

# This time could be different

30 November 2023

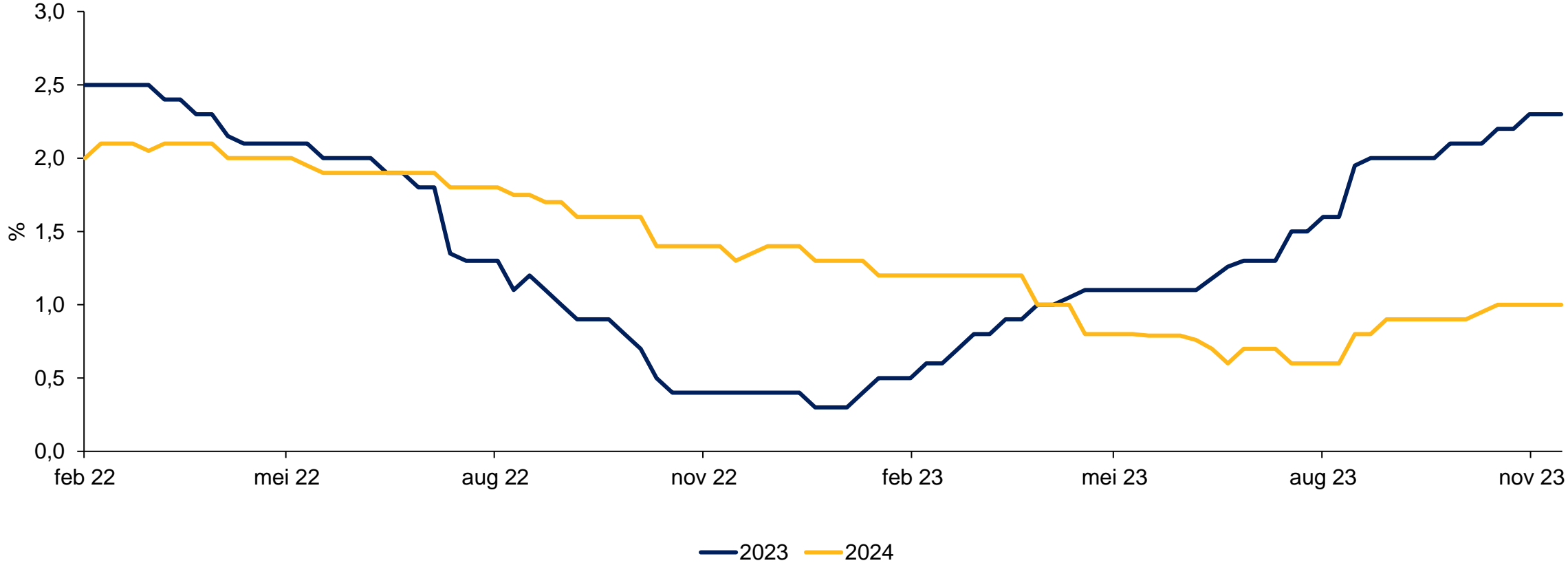
Jacob Vijverberg, Senior Investment Strategist



