

# Weekly European Sector Review

February 4, 2019

- The iShares DJ Stoxx 600 is in a **Confirmed Uptrend** since January 4 (follow-through day), with only one distribution day. The index is currently testing its 100-DMA and any break through this resistance would be another positive signal this short-term momentum will persist.
- In this report, we detail our **cautiously optimistic view** on European markets and recommend gradually increasing exposure to the region as the market trades constructively above key supports. Our bottom-up approach leans toward defensive sectors Staples and Health Care, and indicates it is too early to jump aggressively on Cyclical (Autos and Luxury stocks). The top picks from our Focus List include [Davide Campari \(CPR.IT\)](#), [Diageo \(DGE.GB\)](#), [Carl Zeiss Meditec \(AFX.DE\)](#), and [Vitrolife \(VITR.SE\)](#).
- In addition to our Focus List, we also list Stocks of Interest, which have solid O'Neil Ratings and Rankings and are trading near pivot. The list includes former European Focus List names, [Redrow \(RDW.GB\)](#), [Wolters Kluwer \(WSG.NL\)](#), and [Halma \(HLMA.GB\)](#).
- Lastly, we updated our list of shorts ideas after we removed [Essity \(ESSI.BE\)](#) and now look at new potential short candidates (pages six and seven).

Prepared by:

Tristan d'Aboville – Executive Director – Research Analyst, [tristan.daboville@williamoneil.com](mailto:tristan.daboville@williamoneil.com)

## Weekly European Sector Review

### Sector Heat Map: Average Perf. - Market Cap Average Weighted (Market Cap > \$1BN & ADV > \$1M)

Sectors	5 Days	4 Weeks	8 Weeks	13 Weeks	26 Weeks	52 Weeks
Basic Material	3.6%	8.4%	8.1%	-1.5%	-8.2%	-7.7%
Capital Equipment	1.3%	8.2%	7.0%	-0.9%	-8.7%	-5.6%
Consumer Cyclical	2.4%	10.4%	8.6%	0.0%	-5.8%	-4.4%
Consumer Staple	3.6%	4.7%	2.0%	0.1%	-5.6%	0.2%
Energy	2.5%	3.8%	4.3%	0.1%	-2.8%	5.5%
Financial	-0.9%	5.1%	4.3%	-1.8%	-8.1%	-13.3%
Health Care	1.6%	3.1%	1.6%	-0.6%	-4.1%	6.3%
Retail	0.9%	8.2%	3.7%	-0.4%	-5.4%	0.1%
Technology	-0.8%	4.6%	2.0%	-1.4%	-7.0%	-3.5%
Transportation	0.4%	9.2%	4.1%	0.5%	-6.7%	-14.2%
Utility	2.3%	6.7%	8.2%	9.5%	5.4%	15.9%

### Market Status - O'Neil Methodology

Country	Market Condition	Distribution Days
Switzerland	Rally Attempt	-
Denmark	Under Pressure	4
Norway	Under Pressure	3
Finland	Uptrend	3
Portugal	Uptrend	2
Sweden	Uptrend	4
Spain	Uptrend	2
Czech Republic	Rally Attempt	-
Stoxx600	Uptrend	1
Belgium	Uptrend	1
UK	Uptrend	2
Italy	Uptrend	2
Netherlands	Uptrend	1
France	Under Pressure	3
Germany	Uptrend	1
Austria	Under Pressure	6
Ireland	Uptrend	4
Greece	Under Pressure	4
Luxembourg	Under Pressure	0

Source: William O'Neil + Co

### O'Neil View on European Markets for H1 2019: Cautiously Optimistic

**Historical precedents (William O'Neil study) suggest positive momentum for European equities may continue for the next six months, although recent economic data clouded this view.**

- In our study, we researched the S&P 500 since 1970 and the Stoxx 600 since 1987. When the market gains more than 5% in a month, after a month where it dropped more than 5%, the chances are extremely high that the index will achieve higher gains than its monthly average return for the next six months.

In Europe, of the four occurrences (1997, 1998, 2002, 2013) with this monthly pattern, three led to a monthly average return of 2.8%, far above the Stoxx 600 average monthly return of 0.4% since 1987. The only time the index went on to generate negative returns (2002) was at the near-end of a bear market. If history repeats itself, the strong year-to-date momentum (+5.9% gain in January) could persist in the short term.

- The technical characteristics of indices corroborate this positive sentiment. The Stoxx 600, along with several markets, were able to retake their 50-DMA mid-January, and have since consolidated above that key resistance level. From a bottom-up approach, although leadership has not yet emerged due to the broad base of January's rebound, we can measure progress by the increasing number of stocks breaking out of consolidation. One-third of the Stoxx 600 stocks now trade above their 200-DMA, and 76% above their 50-DMA.

- In the meantime, deteriorating economic data (German PMI, Euro CPI, Italy's recession) that pushed the ECB into a dovish stance clouded this positive view. The looming question and dilemma is whether Europe will fall into recession this year. Policymakers in Brussels are certainly watching carefully, but their solutions to avoid a recession are limited as interest rates remain at a historical low. Thus the loose monetary policy could encourage countries to shift to more expansive fiscal policies that are not necessarily cohesive with the Stability and Growth Pact. In fact, both Italy's Five Star Movement political party and France's Yellow Vest Movement show the growing popularity of country-first and populist politics.

