

## UK Weekly Kickstart

## UK Equities: New York Calling

More UK companies are talking about moving their listing to the US ([Ashtead](#) is the latest to propose a move). The valuation gap to the US has become larger ([Exhibit 1](#)). And only a small proportion of this is due to sector distribution; every sector in the UK is on a double-digit P/E discount to its US counterpart sector ([Exhibit 2](#)). This discount is of course a Europe-wide phenomenon, but the gap between the UK and US is especially large.

US companies are far more profitable, but even relative to ROE, the UK market trades at a low multiple vis-a-vis other markets; the UK has roughly twice the ROE of Japan but a similar Price-to-Book ([Exhibit 3](#)).

A lack of allocation to UK equities by long-term domestic capital (pensions/insurance funds) and by households is a large reason for the discount, we think. Only about one-third of the UK equity market is held domestically, compared with over 80% in the mid-1990s.

Assuming we do not see fund flows into UK stocks, there are only so many ways to try to narrow the valuation gap to the US – re-list, take-private (where valuation gaps are lower), be taken over or do more buybacks (if you think your shares are under-valued). We are seeing all of these happen.

Indeed, UK equity supply is shrinking both via a lack of IPOs and a rise in buybacks/take-privates ([Exhibit 4](#)). We expect all four strategies to continue. But, of course, these create their own momentum, shrinking the UK market further and reducing total trading turnover.

As we discuss in our [Portfolio Passport](#), UK-listed companies are very international. Exposure to North America for FTSE 100 is in aggregate 29%, which is higher than UK exposure (22%) or Europe-ex UK (16%) ([Exhibit 5](#)). There are plenty of opportunities for UK stocks to re-list. That all being said, smaller stocks would find themselves tiny within the context of the much larger US market, while bigger stocks that hope to be in the S&P 500 would have no guarantee of inclusion and would likely face a long wait until it happened (the decision is committee-based).

In order to stem this migration and reduction in equity supply, there would need to be more allocation to equity by UK-based capital, in our view. This is something that both the current and previous governments have recognised, but material policy action has been lacking. Household savings flows are almost entirely into cash/deposits ([Exhibit 6](#)).

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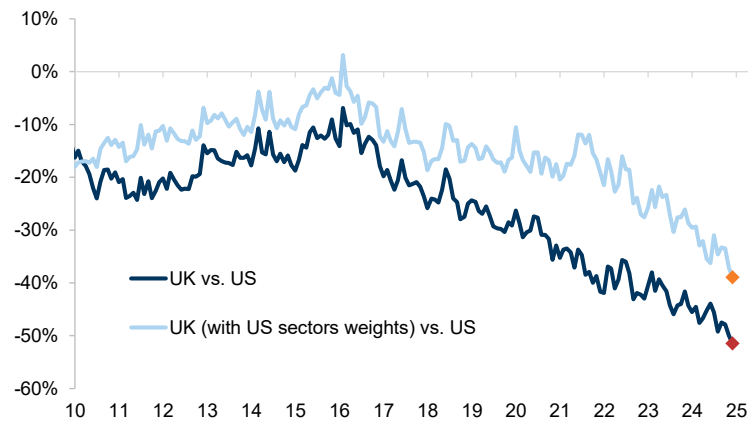
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DB Pension funds have deserted equities (not just UK), and given aging beneficiaries and asset-liability matching rules they are unlikely to return to equity, in our view. Government plans to merge local authority pension funds could be a helpful move, but much depends on their willingness to take risk and allocate to UK equities. The good news is that DC pensions are growing ([Exhibit 7](#)) and the flows into these are larger than in DB – but the allocation is still conservative given the age of these beneficiaries ([Exhibit 8](#)).

It will take substantial commitment to reverse the outflow from UK equities that has been happening since the 1990s. Changing rules for insurance companies, reducing subsidies for allocating to cash/bonds and increasing those for allocating to equity could all be part of any remedy, in our view.

**Exhibit 1: The UK trades at an extreme discount to the US**

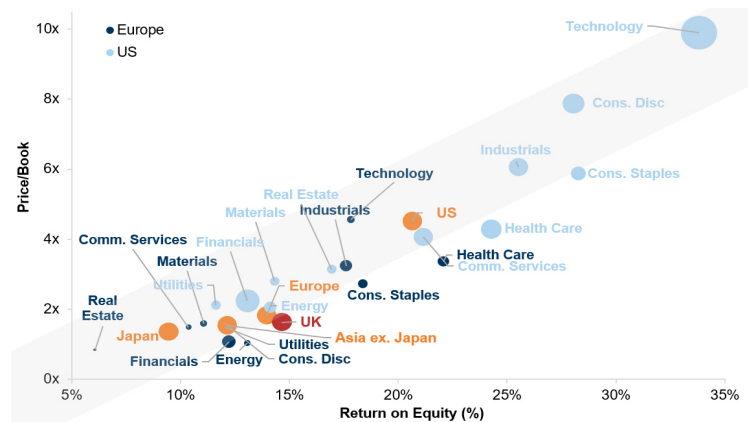
UK relative to US 12m forward P/E



Source: Datastream, Goldman Sachs Global Investment Research

**Exhibit 3: On a comparison of Price-to-book and ROE, the UK comes out as one of the cheapest regions globally**

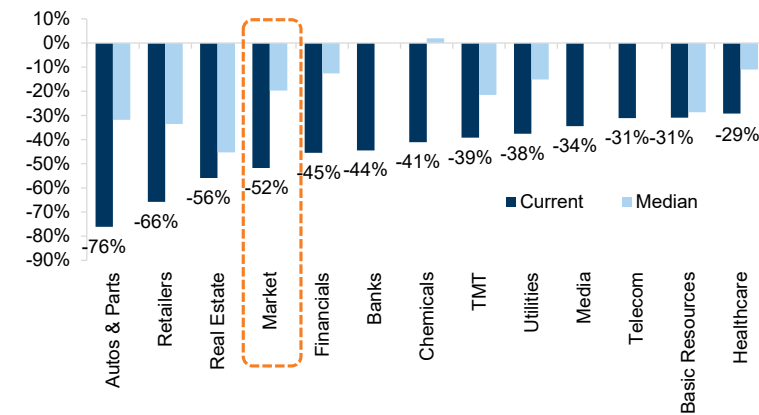
24m fwd Price-to-Book and 12m fwd Return on Equity, MSCI sectors



Source: FactSet, Goldman Sachs Global Investment Research

**Exhibit 2: Every sector in the UK is on a discount, almost all in double-digits**

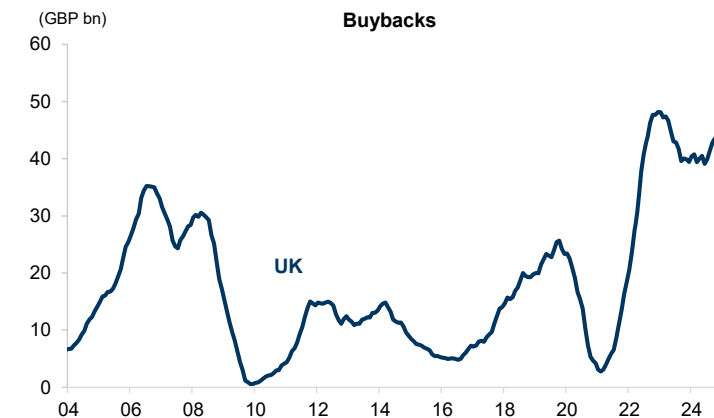
MSCI UK vs. US 12m forward P/E discount and Median P/E discount, last 20 years



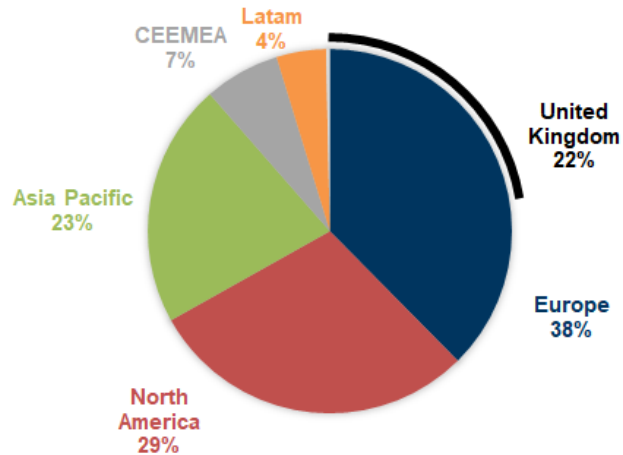
Source: Datastream, Goldman Sachs Global Investment Research

