



# Outrageous Predictions



# Content

- 07** Amazon “buys” Cyprus
- 09** Germany bails out France
- 11** Blockchain tech kills fake news
- 13** China’s new digital currency inspires tectonic shift in capital flows
- 15** Revolutionary fusion design catapults humanity into energy abundance
- 17** Universal basic income decimates big cities
- 19** Disruption dividend creates Citizens Technology Fund
- 21** A successful Covid-19 vaccine kills companies
- 23** Sun shines on silver, which sizzles on solar panel demand
- 25** Next-generation tech supercharges frontier and emerging markets



# Outrageous Predictions 2021 – the Future is Now

Steen Jakobsen // Chief Investment Officer

For the 2021 batch of Outrageous Predictions, we decided for the most part to don our futurist caps rather than getting too bogged down in market trends and central bank policies. That is largely because the Covid-19 pandemic and the painful US Election cycle have brought what might have seemed a distant future a quantum leap closer, accelerating nearly every underlying social and technological super-trend. Simply put, the traumas of 2020 mean that in 2021, the future is now.

In 2020, we've fretted about the world becoming ever more fragmented, with biased media and social media algorithms driving everyone to the extremes and towards living in parallel realities. Even an ability to agree on the basic facts seems under threat. This year's set of 2021 Outrageous Predictions generally expresses the hope that these tendencies will reverse, believing that the social mood is cyclical and we can learn from our mistakes, while technological evolution is progressive in nature and always marching forward in the background. As 2021 rolls around, we encourage everyone to look in the mirror and do their best to break old habits, to stop assuming that the past trends will always continue and to consider how paradigms are rapidly changing. Technology like AI, automation and blockchain are disrupting everything from whole categories of jobs to the very structure of our society and its assumptions about what constitutes capitalism.

Now a bit on how we came about drumming up this year's set of predictions. Sure, we could have taken up the spirit from some of our previous sets of predictions, but after the Covid-19 outbreak saw an incredible super-sizing of past policy responses, it was tough to compete with the real world for predictions on policy and markets. We saw the fastest bear market and recovery in history, as well as central bank balance sheets and fiscal deficits exploding at an unprecedented pace in 2020. And it was too depressing to contemplate cranking out predictions on what the end game of the current terrible policy choices will look like. So, on that note, our not-so-outrageous prediction is that 2021 will bring the beginning of a reality check to the idea that "extend and pretend" can stretch to infinity and beyond, even as markets have been pricing in that very expectation.

The more interesting and more outrageous future that we prefer to contemplate will come parallel to, and simultaneous with, the eventual failure of the one-way march of monetary policy that we've seen since

Greenspan bailed out Long-Term Capital Management (LTCM) in 1998. And Covid-19 has accelerated all major super-trends. A structural shift in the labour market is at the top of the list: consider the credible prediction that by 2030, two billion jobs will have been lost due to AI, automation, globalisation and faulty economic systems. But at the same time, the total economic pie will be even larger – even per capita. Universal basic income is coming, as we can't have whole swathes of humanity without income, food and shelter when aggregate global economic output is at an all-time high. This will lead to a new way of living and new priorities: away from expensive, stressful life in the cities, and towards a rediscovery of quality of life, arts and craft pursuits, and broader educations. It will also require a new way to redistribute the economic pie, without which we would see a self-limiting, vicious concentration of all resources into the hands of monopoly and rentier incumbents.

One key enabler of that future is a rise in energy available per capita, hence the focus on fusion. Imagine a world where the cost of energy is a fraction of what it is today, with almost no negative impact on our natural resources, and with sufficient extra output available to power the high-end technology systems like advanced AI and quantum computing. This would bring us close to ending cancer, preventing the fall-out from future pandemic risks, and dealing with fake news and other knotty issues through super-charged blockchain technology.

We have decided to take a bet on the future now and we hope you like the journey. And as always, our annual caveat is that these Outrageous Predictions should not be seen as our official view on the market and politics. This year, more than ever, we're trying to provoke you and ourselves to think outside the box and to engage in discussing the important topics we raise. Let the fun, and the future, begin.



Althea Spinozzi joined Saxo Bank in 2017, and serves as Fixed Income Strategist.

Althea produces Fixed Income research and works directly with clients in order to help them select and trade bonds. Because of her background in leveraged debt, she is particularly focussed on high yield and corporate bonds with attractive risk and return.

 [@Altheaspinozzi](https://twitter.com/Altheaspinozzi)



# Amazon “buys” Cyprus

Althea Spinozzi // Fixed Income Strategist

The Covid-19 pandemic was the best thing that ever happened to Amazon, as a world forced to stay and even work at home drove soaring growth in online shopping, and companies moved to expand their cloud capacity (with Amazon Web Services, for example) to allow their workforces to work online from home.

But 2021 sees Amazon and other online monopoly and infotech giants from Facebook and Google to Microsoft casting an increasingly wary eye on governments looking to take them down a notch for having become too powerful, and for paying very low tax rates by shifting profits to low-tax jurisdictions.

