

ING's 2021 Global Outlooks

As this turbulent year draws to a close, we look back at the year everything changed and focus on what to expect from markets and world economies in our 2021 Global Outlooks. We hope you enjoy our cross-asset analysis and for more broad country coverage, visit our special 2021 hub

[**Please note that these 2021 Outlooks have been published earlier, and can be found on ING THINK**](#)

In this bundle



Global Macro Outlook 2021: The darkness before the dawn

What a year! As this wild and turbulent year draws to a close, we look back on how Covid-19 has sent the global economy into the worst slump in a century...

By Carsten Brzeski, Robert Carnell and 5 others



FX 2021 FX Outlook: Back on Track

2021 will be the year that FX markets get back on track, as the gravitational pull of the dollar fades. We forecast the dollar to broadly decline in 2021...

By Chris Turner and Francesco Pesole



Commodities, Food & Agri Commodities Outlook 2021: Let the good times roll

The coronavirus crisis wreaked havoc across the commodities complex in 2020. However, we're already seeing a remarkable recovery which began in the...

By Warren Patterson



Credit | Bulgaria | Croatia...

EM Credit Outlook: Risky Business

We are constructive on emerging markets; a weaker dollar, only mild rises in core rates and robust inflows present solid underpinnings. But, when...

By Padhraic Garvey, CFA, Rafal Benecki and 4 others



Rates Outlook 2021: Money for nothing

Our outlook for rates in 2021 is relatively optimistic. That said, there are numerous drags that will contain those market rates. A large debt overhang is...

By Padhraic Garvey, CFA and Benjamin Schroeder



Credit | Financial Institutions

Banks Outlook 2021

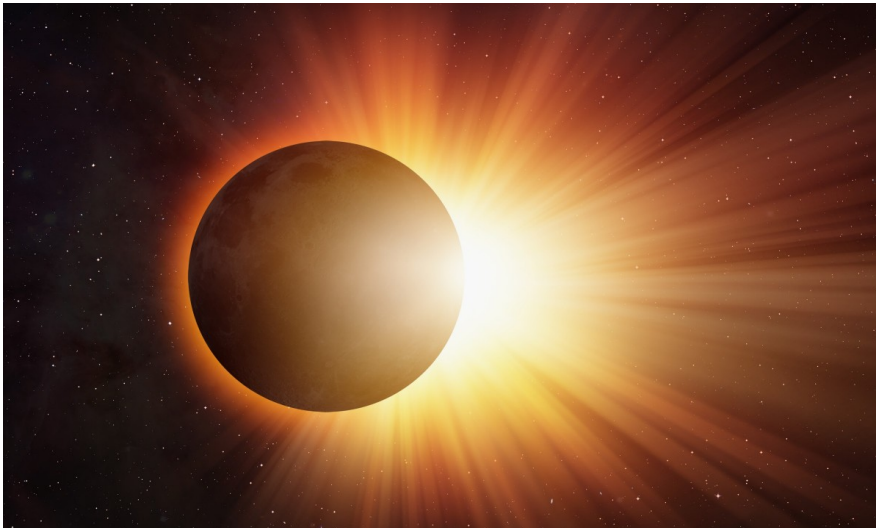
The pandemic brought banks a renewed sense of purpose in 2020: providing liquidity to the real economy. Helped along by accommodative monetary and...

By Maureen Schuller and Suvi Platerink Kosonen

Report | 17 November 2020

Global Macro Outlook 2021: The darkness before the dawn

What a year! As this wild and turbulent year draws to a close, we look back on how Covid-19 has sent the global economy into the worst slump in a century...



Source: Shutterstock

Authors

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Robert Carnell

Regional Head of Research, Asia-Pacific

robert.carnell@asia.ing.com

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

James Knightley

Chief International Economist, US

james.knightley@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone

peter.vandenhoute@ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

2021 FX Outlook: Back on Track

2021 will be the year that FX markets get back on track, as the gravitational pull of the dollar fades. We forecast the dollar to broadly decline in 2021...



Source: Shutterstock

Authors

Chris Turner

Global Head of Markets and Regional Head of Research for UK & CEE

chris.turner@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Commodities Outlook 2021: Let the good times roll

The coronavirus crisis wreaked havoc across the commodities complex in 2020. However, we're already seeing a remarkable recovery which began in the...



Author

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

EM Credit Outlook: Risky Business

We are constructive on emerging markets; a weaker dollar, only mild rises in core rates and robust inflows present solid underpinnings. But, when...



Executive Summary

It's a sit up and pay attention moment when emerging markets run a collective fiscal deficit of some 10% of GDP. Eye-watering stuff that pushes the aggregate emerging markets debt/GDP ratio above 60%. That is a level that emerging market debt should not be above, but such is the effect of the 2020 crises that in fact an average of 70% of GDP is probable in the medium term. Therein lies the biggest risk for emerging markets, one that will be ever present in the coming decade. We explore further and assess the risks.

Given that context, our constructive stance on emerging markets has a focus just on the immediate few quarters, where we view the emerging space as one that aligns in a net positive sense, just about. The year ahead should see the US dollar remain on a weakening trend, a circumstance that cushions emerging market economies in many ways. It is also a year in which there will be some upward pressure on core rates, but not too much. This is a goldilocks combination, as there is a needed reflection and global growth underpinning, but no big bad bear market for core bonds.

To make money in emerging markets, risk must be taken though. Not a new theme, but in 2021 it is very apt. It is in the high yielders where value can be gleaned. This is applicable in both the local currency and hard currency spaces. We think that risk adjusted returns are tolerable enough to

pan them as the way to go in the next few quarters. But having to go out the credit curve for returns is fraught with added risk. It needs to be balanced with a rolling strategy, on tight stops where applicable.

The low yielding emerging markets offer very little apart from a vanilla low yielding rolldown play that remains vulnerable to any outsized upside to core US dollar rates. There are many places to hide in low yielding EM, but very few to make decent alpha. Even risk adjusted based off current volatility does not tell the full story here, as future volatility can spike, as it most probably will at some point.

Better then to be positioned in selected product that provides a decent cushion of spread, ensuring that the implied breakeven in the spread is not breached too easily.

Authors

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

Rafal Benecki

Chief Economist, Poland

rafal.benecki@ing.pl

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Report | 19 November 2020

Rates Outlook 2021: Money for nothing

Our outlook for rates in 2021 is relatively optimistic. That said, there are numerous drags that will contain those market rates. A large debt overhang is...



Authors

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

Benjamin Schroeder

Senior Rates Strategist

benjamin.schroeder@ing.com

Banks Outlook 2021

The pandemic brought banks a renewed sense of purpose in 2020: providing liquidity to the real economy. Helped along by accommodative monetary and...



Authors

Maureen Schuller

Head of Financials Sector Strategy

Maureen.Schuller@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.