ROBECO
The Investment Engineers



Multi-asset market outlook

US stock market rotation broadens beyond AI after Democratic sweep

November 2026

Marketing materials for professional investors, not for onward distribution.

General overview

Tech-heavy sectors and political risks weigh on EM equities

Multi asset	1mo	3mo	YTD	1yr	3yr	5yr
Oil Index (USD)	16.6%	31.9%	132.6%	121.5%	29.8%	22.6%
GSCI Commodities (USD)	6.6%	20.1%	71.2%	67.6%	18.9%	18.0%
Global real estate (UH, EUR)	4.9%	-2.2%	15.2%	13.5%	12.7%	3.1%
EMD hard currency (UH, EUR)	2.7%	1.6%	4.2%	3.3%	7.0%	2.1%
Global inflation-linked bonds (H, EUR)	1.9%	0.0%	-0.3%	-1.0%	2.0%	-3.7%
Global Gov Bonds (H, EUR)	1.8%	-0.3%	-1.8%	-2.4%	1.9%	-2.3%
EMD local currency (UH, EUR)	1.6%	2.3%	5.1%	5.3%	5.9%	3.3%
Global investment grade bonds (H, EUR)	1.5%	-0.6%	-1.7%	-1.7%	4.4%	-1.3%
MSCI World (UH, EUR)	1.0%	3.7%	16.7%	15.9%	20.1%	11.3%
Cash (EUR)	0.2%	0.6%	1.8%	2.2%	2.9%	2.3%
Global high yield (H, EUR)	0.0%	-2.0%	-0.7%	0.2%	8.1%	2.3%
MSCI World local currency	-0.8%	0.8%	11.5%	12.4%	21.7%	11.1%
MSCI World (H, EUR)	-0.9%	0.5%	10.2%	10.8%	20.1%	9.4%
Emerging Markets (UH, EUR)	-6.4%	-2.6%	19.4%	17.9%	20.1%	7.7%
Gold (USD)	-6.6%	-4.1%	-10.7%	-3.2%	24.0%	16.1%
Emerging Markets (LC)	-7.4%	-6.1%	13.9%	15.0%	22.8%	9.0%

Commodity prices continue to surge

- Energy prices surged significantly, driving broad commodity gains. Tightening global supply conditions, geopolitical tensions and ongoing energy supply concerns kept crude oil and broader resource benchmarks strong.
- Surprisingly, fixed income assets experienced a broad recovery following sell-offs earlier in the autumn, despite fears of higher inflation led by the rising price of oil, and higher labor input costs.
- Emerging market equities sold off sharply, as weakness in tech supply chains, regulatory scrutiny and regional political risks weighed down key EM indices. Developed market equities were flat, consolidating their recent gains.
- Gold declined, sharply impacted by liquidity demands and rising real yields. Conversely, global real estate bounced back strongly, benefiting from lower real yields and improved risk appetite in property sectors.

Past performance is no guarantee of future results. The value of your investments may fluctuate.
Source: Robeco, Bloomberg. All market data to 30 October 2026 unless mentioned otherwise.

