

European Sector PMI Rank

Sector-level demand momentum across European equity exposures.

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Date	June 2026
Family	Macro sector rotation
Universe	European sector ETF proxy universe
Horizon	6m research horizon

Executive Summary

European Sector PMI Rank evaluates whether relative PMI demand and activity information carries sector-level ranking value across European equity exposures. The archive evidence is strongest in the 3-12 month window, with the preferred diagnostic horizon at 6 months.

Preferred horizon	6m
6m rank spread	1.75%
Rank IC	0.106
Long-leg return	7.18%
Sector coverage	11 sectors

- 1 Ranking evidence is strongest outside the one-month horizon.
 - 2 The 3m, 6m and 12m profiles point in the same direction.
 - 3 The signal is best interpreted as a macro sector-ranking diagnostic, not a standalone product.
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Data and Research Setup

The research setup links sector-level PMI information to European sector ETF proxy returns under a monthly review cadence.

UNIVERSE

European sector ETF proxy universe with 11 sector observations at the preferred horizon.

INPUTS

Monthly sector PMI demand, activity and price-pressure fields, plus local European sector proxy returns.

HORIZON SET

1m, 3m, 6m and 12m forward research horizons.

TIMING RULE

PMI observations are evaluated with a conservative post-month-end availability lag.

Research framing

The note reports aggregate sector-ranking diagnostics at the universe level.

Signal Methodology

Without disclosing the exact functional, the construction proceeds along three conceptual steps.

1. PMI CONDITION MEASUREMENT

The research lens evaluates relative demand and activity conditions across sectors using monthly PMI information.

2. SECTOR RANKING

Sectors are compared against the same regional sector universe on each signal date.

3. MEDIUM-HORIZON EVALUATION

Forward evidence is evaluated across monthly horizons to test whether PMI information translates into sector separation over time.

The description is intentionally conceptual. Formula details, exact construction rules and implementation parameters are not disclosed.

Results and Horizon Context

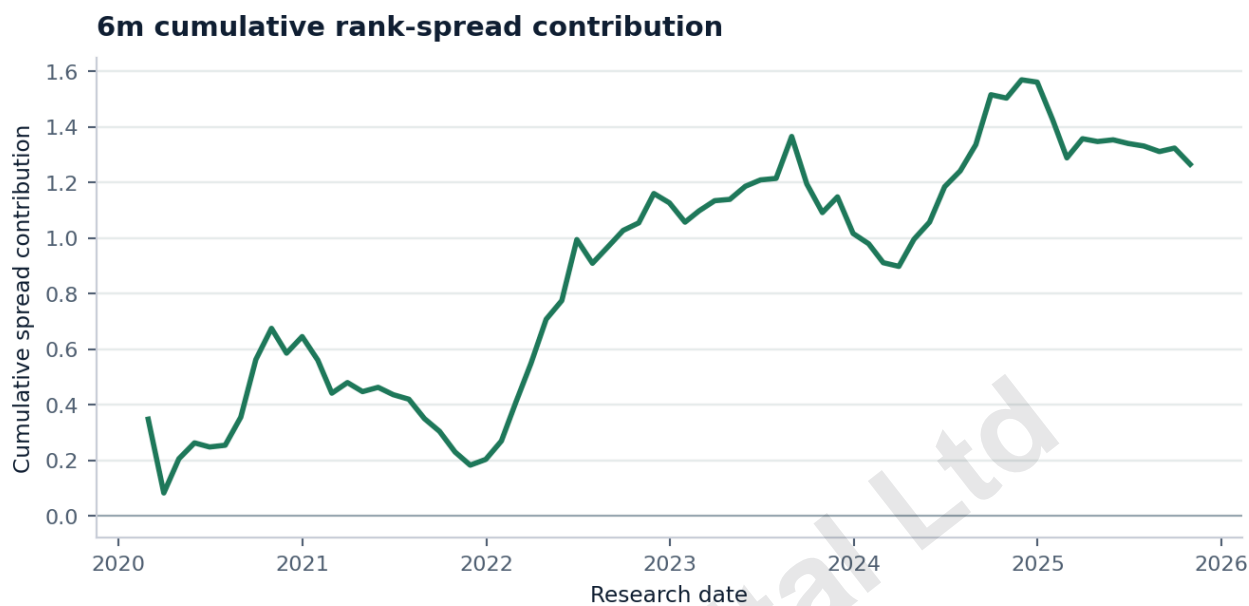


Figure 1. Cumulative 6m top-minus-bottom rank-spread contribution. Long-horizon forward observations overlap, so the series should be read as a ranking diagnostic, not as a standalone portfolio NAV.

