

## THE WINNERS OF THE 2021 COUNTRY STOCK MARKET COMPETITION

If aliens unfamiliar with what was happening around the world over the last two years were to look at the performance results of the country stock indices in 2021, they would not have been able to say that 2021 was another year of the pandemic that once again disrupted people's lives. I do not think it is possible to find a person on our planet who has not heard about the COVID-19 pandemic and its impact on people globally. In 2021, the stock-market returns were very good in most countries worldwide (*see the last column in the Performance Tables section at the end of the report*). Thirty-seven out of 50 country stock market indices in BBIS' universe had positive returns. Twenty-eight country indices delivered higher returns than the average assumed rate of return for state-defined benefit retirement plans in the United States as of September 2021 – 7.03%.<sup>1</sup>

Several investment themes played across the world in 2021. For example, investment returns in many countries were buoyed by generous Quantitative Easing (QE) packages that injected trillions of dollars into these countries' economies. Good portions of these packages were invested in stock markets by corporate, government, and individual recipients of the package funds. Stocks were much more attractive to investors than bonds because the QE policies lower economies' interest rates and bond yields. I wrote in September 2021 about the impact of the QE policies on the US stock market in a report, "*Potential Change of Leadership from US and Growth Stocks to International and Value Stocks in 2021-2023*."<sup>2</sup> The QE policy tapering in the US, upcoming at the time in September and ongoing since November 2021, was the main reason for the potential leadership change that I described in the report. Below is a link to the report:

<http://bbistrategies.com/our-publications--events/report-potential-change-of-leadership-from-us-and-growth-stocks-to-international-and-value-stocks-in-2021-2023>

**Global Investment Theme 1 - Massive Commodity Price Increases:** In 2021, a number of countries benefitted from the increase in commodity prices. Various commodities rallied during the year after investors realized that the world would not end. For example, the Brent crude oil price increased by 50.8% during the year from \$51.22 on December 31, 2020, to \$74.24 on December 31, 2021.<sup>3</sup>

**Global Investment Theme 2 - The Eurozone's QE Program:** The European Central Bank's (ECB's) QE consists of two programs: the Pandemic Emergency Purchase Programme (PEPP) and Asset Purchase Programme (APP). Bond buying under the ECB's 1.85 trillion euros (\$2.19 trillion) PEPP program is due to end by the end of the first quarter in March 2022.<sup>4</sup> However, bond buys under the APP will be increased to serve as a quantitative easing bridge through the end of the PEPP. Until the end of the first quarter of 2022, the APP will continue at a monthly pace of 20 billion euros in conjunction with the PEPP.<sup>5</sup> The ECB's Governing Council decided on a monthly net purchase pace of 40 billion euros

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<sup>1</sup> Anthony Randazzo, Equable, Current Assumed Rate of Return for State Pensions, September 28, 2021.

<sup>2</sup> Vitaly Veksler, Beyond Borders Investment Strategies, "Potential Change of Leadership from US and Growth Stocks to International and Value Stocks in 2021-2023," September 28, 2021.

<sup>3</sup> Refinitiv. Beyond Borders Investment Strategies. Correlations are calculated between the indices' total returns and the Brent Spot crude oil spot price for delivery in Europe.

<sup>4</sup> Elliott Smith, CNBC, "European Central Bank Cuts Pandemic Bond Buying, but Pledges Further Stimulus," December 16, 2021.

<sup>5</sup> Ibid.

in the second quarter of 2022 and 30 billion euros in the third quarter of 2022 under the APP.<sup>6</sup> From October 2022 onwards, “the Governing Council will maintain net asset purchases under the APP at a monthly pace of €20 billion for as long as necessary to reinforce the accommodative impact of its policy rates.”<sup>7</sup> For comparison, from the beginning of the PEPP in March 2020 to December 2021, the ECB purchased 72 billion euros per month on average.

All “Top 3” stock market indices – MSCI UAE, MSCI Austria, and MSCI Saudi Arabia – benefitted from these trends. The MSCI UAE and MSCI Saudi Arabia indices benefitted primarily from the oil price increases. The MSCI Austria benefitted from both trends. *Please read about the oil price developments later in the report.*

**Setting Before the Last Week of the Year:** In the last report, “*The Last Five Days of December: “It Ain’t Over Till It’s Over,”*” published on December 26, I wrote that the top three country equity indices in the investment/research universe of Beyond Borders Investment Strategies (BBIS) were separated by 12.0% with only one week to go in 2021.<sup>8</sup> The MSCI United Arab Emirates’ total returns (price appreciation plus dividends) were 49.4% on a Year-to-Date (YTD) basis. The MSCI Austria was in the second position with total returns of 41.9%, or 7.5% behind the leader. The MSCI Saudi Arabia was third, with total returns of 37.4%, or 12.0% behind the leader.<sup>9</sup>

Below is a link to the “*The Last Five Days of December: “It Ain’t Over Till It’s Over”*” report:

<http://bbistrategies.com/our-publications--events/last-five-days-of-december-it-aint-over-till-its-over>

