



Corporate &
Investment Banking

BBVA Global Risk Premia Strategy

QIS Thematics: Sell in May?

Ankit Gheedia, CFA

Head of QIS Research

Ankitkumar.gheedia@bbva.com

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BBVA Global Risk Premia Strategy

01

Summary

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Creating Opportunities

Sell in May?

- **Sell in May?** The adage "sell in May and go away" is based on historical seasonality patterns suggesting weaker equity returns during the summer months. However, looking at monthly returns for the US equity markets over the last 30 years suggests that it is actually August and September that are the weakest months of the year. As such, it is when investors come back from holidays that we should be worried about equity risk. For this year, despite the seismic shift in the US trade policy, the month of April ended up flat for the US equity markets, which makes selling equities in May much more compelling this year. This is particularly the case as earnings expectations for US equities have been revised down in the last month, making the 12-month forward PE ratio higher for US equities since before Liberation day.
- **Earnings – glass half full:** at the time of writing, 80% of US and 50% of European companies have reported earnings numbers. While the aggregate earnings surprise in positive by 8% in the US and 7% in Europe, barely half the companies have managed to beat revenue estimates in both these regions. In reporting 1Q numbers we have hardly had any impact from tariff rates, which have only been in place since the beginning of April. As of now, stocks analysts still expect US earnings growth of 8% and to be flat in Europe. Although these estimates are rapidly coming down. We believe investment into themes with secular growth stories and less exposure to tariff threats could be the ones to own in the current environment.
- **US Liberation Day:** it ended up being a day when global investors liberated themselves from the view of US exceptionalism. The US dollar index is down nearly 5% since the beginning of April, which was the second worst month for the USD in the last 15 years and the worst start for the currency in at least 30 years. The trend of de-dollarisation has accelerated rapidly, which might be hard to reverse anytime soon. Europe actually proved to be more of a safe haven, much as we expected (see [QIS Tactical: European exceptionalism](#)). We believe global investors remain overweight US assets and markets are currently in the process of a global reallocation away from the US.
- **European fiscal shift:** following Germany's significant fiscal policy shift, several European Union (EU) member states have sought increased fiscal flexibility to bolster their defense spending. EU countries have formally requested the activation of the "national escape clause" embedded in EU deficit regulations. This clause permits member states to expand their defense expenditures by up to 1.5% of their gross domestic product (GDP) annually for the next four years without facing the penalties typically associated with exceeding the EU's 3% GDP deficit limit. We also expect this trend to benefit infrastructure investment in the European economies.
- **Looking ahead:** with positioning now cleaner on the consensus trades seen over the last two years, we believe investors should consider some of the long-term themes highlighted in this publication. Our scorecard currently suggests a high ranking for Global Infrastructure followed by the European Paris aligned benchmark index. In our last publication ([QIS Thematics: Greed and Fear](#)) we highlighted our preference for our Global Infrastructure index. This index is up more than 5% since publication and still scores the highest in our universe based on earnings momentum. In the current uncertain macro environment, we believe earnings momentum is likely to be the best factor to own. This is particularly because companies with the strongest earnings momentums are likely to be the ones least impacted by global trade uncertainty. In addition, we remain constructive on the AI and VR themes and, after the valuation reset, we see the current entry point as attractive for long-term allocation.

Trade of the month: Global Infrastructure

- **Global Infrastructure:** in our last publication ([QIS Thematics: Greed and Fear](#)) we highlighted our preference for our Global Infrastructure index. This index is up more than 5% since publication and still scores the highest in our universe based on earnings momentum. In the current uncertain macro environment, we believe earnings momentum is likely to be the best factor to own. This is particularly because companies with the strongest earnings momentums are likely to be the ones least impacted by the prevailing global trade uncertainty.
- **Fundamental comparison vs. benchmark:** the BBVA index has notably outperformed the benchmark of developed market equities and developed market industrials since the start of the year. The index is exposed to 50% industrial stocks and 50% other value cyclical sectors like energy, utilities and communication services. Despite the outperformance, the index trades at a valuation discount to its benchmark based on forward P/E and EV/EBITDA with a stronger balance sheet and 3-month earnings momentum.
- **Key catalyst:** German infrastructure spending of EUR500bn over the next decade is likely to provide a much-needed boost to Germany's public infrastructure. Infrastructure spend as a percentage of GDP has declined in western economies over the last two decades. We are already seeing signs of German fiscal policy proving to be the catalyst for change with 16 European countries looking to increase fiscal spending to fund defence spending. We also expect this trend to benefit infrastructure investment in Europe.

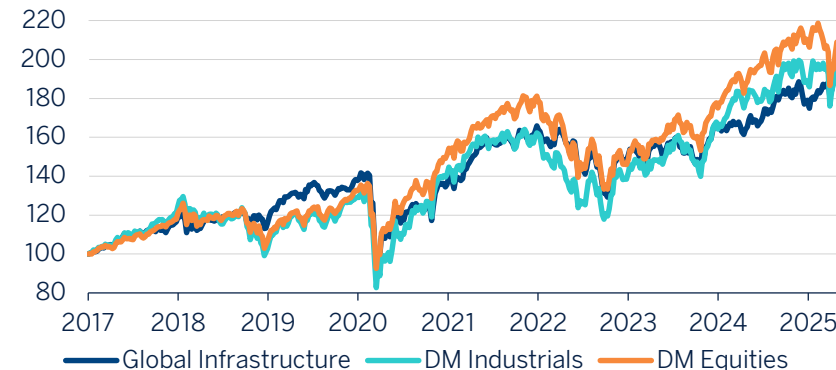
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Global Infrastructure	DM Industrials	DM Equities
Price chg (1M)	8.3	14.2	11.7
Price chg (3M)	7.8	3.8	-3.1
Price chg (YtD)	9.9	7.8	0.7
12m FWD PE	18.4	20.7	18.7
EV / EBITDA	8.1	12.6	12.4
12m RoE (%)	9.1	16.5	15.5
Net debt/ EBITDA	-3.7	0.7	1.2
1Y fwd Earnings Growth	4%	14%	12%
2Y fwd Earnings Growth	6%	18%	11%
Earnings Mo 1M (%)	-1.1	-0.6	-0.8
Earnings Mo 3M (%)	1.8	0.7	-0.6

Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



BBVA Thematics: key highlights

- **BBVA Thematics:** In this publication, we launch a new framework to analyse BBVA's thematic indices based on fundamental, price and technical factors. We use a blend of price momentum, valuations, quality, growth, earnings momentum and technical factors to rank various BBVA thematic strategies.
- **Key takeaways:**
 - **Global Infrastructure:** in our last publication ([QIS Thematics: Greed and Fear](#)) we highlighted our preference for our Global Infrastructure index. This index was up more than 5% since publication and currently scores the highest in our universe based on earnings momentum. In the current uncertain macro environment, we believe earnings momentum is likely to be the best factor to own. This is particularly because companies with the strongest earnings momentums are likely to be the ones least impacted by the prevailing global trade uncertainty. Furthermore, the increase in fiscal spending on Defense and Infrastructure kicked off with Germany with more European countries looking for exception from the EU to increase their fiscal spending to address this long-term theme. We also expect this trend to benefit infrastructure investment in Europe.
 - **Time for European exceptionalism:** Global risk-off sentiment is typically accompanied by a strong USD and the US acting as a safe haven, but this did not materialise last month. Europe actually proved to be more of a safe haven, much as we expected (see [QIS Tactical: European exceptionalism](#)). Positioning and sentiment are improving in favour of non-US assets, although we believe we are only at the beginning of the reallocation trade. We believe a trade deal with the US and resolution of the conflict between Russia and Ukraine could prove to be the positive catalysts for European equities. Our **European PAB index** currently ranks second within our multi-factor framework. The valuation discount of European equities to the rest of the world remains substantial, which supports our current optimistic view on long-term reallocation into the European economy.
 - **AI has lost momentum:** the key thematic focus for 2025 for us was the continuation of the AI rally. Since the start of the year, the rally in AI stocks has lost some steam. Nonetheless, our AI Index is still up 6.6% despite the negative US equity market returns. The top spenders on AI capex, such as Microsoft, Meta and Amazon, all suggest AI capex is likely to continue throughout 2025. While AI capex growth is expected to decelerate in 2025, it is still expected to grow by 35% this year. This is still substantially higher than the growth prospects available elsewhere in equity markets. The BBVA AI and VR Index ranks high in terms of quality and growth metrics based on our multi-factor scorecard. Despite growth concerns in the US and global trade tensions, AI spending is proving to be resilient. Nvidia earnings on 28 March is likely to be the next key catalyst for this theme.

BBVA Thematics: multi-factor ranking

BBVA risk-premia framework

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Performance (USD)				Factor Score						Composite Factor Score
	1M	3M	YtD	1Y	Price Mo.	Valuation	Quality	Growth	Earnings Mo.	Technicals	
Global Infrastructure	8.3	7.8	9.9	18.4	1.5	0.5	0.7	-1.0	1.5	2.3	0.9
Climate Action PAB Europe	11.4	7.3	13.1	10.4	1.6	0.7	-0.3	-0.7	-0.1	1.0	0.4
Climate Action CTB Europe	11.3	7.6	13.1	10.4	1.6	0.8	-0.3	-1.0	-0.1	1.0	0.3
Cybersecurity	14.2	-6.8	-1.8	12.9	0.2	-0.8	1.1	1.9	-0.2	-0.6	0.3
US Small Caps Select	9.9	-8.4	-4.4	0.8	-1.1	0.6	-0.5	0.1	1.2	0.4	0.1
AI and VirtualReality	15.7	-11.7	-6.9	6.6	-0.5	-1.4	1.9	1.5	-0.3	-0.9	0.0
Next Generation Networks	12.3	-5.1	-1.3	16.1	0.3	-0.5	-0.2	0.6	0.1	-0.5	-0.0
ixESG Global Leaders	10.1	-3.6	1.4	5.0	-0.2	0.1	-0.3	-1.0	0.8	-0.2	-0.1
Resource Scarcity	11.1	-0.7	2.8	-1.7	-0.2	0.7	-0.9	0.7	-0.9	-0.3	-0.2
Top Trends SIC	8.4	-4.5	-0.5	2.1	-0.7	0.0	0.3	-0.3	-0.2	-0.4	-0.2
ixS Global Inclusive Growth	11.4	-0.1	3.7	1.4	0.1	-0.8	-0.3	1.2	-2.1	0.5	-0.2
Health and Wellness	2.8	-6.1	-0.4	-6.5	-1.9	0.1	2.0	0.1	0.2	-1.9	-0.2
ixG Global Gover. & Board Diversity	9.8	0.1	5.0	8.3	0.4	0.6	-0.6	-1.0	-0.9	0.0	-0.2
Energy Transition SIC	7.1	0.1	2.2	-5.0	-0.8	1.5	-1.2	0.0	-0.7	-0.9	-0.3
US REITs	5.8	-0.5	1.1	12.4	-0.2	-2.4	-1.3	-1.0	1.7	0.4	-0.5

BBVA Thematics: multi-factor ranking methodology

- **BBVA Thematics:** in this publication, we launch a new framework to analyse BBVA's thematic indices based on fundamental, price and technical factors. We use a blend of price momentum, valuations, quality, growth, earnings momentum and technical factors to rank various BBVA thematic strategies. The final ranking on the previous slide is the average of the individual factor score. We take the simple average in an attempt to not overfit the results.
- **Composite factor score:** the average of price momentum, valuations, quality, growth, earnings momentum and technical factor scores.
 - **Price momentum score:** we calculate the price momentum score based on the 1-month, 3-month, year-to-date and 1-year returns of each of the thematic.
 - **Valuation score:** we calculate the valuation score based on the 12m forward P/E, price-to-book, PE/G and EV/EBITDA ratios.
 - **Quality score:** we calculate the quality score based on 12m forward ROE, profit margin, net debt/EBITDA and net debt to equity book value.
 - **Growth score:** we calculate the growth score based on long-term growth estimates and earnings growth 1-year, 2-years and 3-years ahead.
 - **Earnings momentum score:** we calculate the earnings momentum score based on the 1-month, 3-month and 6-month change in EPS estimate for each of the thematics.
 - **Technical score:** this is based on 14-day RSI, price vs. 50-day moving average and price vs. 52-week highs.



Corporate &
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02

Thematic monitor

PLEASE SEE IMPORTANT DISCLOSURES ON THE LAST FOUR PAGES OF THIS REPORT.

Creating Opportunities

AI & Virtual Reality

Artificial Intelligence is emerging as the next evolutionary leap. This refers to the exponential expansion of the predictive, problem-solving and interactive capacities of information processors built on massive data analysis capabilities. These interactions are furthered by the parallel development of Virtual Reality and Augmented Reality environments and devices, through which users can experience highly reactive cyber-domains offering endless social and commercial possibilities.

Solactive BBVA Artificial Intelligence and Virtual Reality index selects companies shaping the traits of this new generation of digital systems, creating the core infrastructure and components, enhancing their accessibility and design, and ensuring their fitness for data management.

