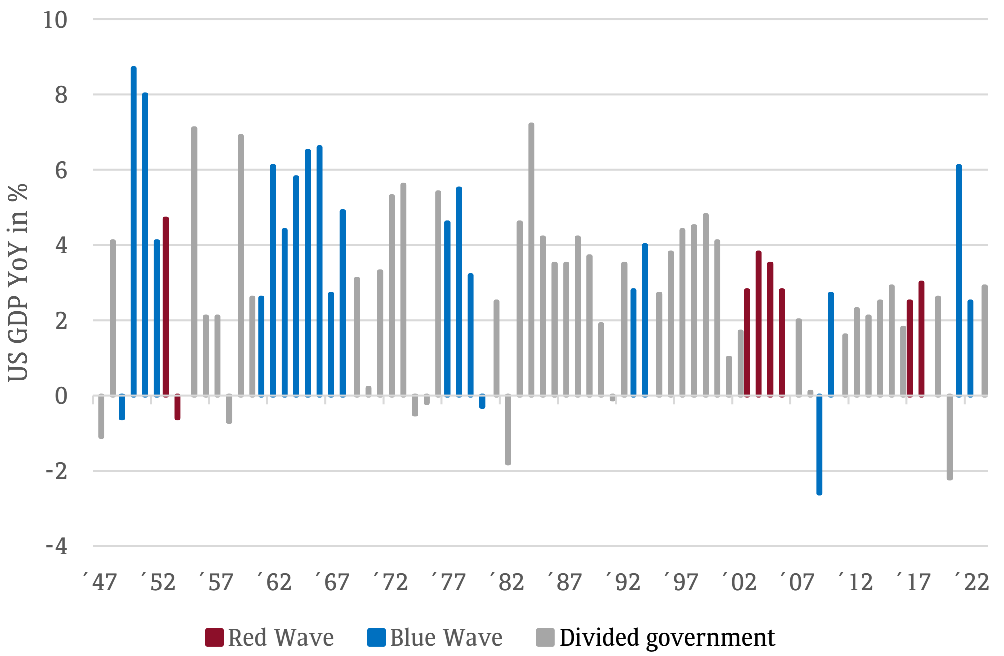
The **eurozone** economy is weak and the manufacturing sector is deteriorating. With the threat of tariffs, we don´t see substantial drivers to change this. The fact that the region **is cheap isn´t enough to maintain a positive rating. We downgrade Europe to neutral.**

The **US** economy on the other hand should see a growth boost which we expect will disproportionally benefit domestically exposed cyclical areas of the market. We thus **upgrade US equities to overweight but remain our relative preference of SMIDS > SPW > SPX in the US.**

The long-term impact of politics

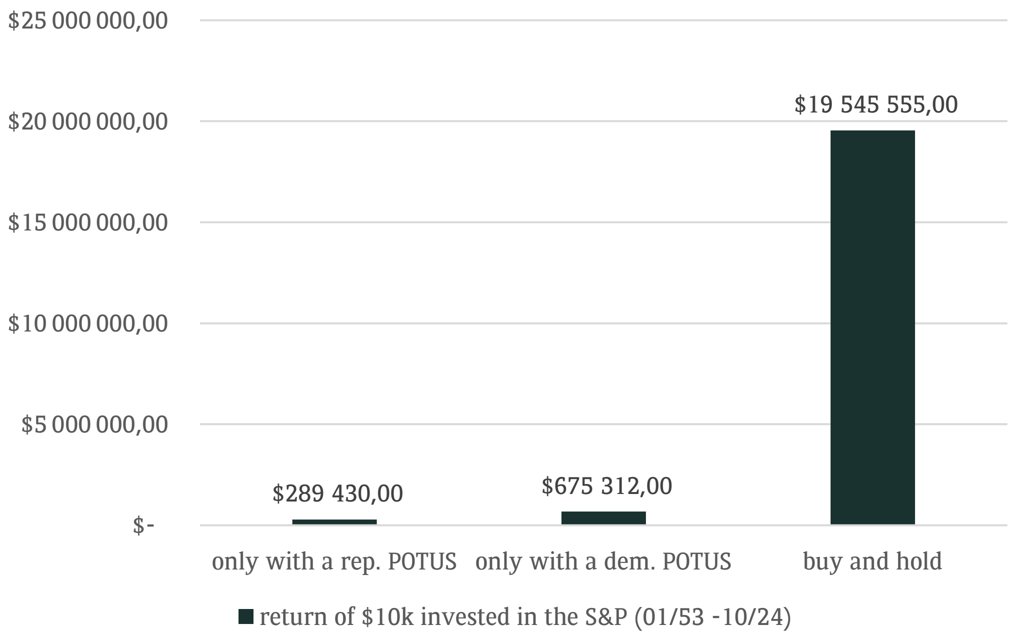
THE ECONOMY HAS HISTORICALLY BEEN RATHER UNAFFECTED BY POLITICAL DIRECTION

THE US ECONOMY SHOWED SOLID GROWTH UNDER ALL GOVERNMENTS



Source: BNP Paribas, Bloomberg

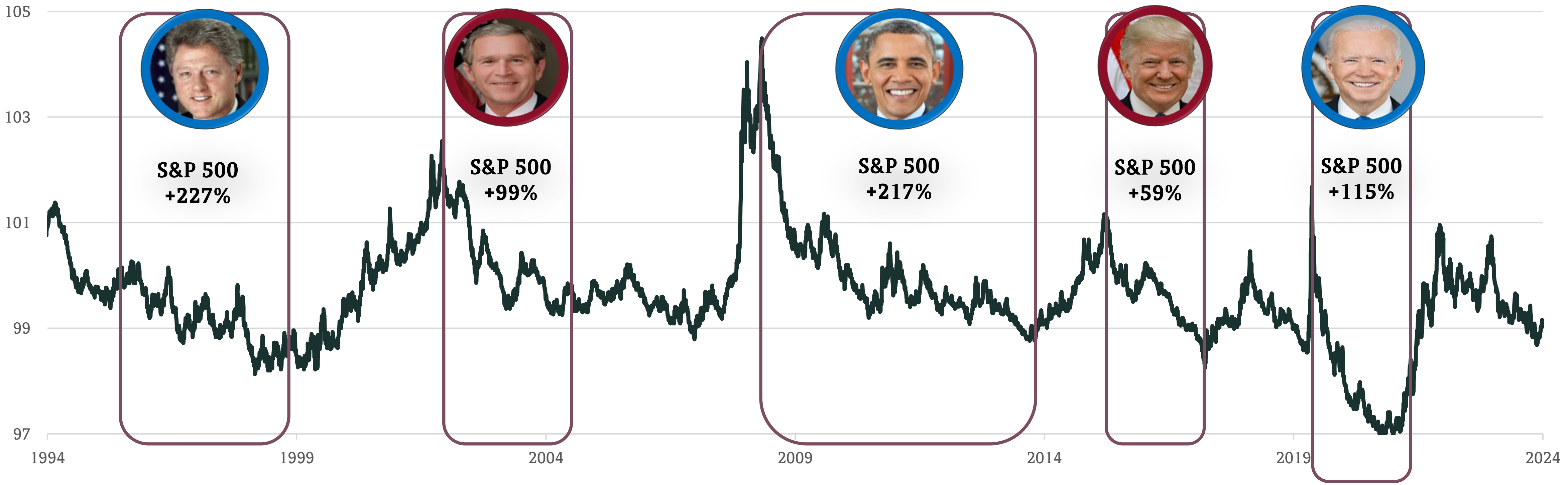
TIME IN THE MARKET BEATS TIMING THE MARKET, ALSO IN RESPECT TO THE RULING PARTY



Source: BNP Paribas, Bloomberg

„Money makes the world go round“

FINANCIAL CONDITIONS* ARE THE MAIN DRIVER OF EQUITIES



Source: BNP Paribas, Bloomberg

Financial conditions are the weighted average of
- *Risk free rates*
- *Yield curve*
- *FX*
- *Credit spreads*
- *Equity Valuations*

