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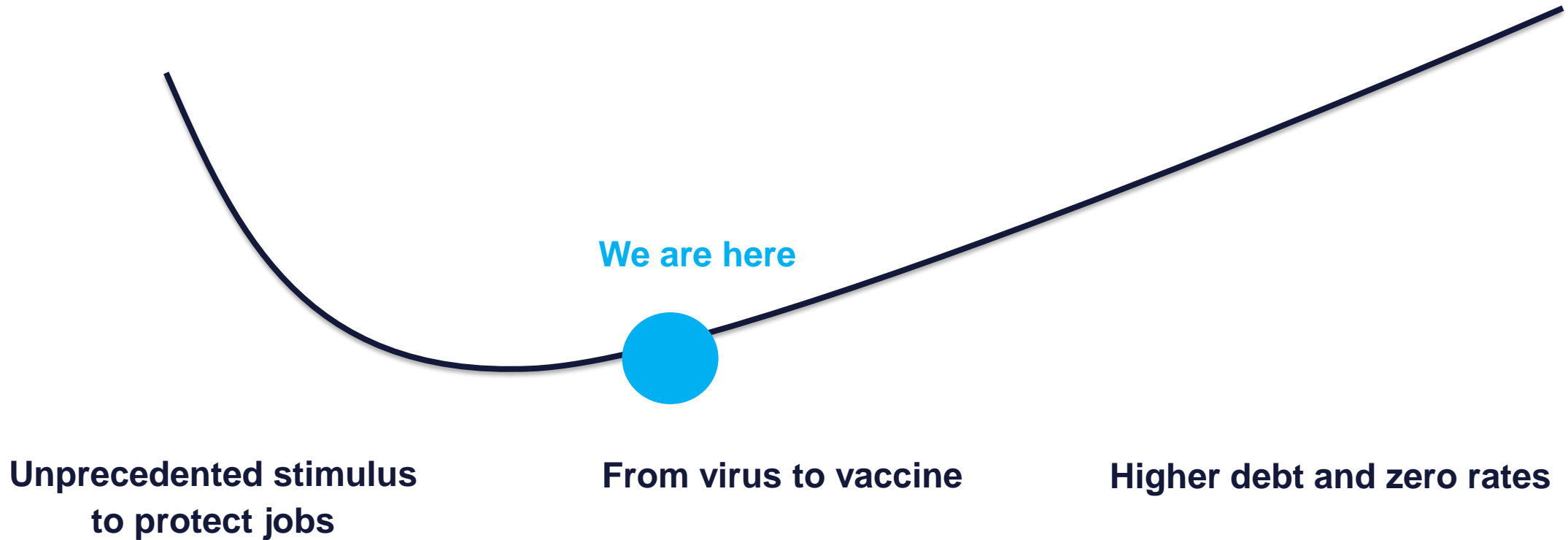
The economy – macro spotlights in 2021

2021 – From virus to vaccine

2020: Rescue

2021: Recovery

Repair



Source: Brewin Dolphin.



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Reasons to be optimistic in 2021



