

Eyes Wide Open

Global Investment
Outlook 2026



بنك الإمارات دبي الوطني
Emirates NBD

Global Investment Outlook 2026

Introduction

Eyes Wide Open

When we titled our 2025 annual outlook "Winds of Change," we anticipated a year defined by two disruptive forces: bold political leadership and transformative new technologies. The world was pivoting. This brought long-lasting consequences, but also a clear investment roadmap for the year, supported by our expectation of a benign fundamental backdrop.

Looking back, this proved correct. Market returns were excellent, even better than our forecast. It wasn't just a classic "Goldilocks" scenario where resilient growth, moderating inflation, and monetary easing lift all boats. The Winds of Change left their mark everywhere: a dollar in free fall, gold prices skyrocketing, emerging assets outperforming developed ones, and AI leading the equity hierarchy. We are happy (and perhaps a bit lucky) to have gotten these calls right. With USD returns between +13% and +20%, our strategies outperformed global peers by our widest margin ever. In essence, 2025 was a transition, and the right strategy was to position for markets progressively acknowledging the turn.

Beyond the turn, 2026 is about starting a long journey into a new world defined by deep, tech-driven transformation and a shifting global balance of power.

It is exciting in many ways, with clear opportunities, especially for the long term. But it is also hazardous. Everywhere we look, we see limits being tested by the combination of AI expansion with geopolitical antagonism. Fiscal and social limits immediately come to mind. Geopolitical red lines will be probed, while alliances and rivalries alike are reshaped. Financial limits, from equity valuations to government and projects funding, will also be tested, as will investors' nerves.

The obvious consequence is volatility. The temptation is to ignore it and simply play the same macro themes—AI, gold, emerging markets—as we strongly believe they are secular and will only gain importance in the coming years.

The issue, however, is that we are facing deep, structural changes, and not every country,

company, or project will win. Furthermore, if limits break, we face not just volatility, but potential crises. Our central scenario is constructive, but this is no time for complacency.

This brings me to our theme: "Eyes Wide Open." It calls for vigilance and selectivity.

First, portfolio construction and risk management are paramount. We have reshuffled our strategic asset allocation to ensure portfolios always point to the long-term destination quintessential to wealth management. It is built to protect capital over defined horizons (3, 5, and 7 years) and is diversified enough to provide options to act upon adverse events.

Tactically, we expect reasonably positive returns from our central scenario and our analysis of valuations, especially for the first half of the year. But we know that the scenario can bifurcate in a blink—hence the vigilance.

Finally, 2026 should reward selectivity—finding the right opportunities below the headline asset allocation, we move from the big picture of the "Winds of Change" to more granular analysis.

We start the year with a combination of confidence and healthy paranoia, eyes wide open, and share our convictions in the following pages. We wish you a wonderful and clear-sighted 2026.



Maurice Gravier
Group Chief Investment Officer

Our Key Views at a Glance

Asset allocation—recommended portfolio positioning, as of January 2026.
Recommended positioning (TAA – Tactical Allocation), vs. Strategic (SAA).

Asset Class	CAUTIOUS			MODERATE			ADVENTUROUS		
	TAA	SAA	Relative	TAA	SAA	Relative	TAA	SAA	Relative
Cash	10.0	10.0	0.0	5.0	5.0	0.0	2.0	2.0	0.0
US Dollar Cash	10.0	10.0	0.0	5.0	5.0	0.0	2.0	2.0	0.0
Fixed Income	52.0	52.0	0.0	33.0	33.0	0.0	20.0	20.0	0.0
DM Government Bonds	25.5	26.0	(0.5)	5.0	5.5	(0.5)	0.0	0.0	0.0
DM Investment Grade	15.0	16.0	(1.0)	13.0	14.0	(1.0)	4.0	5.0	(1.0)
DM High Yield	2.0	2.0	0.0	5.0	5.0	0.0	6.0	6.0	0.0
EM Debt	9.5	8.0	1.5	10.0	8.5	1.5	10.0	9.0	1.0
Equity	23.0	22.0	1.0	43.0	42.0	1.0	61.0	60.0	1.0
Developed Markets	15.5	16.5	(1.0)	30.5	31.5	(1.0)	44.0	45.0	(1.0)
Emerging Markets	7.5	5.5	2.0	12.5	10.5	2.0	17.0	15.0	2.0
Alternatives	15.0	16.0	(1.0)	19.0	20.0	(1.0)	17.0	18.0	(1.0)
Gold+	6.0	5.0	1.0	7.0	6.0	1.0	8.0	7.0	1.0
Hedge Funds	5.0	7.0	(2.0)	7.0	9.0	(2.0)	4.0	6.0	(2.0)
Global Listed Real Estate	4.0	4.0	0.0	5.0	5.0	0.0	5.0	5.0	0.0

Asset Allocation and Portfolio Construction

- We start 2026 fully invested, with supportive drivers in the near-term
- We are neutral on cash for short-term yields, risk mitigation and flexibility
- We are neutral on fixed income with clear preferences
- We are slightly positive on stocks through an overweight in emerging markets
- We underweight hedge funds within alternatives, but overweight gold and are neutral real estate

Equity

- Our central scenario shows mid-single-digit upside potential overall
- We start the year with an overweight in EM, where China is our preferred region
- We slightly underweight developed markets, especially Europe and Japan

Fixed Income

- We are a bit cautious on investment-grade credit and government bonds
- We favour debt from emerging markets and are neutral on high-yield
- Within EM, GCC debt shows a compelling balance between return and risk

Commodities

- We expect Brent prices to average USD 60/b in 2026, with significant volatility
- Our year-end fair value for gold is USD 4,700/oz, with potential significant swings

Real Estate

- The outlook continues to be supportive for global listed assets

Contents

The Year That Was: A Lookback on Markets and Our Strategies in 2025	6
Eyes Wide Open – Testing the Limits	8
Global Macro Outlook	12
Regional Macro Outlook	14
Asset Allocation	
The Long-term Picture	17
The Year Ahead	19
Equity Strategy	
The Year Ahead	22
2026 Equity Themes	24
Fixed Income	
The Year Ahead	29
2026 Theme: EM Local Currency	31
2026 Theme: Fixed Income Ladder Strategy	32
Global Topics: Quantitative Outlook on FX and Commodities	34
Oil Outlook	36
Real Estate Outlook	38
United Kingdom Outlook	40
Five Key Risks to Our Scenario	42
Contributors	43
Disclaimer	44

Economic Calendar

JANUARY	FEBRUARY	MARCH
5: China PMI Composite	4: US ISM Services	4: US ISM Services
6: UAE PMI (S&P Global)	4: China PMI Composite	4: UAE PMI (S&P Global)
7: US ISM Services	4: UAE PMI (S&P Global)	4: China PMI Composite
9: US Monthly Jobs (NFP)	6: US Monthly Jobs (NFP)	6: US Monthly Jobs (NFP)
13: US Inflation (CPI)	11: US Inflation (CPI)	11: US Inflation (CPI)
15: US Retail Sales	17: US Retail Sales	16: US Retail Sales
28: Fed FOMC meeting	20: US Quarterly GDP	18: Fed FOMC meeting
30: Eurozone Quarterly GDP		

APRIL	MAY	JUNE
3: US ISM Services	5: US ISM Services	3: US ISM Services
3: China PMI Composite	5: UAE PMI (S&P Global)	3: UAE PMI (S&P Global)
3: UAE PMI (S&P Global)	6: China PMI Composite	3: China PMI Composite
3: US Monthly Jobs (NFP)	8: US Monthly Jobs (NFP)	5: US Monthly Jobs (NFP)
10: US Inflation (CPI)	12: US Inflation (CPI)	10: US Inflation (CPI)
16: US Retail Sales	14: US Retail Sales	17: US Retail Sales
29: Fed FOMC meeting		17: Fed FOMC meeting
30: US, Eurozone Quarterly GDP		

JULY	AUGUST	SEPTEMBER
2: US Monthly Jobs (NFP)	5: US ISM Services	3: US ISM Services
3: UAE PMI (S&P Global)	5: UAE PMI (S&P Global)	3: UAE PMI (S&P Global)
3: China PMI Composite	5: China PMI Composite	3: China PMI Composite
6: US ISM Services	7: US Monthly Jobs (NFP)	4: US Monthly Jobs (NFP)
14: US Inflation (CPI)	12: US Inflation (CPI)	11: US Inflation (CPI)
16: US Retail Sales	14: US Retail Sales	16: US Retail Sales
29: Fed FOMC meeting		16: Fed FOMC meeting
30: US, Eurozone Quarterly GDP		30: China PMI Composite

OCTOBER	NOVEMBER	DECEMBER
2: US Monthly Jobs (NFP)	3: US Midterm Elections	3: US ISM Services
5: US ISM Services	4: US ISM Services	3: China PMI Composite
5: UAE PMI (S&P Global)	4: UAE PMI (S&P Global)	4: US Monthly Jobs (NFP)
14: US Inflation (CPI)	4: China PMI Composite	6: UAE PMI (S&P Global)
15: US Retail Sales	6: US Monthly Jobs (NFP)	9: Fed FOMC meeting
28: Fed FOMC meeting	10: US Inflation (CPI)	10: US Inflation (CPI)
29: US Quarterly GDP	17: US Retail Sales	16: US Retail Sales
30: Eurozone Quarterly GDP		

The Year That Was

Financial markets in 2025

2023 was great, 2024 was good, and 2025 was excellent for portfolio returns, especially expressed in US dollars, which declined by an average of 10% against trade-weighted counterparts. This is, we believe, the most important financial fact of 2025.

We see two reasons for this excellent year. First, macro-economic factors were supportive, against many predictions especially after the infamous "Liberation Day" when the new US administration announced a stupefying set of tariffs hitting every single country, from geopolitical archrival China to some remote islands of the Pacific Ocean. As the year progressed and trade deals multiplied, it appeared that the world managed to survive tariffs and markets became more confident as visibility improved. The global economy was resilient, while inflation didn't drift higher, which allowed central banks to ease their policies unapologetically. This "Goldilocks" scenario classically supported all asset classes and was in line with our (anxious) expectations for a benign macro environment.

But this wasn't just a classical "Goldilocks": the Winds of Change we had identified, new

policies and new technologies, deeply impacted market returns, starting with the historical depreciation of the dollar we mentioned earlier. Gold, after +27% in 2024, outperformed all other major asset classes with a gain of 64% in 2025. Stocks from emerging markets, in a rare instance, did much better than their developed peers at +33% versus +21%. Meanwhile, the technological part of the Winds of Change also delivered, with AI and tech-related names outperforming, closely followed by indirect beneficiaries such as materials and finance. Finally, the fixed income asset class benefitted from a bull-steepening of the US yield curve but also rewarded risk taking with high yield and emerging markets—again—outperforming.

All humility aside, we are proud to have had the right scenario on both the macro backdrop and the key driving forces of policies and tech, and to have distinguished the signal from the noise when it came to tariffs. Humility, however, comes back, looking at our initial 2025 year-end fair values: while we forecasted positive returns everywhere, we did not expect them to be that high, to be totally honest.

A look back at our 2025 strategies and results

Asset Allocation

Our tactical asset allocation outperformed our strategic positioning by 25 basis points on average, which is objectively not massive, but

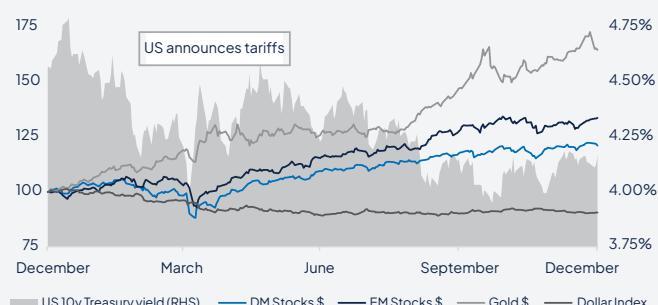
at the same time wasn't that easy to generate. As a result, most of our performance—and our largest ever outperformance of our global peers—came from our strategic allocation. In

2025 Total Return (US\$ %) vs. 2024



2025 TOTAL RETURNS in US\$ compared to 2024 -
Source: Bloomberg, CIO Office calculations.

Key interest rates, equities and gold in 2025



Gold, stocks, 10y yields in 2025 -
Source: Bloomberg, CIO Office calculations.

terms of activity, we made three significant moves. The first one was to reduce stocks from developed markets and increase high yield in April, after the first rebound post "Liberation Day". We then took profits on this switch in May, going closer to neutrality on both but keeping an overweight on emerging markets. Finally, we cut our long-held overweight on government bonds in September and took a bit more profits on equity to stay close to neutral.

Overall, the best contributor was our constant overweight on gold and generous allocation to stocks from emerging markets, as well as our preferences within asset classes.

The performances of our cautious, moderate, and aggressive profiles in 2025 were excellent in absolute at respectively +13.7%, +17.7% and +20.8%. This was better than our initial expectation for single digit returns, and a massive outperformance compared to our international competitors, as measured by their respective Morningstar categories (funds, including fees), of +4% to +5%.

Equity

Our regional allocation to equities was most active in the first part of the year, which we started with a contrarian preference for China over India in emerging markets, and for Japan over Europe in developed markets. Both positions did well, even if we took profits on them a bit early. We were skeptical about Europe all year long, which didn't prove right as the strength of the Euro turbocharged the regional returns expressed in US dollars. Still, it was a good year, that we ended regionally neutral from the end of Q3.

Our sector recommendations did well, especially on tech/AI where it was coupled with

selectivity and a timely summer call to take profits on some hyped names. We also jumped on the European defence train reasonably early. With regards to stock selection, our model portfolios and lists of recommended securities participated in the rally with more outsized positives than (inevitable) torpedoes.

Fixed Income

Our tactical allocation within the fixed income asset class was particularly active, at the sub-segment level but also importantly in terms of duration, and even, for the first time, an active emerging markets local currency play.

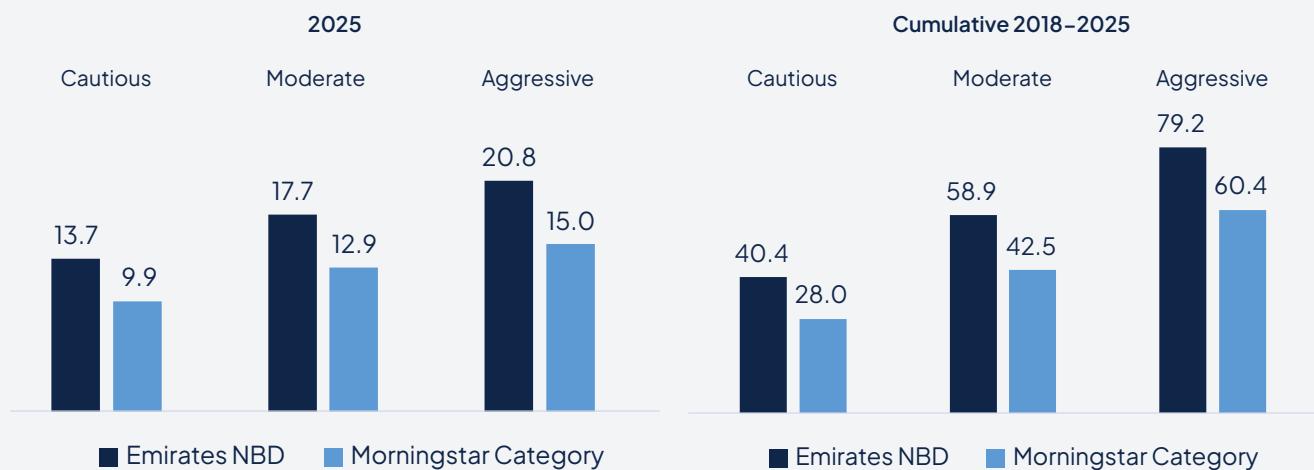
We spent most of the year overweight on government bonds, a bet we closed in Q4. We maintained a neutral allocation to credit, and tactical temporary swings between neutral and overweight on both EM debt and high yield.

We played duration very actively, with a "compass" on the US 10-year in mind expressed through a range of "potential extremes" between 3.8% and 4.8%. This, together with a constant forecast for 3 Fed rate cuts in 2025, helped us navigate a historic volatility in yields. We are getting prepared to do the same in 2026, with a combination of hope and anxiety.

Finally, we recommended an unhedged investment in TRY-denominated government bonds from Türkiye which generated double-digit annualised returns in US dollars. We tactically closed it before re-opening it upon following market developments.

Our bond selection at the security level once again delivered solid results, not only in absolute terms but also relative to their respective universes. We continued to be very active, especially on the primary market.

Multi asset strategy – Emirates NBD Tactical Asset Allocation performance, compared to global competitors average (from Morningstar)



Eyes Wide Open

Testing the limits

“Winds of Change”, our theme of 2025, did not disappoint. Last year was a turn, driven by new policies and new technologies. Investment strategy was all about separating the signal from the noise: relying on analysis rather than reacting to narratives, especially the most apocalyptic. Looking back, the global economy was resilient, inflation continued to decline, and central banks eased their policies. Financial returns were excellent, although deeply impacted by the winds of change, from gold and currencies to AI and emerging markets.

Still, the world has changed and there's no going back: Artificial Intelligence is for real, and international relations are more competitive than collaborative. In contrast to last year, 2026 is not about markets acknowledging a turn, but how the new reality will actually unfold, versus expectations. As always, when dealing with disruption, markets tend to overreact to the short term while underestimating the long term. There are serious questions on both horizons, summarised by the idea of the new world testing the limits of the old one.

Is Artificial Intelligence a bubble?

