



# Global Market Outlook

## Rate cuts: Winners and losers

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US equities may face greater volatility given optimistic investor positioning, but this short-term risk does not preclude long-term outperformance. We would buy on dips.

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Cash would be most at risk from a Fed rate cutting cycle. We would instead lock in opportunities in bonds to earn income over a longer period. Gold, which we see as a core holding, should also benefit from lower interest rates and bond yields.



Biden drops out: Is it a game changer?

What are the changes to your opportunistic ideas?

Is your quantitative model still bullish on equities?



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# Investment strategy and key themes

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## Our top preferences

### Foundation Allocations

- OW Global equities
- *In equities:* US
- *In bonds:* EM USD bonds

### Opportunistic Allocations

#### Equity BUY ideas

- *US technology sector*
- *US comms. services sector*
- *India large cap equities*
- *China non-financial divi SOEs*
- *Japanese banks*
- *US major banks*

#### Bond BUY ideas

- *China USD bonds*
- *Europe govt. bonds (FX-hedged)*
- *INR local currency bonds*
- *US Agency MBS*

### 12m FX views

- Bullish bias on USD

## Rate cuts: Winners and losers

- Fed rate cuts aimed at supporting growth rather than fighting inflation back our preference for equities over cash and other major asset classes. The US growth outlook remains the key risk to monitor.
- US equities face greater volatility given optimistic investor positioning, but this short-term risk does not preclude long-term outperformance. We would buy on dips.
- Cash would be most at risk from a Fed rate cutting cycle. We would instead look in opportunities in bonds to earn income over a longer period. Gold should benefit from lower interest rates and bond yields.

## A slow start to H2

Risky assets have had a relatively muted start to H2 24. While they initially rose, global equities subsequently fell back from their recent peak after US authorities raised the possibility of renewed restrictions on semiconductor trade with China. US bond yields, however, are unambiguously lower over the past month as the narrative has moved firmly in favour of lower Fed rates this year.

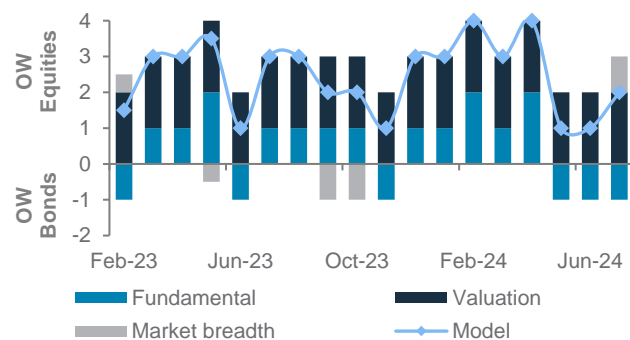
## Fed rate cut narrative gains momentum

While European central banks have taken the lead in cutting rates, the market focus is now on when the Fed will start doing likewise. With recent US inflation releases having largely been in line or below expectations, we now expect the Fed to cut rates twice in 2024 and twice more in H1 25. This is one key assumption behind our 'soft-landing' outlook for the US economy, which involves slower, but still positive, growth underpinned by Fed rate cuts.

The ongoing US election campaign remains another focus. Polling still favours a Trump win, even after Harris replaced Biden as the Democrat candidate. This has kept markets focussed on potential 'Trump trades', such as domestic stimulus winners (eg, US financial sector equities), and the potential risks from his proposed tariffs. However, we are still 3 months away from the election itself. The composition of the House is also a much closer call and one that is likely to define how much policy leeway exists for the future US President, particularly on the domestic policy agenda.

**Fig. 1 US equities Overweight well supported by valuation and market breadth**

Positive scores indicate preference for equities



Source: Bloomberg, Standard Chartered

## US and Indian equities to lead

We continue to expect equities to outperform cash and other major asset classes, but this outperformance is likely to come with more volatility than we experienced in H1 24.

Excessive optimistic investor positioning remains one key challenge, particularly for US equities. Our own proprietary indicator's warning signal has abated, but other data sources suggest broader measures of investor positioning remain excessively optimistic and cash levels are relatively low. This creates conditions for pullbacks and we have trimmed our US equity Overweight marginally.

Pullbacks driven by positioning, though, tend to be short-term in nature and, hence, we would view any such pullback in US equities as an attractive buy-on-dip opportunity. We remain Overweight US equities on a 6-12-month horizon in foundation allocations as we believe positive US growth should support continued earnings growth. We see a relatively more muted outlook for Euro area equities – on a softer growth outlook – and Japanese equities – on still-weak technicals. We also see attractive ideas for opportunistic allocations in, among others, US and Japanese banks and the US technology and communication services sectors.

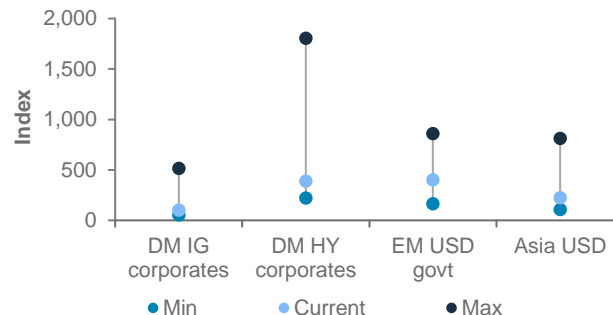
In Asia ex-Japan, we remain Overweight Indian equities. Valuations are undoubtedly high, but we believe the growth outlook and a focus on large-cap equities help mitigate this. Chinese equities, though, remain a core holding on the lack of new catalysts. In opportunistic allocations, we favour large-cap Indian equities and high-dividend-paying non-financial Chinese state-owned enterprises.

## Fed cuts to lower bond yields

Expectations of Fed interest rate cuts remain a key driver of bond yields as the Fed rate cut narrative gains momentum. This reinforces our view that bonds today offer opportunities to lock in yields for a longer period. Indeed, this remains one key reason why we prefer high quality bonds over cash given shorter-term yields on cash deposits are likely to decline as the Fed cuts rates.

**Fig. 2 Yield premiums on corporate bonds over Treasuries currently offer relatively little value**

Corporate and EM bond spreads vs. history



Source: Bloomberg, Standard Chartered

While locking in the yield is a key opportunity today, in our view, finding value in corporate or Emerging Market (EM) bonds remains much harder. We believe EM USD government bonds are one pocket of value in foundation allocations. Stress does still exist in several individual markets, but we believe the yield premium over US government bonds more than compensates for the idiosyncratic risks.

We also see attractive ideas for opportunistic allocations in US agency mortgage-backed securities, (FX-hedged) Euro area government bonds, China USD bonds and INR local bonds.

## A rebound in FX volatility

One of the most notable events in markets over the past month was the rebound higher in currency market volatility. Suspected policy intervention pushed USD/JPY sharply lower, a move we believe can extend significantly further below 150 on strong momentum and tightening BoJ policy. This coincided with a sharp move lower in the USD index.

However, we do not expect this volatility to break out of the recent ranges for now. This means that the move lower in the USD is likely to extend over a 1-3-month horizon as Fed rate cut expectations gather pace, but this is likely to reverse over a longer 6-12-month horizon as non-US central banks continue to cut rates. Therefore, we would view rebounds in major currencies, such as the EUR, as an opportunity to sell, with the JPY the only exception given the contrasting BoJ policy.

## Goldilocks for gold

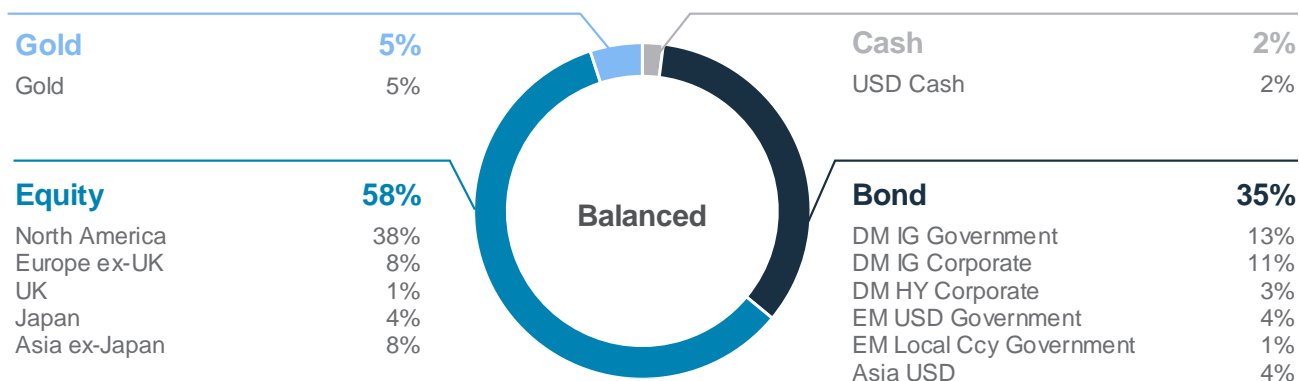
We continue to see gold as a solid core holding. We have noted before that our constructive view is based on a tight demand/supply balance and our expectations of lower bond yields. Recent data continues to support these arguments, especially with Fed rate cut expectations on the rise.

Our positive view notwithstanding, we see gold as a core holding as the magnitude of gains may struggle to beat those on equities, given gold's lack of yield.