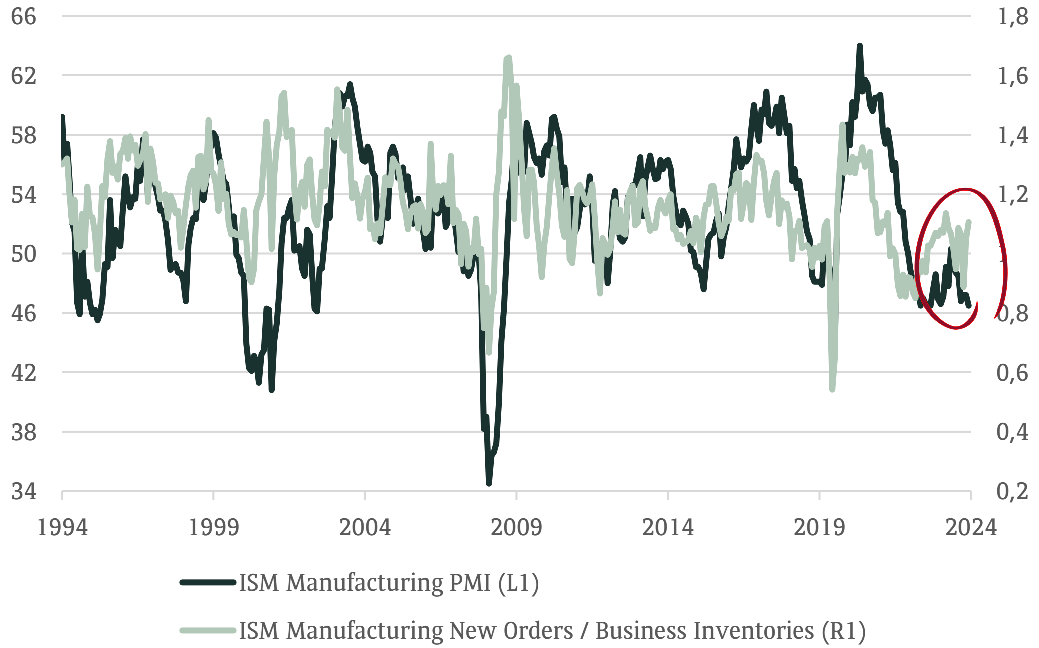
The big manufacturing rebound

WE SEE INCREASING SIGNS FOR AN UPTICK IN MANUFACTURING WHICH SHOULD BENEFIT CYCLICAL EQUITIES

THE RECENT FINANCIAL EASING POINTS TOWARDS A REBOUND OF MANUFACTURING ACTIVITY….

Source: BNP Paribas, Bloomberg

….AS IS THE IMPROVEMENT IN THE INVENTORY CYCLE

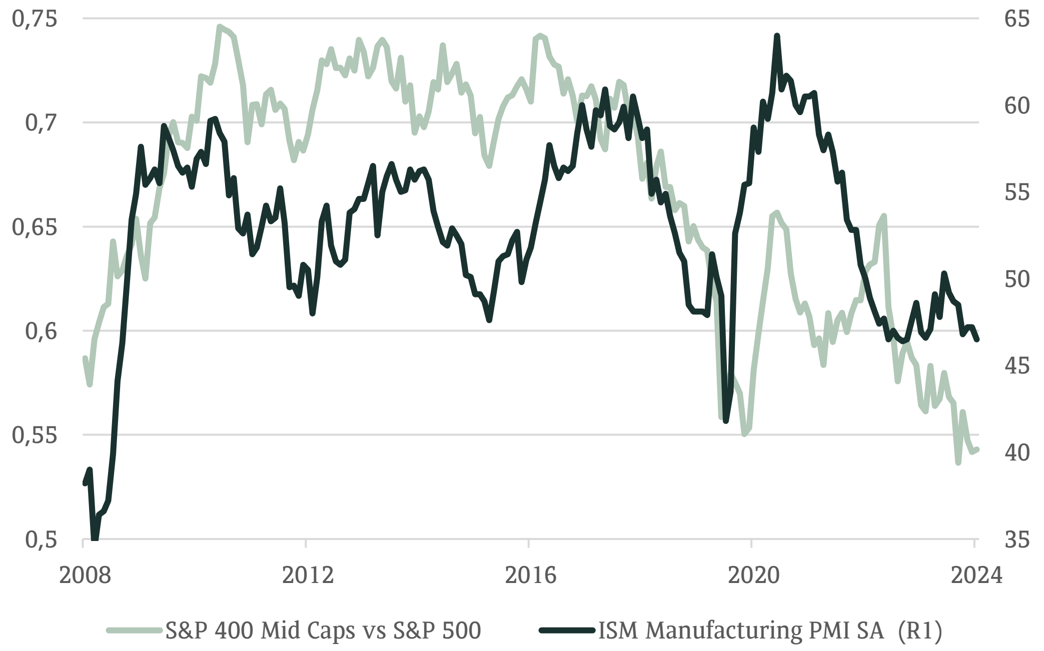


Source: BNP Paribas, Bloomberg

Who will benefit the most from MAGA?

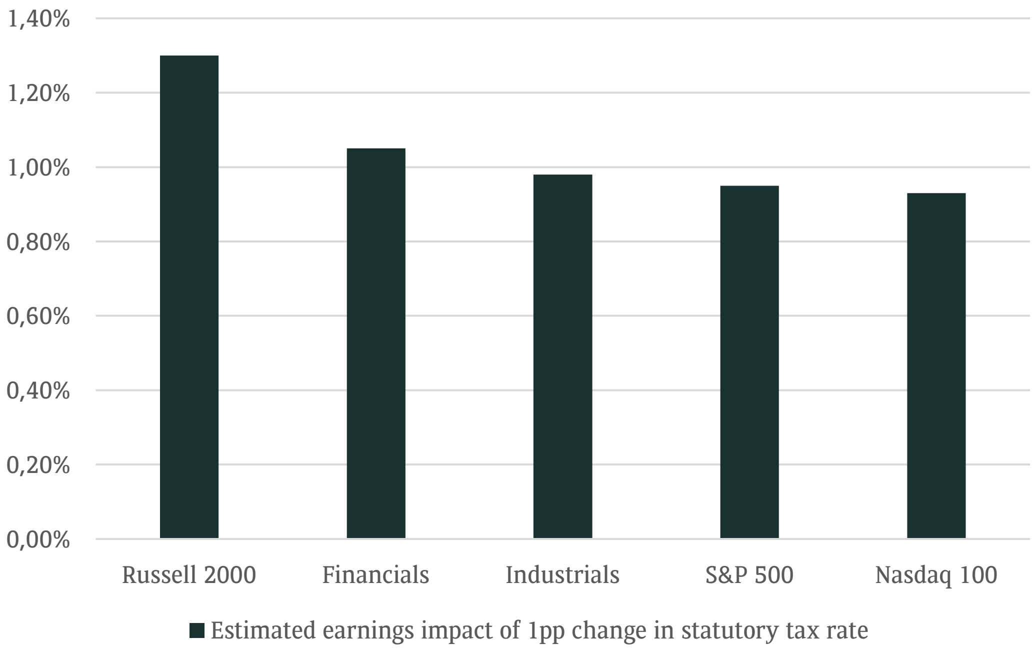
MORE DOMESTICALLY CYCLICAL STOCKS SHOULD BENEFIT THE MOST FROM A POLICY DESIGNED TO BOOST THE DOMESTIC ECONOMY

