FEBRUARY 2026

Investment Strategy Focus

Dollar resistance is futile

Summary

1. **Global growth surprises to the upside:** the global economy is in a Goldilocks phase of stronger growth and modest inflation, supported by low and falling central bank rates, and fiscal spending. The US economy is likely to "run hot" up to November's mid-term elections.
2. **Long-term bond yields rise, led by Japan:** since May, Japanese 10-year JGB yields have risen by 1% to 2.3% due to persistent negative real rates and plans for expansive government spending. A positive result for the ruling LDP on 8 February's snap election should boost Japanese stocks but could put pressure on bond yields and the yen.
3. **Emerging markets are back!** Emerging markets are attracting inflows from underweight investors, backed by lower rates, tech + commodity exposure, attractive valuations and improving earnings momentum. We are Positive on emerging market stocks and bonds, particularly Latin America and Chinese A-shares.
4. **Metals still shine in January:** despite recent volatility, precious metals gained 21% and industrial metals 5% over the month, on strong global demand and restricted supply as well as rising geopolitical tensions. We stay Positive on gold and strategic industrial metals like copper.
5. **Infrastructure in focus:** given growing needs for electricity and given higher government spending. We are positive on Infrastructure as part of a diversified portfolio. Consider an exposure to public listed infrastructure funds/ETFs and private infrastructure funds (higher long-term returns but limited liquidity).

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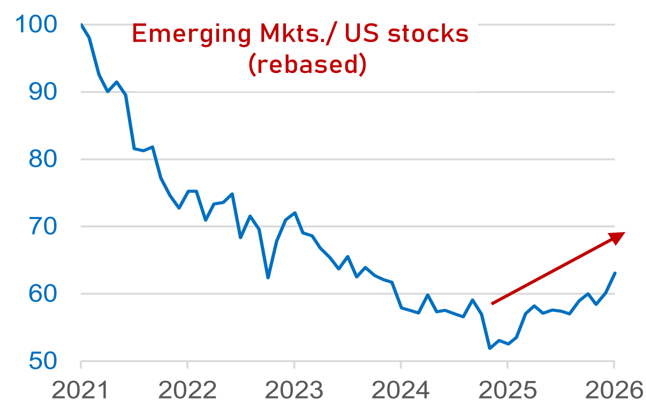
EMERGING MARKET STOCKS CONTINUE TO OUTPERFORM THE US



Source: BNP Paribas, Bloomberg

Edmund Shing, PhD
Global CIO
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BNP PARIBAS WEALTH MANAGEMENT

The bank for a changing world

Macro and Market Views

	Macro		– Q1 2026 tax refunds promise to be stronger than usual thanks to tax cuts on the 2025 One Big Beautiful Bill Act (OBBBA), boosting consumption. – In the eurozone, consumer confidence is being supported by lower ECB rates and rising house prices. The announced German stimulus plan should boost long-term potential growth. Chinese stimulus could bring positive surprises.
	Bonds	=	– Positive on UK gilts (12-month yield target is 4.3%). – Neutral on eurozone sovereigns and US Treasuries post rally; prefer shorter-term (2-5 year) maturities. US Fed Funds rate target 3.25%, ECB to maintain deposit rate at 2% to end-2026. – We see the US 2-year yield at 3.6% in 12 months, 10-year yield at 4.25%. Our 12-month target on the German 10-year bund yield is 2.75%.
	Credit	+	– We stay Positive on Euro Credit given solid corporate balance sheets and cash flows, strong technicals, high carry and low volatility. We prefer intermediate maturities in the eurozone and in the US. – We continue to like EUR IG corporate bonds, and we stay Positive on UK IG corporates (offering a 5.3% average yield).
	Equities	+	– Positive on Equities on strong liquidity and lower rates, robust growth and earnings momentum. – Favour UK, Japan, China, Singapore, India and Brazil. – Neutral on the eurozone and the US. – Positive on Health Care, Industrials and Mining. – In the EU, we are Positive on Banks, Utilities. – Neutral on US Consumer Discretionary, Technology.
	Real Estate	=	– Demand for European real estate continued to improve in Q3 2025, with investment volumes rebounding and rental yields now more attractive at 4.3%-5.0% for prime European commercial property segments. Residential property prices are also rising in Spain, Italy, Germany and the Netherlands. – Industrial/logistics exposure preferred for healthy yields, higher expected rental growth on robust underlying demand growth.
	Commod-ities	+/+ /=	– Gold: After having substantially exceeded those targets in January, the recent correction offers sufficient upside again for gold (Positive), less so for silver. We downgrade silver from Positive to Neutral. We maintain our target prices of USD 5000 for gold and USD 80 for silver. – Positive view on strategic industrial metals, such as copper, aluminium and tin. – Negative stance on Oil, price range for Brent crude oil of USD 60-70; potentially higher non-OPEC oil & gas supply balanced by increasing global demand.
	Alternative UCITS/ Private Assets		– Positive opinion on Macro and Long-Short Equity. We also like Event Driven strategies, in particular M&A arbitrage. – Positive on infrastructure, given medium-term structural growth boosted by government spending and emerging market demand.
	FX		– Geopolitical tensions, a lower Fed Funds rate and a pending Supreme Court tariff ruling combined with the return of capital flows from the US to Europe/Middle East/Asia could lead to a weaker US dollar. – EUR/USD 12-month target USD 1.24 (value of one EUR), USD/JPY target JPY 148 (value of one USD).

