U.S. Capital Markets

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Contents

Introduction 3
Characteristics of capital markets 4
Benefits of capital markets 4
Instruments of capital markets 5
Types of capital markets 6
U.S. capital markets 7
2022 Bond capital market outlook 10
Capital market drive economies 12
Capital market drive opportunity 13
Private markets to rival or to complement 15
Capital markets need nurturing 17
Active fixed income perspectives 18
2022 Long-term capital market assumptions 20
Are the markets on trend? 21
Markets attracting foreign issuers 23
Countries leading capital raising in 2030 25
Conclusion 27
Bibliography 28

Introduction

Capital markets are financial markets that escort buyers and sellers together to trade stocks, bonds, currencies, and other financial assets. Capital markets comprise the stock market and the bond market. They assist people with plans to become entrepreneurs and help small businesses grow into big companies. They also give folks like you and me a chance to save and invest for futures.

Monetary capital is cash business people and organisations use to purchase assets and supplies. These are then used to make items or offer assistance to purchasers. Monetary capital is brought through capital business sectors up in two different ways by selling bonds, which resemble advances that the business will reimburse sometime in the not too distant future with interest, or by selling stocks, which are sold in return for the incomplete responsibility for business.

Issuing or selling stocks takes place through an IPO or initial public offering. The amount buyers are inclined to spend, and sellers want to make regulate the price of the stock. Unlike a loan, which has to be repaid, issuing an IPO or "going public" permits others to buy a share or a portion of your business and become a limited owner. The person or institution with the most shares is the company's main owner.

Many small businesses conduct IPOs and earn money to become large companies. These companies expand across the country and generate thousands of jobs. They also restore new supplies, production, and delivery companies and provide a good or service that consumers value.

People buy stock because they believe ultimately the value of the stock will go up, permitting them to sell the stock at a higher price than the initial purchase price. The risk is that the value of the stock could go down.

A company may issue bonds rather than stocks. A bond is a loan investors make to a company or government. Unlike stockholders, bond purchasers are not company owners. Instead, they receive interest payments and are paid the loan amount at a future date. Businesses issue bonds, and so do federal, state, and local governments. In addition, bonds frequently help pay for big projects, such as new schools, hospitals, stadiums, and road repairs.

Without markets for stocks and bonds, business owners would have fewer options to bring their plans to life or inflate their businesses; they would have to save up enough cash to re-invest. Business owners can obtain the required financial capital to build successful companies with healthy capital markets. They can also expand existing businesses to create new jobs and reinforce the economy. Capital markets also reduce the cost of doing business by providing the global economy with an attested source of cash or liquidity.

Capital markets bring borrowers and lenders together inefficient ways and help channel resources to create a healthy national and global economy. They provide essential funding that affects people's lives, from starting a business to expanding a current one or giving investment opportunities for people planning for their future. Capital markets allow traders to buy and sell stocks and bonds and enable businesses to raise financial capital to grow. Businesses also have reduced risk and expenses in acquiring financial capital because they have reliable markets where they can obtain funding. Capital markets are there to compare them with the best funding source.

Characteristics of Capital Market

- The link between savers and investors
  The capital market acts as an essential link between savers and investors. The savers are lenders of funds, while investors are borrowers of funds. The savers who do not spend all their income are called “Surplus units”, and the investors/ borrowers are known as “deficit units”. The capital market is the transmission appliance between surplus units and deficit units. It is a conduit through which surplus units lend their surplus funds to deficit units.

- Deals in long term fund
  The capital market furnishes funds for the long and medium term. However, it does not allocate with channelising savings for less than one year.

- Utilises intermediaries
  The capital market uses different intermediaries such as brokers, underwriters, depositories, etc. These intermediaries act as functioning organs of the capital market and are very important elements of the capital market.

- Capital formation
  The capital market prides incentives to savers in interest or dividends to transfer their surplus fund into the deficit units, which will invest it in different businesses. The transfer of funds by the surplus units to the deficit units leads to capital formation.

- Government rules and regulations
  The capital market works freely but under the guidance of government policies. These markets function within the framework of government rules and regulations, e.g., the stock exchange works under the regulations of SEBI, a government body.

Benefits of Capital Markets

The capital market is essential to any financial ecosystem and demonstrates to be the throbbing capitalist pulse of the country. Economic improves further facilitate the government to bring about economic and governance-related interventions. The Indian capital market is also comforted with structural transformation since liberalisation. The chief point of the reforms exercise is to upgrade market efficiency, increase transparency in trading, curb unfair trade practices, and bring our financial markets on par with international standards. Further, the appropriate reforms in the Indian capital market, mainly in the secondary market resulting in modern technology and online trading, have revolutionised the stock exchange.

Capital market has critical importance to capital formation. For speedy economic development, adequate capital formation is necessary. Some advantages of a robust capital framework:

- Mobilisation of savings and acceleration of the capital formation
  In developing countries like ours, the significance of the capital market is uppermost. It is because various types of securities help deploy savings from various sectors in this market.

- Ready and continuous market
  A stock exchange provides a common ground where buyers and sellers can easily buy and sell securities, resulting in easy profitability and greater liquidity.

- Technical assistance
  Capital markets help bridge the huge technical gap by assisting advising services by combining to prepare available reports, identifying growth possible and training entrepreneurs in project management.

- Raising long-term capital
  The stock exchange resolves a clash of interests by offering an opportunity to investors to buy or sell their securities while permanent capital with the company remains unaffected.

- Foreign capital
  The generation of foreign capital is another massive advantage in the form of bonds and other securities. In addition, the government has liberalised Foreign Direct Investment (FDI) in the country, which enables the inundation of foreign capital and foreign technology.

- Easy liquidity
  With the help of the secondary market, investors can sell off their holdings and convert them into liquid cash.

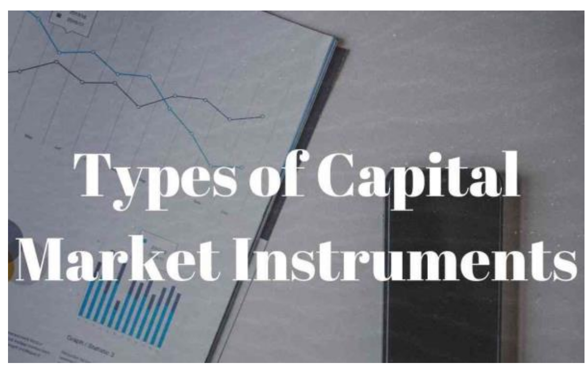
- Revival of sick units
  The timely intervention of financial Institutions results in the recovery of viable sick units. The stock exchange is a central market through which resources are transferred to the industrial sector of the economy. It gives more impetus to people to invest productively, which stimulates the country's industrial growth and economic development by mobilising funds for investment in corporate securities.

- Reliable guide to performance
  The capital market serves as a guiding compass to corporate performance and financial position by encouraging efficiency.

- Proper channelisation of funds
  The persuading market price of a security and relative submit are the guiding factors for the people to conduct their funds in a particular company, ensuring effectual discharge.

- Provision of a variety of services
  Provision of a diversity of services such as permitting long-term and medium-term loans to entrepreneurs, providing underwriting facilities, assisting in the promotion of companies, participation in equity capital, giving expert advice, etc.

- Development of backward areas
  Capital Markets provide funds for projects in backward areas, facilitating economic development. In addition, long-term funds are also provided for development projects in backward and rural areas.



Different instruments of the Capital Market

The types of capital market instruments are broadly classified into two types:

1. Equity Security
   - Equity Shares
     These shares are the prime source of finance for a public limited or joint-stock company. When individuals or institutions purchase them,

shareholders have the right to vote and also benefit from dividends when such an organisation makes profits. Shareholders, in such cases, are regarded as the owners of a company since they hold its shares.

- Preference Shares

  These are the secondary sources of finance for a public limited company. As the name suggests, holders of such shares enjoy exclusive rights or preferential treatment by that company in specific aspects. They are likely to receive their dividend before equity shareholders. However, they do not typically have any voting rights.

2. Debt Security

   It is a fixed income instrument, primarily issued by sovereign and state governments, municipalities, and even companies to finance infrastructural development and other types of projects. It can be viewed as a loaning instrument, where a bond's issuer is the borrower:

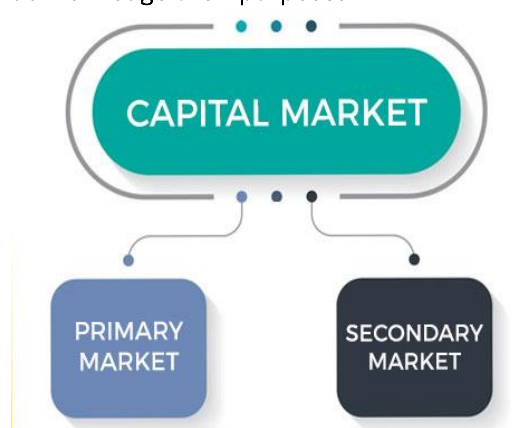
   - Bonds

     Bondholders are considered creditors concerning such an entity and are entitled to periodic interest payments. Furthermore, bonds carry a fixed lock-in period. Therefore, issuers of bonds are mandated to repay the principal amount on the maturity date to bondholders.

   - Debentures

     Unlike bonds, debentures are unsecured investment options. Consequently, they are not backed by any asset or collateral. Here, lending is entirely based on mutual trust, and investors act as potential creditors of an issuing institution or company.

