

2022 Year Ahead Outlook

Recorded November 30, 2021

Michael Hartnett

Chief Investment Strategist

BofA Global Research

Q3: Do you agree with bullish expectations for a CapEx recovery in coming years?

I believe that the prospects for capital spending in coming years is bullish. I'm positive on CapEx. The reasons for that is for much of the past decade, companies have very much focused on getting their balance sheet healthy, and also buying back their stock. Even though profits have been very abundant, that has left a limited amount of money for capital spending.

I think in the 2020s, the onus is now on corporations to invest more in themselves, but also in their workers. And I think that is likely to lead to higher capital spending going forward from here. In addition, it's what investors want.

If you look at the Bank of America Fund Manager survey, it's very clear that when asked the question, "What would you like companies to do with cash?" The majority now very much say, increase capital spending.

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