The Tatton Weekly

1 June 2018

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May 2018 asset class returns

Asset Class	Index	May	2018 YTD
Equities	FTSE 100 (UK)	2.8	1.9
	FTSE4Good 50 (UK Ethical Index)	1.7	0.0
	MSCI Europe ex-UK	-1.7	-3.7
	S&P 500 (USA)	6.0	3.7
	Nikkei 225 (Japan)	3.0	3.7
	MSCI All Countries World	3.6	1.2
Bonds	FTSE Gilts All Stocks	1.8	1.0
	£-Sterling Corporate Bond Index	0.1	-1.3
	Barclays Global Aggregate Bond Index	2.7	0.6
Commodities	Goldman Sachs Commodity Index	5.0	10.7
	Brent Crude Oil Price	7.5	17.9
	LBMA Spot Gold Price	2.5	2.2
Cash rates	Libor 3 month GBP	0.1	0.2
Property	UK Commercial Property (IPD Index)*	-	2.3

Source: Factset; All returns in % and £-Sterling
***Data to end of previous month (30/04/18)**

Ignore politics at your peril

It has been one of the more unnerving weeks in financial markets and judging by some of the questions from advisers and clients, the media was effective in using the commotions to sell copy through exaggeration. While new puns - Italexit, Parmageddon and QuItaly - were created to heighten the sense of drama, stock and bond markets made a roller coaster ride to end the week more rather than less were they had started. Contrary to the headlines, it was the risk-off rally in bond markets that was far more notable than what with hindsight looks more like another hiccup in stock markets.

Attributing all the blame for the week's ructions at Italy's (somewhat usual) drama of forming a government rather than sending voters back to the polls and that this revived fear of a Eurozone breakup seems rather unfair. We would agree with Ian Harnett of our research partners ASR, who noted *"…not since the last Eurozone crisis, in 2010-11, has so much turmoil been blamed by so many on so few."* It is far more plausible that the constitutional frictions in Italy became the catalyst for another leg in what feels to many as an 'incomplete correction" and began with the February stock market sell-off. This latest episode can be seen as a manifestation of an increased sense of financial risk as Global liquidity tightens as a result of a gradual return of more 'normal' monetary policy, while at the same time the acceleration in Global economic growth is slowly fading back to a more durable, less exciting rate.

The rush back into fixed interest bonds has on the one hand brought bond valuations more in line with the lower growth expectations that had already been reflected in the reduced equity valuations, and on the other hand has lowered yields enough to ease much of the liquidity concerns that had of late entered the economic outlook 'worry agenda'. The downward pressure on the highly valued €-Euro versus the US-$ which was also curtesy of Italy triggering the debt market re-ordering, will become welcome stimulus for the Eurozone's exporters whose diminished price competitiveness from the strong €-Euro carried much of the blame for the sudden growth slowdown across Europe.

On the economic data flow side, the week provided more support for the thesis we floated for the first time in last week's edition, that the period of negative economic surprises may be coming to an end with forward looking activity indicators stabilising at lower, but still comfortably positive levels. This also explains the return of a positive return picture for 2018 across most asset markets in May, as can be seen in the asset class return table at the top.

It would therefore be reasonable to suggest that it still holds true that investors should not let their longer-term investment decisions be overly influenced by short term political noise, given it is the economic growth perspective first and foremost that determines corporate profitability and hence the direction of travel of asset price valuations.

Unfortunately, this wisdom only holds true to a point. For example, various indicators for the UK's economic progress have begun to show a drag on business activity levels and asset price valuations which are seen as directly linked to the lingering lack of clarity of Britain's post Brexit trading position. The Trump administration's imposition of considerable tariffs on input factors and products from erstwhile close allies have so far been discounted by stock markets as mere pre-negotiation posturing which will not actually lead to a highly counterproductive trade-war but instead result in more open trade conditions before the imposed tariffs have caused lasting damage.