**Exhibit 4: UK companies with access to cash are buying back their own shares to improve valuations**

Rolling annual summation in local currency for UK buybacks



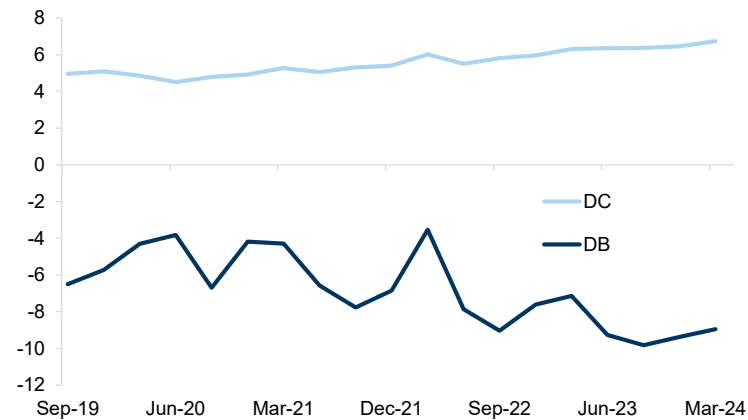
Source: Haver Analytics, Goldman Sachs Global Investment Research

**Exhibit 5: Revenue exposure of the FTSE 100**

Source: FactSet, Goldman Sachs Global Investment Research

**Exhibit 7: DC funds are seeing net inflows of c. £5-6bn per quarter, but DB funds are seeing outflows (as benefits are paid out) of £8-10bn**

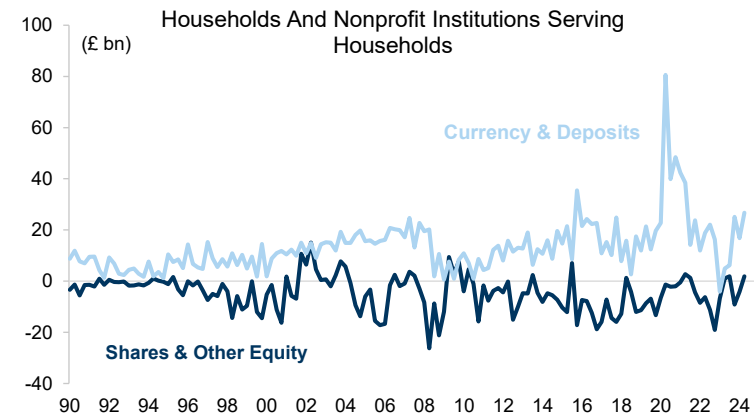
Net contributions to Defined Benefit (DB) and Defined Contribution (DC) pension funds



Source: ONS, Goldman Sachs Global Investment Research

**Exhibit 6: All of the pandemic savings went on deposits in the UK**

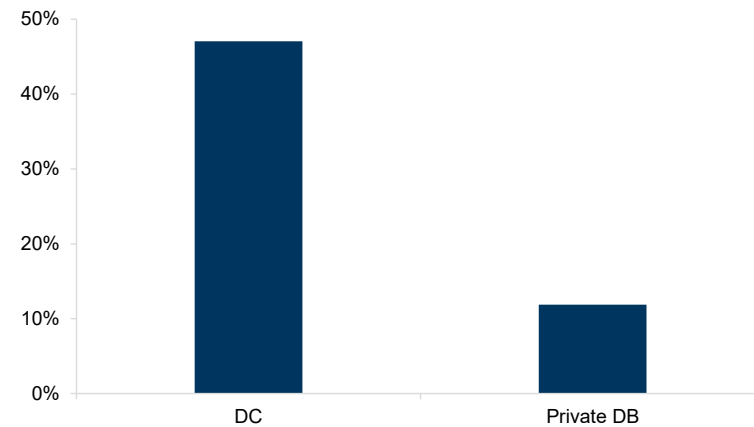
Quarterly flows into financial assets (bn, GBP)



Source: Haver Analytics, Goldman Sachs Global Investment Research

**Exhibit 8: Around a half of DC pension assets are in equity compared with c. 10% for Private DB funds**

The share of equity investments in proportion to total assets (%)

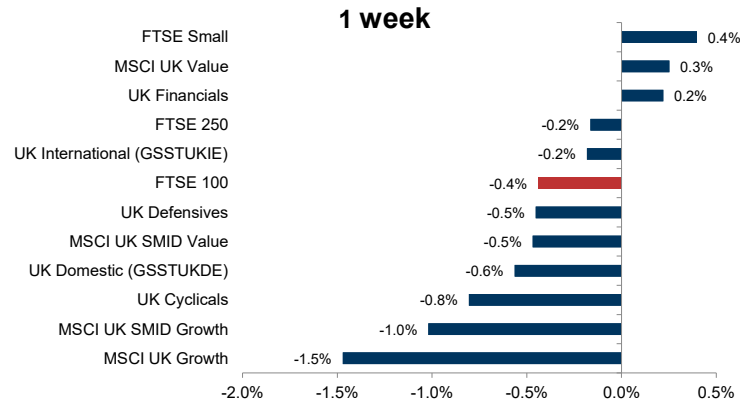


Source: ONS, Goldman Sachs Global Investment Research

## Equity Performance (in GBP)

**Exhibit 9: UK equity performance - 1 week**

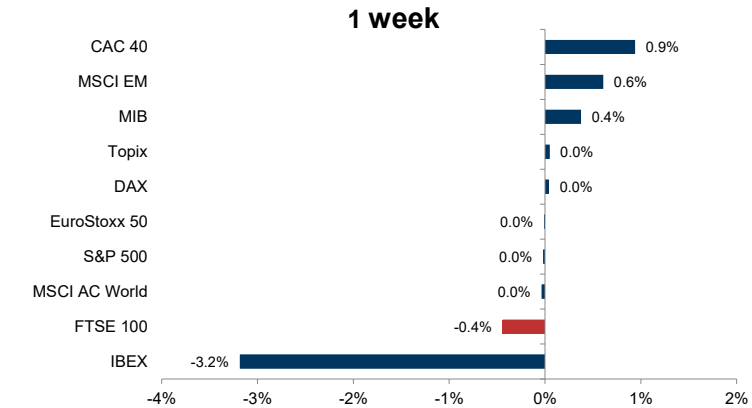
Total Return Performance (GBP)



Source: Bloomberg, Datastream, FactSet, Goldman Sachs Global Investment Research

**Exhibit 10: Global equity performance - 1 week**

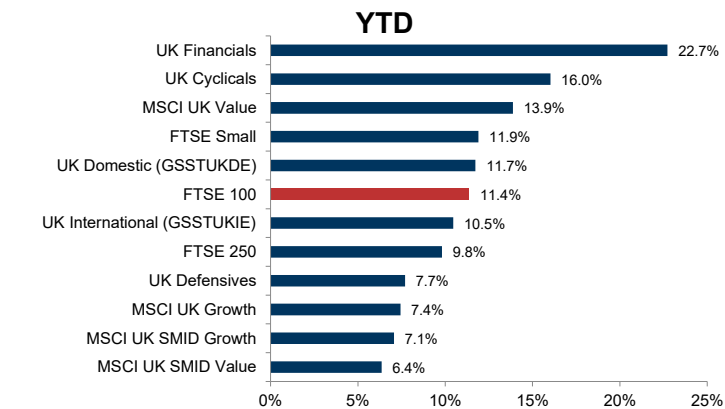
Total Return Performance (GBP)



