

FTI CONSULTING – STRATEGIC COMMUNICATIONS – PUBLISHED JANUARY 2024

What Major Financial Institutions Expect for 2024



Foreword

Clarity in plurality. Don't just trust one opinion, dare to trust many.

Dear partners,

Every year, the best economic research teams of the top financial institutions publish a report which identifies and analyzes the trends that will shape the world for the next 12 months.

We believe a 'plurality' of opinions can provide clarity for decisions in an uncertain environment. So, at FTI Consulting, we have read, analyzed, and summarized them all, and produced this report that we are sharing with you.

2023 outlooks focused on high inflation, an imminent recession and high energy prices. Yet the recession never came, economies were remarkably resilient, and inflation continued to be a main preoccupation. Going forward, the key notion for 2024 is uncertainty. The general macroeconomic environment, as we will see, is difficult to read.

Indeed, in 2024, a combination of factors, including upcoming elections in numerous countries, heightened geopolitical tensions represented by ongoing trade wars, tariff disputes, military posturing, technological competition, lingering economic instability with rising inflation, interest rate hikes and supply chain disruptions, paint a complex and unpredictable landscape for businesses to navigate. These factors could dampen consumer spending, slow economic growth and create volatility in financial markets.

Without further ado, please find our "What major financial institutions expect for 2024" report, prepared jointly by the Regulatory Affairs/ Government Relations and Financial Communications & Investor Relations teams of FTI Consulting in Paris.

We believe that in 2024, as political and geopolitical risk rises more than ever, Regulatory Affairs/ Government Relations will help you assess, analyze and mitigate uncertainty. Investor Relations will help you clearly and efficiently communicate with your stakeholders about how you intend to navigate uncertainty, and help you ensure that your investors are onboard and understand the way you lead in a turbulent environment.

If you want to learn more about our coordinated approach, as well as our expertise, don't hesitate to contact us!

And finally, we wish you a very Happy New Year!



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You may already have received reports issued by economists of major financial institutions, presenting their outlooks for this year. You may even have found the time to read some of them. We have read, analyzed and summarized for you 20+ of these most important reports in under 15 pages.

Methodology

FTI Consulting has reviewed the outlook for 2024 of the major financial institutions and summarized the key topics for the coming months. The scope of analysis includes the publications of the following institutions: Apollo, Bank of America, Barclays, BlackRock, BNP Paribas, BNY Mellon, Citi, Deutsche Bank, Fidelity, Goldman Sachs, HSBC, JP Morgan, Lazard, Morgan Stanley, Natixis, NatWest, Nomura, S&P, Société Générale, UBS, UniCredit and Wells Fargo.

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Global Outlook

In 2024, most economists expect an economic slowdown in the first half of the year, before an acceleration in H2. Most importantly, regional disparities are expected to surface. Inflation may continue to fall, but the timing of rate cuts is difficult to place. The tight labor market of 2023 is expected to give way to a normalization phase in which pressure will ease as demand for labor weakens. Rate cuts planned for 2024 will impact the equity market, as usual, but a new market is being called into question: the debt market, which was not the main concern in recent years. Lastly, in 2024, holding cash will become less attractive as interest rates are expected to decrease.



Economic growth is expected to be weak in H1 but might accelerate later in the year, with regional specificities being determinant

- **Uncertainty dominates** general outlooks for 2024. There is relative agreement on the general direction of the global economy, yet the impact of geopolitics (war in Ukraine, the Middle East, potential tensions in Asia and Africa...), the myriad of elections next year (US, UK, Taiwan, South Africa, etc.), coupled with “*long and variable lags between monetary policy changes and economic impact*,” as Lazard believes, make for an environment that is particularly difficult to read.
- Yet the **broad consensus on global economic growth is cautious optimism**. Financial institutions emphasize that economic resilience was one of main surprises of 2023, and the majority **rule out a recession in 2024** (or consider it a low-risk scenario), instead predicting subdued but persistent growth and cooling labor markets, especially in the US.
- UniCredit calls the 2024 trend “*crawling, then walking*,” while Citi describes it as “*slow, then grow*.” Goldman Sachs thinks the “*hard part is over*.” Nevertheless, it is not unanimous: Lazard, Deutsche Bank and Fidelity all expect a recession.

