

## Stock Bulls Tell 'Compelling Story' as Europe Trounces US

Strategists see further gains as Stoxx 600 gets a boost from spending, rate cuts

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### Safety first?

Investors in US equities have been reluctant to seek safety amid flaring geopolitical tensions, raising the risk of getting caught off guard if the conflict between Israel and Iran takes an unexpected turn.

Normally, this level of anxiety would be enough to send money managers scurrying into stocks offering shelter, especially with Donald Trump weighing whether to offer Israel military backing. That step could roil oil prices and stoke worries about inflation, and potentially reignite a rush for investment havens.

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NOTE: PERFORMANCE SINCE JUNE 12 CLOSE.

**Yet, the events since last week have only triggered a modest shift into so-called defensive sectors such as utilities, consumer staples and health care.** That's even as US stocks whipsaw their way higher, with the S&P 500 Index just 2.7% away from a new all-time high.