It was interesting from the intellectual standpoint and important from the investment point of view whether one of the two pursuers or both would catch the leader close to the finish line. During the last week of the year, my focus was primarily on the MSCI Austria Index because of two factors. First, it was closer to the MSCI UAE, just 7.5% behind it. Second, MSCI Austria has had an amazing comeback earlier during the COVID-19 era. It had a phenomenal performance in the fourth quarter of 2020. As I described on pages 3-4 in the report “*2020: The Closest Finish in the Last 50 Year in the Country Stock Market Competition,*” the MSCI Austria Index had a total return of 47.9% during the fourth quarter of 2020.<sup>10</sup> Low valuations propelled the index in 2020 – it started the quarter in the forty-seventh position with total returns of negative 34.3%. The catalyst for the recovery was the country’s successful lockdown that went into effect on November 17, 2020, and lasted until December 6, 2020, which led to the rapid decrease in the COVID-19 cases.<sup>11</sup> Below is the link to the “*2020: The Closest Finish in the Last 50 Year in the Country Stock Market Competition*” report:

[http://www.bbistrategies.com/uploads/3/4/5/3/34534346/bbis\\_-\\_news\\_release\\_-\\_01-07-21\\_-\\_2020\\_-\\_the\\_closest\\_finish\\_in\\_the\\_last\\_50\\_years\\_in\\_the\\_country\\_stock\\_market\\_race\\_-\\_report\\_-\\_final.pdf](http://www.bbistrategies.com/uploads/3/4/5/3/34534346/bbis_-_news_release_-_01-07-21_-_2020_-_the_closest_finish_in_the_last_50_years_in_the_country_stock_market_race_-_report_-_final.pdf)

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<sup>6</sup> Ibid.

<sup>7</sup> The European Central Bank, “Monetary Policy Decisions,” December 16, 2021.

<sup>8</sup> Vitaly Veksler, Beyond Borders Investment Strategies, “*The Last Five Days of December: “It Ain’t Over Till It’s Over,”*” December 26, 2021.

<sup>9</sup> The European Central Bank, “Pandemic Emergency Purchase Programme, History of Monthly Net Purchase Under the PEPP Excel File.” Downloaded on January 5, 2021.

<sup>10</sup> Vitaly Veksler, Beyond Borders Investment Strategies, “*2020: The Closest Finish in the Last 50 Year in the Country Stock Market Competition,*” January 7, 2021.

<sup>11</sup> Wikipedia, “COVID-19 Pandemic in Austria.” Downloaded on January 4, 2021.

The intriguing part was that Austria had another lockdown successful in terms of reducing the number of new cases during roughly the same period in 2021 as it had in 2020. <sup>12</sup> Please see the footnote below for the description of the negative impact of the lockdown. <sup>13</sup> As a reminder, the 2021 lockdown started on November 22 and ended on December 12. <sup>14</sup> <sup>15</sup> During the lockdown, the number of new cases dropped from 15,365 at its peak on November 24 to 2,085 new cases just a month and a day later on December 25. <sup>16</sup> As a result of the lockdown, the number of new cases declined by an impressive 85.6%. Could the latest lockdown catalyze the MSCI Austria Index the way the 2020 lockdown catalyzed it?

The question was even more relevant because the MSCI UAE Index had the worst performance out of all indices during the second-to-last week of December (December 20-24). I attributed it to the COVID-19 uptick in the Emirates in December. For more details on Austria and UAE's COVID outbreaks, please read the above-mentioned report titled "*The Last Five Days of December: 'It Ain't Over Till It's Over.'*"

**The Last Week of 2021 Turned out to be Anti-Climactic:** People who have been reading my reports know that I compare the return competition among 50 stock market indices in BBIS' universe to a major international bicycle race with 12 monthly stages. All three country indices leading before the last week – as three cyclists at the end of a grueling international race – did enough to win, but none of them did anything spectacular to change the order among them. The MSCI UAE ended the race with a weekly result of 0.5% (#34 out of 50 indices). The MSCI Saudi Arabia (#39 during the week) and MSCI Austria (#40) indices rolled over the finish line with the same result – 0.3% – with the former having a slightly higher return with two decimal points (see Column 3 in the Performance Tables section at the end of the report).

I believe that there were four reasons for the mundane performance during the week – two positive and two negative. They exerted pressure on the index prices in the opposite directions, resulting in low positive returns for all three indices.

1. **The Oil Price Increase (Positive):** The Brent crude oil spot price increased by a noticeable 2.7% during the last week of December 2021. <sup>17</sup> This increase probably put positive pressure on all three indices, especially on the MSCI Saudi Arabia and MSCI UAE, with their high positive correlations with oil prices. For example, the correlations of the indices' monthly returns with the Brent crude oil spot price for delivery in Europe over the last five years were 89% and 77%, respectively. <sup>18</sup> Despite Austria being only the 74<sup>th</sup> largest oil producer globally, the MSCI Austria Index has had a high correlation of 70% with the oil price because of the high weight of an

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<sup>12</sup> Wikipedia, "COVID-19 Pandemic in Austria." Downloaded on January 4, 2021.

<sup>13</sup> On the negative side, the 2021 lockdown also exacerbated social tensions created by three previous lockdowns. For example, on December 11, 2021, on the last day of the lockdown, forty-four thousand Austrians participated in a massive demonstration in Vienna against the lockdown and COVID vaccinations that would become obligatory in February 2022. Source: Al Jazeera, "Tens of Thousands Protest Austria's Compulsory COVID Vaccines," December 11, 2021.

