



# 2026 Market Outlook summary

We expect the investment landscape in 2026 to be complex, with notable trends and evolving investment opportunities. For our Market Outlook, we gathered insights from world class investment managers across our product shelves to help you navigate the year ahead. Five themes stand out, offering context on what's shaping global markets and what may guide investment decisions in 2026.

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## 1 Adaptability will remain critical.

Markets are entering a transition period following interest rate cuts in Canada and the U.S., ongoing tariff pressures and accelerating investment in artificial intelligence (AI). Flexibility will be essential to navigate these dynamics.

## 2 Global growth will continue to surprise.

Despite geopolitical challenges and labour market weakness, global gross domestic product at the end of 2025 was stronger than anticipated, driven by AI-related spending. In 2026, economic activity is expected to increasingly revolve around two blocs, with the U.S.-led bloc maintaining advantage in liquidity, scale and technological depth over the China-led bloc.

## 3 Regional divergence will persist.

Canada enters 2026 with subdued demand but room for additional monetary policy easing as inflation nears the Bank of Canada's target. Europe faces uneven conditions, while China balances stimulus with caution.

## 4 Equity markets will refocus on fundamentals.

Company earnings strength will matter more as valuations adjust. AI-driven investment remains a key growth engine. Tariffs and supply-chain disruptions will continue to influence volatility.

## 5 Portfolio positioning will be decisive.

Monetary easing and late-cycle dynamics support fixed income, while defensive sectors such as banks and utilities offer stability. Technology and related companies have provided growth and may continue to do so. Alternatives will gain traction as investors seek diversification, income and resilience against uncertainty.



## What to watch in 2026

- Geopolitical developments and trade negotiations
- AI-driven capital flows and technology adoption
- Inflation trends and central bank policy paths
- Earnings resilience amid shifting market fundamentals

## Want to delve deeper?

Get market insights, arranged by asset class, from select investment managers across our fund shelves.

[Read our full 2026 Market Outlook report.](#)



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