

Santander AM Euro Equity

5 / 2024

Fund commentary

May was an exceptional month for global equity markets, with the MSCI ACWI up 4.06%, and most Western markets at record highs. This rise was mainly driven by very good Q1 earnings, better-than-expected macro data in the US and Europe and the moderation in inflation in the US, which point to an increasingly likely soft-landing scenario. Developed markets outperformed emerging markets (4.47% vs. 0.56%) in May, thanks mainly to the good performance of the U.S. market, driven by the strong momentum of tech giants.

In this environment, all European indexes recorded positive results with the EuroStoxx 50 up 2.12%, the Stoxx 600 up 3.31% and the MSCI Euro up 2,72%. YTD the indexes maintain a solid performance, with the EuroStoxx 50 and Stoxx 600 up 12.38% and 10.14% YTD, respectively and the MSCI Euro up 11.08%.

Regarding sectors in Europe (Stoxx 600), Financial Services (7.49%), Telecoms (5.83%), Insurance (5.57%) were the best performers. While Travel & Leisure (-3.68%), Energy (-0.94%), Autos & Parts (0%) and Consumer Prod & Serv (0.64%) were the worst performers.

During the month of May Santander Euro Equity had a positive absolute return equal to its benchmark MSCI EMU Net Total Return.

Sector allocation was neutral, positive contribution being long insurance and industrial as well as being short healthcare, negative contribution being slightly short Technology.

On the stock selection side, main contributors included being short Hermes, BMW, Ferrari, and Cap Gemini, and long Cellnex, D Telekom, Saint Gobain, Vinci, Schneider, Spie, UMG, Santander, ING, Puig and DSM.

Main detractors were Linde, Accor and Stellantis as well as short position in Amadeus, Prosus, Safran, Siemens Energy, L Oreal and Societe Generale.

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During the month of May, we sold the position in BBVA and replaced it by BNP.

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