BERENBERG
PARTNERSHIP SINCE 1590

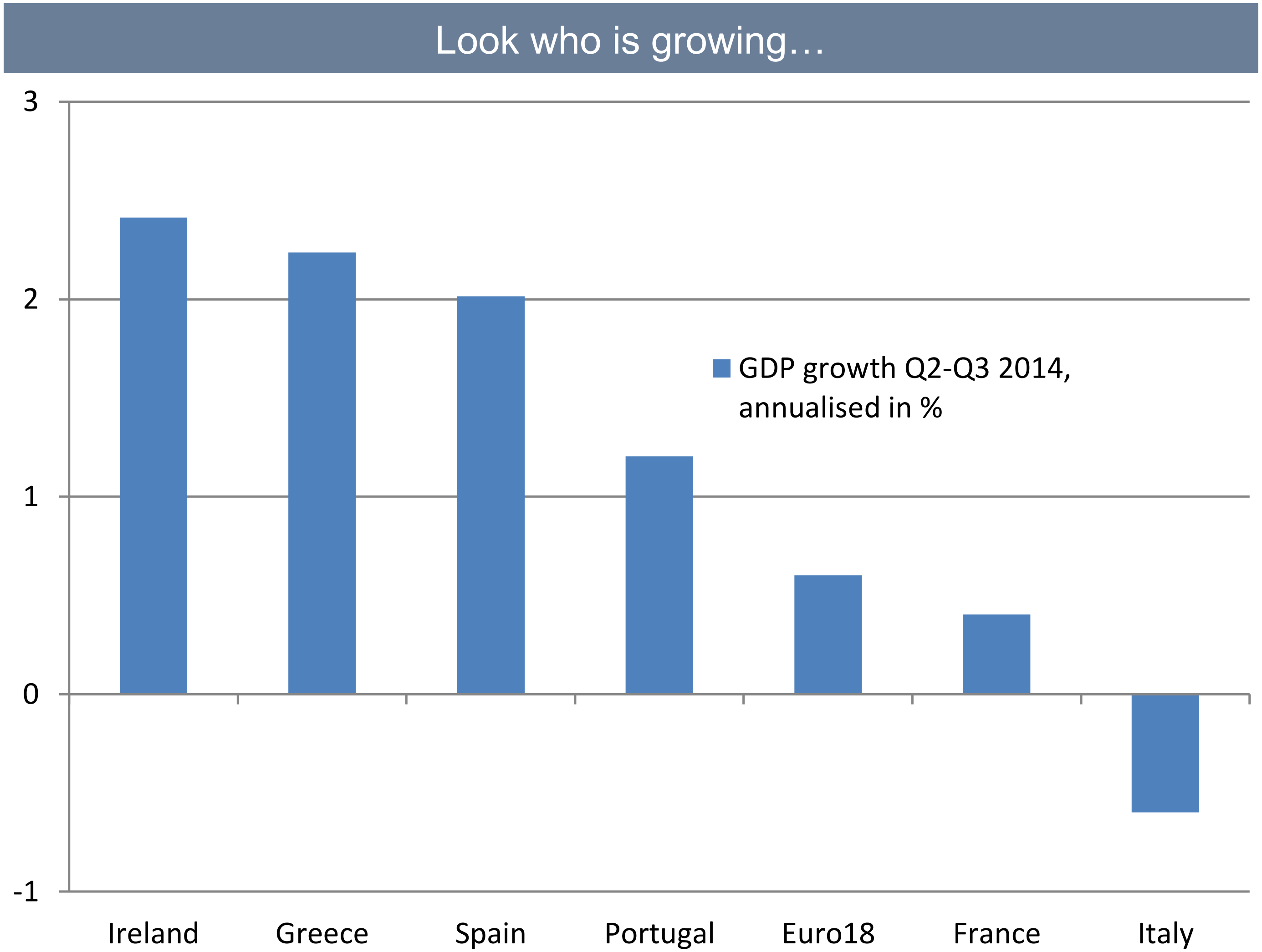
The 2014 Euro Plus Monitor: Leaders and Laggards

- **Eurozone**: huge structural progress but weak demand
- **Reform countries**: reaping the rewards
- **France**: still the sick man of Europe
- **Germany**: slowly into reverse gear?
- **Britain**: great on micro, shaky on macro
- **Sweden**: success breeds complacency

Holger Schmieding

Brussels, 18 December 2014

Eurozone: Tough love is working



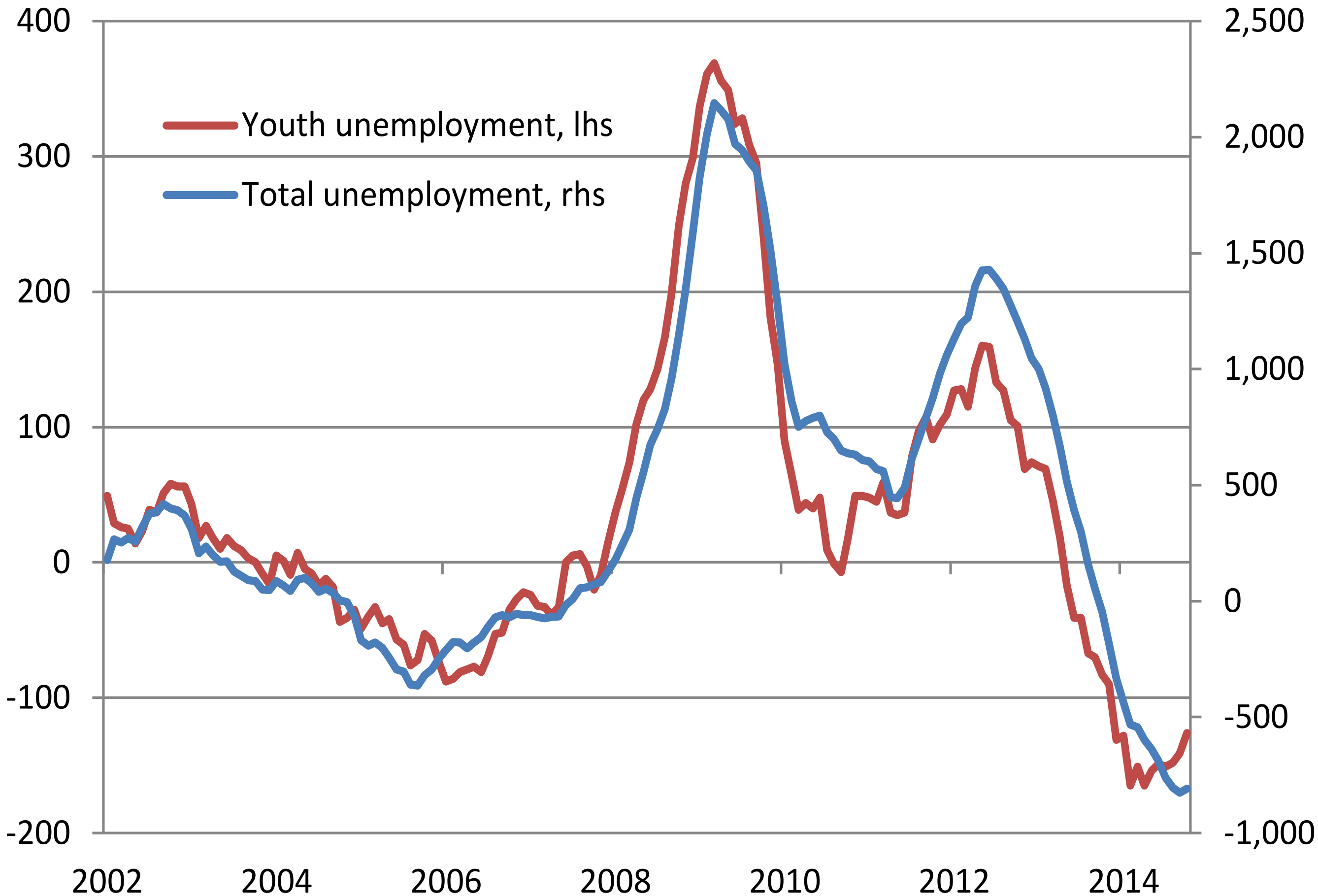
Source: Eurostat, Elstat, CSO

- The four countries that had to ask for external assistance before early 2013…
- …and had to meet tough conditions to qualify for support…
- …are now rebounding strongly.
- They are on the right track.
- Getting there was tough.
- The key risks are now political, not economic.
- Reform reversals could push countries back into crisis.