**January's market performance may reflect oversold conditions (even after the 2018 sell-off), but the biggest risk for 2019 is the global slowdown eating into corporate earnings in Europe.**

- We will put January's strong market rebound into perspective. In 2018, the Stoxx 600 recorded its worst year since the 2008 financial crisis. The index posted a 13% decline marked by the weakest volume since 2000 despite a broad sell-off and high outflows. From its highs, the index lost almost 19%. Thus, valuation-wise, one could argue that the European market is becoming attractive, trading at 13x its forward P/E.
- We usually avoid highlighting these multiples because they are based on expectations built on multi-level input models that can change drastically. As of today, consensus EPS for the Stoxx 600 stands at a meager 5.6% and revenue growth stands at 3.1% for 2018, making it the worst year since 2014. For 2019, the median analyst predicts 8.4% EPS growth, a strong acceleration from 2018.

- However, the forecasts will move based on the results of the current earnings season. Since February 1, 26 companies in the Stoxx 600 have reported Q4 earnings, with about half of them reporting better-than-expected figures. Cumulatively, earnings are now 13% higher than forecasts.
- With more than 46% of corporate revenue in the Stoxx 600 generated outside the eurozone, European corporations are highly exposed to the global economy. 2019 earnings forecasts remain at risk.

### Top Sectors and Ideas:

- Our bottom-up/stock-picking approach that combines fundamental and technical stock analysis suggests sticking to defensive sectors, despite the broad rebound.
- Among sectors, Consumer Staples in Europe displayed on average the best earnings growth profile (EPS Rank) and remained stable over 26 weeks. Some areas of Staples such as the Alcoholic-Beverage industry combined growth characteristics while maintaining a defensive profile. Growth drivers include premiumization and emerging market demand.
  - **Diageo (DGE.GB)** is the world's largest alcohol producer (more than 6.5B liters/year) with more than 200 brands and operating in more than 180 countries. Though its organic growth rate is on par with its competitors, Diageo's operating profit margin is at least 600bps higher (FY 2018: Diageo 32%, Pernod Ricard 26%), and is expected to increase 175bps in the coming year. High market share and profitability place Diageo in a position to reap the most from the growing spirit market.
  - **Davide Campari (CPR.IT)** is the world's sixth largest alcohol company, marketing and distributing more than 50 premium brands in 190 countries worldwide. Driven by rising consumer health consciousness, one of its key brands, Aperol, is now the largest revenue contributor, accounting for 18% of the Company's total revenue. With Aperol's growth accelerating at an exceptional pace (+43% in Q3 2018) and other key brands also experiencing double-digit growth, Campari's historical revenue growth profile has moved from low- to high-single digits.
- We also recommend overweighting Health Care, particularly among the small/mid-caps universe where we find many interesting names with strong fundamental growth characteristics (EPS Rank and SMR Rating > 70) along with a defensive profile (Leaders in niche markets, high entry barriers).
  - **Carl Zeiss Meditec (AFX.DE)** is the third largest player in ophthalmic devices with a market share of 9%. The Company should benefit from growing acceptance of its SMILE technology in the refractive surgery market.
  - **Vitrolife (VITR.SE)** is a pure-play company in the in-vitro fertilization industry, with a ~26% market share. Driven by its expanded product portfolio and market leadership position, the Company is poised to outpace industry growth.
- We continue to underweight sectors with high exposure to China, such as the Luxury sector, despite strong earnings released recently by LVMH. Margins of major luxury brands shrank on average 94bps and 172bps in 2014 and 2015, respectively. At that time, the sector faced

## Weekly European Sector Review

WILLIAM O'NEIL+CO.

a rapid slowdown after China's crackdown on corruption. Consensus expects margin expansion to accelerate in FY 2019 by 80bps. If history

repeats itself, we believe consensus is too aggressive.

### Long: Stocks of Interest:

- As markets continue to hold above their 50-DMA, we provide names to keep on the long-ideas radar. These ideas have good O'Neil Ratings and Rankings and are trading near pivot. Wait for a breakout to initiate positions.

Symbol	Name	Trading Country	Sector, Maj Ind Name	Mkt Val, USD (Mil)	Weekly Base status (Td)	Composite Rating	SMR Nmbr Rtg	EPS Rnk Wkly, Cur Wk	ROE, Cont Avg, Lst Rpt Yr	DG Rtg, Cur Wk	RS, Wkly, Cur Wk
RDW.GB	Redrow	United Kingdom	Housing	2,857	NEAR PIVOT	96	92	95	22.7%	62	82
GCC.IE	C&C Group	Ireland	Beverage - Alcoholic	1,155	NEAR PIVOT	93	81	82	12.4%	41	73
CRDA.GB	Croda International	United Kingdom	Chemical-Specialty	8,519	NEAR PIVOT	80	82	85	33.3%	64	87
KLED.SE	Kungsleden	Sweden	Real Estate	1,659	NEAR PIVOT	91	72	79	15.1%	69	75
MYCR.SE	Mycronic	Sweden	Electronic-Semiconductor	1,302	NEAR PIVOT	99	97	91	39.0%	82	86
ITP.FR	Interparfums	France	Cosmetic & Personal Care	2,175	NEAR PIVOT	99	78	91	9.7%	75	96
REN.PT	Ren Redes Energeticas Nacionais	Portugal	Electric Power	1,978	NEAR PIVOT	89	70	83	9.7%	52	81
CDI.FR	Christian Dior	France	Apparel Mfg	77,010	NEAR PIVOT	98	86	77	19.1%	72	91
WSG.NL	Wolters Kluwer	Netherlands	Commercial Service	17,493	NEAR PIVOT	96	76	93	27.1%	63	95
REL.GB	Relx	United Kingdom	Commercial Service	43,785	NEAR PIVOT	97	75	90	71.0%	68	91
VNAX.DE	Vonovia (Xet)	Germany	Housing	26,293	NEAR PIVOT	98	94	93	17.5%	69	83
HLMA.GB	Halma	United Kingdom	Commercial Service	7,069	NEAR PIVOT	99	87	92	19.2%	73	90