Of course, these companies have long employed an army of lobbyists, with some of them even taking up quasi-governmental approaches to the situation. Take Microsoft, which has launched a United Nations representation office in New York and hired a diplomat to run European government affairs. At the same time, Facebook has even established a “Supreme Court” to oversee user complaints and other issues. In 2020, executives of Facebook, Microsoft and Alphabet were even invited as speakers at the annual security conference in Munich, together with presidents and prime ministers.

In 2021, as the heat from official quarters rises, particularly in the EU, Amazon makes its move, redomiciling its EU headquarters to Cyprus. The country welcomes the giant corporation and the tax revenue that will help it reduce its debt-to-GDP ratio of nearly 100%, having chafed at the heavy-handed treatment by the EU during the 2010-12 EU sovereign debt crisis. With a GDP of some \$24 billion, the Cyprus economy equates to less than three months of Amazon’s non-US revenue.

As 2021 progresses, Amazon consultants “help” Cyprus to rewrite its tax code to mimic Ireland’s, but with even lower levels of corporate and other taxes, with the country’s leaders and its population happily in its thrall from the financial windfall and lower tax rates.

But EU regulators quickly get wise to what is going on and move against Amazon, forcing the company to change its practices, and forcing Cyprus and other EU countries to harmonise tax rules. The US and other countries also move against monopolies in 2021, as these companies are punished for their hubris.

## Trade:

Short monopoly tech companies, especially AMZN.

A professional portrait of Christopher Dembik, a man with short dark hair and a light beard, wearing a dark suit, white shirt, and a dark tie with white polka dots. He is looking directly at the camera with a slight smile. The background is a dark blue with a subtle geometric pattern.

[Christopher Dembik](#) joined Saxo Bank in 2014 and has been the Head of Macro Analysis since 2016.

He focuses on delivering analysis of monetary policies and macroeconomic developments globally as defined by fundamentals, market sentiment and technical analysis.

 [@Dembik\\_Chris](#)



# Germany bails out France

Christopher Dembik // Head of Macro Analysis

France is one of the European countries facing the highest wall of debt in the coming years. Before the Covid-19 pandemic outbreak, public debt was flirting with the 100% of GDP threshold and private debt was skyrocketing, reaching nearly 140% of GDP – far more than that of Italy (106%) or Spain (119%). And the emergency pandemic response has only accelerated the piling on of debt, with the level of public debt expected to rise above 120% of GDP in 2021. Private debt, mostly corporate, could increase another 20% in the worst-case scenario, growing faster than anywhere else in Europe.

At the same time, French companies on average have one of riskier credit profiles in the European space, with rapidly widening credit spreads. Despite a massive stimulus package of €100bn and a loan scheme in which the state has guaranteed up to 90% of the loans for companies, France is unable to avoid a wave of bankruptcies as many companies in the services sector are unable to cope with the series of “stop and go” lockdowns. Massive losses on state-guaranteed loans further weaken French banks which have been hit hard in previous years by weak growth and the low interest rate environment and, in some cases, by a slump in profits from their equity business. Investors are getting increasingly gloomy about the future

return on equity, which triggers massive selling of French megabanks. Net revenue drops and loan provisions are on the rise, sending French banks’ market capitalisation and price-to-tangible book ratio to unprecedented low levels. Given the poor state of public finances and the already extraordinarily high level of debt, France has no other choice but to come begging cap in hand to Germany, in order to allow the ECB to print enough euros to enable a massive bailout of its banking system, to prevent a systemic collapse.

## Trade:

Probably safer to buy the French banks after the bailout than selling them before, but both might be possible.

A professional portrait of Anders Nysteen, a man with short dark hair and a light beard, wearing a dark blue suit, a light blue striped shirt, and a dark blue tie. He is smiling slightly and has his arms crossed. The background is dark blue with faint diagonal lines.

Anders Nysteen joined Saxo Bank in 2016 in the Quantitative Strategies group, and his primary focus is on developing mathematical trading strategies and asset allocation models.

Anders has a degree in Physics and Nanotechnology from the Technical University of Denmark and holds a PhD in Quantum Photonics.



# Blockchain tech kills fake news

Anders Nysteen // Senior Quantitative Analyst

The fake news industry is booming more than ever, polluting reliable news sources we have trusted for decades. The spread of disinformation is accelerated by algorithms that favour engagement, funnelling readers to extreme, attention-grabbing positions on blogs and biased new media outfits. Even worse, new developments in deep learning research have enabled the creation of realistic deep-fake images and videos, able to show politicians and other people in power saying things which they simply never said. This falsified and manipulated content is conquering the internet at a rapid pace, blurring the lines between what seems real and what is not. Tackling this trend, companies like Verizon and IBM are developing technologies to counter fake news with verification using a blockchain network.

In 2021, the mounting threat of disinformation and the erosion of trust in even well-established news providers reach a critical level, demanding an industry response. Major media companies and social platforms are forced to impose new countermeasures against fabricated and misleading news. The enabling technology is a massive shared blockchain network for news content, which allows distribution of news in an immutable way with a validity check of both the content and the source. With

a shared ledger structure, any content alterations would immediately be visible to everyone, and every news item is always traceable to its original source, suppressing misinformation that other sources can't verify.