Vaccine rollout

Control Covid-19 and
bring back normality



Synchronised growth

Global growth to be
more in sync



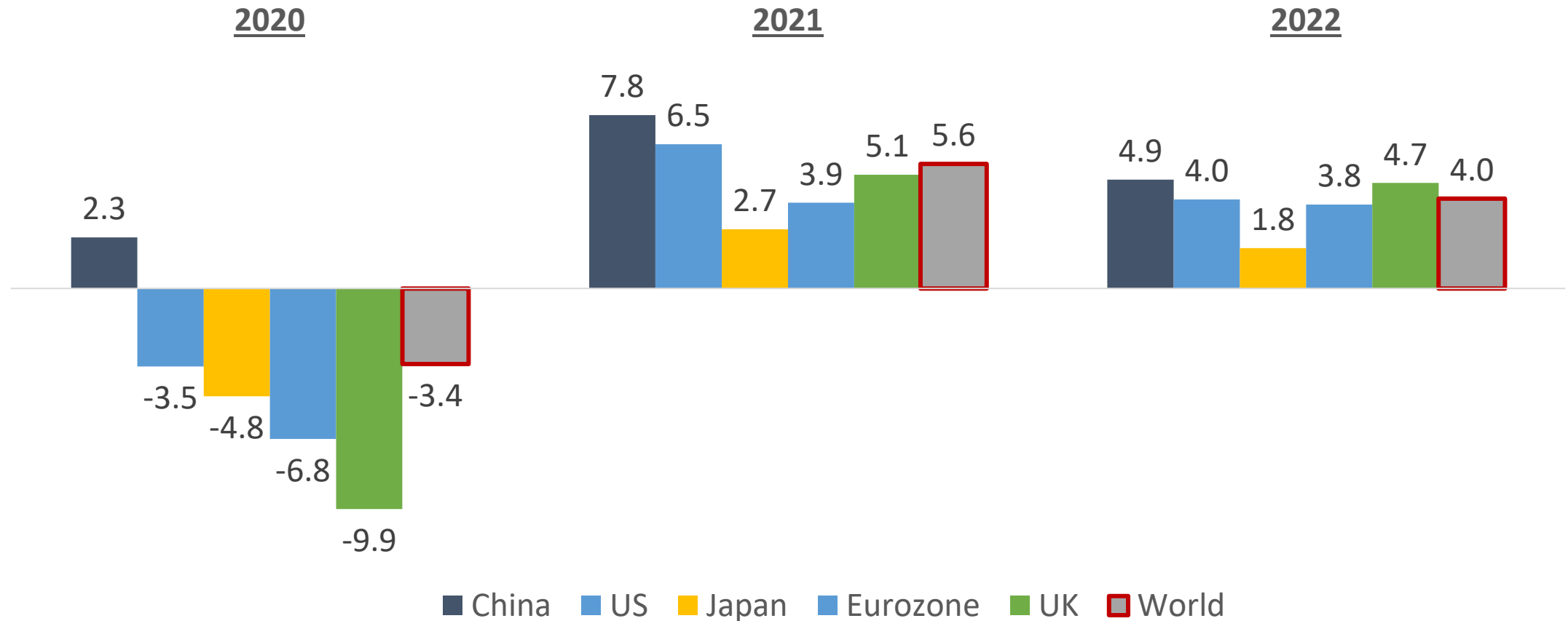
Supportive policy

Continual liquidity
and fiscal support

Source: Brewin Dolphin.

Global growth outlook

OECD economic projections

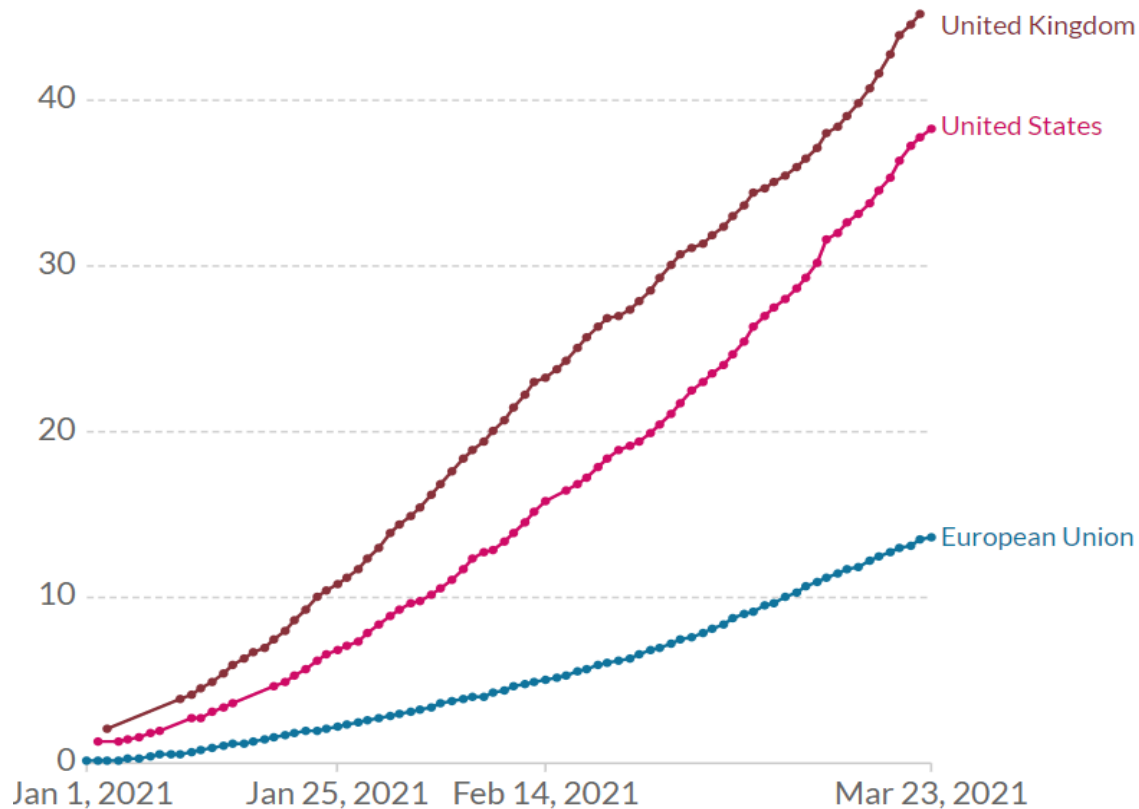


Source: OECD March 2021 forecasts.

