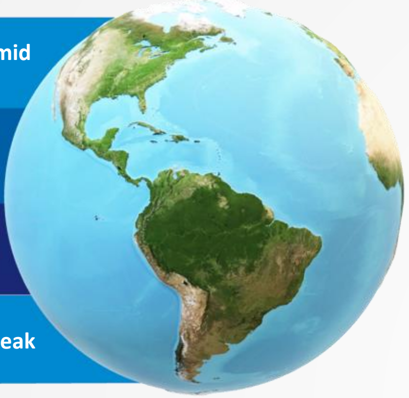
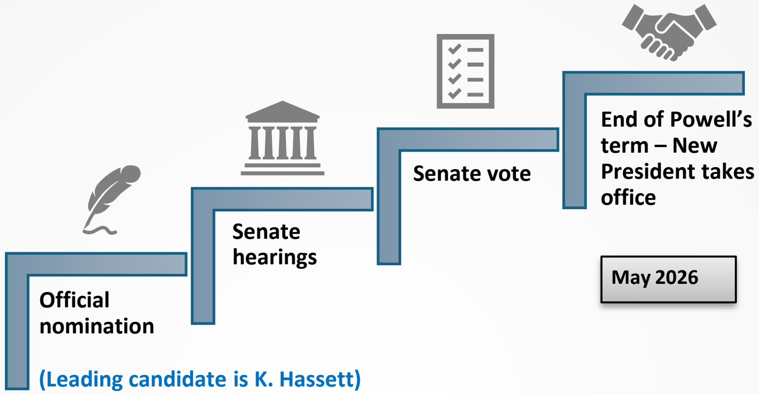
Global economy shows resilience amid easing geopolitical tensions

- **01** Global GDP growth remains resilient amid easing trade tensions
- **02** In the US the focus is shifting from inflation to the labor market
- **03** The Eurozone economy shows signs of improvement
- **04** China's domestic macro data remain weak



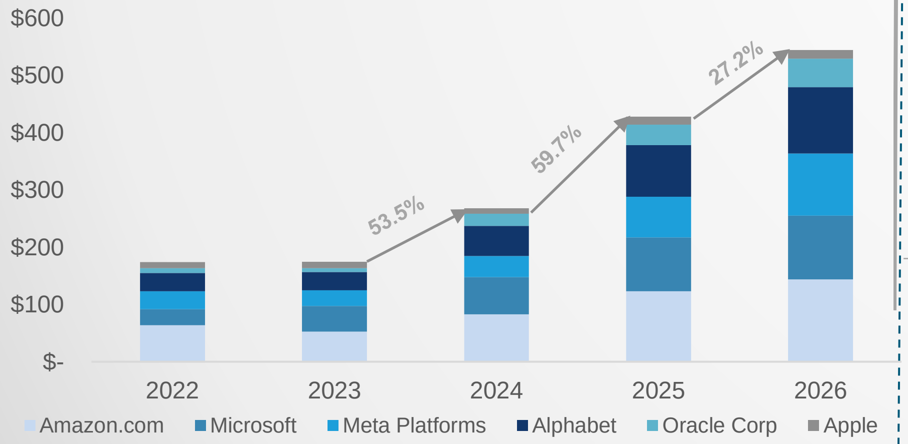
The appointment of the new Fed Chair is expected to affect the path of interest rates

Process for the appointment of a new Fed Chair



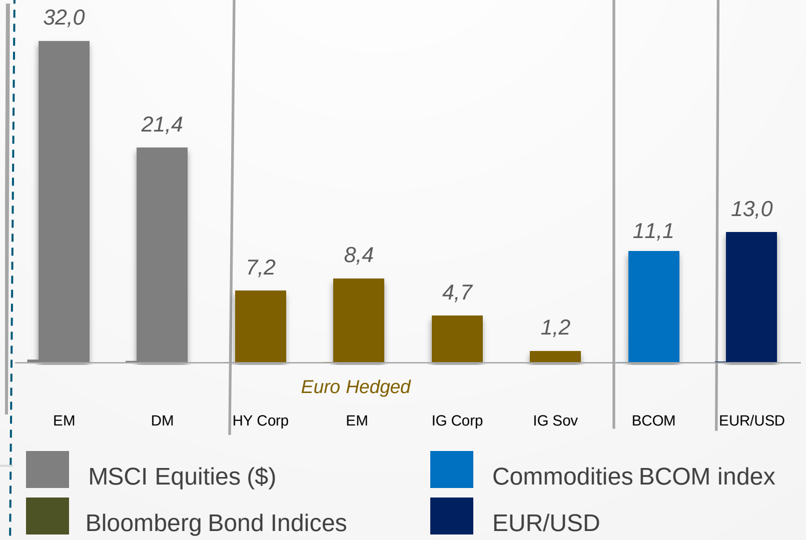
Optimism around AI and solid corporate earnings continue to support equity markets

Capital Expenditures (USD billions), 2022 - 2026



Markets Performance, YTD

Total Return (%) 31/12/2024 – 10/12/2025



ALPHA BANK

Asset Allocation

Medium term investment horizon (6 months)

Equities

- US
- Europe
- Japan
- Emerging
- Quality Stocks
- Private Equity

Alternative Investments

- Energy
- Gold
- Basic Metals
- Alternative Strategies

Bonds

- Government (€)
- Government ($)
- IG Corporate
- HY Corporate
- Emerging

Navigator 2026: Constructive momentum in a shifting investment environment

➢ Summary

In 2026, two factors are expected to have the greatest impact on global markets: artificial intelligence and political developments, combined with fiscal worries. AI will remain a decisive driver for markets supported by continued growth in AI-related infrastructure investment and a stronger contribution to overall economic activity. At the same time, elevated fiscal deficits and increased government debt issuance in 2026, together with political developments, are likely to shape market performance, particularly for long-duration bonds. The global economy continues to demonstrate resilience, while downside risks have receded, as international trade tensions have eased and the impact of higher tariffs appears manageable. The appointment of the new Fed Chair will play a significant role in shaping the future path of interest rates. If the new Fed President fully adopts President Trump's views, concerns over the Fed's independence may resurface during 2026. From an asset allocation perspective, we maintain a moderately positive stance on equities, supported by expectations of solid corporate earnings and the likelihood that the Fed will proceed with interest rate cuts without the economy entering a recession. At the sector level, beyond technology, financials and utilities are considered as attractive investment opportunities. Gold continues to play an important role in investment portfolios as interest from both retail and institutional investors remains elevated.

➢ Key Messages

- The global economy remains resilient, with interest rate cuts expected without the US economy entering a recession.
- Equity markets are supported by solid earnings and optimism around AI, although high valuations remain a concern.
- The outlook for emerging market equities is favorable.
- Quality equities are expected to outperform in the current environment.
- Long-term government bonds are less attractive due to fiscal concerns. Emphasis on short and medium-term maturities.
- Investment-grade corporate bonds and emerging market bonds are viewed as appropriate investment choices.
- Gold maintains strong momentum, while private markets offer diversification benefits.

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