Companies like Twitter and Facebook invest heavily in this blockchain tech, motivated first and foremost by self-preservation as the threats of regulatory oversight we've seen in recent years become white hot. Alternative news sites peddling conspiracy theories like QAnon, disinformation about the coronavirus pandemic, falsified evidence of election fraud and more will suddenly become unavailable on major platforms. Reality wins, and echo chambers lose.

## Trade:

Buy Verizon, IBM, and social media companies.

A professional portrait of Steen Jakobsen, a middle-aged man with short, light-colored hair and a slight beard. He is wearing a dark blue suit jacket, a white dress shirt, and a dark blue patterned tie. The background is a dark blue with a subtle, repeating geometric pattern of small squares. The lighting is soft, highlighting his facial features.

[Steen Jakobsen](#) first joined Saxo Bank in 2000 and has served as both Chief Economist and Chief Investment Officer since 2009.

He focuses on delivering asset allocation strategies and analysis of the overall macroeconomic and political landscape as defined by fundamentals, market sentiment and technical developments in the charts.

 [@Steen\\_jakobsen](#)



# China's new digital currency inspires tectonic shift in capital flows

Steen Jakobsen // Chief Investment Officer

The People's Bank of China (PBOC) rolled out an advanced digital currency experiment in October 2020. The Digital Currency Electronic Payment (DCEP) will be a block chain-based digital version of the Yuan (CNY). In 2019, 80% of all payments in China were through electronic payment via WeChat Pay and AliPay. The PBOC wants to take this one step further and in the process improve the efficacy of monetary and fiscal policy through an increasingly cashless society and with a goal of enhancing financial inclusiveness.

The next natural step for China's digital currency would be as an aid in opening up the country's capital account, which is currently severely restricted, and makes the CNY essentially unavailable to anyone outside of mainland China. Allowing full access for foreigners into Chinese capital markets will reduce the main barrier of concern for foreign investors for using the CNY in trade and investment: its liquidity and direct access to their investments inside China. Meanwhile, the stability of the Chinese currency and the built-in traceability and oversight that blockchain tech enables would virtually eliminate the risk of capital flight or illegal transfers out of China.

This idea sits well inside China's Dual Circulation framework, improving transparency within China, while growing the CNY's use externally as a compelling alternative to the US dollar in transactions, avoiding the latter's weaponisation by the US. As a government-sponsored centralised currency, it will still be viewed as "fiat currency" and won't have the appeal of decentralised blockchain-based currencies like Bitcoin; but from China's perspective this is a feature of the digital Yuan and not a bug, as it allows negative rates for "cash", and nominal GDP targeting is far easier to achieve as well.

Opening up China's capital account and creating a currency that rivals the US dollar for reserve status will help boost Chinese consumption, fund an entirely new Chinese pension system and deepen the country's capital markets.

## Trade:

Short the US dollar and overweight Chinese government bonds and equities versus the rest of the world.



Peter Garnry joined Saxo Bank in 2010 and is the Head of Equity Strategy.

In 2016 he became responsible for the Quantitative Strategies team, which focuses on how to apply computer models to financial markets. He produces trading strategies and analyses of the equity markets as well as individual company stocks, applying advanced statistics and models to beat the market.

 @PeterGarnry



# Revolutionary fusion design catapults humanity into energy abundance

Peter Garrity // Head of Equity Strategy

The march of human progress over the past 250 years has at every step been made possible by harnessing energy inputs with ever-higher density. From wood to coal to fossil fuels, higher-density energy has made whole new industries possible, as well as higher productivity and more wealth for society. And when we look at tantalising future technologies, from hyperloop trains and AI, to hydrogen production by electrolysis and water desalination, cheaper and higher-density energy is the chief constraint. The world will need much more energy if our economy is to continue growing at anything approaching historical rates. New alternative and green energy technologies are for the most part not the answer. Yes, they may be less harmful to the environment, but their system-wide effects from lower energy density mean they are really a big step backwards. The world urgently needs a disruption in energy technology.

Enter 2021, in which an advanced AI algorithm solves the super non-linear complexities of plasma physics, clearing the way for commercial fusion energy. The SPARC fusion reactor design from MIT, which has been validated in 2020 as a viable path to less costly fusion energy, is massively improved by this new AI model. Engineers adjust the

SPARC design, with new models pointing to an energy gain factor of 20, creating the biggest paradigm shift in energy technology since nuclear power. Even more importantly, a massive investment from public and private sectors would allow the implementation of the new fusion design within a few short years.

The mastery of fusion energy opens up the prospect of a world no longer held back by water or food scarcity, thanks to desalination and vertical farming. It's a world with cheap transportation, fully unleashed robotics and automation tech, making the current young generation the last required to "work" by necessity. And hey, how about a bit of CO<sub>2</sub> sequestration on the side, dialling back the climate change clock in the process? Best of all, fusion energy allows nearly every country to become food- and energy-independent, and sees the most rapid and largest upgrade in living standards ever witnessed.

