

The image features a dark blue background with a grid of lighter blue lines. Overlaid on this grid is a circular arrangement of twelve yellow stars, similar to the European Union flag. A blue line graph with circular markers is drawn across the grid, showing an upward trend from the bottom-left towards the top-right. The text "Profit from Europe's Recovery" is centered in white, with "Europe's Recovery" in a larger, bold font.

Profit from
Europe's Recovery



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Good morning, Pro Briefers!

At the beginning of 2025, European economies were on the brink of a serious downturn.

Germany, the largest economy in Europe, had fallen into a technical recession, which is defined as two straight quarters of negative GDP growth.

France's debt had hit record highs, and markets across the continent were struggling.

Why? Instability. The Russia-Ukraine war had settled into what experts call a "frozen conflict" - fighting continued, but with no clear path to resolution.

- Concerns about oil, energy, tariffs from the U.S., and more, were also rocking the E.U.

But investors need to remember: Money doesn't disappear during times of uncertainty - it simply moves into something else.

We bet that investors wouldn't stop investing, but would seek safety during Europe's instability.

And we were right.

In our January 2025 report, we identified a Government Shift: European policy changes and reconstruction efforts were setting the stage for a major comeback.

Now, one year later, major European index funds are up over 37%, beating the S&P 500, which rose around 16% in 2025.

German stocks and Polish markets in particular stood out - as growing banking giants offered investors safety with growth potential.

So what happened? The comeback featured the European Central Bank (ECB) at center stage.

Last year, it cut rates four times, with rates reaching 2.75% by December 2025 in order to boost spending.

It then doubled down with stimulus - particularly with its TLTRO III (Targeted Longer-Term Refinancing Options).

In English: The ECB paid banks to give out more loans to businesses and people.

More loans = more spending = more economic growth.

That government action created a ripple effect across Europe's economy, and savvy investors who positioned themselves early have seen massive gains.

But here's the thing: *This opportunity isn't over.*

Europe's reconstruction is just getting started.

Let's break down how the stocks we featured last time performed, what new opportunities there are now, and the risks investors should be aware of.

ANALYST REPORT

Tickers we're tracking:

Germany: Deutsche Bank (DB)

Switzerland: UBS (UBS)

ETFs: EPOL, CEE, FLEE, EZU

GERMANY

Banking On The ECB

We anticipated that as rates dropped, lending increased, and instability raged on, the banking sector in Europe would benefit.

Deutsche Bank is the largest bank in Germany, and one of the largest in Europe - that meant investors chose it as a defensive option during the turmoil.

But that wasn't the only reason why Deutsche Bank benefited from this market shift.

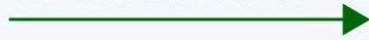
Deutsche Bank restructured its entire business to take advantage of the ECB's loan incentives.

The strategy? Position itself to profit from the flood of cheap money the ECB was pumping into the system.

Investors liked the transition - shares of Deutsche Bank jumped from \$19 in January 2025 to over \$34 by January 2026 - that's 125% growth in just 12 months.

Deutsche Bank Aktiengesellschaft (DB)

5 Year Price



19.03
(+122.83%)



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Data via Yahoo! Finance - Data as of January 2025

To put that in perspective: Deutsche Bank gained more in one year than it did in the previous five years combined.

Not only did Deutsche Bank capitalize on its opportunity, but Germany's economy stabilized faster than anticipated.

The country learned to function without Russian oil, something many thought would be impossible.

And in 2025, the DAX, Germany's largest market, was one of the fastest growing in the world.

Deutsche Bank sat right in the middle of all that growth.

The company's restructuring allowed it to maximize profits from TLTRO III - they handed out more loans, collected more interest, and got paid by the ECB for doing it.



Data via [Yahoo! Finance](#)

Looking ahead: The recovery isn't complete yet in Germany or Europe, which could lead to another solid year of returns for Deutsche Bank.

While they more than likely won't see triple digit returns for the second year in a row, we believe Deutsche Bank is still a potential opportunity for

investors.

Why? Germany has found its footing, and major European banks may be positioned to rival or even outpace their American competitors in the years ahead.

