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WM Chief Investment Office

A wave of rotations

Global Market Outlook

(In-brief)

April 2021

Investment strategy and key themes

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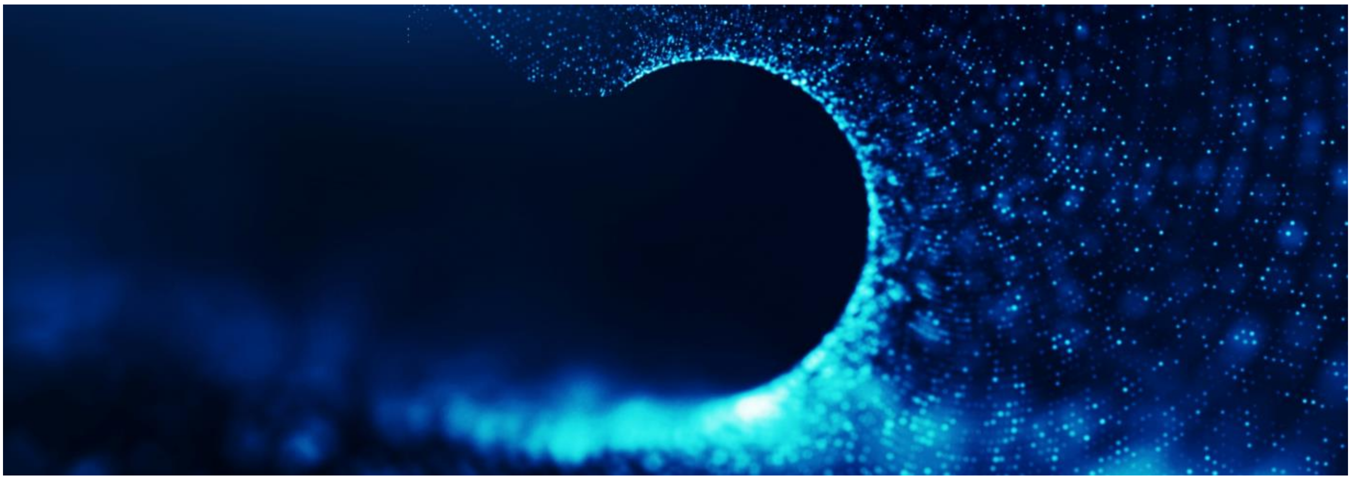


Implications for investors

- Prefer global equities over bonds and cash
- Equities: Prefer the US, Japan, Asia ex-Japan and the UK
- Bonds: Prefer EM USD, Asia USD bonds and DM HY
- The USD is likely to weaken against the EUR, AUD, GBP and CNY over the next 12 months

Key themes

- Ready, Steady, Rotate
- Race for Income
- USD to slump in 2021
- Golden equity themes for the 2020s
- A time for climate investing
- A world of yield-free risk

A wave of rotations

- The market narrative is shifting towards questions about 'too much' stimulus and a risk of inflation. We see this environment as supportive of a broadening equity market rally, albeit with significant rotations across sectors, regions and themes.
- In equities, we see room for our rotation-to-Value theme - Ready, Steady, Rotate, - to extend. We add the UK to our regional preferences alongside the US, Japan and Asia ex-Japan.
- Rising bond yields are a short-term headwind for multi-asset income strategies as the journey to higher yields runs through initially lower bond prices. However, we see this as a temporary challenge.

Equity rally broadens, with rotation into Value

The market narrative slowly, but surely, appears to be rotating. From worrying about COVID-19 lockdowns and growth risks, the source of worry has increasingly shifted to whether there is 'too much' stimulus that could end in sustained high inflation. This follows the US stimulus package and accelerating COVID-19 vaccinations.

The rising US 10-year government bond yield has been one illustration of this 'worry rotation'. In the short term, this could test the Fed's tolerance limit. In equities, the rotation has played out through the outperformance of Value vs Growth stocks.

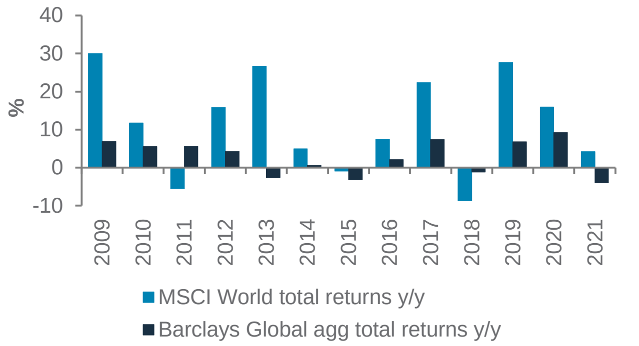
With the Fed committed to staying on hold amid this backdrop, we view this rotation as positive for risk assets and continue to favour equities over bonds and cash. Rising US government bond yields have historically been consistent with rising equity markets, while the style of rotation illustrates a broadening of the equity market recovery. The rapid vaccination pace (especially in the US, UK and some EMs), the ongoing growth recovery and supportive central banks back our view.

Higher yields are a near-term challenge for income investors

An environment of rising bond yields is a challenge for income assets as the journey to higher yields runs through initially lower bond prices. For income investors, though, we see this as a temporary challenge as the higher entry yields and gains from equity and non-core income assets gradually offset this.

