Click here for our weekly podcast

Equity Strategy

Closing the OW US vs Eurozone trade

- Eurozone had a big rebound vs the US around a year ago, of 30%+ in USD terms - see top chart, driven by our view at the time of easing in gas prices on ample supply, among other. We have cut Eurozone to UW vs the US in early May of 2023, and had a preference for the US since. We are now closing the US over Eurozone OW, for the following reasons:
- 1. As per top chart, Eurozone has lagged in the past few quarters, losing 14% relative since May, and had relative outflows - in 41 out of the past 52 wks, and in 7 out of the past 10 wks ytd. At 13.3x forward, it is trading cheap vs the US, which is now on 21x. Even if one were to look at sector neutral P/E rating of Eurozone vs the US, **it is trading the cheapest vs any time pre COVID**. In absolute terms, Eurozone valuations are fair value vs historical median of 13x PE, and fair value vs fixed income. On both counts, US is more stretched.
- 2. We had a preference for Growth over Value style through 2023 and again this year. Even as we stay with this tilt, we note that **Growth style has already performed exceptionally well**, it is trading stretched and is **at risk of a reversal**, given the MOMO concentration. Of course, within **Europe there is also an increasing risk** of MOMO unwind, **but the magnitude of the potential impact would always be greater for the US market**.
- 3. In terms of activity momentum, Eurozone had a clear weakening through last year and especially relative to the US - see bottom chart. Even as we are skeptical with respect to the size and duration of the potential rebound, **the relative growth disappointments of the region might have peaked**, as seen in improving relative CESIs.
- 4. **While ECB typically takes its cue from the Fed, there is a chance that it moves ahead of the US this time around**.
- 5. We have been cautious on China over the past year from a global allocation perspective, but have a **tactically more positive China call**, and if this continues tracking, **it could indirectly help Eurozone**.
- **We are neutralizing the US vs Eurozone preference, but not reversing**. This is because the **potential for a market drawdown is elevated**, in our view, with Goldilocks fully in the price. The risks are on both sides of this narrow path: either to growth disappointing, as seen in latest IFO, ISM, retail sales and US small business confidence, and also from inflation potentially staying too hot, as seen in the **US 1-year inflation swaps approaching October highs**. In addition, the earnings of Growth style keep beating Value, and US earnings likewise are so far delivering better vs Eurozone. Finally, US politics could potentially turn into a headwind for international markets later on in the year. If markets weaken from here, Eurozone is very unlikely to outperform, but equally the much more attractive P/E multiples in the region relative to clearly stretched US P/E multiples could offer some cushion, at least in relative terms.
- What is attractive in Euro Area? We note that **every single Eurozone level 1 sector is trading at a greater than historical discount vs the US**.

Equity Strategy

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com
J.P. Morgan Securities plc

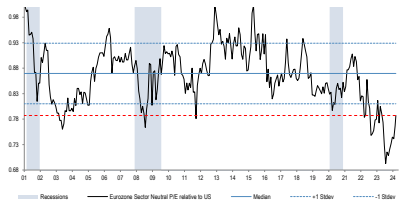
Prabhav Bhadani, CFA
(44-20) 7742-4404
prabhav.bhadani@jpmorgan.com
J.P. Morgan Securities plc

Nitya Saldanha, CFA
(44 20) 7742 9986
nitya.saldanha@jpmchase.com
J.P. Morgan Securities plc

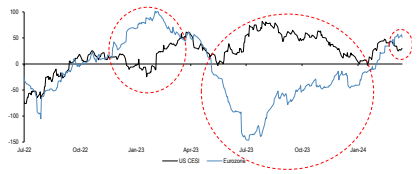
Karishma Manpuria, CFA
(91-22) 6157-4115
karishma.manpuria@jpmchase.com
J.P. Morgan India Private Limited

Post the 30%+ outperformance in USD terms seen early last year, Eurozone has lagged the US since May '23

Eurozone is trading at sector neutral P/E discount to the US that is at past pre-COVID extremes



Eurozone outperformance a year ago coincided with better growth momentum, and underperformance with a weaker one… Eurozone activity momentum appears to be moving above the US again



Source: Datastream, IBES, J.P. Morgan.

See page 22 for analyst certification and important disclosures, including non-US analyst disclosures.
J.P. Morgan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Table Of Contents

Closing the OW US vs Eurozone trade 3
Equity Strategy Key Calls and Drivers 11
Top Picks 12
Equity Flows Snapshot 13
Technical Indicators 14
Performance 15
Earnings 16
Valuations 17
Economic, Interest Rate and Exchange Rate Outlook 19
Sector, Regional and Asset Class Allocations 20

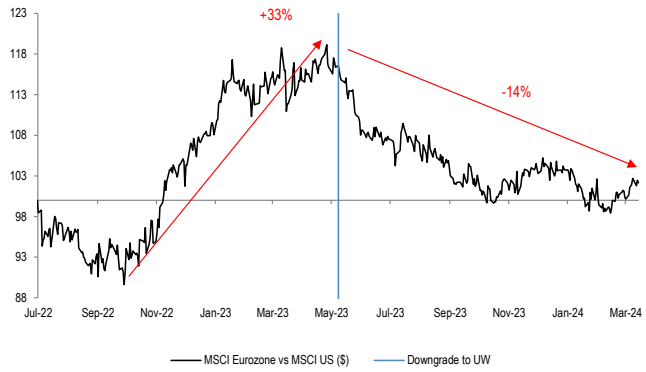
This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

Closing the OW US vs Euro-zone trade

Post the strong start to '23, Eurozone equities have lagged the US since May

Figure 1: MSCI Eurozone vs MSCI US

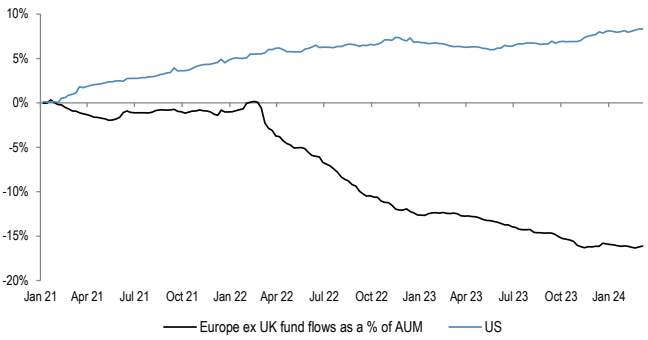


Source: Datastream

We held an upbeat view on Eurozone equities since Q4 '22, before downgrading the region to outright Underweight in our regional portfolio in May of last year. Our bullish view on Eurozone at the time was driven by the call that gas prices were set to fall, by China reopening, and by what was the extremely cautious positioning on the region at the end of 2022. We downgraded Eurozone in May '23, on the back of the view that activity momentum was set to weaken, with Eurozone equities underperforming US by 14% in dollar terms since.

We are now closing the US vs Eurozone preference: 1) Eurozone has lagged, it saw outflows, and is attractively priced vs the US

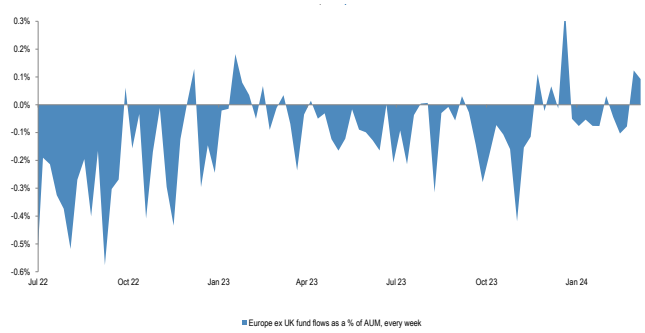
Figure 2: Cumulative fund flows into regional funds, as % of AUM



Source: EPFR

Apart from the renewed underperformance in the past few quarters, Eurozone equities have seen meaningful outflows, which contrasts to the US inflows.

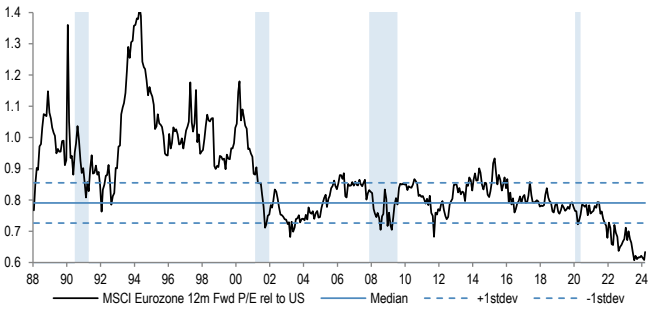
Figure 3: Europe ex UK weekly flows



Source: EPFR

In the past 52 weeks, Eurozone saw outflows for 41 weeks, and ytd it saw 7 out of 10 weeks of outflows.

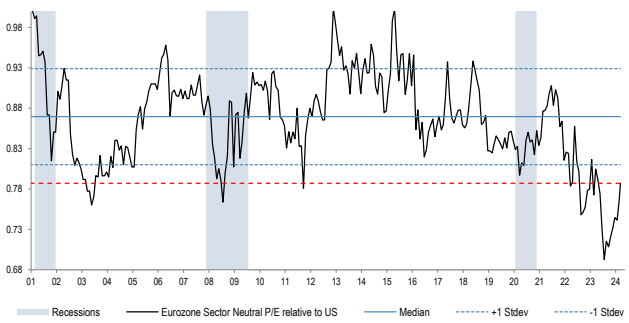
Figure 4: MSCI Eurozone 12m Fwd P/E rel to US



Source: Datastream

In terms of valuations, Eurozone equities are trading at a discount of almost 40% versus the US, a greater than 20% discount seen in the past.

Figure 5: Eurozone Sector Neutral P/E relative to US



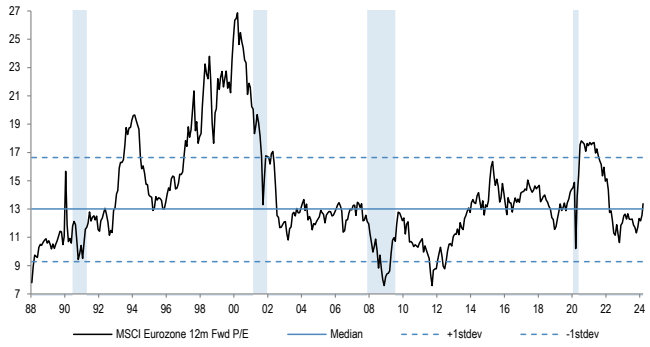
Source: Datastream

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

Even adjusted for sector biases, Eurozone screens attractive. On sector neutral P/E, it is trading at one of the cheapest P/E relatives seen in pre-COVID times.

Figure 6: MSCI Eurozone 12m Fwd. P/E



Source: Datastream

In absolute terms, Eurozone 12m Fwd P/E at 13.3x is broadly in line with its long-term history.

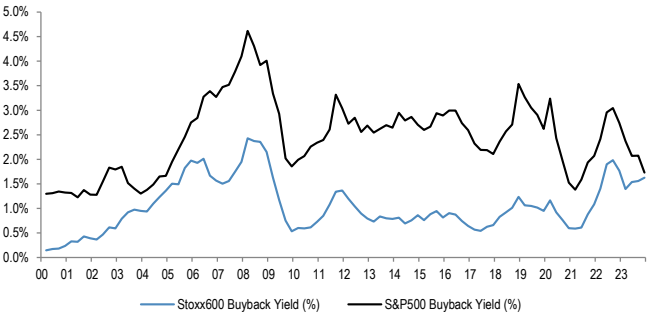
Table 1: DM Yield Gap for key regions

	Dividend yield	10Y Bond yield	Dividend yield minus bond yield	Average since '00	Current vs Average (bp)
US	1.4%	4.3%	-2.9%	-1.4%	-152
Japan	2.0%	0.8%	1.2%	0.9%	30
Eurozone	3.1%	2.9%	0.1%	0.4%	-29
UK	3.9%	4.1%	-0.1%	0.6%	-72

Source: IBES, Bloomberg Finance L.P., J.P.Morgan

Relative to the bond yields, Eurozone is not far from fair value. The US, in contrast, is outright expensive, in our view. At 3.1%, Eurozone dividend yield is meaningfully above the US.

Figure 7: Europe and US Buyback yield



Source: Bloomberg Finance L.P.

In addition, we note that the buyback yield in Europe is now not very different from the US. Adding dividend yield to buybacks, European total yield is at present meaningfully higher than in the US.

Table 2: Key regions P/E - Current vs Median

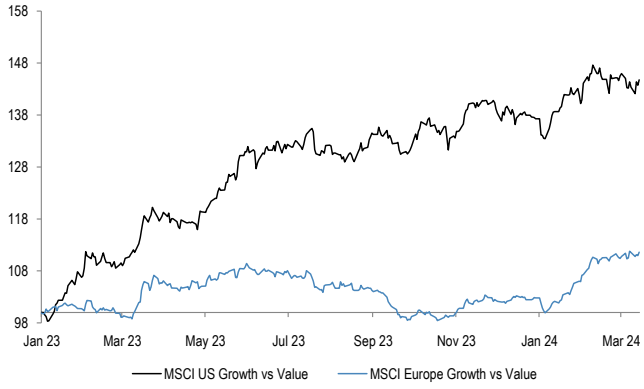
	12m Fwd PE		
	Current	Median	Current vs Median
US	21.0	15.6	35%
Switzerland	18.1	15.0	21%
World	18.5	15.6	19%
France	14.6	13.2	11%
Eurozone	13.3	13.0	2%
EM	12.2	12.1	1%
Germany	12.1	13.0	-7%
UK	11.1	12.6	-12%
Spain	10.2	11.9	-14%
Japan	15.3	18.0	-15%
Italy	9.0	13.2	-31%

Source: IBES, median since 1988

US equities look stretched in a historical context on P/E metrics, while Eurozone is not.