<sup>14</sup> Wikipedia, "COVID-19 Pandemic in Austria." Downloaded on January 4, 2021.

<sup>15</sup> Reuters, "Austria Allows Broad Lifting of Lockdown, but Many Provinces Hold Off," December 8, 2021.

<sup>16</sup> Google, "Number of New COVID-19 Cases in Austria." Downloaded on December 26, 2021. Data is based on Johns Hopkins University's Center for Systems Science and Engineering.

<sup>17</sup> Refinitiv.

<sup>18</sup> Refinitiv and Beyond Borders Investment Strategies. Correlations are calculated between the indices' total returns and the Brent crude oil spot price for delivery in Europe for the period from January 1, 2017 to December 31, 2021.

integrated petrochemical company and the country's largest electric utility.<sup>19</sup> <sup>20</sup> OMV AG and Verbund AG are together responsible for 39.3% of the index's weight.<sup>21</sup> OMV AG is an Austrian multinational integrated oil, gas, and petrochemical company.<sup>22</sup> Verbund AG is Austria's largest electricity provider.<sup>23</sup> Verbund generates 40% of electricity in Austria, with 90% from hydropower.<sup>24</sup> The rest of the electricity comes from thermal and wind sources. Even though none of the electricity is generated from burning oil, Verbund's stock has a high positive correlation of 65% with the Brent oil price.<sup>25</sup> The company's stock benefits from a higher oil price. The higher the oil price, the more competitive is electricity generated by Verbund from alternative sources.

- 2. Index Performance Was Reinforced by Strong Earnings Growth Momentum (Positive):** The performance of all three indices was reinforced by solid growth of their Earnings per Share (EPS) 12-month forward estimates (forecasts).<sup>26</sup> In my experience, EPS estimates and forecasts are often coincidental or lagging indicators, not leading indicators, for both individual stock and index prices. The index and individual stock prices change before the EPS estimates. *Please see Chart 1 showing periods when the EPS 12-month forward estimates were lagging indicators for the total returns of the MSCI UAE Index (horizontal arrows) and coincidental indicators (vertical arrows).*

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<sup>19</sup> Worldometer, "Oil Production by Country." Downloaded on January 4, 2022.

<sup>20</sup> Refinitiv. Beyond Borders Investment Strategies. Correlations are calculated between the index's total returns and the Brent Spot crude oil price for delivery in Europe for the period from January 1, 2017 to December 31, 2021.

<sup>21</sup> MSCI, "MSCI Austria Index – Fact Sheet," December 31, 2021.

<sup>22</sup> Wikipedia, "OMV". Downloaded on January 4, 2022.

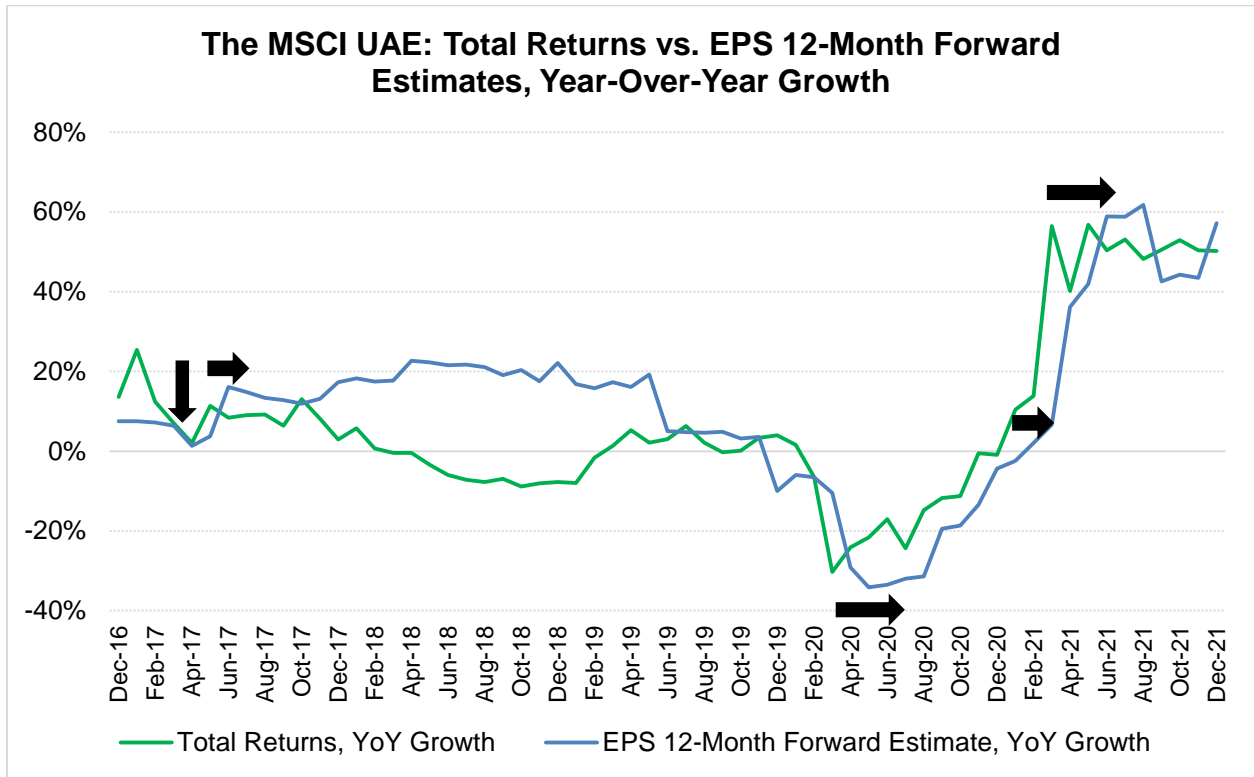
<sup>23</sup> Wikipedia, "Verbund." Downloaded on January 4, 2022.