Fig. 1 Bond market returns this year are among the lowest in recent decades

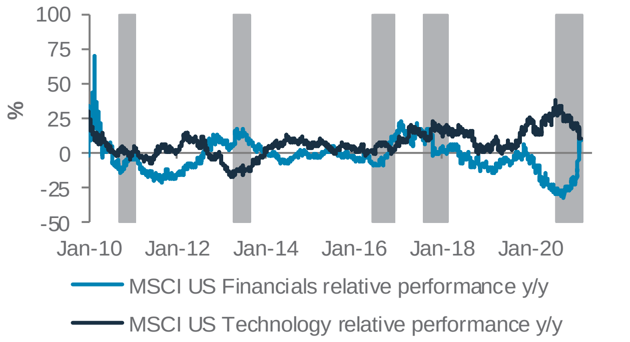
Global equities (MSCI World) and bonds (Global Agg) total returns by year; 2021 shows YTD returns



Source: Bloomberg, Standard Chartered

Fig. 2 Rising yields good for Value sectors such as financials, but tough for technology

12m rolling returns of US financial, tech sectors relative to the US index; Bars: >75bps rise in 10y yield



Source: Bloomberg, Standard Chartered

Rotating through equity regions

Regionally, we maintain our preference for the US, Japan and Asia ex-Japan. The US is likely to benefit from what is turning out to be significant fiscal stimulus, a supportive Fed and a faster-than-expected COVID-19 vaccination process. Japan has benefitted from recent JPY weakness. A sustained improvement in earnings estimates and the market's Value-style characteristics are likely to be supportive. Asia ex-Japan should additionally benefit from long-term USD weakness.

We raise the UK to a preferred region. While a stronger GBP could work against overseas earnings, we believe inexpensive valuations and earnings support from rising commodity prices are likely to more than offset this headwind. We reduce Euro area equities to least preferred. While the ECB has announced increased bond purchases, the region's slow vaccination process risks delaying the growth and earnings recovery.

Scaling back on the US technology sector

From a sector perspective, we believe the rotation to Value-style sectors (Ready, Steady, Rotate theme) has further to run. In the US, this means we are making two changes. First, we raise energy to a preferred sector, alongside our existing preference for materials, financials and industrials, supported by our modestly bullish view on oil prices as global demand recovers.

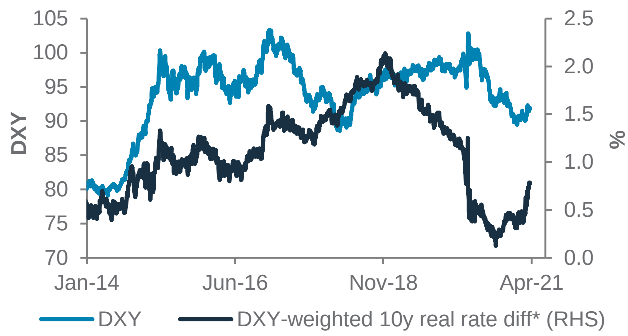
Second, we reduce the US technology sector to a core holding. The sector has high sensitivity to the risk of higher US Treasury yields. While we remain bullish on the sector, there is a risk that it underperforms the broader market if yields rise further.

USD outlook remains key for EMs

Rising US Treasury yields make it increasingly likely that the USD rebound extends further on a 1-3 month horizon, particularly against the EUR as the ECB appears most likely to lean against any rise in regional bond yields.

Fig. 3 Yield surge has supported the USD recently, though this is likely to be short-lived

USD index (DXY) and index-weighted real (net-of-inflation) 10y yield differentials vs major economies*



Source: Bloomberg, Standard Chartered; *inflation-adjusted

A USD rebound represents a double whammy for EM USD government bonds given they are also highly sensitive to US Treasury yields. However, credit quality remains largely consistent with market expectations. Recent events in Turkey appear unlikely to spark a wider contagion and the yield on EM USD government bonds has risen to over 5%. We believe this has created an attractive entry opportunity.

Our preferences for Asia USD and DM HY corporate bonds remain unchanged. Within HY, though, a widening yield gap between US and Asian HY bonds means we would consider deploying any additional exposure to Asian HY bonds.

Our investment themes – an update

Key themes			
Cyclical themes	**Vaccinating against valuations** ✓	Equities outperformed bonds and cash since our *Outlook* 2021 publication as rapid vaccine deployment in most regions and policy stimulus improved the global growth outlook. We expect this trend to continue, with equities likely to be the biggest beneficiary from here.	
Cyclical themes	**Ready, steady, rotate** ✓	Value-style equities have outperformed Growth-style equities at a faster pace than we expected at the start of the year, following the rapid rise in US Treasury yields. We see room for this rotation to continue as growth recovers and bond yields rise.	
Cyclical themes	**USD to slump in 2021** ✗	This theme has been challenged by the recent rebound in the USD, which accompanied rising US Treasury yields. We expect this rebound to be temporary as the initial surge in inflation-adjusted US bond yields is matched by gains elsewhere as the global recovery broadens. This should ultimately benefit EM assets.	
Cyclical themes	**Race for Income** ✓	Multi-asset income strategies remain relevant for income-oriented investors, in our assessment, especially following rising yields in many bond markets. Race for Income has delivered positive returns, although the headline yield temporarily dipped below 4% earlier in the year.	
Structural themes	**Golden equity themes for 2020s** ✓	The next wave of innovation is expected to be driven by permanent changes brought about by COVID-19 in medical tech (med-tech), Internet-of-Things (IoT) and e-vehicle technology breakthroughs. Our Golden equities for 2020s theme is experiencing a short-term consolidation phase after a strong performance since our Outlook 2021. Valuations are repricing from overstretched levels offering opportunities to gain exposure or average in.	
Structural themes	**The time for climate investing** ✓	Many factors support the current momentum behind climate investing. Within this space, we focus on energy transition, a circular economy and sustainable food and water See the sustainability section this month for more on energy transition.	
Structural themes	**In a world of yield-free risk** ✓	Generating returns and ensuring downside protection is becoming more challenging. We believe investors will need to take additional risks and/or become more innovative. Rising bond yields have helped mitigate this slightly, but the move is small in the larger context. Little has changed in terms of multi-year expected equity returns.	