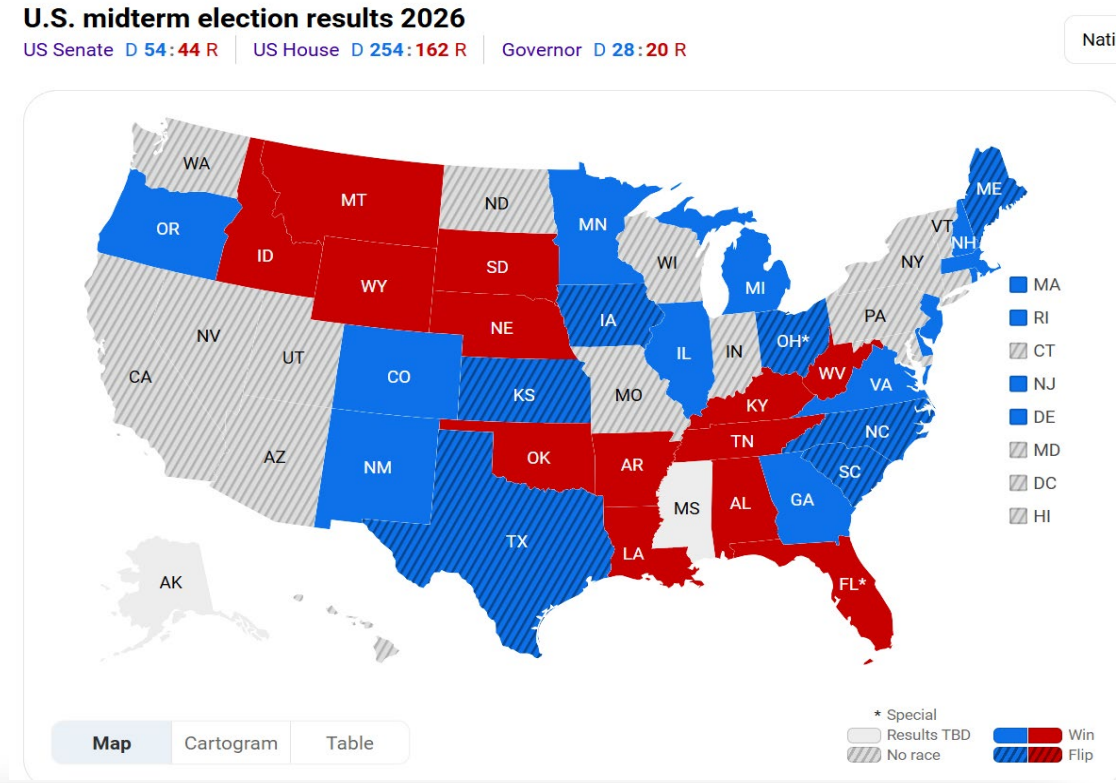
Theme of the month

US stock market rotation broadens beyond AI after Democratic sweep

Bi-partizan cooperation could improve in the next two years

- The Democrats won control of both houses of Congress (the ‘blunami’) after voters railed against the Republican party policy approach to the higher cost of living and the Iran war.
- Despite the Democrats controlling the House of Representatives and the Senate from January, the president still retains a veto over legislation. So, it will be difficult to fully push their agenda. But they could limit fiscal expansion, while brinkmanship over the looming debt ceiling adds risk. However, we believe that eventually a deal will be done by Republicans in order not to spoil chances their chances in the presidential election due in 2028.
- The main new risk is a data-center pauses at state level, especially in Texas and Kansas, where new projects may face stricter controls around energy and water use. In the short term, investors received the news as being negative for semiconductors and AI infrastructure, speeding up the deleveraging of recent weeks.

Alaska and Mississippi yet to declare, so can get worse for Republicans



Source: Robeco, BBC.

