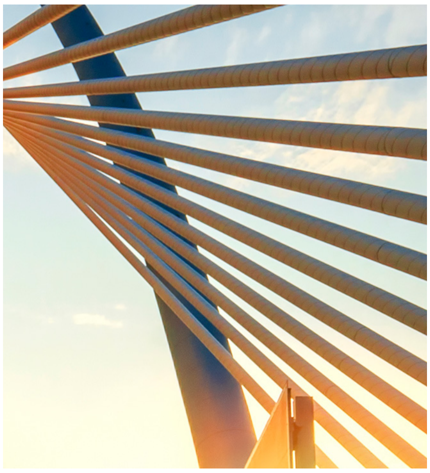
OUTLOOK 2024

RESEARCH POWERED INVESTMENT

Contents

Overview



More risk, higher yields, and four ways forward

Remarkable changes across economies and markets, combined with a year of political uncertainty, make forecasting unusually difficult in 2024. Instead, we offer four potential paths the world could take, each assigned with its own probability.

Andrew McCaffery
Global CIO, Asset Management

I have never managed money on the basis that I know what's going to happen in 12 months' time. I may have a view, but good investing needs discipline, an open mind, and a preparedness to react to the facts as they change.

Often, it's difficult to understand big economic, social, or political shifts until they are well underway and new trends are firmly established. We're in the first stages of a dramatic regime change - from low inflation and ever declining interest rates to something different. That something different will come with greater economic volatility and the risk premium for holding assets will therefore be higher. We expect rates will tend higher and returns on equity will be much more differentiated across countries and regions.

In this environment I find it more helpful to consider different scenarios: the alternate paths economies and markets could take. My colleagues and I estimate how likely we think each scenario to be, which allows us to prepare sooner, spotting signals along the way that either support or refute a given outcome, so we can adapt accordingly.

In our Outlook for the coming year, we lay out the four macroeconomic scenarios for developed markets that we think investors should keep in mind as 2024 unfolds, while our heads of investment explain what each would mean for their asset class.

And what a year lies ahead. There will be an exceptional run of elections across the world during 2024 coinciding with a renewed interest in fiscal policy. There is a political desire to maintain high budget deficits and government intervention in different forms. Markets will start to exert a greater price for that spending. We are going to be talking about the cost of capital a lot in 2024, not just for corporates but for governments, and not only what interest costs will do in the short run.

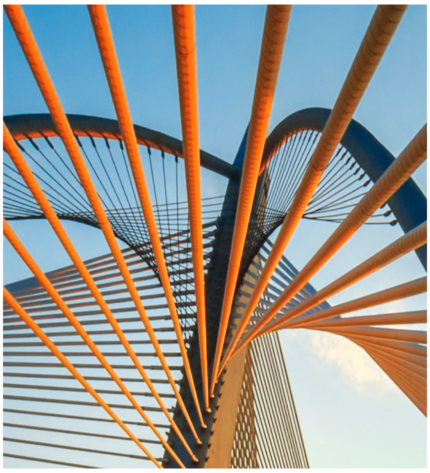
The most significant election, of course, will be in the United States. It has long been a destination for safe haven flows and a place to park the proceeds of trade surpluses, helping to fund public and private spending. In a world of reshoring and falling Chinese demand for US goods, the so-called 'exorbitant privilege' that comes with issuing the world's reserve currency appears to be waning. These cracks could easily widen in 2024 and present a temptation for the Federal Reserve to pause or even reverse monetary measures like quantitative tightening.

China's cycle is in a different place, with implications for other Asian economies that can benefit from the country's demand. Our 2024 Outlook presents scenarios here, too. Meanwhile, Japan is, like western economies, adjusting to the end of one era and the beginning of another.

Perhaps the biggest shift of all is the effort to build a more sustainable world, and the work by policymakers to push companies and investors further into a transition economy. Engaging with the network of regulators and industry groups through 'system-wide stewardship' will continue to be important in 2024 and beyond, a topic our Outlook also covers.

The world is always uncertain. But this is one of those periods when it is not an exaggeration to use the phrase 'regime change'. Investors will need to stay nimble in 2024, ready to navigate each twist and turn as the real scenario plays out.

The economy in 2024



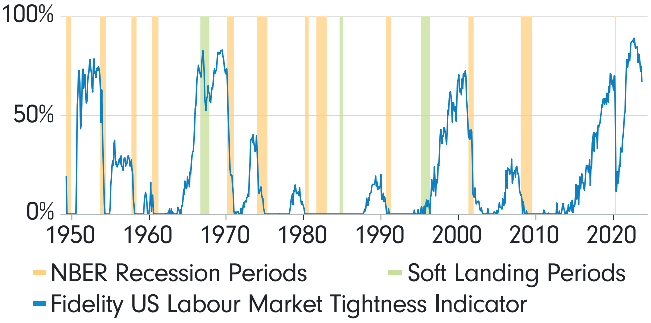
Something will give

The economy continues to deliver surprises but we are confident of one thing: if US and other developed world interest rates have not peaked already, then they will do so soon. And against this backdrop growth will stall. We detail four potential scenarios for 2024 and the next leg of a business cycle which has seen the most intense round of monetary tightening in a generation.

Salman Ahmed
Global Head of Macro and Strategic Asset Allocation

Much of what has surprised central bank officials and financial markets in 2023 stems from our lack of understanding of the deeper economic effects of the past fifteen years - including the pandemic - on households and corporations. We will get more clarity in the months ahead - on inflation, the optimal level of interest rates, or the stubborn resilience of the US job market. But investors are rightly nervous that the next stage of this cycle will bring more volatility.

Our labour market tightness index is finally showing signs of easing



Source: Fidelity International, FIL Global Macro Team calculations, Haver Analytics, October 2023.

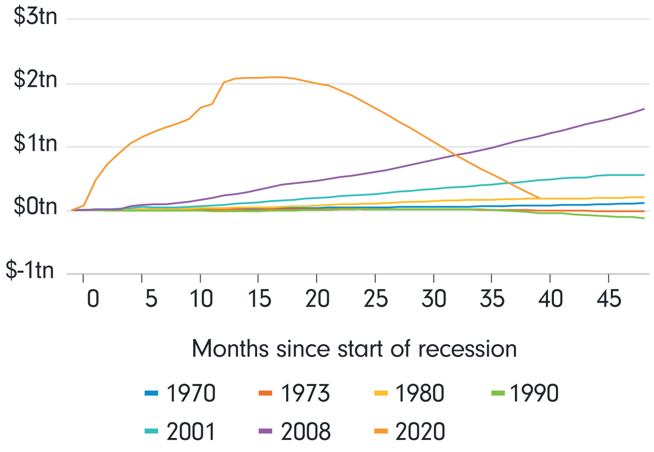
Markets, where those betting on a downturn have already been burned once, are however now lined up behind a Goldilocks 'soft landing' where the rate hikes and the tightening of the past two years will do just enough to gradually return the economy and labour market to equilibrium. We have a different view.

Our base case for 2024 is a cyclical recession

Resilience driven by fiscally supported consumers and companies has been the biggest surprise of 2023, 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.

US excess consumer savings almost depleted

Aggregate excess savings following recessions



Note: excess savings calculated as the accumulated difference between actual personal savings and the trend implied by data for 48 months leading up the first month of each recession as defined by the National Bureau of Economic Research.
Source: Fidelity International, FRBSF Staff calculations, BEA, September 2023.

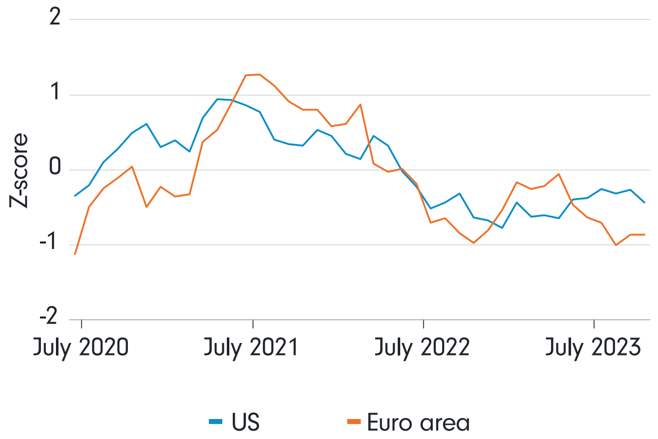
All of this supports our base case for a cyclical recession in 2024; inflation has begun to fall but interest rates will stay higher for longer until there are clearer signs it is heading back to target. Central banks will then pivot and cut rates as the damage to growth becomes obvious.