*Beyond  
borders™*

# Growth has been stronger than initially anticipated

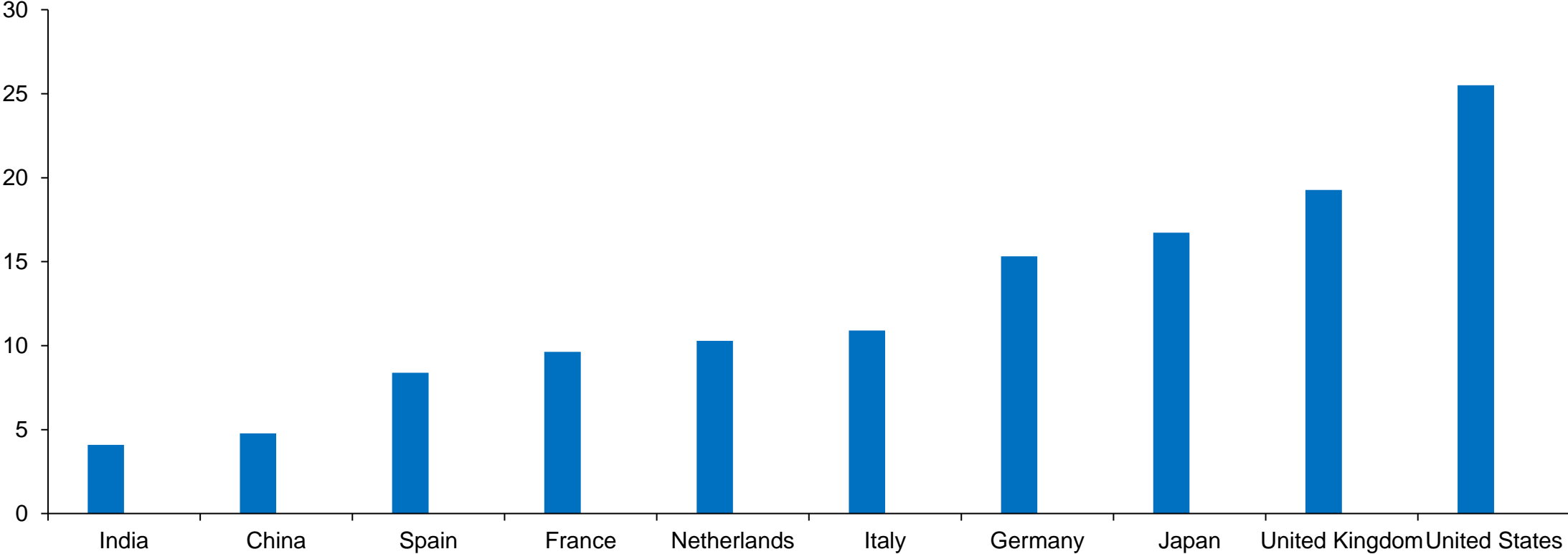
## Consensus growth for the US



Source : Bloomberg, Aegon Asset Management (As of Nov 2023)

# Fiscal response

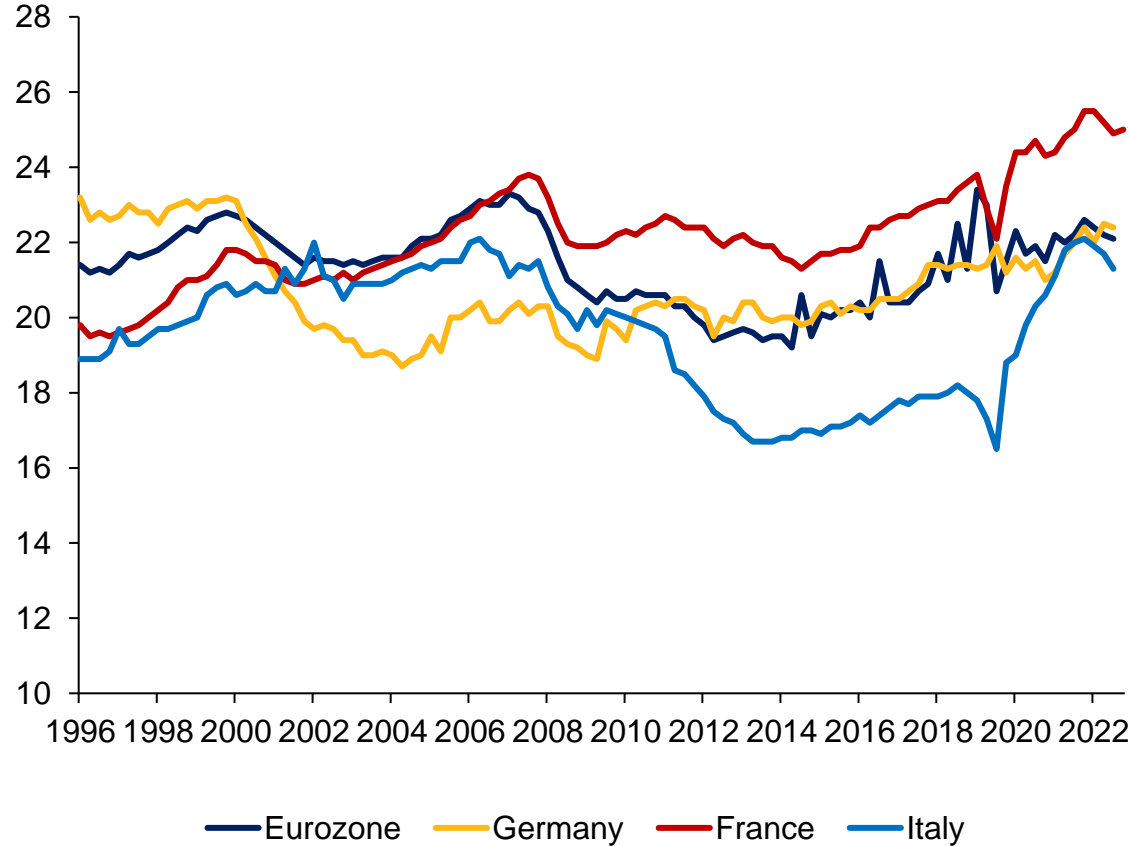
Fiscal response during the Covid-19 crisis (% of GDP)



