



January 2026

General overview

Lower US dollar supported risk taking

Multi asset	1mo	3mo	YTD	1yr	3yr	5yr
Emerging Markets (LC)	2.6%	5.6%	31.3%	31.3%	17.7%	6.6%
Gold (USD)	2.4%	12.2%	62.5%	62.5%	32.4%	17.1%
Emerging Markets (UH, EUR)	1.8%	4.8%	17.8%	17.8%	12.7%	5.1%
Global high yield (H, EUR)	0.6%	1.8%	7.8%	7.8%	9.2%	2.8%
MSCI World local currency	0.5%	3.4%	18.4%	18.4%	20.9%	13.0%
MSCI World (H, EUR)	0.4%	3.0%	16.7%	16.7%	19.2%	11.4%
EMD local currency (UH, EUR)	0.2%	2.2%	2.8%	2.8%	4.9%	1.8%
Cash (EUR)	0.2%	0.5%	2.3%	2.3%	3.2%	1.8%
Global investment grade bonds (H, EUR)	-0.3%	0.4%	4.9%	4.9%	4.4%	-1.3%
MSCI World (UH, EUR)	-0.4%	3.2%	6.8%	6.8%	17.4%	13.1%
Global inflation-linked bonds (H, EUR)	-0.4%	0.5%	2.3%	2.3%	0.7%	-2.9%
Global Gov Bonds (H, EUR)	-0.5%	0.1%	1.7%	1.7%	1.7%	-2.6%
EMD hard currency (UH, EUR)	-0.7%	2.3%	-1.1%	-1.1%	5.7%	1.9%
Oil Index (USD)	-1.3%	-5.9%	-7.6%	-7.6%	0.6%	16.0%
GSCI Commodities (USD)	-1.5%	10%	-5.6%	-5.6%	0.6%	15.6%
Global real estate (UH, EUR)	-2.8%	-0.8%	-3.9%	-3.9%	5.9%	5.6%

The greenback suffered its usual season weakness

- > In December 2025, equities saw a 'Santa rally' marked by rotation; while AI-driven tech cooled, value and cyclical sectors in Europe and Asia outperformed a stagnant S&P 500.
- > Bonds posted mixed results as the Fed and Bank of England each delivered 25-bps rate cuts, yet long-dated yields climbed due to fiscal pressures.
- > Credit markets stayed buoyant with narrowing spreads driving positive returns in high yield and emerging debt. There was a cautious tone regarding high leverage as the bonds of Oracle came under pressure.
- > Commodities were standouts, led by a massive rally in silver and gold, which offset a fifth consecutive monthly decline in oil prices.
- > Finally, currencies reflected broad US dollar weakness, as the greenback measured against a trade-weighted basket fell 1.1% in December. The euro and sterling gained ground amid shifting global growth expectations and policy divergence.

Source: Robeco, Bloomberg. Returns are in euros.