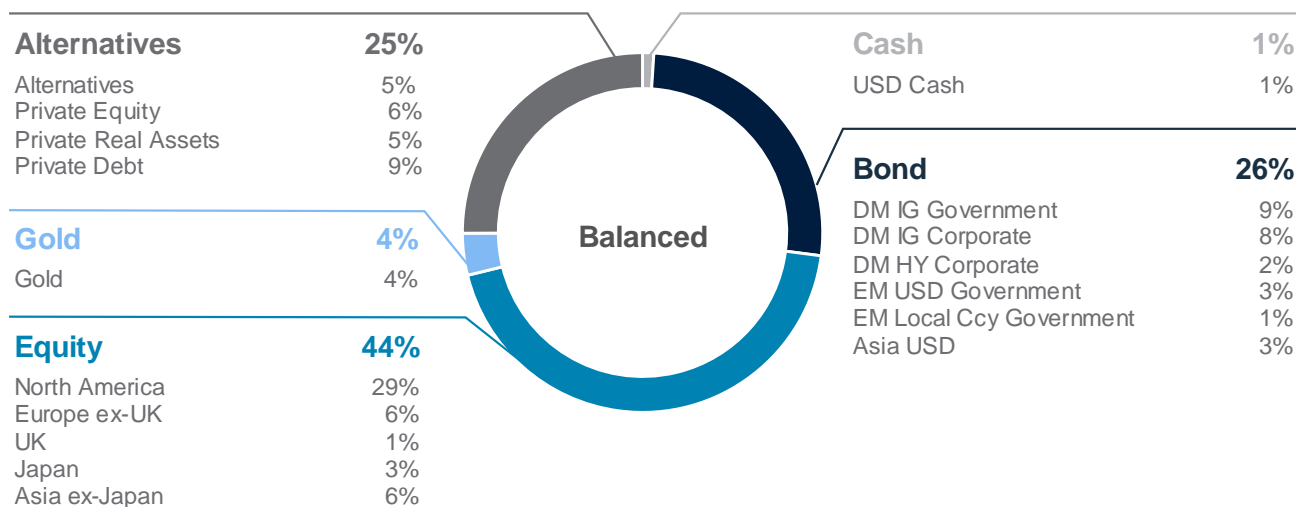
# Foundation asset allocation models

The Foundation and Foundation+ models are allocations that you can use as the starting point for building a diversified investment portfolio. The Foundation model showcases a set of allocations focusing on traditional asset classes that are accessible to most investors, while the Foundation+ model includes allocations to private assets that may be accessible to investors in some jurisdictions, but not others.

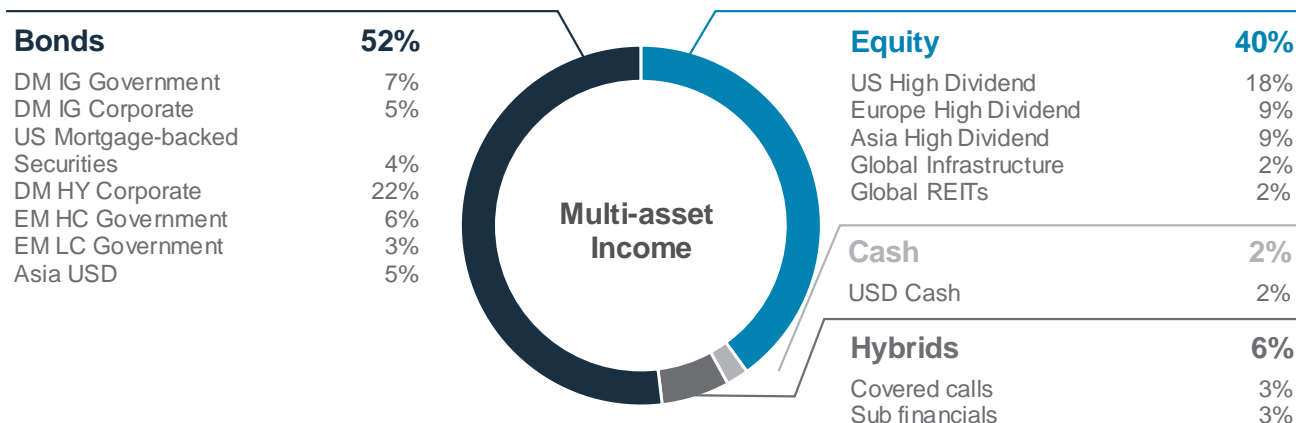
**Fig. 3 Foundation allocation for a balanced risk profile**



**Fig. 4 Foundation+ allocation for a balanced risk profile**



**Fig. 5 Multi-asset income allocation for a moderate risk profile**



Source: Standard Chartered



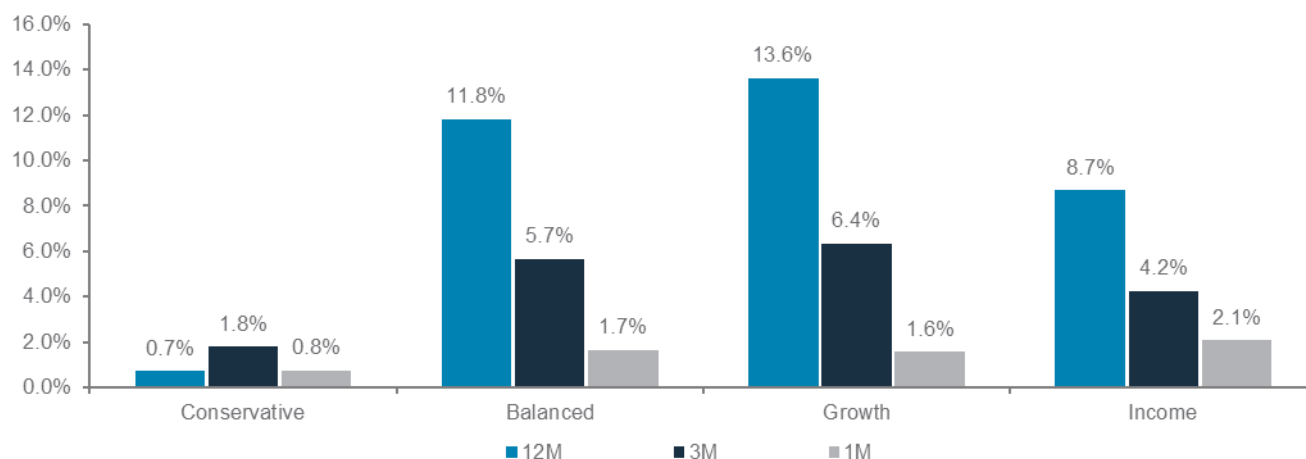
# Foundation: Our tactical asset allocation views

	View	Detail
<b>USD cash</b>	▼	+ Safety, yield    - Reinvestment risk, Risk of missing higher returns elsewhere
<b>Bonds</b>	◆	
DM Govt	◆	+ High credit quality, attractive yields    - High sensitivity to monetary policy
DM IG Corporate	◆	+ High credit quality, sensitive to falling yields    - Elevated valuations
DM HY Corporate	◆	+ Attractive yield, low rate sensitivity    - Elevated valuations, sensitive to growth
EM USD Govt	▲	+ Attractive yield, sensitive to US rates    - Commodity prices
EM Local Ccy Govt	▼	+ Attractive yield, room for policy rate cuts    - USD strength
Asia USD	◆	+ Moderate yield, policy support    - China structural growth concerns
<b>Equities</b>	▲	
North America	▲	+ Strong earnings growth, room for rate cuts    - Elevated valuations, election risk
Europe ex-UK	◆	+ Inexpensive relative valuations    - Political risk
UK	▼	+ Attractive valuations, dividend yield    - Low earnings growth
Japan	◆	+ Reasonable valuations, rising dividends/share buybacks    - Expected JPY strength
Asia ex-Japan	◆	+ Earnings rebound, China policy support    - China structural growth concerns
<b>Gold</b>	◆	+ Portfolio hedge, central bank demand, falling real rates    - Resilient USD
<b>Liquid Alternatives</b>	◆	+ Diversifier characteristics    - Equity, corporate bond volatility

Source: Standard Chartered Global Investment Committee; **Green** = Upgrade; **Red** = Downgrade;

**Legends:** ▲ Overweight | ▼ Underweight | ◆ Neutral

**Fig. 6 Performance of our Foundation Allocations \***



Source: Bloomberg, Standard Chartered

\*12-month performance data from 1 August 2023 to 1 August 2024, 3-month performance from 1 May 2024 to 1 August 2024, 1-month performance from 1 July 2024 to 1 August 2024; sourced on 2 August.

# Perspectives on key client questions

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## Q Biden drops out: Is it a game changer?

In a dramatic twist, US President Joe Biden ended his re-election bid, endorsing Vice President Kamala Harris as the Democrat presidential candidate. This sent ripples through financial markets, leaving investors scrambling to gauge whether it boosts or diminishes Donald Trump's chances of reclaiming the White House and a Congressional clean sweep. In the wake of Biden's announcement, the 'Trump trade' has re-emerged, sparking gains in small cap, financial and energy sector equities as investors start to price a potential Trump victory.

Polls suggest narrow margins in key swing states, which make the outcome highly unpredictable – see the chart on the next page for implied Republican victory probabilities. To navigate this uncertainty, we examine four possible election outcomes, the policy implications, and the sectors and financial assets that are expected to emerge as winners or losers, based on the outcome of the elections.

### A Republican (Trump) clean sweep scenario: Bullish, but with caveats

A Republican sweep of the White House and Congress would bring significant policy changes, offering Trump legislative freedom to implement his stated policies. These include further cuts to corporate taxes and making permanent individual tax cuts, which would boost corporate profits and consumer spending. More business-friendly regulations may also be introduced, including the deregulation of the energy and finance sectors and the reversal of Biden's environmental policies, which have weighed on traditional sectors.