Source: Bloomberg, Datastream, STOXX, Goldman Sachs Global Investment Research

**Exhibit 11: UK equity performance - YTD**

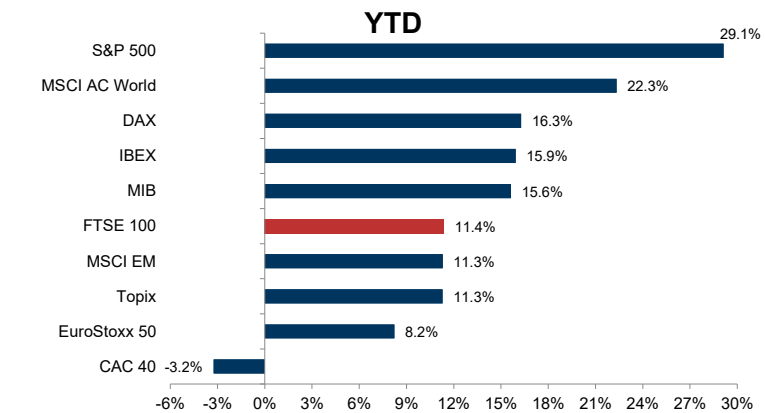
Total Return Performance (GBP)



Source: Bloomberg, Datastream, FactSet, Goldman Sachs Global Investment Research

**Exhibit 12: Global equity performance - YTD**

Total Return Performance (GBP)

