

Equity outlook

March 12 2003 comes back

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Chief Economist

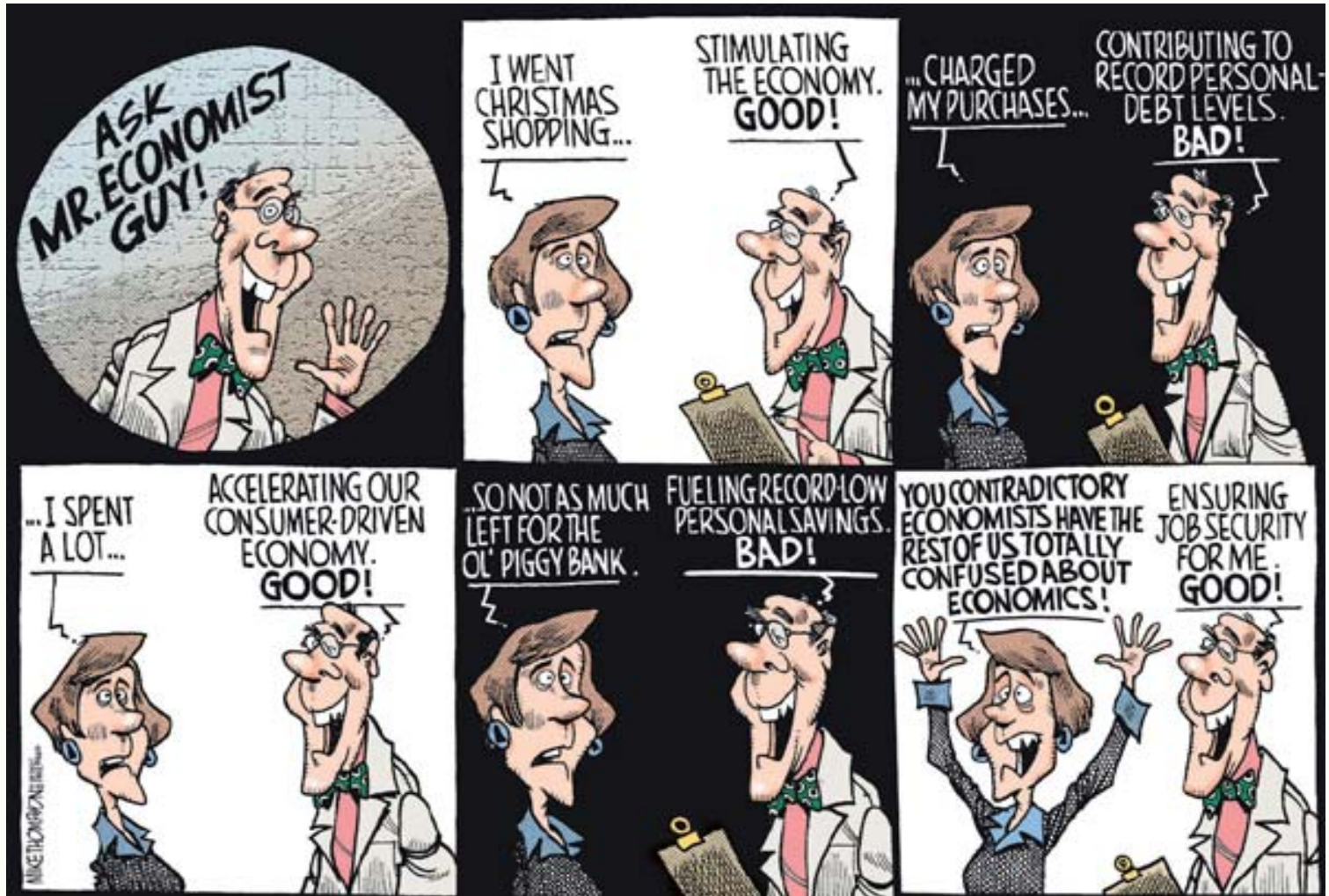


The European Securities Network LLP



ACI,
February 17, 2005

A global picture



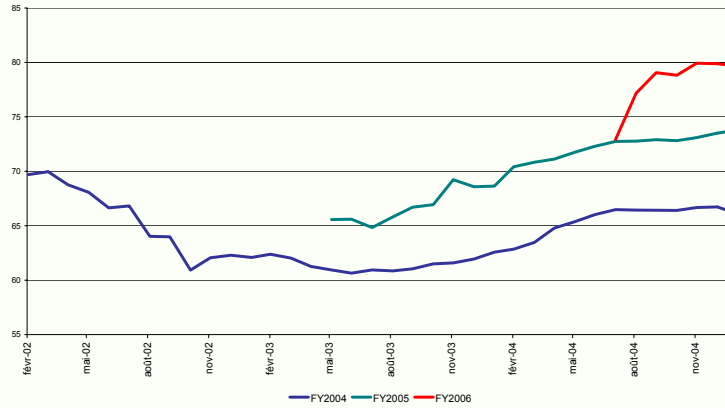
Equity – P/E

Market	Indices	Level	2004 earnings growth	2005 earnings growth	2006 earnings growth	P/E 2004	P/E 2005	P/E 2006
DJ Stoxx50			22.6%	6.8%	5.4%	13.5	12.7	12.0
Germany	DAX	2995	74.4%	16.1%	10.9%	14.3	12.3	11.1
France	CAC 40	3914	29.7%	9.8%	6.8%	13.2	12.0	11.2
The Netherlands	AEX	360.4	28.5%	-1.0%	3.2%	11.5	11.6	11.2
Italy	MIB30	31689	29.6%	12.8%	8.2%	16.9	15.0	13.9
Spain	General	9224	21.7%	12.9%	8.4%	15.0	13.3	12.3
Belgium	Bel20	2998	21.4%	5.3%	6.8%	13.2	12.6	11.8
EUROPE	MSCI Small Cap	1598	167.9%	27.7%	12.3%	18.4	14.4	12.8
Switzerland	SMI	5771	21.3%	9.8%	11.3%	15.7	14.3	12.8
United Kingdom	FT 100	4852	16.5%	8.2%	4.9%	13.8	12.8	12.2
USA	Nasdaq 100	1520	49.0%	18.1%	15.0%	28.7	24.3	21.1
USA (Bottom up)	S&P 500	1181	19.9%	11.4%	8.7%	17.8	16.0	14.7
USA	Russell 2000	624	78.3%	32.1%	14.2%	26.5	20.1	17.6
Canada	TSE 300	9204	29.3%	15.4%	6.9%	16.7	14.4	13.5
Japan	Nikkei	11388	86.2%	22.9%	10.4%	19.3	15.7	14.3