However, a Republican clean sweep would also entail more aggressive tariffs, tighter immigration policies and foreign policy shifts that might offset the benefits of tax cuts and looser regulations. For instance, the extension of tax cuts could widen the fiscal deficit, risking higher bonds yields and a weaker dollar. Trump's proposal of trade tariffs is likely to support the dollar and dampen risk sentiment. Meanwhile, stricter immigration controls could curb labour supply, driving up inflation and ultimately weighing on consumer demand. Lastly, reduced US military engagement



**Fig. 7 A Republican clean sweep is arguably the most market-friendly election outcome**

2024 US election scenarios, policy implications and market impact

	President	Senate	House	Positive implications	Negative implications	Beneficiaries	Non-beneficiaries
Bull	R	R	R	Tax Cuts and Jobs Act (TCJA) extension, deregulation	Tariffs, increased geopolitical risks, scaling back of healthcare subsidies and clean energy tax credits, immigration crackdown	Defensive sectors (ex-Healthcare), Aerospace and Defence, Small caps, Gold, US dollar, EM USD bonds, Energy, Bitcoin	International ex-US equities, EM FX, Semiconductors, EM LC bonds, Insurers, EV manufacturers, Long-dated US Treasuries
Neutral	D	R+D or D+R		Policy continuity	TCJA expiration, antitrust enforcement, stricter regulations (status quo)	US Treasuries, Insurers, Gold	Financials, Big Tech
Bear	R	R+D or D+R		Buy America First	TCJA expiration, tariffs, increased geopolitical risks, immigration crackdown	Defensive sectors (ex-Healthcare), Aerospace and Defence, Small caps, Gold, US dollar, EM USD bonds, Energy	International ex-US equities, EM FX, Semiconductors, EM LC bonds
	D	D	D	Healthcare subsidies, clean energy tax credits	TCJA expiration and possible reversal of corporate tax cuts, antitrust enforcement, stricter regulations	Renewables, Insurers, Gold	Financials, Big Tech, Energy, US Treasuries, US dollar

Source: Standard Chartered. "R" and "D" refer to Republican and Democrat, respectively. Bull, Bear and Neutral refer to broad market risk sentiment. Non-beneficiaries are asset classes and equity sectors that are expected to be disadvantaged by negative policy implications.

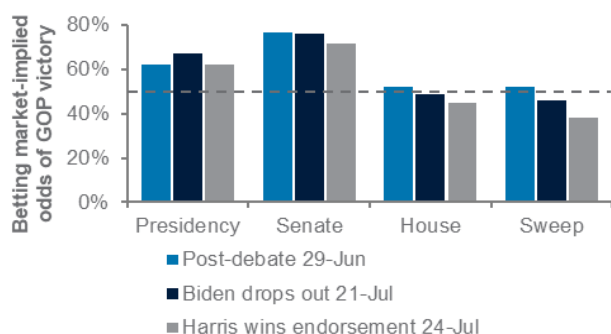
abroad would likely aggravate tensions in several geopolitical hotspots, risking an increase in market volatility.

#### Trump + Divided Congress: Negative mostly for equities

While a Republican clean sweep promises some good (tax cuts, looser regulations) along with the bad (tariffs), a Trump presidency with a divided Congress may entail mostly negative implications for equity markets. This is potentially the worst scenario for financial markets. While Trump could rely on executive orders to bypass legislative gridlock and effect changes in trade and immigration policies, the extension of tax cuts would require the involvement of Congress. With the odds of a Republican clean sweep falling significantly following the stepping down of President Biden, it is likely markets will increasingly focus on tariff trades, as the scenario of a Trump victory with a divided Congress marks a significant departure from the status quo.

**Fig. 8 Republican clean sweep odds have declined**

Betting market implied odds of a Republican victory

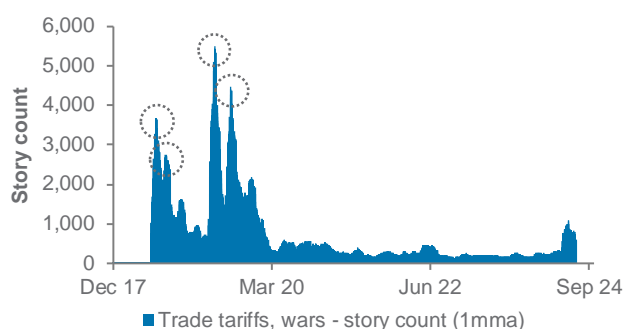


Source: Polymarket, Standard Chartered

To identify the assets that could serve as a hedge against the threat of tariffs, we analysed the performance of various assets surrounding tariffs-related news headlines back in 2018/19. We found that defensive equity sectors, such as utilities and consumer staples, along with high-grade bonds and gold, tend to perform well in the lead up to the peak in tariff-related news headline count. Conversely, EM assets, particularly China's equities and the CNH, unsurprisingly tend to bear the brunt of Trump's tariff threats. (Fig10)

**Fig. 9 EM assets, oil, energy sector hurt by a rise in tariffs-related tensions during 2018 and 2019**

Bloomberg story count of trade tariffs



Source: Bloomberg, Standard Chartered.

#### A Democrat President and a divided Congress: status quo

A Democrat president in the White House with a gridlocked Congress would likely maintain the status quo, with Republicans continuing to stymie significant new policies. This policy gridlock scenario appears the most neutral for markets in the short-to-medium term, in our view.

#### A Democratic clean sweep: Least likely, Negative equities

Like a Republican clean sweep, a blue wave would bring about both positive and negative policy implications, but the near-term impact on financial markets would likely be more negative. Individual tax cuts would be allowed to expire, corporate tax cuts potentially reversed, and stricter regulations and antitrust measures could be introduced, impacting the financial, technology and energy sectors. In contrast, immigration issues would likely take the backseat and the geopolitical landscape would likely be more predictable. However, the implication of higher taxes would ultimately weigh on sentiment, making this election outcome potentially one of the worst for financial markets short term.

**Fig. 10 Defensive equity sectors, high-grade bonds and gold outperformed when threats of tariffs intensified**

Returns 22 trading days prior to peak in tariff news count

Best performing	Returns	Worst performing	Returns
<b>Equity</b>			
MSCI Japan	0.63%	MSCI China	-5.50%
DJIA	0.33%	MSCI EM	-2.49%
MSCI Vietnam	0.07%	MSCI Korea	-2.33%
<b>US sectors</b>			
Aerospace & Defence	3.03%	Energy	-3.73%
Utilities	2.32%	Comm. Svcs	-1.16%
Healthcare	1.28%	Cons. Disc	-0.97%
Cons. Staples	1.27%	Financials	-0.81%
<b>Bonds</b>			
US IG	1.03%	EM LC	-0.39%
US Treasuries	0.98%	Global HY	-0.10%
Global Treasuries	0.86%	US HY	0.37%
<b>FX and commodities</b>			
Gold	2.10%	WTI crude oil	-6.55%
CHF*	1.17%	CNH*	-2.12%
JPY*	0.75%	EM FX	-1.33%

Source: Bloomberg, Standard Chartered. \*Relative to the US dollar.

#### Gold to benefit, regardless of the election outcome

As rhetoric on tariffs intensify in the lead up to the election day in November, defensive equity sectors such as utilities, staples and healthcare, high-grade bonds and gold are likely to benefit. Gold stands to benefit regardless of the election outcome as Trump's policies would likely be inflationary in nature and leading to a rise in geopolitical tensions, benefitting gold. The US fiscal deficit is also set to increase, regardless of which party is in power, and the macro environment remains favourable, with the Fed expected to soon cut rates and global central bank gold purchases set to continue. From an investor positioning perspective, gold, staples and healthcare also look less stretched near term relative to utilities, where investors may have pre-positioned themselves for the sector to benefit from rate cuts later in the year.



# Macro overview – at a glance

Rajat Bhattacharya  
Senior Investment Strategist



## Key themes

**Fed rate cuts loom:** The US economy, which has led the post-COVID recovery in global growth, is slowing. Inflation is cooling, including in the crucial services and housing sectors, while unemployment is rising. We believe this backdrop will enable the Fed to cut rates twice this year, starting in September, as it shifts focus towards achieving an economic soft-landing. **Risks:** Delayed Fed policy easing could raise recession risks. Also, Middle East tensions could reignite inflation, while November's US presidential election uncertainty could curb private investments and slow consumption.

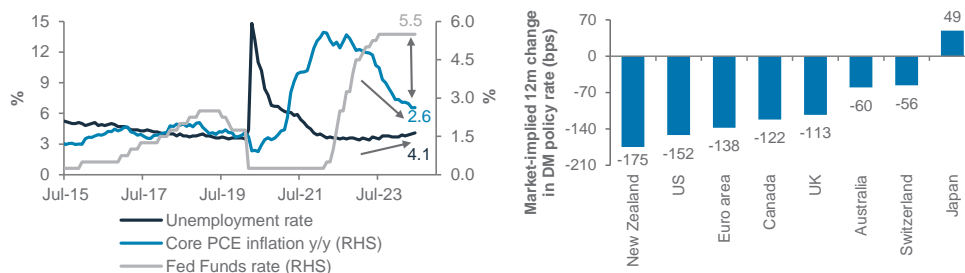
**ECB to cut further, BoJ to tighten further:** We expect the ECB to cut rates twice more this year as inflation resumes its downtrend. Manufacturing continues to contract and high policy rates and tight fiscal policy are hurting business confidence. After July's rate hike, the BoJ plans to taper bond purchases to partly reverse the JPY's weakness that is hurting households.

**China to ease policy further:** At the Third Plenum, policymakers focused on long-term reforms and technological innovation, instead of providing large-scale stimulus. Nevertheless, we expect measured policy easing in H2, including cuts to bank reserve requirements and policy rates and targeted credit boost to support growth around the 5% target.

## Key chart

*The Fed is likely to cut its policy rate twice this year as it shifts its focus towards supporting growth, as inflation cools and unemployment rises; other major central banks, except the BoJ, are also likely to cut rates to support growth.*

**Fig. 11 Fed policy likely too tight as inflation slows; BoJ only major bank likely to hike**  
Fed funds rate, US jobless rate, core PCE inflation; Market-implied 12m policy rate change\*



Source: Bloomberg, Standard Chartered; \*as on 1 Aug, 12:10 HKT/SGT

## Macro factors to watch

**Fed policy pivot.** The Fed has signalled it is close to easing policy. In our base scenario, we expect the Fed to cut rates twice this year and two more times in H1 25, helping the US economy achieve a soft-landing. Although the economy grew at a stronger-than-expected 2.8% annualised rate in Q2, aided by robust consumption, monetary policy is getting tighter. The Fed's preferred inflation gauge (core PCE), at 2.6%, is below its end-2024 projection of 2.8% and well below the 23-year-high policy rate of 5.5%. Meanwhile, US jobless rate rose to 4.1% from a cycle low of 3.4%, job vacancy rate fell to a three-year low and the jobless rate for permanent job losers rose just short of a threshold that has historically signalled an imminent recession. An upturn in both the initial and continuing jobless claims in recent months raises the urgency for the Fed to cut rates. Meanwhile, the US presidential election race has tightened after Vice President Harris replaced President Biden as the Democrat candidate. This adds uncertainty, given the Democrats' divergent policy path compared with that of Republican challenger Trump.