2) We favoured Growth vs Value style, but the risk of a reversal is increasing

Figure 8: MSCI US and Europe Growth vs Value



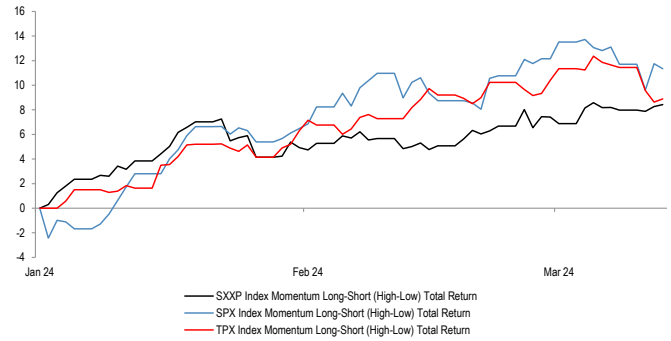
Source: Datastream

We held a preference for Growth over Value style in 2023, and again ytd.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

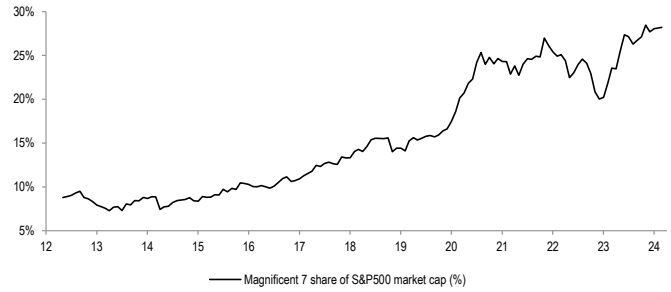
Figure 9: SXXP, SPX and TPX Momentum Index



Source: Bloomberg Finance L.P.

We fundamentally stay with the Growth over Value preference, but note the risk of a reversal is increasing, as the momentum trade has been very strong. The long momentum basket is outperforming the short leg by over 11% in the US, by 8.4% Eurozone, and by 8.9% in Japan.

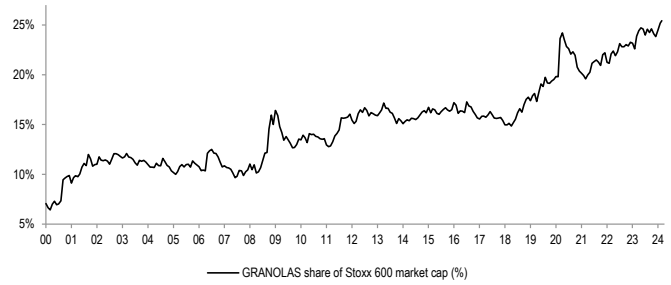
Figure 10: Mag 7 share of S&P500 market cap



Source: Datastream

The market concentration is becoming very unhealthy, and could unwind.

Figure 11: GRANOLAS share of Stoxx 600 market cap

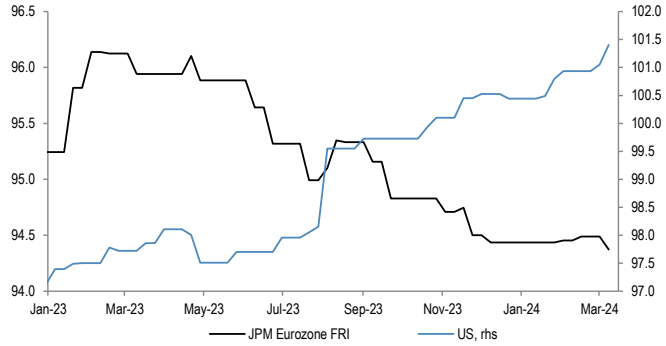


Source: Datastream

Concentration risk is high in Eurozone as well. A reversal in momentum factor performance, and a potential unwind in concentration, could be a problem for the Eurozone as well, but on a relative basis US equities will likely see a greater negative impact.

3) Relative growth momentum for Eurozone is starting to improve

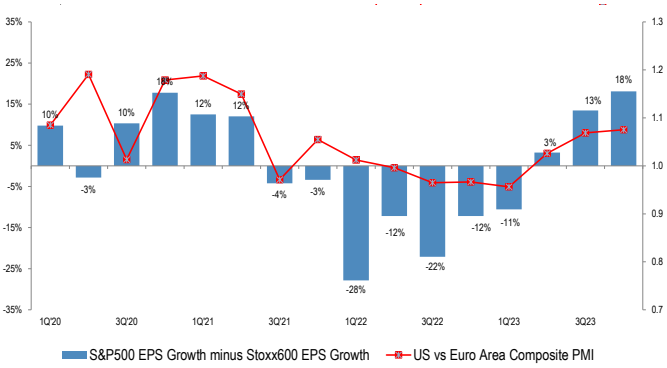
Figure 12: Eurozone and US FRI



Source: Bloomberg Finance L.P.

The US economy enjoyed much stronger growth over the last year, while Eurozone growth projections were consistently downgraded.

Figure 13: S&P500 vs Stoxx600 EPS Growth and relative PMI



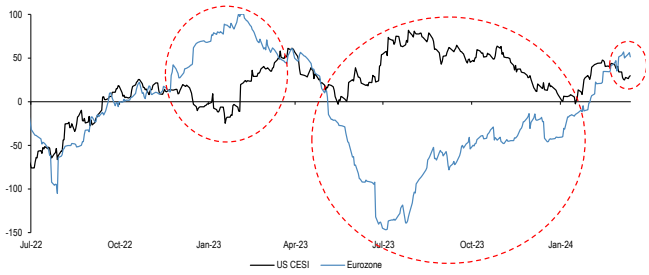
Source: J.P. Morgan, Bloomberg Finance L.P., Datastream

This supported the better showing of US vs Eurozone earnings.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

Figure 14: Eurozone and US CESI

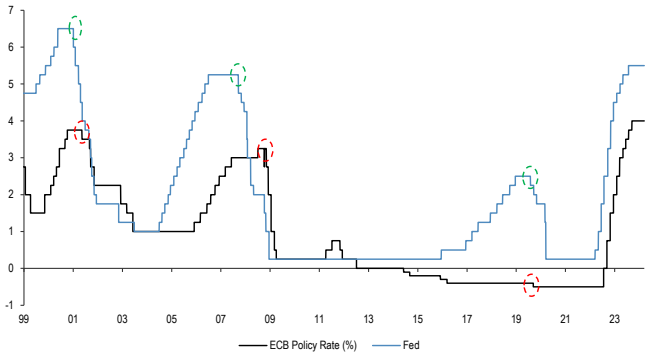


Source: Bloomberg Finance L.P.

The rebound in Eurozone CESIs at the start of last year helped the equity market outperformance, while the weakness post May has been a drag. We note that Eurozone CESI appears to be moving above the US again.

4) There is a chance that ECB starts easing ahead of the Fed

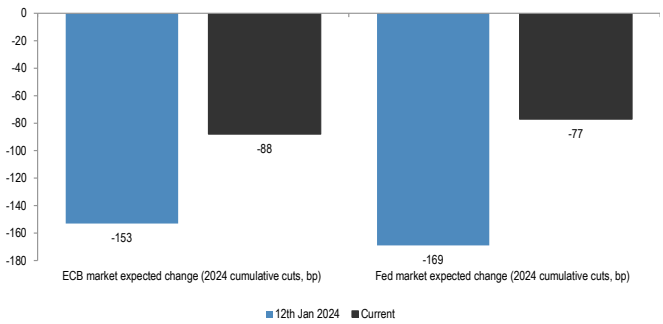
Figure 15: ECB and Fed policy rate



Source: Bloomberg Finance L.P.

Typically, the ECB policy decisions would follow the Fed lead. That could change this time around.

Figure 16: ECB and Fed market expected change - Jan '24 vs Current



Source: Bloomberg Finance L.P.

Relative to the peak dovishness point in early January, where the Fed was projected to ease by more than the ECB this year, now the ECB is expected to act more aggressively.

5) Any recovery in China could indirectly help Eurozone

Figure 17: MSCI China

Source: Datastream

Eurozone is more leveraged to China than is the US, and this has contributed to Eurozone's weaker showing relative to the US. China could trade better in the near term given its nearly 40% underperformance and very light positioning. Our China strategists have a constructive view on the market. The key arguments they highlight in favour of China equities are the budget deficit having surprised to the upside, the Rmb 1trn special CGB scheme, and the lifting of the debt ceiling program.

Table 3: Chinese key macro-economic data

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Manufacturing PMI														
Caixan	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8	50.9
NBS	50.1	52.6	51.9	49.2	48.8	49.0	49.3	49.7	50.2	49.5	49.4	49.0	49.2	49.1
Services PMI														
Caixan	52.9	55.0	57.8	56.4	57.1	53.9	54.1	51.8	50.2	50.4	51.5	52.9	52.7	52.5
NBS	54.4	56.3	58.2	56.4	54.5	53.2	51.5	51.0	51.7	50.6	50.2	50.4	50.7	51.4
Composite PMI - Caixan	51.1	54.2	54.5	53.6	55.6	52.5	51.9	51.7	50.9	50.0	51.6	52.6	52.5	52.5
Industry														
Electricity Production, %oya	-	-	5.1%	6.1%	5.6%	2.8%	3.6%	1.1%	7.7%	5.2%	8.4%	8.0%		
IP, %oya	-	-	3.9%	5.6%	3.5%	4.4%	3.7%	4.5%	4.5%	4.6%	6.6%	6.8%		
FAI, %oya	-	5.5%	5.1%	4.7%	4.0%	3.8%	3.4%	3.2%	3.1%	2.9%	2.9%	3.0%		
Consumer Activity														
Retail Sales, %oya	-	-	10.6%	18.4%	12.7%	3.1%	2.5%	4.6%	5.5%	7.6%	10.1%	7.4%		
Passenger Car Sales, %yoy	-32.8%	11.1%	8.2%	87.7%	26.4%	2.1%	-3.4%	6.9%	6.7%	11.5%	25.5%			
70-city house price index, %oya	-2.3%	-1.9%	-1.4%	-0.7%	-0.5%	-0.4%	0.6%	-0.6%	-0.6%	-0.6%	-0.7%			
Liquidity & Monetary Conditions														
M2, %oya	12.6%	12.9%	12.7%	12.4%	11.6%	11.3%	10.7%	10.6%	10.3%	10.3%	10.0%	9.7%	8.7%	
FX Reserves (bln yuan)	3184	3133	3184	3205	3177	3193	3204	3160	3115	3101	3172	3238	3219	3226
New Loan Creation (bln yuan)	4900	1812	3890	719	1360	3050	346	1358	2312	738	1089	1171	4920	

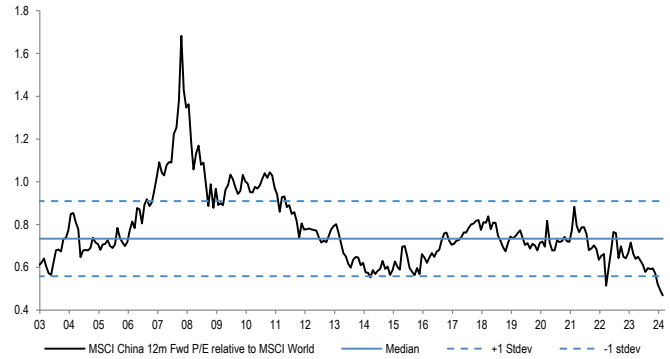
Source: Bloomberg Finance L.P.

China macro data has been disappointing over the past year, but could start to stabilize. PMI indicators are broadly back above the 50- pt threshold.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

Figure 18: MSCI China 12m Fwd P/E relative



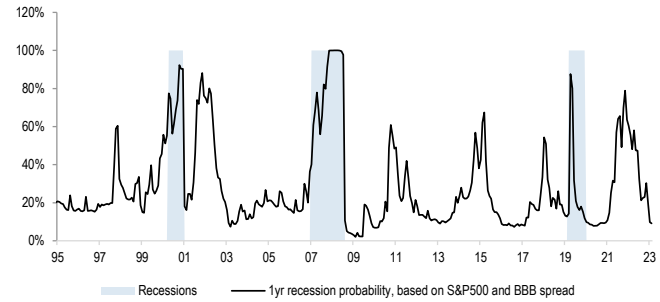
Source: Datastream

MSCI China screens attractive at 9x forward P/E, trading record cheap vs MSCI World. The longer-term issue is whether the current tactical bounce could turn into sustained outperformance, which we have reservations over.

Why not go OW Eurozone vs the US?

We are neutralizing the Eurozone vs US trade, but we are not recommending to go outright OW Eurozone vs the US. The reason for this is because the risk of a broader market drawdown is elevated, in our view.

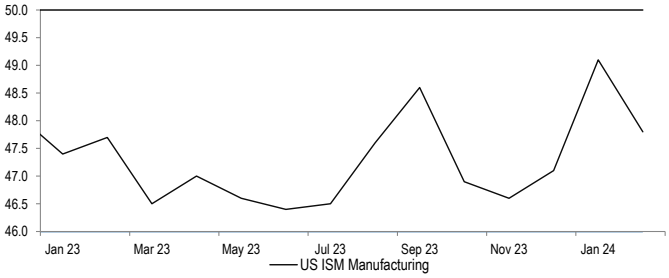
Figure 19: Recession probability indicator



Source: J.P.Morgan

The Goldilocks narrative is fully consensus at present, with complacency with respect to the economic outlook among investors. Implied recession odds are at record lows, which might be too optimistic.