Source: Bloomberg, Standard Chartered; Tick/Cross captures theme performance vs. benchmark since Outlook 2021. See page 29 for details

Perspectives on key client questions

Audrey Goh, CFA
Senior Cross-asset Strategist

Marco Iachini, CFA
Cross-asset Strategist

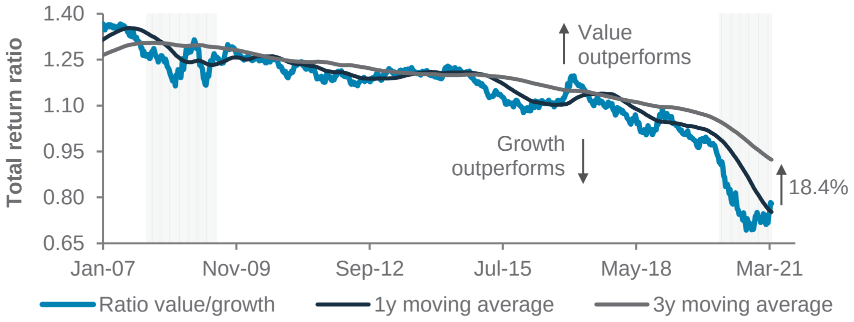
Rajat Bhattacharya
Senior Investment Strategist

Can Value equities continue to outperform Growth?

We believe the paradigm shift in fiscal policy in response to the COVID-19 crisis will further support Value equities to continue to outperform Growth over the next 12 months.

Fig. 4 The ratio of global Value equity returns vs Growth peers has broken above the 1y moving average, while the gap relative to the 3y moving remains significant

The ratio of MSCI All-Country World Value vs Growth net return indices



Source: Refinitiv, Standard Chartered; As of 22 March 2021. Shaded areas: US recessions

Value-style equities have gained 7.7% YTD and outperformed Growth equities globally by 9.4%, despite a brief pause in late January due to concerns over vaccination rollouts and possible economic recovery delays.

The current reflationary environment will likely underpin the ongoing "reversion to the mean" after Value's largest one-year period of underperformance since 2000 (-34% vs Growth in 2020). While Value started to outperform more prominently in recent weeks, data shows this move represents only a small uptick on long-term charts. Even if Value were to merely return to its previous downtrend levels vs Growth, there is a significant space for catch-up. Furthermore, valuations also point to further relative upside for Value equities (Figure 5).

Fig. 5 Valuations remain supportive for Value equities despite the recent uptrend

Value vs Growth	Percentile	Range
P/B	14.0%	
P/E	51.5%	
EV to EBITDA	57.0%	
Dividend yield	0.5%	

Source: Bloomberg, Standard Chartered
Valuation ranges from 2005 to present

Sustainability

Energy transition

"A transition to clean energy is about making an investment in our future." – Gloria Reuben, special adviser on climate change for the Climate Reality Project

The energy transition is often referred to as the next industrial revolution. It refers to the global economy's shift from a fossil fuels-based system of energy production, distribution and consumption to more sustainable sources of energy as the world moves to a 'net-zero' economy.

A net-zero economy is one where there is a balance between the greenhouse gas emissions produced and the emissions taken out of the atmosphere.

While renewable energy sources such as wind and solar, alongside electrified energy-powered systems such as electric vehicles (EVs), typically come to an investor's mind when thinking about energy transition, it encompasses a much wider ecosystem of industries.

For example, steel and cement production accounts for 7-9% of all global greenhouse emissions and there is pressure mounting on manufacturing and construction industries to decarbonise. Agriculture, forestry and land use is another big sector contributor facing significant disruption in the move towards net-zero.

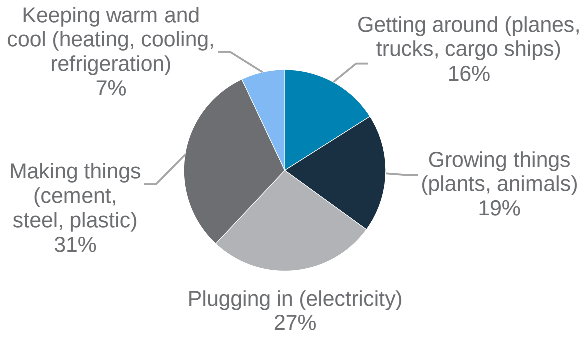
Bill Gates, in his latest book *How to Avoid a Climate Disaster,* provides a breakdown of human activities that produce greenhouse gases. Supplementing this with an overview of global greenhouse gases by sector, investors can identify industries that are at the greatest risk of an energy transition and those that offer significant opportunities.

