



OUTLOOK

2026

THE INTERPRETATION GAME



BARCLAYS | Private Bank

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Foreword

Welcome to our "Outlook 2026", the investment strategy update from Barclays Private Bank.

In the following chapters we look at the result of revamped trading relationships and volatile geopolitics on the biggest economies, and what anticipated US rate cuts imply for bonds and equities in 2026.

However you put it, artificial intelligence is reshaping society and portfolios alike, as investors fish for the corporate winners of tomorrow. We consider the sectors most affected and at what stage fundamentals might reassert themselves.

And beyond our in-depth asset class and financial market analysis, we discuss what the redrawn partnership between US industries and the White House means for investors and if renewable power supply can meet the anticipated surge in demand for electricity.

The next 12 months will be a challenging year for investors, whose resilience will once again be put to the test. Encouragingly, our teams continue to see plenty of opportunities to maximise returns and diversify risk in the pursuit of building portfolios that fulfil their long-term objectives.

As always, we hope you enjoy the articles, and we thank you for entrusting us with your investments.

**Jean-Damien Marie,
Global Head of Investments, Private Bank and Wealth Management**



The interpretation game

Despite a solid performance from equity and bond markets this year, persistently high government debt levels and AI-concentrated US equity markets still lurk as warning signs for 2026. Diversification and selective investing will be key.

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

The unexpected twists of the last year have provided investors with ample food for thought and upset the consensus more than once. Will 2026 be any different?

The transformative power of artificial intelligence (AI) has taken centre stage, igniting both excitement and apprehension about its expansive reach. As we touch on in our separate [AI Outlook 2026](#), the technology's ability to enhance productivity and profitability across various industries keeps us optimistic about the future. However, this technological revolution promises to be gradual and non-linear, possibly triggering significant rotations.

CHALLENGES AHEAD

Looking at the next few months, several challenges loom. Persistent high levels of government debt in developed nations continues to impede growth, necessitating a more harmonised approach between monetary and fiscal policies.

At the same time, inflation remains stubbornly high and could edge higher again in 2026. Central banks may take the view that, once again, this is all "transitory", but their data dependence – and independence – will be tested. Finally, the geopolitical landscape remains fraught. In a world that is increasingly multipolar, the US and China decouple and forthcoming midterm elections that could reshape President Donald Trump's second term.

Such a high degree of uncertainty wouldn't necessarily be problematic, if it weren't happening when equity market valuations are elevated and credit spreads are tight. There is little room for error.

EASY DOES IT

The prospect of resilient growth but sticky inflation will make central banks' job harder. Still rates are, in our view, likely to come down – albeit modestly – as an easier monetary policy stance is required to offset macroeconomic and fiscal challenges.

Geographically, the US remains investors' north star, but we expect other regions to shine in 2026. The eurozone in particular could surprise positively. Similarly, the UK economy could finally move out of first gear once the uncertainty surrounding November's Autumn Budget has cleared.

THE EYE OF THE BEHOLDER

After the reality check of 'Liberation Day' last April, investors will have to embrace the "interpretation game" facing markets in 2026. As the growth and inflation mix remains finely balanced, each data point and social media post will be subject to interpretation. Expect market sentiment to swing repeatedly from 'this is a new paradigm' to 'the party is over'.

In such context, risk management becomes essential, and as we enter 2026, we advocate for a thoughtful strategy focused at its core on owning high quality assets.

At the same time, diversification will be key in ensuring that times of heightened volatility do not derail investors from their goals. Importantly, with interest rates set to fall further, cash will erode one's purchasing power and investors will need to be creative to balance risks and rewards.

Julien Lafargue, CFA, Chief Market Strategist, London UK



Much room for interpretation

Amid redrawn trade norms, an AI binge and falling interest rates the US economy continues to purr. However, with the midterms ahead and higher-than-usual uncertainty, is US exceptionalism really unstoppable?

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

US economic forecasts, year on year (%), F=Forecast)

	US		
	2024	2025F	2026F
GDP growth	2.8	1.8	2.0
CPI inflation	2.9	2.8	3.0
Unemployment rate (%)	4.0	4.3	4.2
Gross public debt (% of GDP)	123.6	124.7	125.7
Private consumption	2.9	2.4	1.6

Source: Barclays Investment Bank, November 2025

In spite of the stiffest tariff hikes since the Great Depression, tighter borders and a patient central bank, the US economy has kept its swagger – thanks largely to AI and capital flows doing much of the heavy lifting.

But, many questions remain unanswered. Will new technologies continue to drive growth? Will expensive tariffs translate into lower growth and higher inflation? Will the US Federal Reserve (Fed) lose its independence? Will President Donald Trump face a split Congress following the 2026 midterm elections?

"Yes" seems the most likely answer to all of these key questions. That said, we expect markets to debate them throughout most of 2026.

"The wealth effect may turn from a tailwind into a headwind for the economy"

ALL ABOUT AI

It's impossible to know exactly how much AI contributed to US gross domestic product (GDP) in 2025. However, some estimates suggest that without this strong tailwind, the economy would have stagnated (if not shrunk). Given the amount of capital committed to this technology (OpenAI alone has announced investments worth more than \$1 trillion), it's difficult to imagine that it won't continue to contribute to domestic growth in 2026.

That said, the pace of new commitments is likely to slow and the focus will shift to delivering on the announced projects. This may still translate into solid GDP growth (a backward-looking indicator) but may not support equity markets as much. If that's the case, then the wealth effect may turn from a tailwind into a headwind for the economy.

IT'S THE ECONOMY, STUPID

US consumers haven't lost their spending habit, despite the depletion of COVID-19 excess savings. This is because the wealthiest 20% of households now account for roughly two-thirds of all personal expenditure. On the other hand, those lower down the income ladder have been struggling for some time. In our opinion, this so-called "K-shaped" economy isn't sustainable.

While the One Big Beautiful Act (OBBA) might provide short-term relief, in the form of tax rebates, real wage growth is required for the local economy to maintain its momentum in 2026 and beyond.

STICKY SITUATION

It's a double-edged sword: stronger wage growth might support consumption but complicates bringing inflation back towards target. At 2.8% in 2025, the consumer price index (CPI) remains above the Fed's target, and we expect only modest progress on this front in 2026.

First, the tariff impact on consumer prices should be felt more forcefully as businesses start passing on additional costs. Second, the administration's crackdown on immigration is putting pressure on labour supply, which could fuel a wage-price spiral. Finally, the AI boom will put much pressure on electricity prices. Although electricity represents just 2.6% of the overall CPI basket, it is an important input cost for manufacturers, retailers and service providers.

FED'S FIGHT WITH CLINGY PRICES

In this context, the central bank's reaction function will be key. For now, its focus on employment implies a more dovish stance. But should inflation creep up again, the paradigm may shift and a more hawkish position may be warranted. This would put pressure on government debt, consumer spending and, by extension, equity markets.

This rational thinking assumes, of course, that the Fed remains true to its data-dependent framework and preserves its independence in the face of continued political interference.

The current lack of consensus among Federal Open Market Committee members is emblematic of the uncertainty surrounding US monetary policy. The arrival of a new Fed chair in May may complicate the picture. That said, for the time being, we pencil in a couple of interest rate cuts in 2026 but acknowledge upside and downside risks.

"The arrival of a new Fed chair in May may complicate the picture...we pencil in a couple of interest rate cuts in 2026"

MORE DEBT, LESS REVENUES

Lower rates may pose a challenge to cash-heavy investors, but they will aid the US government. With nearly one-third of the national debt due to be refinanced in 2026, a fiscal deficit set to reach around 7% of GDP and \$1 trillion spent annually on net interest payments, every single basis point matters.

Unfortunately, the president's reciprocal tariffs – which are bringing in close to \$300 billion in revenue each year – are likely to be deemed illegal by the US Supreme Court. Without this cornerstone, fiscal policy will need to adjust, possibly relying on other mechanisms (Sections 122, 232 and 301) to levy import duties. The result will most likely be renewed uncertainty for businesses and heightened market volatility.

MORE OF THE SAME, POSSIBLY WORSE

In summary, many of the issues that affected the US economy and financial markets in recent months will remain in play in 2026: tougher tariffs, ballooning government debt, sticky inflation and the AI frenzy. As if this weren't enough, investors face a long, tense and tight midterms race until it concludes in November.

In this context, it's probably best to remain humble and acknowledge that the outlook for 2026 is exceptionally unclear. Incoming data will certainly be subject to interpretation, leading to continued shifts in the dominant narrative. This may sound daunting, but it is also what keeps us, as investors, excited and optimistic. Where there are risks, there are also returns to be made.

Julien Lafargue, CFA, Chief Market Strategist, London UK



China's balancing act

The Chinese economy faces several challenges in 2026. In a more multipolar world, how quickly can the authorities engineer an economic revival and fix the real estate market?

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

Chinese economic forecasts, year on year (%), F=Forecast

China	2024	2025F	2026F
GDP growth	5.0	4.8	4.0
CPI inflation	0.2	0.0	0.8
Unemployment rate (%)	5.1	5.2	5.1
Consumption	2.2	2.6	2.2

Source: Barclays Investment Bank, November 2025

The Chinese economy is still on a rebalancing journey. The country's traditional growth engines – property development and export-led manufacturing – are being challenged by an aging population and trade tensions. As a result, the economy's usual drivers are no longer so dominant.

Instead, the focus has shifted to green technology, artificial intelligence (AI) and a consumption-led growth model. While this transition can help to lift the country's prospects, it will take time to fully materialise and deliver sustainable momentum.

"The evolution of China's economic model should open attractive entry points for those who are looking for outsized growth potential at a discount"

GROWTH IN A DEFLATIONARY ECONOMY

The People's Bank of China (PBoC) deployed a round of stimulus measures in early 2025 to meet its growth target of around 5%. These interventions aimed to inject liquidity, support domestic demand and revive consumer sentiment.

However, trade tensions and persistent weakness in the real estate sector continue to weigh on investment and confidence. As a result, growth is forecast to moderate to around 4% year-on-year in 2026, a far cry from the 6% or 7% achieved pre-pandemic.

It is not just growth that is being questioned, deflationary pressures continue to be a challenge for the Chinese economy. Despite the PBoC's efforts, prices keep heading lower, courtesy of overcapacity and weak consumer demand.

Because this is as much a structural problem as it is a cyclical headwind, we don't expect any meaningful improvement in 2026, with inflation around 0.8% year-on-year in 2026, from being flat in 2025.

CHARTING CHINA'S GROWTH COURSE: HOPE ON THE HORIZON

Clearly, the current situation is unsustainable. But there is hope on the horizon. For starters, the October's Fourth Plenum focused on addressing these issues. The strategic plan that was outlined is likely to form the key pillars shaping growth in 2026 and beyond.

1. Boosting domestic consumption – Private consumption as a share of Chinese gross domestic product (GDP) was only 40% in 2024 – below levels in other major economies (for example, in the US, it is close to 70% and in India it is over 60%). To promote household spending in an economy where the saving rate is close to 35%, the authorities will need to pursue continued targeted fiscal support, accelerate social welfare reforms and support household income.

2. Reviving productivity – Like many others, China has failed to sustain its productivity gains in recent years (especially when it comes to capital efficiency). However, this may change in the medium term as local authorities prioritise AI-related technological advancements. Unfortunately, this push is unlikely to bear fruit immediately, requiring Beijing to explore other avenues, such as eliminating hukou (a household registration system) restrictions, encouraging private ownership and investments, and reducing overcapacity.

3. Reshape supply chains – Domestic growth has been hampered by renewed trade tensions and a move to a less globalised and more multipolar world. To ensure a smooth transition to a consumption-driven economy, the country needs to gradually move up the value chain, focusing on more advanced technological manufacturing while building new trade partnerships.

RARE EARTHS, RARE LEVERAGE: CHINA'S DOMINANCE ON A CRITICAL SUPPLY CHAIN

China's dominant position in the rare earth metals sector (estimated to be around 70% of the global rare earth production) has provided the government with strategic leverage in the trade negotiations with the US. Rare earth metals exports were tightened in 2025 as a response to higher US tariffs on domestic goods.

The curb ignited concern in the US government, which remains heavily reliant on these materials for US technological innovation and defence production. Both countries reached a short-term trade deal in October, China temporarily suspending rare earth export restrictions for a year and the US extending the expiration of Section 301 tariffs and lowering those on fentanyl imports.

This is a very short-term solution, and the West is now well aware of the need to build an alternative supply chain for rare earth materials. Crucially, this process will take years, allowing China to retain a leverage that is likely to be used again in 2026.

"Trade tensions and persistent weakness in the real estate sector continue to weigh on investment and confidence"

POTENTIAL SYSTEMIC RISKS TO LONG-TERM GROWTH MODEL

Unfortunately, this transition will not only be lengthy, but costly. The ongoing system-wide deleveraging in the property sector limits the effectiveness of the PBoC's actions. Similarly, soaring debt levels and increasing fiscal pressure on local governments constrains policy flexibility.

While China's official fiscal deficit is only 4% of GDP, some estimates put it at 8% or 9% when accounting for off-budget local government borrowing and special fund expenditures. This is why any stimulus may be targeted, and interest rates could remain under pressure.

NAVIGATING OPPORTUNITIES, WHILE UNDERGOING A STRUCTURAL SHIFT

Despite these challenges, the nation remains a land of opportunities for investors. Indeed, in our view, the second-largest economy deserves a place in a well-diversified portfolio.

Of course, the transition from a fast-paced high single-digit growth developing economy to a more mature and sustainable mid-to-low single-digit growth developed one will not be easy. In addition, continued trade tensions will keep volatility elevated. But the evolution of China's economic model should open attractive entry points for those who are looking for outsized growth potential at a discount.

Judiyah Amirthanathar, London UK, Market Strategist



Every journey starts with a first step

After several false starts, will the revamped trade landscape and a stimulus injection mark a turn for the better for the eurozone economy?

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

Europe economic forecasts, year on year (%), F=Forecast

EUROPE	2024	2025F	2026F
GDP growth	0.8	1.4	1.1
CPI inflation	2.4	2.1	1.7
Unemployment rate (%)	6.4	6.3	6.3
Gross public debt (% of GDP)	87.4	88.2	89.9
Private consumption	1.2	1.2	1.2

Source: Barclays Investment Bank, November 2025

Going into 2025 and following the announcement of a major stimulus plan by Germany, there were rising hopes that the eurozone would finally experience an economic revival.

That sentiment lasted for about three months. Very quickly, investors realised that the bloc's structural challenges wouldn't be resolved overnight. Sentiment is now mixed at best, leaving room for positive surprises.

Unfortunately, 2026 is unlikely to be the year when a corner is turned. But it could mark the beginning of a long journey to a better future.

GERMANY'S FISCAL BAZOOKA

Germany announced in late 2024 an unprecedented stimulus exercise. The authorities plan to increase total public spending by 2.2% of gross domestic product (GDP) by 2027 and finance around €500 billion to modernise its infrastructure. In addition, any defence spending in excess of 1% of GDP won't count towards the deficit calculation, freeing up potentially unlimited amount of money.

These €500 billion are to be deployed over a 12 year period (until 2037), though 2026 should see the government spend nearly a fifth of this envelope. That is, of course, if the 2026 budget is approved at the end of November, as expected.

BETTER GROWTH, AT THE MARGIN

While the timing of the German stimulus remains uncertain, one can reasonably expect to see some benefit accrue in 2026, allowing the eurozone's largest economy to escape its two-year-long stagnation. That would support the region's growth outlook.

However, investors shouldn't expect fireworks, as this positive impulse will face mitigating factors. First, the outsized growth seen in Spain since 2024 is bound to level off. Second, the impact of US tariffs will likely become more visible, and so may the drag from a stronger euro.

AN INFLATION TUG-OF-WAR

The eurozone outlook for inflation is equally unclear. On one hand, higher tariffs and the vast amount of German money expected to be spent could help sustain inflationary pressures. On the other hand, a strong currency, tepid growth, limited real wage growth and China's capacity (as well as its need now that trade with America is compromised) to export deflation to the eurozone are powerful forces.

On balance, we believe that deflationary factors will dominate inflationary ones in 2026, resulting in slower price rises. This is partly driven by timing as it will take months for these forces to transpire. In addition, probabilistically speaking, the chance of seeing a delayed German stimulus plan is, in our view, greater than seeing a strong uptick in the bloc's growth or a significant reflationary impulse in China in the short-term.

A VISIBLE MISPRICE

For now, markets anticipate the European Central Bank (ECB) to stay put in 2026 (and beyond). This is overly optimistic in our view. As explained previously, risks are two-sided and one could easily construct a scenario in which the ECB finds itself hiking interest rates next year. That said, we see the likelihood of an interest rate cut as much more prevalent.

Only time will tell if this view is right. In the meantime, there is a good chance that the investor's perception will change. In other words, we would expect markets to start pricing in interest rate cuts (or hikes) at some point next year.

A FEATURE, NOT A BUG

One thing won't change in the eurozone over the next 12 months: political instability. While Italy's government is now the third longest running in the country since World War Two, other countries are in the eye of the political storm.

France, for example, has been struggling to form a government capable of agreeing on a budget that would address the country's runaway fiscal deficit for much of 2025. In Germany, the coalition between the Christian Democratic Union, Christian Social Union and the Social Democratic Party is rather fragile, and state elections scheduled in 2026 could rock the boat.

This continued political uncertainty will remain a feature of the eurozone and one of the reasons why the bloc may struggle to deliver attractive levels of economic growth. That said, it is also a great purveyor of investment opportunities for those who can navigate this environment.

"One thing won't change in the eurozone over the next 12 months: political instability"

MOVING IN THE RIGHT DIRECTION, SLOWLY

We expect 2026 to be another challenging year for the eurozone, as well-known obstacles mask some (very) positive German developments that may not bear fruit until later in the decade. Importantly, this sentiment appears to be shared by a growing number of investors. This opens the door to some positive surprises as we move through the coming months.

For medium-to-long-term investors, the strategy remains the same: stay selective. Those with a more tactical approach should take advantage of swings in sentiment to time market entry and exit.

Julien Lafargue, CFA, Chief Market Strategist, London UK



Sailing into choppy waters

Against a barrage of international trade upheavals and policy uncertainty, will the UK's slow but steady economic revival continue in 2026?

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

UK economic forecasts, year on year (%; F=Forecast)

UK	2024	2025F	2026F
GDP growth	1.1	1.4	1.4
CPI inflation	2.5	3.4	2.0
Unemployment rate (%)	4.3	4.7	5.0
Gross public debt (% of GDP)	93.6	93.2	92.9
Private consumption	-0.2	0.9	1.0

Source: Barclays Investment Bank, November 2025

As 2025 draws to a close, the UK economy resembles a lukewarm cup of tea, with tepid growth, unexpectedly hot inflation and subdued consumer and business confidence. While 2026 may not look much better, ultimately, slow and steady could win the race.

UK gross domestic product (GDP) is forecast to grow by 1.4% year-on-year in 2026, the same pace as in 2025. This signals that while the country may not be sprinting, it is at least moving in a positive direction. However, persistent challenges – including weak consumer sentiment, subdued business investment and anticipated fiscal tightening signalled in November's Autumn 2025 Budget – could slow growth.

After a reacceleration in the consumer price index (CPI) during 2025 – driven by energy base effects, tax changes and food price pressures, UK CPI inflation likely peaked in September 2025. Inflation is expected to soften to 2.0% year-on-year in 2026, nearing the Bank of England (BoE)'s 2% medium-term target.

While this moderation is encouraging, several factors – including sticky wage inflation, volatile commodity prices and tariff pass-through effects – could keep inflation slightly above target. As such, the BoE will need to remain vigilant, balancing inflation risks with growth concerns.

HIGH PLATEAU, WITH SCENIC VIEWS

The UK, like most other developed countries, has kept interest rates higher for longer. Following 0.75% of cuts in 2025, as of November's rate-setting meeting, the BoE is expected to slow the pace of policy easing in 2026 to just one cut, taking the Base Rate to 3.5%, adopting a more measured "slow and steady" approach. Of course, this is contingent on inflation remaining contained and the labour market staying stable.