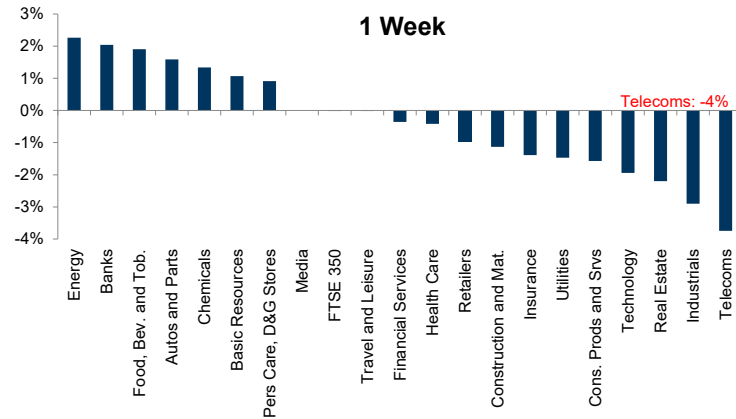


Source: Bloomberg, Datastream, STOXX, Goldman Sachs Global Investment Research

# FTSE 350 Sector Performance

**Exhibit 13: 1-week sector performance**

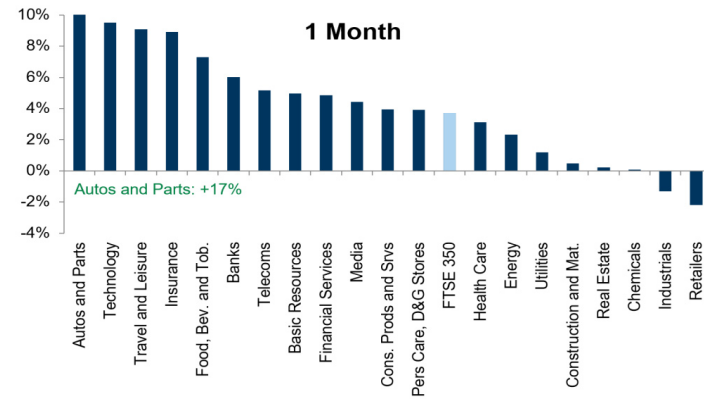
Total Return - GBP



Source: Datastream, Goldman Sachs Global Investment Research

**Exhibit 14: 1-month sector performance**

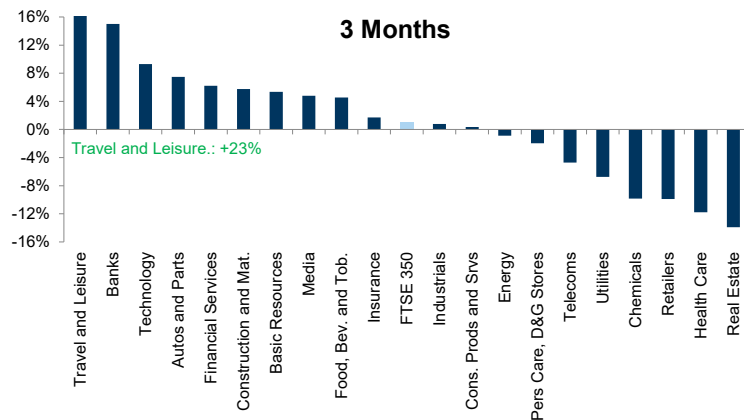
Total Return - GBP



Source: Datastream, Goldman Sachs Global Investment Research

**Exhibit 15: 3-month sector performance**

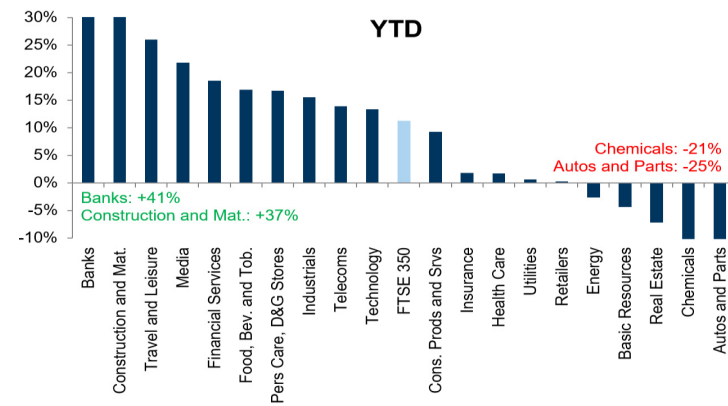
Total Return - GBP



Source: Datastream, Goldman Sachs Global Investment Research

**Exhibit 16: YTD sector performance**

Total Return - GBP



Source: Datastream, Goldman Sachs Global Investment Research

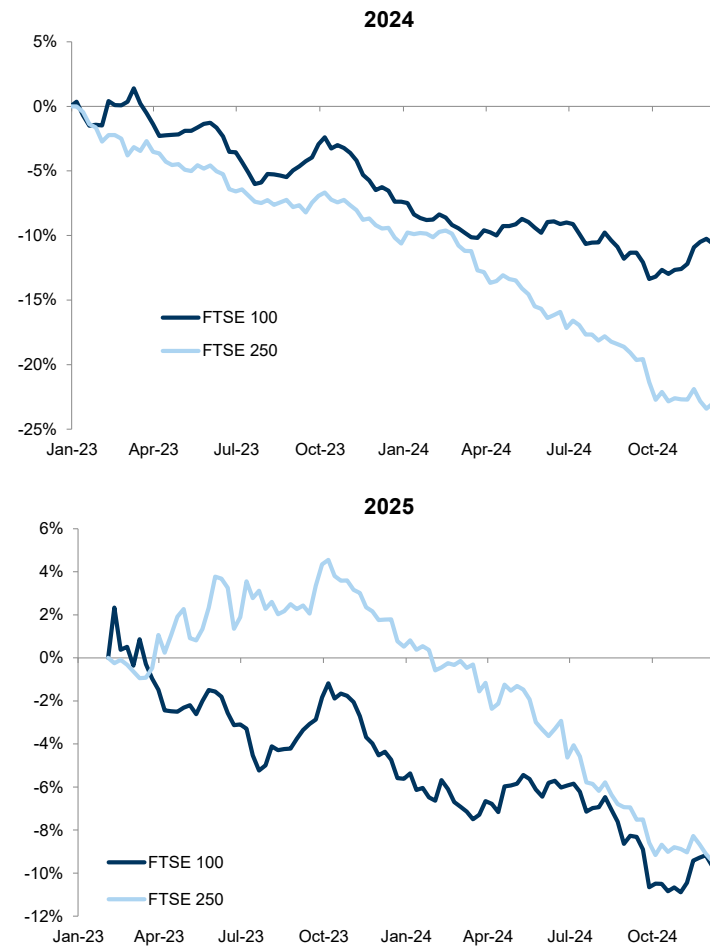
# Earnings Expectations and Revisions

**Exhibit 17: FTSE 350 expected earnings growth and revisions by sector (%)**

Local currency

Sector	Weight (%)	EPS Growth			EPS Revisions (1-month)		EPS Revisions (YTD)	
		'24E	'25E	CAGR 25/23	'24E	'25E	'24E	'25E
Financial Services	11.4	NM	23.5	NM	(0.3)	0.2	(7.4)	4.5
Travel and Leisure	2.3	13.9	15.8	14.8	0.4	1.7	7.5	7.1
Insurance	3.0	11.5	11.6	11.5	(0.3)	(1.1)	(3.5)	(3.2)
Technology	1.3	9.7	11.6	10.6	0.8	(0.0)	(0.3)	(2.2)
Industrial Goods and Svcs	11.8	5.3	12.9	9.0	(0.4)	(0.9)	(3.0)	(3.6)
Pers. Care, D&G Stores	8.2	9.8	8.0	8.9	(0.0)	0.1	2.0	2.0
Health Care	11.0	7.3	10.4	8.8	(0.0)	(0.9)	(1.5)	(3.1)
Banks	11.3	11.9	3.1	7.4	0.4	0.1	7.5	0.2
Telecommunications	1.0	1.6	13.4	7.4	2.6	3.0	(0.9)	1.1
FTSE 350 ex Commodities	84.6	5.9	8.8	7.3	0.1	(0.2)	(0.3)	(2.1)
Media	4.5	3.3	8.3	5.8	(0.2)	0.1	(3.4)	(4.8)
Real Estate	2.4	4.8	5.5	5.2	0.1	0.2	0.1	0.4
Construction and Materials	0.5	2.8	7.1	4.9	0.1	(1.1)	6.2	4.8
<b>FTSE 350</b>	<b>100.0</b>	<b>1.8</b>	<b>7.3</b>	<b>4.5</b>	<b>0.1</b>	<b>(0.5)</b>	<b>(3.9)</b>	<b>(5.2)</b>
Retail	1.5	(1.3)	8.3	3.4	(1.1)	(2.4)	(5.6)	(7.9)
FTSE 350 ex Fins & RE	71.9	(2.0)	6.8	2.3	0.1	(0.7)	(6.5)	(7.8)
Food, Beverage and Tob.	6.5	(1.1)	3.6	1.2	0.7	0.3	(3.6)	(8.3)
Chemicals	0.4	(9.6)	13.1	1.1	(1.5)	(1.4)	(17.4)	(17.8)
Basic Resources	5.9	(12.6)	16.2	0.8	0.0	(0.9)	(16.8)	(0.4)
Utilities	3.9	(6.7)	2.7	(2.1)	0.3	0.2	2.4	(2.2)
Cons. Prods and Svcs	3.5	(16.7)	11.7	(3.5)	(1.9)	(2.0)	(13.5)	(16.2)
Energy	9.5	(9.7)	(4.0)	(6.9)	0.3	(1.8)	(14.1)	(21.5)
Automobiles and Parts	0.1	(40.6)	106.1	NM	(3.1)	NM	NM	NM
<b>Market</b>								
<b>FTSE 100</b>	<b>86.4</b>	<b>1.3</b>	<b>5.8</b>	<b>3.5</b>	<b>0.3</b>	<b>(0.5)</b>	<b>(2.5)</b>	<b>(4.8)</b>
<b>FTSE 250</b>	<b>13.6</b>	<b>7.8</b>	<b>22.4</b>	<b>14.9</b>	<b>(1.8)</b>	<b>(0.6)</b>	<b>(15.6)</b>	<b>(9.4)</b>

Source: FactSet, Goldman Sachs Global Investment Research

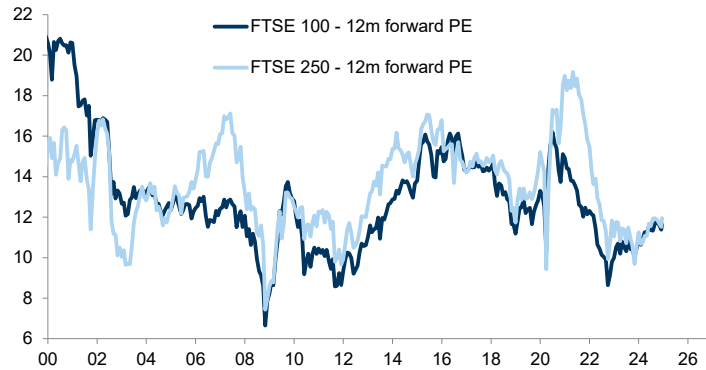
**Exhibit 18: Cumulative change in earnings estimates for UK GBP**


Source: I/B/E/S, Datastream, Goldman Sachs Global Investment Research

## FTSE 350 Valuation

### Exhibit 19: UK valuations

FTSE 100 and 250 data from 2000 - FTSE 350 historical percentile from 1995

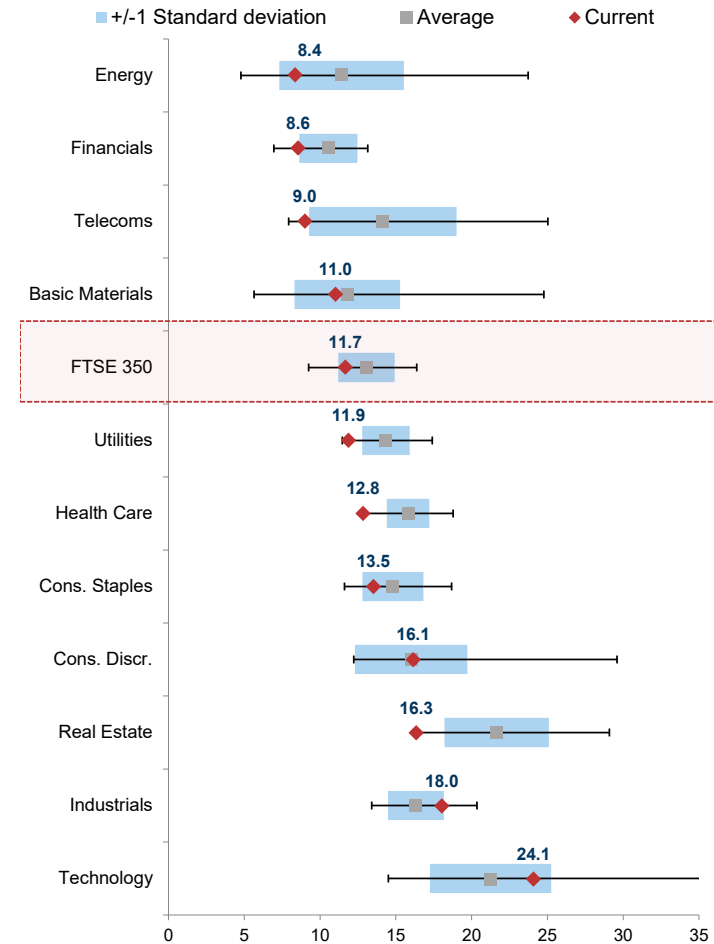


FTSE 350 valuation summary				
Metrics	Current Level	Historical Percentile	Median stock for equities	Historical Percentile
EV / Sales	1.4	70%	1.8	63%
EV / EBITDA	6.9	48%	7.7	49%
Price / Book	1.7	33%	1.5	28%
12m forward P/E	11.7	29%	13.1	43%
FCF yield	6.2	57%	6.0	31%
Cyclically adjusted P/E	16.1	63%	NA	NA
ERP	3.8	37%	NA	NA
<b>Average</b>		<b>48%</b>		<b>43%</b>

