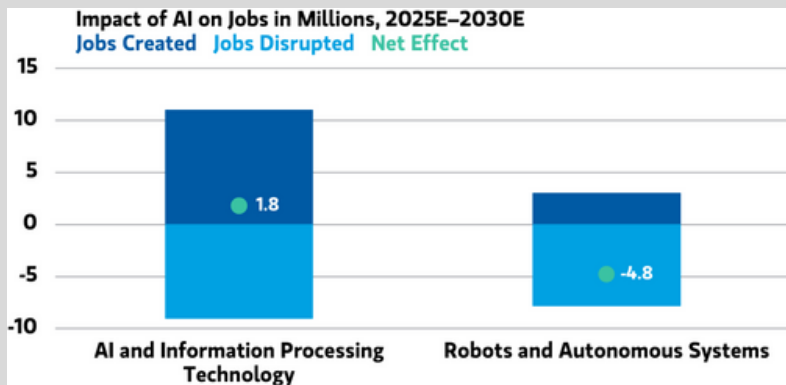


## July 07, 2025: Morgan Stanley - The New Bull Market Market Outlook

### Key Points

- **Macro:** US macro data continues to soften, increasing confidence in rate cuts starting in September.
- **Equities:** Tactical window of opportunity in equities, especially cyclicals, driven by falling yields and a potential reacceleration in 2025.
- **Fixed Income:** Prefer high-quality fixed income and intermediate-duration Treasuries as inflation cools and growth slows.

### Expected Impact of Tech Innovation on Employment



Source: Morgan Stanley

### Summary

Morgan Stanley sees growing evidence of economic cooling in the U.S., with softer labor market and inflation data reinforcing expectations for Fed rate cuts starting in September.

This macro shift, along with falling yields, opens a **tactical window for equity markets**—particularly in cyclical sectors. The firm expects a broader earnings reacceleration in 2025, supported by improving liquidity and a shift from cash into risk assets. In fixed income, Morgan Stanley favors high-quality credit and intermediate-term Treasuries as inflation declines.

Overall, the investment landscape is tilting more constructive across asset classes, offering opportunities for selective repositioning.

### OUR VANTAGE POINT

At Vantage Capital, we believe the recent shift in tone from both data and the Fed supports a more constructive stance across asset classes. While risks remain, this may present a tactical opportunity for investors who have stayed on the sidelines.

We remain **overweight equities**, especially in AI-linked sectors, and see growing value in medium-duration fixed income as rate cuts approach. Our focus remains on disciplined diversification and capturing global tailwinds where conviction is high.

*For a more detailed analysis and personalized investment strategies, please contact one of Vantage Capital's advisors.*

### OTHER REPORTS WE ARE WATCHING

- **Goldman Sachs:** Bear Market Anatomy, [available here](#)
- **Bridgewater Associates:** Investing in a New World, [available here](#)

WE'D LOVE TO HEAR FROM YOU,  
REACH ONE OF OUR ANALYSTS

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