Labour markets will normalise and restore price stability before we move towards a recovery at the end of 2024

Fundamentally, we continue to think there is simply a lag between policy tightening and the effects on the real economy. The transmission channel is delayed, not broken and the continued stickiness of inflation points to misaligned expectations that have to be balanced out. A moderate recession should achieve that, driven by tight monetary policy as the effects of lagged fiscal support melt away in the developed world. Labour markets will normalise and restore price stability before we move towards a recovery at the end of 2024.

Signs of a recession are already apparent in Europe where the transmission channel is more effective. This has led the European Central Bank to start focusing on growth - a trend we think will take hold in the US next year.

Current business activity indicators show Europe slowing down faster than the US



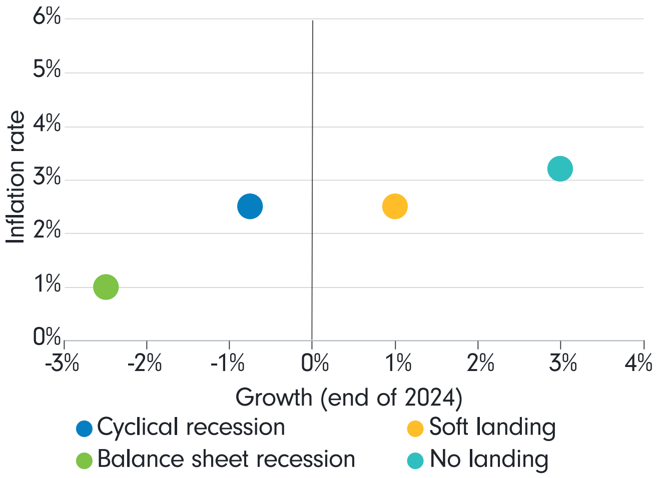
Source: Fidelity International, FIL Global Macro Team calculations, Refinitiv Datastream, October 2023.

Alternative endings

We still see room for other possibilities. Alongside a **cyclical recession**, to which we give a probability of 60 per cent, our 2024 outlook considers the investment implications of a more severe **balance sheet recession** (10 per cent probability) that prompts widespread cutbacks in spending by companies and consumers alike and judders through the economy, even into 2025, driven by a disruptive reaction to very high real rates. We consider the chances of the more benign **soft landing** (20 per cent); and a case in which there is **no landing** in 2024 at all (10 per cent), in other words, where the economy holds at current levels of growth and inflation, provoking central banks into another, albeit incremental, round of policy rate rises.

The path of Federal Reserve policy, together with inflation and growth trajectories, will look dramatically different in each scenario and will inevitably be subject to high levels of uncertainty both in terms of timing and end points.

Four scenarios for 2024



Note: Inflation rate measured by US Personal Consumption Expenditures Price Index. Growth by US GDP. Source: Fidelity International, October 2023.

Markets are still optimistic

Under the soft landing scenario backed by current market pricing, the decision to keep interest rates higher for longer could further reduce inflation to a level where policymakers are comfortable. The Fed and others would then respond by loosening policy, removing the threat of crippling rises in debt payments for households and companies. Pressure for bigger rises in wages would abate as inflation expectations eased and the labour market steadied.

However, our research shows such a scenario to be at odds with current inflation and labour market dynamics. Surveys of Fidelity's equity, fixed income, and private credit analysts show that pressure on company labour costs is alive and well. Geopolitical tensions and the demands of the energy transition will keep upward pressure on commodity prices. This in turn will force central banks to keep interest rates high and sooner or later deliver a more dramatic shock to growth.

The path of Federal Reserve policy, together with inflation and growth trajectories, will look dramatically different in each scenario

Don't forget the tails

There are other real threats to growth. China's much feted path to recovery has proved rockier than hoped. The country's unique story demands a set of its own scenarios for 2024 and, on balance, we think Beijing will manage to hit its growth targets this year but will do little more as a period of controlled stabilisation comes through.

A US election year crystalises the partisan division that threatens its government's ability to spend and has the potential to shift geopolitical goalposts meaningfully, in both Europe and Asia.

The Russia-Ukraine war continues to fuel commodity prices at a time when supply is already tight. Risks emanating from a widening of the Israel-Hamas war into a regional conflict remain, including a potential rise in oil prices which would lead to another shock to headline inflation. That shock could lead to damaging rises in interest rates as well as the risk of stagflation down the line.

Policymakers will continue to test the limits of the financial system. As the world makes its first ever exit from QE there is much we don't - and can't - know. Expect narratives to shift rapidly. Prepare for shorter cycles. Watch for imbalances between demand and supply, and for lags in the effects of policy. A volatile macroeconomic environment demands vigilance.

The view on the ground

We surveyed analysts across our equity, fixed income, and private credit teams to hear how their sectors would fare in the different scenarios.

In the table below, upward arrows indicate that most of the responses in the sector are implying a positive effect and the background colour indicates the strength of those responses. For example, most consumer staples analysts answered that a cyclical recession will have a positive impact on their sector. The downward arrow indicates a negative impact, with the shade of red reflecting the strength of responses. The neutral/no change "-" has a light grey background and indicates lack of clear direction.

	Consumer discretionary	Consumer staples	Energy	Financials	Healthcare	Industrials	Information Technology	Materials	Telecoms	Utilities	Real Estate
Cyclical recession	↘ Strong negative impact	↗ Strong positive impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	↘ Moderately negative impact	–	–
Soft landing	↗ Moderately positive impact	–	–	↘ Moderately negative impact	–	↗ Moderately positive impact	–	↗ Moderately positive impact	–	–	–
Balance sheet recession	↘ Strong negative impact	↗ Strong positive impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	↘ Strong negative impact	–	↗ Moderately positive impact	↗ Moderately positive impact
No landing	↗ Moderately positive impact	–	↗ Strong positive impact	–	–	–	↗ Moderately positive impact	↗ Moderately positive impact	–	↘ Moderately negative impact	–

↘ Strong negative impact ↘ Moderately negative impact – No clear direction
↗ Moderately positive impact ↗ Strong positive impact

Note: Real estate analysts consider both earnings/valuation of listed securities within the real estate space as well as the yield on underlying real assets.
Source: Fidelity International Analyst Survey, October 2023.

Scenario 1:

Cyclical recession

60%

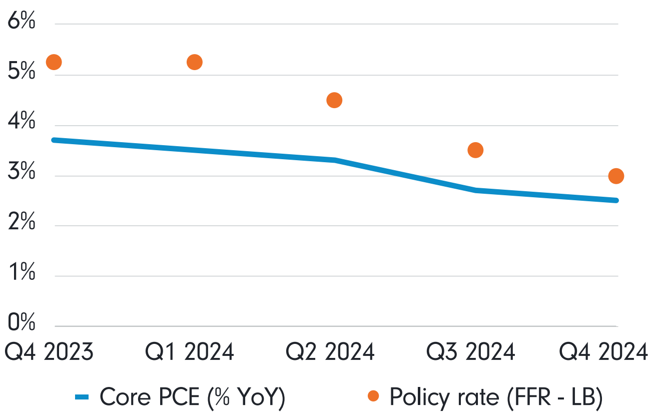
probability

Our base case scenario

A cyclical recession would see a moderate economic contraction followed by a return to growth in late 2024 or early 2025. Inflation would be sticky for a period before returning to target, with interest rates staying higher for longer followed by central banks pivoting to cut rates. This is currently our base case.

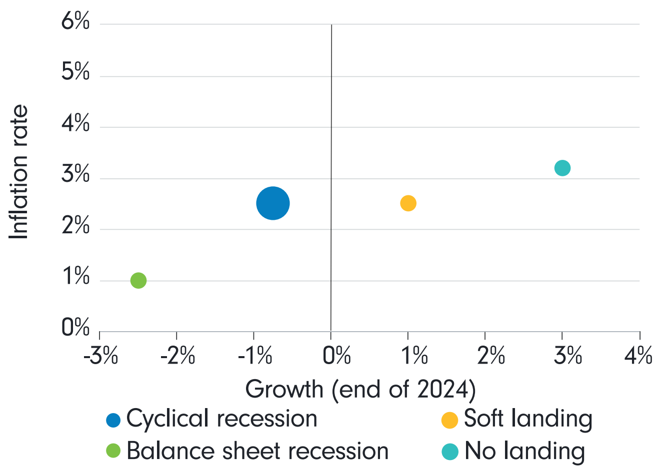
Cyclical recession: inflation falls back to target – rates come down after labour market cracks

Opportunity lingers...



Source: Fidelity International, October 2023.

...with growth coming later in the year



Note: Inflation rate measured by US Personal Consumption Expenditures Price Index. Growth by US GDP. Source: Fidelity International, October 2023.