Beyond the worst: progress at the periphery

BERENBERG
PARTNERSHIP SINCE 1590

Unemployment is falling fast



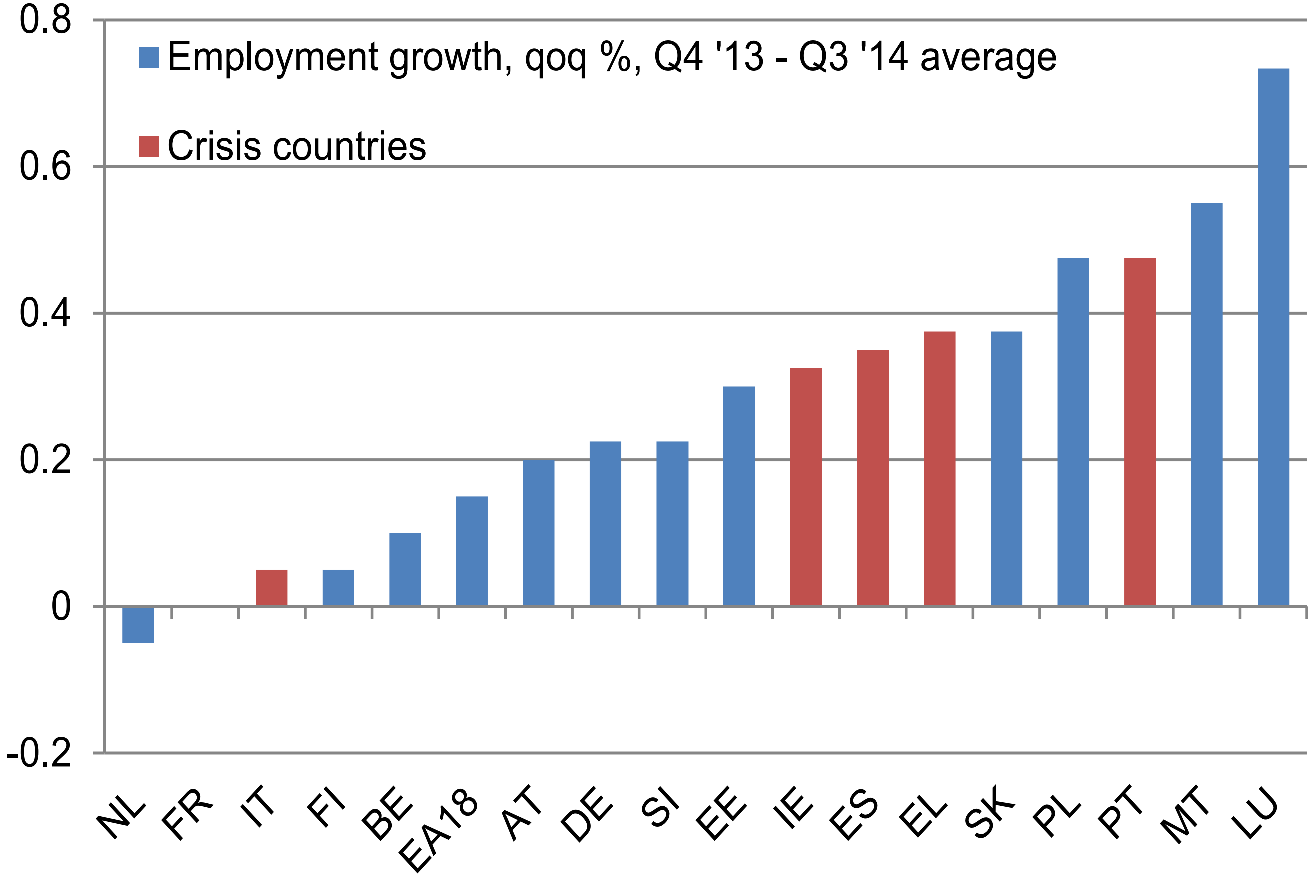
Change in total unemployment 12-month sum, based on monthly nsa data. Source: Eurostat

- Since the peak in March 2013, the number of unemployed in Spain, Greece, Portugal and Ireland has fallen by over 1 million.
- Youth joblessness remains very high, but has declined by 222k since the peak.
- The labour market reforms support sustainable jobs growth.
- The challenge for 2015: preventing reform reversals.

Eurozone labour market: the pain is not in vain

BERENBERG
PARTNERSHIP SINCE 1590

Reform countries are recovering fast



- The reform countries are starting to reap the rewards of their efforts.
- Jobs growth in Portugal, Greece, Spain and Ireland has reached a very health pace, ahead of most of core Europe.
- Low jobs growth in France and Italy shows that these countries have so far missed the opportunity to reform. But Renzi's Italy is finally serious about labour market reform.

Average qoq change in employment, in % . EE: Estonia, NL: Netherlands, LU: Luxembourg, MT: Malta, PL: Poland, SK: Slovakia, LV: Latvia, IT: Italy, FR: France, PT: Portugal, EL: Greece, ES: Spain, IE: Ireland, SI: Slovenia, DE: Germany, AT: Austria, BE: Belgium, FI: Finland.
Source: Eurostat

The 2014 Euro Plus Monitor

BERENBERG
PARTNERSHIP SINCE 1590

Updates 2013 results for all 18 Euro members and for UK, Sweden, Poland

Two separate rankings for all 21 countries

Ranking 1: Adjustment Indicator

- Limited number of key measures of adjustment
- Focus: exports, labour costs, fiscal adjustment, structural reforms
- Includes 2014 projections beyond backward-looking hard data
- Describes the pace of change

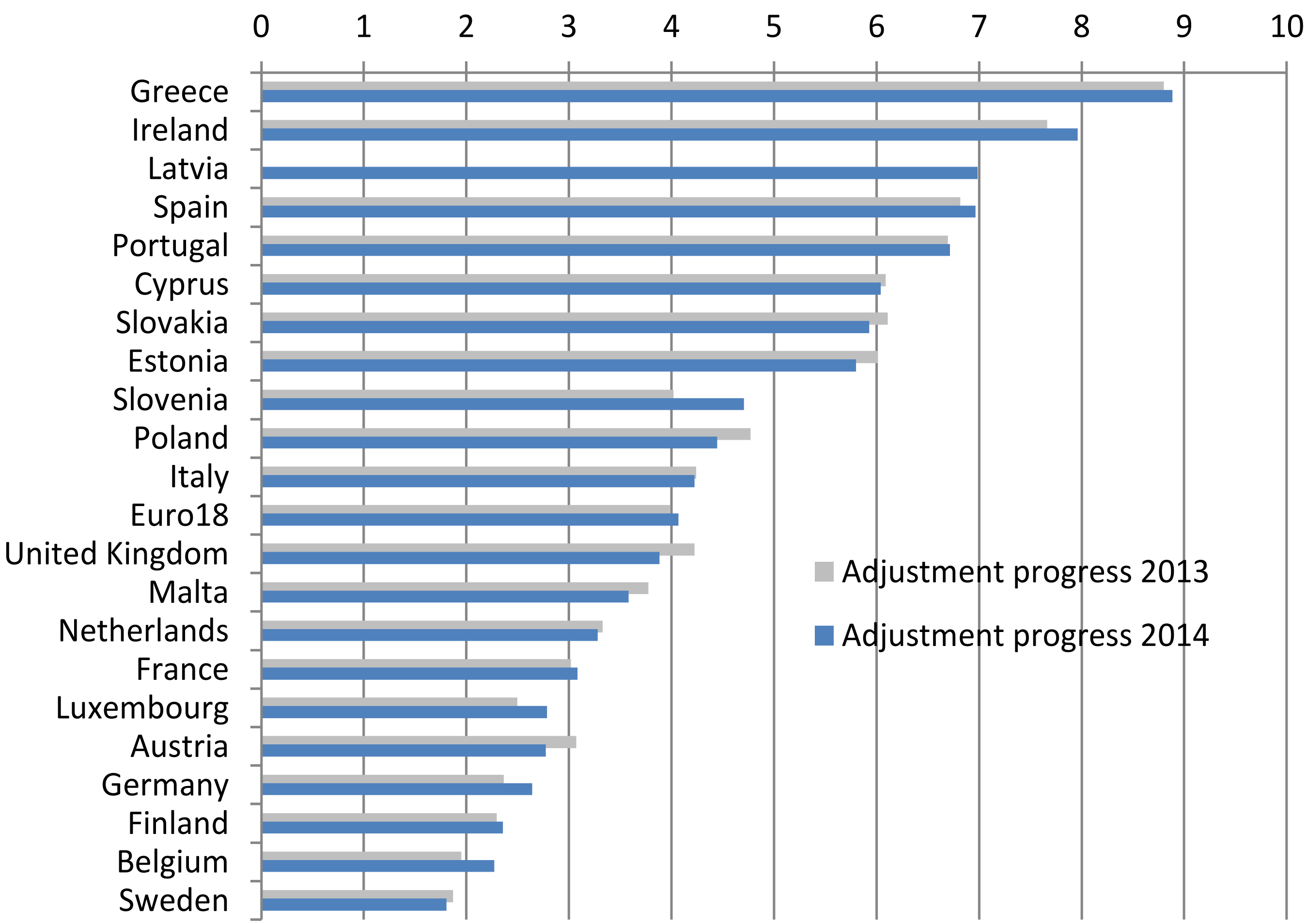
Ranking 2: Fundamental Health

- Broad array of indicators and long-term trends
- Focus: growth potential, competitiveness, fiscal sustainability, resilience
- Includes data on demographics and education that go beyond mere economics
- Backward looking data
- Describes the recent situation (=starting level)

Adjustment Progress Indicator 2014

BERENBERG
PARTNERSHIP SINCE 1590

Reform countries top the league, complacent core lags far behind



- The five countries that have been granted assistance are among the top six performers in our adjustment ranking.
- Under the pressure of crisis, Cyprus is also moving up fast.
- No trace of „moral hazard“.
- Italy is above average, but only modestly so.
- UK close to Italy.
- Little progress in the core.
- Further slippage in Sweden.

Scores on a scale of 10 (best) to 0 (worst). Grey bars give 2013 scores for comparison. Source: Berenberg calculations