All market data to 31 December 2025 unless mentioned otherwise

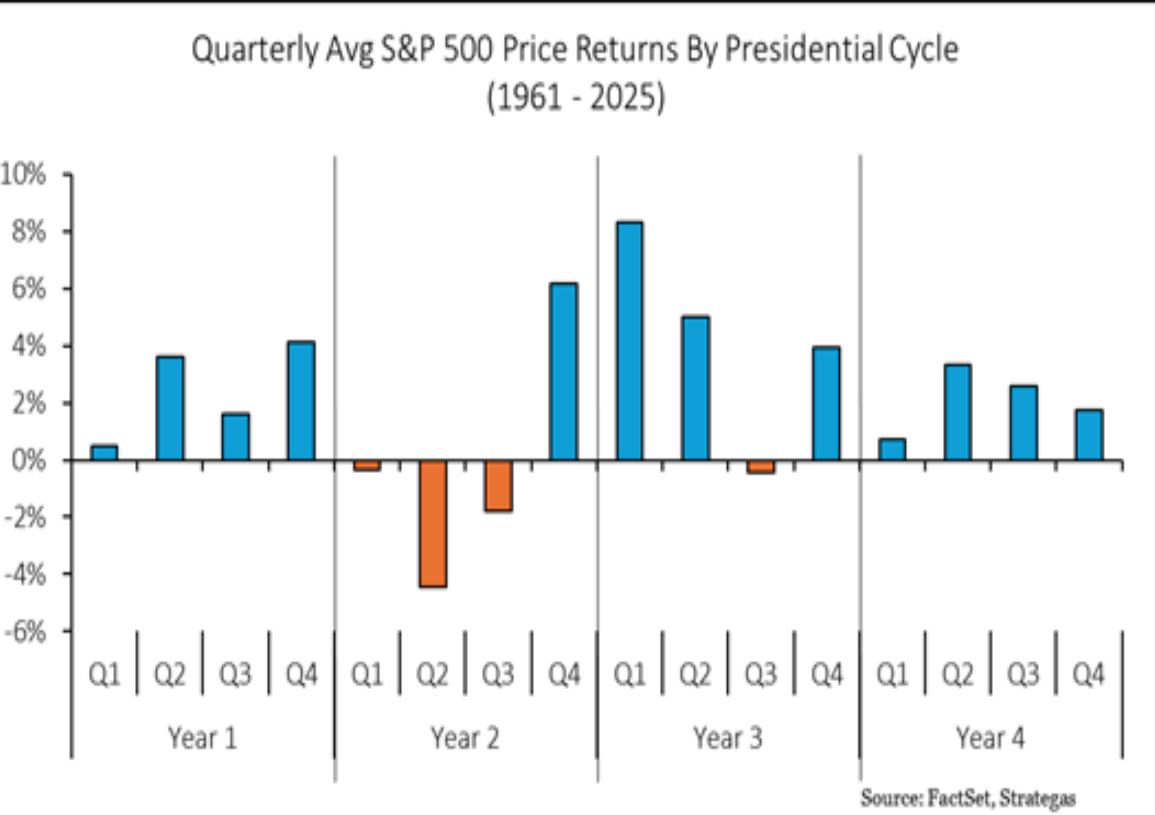
Theme of the month

Fragility beneath the shine will provide opportunities in 2026

Fiscal dominance implies higher inflation

- > As the first quarter of 2026 unfolds, the global investment landscape is defined by a striking paradox: record-breaking technological progress masking structural fragilities in the rest of the economy.
- > While indices like the S&P 500 sit at all-time highs, the 'everything rally' since the so-called Liberation Day when tariffs were introduced in April 2025 has created a market vulnerable to a sharp reality check. Success in 2026 will require buying into the dips of crowded and consensus positions.
- > 2026 is also a US mid-term elections year. Since 1961, US equities have struggled in the first three quarters of these years, followed by a Q4 rally (see chart). This year may therefore not be as plain sailing as the consensus thinks.

Historically, a US mid-term election year is not plain sailing



Theme of the month

Fragility beneath the shine will provide opportunities in 2026

Not all that glitters is gold... sometimes it's silver as well

- > The gold price also hit record highs of above USD 4,000 an ounce on continued geopolitical turmoil and heavy central bank demand, while silver has soared because supply can't meet future industrial demand.
- > The financial interest will be the overriding driver of gold and silver prices, and we can therefore expect volatility.
- > Private debt is where systemic risks have been rising. A liquidity crunch in private credit could trigger a sudden seizure in public markets, as managers would firstly sell what they can, starting with the liquid debt, and then banks would liquidate the public markets collateral to cover the markdowns.
- > As a result, opportunities can arise in equities, high yield and government bonds if the sell-off is not driven by other fundamentals.