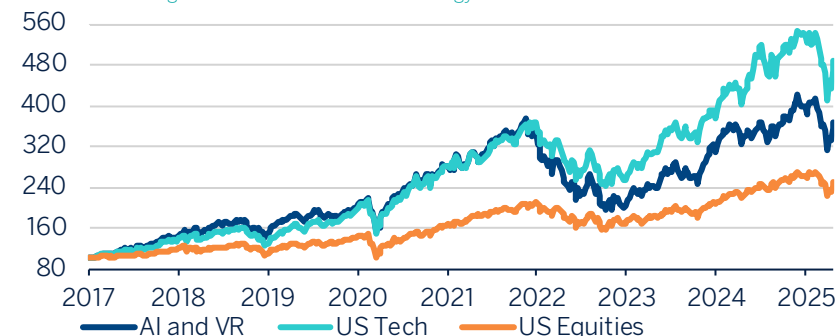
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	AI and VR	US Tech	US Equities
Price chg (1M)	15.7	17.9	11.4
Price chg (3M)	-11.7	-7.9	-6.5
Price chg (Ytd)	-6.9	-9.0	-3.5
12m FWD PE	25.1	25.4	20.6
EV / EBITDA	16.3	17.8	14.0
12m RoE (%)	12.9	29.4	19.0
Net debt/ EBITDA	0.1	-0.1	1.0
1Y fwd Earnings Growth	30%	27%	13%
2Y fwd Earnings Growth	14%	15%	16%
Earnings Mo 1M (%)	-4.8	-0.2	-1.4
Earnings Mo 3M (%)	-9.9	0.2	-2.3

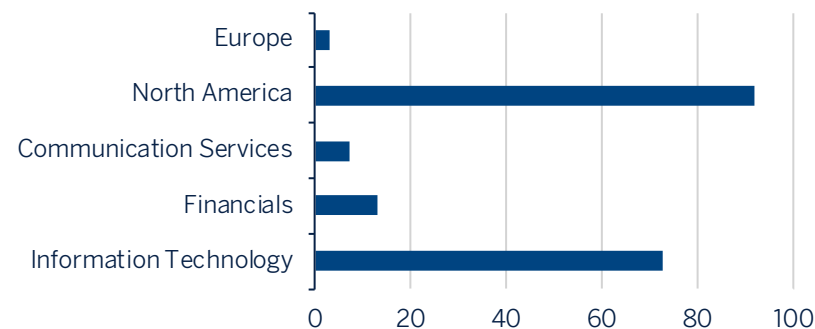
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Europe Climate Action

Solactive BBVA Climate Action PAB Europe index is a Paris-Aligned Benchmark (PAB) that invests in companies at the forefront of the climate transition based on the EU Climate Benchmarks. Complying with the minimum requirements set by the EU, our strategy goes much further. Our goal is to leverage transitional opportunities, avoiding environmental risks, and targeting an average temperature increase well below 2°C, which is the most demanding scenario.

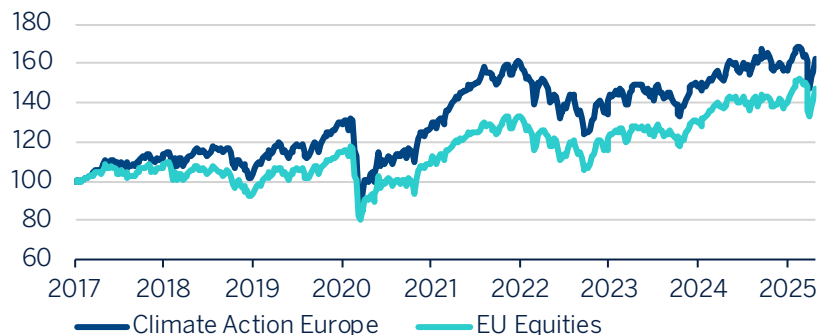
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Climate Action Europe	EU Equities	US Equities
Price chg (1M)	7.7	9.1	8.2
Price chg (3M)	-1.2	1.2	-13.8
Price chg (YtD)	3.2	7.5	-11.7
12m FWD PE	16.2	14.3	20.6
EV / EBITDA	9.6	9.7	14.0
12m RoE (%)	12.7	12.9	19.0
Net debt/ EBITDA	1.5	2.2	1.0
1Y fwd Earnings Growth	0%	4%	13%
2Y fwd Earnings Growth	10%	9%	16%
Earnings Mo 1M (%)	-1.6	-2.6	-1.4
Earnings Mo 3M (%)	-12.9	-4.1	-2.3

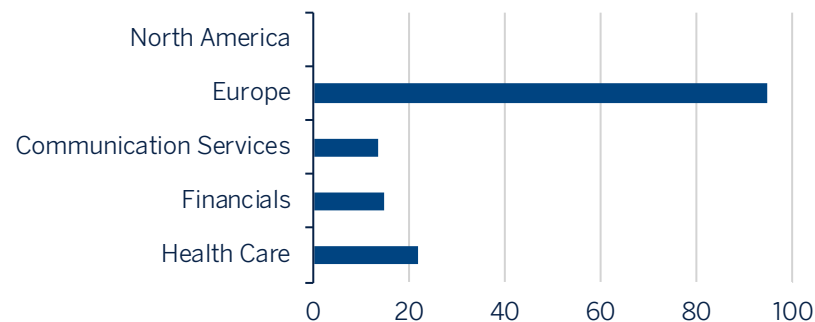
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Cybersecurity

The global cybersecurity market is projected to achieve a 9.7% CAGR in 2021-26, growing from USD217.9bn to USD345.4bn.

The fastest-growing market subsegment is **cloud security** due to the growing popularity of using non-PC devices to interact with core business processes.

The Solactive BBVA Cybersecurity index selects companies on the front lines of digital security, providing data protection and cyber-risk insurance, creating secure online transaction platforms and heeding the call for cyber defense, thanks to the low-latency network infrastructure and components.

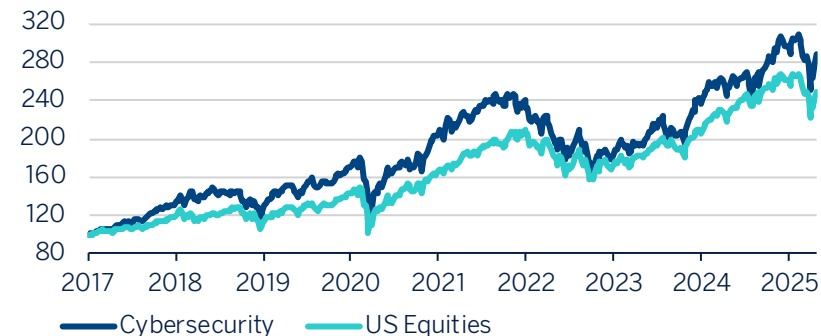
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Cybersecurity	US Equities
Price chg (1M)	14.2	11.4
Price chg (3M)	-6.8	-6.5
Price chg (YtD)	-1.8	-3.5
12m FWD PE	22.4	20.6
EV / EBITDA	16.3	14.0
12m RoE (%)	12.9	19.0
Net debt/ EBITDA	1.5	1.0
1Y fwd Earnings Growth	29%	13%
2Y fwd Earnings Growth	16%	16%
Earnings Mo 1M (%)	-4.2	-1.4
Earnings Mo 3M (%)	-9.0	-2.3

