

Press release

Stockholm, December 4, 2013

Investment Outlook: Market hopes will require some evidence

World economic growth is poised to accelerate, but this will happen slowly and right now market hopes are ahead of the evidence in many cases. To some extent, stock markets are celebrating victory too early.

“The stock market is often said to be an economic indicator that is 6-8 months ahead of the real economy. If, for a moment, we allow the real economy to be represented by company earnings forecasts, it appears the latter are largely standing still while share prices rise. For sceptics, this is a bit too exciting; the market has ended up in a limbo, where hopes are expressed in share price movements and real economic developments in terms of earnings. For good reasons, this gap can make many people nervous,” says **Ann Grevelius**, Global Head of Investment Strategy at SEB.

The emerging market (EM) picture is changing its appearance. The BRIC concept is breaking apart, leaving a lone but powerful C... The first EM phase until 1997-98 – with rapid economic build-up outsourcing of production to new countries and rapid industrialisation – led to weak government finances and a financial crisis that caused severe problems in Russia and parts of Asia. The next phase, with its rapid expansion of heavy commodity-intensive capital spending, also created a degree of financial vulnerability in terms of trade flow imbalances, current account deficits and so forth for some countries.

“Today we are in a more mature phase. We will not see the same rapid expansion or the same pressure on the commodity sector. We can no longer speak of EM countries as one unit. Instead, each country and its currency and stock market must be evaluated on its own merits. This is why we have written a theme article about how BRIC is perhaps ‘only’ a C nowadays,” says **Hans Peterson**, Global Head of Asset Allocation at SEB.

The turn of the millennium gave us one of the biggest market bubbles in history, the IT (or dotcom) bubble. What has happened since then? We have looked more closely at the “new” economy – the ITustrial revolution.

“Unlike the period around the turn of the millennium, its growth is sustained this time around by changes in consumer behaviour patterns. New brands with an extremely wide reach and in many cases profitability are being created regularly. In a theme article, we look more closely at these phenomena and the forces driving them and discern what may be real values in this new world,” **Ann Grevelius** says.

Investment Outlook gives readers an in-depth look at the investment climate and the prospects for seven asset classes. It also provides advice about current risks and opportunities in the art of investing. The report can be read in its entirety at <http://newsroom.sebgroup.com/en>.



For further information, please contact:

Hans Peterson, Global Head of Asset Allocation at SEB,
SEB Investment Management, +46 8 763 69 21

Ann Grevelius, Global Head of Investment Strategy,
SEB Private Banking, +46 8 763 63 04

Press contact:

Claes Eliasson, Press & PR, SEB
+46 76 396 53 19
claes.eliasson@seb.se

SEB is a leading Nordic financial services group. As a relationship bank, SEB in Sweden and the Baltic countries offers financial advice and a wide range of other financial services. In Denmark, Finland, Norway and Germany the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. On September 30, 2013, the Group's total assets amounted to SEK 2,569 billion while its assets under management totalled SEK 1,427 billion. The Group has about 16,000 employees. Read more about SEB at www.sebgroup.com.