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**What can we expect
in financial markets**

in

2026?

What are the expectations for 2026?



According to the outlook of J.P. Morgan Global Research, the year 2026 may be marked by seemingly opposing forces. On the one hand, there is a scenario of continued resilience of the global economy and an expanding investment wave into artificial intelligence. On the other hand, risks persist that could sharply reverse market sentiment. Specifically, these include uncertainty related to monetary policy, ongoing inflationary pressure, and a weakened labor market.

Macroeconomic picture

The baseline outlook assumes that global expansion will remain resilient in 2026. A key argument is continued support from fiscal policy, especially in the first half of the year, and favorable financial conditions that may help cope with weaker sentiment in the corporate sector. At the same time, however, a non-negligible probability of a negative scenario remains on the table – J.P. Morgan Global Research estimates approximately a 35% probability of recession in 2026, both in the U.S. and globally.



In this context, an important exclamation point within the macroeconomic perspective is the labor market and consumption. Although GDP growth in 2025 appeared resilient, a specific imbalance emerged in the economy. Corporate actions increasingly shifted toward capital expenditures, used primarily for investments in technology, while the pace of job creation declined. Looking ahead, this may result in constrained household consumption, especially in developed economies. Added to this is inflation, which, although it was expected to ease after the fading of a series of key shocks, according to Bruce Kasman, Chief Global Economist at JP Morgan, continues to hover at around the 3% level, with only small signs of a downward trajectory.

Equities, earnings, and “AI winners”

An inseparable part of market environment forecasts for 2026 is, of course, equity companies. J.P. Morgan maintains a positive stance with double-digit earnings growth expectations across both developed and emerging markets. The firm’s confidence is based primarily on estimated earnings growth of individual companies, lower interest rates, and the continued trend of investment in AI. [1]

Interestingly, the AI story is no longer necessarily only about technology. In its statement, J.P. Morgan explicitly mentions the expansion of winners into a broader range of sectors – from utilities through banks to healthcare and logistics. This is very good news for investors, as AI thus ceases to appear merely as an internal technological trend and more as an investment wave that tangibly affects the entire economy.

Regionally, the contrast between the U.S. and the euro area is particularly noteworthy. For the U.S. market, it is mentioned that the AI super-cycle is expected to support above-average earnings growth of the S&P 500 in the range of approximately 13 to 15% – from a time perspective, at least over the next two years. According to the outlook, the euro area is expected to gain better momentum in activity thanks to an improvement in the credit impulse and fiscal stimulus, with expected earnings growth cited at around 13%. The trio is completed by Japan, which is expected to benefit from a combination of political and corporate factors and companies’ focus on the use of excess cash, investments, and returns to shareholders. [1]

Rates and bonds

The outlook for monetary policy works with a scenario in which the Fed could further cut rates by an additional 50 basis points, while the Bank of Japan could, conversely, raise rates by 50 basis points. Overall, however, most central banks in developed countries are expected either to temporarily pause or fully end the easing cycle in the first half of the year.

For bond markets, yields in developed economies must tend to rise gradually over the course of the year. Specifically, 10-year yield levels toward the end of 2026 are mentioned at approximately 4.35% for U.S. Treasuries, 2.75% for German Bunds, and 4.75% for UK Gilts. This points to an environment in which bonds may still fulfill a stabilizing function in a portfolio. [1]

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Weaker USD and more cautious optimism for EUR

Looking at currencies, estimates suggest a continuation of a bearish outlook toward the USD, albeit to a lesser extent than in the previous year. The reasons are as follows. The Fed's long-term objective is to keep the economy in balance, which also implies support for the labor market – the above-mentioned potential for a cut in the main interest rate, based on which the USD usually weakens. At the same time, however, the outlook acknowledges that with solid U.S. growth and persistent inflation, the room for more pronounced weakening is limited.

The euro is expected to be mildly supported by better growth in the euro area and German fiscal expansion, while it is emphasized that any strengthening of EUR/USD or GBP/USD should be rather moderate, unless U.S. data weaken more significantly. Last but not least, the Japanese yen is expected to face structural challenges that may make its more sustained strengthening difficult. [1]

What about gold?

The commodity section of the outlook brings specific and, for many investors, attractive numerical points. In oil, an increase in global demand of 0.9 million barrels per day in 2026 and 1.2 million barrels per day in 2027 is mentioned, but at the same time, the assumption that supply is expected to exceed demand threefold in 2026, which typically creates a surplus. For this reason, the Brent forecast is maintained at approximately USD 58 in 2026 and USD 57 in 2027, with the market potentially finding balance through a combination of rising demand at lower prices. [1]

In gas, it is assumed that growth in LNG supply will push prices downward. For TTF, an average of approximately EUR 28.75/MWh in 2026 and EUR 24.75/MWh in 2027 is cited. The most significant shift, however, is expected in precious metals. The rise in gold prices is expected to be supported by purchases by central banks and stable investor demand, with the target level in Deutsche Bank's forecast for 2026 cited as high as USD 6,000 per ounce. Silver, within the same time horizon, is mentioned with a target of approximately USD 170 per ounce, according to data provided by Bank of America. Precious metals have been moving toward these price levels since January 2026 – by the end of the month, the price of gold reached USD 5,600, while silver, on the other hand, also crossed a key level, specifically USD 120. [1]



What should an investor take away from this?

The positive outlook for the equity market is based on earnings growth and the continuation of AI investments, but at the same time, there is higher polarization, record concentration, and non-zero recession risk. This naturally leads to investment behavior that tends to be most successful in such years – selectivity, sufficient diversification across regions and asset classes, and discipline in risk management.



*** Past performance is not a guarantee of future results.**

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The outlook was created on December 19, 2025.