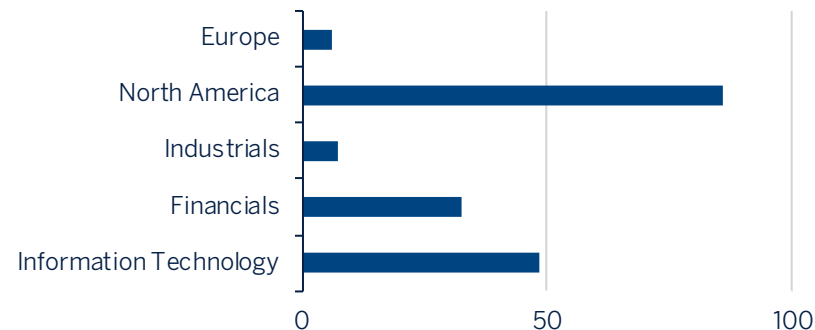
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Energy Transition

The path to net-zero emissions and the growing concern about energy security are triggering a transformation in the energy system worldwide.

The cumulative investment in the energy transition and related sectors over the next three decades is expected to exceed USD190trn, with a projected +80% capex increase from 2022 to 2050 (BNEF).

The Solactive BBVA Energy Transition index selects companies on the front lines of energy resources, energy generation, its distribution and storage and enabling efficiency along the entire value chain from production to consumption.

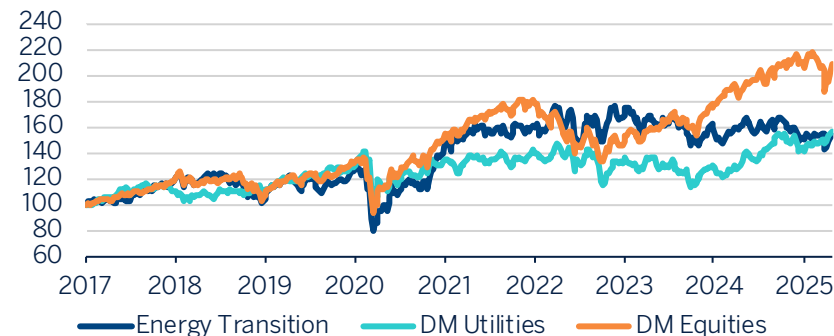
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Energy Transition	DM Utilities	DM Equities
Price chg (1M)	7.1	7.3	11.7
Price chg (3M)	0.1	8.2	-3.1
Price chg (YtD)	2.2	11.8	0.7
12m FWD PE	14.8	16.1	18.7
EV / EBITDA	8.2	10.5	12.4
12m RoE (%)	10.7	11.2	15.5
Net debt/ EBITDA	2.6	4.7	1.2
1Y fwd Earnings Growth	3%	5%	12%
2Y fwd Earnings Growth	8%	7%	11%
Earnings Mo 1M (%)	-5.3	1.8	-0.8
Earnings Mo 3M (%)	-10.0	1.1	-0.6

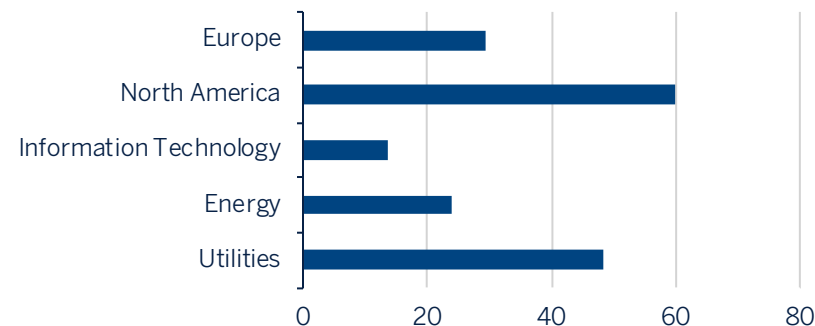
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Global Infrastructure

Infrastructure companies have proven to be stable and predictable cash generators, even during economic recessions, when countries have resisted by relying on networks managed by experienced operators. These companies have been able to cover society's main sanitation, commerce and communication needs, while consolidating the cash flow obtained from their fundamental services.

Solactive BBVA Infrastructure index selects companies that ensure the proper functioning of nations' infrastructure, optimising water and waste management, and facilitating transport flow and connectivity.

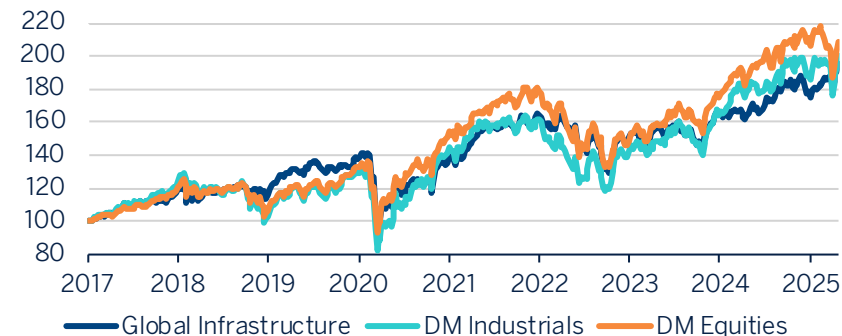
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Global Infrastructure	DM Industrials	DM Equities
Price chg (1M)	8.3	14.2	11.7
Price chg (3M)	7.8	3.8	-3.1
Price chg (YtD)	9.9	7.8	0.7
12m FWD PE	18.4	20.7	18.7
EV / EBITDA	8.1	12.6	12.4
12m RoE (%)	9.1	16.5	15.5
Net debt/ EBITDA	-3.7	0.7	1.2
1Y fwd Earnings Growth	4%	14%	12%
2Y fwd Earnings Growth	6%	18%	11%
Earnings Mo 1M (%)	-1.1	-0.6	-0.8
Earnings Mo 3M (%)	1.8	0.7	-0.6

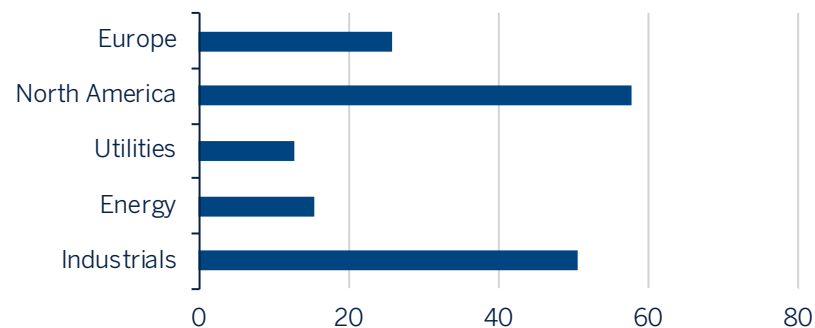
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Health & Wellness

The COVID-19 pandemic impacted people's lives in every way, although it mainly prompted **global awareness about the importance of health**.