All these instruments are parts of the capital market. Since each is unique and has discriminating features, they are useful in different ways for a company. Therefore, it is critical to recognise the different types of capital market instruments so that you can acknowledge their purposes.



Types of Capital Market

- Primary market

  The primary market is also known as the new issue market. As in this market, securities are sold for the first time, i.e. new securities are issued from the company. Primary market companies go directly to the investor and utilise these funds to invest in buildings, plants, machinery, etc.

  The primary market does not include finance in the form of loans from financial institutions. When a loan is issued from financial institutions, it implies converting private capital into public capital and this process is called going public.

  The common securities issued in the primary market are equity shares, debentures, bonds, preference shares and other innovative securities.

- Secondary market (Stock Exchange)

  The secondary market is the market for selling and purchasing previously issued or secondhand securities. In the secondary market securities are not directly issued by the company to investors. Instead, existing investors sell the securities to other investors. In the secondary market, companies get on additional capital as securities are bought and sold between investors only so directly there is no capital formation, but the secondary market indirectly contributes to capital formation by providing liquidity to the securities of the company. The Securities Contract and Regulation Act defines a stock exchange as "An organisation or body of individuals, whether incorporated or established to assist, regulate and control of business in buying, selling and dealing in securities." Every stock exchange has a specific location. In India, there are 24 recognised stock exchanges.

U.S. Capital Markets

The capital market in the United States is highly evolved, marked by advanced technology, specialised financing institutions and functions, expansive geographic locations, and continuous innovation in financial products and services to meet the requirements of financial investors and those seeking to require funds. There are both direct and indirect markets. Corporations, for example, capture indirect finance when they invest in one another's paper directly without the services of brokers and other distinctive intermediaries, similar to the proverbial entrepreneur getting funds. However, most of the financing in the United States is done indirectly through financial intermediaries who substitute their credit for the credit of the borrower (user) of funds. As a result, the U.S. capital markets are the largest in the world and continue to be among the deepest, most liquid and most efficient.

Equities

U.S. equity markets of 2022 represent 41% of the $118 trillion in global equity market cap, or $48 trillion; this is 3.6x the next largest market, China.

Fixed Income

U.S. fixed income markets 2022 comprise 39% of the $123 trillion securities outstanding across the globe, or $48 trillion; this is 1.9x the next largest market, the E.U. (excluding the U.K.).

Investors should have reasonable expectations for long-term market returns to reach long-term financial goals. Overly optimistic expectations could lead to saving too little because they believe their investments will grow enough to fund their retirement or a child's college education. On the other hand, if return expectations are overly pessimistic, they may save too much at the expense of everyday living and enjoyment.

The current outlook highlights better opportunities in international stocks versus U.S. stocks. Moreover, the long-term return estimates have risen from last year's forecasts for several asset classes, including U.S. investment-grade bonds, cash investments, and international large-cap stocks. Now maybe a good time for investors to review their long-term financial goals to ensure that they are based on projections grounded in disciplined methodology.

Developed market equities had strong returns in 2021; the growing inflation headwinds challenged bond markets, and several COVID-19 variants created continued concerns over re-establishing some sense of normalcy in global economies and markets. The global GDP forecast for 2022 expects robust growth early in the year but is likely to decelerate as tighter fiscal and monetary policies hinder that growth later. For bond investors, inflation and rising rates suggest that a blended credit portfolio offers a better income-to-risk profile today.

By mid-year, the global economy, especially in the U.S. - would get back on its feet with re-openings and earnings strength. But that surge kindled a strong rise in inflation after several dormant decades. While the services component of CPI has remained quiet, bottlenecks in the supply chain of goods strongly increased the heat of inflation, which has continued longer than many anticipated. Lower consumer sentiment and higher inflation expectations troubled the fourth quarter. This shoved the Federal to hasten its timeline for ending quantitative easing and likely commencing interest rate increases.

In all economic outlines, COVID-19 variants will play a central role in the speed and success of U.S. and global growth for 2022. Inflation will continue raised for the first part of the year but will likely cool off in the second half. If inflation falls more quickly than anticipated, central banks may not need to tighten very much, and the economic blast could also be lowered if the world is able to master the trounce effects of the pandemic.

Equity investors may have examined high valuations. But stocks are a strong asset class through many headwinds, including periods of rising inflation and Federal tightening. And there are more reasonable valuation chances beyond the top 10 U.S. mega cap companies that now account for a record 30% of the S&P 500. Whether seeking opportunities in value or growth stocks, quality is a crucial factor - not just in the U.S. but also in global markets.

For bond investors, inflation and rising rates suggest that a blended credit portfolio offers a better income-to-risk profile today. Although yield and spreads are tight in developed market corporate credit, comparative opportunities still exist notably in emerging market debt and securitised assets. For U.S investors, municipal bonds weathered better than U.S. Treasuries or investment-grade corporates. Munis tend to have less interest-rate sensitivity, and muni credit tends to do better when 10-year U.S. Treasury yields rise.

But as with all parts of the capital markets, it's important to be selective. In these volatile and uncertain markets, it's important to be active in the portfolio position to participate and defend.

U.S. leaders predict improved top-line revenue growth, profitability, and ongoing workforce management challenges. Although the ongoing COVID-19 pandemic has tested banks' resilience in unforeseen ways, many appear stronger, with newfound capabilities to overcome future challenges. However, before they can scale new heights, they should consider ongoing shifts rearranging the global financial system.

Review the digital assets market; the new financial architecture generated by digital assets will have consequences for banks by revolutionising how money is created, assigned, stored, and owned. Simultaneously, powerful undercurrents are forcing banking leaders to compute with the never-before-seen challenge of reanalysing the workplace and how work is done.

Meanwhile, even though digital transformation is going ahead at full speed, these efforts tend to be incremental, localised, and fragmented, resulting in a pervasive, pernicious "technology trap." This is preventing many banks from realising the full potential of their investments.

While many variabilities remain, overall financial chances are generally bright for the global banking industry in 2022. In a survey by the Deloitte Center for Financial Services of 400 banking and capital markets executives across nine major markets, 88% of respondents expect banks' top-line revenue to improve in 2022. Meanwhile, banks are expected to hasten capital distribution plans in the form of share buybacks and higher dividends–in fact, three-quarters of survey respondents expect to increase dividends in the coming year. However, the survey also found many areas where much work remains, mainly involving talent and technology.

The Banking Industry in 2022 and Beyond

Despite an expected uptick in interest rates in 2022, net interest income/net interest margins (NIMs) may take a while to return to pre-pandemic levels. However, the rebound in noninterest income from higher trading revenues and increases in fee-based businesses could be more pronounced and lead to overall top-line growth.

A greater focus on cost management may also help efficiency ratios improve. As a result, in line with recent performance, U.S. and Canadian banks should exhibit faster growth in profitability than other major markets, while many European banks may not see increases in profitability until after 2022.

A closer look at U.S. banks suggests a strong recovery thanks to meaningful reserve releases, positive operating leverage, improving loan growth in certain sectors, and potential net interest margin expansion. Average return on equity (ROE) in the U.S. banking industry in 2022 is likely to taper down a bit from an expected development of as high as 10.1% in 2021, and then normalising to 10.4% in 2025, according to a forecast from the Deloitte Center for Financial Services.

Leading talent through a turbulent time

A significant problem facing banking leaders in 2022 is the never-before-seen challenge of redefining the workplace and how work is done. Leaders are also under enormous pressure to develop an agile and modernised workforce that can support a product-driven and customer-centric operating model. To complicate matters, they must grapple with several upheavals in the workforce, not least of which is the escalating war for talent.

Worried that remote work might stifle learning, creativity, and collaboration, some banks now expect employees to be in the office. But nearly 70% of respondents in the survey conducted by Deloitte say they anticipate their organisation pivoting to hybrid work. How well leaders execute this transition could make a fundamental difference in the values and culture of the new work environment. Leaders must also balance employee needs with client and market demands. In addition, banks may have to reassess rewards, including compensation, in light of their pivot to hybrid/remote work models.

To prevent hybrid work from creating inequalities among employees, banks will need to continue to foster a sense of belonging for all, rather than only those who spend the most time within their four walls each day. In addition, institutions should use office returns as an opportunity to "re-onboard" the entire workforce to the new institutional culture.

Banks should also consider training leaders on how best to manage a distributed workforce to eliminate existing inequities and new inequities do not emerge. Managers may also need to learn how to recognise "unseen" work, and restructure days to be task-based instead of simply tracking time employees spend in front of a screen.

2022 Bond Market Outlook

As the economy works to remove the COVID-19 wrench from its gears, we expect markets to be more volatile overall, and economic data will continue to be mixed. Inflation, the enemy of bond investors, will gravitate back toward pre-pandemic levels, but don't expect it to return to a sub-2% number. But it's safe to bet that it will reverse momentum and move lower in 2022.

For now, the Federal Reserve is moving toward a neutral policy that is neither accommodative nor restrictive. Officials have already accelerated the pace of stimulus removal by winding down bond asset purchases. When that policy concludes, look for at least one interest-rate hike in the first half of 2022. Whether or not there will be multiple rate hikes depends on more than just the economy—it also depends on how other financial markets react, making the Federal Reserve job all the more difficult.