Adjustment Ranking

BERENBERG
PARTNERSHIP SINCE 1590

Table 1: Adjustment Progress Indicator

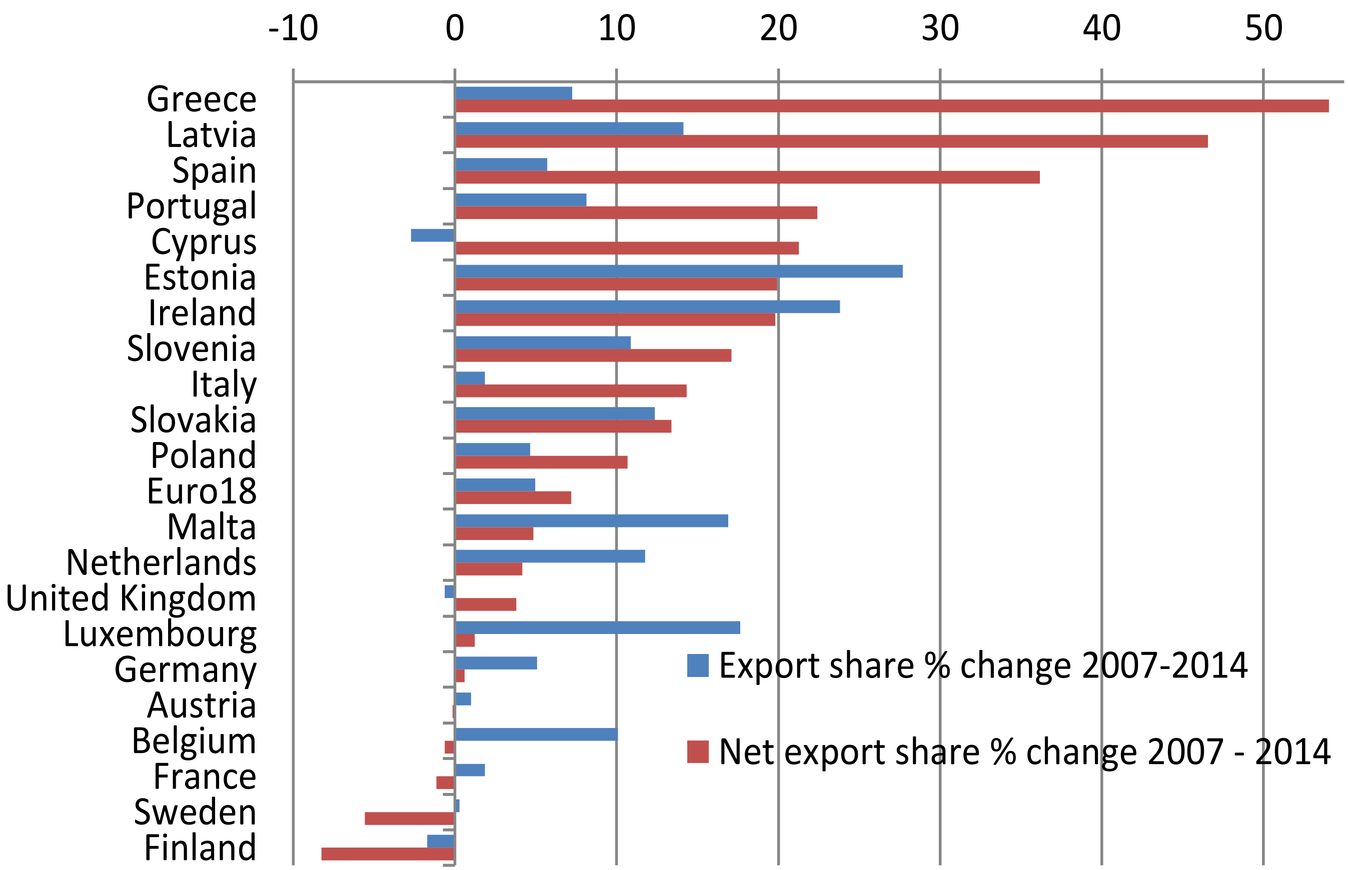
Rank		Country	Total Score			External adj.			Fiscal adj.			Labour Cost Adj.			Reform drive		
2014	2013		2014	*Change*	2013	2014	*Change*	2013	2014	*Change*	2013	2014	*Change*	2013	2014	*Change*	2013
1	1	Greece	8.9	*0.1*	8.8	7.5	*0.5*	7.0	9.7	*-0.2*	9.9	8.3	*0.1*	8.3	10.0	*0.0*	10.0
2	2	Ireland	8.0	*0.3*	7.7	8.4	*0.7*	7.7	6.9	*0.6*	6.3	8.0	*-0.4*	8.4	8.5	*0.3*	8.2
3	n.a.	Latvia	7.0	*n.a.*	n.a.	9.0	*n.a.*	n.a.	4.4	*n.a.*	4.7	7.6	*n.a.*	n.a.	n.a.	*n.a.*	n.a.
4	3	Spain	7.0	*0.1*	6.8	6.8	*-0.2*	7.0	7.1	*0.2*	6.9	6.0	*0.3*	5.7	7.9	*0.2*	7.7
5	4	Portugal	6.7	*0.0*	6.7	6.0	*-0.4*	6.4	7.9	*0.5*	7.3	5.2	*-0.1*	5.3	7.8	*0.1*	7.7
6	6	Cyprus	6.0	*0.0*	6.1	5.2	*-0.6*	5.8	6.2	*0.9*	5.2	6.8	*-0.5*	7.2	n.a.	*n.a.*	n.a.
7	5	Slovakia	5.9	*-0.2*	6.1	6.1	*-0.2*	6.4	6.9	*-0.8*	7.7	5.2	*0.3*	4.9	5.5	*0.0*	5.5
8	7	Estonia	5.8	*-0.2*	6.0	7.6	*0.3*	7.3	1.7	*0.3*	1.4	5.7	*-0.9*	6.6	8.3	*-0.5*	8.8
9	11	Slovenia	4.7	*0.7*	4.0	6.5	*0.9*	5.6	5.1	*0.1*	5.0	3.7	*0.3*	3.3	3.6	*1.4*	2.2
10	8	Poland	4.4	*-0.3*	4.8	4.3	*-0.4*	4.7	6.2	*0.3*	5.9	1.8	*-0.6*	2.4	5.4	*-0.6*	6.1
11	9	Italy	4.2	*0.0*	4.2	4.2	*0.3*	3.9	5.1	*-0.2*	5.3	2.7	*0.2*	2.5	5.0	*-0.3*	5.2
12	10	United Kingdom	3.9	*-0.3*	4.2	2.8	*-0.2*	3.0	4.8	*-0.6*	5.4	1.9	*-0.9*	2.7	6.1	*0.3*	5.8
13	12	Malta	3.6	*-0.2*	3.8	6.2	*-0.4*	6.6	2.0	*-0.1*	2.1	2.5	*-0.1*	2.7	n.a.	*n.a.*	n.a.
14	13	Netherlands	3.3	*-0.1*	3.3	4.7	*0.5*	4.1	4.0	*0.1*	3.9	2.1	*-0.8*	2.9	2.4	*0.0*	2.4
15	15	France	3.1	*0.1*	3.0	2.8	*-0.2*	3.0	3.7	*0.1*	3.6	2.2	*0.1*	2.0	3.7	*0.2*	3.5
16	16	Luxembourg	2.8	*0.3*	2.5	5.0	*1.5*	3.4	1.1	*-0.7*	1.8	3.9	*-0.3*	4.2	1.2	*0.6*	0.6
17	14	Austria	2.8	*-0.3*	3.1	2.7	*-0.5*	3.2	1.9	*0.1*	1.8	1.4	*0.1*	1.2	5.1	*-0.9*	6.1
18	17	Germany	2.6	*0.3*	2.4	3.2	*0.3*	2.9	4.0	*0.0*	4.0	1.0	*-0.1*	1.1	2.4	*0.9*	1.5
19	18	Finland	2.4	*0.1*	2.3	1.3	*-0.1*	1.5	0.1	*-0.1*	0.2	2.9	*0.1*	2.8	5.1	*0.4*	4.7
20	19	Belgium	2.3	*0.3*	1.9	3.8	*0.6*	3.3	1.4	*-0.1*	1.5	2.0	*0.6*	1.4	1.8	*0.2*	1.6
21	20	Sweden	1.8	*-0.1*	1.9	2.0	*-0.4*	2.4	0.0	*0.0*	0.0	1.2	*0.3*	0.9	4.0	*-0.2*	4.3
		Euro18	4.1	*0.1*	4.0	4.0	*0.1*	3.9	4.5	*0.0*	4.5	2.6	*0.0*	2.5	5.2	*0.2*	5.0

Scores from 10 (best) to 0 (worst); ranks 1-20 , change in scores over 2013 Euro Plus Monitor. Source: Berenberg calculations

Adjustment progress (I): External adjustment

BERENBERG
PARTNERSHIP SINCE 1590

Exports have cushioned most peripheral economies

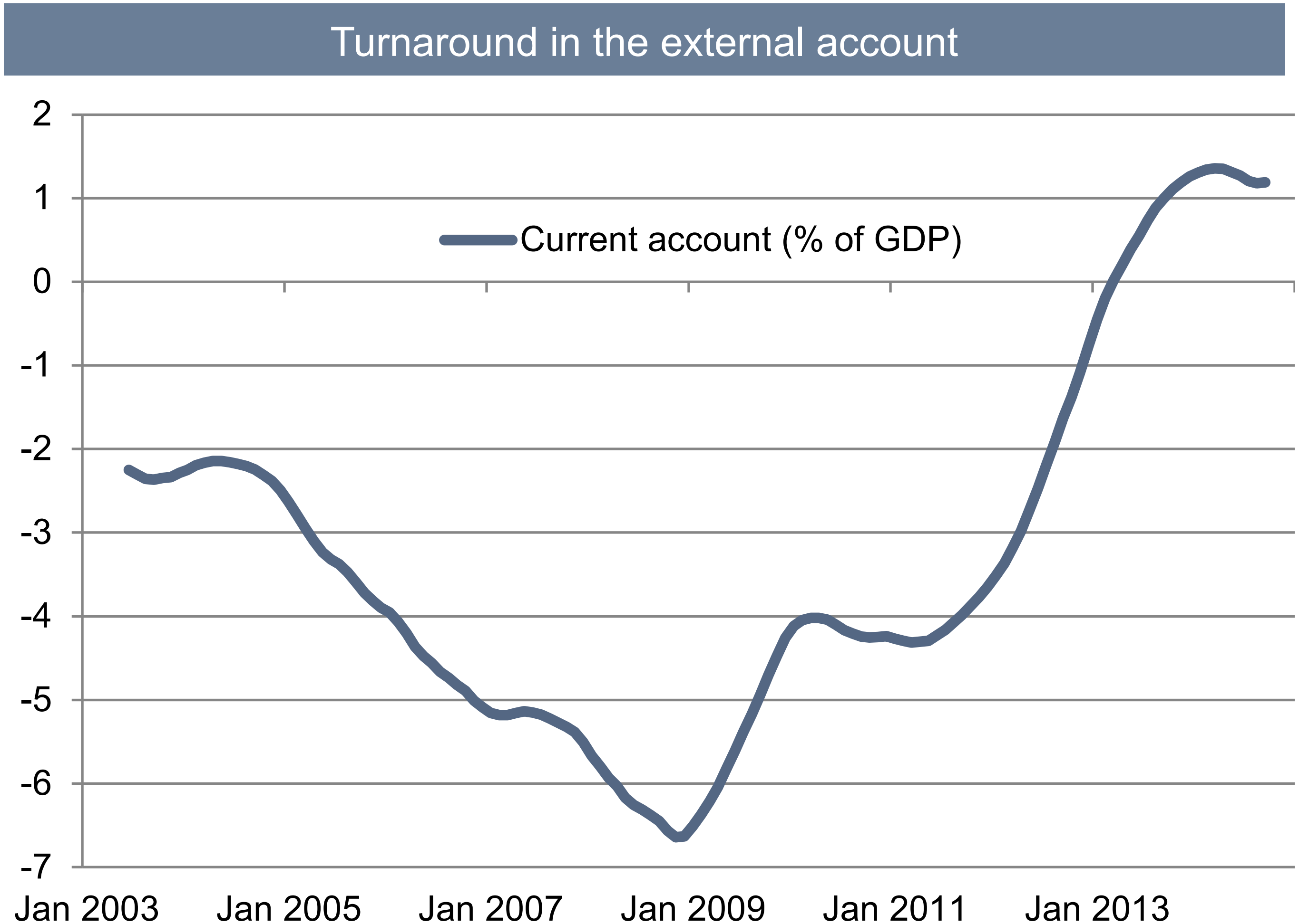


Change of exports/net exports Q3 2014 to H2 2007, as % of H2 2007 export ratio. Source: Eurostat

- External turnaround is one of the most impressive features of Eurozone adjustment.
- The collective belt-tightening in the periphery has led to a major import correction.
- Countries live within their means again.
- But real exports have risen, too. Spain and Portugal exported 17% more in Q2 2013 than before the crisis. Ireland has advanced, too.
- Export shares in GDP have risen strongly across almost all crisis countries except Greece and Cyprus.

