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La Verità

THE CHAT

“Dividends in defensive sectors”

Chat with **Angelo Meda**, Head of Equity at Banor SIM

How are Italian stocks looking, in your view?

“The Italian stock market is unbalanced on the financial sector (more than 30% of the index) and so reflects, whether bearish or bullish, the fate of banks and insurance companies.

In a world of near-zero interest rates and anaemic economic growth it’s hard to be positive about the financial sector, so it’s preferable right now to invest in other sectors”.

Which ones should investors be looking at?

“Our preference is for stocks that combine an attractive valuation and fundamentals that can resist even an economic slowdown and low borrowing. We feel that right now the more defensive sectors, such as oil & gas and utilities, are offering good dividends which, along with a single-digit revaluation potential, could bring expected one-year returns into double digits”.