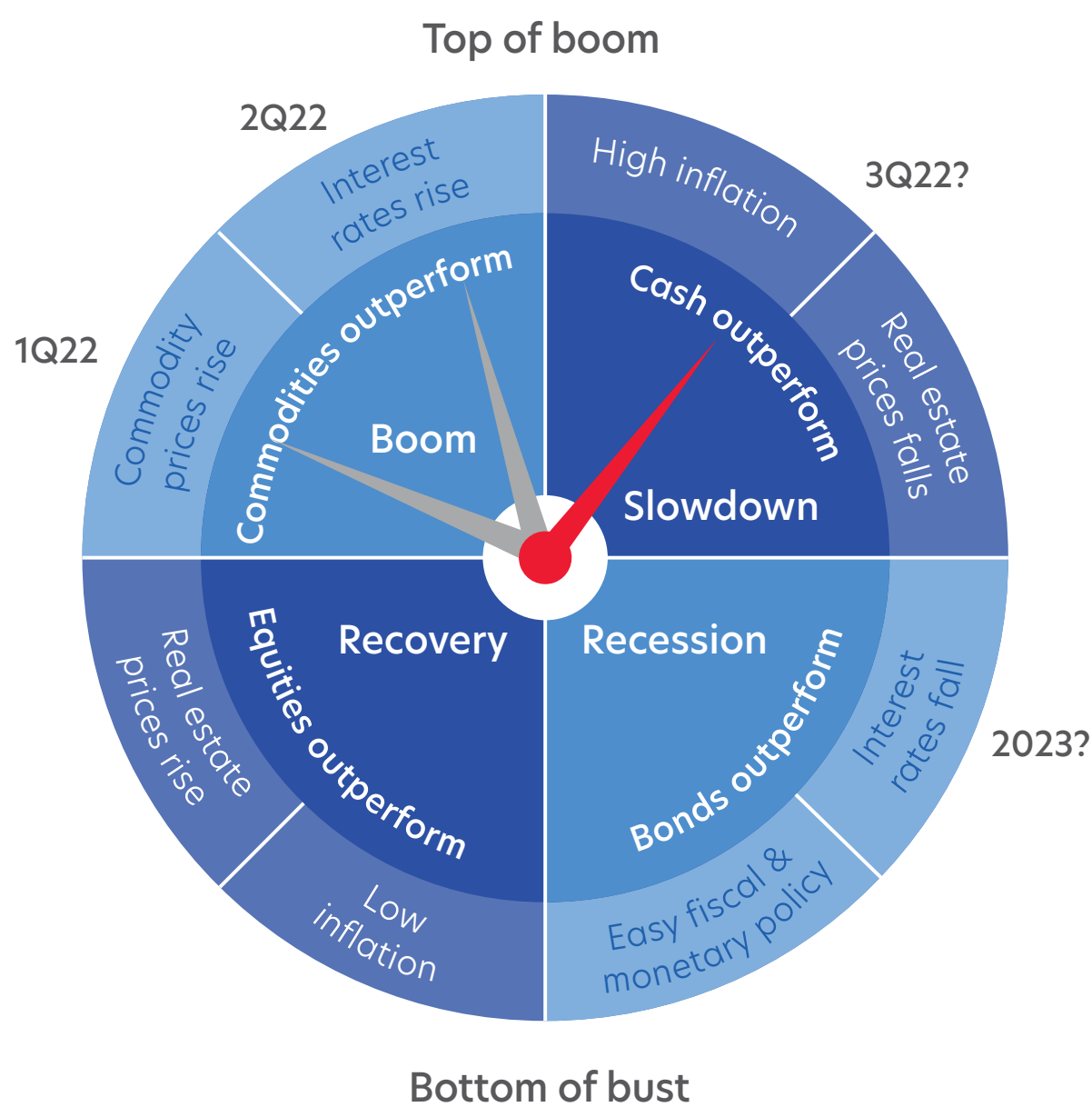


