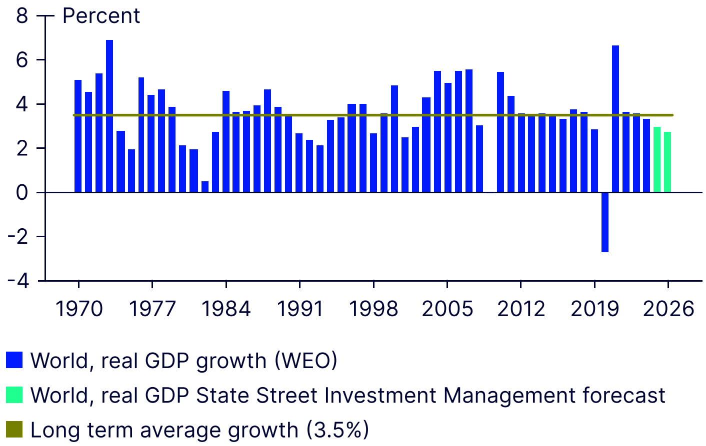
Market forecasts

Global economic outlook (page 2)

Simona Mocuta
Chief Economist, Global Macro and Research

- The United States continues to outperform expectations, with projected GDP growth of 2.4% in 2026 supported by lower interest rates, resilient consumer spending, and ongoing benefits from AI-driven investments.
- Global economic growth for 2025 has been revised up to 3.0% on stronger-than-expected results in the US, China, and the eurozone, while the outlook for 2026 remains steady at 2.9% as US momentum balances a moderation in China.
- Despite trade and policy uncertainties, inflation remains relatively contained, allowing central banks like the Fed and BoE to pursue rate cuts while others retain a cautious stance.

Figure 1: Resilience amid shocks



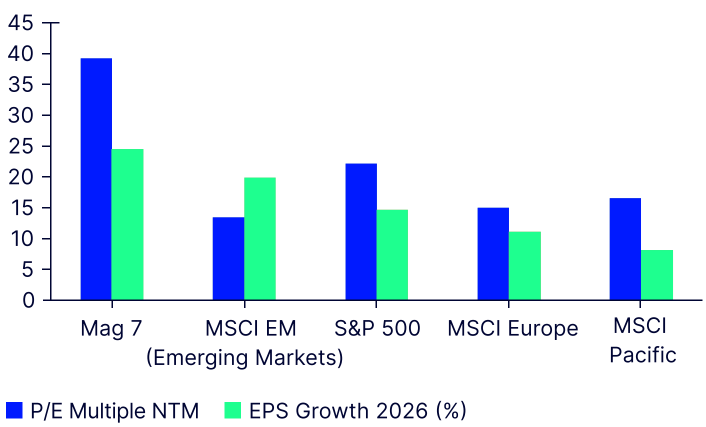
Source: International Monetary Fund, Macrobond, State Street Investment Management, as of December 12, 2025. The above forecast is an estimate based on certain assumptions and analysis made by the State Street Global Advisors Economics Team. There is no guarantee that the estimates will be achieved.

Global capital markets outlook (page 6)

Jeremiah Holly, CFA
Senior Portfolio Manager, Investment Solutions Group

- While policy related uncertainty has again climbed above longer-term averages, market-based measures of uncertainty and risk appear constructive in our view, and we continue to hold a meaningful overweight position in global equities.
- In fixed income, our base case is for lower interest rates and stable credit spreads—enough to deliver solid performance and buffer the more growth-exposed investments in a multi-asset portfolio from short-term episodes of volatility.

Figure 2: US earnings growth remains positive



Source: FactSet, State Street Investment Management as of 12/31/2025. Projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.

STATE STREET INVESTMENT MANAGEMENT

Global economic outlook

Simona Mocuta
Chief Economist, Global Macro and Research

Global growth in 2025 is likely to have topped earlier forecasts on better outcomes across developed economies. Looking to 2026, key economies are navigating inflation, labor market shifts, and fiscal uncertainty, while Japan shows resilience with robust growth and proactive policy measures.