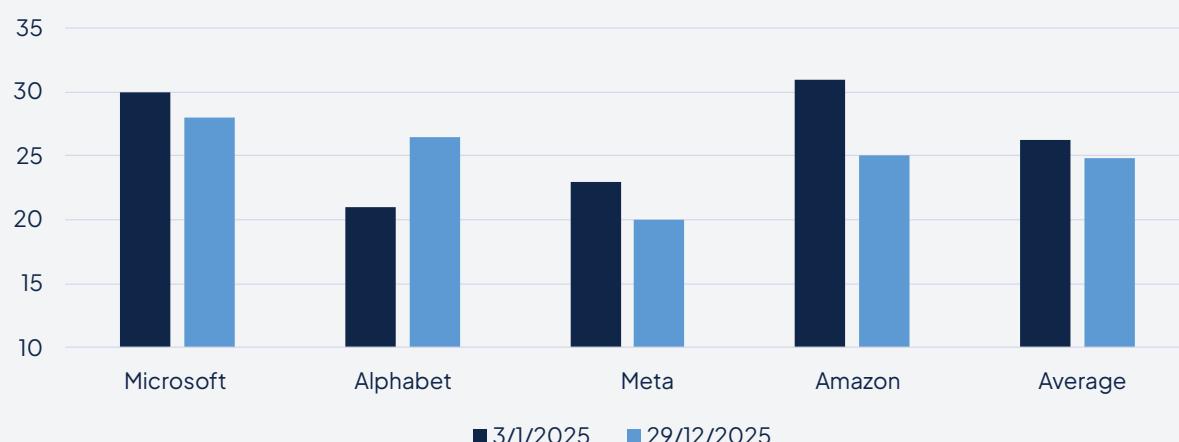
Numbers defy gravity. In 2025 alone, according to Gartner, total worldwide AI spending approached USD 1.5 trillion. Nvidia, the AI chips king, is the first company to have ever reached a USD 5 trillion valuation. OpenAI, which should generate USD 20 billion in revenues in 2025 from ChatGPT, committed around USD 600 billion in spending over the coming years. This includes a 5-year, USD 300 billion rental agreement with Oracle for super-clusters, powered, of course, by hundreds of thousands of Nvidia chips. The announcement propelled the Oracle stock price and briefly made its founder the world's richest man. A few months later, the stock tumbled and credit-default swaps went parabolic: markets got scared by the cost and cash-flow consequences of building these data centres and started to question the “circularity” of such deals.

So, is it a bubble?

First, let us be clear: if a bubble is defined by absurd market valuations, our answer is no. The multiples of listed Big Tech are not irrational, given their growth, profitability, cash-flow generation, and balance sheets. No doubt, they invest massively and have even started to borrow. But valuation-wise, the average price-earnings ratio of US Big Tech ended 2025 lower than where it began.

Now, if we are talking about an economic bubble through overinvestment risk, the answer is different. We see a race against time to establish leadership, which is crucial in tech. Time will tell whether returns will be worth the trillions spent. This requires (at least) three elements: a giant final market, a competitive structure that allows pricing power, and limited damage from technological obsolescence.

Hyperscalers valuation (P/E)—January 2025 vs. December 2025



First, the market is immense because the technology is formidable and transformative. Still, we don't know which part of the value will be sustainably captured by the infrastructure owners. For telecoms two decades ago, or for railways two centuries ago, the CapEx-to-revenue ratio was around 3—and neither ended well. According to a report from Sequoia, this ratio for AI is currently around 5.

This raises questions of competition and obsolescence. Who wins? We don't know. OpenAI pioneered adoption, but Google pioneered the research and has been embedded for years in the digital lives of billions of users—as are Microsoft and Meta in different verticals. On the semiconductor side, Nvidia rules, but their margins and volumes are irresistible incentives for competition. Regardless, data centres are not railways: chips constantly improve. Today's exorbitant cost could become a balance-sheet bomb tomorrow if better equipment becomes available for cheaper with better energy efficiency. And it's not just another American story. China is rapidly catching up on both bits (models) and atoms (chips).

To sum up, the technology is real, and stock-market valuations are justifiable for most listed players. The risk is an economic bubble, with a disproportion between CapEx and revenues in the current "field of dreams," alongside questions on asset durability. This could normalise either in a very happy way (AI revenues exploding and infrastructure builders retaining enough value) or in a tragedy where capital—the majority of which is private—will be incinerated.

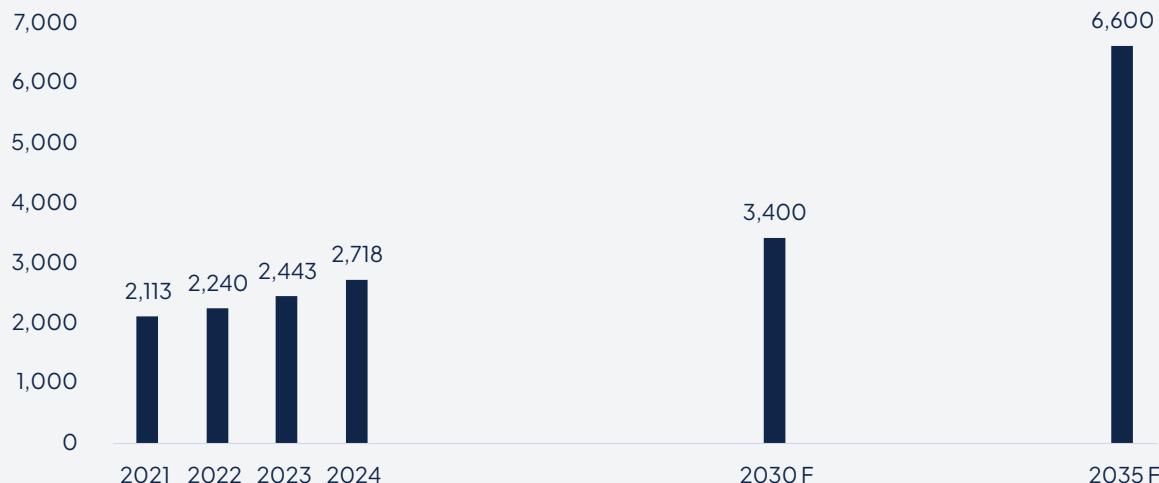
How deep is the impact of Artificial Intelligence?

A key theme of our 2025 Global Investment Outlook was that productivity gains are vital for the world, especially for large economies with ageing populations and massive public debt. AI is the only way, hence the race. If it doesn't deliver, the world will have lost a few trillions. We think it will deliver over the coming years, gradually evolving towards artificial general intelligence (comparable to humans) and one day super intelligence (better). This may be more transformative than any technology since perhaps the invention of agriculture 12,000 years ago.

First, it is an economic landslide. The economy is basically transforming energy into things through work, where workers are also the end consumers. Historically, technology slowly replaced muscles and improved human efficiency, so the workforce moved to different tasks, of higher value. AI is different: the level of expected productivity gains implies massive white-collar job substitution, and it's coming fast. It has arguably started with entry-level jobs in consulting or law.

And here is the problem: machines are great workers, but they are terrible consumers, apart from energy and computing power. They don't buy houses or handbags: white-collar workers do—a big third of the world's consumption relies on them. Who will power the economy, which, in the end, is all about human earning and spending? Will we see the emergence of a "useless class", as Yuval Noah Harari warns? And who will take care of them? Governments are already under massive financial pressure. Will

Global military expenditure (USD bn)



OpenAI or Google provide universal basic income to compensate for closed call centres, software firms, radiologists, or CIO Offices all around the world?

Another unprecedented feature is that machines are workers who do not vote. Democracies are already torn in a "K-shaped" economy with enormous wealth and income gaps. Over time, AI could be a civilisational landslide, redefining the relations between capital, labour, and society. Time will tell whether we're heading to hell or paradise, but the transition will undoubtedly test all limits, especially fiscal and social.

Finally, if we lengthen the time horizon and add the revolution of digitalised money and the possibility of super intelligence accelerated by quantum computing, we may see a brand-new world in our lifetime. Geoffrey Hinton, the "Godfather of AI", raised a disturbing question when receiving his Nobel prize: "How many examples do you know of a more intelligent thing being controlled by a less intelligent thing? There are very few examples."

Global power rebalancing accelerates

It is history: empires rise and fall, economic gravity shifts, and financial markets follow. It is easy to forget that India was the world's largest economy for most of the last two millennia, or that Japanese equities made up 45% of global market capitalisation in the late 1980s. History suggests that the current dominance of the US and G7 is a phase, not a permanent state of nature. The "Old World" is being tested by internal fractures, a trifecta of structural weaknesses: ageing populations, polarised societies with widening wealth gaps, and unprecedented levels of public debt in peacetime.

Conversely, the "New World," anchored by the BRICS+, is building strategic autonomy, from resources to trade, from military power to technology. China is already a superpower. They not only have a dominant lead in critical minerals and renewable energy, but with eight times more STEM students than the US each year, a clear strategy, and a vibrant entrepreneurial ecosystem, they compete with the best in the most advanced industries—and are quickly catching up in others. China is

building a financial, technological, and military complex designed to function independently of the dollar, of Western supply chains, and increasingly even of Western consumers. Then, there is India, the most unbreakable long-term growth story, as it is all about GDP per capita growth, arguably much more immune to AI disruptions than most large countries, and supported by demographics.

The reset is real, and it is accelerating, moving from the post-WWII era of multilateralism toward a balance of new powers and strongmen. Between leaks, rumours, and unconfirmed reports, there are increasing whispers in diplomatic circles about the US considering a "Core 5" to replace the G7: America, China, Russia, India, and Japan. Of course, this may just be a diplomatic "trial balloon"—still, there is no European country at this hypothetical table. The Old Continent may have missed a historical opportunity to create an unthinkable powerful alliance with Russia two decades ago. A "Core 5" would only accelerate Europe's decline, despite efforts to unify defence and economic strategies. Adding record levels of unpopularity for leaders in France, the UK, or Germany, and critical budget situations in several countries, the picture is not inspiring.

The parallels with the 1930s—protectionism, rising nationalism, and record-breaking defence spending—are chilling. However, 2026 is not 1936, for several reasons. First, the interconnectedness of the global economy acts as a brake on total conflict. Second, war perspectives are as unpopular as the leaders who play with them. Instead of a "rally around the flag," the rhetoric could lead to power shifts or even revolts. Finally, and pragmatically: nobody can militarily challenge the US in America or China in Asia, and with fading US support, Europe has no ability to go to war, and arguably not even an unquestionable threat to address.

Bottom line, we are more worried about civil troubles and internal tensions than about a potential global military conflict. The war is elsewhere, from trade to technology and resources. New alliances will form, old ones will fade, and all financial asset classes will be deeply impacted. With eyes wide open, we will continue to focus on separating the signal from the noise to identify risks but also their counterpart: massive investment opportunities for the long run.



Macro Outlook

Global Macro Outlook

Limited visibility amid policy uncertainty

- Economies are adapting to tariffs but we expect world trade to moderate in 2026
- G20 economies show strained fiscal positions, while policymakers could prioritise short-term wins over structural reforms
- The Fed should keep cutting in 2026, we expect 75bps of easing

We start 2026 with a number of unknowns, especially on the policy side. The remarkable resilience of 2025 is reassuring and does not suggest an imminent macro issue, but visibility is low.

Indeed, the outlook for the global economy will be challenged by policy uncertainty on the fiscal, monetary and trade fronts. Global growth and market performance have been relatively resilient to the major disruptions to policy-making introduced by governments in 2025. But the risk of a major policy shift or error will keep central banks and governments on edge in 2026. The promise of economic returns from Artificial Intelligence will also be a major theme for 2026, though more of the growth will come from infrastructure buildouts than productivity gains.

Fiscal strains across all major economies

The fiscal position of major economies has been strained for some time as the damage wrought by the Global Financial Crisis in 2008–09 and the COVID-19 pandemic of 2020 left a lasting impact on government balance sheets. But in the immediate aftermath of both of those economic crises, there were slow but positive reversals of wide fiscal gaps. But for 2026 and beyond, G20 economies are set to run their widest fiscal deficits outside of a crisis period, with little uplift in growth to show for it.

In the US, the fiscal deficit is due to run at more than 6% of GDP and public debt to hold above 100% of GDP in 2026 and move wider in subsequent years.

Across nearly all major developed markets, fiscal balances are set to deteriorate in 2026 either by moving into a wider deficit or smaller surplus. Emerging economies are due to perform a little better but few countries look to be in objectively good fiscal standing.

The focus on near-term political victories rather than longer-term goals will remain prominent in 2026. Among the G20 economies, the political calendar for 2026 is weighted to the second half of the year when the US holds midterm elections for Congress. Political polarisation remains wide in the US and the risk of a split Congress and executive and hamstrung policy-making remains high.

Policy uncertainty is not a recent phenomenon. But it has been trending consistently upward since 2015 and took a sharp spike higher in 2025, largely as a result of the implementation of US tariff policies. Paired with already strained fiscal positions across many economies, the risk that a policy misstep prompts a spike in borrowing costs or a sharp decline in currency values looks high.

A divided Fed in 2026

2026 will see the Federal Reserve beset by internal debate and struggling to express a consensus view. Inflation in the US has still not slowed to the Fed's target level of 2% but has decelerated materially. On the other hand, the labour market is cooling. Data collection was interrupted by the US government shutdown in October–November 2025, but most labour market indicators are hardly pointing to a hot jobs market.

Wide fiscal deficits in 2026 and beyond



Taken together, slowing inflation and rising unemployment levels are a good signal that the Fed will implement more cuts to policy rates. We expect that the Fed will cut rates again in 2026 as worrisome signals from the labour market will need to be addressed even as inflationary risks remain in the background. Some Fed officials may take support from the fact that even as the Trump administration imposed tariffs across the US' trading partners this year, the pass-through to inflation has been relatively limited. Our forecast is for 3x25bps cuts from the Fed in 2026, taking the Fed Funds rate to 3% by the end of the year. Cuts will be more spaced out, rather than taking place at consecutive meetings as seen in H2 2025.

Perhaps more pressing than unpicking the confusing messaging from economic data, the Fed will go through a composition change in 2026 that could further frustrate messaging. The most critical change will be the appointment of a new Fed chair. Jerome Powell's term as chair will end in May 2026 and US President Donald Trump is finalising his nominee for the next appointee. All of the proposed candidates appear to support a more dovish tilt on policy than the Fed's current stance.

Powell's term as chair will end in May but he will still be a member of the Fed's board of governors until 2028. Should Powell choose to resign his governor position, this will mean an additional vacancy on the Fed to be nominated by President Trump who clearly favours more dovish candidates.

The macro significance of AI, with a strategic positioning from the GCC

Artificial Intelligence will be a dominant force shaping economic growth in 2026, delivering a measurable impact through one of the largest infrastructure buildouts in modern economic history. This clarity stands in sharp contrast to the uncertainty surrounding virtually every other economic variable: global GDP growth forecasts span a wide range from the World Bank's cautious

2.4% to the IMF's more optimistic 3.1%, reflecting deep divisions over the impact of sweeping tariff, immigration, and fiscal policy shifts. Yet amid this turbulence, AI's contribution arrives through capital deployment in the form of infrastructure spending that feeds directly into GDP.

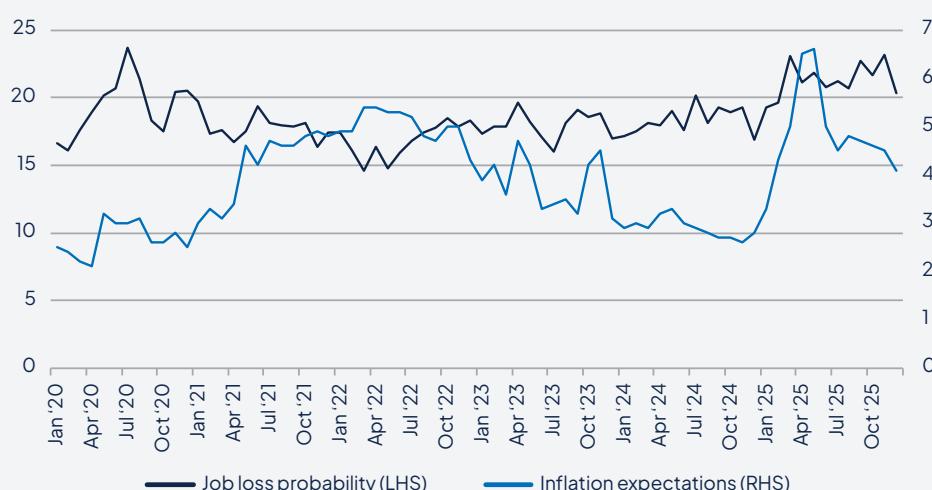
The paradox at the heart of AI's economic impact in 2026 is that its contribution to growth comes entirely from pouring concrete and installing equipment, not from the transformative productivity gains that will ultimately justify these investments. While the Penn Wharton Budget Model projects AI will boost productivity growth by 0.2 percentage points annually at its peak in 2032 and increase GDP levels by 1.5 percentage points by 2035, none of these efficiency gains materialise in 2026. This temporal mismatch of infrastructure today, productivity tomorrow, makes AI uniquely valuable amid broader economic uncertainty.

The GCC has established itself as a critical destination for global AI infrastructure investment, attracting over USD 40 billion in confirmed hyperscaler commitments. The UAE and Saudi Arabia together account for over 75% of the region's existing data centre rack capacity, positioning the Gulf not as a peripheral market but as a core component of global AI infrastructure deployment through 2030.

The UAE and Saudi Arabia are capturing outsized economic returns from this infrastructure-first phase of AI development, with respectively USD 9.9 billion and USD 8.4 billion currently under construction. These current deployments represent immediate GDP contributions through construction employment, equipment orders, and infrastructure development.

When the productivity gains start to emerge in 2028–2030, the UAE and Saudi Arabia will have established data centre capacity and the ecosystem advantages that compound over time.

Consumer fears of inflation easing but jobs are in focus



GCC Macro Outlook

Another solid year ahead

GCC economies will see stronger growth on aggregate in 2026, with almost all of the six economies that constitute the bloc set to see a faster expansion than we estimate for 2025. This will be driven by an anticipated acceleration in hydrocarbons activity, while non-oil growth will remain strong, albeit slowing from recent levels. Non-oil growth will be supported by growing populations, the expansion of new industries, and high levels of public investment. Lower oil prices will keep pressure on budgets, but this will be offset in part by higher production levels, and the regional governments remain committed to their various development agendas.

Modest slowdown in non-oil GDP growth

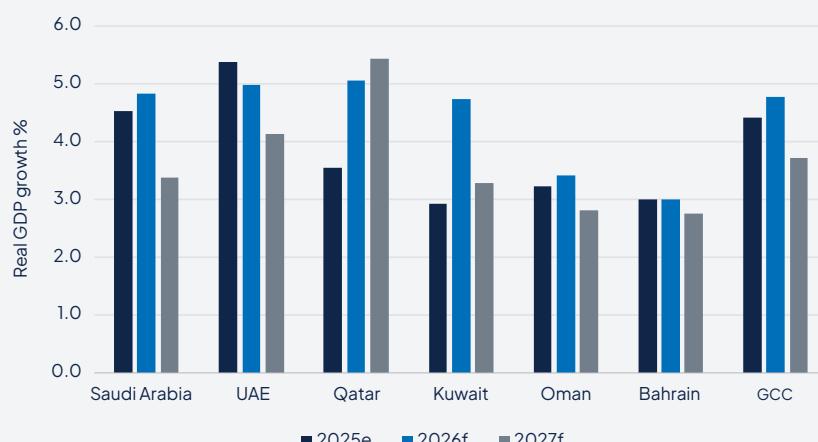
Our broad expectation for non-oil activity in 2026 is that there will be a modest slowdown across the bloc, but this is largely on the back of base effects following several years of higher-than-average growth coming out of the COVID-19 pandemic. The conditions that have supported growth through the past year are set to continue, with the global environment arguably set to be more conducive to stimulating economic activity than we saw in 2025. We forecast weighted average non-oil growth of 4.4% in 2026, down from an estimated 4.8% in 2025, with the UAE, Saudi Arabia, and Qatar set to be the outperformers once again.