Government commitments and regulatory developments

According to the UN, around 110 countries, responsible for more than 65% of global carbon dioxide emissions, have made ambitious net-zero commitments to date. Many have pledged carbon neutrality by 2050, while China says it will do so before 2060. We provide a snapshot of the ambitions, commitments and focus areas of key markets.

Fig. 6 Many human activities produce pollution

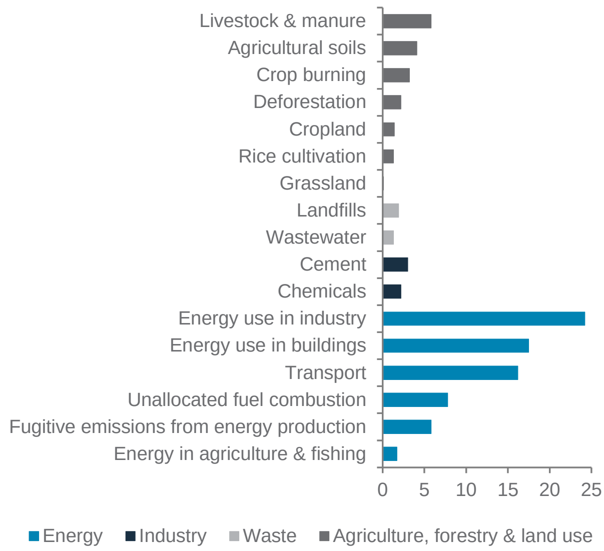
Details of greenhouse gases emitted by "things we do"



Source: "How to avoid a climate disaster" by Bill Gates, Standard Chartered

Fig. 7 Energy-focused industries offer the largest opportunities for disruption

% of total greenhouse emissions by industry sector



Source: Our World in Data, Standard Chartered

Risks and opportunities of energy transition across four key sectors

The risks of energy transition impact companies in all sectors to varying degrees. There are two main types of risks – physical risks and transition risks.

Physical risks include increased business interruptions and damage to operations and physical assets (eg, factories and offices) as a result of extreme weather events such as floods. Central banks across the world have warned that global GDP could fall 25% below the expected level by 2100, largely due to extreme weather events caused by maintaining current levels of global greenhouse gas emissions.

Transition risks are risks that occur when moving towards a greener economy, where some sectors of the economy face either higher costs of doing business or a significant depreciation in their assets. Stranded assets resulting from transition risks are expected to pose significant costs across all sectors – in oil and gas, International Renewable Energy Agency estimates this at about USD 900bn, while in the buildings sector, it estimates this to range between USD 5.4trn and USD 10.8trn given the low turnover rate of buildings.

Beyond managing risks, the energy transition is also opening up opportunities for investors across various sectors. This goes beyond just EVs and renewables to green buildings, low-carbon materials, precision agriculture and expansion of railways.

Fig. 8 **Potential opportunities in energy transition**

Energy	Transport	Buildings	Agriculture
Incumbents staying ahead of the curve: Oil companies are shifting a greater proportion of investments into utilities, renewable energy and electric vehicles **Renewables:** Asia remains the world's largest market for renewables, with an EY report ranking seven Asian markets among the most attractive markets for wind power, hydropower and solar. PWC estimates Asia Pacific to see up to USD 250bn in new renewable investments by 2025 **Green hydrogen:** Commercial viability for green hydrogen is likely at least a decade away even with rapid cost reductions, increasing policy support and infrastructure investments. However, its potential means this, together with batteries, is the cleantech market to watch in coming years	**Growth of rail:** Global rail transport market is expected to grow by about 10.9% CAGR to USD 519bn in 2021. Railways is seen as the most efficient and lowest emitting mode of transport; urban and high-speed rail in focus **Electrification:** Tax incentives, improved technologies, declining battery costs and awareness continue to drive the growth of EVs. The global EV market is estimated to reach USD 700bn by 2026, a 22% CAGR from 2019 to 2026	**Green buildings:** Buildings comprise the largest segment of the USD 231bn energy efficiency market. Shift to greener buildings is an opportunity. Retail buildings will be a particular focus given it is one of the most energy intensive building sectors **"Smart energy" management, low carbon solutions:** Increasing demand for these solutions is creating upstream opportunities for materials manufacturers and driving the development of carbon-efficient production techniques, including that of low carbon cement and concrete	**Precision agriculture:** Digital farming tools and agriculture is a growing area of interest, as innovation pours into developing hardware, software and services to increase yields at lower costs. The global precision farming market is estimated to reach USD 16.35bn by 2028, a CAGR of 13.1% from 2021 to 2028 **Plant-based meat and dairy alternatives:** The market has been fuelled further by the COVID-19 pandemic and is expected to reach USD 23.2bn by 2024

Source: Ernst & Young, Robeco, World Green Building Council, Grand View Research, WBCSD, media reports, Standard Chartered