Monthly Focus: Why we like Emerging Market stocks

Emerging Market stocks: long-term cycles

Emerging market (EM) stocks tend to trend for long periods. They can rise sharply for long periods when optimism abounds over the premium growth potential of Asia, the Middle East and Latin America. This was the case from 2001 to 2010 following the accession of China to the World Trade Organisation. This unleashed the emergence of China as the de facto "factory of the world".

However, there are also long periods in the financial wilderness when investors become increasingly disillusioned with investment in emerging markets. The poor conversion of strong economic growth into stock market profitability and earnings growth has undermined emerging market stocks in recent years.

Most recently, China has led disappointment after peaking post-COVID in 2021, hurt by a falling real estate market, stricter technology sector regulations and weak domestic consumption.

We note that 2011 to 2024 marked 14 years of near-constant outperformance by US stocks and the US dollar against emerging markets, fully unwinding the prior 2001-10 outperformance by EM stocks. Last year was the first year since 2017 when emerging markets had outperformed the S&P 500 over a single calendar year. We believe that this marked a significant turning point in relative performance which investors need to take into account in investment portfolios going forwards. There could be much more to come.

Structural drivers in favour of EM

Demographic factors are generally negative for developed markets such as the US, Europe and Japan. All of these countries have ageing populations and labour forces that are going to decline as a greater proportion of the population reaches retirement age. In contrast, many emerging markets, such as India, Turkey, Vietnam and Indonesia, have a youthful age pyramid with a growing working-age population.

China produced an economic miracle in reducing its extreme poverty rate from over 90% in 1980 to almost zero today. We see similar trends in poverty reduction and growth in the middle class in other populous emerging markets like India and Vietnam. Domestic consumption in India is set to grow strongly, propelling GDP growth to 7.5% this year.

Seductive combination of value and momentum

The US Federal Reserve is projected to cut its key interest rate by 0.5% this year to close to 3%. Several emerging market central banks will follow suit, stimulating Latin American economies such as Brazil (benchmark rate forecast to decline to 10% by 2027 from 15% at present).

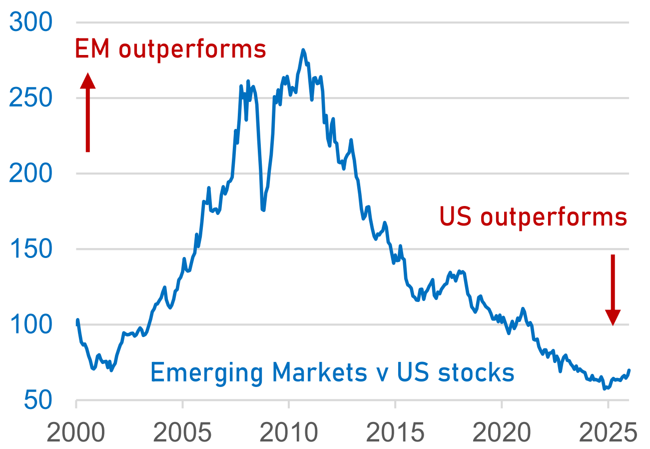
Many emerging markets should thus benefit from low and/or falling interest rates, robust growth, to which we can add attractive valuations and positive earnings and price momentum. We also expect emerging market currencies to appreciate versus the US dollar, boosting returns for overseas investors.

MANY EMERGING MARKETS REMAIN CHEAP EVEN AFTER HIGH 2025 RETURNS

	Lower is cheaper				Value	2025-26
	CAPE	CAPD	CAPCF	CAPB	Rank	Return %
Brazil	10.7	17.9	6.2	1.6	1	64
Colombia	12.4	25.2	7.9	1.2	2	168
Thailand	13.2	24.0	6.8	1.3	3	14
Turkey	8.3	34.6	6.7	1.3	4	12
Poland	13.4	39.6	6.2	1.3	5	78
Philippines	12.9	39.9	8.0	1.4	6	4
Hong Kong	14.9	28.3	9.6	1.0	7	42
Emerging Mkts						41
US	38.3	96.4	24.6	5.7	42	18

Source: theideafarm.com. CAPE = cyclically-adjusted PE; CAPD = cyclically-adjusted price/dividends; CAPCF = cyclically-adjusted price/cash flow; CAPB = cyclically-adjusted price/book value. Returns in US dollars as of 21 January 2026. Value ranking of 42 countries (MSCI country indices)

2025: THE FIRST YEAR THAT EM BEAT US STOCKS SINCE 2017



Source: Bloomberg, BNP Paribas

Better global growth expected

IMF upgrades growth outlook across the board

In its recently-published quarterly World Economic Outlook, the International Monetary Fund revised up 2026 expected global growth to 3.3%, or 0.2% higher than in October 2025. What is most notable about this more optimistic view is that 2026 growth has been upgraded for every major region: the US, Europe, Japan and China.

