



Trade free for 30 days + **Get Up To \$500**  
Yet another reason to open an account at TD Ameritrade.



**OPEN  
YOUR ACCOUNT  
TODAY**  
**SIGN UP NOW**

[New ETF Book by Larry Connors - Click here to read more](#)

SEARCH

Home | The Machine | PowerRatings | Store | Stocks | ETFs | Options | Forex | Eminis/Futures | Free Tools | Free Webinars |

## CFA Society of Los Angeles: Structural Problems Still Underlie Global Economic Recovery

Posted on: Thu, 17 Feb 2011 01:21:09 EST

Symbols: [HBCBF](#)

Feb 17, 2011 (Close-Up Media via COMTEX) --

CFA Society of Los Angeles (CFALA) announced that emerging markets assets are likely to outperform comparable investments in the Western world this year as developed nations continue to struggle with high debt loads and slow economic growth, four top investment strategists told several hundred attendees at the 2011 Economic and Investments Forecast Dinner presented by CFALA.

"Today's world is divided into two parts - emerging nations with low debt and developed nations with very high debts," said Stephen King, Chief Group Economist and Global Head of Economics and Asset Allocation Research at HSBC Bank PLC in London.

"Emerging nations are extremely dynamic in response to global policy stimulus while developed nations are very sluggish. What in effect has happened is that policy stimulus has stimulated the wrong part of the world - we're seeing too much growth and inflation in emerging markets, while at the same time rising commodity prices have reduced the chances of a decent recovery in the developed nations."

King said high debt levels among developed nations would dominate the global economic picture for some time to come.

"Emerging market assets should outperform, while the Western world will have to think about the relationship between creditors and debtors," he said. "This has already sparked a crisis in the Eurozone, which is a dress rehearsal for problems at the global level, where the biggest creditors are China, Russia, Saudi Arabia and others and the biggest debtor is the U.S. As emerging nations continue to grow, they may spurn the dollar, and its status as the world's reserve currency is in danger of becoming tarnished."

Emerging market debt, particularly bonds issued by foreign companies but denominated in U.S. dollars, remains attractive for investors, said Luz M. Padilla, Senior Portfolio Manager, Emerging Markets Fixed Income, at Los Angeles-based DoubleLine Capital LLP.

"When you look at the underlying credit fundamentals of emerging market corporate credits, they tend to have better credit metrics than their comparably rated peers in the developed markets," she said. "However, they still trade at wider levels, even though they have the potential to migrate up to higher ratings."

Padilla recommends that investors in emerging markets credits focus on sectors that are vital to the host country's economy.

"The sectors we like are ones we think are strategic to the local economy - sectors that have to be operating efficiently in order for the economies to function," she said. "Examples would include banking, natural resources, utilities, telecom - where in times of trouble the local government is more likely to be supportive of the companies in these sectors. We've been investing in this area for more than 16 years and we've lived through crises in emerging markets, and those sectors are where we've seen support from government in the past."

Jordan Kotick, New York-based Managing Director and Head of Technical Strategy at Barclays Capital, noted that his firm expects continued bearish pressure on fixed income instruments.

"In the U.S. fixed income markets, November 2010 was a reversal month for both two-year and five-year yields, implying an end to the bullish rates cycle," he said.

"We believe those technical signals marked the point at which investors concluded that the evidence for global growth coming from equity and commodity markets could no longer be ignored. An attempt to normalize rates will not be easy given continued quantitative easing programs; however, we expect bearish pressure on bonds to be a notable theme for 2011. Although we expect further gains for risk (assets), we do not envisage a return to the heady days of 2006. The U.S. equity market can push 15-18 percent higher this year, but it is unlikely to revisit its 2007 high, and later in the year, downside risks could increase. Overall, we see the risk recovery off the 2008/09 lows as a corrective move: a cyclical recovery rather than the resumption of the secular equity uptrend, but still a move that has further to run."

According to a release, the strategists' panel discussion, which took place at CFALA's annual forecast dinner, held this year at the Wilshire Grand Los Angeles, was moderated by Maria Fiorini Ramirez, President & Chief Executive Officer of Maria Fiorini Ramirez, Inc. (MFR), an independent global economic and financial consulting firm. MFR, which has offices in New York, Miami and San Francisco, expects U.S. GDP growth of about 3.5 percent for 2011, with that growth slowing to about 2.3 percent in 2012. The highly respected firm also anticipates a doubling of the core inflation rate to 1.3 percent in 2011 (on a q4/q4 basis), albeit from a very low rate of 0.6 percent in 2010. MFR believes that while there are still some attractive opportunities in the distressed areas of fixed income globally, quality spreads have narrowed substantially, the best of bond returns are history in a rising rate environment the next few years, and equities returns will easily out-perform bonds.

The group noted that this year's dinner was organized by CFALA's Kerry Gawne, Vice President at Los Angeles-headquartered Payden & Rygel, an independently-owned global investment management firm.

"We are pleased to make the wisdom and insights of our panelists available to CFALA members and to the public again this year," said CFALA President George Dennis, who has been chairman since launching the widely followed forecast event nine years ago. "As we enter our 80th year, CFALA continues to be the premier professional organization for the investment industry in Southern California and a highly respected source of information, as evidenced by the quality of our annual forecast dinners."

With TD Ameritrade, you'll always know your commission.



**POWER RATINGS**<sup>®</sup>  
from TradingMarkets

**See Where Your Stocks Are  
Heading Over the Next Week!**

Try our most popular tool **FREE** for 7 days

**FREE NEWSLETTERS**

What Stocks and ETFs are headed up and down this week?

Our Weekly Newsletter covers this in dept and gives performance information on the previous week.