The shape of the yield curve should continue to flatten with front-end rates rising. This will be news to those of us with cash in the bank or money market funds currently earning next to nothing. Money market yields will follow in the same direction as the federal funds rate, though perhaps not immediately or in a similar magnitude. Short rates are already moving higher in anticipation. Since bottoming last May at 0.015%, the yield on six-month Treasurys has risen to 0.23% as of 2022. More yield is expected to come, but we don't forecast money market yields reminiscent of the good old days of 2%. Still, they will be more rewarding than they are today. Of course, the more the Federal hikes rates, the higher yields will go. For now, rates are starting to move higher, with investors pricing in rate hikes coming sooner than expected.

Treasury bonds, as always, remain the most interest-rate sensitive, so when there are big market-moving headlines—and expect plenty of those in 2022—traders' reactions show up in Treasury yields first. At present, Treasury yields remain skimpy. Higher-quality investment-grade-rated corporate bonds offer an additional yield to investors.

In a managed bond portfolio, we look forward to higher rates, and we believe income investors are on the cusp of being rewarded.

Current market pricing indicates a short but sharp, tightening cycle from the Federal, and the flattening of the yield curve from the fourth quarter of last year indicates growth will likely moderate in the future. Many indices are already repricing for this outcome. In the search for returns above benchmarks, we see the most compelling fixed-income investments in four key areas: Investment-grade corporate bonds, high-yield bonds, securitised credit and emerging-market debt.

Select Investment-Grade Corporate Bonds

Among corporate bonds with a relatively low risk of default, we see the most return potential in financials, which could benefit from interest-rate hikes. Financial companies also have the potential to adjust to higher inflation risks relative to other sectors in the market.

Among non-financials, we like BBB-rated corporate bonds; we are cautious about those with ratings of A or above, which tend to have longer-duration maturities and are more interest-rate sensitive. Investors should also be wary of companies with mergers and acquisitions risks, as corporates making changes to their capital structures may dilute valuations for bondholders.

High-Yield Bonds in Specific Sectors

Though complete spread levels in high-yield bonds are close to being fully evaluated, relative valuations across sectors are reasonable. We prefer short-duration high-yield debt because it is less interest-rate sensitive vs. the broad index.

The base case is that interest rates are rising, but economic conditions should endure strong. Thus, default risks may stay low, and short-duration high-yield debt, including bank loans, are vehicles that can capture higher yield while assuredly reducing interest-rate risk.

By rating cohort, we see value in single-B-rated bonds, regarded as a sweet spot in the high-yield universe because they have more spread or yield and less interest-rate sensitivity than B.B.s, with a higher credit quality than CCCs. Default risks may remain low, and we accept a single basis furnishes a good trade-off between risk and return.

For opportunities to invest tactically and aggressive, the sectors we lodge are:

- Energy, should prices move higher,
- Cable/media/broadcasting, though expect volatility in the near term and seek opportunities to buy at attractive valuations,
- Retail, because of strong consumer fundamentals, and
- Building materials, as demand for and prices of real assets may increase.

Securitised Credit as a Short-Duration Play

Securitised credit will remain compelling, too, as a short-duration asset class with respectable yields and solid credit fundamentals. Housing in both the U.S. and Europe remains well supported by price appreciation of the central assets and the credit quality of borrowers.

However, we are wary of commercial real estate, but this varies greatly by sector. Agency mortgage-backed securities may also lose a tailwind from Federal Reserve purchases and cheapen in 2022.

Emerging-Market Debt and Currencies

After lagging in 2021, emerging-market debt has a lot of room for improvement this year. Central banks in appearing markets have been well ahead of developed markets in raising rates to stem inflation risks. If inflation stabilises as we expect in 2022, then both local emerging-market debt and currencies stand to value as global investors become attracted to the yield, carry and potential returns from this asset class.

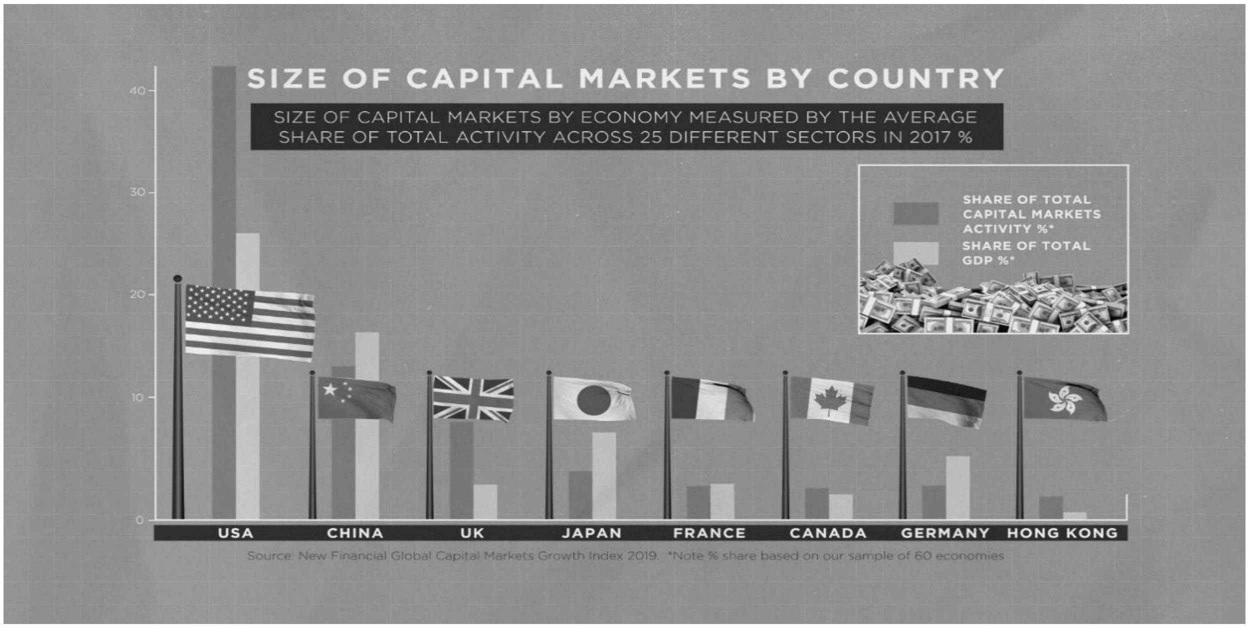
Key takeaways:

- 2021 was a difficult year for bonds, but historically bond markets have hardly recorded 2 negative years in a row.
- The Federal Reserve is likely to institute raising interest rates in 2022, assuredly raising bond yields and lowering bond prices.
- The Federal Reserve actions will likely have modest effects on most bond portfolios, but the precise extent and timing of rate hikes is unsure.
- If you seek higher yields, professional investment managers have the research resources and investment expertise necessary to identify opportunities and manage the risks associated with higher-yielding securities.

After several years in which the Bloomberg Barclays U.S. Aggregate Bond Index delivered strong returns, the index and many mutual funds and ETFs holding high-quality corporate bonds are likely to post negative returns. But history shows that bond markets rarely string together several down years in a row and there are reasons for bond investors to feel hopeful that modestly better times are ahead in 2022.

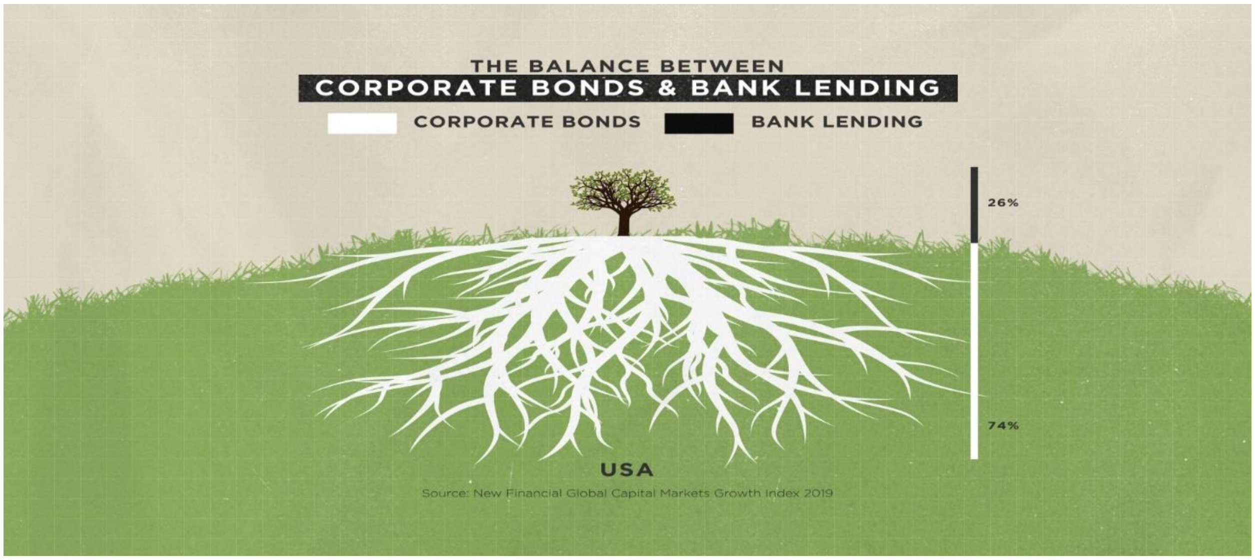
Capital Markets Drive Economies

U.S. capital markets are the largest in the world 41% of global equity and 40% of global fixed income. Moreover, they account for the dominant $ value and % of global activity in every market sector, representing 46% of total global market activity.