- This consensus view translates to a **considerable economic slowdown in the first half of the year** also due to delayed effects of monetary tightening and as central banks grapple with the pace of easing (see below “Inflation”). The second half of the year should be smoother, with growth picking up.
- A second crucial point of agreement is the **regional differences in economic outlook**. Most institutions are aligned with Natixis’ prediction that there will be “*growth in the United States, stagnation in the Eurozone, and structural obstacles in China*.”
- With the **UK almost certain to plunge into recession**, the key difference in financial institutions’ predictions pertains to whether the Eurozone will follow it or avoid a recession. India continues to benefit from robust growth predictions, while current difficulties (real estate, youth unemployment) in China should persist.



Inflation will continue slowing, pace of alignment with central bank targets remains less clear

- Most reports agree that **inflation has peaked**, as it was the focus of all central bank efforts.
- Opinions continue to differ as to when inflation will realign with central bank targets in the US, EU, and UK: around half of the financial institutions, including BNP Paribas, Deutsche Bank, BNY Mellon, Apollo, S&P, and Natixis, among others, do not see this happening in 2024.
- UniCredit, Goldman Sachs, UBS, Citi, and JP Morgan believe a fall in line with the 2% mandate to be possible by the end of 2024.
- The timing of rate cuts is even trickier to predict despite the central banks’ assurances that they will not rush to cut rates. HSBC expects “*the first Fed rate cut in Q3 2024, and the first rate cut by the ECB in December 2024 (the BoE may only cut in 2025)*.” S&P “*expect[s] a series of four quarter-point cuts, which would bring the federal funds target rate to around 4.6% by the end of the year and 2.9% by end of 2025*.”



Labor market – Normalization with some fears of rising unemployment

- There is widespread agreement on the fact that after a period of tight labor markets, the situation is expected to cool off in 2024. **The job market will normalize as demand for labor will weaken.**
- Financial institutions have, however, slightly different perceptions of **the extent to which this demand will weaken.**
- Apollo and Citi share the same vision that employment growth is going to slow. *“The pace of job growth is falling, and the consensus expects job growth to slow significantly over the coming six months.”*
- BNP Paribas does not express any strong concern regarding labor markets, characterizing them as *“resilient on both sides of the Atlantic”* while, on the contrary, S&P and Bank of America see signs of rising unemployment in the future.
- Fidelity foresees a restoration of price stability because of this labor market normalization. ING predicts an increased ability of workers to protect real wages in future inflation shocks.

Equity vs. debt market – Portfolio rebalancing for risk reduction



Equities – Lower valuations expected but small-cap and mid-cap preferred, private equity under surveillance.

- Most institutions **are rebalancing their portfolios in favor of equities** compared with last year’s positions. Economists at Bank of America and Barclays are realistic that 2024 will be a challenging year, but both say that portfolio diversification will be the key to success.

- The broad-based consensus is mainly driven by **quality stocks in the US and Japan** as the Japanese economy is *“moving away from deflation”* as stated by Nomura and confirmed by HSBC: *“We observe the largest increases in expected returns in Japan (11.6% now vs 9.6% last year).”* Most economists do not back European equities. BNP Paribas commented on the subject: *“European equity valuations appear unattractive, in our view – not only relative to the region’s own history, but also compared to European high-grade, high-yield and government bonds.”*
- Unlike its competitors, Apollo and Natixis see opportunities in private equity. Nevertheless, they remain cautious about valuations in this sector compared to other financial markets such as real estate or the stock market.



Debt – Diverging views on bonds and corporate debt

- **Opinions are balanced on the debt market.** All of them see a strong trend toward bonds in 2024. Nevertheless, they are balanced on the type of bonds.
- With respect to bonds, institutions show divergent views. Many institutions such as Apollo or BNY Mellon see opportunities in private credit, while JP Morgan, HSBC or Bank of America see an attractive entry point for long-term opportunities in government bonds.