<sup>24</sup> Ibid.

<sup>25</sup> Refinitiv. Beyond Borders Investment Strategies. Correlations are calculated between the company stock's total returns (Ticker: OEZVY) and the Brent Spot crude oil price for delivery in Europe for the period from January 1, 2017 to December 31, 2021.

<sup>26</sup> Refinitiv IBES is the source of all EPS estimates.

**Chart 1. The MSCI UAE Index: EPS 12-Month Forward Estimates Are Mostly Lagging Indicators for Total Returns**

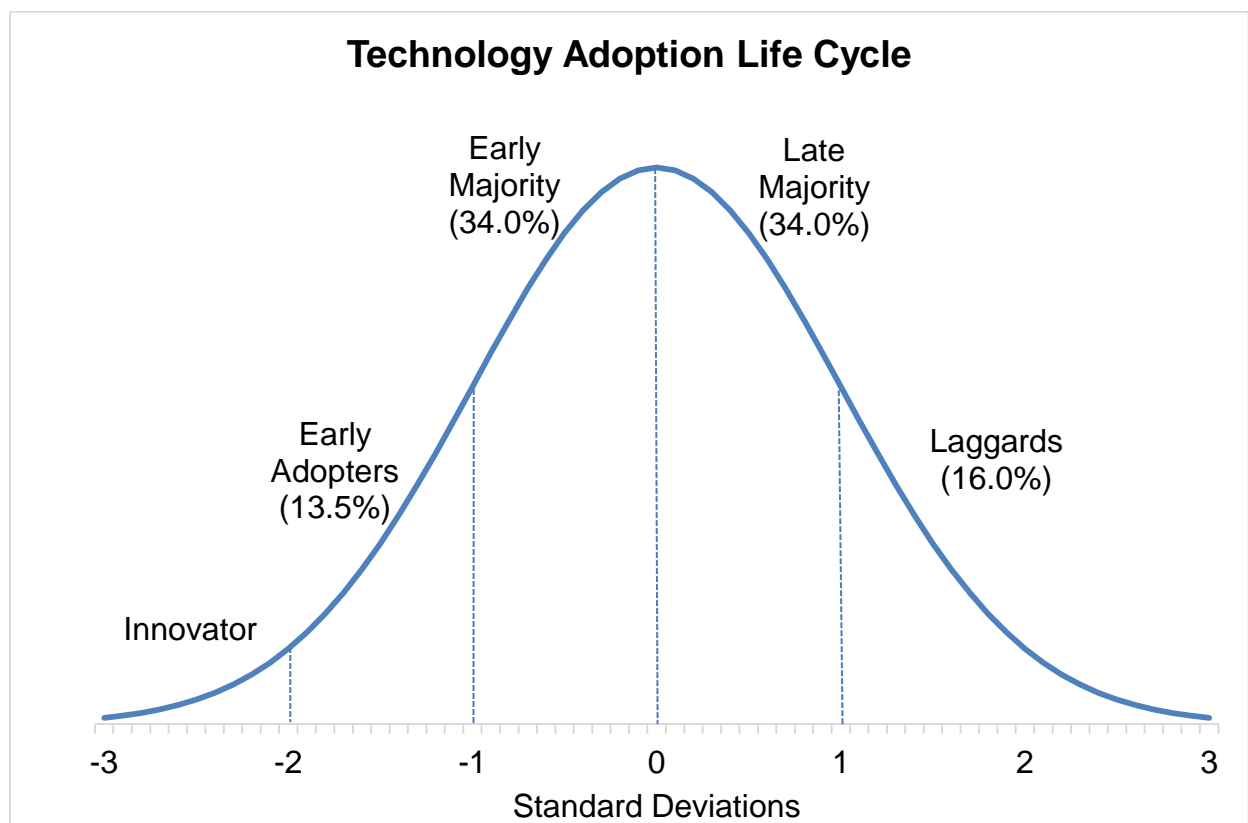


Sell-side analysts start increasing or decreasing their stock earnings forecasts only when they hear about or anticipate important developments that may impact a company. Then the estimate changes for individual companies are aggregated into the earnings estimates for single-country equity indices. However, buy-side investors, at least some of them, start trading even earlier. Let me explain it with a concept from another field. In the technology adoption life cycle, technology adopters are divided into five categories – innovators (2.5% of the universe), early adopters (13.5%), early majority (34%), late majority (34%), and laggards (16%) (See *Chart 2 for the Technology Adoption Life Cycle model*).<sup>27</sup> While I am not sure about the exact percentages, I believe that investors in an investment universe for an individual index (or any other investment instrument) can be divided into similar groups. Buy-side investors, especially innovators and early adopters, do not necessarily need to build a model with forecasts. They often react to the development much faster than sell-side analysts. They are also often willing to buy on a whiff of anticipation of positive developments. They buy stocks and stock indices before any EPS changes. Their buying starts moving prices before sell-side analysts start upping their EPS estimates.<sup>28</sup>

<sup>27</sup> Wikipedia, “Technology Adoption Life Cycle.” Downloaded on December 6, 2022.