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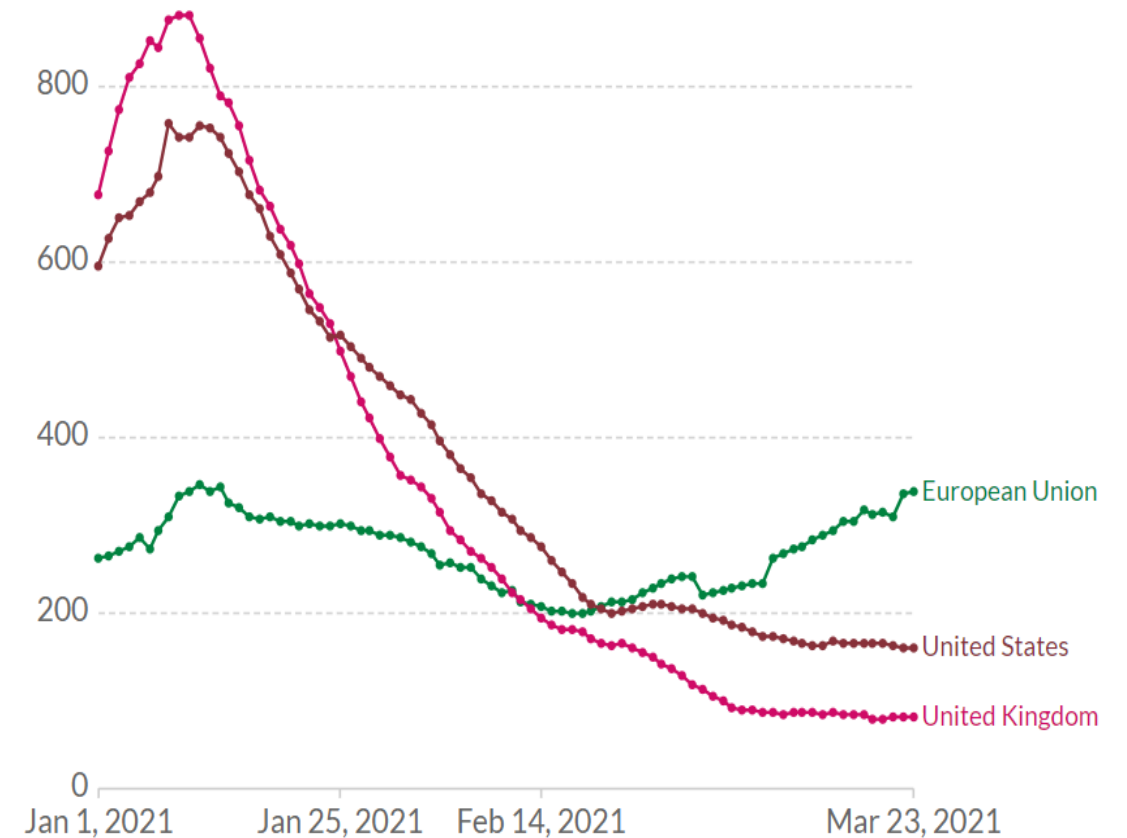
Vaccine rollout – leaders and laggards

Share of people who received at least one dose of COVID-19 vaccine



Source: <https://ourworldindata.org/covid-vaccinations>.

Daily new confirmed COVID-19 cases per million people



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The path to herd immunity around the world

Estimated number of months* it will take to cover 75% of the population



5 months



4 months



17 months

“Vaccinating 70% to 85% of the US population would enable a return to normalcy.”

– Anthony Fauci

Source: Bloomberg as of March 24th, 2021. *Note: Immunity calculations take into account the number of doses required and the current rate of administration for each vaccine type. The “daily rate estimate” is a seven-day trailing average; interpolation is used for countries with infrequent updates. Data are from Bloomberg’s Covid-19 Vaccine Tracker.