We are heading into 2026 with some solid momentum behind the non-oil economies in the GCC. PMI surveys for the region have been coming in comfortably above the neutral line through the final months of 2025, with solid growth in new orders also pointing to a strong pipeline of work that should be maintained into 2026. The PMIs for Kuwait,

Qatar, and the UAE all strengthened in November compared with the previous month, and while the index for Saudi Arabia did soften slightly from October's reading, at 58.5 it remains very high and indicative of strong growth in the non-oil private sector.

Another common factor in the recent surveys was that businesses have only been raising their prices charged to customers at a sedate rate, which will help inflation in the bloc remain soft next year and provide a tailwind to consumer activity. Headline CPI inflation slowed in both Saudi Arabia and Dubai in November, and while there was a modest pick-up in the same month in Qatar and Oman, it remains at low levels. We estimate a weighted average inflation rate of 1.9% in 2025, the same pace as in 2024, and forecast a modestly slower pace in 2026. Lower oil prices, slowing housing inflation in the largest economies, and a less pronounced depreciation of the dollar should all keep inflation down. The GCC is also set to benefit from easing monetary policy – we forecast that the US Federal Reserve will cut its benchmark Fed funds rate by a cumulative 75bps in 2026, which will

Headline growth to strengthen next year



likely be followed by regional central banks given currency pegs that keep policy rates moving in tandem. This should lower borrowing costs throughout the bloc, providing a further spur to activity.

Otherwise, we expect that a continuation of economic reforms in the bloc will continue to boost private sector activity. Diversification efforts have been progressing at differing paces throughout the bloc over the past 10 years, but there has been a renewed impetus in some countries in recent months, not least Kuwait where a new privatisation push was started in November 2025, while Oman's efforts at improving the labour market and advance digital transformation have been noted by the IMF. These GCC-wide efforts should encourage greater inflows of FDI into the region over the coming years and continue to entice the inflows of new workers that have helped boost populations and economic growth over the recent period.

Hydrocarbon economies will enjoy stronger growth

While there will be a modest slowdown in non-hydrocarbons activity in 2026, we anticipate that growth in the hydrocarbons sector, which still accounts for nearly 30% of the GCC economy, will accelerate and expand by 6.5%. This would be the fastest rate of growth since 2022, when the region benefitted from the post-COVID surge in demand for oil and compares with an estimated 4.5% growth in 2025.

The surge in growth does not reflect a particular rise in forecast global demand in 2026, with growth expected to be sluggish at best, but rather in large part a change in strategy from OPEC+ that has seen it pivot to target market share rather than pricing. This

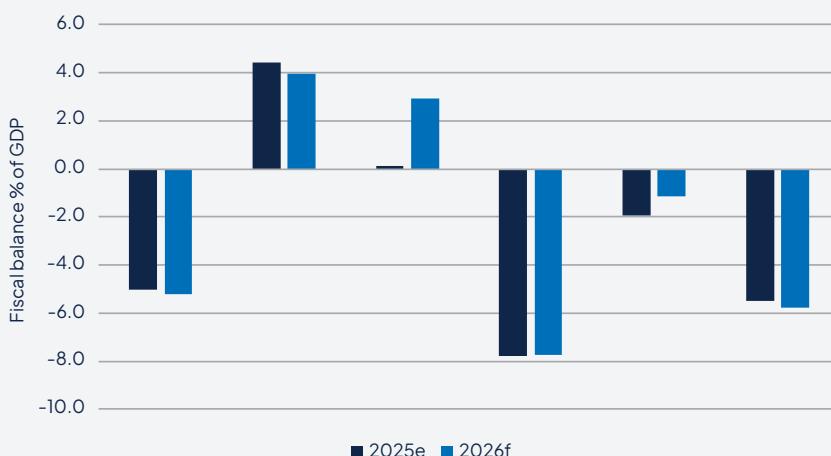
will boost Saudi Arabia's oil GDP in particular, where we forecast growth of 8.0% in 2026, while Kuwait will pick up to 6.0%, from an estimated 3.5% in 2025. Bahrain is not a member of OPEC+ but should benefit from the Bapco modernisation programme, introduced in late 2024 and expected to boost activity. The other major factor that will underpin hydrocarbons GDP growth in 2026 is the anticipated launch of the North Field gas expansion in Qatar, which is expected to come online around the middle of 2026. We forecast Qatar's hydrocarbons growth at 7.0% next year and 8.0% in 2027.

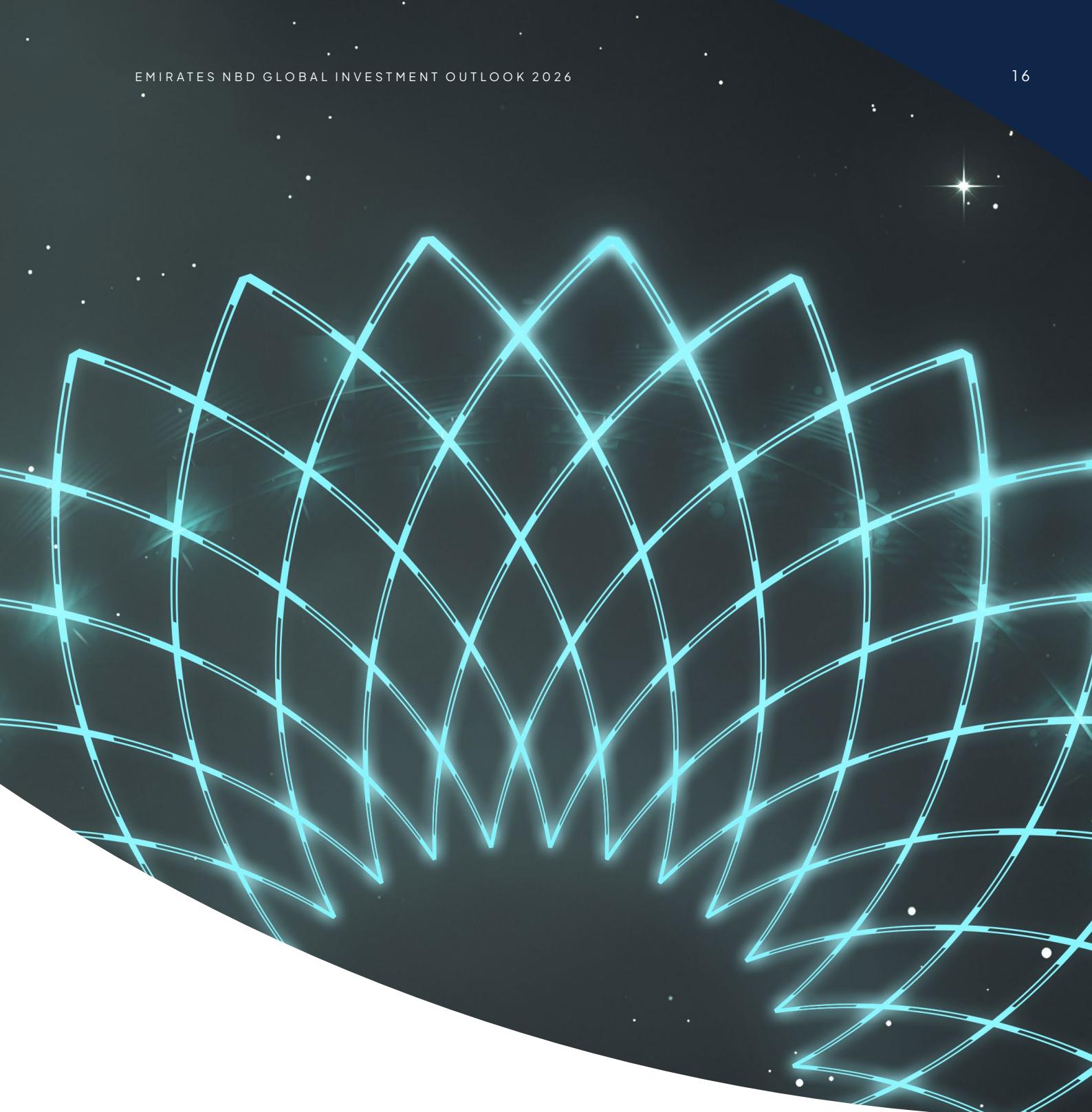
Fiscal balances mixed

With the oil demand outlook soft, and production ramping up not only from the region but from the rest of OPEC+ and non-OPEC producers also, we forecast that oil prices will decline in 2026. We forecast an average Brent price of USD 60/b, compared with around USD 68/b in 2025. And while increased production will mitigate the impact of this, especially in Saudi Arabia given our expectation of a significant ramp-up there, the upshot is that fiscal balances will remain under pressure in 2026. On the aggregate weighted average level, we forecast a budget deficit comparable to 2.3% of GDP, broadly in line with our estimate for 2025 (2.4%).

Deficits are far from uniform, however, and we expect surpluses in both the UAE and Qatar. In Oman, we expect a narrower budget deficit in 2026 as the government continues to implement fiscal consolidation measures, with the country set to be the first in the GCC with income tax from 2028 onwards, albeit in a limited capacity and impacting high earners only. Saudi Arabia's budget deficit will remain around 5.0% of GDP.

Most GCC budgets will remain in deficit





Asset Allocation

Asset Allocation

The long-term picture

- Our long-term capital market assumptions point to more moderate returns for US equities in the decade ahead
- Emerging era of scarcity and rising price pressures favours EM assets
- Case for alternative investments reinforced by rising macro volatility with gold at forefront
- Well-diversified portfolios necessary to navigate multiple crosscurrents

CIO Office updated long-term capital market assumptions

Expected Returns compared to history (annualised)			
	2026 - 10Yr	Sharpe Ratio	Historical Returns*
USD Cash	3.1%	-	2.2%
DM Government Bonds	4.4%	0.61	3.0%
DM Corporate IG	5.4%	0.73	4.4%
DM Corporate HY	6.0%	0.69	6.8%
EM \$ Debt	6.5%	0.67	6.9%
DM Equity	6.8%	0.40	8.1%
EM Equity	8.4%	0.41	7.2%
Gold	8.9%	0.53	9.5%
Hedge Funds	5.5%	0.79	4.1%
Global Real Estate	8.0%	0.46	6.9%

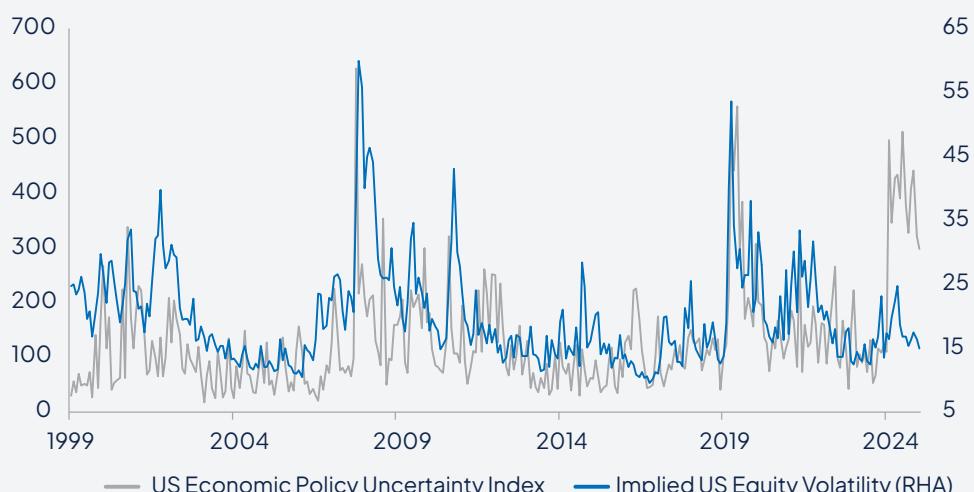
*Total return '31/12/97–31/12/25.

Source: CIO Office quantitative models, Bloomberg, as of December 2025.

Building and optimising portfolios is never a trivial exercise, especially at secular inflection points, when major trends come together to change the existing backdrop and usher in a new one. Though we do not work out the portfolio mix based on scenarios, the asset allocation should to an extent reflect the new reality on the ground. The most striking changes we see underway are the global transition from a savings to an investments glut due to reshoring, rearmament and the building out of data centres, and the shift from

monetary to fiscal dominance due to high debt levels across the major countries, intersecting at the same time with a more multipolar world. The post-GFC backdrop until before the pandemic can be characterised as basically uneventful, marked by muted growth and inflation, a kind of steady state fancifully called “Goldilocks” in financial jargon, where disinflation was the driving force. Austerity and quantitative easing were the hallmarks of Goldilocks, and in that environment government bonds and

US economic policy uncertainty portends higher market volatility



Source: Bloomberg, as of 31 December 2025.

equities did thrive. If we fast forward to today, 'uneventful' can easily be replaced with 'turmoil', price pressures are lingering, and Goldilocks is opening the door to higher macroeconomic volatility. Policy and politics are in the driving seat, with de facto monetisation of debt as a substitute for austerity. Still, although the final destination of the macro journey seems to be a stagflationary environment, on a ten-year time frame that is far from being set in stone.

One steadfast conclusion is that bonds and equities are much less suited to navigate such crosscurrents. The traditional 60/40 equity/bond benchmark must be revisited to account for a more complex scenario that heavily drifts away from the Goldilocks ideal that is now behind us. A large share of alternative assets is crucial to mitigate the negative impact of inflationary pressures and of the more pronounced volatility regime ahead. To this end, gold and hedge funds play an important role. We see the US dollar as being very overvalued in Purchasing-Power-Parity terms, so we account for potential FX gains in non-dollar assets across all our forecasts. Also, it is remarkable that fixed income has regained some appeal as yields sit close to multi-decade highs. We have estimated equity returns with a so-called building blocks approach, that is via the sum of granular components like the risk-free rate, the earnings yield, and earnings growth. Overall, the global 60/40 portfolio is projected to return about 5.9% yearly on average in the decade ahead, including FX effects, which is below historical averages. Global equities should return 7%, with gains skewed in favour of non-US markets. According to our calculations, US stocks are likely to underperform due to rich valuations, delivering 6.4% annually, while EM equities stand out with a potential 8.4% gain. Trailing US equities and prominence of the more cyclical markets and sectors will mark the era of scarcity, as opposed to the era of efficiency, which disproportionately rewarded

dollar-centric assets and IT. Though now equipped with a bigger coupon, global treasuries will most likely have to bear the costs of financial repression, that is the capping of yields by central banks to make the cost of servicing debt more affordable for governments. To mitigate both rising sovereign credit risks and price pressures in the large Western economies, investors will be better off allocating more to investment-grade corporate bonds, that should deliver 5.4% annually, or high-yielding bonds, 6% yearly, depending on their risk appetite. According to our calculations, it is EM debt that should be topping other fixed income asset classes, either dollar-denominated, or in local currency, the latter benefitting from expected dollar losses and returning 6.6% yearly. In this volatile new world where there is no way out of financial repression, gold stands out with high-single-digit returns, while hedge funds should help mitigate volatility, returning 5.5% in aggregate. Listed real estate remains a good source of income, delivering around 8%.

Overall, we see challenges to traditional equity-bond portfolios mounting significantly. Diversification via alternative assets is a must. The continued rise of gold is a true source of concern, as historically it ushered in long disruptive periods marked by economic upheavals impacting society itself.

As per the new Long-Term Capital Market Assumptions, our multi-asset investment templates are expected to return 5.7% for a Cautious profile, 6.5% for a Moderate, and 7.0% for an Aggressive one with volatility of 7.7%, 10.5%, and 12.9% respectively. Assuming yearly returns and volatilities in line with our projections, the portfolios meet our cash constraints, meaning that according to simulations there should be no loss after 3 years for a Cautious profile, after 5 years for a Moderate, and after 7 years for an Aggressive one. We are happy with these results that hold on average, while extreme market conditions could produce less favourable outcomes.

