GLOBAL WEEKLY KICKSTART

US and Energy outperform amid resurfacing Middle East tensions

Global equities were broadly flat last week. Europe and EM underperformed, while the US was the only major region in the positive (Exhibit 1). Energy outperformed (Exhibit 3) and Brent price increased (Exhibit 4) amid resurfacing geopolitical tensions. Our Risk Appetite Indicator (RAI) has now moderated from its elevated levels earlier in June (Exhibit 11), but remains high.

Macro data this week

US: CPI report, retail sales report, and speaking engagements with Fed officials this week including Chairman Warsh's semiannual Congressional testimony.

Europe: June final inflation data for the Euro area and Sweden, UK May GDP; and speeches by ECB and BoE officials.

Japan: Manufacturers' DI in the July Reuters Tankan survey.

AEJ: Q2 GDP alongside trade, industrial production, investment and retail sales data; advance Q2 GDP in Singapore and Malaysia; June CPI in India and Malaysia; and Korea central bank meeting

Pricing is as of the close of Friday, July 10.

HALO Reloaded: From re-rating to earnings

In Europe, our strategists recommend focusing on HALO stocks: Heavy Assets, Low Obsolescence. Higher real yields, geopolitical fragmentation and supply chain rewiring favour tangible productive assets.

The first phase of the HALO trade is largely complete, but the second phase is only beginning. Going forward, we expect returns to be increasingly driven by earnings, with greater dispersion between winners and losers.

Positioning looks challenging in the short term but supportive in the long term. Tactical positioning risks exist after a strong rally. However, longer-term allocations remain heavily skewed away from Value.

Half of our Capital Intensive basket is Buy-rated by our equity analysts. These recommendations cluster around five themes: (1) Infrastructure, (2) Basic Materials, (3) Aerospace & Defence, (4) Platforms, and (5) the Physical Layer of Tech.

See more: *Strategy Espresso: HALO Reloaded: From re-rating to earnings*

Guillaume Jaisson
+44(20)7552-3000 | guillaume.jaisson@gs.com
Goldman Sachs International

Peter Oppenheimer
+44(20)7552-5782 | peter.oppenheimer@gs.com
Goldman Sachs International

Sharon Bell
+44(20)7552-1341 | sharon.bell@gs.com
Goldman Sachs International

John Kwon
+65-6654-6337 | jongmin.kwon@gs.com
Goldman Sachs (Singapore) Pte

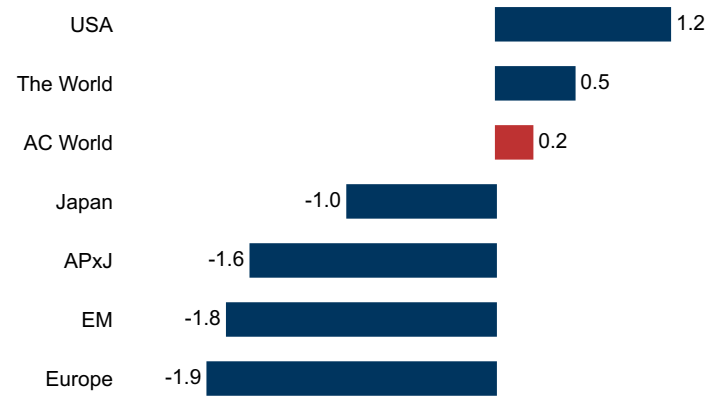
Giovanni Ferrannini
+44(20)7051-2589 | giovanni.ferrannini@gs.com
Goldman Sachs International

Elena Porfidia
+44(20)7051-5240 | elena.porfidia@gs.com
Goldman Sachs International

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

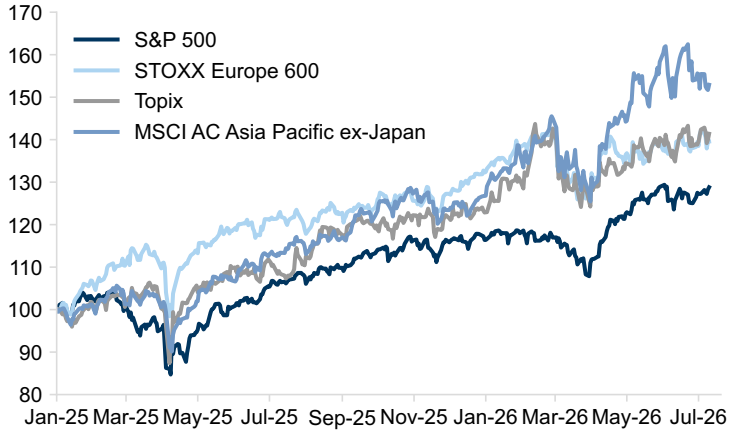
The week at a glance — Global markets and indices

Exhibit 1: Global market performance
MSCI Indices, 1-week price return (USD, %)



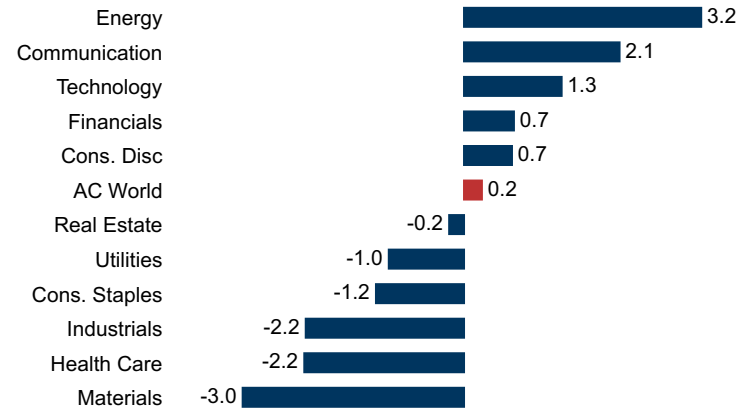
Source: Datastream, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 2: World equity indices
USD, indexed price performance



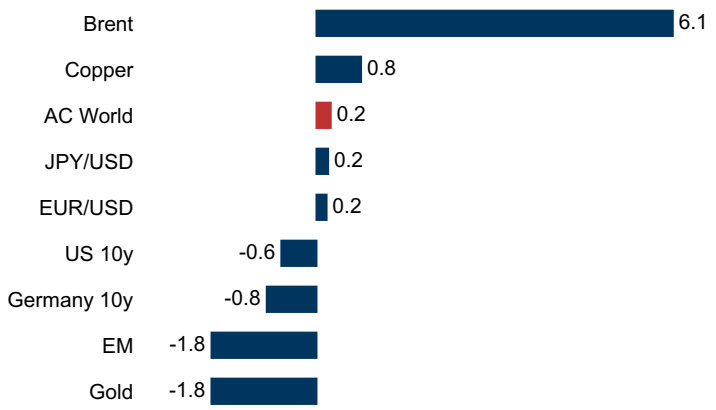
Source: Datastream, STOXX, Goldman Sachs Global Investment Research

Exhibit 3: MSCI AC World sector performance
MSCI Indices, 1-week price return (USD, %)



Source: Datastream, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 4: Cross-asset performance
MSCI Indices, 1-week price return (USD, %)



Source: Datastream, Bloomberg, Goldman Sachs Global Investment Research

Forecasts

Exhibit 5: GDP growth, % yoy: GS vs. consensus

Real GDP Growth					
Percent Change yoy	2025	2026		2027	
	GS	GS	Cons*	GS	Cons*
USA	2.1	2.2	2.1	2.1	2.1
Japan	1.1	0.5	0.6	1.0	0.8
Euro area	1.5	0.5	0.5	1.2	1.2
Germany	0.3	0.7	0.6	1.1	1.1
France	0.9	0.6	0.6	0.7	0.9
Italy	0.7	0.8	0.6	0.7	0.7
Spain	2.8	2.3	2.3	1.6	1.8
UK	1.4	1.2	1.0	1.3	1.1
China	5.0	4.7	4.6	4.7	4.4
Developed Markets	1.8	1.5	1.9	1.7	1.4
Emerging Markets	4.2	3.7	3.9	4.1	3.8
World	2.8	2.5	2.8	2.8	2.5

** Bloomberg country and GS aggregate consensus*

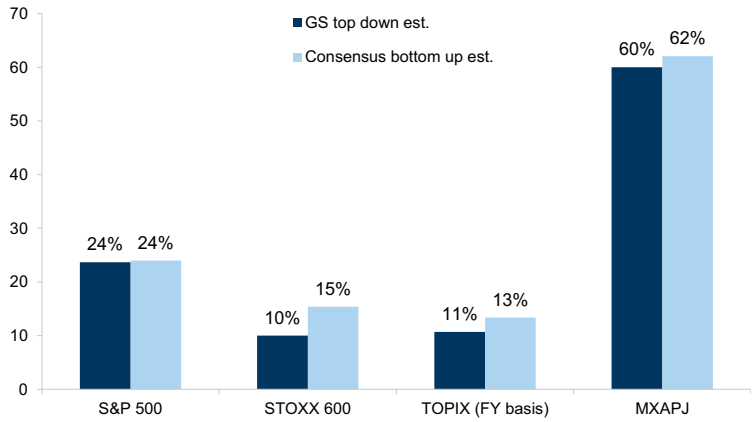
Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 6: Goldman Sachs Macro 3-, 6- and 12-month forecasts

	Current	Forecast			Up/Downside
		3m	6m	12m	to 12m TP (%)
Equities					
S&P 500	7575	7600	8000	8300	9.6
STOXX Europe 600	641	640	645	660	2.9
MSCI Asia-Pacific Ex-Japan	871	980	1030	1080	23.9
Topix	4036	4100	4200	4400	9.0
10Y Rate (%)					
US	4.6	4.4	4.4	4.3	-27 bp
Euro Area (Germany)	3.0	3.0	3.0	3.0	-4 bp
Japan	2.7	2.5	2.5	2.4	-33 bp
Currencies					
€/$	1.14	1.14	1.12	1.12	-2.1
£/$	1.34	1.33	1.29	1.28	-4.6
$/¥	161	162	163	165	2.3
Commodities					
Brent Crude Oil ($/bbl)	76.0	83	80	75	-1.3
NYMEX Nat. Gas ($/mmBtu)	3.0	3.50	3.50	3.50	16.2
Gold ($/troy oz)	4098	4690	4900	5115	24.8
LME Copper ($/mt)	13419	13620	13735	13800	2.8