In a society long concerned with aging and healthcare affordability, renewed interest in disease "prevention" over "treatment" is growing rapidly, paving the way for innovative therapies and major advancements in biopharmaceuticals, medical technology and consumer care products and services.

The Solactive BBVA Health & Wellness index selects companies with human health at their core, leading the fight against infectious and chronic diseases, serving the needs of the elderly, refining healthcare management and favouring healthy lifestyles and well-being.

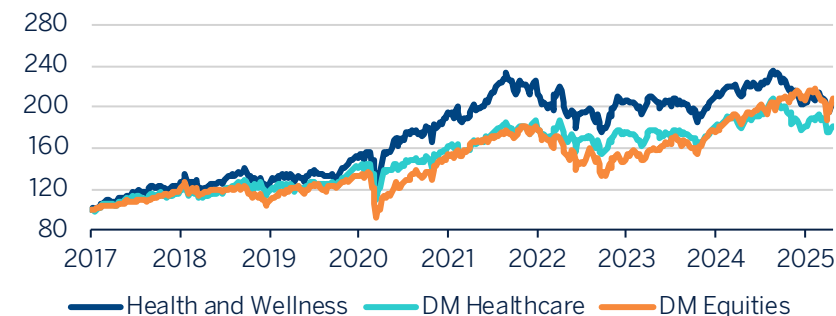
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Health and Wellness	DM Healthcare	DM Equities
Price chg (1M)	2.8	4.1	11.7
Price chg (3M)	-6.1	-4.5	-3.1
Price chg (YtD)	-0.4	2.6	0.7
12m FWD PE	16.8	16.5	18.7
EV / EBITDA	12.1	12.1	12.4
12m RoE (%)	18.2	19.2	15.5
Net debt/ EBITDA	0.6	0.9	1.2
1Y fwd Earnings Growth	11%	20%	12%
2Y fwd Earnings Growth	11%	10%	11%
Earnings Mo 1M (%)	-3.8	-0.5	-0.8
Earnings Mo 3M (%)	-7.4	0.1	-0.6

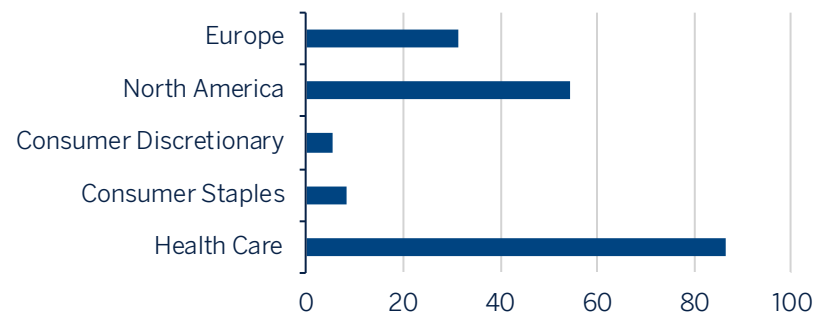
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



ixESG Global Leaders

The Solactive BBVA ixESG Global Leaders index offers **investors the opportunity to achieve their ESG investment goals by selecting the leading companies in ESG according to their Sustainalytics ESG rating. It includes two innovative features:**

- **Innovative dynamic exclusion of controversial activities:** thresholds for activity exclusions decrease over time (in particular for nuclear and thermal coal power generation) to 0% by 2035.
- **Fast exit rule:** companies that lose their ESG quality are excluded in a monthly review.

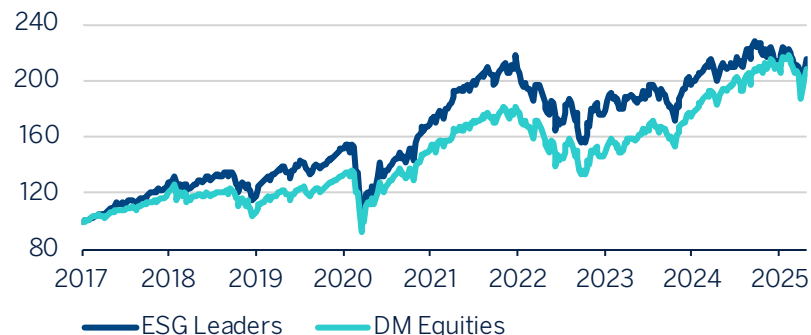
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	ESG Leaders	DM Equities
Price chg (1M)	10.1	11.7
Price chg (3M)	-3.6	-3.1
Price chg (YtD)	1.4	0.7
12m FWD PE	17.0	18.7
EV / EBITDA	12.7	12.4
12m RoE (%)	13.4	15.5
Net debt/ EBITDA	2.0	1.2
1Y fwd Earnings Growth	10%	12%
2Y fwd Earnings Growth	9%	11%
Earnings Mo 1M (%)	-3.6	-0.8
Earnings Mo 3M (%)	-4.2	-0.6

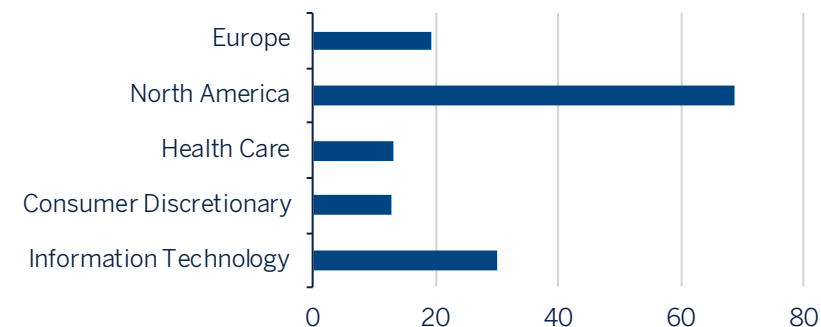
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



ixG Global Governance & Board Diversity

The Solactive BBVA ixG Global Governance & Board Diversity index selects the global leaders in corporate governance, according to their Sustainalytics G rating. Moreover, it overweights companies with a better diversity board score.

The components are selected according to the best Sustainalytics G rating, preserving the sectoral and country weight of its parent index.

The thresholds for activity exclusions decrease over time (in particular for nuclear and thermal coal power generation) to 0% by 2035. Companies that lose their G quality are excluded in a monthly review.