Macro overview – at a glance

Rajat Bhattacharya
Senior Investment Strategist

Sean Pang
Investment Strategist

Key themes

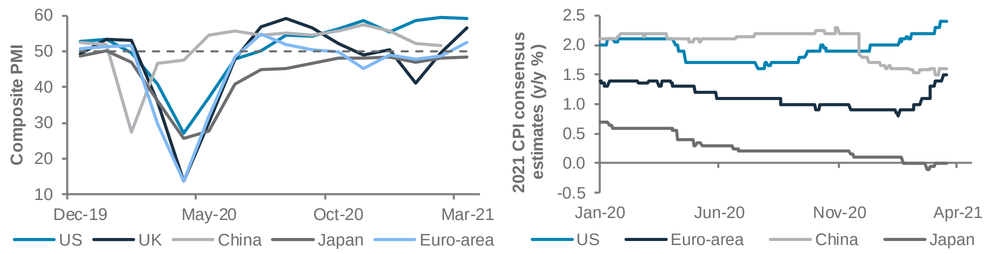
The global economic recovery from the pandemic is seeing increased divergence, with China emerging as the first major economy to return to its pre-pandemic growth trajectory, followed by the US, which is likely to return to trend growth by H2. The Euro area and EMs, excluding China, are likely to take longer to recover due to slower pace of vaccinations and a revival of infections. We have turned more constructive on the US and now see an above-consensus 6.3% growth in 2021 as faster pace of vaccinations enables the country to achieve the so-called 'herd immunity' by early Q3. The US is also leading in fiscal policy after its latest USD 1.9trn stimulus. Biden's plans of spending at least USD 2trn on infrastructure over a decade could potentially lift long-term growth, but will involve higher taxes. Nevertheless, we expect monetary policy to stay extremely loose across major economies, except for China which has started to moderate credit growth. Central banks are likely to look through a near-term jump in inflation pressures due to base effects from last year's price drop, given high unemployment rates worldwide.

Key chart

The US' faster pace of vaccinations and more aggressive fiscal policy explain the divergence in its growth and inflation expectations vs other major economies this year

Fig. 9 **The US' economic outlook has diverged from other major economies**

Economic activity indices (PMIs) and consensus 2021 consumer inflation estimates



Source: Bloomberg, Standard Chartered

	Macro outlook positive for risk assets	Macro outlook negative for risk assets
US ▽ ◆ △	+ Bigger-than-expected fiscal stimulus + Faster vaccinations; herd immunity by H2 + Excess savings to boost consumption + Fed to remain supportive for a long time	– Tax hikes, negative fiscal impact from '22 – COVID-19 is endemic; mutations a risk – Goods demand to slow; cautionary saving – Weak credit demand; slow global rebound
Euro area ▼ ◇ △	+ Pace of vaccinations to rise from Q2 + Strong manufacturing sector recovery + European Recovery Fund & easier ECB	– COVID-19 revival, vaccination setbacks – Consumption, services to stay depressed – Risks to recovery fund implementation
China ▽ ◇ ▲	+ Pandemic control to help services revival + Government policy to boost consumption + Robust manufacturing and exports	– Goods-to-services shift to slow exports – Credit growth, regulations tightening – Geopolitical risks remain elevated
Japan ▽ ◆ ◇	+ Strong export growth, pent-up demand + Prospect of additional fiscal stimulus + New COVID-19 cases declining	– Goods-to-services shift to slow exports – PM Suga faces elevated political risk – Structural deflationary forces
UK ▽ ◆ △	+ Extension of pandemic support schemes + Vaccines to lead to herd immunity by H2 + Infrastructure spending boost	– Brexit-related supply chain disruptions – Reduced vaccine supplies to delay restart – Risk of tighter monetary policy stance

Source: Standard Chartered Global Investment Committee

Legend: ▲ Tighter policy | ▼ Easier policy | ◆ Neutral policy

Bonds – at a glance

Abhilash Narayan
Senior Investment Strategist

Cedric Lam
Investment Strategist

Key themes

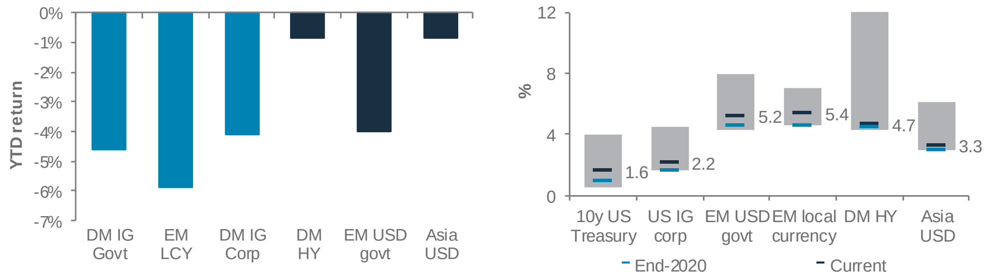
In our assessment, the sharp rise in yields, which has hurt bond investors in 2021, is largely done and we expect 10-year US Treasury yields to trade around 1.50%-1.75%, over the next 12 months. Expectations of better growth and corporate earnings lead us to retain preference for corporate and EM bonds. In the next 1-3 months, a stronger USD and risk of investor outflows could act as headwinds for EM USD and Asian USD bonds. But, over the next 12 months, higher commodity prices, a weaker USD and a growth rebound should help them outperform global bonds. DM HY bonds remain preferred as downside risks in Europe are balanced by improved US growth prospects.