For the duration of 2025, we maintained an upside projection to the consensus assessment of global growth forecasts… and it turns out it likely wasn't optimistic enough! We've made a further "mark to market" upgrade to global growth (up two tenths to 3.0%), thanks to slightly better trajectories in the United States, China, and the eurozone. Next year's forecast remains unchanged at 2.9%, as the anticipated acceleration in the US is offset by moderation in China.

There is a fundamental lesson here. It is often said that we tend to overestimate technology's impact in the short term and underestimate it in the long term. The same is often true for geopolitical and macroeconomic shifts. The April 2 "liberation day" tariffs triggered acute fears of an immediate collapse in trade, a spike in inflation, and a global recession. In the event, global trade volumes continued to rise, inflation largely flatlined, and global growth remained near trend. That is not to say that nothing is happening; rather, it is taking a long time for the full impact to be visible. This is why we sometimes describe 2026 as the year of delayed policy impact—the adjustments are ongoing. We have not seen the full reorientation of trade, nor the full passthrough to inflation, nor much in the way of visible lift to growth from the German debt brake deal. Moreover, not all policy shocks are behind us. Mexico's recent announcement of tariffs on Chinese imports is a case in point. Trade frictions continue to percolate. Even so, the global economy has proven incredibly resilient and tariff passthrough contained. This allows the Fed to deliver a few more cuts in 2026, allows the BoE to offer more meaningful easing, and allows most other central banks to stand by and assess the process without needing to intervene.

United States: Maintaining stability

The US economy is on track to once again outperform expectations in 2025 and will likely do so again in 2026. This is a reminder that, despite considerable headwinds, the agility and diversity of the US economy are valuable features for resilience. We've long held an upside to consensus view of US growth, especially for 2026, but the divergence has lessened because consensus has moved up considerably in recent months. For example, back in September, we looked for 2.3% GDP growth in 2026; at the time, the Bloomberg consensus was 1.7% and there were hardly any projections above 2.0%. Now consensus is 2.0% and our forecast is 2.4%. This follows a 2.0% gain in 2025. The drivers are the same: relief via lower interest rates helps "defrost" housing, AI (and broader) capex benefits from OBBB incentives, and trade disruptions are less negative for GDP.

Inflation continues to moderate, although we expect further passthrough from tariffs. As we've repeatedly stated, "the inflation picture is complicated, but it is not all about tariffs". Shelter disinflation continues to provide offsetting relief. For example, rent of primary residence has now eased all the way down to 3.4% y/y, below where it stood for much of the 2015–19 period. Given leading indicators of rent inflation, we expect it to retreat almost another percentage point to 2.6% y/y by end 2026. To some extent, average inflation readings for 2026 will paint a worse story than the underlying reality as they are boosted by high readings early in the year and under-represent the improvement over the course of the year. For example, average CPI inflation is forecast at 2.7% y/y but December 2026 inflation at 2.3%. Average core PCE inflation is 2.5%, but December 2026 core PCE inflation is 2.2%.

In any case, we think that the most interesting story of 2026 will not be inflation but the labor market. Two major opposing forces are at play. On one hand, immigration restrictions reduce labor supply; on the other, AI efficiencies reduce labor demand. Overall, we think the latter is the more powerful and pervasive influence, while recognizing that the former can and likely will have notable sectoral effects. Overall, however, we see the labor market remaining soft and wage inflation subdued. This allows the Fed to push through three more rate cuts as it moves back to neutral.

Eurozone: Time to deliver

Enthusiasm for regional growth prospects bubbled up following the German debt brake reform back in March and we counted ourselves among those looking for an early positive impact. In all fairness, regional growth has improved—our forecast is for a 1.4% advance—but it was most certainly not driven by Germany. The main engine of the European economy has now lagged for years, almost to the point where a new intra-regional reordering is unfolding. Between the dual competitive threat of high energy costs and Chinese imports, German industry looks vulnerable. Aid from increased defense spending comes not a moment too soon. The open question remains: what will finally revive consumer spending? After the initial post-Covid burst, household consumption lagged the pre-pandemic trend despite the tight labor market and healthy household finances.

