



# High Hopes for Hedge Funds in 2019

Stockholm (HedgeNordic) - As we are heading towards the end of quantitative easing, central banks are no longer expected to serve as a major source of market stability. Prospects for weak stock market returns, increased volatility and less predictable correlations between asset classes may create an environment many hedge funds have been waiting for. With hedge funds representing the most innovative and unconstrained form of active management, Morgan Stanley believe hedge fund vehicles are well positioned to outperform passive and long-only active managers going into 2019.

In a market outlook titled “Hedge Funds: Opportunities in Shifting and Volatile Markets,” Morgan Stanley point out which hedge fund strategies face the greatest potential in the current environment, as well as outline which strategies have less sensitivity to broad market volatility. All in all, Morgan Stanley “believe that higher volatility levels will be sustained because of the simultaneous late-stage economic transition and withdrawal of post-crisis government support. This should provide hedge fund managers the opportunity to add value in what we expect to be a very fertile investing environment.”

The complete market outlook can be [downloaded here](#):



2019 Market Outlook  
**Hedge Funds:  
Opportunities  
in Shifting  
and Volatile  
Markets**



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