After the experience of the past week, we beg to differ. Bi-lateral and multi-lateral negotiations between sovereign nations are not governed by quite the same rules and dynamics that Donald Trump may have experienced as successful in the commercial property sector. In Global diplomacy, there is only one China, one Europe, one Iran and therefore not an abundance of alternative partners down the road should one counterparty leave the negotiating table for good. Establishing trust and forming alliances between a limited number of parties is therefore of a much higher order in Global politics than in Global property development.

With trust and predictability being almost the juxtaposition to "Trumplomacy" we see a higher probability for his style to result in a diplomatic car crash than capital markets appear willing to admit. With growth leadership firmly back with the US economy, any inkling that Trump's gamble may be failing to succeed and consequentially lead to collateral damage to the US economy would be a nasty disappointment of currently anticipated growth expectation. The combination of the signs of financial stress or at least nervousness that became apparent this week and that we continue having to live with an 'incomplete correction' makes it in our view fairly likely that this correction has not run its course yet.

UK economy – political doldrums create noticeable drag

Whether having voted Remain or Leave, the lack of meaningful progress in Brexit talks and the effect this has on the UK economy is not good news.

As recent economic data releases reveal, both consumers and businesses are adapting to uncertainty by changing their behaviour and reducing their spending. This is hurting economic growth. "It's the economy stupid" is guidance to many investment professionals' forecasting methods, and suggests leaving short term political noise to one side. However, in the case of Brexit preparations, politics have become a very key influencer of current economic behaviour, with signs of damage borne out by an ever-wider array of corroborating data – particularly among the business community.

This leaves politicians in a dilemma, as decision time is fast approaching. The question is then, what can politicians do to lift the UK out of the current quagmire?

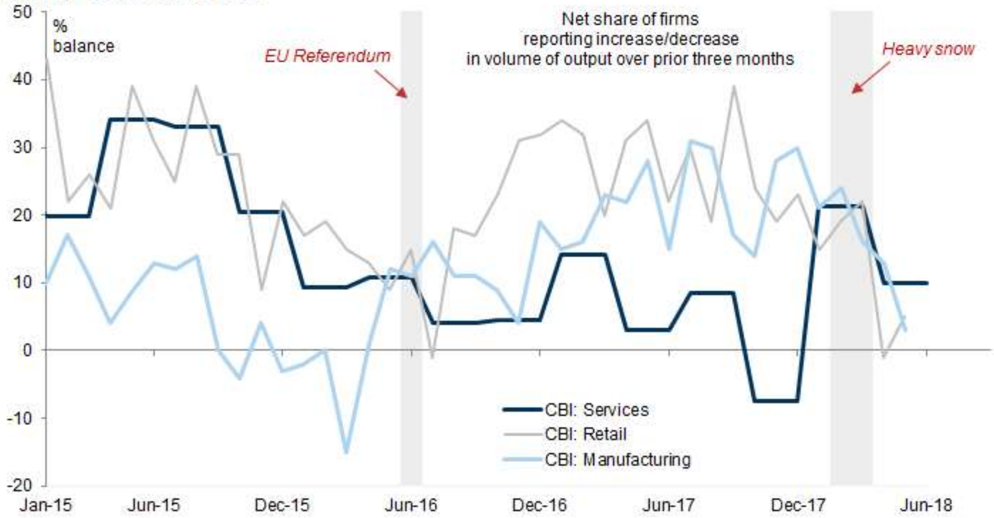
There were two pivotal events in the UK this week that supported the Bank of England's (BoE) previous negative economic assessment of Brexit. They showed the UK economy is now eerily close to the BoE's original projections.

The first was the release of three economic surveys from the Confederation of British Industry (CBI), showing that economic momentum in May continued to slow – rebutting arguments that weakness in Q1 was simply down to bad weather.