A key factor supporting growth this year is increased government spending. In the US, the 2025 One Big Beautiful Bill Act will result in jumbo tax refunds for households amounting to around USD 350bn, with a greater impact on lower-income households which should then reinforce domestic consumption over Q1.

Strong export growth to the rest of Asia and to Europe is the main driver for Chinese growth in the near term, despite lower exports to the US due to import tariffs. In Europe, increased defence and infrastructure spending and steady house price growth underpin growth in the 1.3%-1.4% range.

No real inflation pressures in evidence

At the same time, global inflation should continue to moderate on the back of cooling wage pressures and lower oil prices. In the US, timely measures of rental price inflation published by the Zillow Rentals website suggest that US apartment rents are flat in January versus a year ago.

All in all, this suggests a benign period of solid growth at lower inflation, which supports a combination of stock, corporate credit and commodity markets.

Further rate cuts still expected

Interest rate futures markets continue to price in two Fed rate cuts by end-2026, suggesting a terminal rate in the region of 3%-3.25%. Fewer job openings and a rising US underemployment rate (8.4% in December versus 7.2% back in January) gives the Fed an economic rationale for gradually lowering benchmark rates this year in the absence of resurgent inflation momentum.

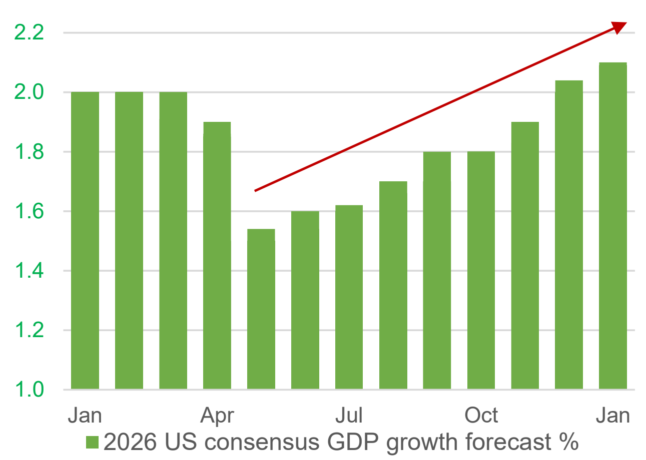
Geopolitical tensions over Venezuela, Iran, Greenland run high

Not content with effecting leadership change in Venezuela at the beginning of January, President Trump has gone on to raise the geopolitical temperature further with his suggestion that he is looking for "decisive military options" with regards to Iran. This follows widespread demonstrations against the ruling regime in Tehran.

Trump has equally set his sights on Europe, with his threat to raise tariffs on 8 European nations (since withdrawn) in the absence of an agreement for the US to take Greenland from Denmark. This brought into question the status of the NATO alliance, with former NATO Secretary-General Anders Fogh Rasmussen warning that this demand had triggered the biggest crisis in NATO's history.

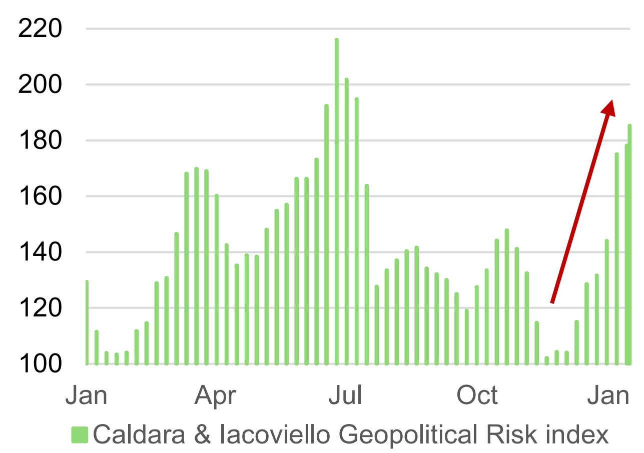
For now, this recent surge in geopolitical risk has triggered only a momentary reaction in global stock markets. However, it has been a key driver propelling gold to a new high of over USD 5000/ounce.

EXPECTED US GROWTH CONTINUES TO IMPROVE



Source: Bloomberg, BNP Paribas

GLOBAL GEOPOLITICAL RISK SURGED IN DECEMBER + JANUARY



Source: Caldara & Iacoviello, Bloomberg,

Trigger for more US dollar weakness?

Yen support on the way?