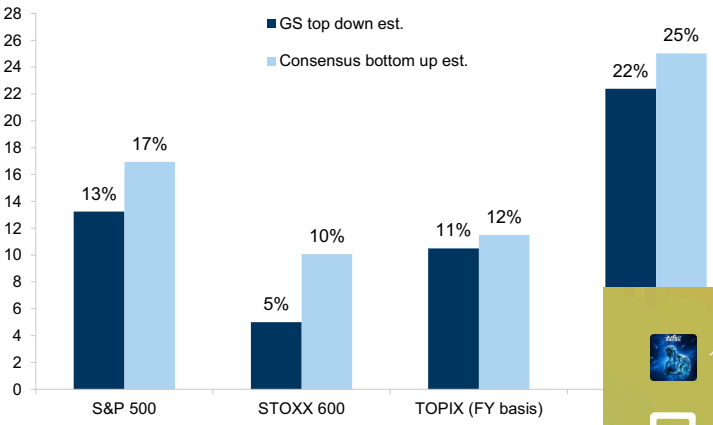
Source: Bloomberg, Datastream, STOXX, Goldman Sachs Global Investment Research

Exhibit 7: GS top-down vs. consensus bottom-up estimates of 2026 EPS growth



Source: I/B/E/S, Toyo Keizai, STOXX, MSCI, Goldman Sachs Global Investment Research

Exhibit 8: GS top-down vs. consensus bottom-up estimates of 2027 EPS growth

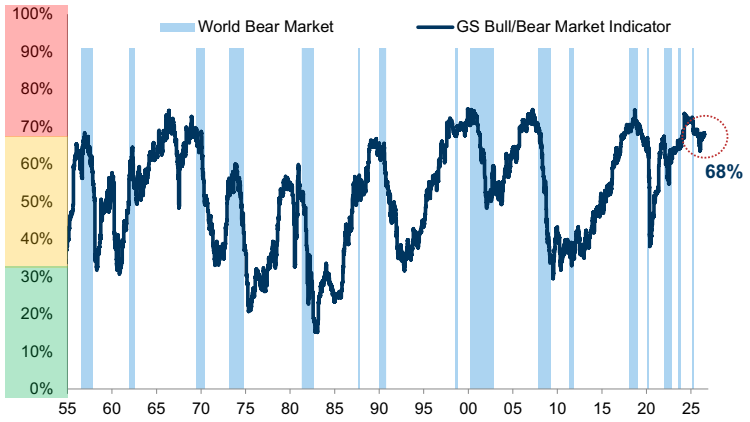


Source: I/B/E/S, Toyo Keizai, STOXX, MSCI, Goldman Sachs Global Investm

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Risk and Sentiment indicators

Exhibit 9: GS Bull/Bear Market Indicator (GSBLBR)



Source: Shiller, Haver Analytics, Datastream, Goldman Sachs Global Investment Research

Exhibit 10: Details of components of the GS Bull/Bear Market Indicator

GS Bull/Bear Market Indicator = Average percentile

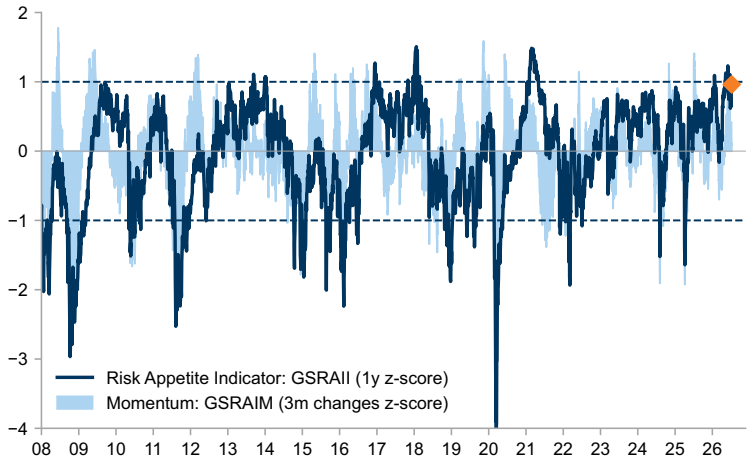
	Level	Percentile
Shiller PE	40.8	98%
Unemployment	4.2	80%
0-6 quarter yield curve	0.4	72%
Private sector Financial Balance	3.9	55%
Core Inflation	2.9	53%
ISM	53.3	50%
GS Bull/Bear Market Indicator		**68%**

Note: 100th percentile means these variables are at their highest level, except for Private sector Financial Balance, yield curve and unemployment where 100% means they are at their lowest.

Source: Haver Analytics, Datastream, Robert Shiller, Goldman Sachs Global Investment Research

Exhibit 11: Risk Appetite Indicator (GSRAII)

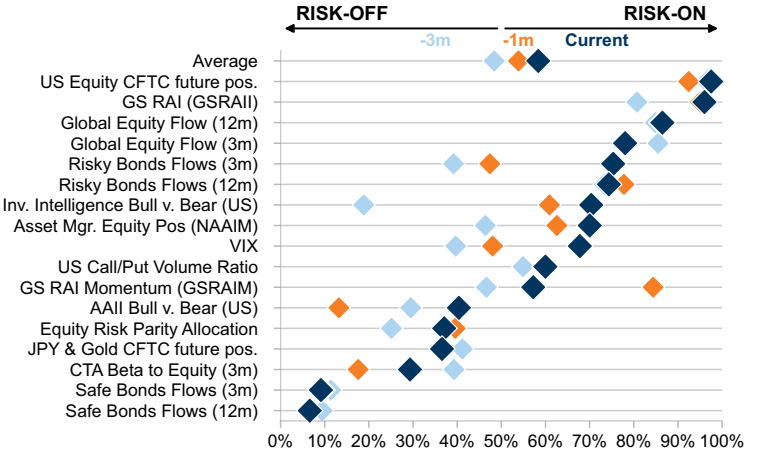
The RAI is based on 27 pair-trades across asset classes measured on z-scores rel. to last 2 years' performance, see July 2016 GOAL for details



Source: Goldman Sachs Global Investment Research

Exhibit 12: Percentile of sentiment indicators

Data since 2007



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

Performance - Local indices

Exhibit 13: Global equity market performance (local indices)

Market	Index	Price return (Local CCY, %) 1-week (Local)	Ytd	1Yr
China (H)	HSCEI	4.4	(9.8)	(7.3)
Singapore	FSSTI	4.3	17.7	34.2
HK	HSI	3.5	(5.7)	0.6
Egypt	EGX30	3.5	25.1	57.0
Poland	WiG	2.2	21.3	35.5
Brazil	IBOV	2.2	10.4	30.1
Philippines	PCOMP	1.6	3.9	(2.7)
US	SPX	1.2	10.7	20.6
New Zealand	NZX 50	1.2	0.3	4.8
Indonesia	JCI	0.8	(31.5)	(15.4)
Malaysia	FBMKLCI	0.7	0.7	10.1
Canada	SPTSX60	0.7	12.0	29.3
Thailand	SET	0.6	28.7	46.0
Czech	PX	0.5	(2.2)	20.4
Netherlands	AEX	0.1	14.0	16.9
India	NIFTY	-0.3	(7.4)	(4.5)
Norway	OSEAX	-0.3	16.5	20.2
Italy	FTSEMIB	-0.4	17.1	29.8
Hungary	HUX	-0.4	28.3	42.5
Australia	AS51	-0.4	1.1	2.5
Turkey	XU100	-0.7	27.2	38.6
Japan	TPX	-0.7	18.4	43.5
Mexico	MEXBOL	-0.8	3.4	17.2
Greece	ASE	-0.9	18.5	27.7
South Africa	JALSH	-1.0	(4.7)	13.3
Austria	ATX	-1.2	21.8	43.9
China (A)	SHSZ300	-1.3	3.3	19.2
Switzerland	SMI	-1.3	7.3	17.3
Denmark	KFX	-1.5	2.2	(8.4)
UK	UKX	-1.7	5.7	17.0
Stoxx 600	SXXP	-1.8	8.3	15.9
France	CAC	-2.0	2.3	5.5
Sweden	OMX	-2.1	10.2	23.2
EuroStoxx 50	SX5E	-2.2	8.3	15.3
Spain	IBEX	-2.4	12.0	37.1
Portugal	BVLX	-2.4	13.8	20.5
Germany	DAX	-2.8	2.4	2.5
Taiwan	TWSE	-3.0	56.6	99.9
Belgium	BEL20	-3.8	10.2	23.0
South Korea	KOSPI	-7.6	77.4	134.9

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Market	Index	Relative Price return (vs MSCI AC World, USD, %) 1-week (USD)	Ytd	1Yr
China (H)	HSCEI	4.2	(21.5)	(28.8)
Singapore	FSSTI	4.0	6.2	11.4
HK	HSI	3.3	(17.4)	(20.9)
Brazil	IBOV	3.2	7.3	19.6
Egypt	EGX30	2.3	9.2	35.1
New Zealand	NZX 50	1.9	(10.6)	(21.1)
Philippines	PCOMP	1.2	(11.7)	(32.3)
US	SPX	1.0	(0.4)	(1.0)
Canada	SPTSX60	0.8	(2.6)	3.5
Poland	WiG	0.7	3.9	8.5
Malaysia	FBMKLCI	0.5	(10.6)	(6.6)
Indonesia	JCI	0.0	(47.7)	(45.6)
Norway	OSEAX	0.0	9.2	2.6
Thailand	SET	-0.2	10.7	21.7
Czech	PX	-0.2	(16.2)	(2.0)
Netherlands	AEX	-0.3	(0.2)	(7.3)
Australia	AS51	-0.5	(5.8)	(13.1)
India	NIFTY	-0.6	(23.7)	(35.8)
Italy	FTSEMIB	-0.8	2.8	5.3
Japan	TPX	-1.3	3.6	8.3
Turkey	XU100	-1.3	5.3	(3.4)
Mexico	MEXBOL	-1.3	(4.9)	3.3
Greece	ASE	-1.4	4.2	3.2
China (A)	SHSZ300	-1.5	(4.6)	4.6
Hungary	HUX	-1.6	23.6	34.5
UK	UKX	-1.6	(5.7)	(5.9)
Austria	ATX	-1.6	7.4	19.1
Denmark	KFX	-1.9	(11.7)	(32.2)
South Africa	JALSH	-2.0	(14.3)	1.6
Switzerland	SMI	-2.1	(5.8)	(5.8)
Stoxx 600	SXXP	-2.2	(5.7)	(8.2)
France	CAC	-2.4	(11.5)	(18.4)
Sweden	OMX	-2.5	(5.8)	0.1
EuroStoxx 50	SX5E	-2.6	(5.7)	(8.9)
Spain	IBEX	-2.8	(2.1)	12.4
Portugal	BVLX	-2.8	(0.4)	(3.8)
Germany	DAX	-3.2	(11.5)	(21.4)
Taiwan	TWSE	-4.0	41.7	59.8
Belgium	BEL20	-4.2	(3.9)	(1.3)
South Korea	KOSPI	-6.2	59.1	92.7

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Source: MSCI, STOXX, Local Index Compilers, FactSet, Goldman Sachs Global Investment Research

Sector performance across regions - Weekly

Exhibit 14: 1-week sector performance across regions
Light blue: below -1 standard dev. from the AC world market performance. Dark blue: above +1 standard dev. from the AC world market performance.