## Update on Shorts: Removing Essity (ESSI.BE) from Our Shorts List.

- We removed **Essity** from our list of shorts on Friday after the stock soared 9.4% on surprising Q4 earnings, indicating a clear turnaround on top and bottom lines. Fundamental characteristics of the stock have recently improved (EPS Rank of 69 versus 63 on average in the past 26 weeks) along with technical characteristics (RS line rising and A/D Rating turning positive). We added the stock on June 25, 2018, and removed it with an 11.5% loss.
- We maintain **Renault (RNO.FR)**, **Dufry (DUFN.CH)**, **Solvay (SOL.BE)**, **Siltronic (WAFX.DE)**, and **Unicredit (UCG.IT)** in our list of shorts.

Symbol	Name	Sector Name	Trading Country	Date Inception Short	Performance of the Short since Added	Benchmark holding period return	Relative Perf. of the trade vs. Benchmark
RENU.FR	Renault	Consumer Discretionary	France	Jun 21, 2018	24.77%	-5.57%	19.20%
SOL.BE	Solvay	Materials	Belgium	Jun 28, 2018	12.27%	-4.57%	7.70%
WAFX.DE	Siltronic (Xet)	Information Technology	Germany	Jun 28, 2018	35.32%	-4.57%	30.75%
UCG.IT	Unicredit	Financial	Italy	Aug 16, 2018	33.20%	-5.71%	27.49%
DUFR.CH	Dufry	Retail	Switzerland	Aug 23, 2018	19.85%	-6.19%	13.66%

## Shorts: Interests List

- Stocks with average fundamental metrics (EPS and SMR ratings < 70), weak earnings momentum (first call estimates revised down) and technical deterioration including the 200-DMA in a downtrend.

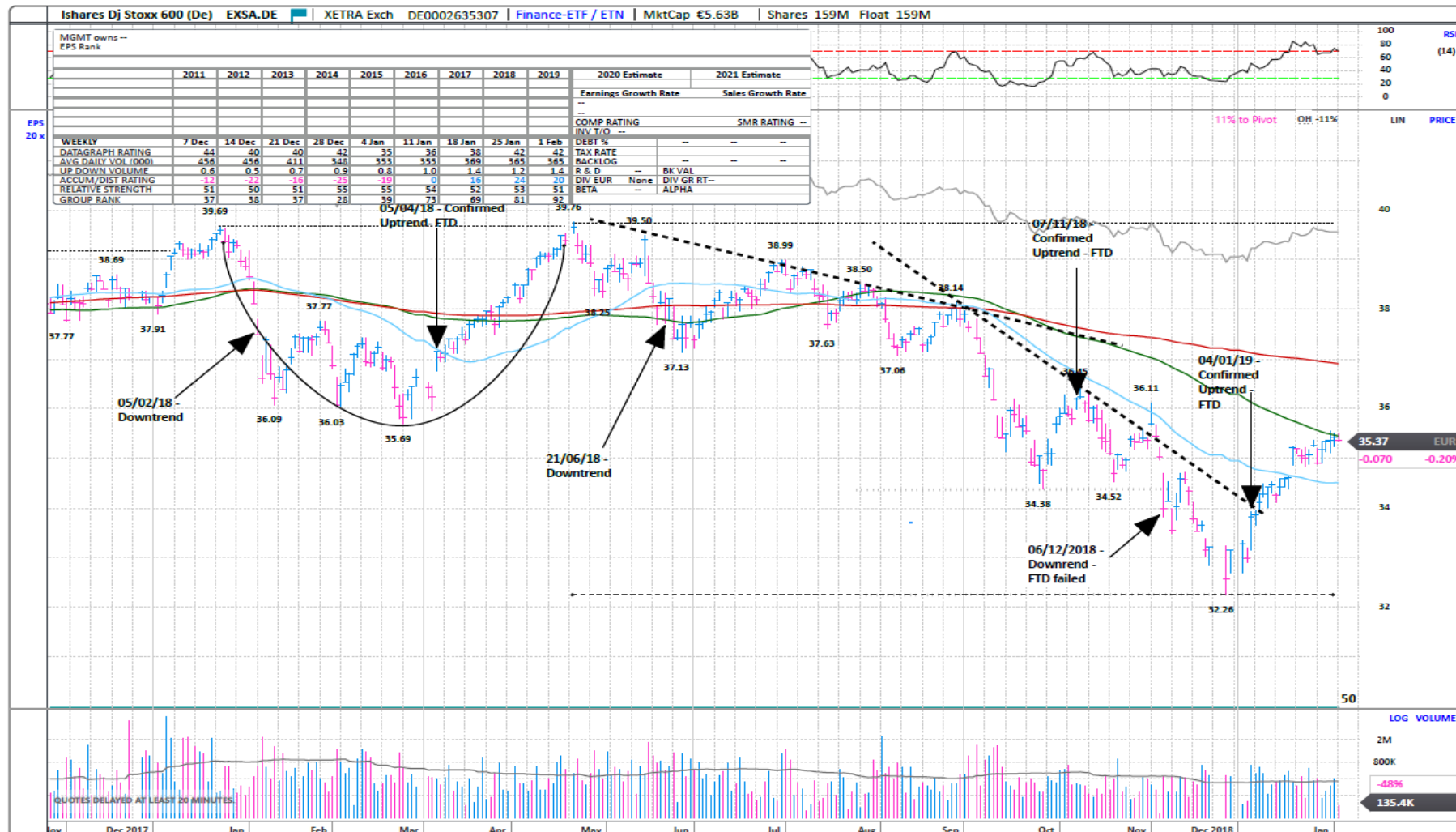
Symbol	Name	GICS Sector	Vol, Avg Dly Dollar Vol (000), USD	Mkt Val, USD (Mil)	EPS Rnk Wkly, Cur Wk	SMR Nbr Rtg	RS, Wkly, Cur Wk	A/D, Nbr Rtg, Cur Dy	First Call Revision % Chg Frm 30 Dys Ago, Cur FY Est, Lst Cls
NZY.DK	Novozymes B	Materials	22,199	10,388	54	69	32	-23	-1.5%
WRT.FI	Wartsila	Industrials	18,299	9,701	49	68	31	-17	-1.7%
ISS.DK	Iss	Industrials	18,790	5,376	29	34	30	19	-4.1%
LIGH.NL	Signify	Industrials	17,564	3,152	67	32	34	-13	-1.0%