Source: Datastream, FactSet, Goldman Sachs Global Investment Research

### Exhibit 20: FTSE 350 sector valuation

12m forward P/E over the past 10 years



Source: Datastream, I/B/E/S, FactSet, Goldman Sachs Global Investment Research



# UK Sector Valuation

## Exhibit 21: UK sector valuation

FTSE 350 Super Sectors	FTSE 350 Wgt	Total Return			EPS Growth		Goldman Sachs EPS Growth		EPS Momentum		Sales Growth		Expd. ROE	P/E Mult.	EV / EBITDA	Cash Flow Yield	Div Yld	Price / Book Value	Net Debt / Equity	
		1 wk	1 mo	YTD	2023E-2024E	2024E-2025E	2023E-2024E	2024E-2025E	One month change		2023E-2024E	2024E-2025E								
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	2024	2025	(%)								(%)
December 12, 2024																				
Automobiles and Parts	0.1	2.5	21.5	(24.6)	(40.6)	106.1	(12.7)	128.0	(3.1)	(0.9)	(7.1)	3.4	5.7	8.7	3.9	2.3	4.0	0.6	60	
Banks	11.3	1.3	7.0	41.0	11.9	3.1	1.9	5.7	0.4	0.1	NM	NM	10.6	7.4	NM	NM	5.7	0.9	NM	
Basic Resources	5.9	0.5	5.1	(4.4)	(12.6)	16.2	(21.3)	20.0	0.0	(0.9)	3.9	(1.5)	13.9	10.9	4.4	7.2	4.1	1.5	33	
Chemicals	0.4	2.1	(0.8)	(21.5)	(9.6)	13.1	(8.3)	11.0	(1.5)	(1.4)	(4.6)	2.9	10.7	14.1	7.6	4.3	4.0	1.5	40	
Construction and Materials	0.5	(0.1)	0.4	36.8	2.8	7.1	2.8	7.1	0.1	(1.1)	4.4	4.2	14.5	12.2	6.2	6.0	3.0	1.9	3	
Consumer Products and Services	3.5	(2.1)	3.7	9.3	(16.7)	11.7	(16.2)	10.4	(1.9)	(2.0)	3.4	7.5	13.9	19.8	11.1	3.1	2.9	2.5	14	
Energy	9.5	1.6	2.7	(2.7)	(9.7)	(4.0)	(10.0)	(5.7)	0.3	(1.8)	(6.7)	(0.7)	14.8	8.4	3.4	14.6	5.2	1.1	29	
Financial Services	11.4	(0.4)	4.5	18.5	10.8	23.5	14.8	22.7	(0.3)	0.2	NM	NM	10.2	11.4	NM	NM	3.3	1.2	NM	
Food, Beverage and Tobacco	6.5	1.6	7.3	16.9	(1.1)	3.6	(1.0)	5.2	0.7	0.3	11.4	(12.9)	21.0	11.0	8.7	7.0	5.3	2.4	74	
Health Care	11.0	(0.2)	3.9	1.7	7.3	10.4	5.8	11.4	(0.0)	(0.9)	8.3	5.2	26.7	12.8	10.0	5.0	2.8	4.0	64	
Industrial Goods and Services	11.8	(3.2)	(1.9)	15.5	5.3	12.9	8.8	13.8	(0.4)	(0.9)	2.9	4.5	18.4	18.4	10.0	4.4	2.1	4.0	60	
Insurance	3.0	(1.4)	9.2	1.8	11.5	11.6	0.7	16.7	(0.3)	(1.1)	NM	NM	15.7	8.9	NM	NM	6.1	1.7	NM	
Media	4.5	(0.5)	3.6	21.8	3.3	8.3	3.5	8.4	(0.2)	0.1	0.5	3.1	22.5	20.1	13.2	5.2	2.3	5.1	67	
Pers. Care, Drug and Grocery Store	8.2	(0.2)	3.8	16.7	9.8	8.0	9.2	9.3	(0.0)	0.1	2.6	2.9	21.7	16.5	9.8	5.9	3.5	4.2	94	
Real Estate	2.4	(2.1)	(1.8)	(7.2)	4.8	5.5	5.1	5.9	0.1	0.2	NM	NM	4.8	16.3	NM	NM	5.0	0.9	NM	
Retail	1.5	(1.1)	(2.6)	0.3	(1.3)	8.3	0.6	8.7	(1.1)	(2.4)	(0.9)	4.7	17.3	11.7	6.2	8.4	3.1	2.3	75	
Technology	1.3	(1.3)	9.9	13.3	9.7	11.6	16.3	14.3	0.8	(0.0)	(0.9)	7.1	27.5	24.1	15.8	3.8	1.9	8.1	4	
Telecommunications	1.0	(3.7)	6.6	13.9	1.6	13.4	(34.1)	22.1	2.6	3.0	(2.9)	1.8	5.1	9.0	5.2	9.7	5.1	0.5	96	
Travel and Leisure	2.3	0.1	9.2	26.0	NM	15.8	NM	12.3	0.4	1.7	8.4	4.8	11.8	11.7	5.9	8.3	2.1	3.0	241	
Utilities	3.9	(3.1)	0.2	0.6	(6.7)	2.7	(4.4)	3.0	0.3	0.2	(10.4)	(0.8)	15.9	11.9	9.5	(2.1)	4.7	1.8	142	
FTSE 350	100.0	(0.4)	3.7	11.2	1.8	7.3	(1.1)	8.3	0.1	(0.5)	0.5	0.8	14.1	11.7	6.9	6.4	3.9	1.7	63	
FTSE 350 ex Financials & RE	71.9	(0.6)	3.1	8.2	(2.0)	6.8	(3.4)	7.3	0.1	(0.7)	0.5	0.8	16.6	12.9	6.9	6.4	3.5	2.3	63	
FTSE 100	86.4	(0.4)	3.8	11.4	1.3	5.8	(1.9)	6.8	0.3	(0.5)	0.4	0.1	14.9	11.6	7.0	6.4	3.9	1.8	60	
FTSE 250	13.6	(0.2)	2.9	9.8	7.8	22.4	7.2	23.1	(1.8)	(0.6)	1.1	5.1	8.7	12.0	5.8	6.0	3.9	1.2	86	

Source: FactSet, Goldman Sachs Global Investment Research

## Style Performance

### Exhibit 22: Cyclical vs. Defensive

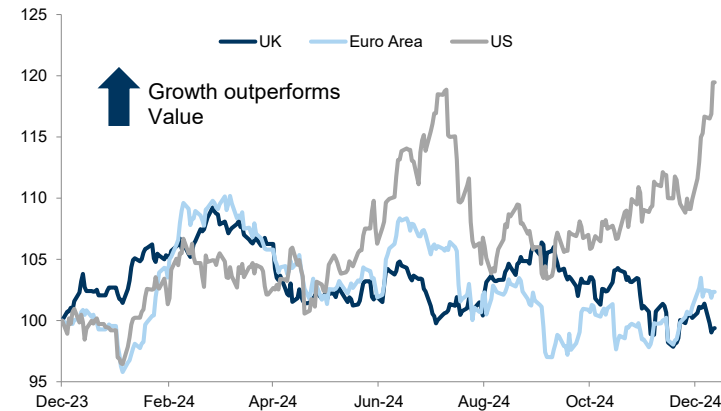
UK and Euro Area - Cycl: Autos, Banks, Basic Res, Chem, Constr & Mats, Consumer Prd & Svs, Financial Svs, Industrials, Insurance, Tech, Travel & Leis. Defs: Drug & Groc, Food & Bev, Health Care, RE, Telcos, Utilities. US - please see: Cyclical vs. Defensive: A global implementation



Source: Datastream, Worldscope, Bloomberg, Goldman Sachs Global Investment Research