**ECB to cut further.** Although Euro area Q2 GDP growth remained resilient at 0.3% q/q, we see downside risks rising as the US and China economies, the region's two biggest export markets, slow in the coming quarters. The services sector remains the primary driver of growth as lower inflation lifts disposable income. However, the region's manufacturing sector continues to contract, fiscal policy (especially in Germany) remains tight and monetary policy has tightened as inflation cools. Therefore, we expect the ECB to cut rates twice more in H2 and another 50bps in H1 25 to support growth.

**China's measured policy easing.** Slower-than-expected Q2 growth and falling bond yields have raised the urgency for Beijing to keep easing policy to support growth. The surprise cut in the main policy rate is likely to be followed by further cuts in bank reserve requirements, support for the housing market and more funding for local governments. A Trump presidency in the US is among the biggest risks over the next 6-12 months as the former president plans to impose a 60% tariff on imports from China. Beijing is likely to keep some policy space to counter any adverse post-election US policies.

# Bonds – at a glance

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Senior Investment Strategist

**Zhong Liang Han, CFA**  
Investment Strategist



## Key themes

We are **Neutral** both rates (government bonds) and credit (corporate bonds). We retain a core holding (**Neutral**) on Developed Market (DM) Investment Grade (IG) government bonds. Softer-than-expected DM growth has prompted expectations that DM central banks would further adjust monetary policies looser towards the end of this year. We are adjusting our 3-month target for US 10-year government bonds 25bp lower to 4.00-4.25%.

Both DM IG and High Yield (HY) corporate bonds are core holdings (**Neutral**). Q2 corporate earnings released thus far have generally been strong and we believe the recent pullback in yield premiums has improved the risk-reward balance.

In Emerging Markets (EM), we retain an **Overweight** on EM USD government bonds. Relative value still looks attractive when compared with similar rated peers in the DM. We are **Underweight** EM local currency (LCY) government bonds. While EM bond yields could move in tandem with US government bonds lower, the EM currency outlook poses a risk amid surging geopolitical risk, especially in a scenario of a Republican sweep of the White House and Congress.

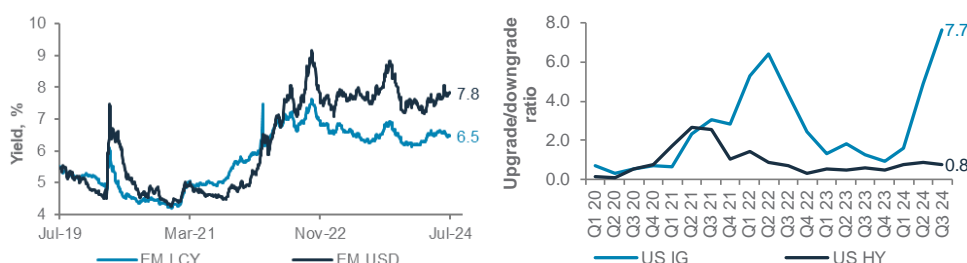
In Asia, we have core holding (**Neutral**) on Asia USD bonds due to a mixed economic backdrop across both the Greater China region and ex-China markets. Moreover, new rounds of monetary policy loosening by the PBoC and the details of India's state budget support our preference for Asia HY over Asia IG bonds.

## Key chart

*EM USD government bonds offer an attractive pick-up in nominal yield when compared with EM LCY peers; improved fundamentals in DM corporate, led by IG issuers, support tighter bond yield premiums, in our view.*

**Fig. 12 Relative value of EM USD government bonds is attractive; DM corporate fundamentals, particularly IG issuers, remain strong**

JPMorgan EMBI and GBI-EM nominal yield; US IG and HY upgrade/downgrade ratio (>1 represents upgrade outpace downgrade, vice versa)



Source: Bloomberg, Standard Chartered

### Keep tactical buy on US agency mortgage-backed securities (MBS)

We believe MBS continues to offer an attractive yield pick-up over comparable US government bonds. The US residential housing market appears stable and we anticipate any prepayment risk to be largely contained ahead of the upcoming Fed pivot due to significant mortgage refinancing during the pandemic, when interest rates had fallen to exceptionally low levels.

### Keep tactical buy on China USD bonds

After cutting benchmark rates in July, we expect the PBoC to deliver more loosening to support the real economy. Onshore yields are likely to stay anchored, creating a favourable interest rate differential backdrop for offshore bonds. We retain our tactical buy on China USD bonds.

### Keep tactical buy on Euro area government bonds (FX-hedged)

We retain our tactical buy on EUR government bonds (FX-hedged). After delivering the first rate cut, we anticipate the ECB to remain data-dependent while marching on its rate cut path. Additionally, with the French election risk now behind us, we believe French government bonds could rebound relative to their Euro area peers.

### Keep tactical buy on INR bonds

Finally, we keep our tactical buy on INR bonds. We continue to believe the asset class offers attractive risk-reward given attractive yields and index-driven inflows against the backdrop of a largely stable INR (USD/INR forecast: 84).

# Equity – at a glance

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Head, Equity Strategy

**Fook Hien Yap**  
Senior Investment Strategist

**Michelle Kam**  
Investment Strategist

**Jason Wong**  
Equity Analyst



## Key themes

We remain Overweight equities over bonds and cash, with US equities remaining our most preferred region. While volatility is likely to persist in the very near term, we do see this as a buying opportunity – US companies continue to demonstrate solid long-term growth in earnings, and the recent sector rotation is a strong sign of a 'broadening-out' in performance, which is healthy for the markets over the long term. We see Japan equities as a core holding (Neutral). The short-covering rally in the JPY against the USD following the Bank of Japan's surprise rate hike is leading to short-term volatility in Japan equities. However, continued improvement in corporate governance is likely to sustain a medium-term positive re-rating in Japan equities.

We have a core holding (Neutral) view on Asia ex-Japan equities, but within the region, we remain Overweight Indian equities. The Indian budget shows policymakers are balancing the prioritisation of investment spending with the development of rural and lower-income segments of the economy, which should lead to more sustainable growth in India over the longer term. Taiwan and Korea equities are core holdings (Neutral), with tailwinds from the AI theme balanced by expensive valuations vs. history. We also see Chinese equities as a core holding (Neutral). Demand remains weak, and there was little from the Third Plenum as a market catalyst. We remain Underweight on ASEAN, which is overly defensive in an environment favouring high-beta stocks.

Euro area equities remains a core holding (Neutral), with cheap valuation offset by lacklustre performance in the economy. Lastly, we are Underweight UK equities, with subdued earnings growth, although the markets have taken the new government well.

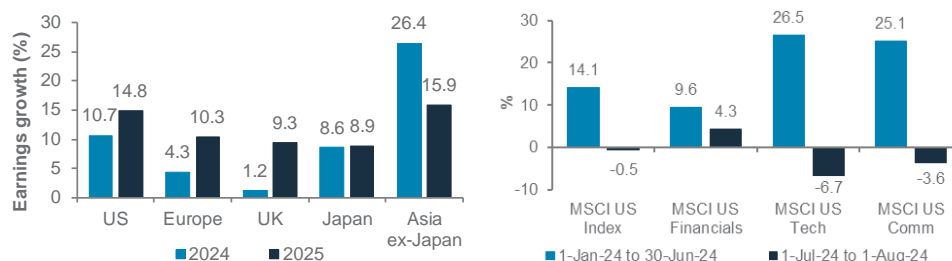
## Key chart

*Equities in a sweet spot, with falling inflation, high margins.*

Index	12m forecast*	Our views
S&P 500	5,990	US ▲
Nasdaq 100	23,000	
Euro Stoxx 50	5,280	Europe ex-UK ◆
FTSE 100	8,780	UK ▼
Hang Seng	19,500	China ◆
Nifty 50	25,700	India ▲
Nikkei 225	41,300	Japan ◆

\* Target prices created as of 20 Jun 2024 and are scheduled to be reviewed by the end of Sep 2024

**Fig. 13 US equities' earnings growth expectations continue to be the highest among developed markets, rising further in 2025; sector performance continues to broaden.**  
Earnings growth across key regions in 2024 and 2025; Sector returns



Source: FactSet, Bloomberg, Standard Chartered

**Legends:** ▲ Most preferred | ▼ Least preferred | ◆ Core holding

## Buy the US on dips

We are Overweight US equities. We see a confluence of catalysts to support continued growth in the market. On the macro front, cooling inflation supports corporate margins. A potential Fed pivot towards rate cuts in the coming quarters should continue to support growth stocks by alleviating the impact on discounted future earnings. While there was a sell-off in the broader market at the start of H2, due to overcrowded positioning in the growth sectors, we see such dips as a buying opportunity, especially as performance is broadening out to non-growth sectors and Q2 24 earnings remain strong. Earnings are forecasted to grow by 10.7% in 2024, and 14.8% 2025 – well ahead of other developed markets.

We are Neutral on Japan equities. While we are positive on tailwinds, including improving shareholder returns and robust cash savings among local citizens, a strengthening JPY amid further normalisation in BoJ monetary policies, including tapering of bond purchases and rising interest rates, can act as a near-term headwind to Japan equities.

We have a core holding (Neutral) view on Asia ex-Japan equities and are Overweight Indian equities within the region. We believe India's budget supports the medium-term outlook for Indian assets via its continued focus on investment spending. We prefer large-cap equities over small- and mid-cap equities given the former's stronger balance sheet. We have a core holding (Neutral) view on China equities, with support from piece-meal stimulus.



# Equity opportunistic views

Fook Hien Yap

Senior Investment Strategist

## Taking some profit and diversifying

- We target positive absolute returns in our opportunistic buy ideas. This month, we close one idea (Taiwan equities) and add a new idea on US major banks.