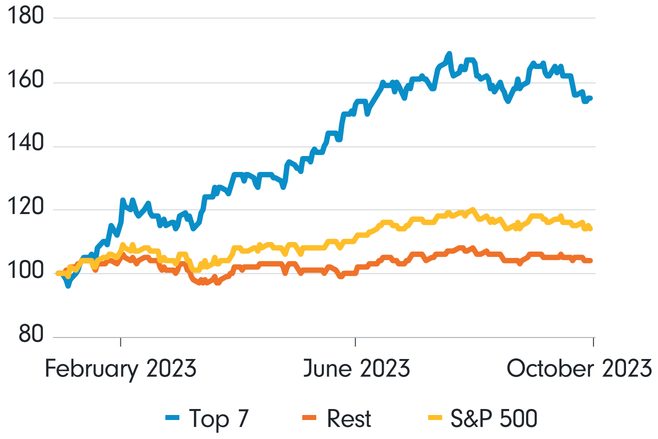
Investment summary: In our base case scenario, a cyclical recession would bring lower economic growth that could be a worry for small-caps or companies with discretionary sales. Equities (away from low-quality or small names) would be of interest, while in fixed income the focus would remain on short-dated, high-quality credits.

- Some cautiousness around cyclical sectors and weaker geographies
- Inflation-linked bonds preferred as inflation remains sticky, although nominal bonds will benefit as rates fall
- A potential 'Goldilocks-zone' for real estate investment

Multi asset

We regard a cyclical recession as a mildly risk-off scenario in which there would still be good opportunities for investors who are discerning about sectors and geographies. Investors shouldn't be scared of holding select equity investments because markets anticipate an economic recovery later in the year. US equities would be especially well positioned. In particular, mid-cap stocks look attractive along with much of the S&P 500 that have not shared the incredible performance this year of the 'Magnificent Seven' stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla). Valuations look reasonable for these well-run companies with solid growth prospects. US small-caps would be more challenged in a slowdown or recession scenario given their greater debt refinancing needs.

'Magnificent Seven' stocks lead S&P 500 performance



Note: Top seven = Meta, Amazon, Apple, Microsoft, Alphabet, Tesla, Nvidia.
Source: Goldman Sachs, Fidelity International, October 2023.

This reflects our broader preference for playing high-quality equities and credit against low-quality names in recession scenarios, with refinancing concerns feeding into a preference in the base case for investment grade credit and higher-rated high yield issuers.

We expect inflation in a cyclical recession would be sticky for a while before it fell back to target, and so inflation-linked bonds (offering 'real yields') would be preferred to nominal bonds in this scenario. Markets already price inflation returning to target, but investors expect that very high real yields will be needed to achieve that. In this scenario, real yields would fall in line with growth and central bank expectations.

In a recession, India and Indonesia are markets with good defensive qualities that are less tied to the global cycle

We would take long positions in certain emerging markets in any scenario, given attractive valuations and idiosyncratic economic cycles, but our preferences change depending on which scenario emerges. In a recession, India and Indonesia are markets with good defensive qualities that are less tied to the global cycle. We also favour some emerging market local currency bonds (with exchange rate hedging) as global interest rates decline, but without any significant growth concerns impacting the creditworthiness of major emerging markets.

- ***Henk-Jan Rikkerink***
Global Head of Solutions and Multi Asset

Fixed income

Our cyclical recession scenario starts with a period of above-consensus inflation in the first half of 2024. We would expect a series of upside inflation surprises to generate another spell of outperformance for inflation-linked bonds. This would be similar to 2020/2021 when inflation accelerated and 1 to 10-year inflation-linked bonds outperformed all-maturity nominals by about 15 per cent. Upside inflation surprises would suggest a tricky period for nominal bonds in the first half of 2024, and we would therefore favour medium-duration inflation-linked bonds over nominal ones in this scenario.

If the yield curves remain inverted in all major currencies, we would suggest money market funds as a respectable alternative for more cautious investors, as they offer higher yields than government bonds with almost no risk.

Central banks on high alert for persistent inflation should help here. Short-dated, high-quality credit (in GBP, for example) could also work well.

The later part of 2024, when we anticipate faster-than-expected cuts from the US Federal Reserve, would be a strong period for nominal bonds. It would be the hardest of all asset allocations to time, but for investors with a higher risk tolerance, nominal yields at cycle highs will be irresistible at some point and offer higher betas than are available with inflation-linked bonds.

- ***Steve Ellis***
  Global Chief Investment Officer, Fixed Income

Private credit

In a cyclical recession, our approach would be to focus on further reducing risk and allocating to borrowers with the strongest balance sheets. We would expect some support to valuations given the expected reversal in interest rates.

A cyclical recession demands a focus on companies where we can have a direct influence over the structure and documentation of deals

In the senior secured loan market, we would favour defensive sectors and firms with capex-light business models that have strong visibility on their earnings. Companies with contracted rather than discretionary sales would be the focus, as well as those that are likely to have more stable cash flows, such as healthcare, technology, and business services firms. Debt service costs would start to decrease as interest rates came back down.

In this scenario, we recommend being overweight on both structured credit and direct lending strategies, with a particular focus on lending to defensive sectors and those with business-to-business income streams. A cyclical recession demands a conservative approach to credit selection to avoid over-leveraged firms, and a focus on companies where we can have a direct influence over the structure and documentation of deals.

There is already plenty of downside risk priced into the lowest end of the market. And so heading into a cyclical recession there would be a moment to reallocate into interesting, lower-rated assets that the market has over-discounted - once we had sight of the recovery.

- ***Michael Curtis***
  Head of Private Credit Strategies

Equities

Current consensus earnings forecasts look too optimistic for this scenario so we would expect them to be downgraded. It would be worth looking for cheap stocks in markets such as Europe and Japan where valuations are far from pricing in any kind of recession. Japan is especially positive for equity owners thanks to a series of corporate governance reforms which have focused on shareholder returns. We would also expect the yen to strengthen if there were interest rate cuts elsewhere.

We would favour high-quality, economically-insensitive names with recurring revenue and good pricing power

In a cyclical recession we would be cautious around European cyclicals like industrials but would expect to find opportunities among financials, which are attractively valued. Bond proxies like utilities, consumer staples, and healthcare also typically do well in a cyclical recession.

The UK meanwhile would do poorly in this scenario because around a fifth of the market is made up of energy and mining companies. These would suffer from slowing economic growth. We would favour international names, in particular high-quality, economically-insensitive names with recurring revenue and good pricing power that should see them through a storm. These businesses can be found across several sectors, from consumer staples to computer software.

There could be an interesting dynamic around small and mid-cap stocks in this scenario. These companies were derated in 2023 as they grappled with higher interest rates, and so have already cheapened in relation to forward earnings estimates (although some nervousness about their ability to meet those estimates remains). If there is further economic pressure in the early part of the year, then small-caps could come under pressure, but when we do see some relief on interest rates, smaller stocks may have more recovery potential. Unlike Big Tech, which supercharged the market in 2023, smaller companies are not 'priced for perfection' so could offer more of a margin of safety.

- ***Ilga Haubelt***
  Head of Equities, Europe
- ***Martin Dropkin***
  Head of Equities, Asia Pacific

Real Estate

In many ways, a cyclical recession would be the 'Goldilocks-zone' for property investment because a small amount of inflation is positive for real estate. Furthermore, given that property prices have already adjusted (particularly in Europe and especially in the UK), and if interest rates have peaked, then there would only be upside to come. In this scenario, there would certainly be opportunities to take on more risk. There is already a good balance of supply and demand across European markets, meaning 2024 should prove to be a strong vintage to invest in real estate under this scenario.

It is important to note that as well as dealing with the shifting macroeconomic backdrop, the real estate market is undergoing a structural change, moving out of a period of sustainable income and into one of sustainable growth. Previously, in a world of near-zero interest rates, property was invested in chiefly for its yield (especially compared with other asset classes such as bonds). Now, we expect it to return to its traditional role of a 'hybrid' asset class combining sustainable income with equity-like capital growth.

- ***Neil Cable***
Head of European Real Estate Investments

The view on the ground

How our analysts think their sectors would fare in a cyclical recession

"Real estate investment trusts typically trade like bonds. If rates come down, at least the valuation should expand, although fundamentals will be hit in line with the overall economy."

— **Real estate equity analyst**
North America

"Consumer cyclical is a higher beta sector dependent on discretionary consumer spending. These companies would be among those more severely hurt by a recession of any size."

— **Consumer discretionary fixed income analyst**
North America

"This scenario should lead to an increase in commodity prices, which should have a negative impact on materials companies."