**TradingMarkets Weekly Newsletter**

[The Biggest Day of 2011?](#)

A wealthy businessman says a single day will soon change the US forever  
[youtube.com](#)

Ads by Google

**UPCOMING EVENTS**

Learn new strategies, how to trade in this market, and the stocks you should be focusing on each day. Join us for our free 20 minute tele-seminars during the week.

Wednesday April 13 01:00 PM  
[14 Weeks To Trading Mastery - TradingMarkets' Summer 2011 Swing Trading College](#)

Wednesday April 13 04:30 PM  
[Trade With Confidence: Finally, A Meaningful Guarantee](#)

((Comments on this story may be sent to [newsdesk@closeupmedia.com](mailto:newsdesk@closeupmedia.com)))

For full details on (HBCBF) [HBCBF](#). (HBCBF) has Short Term PowerRatings at TradingMarkets. Details on (HBCBF) Short Term PowerRatings is available at [This Link](#).



Wednesday April 20 01:00 PM  
[Building A Balanced, High Performing Portfolio With The Machine](#)

Thursday April 28 12:30 PM  
[Hear What Kevin Haggerty Sees in the Stock Market Today!](#)

\* Attendance is strictly limited and are filled on a first-come, first-served basis.

### How to Successfully Trade ETFs

Do you want to learn how to trade more successfully, more consistently ... and with more confidence? If so, then the TPS strategy is for you.

Hundreds, if not now thousands, of ETF traders successfully use the TPS trading strategy to find the best ETF trade set-ups each day to place winning trades.

Enter Email Address

[Click Here, It's Free](#)

How-To PowerRatings Stocks

- [1. The Machine Monthly Newsletter - April 2011](#)
- [2. Inside The Machine: Friday, 4/8/2011 \[VIDEO\]](#)
- [3. Inside The Machine: Thursday, 4/7/2011 \[VIDEO\]](#)
- [4. Inside The Machine: Wednesday, 4/6/2011 \[VIDEO\]](#)
- [5. Inside The Machine: Tuesday, 4/5/2011 \[VIDEO\]](#)
- [6. Inside The Machine: Monday, 4/4/2011 \[VIDEO\]](#)
- [7. Inside The Machine: Friday, 4/1/2011 \[VIDEO\]](#)
- [8. Inside The Machine: Thursday, 3/31/2011 \[VIDEO\]](#)
- [9. Inside The Machine: Wednesday, 3/30/2011 \[VIDEO\]](#)
- [10. Inside The Machine: Tuesday, 3/29/2011 \[VIDEO\]](#)

### TD Ameritrade Offer

Trade free for 30 days + get up to \$500. Make Something Happen Today!

[TDAmeritrade.com](http://TDAmeritrade.com)

### Truth About Day Trading

How To Become A Day Trading Pro, With This Simple, Effective System!

[www.DayTradersIntl.com/Proof](http://www.DayTradersIntl.com/Proof)

### Currency Fact Sheets

Get the facts on the major currency pairs.

[www.GFTforex.com](http://www.GFTforex.com)

### Stock Trading Options

thinkorswim by TD Ameritrade. Download & Start Trading Today!

[www.thinkorswim.com](http://www.thinkorswim.com)



Click to Follow TradingMarkets

### SPONSORS



- [About TradingMarkets](#)
- [Advertise](#)
- [Contact](#)
- [Careers](#)
- [Link to Us](#)
- [Help](#)
- [Terms & Conditions](#)
- [Privacy Policy](#)
- [Return Policy](#)
- [Testimonials](#)
- [Feedback](#)

### Disclaimer:

The Connors Group, Inc. ("Company") is not an investment advisory service, nor a registered investment advisor or broker-dealer and does not purport to tell or suggest which securities or currencies customers should buy or sell for themselves. The analysts and employees or affiliates of Company may hold positions in the stocks, currencies or industries discussed here. You understand and acknowledge that there is a very high degree of risk involved in trading securities and/or currencies. The Company, the authors, the publisher, and all affiliates of Company assume no responsibility or liability for your trading and investment results. Factual statements on the Company's website, or in its publications, are made as of the date stated and are subject to change without notice.

It should not be assumed that the methods, techniques, or indicators presented in these products will be profitable or that they will not result in losses. Past results of any individual trader or trading system published by Company are not indicative of future returns by that trader or system, and are not indicative of future returns which be realized by you. In addition, the indicators, strategies, columns, articles and all other features of Company's products (collectively, the "Information") are provided for informational and educational purposes only and should not be construed as investment advice. Examples presented on Company's website are for educational purposes only. Such set-ups are not solicitations of any order to buy or sell. Accordingly, you should not rely solely on the Information in making any investment. Rather, you should use the Information only as a starting point for doing additional independent research in order to allow you to form your own opinion regarding investments. You should always check with your licensed financial advisor and tax advisor to determine the suitability of any investment.

HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING AND MAY NOT BE IMPACTED BY BROKERAGE AND OTHER SLIPPAGE FEES. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER- OR OVER-COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN.

The Connors Group, Inc.  
 10 Exchange Place, Suite 1800  
 Jersey City, NJ 07302

© Copyright 2011 The Connors Group, Inc.

All analyst commentary provided on TradingMarkets.com is provided for educational purposes only. The analysts and employees or affiliates of TradingMarkets.com may hold positions in the stocks or industries discussed here. This information is NOT a recommendation or solicitation to buy or sell any securities. Your use of this and all information contained on TradingMarkets.com is governed by the [Terms and Conditions of Use](#). Please click the link to view those terms. Follow this link to read our [Editorial Policy](#).