## Weekly European Sector Review

WILLIAM O'NEIL+CO.

Symbol	Name	GICS Sector	Vol, Avg Dly Dollar Vol (000), USD	Mkt Val, USD (Mil)	EPS Rnk Wkly, Cur Wk	SMR Nmbr Rtg	RS, Wkly, Cur Wk	A/D, Nmbr Rtg, Cur Dy	First Call Revision % Chg Frm 30 Dys Ago, Cur FY Est, Lst Cls
<b>NSTF.SE</b>	Ncc B	Industrials	8,598	1,433	45	51	49	-10	-10.0%
<b>GALE.CH</b>	Galenica Sante	Health Care	6,303	2,252	59	46	34	0	-5.0%
<b>UBSG.CH</b>	Ubs Group	Financials	180,913	49,811	64	34	24	-28	-6.8%
<b>KB.BE</b>	Kbc Group	Financials	46,745	28,371	56	56	32	-10	-0.9%
<b>ABN.NL</b>	Abn Amro Group	Financials	45,537	23,125	43	55	38	-9	-0.9%
<b>CRDA.FR</b>	Credit Agricole	Financials	71,379	32,583	59	26	18	-34	-1.0%
<b>BCP.PT</b>	Banco Comr.Portugues 'R'	Financials	9,000	4,039	64	33	36	-21	-9.1%
<b>HUSB.SE</b>	Husqvarna B	Consumer Discretionary	9,918	3,614	55	60	44	4	-25.1%

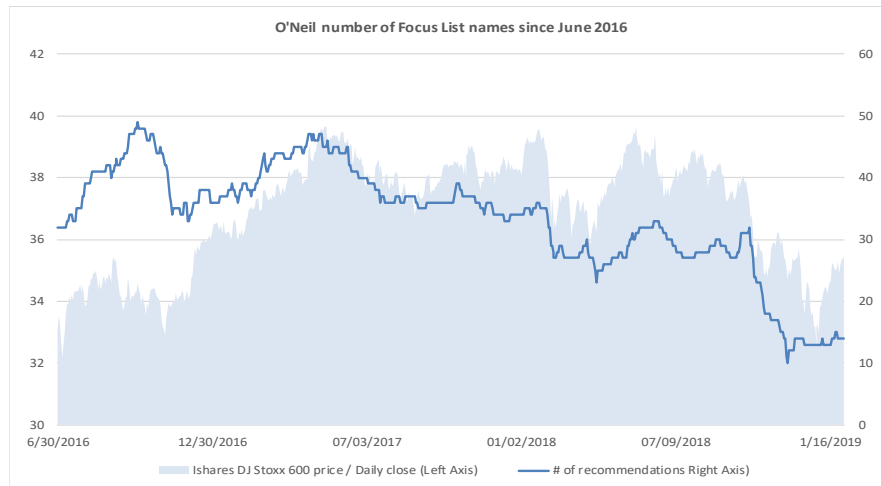
# iShares Dj Stoxx 600 – Daily Datagraph