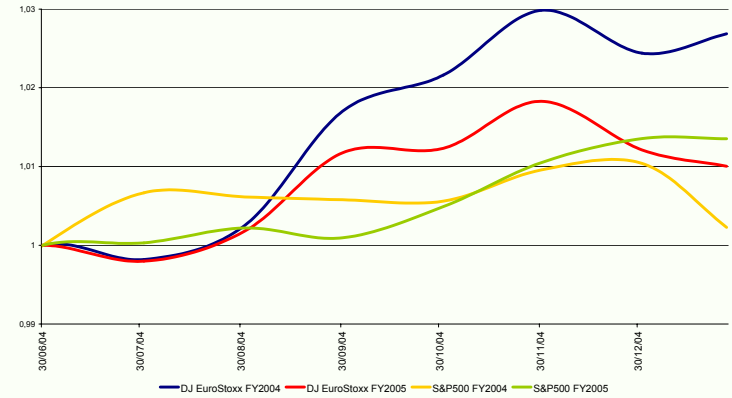


Equity – earnings revision – USA & EMU

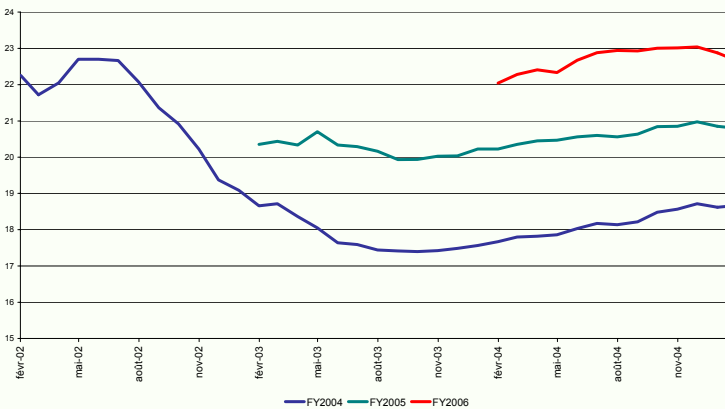
EPS S&P500



