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Special Guest: Morten Springborg, Global Thematic Specialist at C WorldWide

June 2025

Executive Summary

This week, Kristof Gleich, Harbor's President & CIO, hosted global investor Morten Springborg for a deep dive into international equity markets. The discussion focused on the implications of a weakening U.S. dollar, rising fiscal imbalances, global diversification, and where advisors should be looking next. Morten argued the world is approaching a monetary tipping point—one that could pose challenges for U.S. markets while benefiting international equities, especially in Europe and emerging markets.

Speakers

Kristof Gleich
President and CIO
Harbor Capital Advisors, Inc.

Morten Springborg
Global Thematic Specialist,
C Worldwide

Key Takeaways for Advisors

1. The U.S. Dollar appears to be Entering a Structural Bear Market: The dollar has already declined about 10% from its 2024 peak, and Morten sees the potential for another 20% drop ahead driven by a combination of unsustainable deficits and less capital coming into the U.S.

2. The Global System Has Begun to De-Dollarize: Emerging markets are moving away from dollar-based trade, with China seeking to trade in an increasing number of local currencies. This dynamic could reduce demand for U.S. assets and may accelerate pressure on the dollar.

> ***"The international monetary system, by design, requires the U.S. to run persistent external deficits to supply global liquidity. That's always been unsustainable, and economists like John Maynard Keynes and Robert Griffin argued many years ago that this would end in tears eventually. I think that time has now arrived."***
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> ***—Morten Springborg, C WorldWide***

3. International Equities Can Offer Real Diversification:

U.S. markets are heavily dependent on mega-cap tech names and AI innovation to continue driving growth. Going global provides exposure to much different themes—like significant investments in European infrastructure, as well as niche areas such as catering services and insurance products that aim to capitalize on growing middle classes in developing economies.

4. Valuations Abroad Appear Far More Attractive: U.S. large-cap stocks trade near the top of their historical ranges. By contrast, international and EM equities offer more reasonable entry points for long-term growth.

5. Earnings Growth Outside the U.S. Is Often Overlooked: If you remove the top 10 U.S. tech giants, U.S. earnings growth is comparable to international markets—yet domestic equity valuations remain much higher than their foreign counterparts.

Take the Next Step

C WorldWide Asset Management brings a focused, trend-based approach to global equity investing—combining top-down thematic insight with bottom-up stock selection in an effort to uncover companies aligned with long-term structural shifts.

Their global perspective, active engagement, and integration of Environmental, Social, and Governance factors help identify differentiated opportunities across international markets.

To explore how Harbor's partnership with C WorldWide can support your global equity strategy, contact your Harbor representative at (800) 427-2677 or visit harborcapital.com.

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