

# THE NEXT DECADE - WHAT IS IN STORE FOR MARKETS?



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Since emerging from the global financial crisis in 2009, global markets have enjoyed an extraordinary decade. Global markets have been driven by the US, with the S&P500 up an astonishing 256% in US dollar terms, while the MSCI emerging markets index rose only 49% over the same time period.

It was a decade fuelled by uncertainty, political change and historically low interest rates. There was the rise in populism, which saw the Brits vote to leave the EU, the election of Donald Trump and a swing to the right across European governments.

The next decade is as likely to provide surprises, shocks and disruption. Technological advancements will continue to transform many industries, creating new investment opportunities and sadly tolling the death knell for industries or companies unable or unwilling to evolve.

So, what do the next 10 years have in store for markets? I have decided to include 10 predictions for the next decade below, and we will be observing the evolving world with interest.

1. **Transport** will continue to progress, and there will continue to be great advancements in autonomous and electric vehicles. However, humans will still be driving cars in ten years' time, largely for the pleasure of it. I expect that two car households will most likely move to one car households.

2. **Financial services** will continue to evolve. Digital currencies will be prevalent, and cryptocurrencies will grow to be an acceptable form of payment. The number of cryptocurrencies, however, will reduce and consolidate.
3. **Energy usage and its consumption** will also continue to evolve, as it has done over the past century. Renewables will grow as a source of energy, but this growth will differ by geography and depend on two factors; what is commercial for each region and what is physically achievable.
4. **The growth trajectory of ecommerce** will continue, and over time, grow towards a quarter of total retail sales.
5. Further to point four, **delivery will be integral to online sales**, and light packages will be increasingly delivered by drones.
6. **Immunotherapy researchers** will learn how to improve the human immune system to fight certain types of cancers.
7. **People will once more embrace valuing businesses** rather than buying concepts and assuming those concepts will translate into profits. Active investing will start to outperform once equity markets correct. The great central bank experiment of lowering interest rates to zero will end and become a subject in universities about how not to manage monetary policy.
8. **We will start buying robotic dogs** that can open our doors to accept parcels, keep the house tidy and read the weather to decide whether to take the clothes off the line or not. Artificial intelligence will be applied more broadly.
9. **The longest living humans** will continue to reside in regional areas, living a simple life. Out of the oldest verified living people in the world, three are from Japan, four from Europe and only two from the US. It is clear that longevity and health are not correlated to wealth. Neither is not correlated to eating fads; rather, it's linked to eating less, a diet comprised of natural, unprocessed foods and living in a lower stress, unpolluted environment.<sup>1</sup>
10. **Health and the environment** will continue to grow as a focus for mankind. People will realise that they don't need to chemically produce fake meat to be healthy, they can simply eat more vegetables as has been done for centuries. Falafel will continue to be a loved alternative.

1. [https://en.wikipedia.org/wiki/List\\_of\\_the\\_oldest\\_living\\_people](https://en.wikipedia.org/wiki/List_of_the_oldest_living_people)

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