

## Key Take Away for Investment Insights (Monthly) – June 2023

- A high interest rate environment may persist for a while as US inflation remains higher than the FOMC's target. Given the potential for a worsening economic outlook, diversifying into investment-grade bonds still makes a core strategy, especially in Asian investment grade bonds which offers higher yields.
- Dividend stocks may also play an option for investors who look for yield to hedge against inflation. Stocks that are able to pay dividends implying the company's financial stability and earning power. Some companies can even expand their businesses while maintaining stable dividend payouts. Diversifying into such stocks could help achieve long-term growth.
- The short-term strength of the USD in May has put pressure on most other currencies. However, economic growth may slow down as the Fed continues to fight inflation, which could limit the further upside of the USD.

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