Otherwise, the eurozone macro story has been somewhat “sleepy” of late. CPI inflation bottomed out at 1.9% y/y in May and has since remained in a very tight range just above 2.0%. Consequently, since the last cut in June, the ECB has remained on the sidelines. On both fronts, the picture is not likely to change in 2026.

United Kingdom: Political risk poses challenges

The ongoing interactions between monetary and fiscal policies, along with persistent political uncertainty and unclear policy directions, are likely to continue until 2026 and further slow economic growth. We expect the GDP growth rate to fall from 1.3% this year to 0.9% by 2026, mainly due to lower household spending, weaker investment, and a deteriorating job market.

Private consumption remained weak in 2025 and is expected to stay slow. Monetary easing and certain household support may help, but rising unemployment, stagnant wages, and increased savings will likely offset these effects. Business investment is set to fall, though robust spending on artificial intelligence could offer some upside surprises.

We expect inflation to ease further, with headline CPI inflation likely dropping to 2% in the latter half of next year, thanks to base effects and lower energy prices. Additional slack in the labor market and softer consumer spending should also support this goal, though risks remain due to higher employment costs from new wage agreements and regulations. Still, we anticipate that rising business expenses will strain the labor market and reduce real wages, leading to weaker household consumption.

Fiscal adjustments are likely to be less significant next year compared to 2025, but political risk could become a major concern. With fiscal headroom increasing to £23bn, large-scale fiscal changes in 2026 seem unlikely. Nevertheless, uncertainty about future tax and spending measures remains high due to delayed changes, especially as critical adjustments loom just before the next election. The current uncertainty is impacting investment, with companies anticipating that major reforms to boost growth are becoming increasingly unlikely.

With inflation declining and unemployment rising, we anticipate the Bank of England will cut rates again this year and twice more next year, possibly down to 3.25%. While uncertainties persist, low inflation and a weak labor market point toward continued policy easing.

Japan: Can tailwinds compound to drive better-than-expected growth?

Japan's economy has undergone one of the most significant and positive transformations since the pandemic. The return of inflation, higher wages, and positive interest rates have provided strong momentum for its markets. In December 2024, we forecasted household consumption to trend near its long-run average growth of 1.5%, and data for the first three quarters averaged an impressive 1.3%, validating our expectations even if much of the rise reflects price effects. While we are tracking some weakness in Q4, we expect consumption growth to average around 1.0% in 2026, with upside risks.

For 2026, we expect private capital expenditure to be the biggest growth driver, complemented by government spending and exports, so all the growth drivers join force and add upside risks to our above-consensus GDP growth forecast of 1.1%. Rising labor shortages have fueled investment, and AI-related spending is likely to add further momentum. The government's strategic investment initiative will support this trend, but corporates will do the heavy lifting—a trend already visible in machinery orders and semiconductor production this year. The Ministry of Finance's corporate survey highlights a strong capex pipeline for tech and related industries. While the boost may be more prolonged compared to other semiconductor-export-oriented countries, we expect solid tailwinds from capital expenditures in 2026.

The biggest risk in 2025—tariffs impacting manufacturing and exports—has eased following Japan's trade deal with the US. Japan secured a 15% tariff rate, lower than most peers, and manufacturers' sentiment has improved markedly, as reflected in the TANKAN survey. Export volumes remain lagged but will recover accordingly as we expect a rebound that will show up in 2026 GDP data.

Political stability has strengthened under Prime Minister Takaichi, whose fiscal policy includes a stimulus of about 3.5% of GDP, about 80% of that billed via a supplementary budget. Key measures include subsidized utility charges for electricity and gas, elimination of gasoline tax, targeted support for small businesses, and proposed income tax breaks and corporate tax incentives. These measures may challenge the goal of achieving a primary budget surplus next fiscal year and could affect this year's deficit. However, we believe the administration's Responsible and Proactive Fiscal Policy will mitigate high living costs and provide another tailwind to GDP growth in 2026, with limited impact on deficits and yields.

Our forecast from December 2024 that the Bank of Japan would hike twice in 2025 to 0.75% was accurate. For 2026, we expect one additional hike, with the policy rate likely to reach 1.0%, a psychologically important level. Narrowing rate differential with the US could strengthen the yen and ease price pressures. The yen might find a reprieve in easing inflation, due to base-effects and targeted policies to ease the high cost of living.