MID CAPS SHOULD ESPECIALLY BENEFIT FROM A REBOUND IN MANUFACTURING PMIS……



Source: BNP Paribas, Bloomberg

….WHILE SMALL CAPS HAVE THE HIGHEST GEARING TO CHANGES IN THE FEDERAL TAX RATE



Source: BNP Paribas, Goldman Sachs

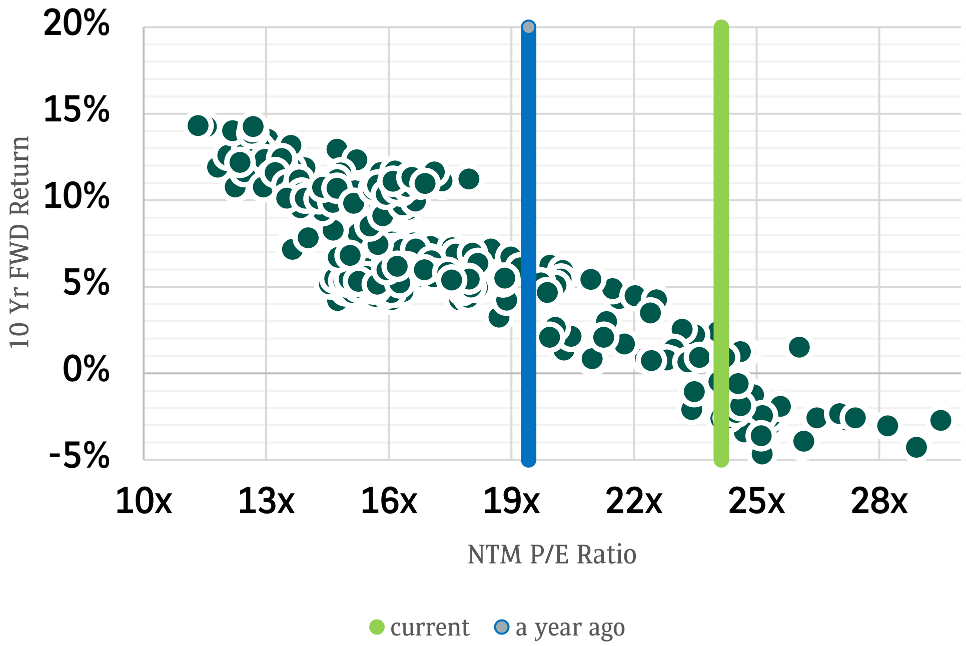
What about the S&P 500?

VALUATIONS ARE POINTING TOWARD SUBDUED LONG TERM RETURNS. WE FAVOUR US SMIDS > SPW > SPX

THE S&P EQUITY RISK PREMIUM IS THE MOST NEGATIVE SINCE 2002, INDICATING A TWO DECADES HIGH IN VALUATION RICHNESS VS BONDS

Source: BNP Paribas, Bloomberg

THE CURRENT S&P 500 P/E RATIO ALSO INDICATES SUBDUED RETURNS GOING FORWARD

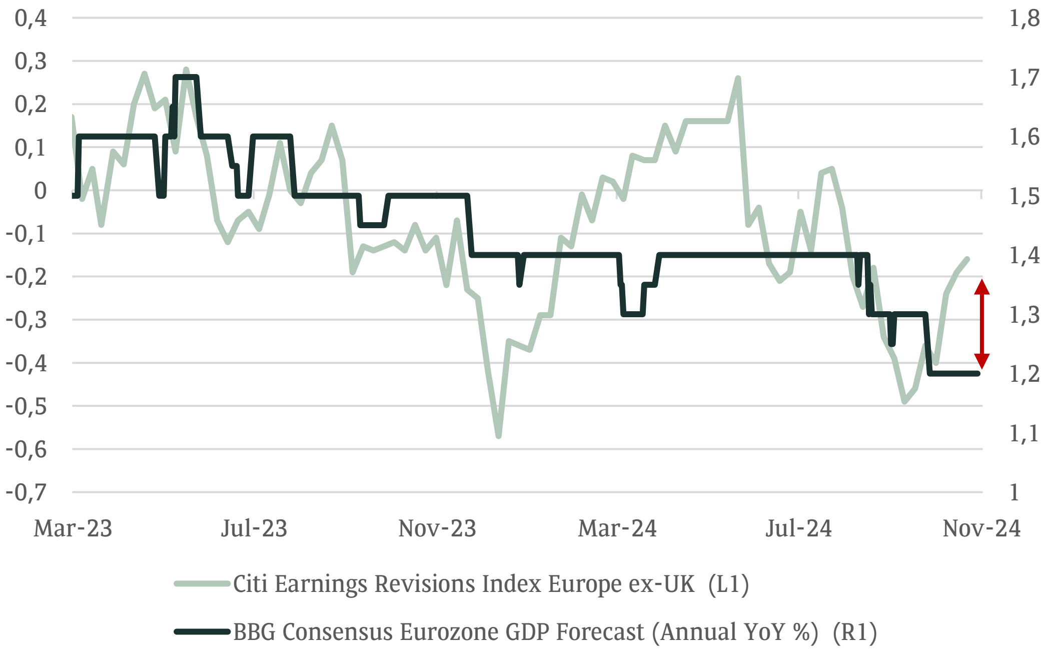


Source: BNP Paribas, Bloomberg

Europe – between a rock and a hard place

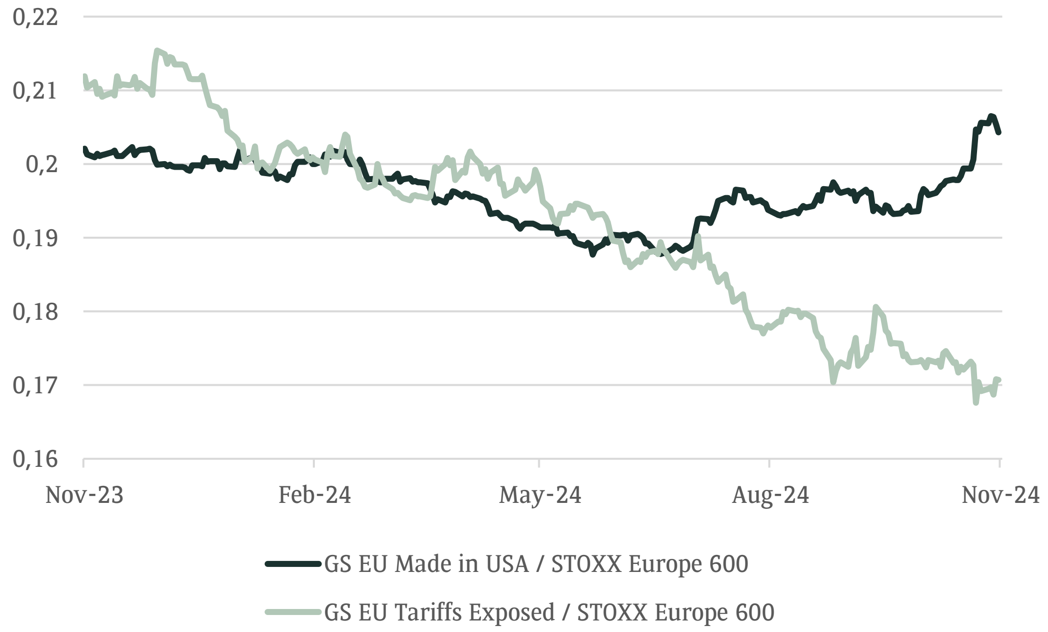
WE SEE THE CURRENT UNCERTAINTIES – TARIFFS AND LOCAL POLITICAL ISSUES – AS MAJOR HEADWINDS FOR AN EARNINGS RECOVERY