The CBI conducts three key surveys of businesses in the UK:

- **CBI Industrial Trends Survey**: A monthly survey of manufacturing companies.
- **CBI Distributive Trades Survey**: A monthly survey of retailers, wholesalers and motor traders.
- **CBI Service Sector Survey**: A quarterly survey of business, professional and consumer services companies

Exhibit 2: The CBI surveys suggest that, beyond the effect of adverse weather, momentum in UK activity continues to slow



Source: Confederation of British Industry, Goldman Sachs Global Investment Research

As the chart above illustrates, all three surveys peaked near the end of 2017 - after the EU referendum. And they now show a decidedly downward trend as the post-vote fall in the Pound has largely washed out, and as the Brexit deadline draws closer.

In manufacturing, a net 3% of firms reported an increase in output in May, compared to 30% in December 2017 and 16% in March 2018. In retail, a net 5% of firms reported an increase in sales in May, compared to 23% in December 2017 and 22% in March 2018. In services, the weighted average of survey responses from business services firms and consumer services firms indicates that a net 10% reported an increase in activity in Q2, compared to 21% in Q1.

As we wrote last week, the BoE tells us that their policy decisions are data-driven, rather than dogmatically pre-determined. So, near-term signs of momentum in the UK data are important to the outlook for monetary policy. Signs of economic slowing may cause policy makers to continue to be delay further rate rises, opting to “wait and see” before re-embarking on an “ongoing tightening of monetary policy”.

The CBI data suggests that, while warmer weather has returned, the macroeconomic climate has turned cold.

The second event this week was the arrival of a delegation of executives from 50 of Europe’s largest companies on Downing Street to deliver a clear message to Theresa May and David Davis: they will not invest in the UK as long as uncertainty around Brexit persists.

Executives from the likes of BP, Vodafone, Nestle, BMW and E.ON – representing a rather loud voice and combined revenues of €2.25 trillion – warned that the “uninterrupted flow of goods” is essential for the UK and EU. Those businesses said they needed “clarity and certainty” as “time is running out and uncertainty causes less investment”.

We note this sentiment can help explain the weak productivity and wage growth numbers. If executives don’t invest in their businesses, then the resulting lower levels of economic activity make it harder for all firms to grow sales or increase profits – absent sloppily cutting costs.

We are seeing the effects of uncertainty showing up in various avenues, namely in reduced consumer spending, especially on leisure activities and the housing market. The spill-overs from these two factors are most visibly obvious in the struggles of the retail and restaurant sectors, which are evidence of the consumer cutting back. A lack of investment and soft wage growth is feeding into weakness in property prices – the true linchpin of UK consumer spending.

So, what can politicians do to combat these negative factors?

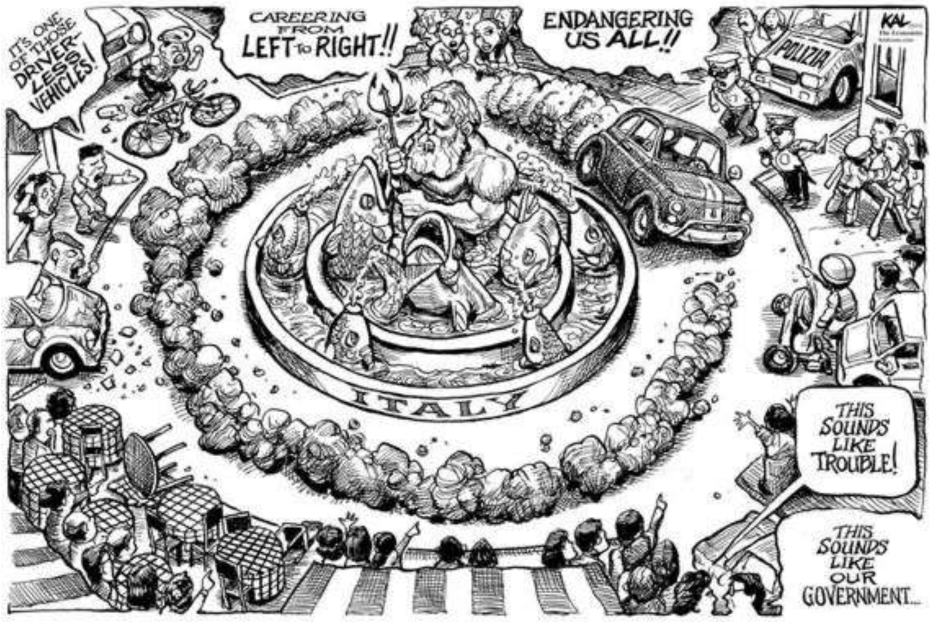
The Brexit-Freeze of the economy is not the only significant issue facing politicians today. Between rail nationalisations (Virgin Eastern), calls for higher NHS spending and lack of qualified staff, the domestic agenda looks less and less like a Tory one with each passing day. If private sector spending is retrenching, then perhaps government spending needs to take up the slack – a reversal of recent austerity. This may even result in the need to increase taxes – specifically targeted towards those on higher incomes, where such extra burden is less likely to lower retail demand. But that could add to the Brexit pressures which are currently pushing businesses and professionals abroad.