However, some slack is starting to appear in the labour market. Should the unemployment rate surpass 5%, the central bank may ease more aggressively in a bid to support real disposable income and consumption.

"The health of the domestic economy and that of the local equity markets aren't necessarily linked."

AUTUMN BUDGET: LESS PUMPKIN SPICE, MORE FISCAL ADVICE

The upcoming Autumn Budget on 26 November may ask households to tighten their belts. Chancellor Rachel Reeves has attempted to manage expectations, highlighting that some of the pain will need to be 'front-loaded'.

For Labour, the challenge is an estimated £30 billion fiscal black hole. That said, this appears manageable for a three trillion-pound economy. For context, Greece went through a fiscal adjustment worth some 24% of GDP between 2010 and 2014. After pledging to adhere to its commitment not to raise taxes, on 4 November, finance minister Rachel Reeves gave the clearest signal yet that the government would likely use income tax as a lever to fill the gap and uphold its fiscal credibility.

The government may elect instead to freeze income thresholds, modify pension reliefs or expand the tax base for national insurance in order to keep to its manifesto commitments. Property taxes and business rates may also be targeted. While public spending cuts could take place in areas such as welfare or infrastructure budgets, these are unlikely to move the needle much.

All in all, the result is likely to be a slightly tighter fiscal framework. As a result, the BoE may have more room to loosen monetary policy. That is of course if tax hikes don't lead to higher inflation.

MIND THE TRADE GAP

The UK and US reached a trade deal in May, where the US reduced or made tariff exemptions on UK imported cars, aerospace goods, steel and aluminium, while in turn the UK lowered its average tariffs on US goods from 5.1% to 1.8%. This deal fell short of UK expectations, with home grown sectors being impacted the most.

Looking ahead to 2026, the discussions are far from over, negotiations continue in some sectors, particularly in steel and aluminium and pharmaceuticals. The UK is aiming to deepen its US relationship, leveraging deals and capturing technological investment opportunities. However, next year will probably prove to be more about implementing existing proposals rather than dramatic trade volume.

"The BoE is expected to slow the pace of policy easing in 2026... this is contingent on inflation remaining contained and the labour market staying stable"

SILVER LINING IN THE FOG

Thankfully for investors, the health of the domestic economy and that of the local equity markets are not necessarily linked. This is particularly true in the UK where pockets of attractive investment opportunities lie under a cloud of domestic uncertainty.

The 'doom and gloom' scenario that is playing on the minds of households and businesses might not materialise, and as the government navigates through building fiscal credibility while managing global tensions, sentiment should improve, allowing the economy to continue its slow and steady revival in 2026.

Judiyah Amirthanathar, London UK, Market Strategist



Beyond the AI boom: Rebalancing portfolios for a more sustainable cycle

With markets transitioning from AI-fuelled momentum to more balanced fundamentals, 2026 offers an opportunity to build resilience and broaden exposure.

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

FROM EUPHORIA TO REBALANCING

Global equities extended their rally in 2025, fuelled by the extraordinary momentum around artificial intelligence (AI). Optimism about a productivity revolution, falling inflation and resilient growth supported sentiment, while expectations of rate cuts boosted risk appetite.

Beneath the surface, however, market leadership narrowed sharply and valuations became stretched. By year-end, a small group of AI-related mega caps accounted for a record share of global market capitalisation, leaving portfolios increasingly concentrated.

As 2026 nears, the AI theme remains powerful, but its dominance has introduced fragility. The year ahead is likely to mark a transition from momentum to moderation, where fundamentals and diversification regain the upper hand.

THE YEAR AI RESHAPED GLOBAL MARKETS

Global equities delivered strong gains in 2025, up 20% at the time of writing, led by technology (+31%) and communication services (+29%), as the AI investment boom accelerated and corporations raced to expand computing infrastructure and data capacity.

Performance was narrowly concentrated, with the Magnificent 7 companies contributing more than 20% of global equity gains (4% out of 20%) in 2025 year-to-date, and over 40% of the S&P 500 returns (7% out of 17%).

While the S&P 500 and the Stoxx Europe 600 indices are both trading at their all-time highs, half of their constituents remain at least 20% below their previous peaks.

In essence, 2025 rewarded concentration over diversification, a dynamic that rarely proves sustainable.

“The Magnificent 7 companies have contributed more than 20% of global equity gains”

MACRO AND GEOPOLITICAL LANDSCAPE: CONTROLLED UNCERTAINTY

The global economy enters 2026 on a slower but still resilient path. Growth is moderating to slightly below trend, inflation seems to be stabilising, and the prospect of rate cuts offers support. Recession risks have eased, but regional growth prospects are uneven, as the US cools, Europe stabilises, and Asia regains momentum.

Central banks retain room to ease gradually, yet fiscal space is narrowing. Large deficits in the US and parts of Europe raise concerns that persistent government borrowing could keep inflation sticky and limit policy flexibility later on.

Geopolitical uncertainty lingers, with ongoing US-China trade frictions, protectionism in strategic sectors and European political fragmentation. Overall, however, this remains a backdrop of ‘controlled uncertainty’: sufficient growth to sustain earnings, but thinner policy buffers and uneven growth across regions. Overall, 2026 looks set to be a year of slower but still positive growth, one that favours selectivity rather than broad-based risk-taking.

VALUATIONS AND EARNINGS: FROM MULTIPLE EXPANSION TO EARNINGS DELIVERY

Global equities have rallied by 20% on an annualised basis over the past three years, primarily driven by valuation expansion, as opposed to earnings growth (see chart). Over that period, trailing price-to earnings multiples have jumped by 14% annualised, while corporate profits have risen by a more modest 5%.

Following this rally, equities are now richly valued, especially in the US (see chart, p15). The MSCI All Country World Index now trades on 20 times forward earnings (32% above its 20-year average), while the S&P 500 is on 23 times forward earnings (40% above its long-term average). In contrast, Europe, the UK and emerging markets trade at more modest premiums to their long-run averages (+13%, +6% and +20%, respectively) and at deep historical discounts relative to the US.

With margins already elevated and economic growth slowing, returns are increasingly likely to depend on earnings delivery and cash flow durability rather than further multiple expansion. The market narrative is shifting from valuation-driven to earnings-driven performance.

In this environment, earnings delivery – not multiple expansion – will be the decisive driver of returns.

KEY MARKET RISKS FOR 2026

Concentration risk

Equity indices have become unusually dependent on a few large companies, amplifying sensitivity to stock-specific news and heightening the risk of index-level volatility if these leaders de-rate. Portfolios should therefore benefit from broader regional, sector and style diversification to avoid overreliance on a narrow group of winners.

AI: bubble or boom?

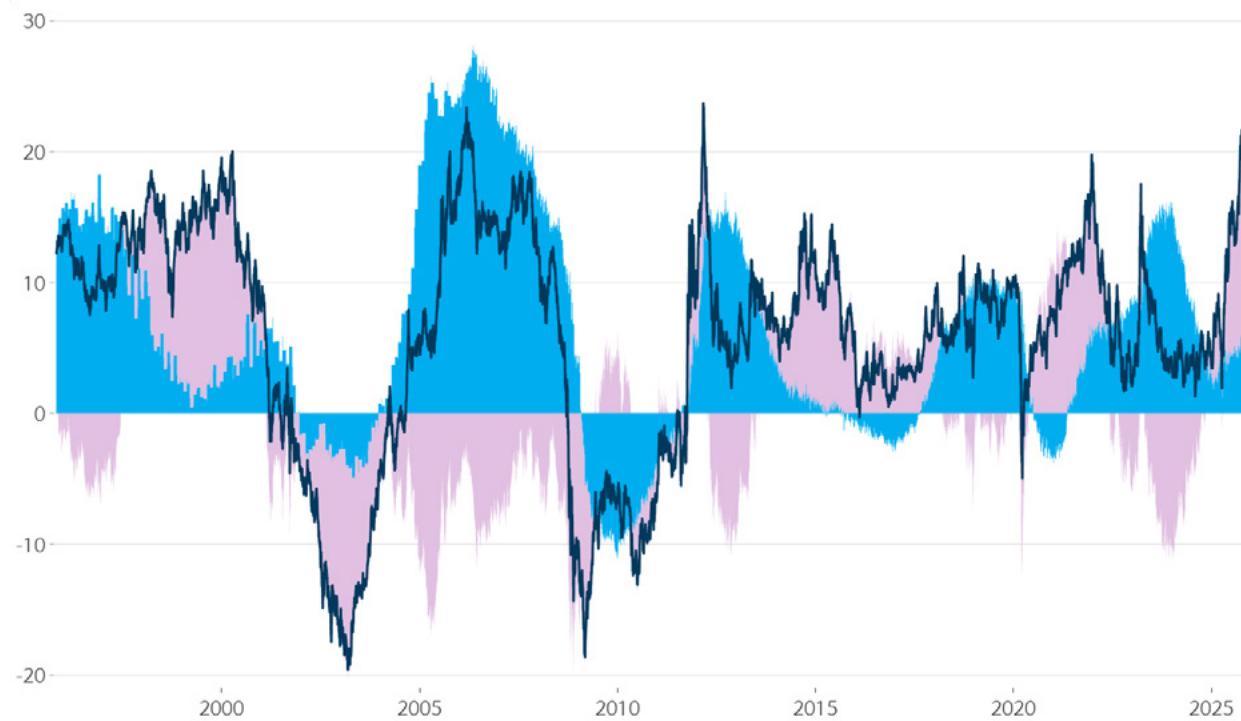
The debate around an AI bubble focuses on whether current valuations and investment spending exceed the pace of monetisation. Risks include the cyclical nature of capital spending, potential 'circular' (or interdependent) revenue links within the ecosystem, supply constraints and regulatory uncertainty.

However, today's AI leaders differ from the late-1990s tech cohort. They are profitable, cash-generative and integrated into enterprise and consumer infrastructure. Valuation risks persist, but vulnerabilities are more likely to stem from multiple compression or slower adoption than from business-model failure. Selectivity and diversification remain the best ways to capture upside while managing downside risk.

Investors should prepare for greater dispersion both within and across markets.

Valuation expansion drove recent equity gains

Earnings growth took a back seat as valuations have powered global equity returns since 2022



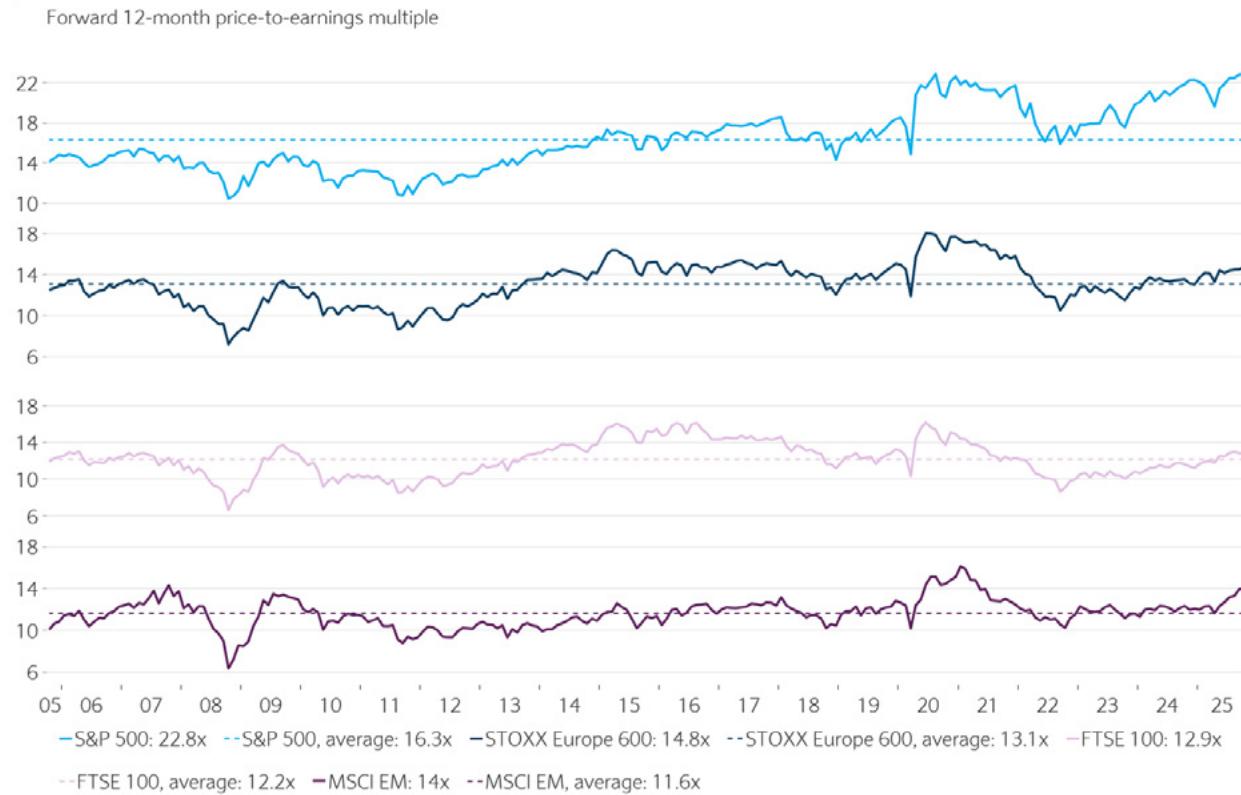
— MSCI All Country World price index, 3-year compounded annual growth rate: 20% ■ Trailing price-to-earnings ratio, 3-year CAGR: 14%

■ Trailing earnings growth, 3-year CAGR: 5%

Sources: Barclays Private Bank, LSEG Datastream, November 2025

US stocks stretch global valuations to new highs

US equities trade at a substantial premium to their long-run average, leaving Europe, the UK and emerging markets looking relatively more attractive



Sources: Barclays Private Bank, LSEG Datastream, November 2025

INVESTMENT IMPLICATIONS FOR 2026

We continue to recommend diversifying beyond US mega caps, where valuations and concentration are most extreme. Opportunities remain across the UK, Europe and select emerging markets that combine more attractive valuations with improving fundamentals.

UK: value, income, and diversification

UK equities trade at one of their widest valuation discounts to global peers in two decades, while offering superior dividend yields and a favourable sector mix. Exposure to energy, financials and consumer staples, with limited dependence on technology-driven growth, provides income resilience and diversification away from US market leadership. The UK stands out as a diversifier and defensive income play.

Europe: stabilising fundamentals amid political noise

European earnings momentum is improving, driven by strong results from large-cap leaders in luxury, semiconductors and consumer staples. Valuations remain attractive relative to global peers. Political risks in France and fiscal uncertainty in Germany still weigh on sentiment, but improving corporate fundamentals support a constructive view, with potential to add to holdings on price weakness.

Emerging markets: undervalued and under-owned

Emerging market equities remain inexpensive versus developed markets. As US growth normalises and monetary policy eases, a softer dollar could become a tailwind. Exposure

to AI-related supply chains in Asia, policy support in China and improving external balances across several EM economies reinforce the case for selective recovery.

SECTOR AND STYLE ALLOCATION

Quality: resilient through the cycle

Quality remains our preferred style exposure. Companies with solid balance sheets, high returns on equity and consistent earnings growth have historically outperformed across cycles. After lagging during the AI-led rally, quality is well positioned to regain leadership as volatility rises and fundamentals regain focus, as outlined in [Quality's quiet strength: Why it may be due a rebound](#).

Defensives versus cyclicals: catch-up potential

Cyclical sectors such as industrials and technology hardware have outperformed year-to-date, supported by robust corporate investment in AI infrastructure and automation. However, their relative performance now looks extended relative to macro fundamentals (see charts, p16 and p17).

Historically, as growth slows and bond yields decline, defensive sectors like healthcare, staples and utilities tend to outperform their cyclical peers. This suggests scope for a rotation back into defensives in 2026.

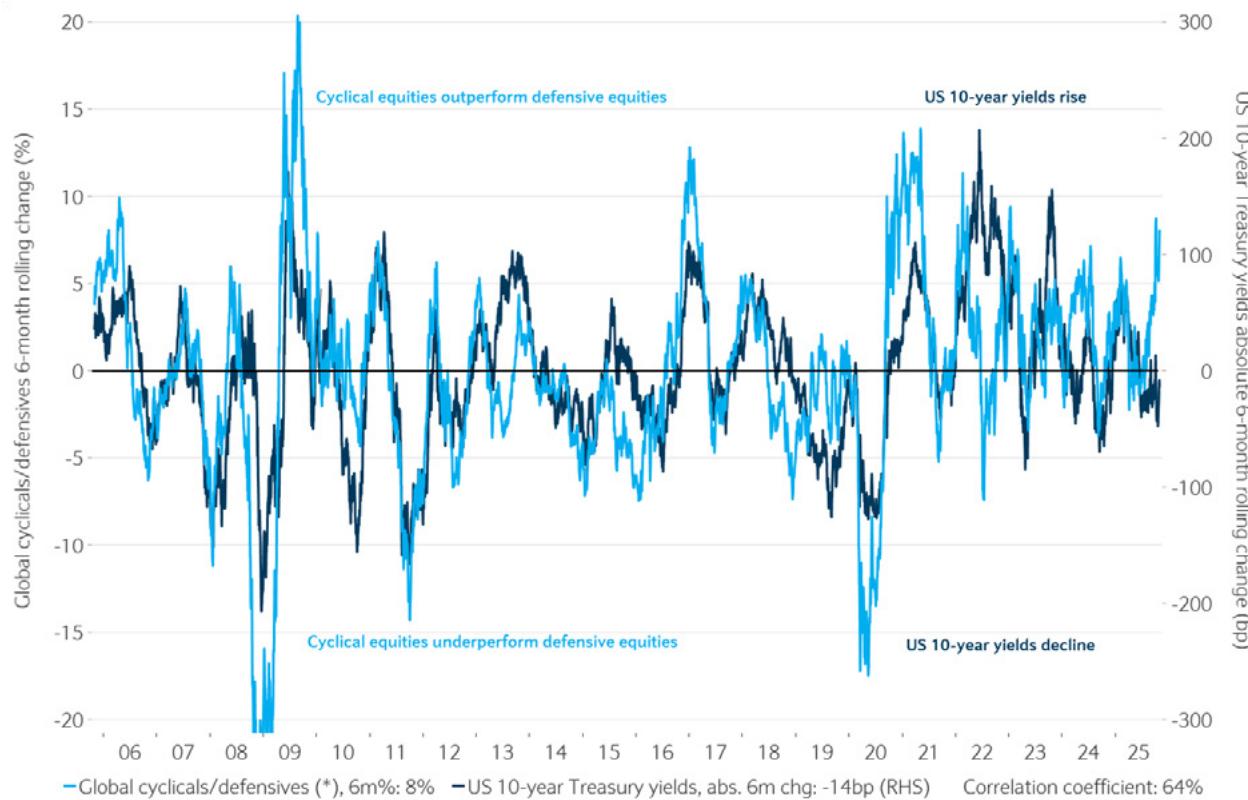
High total shareholder yield: the power of income and buybacks

As the cycle matures, shareholder returns through dividends and stock buybacks will represent a larger share of total performance. Financial and energy companies stand out for their high total yield, supported by healthy profitability, capital discipline and stable payout ratios. Against a backdrop of slower nominal growth and reduced valuation upside, these segments provide attractive carry and defensive characteristics within portfolios.