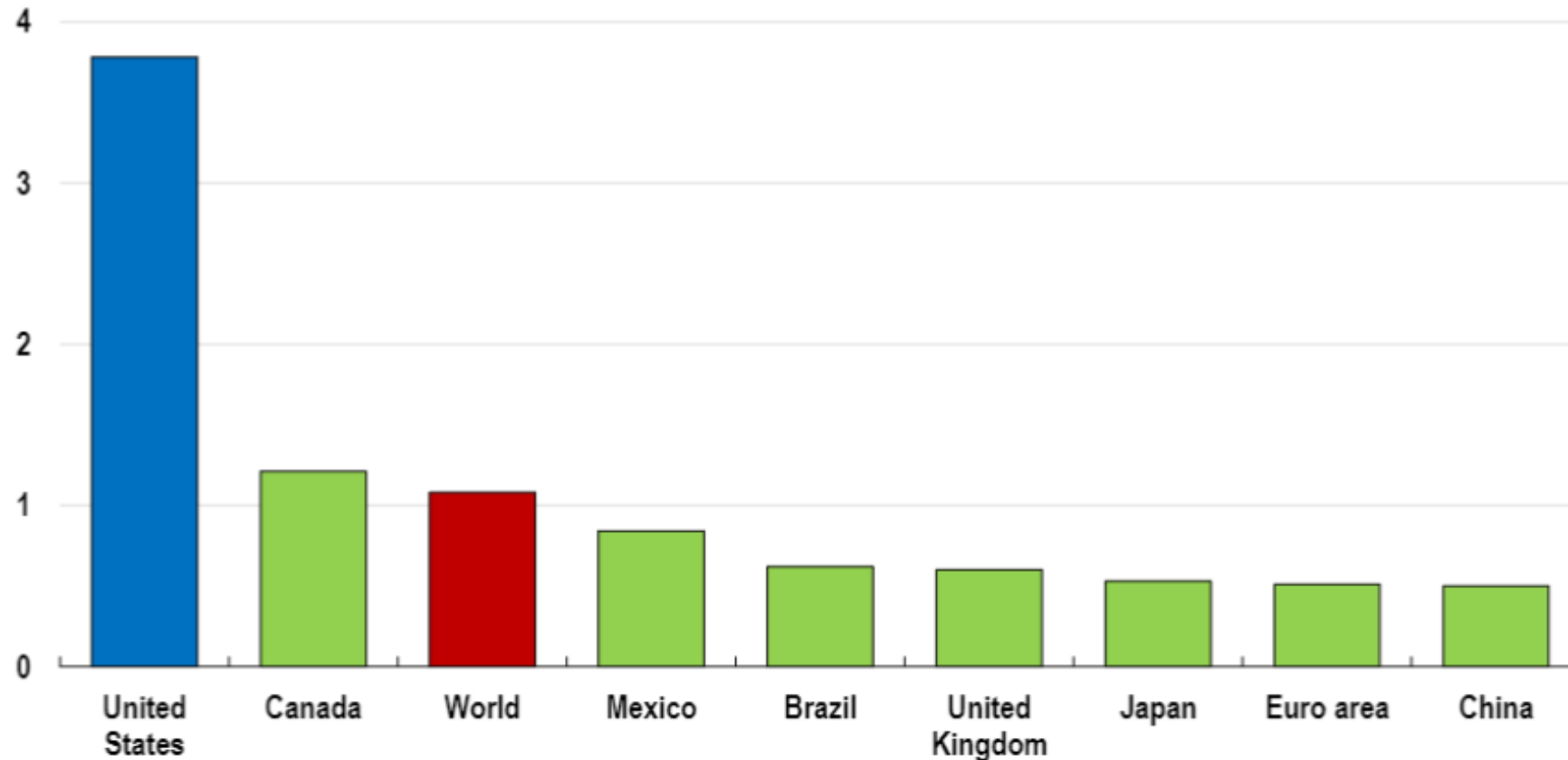
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US\$1.9 trillion of US fiscal relief package is on the way

GDP impact of the US fiscal stimulus (% difference from baseline in the first full year of the package)



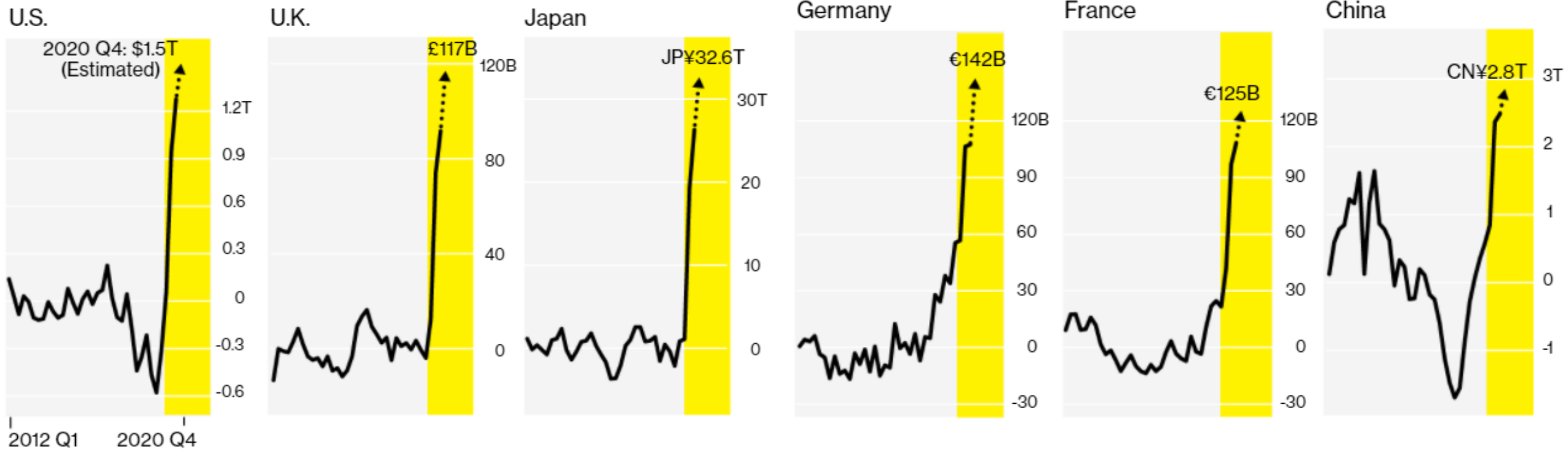
Source: OECD estimates.

