

## Press release

Stockholm 28 May 2013

### Investment Outlook: Rising values in sight

**Capital markets are well on their way forward. Prices are moving upward in stock markets, reinforcing a sense of economic healing since the crisis years. But as always, the picture is complex and raises questions, as shown by the May/June issue of SEB's quarterly *Investment Outlook* report.**

The world is changing, as are the ways value is generated. Will the driving forces we have seen in the past 10-20 years be repeated?

"Probably not. Saving and debt in various sectors of the economy have changed, and future demand will partly come from new directions. This may be important to commodity prices. The demand for commodities is often driven higher in the early growth phases of economies, but when demand later matures, new patterns emerge. We may be on the threshold of such a phase today," says Hans Peterson, Head of Asset Allocation at SEB and publisher of *Investment Outlook*.

The market prospects described in this issue of *Investment Outlook* have a mildly positive tilt, including a belief in rising markets and value generation. We discuss to what extent active central banks, reforms in Japan, stabilisation in the US labour market and gradually increasing risk appetite and optimism will sustain the underlying trend.

"Rising asset values lead to greater willingness to set the economic wheels in motion in the form of consumption and investments. This is probably the course of events we are about to witness," Mr. Peterson says.

In a theme article in this issue, entitled "**Liquidity driving markets and the economy**", we have chosen to look closely at liquidity and how it affects market performance. Earlier strict austerity in fiscal policy, especially in European problem countries, is now on its way to being replaced by less austere policies. Our assessment is that the seasonal pattern of recent years has ended and that a rather mild economic slowdown during the spring will be followed by gradually stronger growth that will continue into 2014.

We also have a theme article about underlying driving forces in the market, entitled "**New driving forces – from investment to consumption**". The demand for industrial input goods (commodities) to develop infrastructure and other capital spending has been the primary driving force in global growth. Now we are seeing a trend towards other patterns, driven by consumption rather than capital spending. This is described in our second theme article.

*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 [www.sebgroup.com](http://www.sebgroup.com).

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