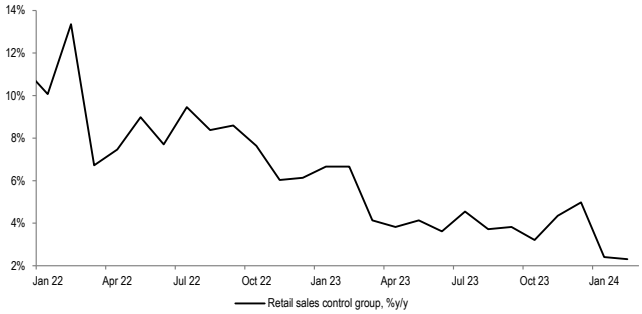
Figure 20: US ISM Manufacturing



Source: Bloomberg Finance L.P.

It is not clear to us that activity momentum is clearly bottoming. ISM manufacturing, for example, has turned back lower again.

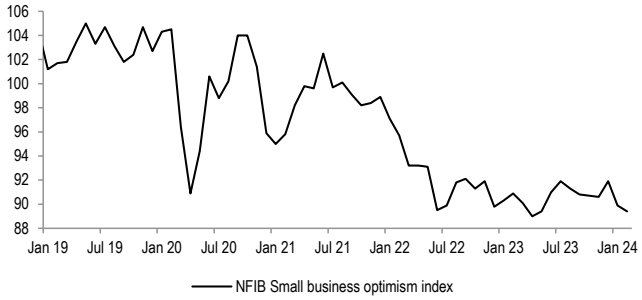
Figure 21: US Retail sales control group



Source: Bloomberg Finance L.P.

US retail sales are softening.

Figure 22: NFIB small business optimism



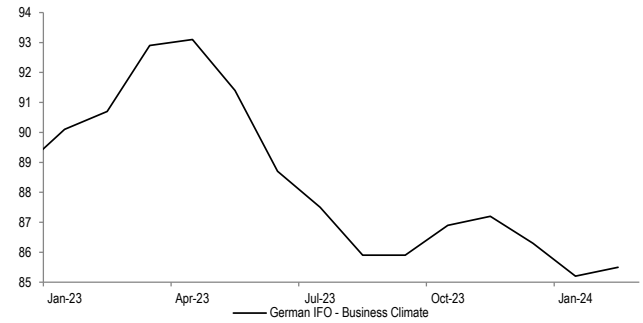
Source: J.P.Morgan

US small business confidence is staying weak, too.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

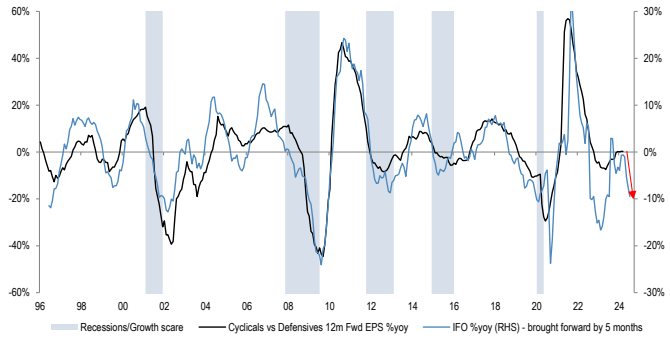
Figure 23: German IFO



Source: Bloomberg Finance L.P.

In Europe, German IFO has been struggling for direction in the last months.

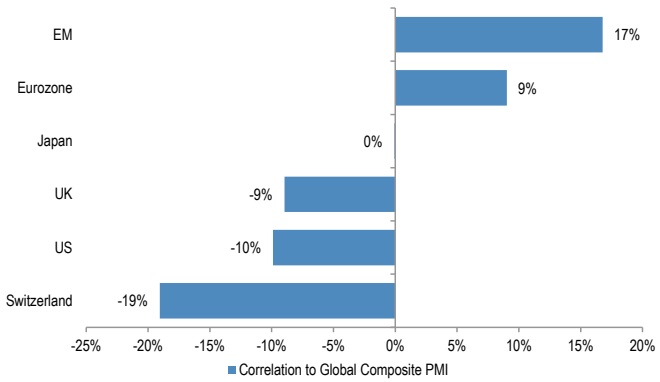
Figure 24: : European Cyclicals vs Defensives 12m Fwd EPS vs IFO



Source: IBES, Bloomberg Finance L.P.

This is a risk for Cyclical sector earnings.

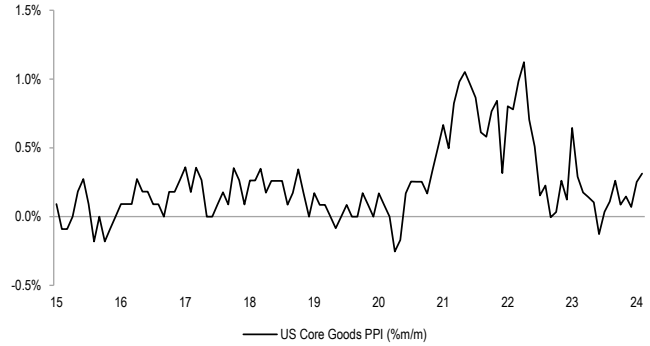
Figure 25: Regional correlation to Global Composite PMI



Source: Datastream, J.P. Morgan

While Eurozone could play catchup given its meaningful underperformance, the potential for a sustained rebound is likely to be capped if the macro backdrop underwhelms.

Figure 26: US Core Goods PPI



Source: Bloomberg Finance L.P.

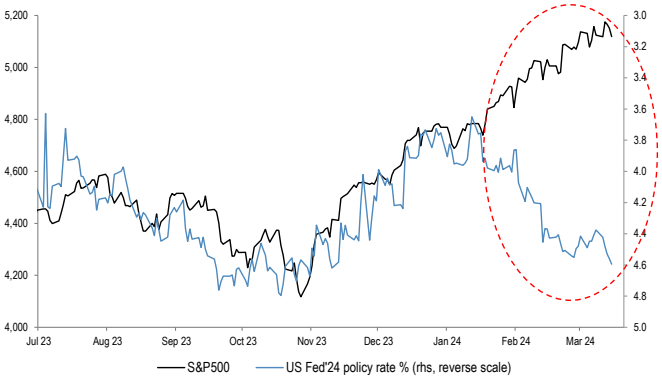
At the same time, inflation has been increasing again of late.

Figure 27: US 1-year inflation swap

Source: Bloomberg Finance L.P.

Indeed, US 1-year inflation swaps are closing in on the October 2023 highs.

Figure 28: Fed vs SPX



Source: Bloomberg Finance L.P.

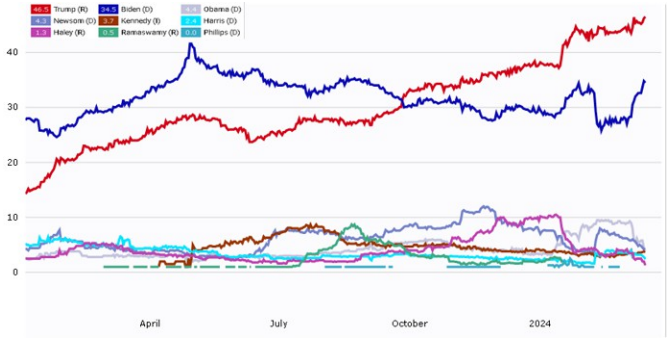
Given the above, equity markets could have a drawdown over the next months both because of growth disappointments, and also due to continued sticky inflation prints and higher for longer Fed; ie, we might end up with the opposite from Gold-

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

ilocks.

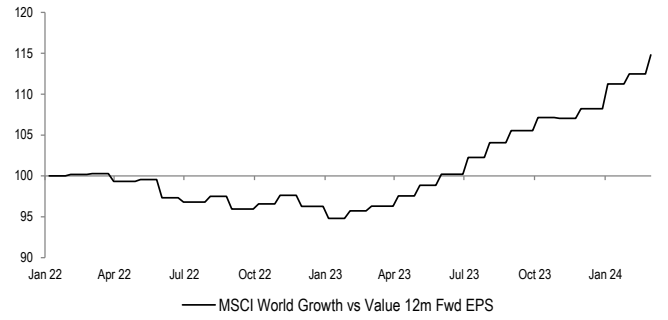
Figure 29: US Elections - for president - betting odds



Source: RedClearPolitics

As we approach the US elections in November of this year, a potential trade war uncertainty could weigh on markets generally and on International in particular.

Figure 30: MSCI World Growth vs Value 12m Fwd EPS



Source: IBES

Growth factor performance has thus far been supported by the strong earnings momentum, which has benefitted US over Europe trade. While we see the risks of this changing, especially given that the US large cap earnings could turn to be more cyclical than structural, so far the turn has not arrived. The improvement on any of the above would be a next step for us in considering to going outright OW Eurozone vs the US.

What is attractive within Eurozone?

Table 4: MSCI Eurozone vs US - L1 sectors 12m Fwd. P/E

	12m Fwd PE		
	Eurozone	US	Eurozone vs US
Real Estate	11.4	36.2	-69%
Discretionary	12.4	25.7	-52%
Financials	8.3	15.3	-46%
Energy	7.2	12.6	-42%
Market	**13.3**	**21.0**	**-37%**
Utilities	11.7	15.4	-24%
Healthcare	14.3	18.9	-24%
Telecoms	14.8	18.9	-22%
Industrials	17.0	21.3	-20%
Materials	16.4	20.3	-19%
Staples	18.7	19.8	-5%
IT	29.4	28.5	3%

Source: IBES

At index level, Eurozone equities are trading at close to a 40% discount relative to their US peers. Nearly every Eurozone sector is trading cheaper than its US counterpart, with the highest discount seen in Energy, Financials, Discretionary and Real Estate.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

Table 5: MSCI Eurozone vs US - L2 sectors 12m Fwd. P/E

	12m Fwd PE		
	Eurozone	US	Eurozone vs US
Cons Mat	8.2	29.1	-72%
Automobile	6.3	20.1	-69%
Real Estate	11.4	36.2	-69%
Met&Min	6.0	16.5	-64%
Tech Hardware	9.7	22.9	-58%
Food Drug Ret	10.5	24.2	-56%
Retailing	15.6	30.5	-49%
Transport	12.0	21.4	-44%
Energy	7.2	12.6	-42%
Banks	6.6	11.1	-40%
Market	13.3	21.0	-37%
Div Fin	12.4	19.2	-36%
Prof. Services	18.1	27.3	-34%
Insurance	9.9	13.4	-26%
Utilities	11.7	15.4	-24%
Healthcare	14.3	18.9	-24%
Hotels,Rest&Leis	21.6	27.1	-20%
Cap Goods	17.5	20.3	-14%
Software	29.6	32.5	-9%
Chemicals	20.4	21.5	-5%
Food Bev&Tob	17.4	16.5	5%
Semicon	31.6	29.3	8%
HPC	28.7	23.5	22%
Telecoms	14.7	9.4	57%
Cons Durables	28.8	17.1	69%

Source: IBES

At level 2, the majority of Eurozone sectors are trading at a discount to the US.

Table 6: MSCI Eurozone vs US - current vs historical median

	12m Fwd PE		
Eurozone vs US	Current	Median	Current vs Median
IT	1.03	1.06	-2%
Staples	0.95	1.00	-5%
Materials	0.81	0.86	-6%
Industrials	0.80	0.89	-11%
Telecoms	0.78	0.91	-14%
Utilities	0.76	0.89	-15%
Healthcare	0.76	0.94	-19%
Market	0.63	0.81	-22%
Energy	0.58	0.76	-24%
Discretionary	0.48	0.67	-27%
Real Estate	0.31	0.47	-33%
Financials	0.54	0.82	-34%

Source: IBES, Median since 1995

Relative to the historical discount, every single European sector is trading at least as much or more attractive.

Table 7: Eurozone vs US 12m Fwd PE: Current vs long term average

	12m Fwd PE		
Eurozone vs US	Current	Median	Current vs Median
Telecoms	1.57	1.08	45%
Cons Durables	1.69	1.25	35%
HPC	1.23	1.14	8%
Food Bev&Tob	1.06	1.01	4%
Chemicals	0.95	0.92	4%
Cap Goods	0.86	0.88	-2%
Software	0.91	1.00	-9%
Semicon	1.08	1.26	-14%
Utilities	0.76	0.89	-15%
Hotels,Rest&Leis	0.80	0.95	-16%
Insurance	0.74	0.89	-16%
Healthcare	0.76	0.94	-19%
Prof. Services	0.66	0.84	-21%
Market	0.63	0.81	-22%
Energy	0.58	0.76	-24%
Div Fin	0.64	0.86	-25%
Banks	0.60	0.89	-33%
Real Estate	0.31	0.47	-33%
Transport	0.56	0.94	-40%
Food Drug Ret	0.44	0.86	-50%
Met&Min	0.36	0.72	-50%
Retailing	0.51	1.04	-51%
Cons Mat	0.28	0.58	-51%
Tech Hardware	0.43	0.98	-57%
Automobile	0.31	0.81	-61%

Source: IBES, median since 1995

Table 7 shows the discount vs historical for level 2 subsectors.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Equity Strategy Key Calls and Drivers

So far this year, US and Japan are ahead of other markets, Growth is outperforming Value and large caps are again beating small in all key regions. We continue to believe that this, ultimately unhealthy, high concentration and narrow leadership is set to stay for a while longer. To buy Value and International stocks one needs to see a reflationary backdrop, in our view, but we could have the opposite. in terms of bond yields, we argued last October to go long duration, but also in January to look for a tactical bounce back in bond yields, as Fed easing became overdiscounted in markets. We now think that the counter-rally in yields might be running out of steam, and would advocate to go long duration again. The move back higher in Fed futures might be getting done – they round-tripped back to October levels, and activity momentum could soften from here. The question is, why didn't equities weaken as US 10-year yields backed up 50bp during Jan-Feb? We think that this is because investors assumed that the yield upmove is reflective of economic acceleration, but we note that earnings projections for 2024 are not reacting positively – they keep coming down in most sectors. If the growth acceleration does not come through, this could act as a headwind. We close UW Eurozone vs US trade, as relative growth disappointments for the region are likely at their peak and growth style in US is at a risk of a reversal given it is already so stretched.