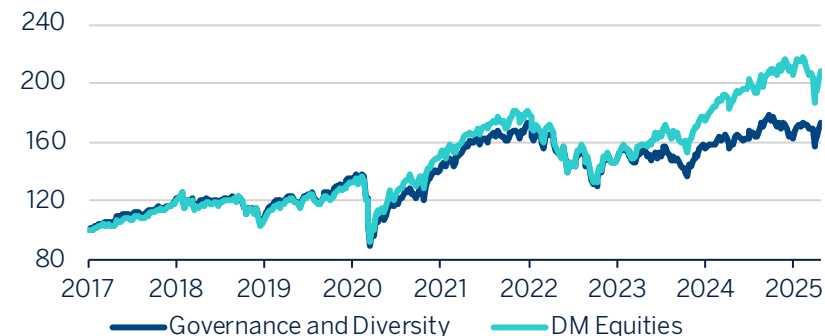
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Governance and Diversity	DM Equities
Price chg (1M)	9.8	11.7
Price chg (3M)	0.1	-3.1
Price chg (YtD)	5.0	0.7
12m FWD PE	16.4	18.7
EV / EBITDA	10.4	12.4
12m RoE (%)	12.9	15.5
Net debt/ EBITDA	2.0	1.2
1Y fwd Earnings Growth	-1%	12%
2Y fwd Earnings Growth	9%	11%
Earnings Mo 1M (%)	-4.6	-0.8
Earnings Mo 3M (%)	-13.9	-0.6

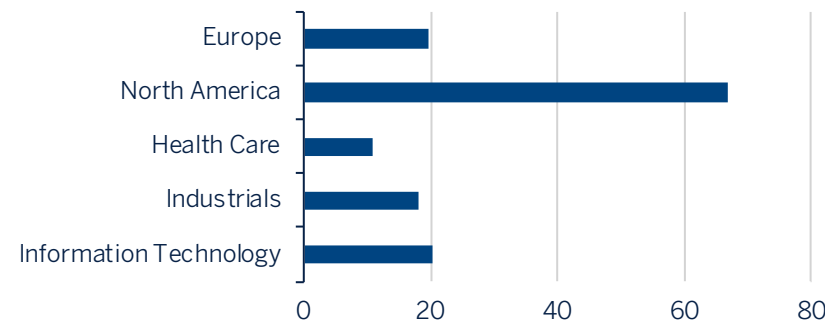
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



ixS Global Inclusive Growth

The **Solactive BBVA ixS Global Inclusive Growth index** offers investors the opportunity to invest in leading growth companies at a reasonable price, together with a social focus according to the UN Sustainable Development Goals with a global scope.

The index seeks firms poised for sustained, above-average earnings growth, not yet fully reflected in the stock's price, based on PEG and EV/EBITDA to EBITDA growth metrics. We emphasise companies that secure future growth through the investment cycle.

The social tilt is included in both the exclusion process and weighting process. Social UN SDGs are considered as per the ICMA Social Bond Principles Mapping (1 - 11).

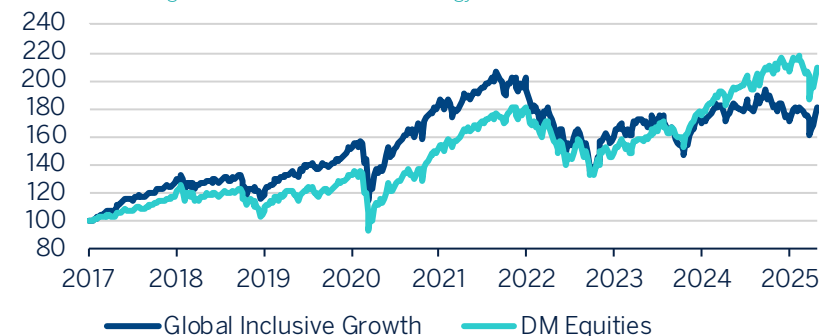
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Global Inclusive Growth	DM Equities
Price chg (1M)	11.4	11.7
Price chg (3M)	-0.1	-3.1
Price chg (YtD)	3.7	0.7
12m FWD PE	25.9	18.7
EV / EBITDA	15.3	12.4
12m RoE (%)	13.2	15.5
Net debt/ EBITDA	1.7	1.2
1Y fwd Earnings Growth	3%	12%
2Y fwd Earnings Growth	16%	11%
Earnings Mo 1M (%)	-3.4	-0.8
Earnings Mo 3M (%)	-25.1	-0.6

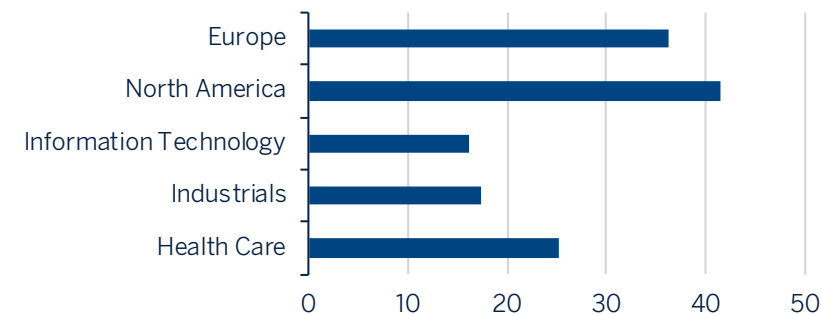
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Next Generation Networks

The true potential of 5G lies in the increased densification of the network that will service millions of intelligent devices for the Internet of Things (IoT), in addition to the installation of new fibre-optic sections that enable the speed and response characteristics of the new network. This should promote new business models in several industries.

The Solactive BBVA Next Generation Networks index selects the leading global companies in the deployment of the 5th (and subsequent) generation of telecommunications networks.

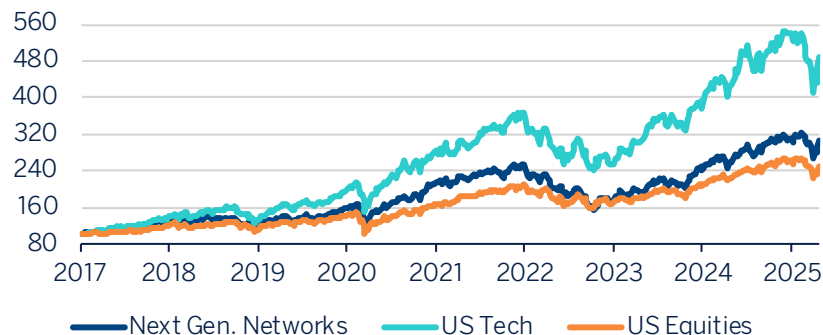
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Next Gen. Networks	US Tech	US Equities
Price chg (1M)	12.3	17.9	11.4
Price chg (3M)	-5.1	-7.9	-6.5
Price chg (YtD)	-1.3	-9.0	-3.5
12m FWD PE	21.8	25.4	20.6
EV / EBITDA	11.1	17.8	14.0
12m RoE (%)	16.4	29.4	19.0
Net debt/ EBITDA	1.9	-0.1	1.0
1Y fwd Earnings Growth	8%	27%	13%
2Y fwd Earnings Growth	14%	15%	16%
Earnings Mo 1M (%)	-3.3	-0.2	-1.4
Earnings Mo 3M (%)	-9.2	0.2	-2.3

