




Our Global Market Outlook in 2 minutes

GOLDBLOCKS EXTENDS

-  Economy
-  Policy
-  Risks





WHAT THIS
MEANS FOR YOU?



Multi-Asset Strategies

Multi-asset income strategy to remain well-supported and valid for an income investor
Multi-asset balanced strategy remains preferred for total return-focused investors



Equities

Conviction on Euro area equities remains despite EUR strength
Asia ex-Japan remains a preferred equity market amid earnings uptrend, reasonable valuations



Bonds

We prefer corporate bonds over government bonds in developed markets
We prefer government bonds in EM and US floating rate senior loans



FX

USD likely to remain range-bound in the medium term
Still constructive on EUR, while remaining bearish on JPY in the medium-term



Commodities

Oil prices likely to move higher from here
Gold to remain range-bound; we favour reducing exposure as prices approach USD 1,300/oz



Alternative Strategies

Equity-Hedge remains our preferred strategy amid equity gains and rising dispersion

OUR HOUSE VIEWS ACROSS ASSET CLASSES



Cross-Asset view

- **Equities:** Positive amid faster growth and subdued inflation
- **Bonds:** Supported by subdued inflation
- **Alternatives:** Diversification and asset class substitution benefits
- **Commodities:** Moderate upside in oil; gold likely rangebound
- **Cash**

Equities

- **Euro area:** Economic recovery to lift earnings
- **Asia-ex Japan:** Earnings outlook improving
- **Japan:** Share buybacks supportive
- **US:** Buoyed by Goldilocks environment
- **Non-Asia EM:** Commodities a key driver
- **UK:** Brexit uncertainties

Bonds

- **Emerging Market Government (USD)**
- **Emerging Market Local Currency**
- **Asian USD Corporate**
- **Developed Market High Yield Corporate**
- **Developed Market Investment Grade Corporate**
- **Developed Market Government**

Currencies

- **EUR:** Positive economic momentum
- **EM:** Low volatility and limited USD strength remain supportive
- **USD:** Remain range-bound in medium-term
- **GBP:** Political and policy uncertainty
- **AUD:** Scaling back bearish view
- **JPY:** BoJ policy likely to remain accommodative

Commodities

- **Oil:** Higher prices by end-2017
- **Gold:** Range-bound; look to reduce exposure near USD 1300/oz
- **Metals:** China data supportive but high inventories, China policy tightening are key risks

Alternative Strategies

- **Multi-Asset Strategies:** Income strategies well supported, but balanced allocation preferred for total returns

- Overweight
- Neutral
- Underweight

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