Why is it important that the U.S. remains the deepest, most liquid and most efficient capital market in the world? First and foremost, they provide diversified funding options. This means they are more attractive to businesses looking for capital and also mean that the U.S. economy is less unguarded to economic or market shocks.

In the U.S., the inverse is true: bank lending accounts for just 26% of corporate borrowing, while corporate bonds are 74%. During periods of economic stress, capital markets diversify funding and act as a shock absorber. Therefore, the recessions are shallower and the economic expansions longer than in any other country.



Recognising the vulnerabilities of heavy reliance on bank lending, urgent calls for capital market development in other regions abound. The E.U. is arguing the merits of a Capital Markets Union (CMU); in Asia, emerging markets are attempting to open access via local exchanges; and the International Finance Corporation of the World Bank Group has made developing local capital markets strategic importance.

Capital Markets Drive Opportunity

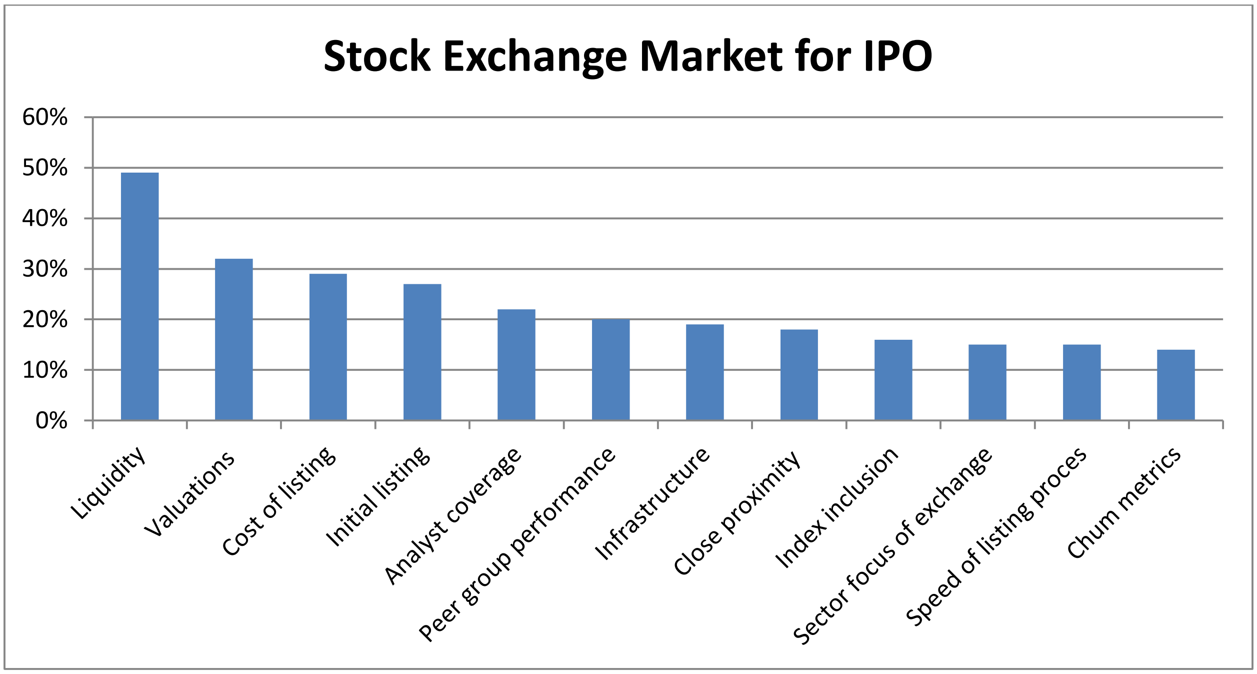
Today, we see a clear relationship between capital market depth and GDP per capita when expressed as purchasing power parity. Higher GDP per capita means individuals have higher disposable income and the potential to save more; additionally, deeper capital markets may help drive higher GDP per capita through the more efficient allocation of capital.

What drives the choice of exchange?

What do companies look for when choosing an exchange?

Priorities have moved slightly. Liquidity remains a constant and dominant factor are increasingly focused on valuations, the costs of listing and peer group performance. As the world has become more digitally connected, the stock market ecosystem (including analyst coverage) and investor base size are now considered less important.

Valuations were the second most important factor for. However, Nikhil Rathi, Chief Executive of the London Stock Exchange, doesn't see this as a defining factor. "Any company at IPO time will be worried about valuations. They worry about whether they will be valued too low and, conversely, investors will always worry that they pay too much. I don't think we're seeing a particular shift in the market because of where participants believe we are in the cycle. Good companies in attractive sectors will always be able to attract long-term capital."



Are public equity markets under threat?

What may cause public equity markets to decline in popularity?

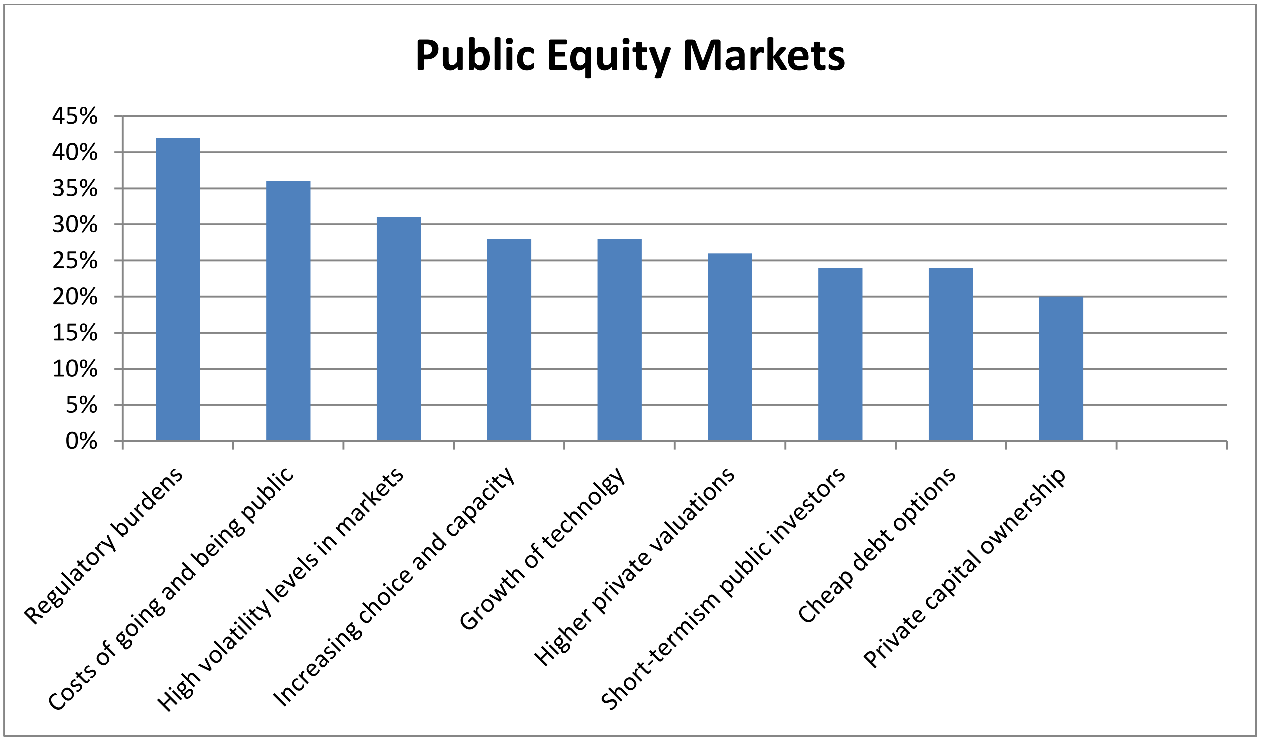
Consistent with the finding that the cost of listing is now seen as a more important factor when deciding on the listing destination, the cost of going and being public has also become a more pressing concern, with 36% citing it as a cause for public equity markets to decline in popularity.

"The cost of regulation is a factor, no question," says Mr Erickson; however, this "gets bundled up with the other issues when a company decides whether to list or not."

Mr Espinasse thinks that the cost should be a minor consideration when choosing a listing venue on the part of an issuer. He says, "Listing is never a cheap exercise, but more important is the aftermarket share price performance and liquidity benefits that can be derived from such listing." Mr Coben also finds the negative effects of cost of regulation "a bit overstated." He says that he has never heard of anyone saying that they are not listed because of this. For him, the standards of disclosure are probably more important.

Listing costs are substantially similar in Asia and Europe. In the U.S., underwriting fees tend to be significantly higher — in some cases, double the percentage of proceeds one would pay in London or Hong Kong. The U.S. aftermarket costs of compliance and governance also tend to be higher. Mr Espinasse considers this to be logical because, he says, “an issuer statistically stands a higher chance of getting sued there than in other jurisdictions.”

Mr Erickson argues that the unwieldy nature of the whole listing process is much more of an issue. He says, “In the U.S., it hasn’t fundamentally changed from where it was when I started in the industry 25-plus years ago.” Capital raising remains overly complicated and is therefore driving companies towards “more efficient” private capital markets, which have “effectively disinter mediated the IPO market.” Regulators need to strike a balance between protecting investor confidence and stimulating market developments.



