

Press release

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Investment Outlook: Reducing our risk level to neutral

After their strong performance so far during 2019, stock markets and credit markets are now at levels similar to those before last October's turbulence. The late phase of the business cycle is often dramatic – including this time around – with increased volatility and flatter trends. If we experience a scenario of upward-revised earnings, there is potential for a more positive stock market trend, but due to this year's major share price upturns we have chosen to reduce the risk level in our portfolios to a more neutral stance.

“We are now in the interesting situation that shares and corporate bonds are priced much higher than one quarter ago, while economic turmoil has receded. Looking ahead, however, relatively high valuations suggest that we will also see a period with more volatility,” says **Fredrik Öberg**, Chief Investment Officer, Private Banking.

This issue of the quarterly *Investment Outlook* report includes three theme articles. We present our view on how the next recession might unfold. Will it be as dramatic as at the turn of the millennium and during the financial crisis of a decade ago? We also provide our take on India, whose stock market we have been optimistic about for some time. In the fixed income field, we explain how a floating rate note (FRN) investment works: a type of fixed income investment that provides the opportunity for good returns even if today's low interest rates start to rise.

Investment Outlook can also be read in its entirety at www.sebgroup.com.

For further information, please contact

Fredrik Öberg, Chief Investment Officer
+46 8 763 6304
fredrik.oberg@seb.se

Press contact

Laurence Westerlund, Press Officer
+46 8 763 8627
laurence.westerlund@seb.se

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