### Exhibit 23: Growth vs. Value

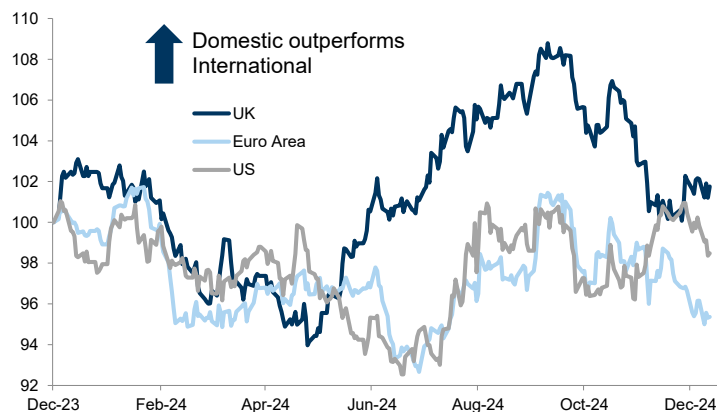
MSCI indices



Source: Bloomberg, Goldman Sachs Global Investment Research

### Exhibit 24: Domestic vs. International

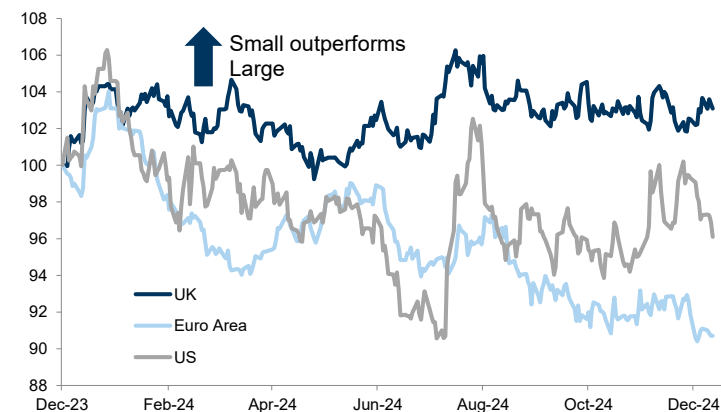
UK: GSSTUKDE vs. GSSTUKIE; Euro area: GSSTDOME vs. GSSTINTL; US: GSTHAINT vs. GSTHINTL



Source: Bloomberg, Goldman Sachs Global Investment Research

### Exhibit 25: Small-cap vs. Large-cap

UK: FTSE 250 vs. FTSE 100; Euro Area: MSCI EMU Small vs. MSCI EMU Large; US: Russell 2000 vs. S&P 500



Source: Bloomberg, Goldman Sachs Global Investment Research

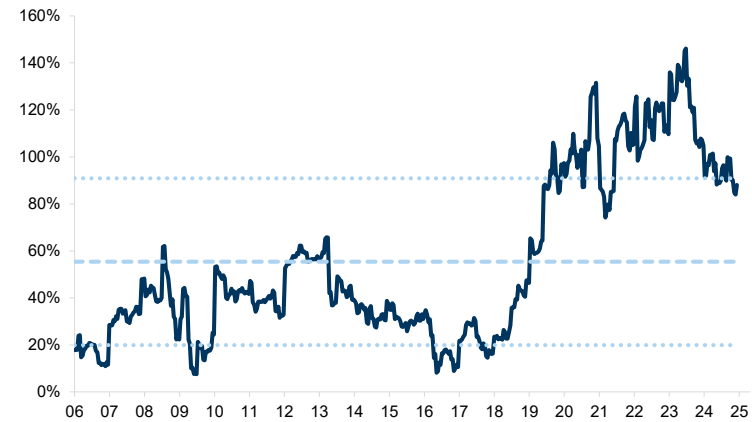
## UK Style Valuation

**Exhibit 26: UK Cyclical vs. UK Defensives**  
12m forward P/E Premium/Discount



Source: Datastream, Worldscope, Goldman Sachs Global Investment Research

**Exhibit 27: MSCI UK Growth vs. MSCI UK Value**  
12m forward P/E Premium/Discount



Source: FactSet, Goldman Sachs Global Investment Research

**Exhibit 28: Domestic (GSSTUKDE) vs. International (GSSTUKIE)**  
12m forward P/E Premium/Discount



Source: Datastream, I/B/E/S, Goldman Sachs Global Investment Research

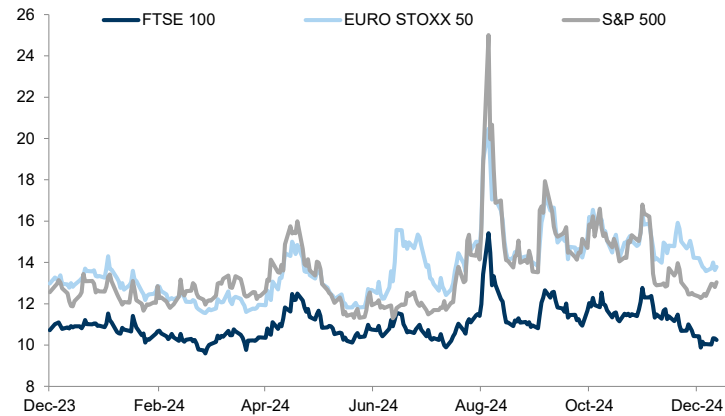
**Exhibit 29: FTSE 250 vs. FTSE 100**  
12m forward P/E Premium/Discount



Source: Datastream, I/B/E/S, FactSet, Goldman Sachs Global Investment Research

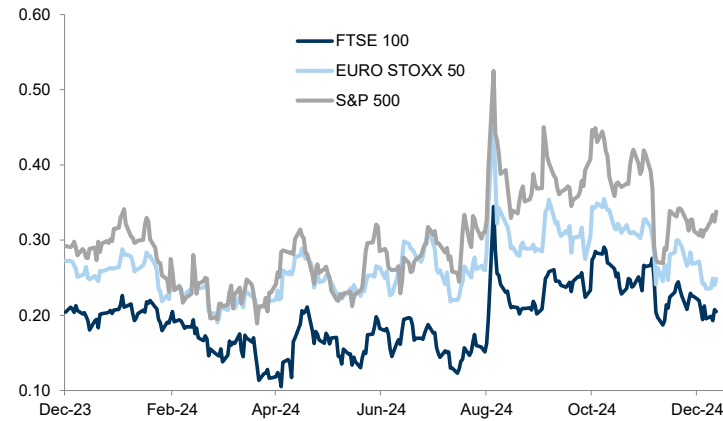
# Volatility, Skew, Dispersion and Correlations

**Exhibit 30: Implied volatility (3-month ATM)**



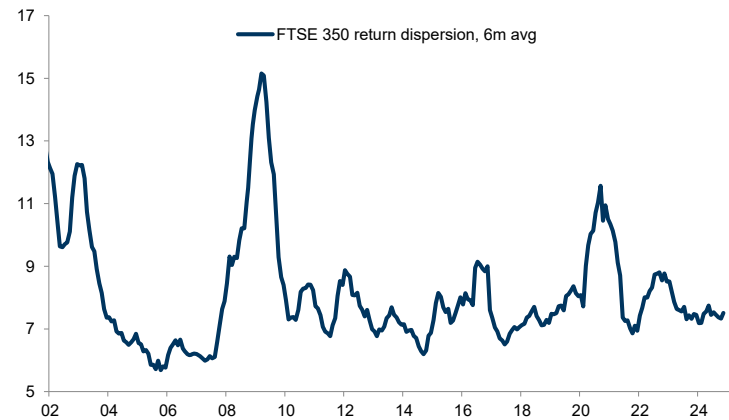
Source: Bloomberg, STOXX, Goldman Sachs Global Investment Research

**Exhibit 31: Normalised skew (3 month, 25 delta)**



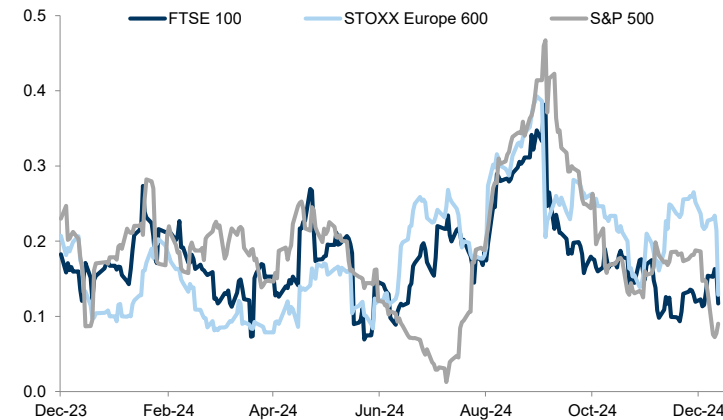
Source: Bloomberg, STOXX, Goldman Sachs Global Investment Research

