The Force Awakens – Churchill 2Q Private Equity Survey (Part One)

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Life happens at inflection points. This goes for capital markets as well. Whether changes in interest rates (high to low), or economic cycles (growth to recession), being alert to those subtle shifts allows astute asset managers to lean into investment strategies more effectively.

The challenge today is unpredictable trade policies have created false signals, particularly in liquid markets where traders can pivot on a dime. Headline risk increases the whipsaw effect of rapidly changing prices in a confused environment. “As good as our stats are, they just weren’t made for these kinds of very large moves in policy that cause a knee-jerk reaction,” KPMG’s chief economist, Diane Swonk, reports. “It makes it even harder to read the tea leaves…”

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