Table 8: J.P. Morgan Equity Strategy — Factors driving our medium-term views

Driver	Impact	Our Core Working Assumptions	Recent Developments
Global Growth	Neutral	At risk of weakening as consumer strength wanes	Global composite PMI is at 52.1
European Growth	Negative	Manufacturing and services are converging on the downside; industry data stays weak	
Monetary Policy	Neutral	Fed pivot could be accompanied by activity weakness	
Currency	Neutral	USD could strengthen again	
Earnings	Negative	Corporate pricing power is likely to weaken from here	2024 EPS projections are continuing their downtrend
Valuations	Negative	At 21x, US forward P/E is still stretched, especially vs real yield	MSCI Europe on 13.8x Fwd P/E
Technicals	Negative	Sentiment and positioning are stretched post the Nov-Dec rally	RSIs are in overbought territory

Source: J.P. Morgan estimates

Table 9: : Base Case and Risk

Scenario	Assumption
Upside scenario	No further hawkish tilt by the Fed. No landing
Base-case scenario	Inflation to fall further, risk of downturn still elevated. Earnings downside from here
Downside scenario	Further Fed tightening and global recession to become a base case again

Source: J.P. Morgan estimates.

Table 10: Index targets

	Dec '24 Target	14-Mar-24	% upside
MSCI Eurozone	**256**	293	-13%
FTSE 100	**7,700**	7,743	-1%
MSCI EUROPE	**1,850**	2,034	-9%
DJ EURO STOXX 50	**4,250**	4,993	-15%
DJ STOXX 600 E	**460**	506	-9%

Source: J.P. Morgan.

Table 11: Key Global sector calls

Overweight	Neutral	Underweight
Healthcare	Technology	Capital Goods ex A&D
Telecoms	Discretionary	Food& Drug Retail
Food, Beverage & Tobacco	Mining	Autos
Real Estate	Transportation	Banks
Utilities		

Source: J.P. Morgan

Table 12: J.P. Morgan Equity Strategy — Key sector calls*

Sector	Recommendations	Key Drivers
Healthcare	Overweight	Potential for lower yields and stronger dollar remain near term support, earnings are also holding up
Staples	Overweight	Sector is one of the best performers around the last Fed hike in the cycle, lower bond yields and better relative EPS momentum should further support
Banks	Underweight	Downgraded to UW in October after 3 years of strong performance. Bond yields and PMIs direction is the key for the potential P/E re-rating of the sector, we think both will move lower
Chemicals	Underweight	The sector trades at 70% premium to the market, well above historical norm. pricing continues to deteriorate, downside risks to current earnings and margin projections

Source: J.P. Morgan estimates. * Please see the last page for the full list of our calls and sector allocation.

Table 13: J.P. Morgan Equity Strategy — Key regional calls

Region	Recommendations	J.P. Morgan Views
EM	Neutral	China tactical chance for a bounce, but structural bearish call remains
DM	Neutral	
US	Neutral	Expensive, with earnings risk. Growth style at a risk of reversal.
Japan	Overweight	Japan is attractively priced; diverging policy path and TSE reforms are tailwinds
Eurozone	Neutral	Eurozone trading at a record discount vs the US; Growth differential to improve
UK	Overweight	Valuations still look very attractive, low beta with the highest regional dividend yield

Source: J.P. Morgan estimates.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Top Picks

Table 14: J.P. Morgan European Strategy: Top European picks

						Market Cap	EPS Growth			Dividend Yield	12m Fwd P/E			Performance	
Name	Ticker	Sector	Rating	Price	Currency	(€ Bn)	23e	24e	25e	24e	Current	10Y Median	% Premium	-3m	-12m
ENI	ENI IM	Energy	OW	15	E	49.0	-35%	-9%	2%	6.3%	6.4	12.7	-49%	-2%	11%
TOTALENERGIES	TTE FP	Energy	OW	63	E	149.7	-33%	-3%	2%	5.0%	7.5	10.6	-30%	2%	11%
SHELL	SHEL LN	Energy	OW	30	E	191.4	-23%	0%	5%	4.0%	7.8	11.2	-31%	1%	7%
CRH PUBLIC LIMITED	CRH LN	Materials	OW	85	U$	53.4	-14%	21%	7%	1.6%	15.9	15.1	6%	26%	67%
RIO TINTO	RIO LN	Materials	OW	4842	£	97.2	-11%	7%	-9%	7.0%	8.0	10.3	-21%	-14%	-14%
NORSK HYDRO	NHY NO	Materials	OW	58	NK	10.2	-60%	16%	41%	4.3%	10.9	12.9	-16%	-12%	-24%
ANGLO AMERICAN	AAL LN	Materials	OW	1834	£	26.3	-51%	-8%	6%	4.1%	10.5	9.5	10%	2%	-34%
SCHNEIDER ELECTRIC	SU FP	Industrials	OW	215	E	123.2	2%	15%	11%	1.6%	25.2	16.5	53%	20%	41%
ASHTEAD GROUP	AHT LN	Industrials	OW	5158	£	26.4	26%	1%	7%	1.5%	16.0	14.1	13%	-6%	-3%
RYANAIR HOLDINGS	RYA ID	Industrials	OW	20	E	22.6	-	33%	33%	0.0%	9.1	13.1	-30%	6%	34%
AIRBUS	AIR FP	Industrials	OW	160	E	126.8	10%	4%	24%	1.5%	23.4	18.4	27%	14%	31%
MTU AERO ENGINES HLDG.	MTX GR	Industrials	OW	223	E	12.0	24%	12%	10%	1.6%	17.8	18.1	-2%	20%	-2%
STELLANTIS	STLAM IM	Discretionary	OW	25	E	80.0	12%	-7%	2%	6.1%	4.6	4.8	-4%	19%	55%
BMW	BMW GR	Discretionary	OW	105	E	66.9	-33%	-10%	2%	5.3%	6.4	7.7	-17%	3%	-
INDITEX	ITX SM	Discretionary	OW	45	E	139.5	27%	30%	10%	3.3%	23.3	24.3	-4%	16%	53%
ADIDAS	ADS GR	Discretionary	OW	205	E	37.0	-154%	-	132%	0.3%	54.2	24.6	120%	4%	38%
RICHEMONT N	CFR SW	Discretionary	OW	148	SF	91.0	78%	-2%	11%	1.6%	21.7	20.6	5%	19%	6%
COMPASS GROUP	CPG LN	Discretionary	OW	2207	£	44.0	50%	14%	12%	1.9%	22.2	20.8	6%	4%	16%
COLRUYT GROUP	COLR BB	Staples	OW	43	E	5.5	-27%	61%	9%	1.9%	15.7	17.6	-11%	9%	65%
ANHEUSER-BUSCH INBEV	ABI BB	Staples	OW	56	E	113.0	-5%	9%	14%	1.3%	17.6	19.5	-10%	-3%	-1%
NOVO NORDISK 'B'	NOVOB DC	Health Care	OW	925	DK	559.2	52%	24%	21%	1.0%	38.6	22.7	70%	39%	87%
ASTRAZENECA	AZN LN	Health Care	OW	10402	£	188.8	9%	12%	11%	2.2%	15.9	17.8	-10%	-1%	-3%
SMITH & NEPHEW	SN/ LN	Health Care	OW	1084	£	11.1	1%	15%	17%	2.7%	13.9	18.4	-24%	0%	-10%
UBS GROUP	UBSG SW	Financials	OW	28	SF	100.0	-99%	3660%	105%	2.2%	23.7	10.4	129%	7%	52%
NATWEST GROUP	NWG LN	Financials	OW	240	£	24.6	38%	-25%	10%	7.1%	6.1	10.3	-40%	8%	-14%
ING GROEP	INGA NA	Financials	OW	14	E	49.0	106%	-12%	10%	7.9%	7.5	9.1	-17%	3%	17%
INTESA SANPAOLO	ISP IM	Financials	OW	3	E	58.0	79%	15%	2%	9.3%	7.0	10.1	-31%	21%	32%
LONDON STOCK EXCHANGE GROUP	LSEG LN	Financials	OW	9400	£	58.9	2%	11%	14%	1.2%	25.6	22.7	13%	1%	29%
AMUNDI (WI)	AMUN FP	Financials	OW	60	E	12.3	4%	4%	7%	6.8%	9.5	12.7	-25%	-1%	4%
DASSAULT SYSTEMES	DSY FP	IT	OW	42	E	56.2	6%	7%	11%	0.6%	32.0	31.5	2%	-4%	14%
ASML HOLDING	ASML NA	IT	OW	881	E	352.0	41%	-6%	52%	0.7%	43.2	26.5	63%	29%	53%
ASM INTERNATIONAL	ASM NA	IT	OW	560	E	27.7	-8%	5%	38%	0.5%	42.5	16.2	163%	16%	78%
DEUTSCHE TELEKOM	DTE GR	Telecoms	OW	22	E	107.4	-13%	11%	12%	3.6%	12.0	14.2	-16%	-1%	0%
BT GROUP	BT/A LN	Telecoms	OW	108	£	12.6	9%	-12%	-1%	7.1%	5.8	8.8	-34%	-16%	-24%
RELX	REL LN	Industrials	OW	3391	£	74.7	12%	8%	9%	1.7%	27.3	19.3	41%	11%	34%
HELLOFRESH	HFG GR	Staples	OW	7	E	1.2	-46%	-22%	53%	0.0%	11.0	19.6	-44%	-55%	-63%
RWE	RWE GR	Utilities	OW	31	E	22.8	30%	-53%	-17%	3.2%	11.2	13.0	-14%	-26%	-22%
ENEL	ENEL IM	Utilities	OW	6	E	62.3	22%	4%	1%	7.4%	9.1	12.0	-25%	-9%	14%
SEGRO	SGRO LN	Real Estate	OW	851	£	13.3	6%	7%	7%	3.3%	24.0	25.3	-5%	-4%	9%

Source: Datastream, MSCI, IBES, J.P. Morgan, Prices and Valuations as of COB 14th Mar, 2024. Past performance is not indicative of future returns.

Please see the most recent company-specific research published by J.P. Morgan for an analysis of valuation methodology and risks on companies recommended in this report. Research is available at http://www.jpmorganmarkets.com, or you can contact the cover

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

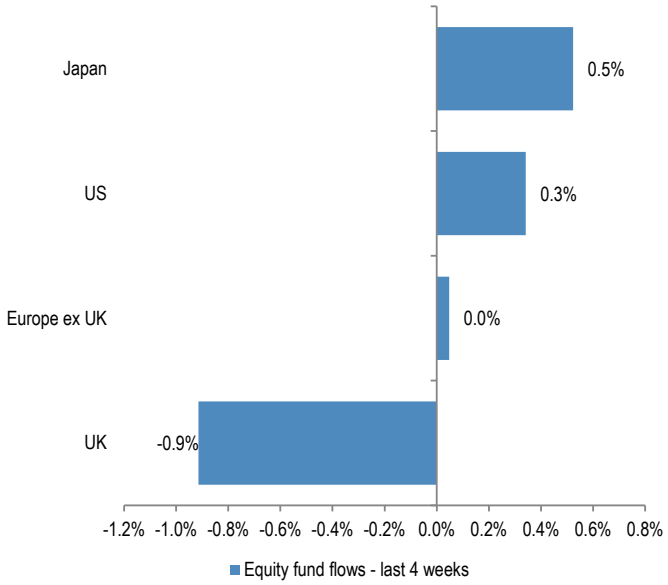
Equity Flows Snapshot

Table 15: DM Equity Fund Flows Summary

Regional equity fund flows										
	$mn					% AUM				
	1w	1m	3m	ytd	12m	1w	1m	3m	ytd	12m
Europe ex UK	372	157	84	-973	-12,929	0.1%	0.1%	0.0%	0.3%	0.6%
UK	-851	-2,442	-6,008	-4,147	-28,222	0.1%	0.0%	0.0%	-0.3%	-4.2%
US	-132	34,380	57,089	24,129	162,881	-0.3%	-0.9%	-2.3%	-1.5%	-10.1%
Japan	1,170	4,092	7,661	8,328	18,868	0.0%	0.3%	0.6%	0.2%	2.0%

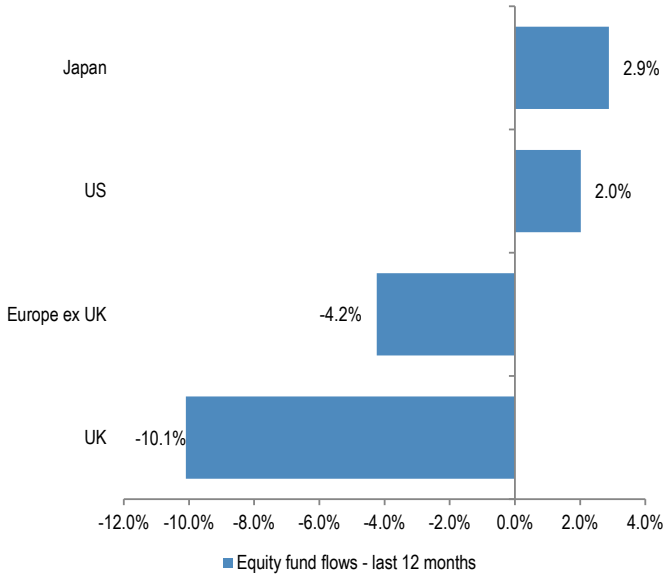
Source: EPFR, as of 6th Mar, 2024

Figure 31: DM Equity Fund flows – last month



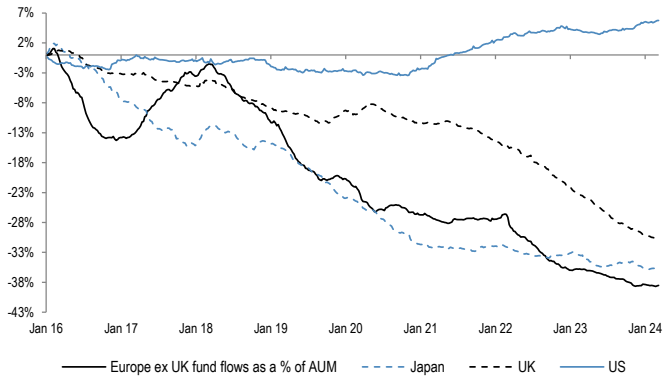
Source: EPFR, Japan includes BoJ purchases.

