

Five European Stocks to Know About

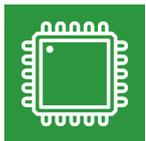


Europe fell out of favour with investors for several years. The Eurozone debt crisis, Brexit, the rise of populism—the crises seemed to pile up. Meanwhile, America went from strength to strength boosted by FANG internet giants (Facebook, Amazon, Netflix, Google).

This year, investors are warming to Europe once more. Thanks to global economies reopening from the coronavirus, and thanks to new fears that share prices of American businesses have overheated, Europe is seeing great interest again. Below are five stocks that are well positioned.

The companies listed below are all found in the ETFS EURO STOXX 50 ETF (**ASX Code: ESTX**).

Five Companies Fuelling the Transition



ASML **NASDAQ: ASML**

ASML is a Dutch business that is among the most crucial for making semiconductors. Semiconductors are the small and often overlooked widgets that make modern computing possible. In particular, ASML makes the machines (called “EUV lithography systems”, in the jargon) that allow transistors to go on microchips. They sell these machines to semiconductor makers like Intel and Samsung, which allow them to build better semiconductors. ASML’s EUV lithography machines usually go for around €138 million.



L'Oréal **EPA: OR**

L'Oréal, is the largest cosmetics company in the world. From shampoo to hair dyes, perfume to lipsticks—they make it all. They also own brands including Lancôme, Maybelline, Garnier, Ambi (and plenty more). Their share price has surged the past 10 years, driven by booming demand in China, with Bain & Company estimating that mainland China’s luxury goods market grew 48% in 2020, and project the growth will continue to 2025.



LVMH **EPA: MC**

LVMH (Louis Vuitton Moët Hennessy) is the luxury company par excellence. It has the luxury of having goods with extremely low price elasticity of demand. Meaning that no matter how expensive LVMH’s products become, people always buy them. LVMH has finalised the purchase of Tiffany & Co, and struck a partnership with American rapper Jay-Z to buy 50% of his Armand de Brignac champagne brand for about \$300 million.



Pernod Ricard **EPA: RI**

Pernod is the force behind some of the world’s most popular alcohols. Absolut Vodka, Jameson Irish Whiskey, Havana Club rum, Martell cognac, Aberlour scotch—and many others. Pernod’s sales and products are truly diversified. It has a foothold in most countries and was an early entrant into India and China, with its higher-end cognac proving popular in the latter. An ongoing tailwind is the “premiumisation” of alcohol – with consumers voting for quality over quantity when drinking.



Airbus **EPA: AIR**

The world’s largest airline maker, and the pride of German and French engineering. Airbus was hit hard by Covid-19, as demand for overseas travel fell off a cliff. However, the company is benefitting from the reopening trade as investors look for unloved “value” stocks, hardest hit by covid. Airbus has also been ahead of the curve in exploring zero emissions planes, with increasing research into hydrogen power.

Client Services

+61 2 8311 3488 / infoAU@etfsecurities.com.au
www.etfsecurities.com.au

Disclaimer

This document is issued by ETFS Management (AUS) Limited (“ETFS”) (Australian Financial Services Licence Number 466778). This document may not be reproduced, distributed or published by any recipient for any purpose. Under no circumstances is this document to be used or considered as an offer to sell, or a solicitation of an offer to buy, any securities, investments or other financial instruments.

The information provided in this document is general in nature only and does not take into account your personal objectives, financial situations or needs. Before acting on any information in this document, you should consider the appropriateness of the information having regard to your objectives, financial situation or needs and consider seeking independent financial, legal, tax and other relevant advice having regard to your particular circumstances. Any investment decision should only be made after obtaining and considering the relevant product disclosure statement

This document has been prepared by ETFS from sources which ETFS believes to be correct. However, none of ETFS, ETFS Capital Limited, nor any other member of the ETFS Capital Group, nor any of their respective directors, employees or agents make any representation or warranty as to, or assume any responsibility for the accuracy or completeness of, or any errors or omissions in, any information or statement of opinion contained in this document or in any accompanying, previous or subsequent material or presentation. To the maximum extent permitted by law, ETFS and each of those persons disclaim all any responsibility or liability for any loss or damage which may be suffered by any person relying upon any information contained in, or any omissions from, this document.

Investments in any product issued by ETFS are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither ETFS, ETFS Capital Limited nor any other member of the ETFS Capital Group nor any of their respective directors, employees or agents guarantees the performance of any products issued by ETFS or the repayment of capital or any particular rate of return therefrom.

The value or return of an investment will fluctuate and an investor may lose some or all of their investment. Past performance is not a reliable indicator of future performance.

The EURO STOXX 50® is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland (“STOXX”), Deutsche Börse Group or their licensors, which is used under license. EURO STOXX 50® is neither sponsored nor promoted, distributed or in any other manner supported by STOXX, Deutsche Börse Group or their licensors, research partners or data providers and STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not give any warranty, and exclude any liability (whether in negligence or otherwise) with respect thereto generally or specifically in relation to any errors, omissions or interruptions in the EURO STOXX 50® or its data.