# Summary of Economic Outlooks for 2024

| iA Clarington Investments | Fidelity | BlackRock | Loomis Sayles | PIMCO |
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| iA Clarington Investments | Year Ahead 2024 \| iA Clarington |
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| Overview | If 2023 was a year of resilience, 2024 will be the year where the long and variable lags of monetary policy make their landing. Financial markets are transitioning from inflation fog into a world of normalized rates, stable inflation and robust growth. |
| Equities | Beginning of a cyclical rally for stocks mid 2024 as central banks start cutting rates. Key is building a position before anticipate rally starts. Namely in utilities, telecommunications and economy-sensative companies. |
| Fixed Income | Anticipated respectable corporate bond returns in 2024. Overweight defensive sectors such as utilities and telecommunications – which tend to perform well in weaker economic environments and offer attractive dividend yield potential |
| Global Outlook | US relatively insulated from expected recession due to government stimulus and excess consumer savings. Macro picture unclear in EU and China. Equity valuations outside the US and outside Tech are not high. This presents pockets of opportunities, namely Japan. Overweight in Energy and Utilities. |
| Interest Rates/Inflation | Higher-for-longer stance is more likely than a scenario where rates go up even further. Over the next 12 months, inflation will be about 2.5% while economic growth will slow to a more moderate rate as the year progresses. Reasonable for the fair value of the U.S. 10-year bond yield to be in a range of between 3.75% and 4%. |

| Fidelity | Fidelity \| 2024 Stock Market Outlook |
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| Overview | The market is ending 2023 on a high note, after an impressive and broad-based rally in recent weeks. 2024 could see a continued broad-based bull market if, as expected, the Fed pivots, earnings advance, and the economy continues to avoid recession. |
| Equities | Bull market will broaden in 2024—with a wide range of types of stocks advancing—rather than the narrow leadership we saw for much of 2023. S&P hit its all-time high in 2022 and markets have taken a median 48 months to travel back to preceeding peak. Unless we are about to enter a recession, we may be due for new highs. |
| Fixed Income | A few rate hikes makes sense, a hawkish pivot down the road seems like a bigger risk than a hard landing. Key risks to this outlook are that inflation pressures could rise again, forcing the Fed to walk back on rate cuts |
| Global Outlook | Small caps are starting to find strength. |
| Interest Rates/Inflation | The Fed signaled in its most recent release that as many as 3 rate cuts could be on the horizon in 2024—news that has been welcomed by markets. |

| BlackRock | 2023 Global Outlook \| BlackRock Investment Institute |
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| Overview | The new regime of greater macro and market volatility has resulted in greater uncertainty and dispersion of returns. BlackRock believes a more active approach to managing investment portfolios will carry greater rewards as a result |
| Equities | Higher rates and greater volatility define the new regime. Greater alpha opportunities in developed markets. |
| Fixed income | Inflation view keeps us maximum overweight inflation-linked bonds. We still like income within private markets. Within DM government bonds, we stick with a preference for short- and medium-term maturities. |
| Global Outlook | When incorporating the AI theme and alpha, our overall view is more neutral on U.S. equities. See reference chart in link above. We stay positive on Japan and we keep favoring AI theme in DM stocks. |
| Interest Rates/Inflation | Central banks face tougher trade-offs in fighting inflation – and can't respond to faltering growth like they used to. This leads to a wider set of outcomes, creating greater uncertainty for central banks and investors |

| Loomis Sayles | 2024 Market Outlook \| Loomis, Sayles & Co. |
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| Overview | Leveraging core competencies in fundamental research will be better in 2024 than trying to predict macroeconomic variables. The current market environment is facing several headwinds. Inflation dynamics, central bank actions, geopolitical unrest and global growth deceleration are all catalysts for additional volatility as we head into 2024 |
| Equities | Opportunities in technology names spanning semiconductor manufacturing and equipment, software and consulting companies. Select exposure to consumer names that are uniquely positioned; companies possessing strong brands with direct-to-consumer opportunities; physical retailers with a differentiated value offering; and e-companies with powerful network effects |
| Fixed Income | Better opportunities for taking credit risk in 2024. Firmly in the slowdown-is-coming camp, therefore expect spreads to widen. Currently spread levels are not adequately priced, thus there will be opportunities to add credit risk at more attractive valutaions in 2024. |
| Global Outlook | Asset allocation shaped by our best global opportunities can generate attractive long-term riskadjusted returns |
| Interest Rates/Inflation | Inflation dynamics, central bank actions, geopolitical unrest and global growth deceleration are all headwinds for 2024. Timing rate cuts is tricky. If inflation persists, the central bank could prioritize fighting inflation over limiting unemployment. |

| PIMCO | Positioning Portfolios for 2024 \| PIMCO |
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| Overview | Given our outlook for slower growth, inflation, and the potential for a mild recession, we are emphasizing diversification and caution in our portfolios and prioritizing quality. This outlook along with market valuations and asset class fundamentals also leads us to strongly favor fixed income in our portfolios. |
| Equities | Equities are neutral broadly; U.S. equities are overweight; Europe equities are moderately underweight; Japan equities are neutral, and emerging market equities are underweight. |
| Fixed Income | Attractive opportunities in credit in 2024. Credit is slightly overweight broadly; securitized credit is overweight; Investment grade credit is neutral; high yield is slightly underweight and emerging markets credit is neutral. |
| Global Outlook | Thematically, we favor high quality U.S. companies versus European equities. We are also underweight emerging market equities given concerns about Chinese growth outlook. |
| Inflation/Interest Rates | Inflation-linked bonds preferred within real assets. Anticipate the most value in the American TIPS, which offer an attractive way to hedge inflation given markets are pricing in a fairly modest long-term inflation expectation |