Gold's outperformance versus S&P 500 points to disruptive times ahead



Asset Allocation

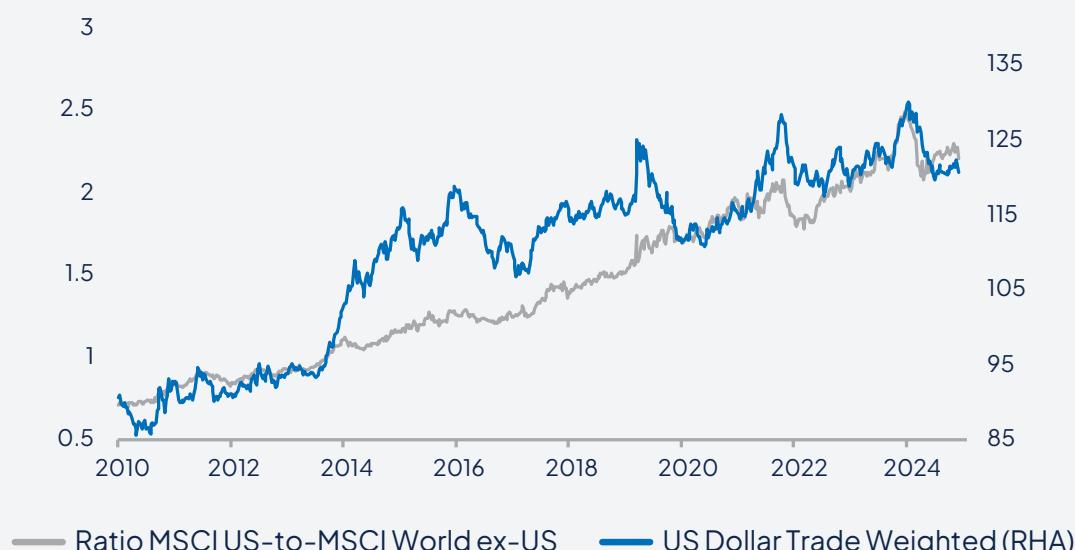
The year ahead

- Nervously bullish for 2026, looking to Fed's easing and global capex cycle
- Focus from new to old economy as investments trump consumption
- Gold still significantly undervalued, while dollar uncomfortably expensive
- Excessive stimulus from potential midterm-election panic to raise inflation risks

Last year was all about President Trump's policies, that turned out to be less disruptive than feared, as well as about the AI trade. Despite enthusiasm for technology, US markets underperformed, indicating that themes related to US exceptionalism were waning, as overseas growth improved on the margin and relative valuations mattered again. We think that, by and large, 2026 should deliver more of the same, though with increased uncertainty, hence higher volatility and lower returns. Dollar-centric assets are yet again likely to underperform. Politics and policy will increasingly be driving markets. The US Treasury has reached maximum fiscal capacity, and its plan is to reduce or stabilise the budget deficit while keeping the costs of servicing debt as low as possible, especially at the longer end of the curve. Also, the Washington administration is keen to reduce the current account deficit, that is, its external dependence through imports, which would imply less dollars to be recycled in the US markets. An attempt at deficit reduction has

been implemented via tariffs that provide revenue for the government and curb imports. The White House's new stance has relevant implications: the world will not be able to count on the US consumer as the buyer of last resort and foreign countries will have to stimulate their economies. Tariffs reduce external demand overseas, and domestic demand will have to be supported. Rearmament and infrastructure building in Germany, investments in key industries in Japan, and reshoring and the building out of AI infrastructure in the United States will mark the shift from a savings to an investments glut, increasingly supporting the manufacturing versus the services sector as well as demand for materials and industrial activity. The capex cycle, though to a great extent AI-driven, will bring the old economy back to the fore. Under this baseline recovery scenario, investors should allocate more to EM shares and prefer ex-US markets. Value should outperform growth with Information Technology taking a backseat in terms of relative performance. We

Dollar-centric assets are overvalued



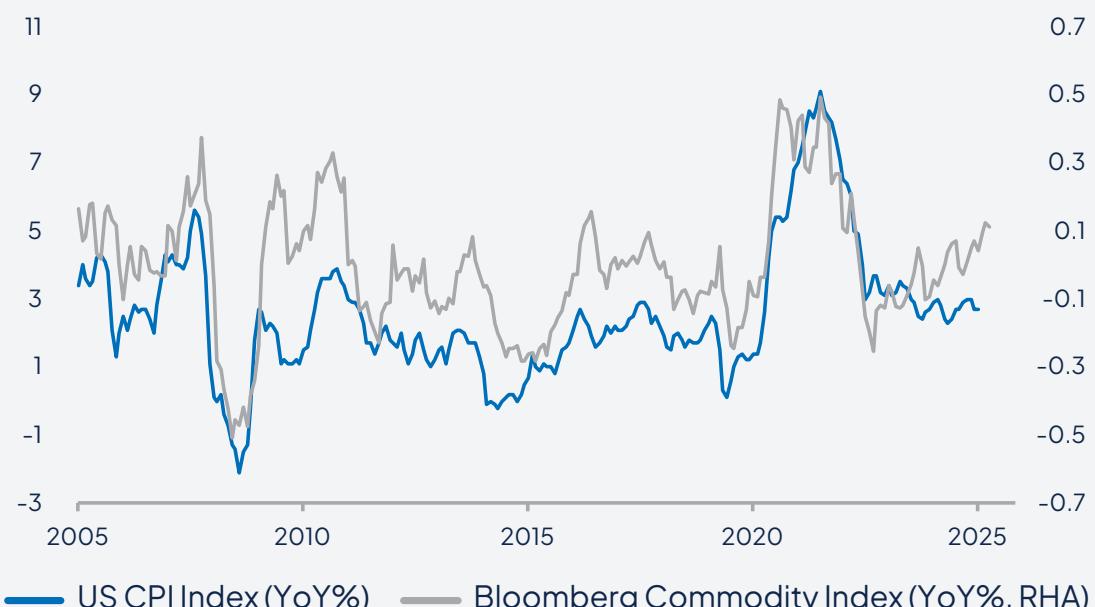
think that central bank policy will point to the same scenario. Though Fed Chair Powell may continue to pursue a cautious approach, starting from May his successor, carefully picked by President Trump amongst the most dovish candidates, is likely to cut aggressively. Consumption and housing affordability would stand to benefit, and AI-related credit would expand greatly. President Trump's ratings would see improvements, or at least this would be a credible plan in that direction. The dollar would weaken substantially amidst the Fed's cuts and stronger global growth. The pivot to global capex and the Fed's easing keep us (reasonably) bullish on risk, though with reservations about the degree of volatility we will have to navigate in the interim. A cautious Powell and a US economy that continues to slow down in the earlier part of 2026 raise the odds of market sell-offs, and not minor ones given elevated valuations. We would be buyers on weakness.

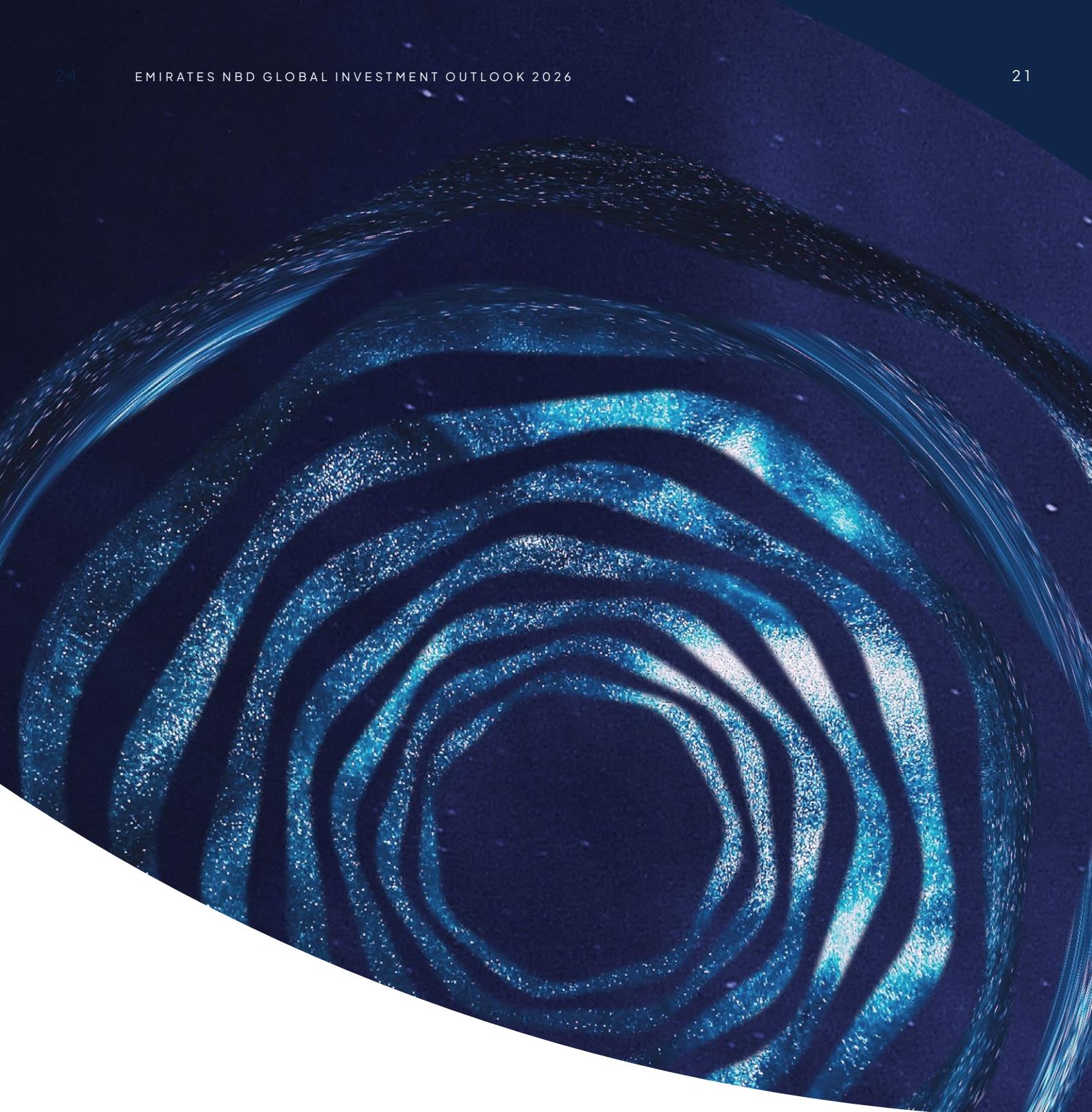
Investors should be aware of the novelty of this cycle and the attached risks. High valuations across risk assets, a Goldilocks backdrop to be replaced by a capex-driven rather than a consumer-driven economy, maximum fiscal capacity in the United States and high debt levels in all the major countries. The US midterm elections just add to the potential volatility and if anything, provide the temptation for excessive stimulus from the administration. Not only is the post-Powell's

Fed likely to ease aggressively, but President Trump could also wield tariffs by cutting them to subsidise the consumer, circumventing congressional approval. As much as markets can be volatile before the pivot to global capex and the Fed's aggressive cuts, the ensuing growth impulse would be significant with inflation eventually posing renewed risks. We see longer-dated Treasury yields as volatile, with a 4% fair value for the 10-year if our no-recession baseline holds, though risks to a larger term premium do exist in case rising price pressures are discounted. Gold remains a primary actor, both under benign and less benign economic conditions. We remain structurally bullish on the yellow metal, whose consistent appreciation in our highly levered world signals the need for public debt loads to be deflated in real terms.

In summary, politics and policy will support a fatigued US economy, while lack of alternatives will force reflation via stimulus to domestic demand in the overseas economies. We are nervously bullish with a bias towards ex-US assets and a strong preference for gold. The main risk to our view is first and foremost posed by a harsher slowdown of the US economy, with resurfacing inflation a second risk factor, and unravelling geopolitics a distant third.

Stronger commodity returns point to rising price pressures





Equity Strategy

Equity Strategy

The year ahead

- After a three-year bull run, we expect positive but more moderate, earnings-led equity returns of 10% for global equities in 2026
- We see relatively greater opportunity in emerging markets than in developed markets, backed by relatively attractive valuations and improving earnings momentum
- We believe the AI cycle remains intact, entering a phase of broader, multi-sector and multi-region adoption

Here we are, at the end of a three-year bull run, with global equities up around 24% in 2025 and markets closing the year strong across regions, extending a rally that refused to fade into year-end. After a run like that, the question investors face is no longer whether markets can move higher, but what it will take for them to do so. We don't think markets are signalling imminent stress, and we are not positioned for a downturn. But in our view, this is no longer a market that rewards complacency. What defines this phase is not the absence of opportunity, but the presence of limits. The early part of the cycle, when valuation rebuilding and expanding multiples did much of the work, is behind us. Valuations are higher, capital intensity is rising, and expectations are more demanding. Importantly, we do not see this as a repeat of the dot-com era. At the peak of the early-2000s bubble, the leading technology stocks traded close to 70 times two-year forward earnings, and profitability collapsed soon after, with aggregate earnings for those leaders falling by roughly 65% in the following year. Today's AI leaders operate in a very different environment. The largest hyperscalers trade closer to the mid-20s on a two-year forward P/E, and consensus expectations point to earnings growth of around the high teens over the next year, not contraction. In our view, that distinction matters. Today's leaders are profitable, cash-generative, and funding investment from earnings rather than promise. That does not mean the market is forgiving. Markets remain supported, but they are more demanding. We believe returns will be earned incrementally, leadership will evolve, and mistakes will be punished more quickly. This is not a warning sign, but the natural cost of maturity.

We already see this maturity changing how markets behave. Earnings surprises that once drove sharp repricing now tend to be absorbed more quietly, with good news still mattering but no longer delivering the same shock value. This was evident during the third-quarter 2025 earnings season, when US earnings growth came in at a double-digit pace yet failed to generate another sustained leg higher. In our view, this behaviour is instructive for 2026. Upside increasingly requires broader participation rather than repeated outperformance from a narrow group. That shift is also visible in the composition of earnings growth. After several years of heavy concentration, we believe 2026 will see greater convergence between the Magnificent 7 and the rest of the S&P 500, with mid-teens earnings growth increasingly shared across the index, roughly 5.4% from the Magnificent 7 and close to 8.9% from the rest of the market. Leadership is not disappearing, but the burden of growth is beginning to be shared more broadly. We do not expect market concentration to unwind abruptly. The experience of 2025 showed that broadening can be slow and uneven, even as participation improves at the margin. Concentration could reach new highs along the way, as capital continues to gravitate toward perceived quality and scale. In such an environment, broad sentiment measures remain prone to sharp swings, even though underlying trends remain intact and fundamentals remain solid.

As we enter 2026, we remain constructive on equities but expect moderation. We do not believe the outsized gains of the past two years are likely to repeat. Instead, we expect steadier progress, driven primarily by earnings rather than re-rating, and supported by a wider set of contributors than earlier

Equity indices—CIO Office estimates & 2026 year-end fair values

Region/Index	US:S&P 500	MSCI Europe	Japan: Topix	UK: FTSE	MSCI EM	MSCI China	MSCI India	MSCI GCC
Currency	USD	EUR	JPY	GBP	USD	HKD	INR	USD
Index End 25	6,845	198	3,409	9,931	1,404	83	3,075	735
2025 Performance	17.86%	20.20%	26.76%	24.68%	33.57%	35.47%	8.91%	4.92%
CIO Office YE 2026 Estimates								
EPS Growth	12%	6%	10%	8%	14%	12%	13%	8%
Price/Earnings	24.3	15.7	17.2	14	15.6	13.8	23.6	13.8
Index Fair Value	7400	205	3630	10300	1565	93	3475	771
Upside/Downside	7.70%	6.20%	7.90%	6.50%	12.90%	9.40%	13.10%	5.20%
Dividend Yield	1.10%	3.00%	2.10%	3.10%	2.30%	2.30%	1.20%	4.00%
Estd. Return 2026	8.80%	9.20%	10.10%	9.70%	15.20%	11.70%	14.30%	9.20%

in the cycle. Our central expectation is for global equities to deliver returns of around 10% in 2026. Within that, we see relatively greater opportunity in emerging markets than in developed markets, where valuations are higher and expectations more demanding. We believe 2026 offers a compelling backdrop for emerging markets. A relatively benign macro environment, characterised by easing global monetary policy and resilient growth dynamics, creates space for earnings to compound across a wide range of economies. Emerging markets represent just over 10% of global equity indices, yet account for roughly 40% of global GDP and close to 70% of global real growth. In our view, that imbalance continues to matter. Many emerging market equities offer growth profiles comparable to developed markets, including the United States, but at meaningfully lower valuations and with significantly lower ownership. At the index level, concentration is already pronounced. Taiwan now commands close to 20% of the MSCI Emerging Markets Index, nearly matching China and exceeding India, with more than half of that weight concentrated in a single company, TSMC. This reinforces our view that opportunities across emerging markets are highly differentiated, from reasonably priced AI enablers to underappreciated technology leaders in China, and fast-growing structural stories across India and beyond. Taken together, we believe emerging markets offer an attractive combination of growth, diversification, and valuation support as global equity returns become more demanding.

We continue to view the AI investment cycle as the primary growth engine for global equities, particularly in the United States. Capital spending remains at unprecedented scale, with US hyperscalers expected to invest close to USD 400 billion annually in AI-related infrastructure. In our view, this anchors near-term earnings visibility across semiconductors, hardware, power, and enabling software. At the same time, we believe large investment cycles rarely unfold in straight lines. Periods of strong progress are often followed by reassessment, volatility, and shifting narratives, and we see these dynamics as a feature of the cycle, not a flaw. We believe AI is entering a phase where it is no longer a single-sector or single-region story. Tariffs, export controls, and fragmented supply chains have reshaped incentives, accelerating domestic capability building and creating new centres of relevance across Asia, including China, Japan, and South

Korea. The long-term case for AI remains intact. We believe it is a multi-year, and likely multi-decade, driver of productivity, efficiency, and earnings growth. What we expect to evolve in 2026 is how value is created and where it appears. The early phase rewarded scale and infrastructure. The next phase increasingly rewards adoption, integration, and execution.

This is the backdrop for 2026. In our view, the opportunity remains, but it requires 'Eyes Wide Open' and an acceptance that progress will not be linear.

DEVELOPED MARKETS: Overweight US, neutral UK, Japan, underweight Europe

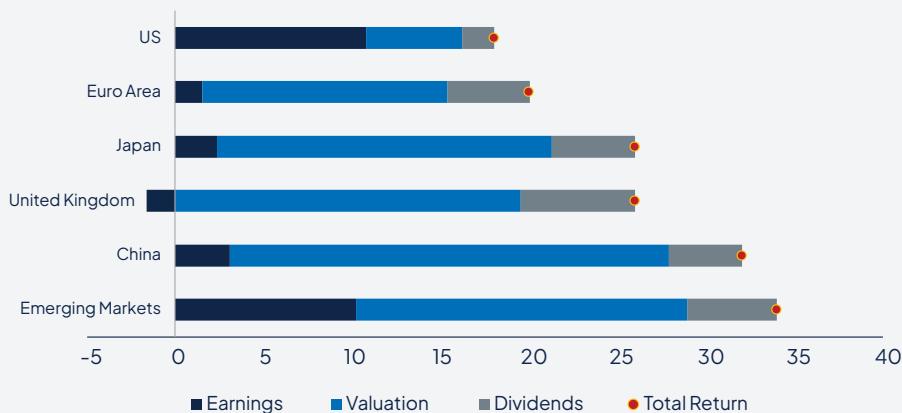
We enter the year positioned constructively, with discipline firmly at the forefront. Our positioning reflects relative preference rather than a view that certain regions will not deliver positive returns. In developed markets, the United States remains our core overweight. We believe earnings resilience and the broadening impact of AI across sectors continue to support the equity case, alongside expectations for a more growth-oriented policy stance, including deregulation and lower taxes.

Japan sits where reform and opportunity intersect. We believe shareholder-friendly changes, improving capital efficiency, and leadership in automation and applied AI continue to strengthen the equity story, with valuations remaining more compelling than in much of the developed world. We maintain a neutral allocation to the UK, where income characteristics provide balance. In the Eurozone, our positioning reflects relative preference rather than pessimism. Europe delivered a strong performance in 2025, and we continue to expect positive returns, but as we enter 2026, we see other regions offering more attractive combinations of earnings momentum, valuation support, and thematic exposure.

EMERGING MARKETS: Overweight China, UAE, neutral India

Within emerging markets, our preference remains selective. We are overweight China, where we see attractive valuations, improving earnings visibility, and domestic winners emerging across AI-related manufacturing, hardware, and software. India's long-term structural story remains compelling, but elevated valuations lead us to a neutral stance at the start of the year.

Earnings vs. valuation: what's driving equity returns



Equity Strategy

Investing at the edge of constraints

The common thread running through our 2026 equities outlook is neither unbridled optimism nor capitulatory pessimism. Instead, it is centred on the concept of constraint. While structural forces for growth remain powerful, they are increasingly pressing against physical and geopolitical limits. The era of frictionless expansion, characterised by a globalist understanding, normalised cyclical, and peaceful supply chains, has ceded ground to a new reality of bottlenecks. In this environment, broad indexing may fail to capture the nuance of the moment. We identify distinct themes where constraints are forcing a repricing of assets.

