

# Press release

Amsterdam, 18 June 2013

## **ABN AMRO Private Banking trims exposure to equities and bonds, increases cash position - ahead of expected tapering of quantitative easing**

### ***Growth stocks targeted, 2014 global GDP growth forecast upgraded to 4%***

In its Q3 2013 Investment Outlook – *New realities* – published today, ABN AMRO Private Banking reveals a significant increase in the cash component of its assets under management ahead of a widely anticipated tapering of asset purchasing programmes by central banks.

Since the last quarter, cash in its balanced model portfolio is increased to 13% (from 0%), while equities are trimmed to 40% (from 44%) and bonds reduced to 37% (from 44%). Hedge funds and commodities retain weightings of 5% and 2% respectively, while property is reduced to 3% (from 5%).

For the first time in many years, the bank has upgraded its global GDP growth forecast to 4% next year. It recommends that clients move from defensive and high yielding equities – which have performed well but are now fully valued - into growth stocks, including US companies with a domestic bias and European stocks with international operations.

Didier Duret, Chief Investment Officer at ABN AMRO Private Banking, said: “Our move into cash is a temporary adjustment in response to the likely end of open-ended quantitative easing, which is driving current volatility and sector rotation. We believe it is time for investors to look beyond traditional sources of yield, which are fully valued, and to consider opportunities in companies exposed to above average economic growth in the US and Asia.”

The private bank remains Overweight equities – mainly due to its continuing positive view on emerging Asia – with US and Japan upgraded to Neutral, while Europe moves Underweight. Technology Hardware & Equipment and Automobiles & Components are upgraded to Overweight, while Consumer Staples and Consumer Durables are moved Underweight. The equity theme of the quarter is *The newrRetailer* and companies involved in online retailing (Amazon and eBay), logistics firms (FedEx) and retail focused real estate companies (Unibail, Rodamco, SPG and Klepierre).

Fixed income is kept Underweight, with the greatest threat seen in rising benchmark yields rather than default risk. BBB-rated corporate credits, high yield and emerging market corporate bonds continue to be recommended.

In currencies, the US dollar and Chinese yuan are particularly favoured along with the Swedish krona and Polish zloty. The bank maintains a bearish view on commodities, but recommends long/ short equity and event-driven hedge funds as well as listed property.

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**About ABN AMRO Private Banking**

ABN AMRO Private Banking is the international wealth-management division of ABN AMRO Bank with EUR 165 billion of total assets under management, offering more than 120,000 high-net-worth individuals a full range of banking, investment management, financial and estate planning products and solutions. Our domestic and international offices in 11 markets worldwide employ over 4,000 professionals and include the respected private banks ABN AMRO MeesPierson in the Netherlands (Est. 1720), Bethmann Bank in Germany (Est. 1712) and Neufilize OBC in France (Est. 1667). We are the third largest private bank in the Eurozone, 7th largest in Europe and enjoy a strong position in Asia. Visit us at [www.abnamroprivatebanking.com](http://www.abnamroprivatebanking.com)