THE RECENT DOWNGRADES OF CONSENSUS GROWTH EXPECTATIONS ARE PUTTING THE RECOVERY OF EARNINGS REVISIONS AT RISK



Source: BNP Paribas, Bloomberg

COMPANIES WITH HIGH US PRODUCTION CAPACITIES MAY BE A PLACE TO HIDE WHILE TARIFFS EXPOSED EQUITIES MAY CONTINUE TO SUFFER

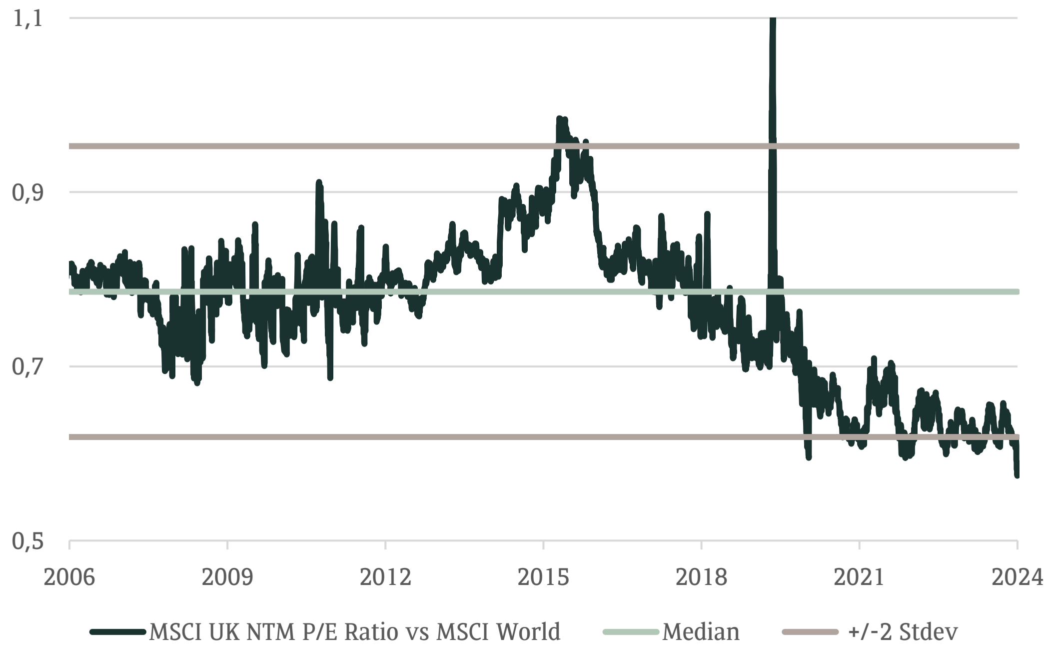


Source: BNP Paribas, Bloomberg

Europe – looking for resilient places (1)

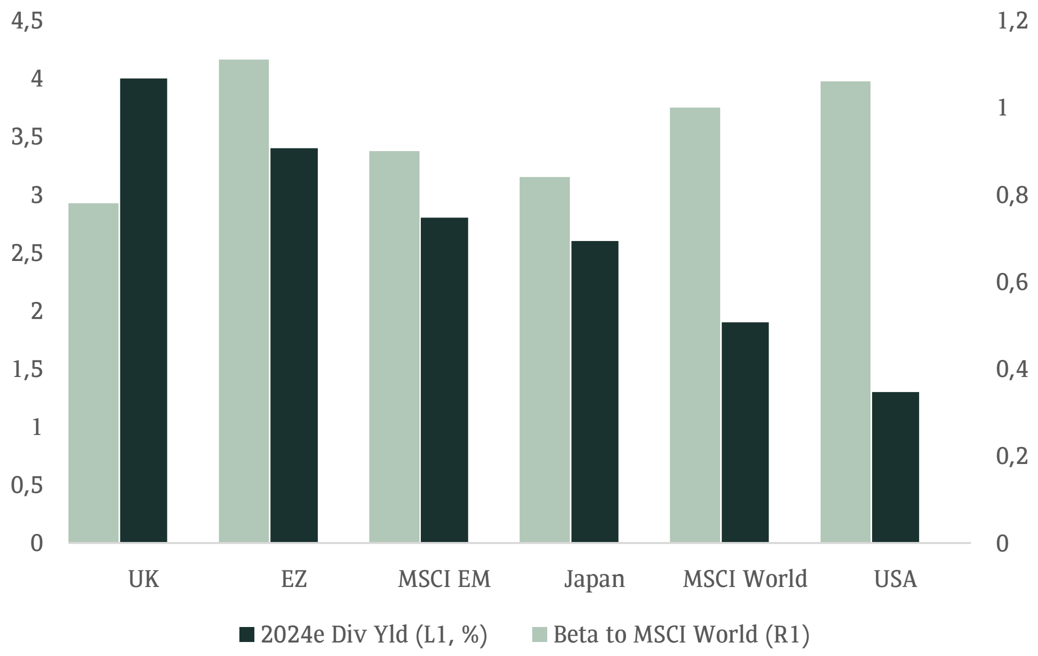
UK EQUITIES REMAIN OUR REGIONAL TOP PICK AS POSITIONING IS LIGHT DESPITE SEVERAL ATTRACTIVE CHARACTERISTICS

UK EQUITIES TRADING HISTORICALLY CHEAP COMPARED TO THE GLOBAL MARKET



Source: BNP Paribas, Bloomberg

UK EQUITIES OFFER A HIGH DIVIDEND YIELD WHILE BEING A GOOD DIVERSIFIER DUE TO A LOW BETA TO THE MSCI WORLD

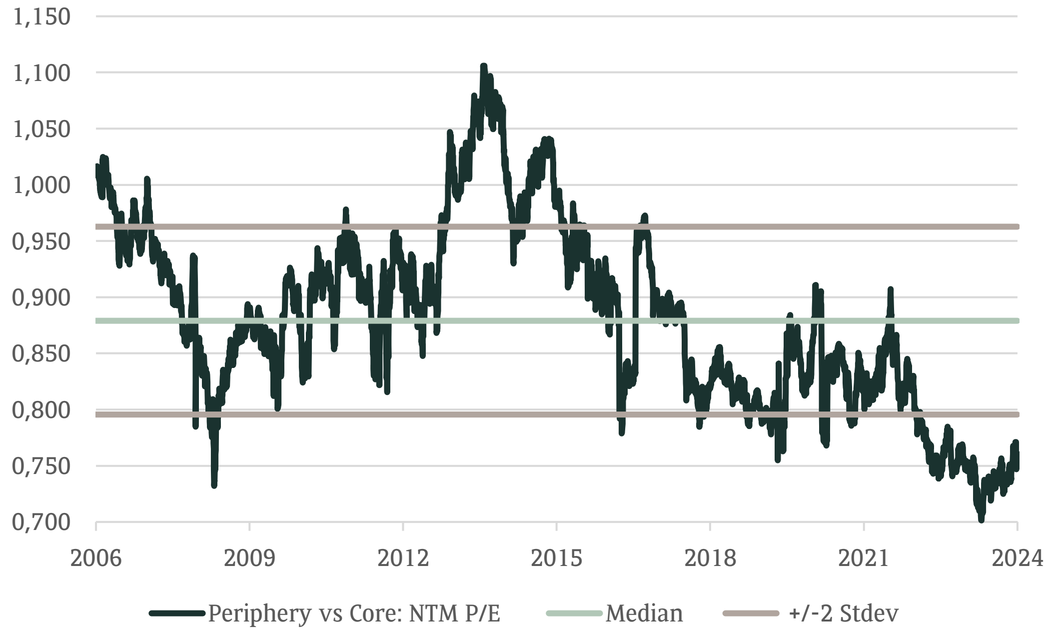


Source: BNP Paribas, Bloomberg

Europe – looking for resilient places (i)

