Rating Comparison · STOXX Europe 600

Banks and Travel Groups: Worlds Apart

Banks currently lead our Quality-Risk Rating for the STOXX Europe 600, with a clear lead over the insurance sector. Both sectors are benefiting from the current rate environment. At the other end of the scale sit the travel groups: not a single stock currently makes it into the "sweet spot" of our Quality-Risk Matrix.

Rarely has the quality gap between two sectors been as pronounced as it is today: while 86% of bank stocks sit in the sweet spot, the share for travel groups is 0%. The key reason for this marked divergence lies in the different composition of the two sectors and the resulting quality and risk profiles of their constituent companies.

Quality-Risk Matrix · STOXX 600

Quality	Risk		
★4	15	63	99
★3	10	60	72
★2	26	73	67
★1	15	49	29
☆0	3	1	2

See legend on page 3 · Source: theScreener rating database

40.1%	Sweet Spot
3.3%	Danger Zone
6.7/10	Score across all 584 stocks

In Comparison — Best vs. weakest sector in the STOXX 600

STOXX 600 · best sector
Banks
57 stocks in Europe

86.0%	0.0%	8.8/10
Sweet Spot	Danger Zone	Score

High policy rates keep interest margins wide, solid capital buffers (Basel III) support dividends and buybacks.

STOXX 600 · weakest sector
Travel & Leisure
13 stocks in Europe

0.0%	7.7%	5.0/10
Sweet Spot	Danger Zone	Score

Overcapacity and intense competition put prices and margins under pressure, while geopolitical uncertainty weighs on visibility.

Sector — Sweet-spot share by industry group: 86.0% (Banks) to 0.0% (Travel & Leisure)

Sector	
Monetary Institutions n=57	86.0%
Insurance n=31	74.2%
Telecommunications n=18	72.2%
Chemicals n=19	57.9%
Utilities n=29	51.7%
Basic Resources n=24	45.8%
Energy n=23	43.5%
Retail n=21	38.1%
Automobiles & Parts n=16	37.5%
Food & Beverage n=22	36.4%
Financial Services n=55	30.9%
Industrial Goods & Services n=105	29.5%
Health Care n=46	26.1%
Technology n=35	20.0%
Construction & Materials n=26	19.2%
Personal & Household Goods n=33	18.2%
Media n=11	18.2%
Travel & Leisure n=13	0.0%

Sweet Spot (4★ Low/Med · 3★ Low) Danger Zone (0★ High/Med · 1★ High) Data as of 13.09.2026

What's Behind the Gap?

A sector's rating depends above all on earnings expectations, interest rates, the economic cycle, inflation and commodity prices. What matters is less the current situation than the change in expectations.

Valuation, capital flows and investor sentiment also shape a sector's relative performance.

What's Driving the Leaders

- **Banks:** High policy rates keep interest margins wide, solid capital buffers (Basel III) support dividends and buybacks.
- **Insurance:** Higher investment returns on technical reserves, a persistently hard pricing cycle in property and casualty insurance.
- **Telecommunications:** Stable, recurring cash flows and disciplined capital spending support defensive quality.
- **Common thread:** Banks and insurers benefit from the same rate environment, just through different channels; telecoms provide the defensive complement.

What's Weighing on the Laggards

- **Travel & Leisure:** Overcapacity and intense competition put prices and margins under pressure, while geopolitical uncertainty and volatile booking patterns hurt visibility.
- **Personal & Household Goods:** Weak consumer demand and high competitive pressure weigh on pricing power and margins.
- **Media:** Structural shift in the advertising market toward streaming and digital, weak pricing power amid small market caps.
- **Common thread:** All three are grappling with weak pricing power in a demanding demand environment.

Bottom line: The market has delivered its verdict: structural earnings power (rate environment, pricing power, capital discipline) is currently beating structural headwinds in household goods, media and travel & leisure. For Travel & Leisure, a lack of pricing power from overcapacity and geopolitical uncertainty adds to the pressure. None of this is final: the next rate turn or a recovery among the laggards could quickly shift the picture.

