

Clearer skies: Quintet unveils 2026 investment outlook



Luxembourg-headquartered private bank highlights core dynamics that will drive the global economy, financial markets and key asset classes in 2026 and beyond.

After a year in which the global economy defied recession fears, the outlook for 2026 points to continued growth as trade uncertainty recedes and fiscal stimulus bolsters demand. Monetary policy is easing financial conditions, though market volatility is likely to persist.

Those are the views of Daniele Antonucci, Chief Investment Officer at Quintet Private Bank, which today unveiled its annual outlook for the global economy, financial markets and key asset classes.

“The recession many anticipated in 2025 never materialized, and policy intervention made the difference,” said Antonucci. “Rate cuts in the US and Europe, coupled with fiscal support, are boosting confidence and asset prices. These factors should keep growth moderately positive in 2026.”

Across major economies, policy paths are diverging. In the US, the Federal Reserve has started cutting rates, generating a wealth effect that supports consumer spending. Washington is also easing regulations and cutting taxes ahead of next year’s midterm elections.

On the other side of the Atlantic, the European Central Bank is expected to hold rates at 2% as inflation approaches its target, while Berlin accelerates investments in defense and infrastructure. London remains committed to austerity, in stark contrast to Tokyo, where a substantial fiscal package is underway. Meanwhile, Beijing continues to underpin demand through state-backed initiatives.

“After decades of US-centric globalization, the world continues to shift toward a more multipolar landscape,” Antonucci said. “This transition brings greater divergence in economic outcomes and less predictable market dynamics. Investors must adapt – identifying opportunities and managing risk in an environment where traditional patterns no longer apply.”

According to Quintet’s Chief Investment Officer, key structural forces reshaping markets include aging populations, rising sovereign debt and geopolitical fragmentation. These trends imply higher funding costs and greater differentiation across asset classes and geographies.

Safe-haven assets are evolving. US Treasuries still provide protection during downturns but may offer less effective hedging against inflation or fiscal shocks. The US dollar remains central to the global financial system, yet its long-term dominance is increasingly in question as debt burdens rise and deficits persist. Antonucci therefore expects the dollar to weaken against the euro, sterling and other reserve currencies.

Gold, which surged in 2025, remains a strategic diversifier despite recent profit-taking. “We continue to view gold as an effective hedge against uncertainty,” he said, adding that efforts by emerging-market central banks to reduce reliance on the dollar could provide long-term support.

Artificial intelligence is another key theme. “AI will profoundly reshape economies over the coming decades,” Antonucci said. “While valuations are elevated, they are underpinned by strong earnings. Unlike in the dotcom era, today’s technology leaders are financing innovation primarily through cash flow rather than relying on debt.”

To mitigate concentration risk from large US tech holdings, Quintet favors equal-weighted US indices tilted toward industrials and financials, complemented by “insurance” strategies designed to appreciate if equities decline.

More broadly, Quintet maintains a moderate preference for equities over bonds – slightly overweight the US, Europe and emerging markets. Recent portfolio adjustments include taking profit on Japanese equities and bonds, while reallocating toward emerging-market equities, UK gilts and selective European government bonds. Commodities and inflation-linked securities remain key strategic diversifiers.

“As investors navigate AI-driven transformation and shifting geopolitics, our priority is resilience,” Antonucci concluded. “That means staying committed to long-term plans and diversifying across

asset classes to absorb shocks while capturing growth opportunities.”