

# Monthly Market Video: April

Commentary by Monica Defend



**MD:** In the first quarter of the year, stocks rose on the back of strong corporate earnings, and positive sentiment around US technology sector. Expectations around Fed's interest rate cuts also boosted markets. Overall, the economic backdrop has improved compared to expectations at the start of the year, but markets have already surged up a lot.

**Investors should now monitor these 4 main themes:**

1. US economic resilience under watch
  - The US economy has proved more resilient than expected which led us to upgrade our economic growth expectations for 2024.
  - However, we continue to expect a deceleration later in the year, driven by moderating investment plans and consumption spending.
2. Central banks divergences in sight
  - Secondly, different inflationary environments in developed countries, underscore the differing stances of central banks such as the Fed, ECB and the Bank of Japan.
3. Geopolitics and US elections in focus
  - In times of geopolitical uncertainty and heavy election calendar gold should stay in demand. Expectations of Fed to start cutting rates also supported the recent rally.
4. Emerging market are powering ahead
  - Finally, economic growth in emerging markets in Asia and Latin America is likely to remain robust, led by strong domestic demand and their exports potential.

We believe investors could play the improved economic outlook through quality credit and exploring global equities with robust earnings growth prospects. Emerging Markets, such as India, Indonesia and Latam may also offer appealing opportunities.