dbInSights video: European Banks 2022 Outlook

As we believe inflation is not transitory, the direction of travel for interest rates and correspondingly well correlated banks’ share prices is up in our view. While the destination might be clear, detours and delays can be possible as highlighted by last week’s Omicron sell-off. Nevertheless, at c.8x earnings the sector is anyway not priced for imminent interest rate hikes in our view, pointing to the upside in case of delivery of interest rate hikes - the key theme for the sector in 2022.

Watch video

The ‘European Banks: 2022 Outlook: Destination known, Detours possible’ report was published on 30 November, 2021. Click here to view report.
Appendix 1

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<th>Equity Rating Key</th>
<th>Equity rating dispersion and banking relationships</th>
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<td><strong>Buy:</strong> Based on a current 12-month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.</td>
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<td><strong>Sell:</strong> Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock.</td>
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<td><strong>Hold:</strong> We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.</td>
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<td>Newly issued research recommendations and target prices supersede previously published research.</td>
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