"The year ahead is likely to mark a transition from momentum to moderation, where fundamentals and diversification regain the upper hand"

Cyclicals' rally overshoots economic signals

The recent outperformance of cyclical stocks versus defensives* exceeded what bond yields and fundamentals suggested



Sources: Barclays Private Bank, LSEG Datastream, November 2025

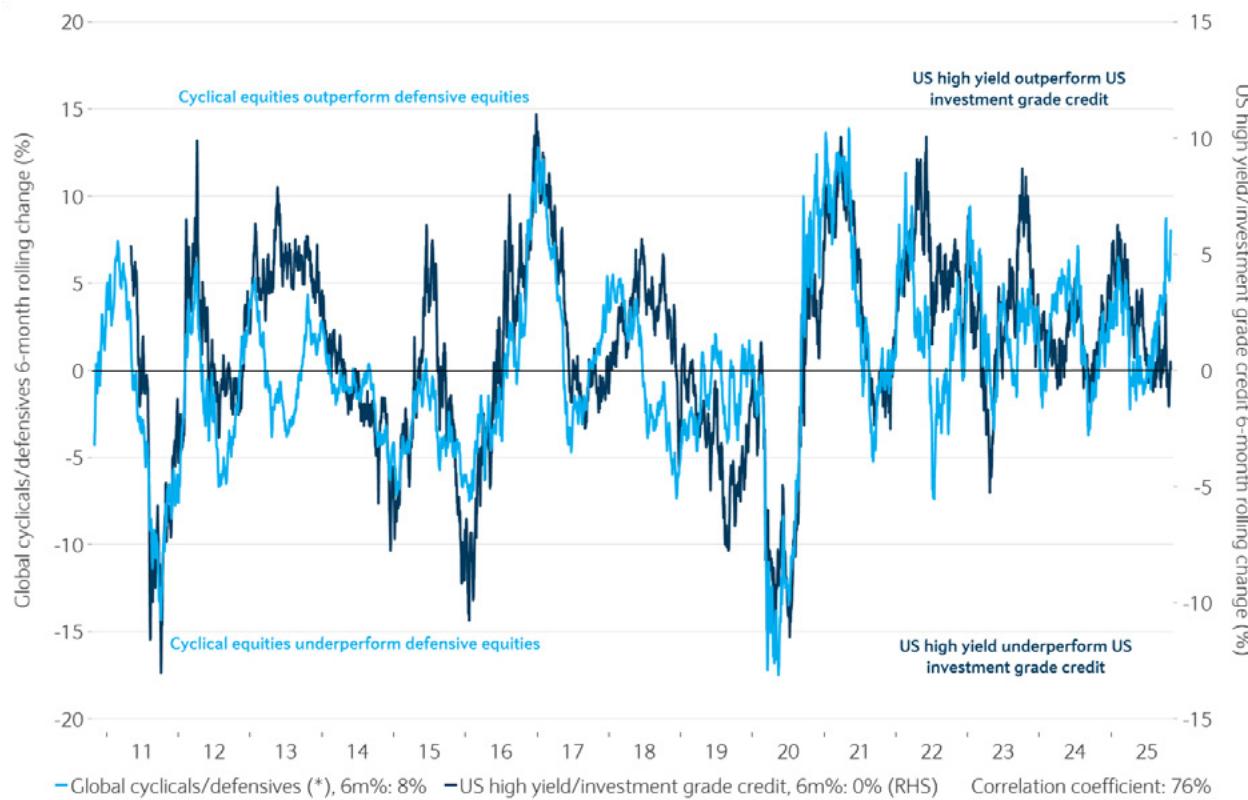
* Cyclically and defensive indices are market-cap weighted.

- Cyclically sectors include technology hardware, financials, consumer discretionary, industrials, energy and basic materials.

- Defensive sectors include software and computer services, healthcare, consumer staples, telecommunications, utilities, real estate.

Cyclicals outpace defensives as credit market signals diverge

The performance gap between cyclical and defensive stocks has widened beyond what total returns in high yield and investment grade bonds would historically suggest, highlighting a potential disconnect between equity and credit markets



Sources: Barclays Private Bank, LSEG Datastream, November 2025

STRUCTURAL THEMES: INVESTING IN THE NEXT WAVE OF AI ADOPTION

As AI moves from experimentation to large-scale deployment, the focus is shifting from the builders of AI to its adopters – sectors embedding these technologies to improve productivity, security and sustainability.

In healthcare, AI-driven diagnostics, drug discovery and personalised medicine are boosting efficiency and medical outcomes, creating new opportunities for medtech and biotechnology firms. Defence and cybersecurity are benefiting from renewed investment in resilience amid rising geopolitical and digital threats. Meanwhile, automation and robotics continue to transform manufacturing and logistics through smarter, AI-enabled systems.

At the same time, the rapid expansion of AI infrastructure is amplifying global energy demand, accelerating investment in clean power generation, grid modernisation and next-generation materials. This convergence of digital adoption and energy transition marks the shift from speculative enthusiasm to structural, cash-flow-backed opportunities across the real economy.

CONCLUSION: REBALANCING PORTFOLIOS FOR THE NEXT PHASE

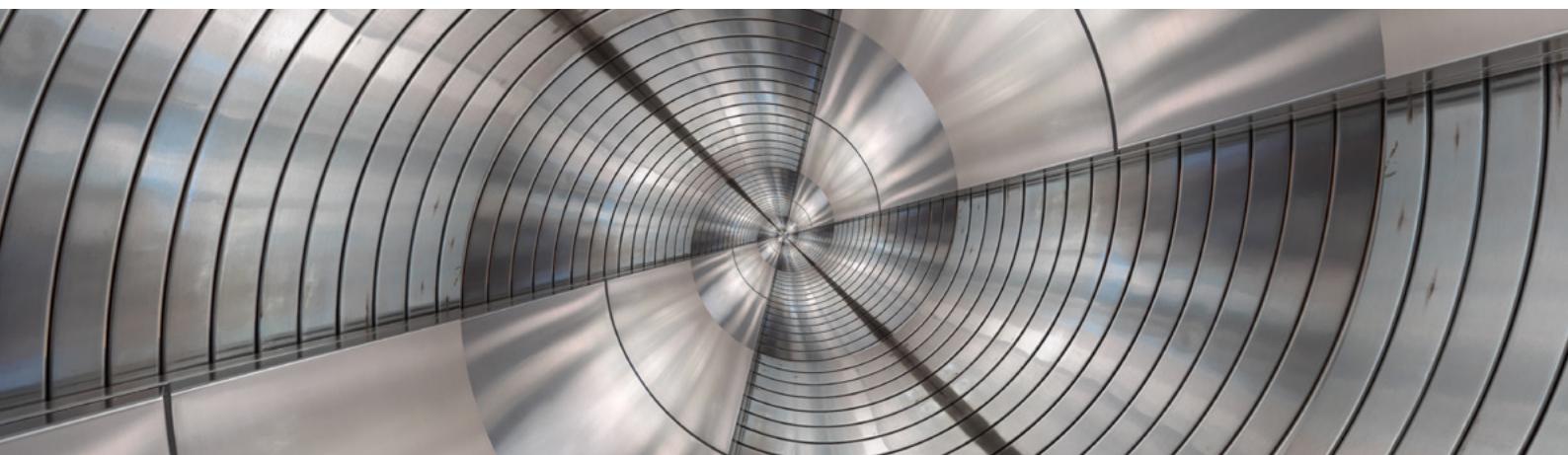
2026 is unlikely to repeat the exuberance of 2025. Investors face a more balanced and selective environment, one that rewards discipline over momentum. The AI 'supercycle' is evolving, shifting from investing in the few to investing through the many.

Three principles define the roadmap ahead for investors:

- **Diversification** to reduce concentration risk and broaden opportunity
- **Quality and income** to anchor portfolios in durable, cash-generative businesses
- **Structural exposure** to capture the next wave of innovation and infrastructure growth

In short, 2026 is a year for rebalancing – positioning portfolios for a more sustainable phase of the cycle.

Dorothée Deck, London UK, Head of Cross Asset Strategy



Decoding the bond market

The bond market is approaching a critical juncture as central banks debate whether the end of the cutting cycle is near, while increasing debt supply remains the big focus. Meanwhile, yields remain at attractive levels, providing further opportunities.

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

All data referenced in this article is sourced from Bloomberg unless otherwise stated, and is accurate at the time of publishing.

Despite worries over higher government debt supply and persisting uncertainty over the path for inflation, bonds delivered solid returns across all segments of the market in 2025. For instance, short-term cash investments, such as USD deposits, returned only a modest 3.7% year-to-date, while medium-term US Treasuries achieved nearly 6.5%.

Notably, US BBB-rated medium-duration bonds returned almost 8%, short-dated high yield (2.5 years) nearly 7% and USD-denominated emerging market investment grade

bonds close to 10%, justifying our stance in [Adapting to the yield cycle](#). These results underscore the value of strategic allocation within fixed income.

CONSTRUCTIVE BUT SELECTIVE

The outlook for bonds in 2026 remains broadly constructive. Yields – both nominal and real (inflation adjusted) – are well above their 20-year averages, providing a strong starting point for performance. Key macro drivers which should support bond market performance in 2026 include:

- Anaemic growth (in developed economies)
- Moderating inflation
- Lower policy rates
- Healthy private sector balance sheets (households and corporates)

Yields off their peaks, but still above their long-term average

Yields on many types of bond against their 20-year average and their highest level since 2020



Sources: Sources: Bloomberg, Barclays Private Bank, November 2025

Historically, declining policy rates have supported bond returns. However, the current cycle is at a critical juncture, with economic data still distorted by post-pandemic dynamics and geopolitical developments. Slow progress on the disinflationary process, tariffs and the lack of government debt consolidation add complexity. Success in 2026 will depend on timely and correct interpretation of incoming data and careful selection across bond segments.

DECODING THE DATA: WHAT TO WATCH OUT FOR

The interpretation game for 2026 and thoughtful decoding will be as crucial as it was in 1939, when English mathematician Alan Turing managed to decipher the Enigma codes used by Germany during the second world war.

The rate market's direction will hinge on central bank policy. In the US, the market is pricing a Fed rate of just above 3% by end-2026. Considering the pricing, it seems that US rates may have some, but only limited room to decline substantially. At this juncture, and considering the dissent with the US Federal Reserve (Fed), the 3% should be seen rather like an average of bets than a firm conviction by the market.

The Fed's focus has shifted from inflation to the labour market, which shows clear signs of weakening. Now the central bank is debating whether this weakness is supply- or demand-driven. A sharp slowdown and rising jobless claims could prompt deeper rate cuts. On the other hand resilient consumer demand and more clarity on tariffs may lead to a situation whereby the central bank may halt the cutting cycle until stronger signs of further moderation in inflation.

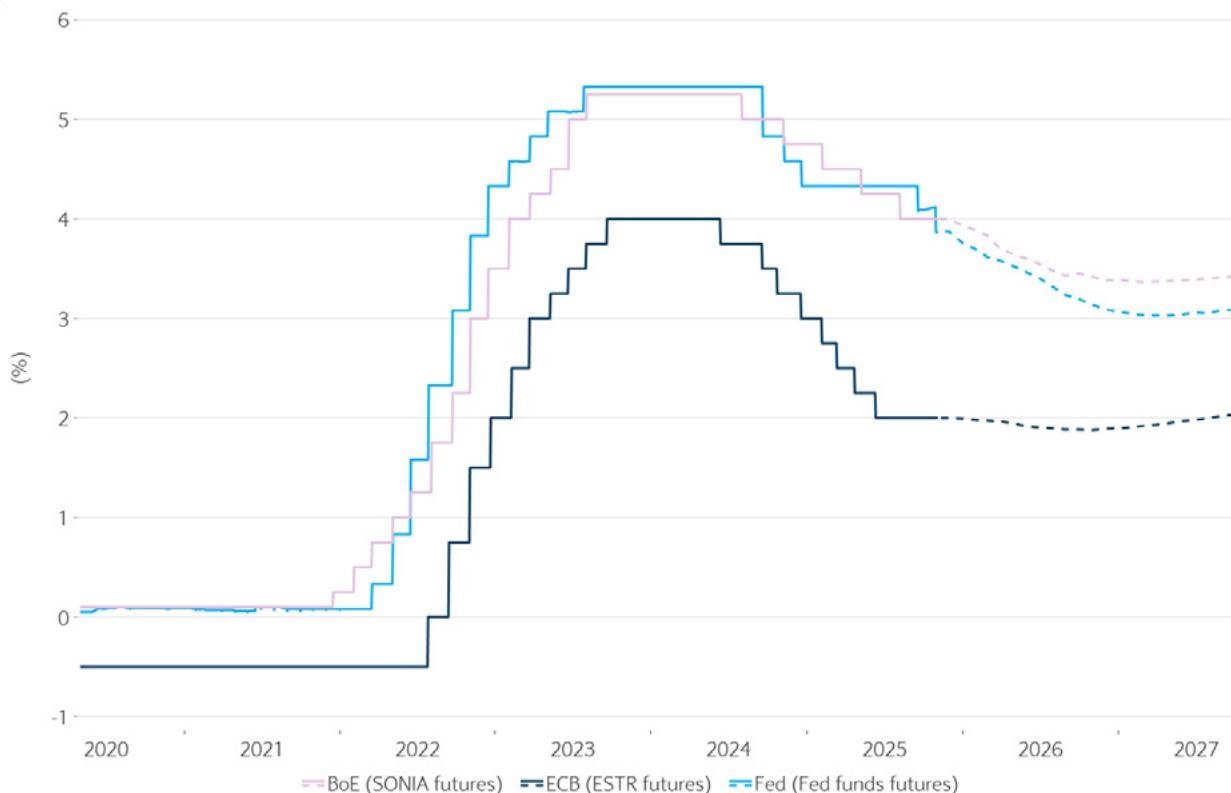
In the UK the room for surprise on the downside meanwhile seems greater. Until recently, Bank of England (BoE) Governor Andrew Bailey had maintained a more hawkish tilt owing to structurally higher inflation. Service inflation is still hovering just below 5%; anything but consistent with the central bank's inflation target.

However, growth is likely to undershoot and budget measures could dampen consumer spending and economic growth. While the rate market implies a base rate of 3.5% for the end of 2026 this could be well undershot, should the job market weaken further (see chart).

In the eurozone, the European Central Bank (ECB) seems to find itself "in a good place" as the central bank maintained its policy rate at 2% during its October meeting. Further cuts seem less likely for now. However, the central bank may need to engage in further cuts, in the absence of a growth impulse coming from the historic German fiscal package and given the weakness in growth in France or Italy for example.

Policy rates mostly on a downward trend

Forward pricing for UK, eurozone and US rates suggests that more easing will be seen in 2026



Sources: Bloomberg, Barclays Private Bank, November 2025

GOVERNMENT DEBT: SUPPLY AND VOLATILITY

The persistent rise in government debt will remain a central concern, particularly for long-dated bonds that are highly sensitive to increasing supply. In 2025, volatility was pronounced in both the French sovereign and UK gilt markets. Although the respective bonds already offer notable yield premiums, such compensation may not be sufficient to shield investors from further instability in 2026.

In September, the spread between French and German 30-year bonds exceeded 100 basis points, reaching levels last seen during the eurozone crisis in 2012. The French government's debt-to-gross-domestic-product ratio now exceeds 110%.

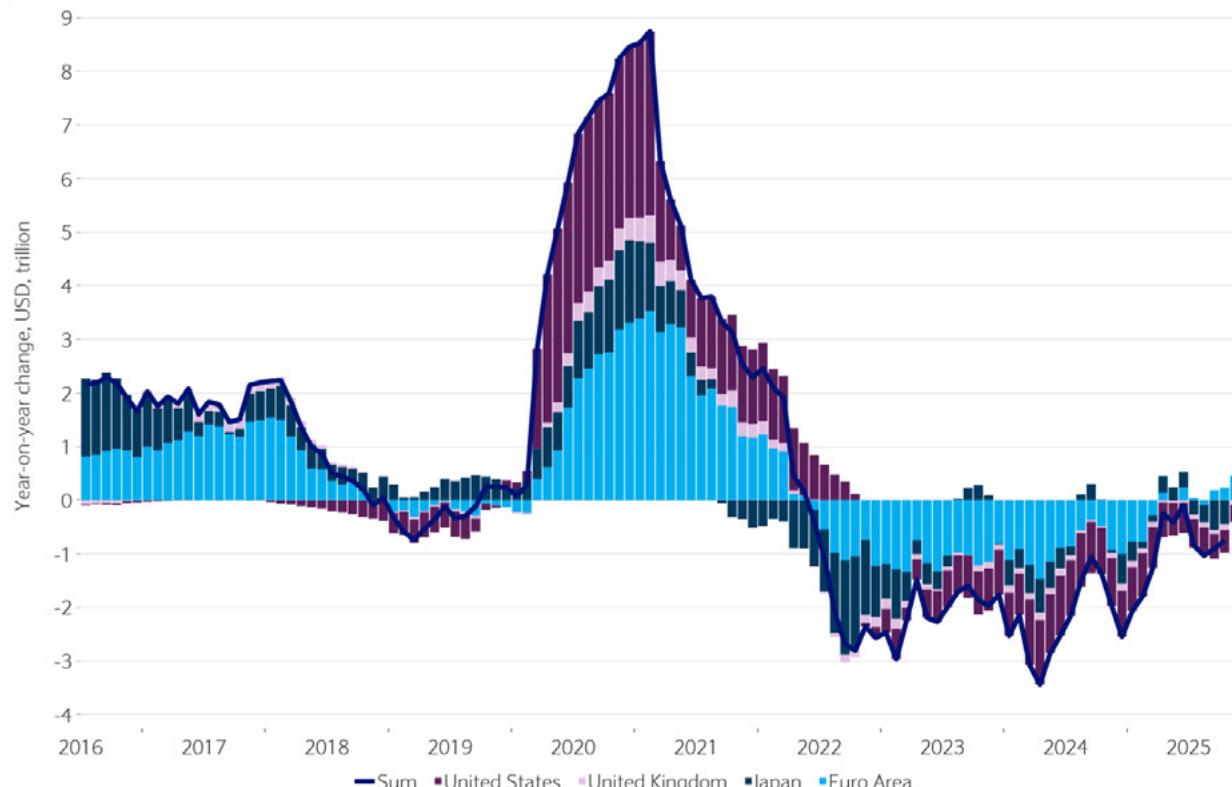
Additionally, France faces credit rating downgrade risks, with Moody's assigning a negative outlook due to persistent fiscal deficits and political gridlock, following earlier downgrades from S&P. The country's lack of a credible fiscal roadmap poses risks not only to its own bonds but could also trigger broader market questions affecting nations like Italy and Germany.

In the US, debt supply pressure remains. For example, the government's funding gap is likely to accumulate to \$5.5 trillion during the next five years.

The US Treasury, meanwhile, has announced that coupon issuance of net privately-held debt would remain broadly unchanged for 2026 at almost \$1.5 trillion, but is likely to increase thereafter.

Central banks ending balance sheet reductions

US, Japanese, eurozone and UK central banks are close to ending a period of cutting the size of their balance sheets



Sources: Bloomberg, Barclays Private Bank, November 2025

As discussed in [A hot summer for UK government bonds](#), UK pension reforms are set to structurally reduce demand for gilts over the coming years, meaning that price-sensitive buyers will need to step in, likely demanding higher yield premiums.