Private markets: To rival or to complement?

Which private financing options do you think are the most attractive?

Ebmerging concepts and funding alternatives have started changing the face of the global financial markets. Over 75% see that companies in both D.M.s and E.M.s now have more choices of both public and private financing routes.

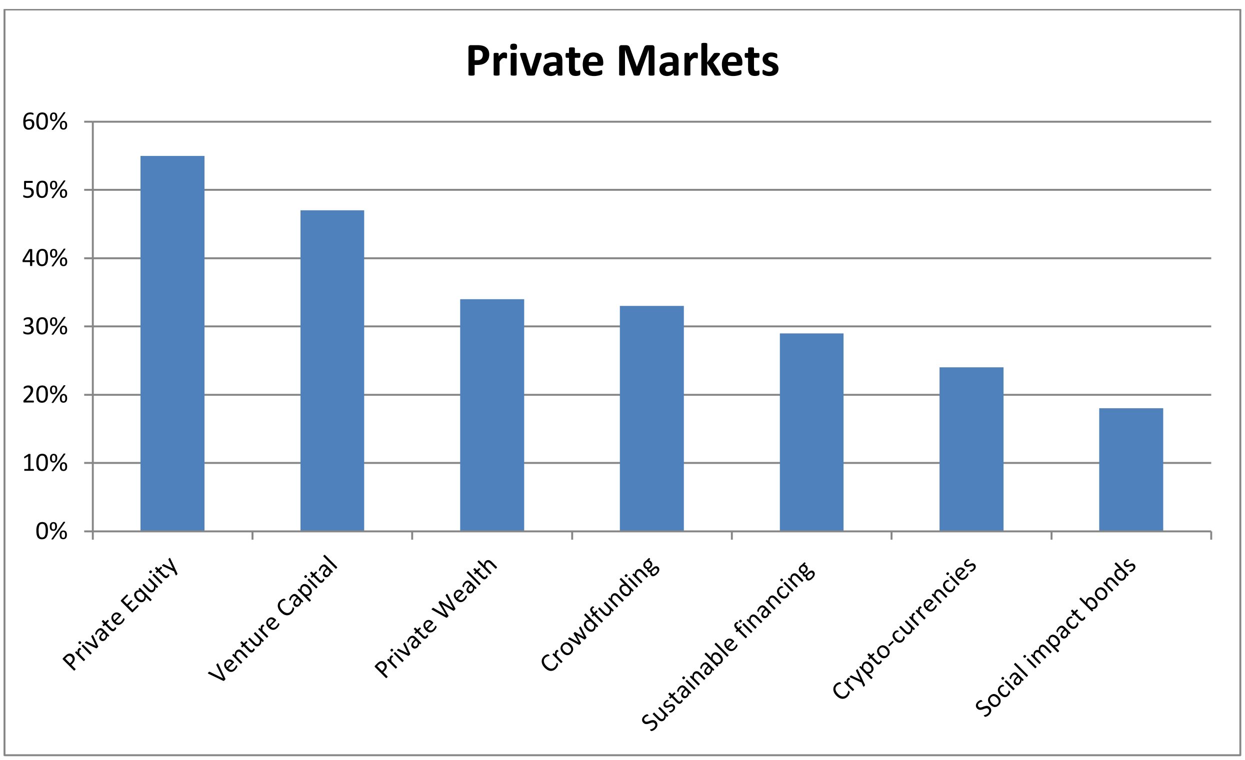
Private equity (P.E.) and venture capital (V.C.) have grown substantially in the past decade as more accessible and scalable P.E. markets have developed in a period of relatively cheap debt. More than half of the graph show cite P.E. as an attractive option. However, P.E. remains largely a D.M. phenomenon, with the two largest markets being the U.S. and Europe.

Javier Martinez-Piqueras, Global Head of Equity Capital Markets at UBS, sees P.E. as having "refocused on its core 'venture capital' mission and abandoned the pre-2008 LBO excesses," making the role of local expertise increasingly important. He says, "It would therefore not be surprised if we see an increasing decentralisation and specialisation of P.E. firms, and E.M. economies are probably positioned to benefit disproportionately from this trend, given their lower starting point."

"There's a huge gap between the level of P.E. penetration in the region compared with Western Europe and the U.S.," says Mr El-Khatib. He says that P.E. works in a fashion complementary to public markets and is proving to be a major source of listing as the P.E. houses exit, giving the examples of Hungarian road transport firm Waberer's, the Profitable supermarket chain in Romania and the recent IPO of Play, Poland's second-largest mobile operator.

P.E. is seen as a complement to public equity, rather than simply as a rival, in India as well. "P.E. companies have been investing large amounts of capital over the past several years, and many are now looking for exits," says Mr Limaye. On average, P.E. firms in India tend to have minority holdings of about 20 to 30%. "This is expected to result in a large number of IPO exits over the next few years".

However, some see inherent advantages in P.E. that give it an edge over public markets. "Companies don't need to go public so much these days to raise capital," says Mr Erickson, citing the US$1.7tn of dry powder that the P.E. industry can draw on. China's Ant Financial is an example of a company that has been rumoured to be going public for the past year, and that has raised US$14bn from P.E. investors. "Talking to partners at V.C. and P.E. firms — why would they IPO a company if they can sell for a similar price to another P.E. firm or corporate buyer?" asks Mr Erickson. He says, "They don't have to worry about not maximising price in the IPO and the lockup restrictions they will have on potential sales. And they don't have to worry about the quarterly reporting and other regulatory issues."



Capital Markets Need Nurturing

There is a global shift occurring: by 2030, it is estimated Asia-Pac will overtake the Americas market share and account for more than half of all global capital markets activity by 2040. It is expected the Americas' market share will decrease from 46% today to 40% in ten years.

There is a correlation between the relative depth of capital markets and the quality and stability of the wider business, legal and managerial environment. With its entrepreneurial spirit and business-friendly culture, the U.S. ranks second in the business environment. However, it lags behind at fourteenth in terms of the government and regulatory environment, which can impede the growth and resilience of the markets in the future.

In short, capital markets help savers install their capital to those governments, businesses and enterprises that need it most to create jobs, innovate and grow our economy. They also support business development and the rule of law.

Steps to take care

Capital markets may not always be the largest, but the depth and liquidity is what matter most. Markets always met challenges head-on with a unique combination of grit, innovation, and decisiveness. There are definitive steps to make certain U.S. capital markets remain the deepest, most liquid, and the best:

- Ensure high standards of market integrity and investor protection.
- Encourage pools of capital through workplace and private pensions.
- Promote financial literacy and a strong retail investor culture.
- Calibrate supervision and regulation with innovation and growth.

Active fixed income perspectives

Fixed-income markets faced a challenging environment amid ongoing concerns around inflation and tightening monetary policy. In addition, risk assets, notably equities, sold off during the second half of the month as a sell-off in large U.S. technology stocks spread to the broader equity market, also impacting the credit market.

Late in the month, hawkish rhetoric from U.S. Federal Reserve (Fed) chair Jay Powell following the Federal Open Market Committee's (FOMC) meeting further hit risk assets. While the FOMC voted to leave the target range for its federal fund's rate unchanged and said it persisted on track to end its government bond purchases in March, Powell suggested interest rate hikes later in 2022 could outstrip market expectations.

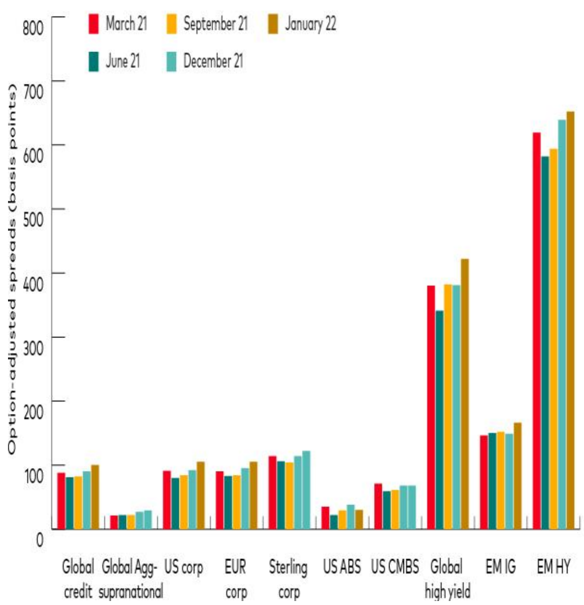
Meanwhile, oil prices reached a seven-year high as supply failed to keep pace with the ongoing recovery in demand from the Covid-19 pandemic.

- Government bonds
  In the government bonds of developed markets, the U.S. Treasury curve flattened as yields on shorter-maturity bonds rose more than those on longer-dated bonds. Government bond yields also rose in Germany and the U.K., notably in the latter market, where market participants expect the Bank of England to further hike interest rates multiple times over the remainder of 2022.

- Credit markets

In credit markets, spreads moved wider across the board, with global high yield and emerging market high yield debt seeing the greatest widening. After a strong third quarter, corporate earnings growth started to slow but remained resilient given inflation and supply-chain bottlenecks. While inflationary pressures are high, thus far consumers have been largely absorbing the price increases. The 2022 outlook for corporate earnings remains sanguine as most sectors are set to make a full return to normal operations following Covid-19 disruptions, although we are unlikely to see a repeat of last year's stellar results.

