

A Snapshot Of European Equities

Earnings Growth Rates & Price-to-Earnings (P/E) Ratios For Top European Equity Indices

Index	2015 Earnings Growth Rate Est.	2015 P/E Est.	2016 Earnings Growth Rate Est.	2016 P/E Est.
FTSE 100 (UK)	43.49%	15.70	11.23%	14.11
CAC 40 (France)	37.03%	15.80	11.79%	14.14
DAX (Germany)	26.44%	13.31	9.16%	12.19
Swiss Market (Switzerland)	5.27%	17.92	7.34%	16.69
IBEX 35 (Spain)	29.85%	15.94	15.41%	13.81
OMX Stockholm 30 (Sweden)	-0.72%	15.78	7.24%	14.71
AEX (Netherlands)	22.59%	16.90	14.33%	14.78
BEL 20 (Belgium)	49.49%	14.93	6.15%	14.07
OMX Helsinki (Finland)	16.52%	16.50	7.18%	15.39

Source: Bloomberg. As of 8/19/15.

View from the Observation Deck

1. Today's blog post provides some consensus 2015 and 2016 earnings growth rate estimates and price-to-earnings (P/E) ratio estimates from analysts tracked by Bloomberg.
2. Year-to-date through July 2015, investors funneled a net \$28.94 billion into European stock funds and ETFs, with \$3.17 billion of it coming in July, according to Morningstar.
3. From 12/31/14-8/19/15, the MSCI Europe Index posted a total return of 3.63% (USD), but when priced in euros the index's total return was 13.40%, according to Bloomberg.
4. The European Central Bank began its trillion-euro quantitative easing initiative in March 2015, according to Reuters. It is scheduled to end in September 2016, but can be extended if deemed necessary.
5. While the economic recovery in Europe has been slow to date, the Markit Eurozone Manufacturing PMI (SA) Index has been in expansion mode for 25 consecutive months, according to Bloomberg.

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The FTSE 100 Index is a capitalization-weighted index of the most highly capitalized companies traded on the London Stock Exchange. The CAC 40 Index reflects the performance of the 40 largest equities listed in France, measured by free-float market capitalization and liquidity. The DAX Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The SMI Index (Swiss Market) is a capitalization-weighted index of the 20 largest (represents around 85% of Swiss equity market) and most liquid stocks of the SPI (Swiss Performance Index) universe. The IBEX 35 is the official index of the Spanish Continuous Market and is comprised of the 35 most liquid stocks. The OMX Stockholm 30 Index is a market-weighted price index consisting of the 30 most actively traded stocks on the Stockholm Stock Exchange. The AEX-Index is a free-float adjusted market capitalization-weighted index of the leading Dutch stocks traded on the Amsterdam Exchange. The BEL 20 Index is a modified capitalization-weighted index of the 20 most capitalized and liquid Belgian stocks traded on the Brussels Stock Exchange. The OMX Helsinki Index includes all the shares listed on the Helsinki Stock Exchange. The MSCI Europe Index is a free-float weighted index designed to measure the performance of the developed equity markets in Europe.