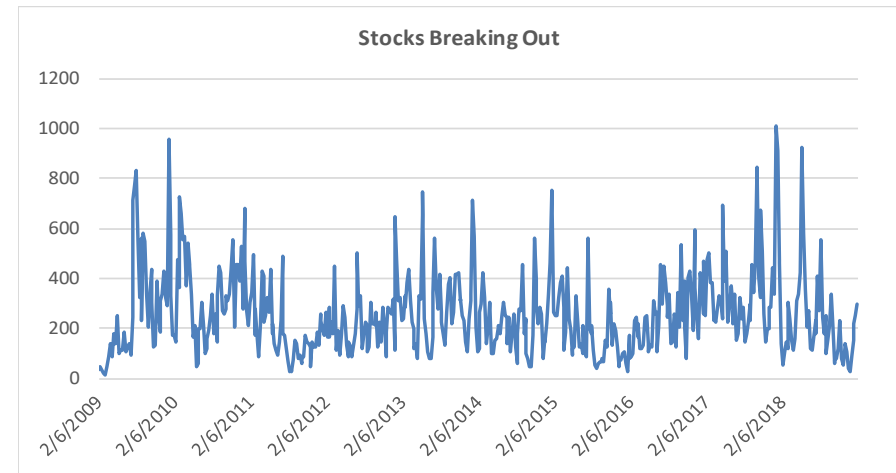
Source: Panaray / William O'Neil+Com



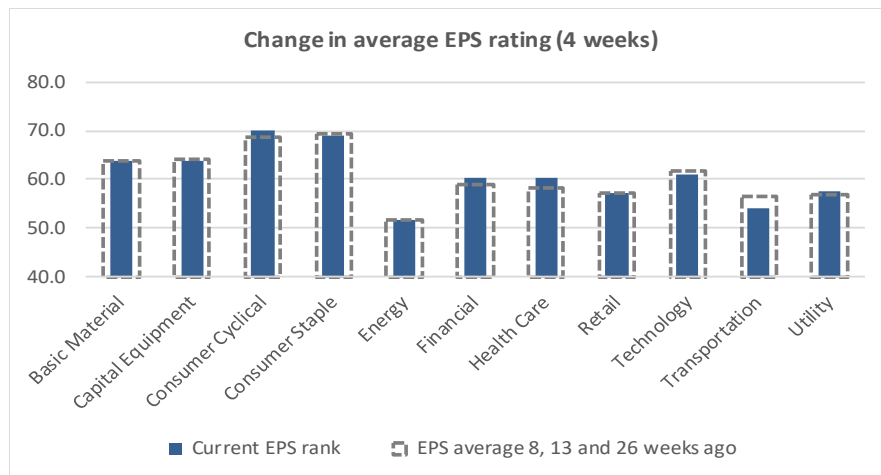
## Key Metrics Change: EPS, RS, # of EFL Names & Breakouts



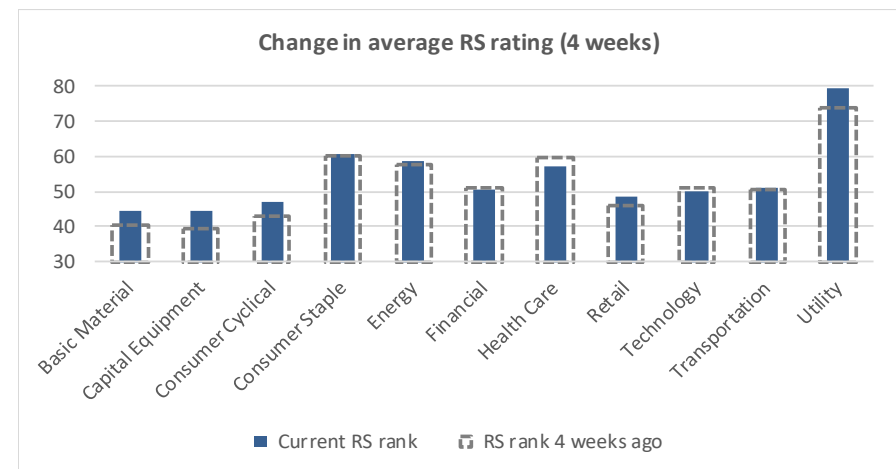
Source: William O'Neil + Co.



Source: William O'Neil + Co.



Source: William O'Neil + Co.



Source: William O'Neil + Co.

### How To Read The Sector Card

---

#### Outperforming

Stocks breaking out from pivot

---

We recommend buying stocks at the breakout level. A breakout is a price movement of the security through an identified level of resistance (pivot point) after forming a consolidation base. Our proprietary chart patterns are based on over 50 years of our active research into the behavior of equities.

#### Underperformers

Stocks in which investors are losing interest

---

Underperformers are stocks showing technical weakness. We believe these stocks are laggards relative to their own domestic markets and, if owned as a long, need to be reviewed carefully as they may be vulnerable to further downside risk and underperformance.

#### European Focus List

O'Neil Recommendations

---

The European Focus List (EFL) is a proprietary list of long ideas that fit the fundamental and technical criteria of the O'Neil Methodology.

#### Top Rated

Stocks displaying the best Composite rating

---

The **Composite Rating** combines the EPS Rank, Relative Strength Rating, Industry Group Rank, SMR Rating, Accumulation/Distribution Rating, and the stock's percent off its 52-week high. More weight is placed on EPS Rank and Relative Strength Ratings. The resulting rating of technical and fundamental factors is compared against all other stocks in the trading country and assigned a rating from 1 to 99, with 99 being the best. A rating of 90 means the stock has outperformed 90% of all other stocks.