The main challenge in 2026 will be balancing fiscal policy with market anxieties, rate hikes, and the BoJ's ongoing balance sheet normalization. However, the key question is—can all tailwinds compound and lift Japan's economy more than market expectations? We think it is possible.

Global capital markets outlook

Jeremiah Holly, CFA
Senior Portfolio Manager, Investment Solutions Group

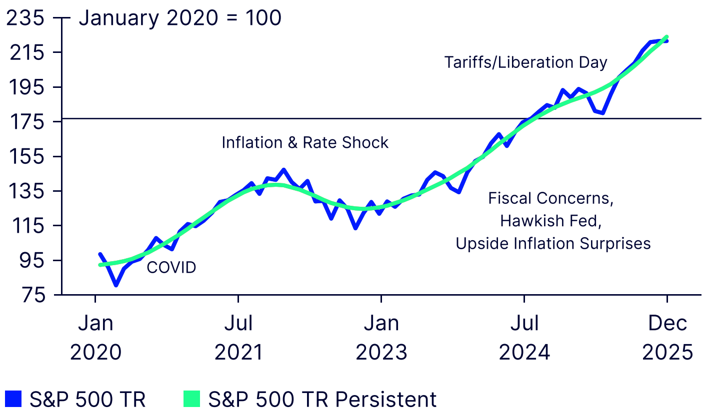
While policy related uncertainty has again climbed above longer-term averages, market-based measures of uncertainty and risk appear constructive in our view, and we continue to hold a meaningful overweight position in global equities. In fixed income, our base case for lower interest rates and stable credit spreads—enough to deliver solid performance and buffer the more growth-exposed investments in a multi-asset portfolio from short-term episodes of volatility.

Persistence vs noise

In our outlook for the world economy, it is noted that we tend to overestimate the impact of technology in the short-term and underestimate its impact over longer horizons. Additionally, those same over- and under-reactions likely afflict our analysis of geopolitical and macroeconomic changes. To extend this idea further, it is not hard to make a case that financial markets are constantly over and under-reacting to the latest news and developments—whether they originate from technological innovations or otherwise. Even certain quantitative factors that we utilize in our investment analysis, such as momentum, are thought to arise from these behavioral patterns.

But how might we tell where or when our collective over or underreactions are most prevalent—where they might offer up some way to think about where the core trend of a given asset or market lies? If we shift our gaze to a somewhat longer horizon view, we have developed tools and techniques to accomplish precisely this task, albeit the primary use case pertains to longer term risk modeling embedded in our strategic asset allocation efforts. In Figure 3, we can see this work in action using the S&P 500 Index as an example. The blue, relatively choppy line, represents the S&P 500 Index whereas the green line represents our estimate of the core underlying trend, or persistent component.[1] Any gaps between the choppy blue line and the smooth green trendline can be interpreted as “excess market volatility,” or more simply as noise. A few important points and observations are warranted here. The first is that this decomposition of historical stock market data is not a forecasting model, far from it. But it can help us to think through scenarios that might lead to deeper drawdowns or more resilient rallies. Looking at the chart, we can see that there has only been one legitimate change in the trend of the US stock market over the past six years and that occurred because of the inflation and interest rate shocks of 2021 and 2022. All the other episodes of market volatility, including the pandemic, late 2023 fiscal and inflation concerns, and the tariff volatility of 2025 show up as what could be construed as noise.

Figure 3: S&P 500 total return index and persistent component



Source: State Street Investment Management Investment Solutions Group, Bloomberg Finance L.P., as of 12/31/2025. Past performance is not a reliable indicator of future performance.