Memory: The Silent AI Bottleneck

For the last decade, memory was treated as a commoditised afterthought. That framework is no longer sufficient. As AI models grow exponentially, they are constrained not just by GPUs, but by the speed and capacity of memory. We think the market is sending a clear scarcity signal here. Take DRAM 16GB spot prices rising a whopping 13.5x since the start of 2023. Leading companies in the space (Micron, Samsung, SK Hynix) are witnessing pricing power the likes of which was rarely, if ever, possible on the back of unprecedented hyperscaler-driven demand. These are rare opportunities that we think should be seized in equity markets. 2026 may see these memory specialists potentially experiencing their own "Nvidia moment."

Agentic AI: Let Me Help You with That

On the demand side, the story is evolving rapidly from "chatbots" to "agents," creating a

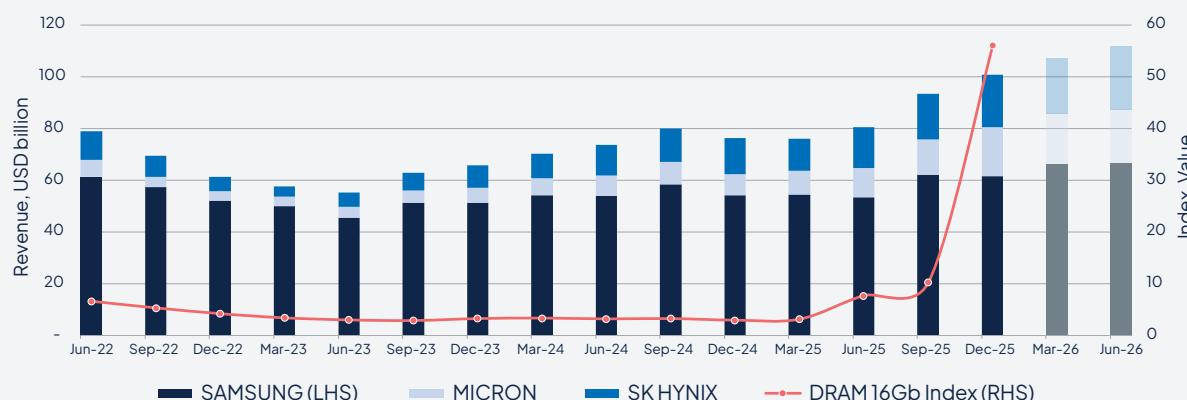
multiplier effect on hardware consumption (GPUs, memory, storage). We are witnessing the transition to Agentic AI, which is autonomous software that doesn't just answer prompts but executes workflows. While a chatbot runs a single inference, an agent enters a continuous reasoning loop to solve problems. We see this as a margin mandate for the current leading software providers, not just hype. Goldman Sachs estimates that Agentic AI can drive a 25% productivity boost in administrative tasks, with corporations citing it merely 25 times in 1Q'24 compared to nearly 20,000 times in 4Q'25 alone.

Only a handful of companies are truly pushing the bounds of this technology currently. Luckily, they also happen to be deeply entrenched as essential vendors in enterprise. Workday, Salesforce, and ServiceNow are all seeking to boost productivity with their current base of clients through their own agentic platforms, each showing promising results already in terms of adoption and the willingness of enterprises to pay for the latest tech. We think all three (6.4% of S&P 500) have an important role to play in 2026.

AI Adoption: Do We Have to Bring This Up Again?

Nice story, but what's taking place in the background is what truly matters. Is AI adoption tangible? Do we see it happening? Consider the abnormally surging power prices in the US, and the answer is a definitive "yes." The physical grid is already pricing in a shock. In the Pennsylvania-New Jersey-Maryland Interconnection (the US data centre hub), capacity auction prices spiked nearly 800%,

We see a sharp mismatch between what consensus is pricing in for revenue growth next year and the once-in-a-lifetime pricing power the big three memory specialists are experiencing



jumping from roughly USD 28 in 2024 to USD 270 per megawatt-day in 2025.

Data centres are not a new concept; they have been around for decades and had been expanding routinely until now. The data centres we are seeing come online today are geared towards AI usage and training, which is the only driver behind the unusual power price surge. Keep in mind, this is happening during a period when cost inputs have sharply trended downwards from their 5-year peak: oil (-51%), natural gas (-55%), and solar (-29%). Data centres' power needs are only expected to go up from here, from roughly 4% to 11.7% of the total power grid by 2030.

China Tech: Fine, I'll Do It Myself

Simultaneously, supply is fracturing due to "Eastern Defiance." While the West wrestles with capacity, China wrestles with US export controls. Far from strangling innovation, restrictions have catalysed a state-directed drive for self-sufficiency. National giants Huawei and SMIC are pushing the boundaries of legacy processes to produce chips approaching the firepower of their coveted Western counterparts. Moreover, we note that the constraint on China has inadvertently pushed the country to leapfrog AI advancement without the need for the latest and greatest Nvidia chips (see Deepseek, Qwen, Hunyuan, ERNIE), and at a fraction of the cost hyperscalers have contended with. We can no longer ignore the renewed dynamism coming out of China, doubly so while deep-rooted market pessimism persists. The opportunity comes at a promising margin of safety as well. Chinese champions driving these advancements (Baidu, Tencent, Alibaba) are trading at attractive forward multiples of 11x EV/EBITDA versus 15.3x for US big tech and 13.7x for the MSCI ACWI Index; close to a 30% and 20% discount, respectively.

We are witnessing the bifurcation of the global tech stack, creating a sovereign ecosystem that fundamentally alters the supply dynamics between East and West. Are we suggesting a complete shift in favour of China tech versus US? No. What we are saying is that China can no longer afford a heavy-handed approach to its tech industry, and hence, the sector deserves a second look.

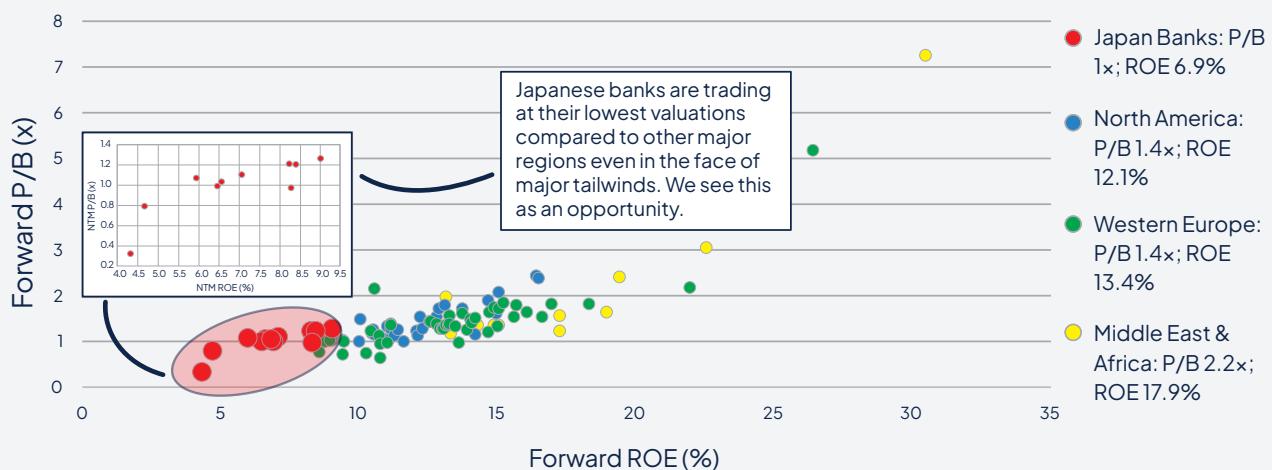
Japan Banks: Wait, Rates Can Go Up?

Japanese banks have had an uneventful history. The top ten by market cap, from Shizuoka Financial to Mitsubishi Financial, yielded negative-to-flat returns during the 2014-22 period. We started seeing sustained returns once the prospect of rate hikes became more evident in 2023. The stance completely changed towards a hike regime once the 2024 "Shunto" spring wage negotiations yielded the largest pay increases in 33 years, providing the BOJ the final confidence it needed that a sustainable wage-price cycle was forming.

Since then, the effective policy rate has rapidly advanced towards 0.75%, while the banks have seen an average, USD-based gain of 58%. The average EPS grew by 80%, while the median rose by 104% over the past decade, versus 66% for the MSCI Global Banks Index. Most of the growth the banks experienced occurred during the past two years.

We think this structural backdrop offers interesting opportunities. But we do not recommend an across-the-board approach. Here, we look for quality at reasonable valuations, as they have historically outperformed the broader Japanese equity market. The Chiba Bank (P/B 0.99x; ROE 6.5%) and SMFG (P/B 1.2x; ROE 8.3%) screen high here.

Japanese banks present a rare investment opportunity



Equity Strategy

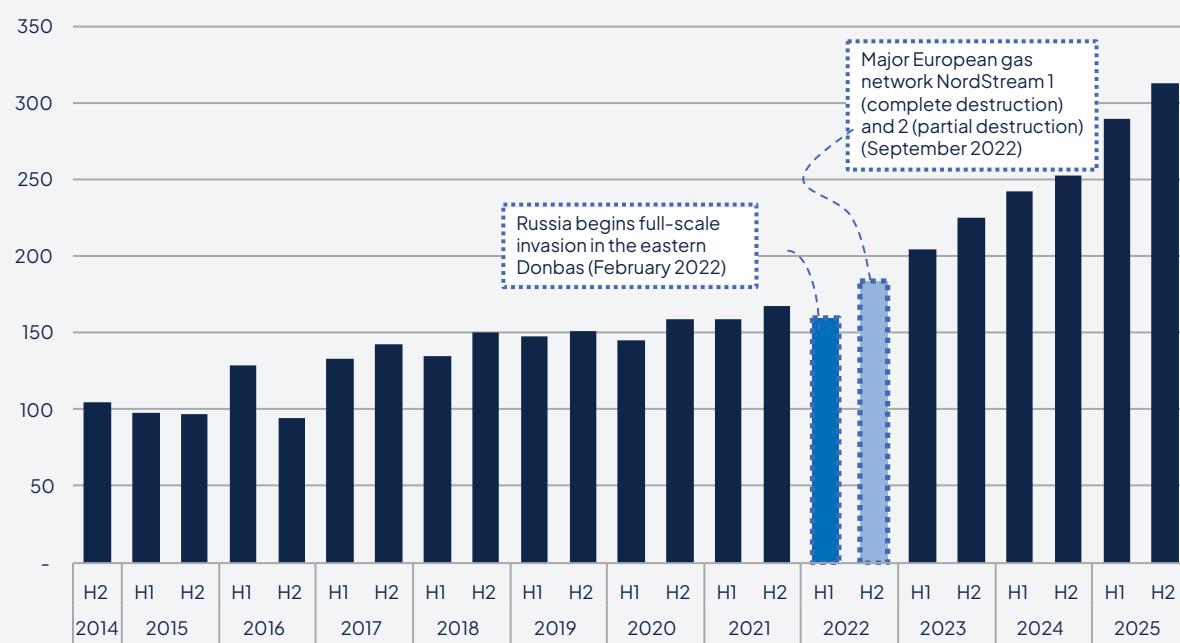
Investing at the edge of constraints

European Defence: It Was Nice While It Lasted

We believe the "peace dividend" is permanently defunct. The geopolitical reality has forced NATO allies to shift their spending targets from a 2% GDP floor toward a more robust 3% to 3.5%. If fully implemented, this implies roughly USD 310 billion in incremental annual expenditure across the alliance. This capital will not be deployed sporadically. It translates into budgeted, multi-year demand that provides exceptional earnings visibility for prime contractors.

Within the European theatre, valuation dispersion remains striking. Companies such as Rheinmetall are effectively combining approximately 27% earnings growth through 2029 with valuations near 13x EV/EBIT. Meanwhile, Southern European names such as Leonardo and Indra trade at even steeper discounts despite successfully pivoting their portfolios toward higher-margin defence electronics and systems integration. In an increasingly dangerous world, the defence sector is no longer a cyclical industrial play. It is a structural necessity for national sovereignty.

We have seen a steep rise in EU defence backlogs not seen in decades; pushed by the Russian incursion into Ukraine



Silver: Hi ho! Oh no

Finally, we see constraints manifesting most acutely in the commodities complex. After decoupling from its traditional drivers in 2025, silver enters 2026 facing a structural reckoning. The market is now in its eighth consecutive year of supply deficits, a statistical rarity that has aggressively drained above-ground inventories.

The demand engine for silver is firing on dual cylinders. On the "green" side, solar photovoltaics remain the baseload demand driver. Even with efficiency gains, the industry's shift toward more powerful cell technologies, which utilise 30% to 50% more silver per unit, is offsetting any attempts at thrifting. On the "black" side, the explosion of AI and semiconductor infrastructure introduces a new, price-insensitive buyer to the market. Silver's superior conductivity makes it non-negotiable in high-performance computing and data centre connectors.

Supply offers no relief valve. Approximately 70% of global silver is produced as a by-product of lead, zinc, and copper mining. Keep in mind that in 2025, the second largest

copper producer (Freeport-McMoran's Grasberg Mine) halted production due to an operational accident, staying offline well into 2027. Grasberg produces about 5% of global copper. This means that higher silver prices do not trigger a rapid supply response. A zinc miner will not ramp up output simply because silver prices rise. Consequently, primary production has declined year after year. Consensus now places a USD 50 to USD 55 price floor on silver in 2026. Absent a sharp global industrial recession, silver embodies the essence of "Eyes Wide Open" investing. It represents

massive upside potential that is constrained only by the physical limits of extraction.

We prefer names that have a larger concentration of high-grade silver mines, and there are not that many in this space. Hecla has been our top pick since November 2024 due to its safe mining jurisdictions and highest-grade ores. The diversified large miners still have a place here, as the highest volume comes from them, but we also see the highest upside coming from the silver specialists.

Capex has been ramping up, indicating a long-term tailwind



Silver lease rates have hit unprecedented levels, signaling volatility and a possible supply crunch for physicals

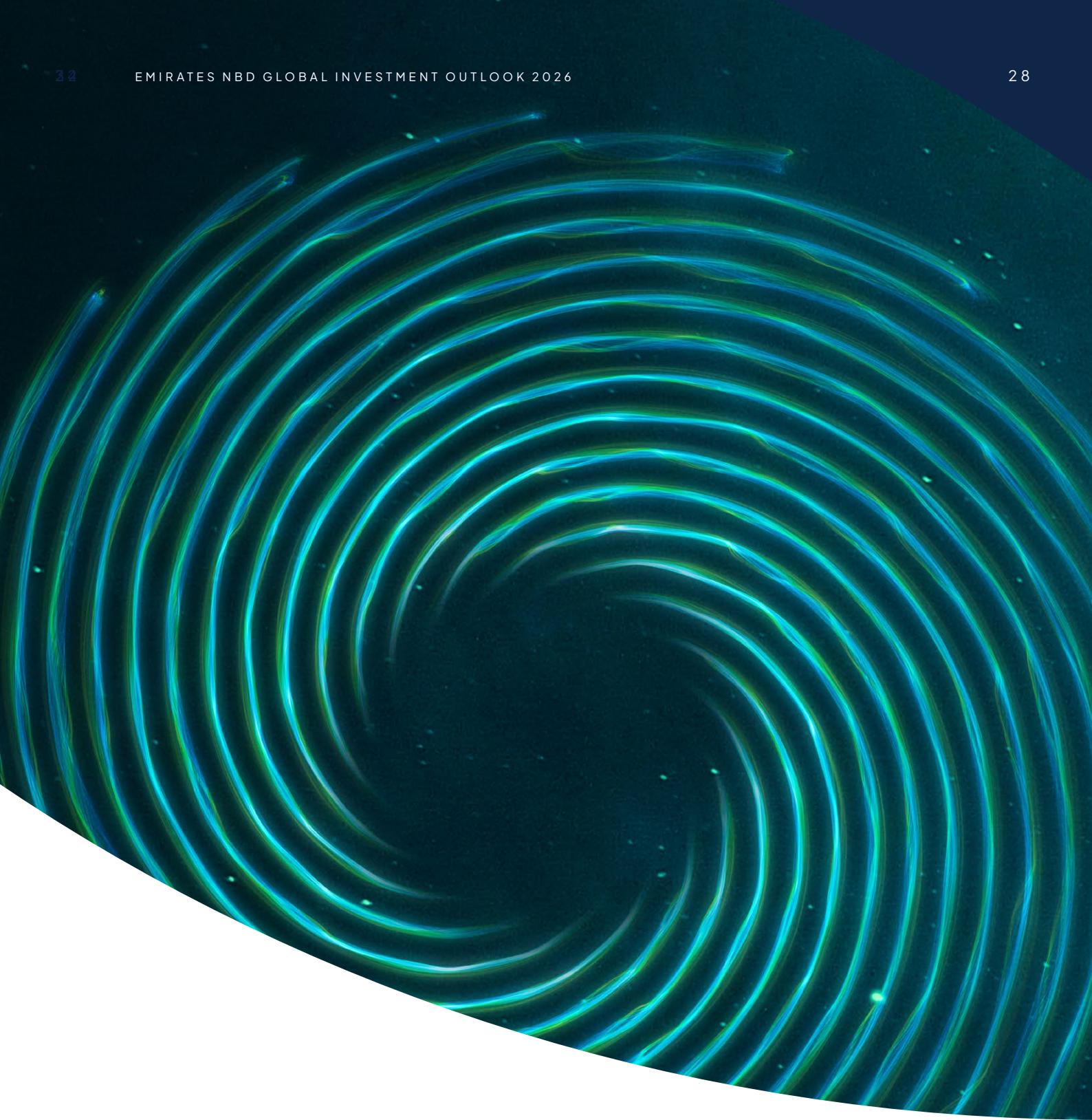


Silver mining has barely budged in the past 10 years, deficit is likely to continue



Physical silver holdings at the CME have started coming down sharply since the September '25 peak





Fixed Income

Fixed Income Strategy

Finding opportunities on the off-ramp

CIO Office 2026 year-end fair value estimates

	Current Yield	Current Spread (Bps)	End 2026 Yield/Spread Estimates
US 10y Treasury Bond	4.17%	-	4.00%
Global Investment Grade	4.23%	72	75–100 bps
Global High Yield	6.48%	291	325–350 bps
Emerging Markets Debt (USD)	5.71%	178	175–200 bps
GCC Debt	4.88%	94	100–125 bps

Source: CIO Office, Bloomberg Data as of 31 December 2025

After a couple of false starts in the previous years, 2025 actually turned out to be good for Fixed Income investors. Tightening spreads and lower treasury yields boosted returns. EM Debt and Global HY topped the charts generating double-digit performance. US Treasury yields drifted lower and our guardrails of 3.8% and 4.8% for the 10-year US Treasury yield worked well throughout the year. Fed restarted its rate-cut cycle in September and stopped quantitative tightening in December.

