

24 March 2021

2021 investment trends by top international fund managers

HSBC Premier customers in Greece had the chance to hear the views of analysts from international fund houses in the second part of the remote Market Outlook 2021 event

A broad range of global markets' topics - from investing in biotech innovation, mining, natural resources and commodities to general trends in bonds and equities - were covered in the second part of the "Market Outlook 2021".

The event, which was well attended by more than 300 HSBC Premier customers and was held remotely on 23 March, featured speakers from **HSBC Asset Management, Franklin Templeton, PIMCO** and **BlackRock**. The first part of the Market Outlook event was held on 2 March.

Investing in the restoration economy

Olivier Gayno, CIO Wealth & EMEA Liquidity at HSBC Asset Management spoke about the trends in global markets in the current environment. *"In a year of restoration, we believe allocating to equities still makes sense. Meanwhile, major government bond yields have rebounded but rates adjusted for inflation remain unattractive"* said Olivier Gayno *"Equity market valuations have become richer and, in a world of low interest rates, financial markets exhibit hyper-sensitivity to news. At the same time, asset class expected returns are set to be lower-for-even-longer. It is critical to have realistic return expectations"* he concluded.

Innovation is the driver of biotechnology

Dr. **Wendy Lam**, Co- Portfolio Manager at Franklin Equity Group presented on the biotechnology sector. *"Innovation remains the key growth driver for the biotechnology sector, and innovation in drug discovery is at an all-time high in 2021. Innovation continues to progress at a rapid pace, driven by long-term investments in scientific research and a favourable regulatory environment. New scientific discoveries are uncovering new drug targets, and advances in novel drug modalities like gene therapy and cell therapy have provided new and highly effective approaches to treat various diseases."*

Mining and natural resources are back

"We are optimistic on COVID-19 vaccine roll-outs supporting a recovery in global economic growth, which should support demand for commodities. This, combined with limited new supply for most commodities as well as rising inflation expectations, suggests a favourable outlook for prices. We are investing in the shares of companies producing commodities, whom we see as

*attractively valued versus broader equity markets” commented **Alex Foster**, Product Strategist and Vice President in the Natural Resources team of BlackRock.*

High Yield investing in a Low Yield world

*“At the current low yielding environment, with over 20% of global debt in negative yield, high yield investing is an attractive proposition” stressed **Matt Livas**, Senior Vice President – Credit Strategist at PIMCO. “As the global economy is rebounding strongly, high yield bonds offer investors enhanced current income, low interest rate risk and diversification benefits as they deliver equity-like returns with lower volatility”.*

Stelios Pirpinias, Head of Wealth and Personal Banking, HSBC Greece highlighted: *“In a year of unprecedented change for the global economy, we hold our commitment to keep our Premier customers up to speed with the trends and developments in the global markets so that they are able to take informed decisions about their investment portfolios. To this end, the two remote Market Outlook events covered a very broad range of topics - such as investing in specific geographies and in evolving and mature industries - to cover the full spectrum of our clients’ needs. We will continue to stand by our clients throughout the pandemic crisis with remote events.”*

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

The HSBC Group

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