## Changes to our buy ideas

**Closing Taiwan equities:** We take profit on this idea after 2 months (23 May to 1 August) for a 7.3% gain. While we continue to like the strong earnings momentum in semiconductors and the technology sector, price momentum has softened recently with some unwinding of crowded positioning. In the run-up to US presidential elections, news headlines could also add to geopolitical risks on Taiwan.

**US major banks:** We add this new idea due to potential deregulatory tailwinds from a US Republican government. We also expect a steeper yield curve in the US, which is supportive of banks' net interest income. Some policies from Presidential candidate Trump could lead to further steepening of the yield curve. Fundamentally, major US banks have delivered positive earnings surprises with strength especially in investment banking and capital markets. The banks also passed the Fed's stress tests, paving the way for higher dividends and share buybacks. The lack of deregulation and a sharp slowdown in the US economy are risks.

## Existing buy ideas

**US technology:** With expected interest rate cuts in the US, we believe investors would seek out strong earnings growth, such as growth driven by AI spending and cloud computing in the technology sector. We no longer see crowded positioning in the sector after it unwound in the past few weeks. Any weakness in AI spending is a risk.

**US communication services:** The sector also offers strong earnings momentum from digital advertising and online entertainment, which are attractive to investors. A downturn in digital advertising is a risk.

**China non-financial high dividend SOEs:** We continue to prefer high dividend yielding state-owned enterprises (SOEs) in China, for the income stability it offers. SOE management teams remain incentivised to improve their market value. We focus on non-financial SOEs due to the lack of clarity on the financial sector's support for the distressed property sector. Adverse regulatory changes are a risk.

**India large cap stocks:** We believe the government's Union Budget maintains fiscal prudence and continues to focus on investment-led growth, supporting India's large cap stocks. We expect the increase in capital gains tax to have a limited

Fig. 14 Opportunistic buy ideas

Region	Idea	Initiation
US	Communication services sector	27-Mar-24
	Technology sector	27-Mar-24
	*US major banks	1-Aug-24
Asia	China non-financial high dividend SOEs	27-Mar-24
	India large cap	27-Mar-24
	Japan banks	20-Jun-24

Source: Standard Chartered. \* New idea

impact over time as investors continue to be attracted to India's superior growth. A risk is weaker-than-expected growth.

**Japan banks:** We believe the Bank of Japan's path towards higher interest rates would support banks' interest income and increased capital market activities would boost fee income. Banks' profitability should also improve as unprofitable assets are shed and reinvested into higher profitability businesses. Major banks also have share buyback tailwinds on top of dividend yields of 2.5-3.0%. A slowdown in Japan's economic recovery is a risk.

## Sector views: Growth in technology

While technology in the US and Europe benefits from AI demand and cloud computing, China's technology sector is seeing strong EM demand for its tech hardware. We also like consumption exposed sectors in China, such as communication services and consumer discretionary.

Fig. 15 Our sector views by region

US	Europe	China	India*
Comm.	Technology	Comm.	Financials ▲
Technology	Healthcare	Cr. disc.	Industrials
Energy	Cr. disc.	Technology	Staples ▲
Healthcare	Energy	Energy	Technology
Industrials	Materials	Industrials	Cr. disc. ▼
Cr. disc.	Industrials	Materials	Healthcare ▼
Staples	Financials	Staples	Materials ▲
Financials	Staples	Financials	
Materials	Comm.	Utilities	
Utilities	Utilities	Healthcare	Energy
Real estate	Real estate	Real estate	Utilities

Source: Standard Chartered. \*Commentary in India Market Outlook

**Legends:** Overweight | Neutral | Underweight  
 ▲ Upgrade from last month | ▼ Downgrade from last month

# FX – at a glance

Iris Yuen  
Investment Strategist



## Key themes

**We hold a modestly bearish view on the USD over the next 1-3 months.** While US bond yields have started to fall as inflation numbers soften, a further dovish tilt in the Fed's monetary policy is likely to act as a headwind for the dollar. Meanwhile, the market is closely watching the US election. Historically, policymaker preferences for a strong or weak USD tended to have only a short-term impact, with economic conditions and policy rates being more binding limitations. Therefore, despite Trump's preference for a softer USD to increase the competitiveness of US manufacturing and exports, we believe the USD will be more rangebound with a bullish bias over 6-12 months once major central banks cut rates in lockstep.

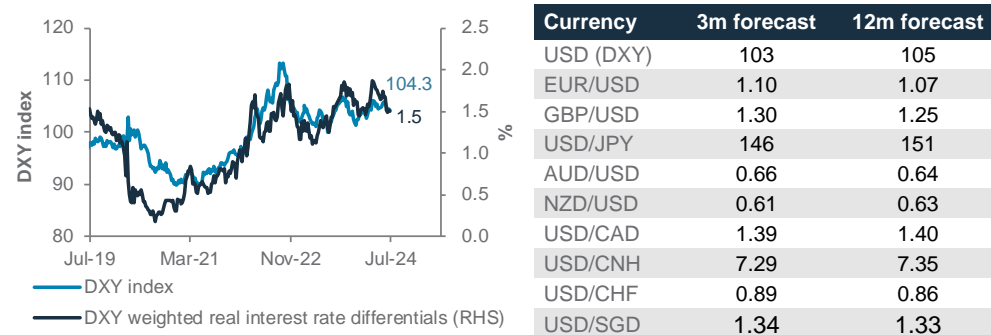
EUR/USD is likely to rise towards 1.10 on a 3-month horizon given our view of a softer greenback and further ECB rate cuts. GBP/USD is likely to have a bullish bias over the next 3 months amid political stability and recent economic resilience. Despite the BoE delivering a surprise rate cut in August, BoE Governor Andrew Bailey cautioned that the move would not herald a rapid succession of further cuts. **The JPY has the most potential to strengthen further in the short term given continued Bank of Japan efforts to hike rates and reduce monthly bond purchases.** However, CAD and CNH weaknesses are likely to continue amid cooling commodity prices and a still soft recovery in China's economy.

**The CHF is likely to consolidate over the next 1-3 months. The Swiss National Bank's rate cut makes further CHF strength unlikely, though a USD/CHF rebound back to April highs will likely need a fresh catalyst.** The AUD is expected to remain well-supported by a relatively more hawkish central bank and gold prices. However, the pressure for RBNZ to cut rates is mounting, likely capping any NZD upside at 0.61.

## Key chart

*The real rate differentials suggest the USD is at fair value. A further compression of USD's real interest rate differentials in the mid-to-long term is likely to put downward pressure on the USD.*

**Fig. 16 Real interest rate differentials suggest the USD is close to fair value**  
DXY index, DXY-weighted interest rate differentials\*; Table of forecasts



Source: Bloomberg, Standard Chartered; \*Based on 10-year inflation-linked bonds; As of 29 July 2024

## What is the near-term outlook for FX under different US election scenarios?

The upcoming US presidential election has been a key focus. We believe a Republican (Trump) clean-sweep scenario could result in USD gains amid expectations of incrementally higher US yields and greater domestic spending. JPY and CHF may be relatively better-supported than other major currencies in this scenario as investors focus on safe havens amid rising geopolitical risks (especially from Trump's proposed tariff policy) and the BoJ's contrasting policy stance.

Conversely, a scenario of a Democrat (Harris) sweep would likely lead to some USD weakness. This is a scenario where

we see policy continuity, leading to the focus returning to Fed rate cuts and a reduced rate advantage for the greenback.

The direction of the USD is less clear if a Democrat or Republican president is challenged by opposing parties in Congress, given this would constrain their ability to set policy freely, particularly on domestic issues. A Trump presidency may still involve more USD demand compared with a Democrat presidency, unless policymakers have greater-than-expected success with proposed 'weak dollar' policies. We would maintain a focus on other fundamental drivers, especially Fed rate cuts and what they mean for the USD's rate differentials.

# Gold, crude oil – at a glance

Zhong Liang Han, CFA  
Investment Strategist



## Key themes

**We bumped up our 3-month gold forecast to USD 2,450/oz on a more dovish Fed.** The precious metal rose to a new record high on rising Fed rate cut expectations before consolidating in recent weeks. We believe the latest inflation and growth data will help bring the Fed closer to starting rate cuts, which would bring down the real (net-of-inflation) yield and USD. Gold ETF holdings appear to be bottoming and could rebound once the Fed cuts. While official and consumer demand in China appears to be waning, Indian demand is likely to pick up the slack on lower import and capital gains taxes. In the long run, we maintain a Core Holding view on gold, given the robust official sector demand and physical consumption. We also note that the yellow metal stands to benefit regardless of the US election outcome (read page 8), making it an attractive portfolio ballast.

**We expect WTI oil to trade around USD 80/bbl over the next 3 months on a tight near-term demand/supply balance.** Crude oil prices were rangebound in early July before coming under pressure on global demand concerns, especially from China. The recent weakness pushed crude oil into oversold territory. We believe the oil markets are still in a deficit this quarter given OPEC+ extended all three rounds of output cuts and still-resilient demand. The inventory draws over the past few weeks suggest that summer demand is still holding up in the US. Moreover, geopolitical tensions pose upside risks to oil prices – we remain on watch for Middle East conflicts and Venezuela election results. In the longer term, the demand-supply dynamics are likely to improve, implying a lower WTI oil price at around USD 75/bbl.