Alternatively, politicians could get their act together and facilitate a deal with the EU. This might require leaders to "cross red lines", but as businesses have already highlighted, time is running out. Insisting on certain points of post-Brexit sovereign integrity may have to be weighed up against the damage it could do to the post-Brexit economy.

Perhaps the threat of another general election later this year might be enough to push politicians into concrete action. In the meantime, deteriorating sentiment will likely weigh increasingly on UK asset prices – be that direct or through further falls in the value of £-Sterling.

If progress can be achieved, then the Damocles sword hanging over the UK economy can lift, and a far more positive growth outlook can resume. Until then, we expect the country and stock markets to face a slow and agonising 'death by a thousand [retail job and investment] cuts'.

The Italian Job



Source: KAL, 31 May 2018, Political Cartoon Gallery Putney

Italy's political drama not only stole headlines and the concern of global capital markets this week. In typical Italian fashion, the third largest economy in the Eurozone appears to finally have a government, at the third attempt in a week. The coalition between the Five Star Movement (M5S) and Lega Nord – two populist parties that emerged as the largest political forces from March's election – had their first pick for finance minister vetoed by President Sergio Matarella at the beginning of the week. Paolo Savona, an 81-year-old economist with a history of hostility towards the euro, was M5S and Lega's initial choice for the role. But the President cited his apparently anti-Euro stance as grounds for his rejection, claiming that his appointment could bring harm to Italy if it led to doubts over the country's longer term financial stability.

While the presidential veto has happened multiple times before, the decision of the fledgling coalition to walk away from forming a government and sulk, instead of presenting a more agreeable candidate, has not.

After holding European politics in suspense for three days, they returned to the Italian way of politics and presented their presidentially acceptable choice. Giovanni Tria is an academic economist who is not anti-Euro and his nomination reflects a marked change to the populists' approach. Nevertheless, M5S leader Luigi di Maoi has called for Matarella's impeachment, claiming that the President had overstepped his constitutional powers and subverted democracy, all in the name of bond markets. The sense that democracy came second to the Eurocrats and financial markets was reinforced by ill-placed comments from Germany's European Commissioner Gunter Oettinger, who publicly hoped that bond markets would "teach Italians not to vote for populists on the right and left". Even though he apologised for his remarks after a dress down by Donald Tusk, president of the European Council, the damage was done, and the Italian populists had scored an important point of proof of EU attitude towards their electorate.

Giovanni Tria has yet to make any policy announcements on his approach, but the parties that have appointed him are significantly more Eurosceptic than Brussels would like. They don't advocate leaving the Euro (aptly dubbed 'Quitaly' after Grexit and Brexit), but they do want to negotiate a new deal on Italy's debt.

Why is this a problem? As the 3rd largest Eurozone economy with the biggest stock of legacy government debt (132% of GDP), a Greek-style crisis in Italy has the potential to seriously hurt the wider EU. Were they intent on renegotiating the terms on some or all of that debt, the repercussions would be a substantial threat to the Eurozone.