**Exhibit 32: FTSE 350 return dispersion**  
6-month average of monthly return dispersion



Source: Datastream, Goldman Sachs Global Investment Research

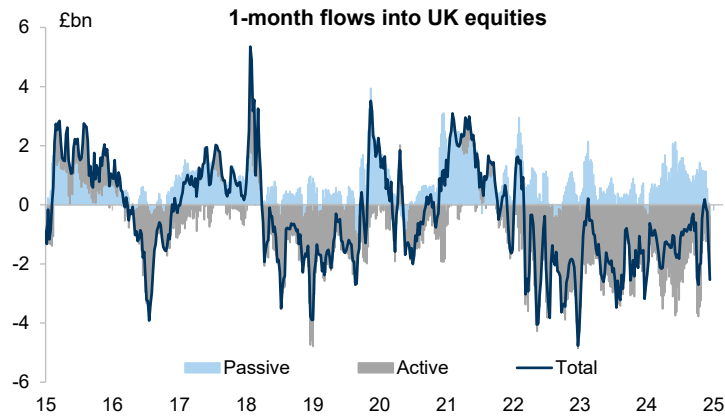
**Exhibit 33: 1-month pairwise correlation**



Source: Bloomberg, STOXX, Goldman Sachs Global Investment Research

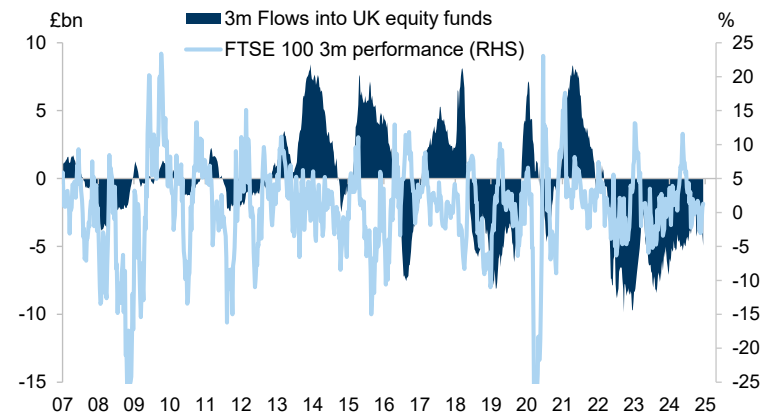
## Flows and Positioning

**Exhibit 34: Monthly flows from Global investors into UK equity funds**  
Weekly flows, EPFR Country Flows



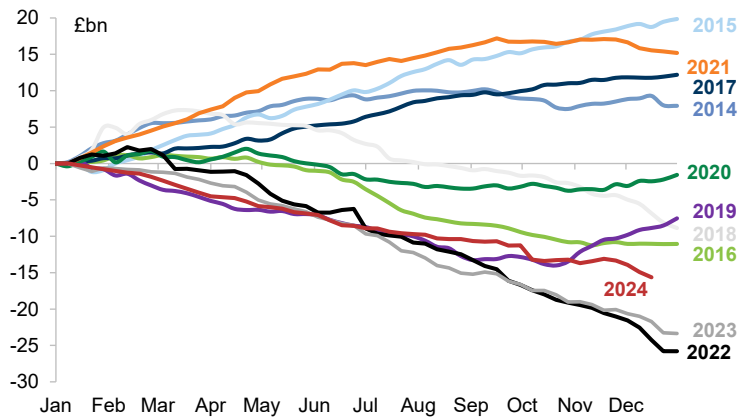
Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

**Exhibit 35: 3m flows from Global investors into UK equity funds**  
Weekly flows, EPFR Country Flows



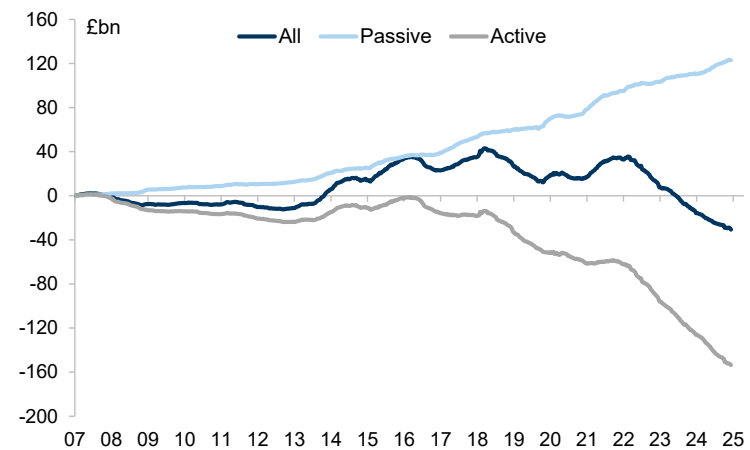
Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

**Exhibit 36: Calendarised flows from Global investors into UK equity funds**  
Weekly flows, EPFR Country Flows



Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

**Exhibit 37: Cumulative flows from Global investors into UK equity funds**  
Indexed to 0 in Jan-07. Weekly flows, EPFR Country Flows



Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

## Comparison of European Indices

### Exhibit 38: European indices valuation

Local currency

Country Indices		Price	Total Return			EPS Growth		Goldman Sachs EPS Growth		EPS Momentum		Sales Growth		Expd. ROE	P/E Mult.	EV / EBITDA	Cash Flow Yield	Div Yld	Price / Book Value	Net Debt / Equity
			1 wk	1 mo	YTD	2023E- 2024E	2024E- 2025E	2023E- 2024E	2024E- 2025E	One month change		2023E- 2024E	2024E- 2025E							
			(%)	(%)	(%)	(%)	(%)	(%)	(%)	2024	2025	(%)	(%)							
December 12, 2024														2024	NTM	NTM	LTM	NTM	LTM	(%)
STOXX Europe 600	Europe	520	2.4	2.2	12.0	4.1	8.3	0.1	9.4	0.3	0.1	(0.3)	2.7	13.8	13.4	8.2	4.7	3.5	2.0	56
EuroStoxx 50	Euro Area	4952	4.1	1.9	13.1	(1.7)	7.6	(4.4)	9.0	(0.0)	(0.2)	(2.1)	3.5	13.7	13.4	9.2	3.9	3.4	2.0	60
FTSE 100	UK	8349	0.8	2.6	11.9	1.3	5.8	(1.9)	6.8	0.3	(0.5)	0.4	0.1	14.9	11.6	7.0	6.4	3.9	1.8	60
FTSE 250	UK	21001	1.2	3.4	10.0	7.8	22.4	7.2	23.1	(1.8)	(0.6)	1.1	5.1	8.7	12.0	5.8	6.0	3.9	1.2	86
DAX 40	Germany	20359	4.8	5.7	21.5	(3.8)	9.9	(6.2)	16.0	0.1	(0.9)	(0.7)	3.3	9.9	14.3	7.9	4.6	2.8	1.5	76
MDAX 50	Germany	27133	3.5	2.1	(0.0)	15.4	25.0	9.5	25.2	(7.0)	(0.9)	0.6	4.2	8.5	12.5	6.9	4.4	3.2	1.4	45
CAC 40	France	7331	2.2	(0.9)	0.2	0.5	9.3	(5.2)	10.1	(0.4)	(0.2)	(1.9)	3.8	11.9	13.8	8.5	3.7	3.4	1.8	36
SMI 20	Switzerland	11791	0.7	(0.6)	9.3	13.5	10.0	11.5	9.2	(0.8)	0.5	1.7	4.2	22.5	15.7	11.3	5.3	3.4	3.9	52
MIB 40	Italy	34626	4.1	1.7	20.5	(8.9)	4.3	(13.7)	4.7	0.1	0.1	(7.6)	1.4	12.5	8.8	5.2	3.4	6.2	1.1	66
IBEX 35	Spain	12119	4.4	2.5	25.2	17.6	3.6	17.6	3.8	0.4	0.5	(0.4)	2.6	12.1	9.8	7.2	3.0	5.0	1.3	82
AEX 25	Netherlands	894	2.0	1.6	16.8	15.7	14.1	7.5	15.4	0.1	0.2	(3.4)	1.2	9.9	18.4	8.3	7.0	2.3	2.1	30
OMX Stockholm 30	Sweden	2606	3.9	1.4	12.1	2.5	8.0	(2.9)	4.3	1.0	0.4	2.7	4.8	14.2	14.5	8.9	5.8	3.5	2.2	48
OMX Copenhagen 20	Denmark	2412	2.1	1.3	7.0	39.8	(0.9)	21.9	(1.9)	0.3	(0.4)	10.7	4.2	10.8	17.0	4.0	10.5	2.2	1.7	10
OBX Oslo 25	Norway	625	0.9	2.8	15.4	14.7	3.0	12.2	7.8	0.4	(0.2)	(3.6)	(2.5)	14.5	10.2	2.8	3.0	6.1	1.5	21