Typically, after such a robust year, it is difficult to repeat the act. 2026 starts with multiple uncertainties staring at investors. For the first time in decades, investors are raising concerns regarding debt levels of developed market governments. Japan faced the ire of investors while auctioning long-end bonds, while French OATs reeled from the dual uncertainty of macro risks and political uncertainty. UK's budget measures met unenthusiastic investor reactions. Investors are looking at quality corporate and emerging-market sovereign debt as an alternate to once-deemed-safe DM government bonds. Central Bank independence in the US is being questioned as political pressure grows on the Fed to lower rates.

Secondly, AI hyperscalers now target the credit market to finance their capex requirements. Over the next five years, analysts anticipate USD 1.5 billion issuance of AI-related debt. Investors will be circumspect, and we expect them to demand higher spreads to absorb these bonds.

Lastly, uncertainty on the future inflation and unemployment paths makes the Fed's future rate trajectory quite unpredictable and prone to potential policy errors. Considering this background, we recommend a neutral duration positioning. We prefer generating higher yield through leverage rather than going down the

rating spectrum to weaker credits. Emerging Market Debt stands out with significant tailwinds and renewed investor interest. We start the year with low conviction in the other segments.

Neutral Developed Market Government Bonds

Long deemed to be the safest asset class, developed market government bonds came under tremendous pressure as investors became concerned with the level of debt and fiscal deficit. Term premiums increased as investors demanded more compensation to carry government risk. In the US, even the Fed independence came under scrutiny, leading to treasury market volatility. In 2026, we watch the slowing US labour market closely. The risks between a slowdown and increased inflation are asymmetrically tilted towards the former. However, the risk of rising term premium means the Treasury market could steepen as long-end yields stay high while front-end yields drop in line with rate cuts. We must be cognisant that the new Fed chair may not be able to swing the FOMC to cut rates as President Trump desires. We start the year with neutral duration and a 10-year fair value of 4%.

Underweight Investment Grade Credit

Historically, Investment-grade Credit spread below 75 bps have delivered minimal excess returns. Currently, the global aggregate credit index offers a 4.2% yield and a duration of 6.09 years, resulting in a robust break-even of around 70 bps. Demand for high-grade corporate debt remains strong, with overseas interest expected to persist as hedging costs decline following further rate cuts. On the supply side, issuance from AI-related firms is

rising—Oracle is now the largest non-financial constituent in the US corporate credit index, and AI-linked debt issuance is projected to exceed USD 300 billion in 2026. While this may prompt some investor caution and modest spread widening, strong corporate fundamentals, the lowest BBB share in a decade, and solid demand should keep spreads contained. We forecast a fair value spread range of 75–100 bps.

Neutral High Yield

High Yield spreads remain historically tight, but with the US HY Index yield above 6.5% and a duration of 3 years, breakeven spreads are solid at approximately 215 bps. Over the past 30 years, spreads have widened by more than 200 bps in just six exceptional cases. Absent such rare events, we anticipate a gradual increase in spreads, with fair value for the Global HY Index projected between 325 and 350 bps. We will monitor the credit stress in the small business segments very closely this year. Issuers' strong access to capital markets has led to substantial refinancing in 2025. Notably, 53% of the HY universe is now rated BB, and senior secured bonds represent a considerable share. S&P forecasts the global trailing 12-month speculative-grade corporate default rate will reach 3.7% by September 2026. In the USD HY market, the current distress ratio is 5.5%, with historical data indicating that about one-third of distressed issuers default within a year, according to JPM. However, recovery rates for defaulted bonds have declined to around 30%, compared to the historical average of 40%.

Overweight Emerging Market Debt

We believe EM Debt is in a sweet spot, supported by three tailwinds. Firstly, we are past peak tariff uncertainty, which means both tariff winner and loser spreads will be more stable. Next, the inflation in most of the EM large countries is within the central banks' target ranges. Unlike Developed Market Sovereigns, fiscal deficits are not a concern for the large Emerging Market Sovereigns. Lastly, central banks would be ready to cut rates without worrying about FX depreciation since majority of analysts believe USD strength would be temporary. We like local currency government bonds from high yielding countries such as Egypt and Türkiye.

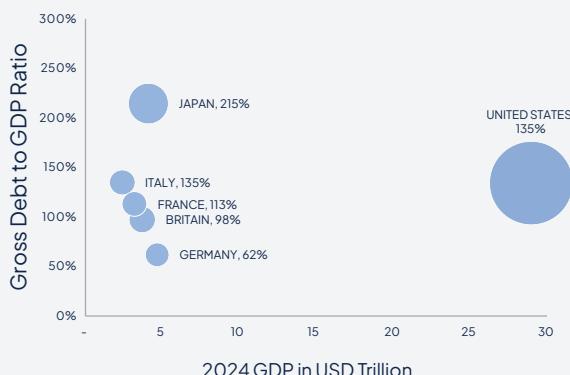
2025 supply of GCC debt created a new record with more than USD 140 billion issuance. KSA dominated the issuance volumes with around USD 62 billion new bonds issued. GCC debt supply is expected to be slightly lower, with the 2026 KSA budget forecasting a slimmer budget deficit of 3.3%. We expect KSA banks to lead the issuance wagon to shore up their capital. Overall, GCC index spreads could trade in the 100 bps to 125 bps range, depending on the price of oil.

Risks to Our Outlook

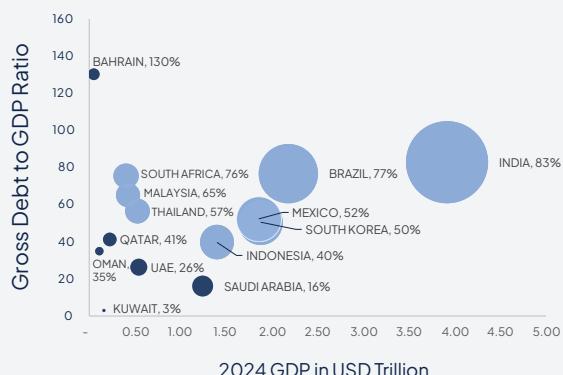
We see increased sovereign debt sustainability fears, rise in credit stress in small businesses and perceived risks to Fed independence as the biggest threats to our outlook. In addition, if inflation unexpectedly quickens or unemployment picks up, the future path becomes unclear. All of these would result either in a higher yield or widen credit spreads, leading to "lower-than-carry" returns for Fixed Income investors.

Gross Debt to GDP of developed markets and emerging markets (ex-China)

Debt to GDP: Developed Market



Debt to GDP: Emerging Market (ex-China)



Fixed Income Strategy

EM local currency at any rate

In 2025, emerging-market (EM) local-currency bonds demonstrated robust performance, with the Bloomberg EM Local Currency Liquid Govt. Index achieving a return of around 16.5%. This surpassed the EM hard-currency bond index, which posted a 11% return. Notably, China, India, South Korea, Indonesia, and Malaysia collectively represent approximately 45% of the benchmark index. The impressive results, achieved despite ongoing tariff disputes, were primarily driven by a softer US dollar and the commencement of rate-cutting cycles by several EM central banks.

Inflation trends across EM economies continue to improve and normalise towards central bank targets in many EM economies. Inflation is expected to decline further in markets such as Brazil, Chile and parts of CEE. Some Asian economies may see a modest rise, from already-low levels. Softer commodity prices and China's continued push for exports should help keep goods inflation contained. On the growth front, several emerging countries face tariff pressures from the US, while fiscal challenges are emerging in economies seeking to bolster growth. Weaker domestic demand, tariff-affected exports, and limited fiscal space could weigh on growth trajectories, supporting the easing cycle. Monetary policy remains a key tailwind. EM central banks began easing last year, and many still have some room for further cuts as inflation trends downward with resilient growth. Further, the Fed cutting rates will provide additional space for the EM cutting cycle.

Flows and external buffers are supportive for EM Local Currency. Local-currency bond inflows have strengthened as investors seek high-carry opportunities, supported by sufficient FX reserves and a low/moderate

supply of EM hard-currency bonds.

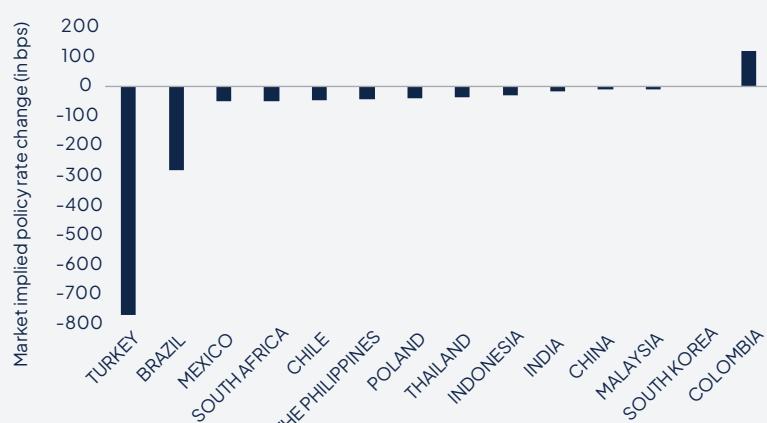
FX reserves, narrowing current-account deficits, and stronger growth have further boosted sentiment.

High-yield carry opportunities within emerging markets continue to distinguish themselves, underpinned by favourable rate differentials and strengthening macroeconomic fundamentals. The Turkish lira, as in the previous year, remains a compelling prospect, with expectations of annualised returns in the range of 15% to 20% in US dollar terms. The low likelihood of elections in 2026 should allow the Central Bank of the Republic of Turkey (CBRT) to maintain its restrictive monetary policy stance, while the current controlled pace of lira depreciation is expected to persist. With robust foreign exchange reserves, the CBRT is well positioned to mitigate potential currency volatility arising from unforeseen political developments, thereby supporting the overall carry opportunity.

Similarly, Egypt continues to present an attractive investment case, bolstered by renewed backing from GCC nations and the International Monetary Fund. The country's increased exchange-rate flexibility, firm policy actions, and declining inflation have enhanced its macroeconomic stability. In addition, improvements in external balances, growing foreign exchange reserves, a narrowing current-account deficit, and stronger economic growth have further reinforced investor confidence.

Key risks to the outlook include renewed US dollar strength, uncertainty around the US rate-cutting cycle, fiscal slippage, increased bond supply, political instability and tariff escalations.

Market implied policy rate changes in 2026



Fixed Income Strategy

Ladder portfolio approach – a case study in GCC

Current US economic conditions reflect a mixed picture: While inflation is gradually moderating, it remains above the Federal Reserve's target. Unemployment hovers near 4.4%, and there is ongoing uncertainty regarding both the timing and magnitude of future interest rate cuts. Markets currently price in approximately 60 basis points of rate reductions over the next 12 months; however, this outlook could change in response to forthcoming inflation and labour market data.

This uncertainty has increased the attractiveness of strategies that naturally reduce rate volatility and have embedded hedging characteristics such as fixed income ladder portfolios. A fixed income ladder portfolio allocates capital across bonds or sukuk with different and evenly spaced maturities across several years. When a bond reaches maturity, the principal is reinvested into another security at the end of the ladder, creating a continuous cycle of income and reinvestment. This ensures steady cash flow and reduces exposure to a single point in the interest-rate cycle. If policy rates decline, the longer-dated exposures tend to appreciate in value, contributing to stronger total returns. At the same time, short-dated bonds will provide regular liquidity and allow reinvestment into another security or even a different asset class based on the new market environment.

However, if rates increase and higher coupon bonds are issued, this strategy allows reinvestment of matured capital into the new bonds, improving carry of the portfolio.

Applying this ladder strategy within the GCC market also provides an additional layer of strength, especially when focused on sovereign and quasi-sovereign issuers. The region's fixed income market has expanded meaningfully in recent years, supported by deep and liquid sovereign curves. Total GCC debt now stands at around USD 840 billion (including local-currency issuance), with KSA, the UAE and Qatar representing the largest shares of the market. This growth is also reflected in major emerging-market indices, where the GCC now holds the highest weight in the EMUSTRUU index, supported by more than USD 560 billion in outstanding hard-currency debt. Notably, the GCC has now overtaken China's position in the index compared with 2020, highlighting the region's rising importance within EM fixed income. As illustrated in the chart, the 3-year, 4-year and 5-year ladder portfolios (constructed entirely using GCC bonds) deliver at least a 100-bps yield pickup above the US Treasury curve, highlighting the attractiveness of this structure in the region and creating a balanced mix of carry, diversification, and reinvestment flexibility.

Ladder fixed income portfolio returns against US treasury curve:





Global Topics

Quantitative Analysis - FX & Commodities

Seeking strength in numbers

- Continued diverging performance anticipated between commodities groups
- Opportunity redirects from precious to industrial metals
- Dollar to remain on shaky ground amidst rate cuts, impacting global FX
- Energy complex expected to navigate through backdrop of oversupply

Global commodities performed poorly and remained volatile throughout 2023 and much of 2024. However, 2025 saw a surprising surge in precious metals, which rose exponentially. This exceptional rally captured headlines recently, with prices reaching giddy heights. The strength of precious metals was driven by central banks and speculators in the case of gold, and increased demand on energy transition with real-world shortages for silver, platinum, and palladium. As the new year begins, the sector appears to be gaining ground despite lighter trading volumes, creating a cautionary tale. However, we currently see no warning signs of slowing down at a strategic level.

The energy sector is facing a bleak outlook on oversupply as it enters 2026. The sector could be susceptible to upside shocks on crowded negative sentiment. Even minor shifts in expectations, such as changes in geopolitical stance or interventions from OPEC+ to address weakness, could trigger a turnaround. Meanwhile, the agriculture sector, after a prolonged period of stagnation, is beginning to show signs of recovery, with grains leading the charge. Industrial metals have also gained popularity recently, emerging from a year-long technical base poised for further gains. This is supported by forward-looking inflation and growth expectations.

As 2025 draws to a close, silver emerges as one of the best-performing commodities. Correlation suggests the tail is wagging the dog, with gold taking a backseat after a long time. While there's no immediate sign of

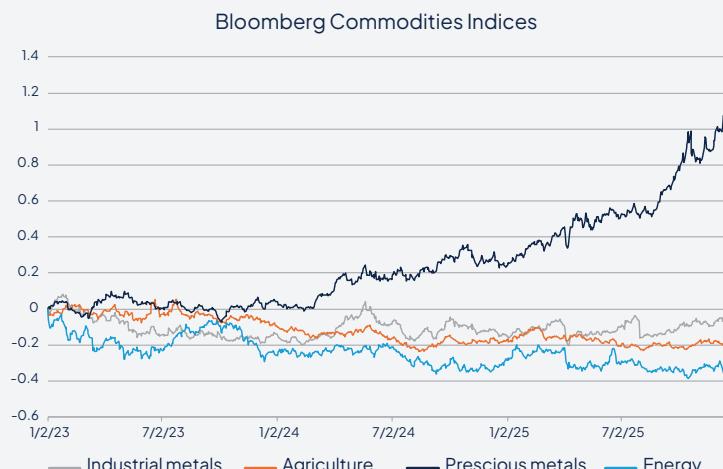
weakness, indicators hint at potential exhaustion after a super exponential uptrend. Currently, silver is in demand, commanding higher bids for commercial deliveries across 2026 due to a massive undersupply of utility components from the AI sector. However, price risk could escalate if anticipated opportunities shift from expected to realised or if sudden demand shifts become apparent. Silver is expected to remain structurally bullish with any pullback likely to hold above the USD 45 level for the year ahead. Silver's newfound prominence is expected to grow as demand for energy and memory chips for the AI sector matures over the coming decade.

Gold's remarkable comeback for 2025 and the previous two years has set new benchmarks. The strong momentum from 2025's powerful rally suggests the upward trend will likely continue, potentially reaching USD 5,000, with any pullback limited to USD 3,840. The metal's long-term bullish structure remains intact as long as prices stay above the crucial USD 3,500 level throughout 2026.

WTI Crude oil starts 2026 with strong downward momentum, potentially driving prices as low as USD 51 per barrel in the coming months. However, this initial weakness, seemingly driven by oversupply, appears unsustainable when viewed from a trading perspective below the 25th percentile of its long-term range. As the year progresses, any unforeseen catalyst could trigger an upside move to as high as USD 70.

Copper, highly sensitive to macroeconomic conditions, has recently gained momentum

Multi-year Bloomberg commodities group index performances



on demand from the AI capex cycle. It is expected to experience limited downward moves, potentially reaching USD 4.85, with gradual shifts to the upside potentially reaching USD 6.50. The significant divergence between copper and silver prices strengthens the case for the red metal, as evidenced by Institutional Investor positions.

The natural gas market shows a promising outlook, continuing the upward momentum that began in late 2025. Price projections for 2026 span a wide range, with a conservative estimate setting the lower bound at USD 3.30 per unit, while an optimistic forecast suggests prices could reach as high as USD 6.00. This broad range reflects the market's substantial growth potential, building upon the positive trajectory established over recent months.

As the new year begins, bearish rhetoric about the US dollar continues to impact market liquidity. This is achieved while maintaining a delicate balance to support developed market currencies. There's speculation that efforts will continue to weaken the dollar, even though developed market currencies appear moderately overbought. For now, the Dollar Index continues to consolidate at a critical juncture with long-term support positioned around 97.75 level.

The Euro Dollar has benefitted from a strong technical structure, providing significant tailwinds. Its 2025 pivot level of 1.127 acts as a major support, marking it as our most pessimistic price limit for 2026. Any further decline from current levels is expected to be limited around 1.160.

The Pound Sterling's strength against the US Dollar is expected to persist into 2026. The key level to watch is around 1.310. If supported by global growth, the pair is expected to remain in an uptrend, with targets reaching as high as 1.40 over the coming year.