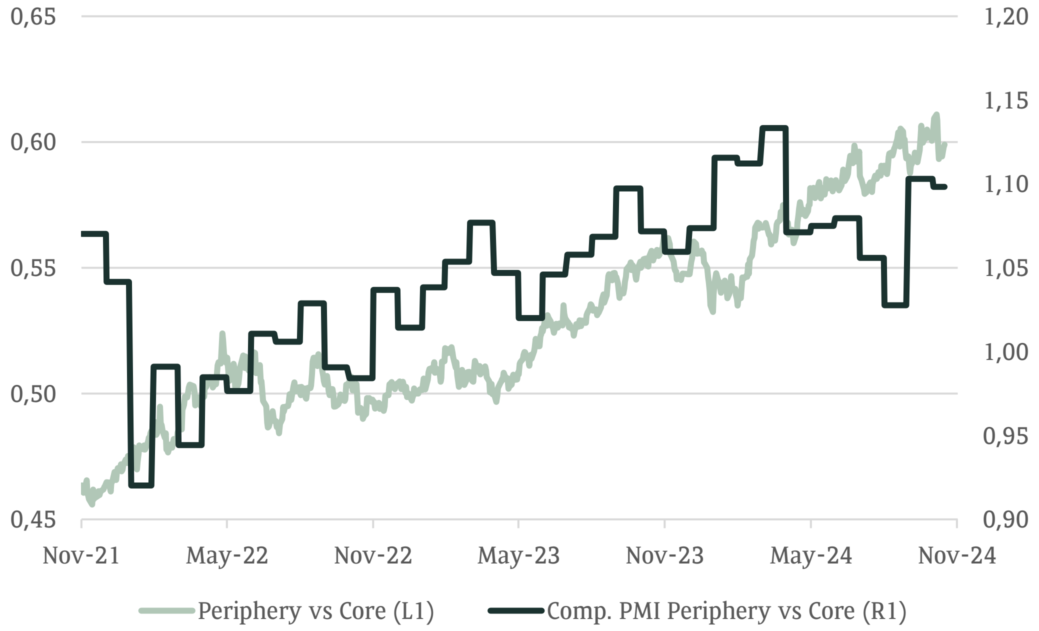
EUROPEAN PERIPHERY LOOKS STILL CHEAP VS CORE DESPITE STRONGER ECONOMIC DATA

THE EUROPEAN PERIPHERY STILL TRADES WITH A DECENT DISCOUNT TO CORE EQUITIES, DESPITE THE RECENT OUTPERFORMANCE



Source: BNP Paribas, Bloomberg / Periphery = Spain & Italy, Core = Germany & France

BETTER ECONOMIC DATA FUELED THE MOVE AND SHOULD PROVIDE FURTHER TAILWINDS



Source: BNP Paribas, Bloomberg

Europe – looking for resilient places (ii)

NORDICS – BE OPEN TO NEW STUFF

SWEDEN LOOKS FAIRLY PRICED…..

Source: BNP Paribas, Bloomberg

….WHILE OFFERING A RATHER CYCLICAL PROFILE WHICH SHOULD HELP BENEFIT FROM STRONGER US GROWTH

OMX Industry Breakdown	
Tech	5,01%
Telecom.	7,18%
Health Care	4,96%
Financials	23,60%
Real Estate	0,15%
Cons. Disc.	7,83%
Cons. Staples	3,29%
Industrials	43,52%
Basic Mat.	4,45%

Source: BNP Paribas, Bloomberg

Earnings Season Review

EUROPE: NEW QUARTER, SAME OLD STORY

Much of this European earnings season has echoed Q2 with many industries, especially manufacturing cyclicals, downgraded their numbers as the long-awaited recovery keeps getting delayed.

With over 80% of companies reported, the picture mirrors the current weather tristesse of a grey and rainy November. Just 37% of companies have beaten top-line estimates, with total revenue falling short of forecasts. In contrast, bottom-line earnings have been a bright spot, with 70% of companies delivering beats – but this is largely due to aggressive cost-cutting rather than impressive sales growth or pricing power. We fear that an increased cost-focused strategy is providing harm in the long term as it is preventing investments in future growth.

In terms of regional exposure, China still dragged down the numbers of exposed companies. On the other hand, European companies with large US exposure have outshone their China focused peers (and the European domestic-focused ones).

Source: BNP Paribas, Bloomberg

EARNINGS EXPECTATIONS IN EUROPE CONTINUE TO DRIFT LOWER

Source: BNP Paribas, Bloomberg

Earnings Season Review

USA: A MIXED BAG

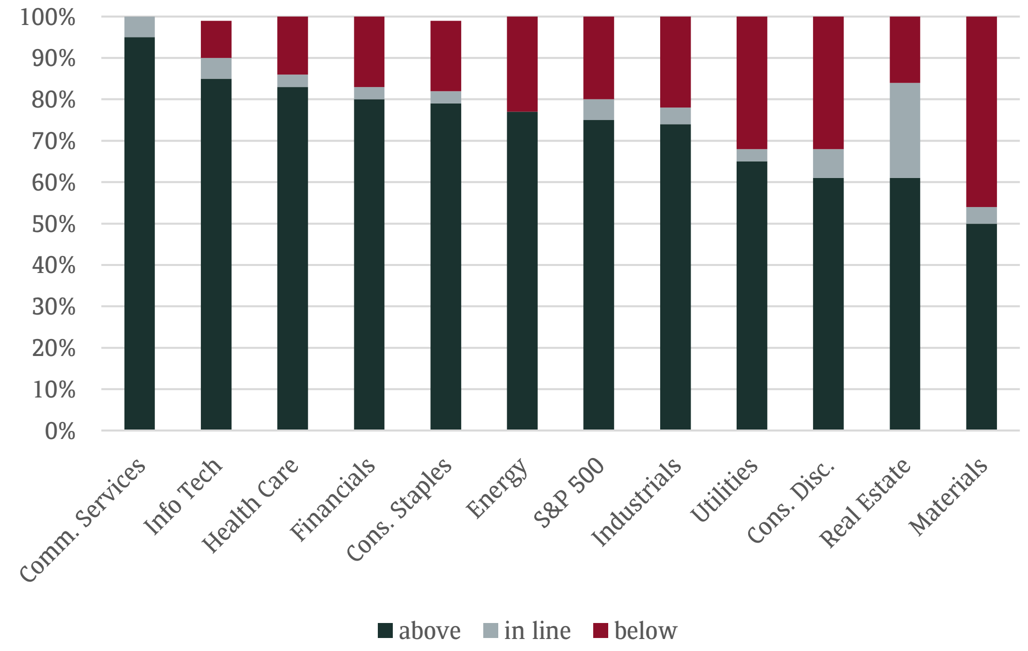
Overall, 91% of the companies in the S&P 500 have reported for Q3 2024 to date. Of these companies, 75% managed to beat EPS estimates, which is below the 5-year average of 77% but in line with the 10-year average of 75%. In aggregate, companies are reporting earnings that are 4.3% above estimates, which trails both the 5-year average of 8.5% and the 10-year average of 6.8%.

