



Media Release

LGT Asia Investor Sentiment survey launched HNW investors in Singapore and Hong Kong constructive in their market outlook

Hong Kong, 28 February 2019. **High net worth (HNW) investors in Singapore and Hong Kong expect the global economy to improve slightly over the next three months, anticipate a China-US trade deal in the second half of 2019 and are bearish on the Chinese yuan (CNY). These are just a few findings from LGT Asia's Investor Sentiment survey, which LGT, the international private banking and asset management group owned by the Princely House of Liechtenstein, conducted for the first time in the second-half of February among more than 300 HNW investors.**

LGT has conducted its first edition of the LGT Asia Investor Sentiment survey between 15 and 24 February 2019, a canvassing of HNW investors based in Singapore and Hong Kong, ascertaining investor sentiment, and covering views on the global economy and trade, among other topics. By running the survey four times a year, LGT aims to track the development of HNW investors' views and sentiments. In addition to standardized questions related to the financial market outlook, each edition will feature topical questions such as, in this first edition, the ongoing trade dispute between the US and China.

Global economy to improve slightly

Sixty-seven percent of survey respondents characterised themselves as active investors, with one third holding their equity investments for less than one year. However, 28 percent typically sell stocks within one to three years. Forty-four percent allocated between 11 and 20 percent of their portfolios to cash, in particular in Singapore. Similarly, 38 percent of respondents hold 11 to 20 percent of their portfolios in real estate, with Hong Kong-based HNW investors having a greater overall allocation to this asset class. In terms of managed products such as mutual funds or discretionary mandates, the use of these vehicles is more prevalent in Singapore than Hong Kong.

Close to 50 percent of total respondents think that the global economic environment will improve slightly over the coming three months, with Singapore-based HNW investors being somewhat more optimistic than Hong Kong-based respondents. The survey results indicate that a global recession is expected in the first half of 2020, with two further rate hikes from the US Federal Reserve (Fed) in the pipeline. In terms of preferred equity markets, Hong Kong HNW investors voted highest for their home market (37 percent) and then US equities second (19 percent). For Singapore-based respondents, likewise, the home market scored highest (24 percent) and then Asia ex-Japan stocks came in a close second place (21 percent).

Sino-US trade deal expected in second half of 2019

Given the ongoing trade dispute between the US and China, LGT focused its topical questions on this matter but also asked the respondents on their outlook on another hot topic: property markets. Overall, 42 percent expect a Sino-US trade deal in the second half of 2019, with only 12 percent saying that a resolution may take years to come. At the same time, 70 percent think that China can avoid a hard landing in terms of economic growth, mainly due to robust domestic consumption and ongoing monetary/fiscal easing. That said, 59 percent of respondents expect the CNY to depreciate against the US dollar (USD) over the next three to six months, breaking the USD/CNY level of 7.00.

In terms of the property market, over 70 percent of Hong Kong respondents have a neutral or even positive view of local real estate. In Singapore, the score is higher, at 78 percent. For China, 22 percent said that property values would go down, and 6 percent expected a "severe correction".