Private investors hold more gold than central banks

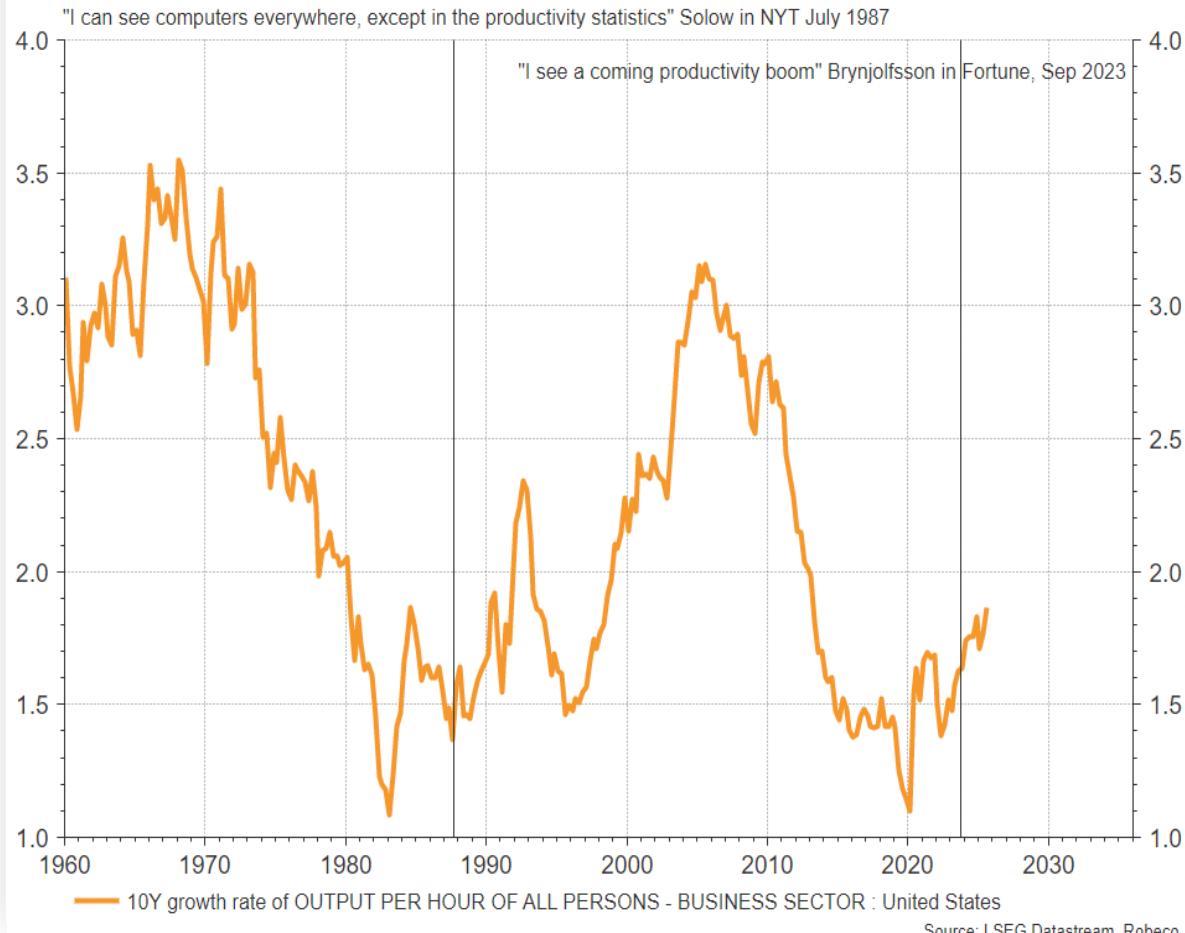
Sector	Estimated Share	Recent trend	Description
Jewellery	45%-49%	⬇️	Largest markets are India and China
Private investment	19-22%	⬆️	Physical and gold-backed ETFs
Central banks	17%	⬆️	Official reserves held by governments and official institutions
Industrial	12-15%	⬆️	Electronics, dentistry

Source: World Gold Council, Robeco

Economy

K-shaped dynamic of slowing jobs growth but accelerating real output remains intact

US productivity growth has started to pick up



Source: LSEG Datastream, Robeco. All market data to 31 December 2025 unless mentioned otherwise

