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How to Invest $10,000 Right Now

Five wealth experts highlight international opportunities as tariff tumult hits US stocks.

by Suzanne Woolley
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If there's one benefit to the level of market volatility that US trade policy is provoking, it's the renewed emphasis on diversification, according to wealth experts.

International investments, in particular, are growing more attractive on speculation President Donald Trump's increased tariffs and other initiatives could tip the US into a recession and lead to a diminished role on the world stage.

The S&P 500 is down roughly 8.6% so far this year, while the Euro Stoxx 50 index is up about 14% on a currency-adjusted basis through the close of trading Wednesday in the US. So for this edition of Bloomberg's Where to Invest $10,000, we asked investing experts to focus largely on non-US opportunities. Their highlights ranged from an electricity play in Spain to pharmaceutical companies in the UK to Japanese real estate.

For those who like to invest using exchange-traded funds, Bloomberg Intelligence ETF research associate Andre Yapp provides rough proxies for the experts' ideas. And for each interview, we also asked the experts how they'd spend a $10,000 windfall on something fun. Ideas stretched from devices to track one's health to trips to the Canadian Rockies and supporting up-and-coming foreign fashion designers.

Henry Mallari-D'Auria, chief investment officer of global and emerging markets equities, Ariel Investments

Make a Power Play

The idea: My idea is around electricity. For an economy to grow it needs electricity, and that becomes even more important if you want part of your state or country to benefit from the development of data centers. Meeting demand requires both producing electricity (regardless of whether it is from a renewable or other source) and then moving that electricity to where it is used – transmission. More and more regulators are beginning to understand that they need to set rates of return at a high enough level to induce the investment in both electric generation and transmission.

The strategy: A stock that gives investors exposure to this is Spanish utility Redeia Corp. Over the past 10 years it hasn't really grown at all, but Spain still has climate change goals that will result in growth for renewables – and a need within Spain for more investment in transmission to move electricity from renewables plants to homes and industries. Spain is in the process of changing regulation to enable transmission companies like Redeia to earn better returns on capital. So Redeia is expected to see strong growth as it builds new transmission plants, earns higher returns and funds some spending through selling a non-core satellite business.

A second stock we like is Algonquin Power & Utilities Corp., a Canadian electricity producer with some US assets. Regulators in states like Missouri and Arizona, where Algonquin has operations, are realizing that to compete for data centers they need more electricity supply, so are allowing higher rates of return for building new plants. Additionally, the company has a new CEO with a reputation for being very good at reducing costs.

The big picture: Personal consumption and industrial production in the US will grow around an annual pace of 1.5% to 2%. The need for more electricity for data centers would take us above that pace. Current growth in production capacity, particularly in Missouri and Arizona, is far below 1.5% to 2%. This isn't a situation of buying into an industry that has been overbuilt. We need more capacity, and it's even more the case in Spain. Europe doesn't have an energy supply that it can grow more quickly to become energy-independent. Europe will for the foreseeable future require imports of fossil fuels, and so the focus on renewables is part of geopolitical protection.

How to ETF it

The iShares Global Utilities ETF (JXI) could help investors gain a bit of exposure to the companies Mallari mentioned, Yapp said. Redeia (RED SM) and Algonquin Power & Utilities (AQN) account for 0.42% and 0.22% of JXI's total exposure, at a cost of 0.41%. Additionally, investors may consider the actively managed Virtus Reaves Utilities ETF (UTES). The fund's concentrated portfolio allowed it to deliver a total return of more than 40% since 2023, compared with 18% for the broad Utilities Select Sector SPDR Fund (XLU).

Alternate idea

I'd invest in companies focused on bringing fashion designers throughout the world to the broad global market. The world is filled with artisans who use lots of local designs, and the Next Gen consumer uses fashion to express their individuality more than other generations. This idea is related to my husband – he has created a fashion show business that brings in Filipino designers to New York and this past Spring was the first time his show, Filipinxt, was officially part of the New York Fashion Week calendar.