Euro periphery: dramatic external turnaround

BERENBERG
PARTNERSHIP SINCE 1590



Current account balance in % of GDP, Italy, Spain, Greece, Portugal and Ireland; 3-month moving average, seasonally adjusted.
Source: Eurostat, Berenberg calculations

- The five euro crisis countries have turned their external accounts around very nicely.
- They balanced their joint current account in late 2012 and achieved a surplus in mid-2013.
- The euro crisis countries no longer need to import capital.
- As imports are now rebounding while exports continue to grow, the surplus is no longer widening.

Export-driven turn-around

BERENBERG
PARTNERSHIP SINCE 1590

Nominal exports and imports, 12m sums, €bn; Italy, Spain, Greece, Ireland and Portugal

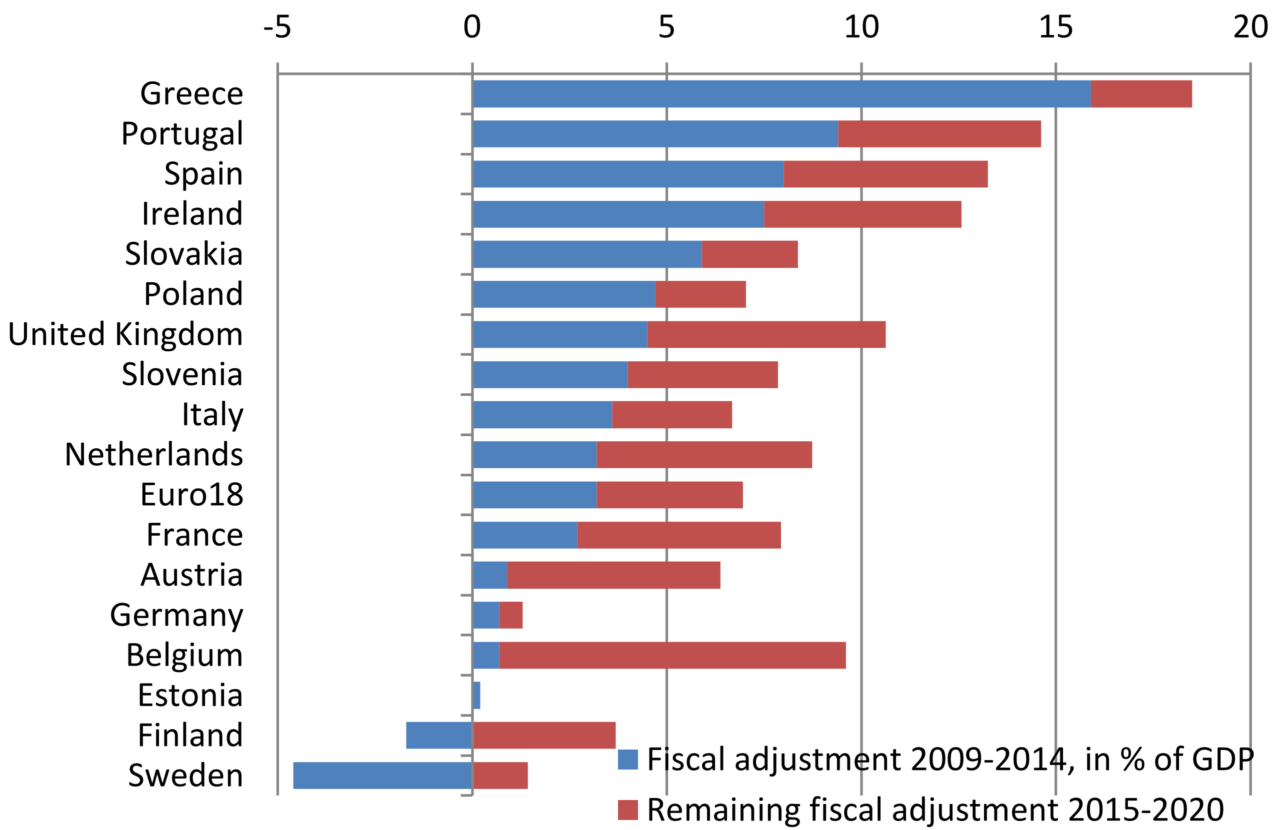
- The import bubble burst in 2008.
- Periphery imports are well below their pre-crisis peak in nominal terms.
- The crisis countries have raised their competitiveness the hard but sustainable way without devaluing their currency
- Nominal exports are far above pre-crisis levels.
- Exports are likely to gather pace again later in 2015 in line with stronger growth in the Europe.

Adjustment progress (II): Fiscal adjustment

BERENBERG

PARTNERSHIP SINCE 1590

Fiscal adjustment: Greece is almost done



Cumulative change in underlying primary fiscal balance 2009-2014, and remaining tightening need 2015-2020, to reach a debt-to-GDP ratio of 60% by 2030, in % of annual GDP. No data available for remaining tightening need for Cyprus, Estonia, Luxembourg and Malta.

Source: EU Commission, European Economy, Statistical Annex, IMF Fiscal Monitor, Berenberg calculations

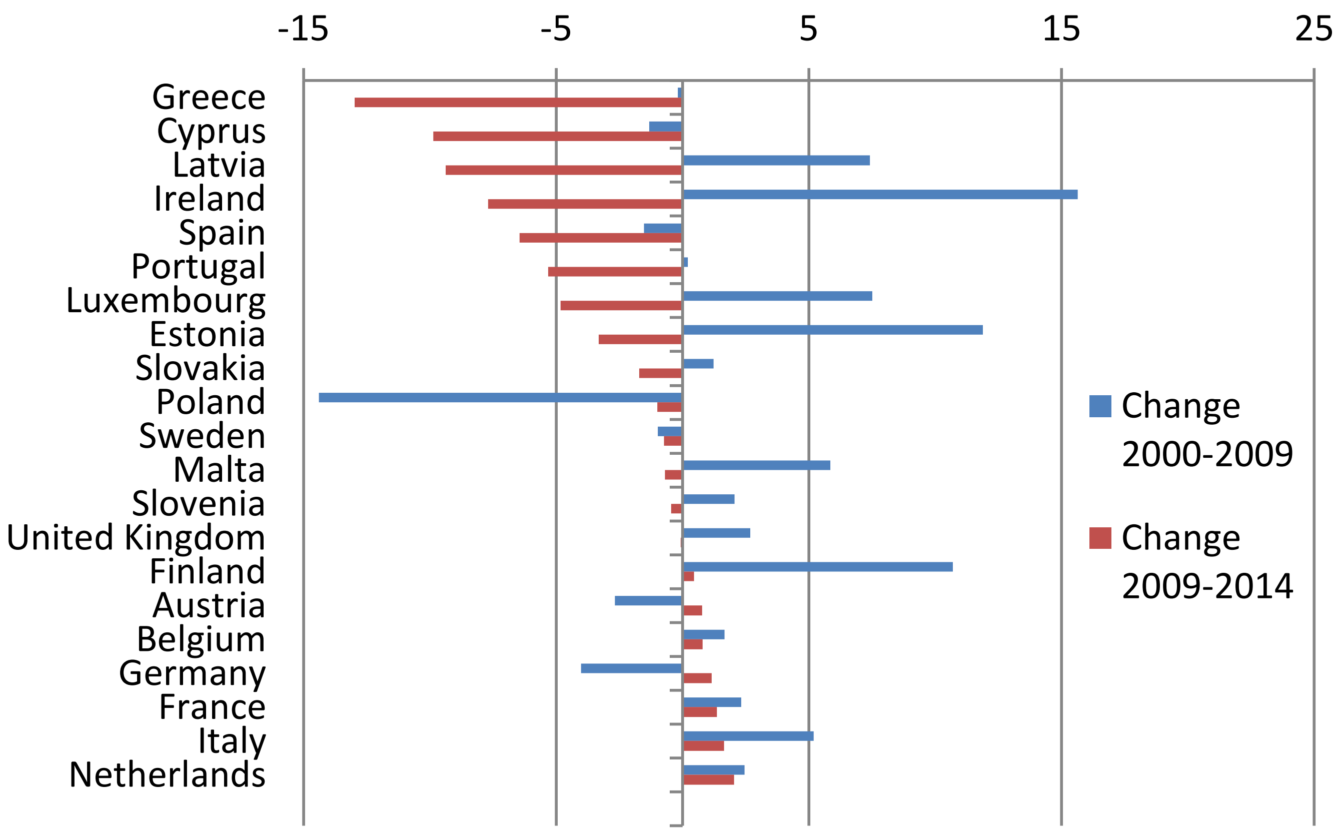
- Countries on the euro periphery have tightened their belts.
- While Germany has little need for austerity.
- Austerity was the right medicine – but Greece had been asked to swallow an overdose of it.
- The worst of austerity is over.
- The red bars refer to a very ambitious benchmark: a 60% debt ratio by 2030.
- Not all countries need to meet that.