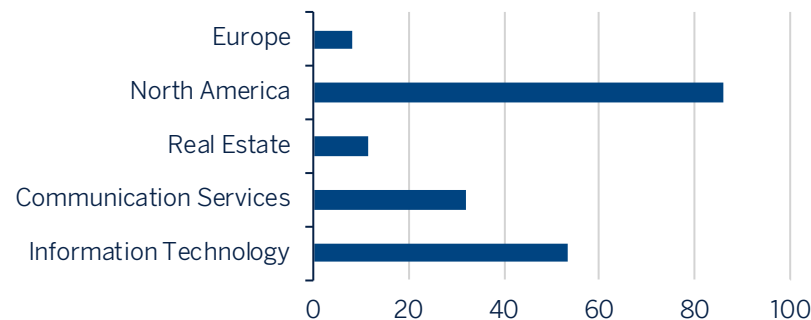
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Resource Scarcity

The unmatched level of human development and prosperity achieved in the last few decades has run parallel with the overuse and erosion of natural resources. These valuable resources now appear more critical than ever to the needs of a global society increasingly concerned with the effects of rapid population growth and climate change.

In this context, some firms are actively gearing their businesses to ensure the flow of these natural assets and promote maximum efficiency in their usage.

The Solactive BBVA Resource Scarcity index selects the companies harnessing nature's most unscattered riches, easing water and food supply, improving forestry and mineral harvesting, managing urban physical space and providing the energy of tomorrow.

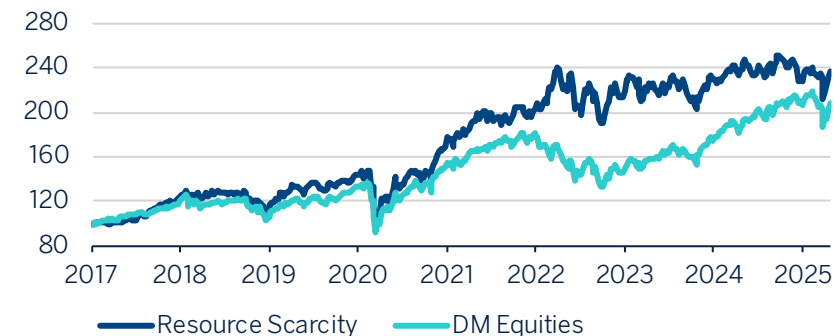
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Resource Scarcity	DM Equities
Price chg (1M)	11.1	11.7
Price chg (3M)	-0.7	-3.1
Price chg (YtD)	2.8	0.7
12m FWD PE	17.6	18.7
EV / EBITDA	9.0	12.4
12m RoE (%)	9.1	15.5
Net debt/ EBITDA	1.7	1.2
1Y fwd Earnings Growth	32%	12%
2Y fwd Earnings Growth	14%	11%
Earnings Mo 1M (%)	-5.7	-0.8
Earnings Mo 3M (%)	-10.5	-0.6

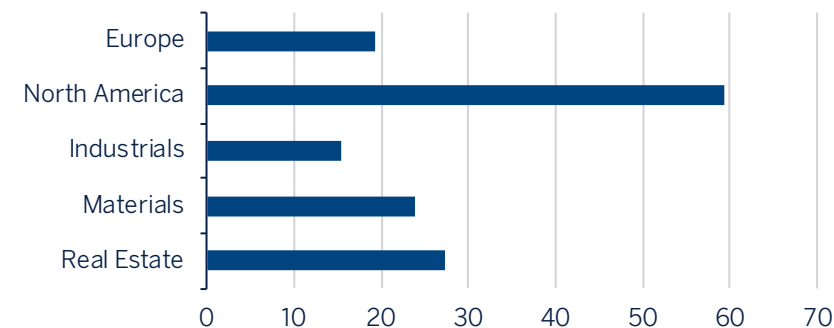
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Top Trends

Megatrends are transformative movements and drivers that will change societies and economies in the upcoming years.

The Solactive BBVA Top Trends index selects the leading global companies from the most relevant revolutions:

- ESG revolution
- Energy Transition revolution
- Technological Breakthrough revolution
- Future Health Care revolution
- Urbanisation revolution

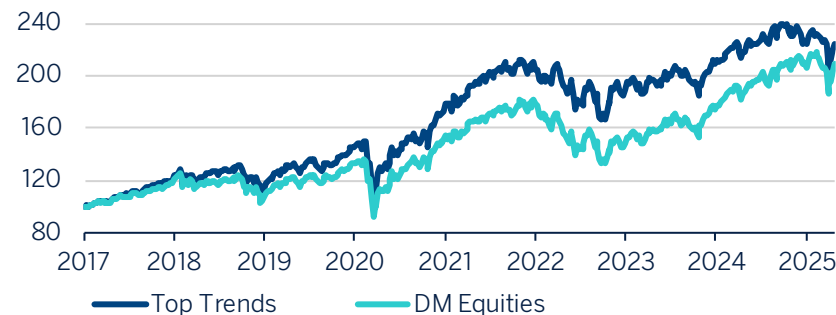
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	Top Trends	DM Equities
Price chg (1M)	8.4	11.7
Price chg (3M)	-4.5	-3.1
Price chg (YtD)	-0.5	0.7
12m FWD PE	17.2	18.7
EV / EBITDA	10.0	12.4
12m RoE (%)	13.5	15.5
Net debt/ EBITDA	1.2	1.2
1Y fwd Earnings Growth	11%	12%
2Y fwd Earnings Growth	11%	11%
Earnings Mo 1M (%)	-5.9	-0.8
Earnings Mo 3M (%)	-5.3	-0.6

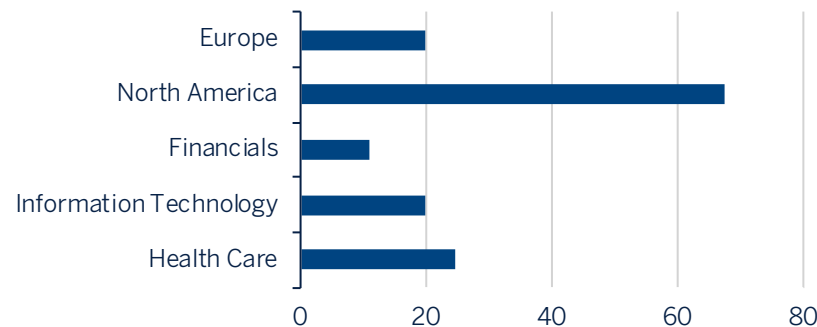
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



US REITs

Real Estate Investment Trusts present an outstanding opportunity to gain exposure to the real estate sector through a liquid, diversified and tax-efficient vehicle.