<sup>28</sup> The short-sellers are opposites to the “innovator” and “early adopter” investors in terms of the directionality of their trades. The short-sellers, who benefit from stock declines, start selling stocks in anticipation of bad news. But this report is about the winners of the 2021 stock market completion, hence the focus on investors who purchased these stock indices and drove their returns up.

**Chart 2. Technology Adoption Life Cycle Model**



However, despite the coincidental or lagging nature of the EPS estimates, the EPS forecasts made by sell-side analysts several months ago can still impact index prices today. The majority of investors – the early majority, late majority, and later laggards – often look at the recent momentum of EPS forecasts for the last several months before allocating capital to individual stocks or equity ETFs benchmarked against single-country indices as is the case for BBIS. A robust EPS estimates' momentum, for example, may attract capital for up to a year or even longer (thanks to the laggards in the later stages of buying).

During the fourth quarter of 2021, the MSCI UAE Index's EPS projections for the next 12 months increased by 22.5%, more than projections for any other index (see *Column 3 in the EPS Estimates section at the end of the report*). The MSCI Austria was in close second place. Its EPS forecasts increased by 21.2% from September 30, 2021, to December 31, 2021. The MSCI Saudi Arabia Index was in 9<sup>th</sup> place with an EPS growth of 8.5%.

The impressive EPS growth trend was even more pronounced for all three country indices on an annual basis. The MSCI Austria Index's total EPS 12-month forward estimates increased by a mind-boggling 116.9% in 2021 (see *Column 4 in the EPS Estimates section at the end of the report*). The main reason for this extreme positive performance was that the MSCI Austria Index's EPS estimates dropped by 40.9% in 2020. In 2021, the EPS 12-month estimates bounced back from this drop in 2020. The MSCI Austria Index is one of the most volatile indices in the BBIS

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universe, with the sixth-highest volatility of its total returns – 29.0% – over the last five years.<sup>29</sup> The index is more volatile than country indices of every other developed country and most emerging and frontier markets. The same is true for the index's EPS 12-month estimates. Combining the index's EPS estimates for these two very extreme years – 2020 (negative) and 2021 (positive) – the MSCI Austria Index's EPS forecasts increased by a much less surprising and more common 28.3% over the two years, or by 13.3% per year. In 2021, the MSCI UAE Index's EPS forecast increased by an impressive 57.2% (#4 out of 46 countries), while the MSCI Saudi Arabia Index's EPS forecast increased by 54.2% (#5 out of 46 countries).<sup>30</sup>

3. **High Index Valuations (Negative):** None of the indices received a boost from the valuations. The valuations of all three indices were relatively high at the end of the year. All three were more expensive than the 8-year average plus a standard deviation measured by the Buffett Ratio (Market Capitalization-to-GDP). If anything, the impact of all three valuations hurt all three index prices during the last week of 2021.
4. **COVID Cases Increased in All Three Countries (Negative):** The number of COVID cases during the last week of December 2021 increased in all three countries. I looked at the cases from December 25 to December 30, the last data point available to investors in 2021 because Google provides data on new cases with a one-day delay. The number of new cases increased by 131% in Saudi Arabia (from 325 to 752), by 55% in Austria (from 2,085 to 3,225), and by 46% in the UAE (from 1,621 to 2,366).<sup>31</sup> In Austria, the number of cases started to increase on December 25 after declining for more than a month from a huge peak (15,365 new cases) on November 24. I believe that the negative surprise in Austria and the highest out-of-three-countries increase in Saudi Arabia determined that the stock markets of these two countries underperformed the index of the UAE during the last week of December. If the COVID-19 cases were not a factor, the MSCI Saudi Arabia might have won the weekly competition due to its highest correlation with oil prices.

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**Final Results of the 2021 Competition:** Regardless of the unexciting performance during the last week of the year, all three indices had very exciting total returns in 2021. The MSCI UAE Index's total returns were 50.2%. The MSCI Austria Index returns were 42.3%, while the MSCI Saudi Arabia's returns were 37.9%. The "Top 3" Indices surpassed the pursuers by a wide margin. For example, the US Standard & Poor's 500 (S&P 500) Index finished the year with total returns of 28.7%, a very impressive number in its own right. But this return paled in comparison to the returns of three indices above it. The S&P 500 Index's returns were lower than those of the MSCI Saudi Arabia Index by 9.2%, those of the MSCI Austria Index by 13.5%, and those of the MSCI UAE Index by a staggering 21.5%.

The MSCI UAE Index became a deserved winner for the annual competition in 2021: it was either the leader or in the leading group after winning the January stage.

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<sup>29</sup> Refinitiv. Volatility was calculated for the period from January 1, 2017, to December 31, 2021.

