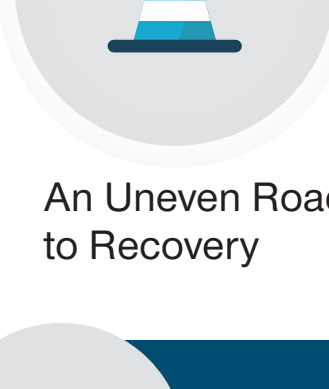




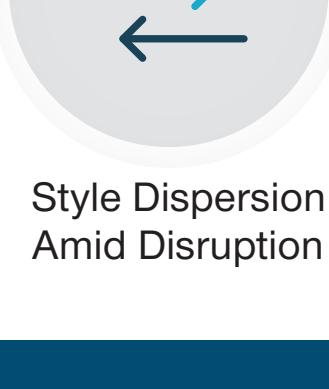
# 2021 Global Market Outlook

Managing to the Other Side

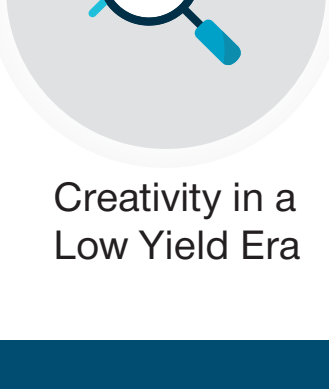
## Four themes to follow



An Uneven Road to Recovery



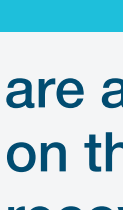
Style Dispersion Amid Disruption



Creativity in a Low Yield Era



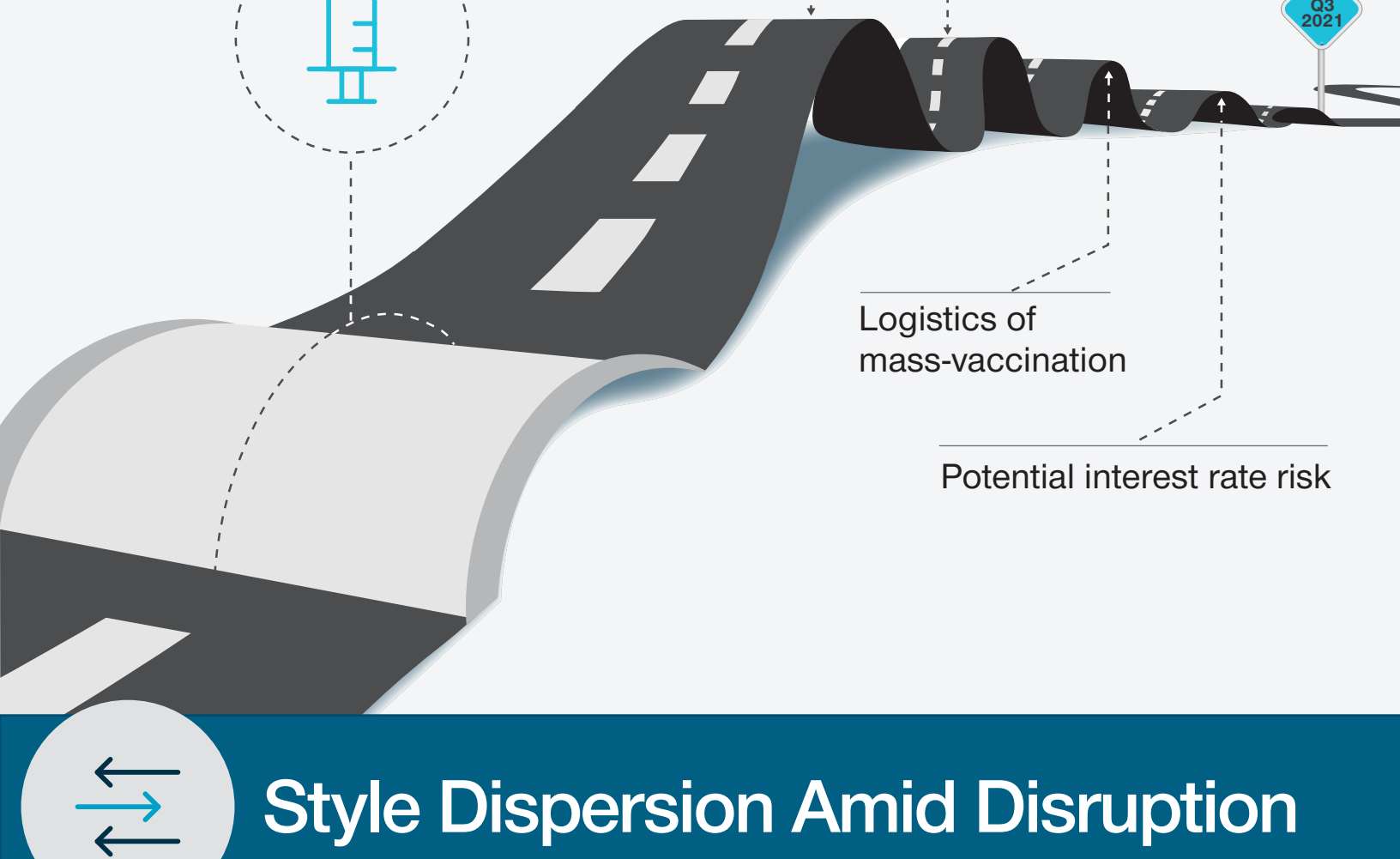
Politics and the Pandemic



## An Uneven Road to Recovery

### Coronavirus vaccines

are a much-needed bridge on the road to economic recovery but there are still bumps ahead