- Credit spread levels



While the supply of euro- and U.S. dollar-denominated bonds was above average levels, expectation is for 2022 issuance to be broadly in line with that of 2021. Demand for new issues has weakened in the face of significant supply and weaker risk markets, leading to a rise in new-issue premiums. Meanwhile, demand for "green" or "sustainable" assets remains very strong. An increase in volatility as investors digested the prospect of higher interest rates caused investor flows to weaken, and flows will likely remain sensitive to further volatility caused by inflation dynamics and central bank actions.

- Emerging markets

Emerging market (E.M.) bonds weakened in the starting of 2022, and the JPM Global EMBI Diversified Index returned -2.9% as fears of a more hawkish Federal Reserve weighed on the asset class. As a result, JPM Global EMBI Diversified Index spreads moved 16bps wider for the month, with E.M. investment-grade spreads widening more 7bps than E.M. high-yield spreads 12bps.

Despite weakening, E.M. debt outperformed developed market credit for the month as valuations started from a cheaper level. Expectations around future interest rate hikes have changed dramatically. Among both U.S. Federal Reserve (Fed) policymakers and market participants, there's been growing recognition that cramped high inflation well above the Federal Reserve 2% core personal consumption expenditure target may persist throughout 2022.

The Fed conceded that inflation might not be as transitory as it anticipated. Indeed, in response to a question about his persistent use of the term "transitory" in earlier statements, Fed Chair Jerome Powell said: "It's probably a good time to retire that word." In December 2021, the Federal Reserve said it would double the speed of tapering, which began the month before. This quicker reduction in its bond buying puts the Fed on track to end its purchases in March 2022.

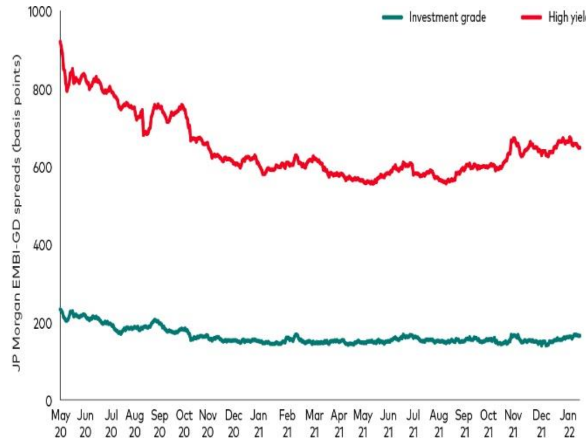
The Federal Reserve indicates three hikes in 2022 each one a quarter-point followed by the same increase in 2023. Market pricing for fed funds-related futures contracts did not initially adjust to reflect this accelerated timeline for interest rate hikes. This disconnect, which may well be seen again, could indicate market participants weigh how tightening financial conditions affect economic activity and, by implication, Federal policy.

U.S. financial conditions remain historically loose, though they should tighten as economic momentum from the strong rebound of 2021 fades and central bank policy support diminishes. Beyond tighter monetary policy, pandemic-related economic friction in the U.S. and other economies could lead to slower than expected global growth.

European financial markets could be relatively volatile in 2022. While positive economic growth and continuing fiscal support should be supportive, political developments, uncertainty around the pandemic and the likely persistence of the recent spike in inflation could unsettle investors from time to time. Spreads could remain largely range bound in 2022. Rapid tapering and market expectations of a more significant hiking cycle could be sources of volatility. However, the prospect of robust growth and healthy corporate earnings should help keep a lid on spreads.

An escalation in tensions between Russia and Ukraine caused sovereign bonds issued by those countries to sell off more than the rest of the index. However, as at the end of, the conflict had had little impact on bonds throughout other Emerging Markets. E.M. local-currency debt proved more resilient than hard-currency bonds, partly because some E.M. central banks have taken a more proactive stance in responding to inflation than developed market policymakers, with many undertaking aggressive interest rate hiking cycles in 2022.

- Emerging market bond spreads



E.M. sovereign issuance of $18.2 billion was lower than anticipated due to market volatility and represented the lowest issuance level. The market was initially slow to absorb new issues, although new issue performance improved later in the month as sentiment rose, spreads widened and new issues offered larger concessions. Investment-grade EM issuers represented a large part of new issuance, especially Latin American sovereigns such as Mexico, Chile and Panama.

- Outlook

We endure cautious and await further volatility as major central banks move away from their highly accommodative policy. We are constructive on credit exposure, although many of the highest-quality issuers are now priced too richly, in the view, and lower-quality issuers are vulnerable to a change in market sentiment. We have therefore continued to keep a reduced credit exposure over the last several months and are now focused on investment in credits that have upside potential based on improving fundamentals. Relative to more than a year ago, overweight is towards specific sectors, business models or credit-quality buckets offer little value in today’s market.

2022 Long-term Capital Market Assumptions

The 2022 Long-Term Capital Market Assumptions (LTCMAs) represent slightly stronger nominal growth in developed markets, on average, across the investment horizon. That was hardly a given after a tumultuous two years guiding a global pandemic. But the global economy has hastened rapidly away from a coronavirus prompting slump, helped at first by overwhelming policy support and later by a surge in capital spending and the unleashing of pent-up consumer demand. Today, we are at – or at least close to – escape with the potential growth of the global economy mercifully undiminished by the experience of COVID-19. The policy interventions at the height of the crisis have a longlasting impact. In the short run, they create a strong, if deformed, cycle, with solid support for risk assets. In the longer run, those distortions must eventually be resolved, but the mechanism by which this happens is, in the view, neither imminent nor fully clear.

The policy interventions at the height of the crisis have a longlasting impact. In the short run, they create a strong, if distorted, cycle, with solid support for risk assets. In the longer run, those distortions must eventually be resolved, but the mechanism by which this happens is, in the view, neither imminent nor fully clear. To be sure, expected returns remain low by historical standards. A 60/40 portfolio will return just 4.30%, we project. But the good news is, investors can find ample risk premia to harvest if they are prepared to look beyond traditional asset markets and past the familiar market risk-return trade-off.

Economic scars from the pandemic

This year, it has been revised up the nominal growth forecasts 10 basis points (bps) for developed markets, to 3.30%, comprising a real GDP forecast of 1.50% and an inflation assumption of 1.80%. This is because we are increasingly convinced that the pandemic will leave relatively few economic scars. Less than one year ago-in the depths of the pandemic – forecasters were grappling with the risk that COVID-19 would leave in its wake high and lingering unemployment, widespread bankruptcies and a lasting attrition in the willingness of households and businesses to spend.

The pandemic may not be over, but we see little evidence of such economic damage. On the contrary, the recovery in business investment and continued improvement in labor productivity submit the primary dynamics of real economic growth are reassuringly robust.

Critically, the estimate of potential growth is little changed compared with pre-pandemic levels this is notable because over the last four quarters we’ve seen an extraordinary cyclical recovery and strong returns from risk assets. Despite banking these outsize growth and returns, the long-term growth forecasts remain relatively solid compared with last year, implying that there is a solid underlying growth trend, allowing for cyclical factors.

This year, nominal growth expectations boost the Long-term capital market assumptions in light of the higher inflation that central banks are now targeting. Indeed, after being worried about disinflation for many years, we have raised a long-term inflation projections this year, as risks around central banks’ inflation targets are now more balanced. Modestly higher inflation in turn creates a tailwind for risk assets, even as it spells out a warning for bondholders.

The effect of pandemic policy choices will linger, but we are broadly optimistic in short. Equally, we must acknowledge that the very same bold fiscal and monetary policy that propelled us out of the pandemic gloom represents a tremorous and enduring evolution of economic policy. Gone is a decade of sluggish capex, periodic sacrifice and weak productivity, offset by loose monetary policy. In its place, we find significance on nominal growth and a greater eagerness to tolerate larger balance sheets and higher national debt than we've seen since 1945.

But we should be in no doubt that without policymakers' swift and wide-reaching action, we would be left with a dingy economic foundation for asset projections. Instead, encouraged by their pandemic policy success, governments are now focused on medium-term ambitions

Are the markets on trend?

As 2022 gets underway, the desire to quote Dickens — it's the best of times and the worst of times, etc. — is more powerful than usual. For business, the ocurring pandemic and geopolitical chance (the threat of a promoted Russian seizure of Ukraine at the fore) are conflicting with strong economic growth and technological progress. It all presents an intense mix of challenges and opportunities.

U.S. Chamber of Commerce President and CEO Suzanne Clark highlighted some of these issues in her State of American Business address earlier this month. On the international front, the note is: "By one vital measure—trade—we're standing still. And that means we're falling behind." Clark explains why the United States must exhibit leadership on international trade in the year ahead in no uncertain terms.

Understanding the global environment is imperative for the U.S. business community. For that reason, the U.S. Chamber team conscientiously tracks the biggest global trends. Here are some of the major ones on the dashboard as the New Year begins:

- Covid-19: Light at the end of the tunnel?
  While Covid-19 cases are sure to new heights as 2022 starts, experts see an inflection point in the pandemic. A foremost degree of immunity from vaccinations and past infections is general now in most countries, and the Omicron variant — while more transmissible than its predecessors — emerges to be less extreme in its effects. The no-longer-novel coronavirus will be with us for the destined future, but enlarging immunity and new tools like antivirals will lighten its burden and hopefully will allow a fuller rebound in international travel. Unfortunately, many of the least-developed countries are delay in vaccinations. The Chamber and others have urged U.S. officials not to soften until universal access to the vaccines is assured.