The temptation to press for this becomes all the more likely as Italy's bond yields climb higher and the cost of servicing the debt increases. On Monday, Italy's 10-year debt spiked above 3% after concerns over the country's future, after trading around 2% or below for the past five years. But this is only the beginning. Once the ECB starts winding down their QE program and stops purchasing Italian bonds, an important 'backstop' and stabiliser for demand in Italian bonds will disappear. After that, some have speculated that there could be a bloodbath for the country's debt.

This would be particularly bad for Italian banks, who hold vast, mandatory liquidity reserves of their government's bonds on their balance sheets. And were the banks to go down, they'd likely drag the country and potentially the wider Eurozone financial system with them.

EU officials (see Oettinger) and many in the media have tried to paint the problem as purely an Italian one; they built up debt through reckless spending plans and now, to top it off, they threaten European stability by handing power to the populists. But this perspective fails to take the bigger picture into account. Despite the headlines, Italy as a whole is not a particularly debt-laden country. While the government debt level is among the highest in Europe, the private debt level is among the lowest. The Bank of International Settlements estimates that overall core debt is 263% of GDP, compared to 303% and 321% in France and Portugal respectively. Italy's budget deficit has been smaller than France's since before the financial crisis.

The reason government debt has continued to climb over that period is because the country has seen stagnant growth for over two decades. In real (inflation-adjusted) terms, Italian living standards have declined since joining the Euro, whereas in Northern Europe (particularly Germany) they have substantially improved. Italy's disgruntled put that down to the stringent fiscal rules that come with the single currency, as well the effectively overvalued intra-EZ 'exchange rate' that it has given them. They have a point – at least over the fact that Italy, compared to Northern

Europe has not prospered under the Euro. Why that is is a wider debate, but we would agree that Italy has not seen much Eurozone solidarity with their plight, and can certainly argue to having had to shoulder a disproportionate influx of refugees from Africa.

To us, this highlights how dangerous Europe's rigidity can be. As with Greece seven years ago, the real crisis emerged not because Italy dug themselves a hole, but because leaders in Brussels, Berlin and other Eurozone beneficiaries do not appear to comprehend that the common currency has changed the union from a free trade zone where every nation can fend for itself to a risk sharing community. Such a union of nations can only prosper over the longer term if it acts with the cross-nation solidarity inherent to a nation state.

As Ambrose Evans-Pritchard wrote in the Telegraph, "What markets really fear is not the Lega-Five Star fiscal deficit but that Europe might cut off liquidity in a deranged attempt to teach the Eurosceptic rebels a lesson." This at least one could reasonably expect if the EU leadership had not learned anything from the Greece crisis.

So, what happens now? As we see it, the worst-case scenario has already been averted with the forming of the coalition government. Fears of an even less favourable outcome of a snap election have gone away and as a result Italian bond yields have fallen back sharply. The stock market has recovered too, and is back in line with other European areas.

As far as the economic program of the populists' coalition is concerned, it is distinctly anti-austerity and pro fiscal stimulus. Despite the high historic debt levels, Italy has been running a primary current budget surplus of 2% of GDP for nearly two decades, meaning that there is significant headroom for stimulus even before hitting the 3% annual debt ceiling the Eurozone countries have agreed to adhere to. Combined with the recently healthy rate of growth the Italian economy has generated, the 130% of historic debt to GDP level may not continue to decline any longer, but would also be unlikely to rise substantially. This leaves the threat of rising yield levels to Italy's public finances. This explains the coalition politicians' interest in the ECB's substantial holdings of Italian debt.

Debt cancellation through the 'disappearance' of central bank holdings has been very seriously discussed in the economists' community. But monetary financing of fiscal deficits will remain a non-starter in a Eurozone of debt-anxious peoples. However, it makes it now less likely that the ECB will begin to tighten monetary policy after the summer. It has given the rate setters a good reason to postpone it for a while longer.