EPS BASE 100



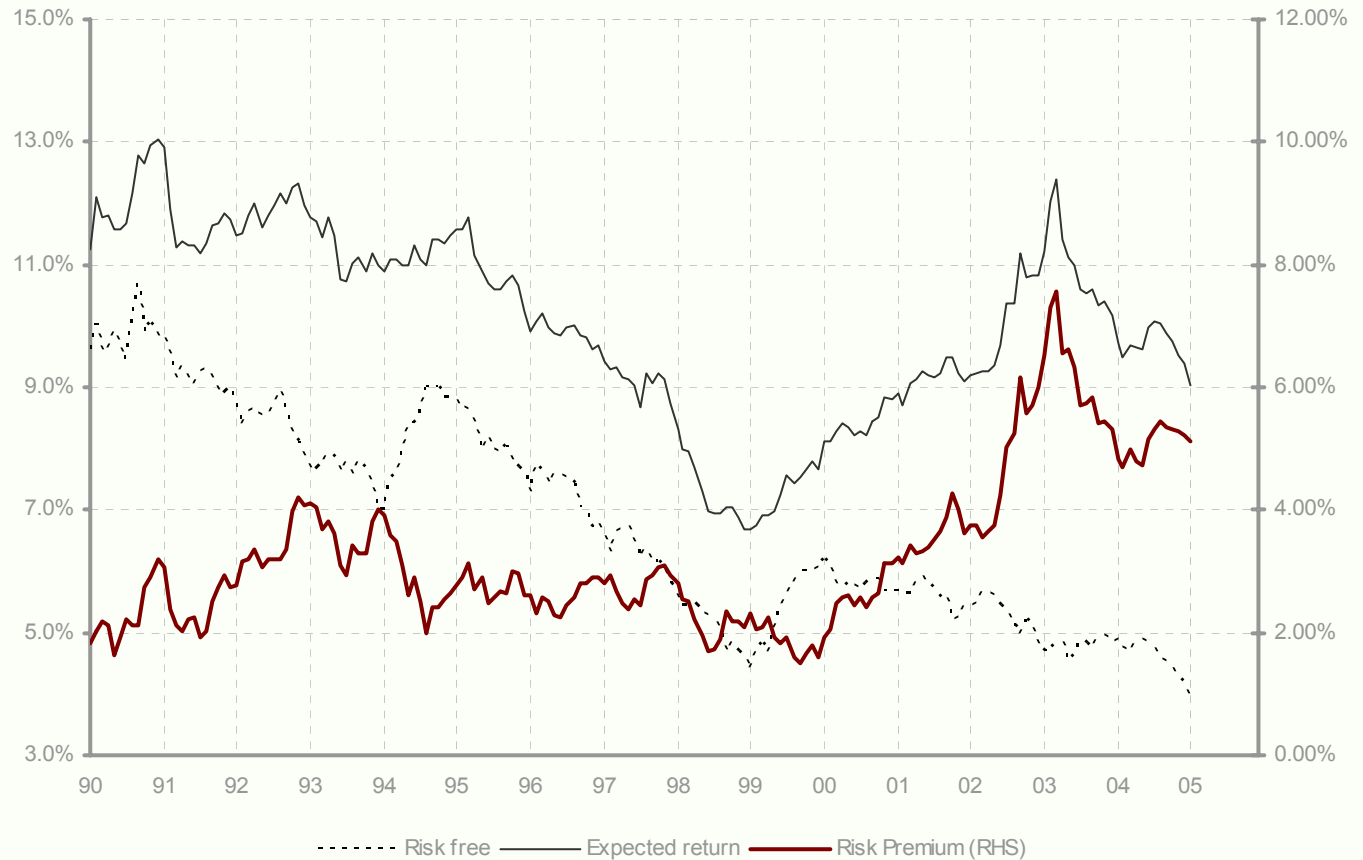
EPS DJ EuroStoxx



P/E 12m Forward



Equity – Risk Premium – Belgium