Cash – Decreasing attractiveness in a context of falling interest rates

- Financial institutions warn that in 2024, holding cash will become less attractive.
- JP Morgan and Bank of America both warn of a risk in holding cash coming into 2024, because of falling interest rates. Citi expects *“that rates will fall over the next 12-24 months and that returns on cash will drop rapidly”* while JP Morgan estimates that *“2024 will likely deliver a backdrop of falling rates and improving earnings, in which cash will work less well.”*
- BNY Mellon and UBS add that cash is set to underperform, staying in cash implying a risk of missing out on other asset classes.

International Monetary Fund, December 2023 calculations

Real GDP growth	2023	2024e	2025e	Real GDP growth	2023	2024e	2025e
World	3.0%	2.9%	3.2%	Germany	(0.5)%	0.9%	2.0%
Europe	0.7%	1.2%	1.8%	France	1.0%	1.3%	1.8%
US	2.1%	1.5%	1.8%	Italy	0.7%	0.7%	1.0%
China	5.0%	4.2%	4.1%	Spain	2.5%	1.7%	2.1%
India	7.2%	6.3%	6.3%	UK	0.5%	0.6%	2.0%

Source: IMF - World Economic Outlook

Average expectations from broker research, January 2024

Real GDP growth	2023e	2024e	2025e	Real GDP growth	2023	2024e	2025e
World	3.0%	2.5%	2.8%	Germany	(0.2)%	0.2%	1.1%
Europe	0.5%	0.4%	1.3%	France	0.8%	0.7%	1.3%
US	2.4%	1.4%	1.5%	Italy	0.7%	0.4%	1.0%
China	5.2%	4.6%	4.4%	Spain	2.3%	1.2%	1.7%
India	7.2%	6.5%	6.1%	UK	0.5%	0.2%	0.9%

Source: Average expectations from broker research, January 2024

Regional Outlook

In Europe, the prospects for 2024 look bleak, characterized by slow growth and recession risks. In France, slow growth is expected to be accompanied by rising unemployment, while concerns in Germany focus on domestic policies and geopolitical tensions. Many argue that the UK will face a recession or narrowly avoid one in early 2024. The US is in a better position but will also suffer from slower growth due to declining consumer spending. For China, the key word is caution, with many considering announced measures insufficient in addressing challenges that seem increasingly structural. Japan is set for a positive year, with equities especially attractive. India, meanwhile, is expected to be the big winner of 2024.

Europe – Slowdown in economic activity with looming recession risks



Eurozone – Bleak outlook amid expectations of slow growth and risk of recession

- Financial institutions present a rather bleak outlook for 2024 in the Eurozone, with prospects of declining growth and recession risk.
- **GDP growth is widely expected to be below 1%** in 2024, Morgan Stanley, UniCredit and Natixis agreeing on the figure of 0.5%.
- On the bright side, there is agreement that **inflation has reached its peak** and will continue to decline in the coming months, until it comes back to target.
- However, the **impact of recent monetary policy decisions maintaining high interest rates** to tame inflation is still expected to be felt, contributing to a slowing of growth or even a risk of mild recession.
- Four financial institutions warn of a risk of recession for the Eurozone: BNP Paribas, Lazard, S&P, ING. Wells Fargo more boldly predicts that a recession will be narrowly avoided thanks to improving real household income trends and stable corporate profits.
- Financial institutions, however, disagree on the state of the labor market in the Eurozone, with Wells Fargo and Morgan Stanley predicting a resilient labor market while Société Générale fears rising unemployment.

- They also disagree on the future of the region's fiscal policy. UBS and NatWest believe it will become "supportive" or "accommodative" while S&P foresees a more restrictive fiscal policy.