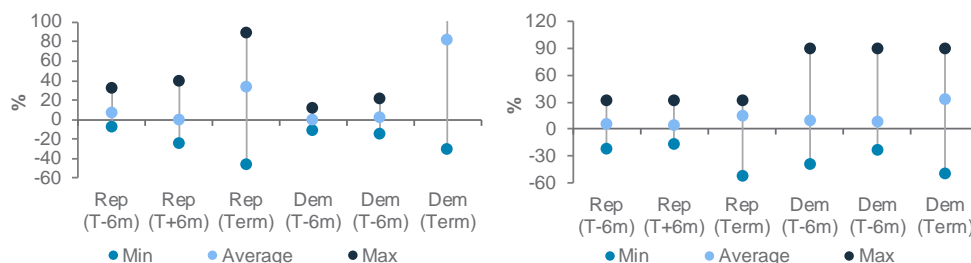
## Key chart

*It is better to examine the implications through the policies of a specific administration.*

**Fig. 17 Gold and crude oil historically perform better under a Democratic president though the range of results is wide**

LHS chart: Gold performance in past presidential elections (+/- 6 months, whole term)\*

RHS chart: Oil performance in historical presidential elections (+/- 6 months, whole term)^



Source: Bloomberg, Standard Chartered; \*1972-2024, Y-axis cut off at 100 ^1984-2024

## Gold is a Trump trade?

Our analysis reveals that gold tends to do well 6 months before a Republican win and stays sluggish after the election. Conversely, gold generally declines before a Democratic win and rises after election. However, looking under the hood, the range of results is quite wide. Coupled with the small sample sizes for each scenario, there appears to be a lack of evidence to support a strong correlation between gold and the winning party. In our view, a better way to analyse this is through policies of a specific administration and their influence on the key drivers of gold. An additional lens we have this time is the gold performance during Trump's first term in 2016.

A Trump presidency could provide several tailwinds for gold – growing concern on fiscal debt, tariffs, ensuing geopolitical tensions and high policy uncertainty. While gold fell initially, it went on to rise by almost 50% in Trump's first term.

## Trump 2.0 is marginally bearish for oil

Our analysis shows that crude oil performs better under a Democratic president. However, we note that the result is skewed by the 2020 election, when oil prices were depressed by COVID-19. Similar to gold, there is significant variability within the results. Thus, it is better to examine the implications through the potential policies of Trump. Most Trump policies are bearish crude oil at the margin. He has an intention to deregulate the domestic US oil industry, which would bump up production. His push for a Russia-Ukraine ceasefire and warmer ties with Saudi could also add to supply. Some would argue that there are some offsetting factors. Further sanctions on Iran may not be effective given weak enforcement. There are also talks of Trump unwinding the Inflation Reduction Act, slowing down the transition from crude oil.



# Quant perspective: Still bullish equities, but higher near-term risks

Francis Lim  
Senior Quantitative Strategist

Maggie, Au Yeung  
Quantitative Analyst



## Summary

**The stock-bond rotation model retains a small Overweight to equities even though fundamentals remain weak.** The model recorded a 2.7% outperformance against the 60-40 equity-bond portfolio this year. Since May, the model has reduced its OW to equities as the ISM manufacturing new orders and economic surprise index showed signs of an economic slowdown globally. As net earnings upgrades are cushioning some of these effects, the current US earnings season is crucial as any significant downside surprises in earnings will likely lead to further weakness in fundamentals.

**Our technical model remains broadly bullish equities, but near-term risks have risen.** The model has recorded an average return of 3.0% across the US, Europe ex-UK, Asia ex-Japan, Japan and China equity indices (USD terms), compared with an average buy-and-hold return of 1.6% across these indices. It continues to favour most equity markets except Japan and China. Near-term risks, however, have risen for the S&P 500 as implied volatility has jumped. For Japan, the model's bearish view worked out well as the steep rally in Japan equities faded quickly after meeting a strong resistance level. Our model also took profit in China equities in early July as our indicators show the market has reverted into a low-volatility bear market scenario.

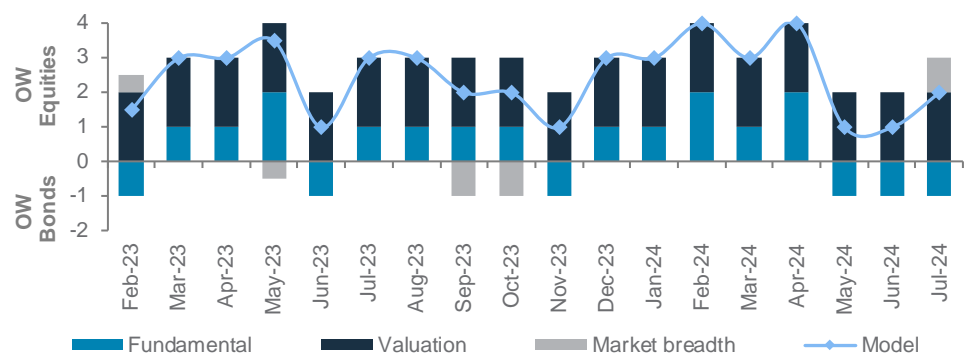
**Our diversity indicator previously flagged stretched investor positioning in US equities in mid-July.** US equities had a pullback when our investor diversity indicator flagged stretched positioning in mid-July. This was timely as it coincided with the rotation out of US tech, which had been a crowded trade. Our diversity indicators have now normalised after the recent pullback, and our technical model above remains positive on equities despite near-term risks.

## Key chart

*Stock-bond model's score has fallen to 2 from 4 in April as economic indicators show weakness.*

**Fig. 18 Breakdown of stock-bond rotation model's scores since inception in Feb-2023**

Model scores as the total of fundamental, valuation and market breadth factors

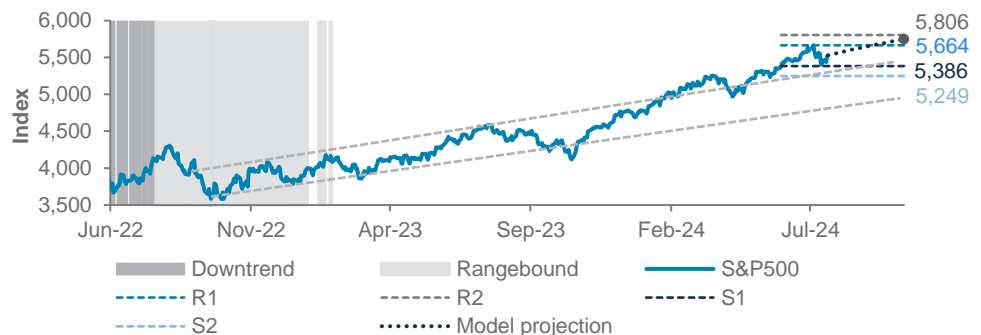


Source: Bloomberg, Standard Chartered

*Technical model maintains a bullish view on the S&P 500 but near-term risks have risen as implied volatility increased.*

**Fig. 19 Technical model remains bullish S&P 500**

S&P 500 continues to trade above its price channel



Source: Bloomberg, Standard Chartered

**Fig. 20 Long- and short-term quantitative models are bullish risky assets**

Long-term models below have a typical time horizon of 3–6 months, while short-term models have 1–3 months horizon

Long-term	Stock or bond	Equity and bond market risks	Global inflation-growth regime
Current view	Prefer equities over bonds	Low equity market risk, but still-high bond market risk	Prefer risky assets and inflation-hedge assets
What factors is this view based on?	<ul style="list-style-type: none"> <li>• <b>Fundamental:</b> -1 score as ISM manufacturing new orders dropped and the economic surprise index is also bearish. Net earnings upgrades partially offset their effects</li> <li>• <b>Valuation:</b> +2 score as the price-to-earnings ratio remains within a tolerated range for both Asia and DM equities</li> <li>• <b>Market breadth:</b> +1 score as more than 60% of equity markets remain above their 200-day moving average</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Equity risk:</b> Moderately low risk as medium to long-term price trends remain strong, and cooling inflation is offsetting the still-high interest rates</li> <li>• <b>Government bond risk:</b> Moderately high risks as positive momentum in equities reduces the attractiveness of bonds. Macro signals are also mixed. A deeper economic slowdown is required before the model indicates lower bond market risk</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Global inflation</b> has been trending lower and consensus expects 2.3% over the next 12 months, which is largely in line with current inflation</li> <li>• <b>Global industrial production growth</b> improved to 1.8% from 0.3% in January and is largely driven by the turnaround in the US and a slower decline in the EU. China remains the largest contributor but it has been slowing</li> </ul>
Key model factors	<ul style="list-style-type: none"> <li>• Economic activity, macro risk and surprise indices, corporate earnings, forward price-to-earnings ratio and technical factors</li> </ul>	<ul style="list-style-type: none"> <li>• Market factors include interest rates, commodity prices and equity market momentum. Macro factors include US housing, inflation, money in circulation, capacity utilisation and employment</li> </ul>	<ul style="list-style-type: none"> <li>• Tracks current and consensus estimates of inflation, industrial production, and economic leading indicators of the US, Europe, the UK, China, India and Korea.</li> </ul>
How does it work?	<ul style="list-style-type: none"> <li>• A monthly scorecard of -5 to 5 based on fundamental, valuation and market breadth factors to indicate relative preference of bonds and equities. A positive score favours equities and vice versa</li> </ul>	<ul style="list-style-type: none"> <li>• Using risk barometers to gauge the likelihood of large sell-offs in US equities and govt. bonds. Each barometer ranges from 0 to 100, where a value below 50 indicates high risk and vice versa</li> </ul>	<ul style="list-style-type: none"> <li>• A macro model of global economic cycle (recession, recovery, late cycle and stagflation) and implications on long-term asset class returns</li> </ul>

Short-term	Technical analysis	Investor positioning
Current views	Bullish equities, but high short-term risks	Neutral after recent pullback in global equities
What factors is this view based on?	<ul style="list-style-type: none"> <li>• <b>Bullish the US, Europe and Asia ex-Japan</b> but near-term risks have increased for the US as implied volatility has increased alongside trading volume</li> <li>• <b>Bearish Japan and China equities.</b> The price trend for Japan is subdued and its volatility scored the worse compared with other markets. China failed to sustain its rebound in April-May, and its current low volatility resembles the low-volatility bear market environment of the past few years</li> </ul>	<ul style="list-style-type: none"> <li>• <b>None.</b> Our diversity indicator flagged for a reversal of risks in global equities, particularly in the US during mid-July. After the recent pullback in equities, the indicators have now normalised</li> </ul>
Key model factors	<ul style="list-style-type: none"> <li>• <b>Price action:</b> Momentum, volatility and volume dynamics over short-to-medium term time horizons</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Price action:</b> Overbought conditions occur when prices rise sharply; oversold conditions when prices fall rapidly in a short time</li> </ul>
How does it work?	<ul style="list-style-type: none"> <li>• A short-term technical model that tracks momentum, volatility and volume indicators and uses machine learning (ML) to identify bear/bull markets</li> </ul>	<ul style="list-style-type: none"> <li>• A market indicator based on fractal analysis that provides timely indication of investor positioning based on price actions</li> </ul>

Source: Standard Chartered

# Managing your wealth through the decades Today, Tomorrow and Forever

SC Wealth Select

## Time is your most precious commodity – be sure to spend it wisely

Time is valuable. The days may seem long, but the years are short. So, spend your time wisely. Whether you're setting out on your investment journey, navigating the intricacies of mid-life wealth planning, or fortifying assets for the golden years, invest time today to ensure your wealth strategy is aligned to what's right for you – Today, Tomorrow and Forever.