— **Materials equity analyst**
India

Scenario 2:

Soft landing

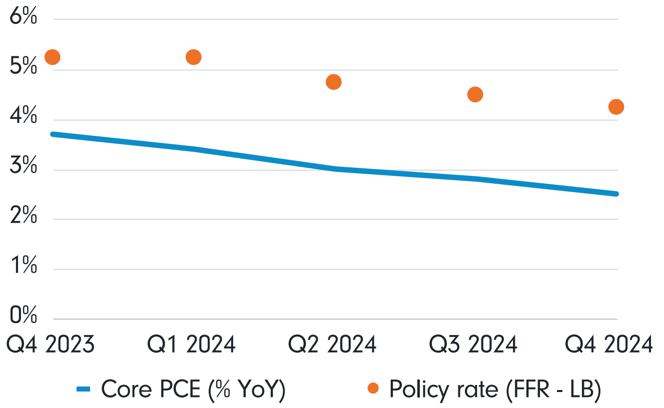
20%

probability

A soft-landing scenario would involve a slightly below trend slowdown across major economies, with no major shocks to knock markets off track. The decision to keep interest rates higher for longer would bring inflation to a level with which central banks are comfortable. This would then allow them to pivot and cut interest rates, easing pressure on indebted households and companies.

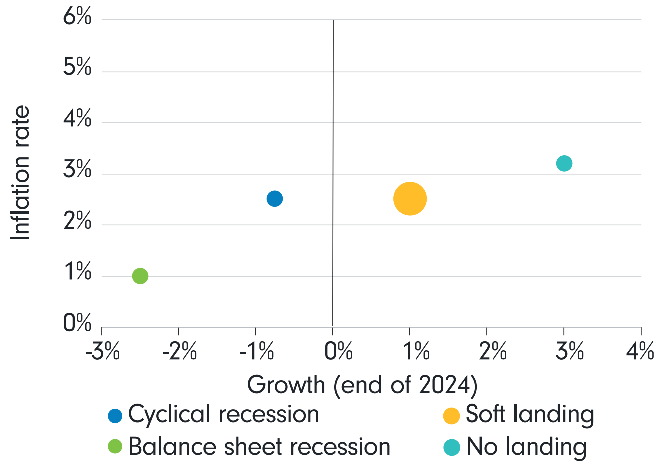
Soft landing: inflation back to target; rates back to neutral

Risk on...



Source: Fidelity International, October 2023.

... as economies avoid recession



Note: Inflation rate measured by US Personal Consumption Expenditures Price Index. Growth by US GDP. Source: Fidelity International, October 2023.

Investment implications: A soft landing would allow investors to lean into risk across many asset classes, and with inflation returning to target levels there would be particular opportunities for growth stocks, real estate logistics, and cyclical credits. Some defensiveness though would still be needed around the coming maturity walls in the fixed income market, and around the US dollar's role as a 'safe haven'.

- A benign backdrop for nominal bonds, European real estate, and consumer-linked companies
- Less defensive and mid-cap names likely to outperform the market
- Money market funds would offer interesting opportunities early in the year

Multi asset

A soft landing would be very much a risk-on scenario in our view, and good news for equities - especially those beyond the big names that have driven S&P 500 performance in 2023 - and moderately positive for bonds. We therefore favour US mid-caps over mega-cap growth stocks, with the latter already having benefitted from a 'flight to quality' this year as economic uncertainty remained high.

A soft landing would be negative for the US dollar because it would reverse the 'safe-haven' inflows that have boosted it over the past two years, eroding its yield. For a cyclical upswing we would favour markets like Korea and Taiwan, which are exposed to the growth-sensitive semiconductor cycle, and 'higher beta' markets like Brazil. The prospect of interest rate cuts from the US Federal Reserve and a softer dollar could also encourage a resurgence in high-yielding emerging markets FX. Elsewhere, we would regard a soft landing as beneficial for beaten-up cyclical names including Asia high yield credit and more liquid alternatives.

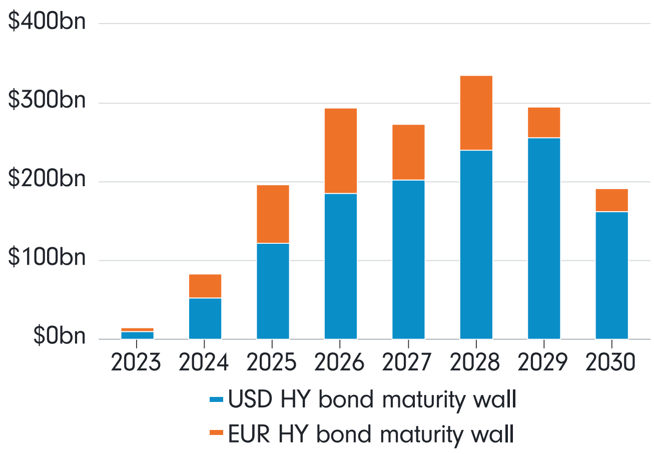
- ***Henk-Jan Rikkerink***
  Global Head of Solutions and Multi Asset

Fixed income

With nothing to upset the apple cart, this scenario should present a benign environment for nominal bonds. Longer-duration paper would obviously offer the best results thanks to the reduction of headline interest rates by the end of the year. High yield would also do well in a good environment for risk assets thanks to a solid performance on growth.

There is still some danger in investment grade credit from the higher-for-longer rates environment that is likely to remain for at least the first part of 2024, and from the maturity walls that we can all see coming for corporate borrowers over the next three years. But, in a situation of continuing - but not overwhelming - growth, there should be room for both investment grade credit and some careful, well-researched purchases in high yield assets, where there are high single digit yields on offer.

Maturity walls unlikely to be an issue in 2024 - but will loom over high yield soon



Source: Bloomberg, Fidelity International, 31 August 2023.

If anything, money market assets and shorter-dated inflation-linked paper might underperform because of their relatively short duration, although they could do well in the early part of the year before capital gains from government and corporate bonds began to take over and favour those asset classes.

US assets would probably do better because we should see a sharper fall in yields from what is currently a higher starting point than in other developed markets. European financials might be another interesting play, starting from a relatively cheap level in what would be a benign environment for fixed income.

- ***Steve Ellis***
Global Chief Investment Officer, Fixed Income

Private credit

In a soft landing scenario, we would expect less-defensive names to outperform. It could bring a reprieve from defaults and a lower refinancing risk for borrowers across the market, and in the more economically friendly environment there would be a real opportunity in lower rated senior secured loans or structured credit.

The best returns might be found in assets that are currently priced very wide to the market, and we would shift our allocation towards names that could rally where more adverse scenarios have not played out. For example, triple-C rated names, which typically make up between 1 and 10 per cent of the European leveraged loan index, can contribute as much as 25 to 30 per cent of performance at times when market expectations shift to a more benign outlook.

Cyclical names with a higher risk profile are likely to give the strongest returns, while in structured credit the high-yield tranches should offer the most attractive returns. We would therefore allocate to sub-investment grade structured credit tranches. In direct lending and senior loans, higher incomes, falling rates and a more benign default environment would be constructive for refinancing and capital appreciation opportunities.

- ***Michael Curtis***
Head of Private Credit Strategies

Equities

The most important element of a soft landing scenario is that inflation would return to target levels, and central banks could declare victory. Growth stocks should do well in this scenario (financials and commodities names in particular) as inflation returns to target levels and central banks pivot. We don't think value stocks would have much benefit over growth.

Consumption is particularly interesting in a soft landing. Salaries would have risen with inflation but mortgage costs would then begin to fall as interest rates came down. That would put more money into householders' pockets. It would be a good time to look into retail names.

However, a soft landing scenario would still demand a defensive approach, especially compared to 'no landing'. We would double down on diversification plays that should help protect a portfolio from any macroeconomic shocks, and be even more mindful of high valuations.

Geographically, we would expect Japanese equities to benefit in this scenario. If central banks across the rest of the world were cutting rates, and with real rates coming down quickly, the yen would start to appreciate. Domestic consumer stocks would do well off the back, while firms that rely on exports might face pressure from the strong currency.

- ***Ilga Haubelt***
Head of Equities, Europe
- ***Martin Dropkin***
Head of Equities, Asia Pacific

Real estate

With growth returning to major economies and interest rates coming down to historic levels, this would be the perfect opportunity to lean into the property sector.

In particular, we would anticipate a stronger outlook for logistics, given how tightly this market is currently supplied in Europe. Because of the rise of online shopping, logistics is now a better indicator of consumer health than traditional retail real estate and should benefit from increased consumer activity. This sector has had a good run recently but there is still room for growth and for rents to rise, given the surprisingly low vacancy rates that remain for warehouses.

Over recent years there has been a shift in tenants' focus to the sustainability profile of the buildings they rent, and this is only set to continue in any of the scenarios we might face. Tenants' interest in green buildings is not only driven by regulatory changes or even by the opportunity to cut energy costs, but by their own ambitions towards net zero, stakeholder pressures, and their efforts to attract and retain staff.