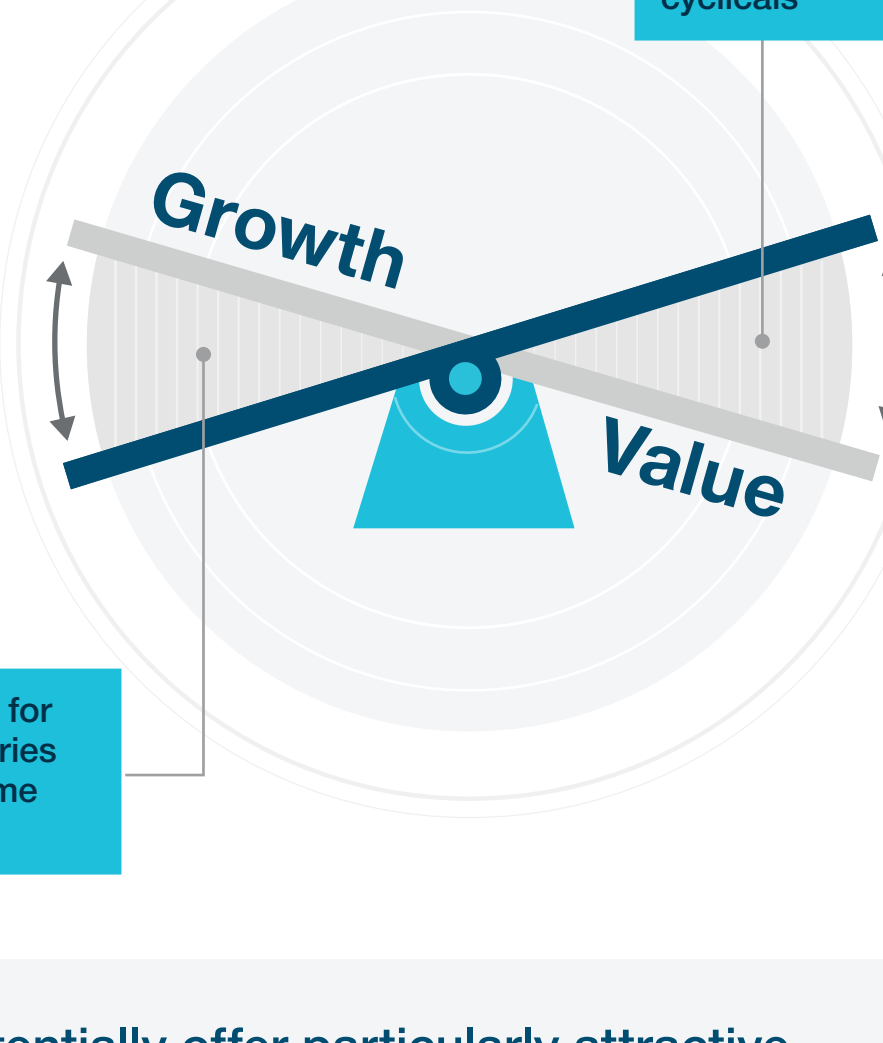
## Style Dispersion Amid Disruption

### Recovery could pivot

Away from companies that gained sales and revenue during the pandemic

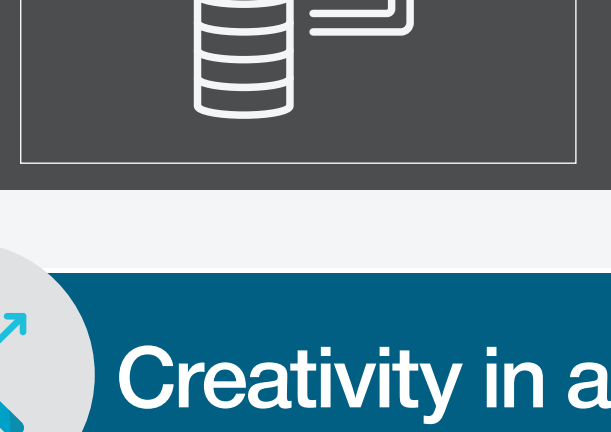
Toward cyclical sectors hurt by the pandemic

Downside risks for some beneficiaries of a stay-at-home environment

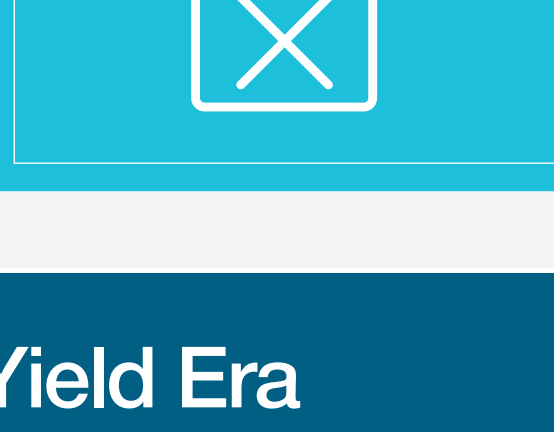


Two sectors potentially offer particularly attractive short-term value opportunities, but selectivity is key

Financials



Energy



## Creativity in a Low Yield Era

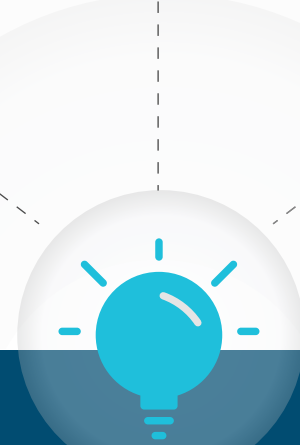
### Seeking attractive fixed income opportunities

#### Creativity could mean

Moving further down the credit risk spectrum

Increasing allocations to floating-rate loans and other low-duration assets

Seeking opportunities in ex-U.S. debt markets



Bond investors take note:

Short-term rates are at or close to zero

~0%

and

prospects for a post-pandemic recovery appear to be brightening



which could mean

duration (a key measure of interest rate risk) could become a top issue for many fixed income investors in 2021



## Politics and the Pandemic

### Geopolitical tensions could influence markets

**In the U.S.**, the Biden administration is expected to seek additional fiscal stimulus to bolster the economy

**A workable post-Brexit agreement** could have positive implications for the British pound versus the U.S. dollar, potentially UK and EU leaders appear to be seeking a workable post-Brexit relationship



**The pandemic** has accelerated economic inequality and appears to have worsened political divisions in some countries

**If we return** to more normal economic conditions in 2021, a key question—one with significant political implications—will be how quickly global labor markets improve as a result

**The intensity of the U.S. China trade conflict** might be reduced, but higher tariffs are likely to remain in place

Partner with us for insights during the recovery

Learn More

[troweprice.com/getinsights](http://troweprice.com/getinsights)

For investment professionals only. Not for further distribution.

**Important Information**  
This material is being furnished for general informational and/or marketing purposes only. The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date noted on the material and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates.

Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price. The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request. It is not intended for distribution to retail investors in any jurisdiction.

**DIFC** - Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd. This material is communicated on behalf of T. Rowe Price International Ltd by its representative office which is regulated by the Dubai Financial Services Authority. For Professional Clients only.

**EEA ex-UK** - Unless indicated otherwise this material is issued and approved by T. Rowe Price (Luxembourg) Management S.à r.l.35 Boulevard du Prince Henri L-1724 Luxembourg which is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier. For Professional Clients only.

**Switzerland** - Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. For Qualified Investors only.

**UK** - This material is issued and approved by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

© 2020 T. Rowe Price. All rights reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks or registered trademarks of T. Rowe Price Group, Inc.

CCON0070065  
202101-1462026