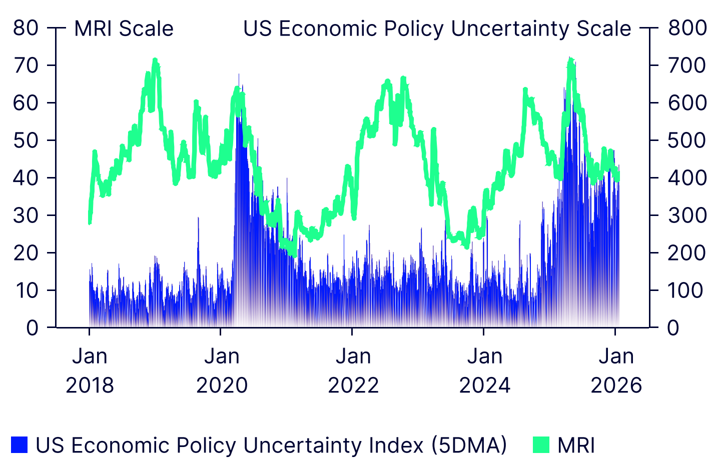
This is not to say that noise is somehow irrelevant. Quite the contrary, over short-term horizons this noise is of critical importance, particularly for tactical asset allocators. But this admittedly longer-term framework can still help us evaluate nearer term risks and opportunities. From a longer-term trend perspective one can see a self-correcting mechanism at work. A pandemic prompts monetary and fiscal stimulus (and eventually vaccines). A Fed that is too hawkish can change its tune. Tariff threats that roil financial markets can be rolled back. No such easy answer exists for problems related to inflation however—which led to a durable and forceful deterioration in market conditions and remains a risk to this day. As we look ahead into 2026, the persistent component of market performance appears to be in good shape. And to the extent that we encounter any “excess market volatility” most of our analysis suggests that it is likely to emerge on the upside. What is most concerning to us on that front is perhaps that conditions look almost too good across most of the asset markets in our purview. Translated for the quarter that lies ahead, a conventionally consensus view of cautious optimism best describes our outlook.

Noise more evident in policy risk, not market risk

From a market sentiment perspective, a case can be made that positioning is a bit too one-sided and that a degree of complacency has crept into markets. A number of implied volatility metrics have fallen into levels that our internal quant models would consider euphoric. Bearish individual investors are few and far between. And margin balances at US broker dealers have risen above the previous peak levels from 2021. However, our assessment of the totality of market sentiment gauges is not so extreme and points to a constructive environment for investing in global equities.

Figure 4 plots a gauge of market sentiment which we refer to as our Market Regime Indicator (MRI) alongside the policy uncertainty index. As we’ve mentioned before, there are certain points in time where these indicators exhibit a similar view of risk or uncertainty. We can see how the MRI and policy uncertainty correlated following the spikes associated with the pandemic and Liberation Day. But we can also see periods where they diverge. This may occur even for longer term trend changing scenarios like the inflation shock in 2022 where the more market-focused MRI remained on the defensive as generic measures of policy uncertainty betrayed little concern. Today the MRI is signaling below-average risk levels and contributes to our risk-on stance in our multi-asset portfolios. Policy uncertainty, though not extreme, remains well above average levels.

Figure 4: MRI and Policy Uncertainty (2018–2025)



Source: Baker, Scott R., Bloom, Nick and Davis, Stephen J., Economic Policy Uncertainty Index for United States [USEPUINDXD], retrieved from FRED, Federal Reserve Bank of St. Louis; State Street Investment Management Investment Solutions Group for Market Regime Indicator (MRI) data as of 01/8/2026. Past performance is not a reliable indicator of future performance.