Back to politics. The populists are in government and their ability to compromise can serve them again to maintain power. It's worth pointing out that the populists' 'Euroscepticism' has been somewhat exaggerated in the media. Both are critical of the euro and the way that the EU has handled recent immigration crises. But neither advocates an exit from the euro, and nor does the wider Italian public.

What to take away from the Italy Scare week? In our view, it is important to understand that Italy is not Greece and political processes in Rome take getting used to. Those who have not followed the country's somewhat chaotic yet somewhat functional political system should expect less change in Italy than the campaign noises of the coalition parties would otherwise suggest. At the same time, it would be helpful if the EU leadership did understand it as a warning shot that patience is running out in the southern European periphery. Unless there is some equalisation of the unequal distribution of burdens that the half-baked state of the Eurozone and EU has created, episodes like this could become far more frequent and consequential.

Italy may not be left off the hook for the profligate spending of their governments in the 1990s, but there is plenty the EU could do towards creating a more realistic and well-funded migration framework for all member states, which is the Italian EU pressure point. Southern periphery nations might then no longer have to carry a disproportionate burden of the whole community's refugee commitment. This should go a long way to winning back popular support for the EU and would incidentally also help dealing with a few of those unhelpful 'red lines' in the Brexit negotiation. Unfortunately, however, the Italian populists' EU critical stance is likely to have the opposite effect on Brexit. The EU will want to demonstrate that remaining inside is far preferable to crashing out.

But this doesn't mean smooth sailing. While there isn't much appetite for an intentional euro exit, both parties are very willing to push forward their demands. This time, unlike with Greece, they may just have enough leverage to so. Expect this to weigh down on Europe – and the euro – for some time.

The risk for Italy lies in a year or two's time, as the current government debt burden, which has been easing a little recently, remains too high for deficit financing to be sustained for long. The underlying primary budget balance of around 2% of GDP is holding the deficit down to about 2% of GDP and 1½% cyclically adjusted (by the OECD), leaving room for significant stimulus before even the 3% barrier is breached. And current growth rates are likely to be strong enough to ensure little rise in the near-130% ratio of net government debt to GDP, which is currently falling.

China's Rebalancing Act: Don't be fooled by strength

Media reports have pointed to good news from China of late. Reuters noted on Thursday that the manufacturing PMI (Purchasing Managers Index, which tends to lead economic growth) came in at an 8-month high of 51.9, above April's 51.4 and analysts' expectations of a slowing 51.3. That means that China's manufacturing has posted a reading above the 50 mark (which separates growth from contraction) for 22 consecutive months.

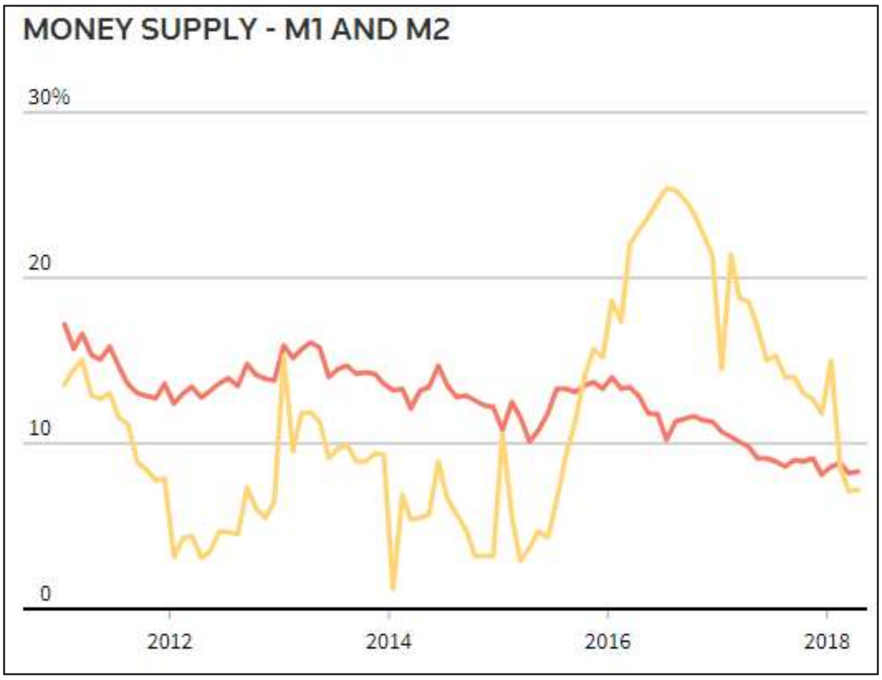
Trade disputes with the US and a long-term rebalancing of the economy - moving it from being 'the factory floor of the world' towards a more balanced western style one - were expected to weigh down on the country. Against this, these sentiment surveys constitute a positive surprise. The services PMI also edged up slightly from April, rising to 54.9 from 54.8. In addition, consumer confidence is likewise looking strong in the world's second largest economy. Overall, these statistics paint a somewhat rosier picture than analysts had anticipated.