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A global spending spree to come?

Global households have amassed \$2.9 trillions of excess savings during Covid-related lockdown*

Excess savings Covid-19 period



Source: *Bloomberg estimates.

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Inflation expectations have risen

Market-implied long-term inflation expectations

Drivers of higher inflation pressure



Source: OCED.



Stimulus and recovery

Commodity prices

Supply bottleneck

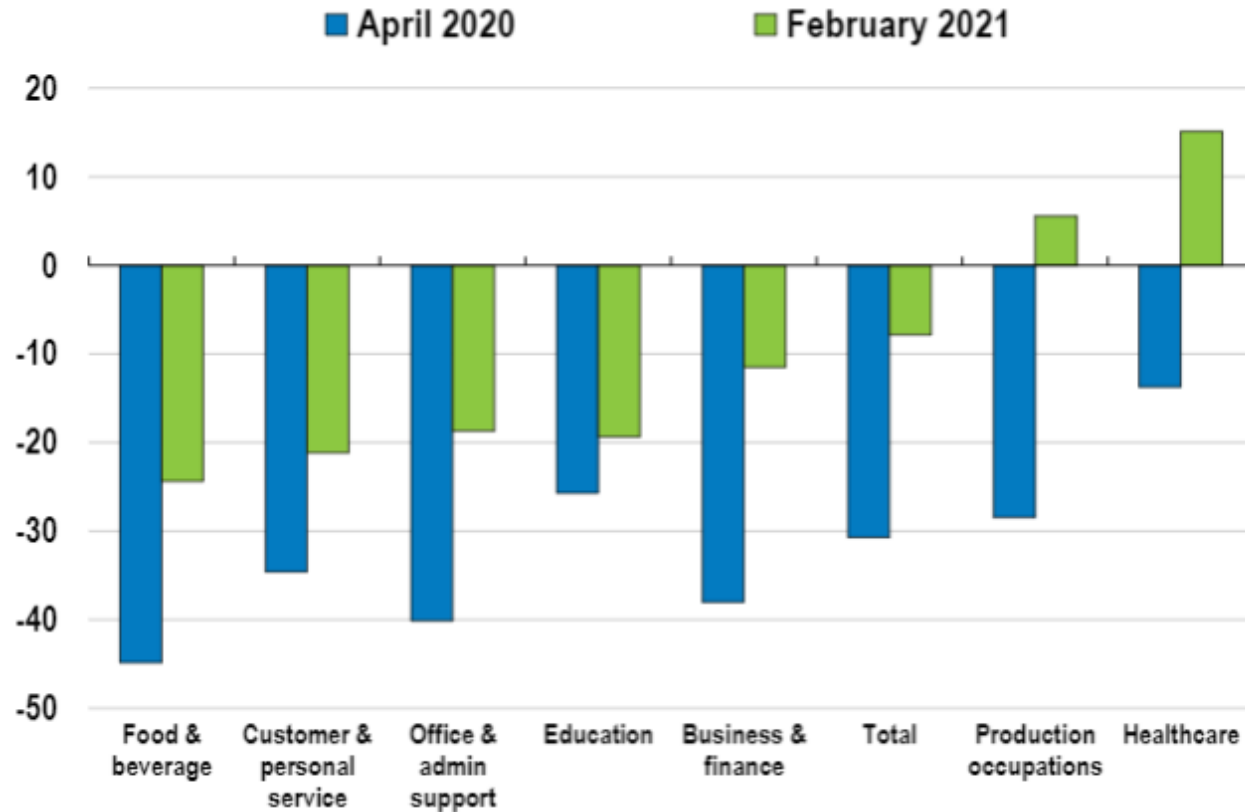
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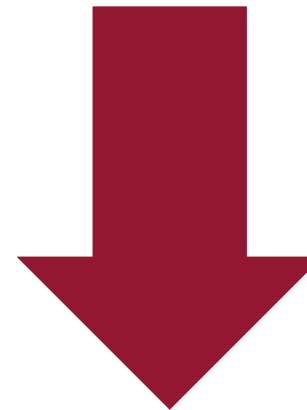
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Longer term inflationary pressures are likely contained