3.93

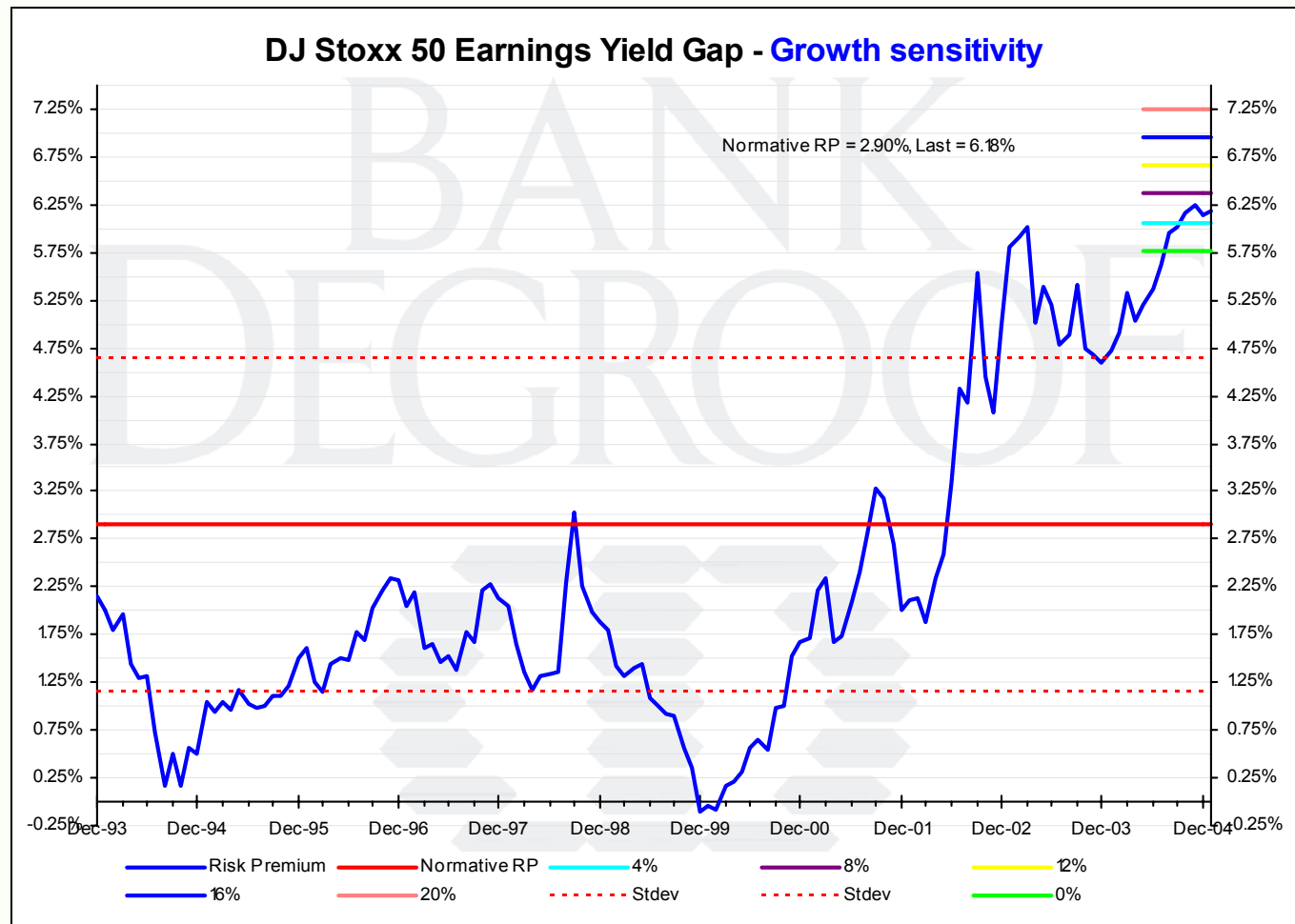
9.04

5.11



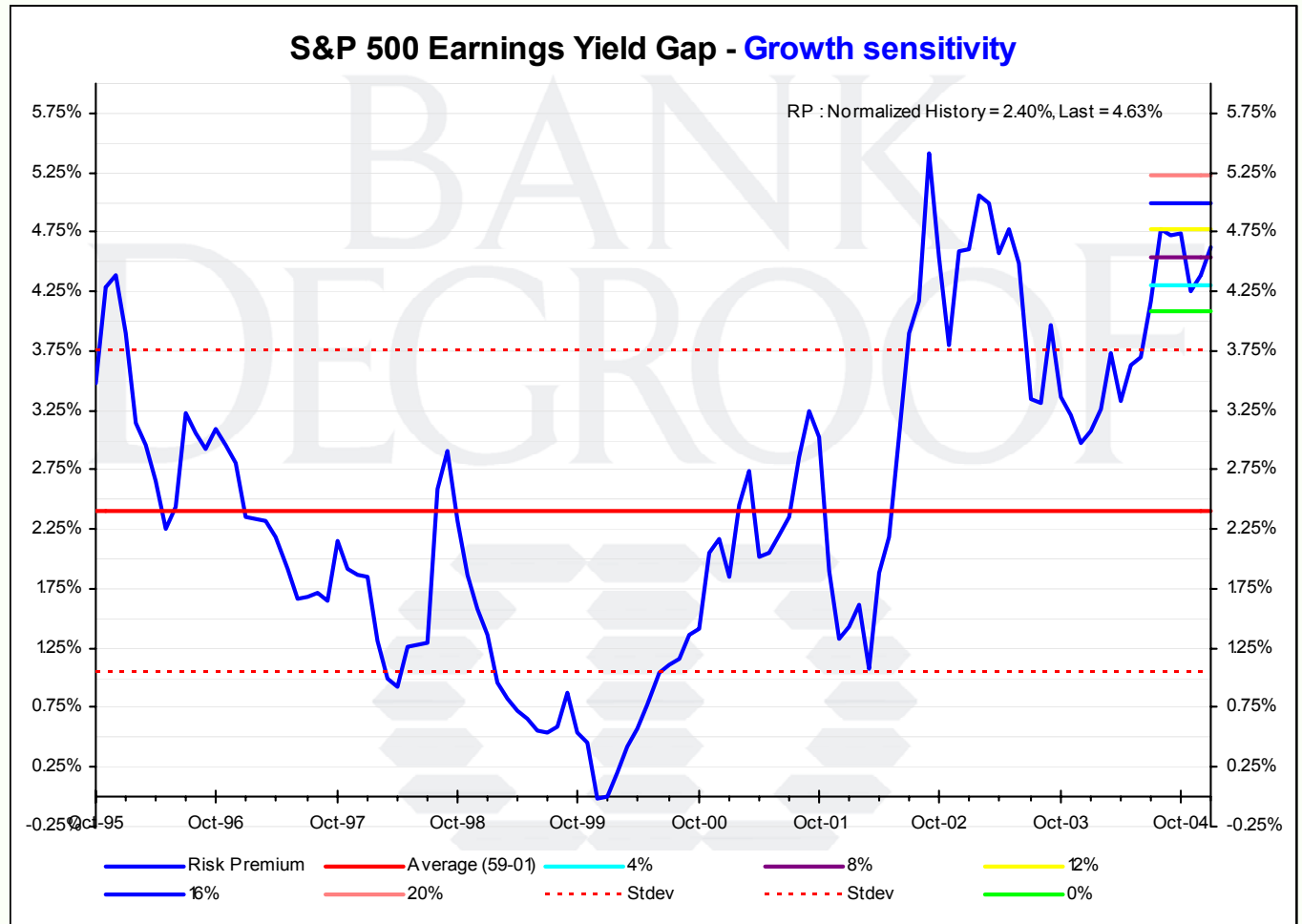
Equity – Risk Premium – Europe

