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### **Q2 2024 Investment Outlook – Tapping into opportunities in stocks and bonds**

HSBC Global Private Banking is advising high net worth and ultra high net worth clients to consider taking on more risk and put their cash to work as the investment environment has become more attractive.

HSBC Global Private Banking's Q2 2024 investment outlook, [A Fertile Ground for Investment Returns](#), shows that with the debate in the US shifting away from recession risks towards a soft landing, and potentially no landing, we have zero cash in our tactical asset allocation and have been taking an overweight position in both global equities and bonds.

The outlook also shows that there are many opportunities to put cash to work, although we remain selective and continue to focus on quality stocks and bonds over cheap valuations. Our four investment priorities are:

- **Extending bond duration:** As we approach the first Fed rate cut, which we expect to happen in June, we recommend locking in attractive bond yields and extend duration.
- **Broadening US equity exposure:** The US economy has been beating expectations for 15 months and continues to surprise on the upside, and we expect the US equity rally to broaden beyond technology stocks to companies in additional sectors.
- **Hedging tail risks:** Volatility is bound to remain in our complex world, so we recommend alternatives and multi-asset strategies to broaden the opportunity set while achieving appropriate diversification.
- **Diversifying Asian equity exposure:** In Asia, we continue to actively diversify as we await stimulus measures in China to translate into stronger growth, so we look towards India, Indonesia, South Korea and Japan for better returns.

Willem Sels, Global Chief Investment Officer at HSBC Global Private Banking and Wealth, said: "We think our investment priorities find the right balance between exploiting the opportunities while focusing on quality and limiting exposure to areas where risks are mispriced. Of course, risks remain in our complex world, but as we have seen, markets are happy to take some uncertainty in their stride as long as the earnings and rate fundamentals remain constructive."

Cheuk Wan Fan, Chief Investment Officer for Asia at HSBC Global Private Banking and Wealth, said: "Asia remains an important engine of global growth, and we capture structural growth opportunities through our themes focusing on the beneficiaries of the global supply chain reorientation, the rise of India and the ASEAN region, and future middle-class consumers."

#### **Media enquiries**

Jeremy Cheung	+852 6131 6315	<u><a href="mailto:jeremy.k.y.cheung@hsbc.com.hk">jeremy.k.y.cheung@hsbc.com.hk</a></u>
Darren Lazarus	+44 (0)7984 067 235	<u><a href="mailto:darren.lazarus@hsbc.com">darren.lazarus@hsbc.com</a></u>

## **Notes to Editors**

### **About HSBC Global Private Banking**

HSBC Global Private Banking helps clients manage, grow and preserve their wealth for generations to come. Its network of global experts helps clients access investment opportunities around the world, plan for the future with wealth and succession planning, manage their portfolio with tailored solutions, and find the right support for their philanthropy. [www.privatebanking.hsbc.com](http://www.privatebanking.hsbc.com)

### **About HSBC Holdings plc**

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of US\$3,039bn at 31 December 2023, HSBC is one of the world's largest banking and financial services organisations.