Job postings, % change from pre-pandemic



Drivers of lower inflation pressure



Labour market slack

Low capacity utilisation

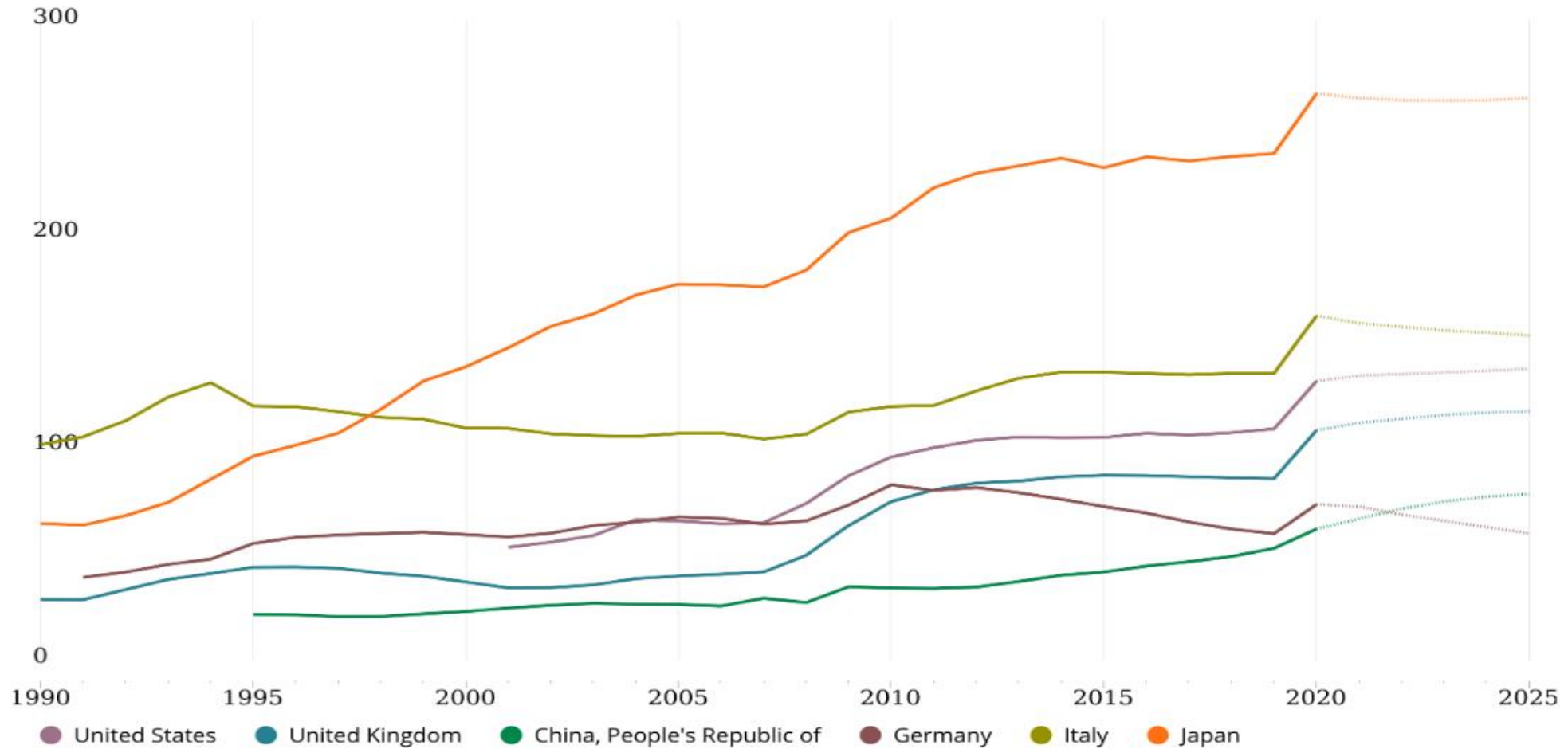
Technology

Source: OCED. Each bar shows seasonally-adjusted job postings for the week from 24-30 April 2020 and the week from 21-27 February 2021, compared to the pre-pandemic reference week in early February 2020. The aggregate includes Austria, Australia, Belgium, Canada, Germany, Spain, France, Ireland, Israel, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Poland, Switzerland, Sweden, the United Kingdom and the United States.