<sup>30</sup> IBES has not provided forecasts for Nigeria and Vietnam, two frontier markets, since I started the firm in 2013. Also, forecasts for Argentina and Pakistan for December 2021 were not available, potentially, because these two indices were relegated from the emerging market universe in November 2021.

<sup>31</sup> Google, "Number of New COVID-19 Cases in Austria, Saudi Arabia, and the United Arab Emirates." Downloaded on January 4, 2022. Data is based on Johns Hopkins University's Center for Systems Science and Engineering.

<sup>32</sup> Of course, there could have been other factors that impacted the performance of all three indices during the week. Often, predicting and even explaining short-term performance with precision is difficult.

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Congratulations to the winners of the 2021 competition and investors who held single-country equity ETFs benchmarked to the winning indices!

Please let me know if you have any questions about BBIS or the firm's investment strategies, would like to be on our publication distribution list, or want to invest some of your funds with the firm.

Thank you.

Best regards,  
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**PERFORMANCE TABLES**

**TOTAL RETURNS = PRICE APPRECIATION + DIVIDENDS**

Year to Date November 30, 2021			Week Dec 27 - Dec 31, 2021			December 2021 December 31, 2021			Fourth Quarter, 2021 December 31, 2021			Year to Date December 31, 2021		
1	UAE	49.8%	1	Malaysia	3.9%	1	Mexico	13.1%	1	Egypt	18.4%	1	UAE	50.2%
2	Austria	32.8%	2	Poland	3.2%	2	Ireland	9.3%	2	Switzerland	12.8%	2	Austria	42.3%
3	Saudi Arabia	31.1%	3	Nigeria	3.0%	3	Switzerland	7.8%	3	USA (S&P 500)	11.0%	3	Saudi Arabia	37.9%
4	Vietnam	24.4%	4	India	3.0%	4	Argentina	7.6%	4	Peru	10.4%	4	USA (S&P 500)	28.7%
5	Netherlands	24.2%	5	Denmark	2.5%	5	Italy	7.3%	5	UAE	10.3%	5	Netherlands	27.9%
6	USA (S&P 500)	23.2%	6	Spain	2.3%	6	United Kingdom	7.3%	6	USA (MSCI)	10.1%	6	USA (MSCI)	27.0%
7	Russia	22.7%	7	Sweden	2.2%	7	Finland	7.2%	7	Taiwan	8.5%	7	Canada	26.9%
8	USA (MSCI)	22.1%	8	Egypt	2.2%	8	France	7.1%	8	Canada	7.4%	8	Taiwan	26.8%
9	India	22.1%	9	Ireland	2.1%	9	Austria	7.1%	9	Israel	7.2%	9	India	26.7%
10	Canada	21.1%	10	Taiwan	1.9%	10	Sweden	7.0%	10	France	7.1%	10	Vietnam	24.8%
11	Taiwan	20.2%	11	Pakistan	1.8%	11	South Korea	6.5%	11	Sweden	6.5%	11	Sweden	23.5%
12	Norway	17.1%	12	Peru	1.7%	12	Thailand	6.4%	12	Indonesia	6.5%	12	Norway	23.4%
13	Sweden	15.5%	13	Brazil	1.7%	13	Spain	6.4%	13	Mexico	6.4%	13	Mexico	22.9%
14	Denmark	13.3%	14	Vietnam	1.6%	14	Belgium	6.3%	14	Italy	5.9%	14	Argentina	20.9%
15	France	12.6%	15	Thailand	1.5%	15	Poland	6.0%	15	Denmark	5.8%	15	France	20.6%
16	Argentina	12.4%	16	Italy	1.5%	16	Germany	5.6%	16	United Kingdom	5.6%	16	Switzerland	20.3%
17	Qatar	12.0%	17	Netherlands	1.5%	17	Denmark	5.5%	17	Austria	5.3%	17	Russia	20.0%
