



2021 economic outlook

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I think in the second half of the year, we will see pent-up demand from consumers take over and we will see pretty robust growth in the second half of 2021.

2020 was an incredible year. From an investment point of view, pretty much every asset class did pretty well on the back of incredible amount of policy support from policymakers. 2021 will be the year hopefully where a majority of people are vaccinated, and life returns to normal sometime in the second half of this year.

From a growth perspective, 2021 could see a range of outcomes. We're going to see a weak GDP growth number in the first quarter and probably in the first half of the year. But then once vaccines are made available, we can see growth pick up.

One of the factors that we noticed in 2020 was that the savings rate in the economy went up very, very, very sharply. A lot of people who still had their jobs were actually not able to spend it on their standard services part of their monthly budget. And we saw savings rate reach double digits, 13%, 14%, which are unprecedented numbers for the U.S. economy. So, there is a huge amount of pent-up demand for consumers to spend.

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Personal savings rate source: U.S. Bureau of Economic Analysis as of December 2020

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