

Santander AM Euro Equity

11 / 2023

Fund commentary

After three consecutive months of decline, global equity markets recorded their best month of the year. This strong rebound is mainly supported by market's conviction that central banks have reached the peak of their policy hardening cycles, given the general decline in inflation. As a result, European indexes recorded positive results with the Stoxx 600 up 6.62%, the EuroStoxx 50 up 8.04% and the MSCI Euro 7.92%. On an annual basis, the indices perform exceptionally well, with the EuroStoxx 50 and Stoxx 600 up 18.43%, and 11.53% YTD, respectively and the MSCI Euro up to 15.07%.

Regarding sectors in Eurozone, Real Estate (15.16%), Technology (14.43%), Retail (13.85%) and Industrial (13.21%) were the best performers. Personal Care, Drug & Grocery Stores (-1.40%) was the only sector with a negative print, Energy (0.58%), Food, Beverages & Tobacco (1.29%) and Health Care (1.78%) were the worst performers.

During the month of November Santander Euro Equity had a positive absolute return but underperformed its benchmark MSCI EMU Net Total Return.

Sector allocation was slightly negative being short Technology and Real Estate, and slightly long Energy. Positive contribution came from being short Healthcare and Food&Beverage and long Utilities.

On the stock selection side, main contributors included being short Basf and Bayer as well as being long Grifols, Acerinox, Cellnex, Airbus, Inditex, Adidas, Vinci and Saint Gobain. Main detractors were short position in Hermes, l'Oreal, Ferrari, Adyen, Siemens and tech names as Prosus, Amadeus or ASMI.

During the month of November we sold Wacker Chemie, decreased weight in LVMH and Mercedes, increased DHL and start to build new positions in Puma and Vonovia.

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