

Press release

Stockholm 10 September 2019

Investment Outlook: Uncertain outlook justifies caution

Having noted signs of weakness in global growth – combined with the US-Chinese trade war and an especially murky near-term risk situation as an autumn of Brexit approaches – in August we underweighted equities in our portfolios for the first time since 2016. Aside from this risk picture, financial market performance since the beginning of 2019 has also been very strong, leading to our assessment that a decrease in risk exposure was appropriate.

“We are in the late phase of the economic cycle. Combined with the ongoing trade war, we are receiving signals that make us sceptical of the growth rate and earnings-generating ability of the corporate sector. But offsetting this are renewed actions by central banks and political leaders, as well as an already significant risk aversion among investors. The decision about how defensive one wants to be is a delicate balance between short-term worries, amid high market volatility, and more long-term considerations – such as the unusually large difference between the level of dividends in stock markets and the yields in bond markets,” says **Fredrik Öberg**, Chief Investment Officer, Private Banking.

The September issue of our *Investment Outlook* report includes two theme articles covering different aspects of sustainability – a topic that was once the province of dedicated eco-activists but has become a word, a debate and a set of issues that no one can avoid. We examine “impact investing” and how you can do good while making money. In a second, longer theme article we analyse various energy storage solutions and the potential enhancements they represent for sustainable energy sources like wind and solar power.

Investment Outlook can be read in its entirety or as a 2-page summary at seb.se/investmentoutlookreport.

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