We feel this optimism on China is only justified for the short term. Despite consumers and companies showing confidence, we expect growth to slow in China for one main reason: the government's rebalancing act.

It's no secret that the communist party wants to transform China into more of a 'developed economy' – demand led and with a strong services sector. In recent years, that process has also meant reigning in the country's bourgeoning credit bubble – especially where the funding was used to prop up old, state owned industries - and cracking down on the widespread shadow-banking sector. Their approach to these issues has veered towards the side of micro-management at times, and we've called it the 'whack-a-mole' approach in these pages before.

But so far, that whack-a-mole tactic seems to have been working, despite worries that it might unduly reduce economic activity through a policy error. That's a positive for the global economy, considering China's importance in contributing incremental demand. After all, back in 2016 when fears over the global economy caused an almighty upset in capital markets, it is now widely accepted that it was Chinese demand stimulus which propelled global growth to its highs.

Unfortunately, we can't expect a similar effect now. While Beijing's program of structural change hasn't derailed the economy, it has still put a serious dampener on growth. Curbing credit creation and (in particular) the shadow-banking sector has a serious effect on available liquidity. As the chart below shows, after the injection of stimulus into the economy through the first half of 2016, China's money supply has been coming down consistently since (yellow line is M1, red line M2).



Source: Reuters

Essentially, Beijing is using the positive global economic environment as an opportunity to drive through their reform agenda. While these changes will inevitably be positive in the long run, in the short-term it means that demand growth from China is essentially capped.

A related aspect to this is the government's willingness to allow defaults. As they prioritise containing financial risks, plenty of companies have started to fall by the wayside. So far this year, there have already been 17 defaults in the bond market by 10 issuers. Again, while the death of the 'zombie companies' will inevitably benefit the Chinese economy in the long-term, right now it will likely lead to a less expansionary environment, as investors will be less forthcoming with additional funding. There is a dampener on the Chinese economy, and it can be seen as a deliberate one.

This means that consumer and business confidence is in this environment unlikely to translate into positive 'hard data' of increased growth as China goes through this process.

What does this mean for the global economy? Emerging markets, particularly in Asia, could well struggle through China's teething pains. In recent years, China's move towards a demand-led economy has benefitted the countries around them, with Chinese citizens buying exports from other Asian nations. Now that Chinese demand is dropping off somewhat, the countries that became reliant on it could well be forced to share the pain.

It's also interesting to note that these teething pains are coming amidst the recent trade tensions between China and the US. One main gripe that Donald Trump's administration have with China is the size of the trade imbalance between the two. Trump has already pressured officials in Beijing to help cut the US' trade deficit with China by $200bn – a mammoth task as we demonstrated in last week's edition. But whatever way you spin it, that trade deficit will only fall if China buys more from the US or the US buys less from China.

At the moment, China simply doesn't have the requisite demand power to take a chunk out of the trade deficit. How about the US? Their economy is going extremely strong at the moment, so much so that they have once again become the growth leader of the world. But what that means is that, far from importing less to address trade imbalances, imports have been growing. Effectively, under the current situation we should expect the US' trade deficit with China to grow, not fall.