As we bid farewell to the first half of the year, setting aside the time now will pay dividends in the future. Markets have rallied. Your portfolio's current asset allocation may no longer be optimally positioned to maximise the opportunities ahead. Ask yourself the following. Am I holding too much cash? Am I sufficiently allocating to growth assets for the long term? Is my portfolio diversified? Am I capturing the best opportunities? And most importantly, is my wealth working hard for me, so I don't have to?

Use our SC Wealth Select framework and specialists to help guide you through this process.

## Purpose

Today,  
Tomorrow,  
Forever

Our approach to wealth management is built on your vision of Today, Tomorrow and Forever for yourself, your family and beyond. As you move through life, your needs, life goals and preferences change. However, at every stage, clearly defined goals help to anchor your investment decisions.

Using a 'Today, Tomorrow and Forever' approach, we distinguish your wealth assets intended to be used in the near term (Today) from your wealth assets that are to be used over decades (Tomorrow and Forever). This allows your portfolio to be segmented into different strategies that can help you meet your short- and long-term goals.

'Today, Tomorrow and Forever' planning is unique to you. Our specialist's partner with you to build well-diversified, long-term Foundation portfolios, aligned to your Today, Tomorrow, Forever needs. Opportunistic ideas are added to capture short term opportunities, as well as sufficient protection included to address you and your family's objectives.

## Today, Tomorrow, Forever Approach

### Planning for Today

Requires ensuring liquidity and income flows take centre stage.

### Securing Tomorrow

Entails a well-diversified investment and protection portfolio with a focus on growth, while ensuring inflation is accounted for and risks are mitigated.

### Building for Forever

Involves greater focus on long-term returns given the time horizon of your portfolio can be measured in decades, and might also include business interests, real estate, collectibles, or charitable funds.



# Principles

that stand the test of time

Adhering to time-tested Principles, to ensure your investment decisions remain robust and consistently applied, is paramount to your success Today, Tomorrow and Forever. We use five Wealth Principles to guide and guardrail your wealth decisions.



## Discipline – Ensure consistency and prudence over your emotions

- Reacting to emotions such as optimism and fear can lead to poor investment decisions at the worst times
- Have a plan and stick to it – this helps you to stay focused on the bigger picture



## Diversification – Simply put, don't put all your eggs in one basket

- Reduce risk by holding a variety of financial assets. Multi-asset diversification in your Foundation portfolio is important
- As a guide, make sure your portfolio contains a variety of asset classes and investments that have low correlation with one another



## Time in the Market – A more robust strategy than timing the market

- Predicting market sell-offs is challenging, and timing your exit and re-entry is difficult

- Missing out on the best performing days of a market can have a significantly detrimental impact on your portfolio
- 'Time in the market' and buying the market with a longer-term view provide more consistent returns that can ride out bumps along the way



## Risk and Return – Make sure the risk is worth the return

- To achieve higher investment returns, you will likely have to accept a greater level of risk in your portfolio
- Therefore, it's important to understand the risks and manage these on an ongoing basis



## Protection – Don't let the unexpected catch you unprepared

- Even though you may feel healthy, or financially stable now, protection offers the ability to overcome times of financial uncertainty and mitigate the long-term impact of unforeseen events on your wealth
- A good protection plan not only safeguards your wealth today, but also considers the value of your future earnings over your lifetime, in today's terms

# Process

Following a holistic approach to managing your wealth

We follow a rigorous process to ensure your needs and objectives are well-understood, and your portfolio is aligned and managed to deliver on these objectives.

However, markets constantly evolve and your needs change. Hence, we encourage you to undertake regular portfolio reviews to ensure your portfolio remains aligned to your Today, Tomorrow and Forever objectives. This proactive approach includes strategic rebalancing based on insights from our Chief Investment Office.

## Learn more

Scan the QR code below to learn more about our SC Wealth Select approach to growing, managing and protecting your wealth.



## The five-step process



Please be sure to reach out to your Relationship Manager today to arrange a portfolio review.

# Foundation: Asset allocation summary

Summary	View	FOUNDATION			Summary	FOUNDATION Conservative
		Moderate	Balanced	Aggressive		
Cash	▼	2	2	2	Cash	35
Fixed Income	◆	55	35	16	Fixed Income	65
Equity	▲	38	58	78		
Gold	◆	5	5	5		
Asset class					Asset class	
USD Cash	▼	2	2	2	USD Cash	35
DM Government Bonds*	◆	25	13	5	DM IG Govt (Short duration)	10
DM IG Corporate Bonds*	◆	16	11	4	DM IG Corp (Short duration)	13
DM HY Corporate Bonds	◆	3	3	2	DM HY (Short duration)	14
EM USD Government Bonds	▲	4	4	3	EM USD Govt (Short duration)	9
EM Local Ccy Government Bonds	▼	1	1	0	EM LCY Govt	9
Asia USD Bonds	◆	6	4	1	Asia USD bonds	11
North America Equities	▲	26	38	49		100
Europe ex-UK Equities	◆	5	8	11		
UK Equities	▼	0	1	2		
Japan Equities	◆	3	4	5		
Asia ex-Japan Equities	◆	5	8	11		
Gold	◆	5	5	5		
		100	100	100		

Source: Standard Chartered

All figures in %

1. Allocation figures may not add up to 100 due to rounding. \*FX-hedged

2. The Conservative TAA is based off the SAA and is not overlaid with any tactical views

**Legends:** ▲ Most preferred | ▼ Least preferred | ◆ Core holding

# Foundation+: Asset allocation summary

Summary	View	FOUNDATION+		
		Moderate	Balanced	Aggressive
Cash	▼	1	1	1
Fixed Income	◆	44	26	12
Equity	▲	31	44	58
Gold	◆	4	4	4
Alternatives	◆	4	5	5
Private Assets		16	20	20
<b>Asset class</b>				
USD Cash	▼	1	1	1
DM Government Bonds*	◆	20	9	4
DM IG Corporate Bonds*	◆	13	8	3
DM HY Corporate Bonds	◆	2	2	1
EM USD Government Bonds	▲	3	3	2
EM Local Ccy Government Bonds	▼	1	1	0
Asia USD Bonds	◆	5	3	1
North America Equities	▲	20	29	37
Europe ex-UK Equities	◆	4	6	8
UK Equities	▼	0	1	1
Japan Equities	◆	2	3	4
Asia ex-Japan Equities	◆	4	6	8
Gold	◆	4	4	4
Alternatives	◆	4	5	5
Private Equity		3	6	10
Private Real Assets		6	5	5
Private Debt		7	9	5
		<b>100</b>	<b>100</b>	<b>100</b>

