

## The Insight feat Iain Drayton

There's always opportunity in challenging times. And I do think that things are going to pick up a lot from that.

I'm Iain Drayton. This is The Insight.

Asia accounts for 60% of the global population. It also comprises 45% of global GDP. China and India are the two most populous countries in Asia. And according to Goldman Sachs research, by 2075, they'll be the two largest economies in the world. So this is a really consequential part of the world.

Given coverage, given geopolitics, given inflation, high interest rates, the kind of the challenging macro globally, I would say that equity capital market issuance particularly offshore market issuance, has slowed dramatically in the last few months.

Right now there is a lot of capital that's sat on the sidelines waiting to be deployed into China, into India into other countries in Asia.

Private equity funds are waiting to see, you know, some kind of prolonged stability as it relates to the relationship between the US and China before they put money to work in size.

But there are a number of multinationals right now that are thinking, what should we do with our China operations? Do we want to carve them out? Do we want to take them public? And so I do feel that there is a lot of opportunity in this challenging environment.

On the public side, I would characterize investor sentiment as quite negative over the last few months, and that's kind of magnified in a slowdown in capital markets for the reasons everyone knows

But, you know, in terms of green shoots, because we have seen some of those in terms of recent capital markets activity, we're starting to see Long-onlys come back and we're starting to see deals perform much better in the aftermarket.

And it feels to me, given that this is the first time that we've really evidence this in 12 months, it feels as though we've started to turn a corner.

There's a long way to go to exit the tunnel but we're starting to see some light. And that's reflected in recent capital markets activity. We anticipate that there's going to be more private market activity as we look towards the back end of 2023 as well.