Key chart

The sharp rise in yields has led to a challenging start for bonds, although the drawdown in some of our preferred segments has been limited

Fig. 10 Some bond markets are increasingly attractive after the yield gains

YTD returns for bond markets (black: preferred markets); current yields vs. history



Source: Bloomberg, Standard Chartered; as of 24 March 2021; grey bars: range of yields since 2010

Preference order		The bullish case	The bearish case
Asia USD	▽ ◇ ▲	+ Strong credit fundamentals + Increasing foreign demand + Attractive valuations relative to the US	– Risk of higher defaults in China – Lower yields vs other EM bonds
DM HY corporate	▽ ◇ ▲	+ Balance sheet improvement in 2021 + Default rates to decline + Low interest rate sensitivity	– Expensive valuations – Increase in supply
EM USD government	▽ ◇ ▲	+ Higher commodity prices + Cheaper valuations vs US IG/HY bonds + Relatively attractive yield	– Resurgence in virus cases – High interest rate sensitivity
EM local currency	▽ ◆ ◇	+ Higher commodity prices + Improvement in EM FX reserves + Relatively attractive yield	– Resurgence in virus cases – Tighter EM monetary policy – Stretched investor positioning
DM IG corporate	▼ ◇ △	+ Strong credit fundamentals + Attractive hedged yield for foreign investors	– Expensive valuations – High interest rate sensitivity – Low absolute yield
DM IG government	▼ ◇ △	+ High credit quality + Fed, ECB to remain accommodative	– Improvement in growth and/or inflation – Large net issuance increase

Source: Standard Chartered Global Investment Committee

Legend: ▲ Most preferred | ▼ Less preferred | ◆ Core holding

Equity – at a glance

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Senior Cross-asset Strategist

Belle Chan
Senior Investment Strategist

Fook Hien Yap
Senior Investment Strategist

Key themes

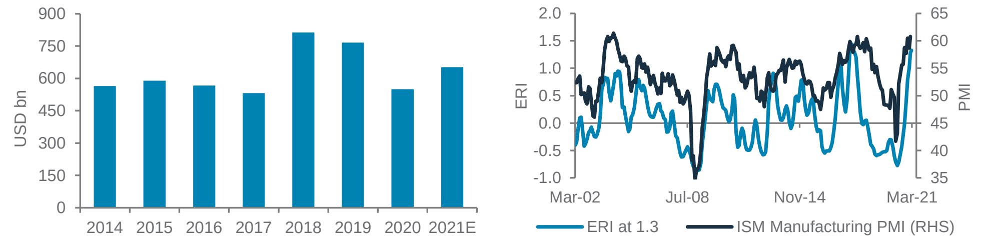
Global equities remain our most preferred asset class, driven by a global cyclical recovery. Corporate earnings appear to be benefitting from the growth recovery as monetary policies support investment and consumption, while fiscal stimulus could boost demand further. With strong stimulus measures, our most preferred market is the US. Such an environment also lends a tailwind to cyclical markets such as Japan. Asia ex-Japan also remains preferred, though it ranks below the US and Japan due to concerns of potentially tighter liquidity in China. We upgraded the UK to preferred, owing to our preference towards Value stocks and the increasing clarity from Brexit. A further sharp rise in bond yields and geopolitical tensions are risks to our positive view on equities.

Key chart

While the global economic recovery is likely to revive corporate earnings, US equities are likely to get a lift particularly from the revival of share buybacks, while Japan is likely to benefit from the upturn in global trade

Fig. 11 **US boosted by share buybacks; Japan to gain from a global rebound**

Buybacks by US companies; Japan earnings revisions vs manufacturing activity*



Source: MSCI, FactSet, Standard Chartered; *2021 is consensus estimate
ERI = Earnings Revision Index. Three-month average of (number of upwards earnings revisions/number of downward earnings revisions) - 1

Preference order		The bullish case	The bearish case
	US equities ▽ ◇ ▲	+ Fiscal stimulus + Reopening; leader in vaccine rollout + US corporate - most positive guidance + Buybacks returning	– Expensive valuations – Growth sector heavy – Fed balance sheet vs the ECB peaked
	Japan equities ▽ ◇ ▲	+ Cyclical heavy + Attractive valuations + Earnings revision upgrades	– Potentially stronger JPY – Potential slowing in the BoJ's ETF purchase programme
	Asia ex-Japan equities ▽ ◇ ▲	+ Less trade uncertainties + Light positioning + Improving ROE	– Tightening liquidity in China – Stretched valuations (relative to own history) – Growth sector heavy
	UK equities ▽ ◇ ▲	+ Rotation to Value + Inexpensive valuations + Return of dividends + Rapid vaccine rollout	– Stronger GBP holding back gains – Household savings increased but lagging other regions
	Euro area equities ▼ ◇ ◇	+ Rotation to Value + Higher bond yields benefit Euro area the most	– Vaccinations/stimulus delays – Earnings revision weak – Corporate guidance sentiment lagging

Source: Standard Chartered Global Investment Committee

Legend: ▲ Most preferred | ▼ Less preferred | ◆ Core holding

FX – at a glance

Manpreet Gill
Head, FICC Investment Strategy

DJ Cheong, CFA
Investment Strategist

Key themes

We are mildly bullish towards the USD on a 1-3 month horizon. US fiscal stimulus and relative vaccine progress and growth rates should be USD supportive. Interest rate differentials may favour the USD in the near term, but we do not expect this to last. Our 12-month view remains USD bearish as we expect faster global vaccinations to support global growth outperformance. Global investors may also turn cautious towards US investments in the face of surging US budget and trade deficits. An extended global growth dislocation is a key risk to our 12-month view.