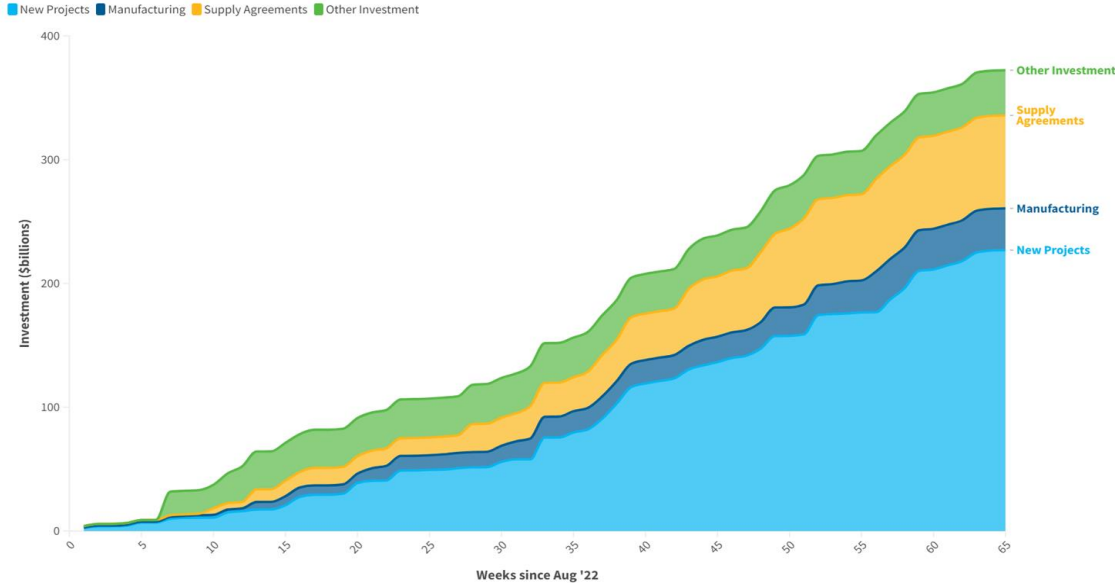
Source : IMF, Aegon Asset Management (As of Jul 2023)

