

2025 Market outlook

Top trends and opportunities that could impact your portfolio

At NEI Investments, we see 2025 as an exciting year filled with opportunities to strengthen and grow your financial future. The global economy is expected to remain resilient, with new potential areas of growth emerging for investors. Diversifying portfolios will be key, as the focus expands beyond mega-cap technology companies, like Apple, Microsoft and Amazon, to investments with strong value, stable cash flows, and meaningful growth potential. Here are some of the trends heading into the new year:

What's coming in 2025

New opportunities in overlooked areas

As global growth evens out, untapped opportunities in regions like Canada and the Eurozone will be accessible, with the U.S. economy slowing down and these areas pick up pace.

Mega projects with big potential

Long-term growth themes like Artificial Intelligence (AI), electrification, and resource efficiency are set to transform industries, creating compelling possibilities into 2025 and beyond.

Navigating political change

The new Republican-led government in the U.S. could cause movements in stocks, currencies, and commodities. Well-diversified portfolios will be key to mitigate volatility and take advantage of opportunities.

Back to fundamentals

Companies with strong cash flows and disciplined management are expected to lead the way, offering resilience and confidence in the face of evolving markets.



Key opportunities in various asset classes

1 Canadian Fixed Income

Canadian bonds could offer higher returns, as interest rates from the Bank of Canada are likely to remain lower than those in the U.S. By focusing on higher credit quality and shorter durations, investors could benefit from attractive yields. Plus, active management can help take advantage of market fluctuations.

2 Global Fixed Income

High-quality corporate bonds along with municipal bonds and mortgage-backed securities could bring resilience to portfolios even as markets experience ups and downs.

3 Global Impact Bonds

Sectors like convertible bonds and real estate-backed securities provide opportunities for income and growth while contributing to positive change.

4 High Yield Bonds

For those seeking higher returns, high-yield bonds are becoming more appealing as inflation stabilizes and rate policies ease. Energy-focused investments are particularly promising, driven by increased spending on domestic production and strong balance sheets from issuers.

5 U.S. Equities

The U.S. market could continue to offer growth opportunities, especially with policies favouring business expansion under a Republican administration. Active management can help uncover the top-performing sectors, such as technology, healthcare, and financials, ensuring portfolios stay resilient.

6 Canadian Equities

Canadian stocks offer a unique advantage with strong valuations and earnings potential. Lower interest rates and a weaker Canadian dollar could support sectors poised for growth. Opportunities in Canadian banks and small caps may be these attractive areas to explore.

7 Global Equities

Big picture trends like sustainability, AI integration, and infrastructure development are paving the way for growth worldwide. Emerging markets are especially promising, with undervalued sectors and increasing investments in areas like energy efficiency and healthcare innovation.

8 Emerging Markets

Regions like India, ASEAN, and North Asia are positioned for growth, thanks to reforms, tech advancements, and growing infrastructure. For instance, India's focus on manufacturing and rising middle-class spending creates opportunities in real estate, consumer goods, and more. Emerging markets offer a chance to tap into high-growth areas early.

Talk to your advisor about how investment solutions from NEI can help you achieve your goals in 2025 and beyond.

NEI Investments endeavors to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, NEI Investments makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein. The views expressed herein are subject to change without notice as markets change over time. Any reference to a particular company, security, industry or market sector should not be considered an indication of trading intent of any funds managed by NEI Investments. These views are not to be considered as investment advice nor should they be considered a recommendation to buy or sell. Mutual funds are sold by prospectus only through registered dealers.

Commissions, management fees and expenses all may be associated with investments in mutual funds. Trailing commissions may be associated with investments in certain series of securities of mutual funds. Please read the fund facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. NEI Investments is a registered trademark of Northwest & Ethical Investments L.P. ("NEI LP"). Northwest & Ethical Investments Inc. is the general partner of NEI LP and a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is the sole limited partner of NEI LP. Aviso is a wholly-owned subsidiary of Aviso Wealth LP ("Aviso Wealth LP"), which in turn is owned 50% by Desjardins Financial Holdings Inc. ("Desjardins") and 50% by a limited partnership owned by the five Provincial Credit Union Centrals (the "Centrals") and The CUMIS Group Limited.