



Main Sequence

Research Division

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Global Strategy Views: Diversify to Amplify

We are entering a more benign part of the cycle with continued economic growth and easing policy rates. This environment has historically been supportive of equities, but it also highlights the importance of broader diversification.

Introduction

We are entering a more benign part of the cycle with a continuation of global economic growth and lower policy rates. Historically, such an environment has been supportive for equity markets. However, alpha generation and broad diversification will be essential as technology, infrastructure, and “old economy” sectors become increasingly intertwined.

Key Observations

- Long-term rates are likely to remain elevated despite central bank easing.
- Equity valuations in certain regions remain inexpensive relative to the U.S.
- China’s ongoing stimulus measures could boost select Asian markets.
- Both Growth and Value stocks can thrive if they generate strong compound returns.