## Trade:

The political and investment winds favouring "traditional" green energy stop blowing, and the wind energy ETF FAN falls by 50% in 2021.

A professional portrait of Kay Van-Petersen, a man with a shaved head and light stubble, wearing a dark blue suit, white shirt, and red tie. He is looking directly at the camera with a slight smile. The background is a dark blue with a subtle geometric pattern. His arms are crossed.

[Kay Van-Petersen](#) joined Saxo Bank in 2014 as a Global Macro Strategist, based in Singapore.

He focuses on delivering strategies and analyses across asset classes based on monetary and fiscal policies, global geopolitical landscapes as well as other macroeconomic fundamentals. He also takes into account market sentiment, technical and momentum factors, and corporate bonds with attractive risk and return.

 [@KVP\\_Macro](#)



# Universal basic income decimates big cities

Kay Van-Petersen // Global Macro Strategist

The Covid-19 pandemic has only accelerated the K-shaped recovery that was driving inequality and tearing at the social fabric before the outbreak. For years, the younger generation has come to realise that even a solid education and the right attitude are not enough to get moving up the socio-economic ladder in a way that was possible for most of the 20th century. Even if younger professionals do get a job, financialisation of the economy has meant that a single income is not nearly enough to support a family, once insurance, education, and rent or mortgage payments are taken into account. And technology is another driver, with the growing, wage-deflationary forces of software, AI and automation eroding a widening swath of jobs across industries. The risk that societies are entirely torn apart results in the realisation that the Covid-19 measures to supplement lost wages weren't a mere panic response, but the start of a permanent new universal basic income (UBI) reality.

UBI leads to a seismic rebalancing of the forces and structures within society, and how they apply geographically. Big cities have been the chief drivers

of job growth for generations. But in the new era of UBI, tech-driven job redundancies, and frequent work from home jaunts made more normal by Covid-19, city office real estate is suddenly faced with 50% or worse overcapacity. Commercial office property values are crushed, together with the commercial real estate containing restaurants and shops aimed at servicing commuting worker drones.

The new UBI also drives changes in the attitude toward work and life balance, allowing many young people to stay in the communities where they grew up. Meanwhile, the professionals and the marginal workers in big cities also begin to leave, as job opportunities dry up and the quality of life in small, over-priced apartments in higher crime neighborhoods loses its appeal.

## Trade:

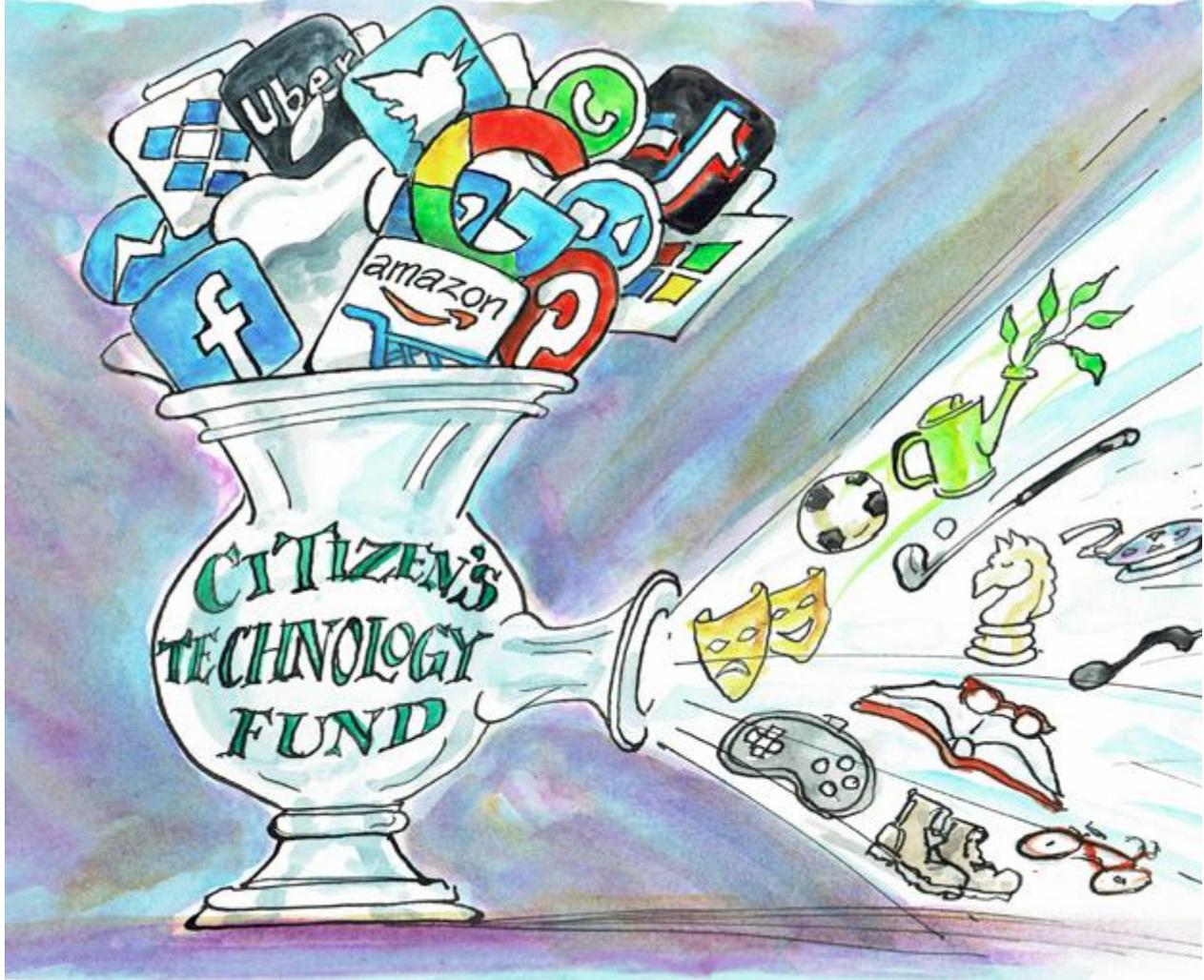
Short big city REITs, for example SL Realty Trust (SLG), which exclusively invests in Manhattan, NY office buildings, or Vornado Realty Trust (VNO), which invests in Chicago, San Francisco and NYC.

