

SHORT, MEDIUM AND LONG TERM RISKS:  
 YOU CAN'T PREDICT THE FUTURE.  
 BUT YOU CAN PREPARE FOR IT.

Category of possible market stress	Factors	Weeks ahead	Months ahead	Year ahead
<b>World economy</b>	<p>Rising interest rates &amp; stubborn inflation</p> <p>Cost-of-living increases (especially housing; for example, if red tape makes it very hard to build a high number of new homes)</p> <p>Slowdowns in some sectors of the world</p>	<p><b>Best-case:</b> Overheating economies moderate as monetary policy proves effective; slowing economies start planning recovery</p> <p><b>Worst-case:</b> inflation continues to rise, stressing global economy and tipping some countries into recession</p>	<p><b>Best-case:</b> Monetary policies continue to temper inflation; export markets and interest rates stabilise</p> <p><b>Worst-case:</b> Recession becomes more widespread; austerity measures increase pressure to cut public spending</p>	<p><b>Best-case:</b> Recovery is more measured and growth starts to ramp up. Inflation moderates and cost-of-living challenges ease</p> <p><b>Worst-case:</b> Too much too soon causes whiplash and increases uncertainty. Slowdowns continue and growth remains sluggish</p>
<b>Logistics</b>	<p>Trends toward nearshoring and friendshoring; diversifying supply chains and opening new markets</p>	<p><b>Best-case:</b> Supply chain shortages ease and normalize amid infrastructure builds</p> <p><b>Worst-case:</b> Food, energy and commodity shortages, and displacements continue due to global conflicts</p>	<p><b>Best-case:</b> Supply chain shortages ease as more nearshoring capacity comes online</p> <p><b>Worst-case:</b> Snarls continue, affecting commodity pricing, liquidity, energy, and food shortages</p>	<p><b>Best-case:</b> Supply chains diversification, and market expansion, and more capacity is up and running</p> <p><b>Worst-case:</b> Ramping up local capability takes time, leading to over/under supply and wasted resources</p>
<b>Geopolitical issues</b>	<p>Conflicts in Ukraine, Israel and Gaza, Sudan and other hot spots</p> <p>British and French elections return new parties in power; US elections contribute to continued uncertainty; Continuing US-China tensions.</p>	<p><b>Best-case:</b> UK, French; Indian governments stabilise after elections</p> <p><b>Worst-case:</b> More destruction and displacement as global conflicts continue; Continued instability in UK, French politics and policies; US is the wildcard</p>	<p><b>Best-case:</b> Negotiations to settle Ukraine, Israel and the Middle East, and Africa wars begin in earnest; food and commodity markets begin to normalise</p> <p><b>Worst-case:</b> NATO and the US lessen support of Ukraine and Israel and crises escalate, causing more humanitarian issues, energy and food stresses. Israel and Hezbollah engage in earnest</p>	<p><b>Best-case:</b> Ukraine continues rebuilding; energy, food and commodity markets normalise; Settlement is reached for Israel, Gaza Strip, and Lebanon</p> <p><b>Worst-case:</b> World War III breaks out as tensions rise</p>
<b>Political shocks and instability</b>	<p>New leadership in some countries results in dramatic economic, foreign policy changes</p>	<p><b>Best-case:</b> Political rhetoric moderates as politicians return to governing</p> <p><b>Worst-case:</b> Wholesale policy changes increase instability—or its perception</p>	<p><b>Best-case:</b> More 'friendly' policies take shape as governments mend fences with allies</p> <p><b>Worst-case:</b> More protectionist policy changes are implemented, increasing tensions and divisiveness. Challenges to election results increase uncertainty and instability</p>	<p><b>Best-case:</b> Institutions and alliances strengthen and new alliances increase stability and ease tensions</p> <p><b>Worst-case:</b> Tensions rise amid trade and tariff wars; political differences result in a greater divide and increase instability</p>
<b>Nature/Climate/Weather &amp; Human Flourishing</b>	<p>Climate Danger: is nature's wild potential (to harm human flourishing and to help human flourishing) being properly managed/ mastered?</p>	<p><b>Best-case:</b> Climate/weather impacts on human flourishing moderate through prudent adaptation, risk-mitigation measures</p> <p><b>Worst-case:</b> Wildfires and storms continue causing more destruction, death &amp; displacement due to low-quality infrastructure, poor forest management, etc.</p>	<p><b>Best-case:</b> Short-term measures show some signs of working and impediments to human flourishing begin to stabilise</p> <p><b>Worst-case:</b> Tussles increase as new governments do a bad job at helping their citizens to risk-mitigate climate dangers.</p>	<p><b>Best-case:</b> The global trend of fewer &amp; fewer people stuck in extreme poverty accelerates, and as a result more people have the time, money and resources to keep water, air etc. sufficiently clean globally for global human flourishing.</p> <p><b>Worst-case:</b> The global trend of less poverty reverses, with widescale return to pre-industrial polluting (&amp; toxic) fuels like indoor burning of excrement/dung.</p>