That includes Deutsche Bank, which investors may want to keep an eye on in 2026, as it's in a position to grow as the European comeback takes center stage.

SWITZERLAND

The Flight To Safety

Deutsche Bank mostly benefited from adjusting its business and Germany's quick recovery.

But what about the rest of Europe?

Many wealthy investors turned to even bigger banks for safety during the uncertain times.

UBS benefited from that fear, as one of the biggest wealth managers in the world.

- It has around \$6.6 trillion in assets under management (AUM).

Other firms like BlackRock have more total assets, but UBS specializes purely in wealth management.

But why UBS? Swiss banks have a history for being ultra-safe.

That "flight to safety" helped push UBS shares from \$34 to over \$47 - a 38% increase in 2025.

UBS Group AG (UBS)

5 Year Price



34.07
(+158.18%)



Market Briefs Pro

Data via Yahoo! Finance - Data as of January 2025

You're probably thinking: "Deutsche Bank is the clear standout!" as it has seen more growth so far.

But UBS is built for consistency, not volatility.

UBS is larger than Deutsche Bank - and because it is so ingrained among Europe's elite and wealthy, it is much less likely to fail or see volatility.

The trade-off of stability is that growth may not be as high.

However, its growth should not be understated - it still outperformed major U.S. banks in 2025 and the S&P 500.

So where's the opportunity? The flight to safety isn't over.

Now it's being fueled by different fears - U.S. trade wars, a strengthening BRICS alliance, and global economic uncertainty.



Data via [Yahoo! Finance](#)

Wealthy European investors still need somewhere stable to park their money, and UBS remains the go-to choice for many.

If uncertainty grows, UBS should benefit.

And even if uncertainty doesn't grow, UBS should still benefit, as one of the largest wealth managers in Europe.

We expect UBS should continue seeing its assets under management rise - which means more fees, more revenue, and potentially more growth.

For long-term investors, UBS represents a steady, reliable opportunity in the European recovery story.

POLAND

Bringing Western Europe To The East

This shift also expanded across Europe as well - particularly in Poland.

Poland benefits directly from the uncertainty that was and still is going on in Europe - especially the war in Ukraine.

How? *Geography.* Western aid flowing into Ukraine went through Poland first, flooding the country with around \$200 billion in cash according to some estimates.

Poland has now become the logistics hub for the war in Ukraine - and some of that \$200 billion is pouring into Polish banks.

Polish banks even called it "The Golden Age" in 2025 and immediately reinvested those profits into long-term growth.

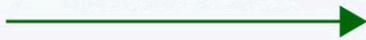
Why? These banks knew that this money was short-term - the war in Ukraine would end and that money could dry up.

We discussed this in our report last year, but these banks have taken steps to try and turn these short-term gains into permanent profits.

We tracked Poland through the iShares MSCI Poland ETF (EPOL), which is heavily weighted toward these major Polish banks.

iShares MSCI Poland ETF (EPOL)

1 Year Price



36.35
(70.83%)



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Data via Yahoo! Finance

EPOL jumped from \$21 to over \$36, a 71% increase in 2025.

Even with the explosive growth in 2025, it still appears that the majority of the market is not paying attention to Polish opportunities.

That means there may be room for more growth.

Poland has transformed into a modern financial and manufacturing hub for the rest of Europe, with Ukrainian refugees contributing nearly 3% to the country's GDP growth.

- The country now has full banking integration with the Internet of Things (IoT), E.U. funded infrastructure, and a young, highly skilled workforce putting it all in action.

Its GDP hit the trillion dollar mark for the first time ever in 2025 and experts believe it may grow even more in 2026.

The Central and Eastern Europe Fund (CEE) offers American investors more exposure to Poland, as well as some diversification.



Data via Yahoo! Finance - Data as of January 2025

CEE is an actively managed fund that's overweight on Poland - Polish assets make up more than 60% of the fund.

The fund is up 49% year-over-year as of January 13th 2025, slightly behind EPOL but it also includes assets from other economies in Europe.

- The ETF is down around 30% over the last few years - however, most of that pullback is related to the initial downturn in Europe a few years ago.

And while there's always a chance Poland's comeback with the E.U. could be short-lived, we believe that Poland is in a transformative period right now, with lots of room to grow.

