

---

# THE EURO IS FALLING – HERE’S OUR VIEW ON HOW TO BENEFIT

Wisdomtree EU  
09 Dec 2016

First it was the [US Election](#). Then it was yesterday’s ECB announcement which caused another dip in EUR vs USD. At the time of writing, the markets seem to be digesting the news and the Euro is recovering, but in reality, we believe this has only served to accelerate a trend that has been apparent from our point of view for most of the year. The Euro’s recent peak versus the USD was in early May when it was trading at over €1.15[1] to the USD, while it’s now trading at around €1.061, a fall of around 8%. The prospects for the Euro are also shrouded in political risk uncertainty with the [Italian referendum](#) result and upcoming elections in France and Germany in 2017.

WisdomTree’s export-oriented UCITS ETF, Europe Equity UCITS ETF (HEDF), features Eurozone companies that derive more than 50% of their revenue outside Europe. We expect that these companies may benefit from the Euro’s weakness and the anticipated pickup in economic growth in markets such as the US. From 2 May to 24 November 2016, the Euro has fallen by 8.38%, the index that our UCITS ETF, HEDF, tracks (the WisdomTree Europe Equity Index) has risen by 4.02%, outperforming the broad benchmark, MSCI EMU which has risen by 2.26%. Additionally, HEDF has outperformed the Euro STOXX 50 which has risen by 2.10%.

If the Euro heads to parity versus the USD – or potentially overshoots it – **European investors may wish to consider a large cap, liquid basket of export-oriented stocks.** The unhedged [WisdomTree Europe Equity UCITS ETF, \(HEDF\)](#), provides such an exposure. Investors could also consider the [WisdomTree Europe Equity UCITS ETF USD Hedged \(HEDJ\)](#), which is a share class with a USD hedge providing investors with both an exposure to export-oriented stocks and a long USD position.

*Source*

*(1) 2 May 2016*

View the online version of this article [here](#).

Important Information

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

**Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

**For professional clients only.** The information contained in this document is for your general information only and is neither an offer for sale nor a solicitation of an offer to buy securities or shares. This document should not be used as the basis for any investment decision. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide to future performance. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

The application of regulations and tax laws can often lead to a number of different interpretations. Any views or opinions expressed in this communication represent the views of WisdomTree and should not be construed as regulatory, tax or legal advice. WisdomTree makes no warranty or representation as to the accuracy of any of the views or opinions expressed in this communication. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

This document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares or securities in the United States or any province or territory thereof. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States.

Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.