

The Country Ranking Model

November 2017

Portfolio Manager Commentary

October Highlights

- Global equities climbed higher in October, with the MSCI ACWI up 2.08%. The average country was up a 1.41%, and the range of returns for October, between countries, was 16%.
- The United States was up 2.26%. Japan was up 4.61%, as was Europe as a whole, up 0.47%. EM was up 3.51%. Japan and EM were the best performing regions during October.
- All country returns YTD are positive in dollar terms, except for Israel (-4.80%). The top countries are Austria (52.71%), Poland (51.05%), China (48.85%), and Korea (43.35%). The average country is up an amazing 26.51% YTD.

November Rankings

- Germany** has been a highlight all year, and has consistently stayed in the top five of our rankings. This month, Germany exhibits the #2 rank from a Risk view, with some big improvements in their CDS spread levels over the last month. They also have the 2nd best improvement in downside volatility in the last 30 days. Germany has a better than avg. Price to Cash Earnings ratio (8.9x vs a country average of 11x).
- Sweden** has seen a recent surge in economic activity (2 month change in PMI +3.4 points) while also carrying the 3rd highest ROE (15.1% vs. a country avg. of 10.7%). **Korea** stands out as an attractive value play, with the best P/B ratio (1.2x vs. a country avg. of 2x) and the 2nd best Long Term EPS growth trend (24.1% vs a country avg. of 13.1%).



Chart 1 | Data is as of 10.31.17
Source: Accuvest Global Advisors

Country Performance



Chart 2 | Data is as of 10.31.17
Source: MSCI

Country Ranking Model

	Notable Move	Fundamental	Momentum	Risk	Valuation
Overweights (Alphabetical)	Australia	▲		●	●
	Austria		●	●	●
	Chile		●	●	●
	China		●	●	●
	Denmark		●	●	●
	France		●	●	●
	Germany				●
	Italy		●	●	
	Japan	▲			
	Korea		●		●
	Mexico		●	●	●
	Netherlands			●	●
	Poland		●	●	●
	Sweden	▲			●
	Taiwan		●		●
	Thailand				●
	Turkey	▼	●		●
Underweight (Alphabetical)	Belgium			●	●
	Brazil	▼		●	●
	Canada		●	●	●
	Finland	▼			
	Hong Kong		●		
	India	▲	●		●
	Indonesia		●	●	●
	Israel	▼		●	●
	Malaysia			●	
	Norway		●	●	●
	Peru	▲		●	●
	Singapore	▲	●	●	●
	South Africa		●	●	●
	Spain	▼	●		●
	Switzerland			●	●
	United Kingdom		●	●	●
	United States				

Chart 3 | Data as of 10.31.17
Source: Accuvest Global Advisors

▲ = Moved Up/Down more than 5 spots
● = Bottom 10 ranked countries
● = Top 10 ranked countries

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