France – Moderate growth and labor market challenges

- In 2024, France is expected to face a **slowdown in economic activity as well as rising unemployment rates**. As in the rest of the Eurozone, inflation is however expected to decline.
- **GDP growth is expected to be below 1%** in 2024, S&P estimating a 0.9% growth rate and UniCredit estimating a 0.8% growth rate. This slowdown in growth compared to 2023 takes place amid "easing growth in services and protracted weakness in manufacturing," according to UniCredit.
- Société Générale and ING both warn of the **slowdown in economic activity impacting labor markets**. For Société Générale, this phenomenon is explained by companies "less able to raise prices" and thus reducing their labor costs. Instead, ING insists on the impact of "job destruction, the economic slowdown and a sharp increase in the working population triggered by the recent pension reform."



Germany – Moderate growth and a balance of risks pointed to the downside

- Germany was labelled as the new "sick man of Europe" in 2023. In 2024, the country is expected to **continue struggling with low growth** and below-potential business activity.
- **Growth is expected to be moderate**, with difficulties likely to persist even into 2025. UniCredit expects real GDP to increase by 0.4% in 2024 and 1.3% in 2025. Financial institutions agree on the fact that this sluggish growth is explained by several challenges and sources of uncertainty.

- On the domestic front, Germany’s budgetary situation (made complicated by the Constitutional Court invalidating the proposed budget), as well as fiscal policy, are cited as matters of concern by Société Générale and UniCredit respectively.
- Slowdown in global demand and geopolitical tensions are also cited as factors that will hinder growth.
- Even though inflation is expected to subside and interest rates to lower, the balance of risks remains to the downside.



United Kingdom – Strong exposure to a mild recession risk

- For the UK, attention is concentrated on the **probability of a recession** in 2024.
- All financial institutions agree that the UK economy will face difficulties, but the extent of this is an issue of contention.
- Morgan Stanley and UniCredit warn of an outright recession risk, Morgan Stanley expecting the UK “to dip into a technical recession at the beginning of 2024” and UniCredit expecting “the UK economy to enter a technical recession next year due to the lagged effects of monetary tightening, fiscal tightening and a lack of savings buffer.” Wells Fargo expects a mild contraction in Q4 2023 and Q1 2024.
- ING and Barclays argue that recession will be narrowly avoided, Barclays nevertheless precises that “the margin for error is small.”
- More positive assessments include NatWest’s estimation of a growth of around 1% and S&P expecting moderate growth at 0.9% in 2024.
- The impact of high interest rates to curb inflation is also cited as a potential driving force behind economic difficulties, notably by ING and UniCredit.



United States – Slower growth as consumer spending wanes, with hopes of a soft landing

- Private consumption was a significant driver of economic growth in the US in 2023. With **excess savings starting to run out**, growth in 2024 is expected to be slower.
- There is widespread agreement that **a decline in consumer spending will generate a drag on economic growth**. Financial institutions also cite high interest rates to combat inflation as a cause of below-trend pace of activity. “It is still early to declare victory over inflation,” according to Apollo.
- According to Morgan Stanley, growth will slow to 1.9% year over year in 2024 and 1.4% in 2025. NatWest and Natixis respectively give the figures of 1.8% and 2% for 2024, while UniCredit expects quarterly GDP growth to be “broadly flat.”
- A few financial institutions (Lazard, UniCredit, Wells Fargo) express hope of a soft landing, marked by disinflation and cooling labor markets allowing recession to be avoided.
- But the risk of recession is not totally out of the picture. S&P argues that “a sharper pullback in consumer spending could lead to a recession” and ING’s base case sees “a modest recession” for the US, this risk being reinforced if the Fed keeps high rates for too long.
- HSBC’s assessment of the US economic situation stands out, expressing confidence in the resilience of the country, especially in the context of its reindustrialization policies: “We are not too worried about rising interest payments and high oil prices, as labor markets remain strong and falling inflation is boosting disposable income.”

Asia – China will face challenges, Japan’s growth will continue, India will be the big winner



China – Persistent difficulties to weigh on China, as stimulus might prove insufficient.