- ***Neil Cable***
  Head of European Real Estate Investments

The view on the ground

How our analysts think their sectors would fare in a soft landing scenario

"The healthcare sector's valuation is highly rate sensitive, and earnings are vulnerable to inflation. So, this is the most positive scenario. I would expect an increase in absolute valuations."

— **Healthcare equity analyst**
Europe

"I think market expectation is currently somewhere between a soft landing and cyclical recession and therefore a soft landing will be positively received for cyclical names."

— **Consumer discretionary fixed income analyst**
North America

"Utilities are considered defensive. A soft landing would be positive for most industries but only neutral for utilities."

— **Utilities fixed income analyst**
North America

Scenario 3:

Balance sheet recession

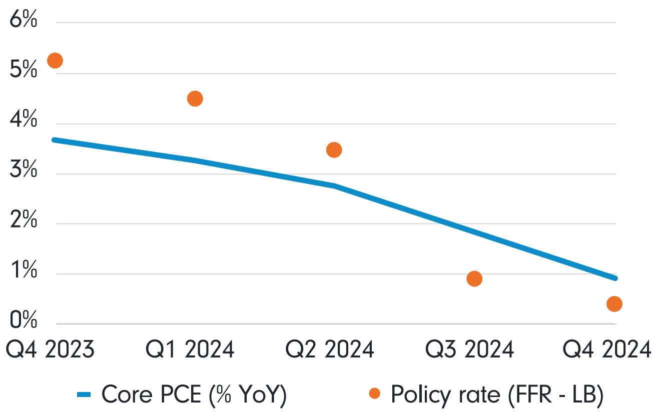
10%

probability

A balance sheet recession would be marked by a deep and prolonged downturn across developed and emerging economies. A serious default cycle would take hold across corporate markets and weaker sovereigns would also come under pressure. Because a balance sheet recession would prompt widespread cutbacks in corporate and household spending, central banks would respond by cutting interest rates aggressively, while inflation would also fall sharply.

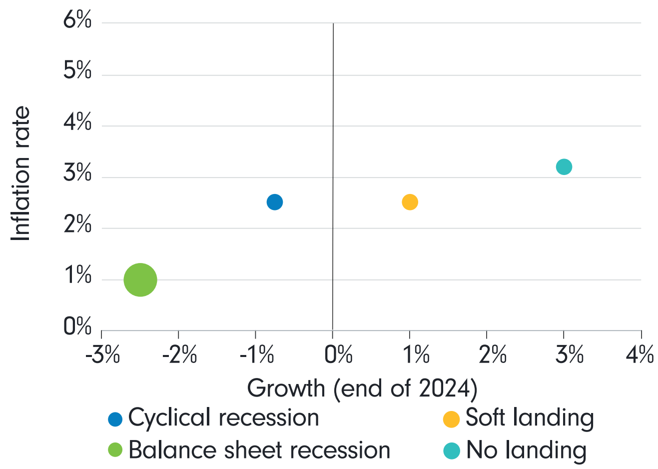
Balance sheet recession: reversal of inflationary trends; sharp pivots from central banks

Risk off...



Source: Fidelity International, October 2023.

... as we enter a deep recession



Note: Inflation rate measured by US Personal Consumption Expenditures Price Index. Growth by US GDP. Source: Fidelity International, October 2023.

Investment implications: The dramatic downturn of a balance sheet recession would prompt cautiousness across the board, but there would still be opportunities. Fixed-income duration and 'safe-haven' currencies would be likely to provide some relief, while investments in solid, defensive sectors that have long term visibility on income - such as healthcare and utilities - could remain attractive.

- A risk-off approach would be needed across most asset classes
- Focus on duration, defensiveness, and sustainable incomes
- 'Safe-haven' currencies and gold would be interesting

Multi asset

This is a clear risk-off scenario and one that would be bullish for both the US dollar and Japanese yen (as traditional safe havens), gold, and also bond duration, given the likelihood of sharp pivots from key central banks, with outperformance by companies with strong balance sheets. We would be particularly concerned about the ability of some small-cap companies to weather a deep and prolonged recession, especially those carrying large debt loads. There would be good reason to look at US mid-caps and parts of the S&P 500 where valuations have remained reasonable – but excluding the 'Magnificent Seven' stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla). Similarly, we would strongly prefer high-quality credit over the riskier segments of high-yield bonds.

Outside the US, more defensive emerging market equities in places like India and Southeast Asia look best placed for this scenario, as those markets are less tied to the global cycle.

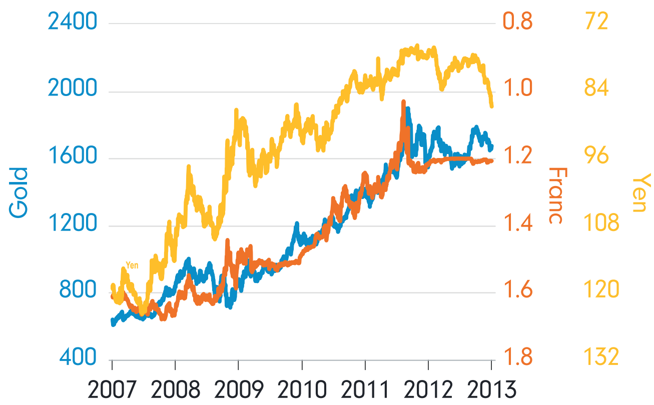
- ***Henk-Jan Rikkerink***
  Global Head of Solutions and Multi Asset

Fixed income

A balance sheet recession always puts fear into fixed income investors. But it would be risk off for everyone. Credit and much, if not all, of the equities universe would be knocked off the table - or at least forced to play second fiddle to bets on falling interest rates and the need for capital preservation.

In a real downturn we always buy duration because we would expect the central banks to cut rates, potentially hard, with the possibility that they may even return to quantitative easing. Many clients have been creeping into those positions this year already. Some have been burned for doing so, but in this case it could pay dividends.

'Safe-haven' currencies and gold have performed well in previous risk-off scenarios



Note: Gold index is XAU (USD/oz); Yen-Dollar exchange rate (JPY/USD); Swiss Franc-Euro exchange rate (CHF/EUR). Source: Refinitiv Datastream, Fidelity International, October 2023.

We would look for the capital uplift from duration, and would also raise the allocation to cash and buy gold. We would probably want some 'safe-haven' currencies as well. We would go up the quality spectrum as high as possible and hedge against some of the downside that equity holdings will inevitably deliver. Assuming we had seen off the threat of big supply-side-driven cost increases, there would be no case for inflation-linked paper.

- ***Steve Ellis***
  Global Chief Investment Officer, Fixed Income

Private credit

Given the associated material correction in asset prices and with corporate valuations under pressure, in a balance sheet recession we would favour moving up the capital structure, with a focus on senior secured exposure. Investment grade tranches of structured credit, specifically collateralised loan obligations (CLOs), also offer defensive properties and high excess returns: in more than 25 years of the European asset class, the market has not seen a single default of tranches rated single-A or above (although past performance does not guarantee how it would perform through a new balance-sheet recession). The yields on these instruments also offer a substantial premium to corporate fixed income assets.

We would also suggest looking at higher-rated senior secured leveraged loans and direct lending where credit valuations should more than compensate for any potentially adverse default scenarios while also providing high single-digit income and above. We favour Europe over the US because of the dominance of defensive industries, higher expected recovery rates, and less leveraged capital structures.

As happened during the global financial crisis, expect fewer deals, although any new issuance in both direct lending or senior secured loans would be likely to have lender-friendly documentation packages and pricing, so there could be attractive opportunities to place new capital further down the line. It is important to note the differences between the market now and how it was heading into the Global Financial Crisis in 2008. There is far less leverage in the system today, and with the growth of private credit, companies have more options to address capital structure issues, meaning that defaults should be contained and recoveries respectable.

- ***Michael Curtis***
  Head of Private Credit Strategies

Equities

Banks and other financials are well placed to deal with a standard, cyclical recession, but they struggle when faced with this more severe scenario. In a balance sheet recession we would significantly reduce our exposure to financials. Some commodities stocks could also come under pressure as demand falters.

This is the scenario to look for somewhere to hide, and utilities and healthcare firms - those names that act like bond proxies - could be the place to go. The US could also act as a relative safe haven. There would of course be some beneficiaries in the falling rate environment, such as those previously expensive growth names whose discounted cash flows would suddenly look more attractive. For example, subscription model software companies that have strong recurring revenues would be worth investigating.

It would be important to make any defensive moves quickly. No major markets currently reflect this scenario in their valuations, so if a balance sheet recession took hold, prices would correct sharply. You would want to keep your powder dry when it comes to small-cap companies and wait to see how the dust settles. Policymakers would be under enormous pressure to pivot and save the economy. Interest rates would turn sharply, putting growth stocks back in favour towards the end of the year.