Seven of the eleven sectors are recording year-over-year EPS growth, led by the Communication Services and Health Care while four sectors are reporting a year-over-year earnings declines, led by Energy and Materials.

In terms of revenues, 60% of S&P 500 companies have reported actual revenues above estimates, which is below the 5-year average of 69% and below the 10-year average of 64%. In aggregate, companies are reporting revenues that are 1.2% above the estimates, which is below the 5-year average of 2.0% and below the 10-year average of 1.4%.

Source: BNP Paribas, Factset

Q3 EARNINGS VS CONSENSUS ESTIMATES PER SECTOR



Source: BNP Paribas, Factset

Earnings Season Review

JAPAN – HIGH CONFIDENCE IS BOOSTING SHARE BUYBACKS

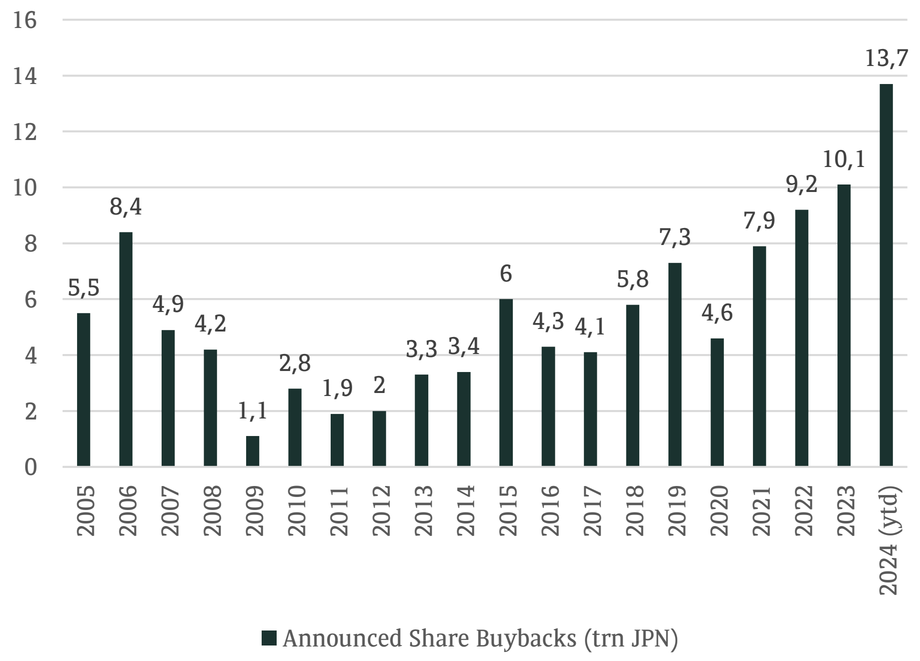
While the earnings look to have made superficially poor progress, we think they are not as bad as they look. It´s worth to note that in terms of sales, **domestic demand sectors**, such as electric power & gas, retail, and transportation, had an **above average** percentage of companies beating expectations. Overall net profits have not beaten estimates at as many companies as usual, and revisions to full-year guidance are not improving.

However, sales and operating profit in core businesses relative to market forecasts are around usual or only slightly lower for both results and guidance revisions. We think this is not bad as the earnings period saw exchange rate fluctuations and uncertainties regarding the US presidential elections, likely leading in **cautious management commentary**.

According to the Nikkei September "100 CEO Survey" (only a Japanese-language version is available), 70% of corporate managers say the **Japanese economy is expanding**, and many of them expect it to continue to grow over the next six months, so **business sentiment is strong**, encouraging a further **growth in buyback** announcements.

Source: BNP Paribas, Bloomberg

BUYBACKS ARE ALREADY AT RECORD LEVELS AFTER THE Q3 EARNINGS SEASON



Source: BNP Paribas, Bloomberg

Earnings Season Review

DIVERGING FORTUNES IN EMERGING MARKETS

MSCI Emerging Markets

We are about three-fourths of the way through the 3QCY24 reporting season for MSCI EM as about 74% of the index market cap has reported so far. Out of the reported companies that have consensus estimates, **23% have beat estimates by more than 1 s.d., 45% have reported in line, while 32% have missed by more than 1 s.d.**

Median EPS surprise is about -3%, suggesting the season is tracking **slightly below consensus estimates**. Within the regions, MENA (UAE, Qatar) and LatAm (Chile, Brazil) have surprised positively (+6% surprise), while Asia (China, Korea, India) has surprised negatively (4-5% negative surprise).

India

MSCI India 2QFY25 **profit growth was soft at 10% yoy** (below 13% avg and **4pp below consensus expectations** at the start of the results season) driven by slower revenue growth and weaker margins. Ex-Financials, revenues grew at 4.9% yoy (vs 5.6% last quarter) and while net-profit margins of 10.2% (ex Fins/Commodities) were down 80bps sequentially.

Earnings 'misses' (48% cos) outpaced 'beats' (36% cos) and the quarter saw a higher proportion of misses vs history (39% average). MSCI India avg EPS surprise was -4%. At a sector level, Commodity and Investment cyclical sectors (energy, industrials, metals, cement, utilities) saw more misses than beats.

Source: BNP Paribas, Bloomberg

European Sectors in a nutshell (i)

Sector	View			YTD TRR (%)	TTR Spread vs SXXP (in ppts)	Our view at a glance
	Under-weight	Neutral	Over-weight			
STOXX Europe 600 Cons. Products and Services	X			-8,54	-17,06	The sector would suffer from triffs. Chinese consumption still needs to pick up. **Margin pressure coupled with lower growth could depress earnings further**
STOXX Europe 600 Energy	X	←		0,85	-7,67	**DG to Underweight** as the oversupply in the market should limited upside in oil and puts pressure on margins. **Political risks turn negative** on the sector as a Trump brokered RUS/ UKR solution would further increase supply of several fossil fuels
STOXX Europe 600 Food, Bev and Tobacco	X			-3,87	-12,39	The **threat of tariffs** should weight on sentiment in spirits and bev. **10% tariff could reduce spirits earnings by 5% and bev by 1%**. Valuations are broadly in line with historic averages. We don´t see any upside catalysts
STOXX Europe 600 Personal Care	X			12,42	3,90	The sector still faces **headwinds from rising input costs while consumers are increasingly price sensitive**. While valuations are below historic averages, we don´t see any upside catalysts
STOXX Europe 600 Chemicals	X			-3,73	-12,25	US tariffs on China could lead to redirection of China exports to EU, increasing margin pressures. **Prefer high US exposure names** as local production shields from potentail tariffs while allowing to benefit from higher US growth. **Valuation still not**
STOXX Europe 600 Utilities		X		4,74	-3,78	**Sector suffered form RES concerns post US election. We feel this is overdone**. (Green) Power demand should continue to growth. A more aggressive ECB might help valuations
STOXX Europe 600 Banks			X	32,32	23,79	Valuations are still attractive. **Prefer less rate sensitive names and (US) investment banking exposure**. Be carefull with (too) high Latam exposure
STOXX Europe 600 Real Estate			X	0,19	-8,34	Demographics coupled with low building activity should support **book value re-ratings** among residentials. Logistics and data center should enjoy tailwinds from growing trends in e-commerce / AI. Stay selective among office and avoid retail
STOXX Europe 600 Technology		X	←	1,74	-6,78	Semi equipment maker could suffer from tariffs while **semis feel the pinch from weak auto demand**. **Prefer software names** which should continue to benefit from B2B investments in AI supported efficiency upgrades
STOXX Europe 600 Autom. & Parts	X			-10,45	-18,97	We take the recent series of profit warnings as confirmation for our cautious view on the sector. The driving headwinds of rising inventories, unfavorable prix / volume mix and affordability issues should persist for the time being.