US REITs have steadily outperformed the S&P 500 over the past 20 years. Furthermore, they tend to behave particularly well in periods of high inflation, acting as a safe haven, as rental fees tend to be CPI-linked.

The Solactive BBVA US REITs index selects the best-positioned US REITs that offer a recurrent dividend income source, avoiding excessive financial leverage in their undertakings and that provide a critical hedge against raging inflation.

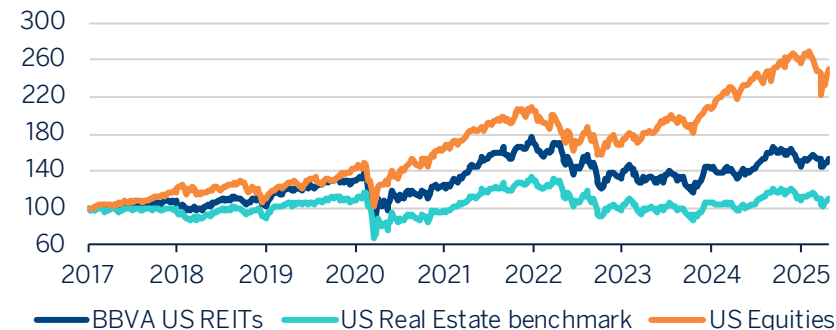
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	BBVA US REITs	US Real Estate benchmark	US Equities
Price chg (1M)	5.8	6.5	11.4
Price chg (3M)	-0.5	-2.9	-6.5
Price chg (YtD)	1.1	-0.8	-3.5
12m FWD PE	32.1	37.5	20.6
EV / EBITDA	17.0	16.8	14.0
12m RoE (%)	7.7	4.1	19.0
Net debt/ EBITDA	4.8	4.9	1.0
1Y fwd Earnings Growth	9%	16%	13%
2Y fwd Earnings Growth	10%	10%	16%
Earnings Mo 1M (%)	-0.3	0.0	-1.4
Earnings Mo 3M (%)	-2.0	-1.2	-2.3

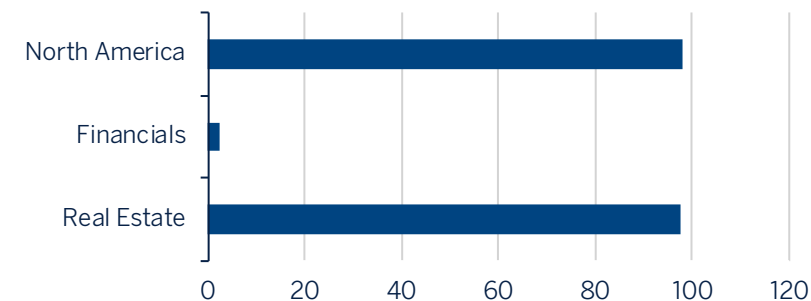
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



US Small Caps Select

Small-cap stocks tend to outperform large caps over time given their ability to grow more rapidly than larger companies. Moreover, most academic research finds small high-quality companies tend to significantly outperform their large-cap equivalents in a variety of economic conditions and over different time periods.

The Solactive BBVA US Small Caps Select index picks the largest highly liquid small-cap companies by sector in the US, with a focus on balance sheet quality and profitability.

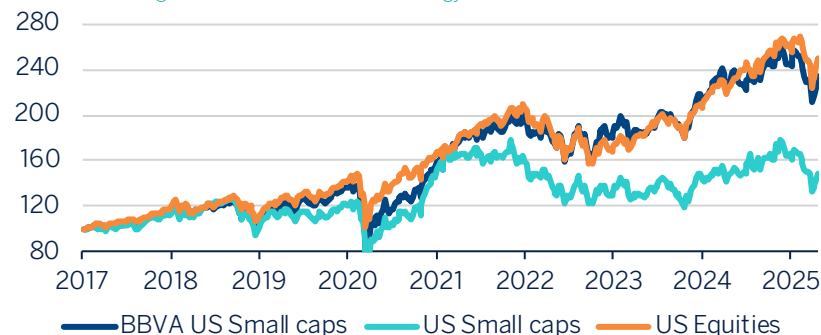
Fundamental comparison vs. benchmark

Source: Bloomberg and BBVA Global Markets Strategy

Theme	BBVA US Small caps	US Small caps	US Equities
Price chg (1M)	9.9	9.8	11.4
Price chg (3M)	-8.4	-13.2	-6.5
Price chg (YtD)	-4.4	-9.8	-3.5
12m FWD PE	16.2	24.1	20.6
EV / EBITDA	9.2	11.9	14.0
12m RoE (%)	16.4	3.8	19.0
Net debt/ EBITDA	1.7	3.9	1.0
1Y fwd Earnings Growth	8%	49%	13%
2Y fwd Earnings Growth	12%	29%	16%
Earnings Mo 1M (%)	-2.3	-3.9	-1.4
Earnings Mo 3M (%)	-0.4	-9.8	-2.3

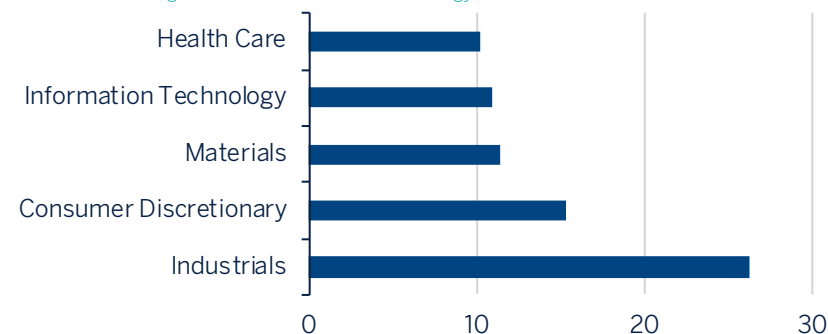
Performance vs. benchmark(s)

Source: Bloomberg and BBVA Global Markets Strategy



Top sector and region exposure

Source: Bloomberg and BBVA Global Markets Strategy



Contacts

Director of Global Markets Research and Strategy

Ana Munera

ana.munera@bbva.com

+34 91 374 36 72

Head of QIS Research

Ankit Kumar, CFA

ankitkumar.gheedia@bbva.com

+44 747 692 0757

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Long / Short: we recommend the investor buy a given financial instrument (Long) and sell another financial instrument (Short) at the same time in the same notional or equivalent risk, or in the proportion that is specified in the Marketing Material.

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