- ***Ilga Haubelt***
  Head of Equities, Europe
- ***Martin Dropkin***
  Head of Equities, Asia Pacific

Real estate

In a balance sheet recession, any growth in the market could prove difficult to find and that naturally leads to more caution. A lot of investors would sell out of the sector altogether, but this might be short-sighted. It would be far better to concentrate on the core of the market and those assets with long leases, collect the income, and wait out the storm. The reliable income from investments such as nursing homes or supermarkets could be particularly attractive in this scenario.

The last time there was a balance sheet recession, during the global financial crisis, there was no concept of a green premium, but that has changed. Now an asset's sustainability profile could still drive demand even in a difficult recession. This would be down to cost sensitivity - buildings with strong sustainability credentials are more efficient, drastically reducing tenants' energy bills. Even in this tightened scenario tenants might be happy to pay a rental premium for greener buildings given their overall costs would be cut.

- ***Neil Cable***
  Head of European Real Estate Investments

The view on the ground

How our analysts think their sectors would fare in a balance sheet recession

"A deep recession would mean demand gets hit further which implies inventory correction will take longer to finish which in turn implies this downturn gets messier."

– **Information technology fixed income analyst**
North America

"Defensive sectors, such as grocers within consumer staples, would benefit from the rotation away from cyclicals."

– **Consumer staples equity analyst**
North America

"Lower rates are helpful for cash flows for food delivery companies. These are somewhat of a special case within the consumer discretionary sector given their immaturity - it's unclear how their margins will grow as the industry develops, and in many cases they're only just about to turn free cash flow positive so their value is unusually heavily skewed towards a longer-term view. This makes the interest rate background very important."

– **Consumer discretionary equity analyst**
Europe

Scenario 4:

No landing

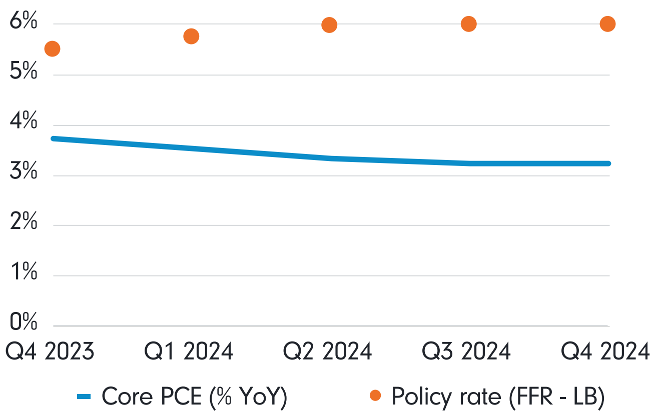
10%

probability

In a no landing scenario, US economic growth would continue to be resilient while Europe's current slowdown would reverse. Core inflation would remain sticky and settle one or two percentage points above central bank targets, encouraging monetary policy makers to keep nudging interest rates higher.

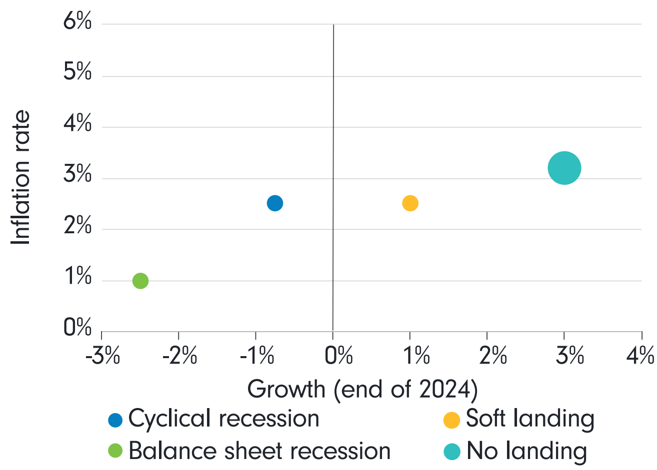
No landing: higher-for-longer rates with sticky inflation

Rates stay high...



Source: Fidelity International, October 2023.

... as growth remains resilient



Note: Inflation rate measured by US Personal Consumption Expenditures Price Index. Growth by US GDP. Source: Fidelity International, October 2023.

Investment implications: A no landing scenario could be more varied than it sounds. With interest rates staying high or even rising, floating rate options across the private credit market would be favoured, while mid-cap companies and commodities would also be of interest. However, this scenario would present a challenge to the real estate market, to firms looking to refinance, and to government and investment grade bonds.

- European exporters expected to perform well, with growth accelerating in emerging markets
- Mid-cap companies likely to outperform the mega-growth stocks that have dominated headlines in 2023
- Refinancing rates could be challenging for higher-leveraged names across bonds and senior secured loans

Multi asset

Higher for (even) longer interest rates translate into bearishness on duration. Our preference for this scenario would therefore be high-quality credit and cash over government bonds, and for inflation-linked rather than nominal debt as markets would have to re-price for structurally higher inflation.

In equities, we would favour US mid-caps over the mega-cap growth stocks as we would also do in a soft landing. Mid-cap valuations look far more reasonable and would be well set to benefit from the resilient economic growth environment that a no landing scenario implies. Outside the US, this higher-for-longer interest rate scenario would also be good news for interest-rate-sensitive cyclicals like European and Japanese banks. Other cheap cyclicals such as Chinese equities, Asia high yield, and more liquid alternative assets would also benefit.

If we do see an upturn rather than a downturn from here, then we would also expect more cyclical emerging markets like Korea and Taiwan to benefit given their exposure to the growth-sensitive semiconductor cycle. Higher beta and commodity-exporter EM assets, such as Brazilian equities, should also do well under this scenario.

- ***Henk-Jan Rikkerink***
Global Head of Solutions and Multi Asset

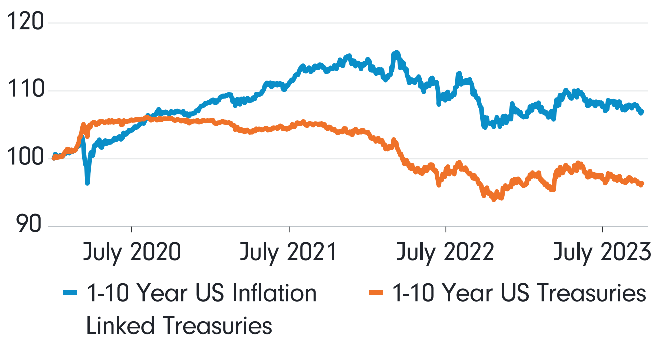
Fixed income

This would be the most dangerous scenario for government and investment-grade bonds, with inflation continuing well above target and a renewed series of hikes from the US Federal Reserve, as the economy miraculously resists the pressures brought to bear by higher rates and quantitative tightening. Those of us who have tiptoed into longer-duration nominal bonds would suffer.

Money market funds would benefit as cash rates rose and in general we would prefer shorter-duration, and good-quality, cyclical assets. Note that not all cyclical assets - low-quality high yield for example - will feel the positive boost of strong growth, because lower-quality names will be hurt by worse liquidity and higher rates.

Ever-higher refinancing rates for highly-leveraged companies would present a growing danger, generating an environment of heightened idiosyncratic risk. Sub-10-year inflation-linked bonds could outperform, boosted by upside surprises in inflation, and sheltered by their relatively short duration and lower beta than nominal government bonds. Geographically, the US would have better growth and higher inflation and therefore US yields would rise by more than the European alternatives, making it a yet tougher environment there for duration.

Inflation-linked bonds could continue to outperform in a no landing scenario



Source: ICE BofA 1-10 Year US Inflation-Linked Treasury Index, ICE BofA 1-10 Year US Treasury Index, Fidelity International, 30 September 2023.

- ***Steve Ellis***
Global Chief Investment Officer, Fixed Income

Private credit

Faced with the growing inflationary pressures of a no landing scenario, the floating rate nature of private credit products would be attractive as a potential hedge against inflation.

In this scenario we could position less defensively and be willing to take on more risk, focusing on industry leaders and companies with strong pricing power and the ability to pass costs through to customers. However, if rates stayed higher for much longer, we would look to avoid names with higher debt-to-ebitda leverage or lower interest-coverage ratios and would be cautious around traditionally defensive sectors, such as healthcare and technology, that often have higher leverage and might not have the pricing power to pass on higher costs. Similarly, companies where wages make up a large proportion of costs are likely to be less attractive in a high-inflation scenario, although there may be exceptions.

With rates staying high or even rising further, there would be more erosion of valuations and refinancing would become more difficult for certain credits. While the maturity wall would not be an imminent worry, refinancing needs over the next couple of years might start to present a greater challenge.