A professional portrait of Eleanor Creagh, a woman with long, wavy brown hair and blue eyes, smiling slightly. She is wearing a blue ribbed top under a dark blazer. The background is dark with faint diagonal lines.

Eleanor Creagh joined Saxo Bank in 2018 and serves as the bank's Australian Market Strategist, responsible for creating, implementing and monitoring equity strategies and research for traders and investors, as well as developing quantitative models and customised mathematical frameworks for institutional clients.

Eleanor holds a double major in Finance and Economics from the University of Sydney.

 [@Eleanor\\_Creagh](https://twitter.com/Eleanor_Creagh)



# Disruption dividend creates Citizens Technology Fund

Eleanor Creagh // Market Strategist

In the coming years, possibly within a decade, some one quarter of current jobs as we know them may be displaced, as automation replaces physical labour and AI replaces growing chunks of Information Age jobs. Oxford University researchers even project that half of US jobs could become obsolete by 2030.

This dynamic will aggravate both inequality and increasingly polarised modern labour markets. The march of technology, combined with reliance on the legacy principles of the free market economy, is already undermining the social contract and even tearing at the very social fabric; Covid-19 has only accelerated these trends. In 2021 and beyond, our society will have to find a new policy path if we are to avoid deepening injustice, but also political upheavals, social unrest and systemic risk.

So what is to be done? Every crisis brings with it the required energy for making bold changes. In 2021, policy comes in for a major overhaul, with a whole new approach to reducing inequality that has little to do with adjustments to the tax code.

Instead, a Citizens Technology Fund is created that transfers a portion of asset ownership of capital assets to everyone, with an extra portion going to displaced workers, allowing them and everyone else to participate in the productivity gains of the digital era. The policy is spun as a Disruption Dividend, and goes a long way to relieving the economic and social anxieties for those who have been losing out on the share of economic output in recent years.

The Disruption Dividend frees up enormous entrepreneurial energy at the individual and community scale as millions have more time and energy on their hands away from repetitive and stressful jobs. More meaningful work in community restoration, artisanal crafts and food production explode in popularity. Leisure-related sectors boom as well, from hobbies to recreational sports and activities, real and virtual.

## Trade:

Long companies in education, art, crafts and hobbies. But also in the digital spectrum, virtual reality, gaming and E-sports.



Althea Spinozzi joined Saxo Bank in 2017, and serves as Fixed Income Strategist.

Althea produces Fixed Income research and works directly with clients in order to help them select and trade bonds. Because of her background in leveraged debt, she is particularly focussed on high yield and corporate bonds with attractive risk and return.

 [@Altheaspinozzi](https://twitter.com/Altheaspinozzi)



# A successful Covid-19 vaccine kills companies

Althea Spinozzi // Fixed Income Strategist

The Covid-19 pandemic viciously accelerated the dangerous leveraging up of the global economy that unfolded during the 2008-09 financial crisis. Central banks printed ever more money and took policy rates close to the zero bound in all developed economies. The policy of near infinite liquidity provision and easing financial conditions at all costs has pushed global sovereign and investment-grade corporate yields to historical lows and forced investors to take positions in riskier assets.

As 2021 gets under way, the merciless march of lower yields has left yield-seeking investors sitting on a pile of low-yielding junk debt with terrible reward-to-risk profiles, as zombie corporates teeter on the brink of default, having only survived the pandemic months with handouts and the lower refinancing costs. The investors' risky stance is justified by the prospect of an effective vaccine bringing a new boom in economic growth. But reality doesn't prove so kind, as the vaccine roll-out and the removal of Covid-19 restrictions and normalisation leads to a sharp spike in inflation. In perfect hindsight it turns out the economy was vastly over-stimulated during the pandemic, and the ripping post-vaccine recovery rapidly

overheats the economy. Inflation rises and unemployment falls so rapidly that the Fed allows long treasury yields to spike higher, taking the yield on riskier debt with it.