Weekly Absolute Performance (%) in USD																	
MSCI Index	**US**	**Canada**	**UK**	**Germany**	**France**	**Swiss**	**Spain**	**Italy**	**Devd Euro**	**Japan**	**Korea**	**Brazil**	**India**	**China**	**Taiwan**	**AC APxJ**	**EM**	**AC World**
Market	**1.2**	**0.8**	**-1.3**	**-2.7**	**-2.2**	**-2.0**	**-2.1**	**-0.6**	**-1.9**	**-1.0**	**-6.4**	**2.9**	**0.0**	**3.1**	**-3.6**	**-1.6**	**-1.8**	**0.2**
Energy	3.3	2.8	4.9	–	1.9	–	3.4	1.4	3.7	2.6	7.8	5.3	0.1	0.7	–	1.8	2.1	3.2
Materials	-2.3	-5.2	-3.3	-1.5	-3.1	-4.3	–	-3.2	-2.9	-0.6	-1.9	-2.9	-0.2	-5.5	-8.5	-3.9	-3.2	-3.0
Industrials	-1.3	1.2	-2.4	-5.7	-4.7	-4.5	-3.9	-5.7	-4.1	-1.3	-8.3	1.6	-0.6	-3.7	-6.6	-3.7	-4.6	-2.2
Capital Goods	-1.8	0.4	-3.8	-6.4	-4.8	-4.9	-4.9	-5.7	-4.8	-1.9	-8.5	1.1	-0.3	-6.1	-8.6	-5.0	-5.8	-2.9
Comm & Profess. Srvcs	-0.3	-2.0	1.7	–	-0.2	-1.2	–	–	1.3	1.9	–	–	–	5.6	–	-1.4	5.6	0.2
Transportation	1.0	2.7	–	-0.2	-1.7	-2.2	-2.0	–	-1.1	1.4	-1.0	2.6	-2.1	1.4	-3.8	0.5	-0.2	0.8
Consumer Discretionary	0.4	0.0	-0.7	-3.1	-1.0	-1.5	-3.2	-1.0	-1.1	-1.1	-2.6	11.1	-0.2	7.9	0.0	4.5	4.8	0.7
Automobiles & Comp.	3.5	1.1	–	-3.7	-0.5	–	–	-0.6	-2.2	-1.4	-2.6	–	-0.7	0.4	–	-0.9	-0.9	1.5
Cons Dur. & Apparel	-1.7	2.6	–	-2.0	-0.9	-1.4	–	-2.5	-1.2	-0.9	-2.8	–	2.4	0.5	–	0.5	0.7	-1.1
Consumer Srvcs	-1.1	0.7	-0.9	-2.1	-2.7	–	-0.9	–	-0.9	3.3	–	–	4.4	4.8	–	3.7	4.3	-0.4
Retailing	0.0	-1.4	-0.1	-0.5	–	-4.1	-4.1	–	0.1	-1.5	–	11.1	-6.3	12.7	0.0	9.6	10.3	1.0
Consumer Staples	-1.3	1.6	-1.1	-0.5	-0.6	-2.5	–	1.1	-1.5	-1.7	1.3	0.1	-1.4	0.4	2.4	-0.1	-0.5	-1.2
Food & Staples Retailing	-0.2	1.6	1.2	–	2.1	–	–	–	0.6	-1.4	–	11.3	2.1	4.0	3.6	1.0	-0.1	0.0
Food Bev. & Tobacco	-1.6	1.0	-2.3	–	-1.1	-2.5	–	1.1	-2.2	-1.8	1.6	-2.4	-1.8	-0.1	2.0	-0.5	-0.6	-1.7
Household & Persnl Prod	-2.6	–	-0.4	-0.5	-0.5	–	–	–	-0.5	-2.0	0.7	–	-1.4	0.2	–	-0.8	-0.8	-1.8
Health Care	-1.8	–	-7.5	-2.7	-0.6	-2.5	–	-0.3	-3.7	-1.6	-4.0	2.0	-0.9	-0.1	2.5	-0.6	-0.9	-2.2
Healthcare Equip & Srvcs	-0.6	–	1.6	0.1	-0.6	-1.8	–	–	-0.9	-3.5	-23.0	2.0	-2.0	0.4	–	-1.9	-2.5	-0.8
Pharma & Biotech	-2.4	–	-7.7	-4.0	-0.6	-2.6	–	-0.3	-4.1	-0.7	-2.3	–	-0.6	-0.1	2.5	-0.2	-0.5	-2.7
Financials	0.1	1.9	0.6	0.2	-1.4	1.2	-1.6	0.6	0.0	2.0	3.5	4.1	0.2	2.1	1.9	2.2	1.3	0.7
Banks	1.0	2.5	0.1	2.3	-2.6	2.3	-1.7	1.1	-0.4	2.7	6.1	3.6	0.3	3.9	1.8	3.1	1.7	1.3
Diversified Financials	-0.1	1.3	2.8	-1.2	0.0	1.2	–	-1.5	0.1	2.6	1.5	5.5	-0.5	-3.7	0.3	0.2	-0.1	0.1
Insurance	-0.6	-0.1	0.6	0.5	1.1	1.1	-0.3	-1.8	0.7	-0.2	-3.2	5.8	2.0	0.3	2.7	0.5	0.5	0.0
Real Estate	–	-1.8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Information Technology	3.3	1.9	-6.0	-3.6	-1.9	6.2	-7.9	–	-3.5	-4.0	-7.6	–	1.8	1.6	-4.0	-4.9	-4.9	1.3
Software & Services	-1.1	1.2	-0.2	-1.6	-2.5	–	-7.9	–	-1.2	1.9	3.9	–	1.8	3.4	–	2.2	1.9	-0.9
Tech Hardware & Equip	3.3	5.6	-9.0	–	–	6.2	–	–	-1.3	-7.4	-6.9	–	–	1.2	-8.4	-6.6	-6.6	0.7
Semiconductor & Equip	5.5	–	–	-6.5	-1.4	–	–	–	-4.5	-2.8	-8.5	–	2.1	2.2	-2.7	-4.1	-4.1	2.6
Communication Srvcs	2.1	2.3	4.5	3.3	0.5	0.3	-3.3	-1.8	1.1	1.7	1.9	2.8	1.5	5.6	-7.2	3.6	3.4	2.1
Telecom Srvcs	-0.9	2.3	6.9	3.7	-0.1	0.3	-3.3	-1.8	2.0	2.4	4.9	2.8	0.7	1.8	-7.2	-1.0	-0.2	0.4
Media & Entertainment	2.4	–	-2.1	-0.7	1.5	–	–	–	-0.8	-0.6	1.3	–	16.3	5.7	-7.3	5.2	5.2	2.5
Utilities	-0.8	0.0	-1.4	-2.2	-3.3	-1.5	-2.2	-1.6	-2.2	-0.4	-3.7	3.7	-1.4	0.6	–	0.0	0.6	-1.0

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Sector performance across regions - YTD

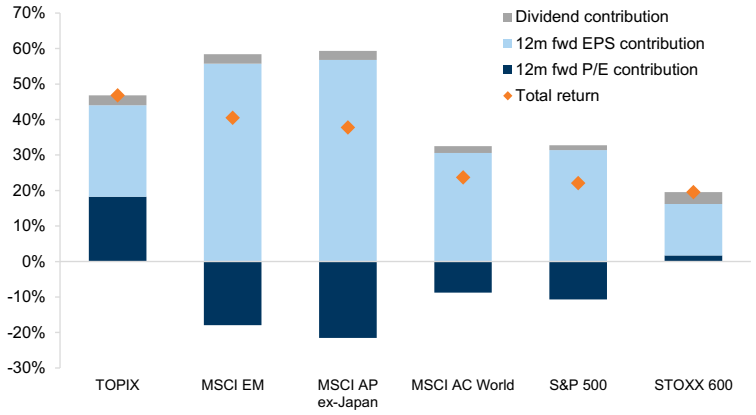
Exhibit 15: YTD sector performance across regions
Light blue: below -1 standard dev. from the AC world market performance. Dark blue: above +1 standard dev. from the AC world market performance.