- Growth: Strong but slowing
  Partly reflecting the changing nature of the pandemic, economic growth rebounded strongly in 2022 to about 4.1% globally, with U.S. growth estimated to have clocked in at the same level. Over the past two years, trillions of dollars' worth of fiscal support to U.S. households, state and local governments, and select businesses played a key role in these results.

- Inflation: Not just transitory
  In the United States, the spike in inflation was an unwelcome surprise. Price hikes have proven to be politically fraught and more than merely "transitory." U.S. monetary policy is already securing, and markets await the Federal Reserve to make multiple interest

rate hikes in 2022. This shift may dampen growth, as will the unavoidable— and appropriate — decline in fiscal support. Indeed, this turn in fiscal policy began with one measure, but it will pursue in the year ahead. Meanwhile, U.S. public debt now tops 120% of GDP.

- Trade: The boom continues

  Expanding international trade is both originate and a result of the recovery. The World Trade Organization evaluates global merchandise trade enlarged by 10.8% in 2021 and forecasts a 4.7% rise in 2022. Trade is surging even compared to pre-pandemic levels. Services trade offers a mixed picture: digital trade continues its robust growth, but depressed travel and tourism continue to drag on some major employers sectors.

- Supply Chains: Slowly normalising

  The pandemic and recovery have caused supply chain challenges for products ranging from toilet paper and semiconductors to autos and PVC pipe. The causes include continuing Covid-19 outbreaks in manufacturing hubs, overwhelmed U.S. ports and a severe worker shortage. Perhaps the biggest factor has been surging consumer demand, fueled by the robust U.S. fiscal response to the pandemic. While output has risen sharply, it has been inadequate to meet this soaring demand, even for products in short supply. Gradual improvements in supply chain challenges are awaited over the year ahead. The U.S. Chamber is exhortation new investments to modernise ports, reforms to address the workforce opposition, new funding for semiconductor investment, and tariff relief (which should help conquer shortages and price spikes for select products). One possible wildcard: further dislocation looms if Omicron extends in China.

- China: Business strong, but concerns mount

  Can a country trend? China has been doing so for several decades now. It has become the top trading partner and source of investment in most Indo-Pacific markets and much of Africa and Latin America. Some supply chains have proceed out of China due to U.S. tariffs and rebel labour costs, but most have not; indeed, many businesses from around the globe are nourishing their trade and investment ties to China. However, the Biden administration has picked up the baton from its predecessor to elevate non-economic concerns, including human rights and national security issues associated with Chinese technology, trade, and investment practices. Other governments around the globe increasingly share these concerns.

- Trade Agreements: Multiplying

  Another major movement has been the proliferation of trade agreements, not agreements with the United States. In 2022, the Regional Comprehensive Economic Partnership (RCEP) will remove more than 90% of tariffs on trade among 15 Asia-Pacific nations. Meanwhile, the 11-country Trans-Pacific Partnership (TPP) is alluring new applicants, including the U.K., South Korea, Taiwan, and China. The E.U. now has 46 trade agreements with 78 countries. By disparity, the United States has just 14 trade agreements with 20 countries and hasn't engaged a complete trade pact with a new partner in a decade. To certify American workers and industries can compete globally, the U.S. Chamber is pushing for the United States to get back in the game on trade and arrange new, market-opening trade agreements.

- Digitalisation: Accelerating
  In 2020, global internet traffic was more than 3 zettabytes, or 3 trillion gigabytes, and it will be 50% larger in 2022. This trend is generating substantial new opportunities for American companies of all sizes and diverse sectors, including many small businesses and service providers and not just firms traditionally seen as "internet companies." Indeed, digitalisation will be key to U.S. competitiveness in a host of industries from finance and healthcare to logistics and A.I. However, governments are increasingly assuming data governance measures that extend well beyond traditional privacy regulation. Measures such as these can be discriminatory and often include data-localisation tactics that undermine growth and hinder the development of entire industries. The U.S. Chamber is entreating the United States to work with others to halt the proliferation of new digital trade barriers, including through the negotiation of a digital trade agreement.

- Direct Investment: On the rebound
  Investment flows glanced globally, and foreign direct investment into the United States surpassed pre-Covid levels. The United States was the largest recipient of FDI, mainly driven by higher direct investments from Japan, Germany, and the Netherlands. To retain its position as a magnet for international investment, the United States needs competitive tax, regulatory, workforce, and trade policies. However, the world isn't standing still: other countries are honing their own competitive advantages.

- Energy Transition: Charging ahead
  The cost of clean energy will fall, and new investments in energy storage, advanced nuclear, and hydrogen technology will accelerate this trend. In addition, the use of natural gas as a bridge fuel has played a large role in dimnishing carbon emissions in the U.S. and Europe, which could result in further global decarbonisation in the coming decade. Meanwhile, the recent focus on the planned minerals essential supporting these new energy alternatives, including cobalt, copper, lithium, nickel, and rare earths will only become more viral. Global mining firms may have to raise production of these minerals by 500% in the next decade to meet climate goals, and yet investment in mines has dropped sharply over the past five years. The U.S. Chamber is coaxing the United States to work more firmly with allies, including countries such as Australia, Brazil, Canada, and Vietnam that are home to suitable mineral resources to ensure supply meets demand.

In the upcoming year, these trends will have a huge impact on global business. In any event, it's more foremost than ever that the voice of U.S. business on these global issues be heard, and the U.S. Chamber will make sure it is.

Which markets attract foreign issuers?

As 2022 begins, the overuling message from almost 50 financial institutions around Wall Street and beyond is that conditions still look good, but the rip-roaring rallies powered by the reopening are history. Growth will ease. Returns will moderate. Risks abound—but so do opportunities.

Bloomberg News has pulled together and condensed more than 500 investment outlooks for the fourth year in a row. They can be arrayed by institution, asset or theme.

One topic dominates: "Inflation" is the most frequently cited term in the selected calls, appearing 224 times. Unsurprisingly, it's often paired with a word like "higher" or "rising." AXA Investment Managers describe it as "the key concern" for 2022, and surging prices hang over nearly every scenario the Wall Street prognosticators envisaged.

While firms are divided over how transient inflation will eventually prove—with many awaiting it to ease across supply chain pressures—that very uncertainty feeds a consensus that one of the biggest chance this year will be monetary policy missteps. For Fidelity, "the margin for error will be fine, making the probability of policy mistakes high."

The expectation is for policy to secure and yields to rise, and disparity of "rising rates" and "higher yields" materialize throughout. With bond returns expected to be negative, fixed-income trades veer into the ever-more intricated territory, like collateralised loan burden, which Federated Hermes touts for their "complexity premia."

According to Goldman Sachs, part of the issue is that estimations are elevated "for all major asset classes relative to history," according to Goldman Sachs. That feeds into the "less of the same" mantra coined by Pictet Asset Management. When everything already looks expensive, the expected upside is smaller. Single-digit stock returns are the broad consensus.

"Covid" gets just 36 mentions in the selected calls. As BNY Mellon Wealth Management puts it, the hope is that vaccines mean the world is "turning the corner from pandemic to endemic." The word "China" emerged more than twice as often, with a slowdown in the world's second-massive economy seen as a major risk. Unpredictable domestic policy out of Beijing was a frequently cited headache, while the likes of Bank of America flag the "utmost downside risk" of a flare-up over Taiwan. For all that, a handful of names, including Goldman Sachs assert China isn't yet "uninvestable."

A number of pages are dedicated to social, environmental, and governance investing, but no specific strategies are offered, and inspite a blockbuster year, scant attention was paid to digital assets.