The Fed ends up making a policy mistake by allowing financial conditions to tighten too rapidly via higher longer rates, having never implemented yield curve control as they were too distracted by the sudden spectre of 4-5% annualised inflation and 6-8% annualised wage gains by Q3. Corporate defaults rise to their highest in years, with the first to go the most over-levered companies in the physical retail space that were already struggling in the solid, pre-Covid economy. For the first time in economic history, a strong recovery sees rising defaults.

#### Trade:

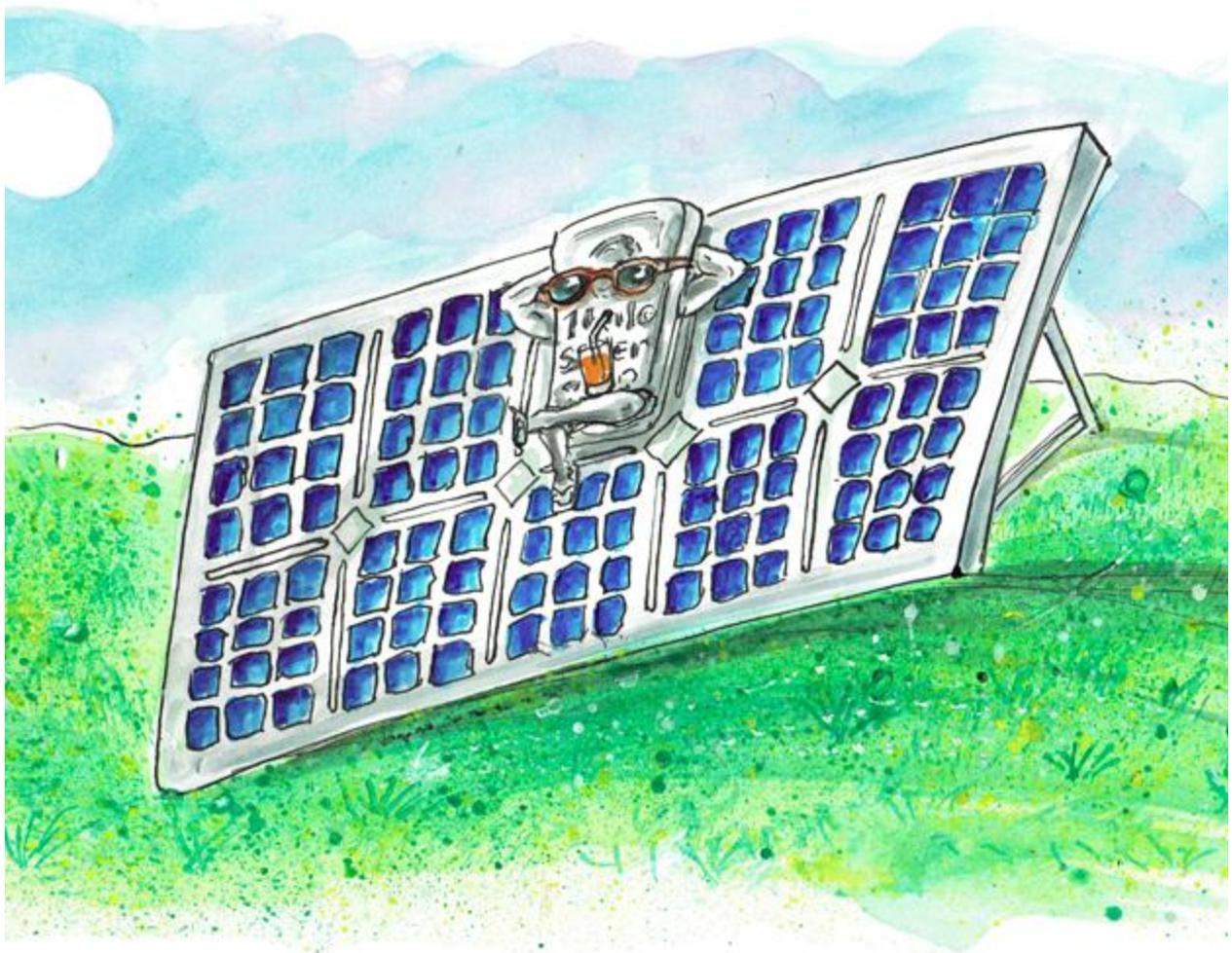
Short HYG and JNK High Yield corporate ETFs.

A professional portrait of Ole Hansen, a middle-aged man with grey hair, a goatee, and black-rimmed glasses. He is wearing a dark blue suit jacket, a white dress shirt, and a blue patterned tie. The background is a dark blue gradient with a subtle geometric pattern of lines.

Ole Hansen joined Saxo Bank in 2008 and has been Head of Commodity Strategy since 2010.

He focuses on delivering strategies and analyses of the global commodity markets defined by fundamentals, market sentiment and technical developments.