# Investments have been strong

Gross Fixed Capital Formation (GFCF) as % of GDP



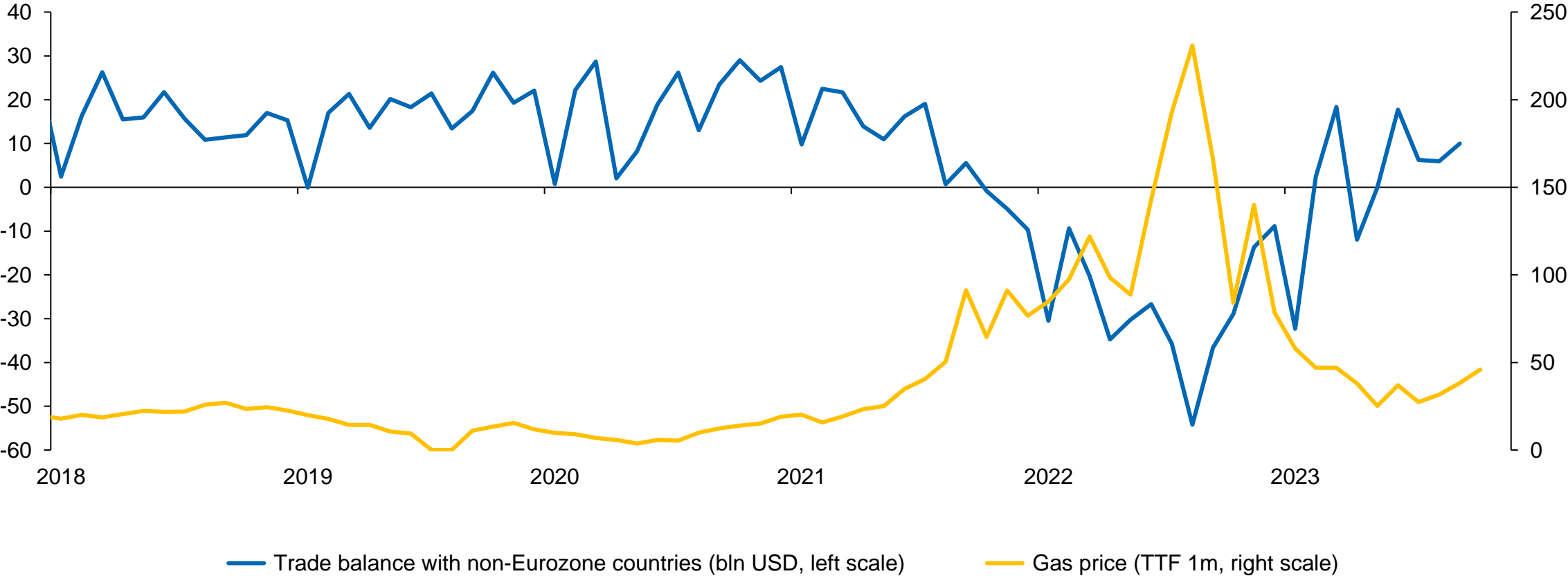
US investments due to IRA



Source : Bloomberg, Cleanpower.org, Aegon Asset Management (As of Nov 2023)