YTD Absolute Performance (%) in USD																	
MSCI Index	**US**	**Canada**	**UK**	**Germany**	**France**	**Swiss**	**Spain**	**Italy**	**Devd Euro**	**Japan**	**Korea**	**Brazil**	**India**	**China**	**Taiwan**	**AC APxJ**	**EM**	**AC World**
Market	**10.6**	**8.3**	**5.4**	**-2.8**	**0.1**	**5.3**	**9.9**	**10.5**	**5.6**	**15.8**	**95.0**	**12.6**	**-9.6**	**-12.3**	**57.6**	**20.7**	**20.4**	**11.0**
Energy	22.4	21.7	10.7	–	19.4	–	41.2	27.8	17.7	6.1	10.1	41.7	-18.8	3.8	–	-5.8	1.6	18.8
Materials	11.2	-8.3	14.3	-3.6	21.0	0.1	–	-16.8	7.9	16.8	-12.1	7.8	-2.4	-19.1	71.1	4.5	-4.7	5.4
Industrials	17.4	7.4	4.8	5.4	2.4	22.6	12.8	29.8	5.5	8.1	35.0	3.0	3.5	-2.8	2.3	13.5	12.9	12.6
Capital Goods	22.2	-4.2	15.5	4.1	2.3	24.8	13.8	29.8	7.3	7.9	36.8	2.8	3.3	0.0	6.8	17.7	16.2	15.5
Comm & Profess. Srvcs	-9.6	-14.1	-15.8	–	-2.7	2.2	–	–	-14.6	28.5	–	–	–	-32.0	–	-9.2	-35.6	-6.9
Transportation	16.8	25.0	–	16.4	10.6	17.7	10.7	–	6.7	-8.7	1.9	3.5	6.7	-3.4	-3.3	5.6	4.4	11.9
Consumer Discretionary	-1.1	-1.3	2.4	-19.6	-20.9	4.8	-10.2	-15.0	-13.3	-1.3	28.3	46.1	-9.2	-21.7	-17.2	-13.3	-14.9	-4.2
Automobiles & Comp.	-8.5	20.5	–	-29.4	6.7	–	–	-15.8	-20.9	-9.9	27.1	–	-12.0	-17.5	–	-5.5	-5.6	-9.3
Cons Dur. & Apparel	-8.3	-16.1	–	4.6	-25.1	4.6	–	-11.6	-14.5	2.5	65.3	–	3.4	-14.5	–	-1.2	-2.0	-8.2
Consumer Srvcs	-3.4	10.2	4.0	55.0	5.1	–	-21.5	–	0.5	-11.0	–	–	-12.4	-25.8	–	-19.5	-23.5	-5.3
Retailing	3.4	-9.9	4.2	3.4	–	9.9	-5.1	–	-11.9	21.7	–	46.1	-2.1	-22.2	-15.5	-16.8	-19.4	0.0
Consumer Staples	7.9	5.9	-2.4	-3.5	-2.7	0.7	–	-1.9	0.3	-2.6	16.2	1.9	-12.4	-17.9	0.9	-4.0	-6.3	4.5
Food & Staples Retailing	5.7	6.6	7.5	–	12.7	–	–	–	3.3	-29.7	–	-14.2	1.7	-32.7	6.2	11.3	-9.8	3.4
Food Bev. & Tobacco	11.4	-2.6	1.2	–	-9.7	0.7	–	-1.9	2.4	16.4	9.3	6.3	-12.4	-15.3	-0.8	-9.4	-4.5	6.9
Household & Persnl Prod	4.6	–	-9.6	-3.5	1.1	–	–	–	-5.4	3.4	27.5	–	-15.2	-19.8	–	-8.6	-8.0	0.3
Health Care	3.5	–	-3.8	4.8	-20.9	4.8	–	2.8	-1.6	-3.6	-21.2	-4.9	5.0	1.5	76.7	-4.7	0.1	1.7
Healthcare Equip & Srvcs	-3.8	–	-8.2	-15.7	-38.2	-8.1	–	–	-20.7	-5.8	-30.9	-4.9	7.5	-20.5	–	-7.4	-5.5	-5.8
Pharma & Biotech	7.8	–	-3.7	18.4	-7.4	6.1	–	2.8	1.6	-2.6	-20.3	–	4.1	3.4	76.7	-3.8	1.6	5.1
Financials	1.4	19.7	11.5	-1.0	10.6	2.6	13.5	11.5	7.6	31.2	34.6	6.5	-10.0	-4.5	29.5	4.5	3.6	6.0
Banks	7.1	26.9	16.8	4.1	13.0	18.9	13.6	10.2	13.1	36.3	30.5	3.5	-11.2	1.0	25.0	5.2	3.8	11.7
Diversified Financials	-2.1	-5.2	-3.3	-1.2	13.1	5.7	–	21.1	0.2	17.9	30.9	13.8	-4.3	-9.0	51.8	5.9	3.9	-0.9
Insurance	5.1	10.9	0.3	-1.5	5.1	-0.4	0.3	16.7	1.1	26.0	53.6	25.4	-19.2	-14.9	31.9	0.7	2.6	5.2
Real Estate	–	-7.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Information Technology	19.6	-18.2	-9.0	-13.7	24.2	-0.6	–	–	33.6	60.5	160.8	–	-33.0	13.8	63.6	78.1	78.6	27.4
Software & Services	-17.1	-23.0	-23.7	-35.9	-33.4	–	–	–	-24.9	-23.1	11.6	–	-33.5	-34.2	–	-34.1	-32.3	-18.3
Tech Hardware & Equip	28.5	21.7	2.6	–	–	-0.6	–	–	26.4	57.2	131.1	–	–	6.7	67.0	86.8	86.8	38.3
Semiconductor & Equip	43.8	–	–	86.8	168.7	–	–	–	72.1	100.2	218.9	–	-7.1	73.2	62.6	85.9	85.9	53.4
Communication Srvcs	4.0	-15.1	2.6	-9.6	3.0	5.4	-6.3	43.1	-4.7	0.7	-21.9	17.8	-11.7	-22.5	0.3	-18.9	-15.9	0.9
Telecom Srvcs	-8.0	-15.1	8.2	-8.2	8.7	5.4	-6.3	43.1	1.4	16.5	40.4	17.8	-11.4	-20.2	0.3	-5.1	2.6	-0.3
Media & Entertainment	5.4	–	-4.8	-22.7	-4.3	–	–	–	-14.7	-29.2	-29.2	–	-14.9	-22.5	0.7	-22.6	-22.7	1.3
Utilities	6.1	9.6	7.9	17.0	17.3	-22.8	13.7	9.6	11.9	0.2	-26.4	19.5	2.6	-10.4	–	-2.0	3.4	7.0

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

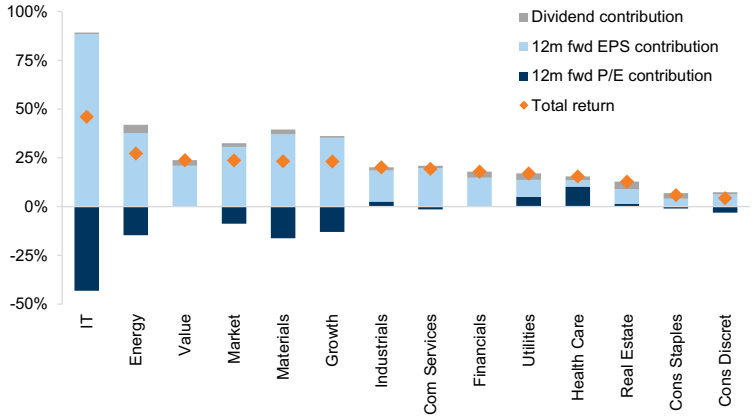
Earnings & Contribution

Exhibit 16: 12m trailing return contribution
12m trailing return in local currency



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

Exhibit 17: MSCI AC World 12m trailing return contribution by sector/style
12m trailing return in USD



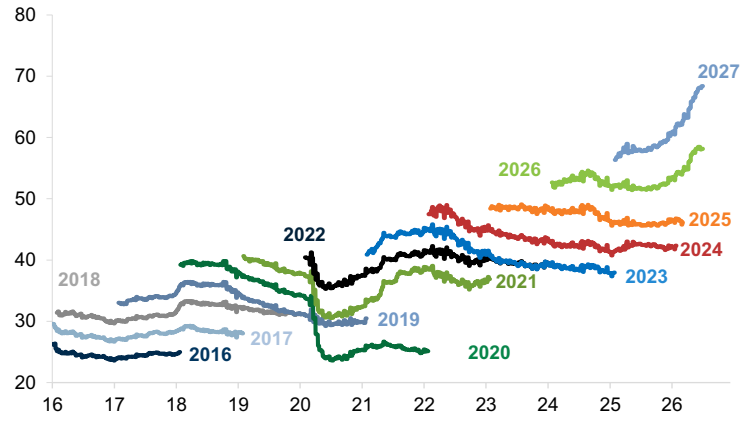
Source: FactSet, STOXX, Goldman Sachs Global Investment Research

Exhibit 18: Sales growth, EPS growth and net margins
Consensus estimates

	Sales Growth (%)		EPS Growth (%)		Net Margin (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
S&P 500	10.4	7.7	24.0	16.9	15.4	16.6
STOXX 600	5.8	3.2	15.4	10.1	11.0	11.6
TOPIX (FY basis)	4.4	3.7	13.4	11.5	7.3	7.8
MSCI AP ex Japan	19.9	12.6	62.1	25.0	16.3	18.1
MSCI EM	20.2	12.3	62.6	24.4	16.2	17.9
MSCI AC World	**10.2**	**7.2**	**26.6**	**16.4**	**14.2**	**15.3**
Energy	14.5	-4.8	53.7	-7.0	10.0	9.4
Materials	11.9	3.3	51.9	10.7	11.4	12.2
Industrials	7.2	7.0	15.0	14.8	9.8	10.5
Cons. Discretionary	6.9	6.9	18.2	17.9	7.7	8.4
Cons. Staples	5.0	4.2	6.5	8.2	6.8	7.1
Health Care	5.1	5.2	3.5	17.0	9.2	10.3
Financials	4.3	5.6	10.1	10.3	21.9	22.5
IT	34.9	23.2	73.5	33.9	27.9	30.3
Communication Svs	10.1	8.8	18.4	6.7	19.2	18.7
Utilities	4.7	4.1	8.4	8.9	11.3	11.9
Real Estate	5.5	5.5	6.7	7.3	18.0	18.6

Source: FactSet, STOXX, Goldman Sachs Global Investment Research

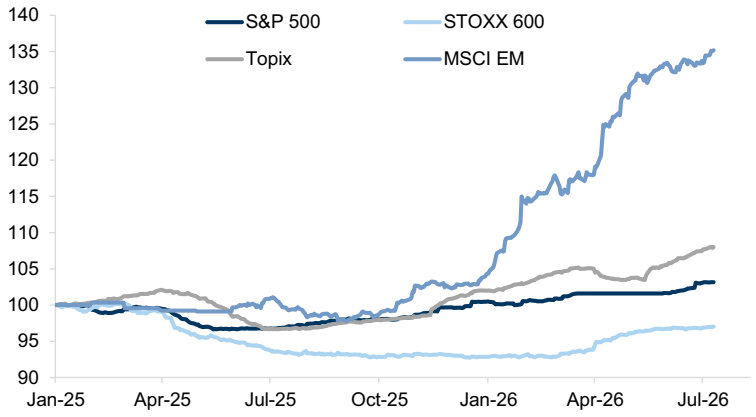
Exhibit 19: MSCI AC World EPS
Consensus estimates in USD