Figure 32: DM Equity Fund flows – last 12 months



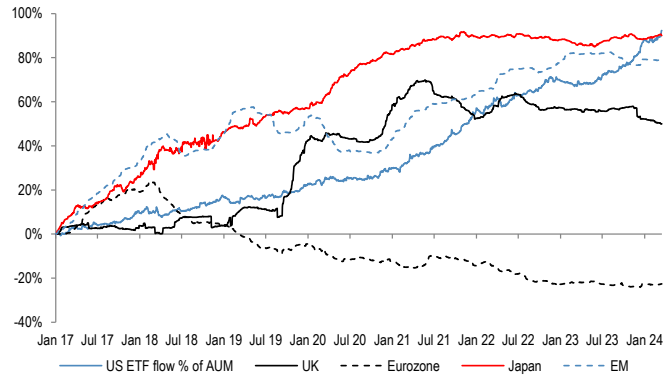
Source: EPFR, Japan includes BoJ purchases.

Figure 33: Cumulative fund flows into regional funds as a percentage of AUM



Source: EPFR, as of 6th Mar, 2024. Japan includes Non-ETF purchases only.

Figure 34: Cumulative fund flows into regional equity ETFs as a percentage of AUM



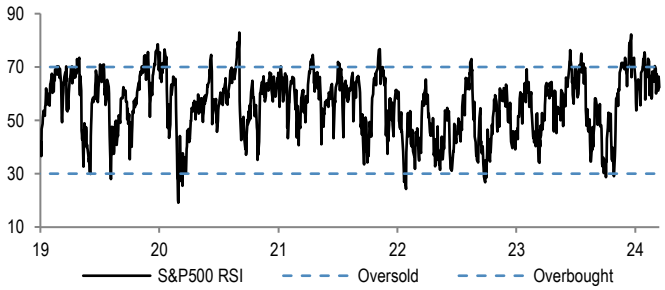
Source: Bloomberg Finance L.P. *Based on the 25 biggest ETF's with a mandate to invest in that particular region. Japan includes BoJ purchases.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

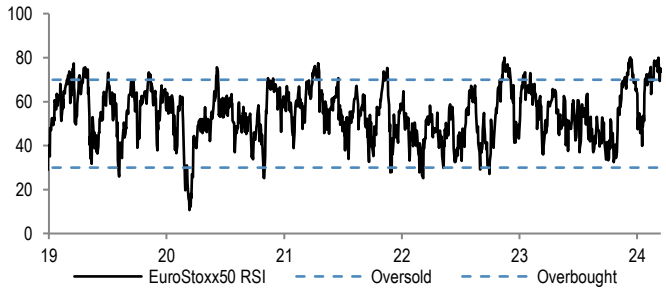
Technical Indicators

Figure 35: S&P500 RSI



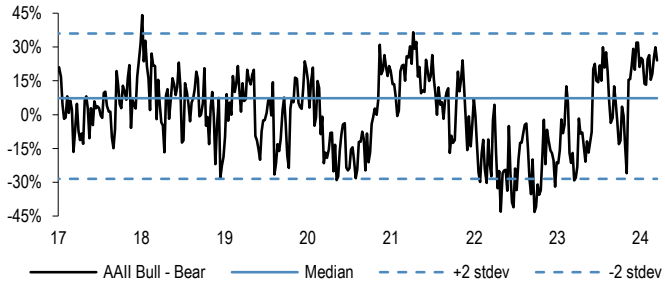
Source: Bloomberg Finance L.P.

Figure 36: EuroStoxx50 RSI



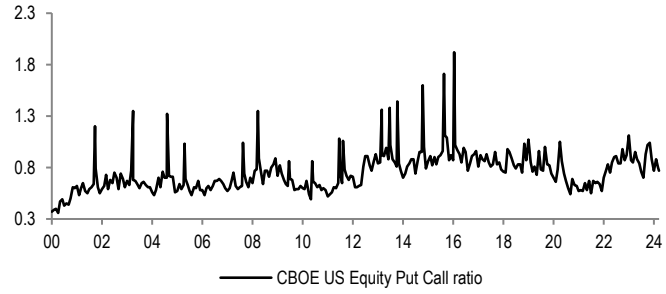
Source: Bloomberg Finance L.P.

Figure 37: AAII Bull-Bear



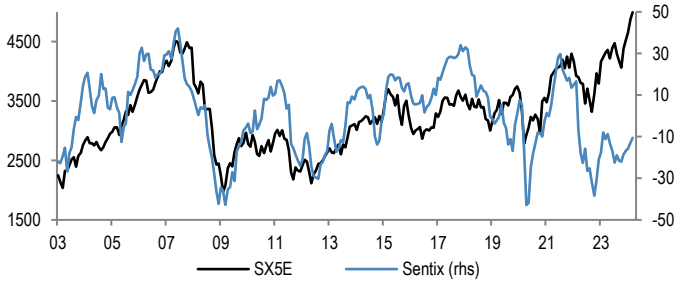
Source: Bloomberg Finance L.P

Figure 38: Put-call ratio



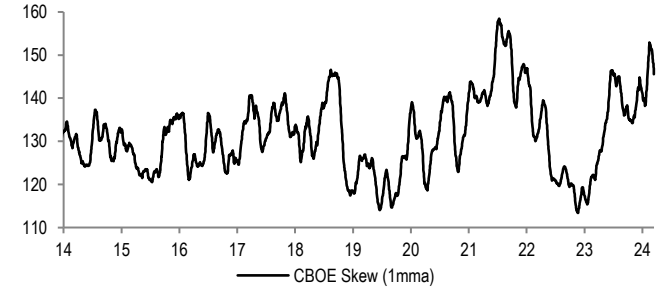
Source: Bloomberg Finance L.P.

Figure 39: Sentix Sentiment Index vs SX5E



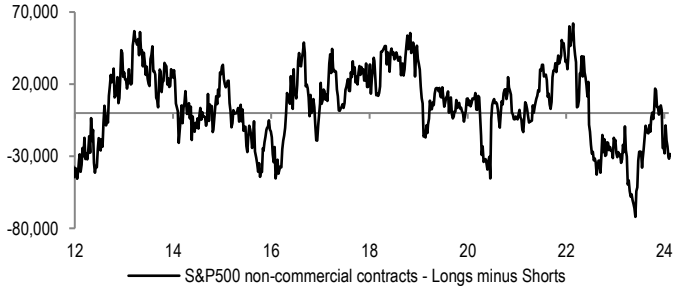
Source: Bloomberg Finance L.P.

Figure 40: Equity Skew



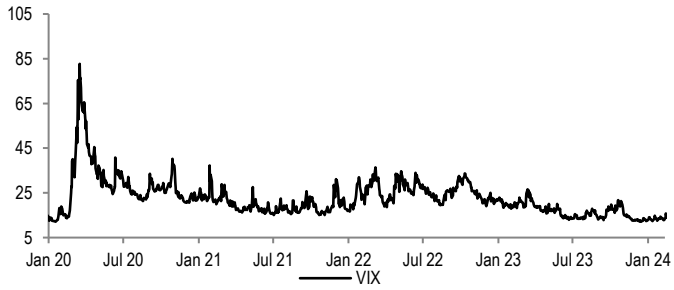
Source: Bloomberg Finance L.P.

Figure 41: Speculative positions in S&P500 futures contracts



Source: Bloomberg Finance L.P.

Figure 42: VIX



Source: Bloomberg Finance L.P.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

Performance

Table 16: Sector Index Performances — MSCI Europe

(%change)		Local currency		
Industry Group		**4week**	**12m**	**YTD**
Europe		**3.9**	**11.5**	**6.1**
Energy		**3.8**	**1.7**	**(0.2)**
Materials		**5.7**	**4.9**	**0.3**
	Chemicals	7.2	10.8	3.5
	Construction Materials	12.8	49.8	19.5
	Metals & Mining	(0.4)	(17.3)	(11.8)
Industrials		**5.1**	**20.5**	**8.2**
	Capital Goods	7.0	25.2	10.6
	Transport	(7.4)	(10.2)	(11.3)
	Business Svs	1.4	14.7	6.7
Consumer Discretionary		**5.0**	**10.4**	**12.5**
	Automobile	4.3	13.9	12.8
	Consumer Durables	7.2	9.3	17.3
	Media	0.9	17.0	6.9
	Retailing	3.8	6.8	3.1
	Hotels,Restaurants&Leisure	0.9	13.3	6.4
Consumer Staples		**(1.3)**	**(5.6)**	**(0.6)**
	Food & Drug Retailing	0.9	(3.5)	(4.6)
	Food Beverage & Tobacco	(2.0)	(9.7)	(0.7)
	Household Products	(0.4)	3.4	0.5
Healthcare		**4.3**	**15.3**	**8.7**
Financials		**6.3**	**15.9**	**6.9**
	Banks	6.9	14.8	6.2
	Diversified Financials	5.0	19.0	5.3
	Insurance	6.6	15.5	9.6
Real Estate		**(0.3)**	**(0.1)**	**(6.4)**
Information Technology		**3.1**	**37.8**	**17.4**
	Software and Services	4.7	47.2	18.0
	Technology Hardware	5.2	4.1	2.1
	Semicon & Semicon Equip	1.8	40.4	20.2
Telecommunications Services		**(0.3)**	**(1.8)**	**1.2**
Utilities		**0.8**	**(2.5)**	**(7.6)**

Source: MSCI, Datastream, as at COB 14th Mar, 2024.

Table 17: Country and Region Index Performances

(%change)		Local Currency			US$		
Country	**Index**	**4week**	**12m**	**YTD**	**4week**	**12m**	**YTD**
Austria	ATX	0.7	1.0	(1.2)	1.8	2.6	(2.6)
Belgium	BEL 20	(0.1)	(1.0)	(0.4)	1.1	0.5	(1.9)
Denmark	KFX	6.1	44.1	20.5	7.3	46.0	18.7
Finland	HEX 20	0.2	(10.2)	(3.2)	1.3	(8.8)	(4.6)
France	CAC 40	5.4	14.3	8.2	6.6	16.0	6.6
Germany	DAX	5.3	17.8	7.1	6.5	19.6	5.6
Greece	ASE General	1.0	32.0	9.6	2.2	34.0	8.1
Ireland	ISEQ	3.9	16.7	10.4	5.1	18.5	8.8
Italy	FTSE MIB	6.6	26.1	11.3	7.8	28.0	9.7
Japan	Topix	2.7	36.7	12.5	4.0	23.9	7.0
Netherlands	AEX	1.3	16.4	9.1	2.5	18.2	7.6
Norway	OBX	3.4	2.5	(0.7)	3.2	2.4	(4.5)
Portugal	BVL GEN	(3.7)	(10.3)	(12.7)	(2.5)	(8.9)	(13.9)
Spain	IBEX 35	5.7	14.5	3.8	6.9	16.3	2.4
Sweden	OMX	6.0	15.6	5.5	7.2	17.2	2.9
Switzerland	SMI	3.9	9.4	5.2	3.5	13.1	0.3
United States	S&P 500	2.4	31.4	8.0	2.4	31.4	8.0
United States	NASDAQ	1.4	41.1	7.4	1.4	41.1	7.4
United Kingdom	FTSE 100	1.9	1.4	0.1	3.2	6.4	0.1
EMU	MSCI EMU	4.4	14.4	7.7	5.6	16.1	6.2
Europe	**MSCI Europe**	**3.9**	**11.5**	**6.1**	**4.9**	**14.4**	**4.3**
Global	MSCI AC World	2.6	26.7	7.5	2.8	26.5	6.7

Source: MSCI, Datastream, as at COB 14th Mar, 2024.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Earnings

Table 18: IBES Consensus EPS Sector Forecasts — MSCI Europe

	EPS Growth (%yoy)			
	2023	2024E	2025E	2026E
Europe	**(3.3)**	**3.4**	**10.0**	**9.2**
Energy	**(31.6)**	**(4.4)**	**4.3**	**8.9**
Materials	**(39.8)**	**8.5**	**11.1**	**6.8**
Chemicals	(38.7)	25.1	18.5	11.8
Construction Materials	12.2	10.2	8.9	9.1
Metals & Mining	(46.2)	(5.1)	3.6	0.7
Industrials	**1.3**	**7.4**	**13.5**	**11.8**
Capital Goods	22.4	10.9	13.5	11.8
Transport	(54.7)	(19.5)	16.6	12.8
Business Svs	3.2	9.4	11.0	11.4
Discretionary	**7.8**	**2.3**	**10.7**	**9.5**
Automobile	2.6	(3.5)	5.8	6.3
Consumer Durables	(5.4)	5.8	14.2	13.4
Media	(0.5)	9.6	9.7	11.5
Retailing	50.7	14.5	17.1	6.5
Hotels,Restaurants&Leisure	91.5	17.3	21.4	17.3
Staples	**2.5**	**3.0**	**8.7**	**7.7**
Food & Drug Retailing	5.3	4.1	11.5	7.8
Food Beverage & Tobacco	2.0	2.0	8.5	7.9
Household Products	3.0	5.5	8.0	7.3
Healthcare	**3.1**	**4.3**	**13.9**	**10.9**
Financials	**15.6**	**5.4**	**7.9**	**8.6**
Banks	28.5	0.6	4.6	5.9
Diversified Financials	(22.6)	19.7	22.8	24.3
Insurance	13.9	10.5	7.8	5.8
Real Estate	**11.0**	**(2.1)**	**4.2**	**6.5**
IT	**13.9**	**(4.6)**	**28.6**	**15.9**
Software and Services	18.5	(0.1)	20.4	14.0
Technology Hardware	(20.8)	11.5	8.5	8.9
Semicon & Semicon Equip	28.0	(12.2)	41.8	19.0
Telecoms	**(8.7)**	**10.6**	**10.0**	**8.1**
Utilities	**0.3**	**(0.2)**	**1.0**	**1.8**

Source: IBES, MSCI, Datastream. As at COB 14th Mar, 2024.