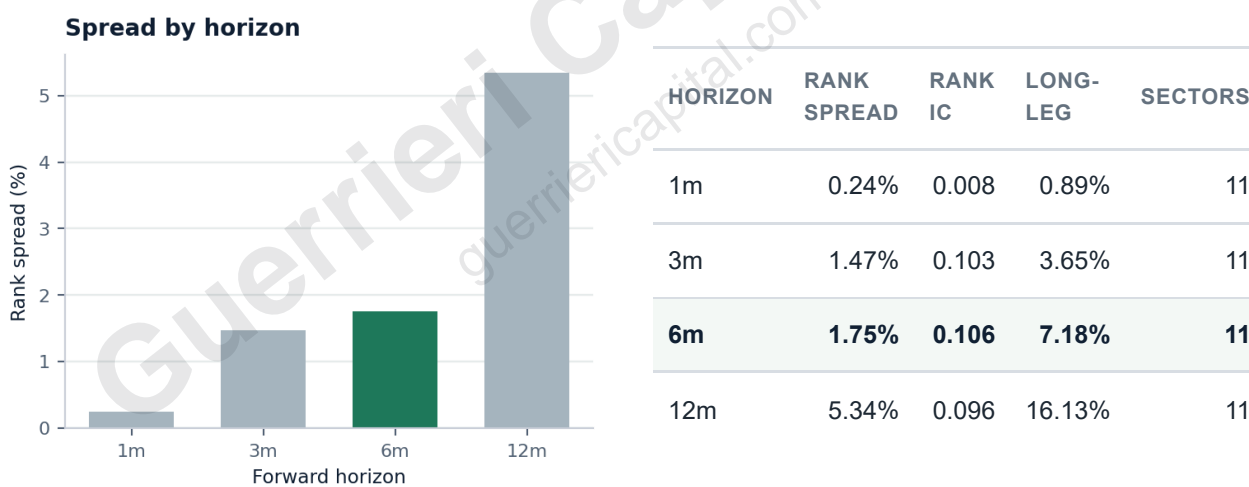


Figure 2. Top-minus-bottom rank spread by tested horizon.

The profile is weak at 1m and more coherent from 3m onward. The 6m horizon has the strongest rank IC, while the 12m horizon has the largest spread contribution.

Stability and Robustness

The robustness question is whether the PMI ranking effect is isolated to one period or remains visible across simple time splits.

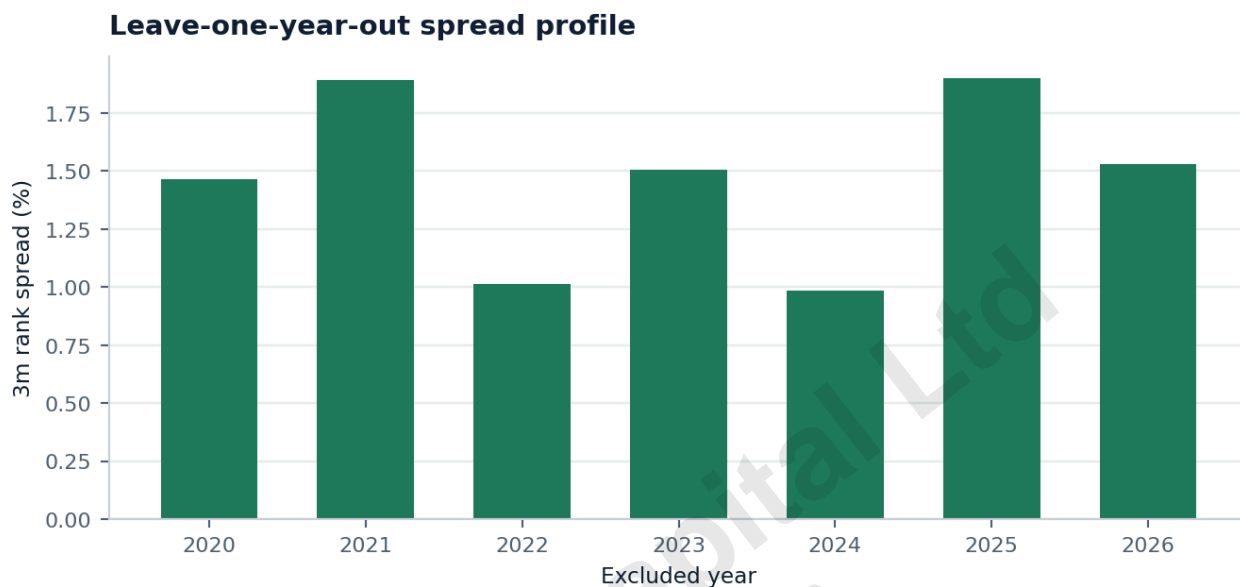


Figure 3. Leave-one-year-out 3m rank-spread profile. The chart is a stability diagnostic across calendar exclusions.

SPLIT	RANK SPREAD	RANK IC	DATES
2020_2022	1.55%	0.122	35
2023_2026	1.40%	0.086	37
exclude 2020	1.47%	0.085	61
exclude 2021	1.89%	0.135	60
exclude 2022	1.02%	0.079	60
exclude 2023	1.50%	0.117	60
exclude 2024	0.99%	0.070	60
exclude 2025	1.90%	0.128	60
exclude 2026	1.53%	0.107	71

The OOS split evidence remains positive across the reported era and leave-one-year-out checks. This supports retaining the signal in the research library as a macro sector-ranking component.

Research Interpretation

European Sector PMI Rank captures relative changes in sector demand and activity conditions. The evidence is most useful as a macro sector lens that can sit alongside price, valuation and risk signals.

Role in the library

External-source macro sector-ranking component.

What it captures

Relative sector demand and activity momentum across European exposures.

Where it may be useful

Sector rotation research, macro overlay diagnostics and interaction tests with broader allocation signals.

Known limitations

The tested proxy set is regional and sector-level. The return sample is shorter than the PMI history, and long-horizon observations overlap.

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