TRR = total Return, Data source: Bloomberg

European Sectors in a nutshell (ii)

Sector	View: Under-weight	View: Neutral	View: Over-weight	YTD TRR (%)	TTR Spread vs SXXP (in ppts)	Our view at a glance
STOXX Europe 600 Health Care			X	6,33	-2,20	The sector benefits from **AI related efficiency gains in a structually growing market** (e.g. demographics, obesity etc). The valuation vs global peers is attractive. It is a defensive compounder but **US political risks are rising.**
STOXX Europe 600 Financial Services			X	15,71	7,19	Declining rates, a US soft landing and improving capital markets activity offer support, especially to exchanges and private markets. **Stay selective among asset managers due to** challenges from the active to passive shift
STOXX Europe 600 Insurance			X	22,08	13,56	The sector still benefits from higher rates and improving economic growth. Thanks to the strenght of balance sheets we see further room to **increase shareholder returns**. Valuations are in line with history, offering further re-rating potential
STOXX Europe 600 Telecommunications		X		21,39	12,86	A **solid EBITDA picture** (the sector beat consensus expectations again in Q3 after a good Q2), the industry's **falling capital intensity** driven by the fibre cycle & the sector's **free M&A option** should support performance going forward
STOXX Europe 600 Media Price EUR		X		15,17	6,65	The sector still suffers from investors trying to make their mind how AI will impact business models. We think that a part of it is well positioned to benefit from AI as they own a lot of data. The sector is **not correlated to bond yields.**
STOXX Europe 600 Industrial Goods & Services			X	15,92	7,40	The sector should benefit from ongoing nearshoring as well as investments in data centers and renewable energy projects. **Focus on names which are well-positioned for a potential domestic pick-up in the US**
STOXX Europe 600 Construction & Materials			X	9,37	0,85	**Investments in energy infrastructure / energy efficient buildings** should help drive earnings. ROIC now closer to US peers while valuations are still at a discount. Heavy side names might benefit from US-China tariffs as they produce locally
STOXX Europe 600 Basic Resources		X		-6,16	-14,69	The sector has the highest correlation to China in Europe due to the high revenue exposure (~ 36%). **We still prefer names exposed to energy transition & precious metals**
STOXX Europe 600 Retail Price EUR		X		13,89	5,36	The sector has now found some capital discipline allowing for cash distributions. We do see **lack of growth drivers** though. Valuations are in line with historic averages
STOXX Europe 600 Travel & Leisure	→	X		13,99	5,46	**Lower oil prices** should improve margins for irlines and crusie lines. Recent surveys indicate a **pick up in corporate travel** which should help hotel revpar growth recovery. **Prefer high US exposure** as TCJA extensions should boost sentiment

TRR = total Return, Data source: Bloomberg

US Sectors in a nutshell

Sector	View: Under-weight	View: Neutral	View: Over-weight	YTD TRR (%)	TTR Spread vs SXXP (in ppts)	Our view at a glance
S&P 500 Consumer Discretionary Sector		X		22,23	-2,34	Lower energy prices should help airlines and consumers while corp travel is expected to recover further. **Extended and (potentially) fresh tax cuts should boost consumption. Any tariffs should help autos.Be selective due to valuations**
S&P 500 Consumer Staples Sector	X			15,39	-9,18	**TACTICAL long idea: Buy retail names as seasonality is positive while christmas shopping is expected to show solid growth (~ 10% yoy)**. Risk of higher inflation from Trump policies still a threat for as consumers may continue to "trade down".
S&P 500 Energy Sector	X			16,42	-8,15	**DG to Underweight** as the oversupply in the market should limited upside in oil and puts pressure on margins. We **prefer energy infrastructure names** as they should benefit from rising transportation and storage needs while paying attractive
S&P 500 Financials Sector			X	34,28	9,71	A recovery in M&A activity should support big banks earnings while a **solid economy will keep defaults in the credit books in check**. **Higher for longer and deregulation should provide additional tailwinds**
S&P 500 Health Care Sector			X	5,36	-19,21	The sector benefits from **AI related efficiency gains** in a structually growing market (e.g. demographics, obesity etc). It is a defensive compounder. But political risks are rising from Trumps policy picks. Further **deregulation is still a possibility as**
S&P 500 Industrials Sector			X	23,29	-1,28	Given 20+ years of US Industrial underinvestment, the stage is set for Industrials to return to MSD growth and significant margin expansion over the long term. **Prefer high domestic exposure**
S&P 500 Information Technology Sector		X		32,60	8,03	**Valuations trades on a heavy premium** vs the market. Profit growth expectations are slowing, making it harder to justify the valuation premium. Sentiment is also less optimistic on mega caps as worries of AI-related overinvestments rise
S&P 500 Materials Sector			X	7,92	-16,65	While we remain cautios within subsectors in chemicals, **we do like stocks with exposure to precious metals / energy transition metals mining**. The sector should also benefit from a reacceleration of US growth
S&P 500 Real Estate Sector		X		10,02	-14,55	We still see sluggish activity in residential RE as many owners are handcuffed by existing, low rates mortgages. New construction activity is muted. **Commercial RE looks stressed**. Those headwinds are reflected in undemanding valuations
S&P 500 Communication Services Sector		X		33,23	8,66	The sector is **dominated by 2 mega tech companies which look expensive**. The remaining index looks more reasonable priced. We prefer software and telecommunications within the sector
S&P 500 Utilities Sector			X	28,33	3,76	We think that **risks to clean energy spending / IRA are more limited than currently anticipated**.Growth in power demand should remain solid due to AI headwinds. EPS growth expecations accelerate. **Take advantage of any weakness**