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

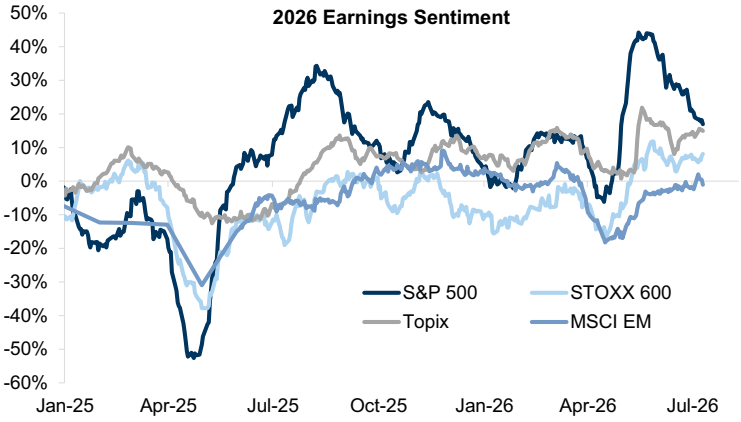
Earnings revisions

Exhibit 20: 2026 EPS revisions
Indexed to 100. Local currency



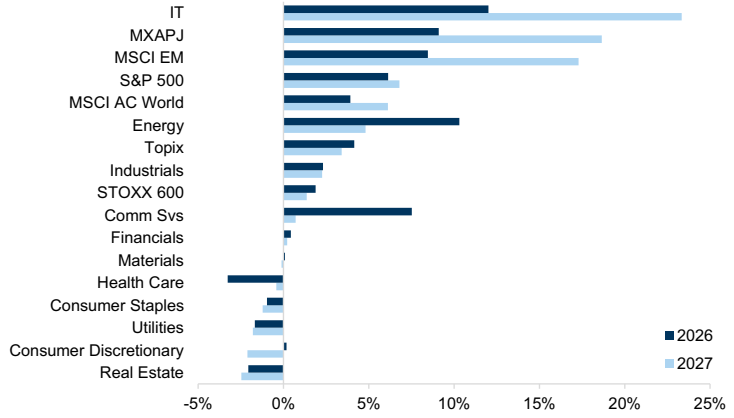
Source: FactSet, STOXX, Goldman Sachs Global Investment Research

Exhibit 21: 2026 Earnings Sentiment
(nb upgrades - nb downgrades) / nb estimates over the past month



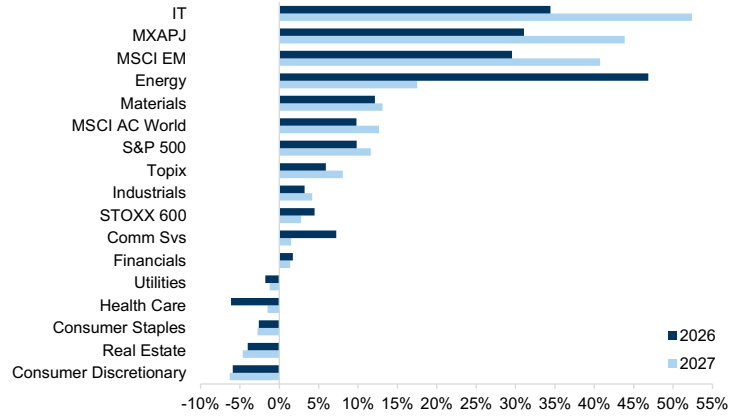
Source: FactSet, STOXX, Goldman Sachs Global Investment Research

Exhibit 22: 3-month EPS revision
MSCI AC World sectors and Global Regions. Local currency



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

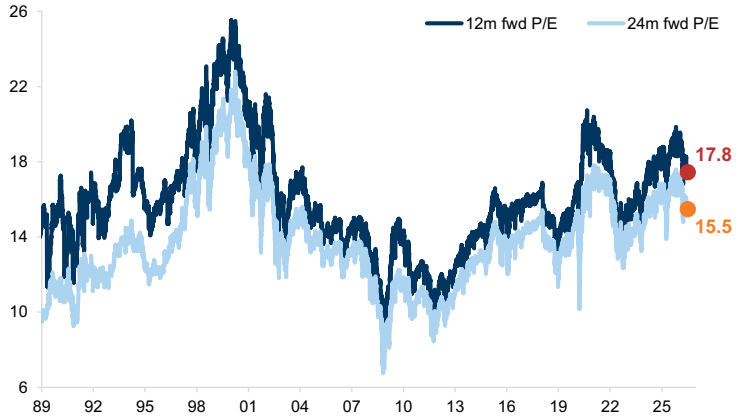
Exhibit 23: Year-to-date EPS revisions
MSCI AC World sectors and Global Regions. Local currency



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

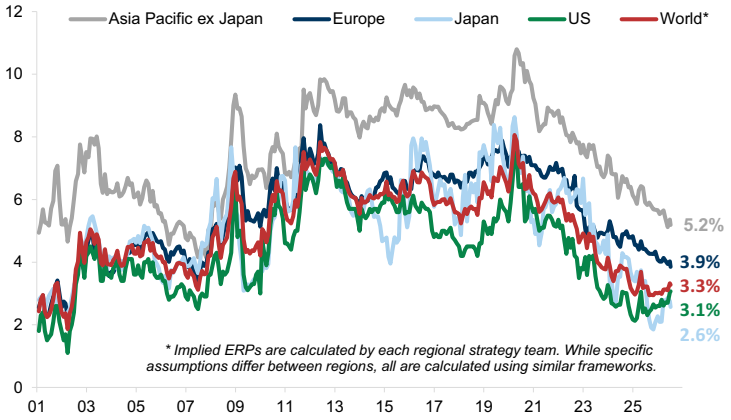
Valuation

Exhibit 24: 12m and 24m fwd MSCI AC World stock valuation
12m and 24m fwd P/E



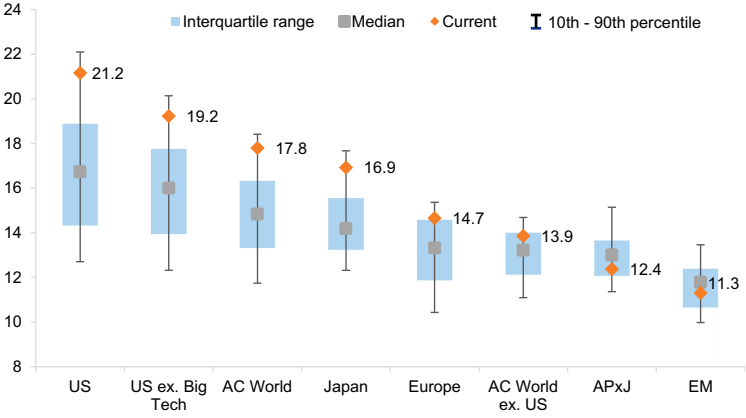
Source: Datastream, I/B/E/S, Goldman Sachs Global Investment Research

Exhibit 25: Global market implied ERP (%)



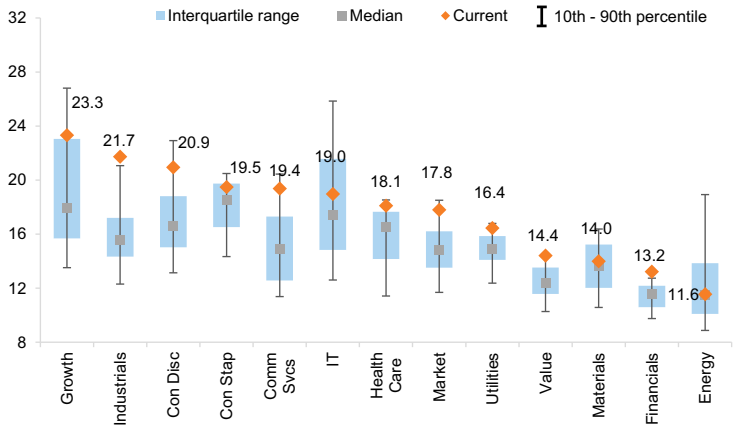
Source: Goldman Sachs Global Investment Research

Exhibit 26: MSCI Regions valuations
12-month forward P/Es relative to the last 20 years - STOXX 600 P/E for Europe



Source: FactSet, Goldman Sachs Global Investment Research

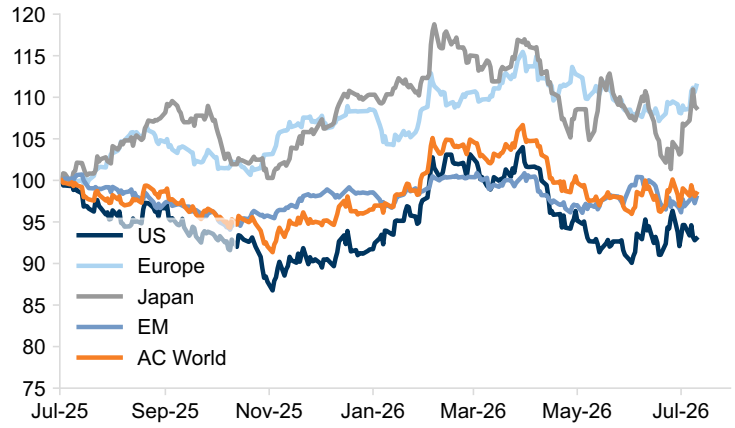
Exhibit 27: MSCI World sector/style valuations
12-month forward P/Es relative to the last 20 years



Source: FactSet, Datastream, Goldman Sachs Global Investment Research

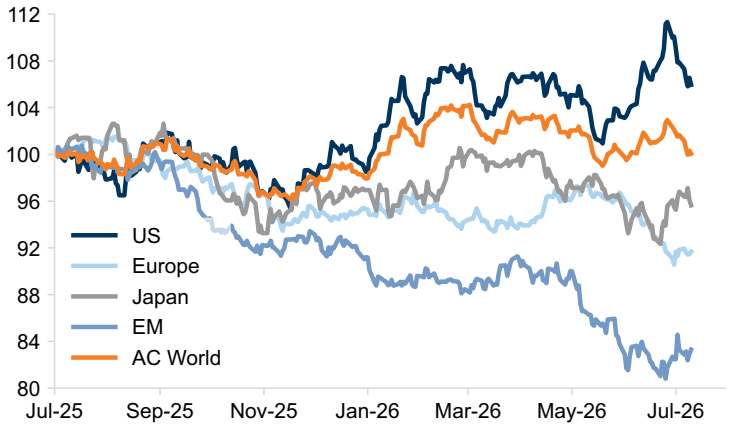
Style performance

Exhibit 28: Value vs. Growth
MSCI Indices relative price return (USD)