Surprisingly high levels of cash in investor portfolios

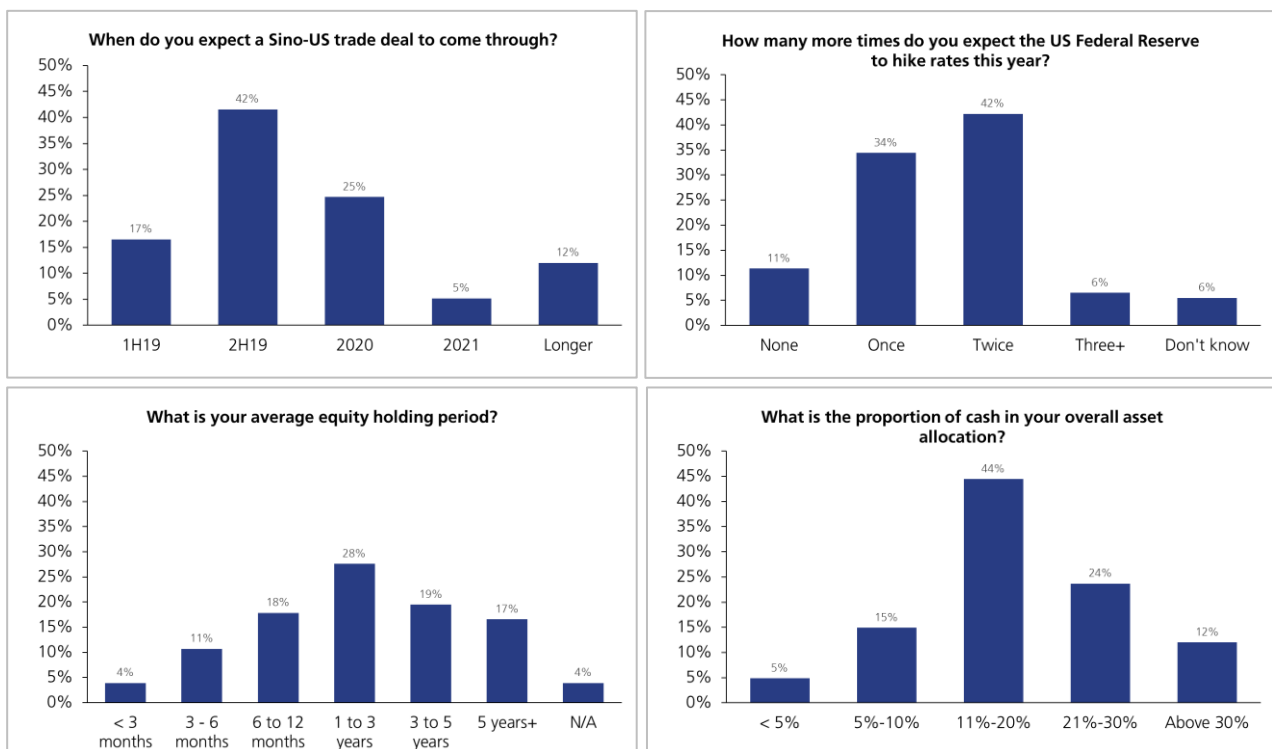
Hong Kong and Singapore-based HNW investors seem to be generally constructive in their outlook on equity markets, the global economy and China for 2019; the surprise finding is that despite this view, respondents are somewhat bearish on the CNY. This might suggest that investors think that a weaker CNY could be part of the 'tool box' for the authorities in China to facilitate a soft landing. A further surprise is the high levels of cash in investor portfolios; this may suggest that while being generally positive on equities, investors want to have cash on hand to buy into market dips over the coming 3 to 6 months.

About the LGT Asia Investor Sentiment survey

The LGT Asia Investor Sentiment survey was conducted between 15 and 24 February 2019, covering 154 HNW investors in both Singapore and Hong Kong, for a total of 308 respondents. The online questionnaire featured 60 percent male and 40 percent female respondents, with 54 percent being between the ages of 31 and 50. All respondents reported that they have liquid, investable assets of at least one million US dollars, with 43 percent holding two to five million US dollars. Eighty-six percent of respondents reported that they have (at least one) private banking account. During the survey period, the S&P 500 rose +0.61 percent, the Hang Seng Stock Index gained +3.27 percent and the Singapore stock market advanced by +1.43 percent (all in USD terms).

All information on the LGT Asia Investor Sentiment survey including charts in high-resolution can be found on our website www.lgt.com/asia Private Banking/LGT Asia Investor Sentiment.

Charts



Source: LGT Private Banking Asia, February 2019

LGT in brief

LGT is a leading international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family for over 80 years. As per 30 June 2018, LGT managed assets of CHF 206.0 billion (USD 207.5 billion) for wealthy private individuals and institutional clients. LGT employs over 3000 people who work out of more than 20 locations in Europe, Asia, the Americas and the Middle East. www.lgt.com

Your contacts

LGT Bank (Singapore) Ltd.

Donna Lee
Regional Head of Marketing & Communications
Phone +65 6415 3681
donna.lee@lgt.com
www.lgt.com/asia

LGT Group Foundation

Christof Buri
Group Head Marketing & Communications
Phone +423 235 23 03
lgt.media@lgt.com
www.lgt.com