CENTRAL BANKS TO BE MORE ACTIVE

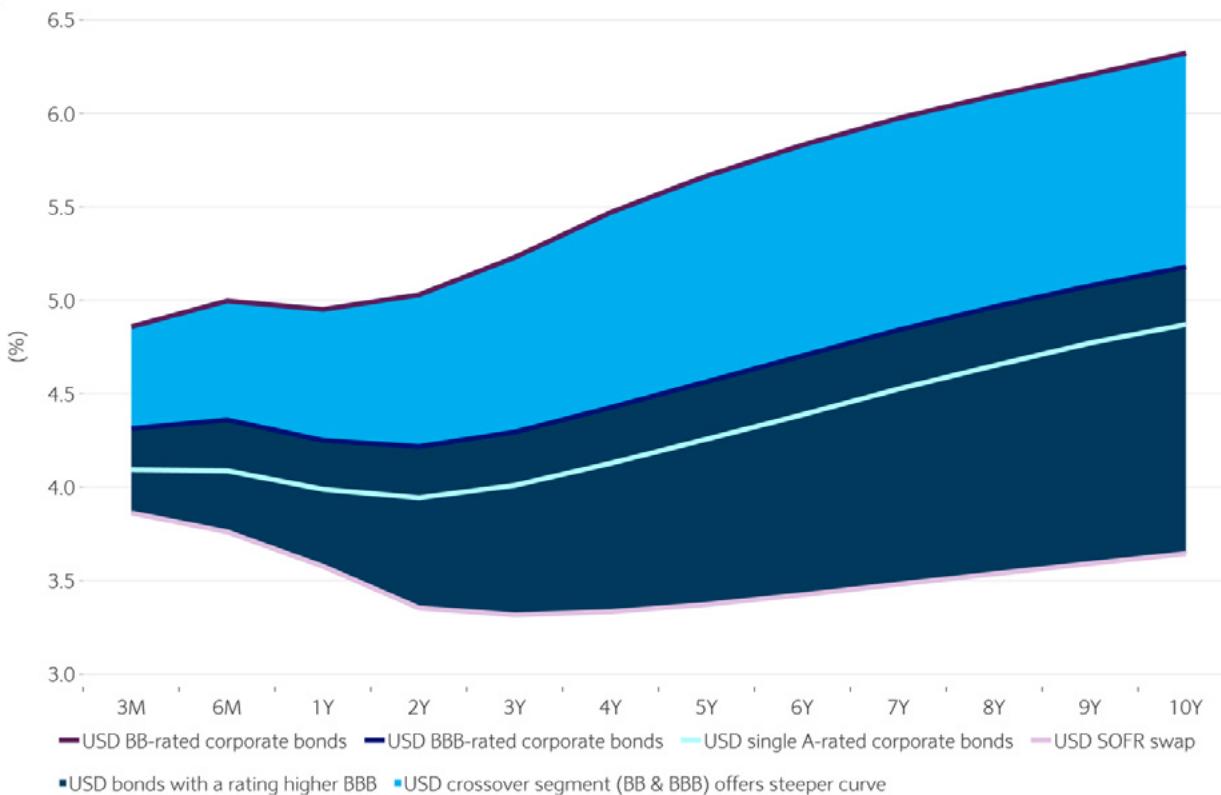
Central banks are poised to take a more active – sometimes reactive – role in government debt markets. The Fed has announced it will halt balance sheet reduction and begin to reinvest all proceeds from maturing Treasuries (see chart). The BoE has already slowed its pace of balance sheet reduction and may slow it down even further if market stability is threatened. The ECB's transmission protection instrument remains untested, but persistent and unsustainable spread widening could prompt its use.

Beyond these reactive measures, coordinated strategies – such as central banks focusing on longer maturities while treasuries issue more short-dated debt ('operation twist with a twist') – may be necessary to mitigate supply-driven stress.

"Success in 2026 will depend on timely and correct interpretation of the data and careful selection across bond segments"

USD BBB-rated and BB-rated offer steeper yield curves

Yield curve for various US bonds shows that BBB- and BB-rated debt offers a steeper yield curve



Sources: Bloomberg, Barclays Private Bank, November 2025

CREDIT MARKETS: SELECTIVITY IN A WORLD OF TIGHT SPREADS

Credit markets were not much in the limelight in 2025, bar the stress witnessed among some issuers in US auto and regional residential lending sectors. We would not go as far as to call these events the first signals of broader stress in credit markets. However, a weakening consumer, higher tariffs and anaemic growth will be a challenge for more leveraged issuers in 2026.

Bearing in mind that high yield bond issuers in particular will have to roll much of their typically 5-year debt in the next 12 months, which has been locked in at ultra-low post-pandemic levels five years ago, at much higher rates. Ultra tight spread levels as seen today are likely to get tested.

Our preference remains BBB-rated medium-term bonds, while BB-rated debt which provides even higher yields, without being overly leveraged, appears attractive by comparison (see above chart). In addition, hybrid bonds of established and higher-quality issuers offer added yield premium while including an early-call (at par) feature.

The combination of attractive yields and more contained duration risk at the very long end or more limited risk of spread widening as witnessed with lower quality bonds, seems an effective strategy in the current environment.

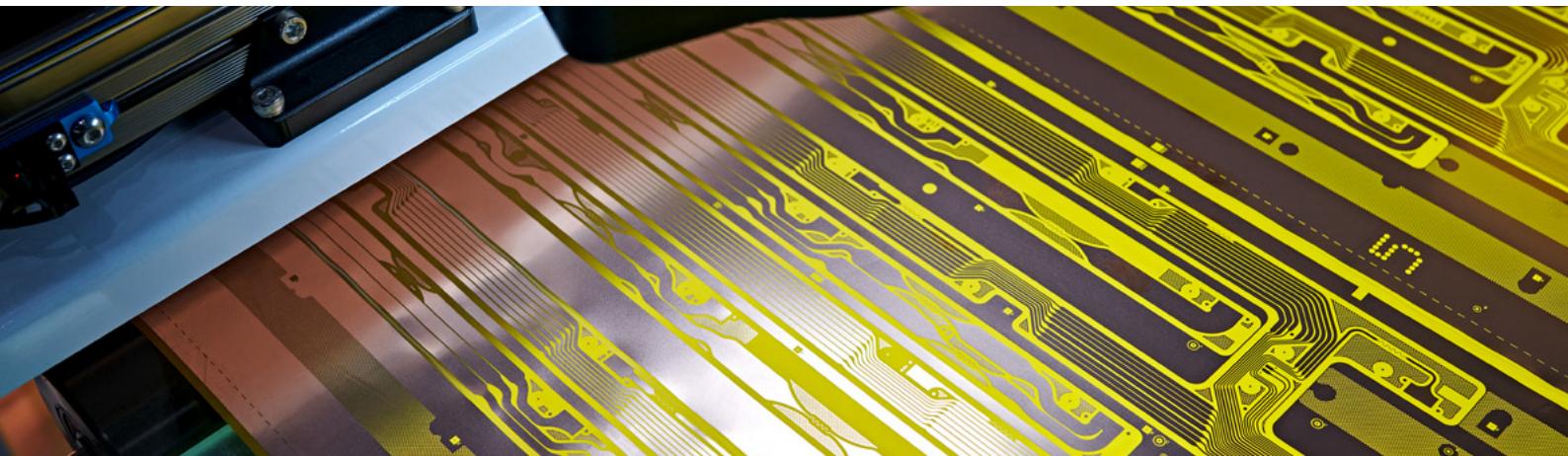
- Focus on quality and medium duration: Prioritise BBB- and BB-rated bonds with a medium duration as well as hybrid bonds.
- Monitor data and be ready to act: Be ready to extend duration during stress scenarios, as interventions may create tactical opportunities.
- Stay selective: Not all segments will perform equally, so careful allocation is essential.

CONCLUSION

Next year offers another one of yield opportunities, but selectivity and data-driven decision-making will be crucial. The interplay between policy rates, sovereign supply and credit dynamics will shape outcomes.

By focusing on quality, medium duration and central bank signals, investors can position portfolios to capture solid yields while not being too exposed to duration or credit risk. A selective, actively-managed approach can help investors to navigate most effectively the upcoming juncture in the bond markets.

Michel Vernier, CFA, London UK, Head of Fixed Income Strategy



The US government-industrial complex

As the US battles with China for economic and technological dominance, what does a refashioned, closer, relationship between the US administration and industry mean for investors?

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

Any reference to individual companies should not be considered an investment recommendation or endorsement from Barclays Private Bank and Wealth Management.

Amid rising geopolitical tensions and intensifying competition over economic and technological leadership, the US is undergoing a strategic "decoupling" from China – a deliberate recalibration of interdependencies, giving rise to a new government-industrial complex. Building on earlier initiatives, the administration is now proactively reshaping supply chains away from China and promoting domestic manufacturing in sectors deemed critical to national security.

Reintegration appears increasingly unviable; separation is becoming inevitable. This paradigm shift has elevated the strategic importance of American re-industrialisation to a national imperative. Through an arsenal of strategic tools – including tariffs, grants and even direct equity stakes – the US administration is backing critical industries, which has prompted private sector participation towards building supply-chain resilience and reduced dependency on others.

For investors, this convergence opens compelling opportunities in industries prioritised for national competitiveness. Particularly within sectors that intersect with prominent themes, such as AI, defence and energy independence.

FROM MINES TO MISSILES

The US national security supply chain has critical vulnerabilities. Most pressing, and where government policy has mostly focused on so far, is in rare earth elements (REE). When refined, these are used to create permanent magnets vital to modern manufacturing, notably in consumer electronics, electrical motors, semiconductors and advanced defence systems.

While America has mining capacity, it relies entirely on imported refined REE – a bottleneck exacerbated by China's control of global refining and ability to weaponise exports. Beyond REE, China also dominates the processing of other critical minerals vital to strategic industries (see chart, p23).

To address this vulnerability, the US must build a vertically-integrated domestic mine-to-magnet ecosystem, one capable of achieving REE independence. The government has aggressively deployed billions of dollars to facilitate this transition. In the short term, efforts are focused on stockpiling critical minerals¹, leading to:

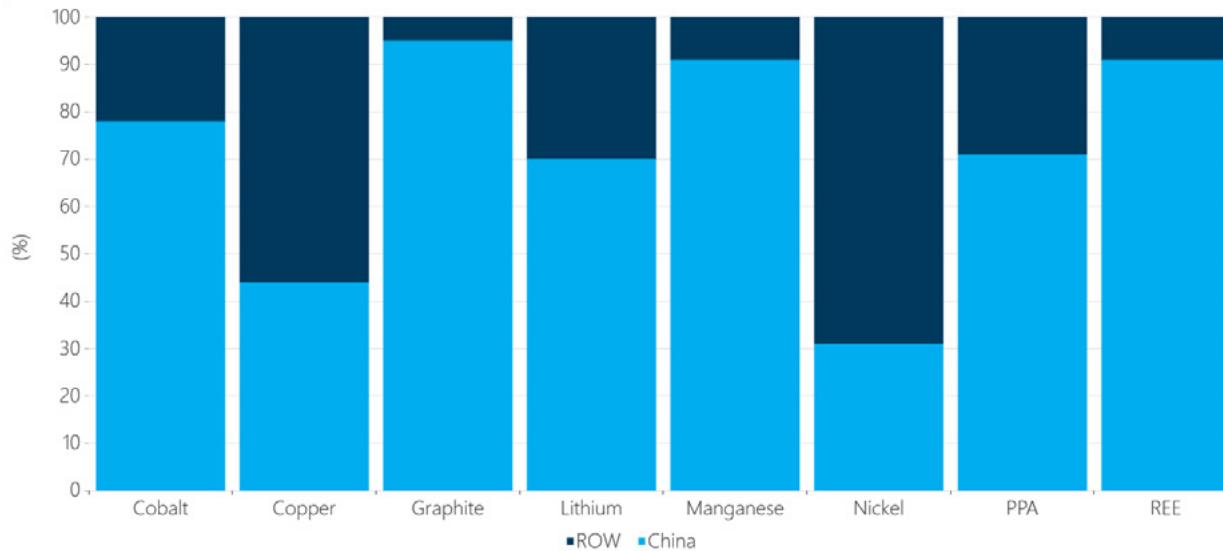
- The creation of the first Strategic Mineral Reserve in Nevada, which includes built-in refining and recycling capabilities².
- Diversifying supply away from China remains the key objective, hence the US has secured critical mineral deals with various countries, including Australia, Ukraine and even Pakistan of late.

¹ FT, Pentagon steps up stockpiling of critical minerals with \$1bn buying spree, 12 October 2025

² Discovery Alert, US Strategic Minerals Reserve in Nevada: Beyond Traditional Stockpiling, 22 August 2025

Supply of refined critical minerals production

Analysis of rare earth elements production in 2024 shows just how much the rest of the world relies on China to obtain various critical minerals



Sources: International Energy Agency, Barclays Private Bank, November 2025

SCALING UP

The US administration's next phase centres on scaling domestic mining and developing refining and processing infrastructure. Decades of Chinese state planning, subsidies, low labour costs and fewer environmental regulations have enabled producers to scale at the expense of US firms. Previous attempts to revive domestic production were undermined when China flooded the market, driving down prices, compressing US producers' valuations and postponing expansion projects.

Rather than allow national security to be dictated by non-market forces, the US administration has taken decisive action – purchasing direct equity stakes and offering guarantees to revive domestic critical mineral capacity. Notable moves include:

- 15% equity stake in MP Materials, the only US REE miner at scale, to support its Mountain Pass mine and develop the "10X" magnet production facility, backed by a 10-year domestic supply agreement and price floor guarantees³.
- 5% equity stake in Lithium Americas, alongside a 5% stake in its Thacker Pass project – the largest lithium deposit in the country⁴.
- 10% stake in Trilogy Metals, with warrants for an additional 7.5%, securing high-quality copper, cobalt and germanium supply in Alaska⁵.

An area of equal strategic concern is semiconductor fabrication, especially amid the massive AI infrastructure buildout. While the US leads in chip design, manufacturing has been outsourced to Asia, primarily Taiwan, where all advanced chips (three nanometres and below) are fabricated. Recognising the risk, the administration converted previously earmarked but undistributed CHIPS Act grants into a direct 10% equity stake in Intel – the only US firm capable of high-end domestic fabrication at scale, ensuring a trusted supply for the Department of Defence⁶.

PRIVATE SECTOR ALIGNMENT

Perhaps surprisingly, public ownership in these enterprises has not discouraged private sector participation. The profits and ambitions of US firms are also threatened by the country's supply chain vulnerabilities. Previously, the disadvantages faced by these businesses, particularly in the context of market forces and regulatory hurdles, had deterred private capital investment in these projects. Now that the US government involvement has de-risked these projects significantly and increased their commercial viability. In turn, the private sector has followed suit with fresh capital injections.

³ MP Materials, Transformational Public-Private Partnership with the Department of Defense to Accelerate US Rare Earth Magnet Independence, 10 July 2025

⁴ Bloomberg, US to take stake in Lithium Americas to boost Nevada project, 30m September 2025

⁵ Bloomberg, US to take stake in Lithium Americas to boost Nevada project, 30 September 2025

⁶ Intel, Intel and Trump Administration Reach Historic Agreement to Accelerate American Technology and Manufacturing Leadership, 22 August 2025

For instance, the MP Materials deal was followed by JP Morgan and Goldman Sachs offering a \$1 billion financing commitment for the "10X facility"⁷, whilst Apple provided a \$500 million commitment to purchase domestic REE magnets and collaborate on a recycling line⁸. Furthermore, JP Morgan plans a Security and Resilience Initiative – a \$1.5 trillion 10-year plan to finance and invest in industries critical to national security. This includes \$10 billion of the bank's own capital available for companies to enhance growth, spur innovation and accelerate strategic manufacturing⁹.

Finally, Intel's deal was followed up by Nvidia's purchase of \$5 billion of Intel stock to connect both companies' architecture and jointly develop generations of data centres and PC products¹⁰.

NEW FRAMEWORK

It's clear the US is serious about re-industrialisation, and this represents a unique opportunity set for investors as the process accelerates. However, this has fuelled a spree of speculation that has already driven up company valuations in potential target sectors to elevated levels. The reality is, not every company can emerge as a winner in this environment, many of the "hyped" names likely won't make it.

As an example, REE stocks have benefited greatly from speculation that the supply chain vulnerability can be solved relatively quickly, with REE independence achievable by the end of the decade. As such, there could then be a glut on the market that would make current investment propositions un compelling.

That said, REE offers a framework that investors can apply when evaluating other potential beneficiaries, with the growing awareness that many strategic developments ultimately converge toward AI. Indeed, progress in this area should accelerate innovation elsewhere.

WHO'S NEXT?

As such, which sectors are best placed? One is energy, which is critical to national security and AI, with surging demand forecast that requires innovative solutions to increase electricity supply.

The US president signed an executive order to ensure the rapid development of advanced nuclear technologies to secure energy supply for defence facilities and AI infrastructure¹¹, and the US has recently offered nuclear energy companies access to weapons-grade plutonium from old warheads¹².

Still, such projects, particularly those in the infancy of development, will take time to develop, and so immediate needs will need to be satisfied from more traditional sources. China heavily subsidises coal for its electricity needs, so the US government might also intervene in the traditional energy sector to boost domestic competitiveness and encourage further production.

Quantum computing is another area that is deemed a critical emerging segment of the economy. Indeed, reports suggest that several quantum computing firms are offering the government equity stakes in exchange for funding¹³. However, this technology is highly speculative and the associated publicly traded companies volatile. Though for investors with a higher propensity for risk, it offers the potential for so-called "home run" investments should the technology prove commercially viable.

There are other industries that meet the desired criteria – aerospace, cybersecurity and biotechnology to name a few. America's competitive advantage in these areas is wide enough to limit the incentive for government intervention for now, though that may change and is worth monitoring.

CONCLUSION

The emergence of a new US government-industrial complex has aligned public policy and private capital in a way rarely seen. As industrial policy evolves, sectors positioned at the intersection of national security and technological convergence are likely to remain central to this transformation.

For investors looking to participate in this strategic realignment, discerning between durable beneficiaries with long-term value and excessive speculation is key, and any participation should be considered with solid investment principles, such as diversification, in mind.

Liam Crawford, CFA, London UK, Investment Strategist

⁷ MP Materials, Transformational Public-Private Partnership with the Department of Defense to Accelerate US Rare Earth Magnet Independence, 10 July 2025

⁸ Apple, Apple expands US supply chain with \$500 million commitment to American rare earth magnets, 15 July 2025

⁹ JP MorganChase, JPMorganChase Launches \$1.5 Trillion Security and Resiliency Initiative to Boost Critical Industries, 13 October 2025

¹⁰ Nvidia, Nvidia and Intel to Develop AI Infrastructure and Personal Computing Products, 18 October 2025

¹¹ The White House, Deploying advanced nuclear reactor technologies for national security, 23 May 2025

¹² FT, US offers nuclear energy companies access to weapons-grade plutonium, 21 October 2025

¹³ Wall Street Journal, Trump Administration in Talks to Take Equity Stakes in Quantum-Computing Firms, 23 October



Private markets in a fragmentation era

With uncertainty rising and a world increasingly shaped by fragmentation and friction, private markets offer a rare anchor of stability for long-term capital.

This article is intended for readers with a good understanding of investments. Investing in private markets is often complex and illiquid and brings higher idiosyncratic risks than investing in public markets. As such, it is suitable only for experienced investors. This article is also general in nature and provided for informational/educational purposes only. It does not take into account any specific investment objectives, the financial situation or particular needs of any particular person. Barclays does not offer tax advice and professional tax advice should be sought as required.

The global economy finishes 2025 in a state of fragile stability: low growth, easing inflation and heightened uncertainty. Geopolitical tensions now dominate the outlook, with rising 'techno-nationalism' and 'transactional diplomacy' driving tougher tariffs, export controls and industrial policies. This is fragmenting global trade and digital markets and adds to supply chain uncertainty.

In this environment, private markets are well-positioned to offer resilience. Their long-term focus and alignment between managers and investors help to shield them from market ructions, enabling more stable, resilient and non-correlated returns.

FROM CROWDED AUCTIONS TO BUYER'S MARKET

Private markets entered 2025 with a wave of optimism and hopes for a strong resurgence in deal volumes as inflation eased and rates fell. However, renewed uncertainty, largely driven by more aggressive US tariff policies, quickly stalled activity. This false start led investors to hold assets for longer periods, reduced liquidity and hit capital returns. These favourable conditions are underpinning a rebound in IPO activity, as firms look to capitalise on improved sentiment and stronger deal flow.

This extended pause in deal activity, coming on top of an already uncertain environment, acted as a significant bottleneck, suppressing fundraising (see chart at top of p26)

and reducing transaction volume across the industry. This also cleared out excess capital, likely paving the way for a buyer's market in 2026.

Additionally, lower yields are easing financing costs, giving companies more flexibility to absorb tariffs and invest in growth. As financing costs fall, sponsors can make greater use of leverage, which in turn can make new transactions more attractive, leading to a rebound in deal activity.

