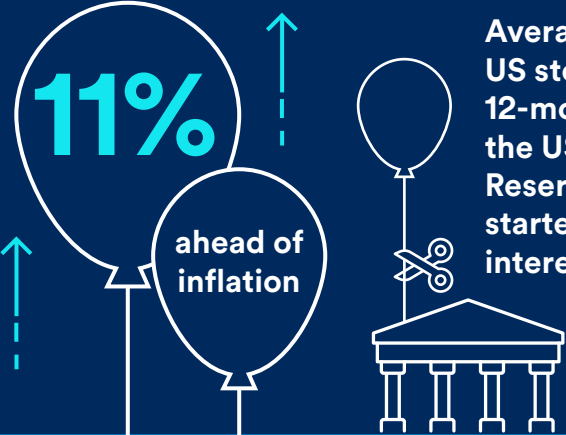


A snapshot of the world economy February 2024





How do stocks, bonds and cash perform when the Fed starts cutting rates?



11%
ahead of inflation

Average return of US stocks in the 12-months after the US Federal Reserve (Fed) started cutting interest rates






There have been 22 US rate-cutting cycles since 1928...

...both stocks and bonds have tended to do well when the Fed has started cuts...

...although the range of historical returns is wide

[Read more](#)

Why we don't expect the Suez shipping disruption to fire up inflation




Attacks by Houthi rebels on vessels passing through the Red Sea en route to the Suez Canal...

...have disrupted ships destined for major European, US and UK ports...

...evoking memories of the Covid-19 disruption which contributed to higher inflation and interest rates

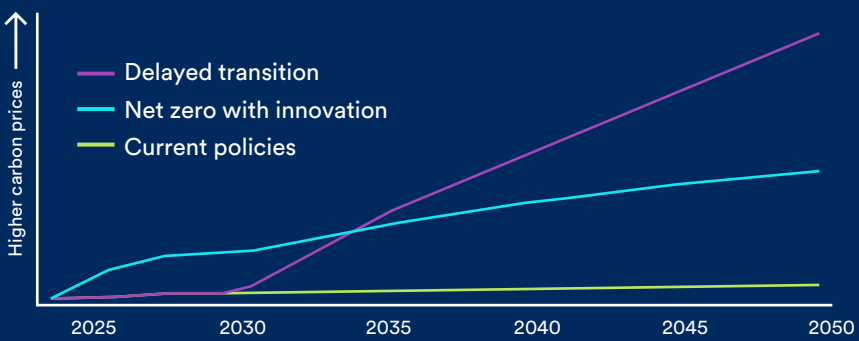
● Bulkers ● Tankers ● Containers ● Others



[Read more](#)


Why less climate action now means more rapid increase in carbon prices later

Carbon pricing is an important policy tool to incentivise the transition to net zero by 2050...




Higher carbon prices


— Delayed transition
— Net zero with innovation
— Current policies



...however, we expect climate action to be delayed until 2030, under our so-called 'delayed transition' scenario...



...as opposed to a much more favourable outcome of immediate but more gradual price rises...



...spurring investment and innovation and also ultimately curbing the extent of rises required to hit net zero

Source: Schroders as at February 2024.

Important Information: Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any investments to rise or fall. All investments involve risks including the risk of possible loss of principal. The forecasts included should not be relied upon, are not guaranteed and are provided only as at the date of issue. Our forecasts are based on our own assumptions which may change. We accept no responsibility for any errors of fact or opinion and assume no obligation to provide you with any changes to our assumptions or forecasts. Forecasts and assumptions may be affected by external economic or other factors.

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