



Gianmarco Rania - Fund manager Banor SICAV European Value

The old economy regains its stride

Cyclical sectors are a strategic pillar of the Banor SICAV European Value equity fund

by Hillary Di Lernia

The 2020 pandemic gave a clear boost to the new economy by accelerating the digital transition process. The equity market recovery initially ignored those “old” economy sectors that will benefit from the monetary and fiscal policies designed to shore up the economy. This is the firm belief of **Gianmarco Rania** (pictured), fund manager at **Banor SICAV European Value**.

Bullish movement

“Things seem to have changed since November 2020, when the vaccines were deemed effective. The so-called value sectors, which are key to global economic recovery, started on an unwavering upward trajectory, even outperforming the growth sector. We believe that this trend will continue in the medium to long term and that it’s wise to be invested in stocks that are directly exposed to issues such as rising interest rates and inflation, post-Covid-19 reopenings, Next Generation EU and the new commodities super-cycle. Our **Banor** SICAV European Value fund is now heavily overweighted in these areas,” Rania emphasises. Some of the sectors that will benefit most from the reopening are tourism, transport, catering and the hotel business. Here, there will be a strong recovery built on the end of the pandemic and long-term trends such as an ageing population and the growth of the middle classes in emerging countries

The stocks we find most interesting are aviation-related, such as Airbus, which is the world's biggest civil aircraft manufacturer and well positioned for a recovery in air traffic. Also in this field is Amadeus, a leading producer of management software for core activities in airlines, airports and hotels,” says Rania, adding, “the recent rise in interest rates and inflation is another departure that will yield interesting investment opportunities, especially in European banking, where we would single out banks in Italy (Intesa Sanpaolo and UniCredit) and France: Bnp Paribas and Société Générale.”

Recovery opportunities

The Recovery Fund is also a unique opportunity for Europe, as a significant portion of its resources will be channelled into the development of a sustainable European economy. “Our **Banor** SICAV European Value fund will be exposed to the recovery with what we call sustainable cyclical stocks, i.e. those that will benefit from investment in renewable energy sources, energy efficiency in public and private infrastructure and the development of electric mobility. Of these, the French company Saint-Gobain, the European leader in green building, is without doubt a stock to watch out for,” concludes Rania.