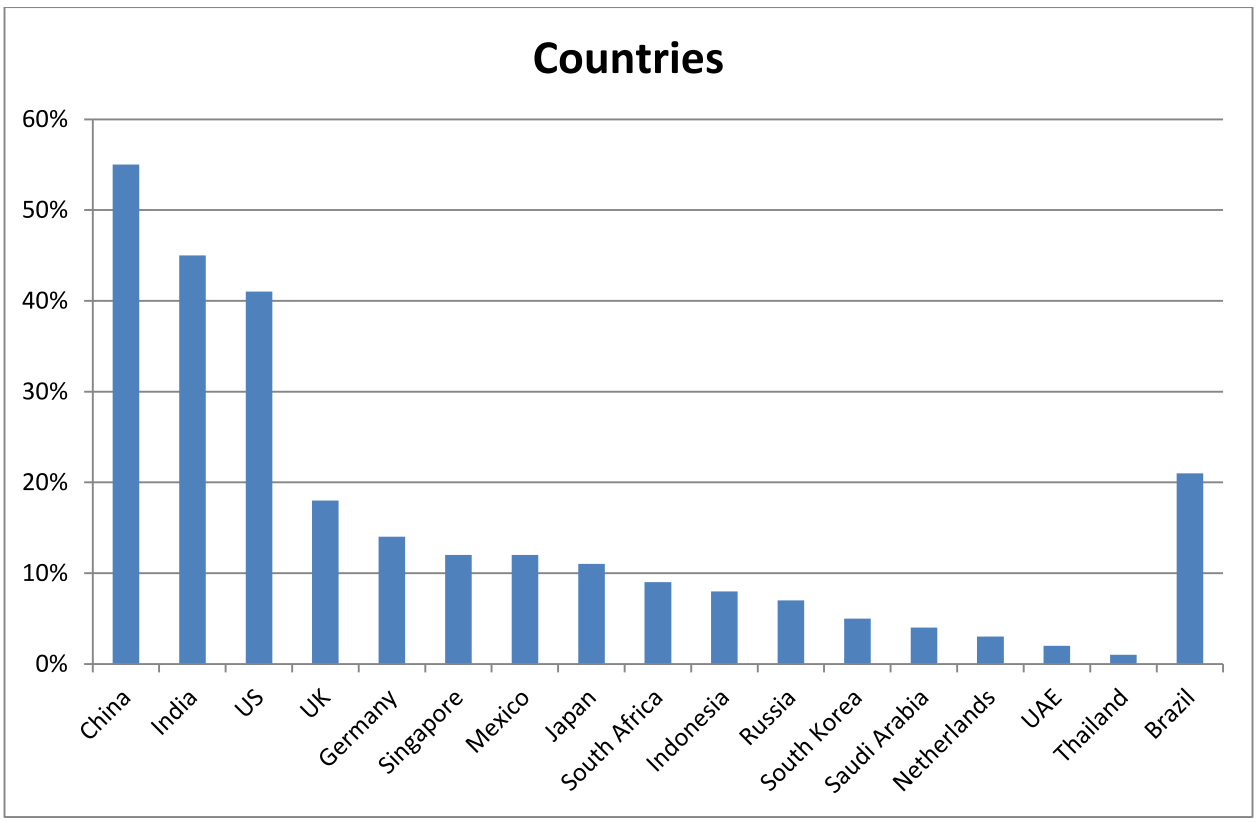
On a lighter note, motorists may soon be able to change the colour of their vehicles with the touch of a button. That's according to BMW which premiered of its concept vehicle, the BMW IX Flow which uses electrophoretic technology to change colours from black to white, merge them in a kaleidoscope of graphics, or change from dark to light while driving in hot climates to help with efficiency and thermal regulation inside the vehicle.

Countries leading capital raising in 2030

From which countries will most issuers derive in 2030?

Companies from the East are anticipated to dominate the IPO pipeline by 2039. China was predicted by around 80% of to be the home of most new issuers by 2030. India came second in terms of issuers but third in terms of capital. Today, China and India pursue to lead. However, their expected importance has diminished substantially, which may be attributable to greater recognition as the U.S. looks to exit or modify trade and other international agreements and Europe targets on its own internal tensions and managing the effects of Brexit, there may be more scope for E.M. economies to increase their economic and political impacts on the global stage. Notably, China has been extending its influence through the Belt and Road Initiative. In the context of capital markets, domestic growth prospects and their stage of capability will underpin the relative advancement of E.M. exchanges. Political realities and hindarances in those two key markets and, possibly, expanded investor interest in the broader region. As noted by the HKEX's Mr Fok, "we need to look at the development of the economies around Asia. There are significant opportunities for companies in the Southeast Asian time zone; as a block, Southeast Asia is a large growth market."

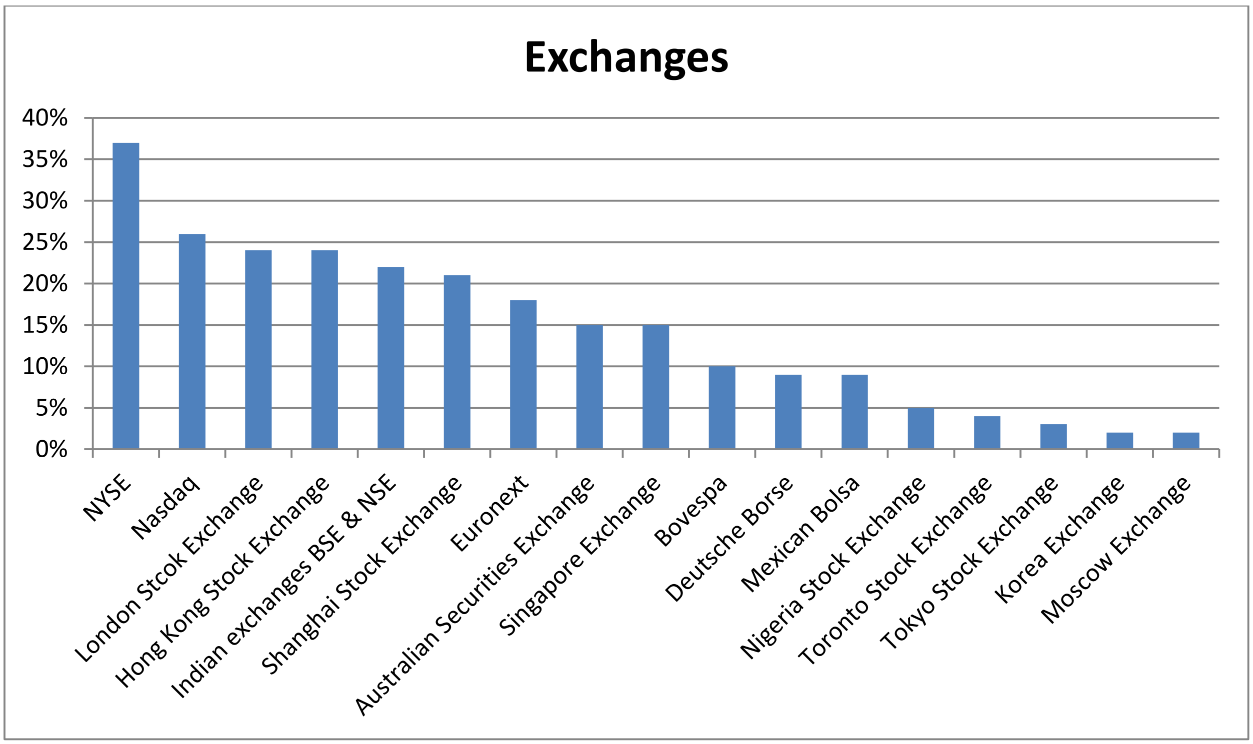
This relative diminution of China and India becomes more pronounced regarding views on which companies will consider exchanges beyond a local listing by 2030.



Exchanges that issuers will examine (beyond their home exchange) in 2030 when planning an IPO

There has been a significant reordering to think about future cross-border issuance. The Shanghai market would be the supreme exchange globally by 2030, and India and Brazil would follow in third and fourth places. The current survey places these markets in sixth, fifth and 11th place, respectively.

New York sustains its lead, and the Nasdaq has enlarged in popularity from 18% to 26%, maybe as a reflection of technology sector dominance. On the other hand, Shanghai's popularity has fallen from 55% to 21%, and India has also become less alluring despite its strong levels of activity over the past couple of years. London remains a top IPO destination contempt the unreliability that surrounds Brexit; investors do not think that IPOs will dramatically shift to Euronext or the Deutsche Börse.



Conclusion

Capital markets leaders today have a chance to turn a short-term rebound spurred by last year's events into more sustainable businesses of the future. For several years, technology-led innovation and the creation of new digital value chains remained the key industry disruptors. Now, a global pandemic has increased the scope for change and has also created a greater willingness by capital markets leaders to embrace new ways of doing business. Together with a group of industry professionals, we have developed and published Capital Markets Industry Vision for 2030. Grounded in an analysis of the financial results of over 140 capital markets firms, it describes what we see playing out over the next several years and, more importantly, what we think companies could do both in the short and medium-term in return. Based on current industry, economic and technology trends, the publication covers the sell-side, the buy-side and the market infrastructure for the capital markets industry.

Creating the capital markets of tomorrow

Business and technology strategies are converging. How capital markets firms combine and integrate the two will largely determine their success. Wise moves now could include everything from becoming a "cloud first" business to securing the right people with the right skills.

Positioning for success in 2030

In capital markets, business strategy and technology strategy are converging. As a result, how well capital markets firms plan for and execute this merger will be critical to success in 2030 and beyond. While each industry sector is unique, here's, the vision for capital market points to a few key actions that could help financial firms position themselves for the future:

- Conduct a forensic review of the current restructuring agenda, including evolving priorities and competitive landscapes.
- Become a "cloud-first" business. This is not just about improving efficiency; it's about enhancing flexibility, capability and agility.
- Embrace emerging technologies for their potential cost benefits and revenue opportunities.
- Position your firm to secure the right people and skills in an increasingly competitive market for talent.
- On a firm-wide level, focus on getting both the client and the employee experience right alike.

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We specialize in the fields of accounting, auditing and assurance, taxation, foreign investments along with a host of other financial services. AJSH is an ISO 9001:2015 certified firm and is also registered with Public Company Accounting Oversight Board (USA) and Canadian Public Accounting Board (Canada). We have clients in India, USA, Africa, Australia, Europe, Hong Kong, Japan, China, Malaysia, Singapore and Thailand. Thus, we work across several different time zones based on our client needs.

We are a member firm of TIAG (USA). TIAG is a worldwide alliance of independent accounting firms with more than 120 member firms based in over 70 countries and UTN. We are also a member of United Tax Network (UTN) representing from India, getting the firm's foothold in Western Countries.

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