Source: FactSet, STOXX, Goldman Sachs Global Investment Research

## Global Strategy Views: Indices and Asset Classes

Exhibit 39: GS forecasts across assets

12 December 2024	Current	3m	Forecast 6m	12m	Up/Downside to 12m TP (%)
<b>Equities</b>					
STOXX Europe 600 (€)	519	500	520	530	2.1
Eurostoxx 50 (€)	4966	4700	4900	5000	0.7
FTSE 100 (£)	8312	8300	8400	8500	2.3
S&P 500 (\$)	6051	6100	6300	6500	7.4
MSCI Asia-Pacific Ex-Japan (\$)	589	585	600	630	6.9
Topix (¥)	2773	3000	3000	3100	11.8
<b>10Y Rate (%)</b>					
US	4.3	4.3	4.3	4.3	-8 bp
Euro Area (Germany)	2.2	2.1	2.0	1.9	-29 bp
UK	4.4	4.2	4.1	4.0	-34 bp
Japan	1.1	1.3	1.4	1.6	53 bp
<b>Currencies</b>					
€/\$	1.05	1.06	1.05	1.03	-2.0
£/\$	1.27	1.32	1.32	1.30	2.3
\$/¥	152	155	157	159	4.6
<b>Commodities</b>					
Brent Crude Oil (\$/bbl)	73.4	75.0	78.0	74.0	0.8
NYMEX Nat. Gas (\$/mmBtu)	3.4	3.00	2.80	3.25	-3.8
Gold (\$/troy oz)	2682	2750	2840	3000	11.8
LME Copper (\$/mt)	8973	9600	9740	10650	18.7

Source: Datastream, STOXX, Goldman Sachs Global Investment Research

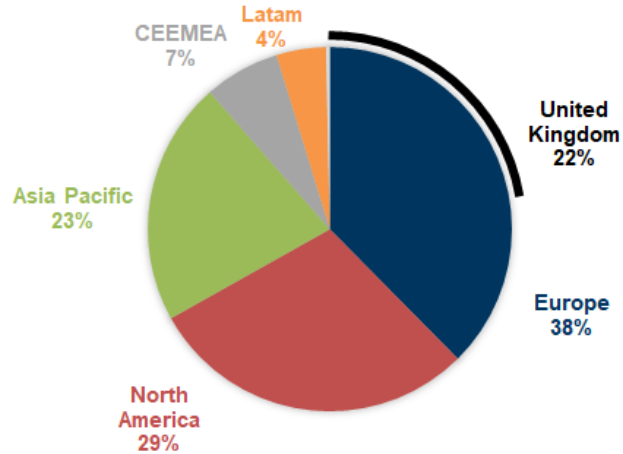
Exhibit 40: Valuation metrics across regions

12 December 2024	P/E 12m fwd (X)	EV / EBITDA Last 12m (X)	FCF Yield Last 12m (%)	Div Yield 12m fwd (%)	P/B Last 12m (X)	ROE Last 12m (%)	Implied ERP (%)
STOXX Europe 600	13.4	8.6	4.7	3.5	2.0	13.7	4.4
EuroStoxx 50	13.4	9.6	3.9	3.4	2.0	14.2	4.6
FTSE 100	11.6	7.2	6.4	3.9	1.8	14.9	2.8
S&P 500	22.5	16.8	2.8	1.3	5.4	20.8	2.4
MSCI Asia Pacific ex-Japan	13.8	10.4	4.0	2.7	1.8	12.0	6.4
Topix	14.0	9.8	4.0	2.5	1.4	9.4	3.7

Source: FactSet, I/B/E/S, STOXX, Goldman Sachs Global Investment Research

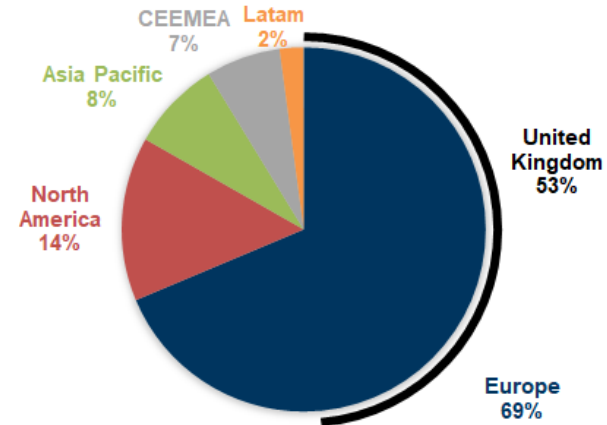
## UK Exposure

**Exhibit 41: Geographical sales exposure of FTSE 100 constituents**  
FY 2023 - See Europe Portfolio Passport (13 Dec, 2024)



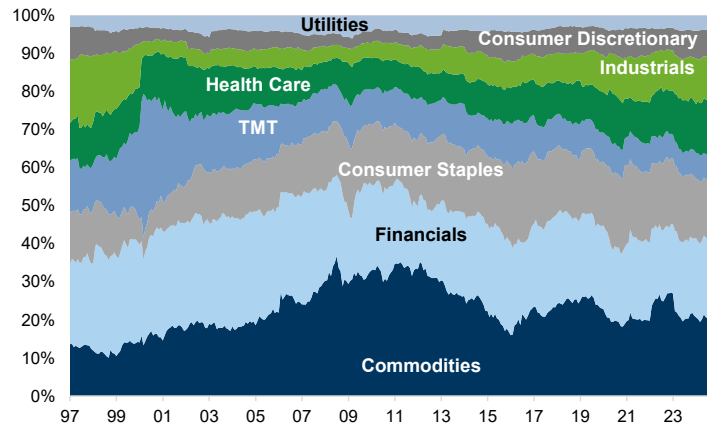
Source: FactSet, Goldman Sachs Global Investment Research

**Exhibit 42: Geographical sales exposure of FTSE 250 constituents**  
FY 2023 - See Europe Portfolio Passport (13 Dec, 2024)



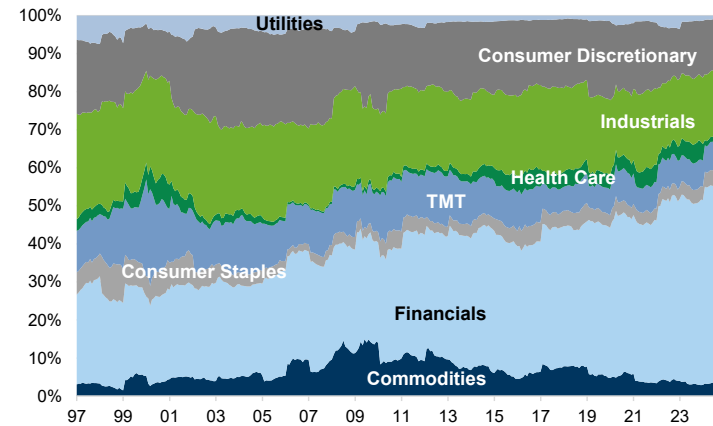
Source: FactSet, Goldman Sachs Global Investment Research

**Exhibit 43: Composition of FTSE 100 by sector**



Source: Datastream, Goldman Sachs Global Investment Research

**Exhibit 44: Composition of FTSE 250 by sector**



Source: Datastream, Goldman Sachs Global Investment Research



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