Currency markets have returned to heightened volatility as the US dollar weakens. Several outlets indicate that the New York Fed has conducted a “rate check” on USD/JPY. The Japanese prime minister has signalled that the government will act if speculative moves arise, reinforcing expectations of coordinated intervention and amplifying movements in other USD pairs. The prospect of another US government shutdown, sparked by the latest ICE-related controversy, has added to investor uncertainty.

The yen has been undervalued for several years. Accelerating Japanese inflation has driven real interest rates (after inflation) deeply negative. The rise in long-dated bond yields suggests that markets remain very concerned about long-term inflation. These forces increase pressure on the Bank of Japan (BoJ) to continue tightening. We expect BoJ to raise its policy rate to 1.00% in April 2026 and reaching a terminal rate of 1.75 % by mid-2027. The risk is tilted to the upside with rate changes at a higher frequency. The US Federal Reserve is expected to cut rates twice before year-end, leaving a terminal policy rate of around 3.25 %.

The dollar remains overvalued relative to its long-run fair value estimate derived from purchasing power parity (PPP). Our currency forecasts generally point to further weakening. Over the next 12 months we project EUR/USD to settle near 1.24 (value of one euro) and USD/JPY to trend toward 148 (value of one USD).

Guy Ertz

Gold and precious metals: recent sharp correction offers new buying opportunities

After their impressive performance in 2025, the precious metals rally extended into January but corrected in recent days. At last week’s peak, gold was up 28% YTD, platinum 35% and silver even 65%. Since the start of 2025, the gold price had more than doubled, platinum had multiplied by 3 and silver by 4.

Apart from Fed rate cuts and a weaker US dollar, prices have been supported by strong private investor buying appetite for these safe haven assets given persistent geopolitical uncertainty (e.g. Venezuela, Greenland, Iran, concerns on Fed independence). This adds to the ongoing gold reserves accumulation by central banks, and the relatively tight supply.

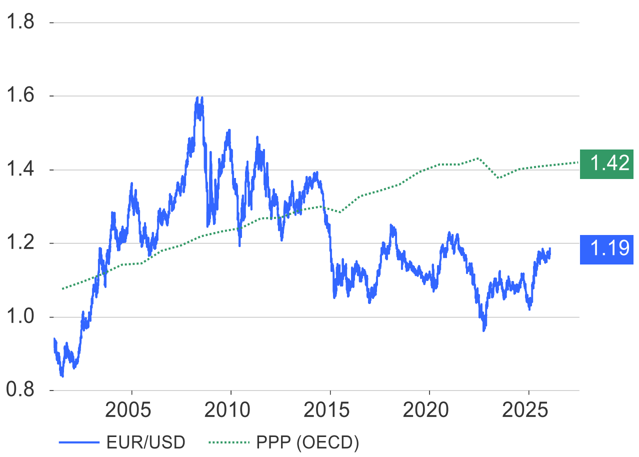
In recent days the nomination of Kevin Warsh as the next Fed Chair triggered a sharp correction in precious metals. He is seen as an experienced choice, easing concerns about the Fed’s independence eased prompting a US dollar rebound.

Long term upward trend still intact

We still think the long-term supply/demand prospects are still supportive of further gains. The structural diversification trend from USD to real assets has further to run, in the context of high geopolitical and financial uncertainties (unpredictable policy actions, military threats, persistent high inflation and/or market concerns about high fiscal deficits and government debts).

Patrick Casselman

TREND CHANGE IN THE US DOLLAR?



Source: LSEG Datastream, 26/01/2026

CONTINUED PRECIOUS METALS RALLY

Source: LSEG Datastream, 30/01/2026

Japanese bond yields back to 1999

Japanese JGBs puts pressure on US yields

Japanese Prime Minister Sanae Takaichi has called a snap legislative election for 8 February, in the hope that she can strengthen the dominance of her ruling Liberal Democratic Party (LDP) in the Diet (Japanese parliament). Recall that the LDP are currently a minority in both Houses of the Diet, which is a relatively rare occurrence, leaving the LDP in need of other parties (such as the Japan Innovation Party) to pass legislation.

A key policy of PM Takaichi is the pursuit of expansionary economic policies (tax cuts) to support domestic consumption together with stimulative monetary policy. If an expansionary government spending budget is passed post-election, Japan's 2026 budget deficit could widen, thus requiring additional JGB bond issuance.

At the same time, the Bank of Japan (BoJ) has been slow to raise interest rates despite the inflation rate remaining above 2% since early 2022, boosted by the surging price of rice (Japanese rice inflation reached 100% year-on-year in mid-2025) and the weak yen.

Prospectively higher government spending, a wider budget deficit and negative real interest rates have lifted the 10-year JGB bond yield to 2.2%, its highest level since 1999.

What risk of contagion from Japan to rest of world?