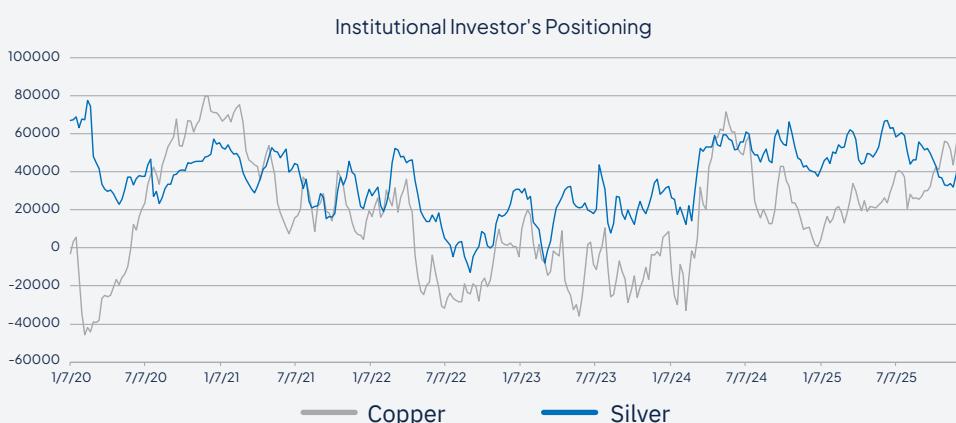
The Aussie Dollar's gains against the US Dollar throughout the latter half of 2025 have been steady, positioning it well for continued growth in 2026. Its 2025 pivot level of 0.6425 likely serves as a major support. A continued uptrend is expected to push it as high as 0.7225 if renewed growth expectations materialise.

Dollar Yen, a barometer for global risk aversion, enters 2026 on a positive note. Prices are expected to reach as high as 162, with any decline likely to be limited to around 147 through BOJ interventions. This wide range for the currency's price is considered a level playing field for the year ahead.

Logarithmic scale silver prices since the '70s



Institutional investor (commitment of traders non-commercial positions)



Oil Outlook

Oil markets to extend slump in 2026 on oversupply

- Oil demand growth is set to slow in line with moderate global economic activity in 2026
- Supply from both OPEC+ and non-OPEC+ producers will overwhelm demand in 2026
- Global inventories to build at a faster pace than during the COVID-19 pandemic
- Prices to decline with Brent at an average of USD 60/b and WTI at USD 55/b

Global Demand Growth to Slow in 2026

Oil markets enter 2026 with at best a modest outlook. The sharp recovery in oil demand prompted by the resurgence of activity post COVID is now well in the base and the drivers of oil demand in 2026 will be linked to near-term economic conditions. Projections from the IMF, World Bank and consensus among major forecasters is for global economic growth to remain positive but essentially be steady in 2026.

Oil demand growth is highly correlated to global economic activity and the lack of acceleration in headline GDP means that it would be highly unusual for oil demand to be faster in 2026 than in 2025. Sentiment about oil demand will also be highly dependent on the US and China sticking to their trade truce and a more stable global policy environment, something we are not confident will emerge in 2026.

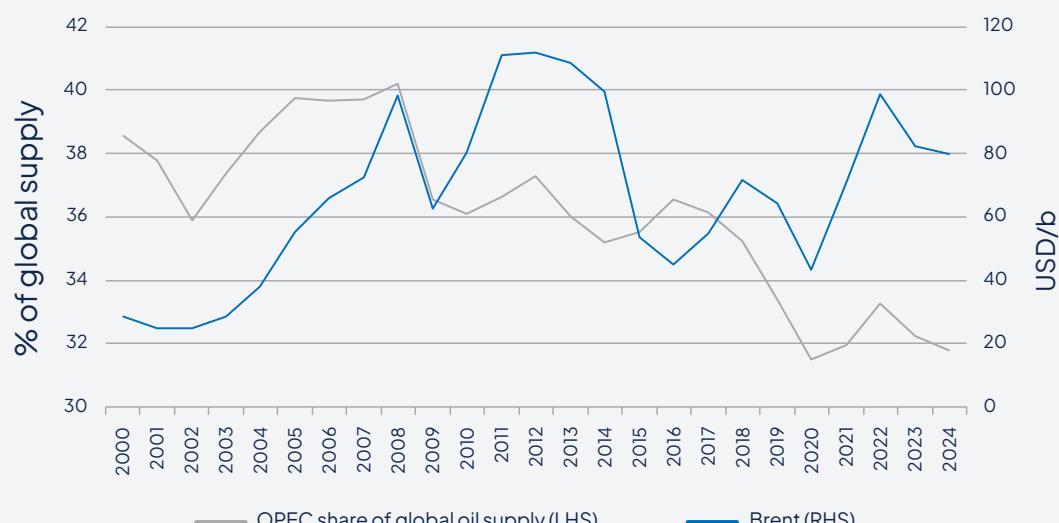
Supply Growth from OPEC+ and Other Producers

If there are major questions on the outlook for demand in 2026, the supply picture looks much clearer. Global oil supply will record a strong year of growth as output increases from non-OPEC+ producers as well as from OPEC+ as the exporters' alliance unwinds nearly all its production restraint.

Among producers outside of OPEC+, the key contribution to supply in 2026 will come from the US, Canada, Brazil, Colombia, and Guyana where total supply will increase by more than 800,000 b/d. This is a notable slowdown from estimates for 2025 but is still nearly as large on its own as the expected incremental increase in global demand from the IEA. The US government's Energy Information Administration has a positive outlook for supply in 2026, expecting the US to end the year at around 13.5 million b/d, down from 13.6 projected for the end of 2025 but at a much higher plateau than previously expected.

Even amid the resilience of production in markets like the US, Canada and Brazil and an

OPEC+ looking to recapture market share



uncertain outlook for demand, OPEC+ switched strategies in 2025 to target market share rather than prices. From April until December 2025, OPEC+ has agreed to add about 2.9 million b/d of production. Output targets for December 2025 have been carried forward into at least Q1 2026, pushing OPEC+ production almost 3 million b/d higher/y.

OPEC+ Looking to Recapture Market Share

OPEC+ has shifted strategy to focus on volume rather than prices, having lost substantial market share over the last two decades. Among the OPEC members, their share of total oil supply fell to 32% in 2024, down from closer to 40% in the early 2000s. Production restraint to support prices was allowing competitors to take market share away from OPEC+ without prices managing to hold to the elevated levels needed by some OPEC+ members to maintain fiscal and external balances.

While OPEC+ did bring its production increases to a halt for Q1 2026, we think that it is more likely than not that they will continue to raise output in 2026, particularly as price reaction in 2025 has been relatively modest to the higher output targets.

Oil Market Balances to Hit Large Surplus

With oil markets set for moderate demand growth and a surge in supply, balances will

shift into a considerable surplus in 2026. Using the IEA's demand projections, oil market balances will run a surplus of 4 million b/d in 2026 on average, wider than the average level endured during 2020 in the peak of the COVID-19 pandemic.

But this projection for a major over-supply in markets is not new. Since OPEC+ changed its stance and began to rapidly unwind production restraint, the expectation from most market observers was that there would be a substantial build in stockpiles. Yet prices have been relatively stable, with Brent futures trading either side of an anchor around USD 65/b, moving higher during periods of heightened geopolitical anxiety and lower when trade war fears move up the news flow. With trade tensions now embedded in the overall outlook for the global economy next year, and diplomacy continuing around resolving the Russia-Ukraine war, markets will need to focus on the fundamental outlook for 2026 as headline-driven upwards spikes on prices are likely to abate.

Oil Prices to Drop for a Fourth Year in a Row

Oil prices will decline in 2026 with Brent recording an average of USD 60/b, down from closer to USD 68/b in 2025. For WTI we expect an average of USD 55/b in 2026, down from USD 65/b this year. That would represent the fourth year in a row of oil price declines with 2022 marking the most recent peak in prices.

Oil to extend decline in 2026



Global Real Estate Outlook

Persisting tailwinds after last year's recovery

- Falling inflation and interest rates were the key drivers of real estate markets last year
- Data centres, healthcare and industrial were the best-performing sectors, supported by long-term structural trends
- 2026 will be a better year for real estate as inflationary headwinds recede but downside risks remain

As anticipated in our publication last year, 2025 was a year of recovery for Global REITs although there was pronounced dispersion across regions and differences across property sectors. Following several years of valuation pressure, driven by rising interest rates and post-pandemic adjustments, 2025 broadly validated our expectations that listed real estate would rebound as financial conditions improved.

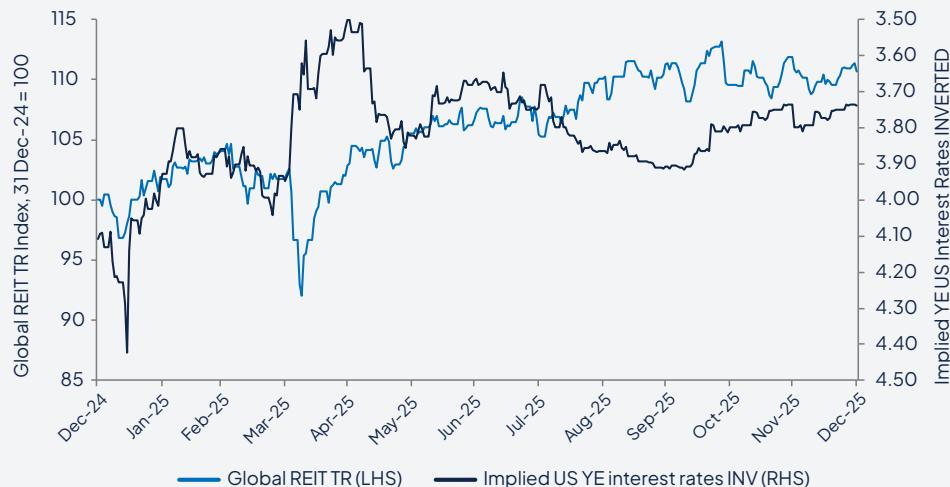
Despite underperforming broader equity markets, Global REITs delivered a healthy annual total return of 10.7%, driven by falling inflation, a gradual improvement in investor sentiment and growing confidence that interest rates were finally on their way down. Despite some volatility in early April caused by President Trump's 'Liberation Day' tariff announcements, listed real estate markets stayed on track throughout the year, remaining focused on the turning point in the rate cycle and more favourable capital market conditions.

This recovery was uneven though and regional performance diverged significantly. Emerging markets benefitted from discounted starting

valuations and improved local fundamentals. Asian REITs, particularly Singapore, recorded double-digit returns reflecting strong balance sheets, resilient rental income and renewed investor interest. US, European, and UK REITs, whilst positive overall, lagged higher-growth regions, consistent with expectations that developed markets would recover more gradually due to elevated refinancing risks and slower economic growth.

Sector performance was also highly variable. Healthcare was the leader delivering strong returns due to ongoing demographic tailwinds, both from a growing middle-class across emerging economies and an ageing population in advanced ones – raising demand for modern healthcare facilities. Data centre/digital infrastructure, a comparatively new entrant compared to more traditional sectors, was also a notable performer driven by accelerating demand linked to AI and cloud computing. Greater sophistication and increased adoption of AI need to be matched by a build out of data centres and enabling energy infrastructure. As a result, well-located assets with steady access to the energy grids

Global REIT returns vs implied US YE interest rates



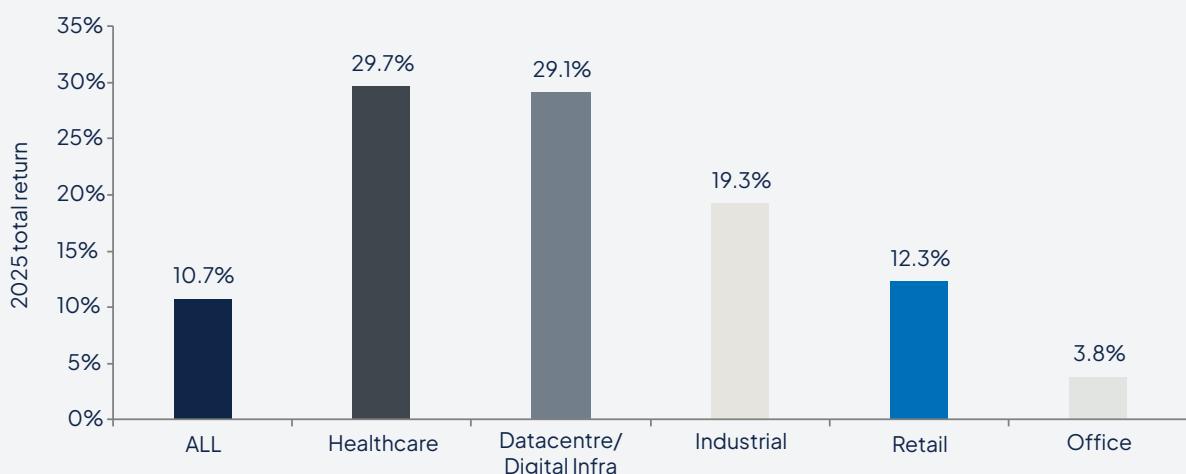
needed to power them have become highly sought-after, pushing up prices significantly. Despite a slower year, Industrial also continued its growth trend with performance remaining underpinned by e-commerce growth and supply chain reform. Retail is also experiencing a bit of a renaissance following some long, difficult years of adjustment to changing consumer habits with increased demand for prime space as physical shopping recovers. Offices remain the main laggard due to elevated vacancy and changing working practices, but there is now a very clear distinction in performance between high-quality, amenity-rich properties in prime locations (e.g. London's West End) and the rest of the office market.

The outlook for global real estate in 2026 is increasingly positive as interest rates and funding costs continue to fall, easing pressure on REIT balance sheets and helping the recovery in underlying property valuations. Financing costs in particular have been a persistent concern for investors, but many REITs have been consistently cautious with their use of leverage and enter this year with robust balance sheets, having reduced borrowing and extended debt maturities. Declining funding costs will also unlock direct transactional activity, which was disappointing last year, providing REIT investors with greater confidence in underlying asset prices and therefore Net Asset Values ("NAV"). This lack of activity (and a lack of clarity on 'true' NAVs) has been a crucial factor holding back property's recovery, with

a significant valuation gap persisting between public and private assets due to share price discounts. Savvy investors have taken advantage of this discrepancy to acquire prime assets at a discount to their private value, and these public-to-private mergers are expected to continue into the new year, driven by lower borrowing costs and a push for consolidation. Earnings growth is also anticipated to expand in 2026 as a result of rental growth from increasing occupancy and contractual or inflation-linked uplifts. Importantly, fundamentals for the key sectors driving market performance remain robust. This year's 'winners': data centres and healthcare, will continue to benefit from long-term structural trends and capex spending. Industrial will also continue its progression due to a continuing mismatch between supply and demand coupled with competition for sites from other land uses. We are also cautiously optimistic on the struggling office market which could finally turn a corner this year due to an increase in 'return-to-office' mandates.

In summary, the combination of improving financial conditions, resilient rental income streams and selective growth opportunities support our positive outlook for global real estate in 2026, particularly for investors focused on quality income and supportive long-term fundamentals. 2026 will outperform 2025 in our view but downside risks remain from sticky inflation, which could keep share price to NAV discounts wide.

Select REIT sectors FY2025 total returns



UK Outlook

A path through uncertainty

- Divisive UK politics poses a challenge for the current Government
- Fiscal policy should take a back seat in favour of monetary policy
- Asset prices remain attractive, provided political stability is maintained

Increasing Polarisation

When Labour won a decisive election victory in 2024, it seemed that they had established a powerful base that would ensure a rare period of political stability in UK politics. In truth, the result mainly reflected the rejection of the previous Government – which had ruled with chaos and scandal pretty much since Brexit – rather than an endorsement of Kier Starmer’s policies. In a system dominated by two-parties the election was a walkover, but seeded problems for the Government which are being felt today and will continue to shape British politics over the coming year.

Two main issues arose from the election. Firstly, the political landscape has become disrupted, with more populist parties taking an increasing share of the vote. Particularly the right-wing Reform Party of Nigel Farage, which currently leads opinion polls. So, although Labour won by an impressive margin of 174 seats, they only secured 34% of the popular vote, highlighting their lack of public support.

Secondly, because the election was so uncompetitive, it allowed the Government to enter parliament without a well-defined set of priorities or a clear plan for the public finances. Without strong opposition, Labour’s policies

never faced serious scrutiny and so remained woolly and unfocused. As a result, the Prime Minister is left presiding over a large and diverse range of MPs with no clear mandate to hold them accountable. This invites challenge from factions within Government, especially on the Left who aren’t well-aligned with the Centrist leadership. Passing laws has therefore become difficult, as Starmer’s own party threaten to rebel, resulting in a lack of progress on key issues and embarrassing reversals on policy.

Strategic Inaction

With political rivals circling, the Chancellor (Rachel Reeves) delivered her latest budget setting out spending objectives for next year. A delicate task capable of spooking bond markets and collapsing governments. Faced with this, Reeves set out a program that neither stimulates the economy nor takes steps to mend the country’s strained finances. Spending rises marginally over the next couple of years, as welfare cuts are reversed to appease her own backbenchers but stop well short of anything that would meaningfully boost the economy. Tax rises are then pencilled in to compensate and show some degree of fiscal discipline but are pushed into later years where they clash with the next

UK elections – seats won vs popular vote share

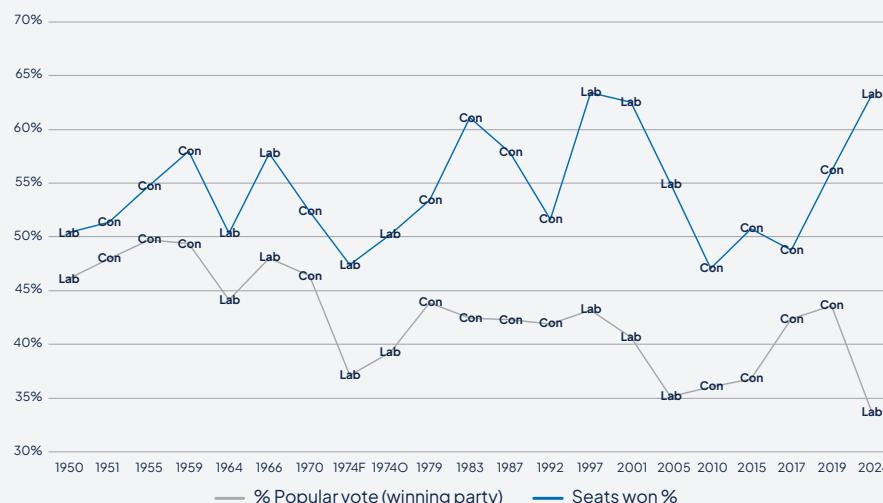


Chart 1: Election results since 1950. Source: House of Commons Library.

General Election and so probably won't happen. Although the whole thing was pretty uninspiring, it offered little for the Government's opponents to attack and won tentative approval from the markets.