That won't please Chinese negotiators, who appear to be genuinely trying to appease their US counterparts. It will please Donald Trump even less. This has the potential to create a negative, self-enforcing feedback loop, where US strength leads to a heightened probability of the currently 'cold trade war' turning into an actual full-scale trade war between the world's two largest economies. Such escalation would only see losers, but no winners.

PERSONAL FINANCE COMPASS

Global Equity Markets

MARKET	CLOSE	% 1 WEEK	1 W	TECHNICAL
FTSE 100	7711.3	-0.1	-5.5	↘
FTSE 250	20999.4	0.0	9.9	↘
FTSE AS	4242.3	-0.1	-2.4	↘
FTSE Small	5942.0	-0.2	-14.6	↘
CAC	5475.8	-1.2	-66.8	↗
DAX	12755.2	-1.4	-182.9	↗
Dow	24621.3	-0.8	-190.4	↗
S&P 500	2729.5	0.1	1.7	↗
Nasdaq	7065.7	1.7	116.0	↗
Nikkei	22171.4	-1.2	-279.4	↗
MSCI World	2092.9	-0.8	-17.9	↗
MSCI EM	1120.7	-1.4	-15.9	↗

Currencies / Commodities

PRICE	LAST	%1W	CMDTY	LAST	%1W
USD/GBP	1.33	0.17	OIL	76.8	0.5
USD/EUR	1.17	0.14	GOLD	1295.0	-0.7
JPY/USD	109.57	-0.15	SILVER	16.5	-0.3
GBP/EUR	0.88	0.04	COPPER	308.7	-0.3
CNY/USD	6.42	-0.46	ALUMIN	2292.0	1.0

Fixed Income

GOVT BOND	%YIELD	% 1W	1 W YIELD
UK 10-Yr	1.283	-2.9	-0.04
US 10-Yr	2.897	-1.2	-0.03
French 10-Yr	0.708	-0.4	0.00
German 10-Yr	0.379	-6.7	-0.03
Japanese 10-Yr	0.048	17.1	0.01

Global Equity Market - Valuations

MARKET	DIV YLD %	LTM PE	NTM PE	10Y AVG
FTSE 100	3.9	13.4x	13.6x	17.1x
FTSE 250	2.7	15.3x	14.5x	17.1x
FTSE All Sh.	3.6	13.6x	13.7x	16.6x
FTSE Small	3.1	11.9x	-	-
CAC	2.9	16.1x	14.1x	15.4x
DAX	2.6	12.7x	12.5x	16.9x
Dow	2.1	19.4x	15.4x	15.3x
S&P 500	1.8	19.9x	16.3x	17.6x
Nasdaq	1.0	25.4x	20.1x	20.2x

UK Mortgage Rates

MORTGAGE BENCHMARK RATES	RATE %
Base Rate Tracker	2.3
2-yr Fixed Rate	1.7
3-yr Fixed Rate	1.8
5-yr Fixed Rate	2.0
Standard Variable	4.18
Nationwide Base Rate	2.50
Halifax Standard Variable	3.99

Top 5 Gainers / Top 5 Losers

COMPANY	%	COMPANY	%
BURBERRY GROUP	5.5	ROYAL MAIL	-9.4
JOHNSON MATTHEY	4.7	NMC HEALTH	-8.8
SMITHS GROUP	4.1	MARKS & SPENCER	-6.1
SMURFIT KAPPA	4.0	NATIONAL GRID	-5.6
INFORMA	3.4	TAYLOR WIMPEY	-4.9

* LTM = last 12 months' (trailing) earnings; **NTM = Next 12 months' estimated (forward) earnings

For any questions, as always, please ask!

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Please note: Data used within the Personal Finance Compass is sourced from Bloomberg/FactSet and is only valid for the publication date of this document.

The value of your investments can go down as well as up and you may get back less than you originally invested.

Lothar Mentel