

## Press release

Stockholm, November 29, 2016

# Investment Outlook: US election outcome changes financial market conditions

**Financial markets have reacted to both the Brexit referendum in favour of British exit from the European Union and the unexpectedly big Republican victory in the US election with a restrained calm, after initially dramatic price movements. The lengthy crisis in the commodity sector has made investors gradually more cautious, which partly explains why the Brexit vote and the US election did not result in a need for further caution. Furthermore, neither one of these events is being interpreted as detrimental to medium-term economic growth, according to the December 2016 issue of SEB's quarterly *Investment Outlook* report.**

The fourth *Investment Outlook* of the year sees signals of slightly stronger economic performance and hopes of more fiscal stimulus and tax cuts in the United States, which might add a little extra momentum to the economy. Third quarter corporate reports also exuded a bit of optimism for the first time in years. Central banks will remain very stimulative in 2017.

"On the minus side are rather lofty share price valuations, high global debt, worrisome signals of increasing protectionism and the potentially negative effects of rising inflation, interest rates and bond yields, as well as possible problems due to growing frictions in the European Union," says Fredrik Öberg, Chief Investment Officer at SEB Private Banking.

"There are always risks and opportunities, and since this past summer we have chosen to maintain a somewhat cautious view of risk-taking, but we now foresee a trend towards accelerating growth rates and the possibility of stronger earnings performance in 2017. We are thus leaning towards slightly increasing the risk in our portfolios during the final weeks of 2016."

Two theme articles in *Investment Outlook* about the digital transformation of our society conclude, among other things, that a strong software platform is the road to business success and that semiconductors are the backbone of digitisation.

*Investment Outlook* provides tips and advice about current risks and opportunities in the art of investing. The report can be read in its entirety at [www.sebgroup.com](http://www.sebgroup.com).

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