Adjustment progress (III): Labour costs

BERENBERG

PARTNERSHIP SINCE 1590

Real unit labour costs: the great convergence



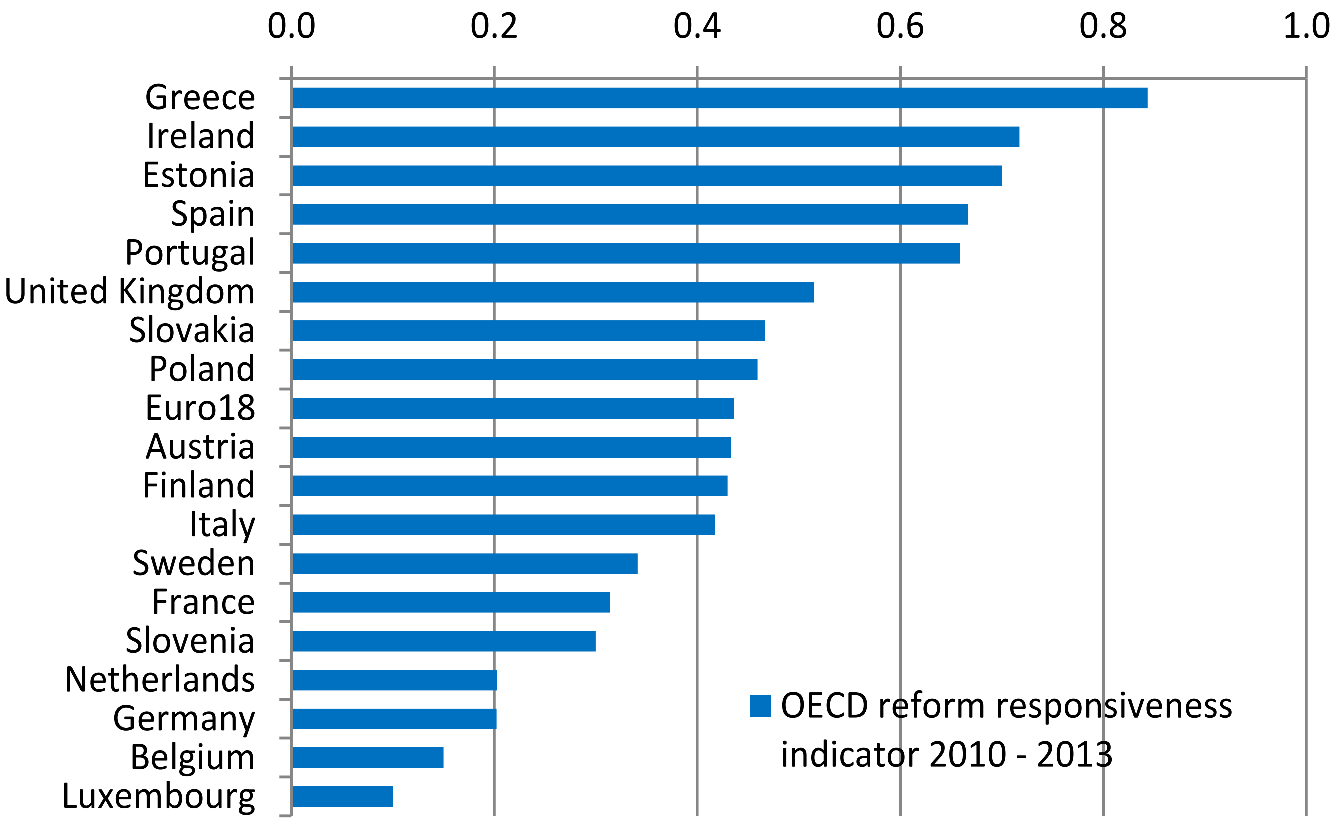
Cumulative deviation of change in real unit labour cost from Eurozone average; 2000-2009 vs. 2009-2013.
Data for Poland, UK and Sweden affected by exchange rate changes. Source: Eurostat, Berenberg calculations

- Turnaround at the euro periphery…
- …where real unit labour costs are falling sharply.
- Turnaround in Germany as well…
- …where labour costs are now rising at an above-average pace.

Adjustment progress (IV): Structural Reforms

BERENBERG
PARTNERSHIP SINCE 1590

OECD indicator of responsiveness to reform proposals



Responsiveness to Going for Growth recommendations across OECD countries 2010-13. Score from 0 (no reforms) to 1 (serious reforms in all policy areas identified by the OECD). Source: OECD 2014

- Who is implementing pro-growth structural reforms?
- The OECD regularly makes detailed reform proposals.
- Once a year, the OECD checks whether countries are heeding such advice.
- The bailout countries have enacted sweeping reforms…
- …while core European and Scandinavian countries do very little.

Three Stages of Adjustment

BERENBERG
PARTNERSHIP SINCE 1590

Stage 1: Pain (Cyprus)

- Serious labour market and other structural reforms
- Fiscal squeeze
- External balance improves through drop in imports
- Still-weak result for Overall Health, strong result on Adjustment Indicator

Stage 2: Turnaround (Ireland, Spain, Portugal, Greece - also Cyprus 2015?)

- Fiscal squeeze eases; labour market reforms start to show results
- Private sector starts to respond to structural reforms by investing more
- First gains in employment and tax revenues
- External balance shifts further as exports take off
- Stronger result for Overall Health, but high unemployment impairs human capital; still-strong result on Adjustment Indicator

Stage 3: Enjoying the Success (Germany, Estonia, Latvia)

- No need for further adjustment
- Room for more private and public consumption
- Strong reading on Overall Health Indicator, weaker result on Adjustment Indicator

Stage 4: Complacency ?

