

News Release

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Cautious optimism for global markets in 2022

ANZ Private Bank today released its 2022 Global Market Outlook, which found investors should remain cautiously optimistic with equities likely to continue outperforming bonds and cash this year despite the heightened volatility experienced in early 2022.

The report also found the double-digit returns from equities seen in recent years would be unlikely in 2022, with more moderate returns expected.

ANZ Private Banking Head of Investment Strategy, Lakshman Anantakrishnan said: "Inflationary pressures and more precisely the reaction function of central banks will perhaps be most telling for asset prices this year."

Mr Anantakrishnan said while inflation continued to rise in Australia, the rate was lagging other major economies.

"Looking at Australia, we still expect the vaccine-led recovery, removal of border restrictions, and a combination of high levels of household savings and pent-up demand to provide a strong backdrop for the domestic economy to solidify its rebound this year once the Omicron situation subsides," Mr Anantakrishnan said.

Despite this, ANZ Private still expects the domestic share market to lag its global peers again this year. The US is expected to be the outperformer in what would be the fifth successive year of outperformance relative to the rest of the world.

The report highlighted emerging market shares as perhaps the most interesting asset class to watch in 2022, following underperformance of almost 25 per cent relative to the MSCI World Index last year.

ANZ Private recently appointed Mr Anantakrishnan after he performed successful roles at Credit Suisse and AMP. His appointment follows exceptionally strong growth in investments at ANZ Private recently.

ANZ General Manager, Private Banking, James Dunlop said: "ANZ Private has seen tremendous growth in investments, with an increase of more than 50 per cent in Funds Under Administration (FUA) since the start of the pandemic.

"ANZ has been managing investments on behalf of private clients for well over a decade and in the last year has established a specialised 'Private Office' segment, which helps our long-standing, and some of Australia's largest, family offices with their banking, lending and investment needs," Mr Dunlop said.

The new function works closely with ANZ's commercial and institutional bank to build bespoke and, at times, complex solutions for family offices and private clients.

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