

# iFlow

## MACRO INVESTOR TRENDS

April 24, 2024

## Tracking Change In 2024 With iFlow

### KEY THEMES DRIVING INVESTOR BEHAVIOR IN Q1 -- AND BEYOND

#### 2024 1Q KEY RISK THEMES

<b>DIVERGENCE</b> Rate policy, investment focus <a href="#">Go to page 3</a>	<b>DEMOGRAPHICS</b> Africa, India and the rest <a href="#">Go to page 9</a>	<b>DEGLOBLIZATION</b> Home Bias, EM ex China <a href="#">Go to page 7</a>	<b>DECARBONIZATION</b> Flows and ESG <a href="#">Go to page 11</a>	<b>DIGITALIZATION</b> DeFi, BTC and AI flows <a href="#">Go to page 13</a>
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Discussions and meetings with clients over the first quarter of this year shed light on shifts in our data. Those interactions also played a role in how our thinking has evolved with respect to the top 5 risks for 2024 we delineated in January. All are still dominant focal points. However, we heard 5 additional factors that also merit highlighting into Q2 as we contemplate what might matter more to markets than the number and timing of cuts in interest rates by the Federal Reserve.

We have discovered how investors fear **deglobalization**, crave **diversification**, seek more **digitalization**, believe in **demographics**, and waver on **decarbonization** investments.

Our main takeaways from markets so far this year:

- **Soft landing:** hope not uniform nor fully believed by investors, as shown by iFlow data
- **Rates:** dominance as cross-asset driver fading as G10 monetary policies diverge
- **China:** growth rebound in Q1 has not been sufficient to drive investments across APAC
- **iFlow Factors:** Carry, Trend, Value remain uneven in explaining markets, particularly FX
- **Volatility:** lows could be in as focus shifts from Fed rate cuts to geopolitics and politics

Lessons from Q1 may be hard-taught again in Q2. Consensus views are extraordinarily fluid.

Expectations for divergence in G10 central bank monetary policies see three camps: the easers, the holders and a hiker. This keeps focus on US bonds, on USD too, particularly vs. JPY and APAC FX. How the wars might impact fiscal policy and safe havens is also important.

We welcome more discussions around these evolving themes and our iFlow insights.

To access the full report, click on the image above, or [click here](#)

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