Fundamental Health Ranking 2014

BERENBERG
PARTNERSHIP SINCE 1590

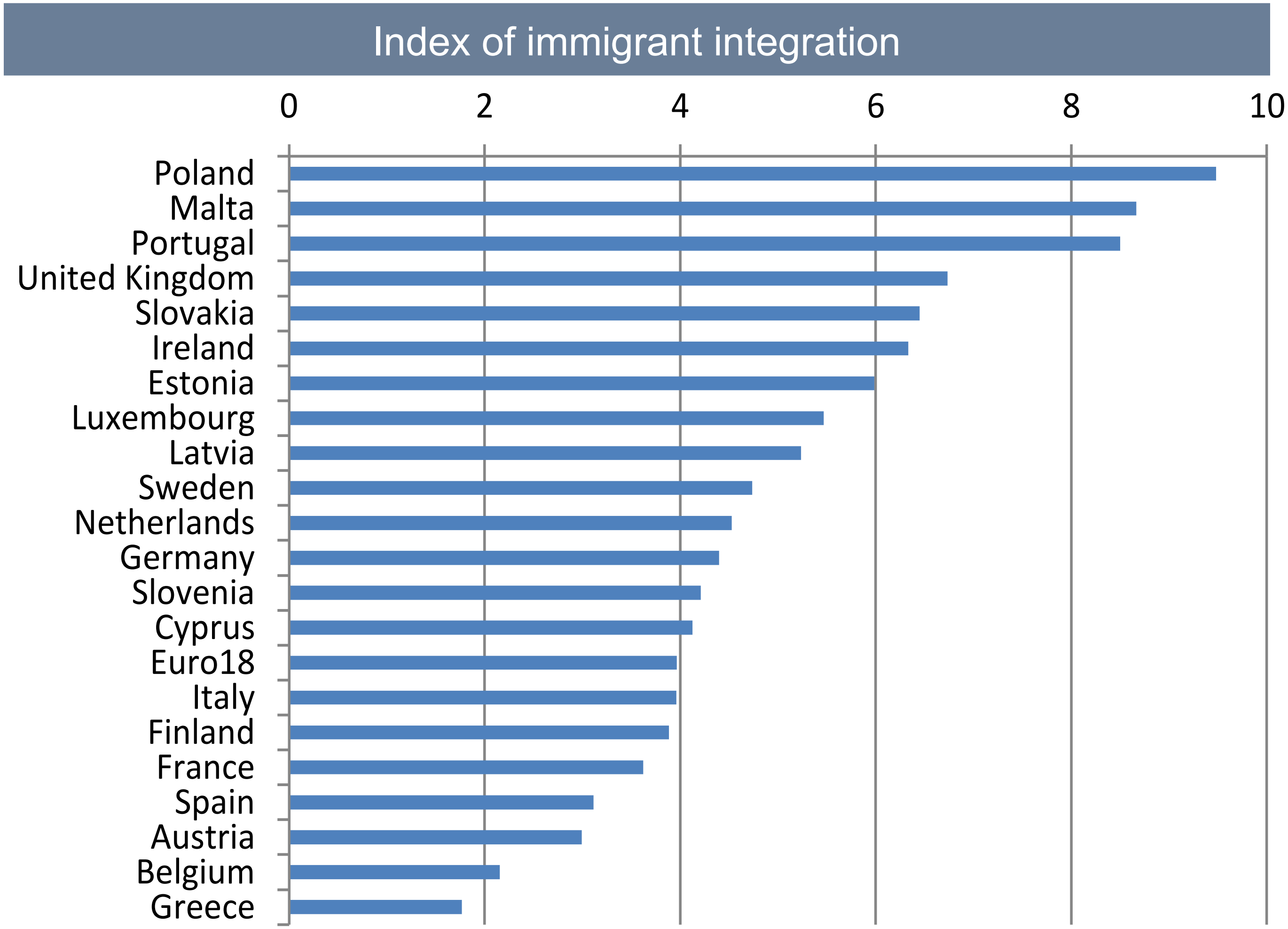
Table 2: Fundamental Health Indicator

Rank		Country	Total Score			Growth			Competitiveness			Fiscal sustainability			Resilience		
2014	2013		2014	*Change*	2013	2014	*Change*	2013	2014	*Change*	2013	2014	*Change*	2013	2014	*Change*	2013
1	3	Luxembourg	7.6	*0.3*	7.3	7.0	*0.0*	7.0	7.7	*0.9*	6.8	9.5	*-0.2*	9.7	6.3	*0.5*	5.8
2	1	Estonia	7.5	*0.0*	7.5	7.1	*0.2*	6.9	6.1	*-0.3*	6.4	9.2	*0.1*	9.1	7.5	*0.1*	7.4
3	2	Germany	7.4	*0.0*	7.4	6.2	*0.0*	6.1	8.3	*-0.1*	8.3	7.7	*0.1*	7.7	7.5	*0.0*	7.5
4	4	Slovakia	7.0	*-0.2*	7.1	5.8	*-0.1*	5.9	7.7	*0.2*	7.5	7.3	*-0.3*	7.6	7.1	*-0.4*	7.6
5	5	Netherlands	6.9	*-0.1*	7.0	7.4	*-0.1*	7.4	7.9	*-0.2*	8.1	6.6	*0.0*	6.6	5.7	*-0.2*	5.9
6	6	Poland	6.8	*0.1*	6.7	6.4	*0.2*	6.3	7.4	*-0.3*	7.7	6.5	*0.3*	6.2	6.9	*0.2*	6.7
7	n.a.	Latvia	6.5	*n.a.*	n.a.	6.2	*n.a.*	n.a.	5.3	*n.a.*	n.a.	8.1	*n.a.*	n.a.	6.5	*n.a.*	n.a.
8	7	Sweden	6.4	*-0.3*	6.7	7.1	*-0.1*	7.2	4.7	*-0.7*	5.3	6.7	*-0.6*	7.3	7.1	*0.1*	7.0
9	8	Slovenia	6.2	*0.0*	6.2	6.0	*0.2*	5.8	5.9	*0.5*	5.4	5.7	*-0.3*	6.0	7.3	*-0.3*	7.7
10	9	Malta	6.2	*0.2*	6.0	5.4	*0.1*	5.3	7.4	*-0.2*	7.6	6.5	*-0.1*	6.6	5.5	*0.8*	4.6
11	10	Austria	5.7	*0.0*	5.7	6.0	*0.1*	6.0	5.0	*-0.2*	5.2	5.4	*-0.1*	5.5	6.3	*0.1*	6.2
12	13	Ireland	5.6	*0.2*	5.4	5.2	*0.2*	5.1	6.8	*-0.1*	6.9	6.4	*0.6*	5.8	4.1	*0.3*	3.8
13	11	United Kingdom	5.5	*-0.1*	5.6	5.4	*0.0*	5.4	6.2	*-0.2*	6.4	5.4	*-0.3*	5.7	5.0	*0.1*	5.0
14	12	Belgium	5.3	*-0.1*	5.5	5.2	*0.0*	5.2	6.7	*-0.1*	6.8	4.1	*-0.1*	4.2	5.4	*-0.3*	5.7
15	15	Spain	5.2	*0.1*	5.1	3.7	*-0.1*	3.8	5.4	*0.5*	4.9	6.3	*0.0*	6.3	5.2	*0.0*	5.3
16	14	Finland	4.9	*-0.3*	5.2	5.5	*-0.1*	5.6	2.4	*-0.7*	3.1	6.0	*-0.3*	6.3	5.8	*-0.1*	5.9
17	16	France	4.9	*0.1*	4.8	5.0	*0.0*	5.0	4.8	*0.3*	4.5	4.3	*0.0*	4.3	5.5	*0.0*	5.5
18	17	Portugal	4.6	*0.1*	4.5	3.5	*-0.2*	3.7	5.6	*0.3*	5.3	4.9	*0.2*	4.7	4.4	*0.2*	4.3
19	18	Italy	4.6	*0.1*	4.5	3.2	*0.0*	3.2	3.9	*0.3*	3.6	5.4	*-0.2*	5.6	5.7	*0.2*	5.5
20	20	Cyprus	4.4	*0.1*	4.3	3.2	*-0.4*	3.6	3.5	*0.1*	3.4	6.9	*0.2*	6.7	4.0	*0.4*	3.6
21	19	Greece	4.3	*0.0*	4.3	2.6	*-0.3*	2.9	5.5	*0.6*	5.0	5.1	*-0.2*	5.3	4.2	*-0.1*	4.2
		Euro18	5.8	*0.0*	5.8	4.9	*0.0*	5.0	6.2	*0.2*	6.0	6.3	*0.0*	6.3	6.0	*0.0*	5.9

Scores on a scale of 10 (best) to 0 (worst); ranks 1-20. Change gives change in scores over the 2013 Euro Plus Monitor. Source: Berenberg calculations

Fundamental health: integrating immigrants

BERENBERG
PARTNERSHIP SINCE 1590

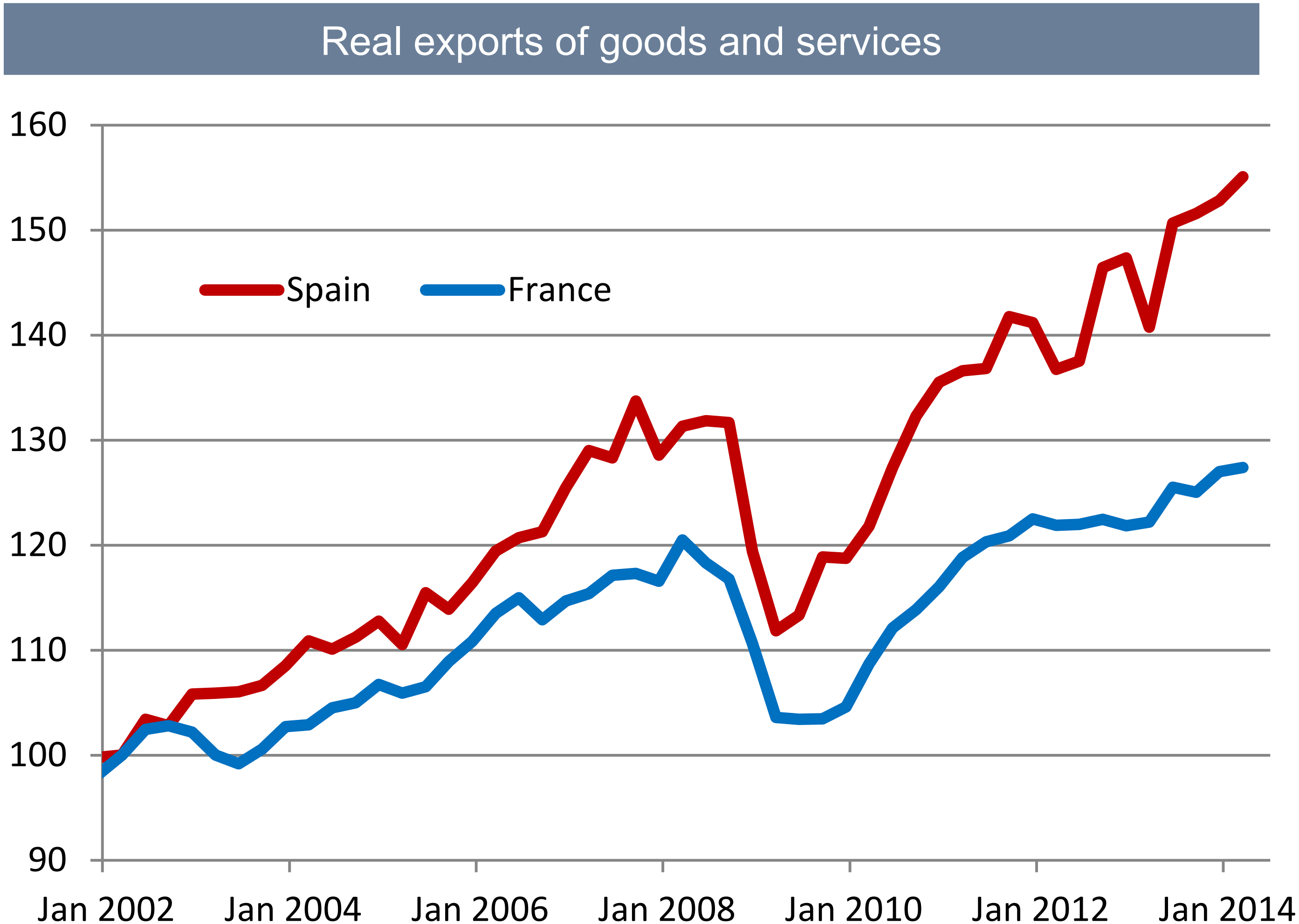


Scores from 0 (worst) to 10 (best possible). Average of subscores for (i) employment rate of immigrants versus native population; (ii) education success; (iii) social inclusion; (iv) share of foreigners who have acquired citizenship. Source: Eurostat, Berenberg calculations

- Many European countries have an aging population.
- But demography is not destiny.
- Apart from making better use of the native population, immigrants can help to fill the gap.
- But how good are countries at integrating immigrants?
- We measure this on four subscores relating to employment equality, social inclusion, education results and the share of the foreign born population that acquires citizenship.

France versus Spain: who is competitive?

BERENBERG
PARTNERSHIP SINCE 1590



Real exports of goods and services, GDP definition, Q1 2002 = 100. Source: Eurostat

- While Spanish exports have risen strongly in the last 10 years…
- …France has lagged far behind.

France: still falling behind

France remains the only major economy in our sample of 21 countries …

...with serious fundamental health problems without doing much about it.

Strong points

- High fertility rate
- High household savings rate

Weak points

- “Leviathan award” for the most bloated public sector
- Serious lack of competitiveness
- Rigid labour market
- Low trend growth rate

France is not utilising its potential. **But a financial crisis is not imminent.** France is still the master or its fate, not yet at the mercy of potentially panicky investors.

Huge potential: If France reforms its labour market and utilises its human potential, it could eventually replace Germany as the strongest economy in Europe over time, in a tight race with the United Kingdom for the top spot.

Belgium, **Austria** and **Finland** show some traits of the French malaise.

The blueprint: the German turnaround

BERENBERG
PARTNERSHIP SINCE 1590

Core employment: strong increase since 2006

- Almost a miracle: after four decades of rising unemployment, Germany turned its labour market around with the reforms of 2004.
- Since early 2006, core employment has risen by 3.3 million (+12.5%).
- More employment = more taxpayers = balanced budget
- The German experience shows: labour market reforms work.
- But is Germany now reversing some of its key reforms?

