



**Buy the European Banking sector**  
Advisory Desk  
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# Buy the European Banking sector: rising rates should drive outperformance

The European banking sector has clearly **underperformed** the benchmark over the past few years.

We believe that a **rate normalization** process, which is always positive for banks, is starting to be discounted by the market. Furthermore, **economic activity continues to improve**, thus diminishing the non-performing loan issues.

This environment therefore provides us with a **buying opportunity** on a theme that should **outperform** the market in the coming weeks and months.

We recommend the purchase of the following instrument as a **nice blend** of what Europe has to offer in the sector and **not entirely concentrated on the more aggressive recovery plays**:

## iShares STOXX Europe 600 Banks UCITS ETF (DE) (EXV1) ISIN DE000A0F5UJ7

Registered in the following countries: Switzerland Austria Belgium Denmark Finland France German Italy Mexico Netherlands Norway Singapore Spain Sweden United Kingdom  
**A factsheet is attached**



EXV1 5Y Price graph  
Source: Bloomberg



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