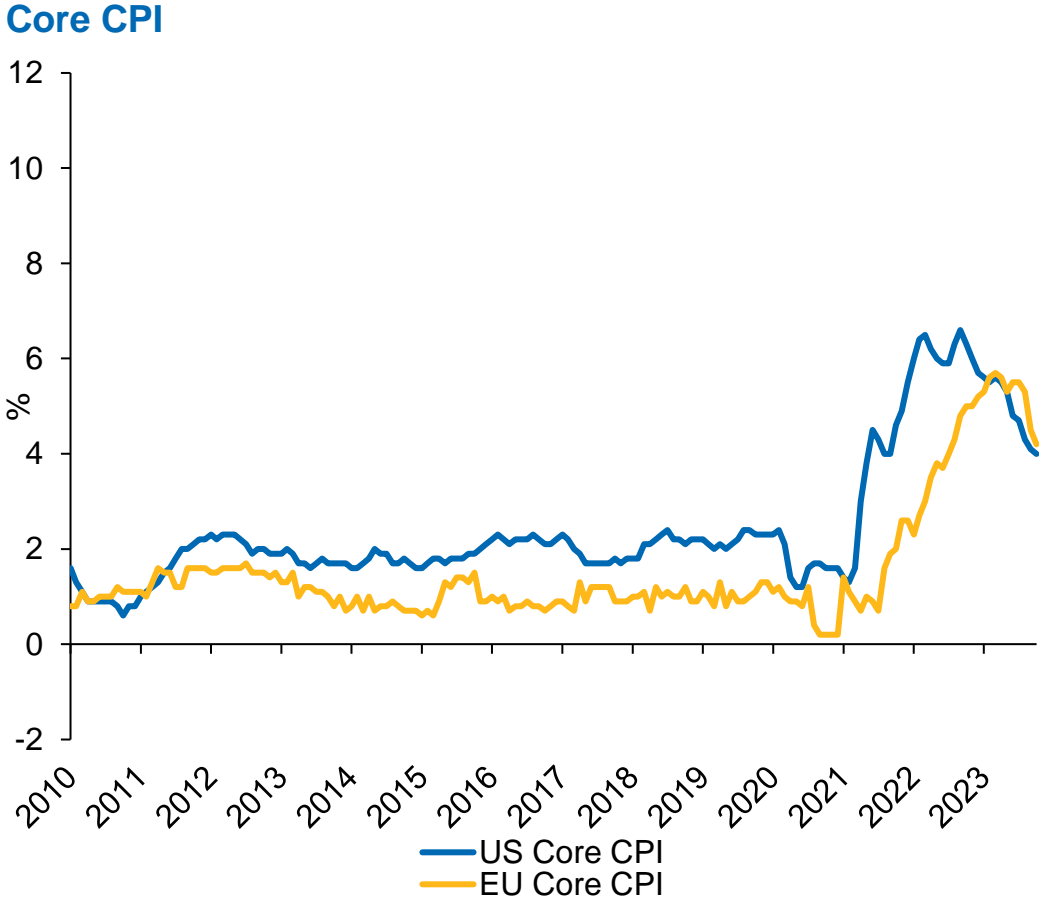
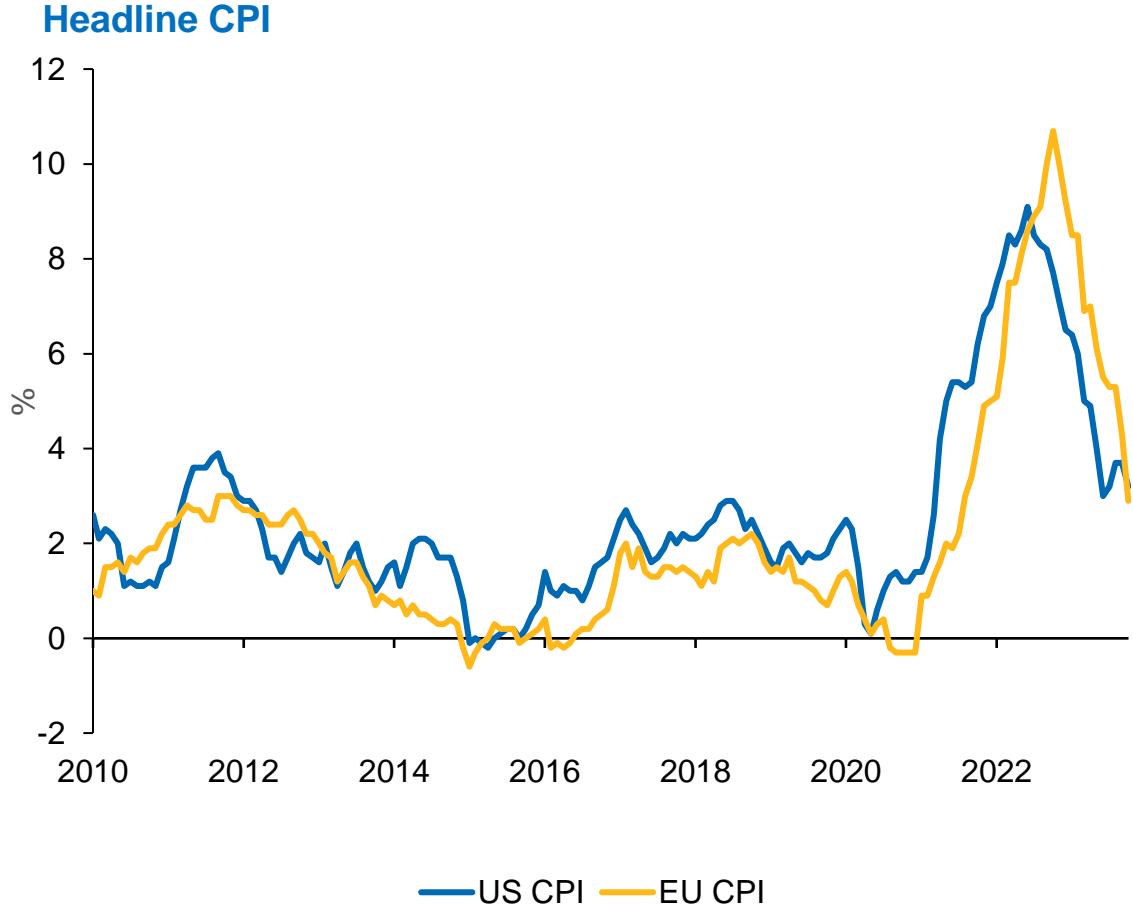
# Energy crisis – impactful, but less than feared

### Eurozone trade balance and gas price



Source : Bloomberg, Aegon Asset Management (As of Nov 2023)

# Inflation declining



Source: Bloomberg, Aegon Asset Management (As of Nov23)