While a near-doubling of the 10-year JGB yield from May 2025 to today may sound alarming, the effects thus far on other government bond markets have been limited. Japanese bonds are overwhelmingly held by domestic investors (the Bank of Japan holds roughly 40% of all the JGBs in issuance today). This has limited any contagion effect from Japanese yields to the US or European bond markets.

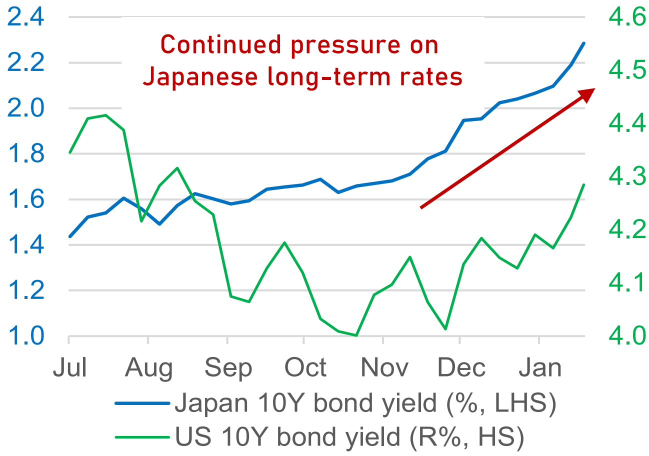
Since last May, the average yield of the ECB's 10-year government bond basket has only risen 0.2%, while the US 10-year Treasury yield is even marginally lower today than back in May 2025. So, thus far, there is little evidence of a spillover of higher Japanese yields to other bond markets.

However, if Japanese domestic bond yields continue to rise, we could expect Japanese institutional investors to begin to repatriate capital, which is currently invested abroad, for example in US or European government bonds. Note that Japanese insurance companies hold JPY 9-11 trillion and pension funds JPY 12-15 trillion in foreign assets at present. However, while the yen remains weak, the appetite to repatriate foreign asset exposure will be limited.

And US bond volatility continues to fall

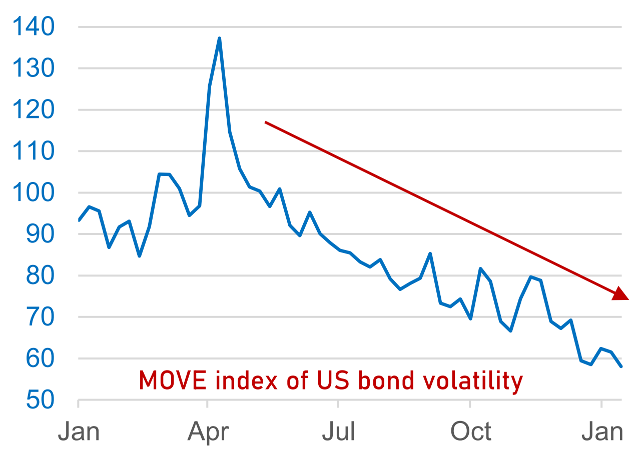
While stress in long-term Japanese yields is apparent, US and European bond markets continue to exhibit signs of relative calm. The MOVE index of US bond market volatility fell further in January and US 10-year Treasury yields did not exceed 4.3%.

JAPANESE 10-YEAR YIELD HAS RISEN 0.7% SINCE OCTOBER



Source: Bloomberg, BNP Paribas

NO IMPACT FROM GEOPOLITICS ON US BOND VOLATILITY



Source: Bloomberg, BNP Paribas

Continued cyclical bias in stock markets

Emerging markets and Japan lead

Global stocks gained around 2% over January, maintaining the current positive momentum trend that has lifted global stocks 39% since April 2025, including +7% since late November.

Over the last 3 months, standout performers among regional stock markets include Latin America (Brazil and Mexico), South Korea, Taiwan, Hong Kong and Japan. In contrast, US large-caps have struggled in relative terms with a mere 2% gain over the last 3 months, overtaken by a 10% advance for US small-caps. At the sector level, Mining and Health Care have led, with Energy also showing well.

Global earnings momentum supports stocks, with an acceleration in year-on-year earnings growth based on forecast earnings for Europe and emerging markets. The current Goldilocks economic environment of accelerating growth, slowing inflation and low(er) interest rates is clearly beneficial for stock markets.

Stay with the momentum: EM and Japan

We retain our Positive stance on global stock exposure, and continue to favour emerging markets (Latin America, China), Japan and the UK in terms of regional exposure.

In sector terms, we prefer a cyclical bias to benefit from the current improvement in global growth momentum together with low/lower interest rates – Mining, European Banks and Industrials.

Momentum in commodities and the Mining sector

Once again, there has been no stopping the precious metals juggernaut, with a 21% gain over January for the group, led by a 37% return for silver (which has now overshot USD 100/ounce) and +31% for platinum (finally exceeding the prior 2008 all-time high of just over USD 2300/ounce).