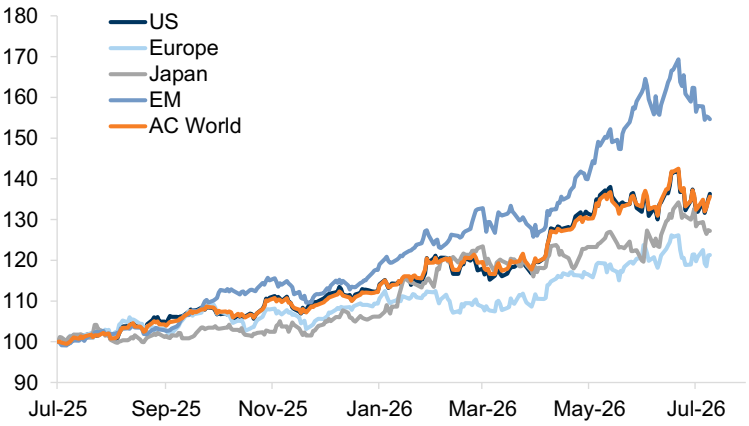
Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 29: Small-cap vs. Large-cap
US: MSCI USA Small vs. MSCI USA Large; Europe: MSCI Europe Small vs. MSCI Europe Large; MSCI Japan Small vs. MSCI Japan Large; MSCI EM Small vs. MSCI EM Large



Source: Datastream, STOXX, Goldman Sachs Global Investment Research

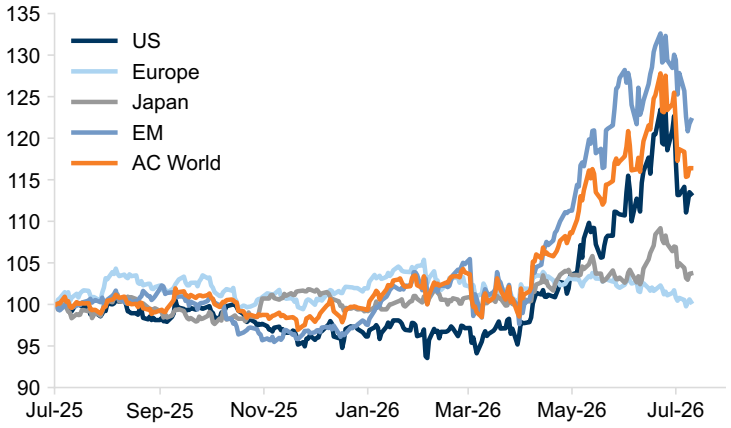
Exhibit 30: Cyclicals vs. Defensives
MSCI Indices relative price return (USD)



For details on the construction of the indices, please see: Cyclicals vs. Defensives: A global implementation

Source: Datastream, Worldscope, Goldman Sachs Global Investment Research

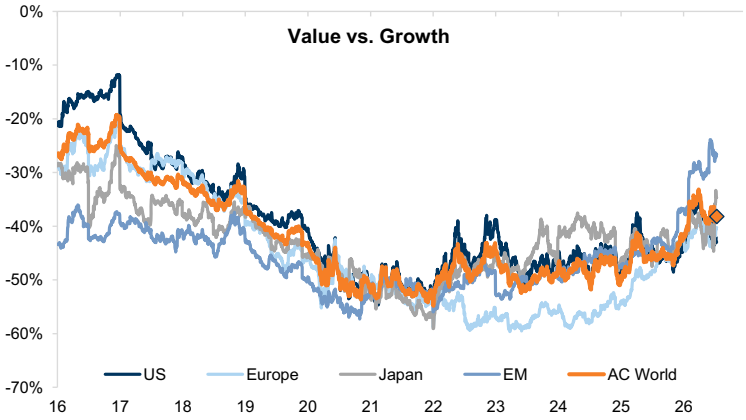
Exhibit 31: Momentum vs. Market
MSCI Momentum Indices relative price return (USD)



Source: Datastream, Goldman Sachs Global Investment Research

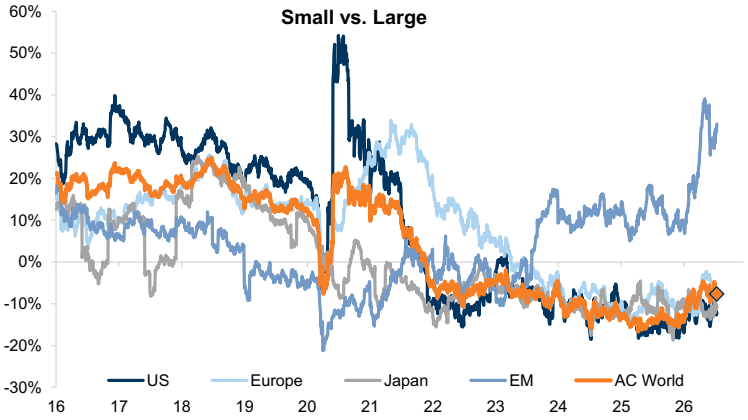
Style valuation

Exhibit 32: Value vs. Growth
12m fwd P/E Premium (or Discount)



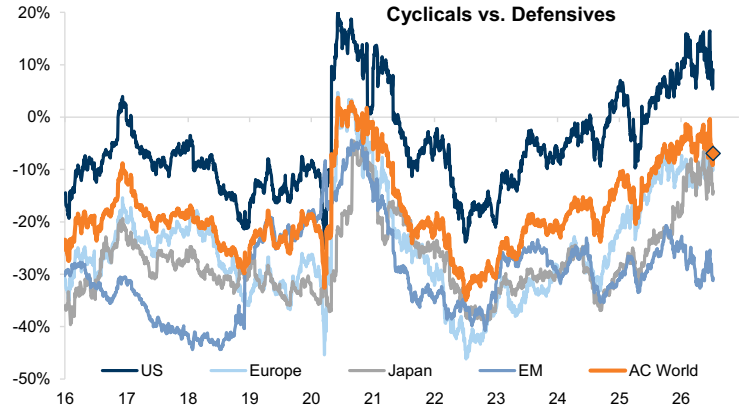
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 33: Small vs. Large
12m fwd P/E Premium (or Discount)



Source: FactSet, Goldman Sachs Global Investment Research

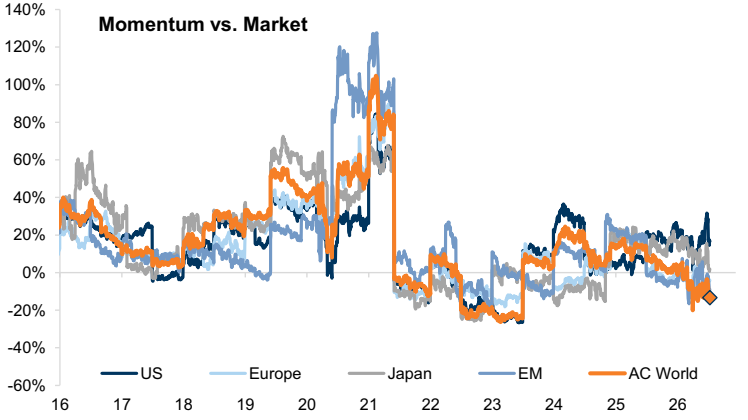
Exhibit 34: Cyclicals vs. Defensives
12m fwd P/E Premium (or Discount)



For details on the construction of the indices, please see: Cyclicals vs. Defensives: A global implementation

Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 35: Momentum vs. Market
12m fwd P/E Premium (or Discount)



Source: FactSet, Goldman Sachs Global Investment Research

Sector weights, geographical exposure and concentration

Exhibit 36: Index sector composition

GICS Sector	U.S.	Europe	Japan	APxJ	AC World
Energy	3.3	4.3	0.8	3.2	3.8
Materials	2.1	5.7	3.5	5.7	3.6
Industrials	8.7	17.9	23.4	7.2	10.7
Consumer Discretionary	10.6	8.7	18.3	13.7	10.7
Consumer Staples	6.0	10.3	5.6	3.9	6.4
Health Care	10.8	14.0	7.6	4.5	9.9
Financials	14.0	22.7	15.8	25.4	18.0
Real Estate	2.3	0.8	2.5	2.8	2.1
Information Technology	30.2	7.0	13.2	21.1	23.7
Communication Services	9.4	4.2	8.2	9.9	8.3
Utilities	2.5	4.3	1.1	2.6	2.8
Total	100.0	100.0	100.0	100.0	100.0

Source: MSCI, FactSet, Goldman Sachs Global Investment Research

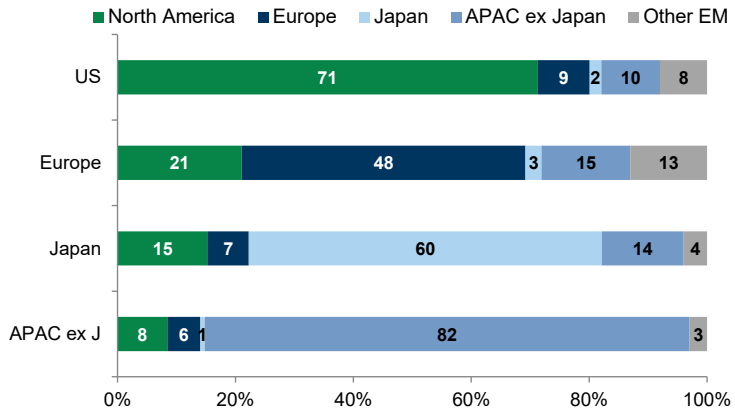
Exhibit 37: GS recommended sector weightings by region

GICS Sector	U.S.	Europe	Japan	APxJ
Energy	N	N	N	OW
Materials	OW	N	N	N
Industrials	N	N	OW	OW
Consumer discretionary	OW	UW	N	N
Consumer staples	N	OW	UW	UW
Health care	OW	N	UW	OW
Financials	N	OW	OW	N
Real Estate	N	N	N	N
Information technology	OW*	OW	OW	OW
Communication services	N	OW	OW	OW
Utilities	N	N	UW	UW

*US OW refers just to Software & Services

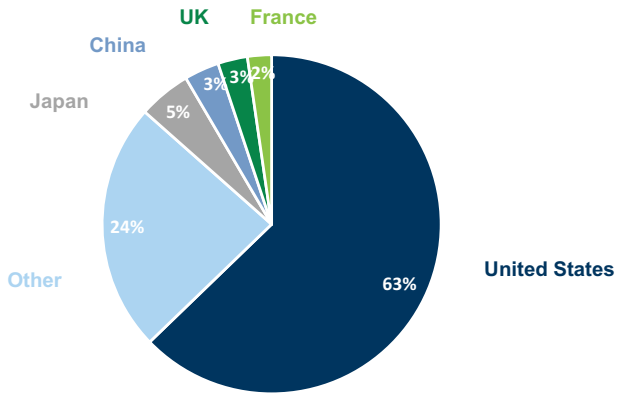
Source: Goldman Sachs Global Investment Research

Exhibit 38: Geographical Sales Exposure
MSCI Indices. See our Portfolio Passport 2024.



