HSBC

News Release

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Trends and developments in the global markets
An HSBC event featuring analysts from 6 top Investment Houses

For the fourth consecutive year, personal customers of HSBC had the chance to get informed directly from 6 top international analysts of the Investment Houses: **HSBC Global Asset Management, BlackRock, Franklin Templeton Investments**, **Legg Mason**, **Pimco** and **Schroders**, during the "HSBC Global Market Outlook 2019" event. The event which focused on the recent developments and trends in the global markets was held on 20 November in Athens and was well attended by more than 800 HSBC clients.

Stelios Pirpinias, Head of Retail Banking & Wealth Management and Marketing of HSBC Greece, said: *"HSBC was born 153 years ago from one simple idea – a local bank serving international needs. Until now, one of our Group's core objectives remains to leverage our global network to connect customers to opportunities. This event that connects our customers with analysts from 6 top international Investment Houses is entirely in keeping with that philosophy."*

Olivier Gayno, CIO Wealth & EMEA Liquidity, HSBC Asset Management provided an outlook of the financial markets for 2019. "*The Global Economy continues to grow at a decent pace with the US roaring ahead, Europe slowing and emerging markets losing momentum. Global Equity valuations remain attractive in relative terms while developed government and credit bonds appear relatively expensive",* said O. Gayno. While **Konstantinos Kamaris**, Head of Global Markets, HSBC Greece, who spoke about the global and local economic challenges, commented: "*We expect that the yields of the Eurozone and the US bonds to remain relatively low*".

"*Global growth has slowed, but broadly remains robust year-to-date with the majority of the world economies tracking PMIs in expansionary territory and we do not believe we are moving towards a recessionary environment",* highlighted **Laurence Gallo**, Director, Product Strategist of European Fundamental Equity Team, BlackRock. According to the analyst of BlackRock who commented on the opportunities in European Equities, macroeconomic uncertainty has driven outflows from Europe but the underlying fundamentals remain robust. Unemployment continues to fall driving up consumer confidence. The broad resilience of global growth has translated into resilience in European earnings growth. Following the market re-set, we have seen valuation in some areas pull back significantly creating some opportunities to add to attractively valued companies which are exhibiting strong earnings power. "*We remain pro-risk, but the importance of portfolio resilience has risen*" said L. Gallo.

Jonathan Curtis, Vice President, Portfolio Manager, Research Analyst Franklin Templeton Investments focused on the investment opportunities in Digital Transformation. "*We see* *significant investment opportunities in Digital Transformation over the next ten years"* stressed J. Curtis. *"Digital transformation is about helping businesses transform their relationships with customers and partners from being transactional and data lite to being reoccurring and data rich. We believe digital businesses are more valuable as they understand their customers' and partners' needs better, deliver and capture more value and at a lower cost. In our strategy we seek to invest in the leading digital platform businesses and those technology vendors best positioned to help their customers to digitally transform. Key enabling investment opportunities underlying digital transformation include Artificial Intelligence, Cloud Computing, the Internet of Things, new commerce and FinTech",* concluded the analyst of Franklin Templeton Investments.

"*There are many different views on where we are in the global economic cycle" said* **Nuria Ribas,** Investment Director, Legg Mason. "*Looking ahead, there is evidence supporting both a bull case of accelerating global growth and a bear case of weakening global trade",* he continued. The Legg Mason analyst explained how does the USD outlook fit into these scenarios and how the dollar strength in 2018 was driven by – interest rates, growth differentials. *"Emerging markets have suffered the most in this year's volatility, but also offer the best valuation opportunities looking ahead"* concluded N. Ribas.

According to **Eleni Sifakis**, Senior Vice President, Account Manager, Pimco over the secular horizon, a very different macroreconomic landscape is expected to emerge. Investors who assume that the future will resemble the post-crisis past could be in for a series of rude awakenings. "*We expect the next recession to be shallower, but also longer and riskier than in the past. In this environment of higher volatility, we are cautious in our positioning while remaining focused on quality and flexibility to generate income and protect capital*" highlighted Mrs. Sifakis.

According to **Alexander Prawitz**, Head of CEE & Mediterranean, Schroders, Emerging Markets can present structural growth opportunities for investors and should therefore be included in a well-diversified portfolio. Yet most European investors either hold back or try to time their Emerging Market investments. "*Understanding opportunities and risks in Emerging Markets better and taking a long-term investment perspective is therefore required*" concluded the analyst of Schroders.

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*UCITS DO NOT HAVE A GUARANTEED RETURN AND PREVIOUS PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE.

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