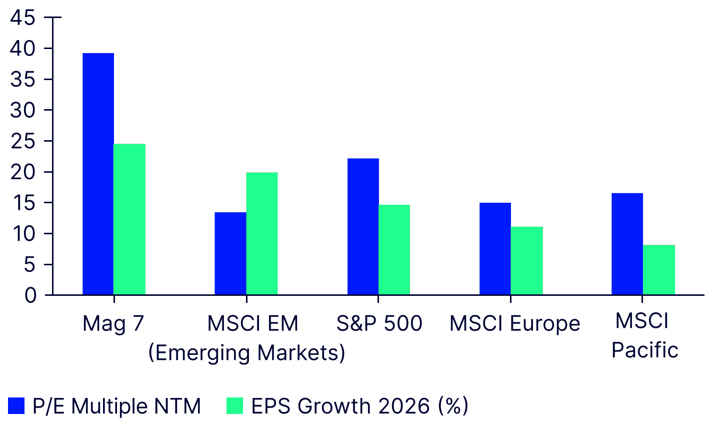
The elevated policy uncertainty is understandable. Whether we focus on geopolitical events in Venezuela or even more market-oriented policy pronouncements affecting purchases of mortgage-backed securities or the permissibility of dividend payouts from the defense complex, there is sufficient activity from the Trump administration inside a given week to keep analysts on their toes. But from a broader, and more global perspective, there appears to be enough positive developments to keep the equity market trend firm. Both corporate and consumer stimulus from the One Big Beautiful Bill Act will take shape beginning in early 2026. Inflation-sensitive policy stimulus appears to be on the docket in Japan. China's Ninepoint guidelines from prior years appear to be bearing fruit from a stock market perspective in both limiting secondary issuance of shares and promoting shareholder friendly changes such as increased buybacks. And market reforms in South Korea may lead to an upgrade to developed market status. Overall, we view sentiment, and the policy backdrop, mostly as an asset for stock markets in the near term.

Equities: Poised for progress

Although we can't necessarily lean on the upward sloping (and accelerating) "persistent" trend line from Figure 3 as a predictor of future equity market movements, we nonetheless see the near-term trend as a solid one. In addition to the constructive risk regime seen from the lens of our MRI, we continue to see a diverse range of factors as supportive of equity market progress including earnings and sales sentiment, quality and momentum. To be sure, lofty valuations have been a persistent liability on the aggregate market balance sheet. But were it not for expensive valuations our outlook and positioning would be even more tilted in favor of equity markets.

Within equity markets, our major regional equity allocations have not changed much over the past quarter. While we see reason that global markets can participate to the upside, our preference remains in the United States and in emerging market equities. It is perhaps no coincidence that these are the regions where the greatest earnings growth is anticipated—even as evaluation of the trade-offs across countries and regions takes into account a multitude of factors. But consider the valuation and earnings growth comparisons from Figure 5. Emerging markets are the clear stand-out when we look at both the anticipated pace of earnings growth alongside the multiple that an investor has to pay to access that growth. Though not shown in the chart, the quotient of these values is a relatively attractive PEG ratio (price-to-earnings to growth) of 0.7. At the same time, rising current account surpluses overall help to insulate EM markets from external shocks and may serve to lower risk premiums in those markets. With that backdrop, we remain overweight.

Figure 5: Equity market P/E multiple and consensus EPS growth



Source: FactSet, State Street Investment Management as of 12/31/2025. Projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.

For the US equity market, the earnings upside is clear —both for the Mag 7 and the large cap market overall. However, given the steep P/E multiples, any short-term mispricing or noise is less apparent at first blush. But we see reasons why US markets can regain their exceptionalism compared with the rest of the world. Economic growth forecasts have been climbing more quickly in the US than elsewhere, the market continues to rate well from a quality standpoint despite increased debt issuance to fund AI related investments and there are reasons to suggest that the potential benefits of AI and policy support from the One Big Beautiful Bill Act may not be fully priced into consensus expectations. With respect to AI, management guidance with respect to cost savings has been relatively thin to date. And to the extent that OBBBA reduces taxable income for the corporate sector we have not seen any meaningful wedge between analyst pre-tax and after-tax earnings estimates. In sum, the US equity market also looks likely to outperform in early 2026.

Other non-US developed markets also appear to have healthy prospects but fade in comparison to the US and emerging markets. In Europe, equity markets are likely to benefit from the pass through of lower interest rates and a firm global economic environment; however, earnings and sales sentiment remain relatively sluggish and it's not clear what catalysts would prompt a re-rating of their relatively inexpensive valuations. Conversely, in Pacific markets there has been a more favorable tailwind with respect to the collective corporate bottom line. However, key markets like Japan have steadily outperformed broader indices like MSCI World since mid-2025 and much of the increased enthusiasm appears to be captured in current price levels.