(based on 10y bond yield)

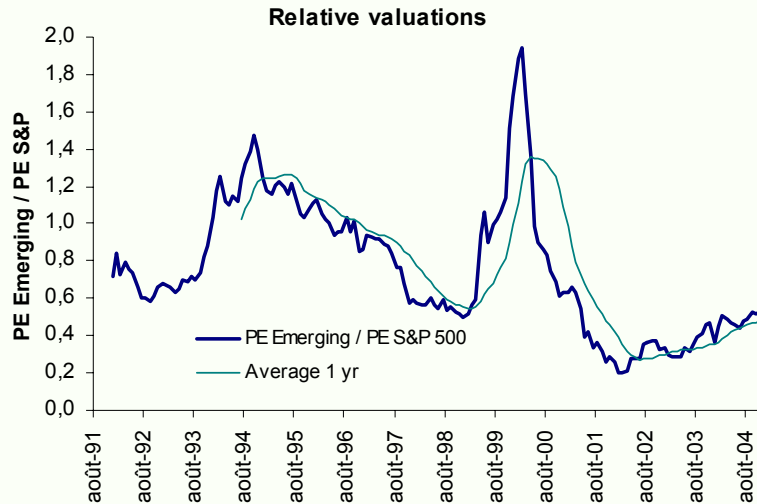


Equity – Risk Premium – USA

(based on 10y bond yield)