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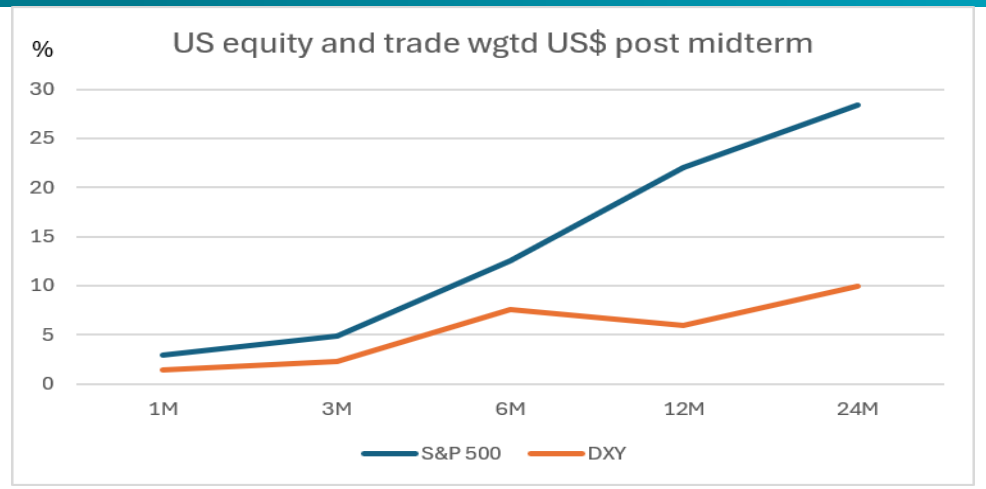
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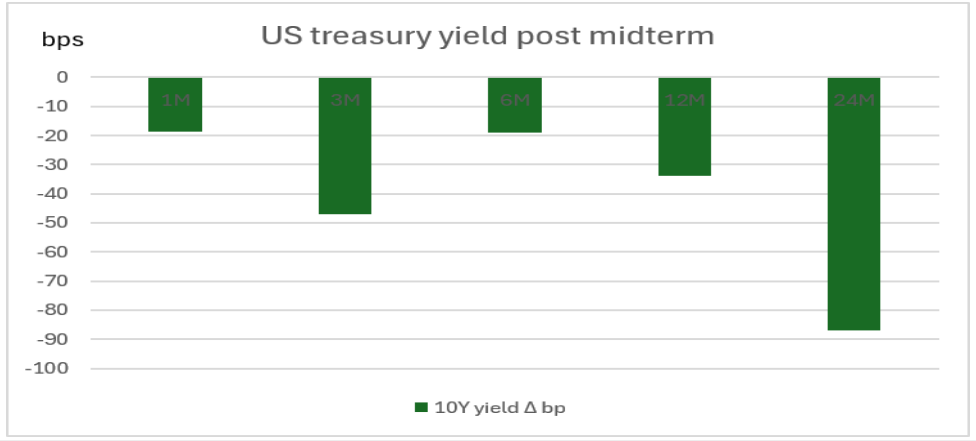
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Equity returns are being driven by earnings and sentiment

- A slower buildout of cloud capacity weakens the AI adoption trade, though there is enough momentum in the broader economy for recent stock market rotation to continue.
- Credit spreads remain the bell weather for financing the AI build-out. The slower build-out can ease short-term capital raising demands, but the delay of future revenue realization increases pressure on business models.
- Equity markets are treating the midterm result as a clearing event, and history suggests that equities perform well when the US Congress and president are from different sides of the aisle.
- Diversification away from the narrow focus on AI is seen creating a stock picker's market, looking for the winners and losers in each sector, as the market dispersion broadens.