# Megatrends

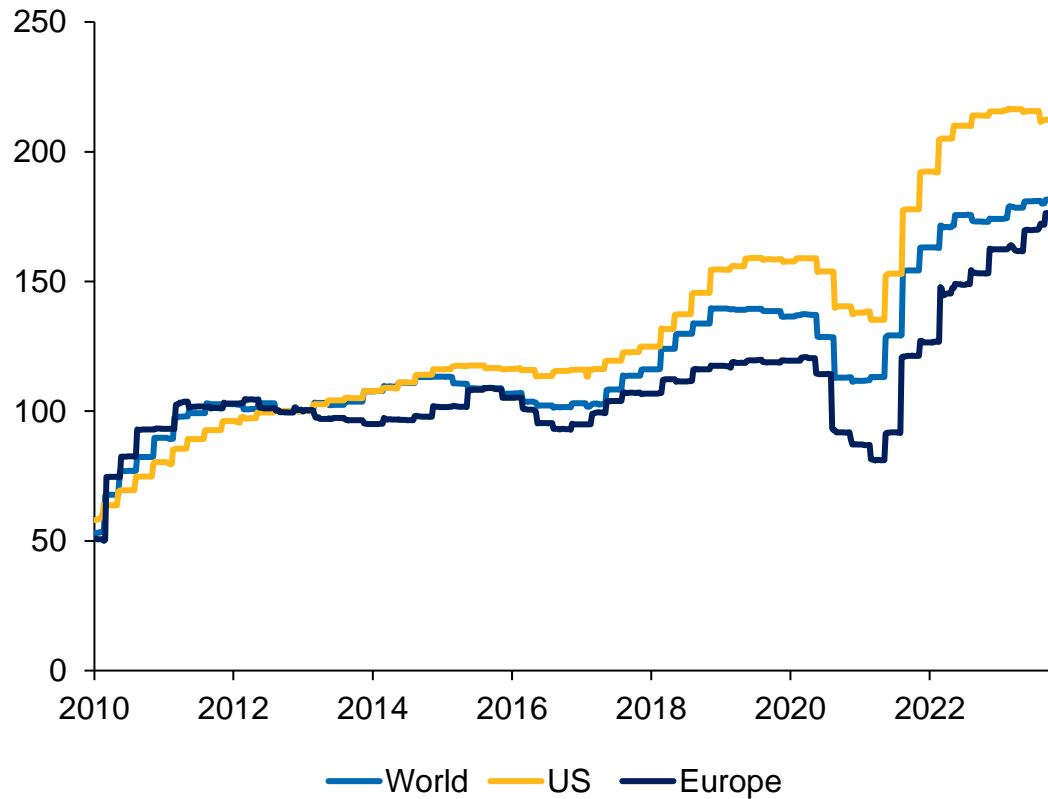
Several white papers cover our ESG megatrends research



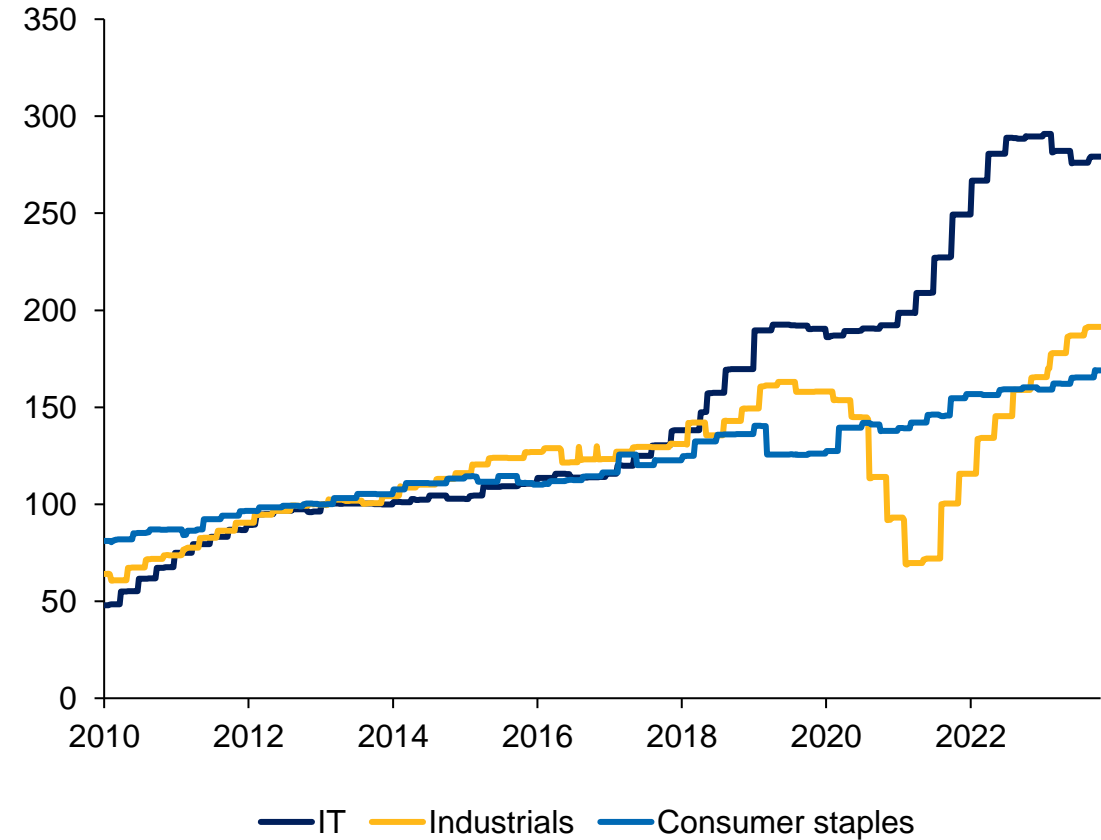
- Climate change
  - Physical risks
  - Transition risks
- Geopolitics
  - US – China (trade) conflict most impactful
  - Nearshoring
- Demographics
  - Aging limiting growth
- Innovation
  - For example: AI, IoT, cloud