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Global government debt as a % of GDP rose to a record

Government debt % of GDP projections



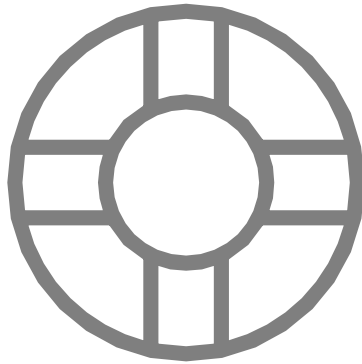
Source: IMF fiscal monitor.

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Rescue, recovery & repair



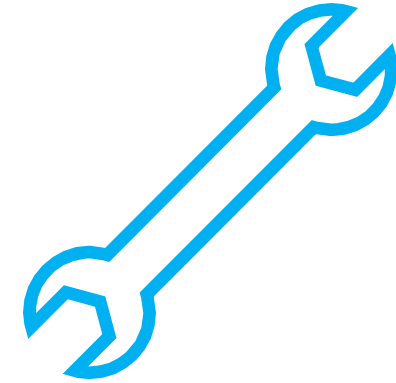
Rescue

Extend pandemic related support to households and businesses



Recovery

Encourage business to bring forward investment spending



Repair

Repair the damage to the public finances by raising taxes

Source: Office of Budget Responsibility

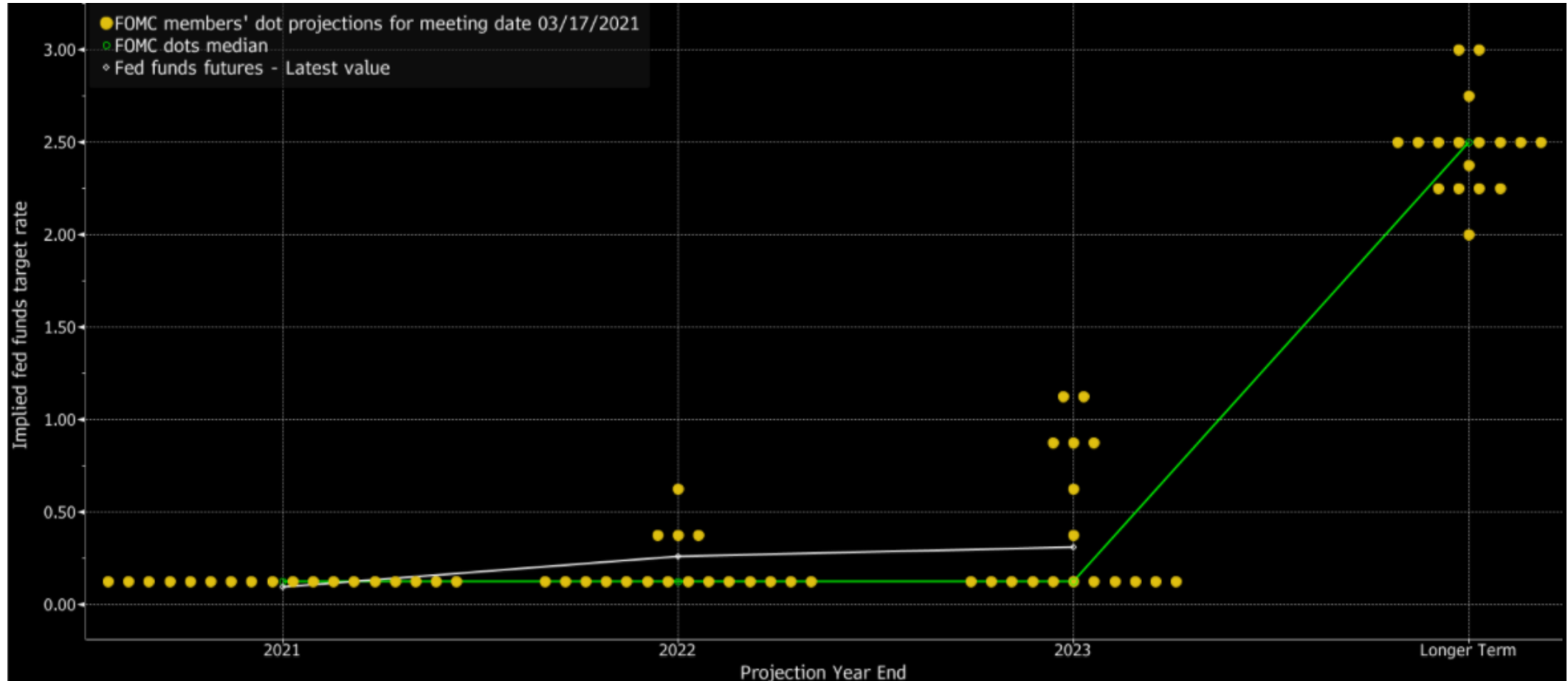
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The Fed expects to keep rates at 0% until end-2023

Federal Reserve's interest rate projections



Source: Bloomberg.