Core employment: subject to social security contributions. Source: Bundesagentur für Arbeit, Bundesbank

Results of The 2014 Euro Plus Monitor

BERENBERG
PARTNERSHIP SINCE 1590

Leaders and Laggards: Reforms pay off, reform laggards fall behind

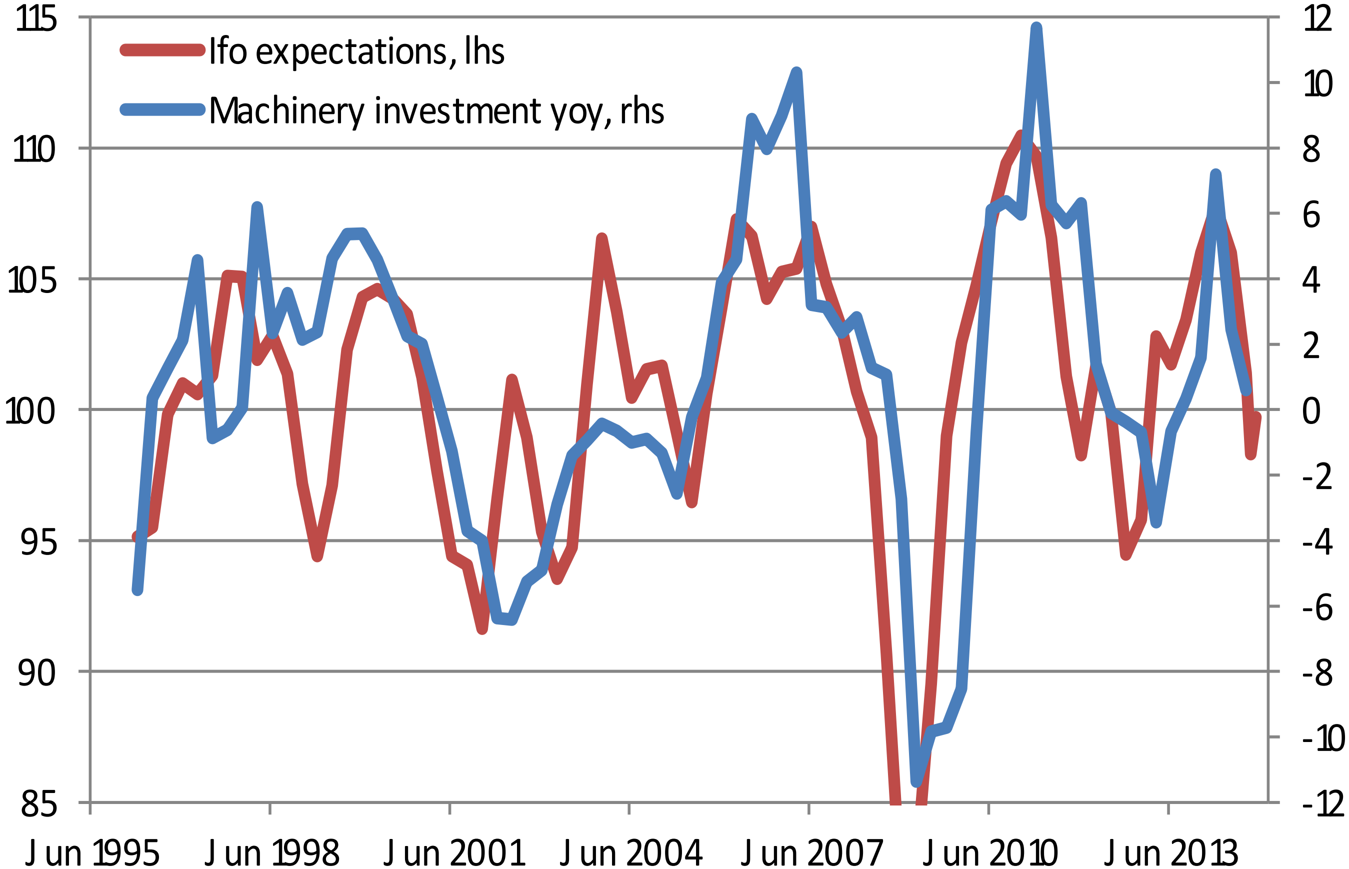
- **Adjustment progress** at the eurozone periphery has accelerated further.
- **Ireland**, **Spain, Portugal** and **Greece** have reached the turnaround stage.
- **Cyprus** could follow in 2015.
- **Euro reform countries:** Economics mostly sorted. But political risk of reform reversal.
- **Italy** continues to reform, but its progress is patchier than in the five troika-countries.
- **France:** we find only limited progress. It remains the "sick man of Europe".
- **Sweden**, **Finland** and Austria are showing signs of complacency, **Germany** to follow?
- **UK**: excellent microeconomics, dismal macroeconomics.

The lessons

- **Austerity** is a necessary and potent medicine, but an **overdose** can kill the patient.
- **Optimum austerity:** No country should be asked to reduce its underlying primary fiscal deficit by more than 2% of GDP per year (unless it had relaxed policy by more than 1% of GDP in the previous year).
- **Fiscal shortfalls** caused by **recession** ought to be tolerated as long as the overall direction of policy stays on course.
- **Pro-growth structural reforms** matter more than austerity.
- **Keep it simple:** Reform proposals must take the administrative capacity of the country into account.
- **Tax reform:** simpler tax systems needed, not higher tax rates.
- **Delaying inevitable reforms** makes matters worse: see France
- **Success breeds complacency**: see Sweden, Finland and Germany

German Ifo expectations: a serious blow after a strong rally

German Ifo expectations have fallen sharply



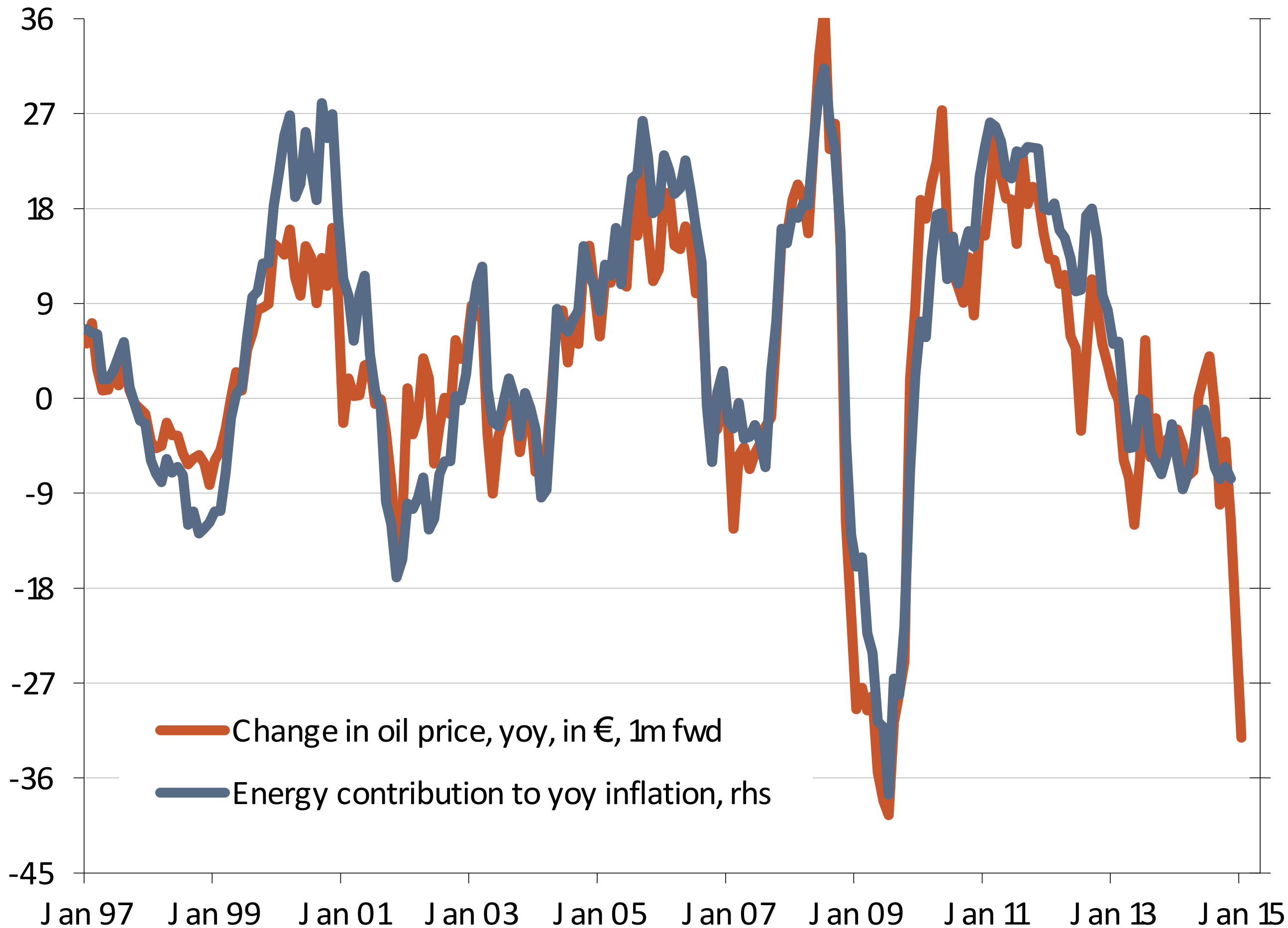
German Ifo expectations, left-hand scale, and yoy change in German machinery investment, right-hand scale. Source: Ifo; Destatis

- German Ifo expectations have receded sharply in the last six months. They are now slightly below their long-term average
- Following the Lehman and euro crises, businesses are more cautious, waiting longer than in the past before they invest.
- German machinery investment fell modestly in Q2 after a post-Draghi surge before.
- The drop in Ifo expectations points to further declines in German business investment in late 2014.

The boost from cheaper oil

BERENBERG
PARTNERSHIP SINCE 1590

Direct impact of oil prices on headline inflation?