Range-bound bond markets

If we were to wrap a similar quantitative trend decomposition tool like we showed earlier for equity markets and apply it to fixed income, two take-aways would be most instructive (see Figure 6). First, we would see that the longer-term underlying trend toward lower interest rates has been unequivocally broken. Second, if we compare current market rates to the longer term trendline it would suggest that: 1) current levels of interest rates should revert lower; or, 2) the long term trend needs to catch up to where interest rates are today. In our view, both answers are probably right to some degree. Longer term trends will take some time to catch up to abrupt turning points similar to what global markets experienced in 2022. But we are not in a run-away higher interest rate environment either. US 10 year yields have volleyed between 3.5%–4.5% for the better part of the past three years and we currently find ourselves in the middle of that range. With inflation signals continuing to ease and a Federal Reserve that we expect to continue pushing short-term interest rates lower, government bonds could experience healthy total returns in 2026.

In credit markets, the conditions supporting government bond markets on the one side and healthy risk-taking and equity performance on the other would generally create a fertile environment for investment grade and below investment grade corporate issues. But we are still confronted with limited upside potential in terms of spreads that remain historically thin. Investment grade spreads hover inside the top percentile of historical spreads dating back to 2000. And the only high yield spreads that sit beyond the top 10th percentile of historical observations are CCC-rated issues.

Figure 6: US 10-year US Treasury yield trend (2002–2025)

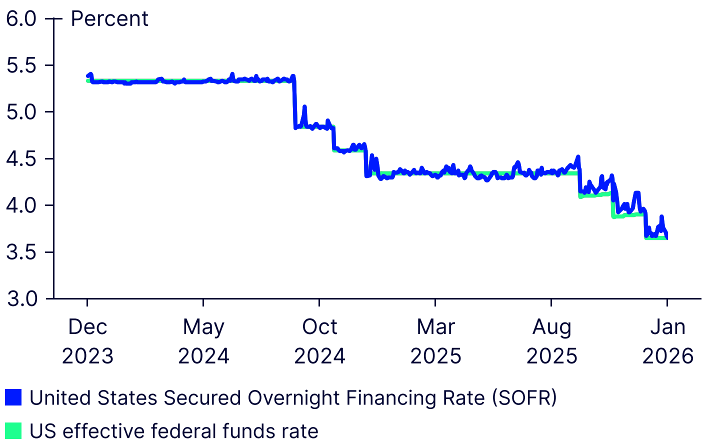
Source: Bloomberg Finance L.P., State Street Investment Management as of 12/31/2025. Past performance is not a reliable indicator of future performance.

From a multi-asset positioning standpoint, we do hold some tactical bond overweights where we see either relatively high risk-adjusted returns (longer-term corporates), or the ability to diversify our meaningful equity overweight (longer-term government bonds). But in other rate sensitive and credit assets the trade-off pales when compared to other growth assets, like equities or diversifiers such as gold.

Precious Metals Lead Commodities

In as much as we continue to see gold as a safe-haven asset capable of diversifying the equity or interest rate risk embedded in a multi-asset portfolio—its more recent history points to owning the yellow metal as a return enhancer unto itself. Increased central bank purchases, elevated geopolitical risk, decreasing real yields across many developed markets—all these factors have helped to propel gold to all-time highs. Recently we have even seen some additional turbulence in funding markets contribute to the favorable outlook for gold. Figure 7 plots the secured overnight financing rate (SOFR) relative to the federal funds rate. While the dislocations are not historically severe, at the margin any complications in otherwise safe funding markets only adds to the allure of gold; in our portfolios, we continue to hold an overweight position.

Figure 7: Some signs of stress in money markets



Source: Factset, State Street Investment Management as of 12/31/2025. Past performance is not a reliable indicator of future performance.

Our outlook for other commodity markets is modestly constructive, on balance. As noted above, the environment for gold and precious metals more broadly appears favorable and industrial metals are displaying some strength from trend factors in our quantitative evaluation as well. Further, base metal demand is becoming less cyclical and more structural due to tailwinds associated with artificial intelligence, electric vehicles and other industrial changes. Holding broader commodity exposure back to some extent is the energy sector where oil remains under pressure as global inventories, especially on-water and Chinese storage, continue to grow.

