

London Trip Report

September 27 - 29, 2016

Executive Summary

Most macro managers were cautiously optimistic about the world economy, some even expect growth to pick-up substantially given the developed countries' position in the business cycle and the tailwind of two recent oil counter-shocks

The USD strength since 2014 was mostly the reflection of weaker commodity prices whereas its future outperformance should come from its cyclical economic strength

Just three months after the Brexit vote, the FTSE 100 reached a new all-time high on the back of a very weak GBP, however, the future path of the UK economy is unclear given the inflation expectations, uncertainties regarding trade agreements and a potential slowdown of investments

Monetary policy is at an inflection point with the BOJ's new yield control framework, the ECB's shortage of eligible bond supply, and the Fed's rate hiking cycle

Coming out of the worst of their economic adjustment, emerging countries are stabilizing and should experience some growth momentum