Table 19: IBES Consensus EPS Country Forecasts

		EPS growth (%change)			
Country	Index	2023	2024E	2025E	2026E
Austria	ATX	(15.3)	(5.9)	5.1	1.8
Belgium	BEL 20	20.7	(2.2)	11.6	12.9
Denmark	Denmark KFX	(14.4)	26.6	20.9	16.8
Finland	MSCI Finland	(25.1)	4.7	11.3	9.2
France	CAC 40	(2.2)	2.8	9.0	8.3
Germany	DAX	1.6	0.4	11.8	10.6
Greece	MSCI Greece	8.5	0.5	4.4	22.2
Ireland	MSCI Ireland	32.5	(2.2)	2.5	7.2
Italy	MSCI Italy	9.9	0.8	3.0	2.5
Netherlands	AEX	(0.9)	(0.5)	13.2	11.7
Norway	MSCI Norway	(40.1)	3.8	6.5	3.1
Portugal	MSCI Portugal	21.6	11.4	6.4	7.9
Spain	IBEX 35	8.3	1.1	4.4	5.4
Sweden	OMX	31.6	0.4	8.3	7.1
Switzerland	SMI	(4.2)	9.4	13.8	10.0
United Kingdom	FTSE 100	(11.2)	1.4	7.9	9.2
EMU	MSCI EMU	4.1	2.8	10.1	8.7
Europe ex UK	MSCI Europe ex UK	0.9	4.1	11.0	9.1
Europe	MSCI Europe	(3.3)	3.4	10.0	9.2
United States	S&P 500	2.2	9.8	13.5	11.7
Japan	Topix	2.9	15.2	8.9	9.3
Emerging Market	MSCI EM	(5.0)	17.3	15.7	12.7
Global	MSCI AC World	0.2	8.9	12.7	11.0

Source: IBES, MSCI, Datastream. As at COB 14th Mar, 2024** Japan refers to the period from March in the year stated to March in the following year – EPS post-goodwill

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Valuations

Table 20: IBES Consensus European Sector Valuations

	P/E			Dividend Yield			EV/EBITDA			Price to Book		
	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Europe	**14.1**	**12.8**	**11.8**	**3.4%**	**3.6%**	**3.8%**	**8.1**	**7.5**	**7.0**	**1.9**	**1.8**	**1.7**
Energy	**7.6**	**7.2**	**6.7**	**5.6%**	**5.5%**	**5.7%**	**3.3**	**3.3**	**3.2**	**1.2**	**1.1**	**1.0**
Materials	**15.6**	**14.0**	**13.2**	**3.3%**	**3.5%**	**3.7%**	**7.4**	**6.7**	**6.4**	**1.7**	**1.6**	**1.5**
Chemicals	23.9	20.2	18.0	2.7%	2.9%	3.1%	11.3	10.1	9.4	2.4	2.3	2.2
Construction Materials	13.9	12.7	11.7	2.8%	2.9%	3.1%	7.4	7.0	6.5	1.7	1.6	1.5
Metals & Mining	9.7	9.4	9.3	4.4%	4.6%	5.0%	4.7	4.2	4.2	1.1	1.1	1.0
Industrials	**19.6**	**17.3**	**15.4**	**2.4%**	**2.6%**	**2.8%**	**10.1**	**9.0**	**8.3**	**3.3**	**3.1**	**2.9**
Capital Goods	19.6	17.3	15.5	2.2%	2.5%	2.7%	10.4	9.3	8.5	3.5	3.2	3.0
Transport	16.3	14.0	12.4	3.6%	3.7%	3.7%	6.9	6.5	6.1	1.6	1.5	1.5
Business Svs	21.9	19.8	17.7	2.4%	2.6%	2.7%	13.1	11.9	11.1	6.1	5.6	5.0
Discretionary	**14.0**	**12.6**	**11.8**	**2.6%**	**2.9%**	**3.0%**	**5.5**	**5.1**	**4.7**	**2.0**	**1.8**	**1.8**
Automobile	6.4	6.0	5.9	4.9%	5.3%	5.3%	1.8	1.7	1.7	0.8	0.7	0.7
Consumer Durables	25.7	22.5	19.8	1.7%	1.9%	2.1%	14.4	13.1	11.7	4.6	4.1	3.7
Media & Entertainment	16.7	15.2	13.3	2.3%	2.5%	2.9%	11.1	9.6	8.9	1.9	1.6	2.1
Retailing	14.9	12.8	12.0	2.5%	2.7%	3.0%	10.1	9.2	8.0	2.9	2.7	2.2
Hotels,Restaurants&Leisure	23.8	19.6	16.7	2.1%	2.4%	2.8%	12.4	10.6	9.7	4.2	3.8	3.5
Staples	**17.1**	**15.7**	**14.6**	**3.1%**	**3.3%**	**3.6%**	**10.8**	**10.1**	**9.3**	**2.9**	**2.7**	**2.6**
Food & Drug Retailing	11.9	10.7	9.9	4.1%	4.5%	4.8%	6.0	5.6	5.4	1.5	1.5	1.4
Food Beverage & Tobacco	16.7	15.3	14.2	3.5%	3.7%	4.0%	10.6	9.9	9.1	2.6	2.5	2.3
Household Products	20.2	18.7	17.4	2.4%	2.5%	2.7%	14.0	13.0	12.6	4.3	4.1	4.1
Healthcare	**18.1**	**15.9**	**14.3**	**2.3%**	**2.5%**	**2.8%**	**12.6**	**11.1**	**10.2**	**3.5**	**3.2**	**3.0**
Financials	**9.0**	**8.4**	**7.7**	**5.6%**	**5.7%**	**6.2%**	**-**	**-**	**-**	**1.1**	**1.0**	**0.9**
Banks	6.8	6.5	6.2	7.5%	7.5%	8.0%	-	-	-	0.8	0.7	0.7
Diversified Financials	15.1	12.3	10.0	2.4%	2.6%	2.9%	-	-	-	1.4	1.5	1.4
Insurance	10.9	10.1	9.5	5.4%	5.8%	6.2%	-	-	-	1.7	1.6	1.5
Real Estate	**13.9**	**13.3**	**12.5**	**4.2%**	**4.5%**	**4.8%**	**-**	**-**	**-**	**0.8**	**0.8**	**0.8**
IT	**30.3**	**23.6**	**20.4**	**1.1%**	**1.3%**	**1.4%**	**18.9**	**15.0**	**12.9**	**5.1**	**4.6**	**4.1**
Software and Services	31.1	25.8	22.7	1.2%	1.4%	1.5%	20.0	16.3	14.3	4.6	4.3	3.8
Technology Hardware	15.8	14.6	13.4	2.6%	2.6%	2.9%	9.2	8.3	7.1	1.9	1.8	1.7
Semicon & Semicon Equip	35.4	25.0	21.0	0.8%	1.0%	1.1%	22.5	16.5	14.0	8.4	7.1	6.0
Communication Services	**13.9**	**12.6**	**11.6**	**4.3%**	**4.5%**	**4.8%**	**6.5**	**6.1**	**5.7**	**1.4**	**1.3**	**1.3**
Utilities	**11.9**	**11.8**	**11.6**	**5.4%**	**5.6%**	**5.6%**	**7.8**	**8.0**	**8.2**	**1.5**	**1.4**	**1.4**

Source: IBES, MSCI, Datastream. As at COB 14th Mar, 2024.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Table 21: IBES Consensus P/E and 12-Month Forward Dividend Yields — Country Forecasts

		P/E				Dividend Yield
Country	Index	12mth Fwd	2024E	2025E	2026E	12mth Fwd
Austria	ATX	7.4	7.5	7.1	6.8	6.2%
Belgium	BEL 20	15.2	15.6	14.0	12.1	3.1%
Denmark	Denmark KFX	28.7	30.3	25.0	21.4	1.6%
Finland	MSCI Finland	14.2	14.6	13.1	12.0	4.6%
France	CAC 40	13.4	13.7	12.6	11.6	3.2%
Germany	DAX	12.2	12.6	11.3	10.4	3.4%
Greece	MSCI Greece	29.4	29.8	28.5	20.3	1.7%
Ireland	MSCI Ireland	10.9	11.0	10.7	10.0	3.6%
Italy	MSCI Italy	9.0	9.1	8.8	8.6	5.5%
Netherlands	AEX	15.0	15.4	13.6	12.4	2.5%
Norway	MSCI Norway	10.4	10.6	9.9	9.6	6.7%
Portugal	MSCI Portugal	13.5	13.7	12.9	11.9	4.2%
Spain	IBEX 35	10.7	10.9	10.4	9.9	4.9%
Sweden	OMX	15.6	15.9	14.7	13.8	3.7%
Switzerland	SMI	17.3	17.9	15.7	14.3	3.3%
United Kingdom	FTSE 100	11.0	11.2	10.4	9.5	4.2%
EMU	MSCI EMU	13.3	13.6	12.4	11.4	3.4%
Europe ex UK	MSCI Europe ex UK	14.8	15.2	13.7	12.6	3.2%
Europe	**MSCI Europe**	**13.8**	14.1	12.8	11.8	**3.4%**
United States	S&P 500	20.7	21.6	19.0	17.0	1.5%
Japan	Topix	14.8	16.1	14.8	13.6	2.2%
Emerging Market	MSCI EM	11.9	12.3	10.9	9.6	3.0%
Global	MSCI AC World	17.4	18.0	16.2	14.6	2.1%

Source: IBES, MSCI, Datastream. As at COB 14th Mar, 2024; ** Japan refers to the period from March in the year stated to March in the following year – P/E post goodwill.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Economic, Interest Rate and Exchange Rate Outlook

Table 22: Economic Outlook in Summary

	Real GDP % oya			Real GDP % over previous period, saar						Consumer prices % oya			
	2023E	2024E	2025E	3Q23	4Q23	1Q24E	2Q24E	3Q24E	4Q24E	3Q23	1Q24E	3Q24E	1Q25E
United States	2.5	2.3	1.6	4.9	3.2	2.3	1.5	0.7	0.7	3.6	3.1	2.9	2.5
Eurozone	0.5	0.4	1.0	-0.2	-0.2	0.5	0.7	0.7	0.7	5.0	2.6	2.2	1.9
United Kingdom	0.1	0.0	0.1	-0.5	-1.4	1.0	0.8	0.0	-0.5	6.7	3.6	1.7	2.3
Japan	1.9	0.5	0.8	-3.3	-0.4	1.0	1.7	1.0	0.8	3.1	2.8	3.6	2.8
Emerging markets	4.2	3.9	3.6	5.8	3.9	4.2	3.6	3.7	3.6	3.8	3.8	3.5	3.5
Global	2.7	2.4	2.3	3.6	2.5	2.6	2.2	2.0	2.0	4.0	3.3	3.0	2.8

Source: J.P. Morgan economic research J.P. Morgan estimates, as of COB 15th Mar, 2024

Table 23: Official Rates Outlook

					Forecast for			
	Official interest rate	Current	Last change (bp)	Forecast next change (bp)	Mar 24	Jun 24	Sep 24	Dec 24
United States	Federal funds rate	5.50	26 Jul 23 (+25bp)	Jun 24 (-25bp)	5.50	5.25	5.00	4.75
Eurozone	Depo rate	4.00	14 Sep 23 (+25bp)	Jun 24 (-25bp)	4.00	3.75	3.50	3.00
United Kingdom	Bank Rate	5.25	03 Aug 23 (+25bp)	Aug 24 (-25bp)	5.25	5.25	5.00	4.50
Japan	Pol rate IOER	-0.10	Jan 16 (-20bp)	3Q24 (+10bp)	-0.10	-0.10	0.00	0.25