Source: MSCI, FactSet, Goldman Sachs Global Investment Research

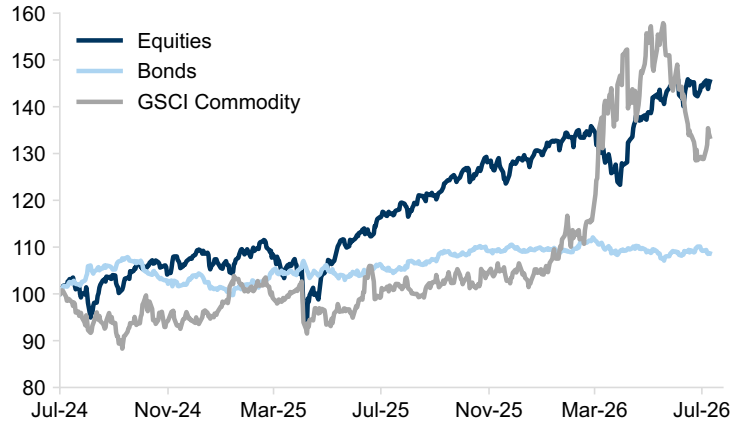
Exhibit 39: Country Composition
MSCI AC World Index



Source: FactSet, Goldman Sachs Global Investment Research

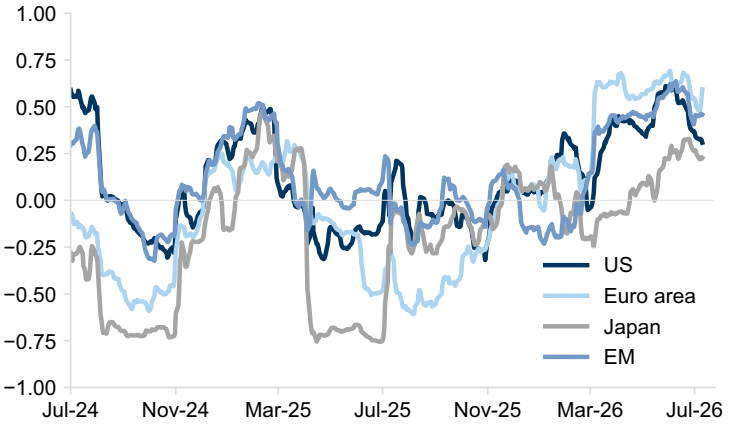
Cross-asset performance and correlation

Exhibit 40: Performance of equities, bonds and commodities
Indexed USD total returns, Equities refer to MSCI AC World, Commodities refer to S&P GSCI® & Bonds refer to US 10y Govt. bonds



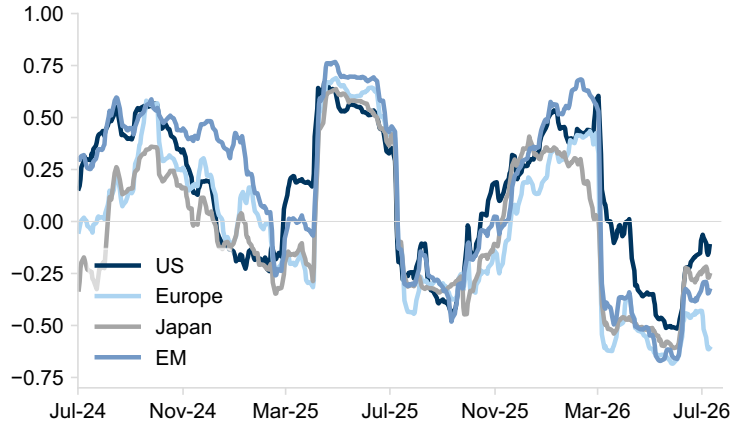
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 41: 3m rolling equity/bond correlation of weekly returns
S&P 500 vs. US 10y Index; EURO STOXX 50 vs. Germany 10y Index; Topix vs. Japan 10y Index; MSCI EM vs. US 10y Index



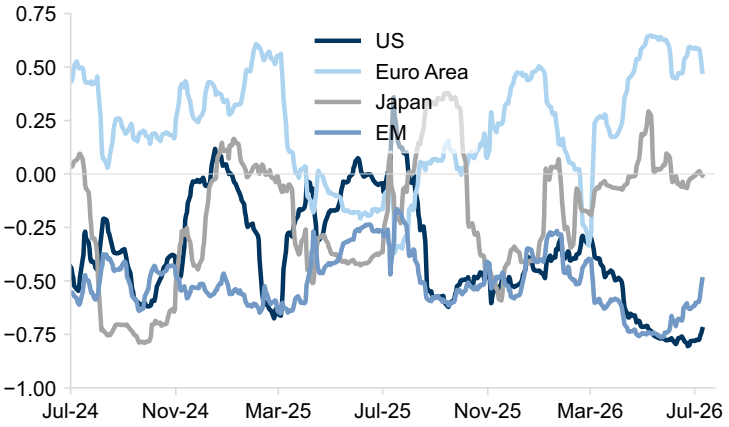
Source: Datastream, STOXX, Goldman Sachs Global Investment Research

Exhibit 42: 3m correlation of weekly returns with GSCI Total Return Index
Correlation vs. GSCI Commodities Total Return Index



Source: Datastream, Goldman Sachs Global Investment Research

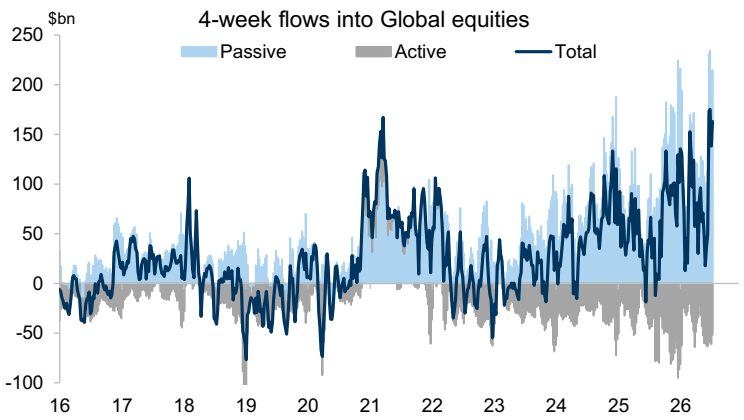
Exhibit 43: 3m rolling equity/FX correlation of weekly returns
S&P 500 vs. GS USD TWI; EURO STOXX 50 vs. EUR/USD; Topix vs. JPY/USD;MSCI EM vs. GS USD TWI



Source: Datastream, STOXX, Goldman Sachs Global Investment Research

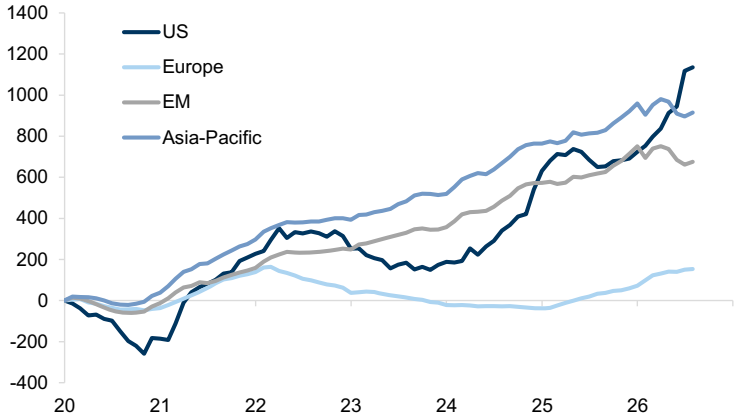
Flows from Global investors into equity funds

Exhibit 44: Monthly flows from Global investors into DM and EM equity funds
In USD bn.



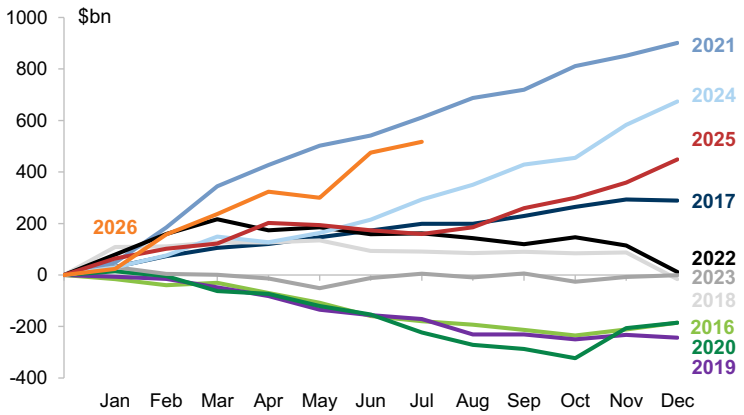
Source: EPFR, Goldman Sachs Global Investment Research

Exhibit 45: Cumulative flows into equity by regions
Monthly flows, USD bn. EPFR Country Flows (weekly data for current month).



