

Sharpening the investment focus of a European bank through an equity recovery basket



- **Stock market analysis**
- **Post-crisis recovery analysis**
- **Sector-focused investment strategy development**

Business need

- A leading European private bank wanted to assess the impact of the pandemic on various sectors and identify the sectors that were likely to rebound the fastest upon recovery.
- Based on the assessment of market performance of major indices, it wanted to determine its future investment focus areas.

To guide post-pandemic investments by building an equity recovery basket.

The client outlined three key reasons for selecting RocSearch:

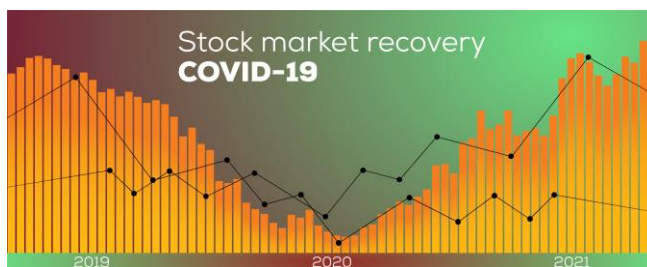
- Our experienced equity research specialists and economists.
- Our global outlook and exposure.
- Our successful investment research pedigree.

Approach & Methodology

- To examine market opportunities, our team of investment research specialists and economists assessed the market performance of major indices and sectors during past crises.

We divided the performance during each crisis into various sub periods -- 180 days before markets reached a trough, peak-to-trough and the periods when markets rebounded by 50% and 100%.

- Our findings were summarised in the form of a sector-wise ranking for each period. The investigation revealed that on an average, in different scenarios, the consumer discretionary sector ranked the highest in terms of performance, followed by the technology sector.



- For the 50% rebound period, we concluded that the core sectors such as energy, industrials, materials and financials, directly linked to the economy, tended to rebound the most.

- On the contrary, defensive sectors, such as consumer staples and healthcare, tended to underperform during the first 50% of the rebound.

Business outcomes

- Based on the reported findings, the client invested in an exchange-traded fund (ETF) from the recommended sector, which witnessed significant growth over the next few months, in line with our projections.
- The study produced an equity recovery basket, which enabled the client to decide which sectors it could focus on for investments.

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About RocSearch

Founded in 1999, RocSearch has been a pioneer in empowering our clients to overcome challenges and realize their goals. Our strength is delivering research and advisory solutions through managed and dedicated teams that produce the expert intelligence our clients require to gain a true competitive advantage.

We draw on proven expertise to deliver consistent value across all types of business requirements: ranging from digitization and analysis of business, financial, or customer data to the provision of 'act-on' insights for the most challenging business problems.

Our longstanding client relationships bear testament to the enduring value we create, alongside our consistent reliability and absolute discretion. We take great pride that many of the brightest global companies rely on us to help them achieve top-line growth, operational efficiency and increased profitability.

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