Post midterm sessions turn out well for investors





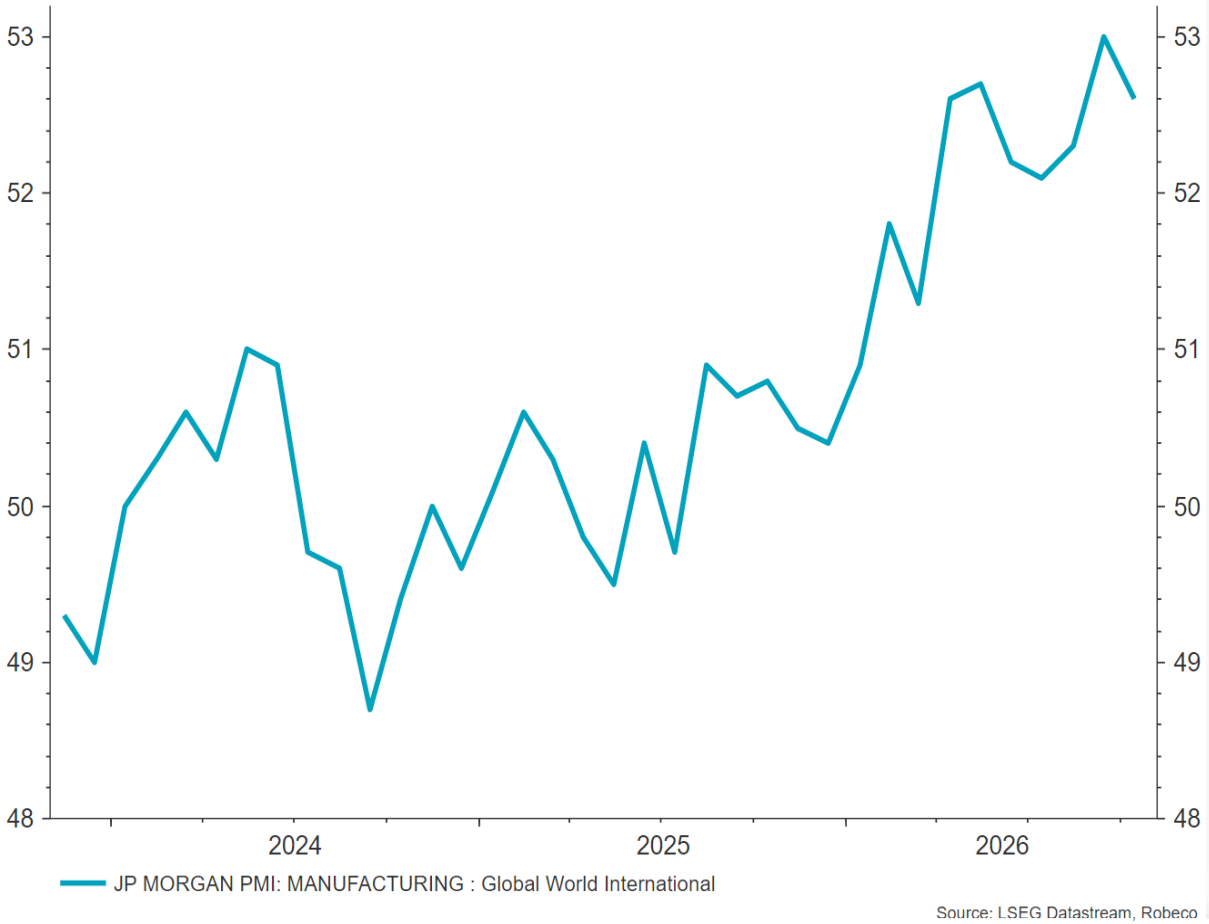
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Source: LSEG Datastream, Robeco, November 2026

