

# Oberon Securities Forecasts Industry Winners and Losers in 2024

NEW YORK, NY, UNITED STATES, December 4, 2023 /EINPresswire.com/ -- Industrial companies, including those involved in infrastructure, residential services, and housing and building products will be among the winners in 2024, according to investment banking firm Oberon Securities, while those with international exposure, especially to China, will face strong headwinds.



“In the past year, we’ve seen an unprecedented increase in interest rates, the highest inflation in decades, and while that’s now receding, we’re embroiled in global geopolitical turmoil and uncertainty over the upcoming U.S. elections,” said Andrew Silver, a Managing Director of Oberon Securities. “And yet, industrial companies may fare quite well in the coming year if short-term interest rates decline modestly, and longer-term rates stay relatively unchanged.”



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*Andrew Silver, a Managing Director of Oberon Securities.*

Silver predicts strong performance in 2024 from:

1. Housing and Building Products. Lower short-term rates could stimulate demand for adjustable-rate mortgages and spur housing construction and renovation projects.
2. Infrastructure. In virtually any economic environment, companies engaged in restoring the nation’s infrastructure—design/engineering, general contractors, subcontractors, highway safety, aggregates and cement—should continue to do well given the consensus that something needs to be done about crumbling bridges and highways.
3. Automation. Sensors, cameras, machine vision, etc. will continue to be in strong demand as manufacturers upgrade their production processes and seek to replace increasingly expensive labor with automated processes.

4. Electric Vehicles. Growth in this sector should continue unless gasoline prices plunge. In addition to the sensors and cameras required for electric and/or autonomous vehicles, electric vehicles will require substantial investments in battery production, thermal management systems and energy charging stations.

5. Residential Services. Plumbing, lawn care, roofing, pool service, etc. have seen investment by private equity, as these relatively recession-resistant companies present opportunities for consolidation. Despite the FTC's recent decision to review roll-up strategies for antitrust implications even if individual targets fall below the threshold for review, Oberon expects private equity firms to continue hunting for companies engaged in residential services.

In what should be a fairly healthy market for industrial companies in 2024, there will also be some sectors that underperform, says Silver, including companies with the following characteristics:

1. Large International Exposure. Very modest growth in international markets, including Europe and China, could weaken results for companies with substantial overseas revenue.
2. Commodities. Continuing weakness in the Chinese economy, which accounts for up to one-third of global demand for a number of industrial commodities, is likely to limit capital spending by commodities producers.
3. Automotive Original Equipment Manufacturers. Higher wage rates resulting from the recent UAW contract settlements, flat demand, and continuing investments in EVs likely will pressure profits on automotive OEM suppliers.
4. Highly leveraged companies. Although a decline in short-term interest rates might help, those companies in need of debt financing or refinancing in 2024 will be paying a higher amount than in the recent past.

About Oberon Securities:

Oberon Securities was founded in 2001 as an investment bank for middle market businesses, capable of closing exceptional M&A and financing transactions with the same skill and resources historically provided only to Fortune 500 companies. With 70 professionals, Oberon's relationship-oriented approach has generated numerous long-term, multi-transaction client engagements. [www.oberonsecurities.com](http://www.oberonsecurities.com).

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