Silver and platinum remain far smaller and far more volatile markets than gold, given their status as mixed monetary and industrial metals. We would thus not chase the current rallies in these metals despite our broadly Positive view on precious metals. Gold remains our favoured precious metal for its safe-haven and diversification properties.

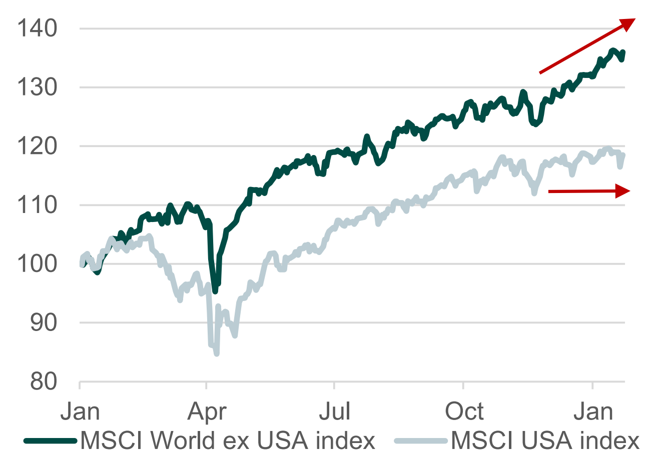
Electrification-linked metals in strong demand

Industrial metals rose 5% over the month on strong global demand and restricted supply. Tin, the key metal used in soldering in all electronic and technology products, continues to be the star performer with a 28% gain over the month, while battery-linked nickel also delivered an 8% advance.

We remain convinced that a multi-year commodity supercycle is ongoing thanks to i) strong structural demand growth & limited supply and ii) geopolitical restrictions on exports of critical minerals.

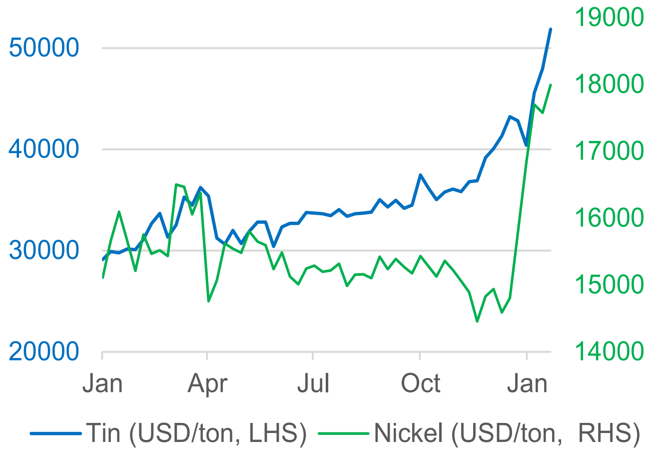
We therefore continue to advise investors to build exposure to commodities and to commodity producers in diversified portfolios.

MSCI WORLD EX-US LEADS, US STRUGGLES



Source: Bloomberg, BNP Paribas

TIN AND NICKEL SURGE IN JANUARY



Source: Bloomberg, BNP Paribas

Infrastructure: Laying the foundations for growth

Infrastructure performance fuels investors' appetite

Infrastructure is increasingly recognised as the backbone that links people, goods, data, markets and resources. Recent years have seen rapid growth sustained by a robust economy and breakthrough technologies. Demand for infrastructure has grown lately and the private infrastructure funds asset class has performed strongly over the long term. Between 2015 and 2025, private infrastructure funds delivered an average annual USD return of 9.7%. Today, this growing need for infrastructure is being driven by 3 main forces: i) megatrends of digitalisation and electrification; ii) government commitments; and (iii) infrastructure representing a response to geopolitical and macroeconomic uncertainties.

1. Digitalisation and electrification trend

The surge in AI workloads is spurring demand for hyperscale data centres, which in turn are accelerating the rollout of high-capacity fibre networks and a more robust, low-latency electricity grid. At the same time, the rollout of 5G networks, cloud-computing hubs and electric-vehicle charging grids is prompting massive upgrades to transport, energy and communications assets. The electrification of transport and heavy industries processes is creating an unprecedent appetite for new power generation capacity.

The hunt for power is fuelling a dual-track demand for both traditional and clean-energy solutions, and the rise of renewables brings a parallel surge in electricity transport and storage, driving battery demand sky-high. This fresh wave of infrastructure is now drawing record-level investment.

2. Governments are eyeing infrastructure

Governments are facing two challenges:

- Emerging Markets governments are carrying out new infrastructure constructions to meet the increasing needs of their growing middle classes.
- Developed Markets governments are facing a growing need to upgrade their transport infrastructure and utilities infrastructure (in need of renovation) and improve their digital & energy infrastructure to keep up with the digitalisation and electrification trends.

