

# ForeSight

## LUNCHEON

PREPARED FOR PROFESSIONAL CLIENTS ONLY



### Utopian? Feasible? Or Even Conservative? More than 80% of the participants at our ForeSight Sydney Luncheon thought our G4 scenario was feasible.

On 28 July 2015 in Sydney, BNY Mellon presented its G4 scenario to around 100 participants at the ForeSight Luncheon. The scenario explores the implications for Australia if Japan, America, China and India (the world's four largest economies measured at purchasing-power parity) all flourish simultaneously.

During the ForeSight luncheon we encouraged the participants to express their views by filling in our anonymous survey after hearing each speaker convey their thoughts.

The G4 scenario envisages GDP growth over the rest of the decade of 2% in Japan, 3% in America, 7% in China and 8% in India. According to the survey result, 81% of the participants thought this scenario was feasible and 11.1% found it utopian. A small number (7.9%) thought it was conservative.

When asked which of the G4 economies (Japan, America, China and India) was the most likely to fulfill its economic potential over the rest of the decade; 65.1% of the attendees chose America, 17.5% China, 11.1% India, and only 6.3% chose Japan. This suggests the Australia audience was relatively optimistic about growth momentum in the US.

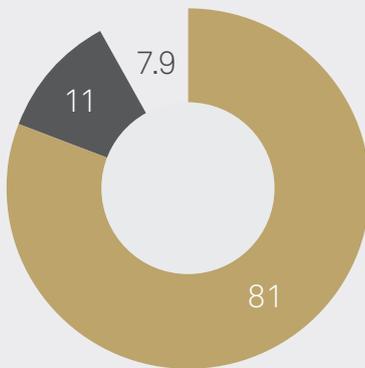
The audience was also asked to choose the best investment if the G4 scenario came true. Of the attendees, 42.9% thought that G4 equities were the best investment, followed by commodities (39.7%). About 18% of participants favored investing in companies that are "exposed" to the G4 through their sales or subsidiaries, but not actually listed in them. Interestingly, no one favored investing in Sydney property.

Over 80% of the participants believed that the region would enjoy more geopolitical cooperation rather than conflict if the four countries all do well economically.



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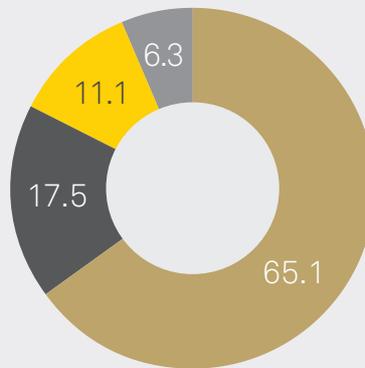
The G4 growth scenario\* is:



- Feasible
- Utopian
- Conservative

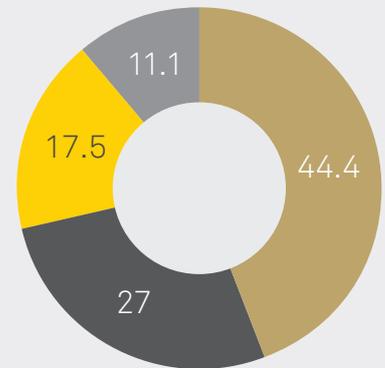
\*The G4 scenario envisages growth over the rest of the decade of 2% in Japan, 3% in America, 7% in China, 8% in India

Which of the G4 economies (Japan, America, China and India) is the most likely to fulfil its economic potential over the rest of this decade?



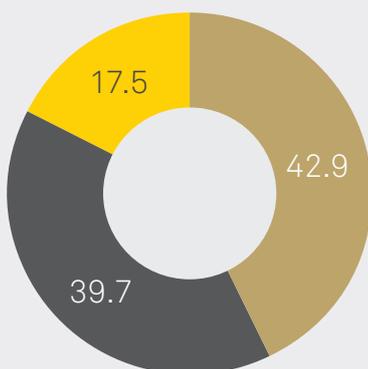
- America
- China
- India
- Japan

If the G4 scenario came true, the Australian dollar would:



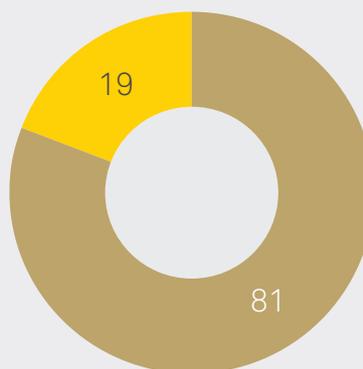
- Strengthen against the US dollar without matching it
- Stay about the same
- Weaken
- Reach parity with the US dollar

If the G4 scenario came true, what would be the best investment?



- G4 equities
- Commodities
- Companies exposed to the G4 but not listed in them
- Sydney property (0%)

A G4 world in which Japan, America, China and India all do well economically would lead to more...



- Cooperation
- Conflict

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Issued as at 14 Aug 2015

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