

2021: strong rebound in an exceptional economic and financial context

The IAA 80 rose by 16.5% over the year, after a decline of 8.3% in 2020

The IAA 80 rebounded in line with the economy in general and its companies' earnings in particular, boosted by fiscal stimulus at the European level, the sharp improvement in controlling the health risk and a degree of return to normalcy in consumer spending. The ECB's highly accommodative monetary policy played a crucial part in making equity returns far more attractive than bonds.

The stronger growth in the Beverage component's value is largely due to the massive reopening of out-of-home consumption places. That said, annual performances within the sub-index are far from consistent. With a spectacular increase of +49.6%, Wine & Spirits were the main driver. The capitalisation of the 4 Soft Drinks stocks grew by +15.9% while that of the Brewery sub-sector stagnated.

The MSCI Europe's lead (+22.4%) on the IAA 80 mainly reflects a sector rotation phenomenon

As the sectors of the economy hardest hit by the pandemic started to pick up, investors shifted their focus to cyclical stocks. Therefore, the IAA 80's lower growth directly reflects its defensive nature, rather than of less robust operational and financial health.

Underpinned by its Beverage stocks, the French sub-index FR 13 (+20.8%) outperformed the IAA 80

In 2021, the FR 13 benefited from the strong momentum of Beverage stocks, which are over-represented in the sub-index. Of the 7 Beverage stocks, 5 saw their capitalisation increase by more than +30%, supported by strong growth in their international sales. In the Food sector, only Tipiak posted growth of more than +2%. With only +1.8% annual growth, the biggest Food value, Danone, failed to play a supporting role. Other companies were penalised by investors' doubts about the resilience of their profitability to inflationary pressures.