18	Switzerland	11.7%	18	Switzerland	1.4%	18	Taiwan	5.5%	18	Vietnam	5.1%	18	Denmark	19.5%
19	Israel	10.7%	19	Mexico	1.3%	19	Norway	5.5%	19	Philippines	3.7%	19	United Kingdom	18.5%
20	United Kingdom	10.5%	20	France	1.3%	20	Saudi Arabia	5.1%	20	Netherlands	3.5%	20	Italy	16.1%
21	Mexico	8.6%	21	Canada	1.3%	21	Australia	5.1%	21	Thailand	3.0%	21	Israel	15.6%
22	Italy	8.2%	22	United Kingdom	1.1%	22	Canada	4.8%	22	Finland	3.0%	22	Qatar	15.2%
23	Singapore	5.4%	23	China	1.1%	23	USA (S&P 500)	4.5%	23	Qatar	2.6%	23	Finland	10.1%
24	Egypt	5.2%	24	Germany	1.1%	24	Brazil	4.5%	24	Australia	2.1%	24	Australia	9.6%
25	Australia	4.2%	25	Singapore	1.1%	25	Israel	4.4%	25	Belgium	1.9%	25	Poland	8.9%
26	Greece	4.1%	26	Israel	1.0%	26	South Africa	4.3%	26	Portugal	1.9%	26	Ireland	8.8%
27	Nigeria	3.4%	27	Belgium	1.0%	27	Malaysia	4.2%	27	Malaysia	1.8%	27	Greece	8.2%
28	Poland	2.8%	28	Chile	0.9%	28	Greece	4.0%	28	Germany	0.8%	28	Egypt	7.6%
29	Finland	2.7%	29	USA (S&P 500)	0.9%	29	USA (MSCI)	4.0%	29	Ireland	0.6%	29	Germany	5.9%
30	Indonesia	1.5%	30	Finland	0.8%	30	Peru	3.8%	30	Nigeria	0.1%	30	Singapore	5.7%
31	Germany	0.3%	31	Australia	0.8%	31	India	3.8%	31	Norway	0.0%	31	Nigeria	4.3%
32	Japan	0.1%	32	USA (MSCI)	0.7%	32	Colombia	3.1%	32	India	-0.1%	32	South Africa	4.3%
33	South Africa	0.0%	33	Portugal	0.6%	33	Netherlands	3.0%	33	South Africa	-0.4%	33	Belgium	2.8%
34	Portugal	-0.4%	34	UAE	0.5%	34	Qatar	2.8%	34	Argentina	-0.4%	34	Indonesia	2.6%
35	Ireland	-0.5%	35	Russia	0.5%	35	Turkey	2.8%	35	Saudi Arabia	-0.7%	35	Japan	2.0%
36	Philippines	-1.3%	36	Greece	0.4%	36	Egypt	2.3%	36	South Korea	-0.7%	36	Spain	1.7%
37	Belgium	-3.2%	37	Hong Kong	0.4%	37	Japan	1.9%	37	Spain	-1.3%	37	Portugal	1.1%
38	Spain	-4.4%	38	New Zealand	0.4%	38	Portugal	1.6%	38	Poland	-2.4%	38	Thailand	-1.1%
39	Hong Kong	-4.4%	39	Saudi Arabia	0.3%	39	Indonesia	1.1%	39	Pakistan	-2.5%	39	Philippines	-3.4%
40	Thailand	-7.1%	40	Austria	0.3%	40	Nigeria	0.9%	40	Colombia	-2.7%	40	Hong Kong	-3.9%
41	Chile	-7.2%	41	Colombia	0.0%	41	Hong Kong	0.5%	41	Singapore	-3.4%	41	Malaysia	-6.2%
42	Malaysia	-10.0%	42	Indonesia	-0.2%	42	Vietnam	0.3%	42	Hong Kong	-3.5%	42	South Korea	-7.9%
43	South Korea	-13.5%	43	Norway	-0.3%	43	UAE	0.3%	43	Greece	-3.6%	43	Colombia	-13.7%
44	Colombia	-16.3%	44	Japan	-0.4%	44	Singapore	0.3%	44	New Zealand	-3.9%	44	Chile	-15.1%
45	New Zealand	-16.9%	45	South Africa	-0.5%	45	New Zealand	0.1%	45	Japan	-3.9%	45	New Zealand	-16.8%
46	China	-19.1%	46	Qatar	-0.5%	46	Russia	-2.2%	46	China	-6.1%	46	Brazil	-17.2%
47	Pakistan	-20.2%	47	South Korea	-1.0%	47	Philippines	-2.2%	47	Brazil	-6.3%	47	Peru	-19.9%
48	Brazil	-20.7%	48	Argentina	-2.0%	48	China	-3.2%	48	Russia	-9.0%	48	China	-21.6%
49	Peru	-22.8%	49	Philippines	-2.6%	49	Pakistan	-4.7%	49	Chile	-9.0%	49	Pakistan	-24.0%
50	Turkey	-29.8%	50	Turkey	-14.2%	50	Chile	-8.6%	50	Turkey	-11.1%	50	Turkey	-27.8%

