MARKET GPS

Investment outlooks 2019

Janus Henderson
—KNOWLEDGE. SHARED—

2019 looks set to be as varied and unpredictable as the last 12 months. Based on the insights of our portfolio managers and teams, we see four core themes across markets, asset classes and geographies. Are these on your radar for 2019?

1. DISRUPTIVE FORCES

KEEP UP WITH THE PACE OF CHANGE
Disruption is being felt across industries and geographies and proving a differentiator in the long-term performance of investors' portfolios. There are exciting opportunities but also significant risks for the 'disrupted'. Health care and technology are among the key sectors while sustainable investing is also a driving factor.

2. DIVERGENCE

STAY ACTIVE IN THE FACE OF DIVERGENCE
Dispersion of returns will continue across asset classes, currencies, countries and sectors, driven by a myriad of factors. Synchronisation of central bank policy is fading, typical late economic cycle behaviour is creating more volatility and fundamental drivers rather than injections of liquidity are driving asset prices. We believe active management is the best way to approach these challenges.

3. GEOPOLITICAL TENSIONS

BE NIMBLE IN NAVIGATING THE GEOPOLITICAL ENVIRONMENT
While some tensions like Brexit are anticipated, they will no doubt be accompanied by challenges not yet foreseen. We believe these conditions require investors to be flexible to navigate potential fallouts and capture opportunities.

4. EMERGING MARKETS

EXPLORE THE EVOLUTION OF EMERGING MARKETS
Strong underlying drivers of growth in Emerging Markets need to be balanced with the likely ongoing elevated levels of volatility in performance at a country and stock level. We believe that this will make it imperative to know what you own in 2019, be confident in management of the companies in which you invest and follow bottom-up analysis and compelling themes rather than following the index.

KH1118(55)0519.HK.retail