Economy

Decelerating domestic activity, accelerating exports

PMI remains firmly in an uptrend



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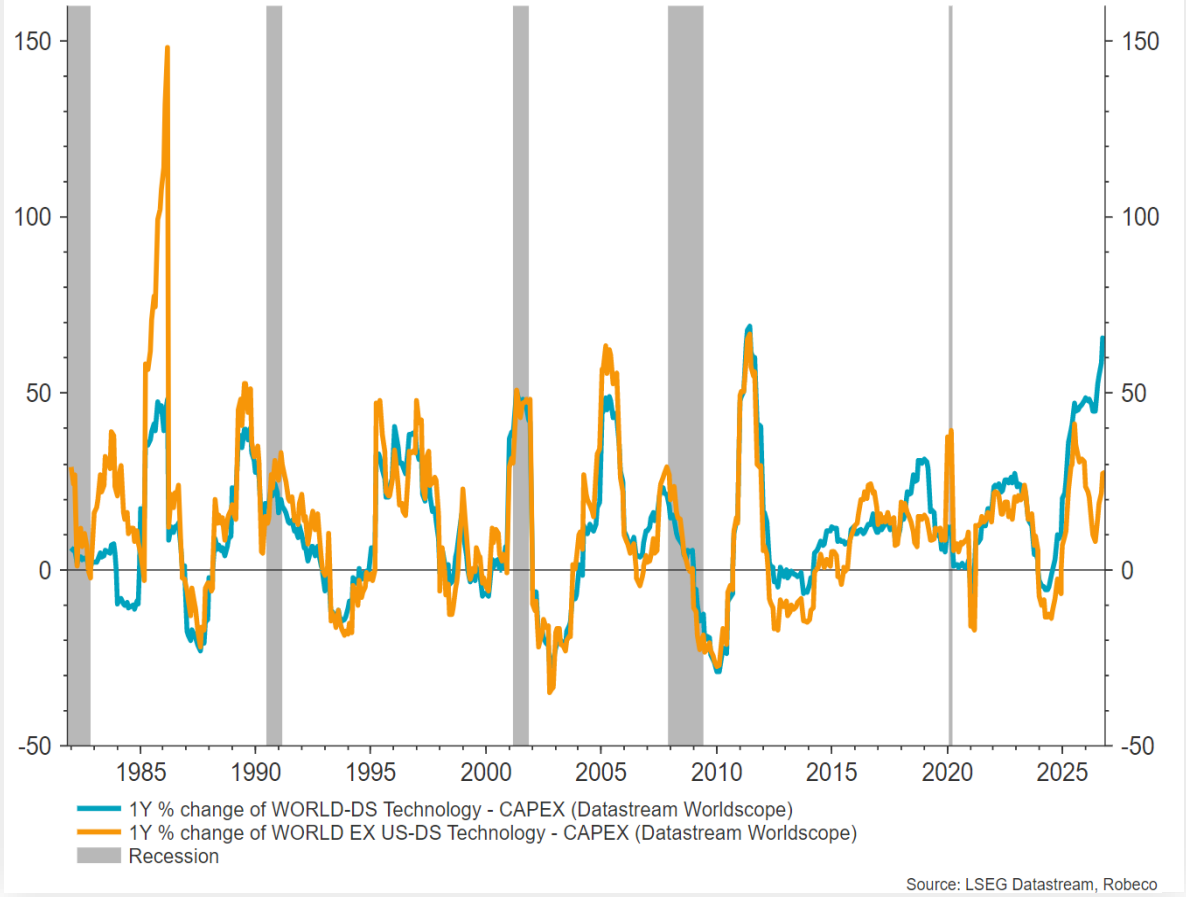
Tightening financial conditions, better US jobs data

- Global growth remains robust, with JP Morgan's global manufacturing PMI remaining in expansion at 52.6 in October. Leading global cycle indicators like South Korean exports have not rolled over yet, and signal the expansion has room to grow.
- Export growth numbers in China surprised to the upside, accelerating to 36.3% (y-o-y) in September. The trade surplus widened. With exports carrying growth, the pressure on Chinese policymakers to step up fiscal stimulus is reduced, even as the domestic economy is still lackluster. The official PMI slipped back into contraction at 49.3, while the more export-oriented private PMI remained firmly in expansion at 52.0.
- In the US, the Fed held off on an October rate hike, signaling that conditions have tightened since their September meeting. Yet, a December hike seems on the cards. Non-farm payrolls surprised to the upside with a strong 165,000 number, but wage growth appears to remain stuck and fell 10 bps to 3.1%. Thus, despite signs of the wage premium for job movers increasing recently, the overall US labor market is not materially tightening.

Economy

Earnings are the swing macro factor now

US tech capex is leading the way



Another Middle East flare-up could derail expansion

- While US unemployment fell to 4.1%, an additional 339,000 people worked part-time for economic reasons, so the figures are not as rosy as the headline employment growth suggests. Still, with the breadth of jobs growth expanding across sectors, real wage growth should start to move upward. In the meantime, nominal wage growth at 3%, with nominal GDP growth above 6%, keeps labor costs at a level that accommodates the profit cycle.
- Resilient earnings delivery in turn could see capex starting to broaden out beyond the AI ecosystem. The recent drop in real yields could be an additional tailwind.
- The risk for the cycle remains an unwarranted tightening of financial conditions and a narrowing of earnings breadth which makes the AI capex engine stall. A major sell-off in US equities on the back of this could disproportionally hit US consumers, as consumption growth has become reliant upon the wealth effect relative to the income effect. Another flare-up of tensions in the Middle-East could keep a lid on real wage growth for longer and further limit spending power for lower income households.

Source: Robeco, Bloomberg. All market data to 30 October 2026 unless mentioned otherwise.

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