Equity – Emerging Markets

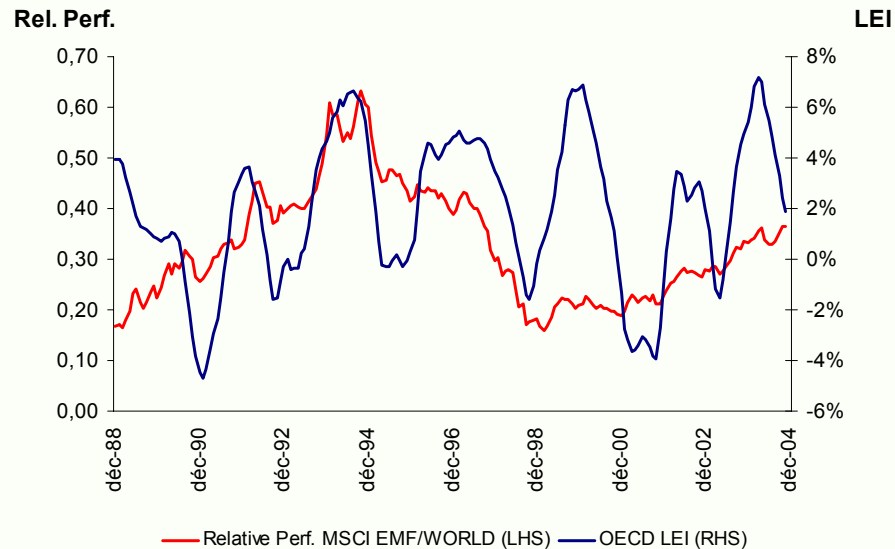


Current PE
Emerging : 10
S&P 500 : 20,4

Average PE (10 yrs)
Emerging : 17.9
S&P 500 : 26.9

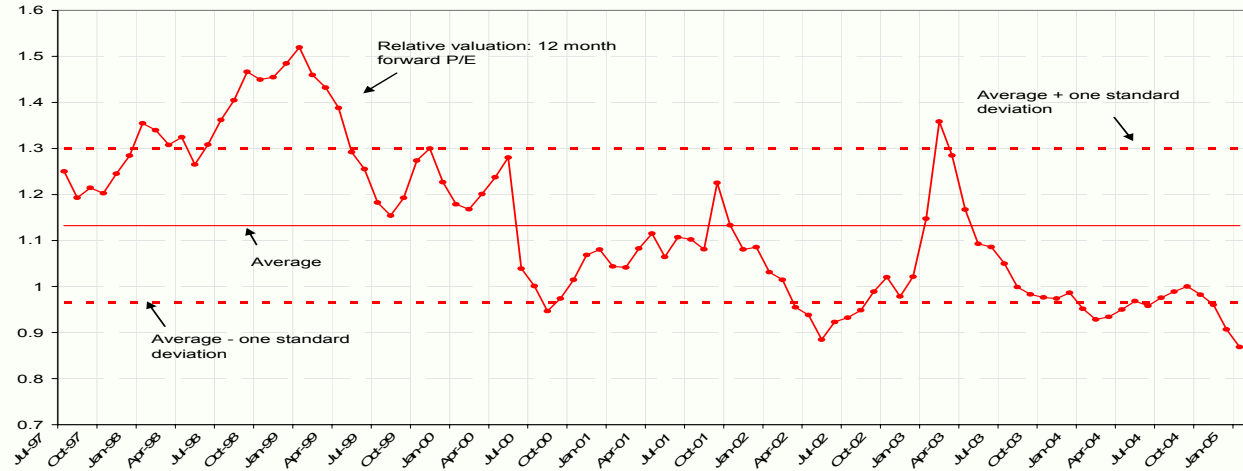
Current Relative PE
Em / S&P 500 : 0.49

Average Relative PE (10 yrs)
Em / S&P 500 : 0.72

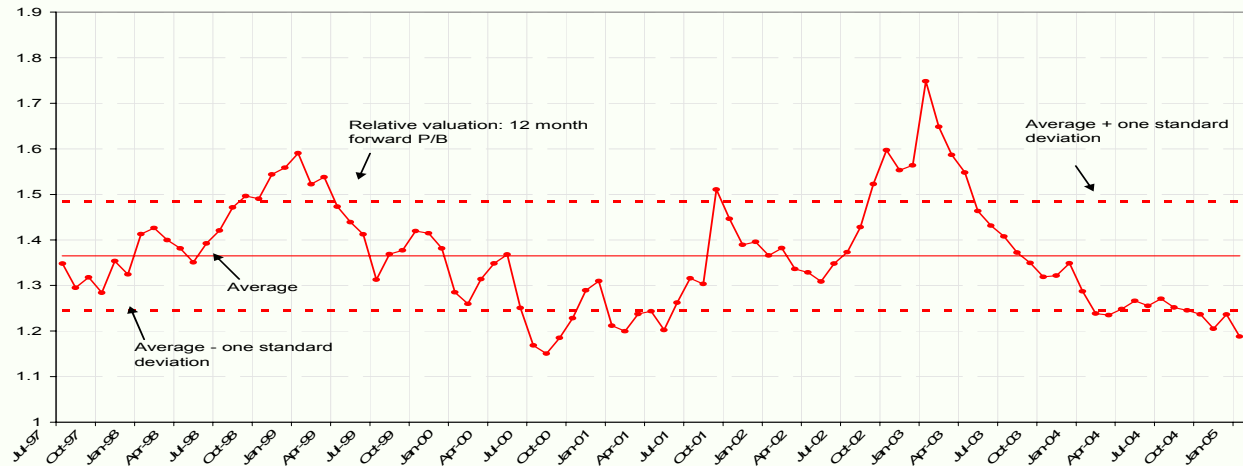


Equity – Small Cap Valuation – Europe