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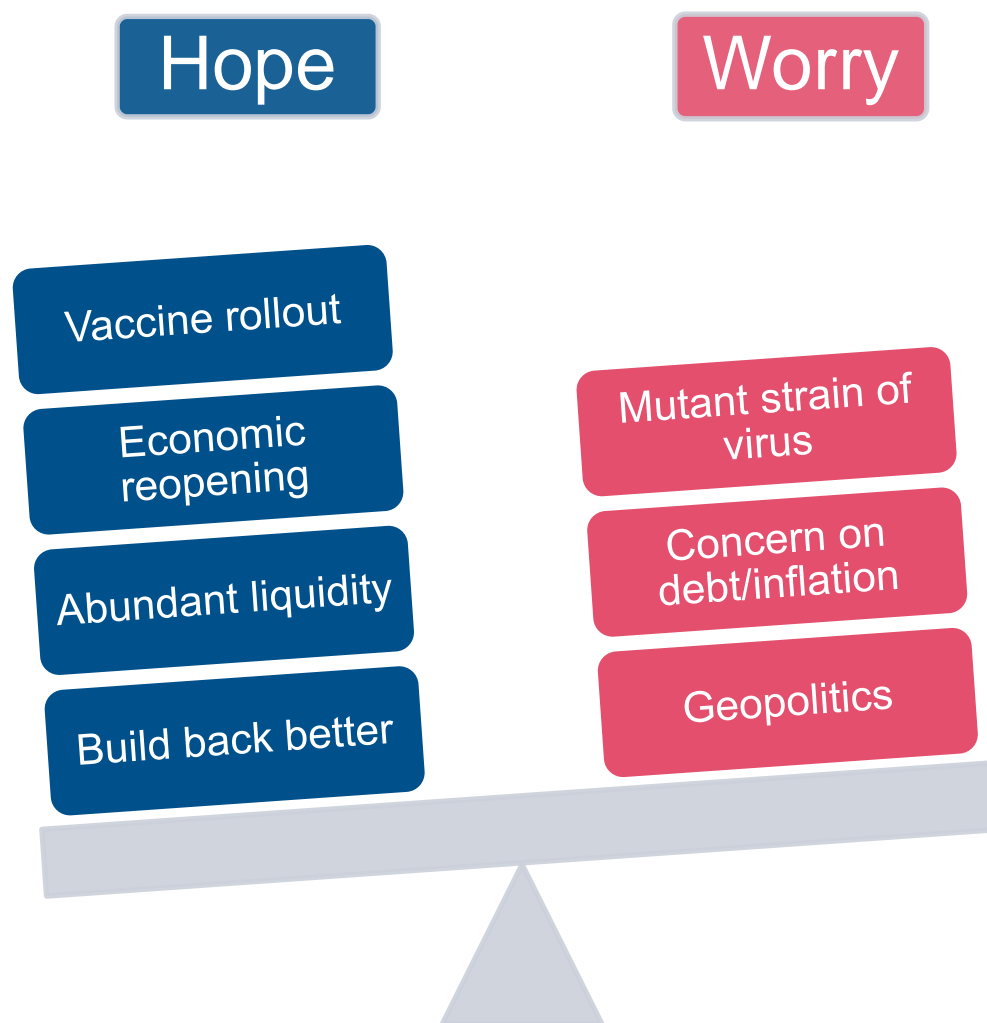
Geopolitics – US vs China



Source: BBC.

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Summary of views – We think hope > worry



Source: Brewin Dolphin.

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Summary of 2021 outlook

Macro views

- Synchronised global growth in 2021
- Pace of vaccine rollout will determine the relative economic performance across nations
- Strong policy support to continue
- Inflation to pick up notably but transitory

Investment views

- Modestly positive on equities on a 12-month view
- Pro-value/cyclicals as the economy normalises
- Negative on government bonds as yields rise
- Staying invested with a balanced approach is key

Source: Brewin Dolphin.

The value of investments can fall, and you may get back less than you invested. Past performance is not a guide to future performance.

Risk warnings

The value of investments, and any income from them, can fall and you may get back less than you invested.

Neither simulated nor actual past performance are reliable indicators of future performance.

Investment values may increase or decrease as a result of currency fluctuations.

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