Source: Standard Chartered

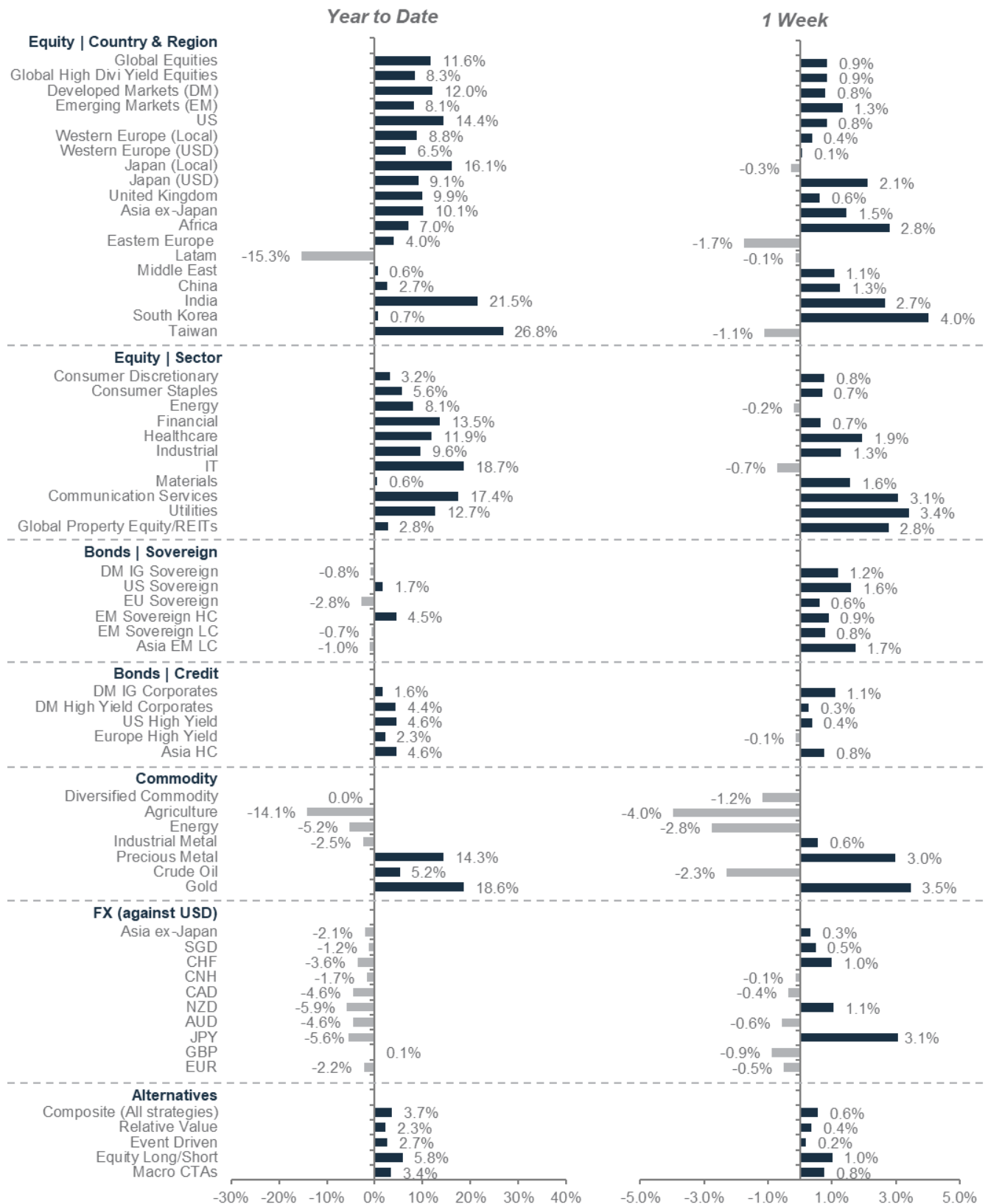
All figures in %

1. Allocation figures may not add up to 100 due to rounding. \*FX-hedged

**Legends:** ▲ Most preferred | ▼ Least preferred | ◆ Core holding



# Market performance summary\*



Source: MSCI, JPMorgan, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered

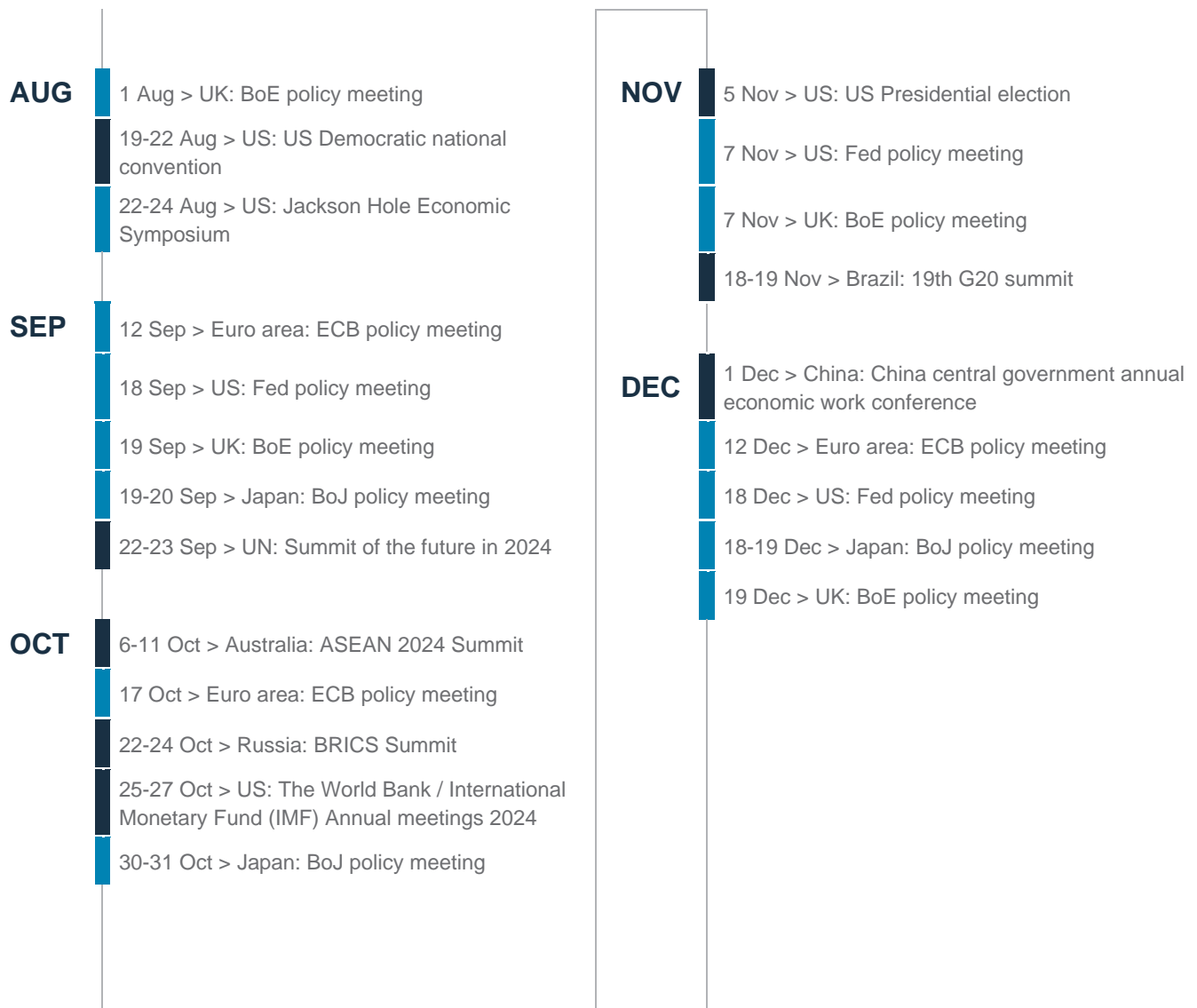
\*All performance shown in USD terms, unless otherwise stated

\*YTD performance data from 31 December 2023 to 1 August 2024 and 1-week performance from 25 July 2024 to 1 August 2024

# Our key forecasts and calendar events

Currency	USD (DXY)	EUR/USD	GBP/USD	USD/JPY	AUD/USD	NZD/USD	USD/CAD	USD/CNH	USD/CHF	Oil (WTI, USD/bbl)	Gold (USD/oz)	Fed policy rate (upper bound)	US Treasury 10y yield (%)	ECB policy rate
<b>3m forecast</b>	103	1.10	1.30	146	0.66	0.61	1.39	7.29	0.89	80	2450	5.00% (Dec-24)	4.00-4.25%	3.25% (Dec-24)
<b>12m forecast</b>	105	1.07	1.25	151	0.64	0.63	1.40	7.35	0.86	75	2450	4.50% (Jun-25)	4.00-4.25%	2.75% (Jun-25)

Source: Standard Chartered



**Legends:** ■ Central bank policy | ■ Geopolitics

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

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## SC Wealth Insights

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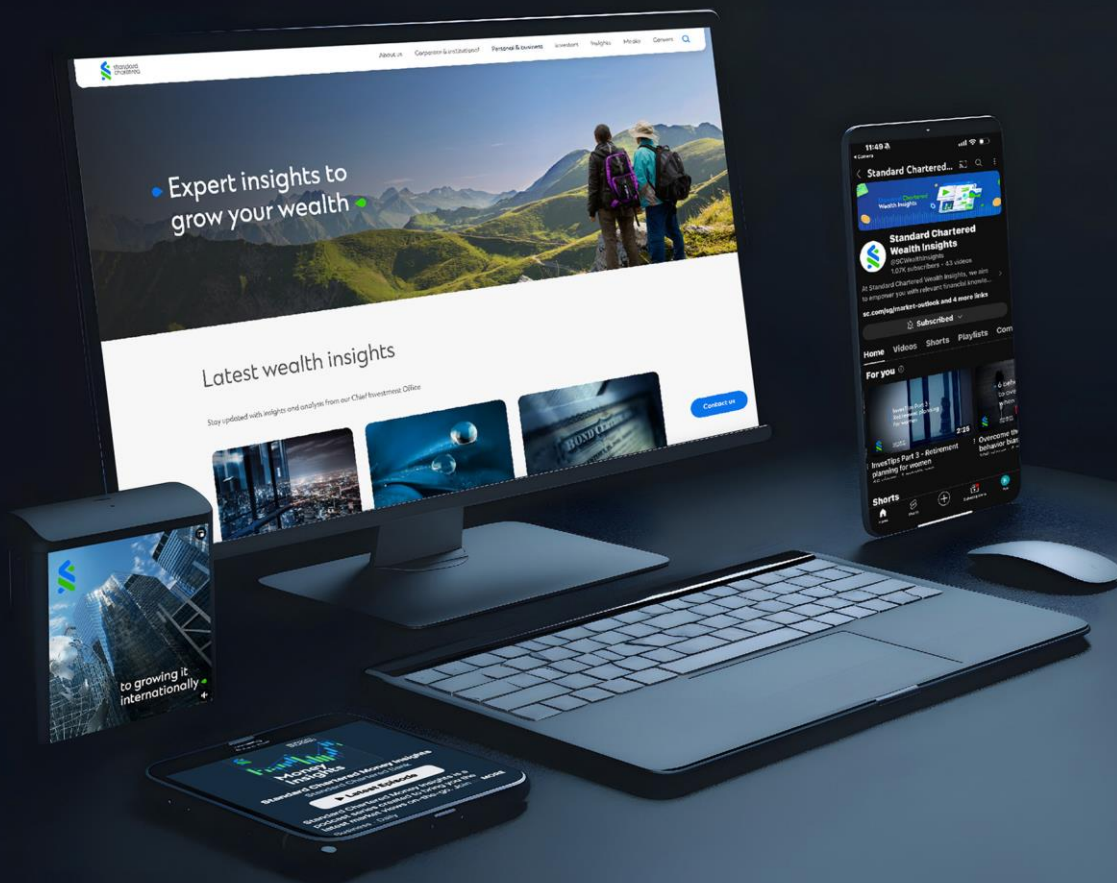
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# Explanatory notes

1. The figures on page 5 show allocations for a moderately aggressive risk profile only – different risk profiles may produce significantly different asset allocation results. Page 5 is only an example, provided for general information only and they do not constitute investment advice, an offer, recommendation or solicitation. They do not take into account the specific investment objectives, needs or risk tolerances of a particular person or class of persons and they have not been prepared for any particular person or class of persons.

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