For investors willing to look beyond traditional Western European markets, Poland represents another potentially undervalued opportunity right now.



BROAD EXPOSURE

European Index Funds

Our thesis for investing in European instability was clear: European markets always bounce back stronger than expected.

History supports this idea:

- The STOXX 50 rebounded 25% in 12 months after the 2008 financial crisis.
- The STOXX 600 jumped 18% in 2013 after the Euro Debt Crisis.
- The STOXX 50 surged 60% over 9 months after the 2020 pandemic.

Franklin FTSE Europe ETF (FLEE)

1 Year Price



37.71
(36.06%)



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Data *via* Yahoo! Finance

We identified three ETFs that would capture this recovery in our January 2025 report:

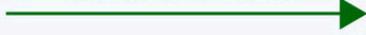
- SPDR EURO STOXX 50 ETF (FEZ)
- iShares MSCI Eurozone ETF (EZU)
- Franklin FTSE Europe ETF (FLEE)

All three ETFs outperformed the S&P 500 in 2025:

- FEZ: Up 37%
- FLEE: Up 37%
- EZU: Up 39%

iShares MSCI Eurozone ETF (EZU)

1 Year Price



66.32
(39.64%)



Market Briefs Pro

Data *via* Yahoo! Finance

These are broad index funds that capture the entire European recovery, backed by historical recovery trends.

The bottom line: We see momentum continuing for the opportunities featured in this report in 2026.

Trade tensions with the U.S. are settling down, and there's serious discussion of a peace treaty between Russia and Ukraine.

If economies recover further, these index funds may continue to beat expectations.

For investors looking for broad, diversified exposure to the European recovery, these three ETFs remain potential opportunities worth looking into further.

SPDR EURO STOXX 50 ETF (FEZ)

1 Year Price



66.86
(37.31%)



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Data *via* Yahoo! Finance

OUR POSITION

How We're Adapting

One year later, our European thesis proved correct.

But smart investing isn't just about being right - it's about adapting as conditions change.

Here's how we're adjusting:

1. Trimming Deutsche Bank

Deutsche Bank had an incredible year, but it's unlikely to repeat 125% growth.

We're taking profits on about 30% of our DB position and redistributing it.

Where's that money going? Into FEZ and FLEE, which should see stronger growth as reconstruction heats up.

2. Expanding Poland Exposure

We're adding new money into CEE to diversify our Polish investments beyond just banking.

CEE provides exposure to the broader Eastern European economy while staying heavily weighted toward Poland.

3. Holding UBS and Broad Indexes

These remain long-term holds as the European recovery continues.

Europe is rebuilding, and these investments should capture that growth in the long-term.

RISKS

The Road Ahead

Many of the risks that impact this shift are likely to only be impactful in the short-term, but investors should still be aware of some potential market changes.

Here's some of the risks we're monitoring:

Continued Instability: If war escalates or new conflicts emerge, European markets could suffer.

Commodity Pricing: Energy prices could spike again, hurting reconstruction and manufacturing.

Geopolitical Threats: Russia-Ukraine tensions could flare up unexpectedly.

U.S. Trade Conflicts: Ongoing tariff battles could damage European exporters.

And the good news? A downturn could actually present a more attractive entry point for long-term investors, given Europe's history of recoveries.

REVIEW

What's Next For Europe?

A year ago, European markets looked like they were gearing up to struggle for a while.

Today, it's one of the strongest-performing regions in the world.

Government policy shifts, a flight to safety and money moving through Poland has created the foundation for this recovery.

And this opportunity is just getting started - with Europe not only bouncing back but getting ready for growth in 2026.

As always, investors will want to do their own research and consider how these opportunities fit into their broader financial strategy.

But for investors willing to look beyond U.S. markets, the European recovery may offer some of the most interesting potential opportunities to profit in 2026.



- Market Briefs Pro Team

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You are never guaranteed to make money when you invest, you might even lose money. If you're looking for personalized financial advice, we highly recommend speaking with a licensed financial advisor.

Our mission? It's simple - to help you be better with money.

Included interviews have been edited for length and clarity.

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