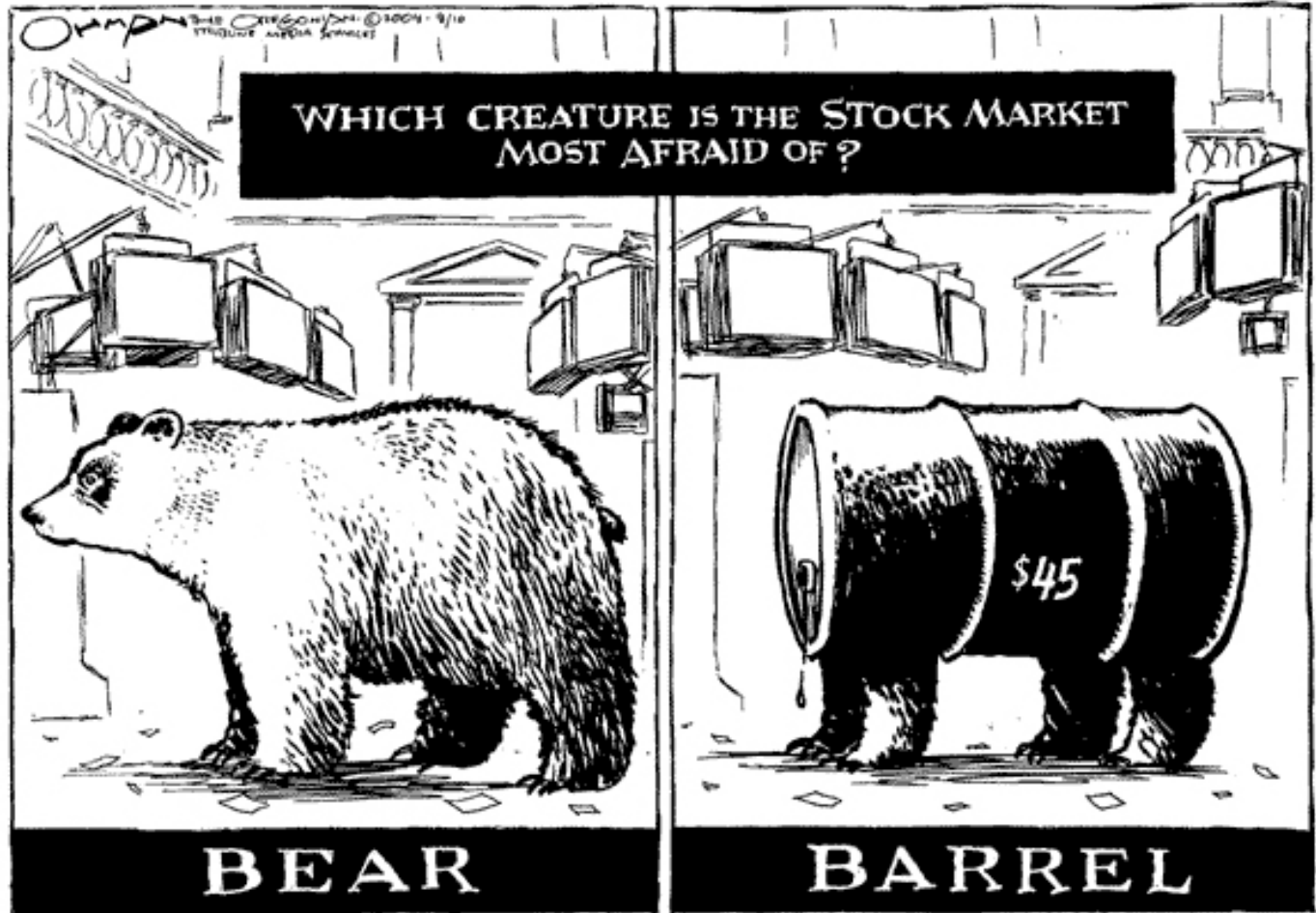
MSCI Europe 12 month forward P/E / MSCI Europe Small Caps 12 month forward P/E



MSCI Europe 12 month forward P/B / MSCI Europe Small Cap 12 month forward P/B



Equity



Equity



Equity

There were risk factors
There are risk factors
There will be risk factors

Dare to be contrarian ... it pays off !