- ***Michael Curtis***
  Head of Private Credit Strategies

Equities

Assuming that one driver behind a no landing scenario is a strong economic performance from China, then some exporters in Europe, particularly Germany, should be in pole position to benefit. Japan, also sensitive to Chinese growth, would react positively too and we would expect to see growth accelerate across emerging markets, again benefiting exporters.

In terms of style, we would expect the higher-for-longer interest rate environment to favour value over growth, with earnings steadily improving during the year. The US economy would be resilient in this scenario, with full employment and consumers still able to spend. However, it is worth bearing in mind that with rates remaining elevated, this scenario could end up being challenging for equities.

Among US equities we would pick companies with two key characteristics. The first is pricing power - companies that have control over their input and output costs. The second is a well-structured balance sheet with limited leverage, and companies that can create free cashflows on an annual basis. Railways, which have fixed assets and in many cases monopoly power, would be one example that ticks both boxes.

Commodities, especially oil, would also do well in a no landing scenario, benefiting the UK market with its heavy weighting to those sectors. By contrast, sticky inflation would be bad news for companies sensitive to input costs and would see margins come under pressure. Certain consumer staples companies we favour in a cyclical recession would suffer from higher commodity prices.

It may be tempting to think that the ‘Magnificent Seven’ big tech companies that have done so well in 2023 would carry on their winning streak in a no landing scenario. But it’s all about valuation. Some have great business models, dominance in their sub-sector, and can continue to generate free cashflows sustainably. Others now have their best years behind them, making it difficult to justify higher valuations from here.

- ***Ilga Haubelt***
  Head of Equities, Europe
- ***Martin Dropkin***
  Head of Equities, Asia Pacific

Real estate

Higher for longer rates and surging inflation present a challenge to the real estate market. Tenants would face increasing costs, although we wouldn't expect them to go bust in large numbers as buffers have been priced into the market.

From an investment perspective, a no-landing outlook would be a time to retreat to core holdings and wait out the cycle. The fundamentals across real estate should remain relatively robust, so once this phase is past and rates finally come down, it would be possible to sell and crystalise any gains. There could be opportunities to take advantage of the repricings taking place in the sector to add value, but broadly we believe this would be a time to remain defensive.

- ***Neil Cable***
  Head of European Real Estate Investments

The view on the ground

How our analysts think their sectors would fare in a no landing scenario

"Given valuations remain very rate sensitive, expect higher rates to exert continued pressure on valuations - especially if the market becomes concerned this is longer-term. Additionally, continued high inflation would be negative for earnings given limited pricing power in the sector."

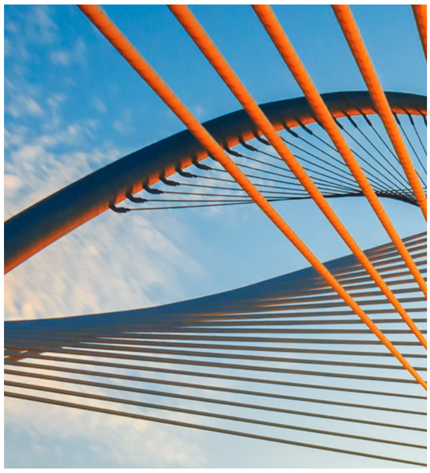
— **Healthcare equity analyst**
Europe

"Most utilities benefit from higher inflation protections (particularly regulated utilities) but continued high inflation will cause capex, opex, index-linked debt, and interest costs to rise which is likely to hurt credit metrics, particularly in light of high investment requirements across the sector."

— **Utilities fixed income analyst**
Europe

"If inflation continues to remain high, the deterioration in asset quality is likely to override the continued benefit of higher rates."

— **Financials fixed income analyst**
Europe



Asia

Riding the growth momentum

China's economic slowdown and the resilience of the US dollar have dimmed the lustre of many Asian economies' strong growth momentum in the past year. But heading into 2024, this growth story should continue.

Martin Dropkin
Head of Equities, Asia Pacific

Lei Zhu
Head of Asian Fixed Income

The performance of the US dollar and investors' faltering optimism over China's recovery have obscured the strong growth story of many Asian economies in the past year. But Asia's prospects still look solid, supported by robust consumption and positive structural shifts.

Three scenarios for China's growth

China is the big variable for the region. We see three different macro scenarios as the likeliest pathways for the country's economy in the year ahead.

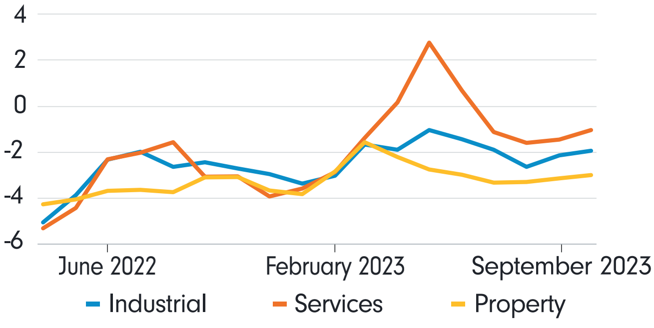
The first, our base case, outlines a **controlled stabilisation** for China, where its recovery gradually accelerates as the property sector stabilises and consumption picks up. We assign a 65 per cent probability to this scenario in which the economy grows around 4 to 5 per cent in 2024. Policymakers will provide more fiscal and monetary support to keep growth on track, including effective measures to address deep, structural problems that help rebalance the economy away from the old investment-led model. These policy supports would, in turn, help stabilise real estate, which accounts for around two-thirds of household wealth in China, delivering a restorative boost to consumer confidence.

These policy supports would help stabilise real estate, which accounts for around two-thirds of household wealth in China

In the event of recession in developed countries, the stronger domestic market in China would help offset slumping overseas demand. While we believe the high growth model in previous years is not sustainable, the improving macro environment would support corporate earnings and ultimately lift investor sentiment. For property, we would expect a stabilisation of prices, not a resumption of growth, with a close eye on the debt levels.

The implications for Chinese assets under a controlled stabilisation scenario are mixed. For Chinese equities, which currently offer attractive valuations compared with most other regions, cyclical stocks like those in the shipping, industrials, and oil services sectors would stand to benefit from the rising economic output. Stronger household spending, supported by the large excess savings accumulated during the pandemic, would also benefit consumer sector stocks. In this scenario, interest rates would range from stable to a small decline. The real yield on China's government bonds would remain compelling because of the low inflation environment, which would support demand for onshore bonds. Even so, we may see some short-term liquidity squeezes in the onshore bond market, driven by investors' expectations of future policy support and an increasing supply of government bonds driving yields up further.

China's services sector emerges as a bright spot as property slumps



Note: Monthly readings of Fidelity International's proprietary China activity tracker. Y-axis shows the Z-score of each series. Scores greater than 0 indicate activity above its long-run mean. Scores less than 0 indicate activity below its long-run mean. Source: Fidelity International, November 2023.

A second potential pathway for China's economy focuses on the downside risks, such as government stimulus failing to come through quickly enough, which could result in a **serious slowdown**. We assign a 25 per cent probability to this scenario. This entails the economy taking a double hit from both domestic structural challenges and an external demand slowdown. Policy support coming up short would tip the ailing property market into a more meaningful decline. In response, credit risk for local government debt would rise as land sales, a major source of local governments' fiscal revenue, shrink further.

If the twin crises in the property and local government debt sectors were to spill over to the broader financial system, China could be heading for 'Japanification', or years of economic stagnation characterised by heavy debt loads, disinflationary pressures, and a pullback in spending and confidence among consumers and businesses. There would still be room for increased leverage at the central government level to offset the downturn, but for equity investors, a bear-case scenario like this would call for defensive positioning. Utilities and consumer staples stocks would show more resilience in weathering the storm. This backdrop could be positive for China's fixed income assets, and we would be more aggressive on favouring duration. At the same time, rising default risks in such a downturn argue for sticking with high-quality corporate bonds.

Our third and final scenario for China involves the economy entering a strong period of **reflation**. We think it's the least probable of the three outcomes with only a 10 per cent probability.

Policymakers would go beyond cyclical easing measures to bail out both property developers and cash-strapped local government financing vehicles

In this case, China reverts to its old economic playbook, propping up growth by government overinvestment and rekindling a property boom. Policymakers would go beyond cyclical easing measures to bail out both property developers and cash-strapped local government financing vehicles, fuelling a renewed credit binge in the public and private sectors. Inflation accelerates. Business and consumer confidence is resurgent. Real estate's reprise boom drives a broad-based recovery across the economy. In the short term, China would regain its rapid economic growth, but investors should be wary: this debt-fuelled expansion would not be sustainable over the long run and would eventually create even worse structural problems in the economy. In terms of asset class implications, the reflation scenario is positive for economically-sensitive value stocks like the heavy machinery and financial sectors. We would also favour consumer stocks, especially discretionary names, because of the broad consumption recovery that would likely follow.