A CONSTRUCTIVE, BUT NUANCED OUTLOOK FOR PRIVATE EQUITY

We expect private equity to remain well-supported in early 2026, driven by slower but still resilient growth, falling interest rates and strong returns in less-cyclical service sectors. Moreover, the market's tilt towards domestically focused businesses provides some insulation from direct trade volatility.

Assessing the impact of global economic risks requires a nuanced view of private equity. In particular, the key differentiator is probably valuations. Recent entry multiples show significant dispersion between sectors (see chart at bottom of p26), which highlights the importance of careful sector and asset selection.

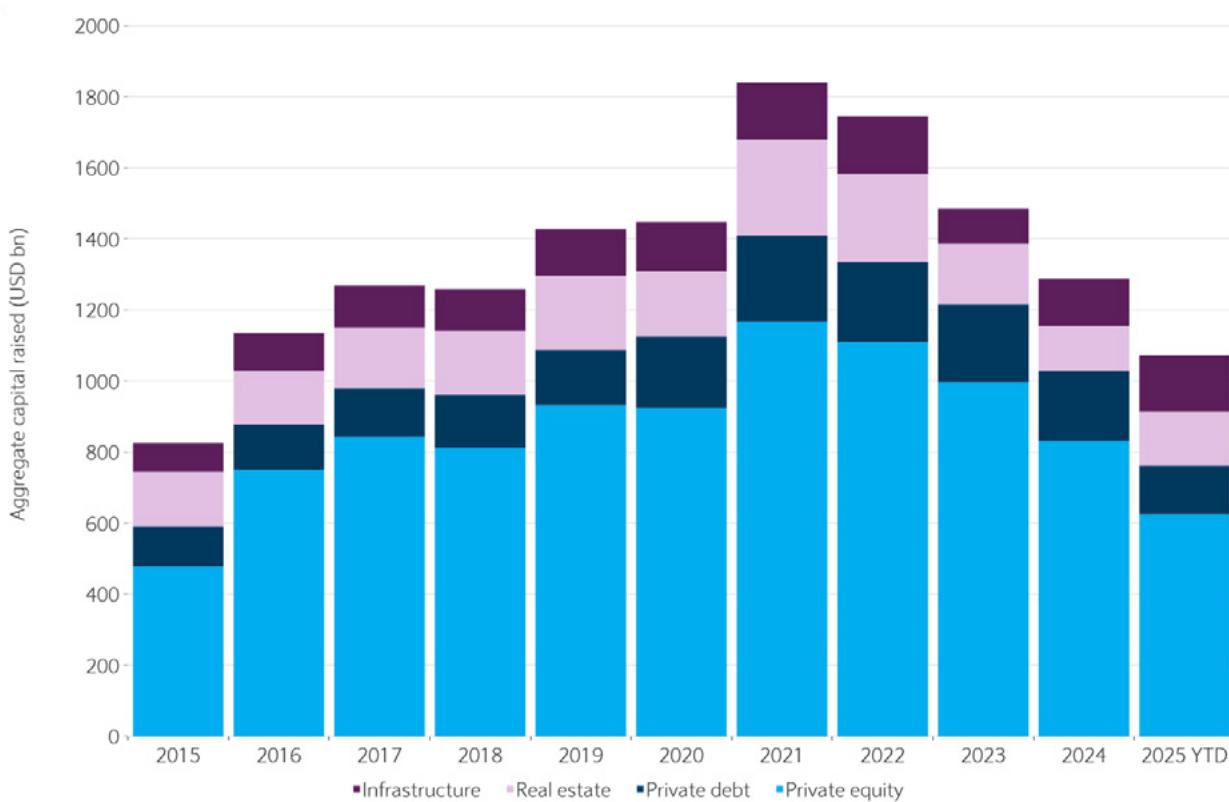
The high-uncertainty, lower-growth regime means that simply buying and leveraging assets is no longer a viable strategy. With compressed exit multiples and scarce top-line growth, value creation must come from the ground up: improving margins, navigating complex supply chains and executing on digital transformation, such as seen in the artificial-intelligence-driven productivity gains.

MID-MARKET BUYOUTS STAND OUT

Mid-market buyouts of national and regional leaders offer compelling opportunities, with less exposure to global trade risks and more attractive valuations than the crowded large-cap market. This segment is often less competitive but can provide more attractive valuation entry points. Its reduced reliance on IPOs also supports more resilient exit paths.

Fundraising activity yet to rebound

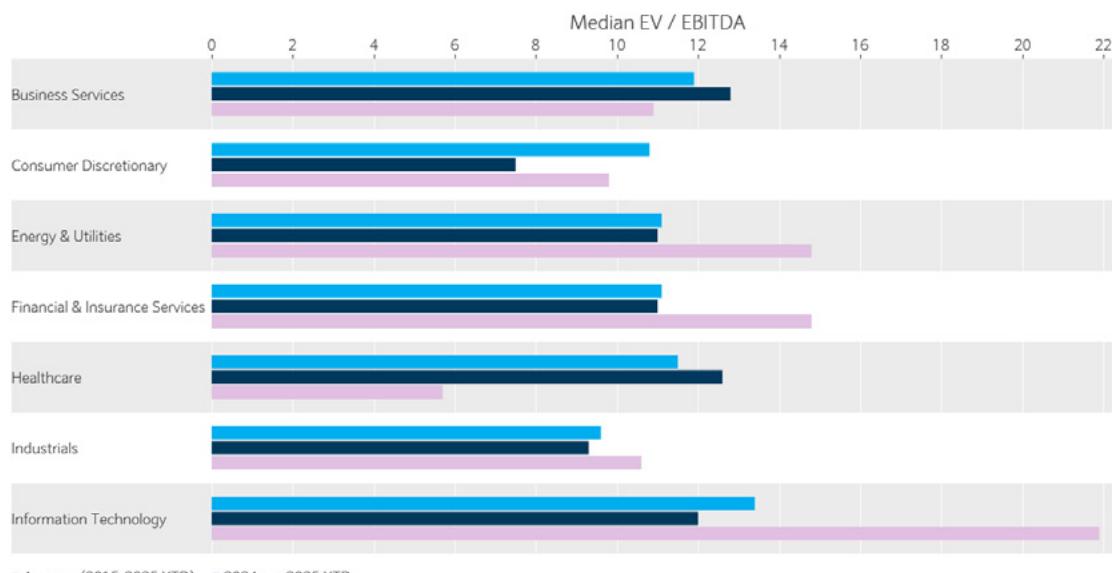
Private markets fundraising almost doubled between 2015 and 2021. After peaking in 2021, total private markets fundraising has consistently declined, particularly in private equity and private debt, which have yet to rebound. In contrast, real estate and infrastructure funding has accelerated over the last two years



Sources: Preqin, Barclays Private Bank, November 2025. Last observation point as of 26 October 2025

Private equity valuations are still moderate

The ratio of median enterprise value (EV) to earnings before income, taxes, depreciation and amortisation (EBITDA) for selected private market industries. The 2024 and 2025 (year-to-date) median EV/EBITDA multiple is compared with its average value from 2015 and shows the dispersion between sectors



Sources: Preqin, Barclays Private Bank, November 2025. Last observation point as of 26 October 2025

THE SECONDARY ADVANTAGE IN A CONSTRAINED MARKET

Slower transaction activity created a liquidity mismatch for many investors in 2025. This cash flow crunch, combined with pressure from volatile public markets, has pushed many institutions to seek liquidity, fuelling a surge in secondary market activity.

Secondaries opportunities come in two forms. First, limited partner (LP)-led secondaries, where investors sell fund stakes, often at discounts, allowing buyers to acquire diversified interests selectively. Second, general partner (GP)-led secondaries, where managers retain high-quality assets by creating continuation funds, offering liquidity to exiting LPs while giving new investors access to known assets with significant upside potential. This dual-track dynamic makes secondaries one of the most resilient and attractive strategies for 2026.

"Fed rate cuts in 2025 could be a major tailwind in 2026"

RATE CUTS AND DEAL THAW SIGNAL STRENGTH FOR PRIVATE DEBT

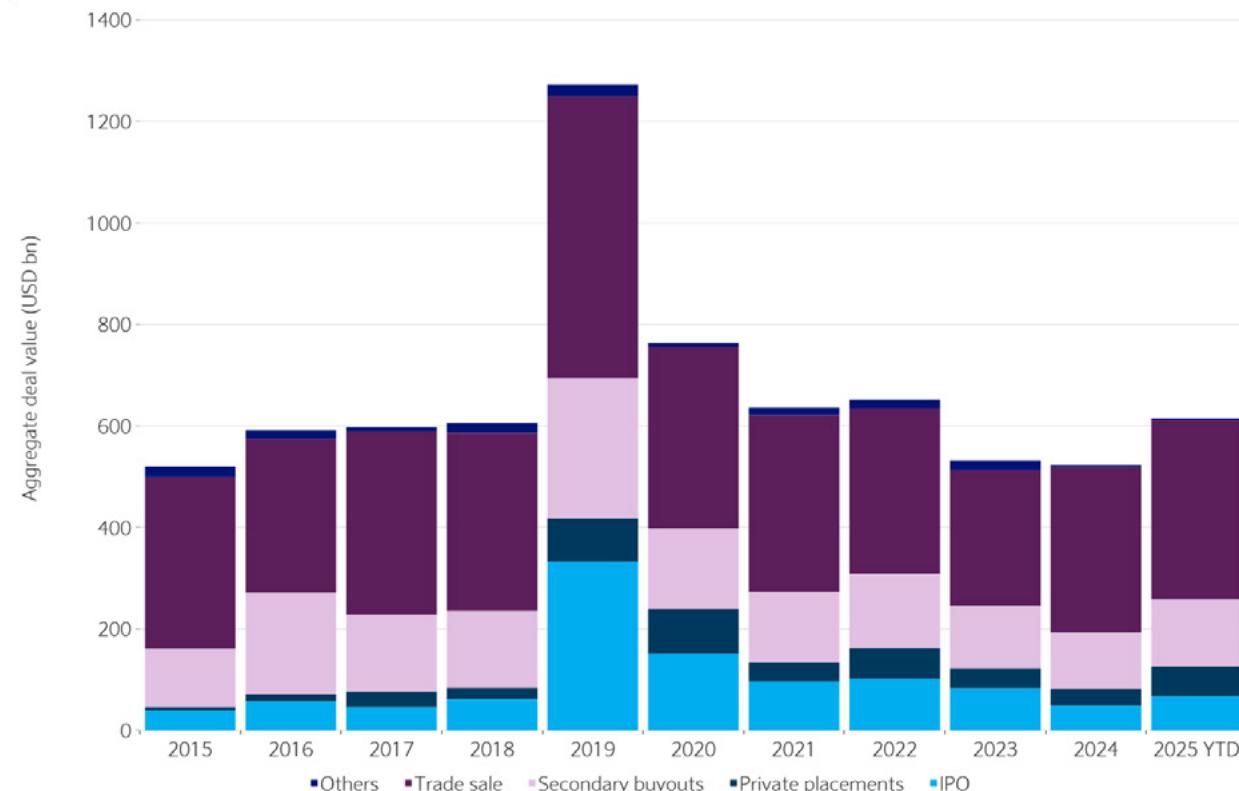
The US Federal Reserve's rate cuts in 2025 could be a major tailwind in 2026. As most private loans are floating-rate in nature, easier policy would immediately reduce debt servicing costs, improving company liquidity and allaying investor concerns around default risk.

The outlook for private credit is linked to the anticipated recovery in mergers and acquisitions (M&A) activity in 2026. Lower financing costs and more stable valuations are expected to unfreeze the deal market by narrowing the gap between buyer and seller expectations. Exit activity already shows signs of recovery this year (see chart). This rebound in transaction volume could increase lending opportunities and exit opportunities for private debt investors, followed by redeployment of capital.

A pickup in transaction volume could directly impact leverage and pricing. US leverage ratios have declined with higher rates, but lower borrowing costs and potentially looser regulation may reverse that trend, expanding opportunities for private debt providers. More deal flow should widen spreads slightly, helping to offset lower base rates and keep private credit yields attractive.

Private equity exits picking up pace again

A breakdown of private equity exit activity by strategy from 2015 to 2025 (year-to-date) shows that after slowing over the past three years, aggregate exit deal values have picked up across all categories in the first three quarters of 2025 compared to 2024. On year-on-year basis, this recovery has been particularly strong in private placements (+77%) and IPOs (+38%), followed by secondary buyouts (+20%) and trade sales (+8%).



Sources: Preqin, Barclays Private Bank, November 2025. Last observation point as of 26 October 2025

... BUT SELECTIVITY REMAINS KEY AMID UNCERTAINTY

However, with default rates ticking up, lenders need to be increasingly selective. This pressure is not uniform: sectors like consumer services and healthcare, especially highly-levered firms, show more weakness. A highly selective, credit-first approach is therefore preferred, as prudently capitalised borrowers in resilient and tariff-proof industries are best positioned to outperform.

Senior secured direct lending to resilient, non-cyclical sectors, like software, healthcare services and essential business services, are well-positioned for 2026. These strategies could benefit from the expected M&A recovery, offering downside protection through seniority and attractive yields.

REAL ESTATE MARKET IS SLOWLY RECOVERING...

The commercial real estate market has been transformed over the past five years. The pandemic accelerated trends like remote work and e-commerce, pressuring office and retail markets. A sharp correction in 2022, as rising interest rates drove up borrowing costs, slowed transactions and triggered widespread repricing across property types (see chart).

However, since late 2024, commercial real estate has begun to stabilise, supported by easing inflation and central bank rate cuts. Financing costs have fallen, boosting investor confidence. Still challenged sectors like offices lag more resilient areas such as industrials.

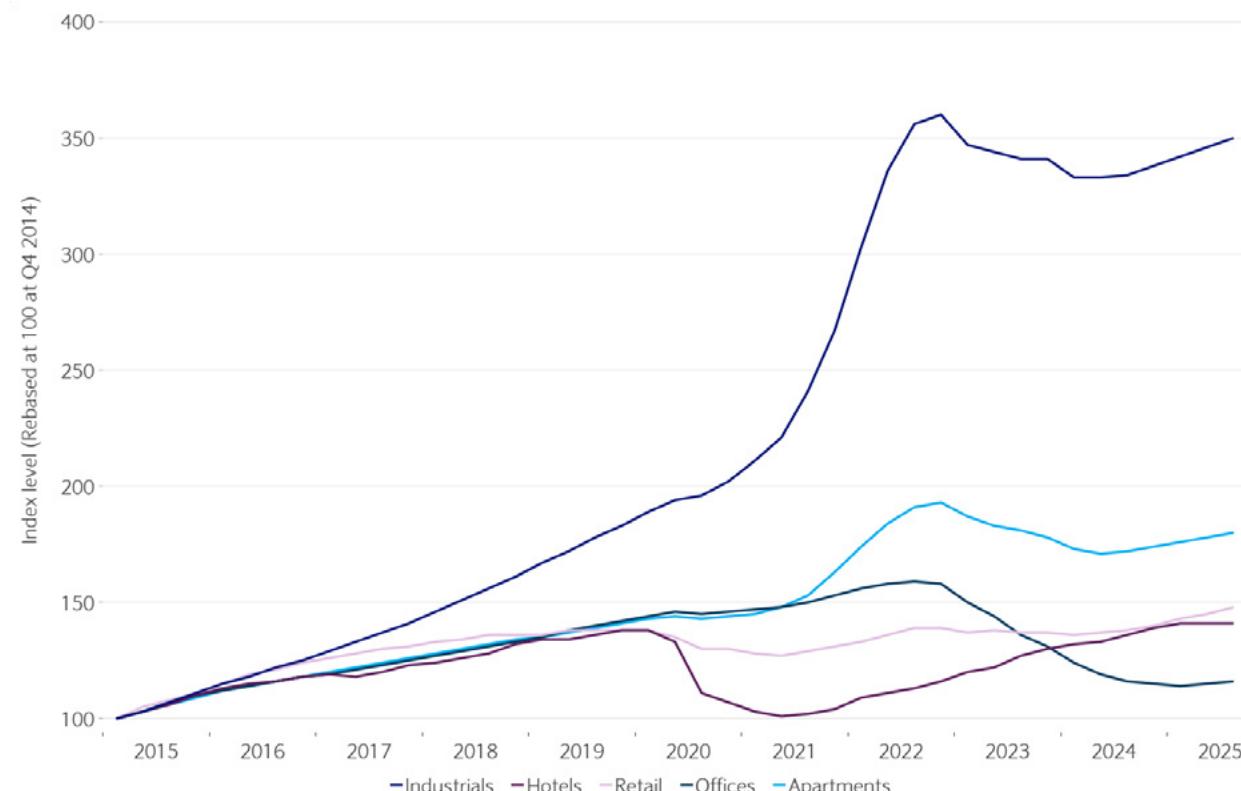
This healthier dynamic sets the stage for attractive future vintages, shifting the strategic imperative from repricing towards repositioning assets. The focus now lies on aligning portfolios with durable trends such as decarbonisation, affordable housing, and modern logistics supporting e-commerce and near-shoring.

... WITH QUALITY IN THE SPOTLIGHT

Consequently, real estate now demands precision. Investors must combine global and local insights, target resilient assets and apply capital discipline to unlock long-term value. In retail, prime locations, like grocery-anchored hubs, attract capital while secondary centres decline. Office performance hinges on quality, modern, amenity-rich buildings thrive, outdated ones face obsolescence. With financing tight and a wave of debt maturing, any recovery will be slow and selective, demanding intensive asset management rather than a reliance on market gains.

US direct real estate sector performance stabilises

Performance dynamics across NCREIF property sectors (December 2014 to September 2025) reveal a clear cycle. A downturn began after the third-quarter (Q3) peak in 2022, as offices suffered a drawdown of around 25%. Apartments, retail and industrials experienced declines of up to 10%, while hotels continued to grow after taking a significant hit during the pandemic. Since Q2 2024, however, performance has picked up across all sectors, indicating a recovery.



Sources: Bloomberg, Barclays Private Bank, November 2025. Last observation point as of 26 October 2025

"Investors must combine global and local insights, target resilient assets and apply capital discipline to unlock long-term value"

BUILDING THE FUTURE: THE INFRASTRUCTURE IMPERATIVE

The global need for maintenance and expansion of vital infrastructure spanning transport, energy, water and digital networks is reaching a critical juncture. According to the Global Infrastructure Hub, infrastructure investment needs total \$65 trillion between 2025 and 2040. However, extrapolating ongoing investment paces suggests only \$54 trillion will be spent, leaving a significant shortfall of \$11 trillion¹. Additionally, the global population is expected to grow by another one billion people by 2040, according to the United Nations. This would strain existing resources and require substantial infrastructure expansion².

Decades of underinvestment and rising demand are driving urgent infrastructure needs. Megatrends – like energy transition, digitalisation and supply chain resilience – require major investment. With governments constrained by debt, private capital is essential. Strong growth in private infrastructure is expected, offering resilient, inflation-hedged income, equity-like upside and diversification benefits.