Detail View

Best vs. weakest sector head to head

Monetary Institutions

Banks · 57 stocks in the STOXX 600

86.0% Sweet Spot · **8.8/10** Score · **0.0%** Danger Zone

Quality		Risk	
★4		12	26
★3		2	11
★2		2	3
★1			1
☆0			

Travel & Leisure

Travel & Leisure · 13 stocks in the STOXX 600

0.0% Sweet Spot · **5.0/10** Score · **7.7%** Danger Zone

Quality		Risk	
★4			
★3	1	2	
★2		2	3
★1	1	3	1
☆0			

See legend on page 3 · Source: theScreener rating database

The Most Divided Sector

Technology: sweet spot and danger zone

STOXX 600 · Overall Market

Sweet Spot 40.1%

Danger Zone 3.3%

Score 6.7/10

Technology

Sweet Spot 20.0%

Danger Zone 11.4%

Score 5.4/10

At 11.4%, Technology has the highest danger-zone share of all 18 industry groups, with a sweet-spot share of 20.0% at the same time, clearly above that of most other weak sectors. No other group combines high quality and high risk this strongly, a sign of deep disagreement among the group's 35 stocks. A plausible explanation is a split along the lines of AI monetization: companies with demonstrable returns from AI investment likely occupy the sweet-spot cells, while companies with little return so far on their AI spending, or facing sharp price pressure in more mature segments, tend to land in the danger zone. Valuation levels likely play a role too: those that have already priced in high expectations react more sensitively to disappointments. The result is a sector that looks unremarkable on average but whose constituents are drifting far apart.

These factors explain the current market picture but are not a forecast: the rate environment and consumer climate can shift within a few quarters.

Overall Ranking · STOXX Europe 600

All 18 Industry Groups Compared

Sorted by score, the combination of quality rating and risk, across all 584 stocks in the universe.

Sector	n	Score	Avg. Rating	Sweet Spot	Danger Zone
Monetary Institutions	57	**8.8/10**	★★★★	86.0%	0.0%
Insurance	31	**8.7/10**	★★★☆	74.2%	0.0%
Telecommunications	18	**7.6/10**	★★★☆	72.2%	5.6%
Chemicals	19	**7.3/10**	★★★☆	57.9%	0.0%
Utilities	29	**7.9/10**	★★★☆	51.7%	0.0%
Basic Resources	24	**6.8/10**	★★★☆	45.8%	0.0%
Energy	23	**7.2/10**	★★★☆	43.5%	0.0%
Retail	21	**6.3/10**	★★☆☆	38.1%	4.8%
Automobiles & Parts	16	**6.7/10**	★★★☆	37.5%	6.3%
Food & Beverage	22	**6.8/10**	★★☆☆	36.4%	0.0%
Financial Services	55	**6.2/10**	★★☆☆	30.9%	1.8%
Industrial Goods & Services	105	**6.2/10**	★★★☆	29.5%	3.8%
Health Care	46	**6.1/10**	★★☆☆	26.1%	4.3%
Technology	35	**5.4/10**	★★★☆	20.0%	11.4%
Construction & Materials	26	**5.9/10**	★★☆☆	19.2%	3.8%
Personal & Household Goods	33	**5.3/10**	★★☆☆	18.2%	6.1%
Media	11	**5.3/10**	★★☆☆	18.2%	9.1%
Travel & Leisure	13	**5.0/10**	★★☆☆	0.0%	7.7%

Legend & Methodology

How to read the Quality-Risk Matrix

Quality Rating (0–4★)

- ★ **Valuation.** Is the stock currently cheap or expensive according to our model?
- ★ **Earnings Revisions.** Have analysts recently been raising or cutting their estimates?
- ★ **Trend.** Is the price trading above or below its 40-day moving average?
- ★ **Rel. Performance.** Has the stock beaten its benchmark index over the past four weeks?

Risk Symbol

- **High.** Above-average price volatility.
- **Medium.** Moderate price volatility.
- **Low.** Below-average price volatility.

The risk level is based on the stock's price sensitivity ("risk zone") over the past twelve months and is continuously updated.

Quality-Risk Matrix: diagonal color scale

Quality and risk are not assessed separately but together: a 4★ stock with high risk can be similarly attractive to a 2★ stock with low risk. Each cell receives a score **k = stars + risk index** (0–6), which is mapped onto a seven-step red-to-green scale:

0 · 0★ + High Risk | 3 · Midpoint | 6 · 4★ + Low Risk

Sweet Spot = the 3 greenest cells of the matrix: 4★ + Low risk, 4★ + Medium risk, and 3★ + Low risk. **Danger Zone** = the 3 reddest cells: 0★ + High risk, 0★ + Medium risk, and 1★ + High risk. **Score** = the same k-value (0–6), averaged across all stocks in a sector and scaled linearly to 0–10 ($\bar{k}$ ÷ 6 × 10), on the same basis as the color scale, just as a familiar score instead of a color. All three metrics condense the matrix for each industry group into a single comparable figure.

Universe: STOXX Europe 600 (584 stocks, 18 ICB industry groups) · **Data as of:** 13.09.2026 · **Source:** theScreener rating database. This comparison serves to illustrate our methodology and does not constitute investment advice or a recommendation to buy. Past ratings are not an indicator of future performance.