Instead, the budget reveals the Government's central plan, which is to play for time – avoid bold spending decisions and hope rate cuts create better conditions to bat on next Autumn. Although such an approach seems like a gamble, it might work. UK inflation has likely peaked and should get close to the 2% target later in the year. This is partly because energy prices become disinflationary from April when the regulator lowers the power price cap, but more importantly, the jobs market has begun to weaken and that looks set to continue throughout next year. After the pandemic, there were enough jobs available to employ everyone looking for work and demand amongst firms pushed-up wages. Today, unfilled vacancies have collapsed despite the unemployment rate rising over 5%, and wage growth is falling as more people compete for fewer jobs and become less demanding on terms (see chart). Falling labour costs directly impact the prices that firms are willing to charge and what consumers are able to pay – cooling inflationary pressures.

Markets currently price a gradual pace of cuts from the Bank of England (BoE), but this could develop throughout the year. The Monetary Policy Committee is divided, half concerned that prices could remain elevated and half worried that the economy is rapidly slowing. However, if data continues to show progress on inflation whilst the economy struggles, it will become increasingly difficult to justify keeping monetary policy at the current restrictive levels. In this scenario real rates will fall, undershooting current market

expectations. Such lower borrowing costs would improve the Government's fiscal position, making room for policies that encourage growth next Autumn. It would also put more money in the hands of consumers who already sit on large cash deposits but have been cautious about spending in the face of heightened mortgage rates.

Attractive Opportunities

Once again, political risks dominate the outlook for the UK. The local elections in May appear particularly ominous for the Prime Minister. Should a leadership challenge follow, the uncertainty would likely put pressure on sterling and lift inflationary expectations, staying the BoE's hand on rates and damaging prospects for the economy, government finances and financial markets. Although the current Government is unpopular, it remains the best option for stability throughout 2026.

However, if Starmer can keep his job investors should enjoy another strong year from UK assets. Firstly, equity valuations, which lagged global peers since Brexit in 2016, have started to catch up. Cheap British companies are drawing the attention of strategic investors hunting for value in otherwise rich markets. The London Stock Exchange Group reported USD142 billion in takeovers of UK companies from overseas bidders throughout 2025, a 74% year-on-year increase and a trend we think continues.

Secondly, some of the most attractive income opportunities globally are found in the UK today. Investors can take advantage of historically high gilt yields, which we expect fall throughout the year and support the total returns from equities to real assets, including real estate and infrastructure.

Change in fiscal policy in 2025 budget (£ bn)

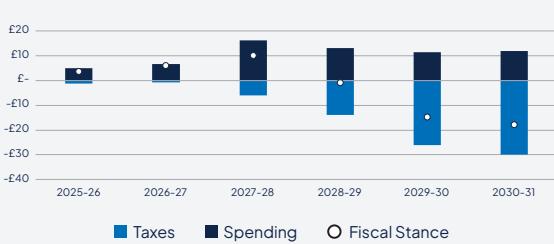


Chart 2: Changes to Government Spending Announced in November. Source: ONS, Capital Economics.

Loosening labour market



Chart 3: Private Sector Wage Growth is YoY Three-month Average Growth. Vacancy Ratio is Vacancies Divided by Unemployed Workers. Source: ONS.

Five Key Risks to Our Scenario

None of the risks we identified for 2025 materialised, but unfortunately none of them disappeared. From low macro visibility to tense geopolitics and sensitive market valuations, here is our updated version for 2026.

A comeback of (US) inflation



After having kept market participants and central bankers up at night for years, the evil genie of inflation seems to have come back in the bottle. Price pressures are globally under control, and still very low in China. Elsewhere, a 2-3% range seems acceptable, and public opinions enjoy low oil prices due to ample supply. This is not a reason to be complacent. Global spending is on the rise, especially on capital expenditures, tariffs are alive, and central banks are increasingly tempted to expand their balance sheets again, for various and usually not great reasons.

Could we see 2022 again, in worse, as higher cost of capital could now question sovereign debt sustainability? We hope not, but markets may be scared, which could, good news, provide nice entry points on many assets, including gold, the best "currency debasement" hedge for millenaries. Monthly (US) CPI reports are the key metric to watch.

A digital-financial crisis



The AI race accelerates, with hundreds of billions invested in computing power. The sector has gone from zero to a significant chunk of the corporate debt market. Valuations of some players, especially in private markets, are eye-watering. Yet, visibility on returns is low, and while many specific situations look sound, it's difficult to imagine that all spenders will be winners: the addressable market is simply not large enough for all of them combined. We do not see an outright valuation bubble (2000 dotcom-style) but a risk of reality-check from credit markets. We'll watch CDS, earnings, and most importantly focus on selection rather than broad exposure.

A global recession, of course



US labour market is eerily soft, Europe is struggling with structural issues, Chinese consumers are still under pressure... Global growth remains resilient, but it's more about corporate investment (in AI in particular) and government generosity than driven by broad consumer happiness.

A cyclical accident is not our central scenario, but it could happen. Stocks and high yield would suffer, but safe bonds would benefit, with some limits due to tense fiscal situations. Central banks would soon come to help, hopefully kicking the can of western public debt sustainability further down the road. US employment, as well as retail sales across US and China are the key metrics to watch.

Geopolitics going out of control



Ending conflicts is high on President Trump's agenda and his energy on the matter is commendable. But he is not alone. Europe seems to be playing a dangerous game with Russia, raising rhetoric for a war that they can't afford, against an enemy who has never been a direct threat. Are some European leaders, with terrible approval rating, trying to rally their people 'round the flag to stay in power? All bets, apart gold, would be off in case of such a hot conflict.

Protests, riots, revolts, revolutions?



In a majority of large economies, 2026 features an explosive combination of inequalities, bitterness against "elites", fear for the future, from geopolitics to the social consequences of new technologies, and some important elections on top like the US midterms. Could we see in Western countries some spiraling phenomena comparable to the Arab Spring or colour revolutions a few years ago, at a time when abysmal public debt should progressively lead to more austerity? Many ingredients are present. This would, again, favour gold and potentially create serious turbulences in European sovereign debt.

Contributors

Maurice Gravier – Group Chief Investment Officer, Wealth Management
Email: mauriceg@emiratesnbd.com

Edward Bell – Acting Chief Economist and Head of Research
Email: edwardpb@emiratesnbd.com

Jeanne Walters – Senior Economist
Email: jeannew@emiratesnbd.com

Daniel Richards – Senior Economist
Email: danielricha@emiratesnbd.com

Giorgio Borelli – Head, Asset Allocation and Quantitative Strategies
Email: giorgiob@emiratesnbd.com

Golam Sakline – Quantitative Market Strategist
Email: golams@emiratesnbd.com

Nawaf Fahad Ali Mousa AlNaqbi – Head, Equity Strategy
Email: nawafalna@emiratesnbd.com

Shaheen Ahli – Equity Analyst
Email: shaheena@emiratesnbd.com

Satyajit Singh, CFA – Head, Fixed Income Strategy
Email: SatyajitSI@emiratesnbd.com

Ayushi Somani, CFA – Fixed Income Analyst
Email: AyushiS@emiratesnbd.com

Abeer Garbou, CFA – Fixed Income Analyst
Email: abeerg@emiratesnbd.com

Nigel Burton – Head of Real Estate, London
Email: nigelb@emiratesnbd.com

James Baldwin, CFA – Senior Portfolio Manager, London
Email: jamesrb@emiratesnbd.com

Disclaimer

IMPORTANT INFORMATION

This document is prepared by Emirates NBD Bank (P.J.S.C) ("the Bank" or "Emirates NBD"), licensed and regulated by the Central Bank of the UAE ("Central Bank") and the Securities and Commodities Authority of the UAE ("SCA") and subject to regulation, supervision and control of the Central Bank and SCA, having its head office at Baniyas Road, Deira, PO Box 777, Dubai, United Arab Emirates. This document may be distributed and/or made available by the Bank and its affiliates and subsidiaries, including Emirates NBD Capital KSA CJSC ("ENBD Capital") (through its website, its branches or through any other modes, whether electronically or otherwise). Emirates NBD and its affiliates, subsidiaries and group entities, including its shareholders, directors, officers, employees and agents are collectively referred to Emirates NBD Group. Any person (hereinafter referred to as "you", "your") who has received this document or have access to this document shall acknowledge and agree to the following terms.

Reliance

Data/information provided in this document are intended solely for information or illustrative purposes and are not designed to initiate or conclude any transaction. This publication may include data/information taken from stock exchanges or other third-party sources from around the world, which Emirates NBD reasonably believes to be reliable, fair and not misleading, but which have not been independently verified. The provision of certain data/information in this publication may be subject to the terms and conditions of other agreements to which Emirates NBD is a party. Opinions, estimates and expressions of judgment are those of the writer and are subject to change without notice. Emirates NBD or any member of Emirates NBD Group makes no representation or warranty and accepts no responsibility or liability for the sequence, accuracy, completeness or timeliness of the information or opinions contained in this publication. Nothing contained in this publication shall be construed as an assurance by Emirates NBD that you may rely upon or act on any information or data provided herein, without further independent verification of the same by you. The contents of this document are prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors, including those relevant to the determination of whether a particular investment activity is advisable. Emirates NBD does not undertake any obligation to issue any further publications or update the contents of this document. Emirates NBD may also, at its sole discretion, update or change the contents herein without notice. Emirates NBD or any member of Emirates NBD Group does not accept any responsibility whatsoever for any loss or damage caused by any act or omission by you as a result of the information contained in this publication (including by negligence).

References to any financial instrument or investment product in this document are not intended to imply that an actual trading market exists for such instrument or product. Certain investment products mentioned in this document may not be eligible for sale in some jurisdictions, and they may not be suitable for all types of investors. The information and opinions contained in this publication is provided for informational purposes only and have not been prepared with any regard to the objectives, financial situation and particular needs of any specific person, wherever situated. If you wish to rely on or use the information contained in this publication, you should carefully consider whether any investment views and investment products mentioned herein are appropriate in view of your investment experience, objectives, financial resources and relevant circumstances. You should also independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professional advisers or experts.

Confidentiality

This publication may be provided to you upon request (and not for distribution to the general public), on a confidential basis for informational purposes only, and is not intended for trading purposes or to be passed on or disclosed to any other person and/or to any jurisdiction that would render the distribution illegal.

Solicitation

None of the content in this publication constitutes a solicitation, offer, recommendation or opinion by Emirates NBD to buy, sell or trade in any security or to avail of any service in any jurisdiction. This document is not intended to serve as authoritative legal, tax, accounting, or investment advice regarding any security or investment, including the profitability or suitability thereof and further does not provide any fiduciary or financial advice. This document should also not be used in substitution for the exercise of the prospective investor's judgment.

Third Party

This publication is not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law or regulation. It is the responsibility of any person in possession of this publication to investigate and observe all applicable laws and regulations of the relevant jurisdiction. This publication may not be conveyed to or used by a third party without the express consent of Emirates NBD or its affiliates, subsidiaries or group entities distributing this document. You should not use the data in this publication in any way to improve the quality of any data sold or contributed by you to any third party.

Liability

Notwithstanding anything to the contrary set forth herein, Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries shall not, directly or indirectly, be liable, in any way, to you or any other person for any: (a) inaccuracies or errors in or omissions from this publication including, but not limited to, quotes and financial data; or (b) loss or damage arising from the use of this publication, including, but not limited to any investment decision occasioned thereby. Under no circumstances, including but not limited to negligence, shall Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries be liable to you for direct, indirect, incidental, consequential, special, punitive, or exemplary damages even if Emirates NBD has been advised specifically of the possibility of such damages, arising from the use of this publication, including but not limited to, loss of revenue, opportunity, or anticipated profits or lost business.

This publication does not provide individually tailored investment advice and is prepared without regard to the individual financial circumstances and objectives of person who receive it. The appropriateness of an investment activity or strategy will depend on the person's individual circumstances and objectives and these activities may not be suitable for all persons. In addition, before entering into any transaction, prospective investors should: (i) ensure that they fully understand the potential risks and rewards of that transaction; (ii) determine independently whether that transaction is appropriate given an investor's investment objectives, experience, financial and operational resources, and other relevant circumstances; (iii) understand that any rates of tax and zakat or any relief in relation thereto, as may be referred to in this publication may be subject to change over time; (iv) consult their advisers on the legal, regulatory, tax, business, investment, financial and accounting implications of the investment; (v) understand the nature of the investment and the related contract (and contractual relationship) including, without limitation, the nature and extent of their exposure to risk; and (vi) understand any regulatory requirements and restrictions applicable to the prospective investor.

Forward Looking

Past performance is not necessarily a guide to future performance and should not be seen as an indication of future performance of any investment activity. The information contained in this publication does not purport to contain all matters relevant to any particular investment or financial instrument and all statements as to future matters are not guaranteed to be accurate. Certain matters in this publication about the future performance of Emirates NBD or members of its group (the Group), including without limitation, future revenues, earnings, strategies, prospects and all other statements that are not purely historical, constitute "forward-looking statements". Such forward-looking statements are based on current expectations or beliefs, as well as assumptions about future events, made from

information currently available. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "seek", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. Reliance should not be placed on any such statements in making an investment decision, as forward-looking statements, by their nature, are subject to known and unknown risks and uncertainties that could cause actual results, as well as the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Estimates of future performance are based on assumptions that may not be realised.

Risk

Data included in this publication may rely on models that do not reflect or take into account all potentially significant factors such as market risk, liquidity risk, and credit risk. Emirates NBD may use different models, make valuation adjustments, or use different methodologies when determining prices at which Emirates NBD is willing to trade financial instruments and/or when valuing its own inventory positions for its books and records. The use of this publication is at the sole risk of the investor and this publication, and anything contained herein, is provided "as is" and "as available." Emirates NBD makes no warranty of any kind, express or implied, as to this publication, including, but not limited to, merchantability, non-infringement, title, or fitness for a particular purpose or use.

Investment in financial instruments involves risks and returns may vary. The value of investment products mentioned in this document may neither be capital protected nor guaranteed and the value of the investment product and the income derived therefrom can fall as well as rise and an investor may lose the principal amount invested. Investment products are subject to several risks factors, including without limitation, market risk, high volatility, credit and default risk, illiquidity, currency risk and interest rate risk. It should be noted that the value, price or income of securities denominated in a foreign currency may be adversely affected by changes in the currency rates. It may be difficult for the investor to sell or realise the security and to obtain reliable information about its value or the extent of the risks to which it is exposed. Furthermore, the investor will not have the right to cancel a subscription for securities once such subscription has been made. Prospective investors are hereby informed that the applicable regulations in certain jurisdictions may place certain restrictions on secondary market activities with respect to securities.

Before making an investment, investors should consult their advisers on the legal, regulatory, tax, business, investment, financial and accounting implications of the investment. In receiving this publication, the investor acknowledges it is fully aware that there are risks associated with investment activities. Moreover, the responsibility to obtain and carefully read and understand the content of documents relating to any investment activity described in this publication and to seek separate, independent financial advice if required to assess whether a particular investment activity described herein is suitable, lies exclusively with the investor.

Intellectual Property

This publication has been developed, compiled, prepared, revised, selected, and arranged by Emirates NBD and others (including certain other information sources) through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort, and money and constitutes valuable intellectual property of Emirates NBD and such others. All present and future rights in and to trade secrets, patents, copyrights, trademarks, service marks, know-how, and other proprietary rights of any type under the laws of any governmental authority, domestic or foreign, shall, as between the investor and Emirates NBD, at all times be and remain the sole and exclusive property of Emirates NBD and/or other lawful parties. Except as specifically permitted in writing, you should not copy or make any use of the content of this publication or any portion thereof or publish, circulate, reproduce, distribute or offer this publication for sale in whole or in part to any other person over any medium including but not limited to over-the-air television or radio broadcast, a computer network or hyperlink framing on the internet or construct a database of any kind. Except as specifically permitted in writing, you shall

not use the intellectual property rights connected with this publication, or the names of any individual participant in, or contributor to, the content of this publication, or any variations or derivatives thereof, for any purpose. This publication is intended solely for non-commercial use and benefit, and not for resale or other transfer or disposition to, or use by or for the benefit of, any other person or entity. By accepting this publication, you agree not to use, transfer, distribute, copy, reproduce, publish, display, modify, create, or dispose of any information contained in this publication in any manner that could compete with the business interests of Emirates NBD. Furthermore, you should not use any of the trademarks, trade names, service marks, copyrights, or logos of Emirates NBD or its subsidiaries in any manner which creates the impression that such items belong to or are associated with you, except as otherwise provided with Emirates NBD's prior written consent. You shall have no ownership rights in and to any of such items.

IMPORTANT INFORMATION ABOUT UNITED KINGDOM

This publication was prepared by Emirates NBD Bank (P.J.S.C) in the United Arab Emirates. It has been issued and approved for distribution to clients by the London branch of Emirates NBD Bank (P.J.S.C) which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority in the UK. Some investments and services are not available to clients of the London Branch. Any services provided by Emirates NBD Bank (P.J.S.C) outside the UK will not be regulated by the FCA and you will not receive all the protections afforded to retail customers under the FCA regime, such as the Financial Ombudsman Service and the Financial Services Compensation Scheme. Changes in foreign exchange rates may affect any of the returns or income set out within this publication.

IMPORTANT INFORMATION ABOUT SINGAPORE

This publication was prepared by Emirates NBD Bank (P.J.S.C) in the United Arab Emirates. It has been issued and approved for distribution to clients by the Singapore branch of Emirates NBD Bank (P.J.S.C) which is licensed by the Monetary Authority of Singapore (MAS) and subject to applicable laws (including the Financial Advisers Act (FAA) and the Securities and Futures Act (SFA). Any services provided by Emirates NBD Bank (P.J.S.C) outside Singapore will not be regulated by the MAS or subject to the provisions of the FAA and/or SFA, and you will not receive all the protections afforded to retail customers under the FAA and/or SFA. Changes in foreign exchange rates may affect any of the returns or income set out within this publication. Please contact your Relationship Manager for further details or for clarification of the contents, where appropriate. For contact information, please visit www.emiratesnbd.com

IMPORTANT INFORMATION ABOUT EMIRATES NBD CAPITAL KSA CJSC

Emirates NBD Capital KSA CJSC ("ENBD Capital"), whose registered office is at P.O. Box 341777, Riyadh 11333, Kingdom of Saudi Arabia, is a Saudi closed joint stock company licensed by the Saudi Arabian Capital Market Authority ("CMA") under License number 37-07086 dated 29/08/2007G (corresponding to 16/08/1428H) to deliver a full range of quality investment products and related support services to individuals and institutions in the Kingdom of Saudi Arabia. ENBD Capital is subject to Capital Market Law, and Implementing Regulations in the Kingdom of Saudi Arabia.

ENBD Capital's contact details are T +966 (11) 299 3900 and F +966 (11) 299 3955.

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities offered. If you do not understand the contents of this document, you should consult an authorised financial adviser.

Global Investment Outlook
2026



بنك الإمارات دبي الوطني
Emirates NBD