 [@Ole\\_S\\_hansen](https://twitter.com/Ole_S_hansen)



# Sun shines on silver, which sizzles on solar panel demand

Ole Hansen // Head of Commodity Strategy

Silver has always been a wily beast for investors due to its dual precious metal/industrial metal uses, and 2021 sees silver rising on both. That contrasts with 2011, when a proper bubble in silver developed on rank speculation linked to a tumbling US dollar and the Fed's seemingly radical monetary policy of QE2 from late 2010. QE scary? How times have changed.

2021 brings the usual suspects that power silver higher on its hard asset/precious metal side as the US dollar weakens, and as investors are faced with the harsh reality of no relief in sight from negative real interest rates. This is exacerbated as inflation suddenly jolts higher in 2021 and policymakers are slow to respond, wanting to offer maximum support for their still-recovering economies. With a Covid-19 vaccine in rapid roll-out by the middle of the year, the excessive liquidity and over-easy policy drives a powerful bid into any hard asset.

But the real turbocharger for the silver price in 2021, even relative to gold, is the rapidly rising demand for silver in industrial applications, especially those driving the green transformation such as photovoltaic cells used in solar

panel production. In fact, a real silver supply crunch is on the cards in 2021, and it frustrates the full throttle political support for solar energy investments under a Biden presidency, the European Green Deal, and China's 2060 carbon neutral goal, among other initiatives.

Another challenge on the supply side for silver is that more than half of mined silver supply is a by-product of zinc, lead and copper mining, making it tough for miners to meet the surging excess proportional demand for silver.

## Trade:

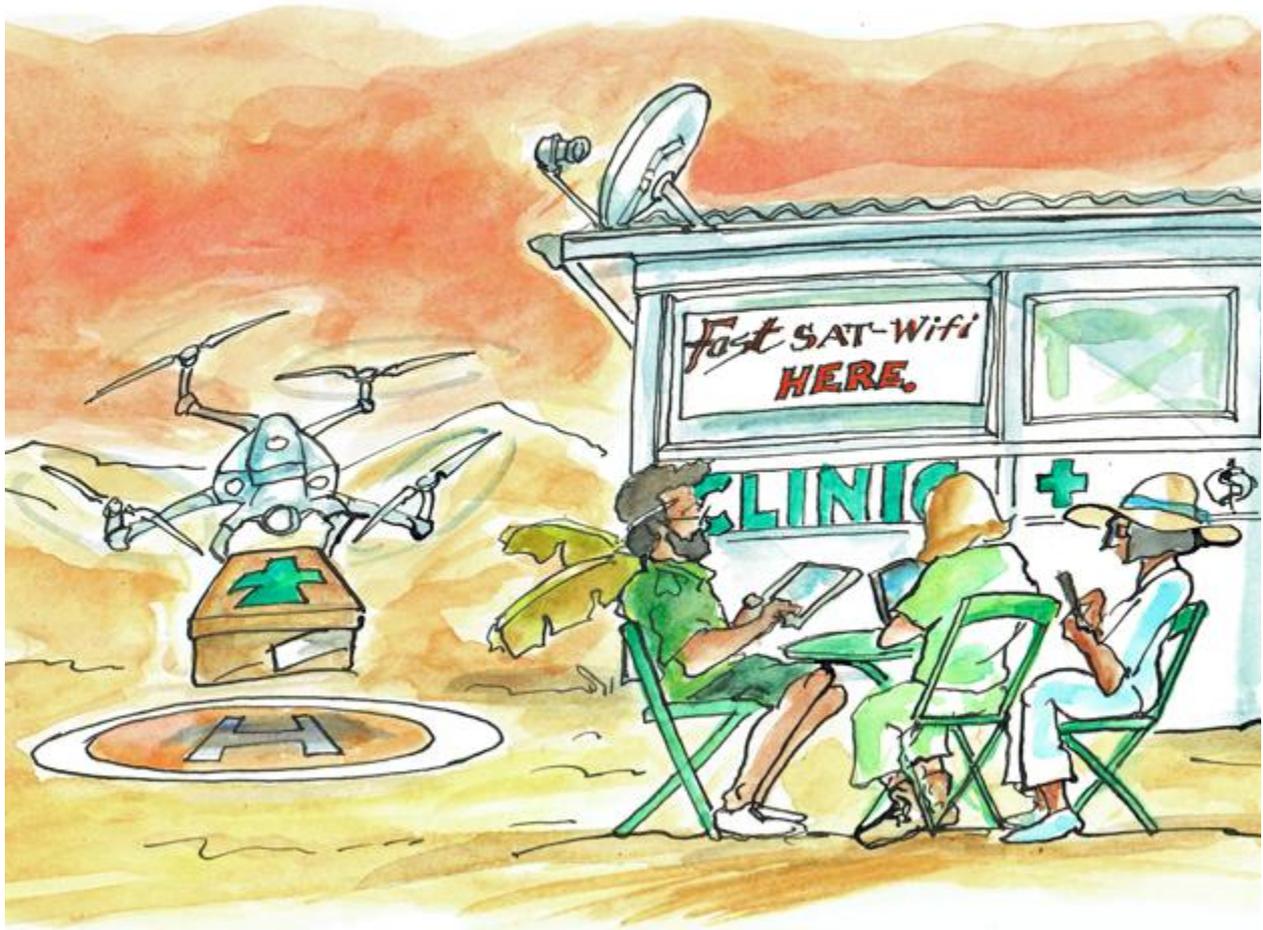
Long silver as the price races to an all-time high of \$50 per ounce in 2021.