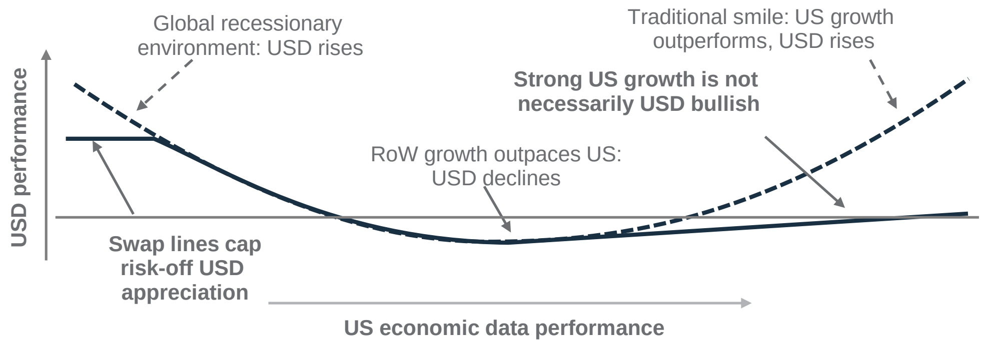
Key chart

The Fed's global USD liquidity provision may cap USD strength when risk-off sentiment rises

The Fed's Average Inflation Targeting (AIT) policy can limit USD strength during US economic outperformance if real yields rise more slowly

Fig. 12 **USD's "smirk" may limit USD strength before the downtrend resumes**

Fed liquidity, dovish policy should limit USD strength as US exceptionalism fades



Source: Standard Chartered

12-month outlook	The bullish case	The bearish case	12-month outlook	The bullish case	The bearish case
USD (DXY) ▼	+ Rising nominal & real yields + Greater fiscal stimulus boost	– Fed's AIT policy & liquidity provision – US twin deficits & global growth	**USD/ CNY** ▼	+ Well-established growth recovery + Global trade rise supports exports	– Potential slower credit impulse – Geopolitical tensions
EUR/ USD ▲	+ Better vaccination & growth recovery + A stronger shift to fiscal stimulus	– Pandemic issues continue to weigh – Failure to deploy fiscal stimulus	**USD/ SGD** ◆	+ Global growth & trade rebound + Non-monetisation of fiscal stimulus	– Slow global travel & leisure rebound – Slower China growth impulse
GBP/ USD ▲	+ Vaccination-led growth recovery + Reduced risk of negative rates	– Brexit deal impact on services – Threat of move to fiscal austerity	**USD/ MYR** ▼	+ Global growth & trade recovery + Strong commodity price correlation	– Slower China trade – Surge in impact of pandemic
AUD/ USD ▲	+ Global growth & commodity prices + Domestic house price rebound	– RBA may lean against AUD rise – China impulse may weaken	**USD/ INR** ◆	+ Inflows for bonds & equity yields + Recovery budget supports economy	– High oil price may hit current account – RBI may lean against INR rise
USD/ JPY ◆	+ Rising nominal yield differentials + Weak safe-haven demand for JPY	– Narrowing real yield differentials – Currency hedging offshore assets	**USD/ KRW** ▼	+ Strong exports & Terms of Trade + Expected inflows for investments	– Slower China trade – Geopolitical tensions