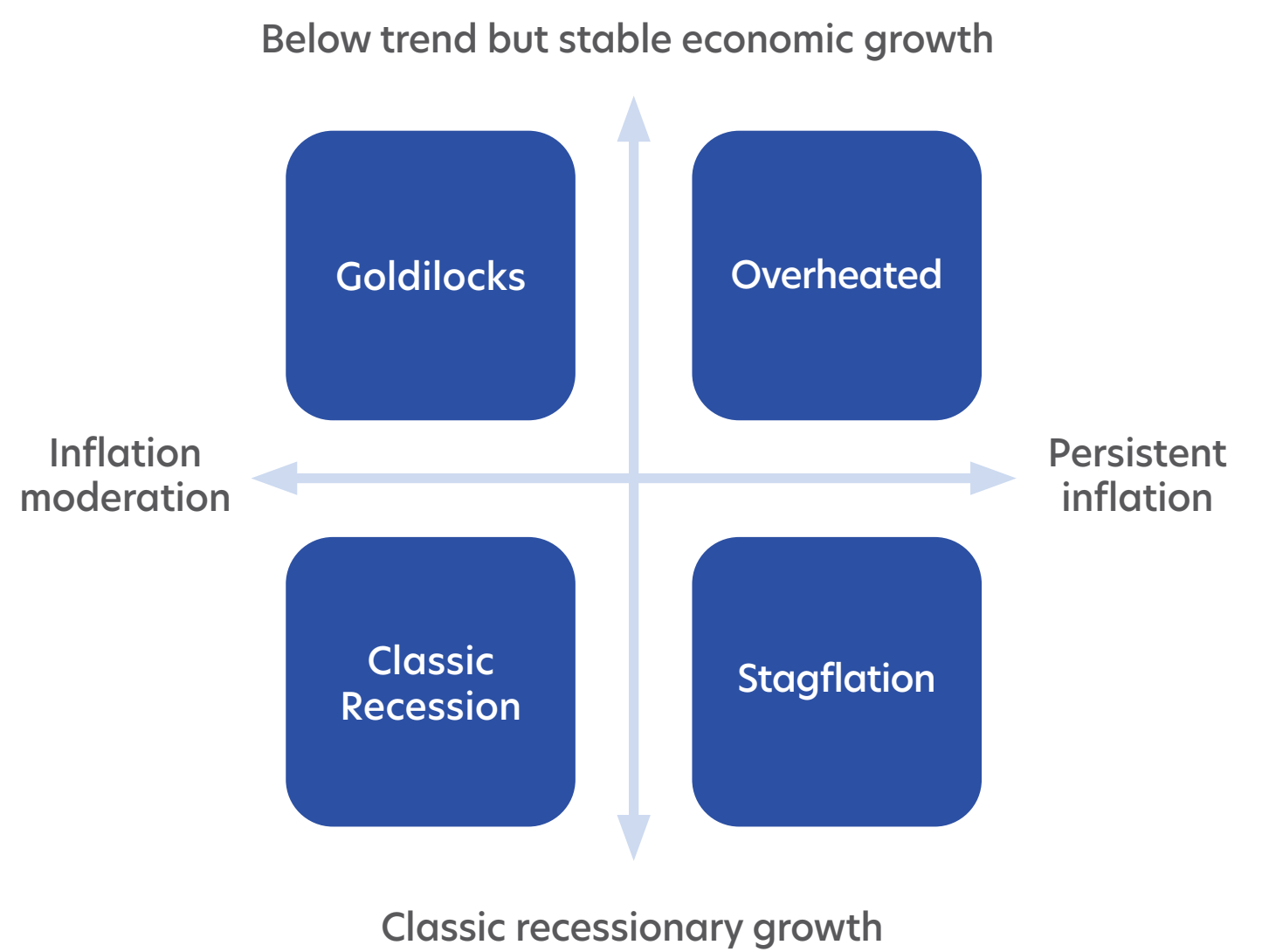
# More clarity and opportunities in 2023