Source: J.P. Morgan estimates, Datastream, as of COB 15th Mar, 2024

Table 24: 10-Year Government Bond Yield Forecasts

10 Yr Govt BY		Forecast for end of			
	18-Mar-24	Jun 24	Sep 24	Dec 24	Mar 25
US	4.31	4.15	4.05	4.00	3.90
Euro Area	2.44	2.20	2.05	1.90	1.80
United Kingdom	4.10	4.05	3.95	3.80	3.65
Japan	0.79	0.75	0.85	1.05	1.05

Source: J.P. Morgan estimates, Datastream, forecasts as of COB 15th Mar, 2024

Table 25: Exchange Rate Forecasts vs. US Dollar

Exchange rates vs US$		Forecast for end of			
	15-Mar-24	Jun 24	Sep 24	Dec 24	Mar 25
EUR	1.09	1.05	1.05	1.09	1.12
GBP	1.27	1.22	1.22	1.25	1.29
CHF	0.88	0.92	0.91	0.89	0.87
JPY	149	148	146	144	142
DXY	103.4	106.3	106.0	102.8	100.2

Source: J.P. Morgan estimates, Datastream, forecasts as of COB 15th Mar, 2024

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Mislav Matejka, CFA AC
(44-20) 7134-9741
mislav.matejka@jpmorgan.com

J.P.Morgan

Sector, Regional and Asset Class Allocations

Table 26: J.P. Morgan Equity Strategy — European Sector Allocation

		MSCI Europe Weights	Allocation	Deviation	Recommendation
Energy		**6.1%**	8.0%	1.9%	**OW**
Materials		**7.1%**	6.0%	-1.1%	**N**
	Chemicals				UW
	Construction Materials				N
	Metals & Mining				N
Industrials		**15.3%**	14.0%	-1.3%	**N**
	Capital Goods ex Aerospace & Defence				UW
	Aerospace & Defence				OW
	Transport				N
	Business Services				N
Consumer Discretionary		**9.4%**	7.0%	-2.4%	**UW**
	Automobile				UW
	Consumer Durables				N
	Consumer Srvcs				UW
	Speciality Retail				UW
	Internet Retail				UW
Consumer Staples		**11.9%**	13.0%	1.1%	**OW**
	Food & Drug Retailing				UW
	Beverages				OW
	Food & Tobacco				OW
	Household Products				OW
Healthcare		**15.5%**	18.0%	2.5%	**OW**
Financials		**17.9%**	14.0%	-3.9%	**UW**
	Banks				UW
	Insurance				N
Real Estate		**0.8%**	2.0%	1.2%	**OW**
Information Technology		**7.2%**	7.0%	-0.2%	**N**
	Software and Services				N
	Technology Hardware				N
	Semicon & Semicon Equip				UW
Communication Services		**4.5%**	5.0%	0.5%	**OW**
	Telecommunication Services				OW
	Media				N
Utilities		**4.3%**	6.0%	1.7%	**OW**
		100.0%	**100.0%**	**0.0%**	**Balanced**

Source: MSCI, Datastream, J.P. Morgan.

Table 27: J.P. Morgan Equity Strategy — Global Regional Allocation

	MSCI Weight	Allocation	Deviation	Recommendation
EM	10.0%	10.0%	0.0%	Neutral
DM	90.0%	90.0%	0.0%	Neutral
US	70.9%	68.0%	-2.9%	Neutral
Japan	6.2%	8.0%	1.8%	Overweight
Eurozone	8.6%	8.0%	-0.6%	Neutral
UK	3.8%	6.0%	2.2%	Overweight
Others*	10.5%	10.0%	-0.5%	Neutral
	100.0%	**100.0%**	**0.0%**	**Balanced**

Source: MSCI, J.P. Morgan *Other includes Denmark, Switzerland, Australia, Canada, Hong Kong SAR, Sweden, Singapore, New Zealand, Israel and Norway

Table 28: J.P. Morgan Equity Strategy — European Regional Allocation

	MSCI Weight	Allocation	Deviation	Recommendation
Eurozone	51.0%	48.0%	-3.0%	Neutral
United Kingdom	22.6%	25.0%	2.4%	Overweight
Others**	26.5%	27.0%	0.5%	Overweight
	100.0%	**100.0%**		**Balanced**

Source: MSCI, J.P. Morgan **Other includes Denmark, Switzerland, Sweden and Norway

Table 29: J.P. Morgan Equity Strategy — Asset Class Allocation

	Benchmark weighting	Allocation	Deviation	Recommendation
Equities	60%	55%	-5%	Underweight
Bonds	30%	35%	5%	Overweight
Cash	10%	10%	0%	Neutral
	100%	**100%**	0%	**Balanced**

Source: MSCI, J.P. Morgan

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Click here for our weekly podcast

Anamil Kochar (anamil.kochar@jpmchase.com) of J.P. Morgan India Private Limited is a co-author of this report.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Companies Discussed in This Report (all prices in this report as of market close on 15 March 2024, unless otherwise indicated) BNP Paribas(BNPP.PA/€61.21/N), Bank Of Ireland Group PLC(BIRG.I/€8.91/UW), Credit Agricole(CAGR.PA/€13.02/UW), Handelsbanken(SHBa.ST/Skr120.30/UW), Lloyds Banking Group(LLOY.L/50p/UW), Nordea Bank Abp(NDASE.ST/Skr125.38/UW)

Analyst Certification: The Research Analyst(s) denoted by an "AC" on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an "AC" on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst's personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report. For all Korea-based Research Analysts listed on the front cover, if applicable, they also certify, as per KOFIA requirements, that the Research Analyst's analysis was made in good faith and that the views reflect the Research Analyst's own opinion, without undue influence or intervention.

All authors named within this report are Research Analysts who produce independent research unless otherwise specified. In Europe, Sector Specialists (Sales and Trading) may be shown on this report as contacts but are not authors of the report or part of the Research Department.

Important Disclosures

Company-Specific Disclosures: Important disclosures, including price charts and credit opinion history tables, are available for compendium reports and all J.P. Morgan–covered companies, and certain non-covered companies, by visiting https://www.jpmm.com/research/disclosures, calling 1-800-477-0406, or e-mailing research.disclosure.inquiries@jpmorgan.com with your request.

Explanation of Equity Research Ratings, Designations and Analyst(s) Coverage Universe:
J.P. Morgan uses the following rating system: Overweight (over the duration of the price target indicated in this report, we expect this stock will outperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); Neutral (over the duration of the price target indicated in this report, we expect this stock will perform in line with the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); and Underweight (over the duration of the price target indicated in this report, we expect this stock will underperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe. NR is Not Rated. In this case, J.P. Morgan has removed the rating and, if applicable, the price target, for this stock because of either a lack of a sufficient fundamental basis or for legal, regulatory or policy reasons. The previous rating and, if applicable, the price target, no longer should be relied upon. An NR designation is not a recommendation or a rating. In our Asia (ex-Australia and ex-India) and U.K. small- and mid-cap Equity Research, each stock's expected total return is compared to the expected total return of a benchmark country market index, not to those Research Analysts' coverage universe. If it does not appear in the Important Disclosures section of this report, the certifying Research Analyst's coverage universe can be found on J.P. Morgan's Research website, https://www.jpmorganmarkets.com.

J.P. Morgan Equity Research Ratings Distribution, as of January 01, 2024

	Overweight (buy)	Neutral (hold)	Underweight (sell)
J.P. Morgan Global Equity Research Coverage*	47%	39%	13%
IB clients**	48%	43%	32%
JPMS Equity Research Coverage*	46%	42%	12%
IB clients**	68%	63%	46%

***Please note that the percentages may not add to 100% because of rounding.**
****Percentage of subject companies within each of the "buy," "hold" and "sell" categories for which J.P. Morgan has provided investment banking services within the previous 12 months.**
For purposes of FINRA ratings distribution rules only, our Overweight rating falls into a buy rating category; our Neutral rating falls into a hold rating category; and our Underweight rating falls into a sell rating category. Please note that stocks with an NR designation are not included in the table above. This information is current as of the end of the most recent calendar quarter.

Equity Valuation and Risks: For valuation methodology and risks associated with covered companies or price targets for covered companies, please see the most recent company-specific research report at http://www.jpmorganmarkets.com, contact the primary analyst or your J.P. Morgan representative, or email research.disclosure.inquiries@jpmorgan.com. For material information about the proprietary models used, please see the Summary of Financials in company-specific research reports and the Company Tearsheets, which are available to download on the company pages of our client website, http://www.jpmorganmarkets.com. This report also sets out within it the material underlying assumptions used.

A history of J.P. Morgan investment recommendations disseminated during the preceding 12 months can be accessed on the Research & Commentary page of http://www.jpmorganmarkets.com where you can also search by analyst name, sector or financial instrument.

Analysts' Compensation: The research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues.

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

Registration of non-US Analysts: Unless otherwise noted, the non-US analysts listed on the front of this report are employees of non-US affiliates of J.P. Morgan Securities LLC, may not be registered as research analysts under FINRA rules, may not be associated persons of J.P. Morgan Securities LLC, and may not be subject to FINRA Rule 2241 or 2242 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Other Disclosures

J.P. Morgan is a marketing name for investment banking businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide.

UK MIFID FICC research unbundling exemption: UK clients should refer to UK MIFID Research Unbundling exemption for details of J.P. Morgan's implementation of the FICC research exemption and guidance on relevant FICC research categorisation.

All research material made available to clients are simultaneously available on our client website, J.P. Morgan Markets, unless specifically permitted by relevant laws. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research material available on a particular stock, please contact your sales representative.

Any long form nomenclature for references to China; Hong Kong; Taiwan; and Macau within this research material are Mainland China; Hong Kong SAR (China); Taiwan (China); and Macau SAR (China).

J.P. Morgan Research may, from time to time, write on issuers or securities targeted by economic or financial sanctions imposed or administered by the governmental authorities of the U.S., EU, UK or other relevant jurisdictions (Sanctioned Securities). Nothing in this report is intended to be read or construed as encouraging, facilitating, promoting or otherwise approving investment or dealing in such Sanctioned Securities. Clients should be aware of their own legal and compliance obligations when making investment decisions.

Any digital or crypto assets discussed in this research report are subject to a rapidly changing regulatory landscape. For relevant regulatory advisories on crypto assets, including bitcoin and ether, please see https://www.jpmorgan.com/disclosures/cryptoasset-disclosure .

The author(s) of this research report may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so.

Exchange-Traded Funds (ETFs): J.P. Morgan Securities LLC ("JPMS") acts as authorized participant for substantially all U.S.-listed ETFs. To the extent that any ETFs are mentioned in this report, JPMS may earn commissions and transaction-based compensation in connection with the distribution of those ETF shares and may earn fees for performing other trade-related services, such as securities lending to short sellers of the ETF shares. JPMS may also perform services for the ETFs themselves, including acting as a broker or dealer to the ETFs. In addition, affiliates of JPMS may perform services for the ETFs, including trust, custodial, administration, lending, index calculation and/or maintenance and other services.

Options and Futures related research: If the information contained herein regards options- or futures-related research, such information is available only to persons who have received the proper options or futures risk disclosure documents. Please contact your J.P. Morgan Representative or visit https://www.theocc.com/components/docs/riskstoc.pdf for a copy of the Option Clearing Corporation's Characteristics and Risks of Standardized Options or http://www.finra.org/sites/default/files/Security_Futures_Risk_Disclosure_Statement_2018.pdf for a copy of the Security Futures Risk Disclosure Statement.

Changes to Interbank Offered Rates (IBORs) and other benchmark rates: Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult: https://www.jpmorgan.com/global/disclosures/interbank_offered_rates

Private Bank Clients: Where you are receiving research as a client of the private banking businesses offered by JPMorgan Chase & Co. and its subsidiaries ("J.P. Morgan Private Bank"), research is provided to you by J.P. Morgan Private Bank and not by any other division of J.P. Morgan, including, but not limited to, the J.P. Morgan Corporate and Investment Bank and its Global Research division.

Legal entity responsible for the production and distribution of research: The legal entity identified below the name of the Reg AC Research Analyst who authored this material is the legal entity responsible for the production of this research. Where multiple Reg AC Research Analysts authored this material with different legal entities identified below their names, these legal entities are jointly responsible for the production of this research. Research Analysts from various J.P. Morgan affiliates may have contributed to the production of this material but may not be licensed to carry out regulated activities in your jurisdiction (and do not hold themselves out as being able to do so). Unless otherwise stated below, this material has been distributed by the legal entity responsible for production. If you have any queries, please contact the relevant Research Analyst in your jurisdiction or the entity in your jurisdiction that has distributed this research material.

