

2022 Global Market Outlook

Playbook for a Shifting
Economic Landscape

Four themes to follow

1

Growth Delayed
Not Derailed

2

Focus on
Fundamentals

3

Navigating
Policy Shifts

4

Path to Global
Sustainability

1

Global markets face headwinds

Worries
about
peaking
growth

Fading fiscal
and monetary
stimulus

Supply
chain
bottlenecks

Lingering
COVID-19
effects

yet, we believe
the global recovery
remains on track



The Delta variant delayed
economic activity, but
that could boost growth
heading into 2022



Growth could shift to
infrastructure spending,
and the green transition

Raising Rates, Reducing Stimulus: The Fine Balance



Too slow Inflation
continues to accelerate
and markets react badly



Too quick Economic
growth potentially falters
and yield curves flatten

2

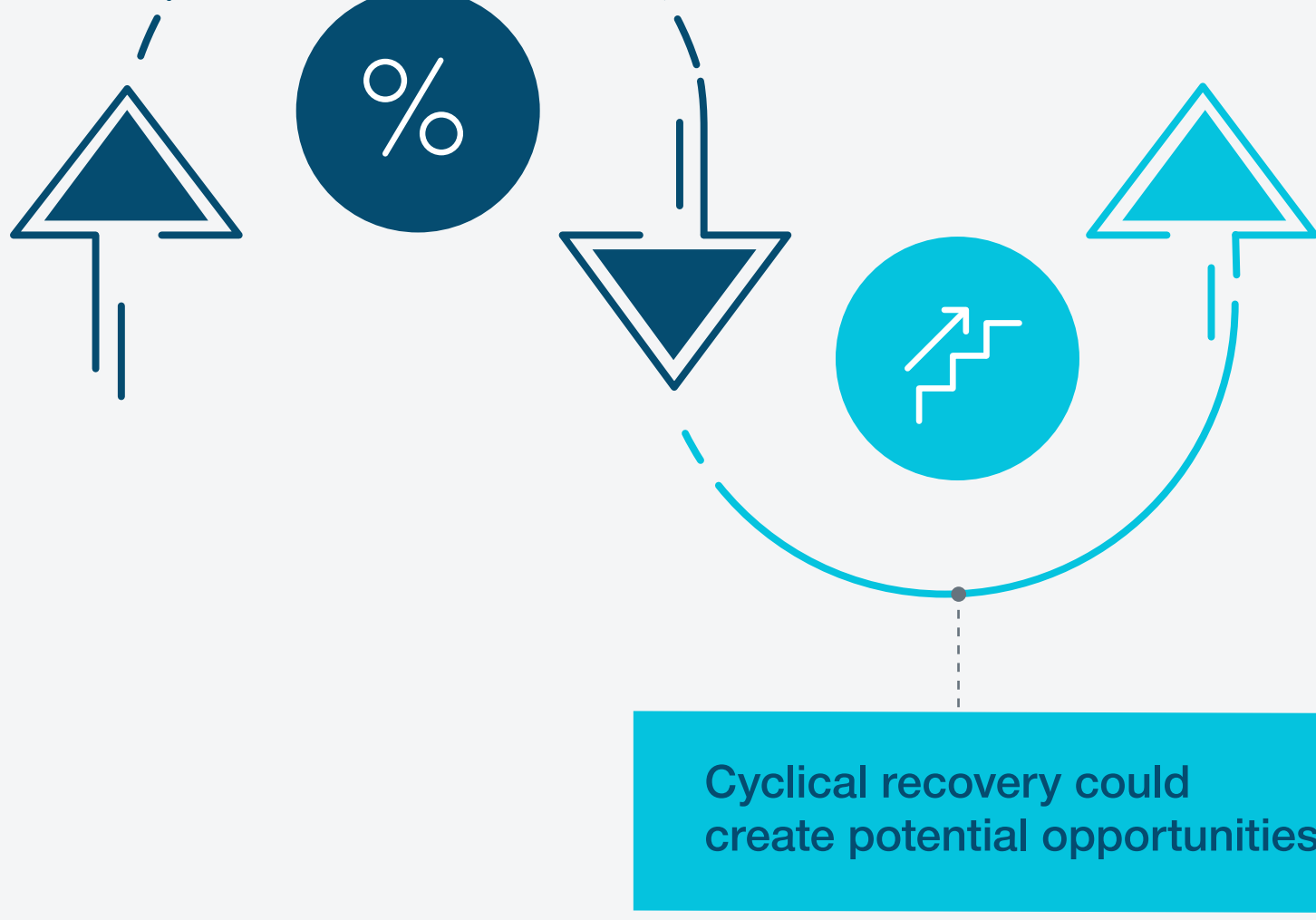
Focus on Fundamentals

Will earnings growth be strong enough
to support high equity valuations?

The trend toward wider profit
margins seen over the past
three decades may be reversing

Key factors

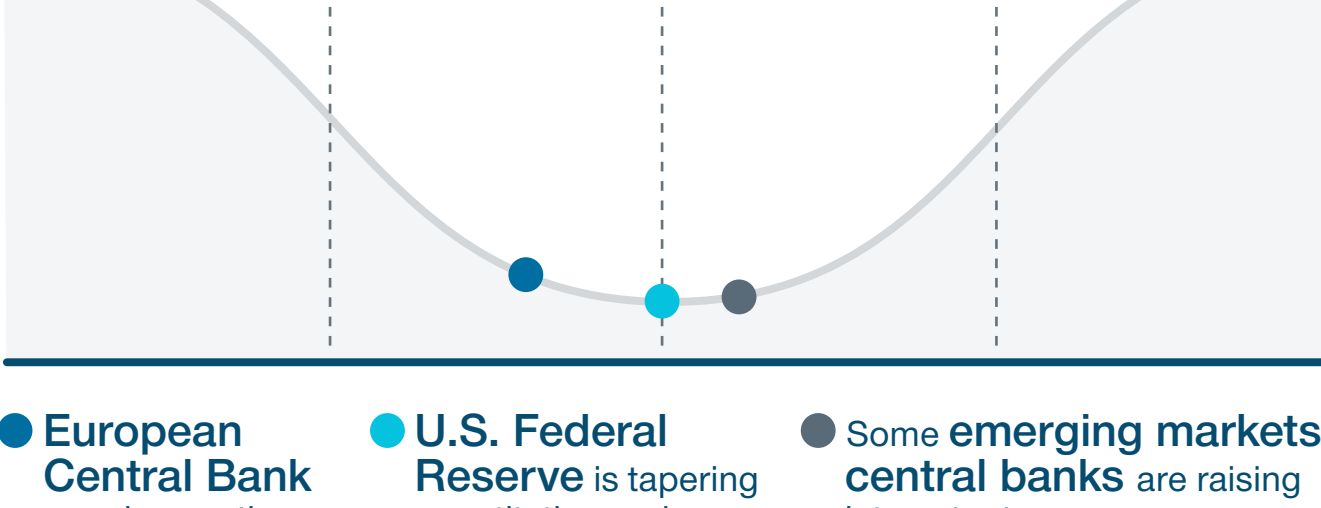
- Corporate profit margins
- Interest rate movements
- Corporate tax rates
- Globalization trends



3

Navigating Policy Shifts

Central banks are turning more hawkish,
but their policies are unsynchronized



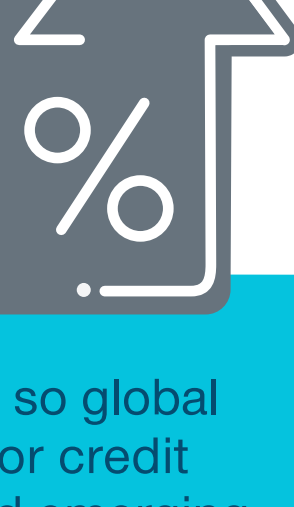
● **European Central Bank**
remains cautious

● **U.S. Federal Reserve**
is tapering
quantitative easing

● **Some emerging markets central banks**
are raising
interest rates

For illustrative purposes only.