TRR = total Return, Data source: Bloomberg

Valuations - Indices

			Forward													Composite	
Index	Level	1yr Range	EPS	5yr Z-Score	EPS change 4 weeks (%)	PE Ratio	5yr Z-Score	PB Ratio	5yr Z-Score	Div Yield	5yr Z-Score	ROE	5yr Z-Score	Earnings Yield	5yr Z-Score	vs. ACWI	5yr Z-Score
MSCI ACWI	843		44,24		-0,55	19,24		2,98		1,97		14,35		5,25		n.a.	n.a.
MSCI World	3711		183,44		-0,45	20,46		3,32		1,86		14,92		4,94		1,07	
MSCI Emerging Markets	1085		90,16		-1,12	12,03		1,50		3,04		12,10		8,31		0,61	
S&P 500	5871		251,18		0,45	23,37		4,67		1,34		18,37		4,28		1,26	
S&P 500 Equal Weighted	7326		400,10		2,08	18,31		2,89		1,93		14,47		5,46		0,95	
Russell 2000	2304		76,13		-3,88	30,26		1,88		2,21		4,77		3,30		1,45	
NASDAQ 100	20394		730,63		1,72	27,91		7,03		0,80		21,98		3,58		1,57	
MSCI USA Growth	25758		428,90		0,59	32,60		10,72		0,41		30,33		1,67		1,95	
MSCI USA Value	14721		226,07		0,38	17,67		2,88		2,35		15,04		1,54		0,92	
STOXX Europe 600	503		37,55		-0,09	13,40		1,85		3,85		13,01		7,46		0,69	
STOXX Europe Mid 200	532		44,25		-0,41	12,01		1,43		4,22		11,42		8,32		0,61	
STOXX Europe Small 200	334		24,64		-1,09	13,54		1,35		4,20		9,62		7,38		0,67	
DAX	19211		1407,08		-1,08	13,65		1,57		3,54		10,95		7,32		0,69	
FTSE 100	8064		698,83		2,37	11,54		1,80		4,10		13,63		8,67		0,60	
CAC 40	7270		526,31		-1,48	13,81		1,73		3,57		12,31		7,24		0,70	
FTSE MIB	34192		3519,79		-0,54	9,71		1,32		5,66		12,78		10,29		0,50	
Nikkei 225	38643		1967,71		2,23	19,64		1,99		1,96		9,89		5,09		0,97	
Hang Seng	19426		2182,84		-0,06	8,90		1,07		3,96		11,19		11,24		0,45	

Source: BNP Paribas, Bloomberg, Data as of 7th October 2024
Z-Score: Defines the number of standard deviations a value is from the mean of a given distribution. Negative z-scores indicate the value lies below the mean. Positive z-scores indicate the value lies above the mean.

Valuations – EU Sectors

			Forward														Composite	
Index	Level	1yr Range	EPS	5yr Z-Score	EPS change 4 weeks (%)	PE Ratio	5yr Z-Score	PB Ratio	5yr Z-Score	Div Yield	5yr Z-Score	ROE	5yr Z-Score	Earnings Yield	5yr Z-Score	Upside to 12M Target Price*	vs. SXXP	5yr Z-Score
STOXX Europe	503		37,55		-0,09	13,40		1,85		3,85		13,01		7,46		17%	1,00	
STOXXE 600 Consumer P&S	369		15,34		-2,96	24,03		3,10		2,20		12,22		4,16		16%	1,78	
STOXXE 600 Energy	114		12,24		1,36	9,28		1,15		5,90		12,43		10,77		20%	0,68	
STOXXE 600 Food, Bev and Tobacco	181		12,43		0,15	14,57		2,42		3,97		15,59		6,87		17%	1,11	
STOXXE 600 Personal Care	162		10,55		-0,03	15,40		2,85		3,59		17,52		6,49		12%	1,20	
STOXXE 600 Chemicals	1205		66,85		0,90	18,02		1,63		3,50		9,82		5,55		18%	1,29	
STOXXE 600 Utilities	392		32,14		1,27	12,20		1,51		5,34		12,19		8,20		16%	0,90	
STOXXE 600 Banks	208		29,80		2,37	6,99		0,80		7,29		10,79		14,31		16%	0,51	
STOXXE 600 Real Estate	130		7,52		-0,36	17,22		0,84		6,37		5,49		5,81		17%	1,18	
STOXXE 600 Technology	766		33,93		-1,12	22,58		4,37		1,30		17,08		4,43		24%	1,77	
STOXXE 600 Autom. & Parts	534		77,91		-5,49	6,85		0,62		5,66		7,86		14,59		22%	0,49	
STOXXE 600 Health Care	1104		67,05		1,06	16,47		3,40		2,82		17,15		6,07		23%	1,30	
STOXXE 600 Financial Services	806		52,92		-9,60	15,23		1,63		2,76		10,41		6,57		10%	1,11	
STOXXE 600 Insurance	402		35,59		-1,21	11,29		2,07		6,71		19,03		8,86		10%	0,88	
STOXXE 600 Telcos	229		16,92		-1,39	13,54		1,37		4,50		9,17		7,38		15%	0,98	
STOXXE 600 Media	457		25,85		-0,54	17,69		3,45		2,54		16,36		5,65		13%	1,39	
STOXXE 600 Ind. Goods & Services	878		48,57		-0,17	18,07		3,50		2,41		18,09		5,54		12%	1,41	
STOXXE 600 Constrn & Materials	709		45,33		-1,19	15,64		2,22		3,03		14,09		6,39		14%	1,17	
STOXXE 600 Basic Resources	528		47,47		0,39	11,13		1,15		4,43		10,12		8,98		20%	0,81	
STOXXE 600 Retail	445		27,27		-1,12	16,32		3,02		3,33		17,96		6,13		16%	1,27	
STOXXE 600 Travel & Leisure	268		21,26		1,43	12,62		3,02		2,80		23,50		7,92		14%	1,03	

* BBG Consensus, NOT an official target of BNP Paribas

Source: BNP Paribas, Bloomberg, Data as of 7th October 2024
Z-Score: Defines the number of standard deviations a value is from the mean of a given distribution. Negative z-scores indicate the value lies below the mean. Positive z-scores indicate the value lies above the mean.

Valuations – US Sectors

			Forward														Composite	
Index	Level	1yr Range	EPS	5yr Z-Score	EPS change 4 weeks (%)	PE Ratio	5yr Z-Score	PB Ratio	5yr Z-Score	Div Yield	5yr Z-Score	ROE	5yr Z-Score	Earnings Yield	5yr Z-Score	Potential Upside to 12M Target Price*	vs. S&P 500	5yr Z-Score
S&P 500	5871		251,18		0,45	23,37		4,67		1,34		18,37		4,28		10%	1,00	
S&P 500 Consumer Discretionary	1722		66,38		-1,15	25,94		7,81		0,71		27,91		3,86		4%	1,20	
S&P 500 Consumer Staples	861		40,88		-0,23	21,06		6,06		2,53		26,65		4,75		9%	0,97	
S&P 500 Energy	722		46,65		-0,45	15,48		2,10		3,18		13,70		6,46		10%	0,63	
S&P 500 Financials	829		46,29		0,42	17,90		2,19		1,70		12,00		5,59		2%	0,72	
S&P 500 Health Care	1652		92,92		0,50	17,78		4,40		1,81		20,21		5,63		19%	0,79	
S&P 500 Industrials	1174		49,34		-1,46	23,80		5,93		1,47		23,86		4,20		7%	1,06	
S&P 500 Information Technology	4478		142,54		1,25	31,42		10,68		0,65		29,07		3,18		13%	1,50	
S&P 500 Materials	574		27,03		-3,47	21,23		2,96		1,89		13,48		4,71		14%	0,86	
S&P 500 Real Estate	269		7,08		0,07	38,03		3,10		3,38		8,08		2,63		10%	1,47	
S&P 500 Communication Services	325		17,25		3,32	18,84		3,99		0,97		20,44		5,31		15%	0,81	
S&P 500 Utilities	401		22,15		0,03	18,13		2,14		3,02		11,58		5,52		9%	0,72	

* BBG Consensus, NOT an official target of BNP Paribas

Source: BNP Paribas, Bloomberg; Data as of 7th October 2024

Z-Score: Defines the number of standard deviations a value is from the mean of a given distribution. Negative z-scores indicate the value lies below the mean. Positive z-scores indicate the value lies above the mean.

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