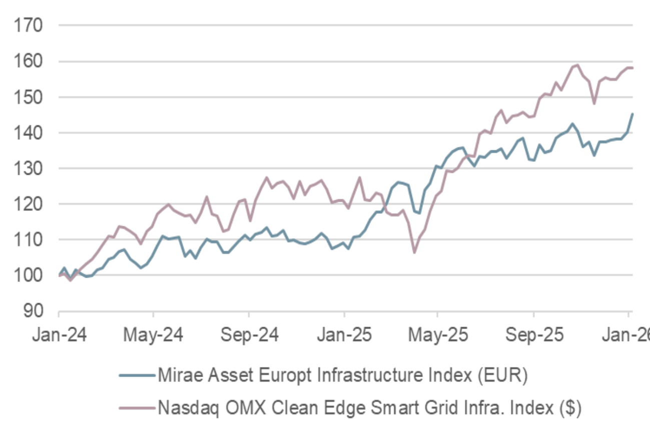
Several governments have recently put in place spending plans to revive and upgrade their infrastructure, and this is driving major infrastructure investment.

3. A solution in times of uncertainty

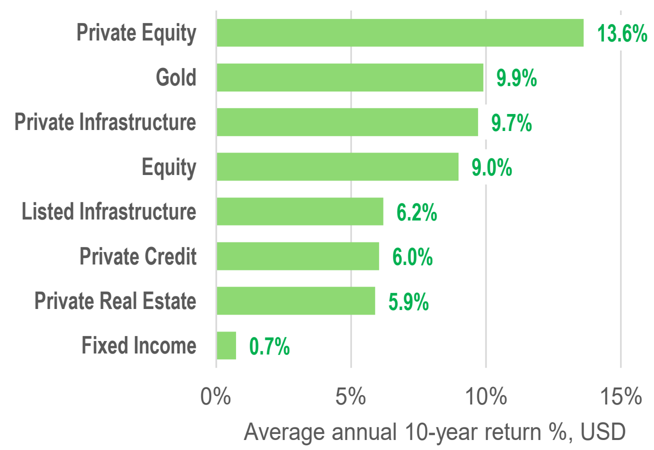
Infrastructure represents a natural inflation hedge with low correlation to public markets. Traffic volumes are less sensitive to short-term economic fluctuations. Therefore, in an environment of growing passenger and freight transport, infrastructure investments are needed to create and repair/upgrade roads, railways and ports.

We are Positive on Infrastructure as part of a diversified portfolio, favouring exposure to public listed infrastructure market for clients with small portfolios. For clients with large portfolios and a longer investment horizon, consider private unlisted infrastructure given the potential higher returns.

US ELECTRICITY INFRASTRUCTURE AND EUROPEAN INFRASTRUCTURE ON THE RISE



PRIVATE INFRASTRUCTURE HAS OUTPERFORMED STOCKS AND BONDS



Source: Bloomberg, BNP Paribas

2026 Top Convictions

Global Mining (stocks)	– Commodity bull market for precious and strategic industrial metals underpins global demand for global mining sector. – Strong capital discipline with little investment in new mining capacity, shareholder returns focus and sector consolidation via M&A activity. – Valuations remain modest (1.6x price/book value) and attractive dividend yield on offer (4.5% for European Basic Resources).
Pharmaceuticals (stocks)	– To benefit from early adoption of AI to boost innovation and productivity. – Beneficiary from ageing populations in the developed world. – Burgeoning pipeline of new drugs for Alzheimer's, obesity and cancer coming to market soon. – Only a modest impact on profit margins from Trump's attempts to reduce US drug pricing, with offsets from potentially higher sales. – Attractive valuation versus history for this defensive growth sector.
Emerging Market sovereign bonds in local currency (fixed income)	– High bond yield of 6%+ on offer from EM bond funds in local currency, at a time when economic and political fundamentals are improving. – EM central banks expected to reduce benchmark rates in line with the Fed, supporting potentially lower bond yields. – FX support from stronger EM currencies versus US dollar as high real rates attract capital to high-yielding EM currencies.
Copper (commodities)	– Underlying copper price (LME) breaking out to a new all-time high ca. USD 11,000/tonne on strong underlying demand from tech, AI/data centres, electrification; higher copper prices forecast for 2026. – Restricted growth in global supply (long lead times for new mines) promises higher profit margins for global copper producers. – Further growth in copper demand from data centre installations and upgrades to electricity infrastructure in view. – Copper miner index hits a new all-time high above the 2011 high.
Clean energy infrastructure (infrastructure, stocks)	– Growing electricity demand from data centres, air conditioning and electrification of the economy is driving greater investment needs in electricity generation and transmission capacity. – Falling costs of solar panels and industrial battery storage and relatively quick installation versus other forms of generation are lowering the levelised cost of energy and boost demand.
Merger arbitrage strategy Alternative UCITS/Hedge Funds (alternatives)	– Despite initially erratic Trump policies, the value of announced US M&A has increased 29% y/y, and the number of announced M&A transactions by 8% y/y. European corporate activity has also improved. – Under Trump's "deal-friendlier" appointed regulators, few M&A deals are now being challenged. – An 18% increase in the number of IPOs vs. the same period in 2024 (strongest since 2021), although still well below the historical average volume of issuance. The average IPO this year has returned 30% on its first day of trading.

