



How does politics affect the outlook for U.S. markets?

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Ultimately stock returns will be driven by how does a company do and how is the economy doing.

Policy can have enormous impact on growth. Policy is sort of a simple word to explain a host of legislative action that can impact growth. It could be tax policy that affects customers, it affects businesses, it affects consumers. It affects their ability to spend and save. It could be fiscal policy for spending, which could affect how government spends, what sort of projects it undertakes, does that grow the economy?

So yes, politics is key to something that we do on a daily basis and we watch very carefully.

Looking at U.S. economy, we've had pretty decent growth for the last few years, but not would I would call strong growth. The economy has grown on average around 2 percent, and we think that that's achievable this year also.

We are cautious about not projecting too much into our growth figures based on a change in administration in DC, and potential changes in policy, which may happen this or next year, and may impact growth in a positive fashion. We don't see signs of that affecting the U.S. economy in a major way this year, but that's something that we are watching very closely to see whether it starts impacting the economy in a positive fashion, either towards the end of the year or next year.

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