

Calamos Global Investment Team: Chart of the Week

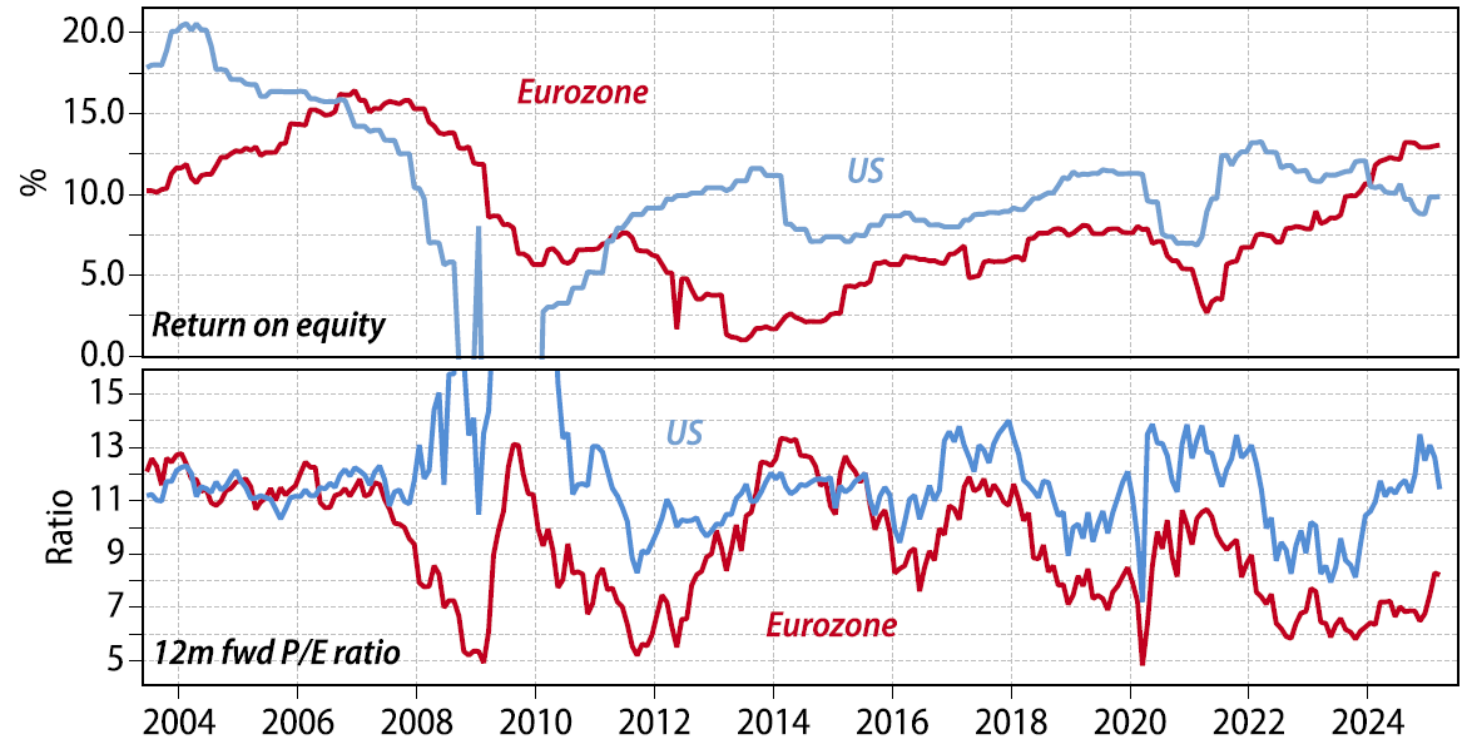
May 9, 2025

- Global investing provides access to a broader set of growth trends, which we believe is especially advantageous in a period of elevated geopolitical disruption.
- For example, we believe the case for eurozone banks is especially compelling, as this chart from Gavekal Research illustrates.
- Eurozone banks have undergone a long period of deleveraging and are now seeing the benefits.
- The returns on equity (ROE) for eurozone banks have improved, and, for the first time in 15 years, surpass the ROEs of their US counterparts.
- Germany's pursuit of fiscal stimulus supports the growth outlook for eurozone banks, and the stimulus from other eurozone members would provide additional tailwinds.
- Overall, we see cheaper valuations and a better outlook for eurozone banks.

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations.

As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

Eurozone banks are now more profitable and cheaper than US banks MSCI bank indexes



Past performance is no guarantee of future results. Source: Gavekal Research, "Global Strategy: Investing After Exceptionalism," April 30, 2025, using Gavekal Research/Macrobond. Indexes are unmanaged, do not include fees or expenses and are not available for direct investment. **12-month forward price-to-earnings ratio:** current share price by estimated future earnings per share for the next 12 months. **Return on equity:** divides net income by shareholders' equity as a way of showing a company's return on net assets. The **MSCI Europe Banks Index** is composed of large- and mid-cap stocks across developed market countries in Europe. All securities in the index are classified in the Banks industry group (within the Financials sector) according to the Global Industry Classification Standard (GICS®). The **MSCI US Banks Index** is a market-cap-weighted index that measures the price appreciation of stocks in the Banks industry group.