



UNION BANCAIRE PRIVÉE

## Press release

### Investment Outlook 2018: “Opportunities & risks late in the economic cycle”

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Geneva, 7 December 2017

The coming year should prove pivotal for policy-makers and investors alike as central-bank support is withdrawn and private sector-led demand takes on the mantle of growth driver for economies around the world. In the current era of growing populism and efforts towards political reform, an expanded framework for assessing risks facing investors is required taking into account these new axes of risk.

As we enter 2018, Union Bancaire Privée remains optimistic about the global economy, and the major themes of its Investment Outlook 2018 are as follows:

- ◆ **The economic boom carries on** – This year and next, world growth will be the fastest in ten years, likely to average 3.6% in 2017 and 3.5% in 2018 as growth is less dependent on central bank support, and has become more synchronised around the world.
- ◆ **Entering a new monetary regime** – In 2018, a strategic shift should be seen in monetary policies as central banks gradually withdraw the support they have been providing to the economy since 2008.
- ◆ **Getting ready for normal rates** – With 2017 characterised by an end to rate-cutting by central banks, 2018 should see a move into the final step of the policy transition begun one year ago.
- ◆ **Earnings growth in US equities** – Positive returns in 2018 remain in store despite historically high valuations.
- ◆ **Cyclical recovery meets structural headwinds in Europe** – In 2018 Europe investors should focus on earnings growth as the primary equity return driver.
- ◆ **Reform and restructuring takes hold in Japan** – The long-suffering Japanese economy, much like Europe, should perk up at last and deliver 1.7% growth in 2017 as the benefits of global growth, domestic reforms and stimulus take hold.
- ◆ **Domestic reform supports cyclical recovery in emerging markets** – Next year should see significant political change across key emerging countries and should reveal maturing economies which will allow domestic policy changes to boost returns for investors.
- ◆ **A long-cycle turn in commodities** – Inflation-adjusted commodity prices are nearing pre-2000 lows.

*The views outlined above are explained in full in UBP’s “Investment Outlook 2018” report, which is available at <https://www.ubp.com/en/news/investment-outlook-2018>*



## UNION BANCAIRE PRIVÉE

Our experts are available to answer your questions:



### **MICHAËL LOK, Group CIO and Co-CEO Asset Management**

Michaël Lok, who has over twenty years of experience in wealth and asset management, joined UBP in 2015 as Head of Investment Management. Previously, he was Global Head of Asset Management with Indosuez Wealth Management (Crédit Agricole Group), where he developed a range of UCITS funds for Private Banking and a set of UHNWI mandates and dedicated investment solutions with a focus on Asia and Latin America.

This followed his roles as Head of Investment and Head of Risk and Quantitative Portfolio Management. Before that, he was Portfolio Manager at Banque Martin Maurel and HSBC France (ex-CCF). Michaël Lok holds two Master's degrees, one in Finance (DESS) and one in Banking and Finance (DEA), from the University of Aix-en-Provence (France).



### **NORMAN VILLAMIN, Chief Investment Officer (CIO) Private Banking**

Norman Villamin joined UBP in November 2015 as Head of Investment Services and Treasury & Trading of UBP Zurich. He was appointed Chief Investment Officer (CIO) Private Banking in 2016. With over twenty years of experience managing wealth both on an advisory and discretionary basis, Norman Villamin has been Chief Investment Officer for Coutts International, Head of Investment Analysis & Advice for Citi Private Bank in Asia-Pacific as well as the Head of Asia-Pacific Research for HSBC and the Head of Asia-Pacific Strategy for Morgan Stanley based in Hong Kong and Singapore. Norman Villamin holds a Bachelor's degree in Business Administration from the University of Michigan and a Master's in Business Administration from the University of Chicago.



### **PATRICE GAUTRY, Chief Economist**

Patrice Gautry joined UBP in Geneva in February 2000 and heads the Bank's Economic and Thematic Research department. Prior to that, from 1991 to 1999, he worked in the Institutional Asset Management department of HSBC Group in Paris as head of economics and investment strategy. From 1988 to 1991, he was a manager of European diversified SICAV and mutual fund portfolios for the Ecofi-Finance Group. Patrice Gautry holds a Research Master's degree (Diplôme d'Etudes Approfondies) in economics from the HEC-CESA Paris and the University of Orléans, with specialisations in currency, finance and banking.

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### **About Union Bancaire Privée (UBP)**

UBP is one of Switzerland's leading private banks, and is among the best-capitalised, with a Tier 1 capital ratio of 26% as at 30 June 2017. The Bank is specialised in the field of wealth management for both private and institutional clients. It is based in Geneva and employs 1,694 people in over twenty locations worldwide; it held some CHF 118.9 billion in assets under management as at 30 June 2017. ([www.ubp.com](http://www.ubp.com))