



Investment Outlook

Q1 2026



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Foreword

Dear Valued Clients,

As we step into the first quarter of 2026, we are excited to share our insights on the shifting investment landscape and the promising paths emerging ahead.

Even amid persistent global trade tensions and geopolitical uncertainties, markets have shown impressive strength. Corporate earnings continue to thrive, fuelled by innovative breakthroughs, especially the deepening integration of artificial intelligence that's reshaping industries and unlocking fresh avenues for growth.

Equities in developed markets hover near all-time highs, while Asian hubs like Singapore, China, and Japan have posted solid gains. Gold and fixed income assets have also delivered reliable returns, supported by central banks' measured easing. This backdrop highlights the value of a well-balanced portfolio in seizing upside while cushioning against volatility.

AI is no longer just a buzzword; it's a core driver transforming our approach to investing. By harnessing advanced analytics for sentiment tracking, dynamic asset allocation, and sharper risk assessment, we're empowering better decisions and generating meaningful advantages for you. At Rockstead, we're embedding these tools to refine our strategies and drive stronger results.

We maintain an optimistic view as we chart the course forward, positioning investments to capitalize on enduring trends like technological advancement and sustainable growth, all while staying alert to potential disruptions in this fast-paced world.

The coming months will test both market resilience and investor patience. Our focus remains on disciplined investing, rigorous analysis, and protecting your capital while pursuing appropriate growth opportunities.

We trust our outlook highlights the opportunities ahead and reinforces how we're here to help you move forward with confidence.

Shawn Tan
Head of Investment

Macro Overview

US: 250 years

2026 marks the 250th year of the declaration of independence, which interestingly coincided with the widely cited “Wealth of Nations” by renowned economist Adam Smith. US Republicans have traditionally advocated for freer markets and minimal government intervention, while US Democrats see the value in some form of timely, calibrated governmental intervention to close the income gap for a greater good.

Since President Trump’s return to the White House in early 2025, he has disregarded old rules and embarked on a more transactional approach in the form of bilateral trade deals, peace deals, and the literal tearing down of the East Wing of the White House. Despite these uncertainties, the US stock market has performed remarkably well, credit spreads remained tight, and the dollar, though weaker, remains the dominant currency.

In his second year, much is expected to continue, including more litigation against the

administration, uncertainty around the appointment of the next Federal Reserve Chair, and growing focus on the mid-term elections. If tariffs are deemed illegal, his team would likely invoke Section 122, which would allow him to impose tariffs of up to 15% for up to 150 days. Even if President Trump appoints a Fed Chair perceived to compromise Fed independence, monetary policy decisions remain subject to majority vote by the Federal Open Market Committee (FOMC). As it stands, Democrats are expected to win the House, likely resulting in greater political standoff.

The US economy and most businesses are likely to remain supported by the administration’s pro-growth policies such as tax cuts, as companies grow their earnings and protect their margins as they come to terms with the new trade landscape, and with the Fed prioritising employment and having the ability to lower interest rate once or twice more to promote growth if needed.



Europe: Targeted rejuvenation

Compared to the US, much of Europe is built on economic and institutional foundations that are centuries older. This historical depth underpins stability and resilience, but also leaves parts of the region reliant on aging infrastructure and legacy systems. Continued investment in transport and digital connectivity will therefore be critical to renew Europe's productive capacity and support future growth.

Since ex-German Chancellor Merkel opened its doors to Syrian refugees in 2015, several developed countries have largely closed their borders and tightened immigration. A declining working-age population across much of Europe has increased reliance on immigration to support labour markets and economic activity. However, immigration has been accompanied by varying degrees of social tension and political resistance, prompting governments to tighten border controls while adopting more selective, quota-based approaches. For example, Italy under Prime Minister Meloni has expanded temporary visa programmes for lower-skilled occupations,

reflecting an attempt to balance labour shortages, with domestic concerns around social cohesion and public safety.

By February 2026, it will be four years since Russia invaded Ukraine, and a peace deal is still elusive. Fortunately, much of Europe managed to weather the energy crisis well enough, just like how they have managed trade relations with the US and established new ones with like-minded regions and countries. Europe, with a combined GDP ten times larger than Russia's, would still need to support Ukraine, both financially and militarily.

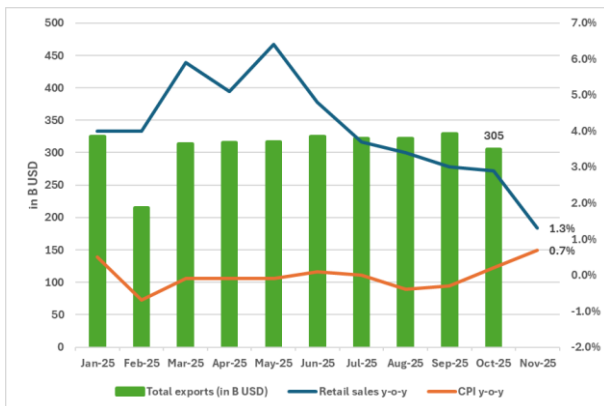
Looking ahead, