

Dust yourself off ...

24 February 2019



If 2018 were a boxing match, we'd call it a bruising encounter. Emerging markets, in particular, were given a hiding and, in general, it was a sorry year for investment markets. The question now is: What does 2019 hold in store?

Already the opening weeks of the year have highlighted quite clearly that the uncertainty, the divisiveness and the volatility of the past remain firmly embedded in our new normal. It has been a tough year in global markets as Arno Lawrenz outlines in his contribution to this *Global Perspectives* discussion and we conclude that the world is very much still in transition.

No longer the unassailable force in global politics and economics which it once was, the United States of Donald Trump's era provides a great deal of unpredictability in a world in which political upsets are increasingly prevalent (from Brazil to Brexit) and where trade tensions are simmering. In early January Africa's risk profile was undermined by aggressive terrorist activity in Kenya, a disputed election in the Democratic Republic of Congo and violent protests over rising prices and shortages in Zimbabwe. The likes of Mexico, which is also under new leadership, has seen major fuel shortages across the country and Turkey has been on the receiving end of Trump's ire over Kurdish forces in Syria, with threats via Twitter to "devastate Turkey economically" if the country attacks.

In the United Kingdom, Prime Minister Theresa May now holds the dubious distinction of presiding over the largest defeat in the House of Commons for a sitting government. These are extraordinary times.

Our fellow emerging markets will undoubtedly remain in the spotlight over the course of the year, and amidst the risks and volatility it is important to highlight the trends which will impact these markets in the long term. Across Africa we are seeing a steadily improving political environment, which marks a significant driver for economic growth across the continent. In India, innovation and technology continue to drive interest, while in China we expect to see an ongoing maturing of the market and a deepening shift towards consumption and the country's associated 'Made in China' drive - although concerns around civil liberties persist. Other nations, like Brazil, hold great interest given the rise of new President Jair Bolsonaro. The big question now is will the president's planned reforms be enacted?

It is not only country volatility which is important to note as we jump into a new year, the energy sector – and specifically oil – remains hugely interesting. Richard Robinson takes us through an in-depth look at the pressures and levers impacting the oil sector and highlights some positive developments on the table for 2019.

Analysis will be vital as we navigate the potentialities and pitfalls of the year to come, and we will continue to share our knowledge and market acumen with you through our *Global Perspectives* insights throughout 2019. How we come out of the boxing ring at the end of 2019 remains to be seen, but advanced warning of a strong left hook or a swift uppercut can make all the difference to your portfolio and your peace of mind.

'Analysis will be vital as we navigate the potentialities and pitfalls of the year to come.'

Other articles in this issue of *Global Perspectives*

1. [A world still in transition](#)
2. [Emerging market trends to watch](#)
3. [Oil market sets up opportunity on the horizon](#)