Summary of our main recommendations, by asset class

	Current Recom	Prior Recom	Segments	We overweight	We underweight	Comments
EQUITIES	+	+	Markets	UK, Japan, China, Brazil, India, Singapore		Positive view on Equities justified by strong liquidity, lower rates, positive earnings results and share buybacks. Fair valuations in most countries ex-US.
			Sectors	Global Health Care, Industrials and Mining, EU Banks, EU Utilities	Consumer Staples	**Banks**: Still very cheap despite strong balance sheets, high ROEs and an accelerating loan growth. **Health Care** still appears undervalued, considering promising new drugs, AI benefits, and the current surge in M&A activity.
			Styles/ Themes	Cyclical Value		Commodity-related stocks, Financials
BONDS	=	=	Govies	UK government bonds and US TIPS		Neutral on sovereign bonds globally, with a preference for benchmark duration (5-7 years) in Europe and below-benchmark duration in the US. 12-month US 10Y yield target 4.25%, German 10Y bund yield 2.75%, UK 10Y gilt yield 4.3%.
	+	+	Credit	Euro IG credit, UK IG		We favour investment grade credit, focusing on EU credit on the back of decade-high yields and strong balance sheets. We remain Positive on UK IG corporate bonds.
	+	+	EM bonds	Local currency		Positive on EM bonds in local currency. Good fundamentals remain in place, further USD weakness expected.
CASH	-	-				We expect two more rate cuts in 2026 (June and September), so a terminal rate of 3.25% for the Fed. We expect no change this year from the ECB, and a hike in September 2027.
COMMODITIES	+/+/-	+/+/-		Copper (+) Gold (+)		Oil (-) Negative stance, range for Brent crude oil of USD 60-70; potentially higher non-OPEC oil supply balanced by increasing global demand. Base metals (+) The outlook for the industrial sector is helped by rising demand and constrained supply. Gold (+) the recent correction offers sufficient upside again for gold, our 12m target is USD 5000, Silver (=) USD 80 for our 12m target.
FOREX			EUR/USD			Our EUR/USD 12m target is USD 1.24.
REAL ESTATE	=	=		Residential, Health Care, logistics/ warehouses		Lower interest rates and a slow improvement in net asset values should support unlisted real estate.
ALTERNATIVE UCITS				Global Macro, Long-Short Equity, Event Driven		Rising M&A volumes should support event-driven arbitrage strategies.
INFRASTRUCTURE	+	+		Energy, transportation, water		Excellent long-term returns expected from private and listed infrastructure given long-term underinvestment.

Economic and FX forecast tables

BNP Paribas Forecasts

GDP Growth %	2025	2026	2027
United States	2.3	2.9	1.8
Japan	1.2	0.7	0.8
UK	1.4	1.1	1.3
Switzerland	1.4	1.0	1.6
Eurozone	**1.5**	**1.6**	**1.6**
Germany	0.3	1.4	1.5
France	0.8	1.1	1.3
Italy	0.6	1.0	0.9
Emerging			
China	5.0	4.7	4.5
India*	6.8	6.5	6.6
Brazil	2.2	1.8	1.4

* Fiscal year

Source : BNP Paribas - 26/01/2026

BNP Paribas Forecasts

CPI Inflation %	2025	2026	2027
United States	2.7	2.7	2.7
Japan	3.1	2.0	2.5
UK	3.4	2.4	2.2
Switzerland	0.2	0.4	0.7
Eurozone	**2.1**	**1.9**	**2.3**
Germany	2.2	1.6	2.3
France	1.0	1.1	1.5
Italy	1.7	1.5	1.9
Emerging			
China	0.1	0.9	1.0
India*	2.4	4.1	4.3
Brazil	5.0	3.8	3.8

* Fiscal year

Source : BNP Paribas - 26/01/2026

	Country	Spot 02/02/2026		Target 3 months	Target 12 months
Against euro	United States	EUR / USD	1.18	1.18	1.24
	United Kingdom	EUR / GBP	0.86	0.87	0.87
	Switzerland	EUR / CHF	0.92	0.94	0.94
	Japan	EUR / JPY	184	179	184
	Sweden	EUR / SEK	10.57	10.80	10.60
	Norway	EUR / NOK	11.46	11.60	11.30
Against dollar	Japan	USD / JPY	156	152	148
	Canada	USD / CAD	1.37	1.38	1.35
	Australia	AUD / USD	0.69	0.66	0.68
	New Zealand	NZD / USD	0.60	0.60	0.60
	Brazil	USD / BRL	5.26	5.40	5.70
	India	USD / INR	91.52	90.00	90.00
	China	USD / CNY	6.95	7.00	7.00

Source: BNP Paribas, Refinitiv Datastream. As at 03 February 2026

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