Source: Standard Chartered Global Investment Committee

Legend: ▲ Bullish | ▼ Bearish | ◆ Range-bound

Asset allocation summary

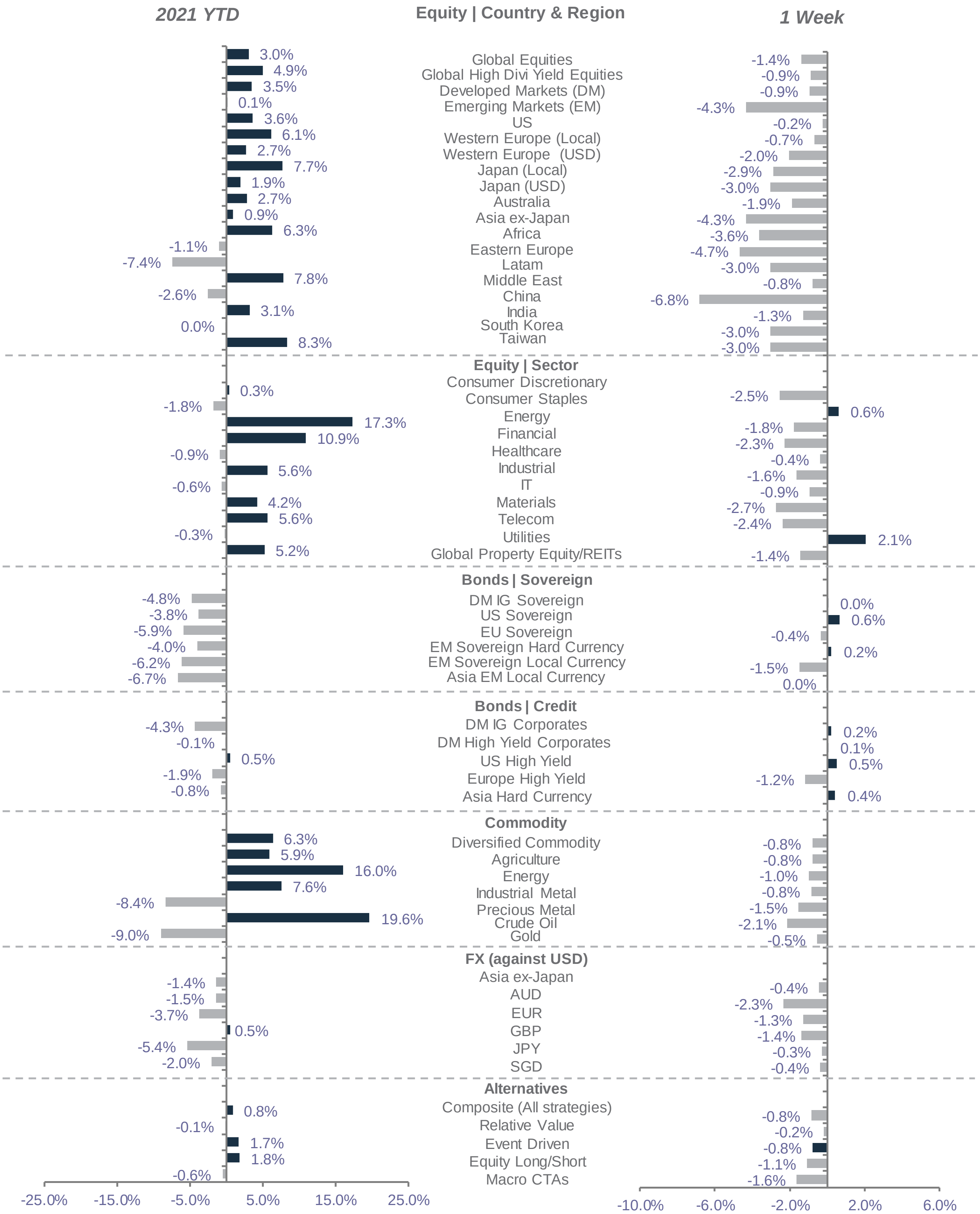
Summary	View	ASIA FOCUSED Conservative	ASIA FOCUSED Moderate	ASIA FOCUSED Moderately Aggressive	ASIA FOCUSED Aggressive	GLOBAL FOCUSED Conservative	GLOBAL FOCUSED Moderate	GLOBAL FOCUSED Moderately Aggressive	GLOBAL FOCUSED Aggressive
Cash	▼	14	6	3	0	14	6	3	0
Fixed Income	▼	59	33	24	6	59	33	24	6
Equity	▲	26	46	59	85	26	46	59	85
Gold	◆	0	5	5	4	0	5	5	4
Alternatives	◆	0	9	9	4	0	9	9	4
Asset class									
USD Cash	▼	14	6	3	0	14	6	3	0
DM Government Bonds	▼	3	2	1	0	4	2	2	0
DM IG Corporate Bonds	▼	4	2	2	0	5	3	2	1
DM HY Corporate Bonds	▲	10	6	5	1	15	9	7	2
EM USD Government Bonds	▲	14	7	5	1	11	6	4	1
EM Local Ccy Government Bonds	◆	11	6	4	1	8	5	3	1
Asia USD Bonds	▲	18	10	7	2	15	8	6	1
North America Equities	▲	13	17	22	32	17	26	34	49
Europe ex-UK Equities	▼	2	4	5	8	0	2	2	4
UK Equities	▲	1	2	3	5	1	2	3	4
Japan Equities	▲	2	3	4	5	2	3	3	5
Asia ex-Japan Equities	▲	7	15	20	28	5	9	12	17
Non-Asia EM Equities	◆	0	4	5	8	1	4	5	7
Gold	◆	0	5	5	4	0	5	5	4
Alternatives	◆	0	9	9	4	0	9	9	4

All figures in %. Source: Standard Chartered

Note: (i) For small allocation, we recommend investors to implement through global equity/global bond product; (ii) allocation figures may not add up to 100 due to rounding

Legend: ▲ Most preferred | ▼ Least preferred | ◆ Core holding

Market performance summary*



Source: MSCI, JPMorgan, Barclays, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered
*All performance shown in USD terms, unless otherwise stated
*YTD performance data from 31 December 2020 to 25 March 2021 and 1 week-performance from 18 March 2021 to 25 March 2021

2021 key events

APRIL 2021

22	ECB policy decision
27	BoJ policy decision
28	FOMC policy decision

MAY 2021

06	BoE policy decision
06	Scottish parliament elections

JUNE 2021

10	ECB policy decision
16	FOMC policy decision
18	BoJ policy decision
18	Iran presidential elections
24	BoE policy decision

JULY 2021

01	100th anniversary of the Chinese Communist Party
16	BoJ policy decision
22	ECB policy decision
28	FOMC policy decision

AUGUST 2021

05	BoE policy decision
17	World Economic Forum annual meeting in Singapore

SEPTEMBER 2021

9	ECB policy decision
22	FOMC policy decision
22	BoJ policy decision
23	BoE policy decision
26	Federal elections in Germany

OCTOBER 2021

22	Deadline for Japan General Elections
28	BoJ policy decision
28	ECB policy decision

NOVEMBER 2021

03	FOMC policy decision
04	BoE policy decision

DECEMBER 2021

15	FOMC policy decision
16	BoE policy decision
16	ECB policy decision
17	BoJ policy decision

Central bank policy | Geopolitics | EU politics

X – Date not confirmed | ECB – European Central Bank | FOMC – Federal Open Market Committee (US) | BoJ – Bank of Japan | BoE – Bank of England | RBA – Reserve Bank of Australia

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