## Inflation and growth: Key market drivers for 2023

### UOBAM Investment Clock



### Four potential economic scenarios



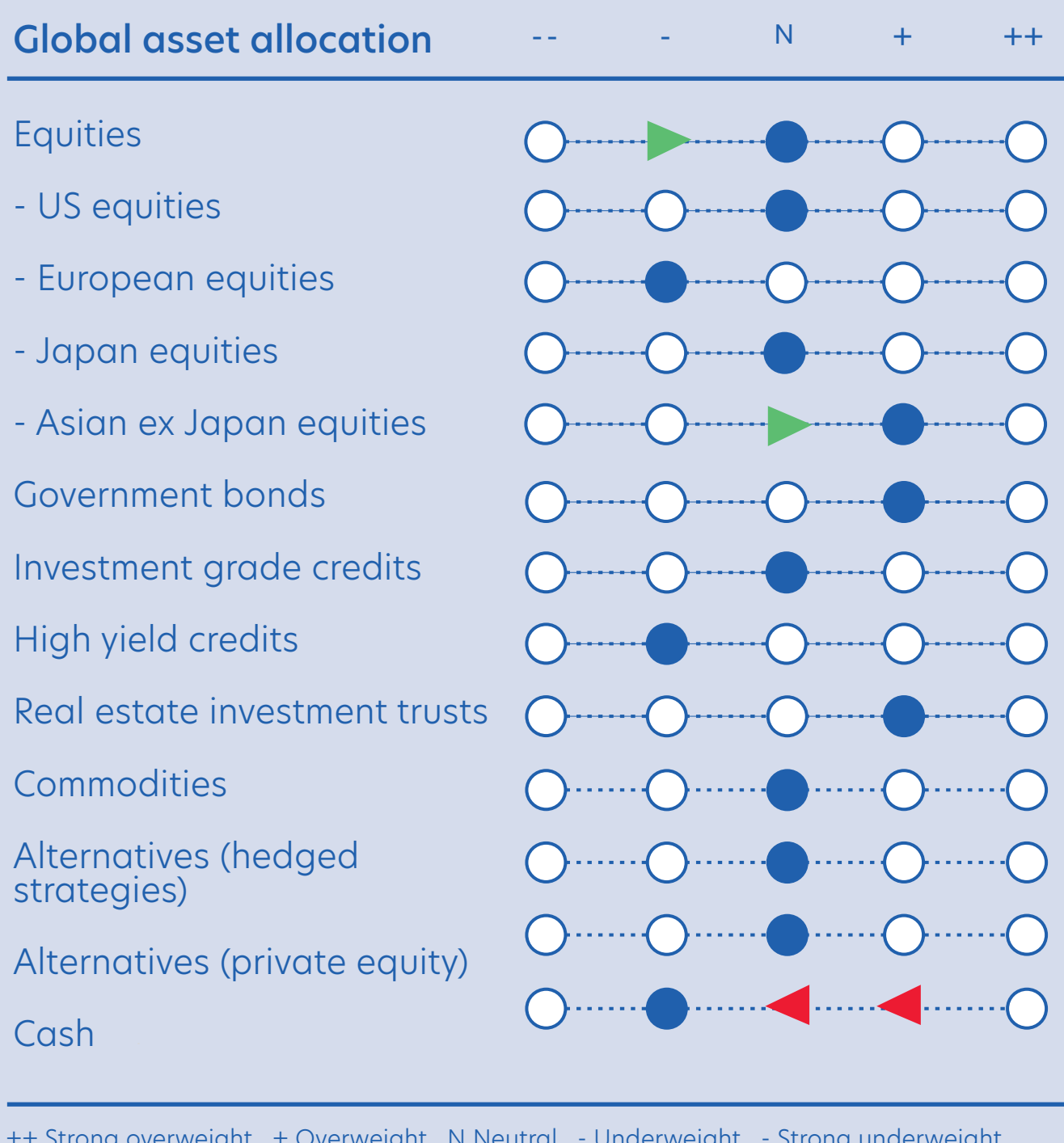
The economy has followed a classic cycle so far. It remains to be seen if inflation and interest rates will moderate before the economic slowdown becomes too sharp.

## Potential market outcomes



UOBAM's base case is that 2023 will see slower growth with moderating inflation but no deep unemployment, thereby avoiding a hard landing.

## UOBAM House View turns more positive for the coming quarter



### 1Q23 summary of investment conclusions

#### How likely is a global recession?

Economic growth is likely to slow, but a recession is not our base case unless the US sees a significant jump in unemployment.

#### Will inflation remain high?

Inflation should moderate in 2023, but it remains to be seen if it will fall to the 3.0% level needed to give comfort to the US Fed.

#### What's the outlook for fixed income?

Fixed income appears to be in a win/win situation with bond yields at attractive levels and many central banks nearing the end of their rate hiking cycle.

#### Is the worst over for equities?

No, not yet. Recession fears are likely to weigh on markets in the near term. We do not expect equities to perform until the growth slowdown has troughed later in 2023.

#### Will cash still perform well in 2023?

Interest rates on cash deposits may not stay high for that long. Investors can consider locking in attractive yields with fixed income instead.