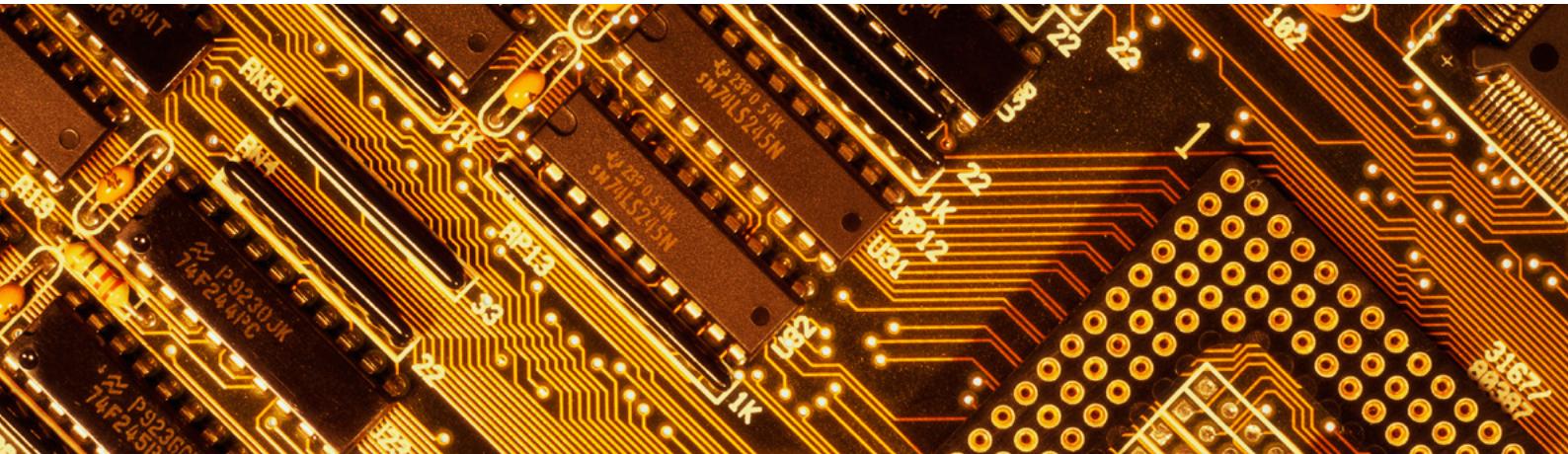
PRIVATE ASSETS FOR THE LONG RUN

Private markets' long cycles and illiquidity make market timing risky. The primary danger is missing out on strong vintages, which can disrupt a portfolio's distribution profile and delay its ability to become self-funding. A more resilient strategy is to place investments across cycles. This disciplined approach helps capture strong vintages, smooth weaker ones and build a self-funding portfolio with more stable cash flows. In 2026, success will hinge less on broad exposure and more on manager-driven value creation, making selectivity and quality key.

Nikola Vasiljevic, Ph.D., Head of Global Asset Allocation, Zurich Switzerland; Luke Mayberry, Investment Strategist, London UK

¹ Global Infrastructure Hub, Global Infrastructure Outlook, June 2018

² United Nations, The 2024 Revision of World Population Prospects, July 2024



Are cryptocurrencies coming of age?

After a decisive shift in its favour from lighter-touch regulations in the US and elsewhere, will 2026 mark another tipping point in investors' attitude towards holding cryptocurrencies in their portfolios?

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

In just over 15 years, Bitcoin has morphed from a cryptic 2009 whitepaper¹ to a globally recognised financial asset that is challenging traditional investment paradigms.

This transition was built on a series of critical infrastructure milestones that served as the on-ramps for traditional finance:

- The launch of Bitcoin futures in 2017, which allowed institutional players to hedge their exposure on a regulated marketplace^{2,3}.
- The Coinbase initial public offering in 2021, which 'legitimised' the industry and provided a publicly traded bellwether⁴.
- The US approval of spot-Bitcoin exchange-traded funds (ETFs) in 2024, which finally unlocked a torrent of institutional and retail capital⁵.

These foundational milestones were merely the prelude to 2025's unprecedented regulatory reversal that will unlock the market's next phase.

THE YEAR OF THE "GREAT REVERSAL"

The new US administration has unleashed a year of regulatory whiplash that systematically deconstructed the previous regulation-by-enforcement regime and replaced it with a pro-innovation stance. This "great reversal" began with a January executive order that explicitly prohibited a US central bank digital currency (CBDC), signalling a clear preference for private-sector innovation over a state-controlled "digital dollar"⁶.

This was immediately followed by a coordinated dismantling of the barriers that had sidelined traditional banks. In late January, the Securities and Exchange Commission (SEC) rescinded Staff Accounting Bulletin (SAB) 121, a controversial rule that made it unviable for large banks to custody digital assets⁷.

This move was quickly mirrored by the Office of the Comptroller of the Currency (OCC) and the Federal Reserve, which rescinded their own restrictive guidance (IL 1179 and SR 22-6, respectively), creating a unified, permissive stance from all key federal banking regulators for the first time^{8,9}.

¹ Satoshi Nakamoto, Bitcoin: A Peer-to-Peer Electronic Cash System, October 2008

² Chicago Board of Exchange. Cboe Bitcoin Futures Open for Trading, 11 December 2017

³ Chicago Mercantile Exchange, CME Group Self-Certifies Bitcoin Futures to Launch Dec. 18, December 2017

⁴ Coinbase, Coinbase Announces Effectiveness of Registration Statement and Anticipated Listing Date of its Class A Common Stock on the Nasdaq Global Select Market, April 2021

⁵ K33 Researches' Ahead of the curve report in August 2025 estimated that almost a quarter of total Bitcoin spot ETFs ownership is with institutional investors (\$33.6 billion out of \$134.6 billion) as of Q2 2025

⁶ The White House, Executive Order to Establish United States Leadership in Digital Financial Technology, January 2025

⁷ Securities and Exchange Commission, Staff Accounting Bulletin No. 122, January 2025

⁸ OCC, OCC Clarifies Bank Authority to Engage in Crypto-Asset Custody and Execution Services, 7 May 2025

⁹ Federal Reserve Board announces the withdrawal of guidance for banks related to their crypto-asset and dollar token activities and related changes to its expectations for these activities, 24 April 2025

With the banking blockade removed, the new administration turned to the industry's major legal battles. Under new leadership, the SEC dismissed its flagship lawsuits against Coinbase, Uniswap Labs and Ripple, ending the prior era of enforcement^{10,11,12}. This ceasefire was reinforced by policy actions that "de-risked" other core industry activities, including the lifting of sanctions on 'Tornado Cash' and a clarification that so-called liquid staking would not generally be treated as a security.

Next, this administrative pivot was cemented into law. In July, the "GENIUS Act" was signed, creating the first federal framework for stablecoin issuers¹³. This was followed by a Department of Labor reversal on 401(k) guidance and a new executive order to democratise access to alternative assets, formally opening the door for digital assets in retirement funds¹⁴. The year's transformation culminated in October, when the SEC and Commodity Futures Trading Commission (CFTC) announced new, coordinated regulatory agendas and a joint "Project Crypto" initiative¹⁵.

2026: THE YEAR OF "GREAT REGULATION"?

Recent developments have transformed the US landscape from an adversarial to a supportive one, setting the mood for 2026. The financialisation journey has brought the market to a critical inflection point. The industry's success has created a time of great challenges and opportunities, as the era of ambiguity ends.

We believe that 2026 is poised to be the year of regulatory reality, a time when solid global frameworks move from theoretical discussions to active implementation.

"The financialisation journey has brought the market to a critical inflection point"

IS BITCOIN AN ASSET CLASS?

This anticipated regulatory clarity, alongside Bitcoin's undeniable market presence, strengthens the case for recognising the cryptocurrency as a distinct asset class. The establishment of specific legal frameworks globally, such as its frequent classification as a commodity in the US, provides a defined regulatory footing.

Bitcoin's multi-trillion-dollar market capitalisation and deep liquidity, accessible through numerous global exchanges and regulated instruments like ETFs and futures, satisfy the critical requirements of sufficient size and investability, pushing it further into the mainstream financial ecosystem.

However, fulfilling the regulatory and scale criteria are only part of the equation. Establishing Bitcoin definitively as an asset class requires a deeper examination of its fundamental financial properties. The remainder of this article explores these crucial aspects, focusing on the cryptocurrency's risk-return profile, its distinct behaviour, correlations relative to traditional asset classes, like stocks and bonds, and its potential portfolio diversification benefits.

DECORRELATED OR NOT?

To understand the relationship with traditional markets, we analysed its correlations with equities, bonds, commodities, gold and a basket of large-cap cryptocurrencies since 2018. Crucially, the analysis is split into two distinct market environments based on market volatility, using the median level of the VIX as the dividing line (see chart, p32).

In the low-volatility regime, Bitcoin was little tied to traditional safe-haven assets or inflation hedges, exhibiting near-zero correlation with commodities, gold and bonds. Its link to equities was more obvious, if still modest (0.26).

However, the picture changed significantly during the high-volatility regime. While the correlation with bonds remained low (0.08), Bitcoin's connection to riskier assets surged: 0.47 with equities and 0.22 with both commodities and gold. Unsurprisingly, its correlation with the large-cap crypto basket also intensified to 0.90 (from 0.79 in the low-volatility regime)¹⁶.

This reveals a key characteristic: Bitcoin's tendency to move in tandem with equities and even commodities during periods of high stress suggests that it has a risk-on profile. This means that while the cryptocurrency can offer diversification, it may not reliably act so at the time when that protection is most needed.

¹⁰ Politico, SEC drops investigation into Uniswap Labs, DeFi firm says, 25 February 2025

¹¹ Securities and Exchange Commission, SEC Announces Dismissal of Civil Enforcement Action Against Coinbase, 27 February 2025

¹² Reuters, SEC ends lawsuit against Ripple, company to pay \$125 million fine, 8 August 2025

¹³ The White House, President Donald J. Trump Signs GENIUS Act into Law, 18 July 2025

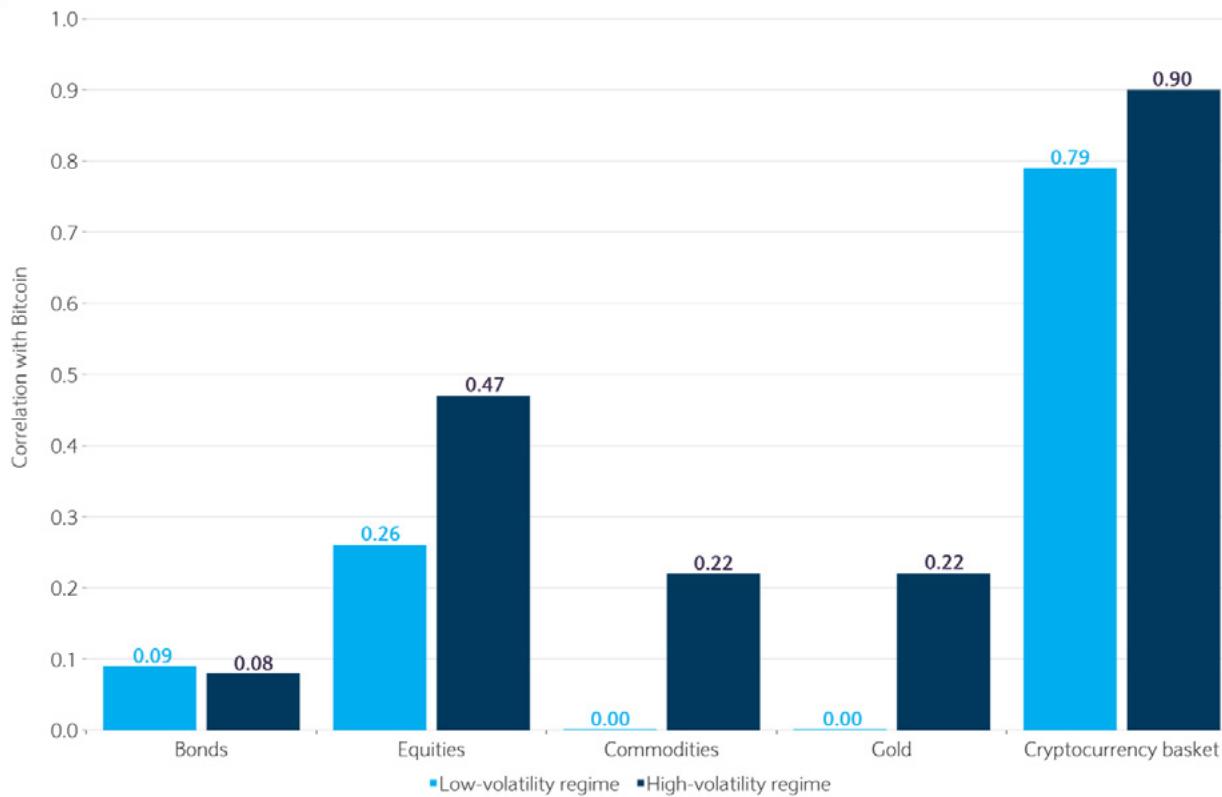
¹⁴ The White House, Democratizing access to alternative assets for 401(K) investors, 7 August 2025

¹⁵ Securities and Exchange Commission, SEC and CFTC Staff Issue Joint Statement on Trading of Certain Spot Crypto Asset Products, 2 September 2025

¹⁶ Bitcoin generally shows a high correlation with other major cryptocurrencies (like Ethereum). It often acts as the market leader, with broad crypto market movements frequently following Bitcoin's price action. This suggests a degree of shared behaviour within the digital asset space.

Correlations vary across risk regimes

Estimated correlations between Bitcoin and select assets in low- and high-volatility regimes. The regimes are defined based on the historical median value of the VIX index, estimated using monthly data from September 2017 to September 2025. A data point is assigned to the low (high) volatility regime if the observed VIX level is below (above) the estimated median. Traditional asset classes are represented by developed market government bonds, global equities, commodities and gold. Our proxy for the large-cap cryptocurrency basket is the Bloomberg Galaxy Crypto Index



Sources: Bloomberg, Barclays Private Bank, November 2025. Last observation point as of 30 September 2025

HOW MUCH OF A RISK-ON ASSET?

Bitcoin's journey from a niche digital curiosity to a mainstream financial heavyweight has seen its relationship with traditional markets change markedly. Initially perceived as being in a world of its own, its ties to established risk assets like equities have steadily deepened.

Examining the five-year rolling correlation between Bitcoin and equity markets since Bitcoin's inception reveals a clear trend (see chart, p33): what started as a very weak link, with correlations hovering around 0.1 to 0.2 in the early years, has gradually but persistently climbed. More recently, this correlation has solidified in the 0.5 to 0.6 range, suggesting Bitcoin increasingly dances to the same macroeconomic tunes as the stock market and behaves more like a conventional risk-on asset.

However, the story told by Bitcoin's sensitivity to market movements (i.e., its equity market beta) adds an intriguing twist. In its infancy, Bitcoin's beta was extraordinarily high, often ranging between 4.0 and 4.5, meaning its price swings wildly amplified broader market shifts. As the market matured, this sensitivity appeared to temper significantly, with the five-year rolling beta declining steadily to a much more modest 1.0 to 1.5 in 2019.

Just as it seemed Bitcoin might be settling into a less volatile, more independent role, the trend reversed. Since the pandemic, the beta has rebounded sharply, recently climbing back into the 2.0 to 2.5 range. This resurgence confirms the risk-on narrative suggested by the correlation data. Bitcoin not only moves more closely with equities now, but its recent price action once again significantly magnifies the market's ups and downs.

The evolving relationship between Bitcoin and equity markets

Bitcoin's five-year rolling correlation and beta versus developed market equities. Data sampled on a monthly frequency from August 2010 to September 2025. The first five-year estimates shown as of July 2015



Sources: Bloomberg, Barclays Private Bank, November 2025. Last observation point as of 30 September 2025

REMEMBER CRYPTO WINTERS?

Bitcoin's journey is often framed by its spectacular gains, but beneath the surface lies a history marked by extreme volatility and gut-wrenching drawdowns.

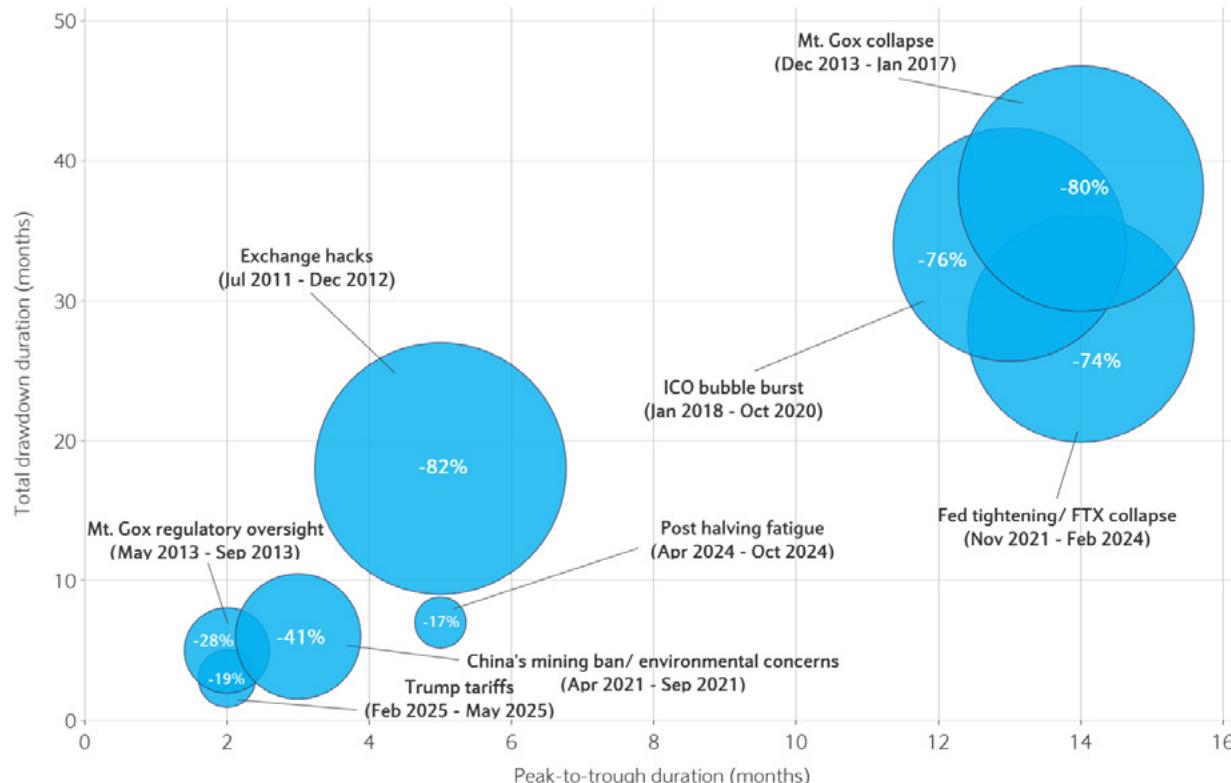
Analysing periods where the price fell more than 10% from its peak reveals that Bitcoin can be far wilder than traditional asset classes (see chart, p34). Investors haven't just faced minor corrections; they've weathered brutal collapses of over 70% in value several times, including one staggering plunge of nearly 82% from its high. These aren't isolated incidents but recurring features, highlighting the intense and inherent risk embedded within Bitcoin.

The pain of these drawdowns is amplified by their sheer duration. It can take 14 months before the peak-to-trough journey completes in some instances. More significantly, the total time spent recovering to the previous peak price often takes several years.

The data shows that investors have been underwater for periods lasting 28, 34 and even 38 months. That's over three years just to break even after a major peak. Most of these episodes occurred in the pre-COVID era when Bitcoin wasn't as established as an asset as it is today, showcasing the ongoing trend towards maturity. Nevertheless, these prolonged 'crypto winters' demand extraordinary patience and underscore a crucial reality: Bitcoin is a high-risk asset, requiring investors to have the stomach for potentially deep and long-lasting losses.

Bitcoin drawdowns: Looking into the abyss

Bitcoin drawdowns of larger than 10% since July 2010. The peak-to-trough and total drawdown duration are shown on the horizontal and vertical axis, respectively. Bubble sizes indicate the event's magnitude (the exact values are reported in percentages, at the centre of each bubble)



Sources: Bloomberg, Barclays Private Bank, November 2025. Last observation point as of 30 September 2025

THE OUTLIER ASSET, MAINSTREAMED

Bitcoin has historically stood apart, exhibiting extreme volatility far exceeding that of traditional asset classes like stocks or bonds. Its returns have been driven by a unique confluence of issues: network adoption, programmed scarcity via halving cycles, shifting regulatory landscapes and sensitivity to macroeconomic liquidity.

However, a closer look at Bitcoin's performance between its halving events¹⁷ suggests a gradual change, perhaps indicative of its ongoing mainstreaming. Analysing annualised returns and volatility in the four distinct periods, defined by the halvings, reveals a consistent, dampening trend.