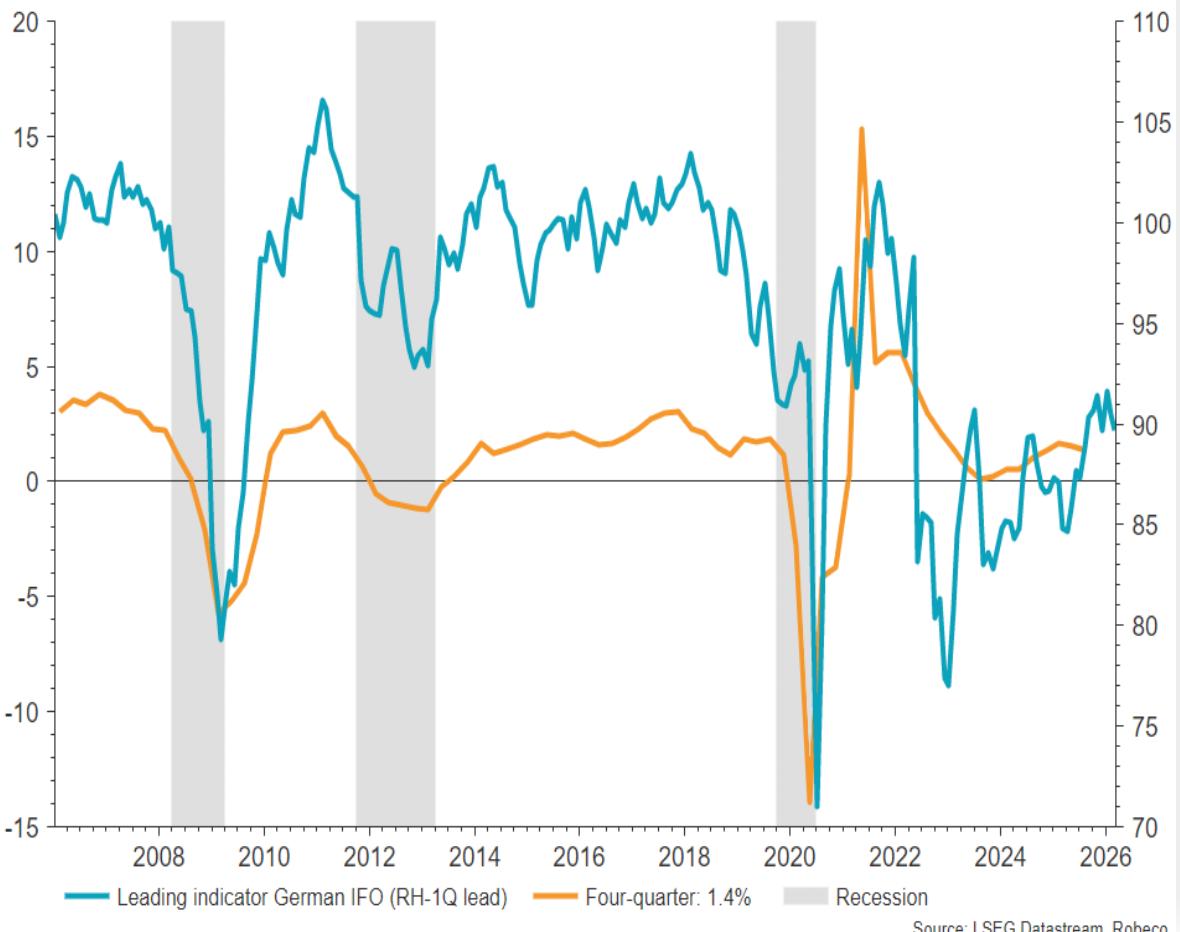
US economy is still expanding with positive Q4 GDP expectation

- > The first weeks of 2026 show a US economy still expanding, though with mixed signals. Non-farm payrolls rose by 50,000 in December, undershooting expectations. Yet, while hiring is slow, so is firing. The unemployment rate declined to 4.4%, and downward revisions to November's unemployment rate show the US labor market is at most bending rather than about to break.
- > Manufacturing remains the clear laggard. The ISM Manufacturing PMI slipped to 47.9, marking a tenth consecutive month of contraction, driven by weaker production and declining inventories. In contrast, services continue to anchor US economic momentum: the ISM Services PMI climbed to 54.4, its strongest reading since late 2024, supported by firm business activity.
- > Looking ahead, the Atlanta Fed's GDPNow estimate for Q4 growth sits at 5.1%, signaling that underlying growth momentum has carried into the year-end despite labor market cooling

Economy

Eurozone economy is still expanding albeit more slowly

Leading indicators suggest upside for Eurozone from 1.4% pace



European growth faces political turmoil downside risk

- Leading indicators shows that the Eurozone economy expanded at a slower pace in December compared to November, even as it ended 2025 at its strongest quarterly growth rate in two years. Business expectations in Germany for the next six months declined for the second consecutive month in December 2025.
- However, actual business conditions remained stable, with hard data like electricity consumption in Germany indicative of higher real activity. Momentum is upheld by services which is still running close to full capacity.
- Consensus GDP estimate for 2026 Eurozone GDP is 1.2%. We have an above-consensus outlook, eyeing 1.6% growth, as we see a lagged positive impact from lower energy prices (freeing up spending headroom at the household level) and improving consumer sentiment unlocking excess savings in the core of Europe.

Source: Robeco. All market data to 31 December 2025 unless mentioned otherwise

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