#### European Short List

O'Neil Recommendations

---

The European Short List (ESL) is a proprietary list of short ideas curated by our sector analysts.

## Basic Material

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
KAZ.GB	Kaz Minerals	3,814	

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
HEN3X.DE	Henkel Pref. (Xet)	17,516	-38
SXX.GB	Sirius Minerals	1,248	-27

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
GIVN.CH	Givaudan 'N'	22,240	10

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
POLY.GB	Polymetal International	5,292	99
FXPO.GB	Ferrexpo	2,020	98
ALTR.PT	Altri Sgps	1,680	97
IMCD.NL	Imcd Group	3,848	97
RIO.GB	Rio Tinto	70,406	96
BHP.GB	Bhp Gp	47,579	95
LNAX.DE	Linde (Xet)	41,379	95
HGM.GB	Highland Gold Mining	776	94
EVR.GB	Evraz	9,593	94
AAL.GB	Anglo American	36,520	94

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
SOL.BE	Solvay	11,594	29

## Capital Equipment

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
KBXX.DE	Knorr-Bremse Ag (Xet)	15,948	
FCC.ES	Fomento Constr.Y Cntr.	5,587	2
ANA.ES	Acciona	5,480	1
EDEN.FR	Edenred	9,981	2

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
SNR.GB	Senior	1,254	-44
SEV.FR	Suez	7,878	-43
CSF.FR	Thales	24,143	-27
AFB.SE	Af B	1,317	-26

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
HSV.GB	Homeserve	4,151	30
ROFR.FR	Teleperformance	10,133	168
EDEN.FR	Edenred	9,981	1

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
JLG.GB	John Laing Group (Wi)	2,267	99
HLMA.GB	Halma	7,069	99
RWS.GB	Rws Holdings	1,703	97
BEAN.CH	Belimo Holding	2,704	97
INRN.CH	Interroll	1,545	97
REL.GB	Relx	43,785	97
CAI.IT	Cairo Communication	592	97
IGR.GB	Ig Design Group	532	96
TOM.NO	Tomra Systems	3,940	96
WSG.NL	Wolters Kluwer	17,478	96

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
--------	------	---------------	-------------------

## Consumer Cyclical

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
TEGX.DE	Tag Immobilien (Xet)	3,703	1

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
MATI.FR	Bollere	12,180	-42
SHAX.DE	Schaeffler (Xet)	1,498	-38
METR.ES	Metrovacesa	1,827	-35
ROC.DK	Rockwool International	2,881	-34
MMT.FR	M6-Metropole Tv	2,017	-31
BBA.GB	Bba Aviation	3,207	-28
RRTLX.DE	Rtl Group (Xet)	8,585	-28
TOD.IT	Tod's	1,575	-27
CINE.GB	Cineworld Group	4,686	-26

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
TGYM.IT	Technogym	2,321	18
PUMX.DE	Puma (Xet)	8,320	45

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
CHER.SE	Cherry B	947	99
PGT.FR	Peugeot	23,080	99
DCAR.SE	Hembla B	1,567	99
ADJX.DE	Ado Properties (Xet)	2,632	98
TGYM.IT	Technogym	2,321	98
CDI.FR	Christian Dior	77,636	98
KGLS.SE	Kambi Group Ltd.Share	701	98
VNAX.DE	Vonovia (Xet)	26,293	98
MONC.IT	Moncler	9,835	97
MSLH.GB	Marshalls	1,340	97

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
RENU.FR	Renault	20,828	30

## Consumer Staples

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
BVIC.GB	Britvic	3,094	2
ESSI.SE	Essity B	17,566	
DGE.GB	Diageo	91,842	

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
BEIX.DE	Beiersdorf (Xet)	25,290	-38

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
GSF.NO	Grieg Seafood	1,419	19
CPR.IT	Davide Campari Milano	10,438	11
MHG.NO	Mowi	11,388	17
DGE.GB	Diageo	91,842	6

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
ITP.FR	Interparfums	2,168	99
RBR.DK	Royal Unibrew	3,900	99
CCH.GB	Coca-Cola Hbc (Cdi)	12,619	98
BVIC.GB	Britvic	3,094	98
RCD.FR	Pernod-Ricard	44,551	97
DGE.GB	Diageo	91,842	96
EMMN.CH	Emmi Ag	4,319	94
BSN.FR	Danone	50,356	94
OR@F.FR	L'Oreal	136,117	93
CPR.IT	Davide Campari Milano	10,438	93

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
		-	29

## Energy

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
DEN.DK	Orsted	31,009	

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
FRO.NO	Frontline	851	-34

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
DEN.DK	Orsted	31,009	10

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
PGN.PL	Polish Oil And Gas	11,675	99
SEM.ES	Solaria Energia Y Medic	771	99
MOH.GR	Motor Oil	2,795	99
GAM.ES	Siemens Gamesa Reni	10,257	98
LTS.PL	Grupa Lotos	4,629	98
ENEL.IT	Enel	60,284	96
DEN.DK	Orsted	31,009	94
AKEP.NO	Aker Bp	11,820	93
PLK.PL	Plknc.Naftowy Orlen	12,019	93
GTT.FR	Gtt	3,087	93

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
--------	------	---------------	-------------------

