

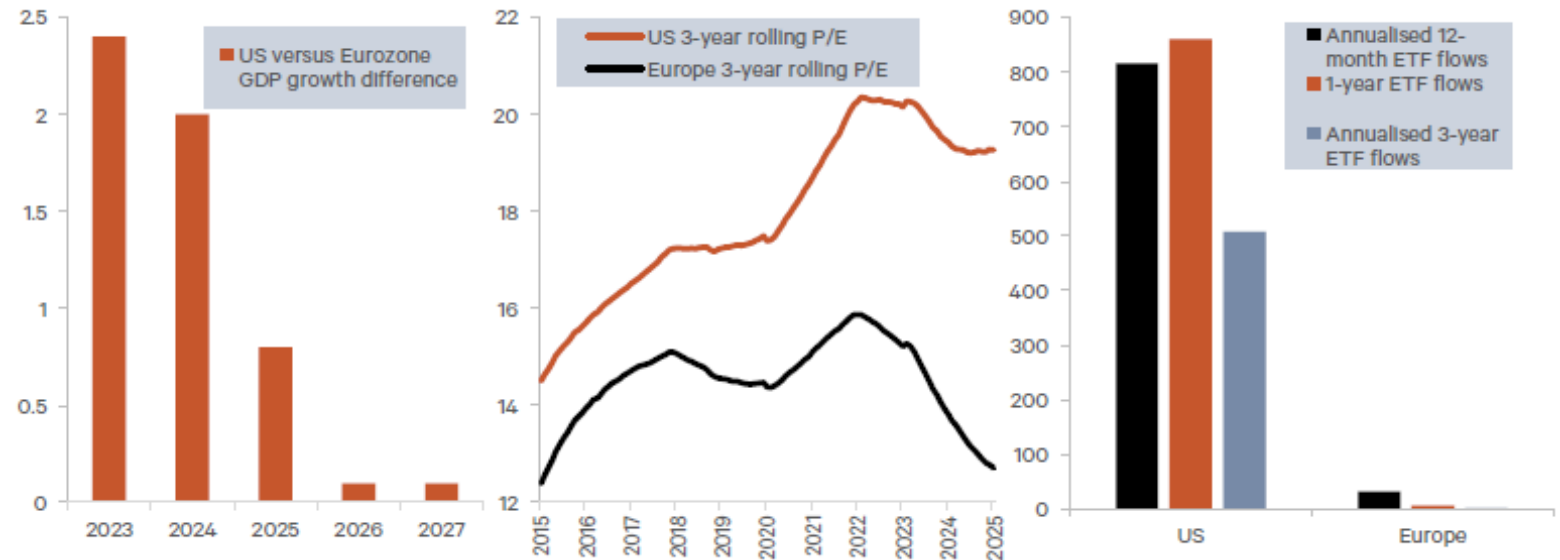
Calamos Global Investment Team: Chart of the Week

April 25, 2025

- This week's chart – courtesy of Berenberg – highlights the changes in US/Europe GDP growth differentials, equity valuations, and historical flows.
- For many years, US GDP growth has outpaced Europe, but this “GDP Growth Gap” is expected to significantly contract this year and next.
- At the same time, the relative premium paid for US equities remains at its widest gap in the past decade, as show in the rolling PE figures.
- And while ETF flows have turned positive in Europe over the past year, they are dwarfed by the significant flows the US has received. But should this trend turn – as we are currently seeing – European equities could harness another powerful tailwind.

Minding the gaps

US/Europe GDP growth (yoy%), P/Es, and annualize net equity flows



Source: Berenberg, Equity Strategy Market Analysis, “Brave new world: leaning into the wind, part 3,” April 11, 2025, using Berenberg research—Economics team, EIKON, Bloomberg.

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