

Press Release

Robeco publishes 2026 Outlook: 'The synchronized shift'

- Our base case predicts a synchronized global cyclical upswing: a 2017 redux
- Central banks navigate a maze, facing trade-offs between political pressures and a high-pressure economy
- Equities could rally further, and emerging markets enjoying inflows from a weaker dollar, with downside risk for US Treasuries
- SI outlook: Sustainability themes evolve, with climate adaptation and responsible AI in focus

Rotterdam, 18 November 2025 – In its 2026 economic outlook titled *'The synchronized shift'*, Robeco anticipates a rare, short-lived global upswing reminiscent of 2017, as alleviating trade tensions, a recovering manufacturing cycle, and lagged effects of monetary easing converge. Despite persistent uncertainties, the global economy is poised to play in harmony – albeit briefly.

Robeco's base case projects US real GDP growth at 2.1% in 2026, supported by AI-driven productivity gains and fiscal stimulus through the One Big Beautiful Bill Act. However, the US economy remains divided, with high-income consumption buoyant and lower-income households facing pressure from rising tariffs and slowing job growth. Europe's growth engine is revving up, with Germany showing accelerating activity on the back of fiscal stimulus. The eurozone is expected to grow by 1.6%, aided by fiscal expansion and pent-up consumer demand. China, while still battling deflationary pressures, may see a domestic revival in H2 2026 as housing market deleveraging nears its end.

In a bull scenario, fading geopolitical shocks and improved domestic consumption in China reignite global growth, pushing US GDP to 2.9% and strengthening the dollar. Conversely, Robeco's bear case envisions fading US exceptionalism, a bursting AI bubble, and rising unemployment, potentially triggering a mild recession.

Peter van der Welle, Multi-Asset Strategist at Robeco: "The synchronized shift is our 'Neapolitan chord' moment – a rare harmony before the finale. But it's not an ending. As global economies align briefly, investors must remain agile, balancing optimism with caution in a data-driven, policy-sensitive environment."

Financial markets outlook

Robeco sees potential for a continued equity rally, especially in rate-sensitive sectors and regions outside the US. While US valuations remain stretched, earnings delivery – particularly in the tech sector – will be key. Eurozone equities appear attractive on valuation and macro tailwinds. Emerging markets may benefit from a weaker dollar and improved trade flows.

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In fixed income, Robeco favors shorter-duration exposure amid expectations of higher long-end yields. High yield spreads remain tight, limiting upside, while emerging market debt offers reasonable carry. Industrial metals could rally on cyclical momentum, while gold faces mixed signals from inflation and Fed policy.

Six top-of-mind risks for the tactical outlook

| # | Scenario | Growth | Inflation |
|----|--|--------|-----------|
| 1. | US recession due to a breaking rather than bending labor market | ↓↓ | ↓ |
| 2. | A high-pressure global economy and captured Fed | ↑ | ↑↑ |
| 3. | AI ecosystem implosion, gold crash; a bursting instead of a 'buzzing' bubble | ↓ | ↓ |
| 4. | Renewed trade-related uncertainty (Supreme court rulings, US-China deal breakdown) | ↓↓ | ↑ |
| 5. | European NATO member calls in article 5 | ↓ | ↑ |
| 6. | The potential for systemic events stemming from private (credit) markets | ↓ | ↓ |

Source: Robeco, 7 November 2025.

Investment Solutions portfolio preferences as of 1 November 2025

| | Asset class | | | | | | | | | | | | | | | | | |
|-------------|-------------|--------|----|--------------|-----------|-----------|-------------|-------------|-------------|-------|-------|-------|-------------|-----|---------------|-----|-----|----------|
| | Equity | | | Fixed income | | | | | | | | | Commodities | | Currencies-FX | | | |
| Asset class | US | Europe | EM | Govies UST | Govies EU | Govies EM | Corp. IG-US | Corp. IG-EU | Corp. IG-EM | HY-US | HY-EU | HY-EM | Gold | Oil | USD | EUR | YEN | EM-Local |
| Overall | - | + | + | = | = | + | = | = | = | - | - | - | + | = | - | + | + | + |

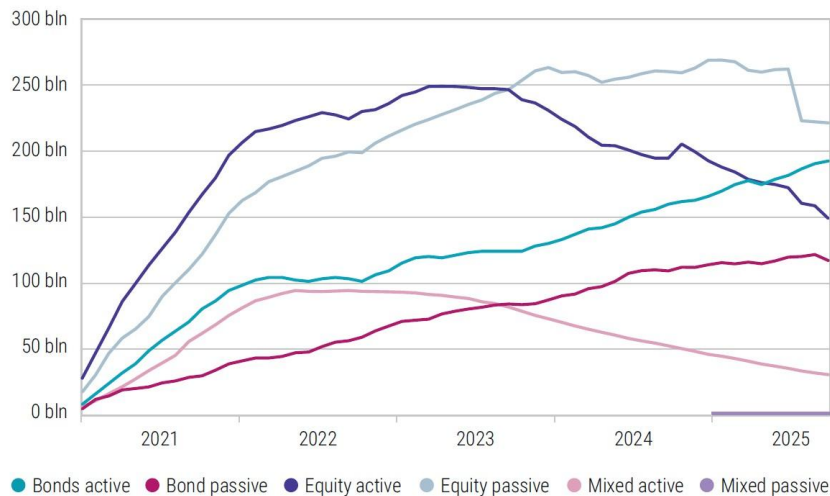
Source: Robeco, 1 November 2025.

Sustainable investing outlook

Robeco's 2026 sustainable investing outlook, *'Holding the note'*, reflects a steady but subdued trajectory. While ESG fund flows have stabilized, themes like climate adaptation and responsible AI are gaining prominence. Investors are expected to focus more on energy-related themes, managing physical climate risks and reassessing energy-intensive sectors like AI infrastructure. Despite geopolitical headwinds and regulatory uncertainty, the long-term sustainability trend remains intact. Europe continues to lead with regulatory clarity and green bond issuance, while the US sees mixed signals amid political polarization. Defense-related investments are being reevaluated, with a broader value chain offering nuanced opportunities.

Rachel Whittaker, Head of Sustainable Alpha Research at Robeco: "Sustainable investing is not retreating – it's recalibrating. As the tempo shifts, we're holding the note in the interest of our clients, while adapting to new realities. Remaining focused on our long-term investment beliefs reinforces the relevance and resilience of sustainable investing: built not on trends, but on science and enduring principles."

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Source: Broadridge Global Market Intelligence. Eq/Bonds/MA, Global, ESG Focus only. Data as of 5 November 2025.

Despite global outflows from SI funds in 2025, sustainable fixed income proved more resilient than equities.

Please note that due to the US government shutdown, US official economic data which might have been relevant for assessing the 2026 outlook, has not been available for analysis. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product.

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About Robeco

Robeco is a pure-play international asset manager founded in 1929 with headquarters in Rotterdam, the Netherlands, and 15 offices worldwide. A global leader in sustainable investing since 1995, its integration of sustainable as well as fundamental and quantitative research enables the company to offer institutional and private investors an extensive selection of active investment strategies, for a broad range of asset classes. On 30 June 2025, Robeco had EUR 246 billion in total client assets. Robeco is a subsidiary of ORIX Corporation Europe N.V. More information is available at www.robeco.com.