John Hardy joined Saxo Bank in 2002 and has been Head of FX Strategy since 2007.

He focuses on delivering strategies and analyses in the currency market as defined by fundamentals, changes in macroeconomic themes, and technical developments.

 [@Johnjhardy](#)



# Next-generation tech supercharges frontier and emerging markets

John Hardy // Head of FX Strategy

In 2021, economists discover that the growth rates in many frontier markets and emerging markets have been woefully underestimated in recent years, especially when delving into private sector and entrepreneurial developments. Closer analysis reveals that key technologies may lie at the root of an acceleration in private sector productivity growth far beyond anything seen in the developed markets in recent decades. Productivity improvements brought in part by better internet provisioning and an explosion of the use of mobile-based payment systems are clearly behind a revolution in the quality as well as the quantity of growth.

2021 proves to be a Eureka moment for investors on the anticipation that three areas of technology are set to deliver an enormous further boost to frontier and emerging market growth in the coming years. The first is the arrival of satellite-based internet delivery systems, which are set to crush the price of internet provisioning, both increasing uptime and coverage area, but more importantly delivering an order of magnitude increase in download speeds. SpaceX's Starlink will be the first on the scene there, with as many as 1,500 operational by the

end of 2021. In emerging and frontier markets, education and business productivity will reap the benefits. Second is the ongoing revolution in fintech payment and banking systems which have already given billions of people access to the digital economy via their mobile devices.

Finally, just as reliable mobile telephony suddenly replaced creaky, unreliable landline telephone systems in emerging and frontier markets over the last few decades, drone technology is set to revolutionise delivery systems and reduce the disadvantages and costs of living away from the largest cities and towns. Drone technology combined with automation also has applications in agriculture, where practices in many under-developed rural areas across the world stand to gain the most from productivity upgrades.

## Trade:

Long emerging market currencies on superior growth outlook.

## Non-independent investment research disclaimer

This investment research has not been prepared in accordance with legal requirements designed to promote the independence of investment research. Further it is not subject to any prohibition on dealing ahead of the dissemination of investment research. Saxo Bank, its affiliates or staff, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives), of any issuer mentioned herein. None of the information contained herein constitutes an offer (or solicitation of an offer) to buy or sell any currency, product or financial instrument, to make any investment, or to participate in any particular trading strategy.

This material is produced for marketing and/or informational purposes only and Saxo Bank A/S and its owners, subsidiaries and affiliates whether acting directly or through branch offices ("Saxo Bank") make no representation or warranty, and assume no liability, for the accuracy or completeness of the information provided herein.

In providing this material Saxo Bank has not taken into account any particular recipient's investment objectives, special investment goals, financial situation, and specific needs and demands and nothing herein is intended as a recommendation for any recipient to invest or divest in a particular manner and Saxo Bank assumes no liability for any recipient sustaining a loss from trading in accordance with a perceived recommendation.

All investments entail a risk and may result in both profits and losses. In particular investments in leveraged products, such as but not limited to foreign exchange, derivatives and commodities can be very speculative and profits and losses may fluctuate both violently and rapidly. Speculative trading is not suitable for all investors and all recipients should carefully consider their financial situation and consult financial advisor(s) in order to understand the risks involved and ensure the suitability of their situation prior to making any investment, divestment or entering into any transaction.

Any mentioning herein, if any, of any risk may not be, and should not be considered to be, neither a comprehensive disclosure or risks nor a comprehensive description such risks. Any expression of opinion may be personal to the author and may not reflect the opinion of Saxo Bank and all expressions of opinion are subject to change without notice (neither prior nor subsequent). This communication refers to past performance. Past performance is not a reliable indicator of future performance. Indications of past performance displayed on this communication will not necessarily be repeated in the future.

No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided.

Statements contained on this communication that are not historical facts and which may be simulated past performance or future performance data are based on current expectations, estimates, projections, opinions and beliefs of the Saxo Bank Group. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon.

Additionally, this communication may contain 'forward-looking statements'. Actual events or results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. This material is confidential and should not be copied, distributed, published or reproduced in whole or in part or disclosed by recipients to any other person.

Any information or opinions in this material are not intended for distribution to, or use by, any person in any jurisdiction or country where such distribution or use would be unlawful.

The information in this document is not directed at or intended for "US Persons" within the meaning of the United States Securities Act of 1933, as amended and the United States Securities Exchange Act of 1934, as amended.

This disclaimer is subject to Saxo Bank's Full Disclaimer available at [www.home.saxo/disclaimer](http://www.home.saxo/disclaimer)