Over and underreactions

As we think about the types of shocks or catalysts that could upset our otherwise optimistic outlook for early 2026, it seems fitting to focus on areas where we might be overreacting in the short-term and possibly underreacting with respect to long-term risks. To take the latter first, perhaps we are too cavalier about inflation risks, fiscal largesse or the state of official institutions in the US or elsewhere. These risks are important to monitor, but it is not obvious that they should necessarily impact portfolio allocations today. Are we then overreacting to short-term news or recent strength in corporate performance? That is harder to say. Marking to market the trials and tribulations of the next few months is probably the best way to answer that question.

Endnote

1 Rudin, Alexander, and Daniel Farley. "Strategic Asset Allocation with Alternative Investments: An Integrated Approach." *The Journal of Portfolio Management*, vol. 51, no. 1, Aug. 2025, pp. 1–25. With Intelligence LLC, https://pm-research.com/content/iijpormgmt.

State Street Investment Management forecasts

	2025 (%)	2026 (%)
Real GDP growth		
Global	3.0	2.9
US	2.0	2.4
Australia	1.9	2.5
Canada	1.6	1.4
Eurozone	1.4	1.4
France	0.8	1.0
Germany	0.3	1.3
Italy	0.8	1.0
UK	1.3	0.9
Japan	1.0	1.1
Brazil	2.3	1.6
China	5.0	4.4
India	6.5	6.4
Mexico	0.5	1.3
South Africa	1.2	1.5
South Korea	0.9	1.8
Taiwan	6.5	3.6
Inflation		
Developed Economies	2.5	2.2
US	2.8	2.7
Australia	2.8	3.2
Canada	2.0	1.8
Eurozone	2.2	1.9
France	1.0	1.5
Germany	2.2	2.0
Italy	1.7	1.5
UK	3.4	2.5
Japan	3.2	1.8
China	0.0	0.4

	Dec. 31, 2025 (%)	Dec. 31, 2026 (%)
Central bank rates		
US (upper bound)	3.75	3.00
Australia	3.60	3.60
Canada	2.25	2.25
Euro	2.00	2.00
UK	3.75	3.25
Japan	0.75	1.00
Brazil	15.00	12.00
China	1.50	1.50
India	5.25	5.25
Mexico	7.00	6.50
South Africa	6.75	6.25
South Korea	2.50	2.25
10-year bond yields		
US	4.17	3.94
Australia	4.75	4.88
Canada	3.14	3.17
Germany	2.86	2.93
UK	4.47	4.40
Japan	2.07	2.32
Exchange rates		
Australian Dollar (A$/$)	0.67	0.73
British Pound (£/$)	1.35	1.36
Canadian Dollar ($/C$)	1.37	1.30
Euro (€/$)	1.17	1.19
Japanese Yen ($/¥)	156.75	135
Swiss Franc ($/SFr)	0.79	0.86
Chinese Yuan ($/¥)	6.99	6.75

One-year return forecasts	USD (%)	EUR (%)	GBP (%)	JPY (%)	AUD (%)	CAD (%)
S&P 500	9.0	7.2	8.2	-6.1	0.0	3.4
Russell 2000	8.8	7.0	8.0	-6.3	-0.1	3.2
MSCI EAFE	6.2	4.4	5.4	-8.5	-2.5	0.8
MSCI EM	8.0	6.2	7.2	-7.0	-0.9	2.5
Barclays Capital Aggregate Bond Index	5.0	3.2	4.2	-9.6	-3.6	-0.4
Citigroup World Government Bond Index	2.6	0.9	1.8	-11.6	-5.8	-2.6
Goldman Sachs Commodities Index	5.5	3.7	4.7	-9.1	-3.2	0.1
Dow Jones US Select REIT Index	5.2	3.4	4.4	-9.4	-3.4	-0.2

State Street Investment Management forecasts, as of December 31, 2025. The above estimates based on certain assumptions and analysis made by State Street Investment Management. There is no guarantee that the estimates will be achieved.

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Marketing communication

State Street Global Advisors Worldwide Entities

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