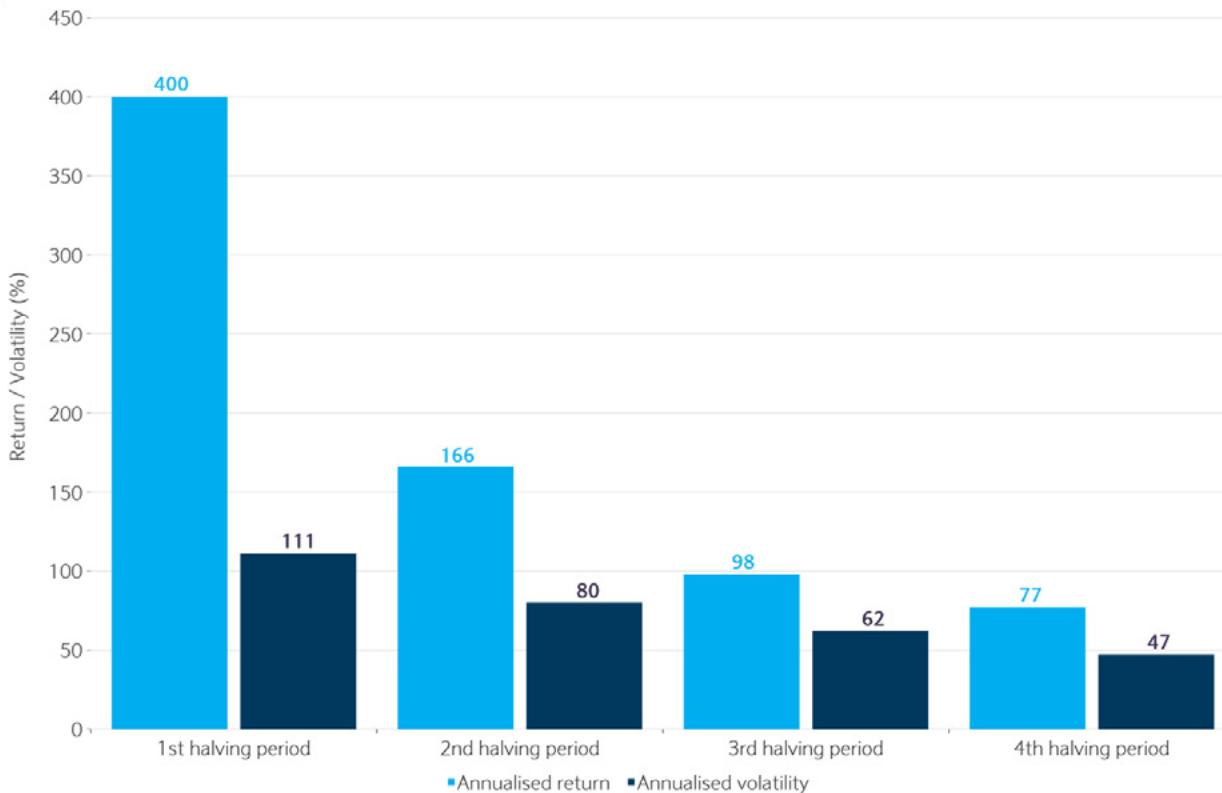
These factors differ significantly from the earnings and interest rate dynamics that shape equity and bond markets. Such a distinct set of drivers, coupled with its historically wild price swings, firmly established Bitcoin's initial reputation as a quintessential outlier asset, operating largely on its own terms (see chart, p35).

"Annualised volatility has steadily decreased, falling from a staggering 111% in the first cycle to 80%, then 62% and now 47%"

¹⁷ A halving event is built into the Bitcoin infrastructure, it happens roughly every four years and it reduces the reward for mining new Bitcoin blocks by half. This means miners receive 50% fewer Bitcoins for verifying transactions, which slows down Bitcoin inflation by reducing supply.

Return and volatility structurally lower, but still off the charts

Annualised Bitcoin returns and volatilities for different halving periods. Data sampled on a daily frequency from 28 November 2012 to 30 September 2025, halving events occurred on 28 November 2012, 9 July 2016, 11 May 2020 and 19 April 2024



Sources: Bloomberg, Barclays Private Bank, November 2025. Last observation point as of 30 September 2025

The explosive annualised returns seen in the first cycle (around 400%) have moderated first to 165%, then 98% and then 77% in the post-2024 halving era. Mirroring this, annualised volatility has steadily decreased, falling from a staggering 111% in the first cycle to 80%, then 62% and now 47% (see chart).

While still significantly more volatile than equities and bonds, this downward trajectory in risk and returns suggests that as Bitcoin matures and integrates more deeply into the financial system, its extreme outlier characteristics are beginning to temper.

"Downward trajectory in risk and returns suggests that as Bitcoin matures, its extreme outlier characteristics are beginning to temper"

A NEW ERA

Bitcoin can now be considered as a recognised component of the global financial landscape. More supportive regulation in the US, and other key markets, has replaced ambiguity and bolstered its legitimacy.

Despite this coming of age, cryptocurrency is a high-risk asset that retains a unique and complex risk profile. More importantly, it may not always provide the diversification benefits investors seek most during market downturns.

The debate on whether Bitcoin constitutes its own distinct asset class continues, but as regulation solidifies and its unique financial signature becomes clearer, it becomes increasingly likely that it will be treated as such within investment frameworks in 2026.

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Investing in the Electrotech economy

As the global economy accelerates its shift to an energy system based on electrons, find out what opportunities for investors might emerge in 2026.

This article is designed to be thought leadership content, to offer big picture views and analysis of interesting issues and trends that matter to our clients¹. It is not designed to be taken as the preferred view from Barclays Private Bank, expert advice, investment advice or a recommendation, and any reference to specific companies is therefore not an opinion as to their present or future value or broader credentials (ESG or otherwise). Reliance upon any of the information in this article is at the sole discretion of the reader. Some of the views and issues discussed in this article may derive from third-party research or data which is relied upon by Barclays Private Bank and may not have been validated. Such research and data are made available as additional information for the reader where appropriate. Any reference to specific organisations and individuals should not be viewed as an endorsement from Barclays Private Bank.

Irrespective of conflicting data and views on where the markets may be headed next, one signal is becoming stronger: the accelerating electrification of the global economy.

The age of "Electrotech" is already a structural force that is reshaping productivity, capital flows and company valuations. This article examines how investors can understand, and position their investments, for a world driven by "how we generate, use and connect electrons"².

ELECTRONS WILL DRIVE THE GLOBAL ECONOMY

Each great industrial and investment cycle has been defined by its dominant technologies and energy systems³. Each pairing, whether steam with railways, or oil with autos and mass production, has sparked self-reinforcing growth⁴.

Changeovers occur when the subsequent energy system is generally cleaner, cheaper, and more secure. The latest one, named the Electrotech Revolution by Kingsmill Bond, Daan Walter and Sam Butler-Sloss⁵ is already underway. Their view is that the global economy is "graduating"⁶ from reliance on extracting limited fossil fuels to harnessing limitless electrons.

Prior calls to "electrify everything" were primarily made to halt climate change^{7,8}. Electrotech builds on that argument. But isn't reliant on it. Its premise is that an energy system built on electrons will be more efficient, less expensive, and more secure than current one on fossil fuels.

More efficient as physics demonstrate that electrons can be three times more effective than fossil fuels, which can waste up to two-thirds of usable energy as heat⁹. Less expensive as the economics continue to improve with costs falling. For example, solar costs have dropped on average by 16-18% for

¹ Private Bank and Wealth Management (PBWM) comprises PBWM UK – serving clients across the full wealth continuum in the UK and Crown Dependencies – and PBWM International, serving high- and ultra-high net worth clients in selected international markets with a focus on clients in the Europe, Middle East and Asia wealth corridors

² Ember, The Electrotech Revolution, Sep 2025

³ Technological Revolutions and Financial Capital: The Dynamics of Bubbles and Gold Ages, Carlota Perez, August 2002

⁴ Ibid

⁵ Daan Walter, Sam Butler-Sloss, and Kingsmill Bond, The Electrotech Revolution, May 2025

⁶ Ember, The Electrotech Revolution, Sep 2025

⁷ Andrew Beebe, The Coming Electrification of Everything, Dec 2015

⁸ Saul Griffith, Electrify: An Optimist's Playbook for Our Clean Energy Future, 2021

⁹ Rocky Mountain Institute (RMI), The Incredible Inefficiency of the Fossil Energy System, June 2024

every doubling of deployment¹⁰. More secure by diminishing geopolitics of fossil fuels given 92% of countries have renewable potential ten times their demand¹¹.

Moreover, Electrotech relies on, and is intertwined with, the structural trend around increased digitisation driving expected economic growth. What sectors requires electrons? Artificial intelligence (AI), data centres and cloud computing, automated manufacturing and robotics, semiconductors, digital finance and blockchain, and onwards.

THREE SHIFTS CREATING THE ELECTROTECH

Three interlocking technological shifts in energy system, its supply, demand, and connectivity¹², are converging to drive the Electrotech revolution (see chart, p38).

First, clean energy technologies are becoming central to energy supply as they now dominate global power investment. According to the International Energy Agency (IEA), solar and wind power are the cheapest sources of new electricity in almost every major market¹³. In 2024, solar additions exceeded those of coal, gas and nuclear combined¹⁴. Green energy investment surpassed \$2 trillion – roughly double that in fossil fuels – and renewables supplied over 30% of global electricity, up from 20% just five years earlier¹⁵.

Electrification is also expanding to satisfy the increased demand related to transport, buildings and industry. For instance, sales of global electric vehicles (EV) grew 35% in 2024 to 17 million units, according to BloombergNEF¹⁶. Heat pumps already meet around 10% of the global heating needs for buildings¹⁷. Industrial processes, such as steelmaking and chemical manufacturing, are increasingly electrified. Data centres alone are projected to consume nearly 4% of global electricity by 2030¹⁸ as examined in '[Feeding the AI beast' in our AI Outlook 2026](#)'. And AI is generating additional sources of power demand.

"The global economy is 'graduating' from reliance on extracting limited fossil fuels to harnessing limitless electrons"

Finally, technologies needed to store and shift electrons, such as batteries, smart grids and digital platforms, are integrating supply and demand in real time. In 2024 grid-scale battery electricity storage system (BESS) capacity more than doubled, rising 113% to reach 126 GW while digitalised grids move electrons with unprecedented flexibility and precision¹⁹.

While the future world can be clearly seen, the reality is that progress will continue to be varied, with some geographies slowing, even as others accelerate. Importantly, though, the key drivers of this revolution are physical, economic and geopolitical, not solely ideological or ecological, and therefore have increased importance.

ELECTROTECH RESHAPING INDUSTRIAL COMPETITIVENESS

Like past revolutions, Electrotech is reshaping cost, productivity and industrial competitiveness.

Firms that master low-cost, flexible power and automation can gain margin and a structural edge. In manufacturing, transport and building systems, the ability to operate efficiently using electrons should become a new defining factor for profitability. Those slow to adapt will risk poorer margins and stranded assets.

This revolution follows a classic learning-curve dynamic. Each wave of deployment drives costs lower, accelerating adoption and expanding markets in turn. The result is a virtuous cycle of scale and efficiency. These cascading cost declines make Electrotech not a niche, but a new baseline for competitiveness.

While batteries, grids and power technologies will prosper, value creation could also flow to companies that successfully reposition their core operations around low-cost electrons. These adopters could reduce input costs and widen their competitive 'moat', as laggards struggle to adapt.

¹⁰ IRENA, Renewable Power Generation Costs in 2023, Sep 2024

¹¹ Ember, Energy Security in an Insecure World, April 2025

¹² Ibid

¹³ International Energy Agency, World Energy Investment 2025, 5 June 2025

¹⁴ Ibid

¹⁵ Bloomberg, Energy Transition Investment Trends 2025, 30 January 2025

¹⁶ BloombergNEF, EV Outlook 2025, 18 June 2025

¹⁷ International Energy Agency, Heat Pumps: Where do we need to go, 2025

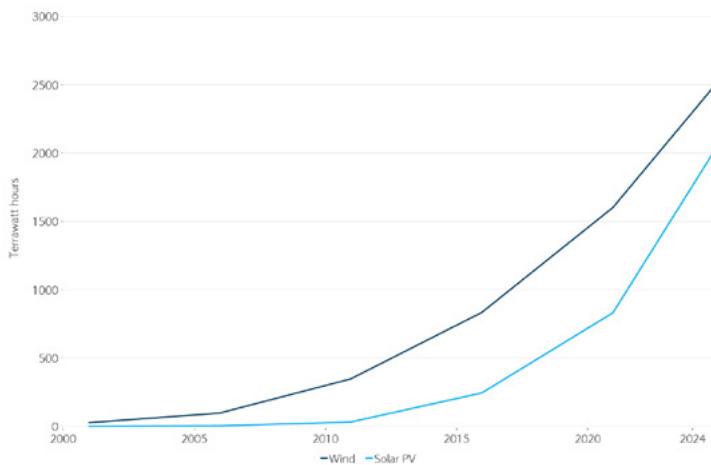
¹⁸ International Energy Agency, Energy and AI, April 2025

¹⁹ Energy Institute, 2025 Statistical Review of Energy, June 2026

Electrotech is supported by three interlocking technology shifts in supply, demand and connectivity of electrons

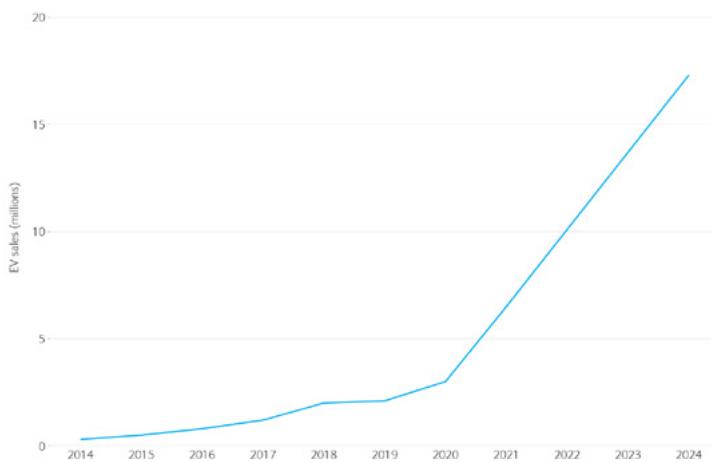
Exponential growth of key technologies is driving the revolution.

Supply: Solar PV and wind generation

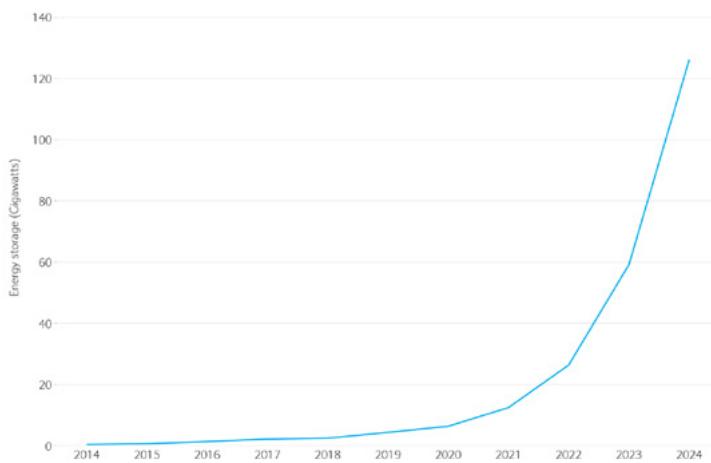


* Original data points provided for 2000, 2005, 2010, 2015, 2020 and 2024. Intermediate years were estimated using linear interpolation.

Demand: Annual electric vehicle (EV) sales



Connectivity: Battery energy storage systems capacity



Sources: IEA, The Energy Institute, Barclays Private Bank, November 2025

FROM IMPLICATIONS TO INTERPRETATION FOR INVESTING

Investors can view portfolio opportunities in Electrotech across three time horizons: what to trade now, what to hold through the cycle and into coming decades.

Near term: Use volatility as entry points

Policy shifts, macro uncertainty and investor sentiment will generate price swings around the theme. These fluctuations can create attractive entry points in the sectors or regions most exposed to transition catalysts – such as electric vehicle supply chains, critical minerals or renewable developers.

Others may prefer to manage risk around the more speculative corners of the market. The goal is to interpret volatility as divergent information – not distraction from the underlying direction of travel.

Medium term: Identify high-quality Electrotech growth within sectors

Through this decade, electrification and digitalisation are quietly redrawing the competitive frontier across traditional industries. For example, in industrials, real estate, and manufacturing, the leaders will be those using electrons most efficiently – through automation, digital optimisation, or low-cost clean power.

Investors can reassess holdings: which companies are adapting fastest, and which risk margin erosion as energy systems change. Here, selectivity will matter more than thematic enthusiasm.

Long term: Build patient exposure to structural enablers

Over the longer horizon, sustained capital will be needed to reinforce the backbone of the Electrotech economy: grid infrastructure, energy storage, digital networks and the technologies underpinning them.

These long-duration assets may offer differentiated returns and resilience, whether through public or private markets. In turn, this will be influenced by how much innovations accelerate adoption across regions and sectors.

"Sustained capital will be needed to reinforce the backbone of the Electrotech economy"

BALANCING CONVICTION WITH FLEXIBILITY

The Electrotech revolution is unfolding unevenly across geographies, sectors, and stages of readiness. Investors' challenge for 2026 will be to stay patient amid turbulence and conflicting information.

This is not about whether Electrotech will reshape the global economy. It's about how and when markets will fully price it in.

As such, investors will once again need to decode signals from the noise and marry up both tactical and strategic views in order to be successful.

Damian Payiatakis, London UK, Head of Sustainable & Impact Investing



The psychology behind the AI bubble

Understanding whether the rush to invest in AI stocks is a bubble or not could be key to investment strategy for 2026. Clearly there will be winners and losers from this technology, but a focus on those set for long-term success is where the best opportunities lie.

This article is technical in nature and may require some background knowledge and investing experience to understand the themes explored.

All data referenced in this article is sourced from Bloomberg unless otherwise stated, and is accurate at the time of publishing.

ARE WE IN AN AI BUBBLE?

Concerns are mounting over whether equity markets are experiencing another bubble. A handful of artificial intelligence (AI) stocks have been responsible for a disproportionate share of the S&P 500's returns, as analysed in [Beyond the AI boom: Rebalancing portfolios for a more sustainable cycle](#). But just how long can such elevated spending and valuations be sustained?

Bubbles have occurred throughout history, creating surging asset values, typically followed by just as dramatic downfalls. Memories of the dotcom bubble, again involving technology stocks, in the late 1990s and the global financial crisis of the 2000s shape investors' current anxiety.

They attract a lot of attention (see chart, p40) as they are notoriously hard to identify in real time, and how large the stakes are. Capitalising on a bubble in its early stages can be extremely profitable, missing out can be costly, but being caught out can be disastrous. The wider contagion effects can impact even those not exposed to the relevant companies.

WHAT IS A BUBBLE?

An asset bubble occurs when prices rise far above intrinsic value, fuelled by speculation and enthusiasm rather than fundamentals. The result is unsustainable pricing, typically ending in a sharp correction.

There's no universally agreed definition for bubbles, but speculative demand, psychological drivers and amplifiers are markers of the phenomenon.

Valuation parameters can help to spot a bubble, but a psychological diagnosis is essential. Bubbles reflect irrational exuberance, putting companies on a pedestal, fear of missing out and in many cases a belief that there is no price too high.

