

Market-implied Macro

AS Market-implied Macro estimates provide visibility over what markets are pricing across asset classes and horizons.

Macro Consensus

Macro expectations, embedded in asset prices

Asset prices reflect expectations about future cash flows discounted at rates that reflect the riskiness of those cash flows.

Our models measure what expectations are priced into assets. We derive short- and long-term expectations that are consistent with asset prices, as well as distributions of probabilities for different return outcomes.

Coverage

Rich coverage of macro pricing across asset classes and markets, with over two decades of history

- Expectations of dividend growth, inflation, real interest rates and risk premiums consistent with market pricing
- Equilibrium real interest rates and long-term inflation expectations
- Decompositions of market movements into macro drivers
- Long-term risk premiums in equity and government bond markets
- High-frequency estimates of economic growth and inflation expectations across horizons
- Probabilities assigned to market outcomes across horizons implied by option prices

Applications

The importance of understanding macro pricing

Monitor and understand markets

Macro forces drive cross-asset moves in markets: we provide an enhanced understanding of why market prices change through the lens of changing macro expectations and risk premiums.

Enhance tactical macro strategies

Macro investors often think in terms of how macro data will come in relative to consensus expectations.

Tactical macro positioning needs to take into account how market consensus expectations change over time and in response to news.

Ensure consistency with macro pricing

Asset allocation tools, including capital market assumptions and asset market simulations, need to be consistent with what is priced into markets.

Macro consensus estimates are important inputs into estimation and calibration of allocation models. Term structures of discount rates are key inputs into benchmarking and pricing private assets.