




Our Global Market Outlook in 5 minutes

MARKET OUTLOOK FOR 2017

-  Economy
-  Policy
-  Risks



WHAT THIS MEANS FOR YOU?



Multi-Asset Strategies

Multi-asset income strategy remains valid for an income investor.

For a total return-focused investor, a gradual rebalancing into growth assets is preferred.



Equities

We are more positive on global equities heading into 2017.

US and Japan (FX-hedged) are our most preferred markets.



Bonds

Look to scale back bond exposure amid rising inflation risk.

We prefer Developed Market High Yield bonds and US floating rate senior loans.



FX

Moderate USD strength vs. EUR, JPY, GBP and CNY going into 2017.

Expect AUD and NZD to extend gains in 2017 as commodities rise.



Commodities

Oil prices to rise further, but stay capped below USD 60-65/bbl.

Gold to remain range-bound, supported by rising inflation, but capped by rising US yields.



Alternative Strategies

Global macro strategies offer diversification benefits through their insurance-like characteristics.

OUR HOUSE VIEWS ACROSS ASSET CLASSES



Cross-Asset view

Equities

Bonds

Currencies

Commodities

Alternative Strategies

<ul style="list-style-type: none"> >>> Equities: More positive amid higher growth and inflation <<<>> Commodities: Moderate upside in oil and industrial metals <<<>> Alternatives: Diversification and asset class substitution benefits <<< Bonds: Look to scale back exposure on rising inflation <<< Cash 	<ul style="list-style-type: none"> >>> US: Margin recovery >>> Japan, FX-hedged: Weak JPY to lift profits <<<>> Asia ex-Japan: Improving outlook for China banks <<<>> Euro area, FX-hedged: Weak EUR lifts earnings <<<>> Non-Asia EM: Stable commodities <<< UK: High valuations 	<ul style="list-style-type: none"> >>> Developed Market High Yield Corporate <<<>> Asian USD bonds <<<>> Developed Market Investment Grade Corporate <<<>> EM Government (USD) <<<>> EM (Local Currency) <<< Developed Market Govt 	<ul style="list-style-type: none"> >>> USD: Modest strength >>> AUD: Higher commodities <<<>> EM: CNY, SGD may weaken; IDR, INR, RUB, BRL may outperform <<< EUR: Policy divergence, political risk <<< JPY: Modest downside as US rates rise <<< GBP: Weak fundamentals, Brexit risks 	<ul style="list-style-type: none"> >>> Oil: Higher prices by end 2017, but capped at USD 60-65/bbl <<<>> Gold: Range-bound, capped by rising US rates 	<ul style="list-style-type: none"> >>> Multi-Asset Macro Strategies: Good diversification benefits
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>>> Add

<<<>> Maintain/Rangebound

<<< Reduce/Bearish

Stay connected

For potential allocations to different asset classes please [click here](#)

To read our full Global Market Outlook report [click here](#)

For more information and insights, contact your Relationship Manager today

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