- Overall, 2023 will be a key year for the Chinese economy, which is transitioning from being capital spending-led to consumption-led.
- The consensus on China is to **be cautious**. Wells Fargo and UniCredit are even more pessimistic, underlining “*structural headwinds*” and a “*crisis of confidence*,” respectively. Citi agrees that the necessary changes to address current challenges have not been implemented. Overall, in contrast to the rebound forecast end 2022/beginning 2023, the 2024 outlook is more subdued.
- Most medium- and long-term outlooks for China, including UniCredit, Wells Fargo, UBS, Société Générale and S&P, agree that the age of sustained, double-digit growth is over. Most institutions agree that 2024 growth will be somewhere around 4.5%-5%. Central government willingness to turn up the level of stimulus could be the deciding factor.
- Several institutions expect property/real estate issues to continue well into 2024 and some highlight how geopolitical tensions could weigh on trade and other technological advances as export/investment bans take their toll.
- Barclays and Lazard are outliers, with the latter saying that “*sentiment on China has gotten too negative*” and that trends such as stimulus, decline in housing construction leading to stabilization, the plunging of consumer confidence and sentiment and exports of EV could lead to a redemption.



Japan – On track for moderate recovery, equities remain attractive.

- Japan will continue its growth path, which will help it maintain its track to moderate recovery. While growth could slow in H2 2024, it is expected to continue being positive into 2025.
- BlackRock believes Japan will continue to benefit from global fragmentation.

- Inflation will decline in 2024, but Nomura believes that the negative interest rate policy will not end before Q3 2024.
- On equities, Nomura believes that in 2023, Japanese equities had a strong showing, pushed by the economy moving away from deflation, improvements in corporate governance and Japan’s attractiveness as a target for diversification in Asia. This will not change in 2024. Fidelity agrees and says that “*Japanese equities will continue to outperform.*”



India – An expected winner in 2024

- Reports indicate that India cannot resist praising the **expected years of growth and development**. Barclays is the clearest of them all: India is seen as an expected winner in 2024. Like Japan, India will be a great beneficiary of global fragmentation.
- The US has put all its eggs in the Indian basket as a counterweight to China, and markets have priced in a Bharatiya Janata Party (BJP incumbent) victory at upcoming elections. A Modi victory will allow substantial policy continuity.
- Fidelity says that “*India is likely to be one of the world’s fastest growing economies over the coming years. With an expanding working-age population, the country will produce and consume more goods and services and drive technological innovation.*”
- Employment – in services and construction especially – will continue increasing, investment in Infrastructure.
- NatWest points out that **India’s biggest challenge will be to balance development needs with environmental sustainability**. Despite new measures on clean energy, including green hydrogen, India still lacks a strategy to phase out coal, and indeed plans to build new coal capacity before 2032.

Sector Outlook

In 2024, industries are forecast to be resilient amid challenges. Infrastructure and renewable energies attract investors, while technology (especially AI) and semiconductors take the lead. Clean energy gains momentum, while geopolitical uncertainties loom. Real estate markets pose challenges but still offer opportunities. Mobility transforms with AI, and climate dynamics shift. 2024 embodies a landscape of resilience, tech-driven shifts, sustainability priorities and nuanced sector evolutions.



Energy – Sustainable energy as a game changer due to higher fossil prices

- Following Ukraine’s invasion by Russia in 2022, the ongoing conflict between Hamas and Israel as well as ongoing US-China tensions, energy is more than ever a **worldwide priority**. In the last decade, sustainable energy has become a priority for many countries.
- More than ever, economists expect emerging opportunities in renewables such as wind, solar and zero carbon emissions installations. Despite these emerging opportunities in renewable energies, fossil fuels remain an important part of the energy mix, but with greater pressure on prices. For example, ING sees a *“balanced oil market if Saudi Arabia extends its additional voluntary supply cut. Doing that Brent should remain above \$80/bbl.”*
- Both public and private companies are developing and managing wind and solar installations at scale, Barclays’ economists highlight that *“renewable is one sector with both mature and emerging opportunities for investors.”*
- Unlike Barclays’ economists, Deutsche Bank and BlackRock’s economists see the renewable energy sector as a long-term growth driver. BlackRock’s analysts believe the big winners of this growth will be *“geothermal and hydrogen which are shifting from prototype phase to commercialization.”*