## Financial

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
HICL.GB	Hicl Infrastructure	3,836	2
UTG.GB	Unite Group	3,123	1
DLN.GB	Derwent London	4,755	
LXI.GB	Lxi Reit	572	
GET.FR	Getlink	8,090	2
SAFE.GB	Safestore Holdings	1,573	
WIHS.SE	Wihlborgs Fastigheter	1,992	1
TRY.DK	Tryg	7,825	1
AEDI.BE	Aedifica	1,775	
ATRJ.SE	Atrium Ljungberg B	2,379	1

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
ADYE.NL	Adyen	21,355	99
PLUS.GB	Plus500 (Di)	2,341	99
TLGX.DE	Tlg Immobilien (Xet)	3,149	99
MONT.BE	Montea Comm	908	99
LSE.GB	London Stock Ex.Group	20,880	99
IRES.IE	Irish Resd.Ppty's Reit	750	99
SAGB.SE	Sagax B	2,390	98
WDP.BE	Wdp	3,523	98
HYQX.DE	Hypoport Finance (Xet)	1,379	98
WDIX.DE	Wirecard (Xet)	15,377	98

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
EFGN.CH	Efg International N	1,766	-59
HSX.GB	Hiscox (Di)	5,351	-44
BPSO.IT	Banca Ppo.Di Sondrio	1,196	-41
CABK.ES	Caixabank	20,992	-41
HMSO.GB	Hammerson	3,743	-40
UNI.ES	Unicaja Banco	1,847	-40
BSAB.ES	Banco De Sabadell	5,864	-40
UBI.IT	Unione Di Banche Italia	2,819	-37
STJ.GB	St.James's Place	6,570	-36
SGE.FR	Societe Generale	24,541	-35
ERS.AT	Erste Group Bank	15,281	-34
CRDA.FR	Credit Agricole	32,583	-34
AZASE	Avanza Bank Holding	1,371	-32
DAB.DK	Danske Bank	17,451	-30
MTRO.GB	Metro Bank (Wi)	1,531	-30
ASRN.NL	Asr Nederland	5,880	-29
UBSG.CH	Ubs Group	49,811	-28
AAGB	Aa	682	-26
NRR.GB	Newriver Reit (Reg S)	886	-26
DBKX.DE	Deutsche Bank (Xet)	18,252	-26
CCAPX.DE	Corestate Capital (Xet)	758	-26

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
--------	------	---------------	--------------

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
UCG.IT	Unicredit	25,097	22



## Healthcare

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
ROG.CH	Roche Holding	185,889	
RO.CH	Roche Holdings 'B'	42,012	

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
ORP.FR	Orpea	6,255	-61
ATTE.SE	Attendo	1,245	-49
SHLX.DE	Siemens Healthineers	38,772	-35
IPN.FR	Ipsen	10,581	-28

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
AFX.DE	Carl Zeiss Meditec (Xet)	8,047	3
VITR.SE	Vitrolife	1,941	2

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
EVTX.DE	Evotec (Xet)	3,480	99
BIOT.SE	Biotage	832	99
ROG.CH	Roche Holding	185,889	99
VITR.SE	Vitrolife	1,941	98
EUZX.DE	Eckert & Ziegler (Xet)	570	97
RO.CH	Roche Holdings 'B'	42,012	96
KABB.SE	Karo Pharma	707	94
SN.GB	Smith & Nephew	16,423	93
SOBI.SE	Swedish Orphan Biovit	6,988	93
REC.IT	Recordati Indua.Chimic	7,526	92

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
		-	-
		-	-
		-	-
		-	-
		-	-

## Retail

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
CSO.FR	Casino Guichard-P	5,508	
PETS.GB	Pets At Home Group	861	1

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
ZO1X.DE	Zooplus (Xet)	854	-59
UHRN.CH	The Swatch Group	6,870	-41
UHR.CH	The Swatch Group	8,858	-34
KGF.GB	Kingfisher	6,231	-33
RKETX.DE	Rocket Internet (Xet)	3,827	-28

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
--------	------	---------------	--------------

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
KER.FR	Kering	64,624	99
DIP.PL	Dino Polska Sa	2,674	98
DNLM.GB	Dunelm Group	1,902	98
GRG.GB	Greggs	2,048	98
EPR.NO	Europris	542	97
JD.GB	Jd Sports Fashion	5,828	97
WTB.GB	Whitbread	11,672	96
CSO.FR	Casino Guichard-P	5,508	95
GNK.GB	Greene King	2,424	95
BABY.GR	Jumbo	2,263	94

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
DUFR.CH	Dufry	5,487	21

## Technology

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
DLGX.DE	Dialog Semicon. (Xet)	2,252	1
ECON.BE	Econocom Group	921	1
HUBN.CH	Huber+suhner 'R'	1,540	2
NOS.PT	Nos Sgps	3,386	2
KPN.NL	Kpn Kon	13,251	
NOS.PT	Nos Sgps	3,386	2
KPN.NL	Kpn Kon	13,251	

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
SRCG.CH	Sunrise Communicatio	3,707	-40
UTDIX.DE	United Internet (Xet)	8,086	-38
DERX.DE	Delivery Hero Ag (Xet)	6,850	-37
SFS.CH	Sfs Group	3,060	-35
O2DX.DE	Telefonica Dtl. (Xet) Hld	10,470	-32
COPX.DE	Compugroup Medical ( )	2,673	-30
KWS.GB	Keywords Studios	939	-29
TEL.SE	Telia Company	18,899	-28