Sources: Refinitiv, Beyond Borders Investment Strategies (BBIS). Used MSCI country index performance for 48 countries - all but the US. The US performance is represented by MSCI USA and S&P 500 indices. All performance series measure total returns of US Dollar-denominated indices.

BEYOND BORDERS INVESTMENT STRATEGIES, LLC  
THE WINNERS 2021 COUNTRY STOCK MARKET COMPETITION  
JANUARY 7, 2022

**EARNINGS PER SHARE (EPS) 12-MONTH FORWARD ESTIMATES**

Year to Date December 31, 2020			December December 31, 2021			Fourth Quarter - 2021 December 31, 2021			Year to Date December 31, 2021		
1	Taiwan	23.1%	1	UAE	14.5%	1	UAE	22.5%	1	Austria	116.9%
2	South Korea	20.3%	2	Sweden	9.6%	2	Austria	21.2%	2	Russia	83.5%
3	Sweden	18.0%	3	Norway	6.6%	3	Denmark	18.1%	3	Norway	59.6%
4	Denmark	16.5%	4	Mexico	6.6%	4	Norway	16.8%	4	UAE	57.2%
5	Malaysia	13.6%	5	Poland	6.4%	5	Egypt	14.0%	5	Saudi Arabia	54.2%
6	China	11.3%	6	Peru	5.9%	6	Russia	10.6%	6	Denmark	51.0%
7	India	6.3%	7	Egypt	5.4%	7	Greece	9.5%	7	Taiwan	50.7%
8	South Africa	4.6%	8	Russia	5.1%	8	Peru	9.4%	8	Colombia	48.1%
9	Saudi Arabia	3.0%	9	Denmark	3.3%	9	Saudi Arabia	8.5%	9	Italy	44.3%
10	Switzerland	2.1%	10	Philippines	3.1%	10	Sweden	8.5%	10	India	38.9%
11	Egypt	1.4%	11	Portugal	3.0%	11	Qatar	8.1%	11	Canada	38.7%
12	Germany	-0.1%	12	Qatar	2.9%	12	Mexico	7.5%	12	US (S&P 500)	34.5%
13	Australia	-2.1%	13	South Africa	2.8%	13	Philippines	7.2%	13	US (MSCI)	33.4%
14	Finland	-2.2%	14	Austria	2.6%	14	Indonesia	6.2%	14	United Kingdom	32.6%
15	US (MSCI)	-3.9%	15	Israel	2.5%	15	Israel	6.2%	15	France	29.3%
16	Ireland	-4.3%	16	Italy	2.3%	16	Thailand	5.9%	16	Israel	29.2%
17	UAE	-4.4%	17	Indonesia	2.2%	17	Italy	5.6%	17	Netherlands	28.6%
18	US (S&P 500)	-4.4%	18	India	2.1%	18	France	5.0%	18	Brazil	28.4%
19	Qatar	-4.8%	19	Turkey	2.1%	19	India	4.9%	19	Spain	27.2%
20	Canada	-5.6%	20	Thailand	2.1%	20	Portugal	4.9%	20	Poland	26.3%
21	Portugal	-7.4%	21	United Kingdom	1.9%	21	US (S&P 500)	3.9%	21	South Korea	23.4%
22	Brazil	-8.0%	22	Australia	1.9%	22	Canada	3.8%	22	Portugal	23.3%
23	Israel	-8.1%	23	Germany	1.9%	23	Poland	3.8%	23	Japan	23.2%
24	Mexico	-9.7%	24	France	1.9%	24	US (MSCI)	3.7%	24	Germany	23.2%
25	Italy	-11.8%	25	South Korea	1.7%	25	Spain	3.6%	25	Sweden	21.9%
26	Greece	-11.9%	26	Singapore	1.4%	26	Switzerland	3.6%	26	Qatar	21.1%
27	Japan	-12.4%	27	Spain	1.2%	27	Singapore	2.8%	27	Mexico	20.7%
28	Hong Kong	-13.1%	28	Netherlands	1.2%	28	Taiwan	2.8%	28	Chile	20.6%
29	Turkey	-13.6%	29	Saudi Arabia	1.0%	29	Germany	2.4%	29	Indonesia	19.9%
30	New Zealand	-15.3%	30	Canada	1.0%	30	Hong Kong	2.3%	30	Singapore	18.4%
31	France	-15.5%	31	Finland	0.9%	31	United Kingdom	1.9%	31	Greece	17.9%
32	Philippines	-16.3%	32	Taiwan	0.9%	32	China	1.7%	32	Australia	17.2%
33	Norway	-16.4%	33	China	0.8%	33	Japan	1.5%	33	Ireland	15.9%
34	Belgium	-16.6%	34	Ireland	0.8%	34	Netherlands	0.5%	34	Finland	13.6%
35	United Kingdom	-16.7%	35	Hong Kong	0.7%	35	Chile	0.5%	35	Switzerland	12.4%
36	Indonesia	-17.5%	36	US (S&P 500)	0.7%	36	Colombia	-0.1%	36	Peru	8.3%
37	Netherlands	-21.8%	37	US (MSCI)	0.7%	37	Ireland	-0.5%	37	China	6.2%
38	Poland	-23.6%	38	Switzerland	0.7%	38	Finland	-0.9%	38	Hong Kong	5.6%
39	Singapore	-23.7%	39	Japan	-0.2%	39	South Korea	-1.5%	39	Egypt	2.5%
40	Pakistan	-25.5%	40	Greece	-0.8%	40	Australia	-2.1%	40	Belgium	0.7%
41	Chile	-27.2%	41	Chile	-0.9%	41	Belgium	-3.8%	41	Philippines	0.2%
42	Russia	-27.9%	42	Belgium	-1.2%	42	Malaysia	-3.9%	42	South Africa	0.2%
43	Thailand	-29.1%	43	Brazil	-2.2%	43	South Africa	-4.2%	43	Thailand	-2.3%
44	Peru	-31.6%	44	Colombia	-2.4%	44	New Zealand	-7.0%	44	Malaysia	-12.9%
45	Spain	-32.4%	45	Malaysia	-2.5%	45	Brazil	-11.1%	45	New Zealand	-21.1%
46	Austria	-40.8%	46	New Zealand	-5.8%	46	Turkey	-25.9%	46	Turkey	-27.7%
47	Colombia	-49.6%	47	Argentina	NA	47	Argentina	NA	47	Argentina	NA
48	Argentina	-84.2%	48	Nigeria	NA	48	Nigeria	NA	48	Nigeria	NA
49	Nigeria	NA	49	Pakistan	NA	49	Pakistan	NA	49	Pakistan	NA
50	Vietnam	NA	50	Vietnam	NA	50	Vietnam	NA	50	Vietnam	NA

Source of the EPS forecasts: Refinitiv IBES Estimates.

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