Legal Entities Disclosures and Country-/Region-Specific Disclosures:
Argentina: JPMorgan Chase Bank N.A Sucursal Buenos Aires is regulated by Banco Central de la República Argentina ("BCRA"- Central Bank of Argentina) and Comisión Nacional de Valores ("CNV"- Argentinian Securities Commission - ALYC y AN Integral N°51). **Australia:** J.P. Morgan Securities Australia Limited ("JPMSAL") (ABN 61 003 245 234/AFS Licence No: 238066) is regulated by the Australian Securities and Investments Commission and is a Market Participant of ASX Limited, a Clearing and Settlement Participant of ASX Clear Pty Limited and a Clearing Participant of ASX Clear (Futures) Pty Limited. This material is issued and distributed in Australia by or on behalf of

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

JPMSAL only to "wholesale clients" (as defined in section 761G of the Corporations Act 2001). A list of all financial products covered can be found by visiting https://www.jpmm.com/research/disclosures. J.P. Morgan seeks to cover companies of relevance to the domestic and international investor base across all Global Industry Classification Standard (GICS) sectors, as well as across a range of market capitalisation sizes. If applicable, in the course of conducting public side due diligence on the subject company(ies), the Research Analyst team may at times perform such diligence through corporate engagements such as site visits, discussions with company representatives, management presentations, etc. Research issued by JPMSAL has been prepared in accordance with J.P. Morgan Australia's Research Independence Policy which can be found at the following link: J.P. Morgan Australia - Research Independence Policy. **Brazil**: Banco J.P. Morgan S.A. is regulated by the Comissao de Valores Mobiliarios (CVM) and by the Central Bank of Brazil. Ombudsman J.P. Morgan: 0800-7700847 / 0800-7700810 (For Hearing Impaired) / ouvidoria.jp.morgan@jpmorgan.com. **Canada**: J.P. Morgan Securities Canada Inc. is a registered investment dealer, regulated by the Canadian Investment Regulatory Organization and the Ontario Securities Commission and is the participating member on Canadian exchanges. This material is distributed in Canada by or on behalf of J.P.Morgan Securities Canada Inc. **Chile:** Inversiones J.P. Morgan Limitada is an unregulated entity incorporated in Chile. **China:** J.P. Morgan Securities (China) Company Limited has been approved by CSRC to conduct the securities investment consultancy business. **Dubai International Financial Centre (DIFC)**: JPMorgan Chase Bank, N.A., Dubai Branch is regulated by the Dubai Financial Services Authority (DFSA) and its registered address is Dubai International Financial Centre - The Gate, West Wing, Level 3 and 9 PO Box 506551, Dubai, UAE. This material has been distributed by JP Morgan Chase Bank, N.A., Dubai Branch to persons regarded as professional clients or market counterparties as defined under the DFSA rules. **European Economic Area (EEA):** Unless specified to the contrary, research is distributed in the EEA by J.P. Morgan SE ("JPM SE"), which is authorised as a credit institution by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). JPM SE is a company headquartered in Frankfurt with registered address at TaunusTurm, Taunustor 1, Frankfurt am Main, 60310, Germany. The material has been distributed in the EEA to persons regarded as professional investors (or equivalent) pursuant to Art. 4 para. 1 no. 10 and Annex II of MiFID II and its respective implementation in their home jurisdictions ("EEA professional investors"). This material must not be acted on or relied on by persons who are not EEA professional investors. Any investment or investment activity to which this material relates is only available to EEA relevant persons and will be engaged in only with EEA relevant persons. **Hong Kong**: J.P. Morgan Securities (Asia Pacific) Limited (CE number AAJ321) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong, and J.P. Morgan Broking (Hong Kong) Limited (CE number AAB027) is regulated by the Securities and Futures Commission in Hong Kong. JP Morgan Chase Bank, N.A., Hong Kong Branch (CE Number AAL996) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission, is organized under the laws of the United States with limited liability. Where the distribution of this material is a regulated activity in Hong Kong, the material is distributed in Hong Kong by or through J.P. Morgan Securities (Asia Pacific) Limited and/or J.P. Morgan Broking (Hong Kong) Limited. **India**: J.P. Morgan India Private Limited (Corporate Identity Number - U67120MH1992FTC068724), having its registered office at J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai – 400098, is registered with the Securities and Exchange Board of India (SEBI) as a 'Research Analyst' having registration number INH000001873. J.P. Morgan India Private Limited is also registered with SEBI as a member of the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited (SEBI Registration Number – INZ000239730) and as a Merchant Banker (SEBI Registration Number - MB/INM000002970). Telephone: 91-22-6157 3000, Facsimile: 91-22-6157 3990 and Website: http://www.jpmipl.com. JPMorgan Chase Bank, N.A. - Mumbai Branch is licensed by the Reserve Bank of India (RBI) (Licence No. 53/ Licence No. BY.4/94; SEBI - IN/CUS/014/ CDSL : IN-DP-CDSL-444-2008/ IN-DP-NSDL-285-2008/ INBI00000984/ INE231311239) as a Scheduled Commercial Bank in India, which is its primary license allowing it to carry on Banking business in India and other activities, which a Bank branch in India are permitted to undertake. For non-local research material, this material is not distributed in India by J.P. Morgan India Private Limited. Compliance Officer: Spurthi Gadamsetty; spurthi.gadamsetty@jpmchase.com; +912261573225. Grievance Officer: Ramprasadh K, jpmipl.research.feedback@jpmorgan.com; +912261573000.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Indonesia: PT J.P. Morgan Sekuritas Indonesia is a member of the Indonesia Stock Exchange and is registered and supervised by the Otoritas Jasa Keuangan (OJK). **Korea**: J.P. Morgan Securities (Far East) Limited, Seoul Branch, is a member of the Korea Exchange (KRX). JPMorgan Chase Bank, N.A., Seoul Branch, is licensed as a branch office of foreign bank (JPMorgan Chase Bank, N.A.) in Korea. Both entities are regulated by the Financial Services Commission (FSC) and the Financial Supervisory Service (FSS). For non-macro research material, the material is distributed in Korea by or through J.P. Morgan Securities (Far East) Limited, Seoul Branch. **Japan**: JPMorgan Securities Japan Co., Ltd. and JPMorgan Chase Bank, N.A., Tokyo Branch are regulated by the Financial Services Agency in Japan. **Malaysia**: This material is issued and distributed in Malaysia by JPMorgan Securities (Malaysia) Sdn Bhd (18146-X), which is a Participating Organization of Bursa Malaysia Berhad and holds a Capital Markets Services License issued by the Securities Commission in Malaysia. **Mexico**: J.P. Morgan Casa de Bolsa, S.A. de C.V. and J.P. Morgan Grupo Financiero are members of the Mexican Stock Exchange and are authorized to act as a broker dealer by the National Banking and Securities Exchange Commission. **New Zealand**: This material is issued and distributed by JPMSAL in New Zealand only to "wholesale clients" (as defined in the Financial Markets Conduct Act 2013). JPMSAL is registered as a Financial Service Provider under the Financial Service providers (Registration and Dispute Resolution) Act of 2008. **Philippines**: J.P. Morgan Securities Philippines Inc. is a Trading Participant of the Philippine Stock Exchange and a member of the Securities Clearing Corporation of the Philippines and the Securities Investor Protection Fund. It is regulated by the Securities and Exchange Commission. **Singapore**: This material is issued and distributed in Singapore by or through J.P. Morgan Securities Singapore Private Limited (JPMSS) [MCI (P) 030/08/2023 and Co. Reg. No.: 199405335R], which is a member of the Singapore Exchange Securities Trading Limited, and/or JPMorgan Chase Bank, N.A., Singapore branch (JPMCB Singapore), both of which are regulated by the Monetary Authority of Singapore. This material is issued and distributed in Singapore only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 (SFA).

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

This material is not intended to be issued or distributed to any retail investors or any other investors that do not fall into the classes of "accredited investors," "expert investors" or "institutional investors," as defined under Section 4A of the SFA. Recipients of this material in Singapore are to contact JPMSS or JPMCB Singapore in respect of any matters arising from, or in connection with, the material. **South Africa**: J.P. Morgan Equities South Africa Proprietary Limited and JPMorgan Chase Bank, N.A., Johannesburg Branch are members of the Johannesburg Securities Exchange and are regulated by the Financial Services Conduct Authority (FSCA). **Taiwan**: J.P. Morgan Securities (Taiwan) Limited is a participant of the Taiwan Stock Exchange (company-type) and regulated by the Taiwan Securities and Futures Bureau. Material relating to equity securities is issued and distributed in Taiwan by J.P. Morgan Securities (Taiwan) Limited, subject to the license scope and the applicable laws and the regulations in Taiwan. According to Paragraph 2, Article 7-1 of Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers (as amended or supplemented) and/or other applicable laws or regulations, please note that the recipient of this material is not permitted to engage in any activities in connection with the material that may give rise to conflicts of interests, unless otherwise disclosed in the "Important Disclosures" in this material. **Thailand**: This material is issued and distributed in Thailand by JPMorgan Securities (Thailand) Ltd., which is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission, and its registered address is 3rd Floor, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500. **UK:** Unless specified to the contrary, research is distributed in the UK by J.P. Morgan Securities plc ("JPMS plc") which is a member of the London Stock Exchange and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. JPMS plc is registered in England & Wales No. 2711006, Registered Office 25 Bank Street, London, E14 5JP. This material is directed in the UK only to: (a) persons having professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (Order) 2005 ("the FPO"); (b) persons outlined in article 49 of the FPO (high net worth companies, unincorporated associations or partnerships, the trustees of high value trusts, etc.); or (c) any persons to whom this communication may otherwise lawfully be made; all such persons being referred to as "UK relevant persons". This material must not be acted on or relied on by persons who are not UK relevant persons. Any investment or investment activity to which this material relates is only available to UK relevant persons and will be engaged in only with UK relevant persons. Research issued by JPMS plc has been prepared in accordance with JPMS plc's policy for prevention and avoidance of conflicts of interest related to the production of Research which can be found at the following link: J.P. Morgan EMEA - Research Independence Policy. **U.S**.: J.P. Morgan Securities LLC ("JPMS") is a member of the NYSE, FINRA, SIPC, and the NFA. JPMorgan Chase Bank, N.A. is a member of the FDIC. Material published by non-U.S. affiliates is distributed in the U.S. by JPMS who accepts responsibility for its content.

General: Additional information is available upon request. The information in this material has been obtained from sources believed to be reliable. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, JPMorgan Chase & Co. or its affiliates and/or subsidiaries (collectively J.P. Morgan) make no representations or warranties whatsoever to the completeness or accuracy of the material provided, except with respect to any disclosures relative to J.P. Morgan and the Research Analyst's involvement with the issuer that is the subject of the material. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. There may be certain discrepancies with data and/or limited content in this material as a result of calculations, adjustments, translations to different languages, and/or local regulatory restrictions, as applicable. These discrepancies should not impact the overall investment analysis, views and/or recommendations of the subject company(ies) that may be discussed in the material. J.P. Morgan accepts no liability whatsoever for any loss arising from any use of this material or its contents, and neither J.P. Morgan nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof, apart from the liabilities and responsibilities that may be imposed on them by the relevant regulatory authority in the jurisdiction in question, or the regulatory regime thereunder. Opinions, forecasts or projections contained in this material represent J.P. Morgan's current opinions or judgment as of the date of the material only and are therefore subject to change without notice. Periodic updates may be provided on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections, which represent only one possible outcome. Furthermore, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified, and future actual results or events could differ materially. The value of, or income from, any investments referred to in this material may fluctuate and/or be affected by changes in exchange rates. All pricing is indicative as of the close of market for the securities discussed, unless otherwise stated. Past performance is not indicative of future results. Accordingly, investors may receive back less than originally invested. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. This material may include views on structured securities, options, futures and other derivatives. These are complex instruments, may involve a high degree of risk and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. The recipients of this material must make their own independent decisions regarding any securities or financial instruments mentioned herein and should seek advice from such independent financial, legal, tax or other adviser as they deem necessary. J.P. Morgan may trade as a principal on the basis of the Research Analysts' views and research, and it may also engage in transactions for its own account or for its clients' accounts in a manner inconsistent with the views taken in this material, and J.P. Morgan is under no obligation to ensure that such other communication is brought to the attention of any recipient of this material. Others within J.P. Morgan, including Strategists, Sales staff and other Research Analysts, may take views that are inconsistent with those taken in this material. Employees of J.P. Morgan not involved in the preparation of this material may have investments in the securities (or derivatives of such securities) mentioned in this material and may trade them in ways different from those discussed in this material. This material is not an advertisement for or marketing of any issuer, its products or services, or its securities in any jurisdiction.

Confidentiality and Security Notice: This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying,

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.

distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. This message is subject to electronic monitoring: https://www.jpmorgan.com/disclosures/email

MSCI: Certain information herein ("Information") is reproduced by permission of MSCI Inc., its affiliates and information providers ("MSCI") ©2024. No reproduction or dissemination of the Information is permitted without an appropriate license. MSCI MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING MERCHANTABILITY OR FITNESS) AS TO THE INFORMATION AND DISCLAIMS ALL LIABILITY TO THE EXTENT PERMITTED BY LAW. No Information constitutes investment advice, except for any applicable Information from MSCI ESG Research. Subject also to msci.com/disclaimer

©2024 Sustainalytics. All Rights Reserved. The information, data, analyses and opinions contained herein: (1) includes the proprietary information of Sustainalytics; (2) may not be copied or redistributed except as specifically authorized; (3) do not constitute investment advice nor an endorsement of any product or project; (4) are provided solely for informational purposes; and (5) are not warranted to be complete, accurate or timely. Sustainalytics is not responsible for any trading decisions, damages or other losses related to it or its use. The use of the data is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.

"Other Disclosures" last revised March 09, 2024.

Copyright 2024 JPMorgan Chase & Co. All rights reserved. This material or any portion hereof may not be reprinted, sold or redistributed without the written consent of J.P. Morgan. It is strictly prohibited to use or share without prior written consent from J.P. Morgan any research material received from J.P. Morgan or an authorized third-party ("J.P. Morgan Data") in any third-party artificial intelligence ("AI") systems or models when such J.P. Morgan Data is accessible by a third-party. It is permissible to use J.P. Morgan Data for internal business purposes only in an AI system or model that protects the confidentiality of J.P. Morgan Data so as to prevent any and all access to or use of such J.P. Morgan Data by any third-party.

Completed 17 Mar 2024 10:21 PM GMT

Disseminated 18 Mar 2024 03:00 AM GMT

This document is being provided for the exclusive use of spencer.wall@jpmorgan.com & clients of J.P. Morgan.