# Strong corporate earnings

## Corporate earnings (Jan 2013 =100)



## US Corporate earnings (Jan 2013 =100)

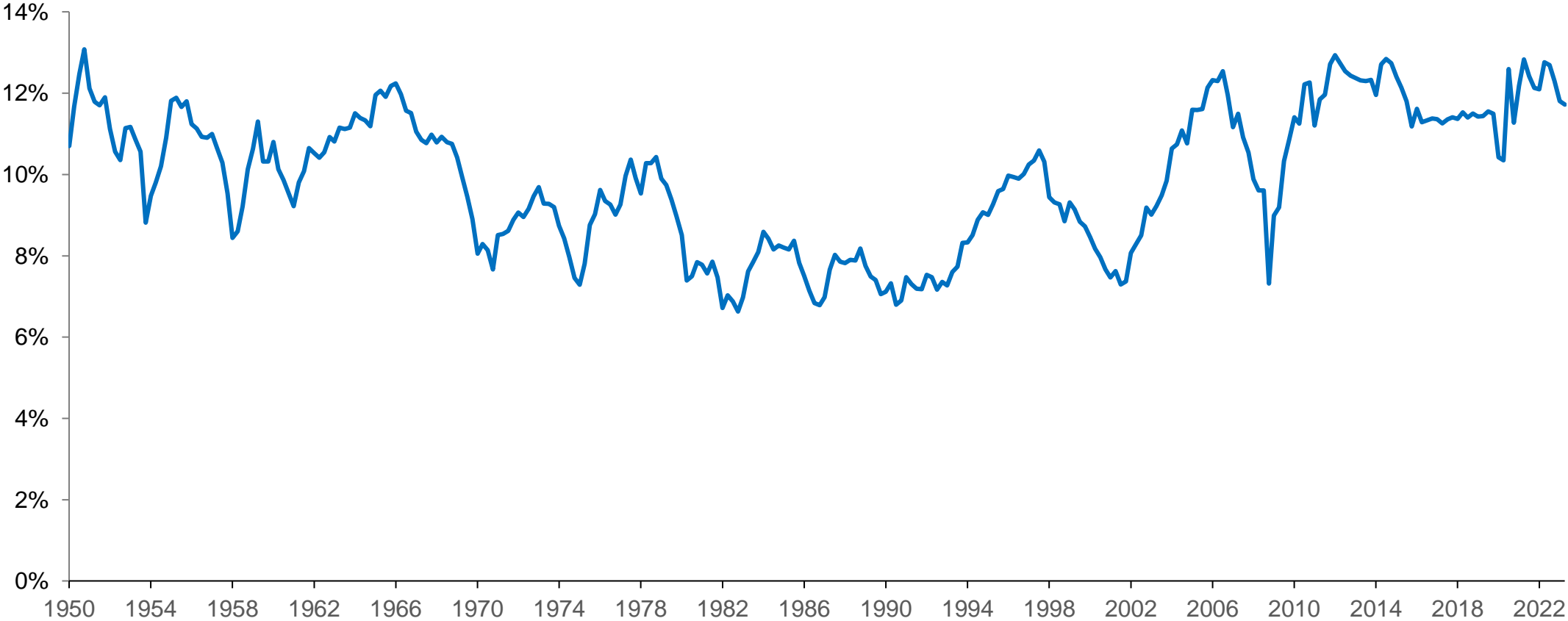


Source: Aegon Asset Management, Bloomberg (As of Nov23)