Mobility – Shifting dynamics in energy transportation

- In 2024, AI will **foster a mobility revolution**: *“In the future, we could see dramatic changes to the transport system, with autonomous vehicles driven on optimized routes that reduce congestion, allowing people and goods to move around much more quickly and reducing the impact of transport on the environment”* (BNP Paribas). AI technologies are applied for demand forecasting, predictive planning and optimized transport routes. A 2024 visionary outlook includes the adoption of autonomous vehicles for reduced congestion and environmental impact.
- A **new energy transportation shift** is expected. HSBC delves into the evolving landscape of energy transportation: *“transportation is transitioning to commercially competitive alternative fuels including electricity, hydrogen and biofuels, which offer lower environmental impact, a superior consumer experience and better facilitate the integration of other advanced technologies.”* There will be a certain recognition of winners and losers in the industry as it undergoes substantial changes, emphasizing lower environmental impact and improved consumer experience (HSBC).
- Financial institutions also acknowledge **vulnerability to climate change**. S&P underscores the vulnerability of the transport sector in the EU to climate change. Due to the EU’s goal of reducing carbon emissions *“by 57% by 2030,”* potential abrupt and contradictory changes in climate policy, posing risks across multiple industries are being forecast, considering achieving emission reduction goals and implementing the European Green Deal.



Tech – AI’s transformative power and Investment impact

- A major newcomer to most outlooks is artificial intelligence.
- A broad consensus exists in the reports, acknowledging **AI’s pivotal role in shaping future industries**, investing in AI patents and correlating them with broad earnings growth. Blackrock succinctly puts it as *“AI advances from here are likely to be exponential as innovation snowballs, akin to a revolution.”*
- Multiple institutions, including BlackRock, BNP Paribas, Citi, HSBC and UBS, foresee AI advancements as transformative, comparing them to historical revolutions. They acknowledge AI’s potential to significantly **boost economic output, labor productivity and drive higher productivity** across all sectors.
- On tech, S&P is more cautious and warns that *“cyberattacks and the potential for rapid technological change threaten global business and government infrastructure.”*
- There is a consensus on AI’s role as an enabler, leading to a series of technological revolutions with creative destruction: *“We are on the verge of series of technological revolutions in various sectors – and as we know from previous such revolutions, that means a period of creative destruction, with change happening quickly, existing players being outpaced by new challengers, and new solutions to old problems emerging at pace”* (BNP Paribas).



Semiconductors – Navigating opportunities amidst challenges

- AI is once again being mentioned as a factor of opportunity, as stated by BNP Paribas: *“AI will likely be a major driver of semiconductor demand for the remainder of the decade, and logic and memory chip companies, foundries and semiconductor capital equipment and materials providers should benefit.”*
- However, **challenges loom with concerns about protectionism and potential geopolitical disruptions**, emphasizing the need for a nuanced approach to navigate the evolving semiconductor landscape.
- NatWest considers that *“geopolitical and security considerations are the main drivers of rising barriers to trade in areas such as semiconductors.”* They add that *“a new ‘green protectionism’ is also on the rise, with countries dishing out subsidies under the veil of accelerating the green transition – the Inflation Reduction Act in the US being the prime example.”*



Infrastructure and real estate – Resilience, strategy and revival

- **Private infrastructure exhibits resilience**, attributed to its perception as a less cyclical asset, historical outperformance during inflation and positive government policies, according to Apollo.
- **Infrastructure debt sees a turning point with a focus on low-carbon assets**, offering opportunities aligned with return goals and sustainability (BNP Paribas).
- **HSBC believes that rapid urbanization is foreseen**, particularly in emerging markets, with significant investment expected in cities.
- Real estate and infrastructure are strategically crucial due to higher inflation, demanding selectivity (BlackRock). Global concerns linger about stresses in real estate markets, particularly in U.S. and European commercial Real estate, with potential broader economic impacts (S&P).
- Real estate investment trusts, trading like bonds, are being closely watched, and their valuation is linked to interest rates (Fidelity).
- European real estate markets show promise for a revival and broad-based cyclical recovery opportunity, supported by positive excess spread assessments and favorable market conditions: *“It is a clear positive signal for investors to return to European markets”* (Natixis).