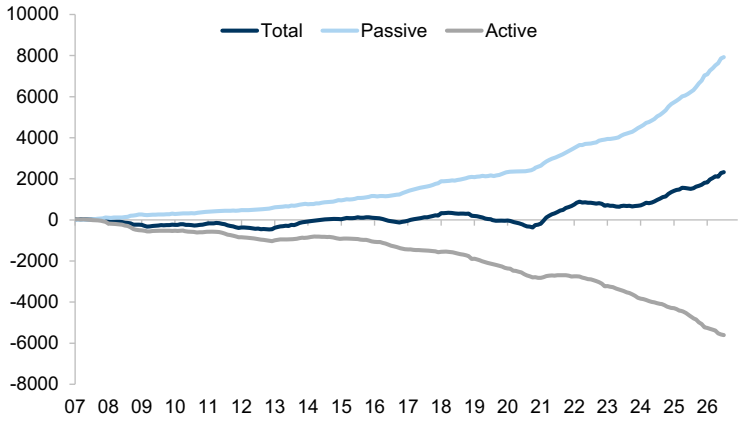
Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 46: Calendarised flows from Global investors into DM and EM equity funds
In USD bn



Source: EPFR, Goldman Sachs Global Investment Research

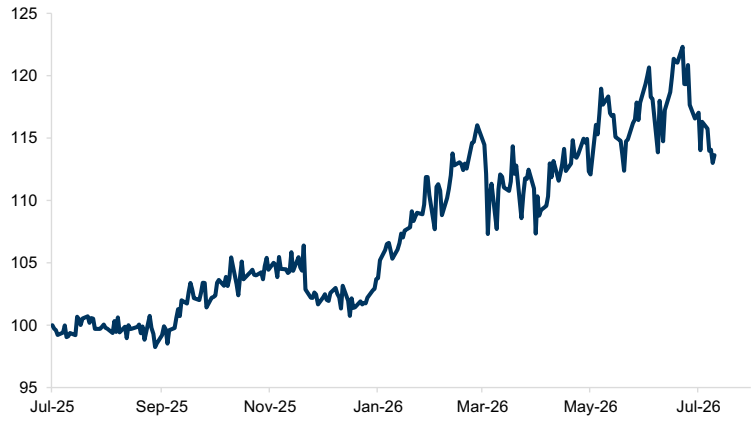
Exhibit 47: Cumulative flows from Global investors into DM and EM funds
Active and Passive funds. Monthly flows, USD bn. EPFR Country Flows (weekly data for current month)



Source: EPFR, Goldman Sachs Global Investment Research

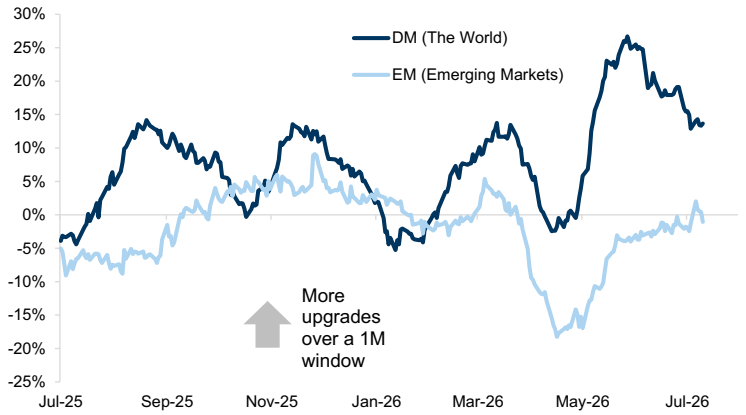
Emerging Markets vs. Developed Markets

Exhibit 48: EM vs. DM performance
Relative price performance, indexed to 100 from 1 year ago



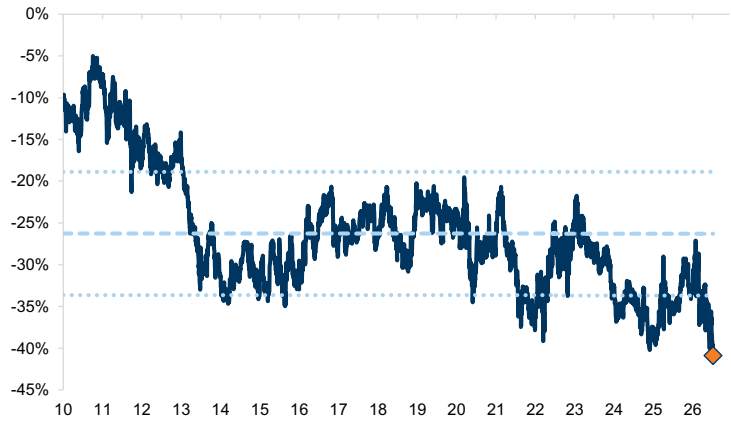
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 49: 2026 earnings sentiment % for MSCI The World and EM
Earnings sentiment = (upgrades – downgrades) / total estimates on all stocks



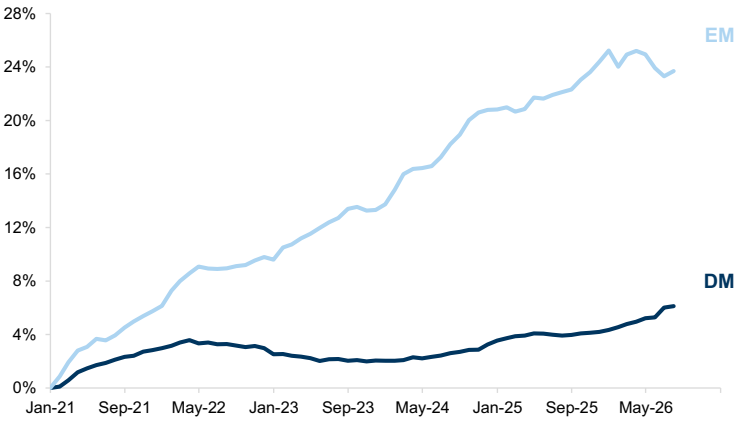
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 50: EM vs. DM valuation
12-month forward P/E Premium (Discount)



Source: FactSet, Goldman Sachs Global Investment Research

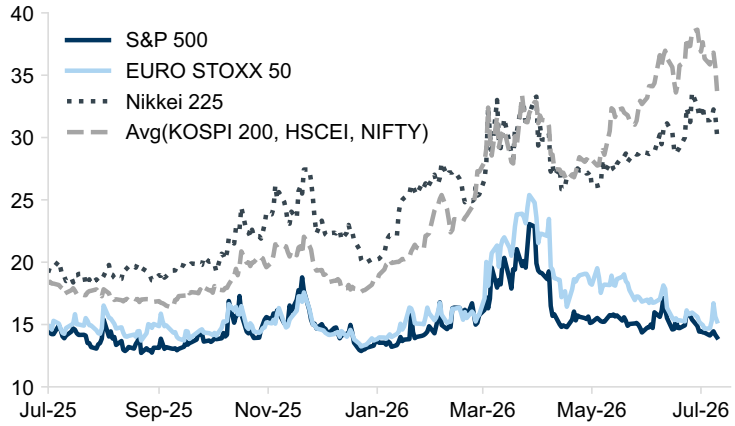
Exhibit 51: EM vs. DM Cumulative flows (% Total Net Assets)
Monthly flows, EPFR Country Flows (weekly data for current month).



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

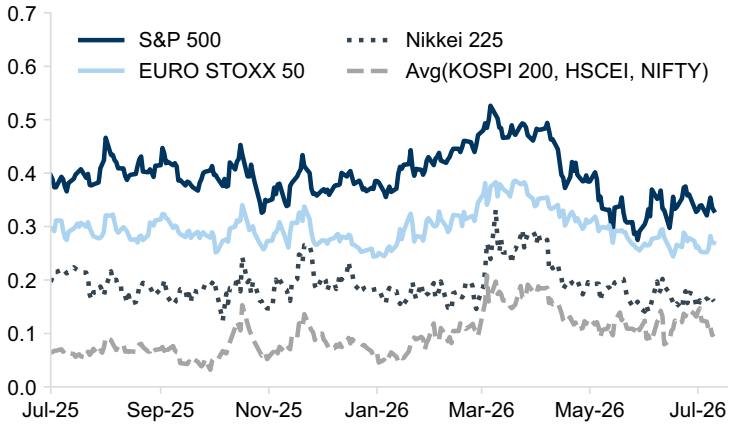
Vol, skew and dividends

Exhibit 52: Implied volatility of 3-month atms



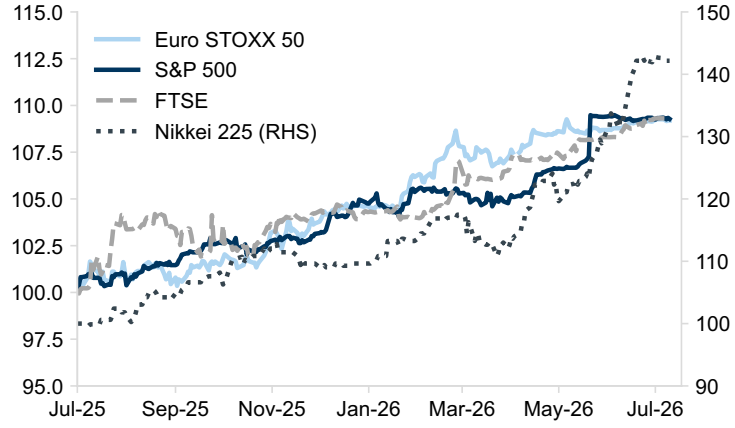
Source: Bloomberg, STOXX, Goldman Sachs Global Investment Research

Exhibit 53: 3-month normalised skew



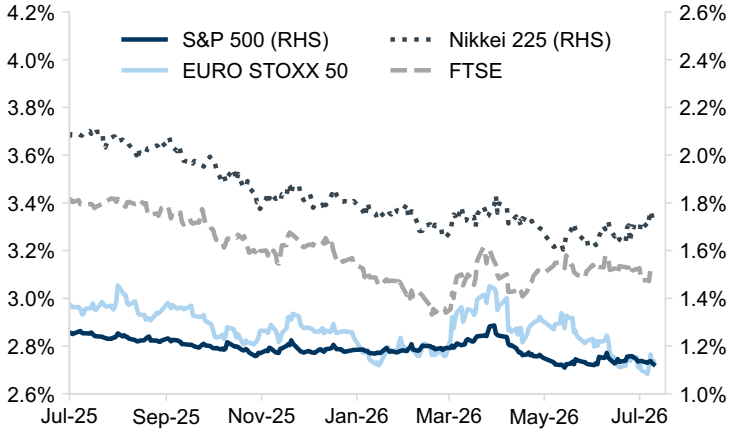
Source: Bloomberg, STOXX, Goldman Sachs Global Investment Research

Exhibit 54: 2026 dividend markets, rebased to 100



Source: Bloomberg, STOXX, Goldman Sachs Global Investment Research

Exhibit 55: 2026 implied dividend yield



Source: Bloomberg, STOXX, Goldman Sachs Global Investment Research