# Capital might demand a larger share of the economic pie

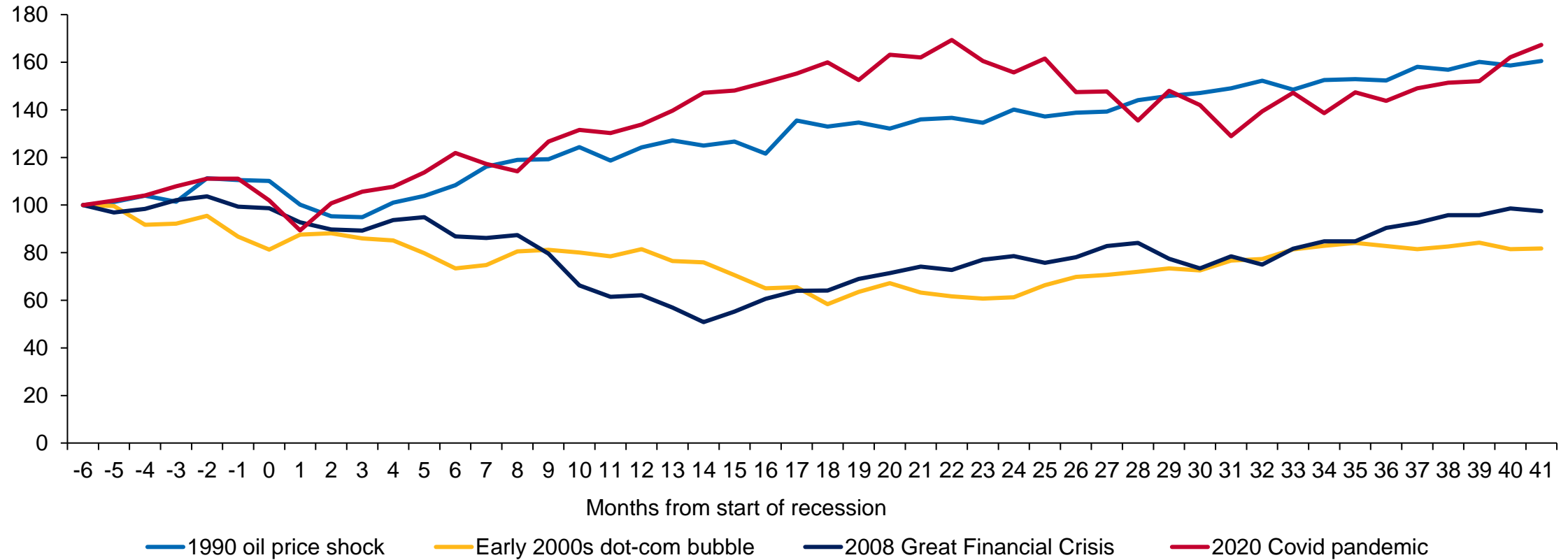
US Corporate profits (% of GDP)



Source : Bloomberg, Aegon Asset Management (As of Nov 2023)

# Recession does not imply negative returns

## S&P 500 return over 4 years period Starting 6 months before a recession



Source: Bloomberg, Aegon Asset Management (As of Oct23)

# Key points

## Cyclical

- Slowdown**
- Tailwinds fading
  - Monetary policy tight

- Impact**
- Weaker labour markets
  - Less inflationary pressures
    - Higher defaults
  - Pressure on corporate margins

## Structural

- Megatrends**
- Innovation
  - Climate change
  - Geopolitics
  - Demographics

- Impact**
- Concentration of market power
    - Productivity growth
  - Physical and transition risk
  - High investments (in energy and supply chains)
    - EU underperforming
  - Declining labour force (EU and Asia)

# Disclaimer

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November 2023

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