Commodities – Mixed picture in 2024

- Multiple institutions including HSBC, S&P, UBS and Fidelity mention the **varied impacts of geopolitical events, oil market dynamics and limited potential for commodity price gains in 2024.**
- HSBC notes that commodities are not expected to be a major drag on FX in Q124. **Any oil price spikes linked to geopolitical events could affect global risk appetite and impact global growth.**
- S&P also highlights the potential for geopolitical risks to disrupt oil supply. **Conflicts and tensions in the Middle East are concerning, and any escalation could lead to energy-supply shocks and supply-chain disruptions.**
- Fidelity supports this view, indicating that the geopolitical context in 2024 *“should lead to an increase in commodity prices, which should have a negative impact on materials companies.”*



Bold views



Some institutions and economists developed strong views entering 2024, diverging from the consensus:

- For UBS, **global trade has peaked**: *“We think trade as a share of global GDP has likely already peaked – with reduced trade accelerated by the US, Europe, and China becoming accustomed to exchanging sanctions, tariffs, and export controls.”*
- As for Fidelity, the base case is a recession: *“but barring something extraordinary, next year we expect to see the economy finally turn lower. There are signs it is already doing so. The buffer of savings built up by households and the corporate sector in the pandemic is almost drained, fiscal support should narrow, and there is likely to be a pick-up in refinancing needs at a time of credit tightening across the board.”*
- Apollo believes it is **too early to declare victory on inflation**: *“if above-target inflation persists, rates may go higher yet.”*
- Barclays’ economists see **prospects for China as unjustifiably negative**: *“After such optimism twelve months ago, the almost-unanimous caution among economists over the outlook for China is perhaps the main factor playing in favor a surprise scenario.”*
- For HSBC, other financial institutions are too negative on the US: *“We are not too worried about rising interest payments and high oil prices, as labor markets remain strong and falling inflation is boosting disposable income.”*

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HSBC – [Q1 2024 Investment Outlook – Opportunities in a Complex World](#) – Stanko Milojevic, Head of Asset Allocation, Willem Sels, Global Chief Investment Office, Neha Sahn, Director, Global Market Strategist and Managing Editor

ING – [ING Global Outlook 2024: No magic spell for a brighter world](#) – Carsten Brzeski is the Global Head of Macro for ING Research

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Lazard – [Global Outlook 2024](#) – Ronald Temple, Chief Market Strategist

Morgan Stanley – [2024 Investment Outlook: Threading the Needle](#) – Various teams

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NatWest – [The Year Ahead 2024: Navigating inflation, policy, and politics in a more divergent world](#) – John Briggs, Global Head of Economics and Markets Strategy

Nomura – [Annual Outlook](#) – Various teams

Standard's & Poors – [Global credit outlook 2024: New Risks, New Playbook](#) – Alexandra Dimitrijevic, Global Head of Research and Development, Gregg Lemos-Stein, Chief Analytical Officer, Corporate Ratings

Société Générale – [The big picture: to bear or not to bear – Part 2](#) – Internal team

UBS – [Year ahead 2024: A new world](#) – Mark Haefele, CIO Global Wealth Management

UniCredit – [The UniCredit Macro & Markets 2024-25 Outlook](#) – Marco Valli, Global Head of Research, Dr. Luca Cazzulani, Head of Strategy Research, Elia Lattuga, Deputy Head of Strategy Research, Chiara Silvestre, Economist

Wells Fargo – [2024 Annual Outlook: Weathering the Storm](#) – Jay H. Bryson, Chief Economist, Nick Bennenbroek, International Economist, Jackie Benson, Economist, Shannon Seery Grein, Economist