The U.S. Federal Reserve has signaled
it wants to move slowly, but inflation
pressures could speed rate hikes in 2022

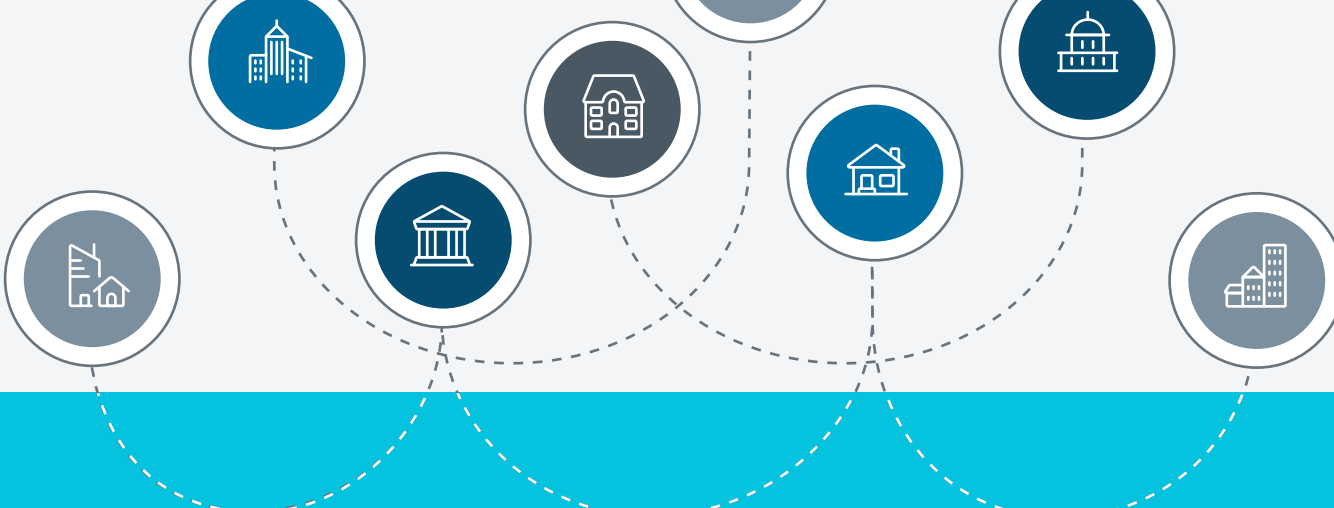


Credit spreads have tightened, so global
dispersion highlights the need for credit
selection—in global high yield and emerging
markets debt

4

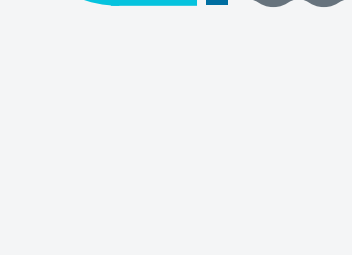
Path to Global Sustainability

Major investments are needed in order
to make meaningful progress toward
global sustainability



This could spur a **boom in public and private infrastructure investment** that sustains economic
and earnings growth

Look for a
potential new
“**super cycle**”
in demand for



Key raw materials
(lithium, nickel, copper, etc.)

Industrial goods
vital to renewable energy,
storage systems, power grids

Infrastructure that boosts
capacity and productivity

Partner with us for insights during the recovery

Learn More

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Fixed-income securities are subject to credit risk, liquidity risk, call risk, and interest-rate risk. As interest rates rise, bond prices generally fall.

Investments concentrating in a specific sector can be more volatile than investments in a broader range of industries.

International investments can be riskier than U.S. investments due to adverse effects of currency exchange rates, differences in market structure and liquidity, as well as specific country, regional, and economic developments. These risks are generally greater for investments in emerging markets.

Investments in high-yield bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt.

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