

2021 Year Ahead Outlook

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Michael Hartnett

Chief Investment Strategist

BofA Global Research

What key themes could impact the investment landscape in 2021?

We think the key investment themes for 2021 will be the vaccine, the reopening of the economy and society, and also the recovery in the economy after the recession of 2020. 2021 should see very, very strong levels of global GDP growth of around 5% to 6%. The U.S. economy will probably grow between 4% and 5%. And interest rates we do expect to remain relatively low. That's a very healthy backdrop so far as investment markets are concerned. And we would expect positive returns from both equity and credit markets in 2021.

Those cyclical themes will also be met with structural themes—structural themes that have been running for a few years now. That's likely to accelerate going forward from here. We are moving into an era of bigger government. Now we are moving into an era where we're going to inhabit a smaller world...less globalization. More re-shoring is an investment theme. And we are likely to be in a world where the dollar is under more pressure over the longer term.

In addition to that, we have demographic themes such as the shift from the boomer generation to the millennial generation. And of course, one of the big themes that we've been running for quite some time now— the theme of ESG. So 2021 is set up to be a very exciting year, a year of growth and a year of big investment themes.

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