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
--------	------	---------------	--------------

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
MYCR.SE	Myconic	1,286	99
NOS.PT	Nos Sgps	3,386	99
ALS3.FR	Solutions 30 Se	1,303	99
GAMA.GB	Gamma Communicatio	1,046	98
HUBN.CH	Huber+suhner 'R'	1,540	98
CRW.GB	Craneware	982	98
SPT.GB	Spirent Communication	1,203	97
DUST.SE	Dustin Group	799	96
EKTL.ES	Euskaltel	1,638	95
SCT.GB	Softcat	1,824	95

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
WAFX.DE	Siltronic (Xet)	3,026	29
		-	-
		-	-
		-	-
		-	-

## Transportation

### Outperforming

Stocks breaking out from pivot

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
UTA.FR	Air France-Klm	5,417	1

### Underperformers

Stocks in which investors are losing interest

Symbol	Name	Mkt cap (\$M)	A/D rtg
RMG.GB	Royal Mail	3,624	-27

### European Focus List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
--------	------	---------------	--------------

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
GOG.GB	Go-Ahead Group	1,010	96
DSV.DK	Dsv 'B'	15,410	96
IAG.GB	Intl.Cons.Airl.Gp.(Cdi)	16,963	95
SAS.SE	Sas	1,032	90
LHAX.DE	Deutsche Lufthansa (Xe	12,078	89
LOGI.ES	Logista Hold	3,386	89
UTA.FR	Air France-Klm	5,417	84
DTG.GB	Dart Group	1,590	83
PST.IT	Poste Italiane	11,007	83
CAF.ES	Const Y Auxiliar De Ferr	1,535	82

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
		-	-
		-	-
		-	-
		-	-
		-	-

## Utility

### Outperforming

Symbol	Name	Mkt cap (\$M)	Weeks from pivot
UU.GB	United Utilities Group	7,466	2
ERE.PL	Energa	1,125	
CTG.ES	Naturgy Energy	27,763	1
ELI.BE	Elia System Operator	4,493	

### Underperformers

Symbol	Name	Mkt cap (\$M)	A/D rtg
EVN.AT	Evn	2,905	-40

### European Focus List

Symbol	Name	Mkt cap (\$M)	Weeks on EFL
TEP.GB	Telecom Plus	1,435	9

### Top Rated

Stocks Displaying the Best Composite Rating

Symbol	Name	Mkt cap (\$M)	Composite Rating
FKR.IT	Falck Renewables	932	99
UU.GB	United Utilities Group	7,466	97
HER.IT	Hera	5,060	95
VERB.AT	Verbund	8,638	93
REN.PT	Ren Redes Energeticas	1,990	93
PNN.GB	Pennon Group	4,229	92
ERE.PL	Energa	1,125	91
DRX.GB	Drax Group	2,078	91
SVT.GB	Severn Trent	6,208	90
ELI.BE	Elia System Operator	4,493	90

### European Short List

O'Neil Recommendations

Symbol	Name	Mkt cap (\$M)	Weeks Since Short
		-	-
		-	-

### Disclaimer

Offers the world's leading institutional investment managers a distinct blend of quantitative, fundamental, and technical expertise in global stock buy-and-sell recommendations. Its core method profiles stocks displaying the characteristics of outperformance proven persistent over market history—drawn from the firm's industry-leading database.

William O'Neil + Co., Incorporated is a Registered Investment Advisor with the State of California and certain other states. The firm and its affiliates may now or in the future have positions in the securities mentioned in this or other publications. Charts are intended to be used as tools to assist institutional investors in identifying equity ideas worthy for further review. Charts provide certain current and historical information, but are not a substitute for comprehensive analysis of the individual stocks. For further information about our business and legal policies, please see [williamoneil.com/legal](http://williamoneil.com/legal).

### ANALYST CERTIFICATION

The analysts primarily responsible for preparing this report certify that: (i) the views about the companies and their securities expressed in this report accurately reflect his/ her personal views, and (ii) no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in this report.

### NO INVESTMENT BANKING

William O'Neil + Company and its affiliates do not engage in investment banking and do not make a market in any securities. Neither William O'Neil + Company nor any of its affiliates have, during the past 12 months, received any compensation from any of the companies discussed in this report. None of the companies discussed in this report are, or have been during the past 12 months, clients of William O'Neil + Company or its affiliates.

### PROPRIETARY POSITIONS

William O'Neil + Company does not maintain proprietary positions in any securities. Employees of William O'Neil + Company and/or affiliates may now or in the future own positions in the companies discussed in this report. As of the end of the month immediately preceding the date of publication of such reports, none of such employees or affiliates beneficially owned 1% or more of the common equity securities of any of the companies discussed in this report. William O'Neil + Co. Incorporated is a Registered Investment Advisor with the State of California and certain other states. Employees of William O'Neil + Company and its affiliates may now or in the future have positions in securities mentioned in this communication. Our content should not be relied upon as the sole factor in determining whether to buy, sell, or hold a stock. For important information about reports, our business, and legal notices please go to [www.williamoneil.com/legal](http://www.williamoneil.com/legal).