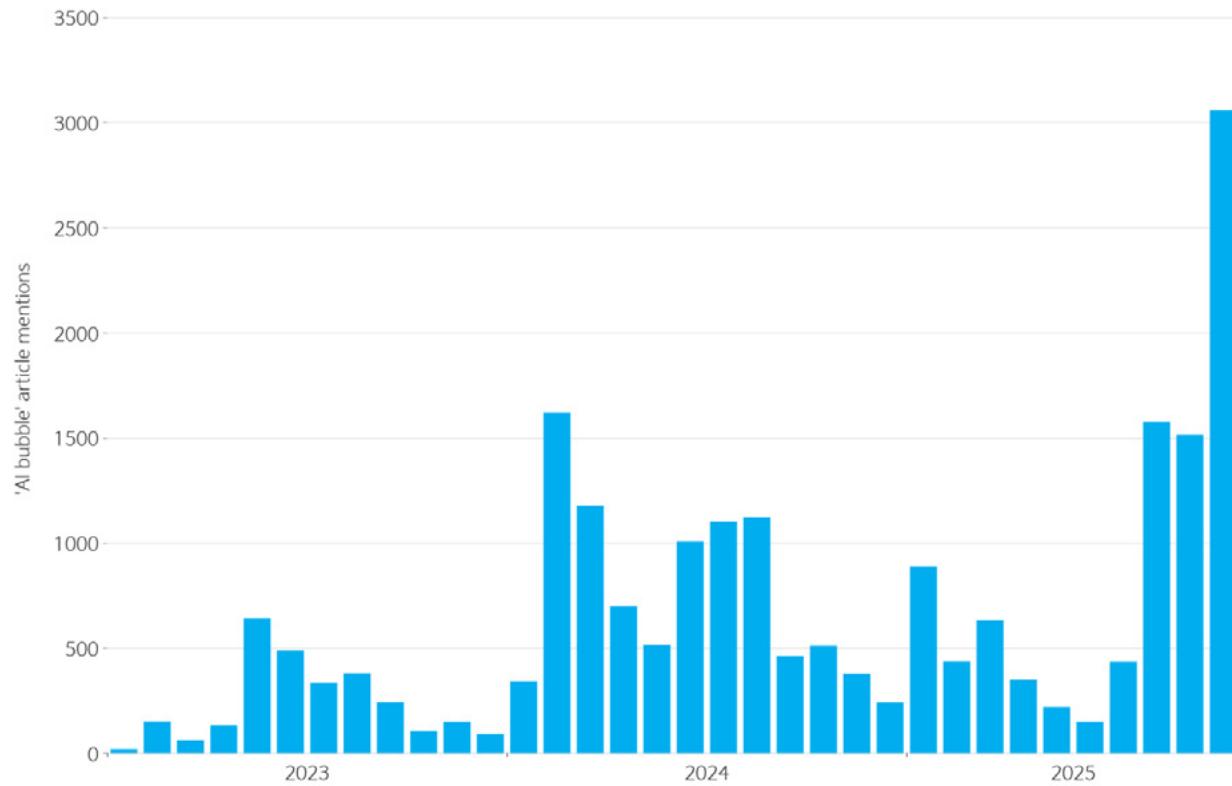
THE STAGES

Whilst each one is different, speculative manias share similarities. As the quote goes: 'history doesn't repeat itself, but it often rhymes'. Economist Charles P Kindleberger's framework outlines five key stages:

- 1. Displacement:** A significant innovation grabs attention, rewards early adopters and creates a narrative for higher prices.
- 2. Boom:** Optimism grows, prices rise, credit expands and commentators stoke the trend.
- 3. Euphoria:** Speculation dominates, prices surge, "this time is different" thinking prevails, and traditional metrics are ignored. Leverage often increases.
- 4. Crisis:** Reality intrudes, prices fall, investors rush to exit and liquidity dries up.
- 5. Panic:** Confidence collapses, prices crash and market contagion spreads.

Talk of an AI bubble is all the rage

The number of times the term AI bubble is mentioned in Bloomberg since 2023 has surged in the second half of 2023.



Sources: Bloomberg, Barclays Private Bank, November 2025

THE PSYCHOLOGY

Bubbles aren't just about excess liquidity, they involve collective biases brought out by seductive narratives:

- **Overconfidence:** Investors overstate their forecasting ability, attributing gains to skill.
 - **Extrapolation:** Rising prices are seen as evidence of a permanent trend.
 - **Herding:** Fear of missing out outweighs fear of losses; social proof is powerful.
 - **Availability:** Recent gains overshadow long-term risks.
 - **Confirmation bias:** Information is sought that supports a bullish stance and dismisses contrary views.
 - **Greater-fool theory:** Belief that there will be buyers at any price, regardless of intrinsic value.

These biases reinforce each other, creating self-sustaining narratives. Investors lose objectivity, swinging from excessive optimism to deep pessimism when bubbles burst.

IS AI ANY DIFFERENT?

Bubbles often accompany new developments, and AI's rapid rise fits the pattern. The Magnificent 7 companies contributed more than 20% of global equity gains in 2025, and over 40% of the S&P 500 returns. These companies command rich valuations.

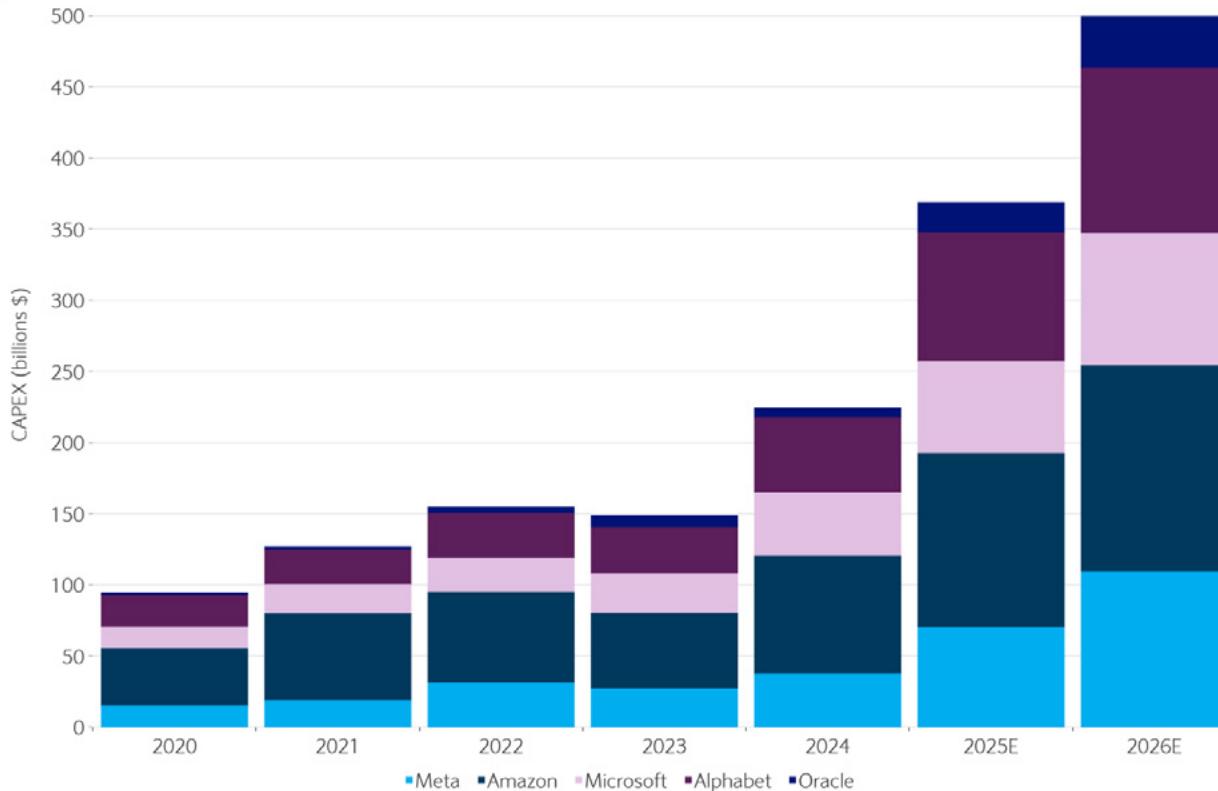
The dramatic rise in AI company spending, rather than share prices alone, is a particular concern. In the telecom bubble at the turn of the century, an exciting new technology justified unprecedented levels of investment. Eventually, supply outstripped demand, and many companies never earned a return on investment.

Since OpenAI's ChatGPT's release in late 2022, hyperscalers' annual capex has more than doubled (see chart, p41), as they bet heavily on the infrastructure needed to train and run ever-larger models. Meta, Amazon, Microsoft, Alphabet and Oracle's combined capex is projected to rise 64% year-on-year to over \$370 billion in 2025 and \$500 billion in 2026.

A concern for some is also the circular nature of deals between AI model makers, compute providers, and chipmakers involved. For example, Nvidia's \$100 billion investment in OpenAI to help fund its data-centre buildout, announced in September, commits to filling those sites with Nvidia chips.

Hyperscalers soaring capital spending

The amount of annual capex spending by hyperscalers has more than doubled since 2023



Source: Bloomberg, Barclays Private Bank, October 2025

There is also macroeconomic dependence. Estimates place AI data centres among the largest infrastructure build-outs in modern history. AI data centres now drive a significant portion of US GDP growth. While not inherently bad, this dependence is risky if AI momentum stalls. If expectations break, the snapback could be severe.

WHY THEY ARE DIFFERENT

The phrase "this time is different" is dangerous in investing, but there are distinctions from the dotcom era, with which many comparisons are being made.

AI is a revolutionary technology in a way in which the internet cannot compete, and today's leading tech firms are far stronger than their predecessors, with scale, market dominance, extraordinary cash flows and above-average profit margins. Generative AI revenues are accelerating rapidly, and we are in just the beginning of enterprise adoption. The vast spending has thus far mainly been financed from cash flows.

THE BAR FOR DISAPPOINTMENT

High tech stock prices reflect a belief in their persistence. Investors are treating leading players as if they'll dominate for decades, extrapolating today's success far into the future. But history favours change over persistence. When companies are priced to perfection, even good news can disappoint. The damage from negative surprises can be profound.

The varied reaction to the most recent earnings and spending plans of Big Tech underscores the sensitivity of investors to how quickly the AI build-out can deliver revenue. Additional capital outlays now need to be justified, especially after the sums already deployed.

Investors will want proof that the payoff isn't perpetually just over the horizon. Because the useful life of graphic processing units for frontier applications such as model training is low (perhaps three years), returns will be needed in a few years, not decades.

BOOM OR BUBBLE

A market boom can resemble a bubble early on, with rising valuations and accelerating investment. But fundamentals – underlying cash flows, productivity gains, demand growth and profitability – eventually catch up with the optimism. Overshoots can still occur, but durable industries and lasting value emerge.

The grey zone between boom and bubble is where investor exuberance makes it hard to tell if capital is building a new economy or inflating unsustainable prices. It's hubris to assume AI is immune to bubble dynamics, which is where the interpretation game comes in.

“Bubbles often accompany new developments, and AI’s rapid rise fits the pattern”

ASKING THE RIGHT QUESTIONS

Trying to call a bubble or time the market is challenging, and rarely productive as it can lead to unhelpful behaviours for long-term investors. Markets can remain irrational or ‘toppy’ longer than investors expect.

Predicting the future or forecasting complex events with precision is difficult. Instead, consider a range of scenarios and position for those most likely, without deviating too far from long-term thinking informed by historical data.

For investors waiting for the perfect conditions to make investment decisions, one of the few things we can be confident of is that certainty is fleeting; uncertainty is constant.

LISTENING FOR THE POP

Bubbles bursting, as well as general market pullbacks, can occur quickly and violently. This makes it imperative to understand the underlying dynamics (stages four and five of the steps outlined earlier).

The availability heuristic means that investors recall dramatic drawdowns from past bubbles and the long recovery periods then endured; 10 years for the US housing one and 15 for dotcom. The current hyperscaler spending is funded mainly by equity, which should limit contagion. Still, sharp market falls can trigger emotional overreactions, compounding losses.

WATCH OUT FOR VOLATILITY

Loss aversion means that volatile periods matter for investors’ long-term returns, as covered in [A behavioural review of 2025 so far](#).

For 2026, investors should plan how to act, or not act, during any market drawdowns. Volatility is normal: the S&P 500 has averaged a 14% intra-year decline in recent decades. With equity indices unusually dependent on a few large companies, this amplifies sensitivity to stock-specific news and heightens the risk of index-level volatility if these leaders de-rate. Formulating rules for such moments can reduce biased decision-making and create opportunities for contrarians.

Shocks can hit sentiment, which can lead to indiscriminate selling. For those with the composure to be contrarian, such periods allow quality assets to be picked up at a discount.

Most importantly, for navigating possible challenged market environments, investors should focus on committing to disciplined processes to build and maintain high-quality, well-diversified and resilient portfolios. Having strong financial foundations makes it easier to navigate the behavioural challenges of investing.

CREATIVE DESTRUCTION

Some AI winners today won’t survive tomorrow. Schumpeter’s concept of creative destruction reminds us that capitalism’s evolution is essential for growth. Innovation disrupts industries, reallocates resources to more productive uses, and drives progress. The internet’s transformation of society continued despite the dotcom crash.

Nations embracing capitalism have seen tremendous progress as new industries replace old ones. Whilst hyperscalers might shoulder the capex burden, the real winners of this race may be those controlling models, data and ecosystems. AI’s redrawing of labour markets is already visible, as some roles become redundant and new ones are born.

THE IMPORTANCE OF (CAUTIOUS) OPTIMISM

Bubbles are stories we tell about the dangers of over-optimism, but optimism is vital for economic growth and that of investment portfolios. Losses hurt and understandably their prospect worries investors.

But free markets and financial systems create progress despite adversity. Flexibility and adaptability are crucial for prosperity; and investors must stay alert to transformative trends. Importantly, they must be participating to be able to benefit.

FEAR OF HEIGHTS

AI exuberance and lofty valuations may make investors hesitant to increase equity allocations in 2026. For those seeking to protect and grow wealth over the long-term, investing in quality assets, selectivity, and diversification are key.

- **All-time highs:** Markets hitting record valuations doesn’t mean a pullback is on the cards. Equity prices aren’t mean-reverting; markets have spent about 30% of the time since 1990 at all-time highs.
- **Quality:** Momentum and high-volatility stocks have dominated in 2025 as market dynamics shifted from fundamentals. That said, quality has outperformed over the long term, as examined in [Testing the limits of concentration and resilience of returns](#). The return on an investment is a function of the price paid for it. A high starting valuation typically leads to lower returns, and vice versa.
- **Diversification:** Diversification across asset classes, regions and sectors is essential. Opportunities abound for those who look beyond the obvious.
- **Hedging:** Protection through hedging strategies allows participation without overhauling portfolios.

“Trying to call a bubble or time the market is challenging, and rarely productive”

THE INTERPRETATION GAME

Interpreting signal from noise will be crucial for rational decisions in 2026 aligned to investors' goals.

This is easier said than done. Humans connect with stories (especially ones easily followed, even if not fully backed by facts), and more emotive or dramatic ones engage the human brain's intuitive and associative 'System 1'. This makes them masters of pattern recognition, but also leaves them vulnerable to the same kinds of biases that affect human intuition. Engaging the more deliberate, analytical 'System 2' necessary for interpretation and nuance can help investors avoid being swept up by narratives.

Good decision-making allows for contradictory ideas: AI can be revolutionary and create value, but not all AI companies will be good investments.

We believe this more nuanced view will serve investors better than a binary yes/no opinion on the bubble question, which can typically lead to all in/out exposure decisions. A nuanced, bottom-up approach to portfolio construction is also useful, especially amid uncertainty and change.

The latest iteration of AI is likely only at the beginning of its journey, as examined in much detail in our [AI Outlook 2026](#). Whether boom or bubble, the implications for investors in 2026 and beyond will be significant. Measured, thoughtful decisions – grounded in an understanding of both market and investor psychology – will be essential.

Alexander Joshi, London UK, Head of Behavioural Finance



Multi-asset portfolio allocation

Barclays Private Bank discusses asset allocation views within the context of a multi-asset class portfolio. Our views elsewhere in the publication are presented on an absolute basis and within the context of each individual asset class.

	-	=		+
Cash and short duration bonds				
Fixed income				
Developed market government bonds				
Investment grade bonds				
High yield bonds				
Emerging market bonds				
Equities				
Developed market equities				
Emerging market equities				
Other assets				
Alternative trading strategies				
Commodities				

- denotes a cautious view = denotes a neutral view + denotes a positive view

SUMMARY

- Following a review and update of our Strategic Asset Allocation (SAA), discretionary portfolios are invested at a similar level of overall risk as their respective SAA.
- Equity markets have made a rapid recovery from April's tariff-induced drawdown to trade at new US highs, led by stocks with high momentum. However, tariff uncertainty continues to affect policy decisions and hit consumer and business confidence. Against this backdrop, portfolios now have a neutral allocation to the asset class.
- Within allocations, there is a strong argument for greater diversification to mitigate policy uncertainty. Over the last year, solid opportunities have emerged in unloved parts of the market that offer more attractive valuations, without sacrificing quality. We continue to seek the right balance between conviction and diversification, including across geographies.
- With bond markets still facing higher rates and lower credit spreads than their multi-year ranges, we allocate more to developed government bonds while being more selective in investment grade and high yield credit.

CASH AND SHORT DURATION BONDS

- Following a reduction of equity exposure in May, portfolios have a modest overweight to cash and short-duration bonds as we await opportunities elsewhere.

FIXED INCOME

- Divergence in the key economic blocs of the US, China and the EU is driving different growth and inflation trade-offs for their respective central banks. Core rates are expected to be a helpful diversifier from risk asset exposure in the event of a weaker economy – and so portfolios are invested up to the strategic allocation.
- Those different growth and inflation dynamics can be reflected through curve and duration positioning in the asset class.
- Higher-quality bonds are preferred in credit, as they seem to offer better relative value.
- In high yield and emerging markets, selection is key, as spreads have scope to widen in an adverse scenario.

EQUITIES

- A tactical overweight to equities was reduced in May on valuation grounds, following a sharp recovery from April's tariff-induced drawdown.
- We further reduced developed market equities in October and brought back emerging market peers to their strategic asset allocation. This broadens and diversifies equity exposures in response to the increasingly narrow US leadership.
- In line with our long-term investment philosophy, portfolios are geared towards high-quality, cash-generative and conservatively capitalised businesses.

ALTERNATIVE TRADING STRATEGIES (ATS)

- The higher rate environment means there is a higher opportunity cost for ATS, so the allocation is reduced to a lower strategic level.
- Our focus is on strategies that offer low correlations to equity markets – providing diversification benefits.

COMMODITIES

- Despite the gold price hitting record levels in 2025, as a risk-mitigating asset and diversifier from the US dollar, the yellow metal is the preferred direct commodity exposure.
- Elsewhere, we believe that our risk budget is better spent outside of the asset class.

Julien Lafargue, CFA, Chief Market Strategist, London UK



Key dates

January

Fed Meeting: 28 Jan
2026 World Economic Annual Forum: 19-23 Jan

February

BoE Meeting: 5 Feb
ECB Meeting: 5 Feb

March

Fed Meeting: 18 Mar
BoE Meeting: 19 Mar
ECB Meeting: 19 Mar

April

Fed Meeting: 29 April
BoE Meeting: 30 April
ECB Meeting: 30 April
Spring Meeting of IMF and World Bank: 13-18 Apr

May

UK local election: 7 May

June

ECB Meeting: 11 June
G7 summit: 14-16 Jun
Fed Meeting: 17 June
BoE Meeting: 18 June

July

Joint review of USMCA: 1 Jul
ECB Meeting: 23 Jul
Fed Meeting: 29 Jul
BoE Meeting: 30 Jul

August

Jackson Hole Symposium: Aug

September

ECB Meeting: 10 Sep
Fed Meeting: 16 Sep
BoE Meeting: 17 Sep

October

Fed Meeting: 28 Oct
ECB Meeting: 29 Oct
Brazilian general election: 4 Oct
2026 Annual Meeting of IMF and World Bank: 12-18 Oct

November

BoE Meeting: 5 Nov
US midterms: 3 Nov

December

Fed Meeting: 9 Dec
BoE Meeting: 17 Dec
ECB Meeting: 17 Dec

Event Key

Central banks
Geopolitical events
International bodies

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