Japan

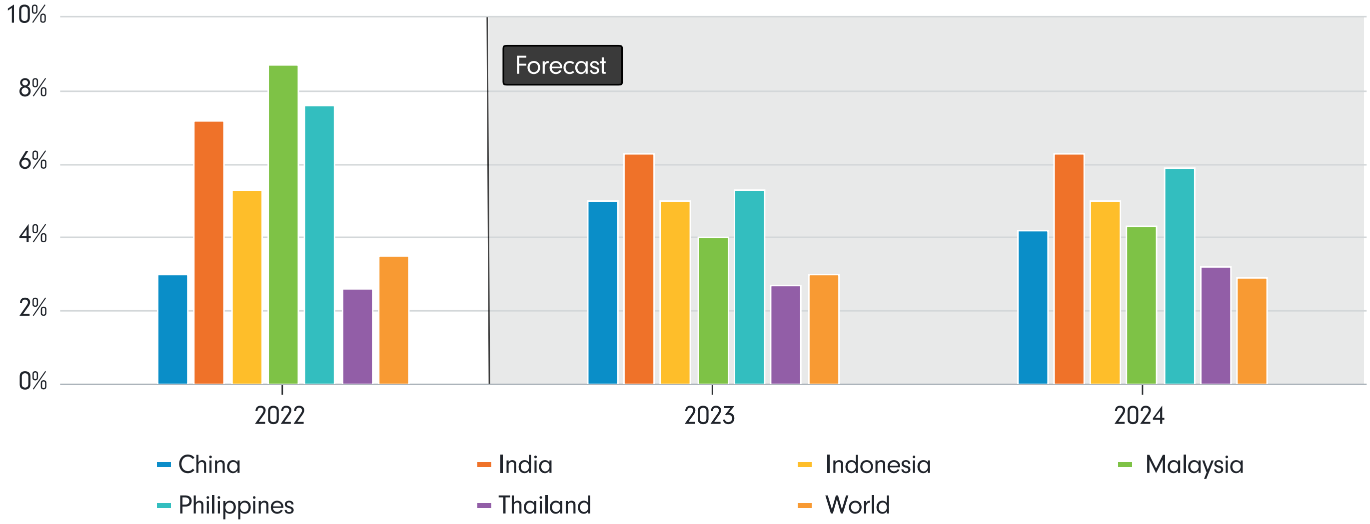
China's trajectory is the biggest swing factor for the region, but it's far from the only economy that will drive Asian markets in the coming year. Japan's equities could continue to outperform as the economy transitions into a mildly inflationary state, following decades of stagnant growth and falling prices. Wage increases will have a knock-on effect of boosting consumption and supporting further price gains. Japan's households are starting to show a shifting mentality from saving to spending and this will have broad and lasting effects. At the same time, corporate governance reforms in Japan continue to unlock equity market value. Companies are focusing more on dividends and buybacks. The Japanese market's shareholder return profile may improve faster than most other developed markets. As policymakers gain confidence that Japan's mild inflation has reached a sustainable level, it will be only a matter of time before the Bank of Japan further unwinds its ultra-loose monetary policy and makes a full exit from its policy of yield curve control. This policy normalisation will help attract investors to the local bond market.

India and Southeast Asia

The rest of the Asian region will face challenges in the event of recession in the west or of any surprise slowdowns in China, but it also stands to benefit from some favourable structural growth tailwinds in the long-term. 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. Indian equities' relatively high valuations, versus other Asian and emerging markets, can be justified by its listed companies' consistently higher return on equity.

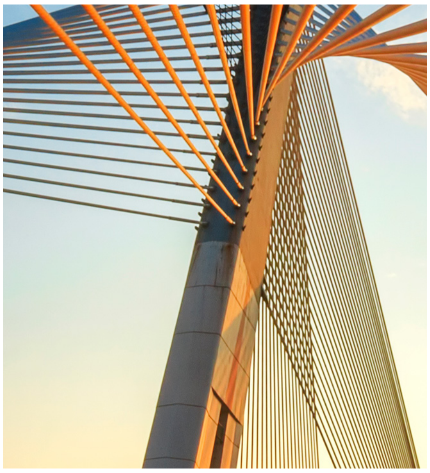
Meanwhile, the push to reduce supply chain reliance on China through expanding production bases in India and Southeast Asia will support manufacturing growth momentum across the region. Although it's hard for neighbouring countries to replicate China's manufacturing dominance, the rise of so-called 'China plus one' supply chain configurations will result in sizeable business and investment inflows to the rest of the region, helping boost exports and employment in both India and Southeast Asia. Of course, a recession in developed markets or a sharper slowdown in China would be a big blow to exporters across the rest of Asia, but that would only be one factor amid a much broader set of considerations, depending on which of our global macro scenarios plays out in the year ahead.

Growth is expected to stay resilient across emerging Asia



Note: 2023 and 2024 numbers are the IMF's projections. Figures are annual real GDP growth rates. Source: IMF's October World Economic Outlook, Fidelity International, November 2023.

Sustainability



Regulation and the bond between climate and nature will drive progress in 2024

The urgency to reach net zero and stop nature loss is leading to increasingly complex markets in need of more policy direction. In response, asset managers are evolving their engagement approaches to include regulators, policymakers, and industry groups, alongside corporates.

Jenn-Hui Tan
Global Head of Stewardship and Sustainable Investing

'System-wide stewardship', where investors engage with a broad spectrum of stakeholders on sustainability issues, will be a driver of the ESG agenda in 2024. The aim is to help create a favourable policy and regulatory environment that enables and incentivises companies to operate more sustainably. We have identified four themes that underpin our thinking around system-level stewardship: climate change, nature loss, strong and effective governance, and social disparities.

Transition finance needed

Climate financing remains a significant challenge for corporates and financial institutions alike. Gradually, frameworks are emerging to help companies put in place robust strategies to meet their net zero targets. As more businesses publish credible transition plans, we expect further developments in transition finance, including innovation in sustainable debt instruments.

Governments are seeking to close policy gaps to make green technologies cheaper while regulators are working to channel transition financing to the right places. System-wide initiatives such as the United States' Inflation Reduction Act provide support to develop technologies like green hydrogen and sustainable aviation fuels. Political will such as this should help to develop decarbonisation pathways for sectors where the transition is either technologically difficult or too expensive. In the EU, the introduction of the Carbon Border Adjustment Mechanism is designed to create a level playing field between companies manufacturing within the bloc and exporters to it, by ensuring that the carbon price of incoming goods is equivalent to the carbon price of production within the EU.

But the social ramifications of the transition are also front of mind. We continue to engage with firms not only on the infrastructure costs of decarbonisation but also retraining workers as requirements change. At government level, policymakers are looking for ways to protect those least able to bear the costs from up-front transition commitments as new technologies are built out. The prize is a clean energy revolution with lower operating costs and increased energy security.

Nature in focus

COP15 in 2022 proved to be a turning point in recognising the impact of nature loss as part of the climate crisis. Healthy carbon sinks and ecosystems play a significant role in achieving net zero, while climate change is a direct driver of declining biodiversity.

The economic implications are clear: it's estimated that more than half of global GDP is moderately or highly dependent on nature.[1] The ties between climate and nature are also becoming more evident in certain industries. Some, like mining, will need to play leading roles in a successful transition.

Companies are already considering how to implement the recently published Taskforce on Nature-Related Financial Disclosures (TNFD). Like the Taskforce on Climate-Related Financial Disclosures, the framework is designed to deliver a standardised language to report on nature. This is no mean feat. Nature loss is notoriously difficult to gauge given the absence of a universal metric. Innovative technologies, like the nascent field of bioacoustics, are trying to remedy this by developing alternative measurement systems.

Elements of the TNFD have already been included in the EU's Corporate Sustainability Reporting

Bioacoustic technology is putting a number on nature loss. **Click here** or scan the QR code to watch the video.

Directive (CSRD), a form of data collection that begins in 2024 for some firms. This is the most comprehensive reporting standard to date. The CSRD requires companies to report on their own environmental and social impact as well as sustainability-related risks to their business.

And there is more: the International Sustainability Standards Board has published its own version of sustainability disclosure standards designed to be adopted globally and focused initially on climate. Due diligence of supply chains is also gaining attention following the EU Deforestation Act and other forthcoming rules aimed at mitigating impacts on human rights.

Regulation on this scale sounds daunting, but sustainability reporting and how it links to financial reporting is an important part of mitigating the risks of climate change, nature loss, and social issues. It should also enable companies to scale up activities that not only align with the transition but drive change across the global economy.

[1] World Economic Forum (2020) Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy, WEF_New_Nature_Economy_Report_2020.pdf (weforum.org)

Important Information

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