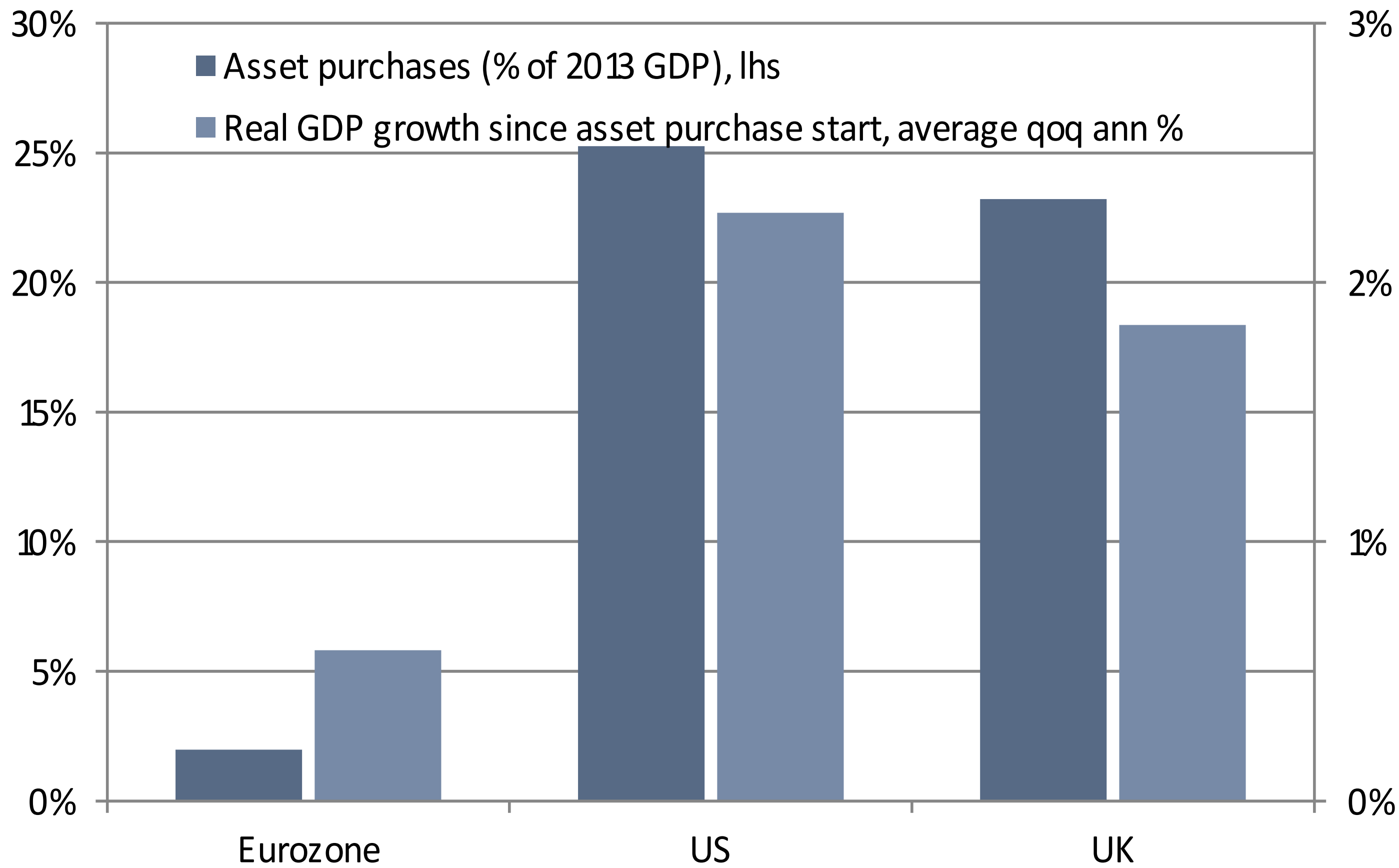
Yoy change in oil price per barrel Brent crude, in €; 1 month forward. energy contribution to yoy rate of Eurozone HICP.
Source: Factset, Eurostat, Berenberg calculations

- Example Eurozone: A sustained rise/decline in the oil price by €31 per barrel adds/ subtracts 1.4 points from the yoy rate of headline inflation within two months. Of that, 0.4 points are already in the data.
- The overall effect is bigger. Because oil prices affect the costs of production and prices for transport and other energy-intensive services, the indirect impact adds about 0.5ppt to the direct impact on headline inflation.
- More real purchasing power of consumers, cheaper inputs for companies = boost of at least 1% to real GDP within 4-6 quarters

The state of demand: a tale of three central banks

BERENBERG
PARTNERSHIP SINCE 1590

Central bank asset purchases and demand growth



- Timely asset purchases can make a difference.
- Since early 2009, the US Fed and the BoE have reacted aggressively to market turbulences and other risks.
- The ECB has held back, allowing the euro crisis to spread for a while.
- The chart may overdo the point, but the general message is obvious: the ECB could have done much more to stabilise confidence and demand.

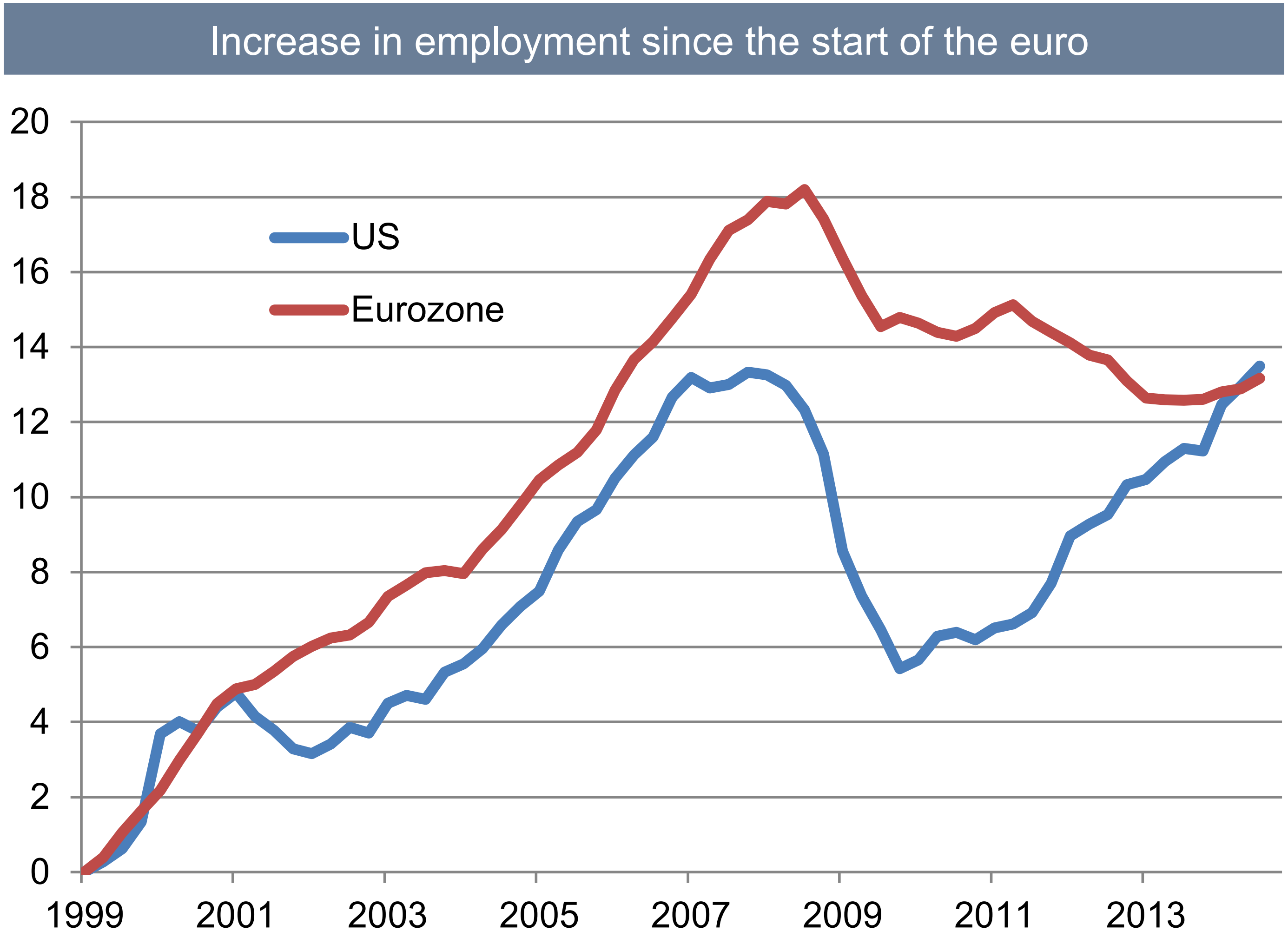
Left scale: total central bank asset purchases since 2009 (sovereign and private bonds), % of 2013 nominal GDP. Right scale: average quarterly annualised real GDP growth since the quarter after the first serious purchase programme started (ie Eurozone since Q4 2009, US Q2 2009, UK Q2 2009). Source: IMF, central banks.

The risks

- **Tough love is tough.** Does the political glue hold?
- **French revolution?** Tough love means conditional support. What if France rejects the European rulebook?
- **Political backlash in Greece?** Athens has made a Herculean effort. We should not demand near-perfection.
- **External shocks:** In the wake of the Lehman and euro crises, confidence is shaky. Modest external shocks suffice to cause a setback – Germany 2014.
- **Wounded bear:** Does Putin retreat into the Taiga – or lash out again?
- **Chain reactions** in emerging markets ?
- **J-curve effect** of cheap oil: costs are focussed and front-loaded, benefits are dispersed and accrue with a lag

A final thought: Eurozone versus US

BERENBERG
PARTNERSHIP SINCE 1590



In million; labour force survey data. The total population is roughly comparable for the US and the Eurozone.Source: Eurostat, BLS

- Until 2008, the Eurozone created more jobs than the US.
- After a sharp post-Lehman correction, the US labour market has edged up again since 2010.
- The Eurozone adjusts more slowly.
- Eurozone Employment has edge up again since late 2013.
- But the US is now ahead.
- Why is the US unemployment rate at 5.8% well below the 11.5% Eurozone rate?
- The US participation rate has fallen sharply.
- Europe can get ahead again – with reforms.

Disclaimer

BERENBERG
PARTNERSHIP SINCE 1590

This document has been prepared by Berenberg or one of its affiliates (collectively “Berenberg“). This document does not claim completeness regarding all the information on the stocks, stock markets or developments referred to in it.

On no account should the document be regarded as a substitute for the recipient procuring information for himself/herself or exercising his/her own judgements.

The document has been produced for information purposes for institutional clients or market professionals.
Private customers into whose possession this document comes should discuss possible investment decisions with their customer service officer, as differing views and opinions may exist with regard to the stocks referred to in this document.
This document is not a solicitation or an offer to buy or sell the mentioned stock.

The document may include certain descriptions, statements, estimates and conclusions underlining potential market and company developments. These reflect assumptions which may turn out to be incorrect. Berenberg and/or its employees accept no liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content.

Berenberg may act as market-maker or underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or perform or seek to perform capital market or underwriting services.

Berenberg reserves all the rights in this document. No part of the document or its content may be rewritten, copied, photocopied or duplicated in any form by any means or redistributed without Berenberg’s prior written consent.

Remarks regarding foreign investors
The preparation of this document is subject to regulation by German law. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

United Kingdom
This document is meant exclusively for institutional investors and market professionals but not for private customers. It is not for distribution to or the use of private investors or private customers.

United States of America
This document has been prepared exclusively by Berenberg. Although Berenberg Capital Markets LLC, an affiliate of Berenberg and registered US broker-dealer, distributes this document to certain customers, Berenberg Capital Markets LLC does not provide input into its contents, nor does this document constitute research of Berenberg Capital Markets LLC. In addition, this document is meant exclusively for institutional investors and market professionals, but not for private customers. It is not for distribution to or the use of private investors or private customers.
This document is classified as objective for the purposes of FINRA rules. Please contact Berenberg Capital Markets LLC (+1 617.292.8200), if you require additional information.