

# Press release

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## **ABN AMRO in 2017 Investment Outlook: equities will benefit from cyclical and structural changes**

The new administration in the United States of America is expected to give an impulse to the US economy, leading to positive implications worldwide with a 3.4% global growth expected, writes ABN AMRO Private Banking its Investment Outlook for 2017 *Growth Connectors*, published today. The political risk has shifted to Europe with national elections in three of the most important nations in the European Union in 2017. This may lead to short term volatility in financial markets but can also produce positive changes to shoulder the recovery underway.

Didier Duret, Chief Investment Officer of ABN AMRO Private Banking, said: *'We are entering into a new phase where powerful fundamental trends, such as improving economic conditions, upcoming major stimulus in the US and a global technological transformation are the basis for investing in 2017'.*

In the fourth quarter, ABN AMRO Private Banking became more positive towards stocks and reaffirmed its conviction that equities can drive portfolio returns. A new earnings cycle is unfolding and investment flows are moving away from bonds towards equities. For 2017, the private bank continues to be positive on equities. It advises clients to reduce interest-rate sensitive positions, such as Utilities and shift further toward cyclical stocks and IT companies linked to global digitalization. Investment opportunities are identified among social-media and e-commerce platforms.

In addition, bonds are underrepresented in portfolios, as the risk of higher yields in the US will loom in 2017 and can contaminate global bond markets. Commodities can add diversification against both inflation and volatile markets. The forecast for the average oil price is USD 55 per barrel in 2017.

Within emerging markets, Asia is preferred, given the stabilizing political and economic forces at play in China. In currencies, the appreciation of the US dollar is expected to continue. The euro versus the dollar is seen to break parity in 2017.

The bank's balanced model portfolio includes a 40% exposure to equities, 30% to Bonds 5% to Hedge funds, 4% in Commodities and 6% in listed Real estate, the remaining 15% being in cash instruments.

### About ABN AMRO Private Banking

ABN AMRO Private Banking is the international wealth-management division of ABN AMRO with EUR 198.9 billion of client assets. It offers more than 100,000 high-net-worth individuals a full range of banking, investment management, financial and estate planning products and solutions. Our domestic and international offices in over 10 markets worldwide employ 3,600 professionals and include the respected private banks ABN AMRO MeesPierson in the Netherlands (Est. 1720), Bethmann Bank in Germany (Est. 1712) and Neufilze OBC in France (Est. 1667). Visit us at [www.abnamroprivatebanking.com](http://www.abnamroprivatebanking.com)

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