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KKR Releases Mid-Year Global Macro Trends Report by Henry McVey

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NEW YORK--(BUSINESS WIRE)-- KKR today released "Midyear Outlook: Five Distinct Macro Disconnects," the latest report by Henry McVey, Head of Global Macro & Asset Allocation. In the report and also in a new video on KKR.com, McVey details five distinct macro "disconnects," or arbitrages attractive for long-term patient capital.

This Smart News Release features multimedia. View the full release here: http://www.businesswire.com/news/home/20150707005650/en/

They are as follows:

1. Given ongoing financial services deleveraging, the current illiquidity premium that has emerged in many lending arenas is quite compelling.
2. In an environment where central banks are holding nominal interest rates below nominal GDP, McVey favors real assets with yield, growth, and inflation hedging.
3. In pursuing rising GDP-per-capita stories in the emerging markets, McVey encourages folks to look beyond traditional public equities.
4. With China's structural slowing now upon us, there is an increasing number of restructuring opportunities emerging across Asia, Europe, and Latin America.
5. In the developed markets there are still some opportunities in the corporate sector as many balance sheets remain under-levered and inefficient.

To fund these five distinct macro disconnects, McVey continues to recommend a massive underweight to traditional government bonds.

While there currently is a premium placed on nimble asset managers, McVey cautions investors to remember that sometimes the best strategy is to do nothing, letting existing investments play out.

"So the bottom line on our current asset allocation framework is that things just don't seem to be too "broke," so we are inclined not to try to "fix" them," McVey writes. "That said, there is still a lot going on in the global markets these days, and as such, we wanted to use this mid-year update to reinforce some of our most important takeaways, as well as discuss some tweaks we are making on the margin."

Access the full report as well as an archive of his previous publications below:

- Read the latest Insights on KKR's web site
- Download a PDF of Midyear Outlook: Five Distinct Macro Disconnects
- Download the KKR Insights app on iTunes
- Archive of previous publications

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