
To our eye...

1 message

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Worth Charting

To our eye... the current performance spread between EU Banks and US Banks will have to be reconciled.

And while we do not like US Banks on the long side here (nor are they particularly compelling as shorts) our hunch is to put on a 'Pair Trade'... short EU Banks/long US Banks.

The comparative charts below tell the tale.

EURO STOXX Banks Index (SX7E) +33.1%

KBW Bank Index (BKX) +2.6%

6 Month Chart



EURO STOXX Banks Index (SX7E) -2.9%

KBW Bank Index (BKX) -27.9%

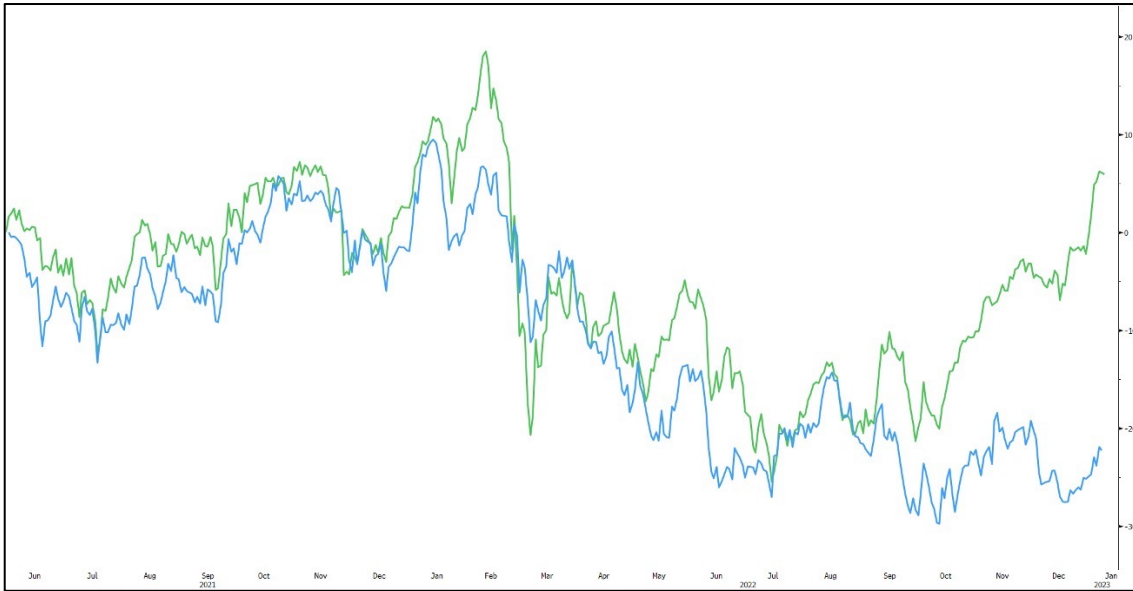
12 Month Chart



EURO STOXX Banks Index (SX7E) +5.9%

KBW Bank Index (BKX) -22.3%

18 Month Chart



EURO STOXX Banks Index (SX7E) +39.9%

KBW Bank Index (BKX) +8.2%

24 Month Chart



For those interested in executing a pair trade, there are two good ETFs to employ: iShares EURO STOXX Banks 30-15 ETF (SX7EEX) and Invesco KBW Bank ETF (KBWB))

iShares EURO STOXX Banks 30-15 ETF (SX7EEX) +38.7%
Invesco KBW Bank ETF (KBWB) +7.7%



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