

Santander AM Euro Equity

9 / 2024

Fund commentary

September was a positive month for equity markets: the MSCI World rose by 2.3% and closed the month at record highs, up 18.7% this year. This strong performance was mainly due to the long-awaited start of the US rate cut cycle and the strong rebound in the Chinese stock market, following the announcement of monetary and fiscal stimulus to halt the housing market slump and boost confidence.

In this environment, European indices posted mixed results, with the MSCI euro up by 1.02%, the EuroStoxx 50 by 0.91%, while the Stoxx 600 declined 0.34%. Year to date, all indices continue to perform strongly, with the MSCI Euro, the EuroStoxx 50 and Stoxx 600 up 11.65%, 13.08% and 11.72%, respectively.

In terms of sectors in Eurozone: Retail (9%), Real Estate (5.8%), Utilities (3.69%) and Chemicals (3.24%) were the best performers while Autos & Parts (-6.26%), Energy (-2.72%), Technology (-1.61%) and Construction (-0.45%) were the only sectors in negative territory for the period.

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

Sector allocation was neutral, positive contribution being long utilities and real estate as well as short consumer cyclicals. Negative contribution being short chemicals.

Negative performance on the stock selection side, main contributors included being long Schneider, DHL, Deutsche Telekom, Cellnex, Iberdrola, Vonovia, Unicredit and Inditex as well as being short BMW and Ferrari.

Main detractors were Vinci, Puig, and short position in Basf, Bayer, Safran, Siemens, Danone, Pernod, D Boerse and Prosus.

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During the month of September, we sold Eni and bought Prosus.

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