

A Snapshot Of European Equities

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

Index	2016 Earnings Growth Rate Est.	2016 P/E Est.	2017 Earnings Growth Rate Est.	2017 P/E Est.
FTSE 100 (UK)	77.13%	15.41	16.56%	13.22
CAC 40 (France)	42.54%	13.90	10.93%	12.53
DAX (Germany)	80.41%	12.07	10.21%	10.95
Swiss Market (Switzerland)	11.18%	15.86	9.58%	14.48
IBEX 35 (Spain)	35.61%	13.02	14.87%	11.33
OMX Stockholm 30 (Sweden)	16.98%	14.00	6.72%	13.12
AEX (Netherlands)	50.68%	15.80	18.91%	13.29
BEL 20 (Belgium)	48.69%	14.39	7.27%	13.42
OMX Helsinki (Finland)	22.03%	17.03	9.80%	15.51

Source: Bloomberg. As of 2/1/16.

View from the Observation Deck

1. Today's blog post is an update of one we did on 11/5/15 ([click here to view](#)). Investors committed a lot of capital to European equities last year.
2. In 2015, investors funneled a net \$36.36 billion into European stock funds and ETFs, according to Morningstar.
3. As we noted on 11/5/15, the European Central Bank (ECB) is looking to stimulate growth to the point where it elevates inflation to its target rate of 2.0%. Eurozone inflation stood at 0.2% in December 2015, according to Bloomberg.
4. In December 2015, the ECB extended its quantitative easing initiative (60 billion euro per month bond-buying program) by six months to March 2017, according to BBC News. It was originally scheduled to run from March 2015 through September 2016.

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