The Macroeconomic & Equity Market Implications of Artificial Intelligence for Asia

Synopsis

Artificial Intelligence (AI) is emerging as a transformative force with far-reaching implications for economies and financial markets, particularly across Asia.

As the infrastructure buildout and adoption of Artificial Intelligence (AI) gain momentum, questions arise as to the macroeconomic and equity market implications of this General Purpose Technology. How could growth and labor markets, inflation, interest rates, inequality and government balance sheets be affected, especially in Asia? Which countries stand to benefit, and why? Equity markets globally have already responded, favoring companies that provide or operate the underlying AI infrastructure, pushing valuations of some stocks to potentially "bubbly" levels. Will markets eventually transition towards rewarding AI adopters, and if so, what sectors might outperform?

This masterclass is designed to equip senior investment professionals and board members with a comprehensive understanding of potential macroeconomic effects of the adoption of AI, as well as of the public equity market impact at the overall index and industry levels. The discussion material will be grounded in the latest academic literature, as well as market research by brokers, funds and others.

Key themes of the Masterclass:

- Understanding the forces that are likely to shape macroeconomic outcomes of the adoption of Artificial Intelligence in Asia and worldwide
- Review of the empirical evidence of hypothesized economic impacts
- Analysis of trading patterns observed in equity markets regarding the AI-theme
- Discussion of the state of AI adoption among listed corporates on a market and sector level, as well as considerations of future market implications

Trainers:

- Felix Momsen, Managing Director (Public Equities),
GIC
- Ray E Farris, Chief Economist, Eastspring Investments

- John Tsai, Head of Growth Equities, Eastspring Investments
- Sundeep Bihani, Portfolio Manager, Regional Asia Value Equities, Eastspring Investments
- Christina Woon, Head of Equity Income, Eastspring Investments

Lesson Plan:

No.	Details	Time allocation
1	**Asia's Macro Landscape & Opportunities presented by AI** • Asian economies – policies, outlook and trends • AI as a structural economic force • AI supply chain dynamics across Asia • Portfolio implications for multi-asset managers **Trainer:** Ray E Farris, Chief Economist, Eastspring Investments	25 mins
2	**Translating AI into Investment Outcomes: A Practitioner's Perspective** • Pathways to accessing AI exposure (value, growth, income lens) • Separating hyper vs sustainable earnings • Impact of AI on current & future company earnings • Business models that are at risk Trainers: • John Tsai, Head of Growth Equities, Eastspring Investments • Sundeep Bihani, Portfolio Manager, Regional Asia Value Equities, Eastspring Investments • Christina Woon, Head of Equity Income, Eastspring Investment	30 mins
3	**Technological State of Generative and Embodied AI** • Discussion on current capabilities and inherent limitations of both generative and embodied Artificial Intelligence (AI). • Roadmap towards Artificial General Intelligence (AGI). • Assessing the performance of AI in comparison to human experts and by length of tasks. **Trainer:** Felix Momsen, Managing Director (Public Equities), GIC	15 mins

4	**Literature Review of Potential Macroeconomic Implications of AI Adoption** • Identify key channels which AI adoption would impact economies and societies, organizational structures and social fabric, including growth, inflation, relative prices, interest rates, labour market dynamics, inequality, fiscal balance sheets and country effects. • Analysis of country effects through the lens of AI infrastructure supply chain exposure, datacenter locations, economic leverage to AI-augmented and AI-disrupted sectors, potential for innovation in AI services applications, and wealth concentration. **Trainer:** Felix Momsen, Managing Director (Public Equities), GIC	20 mins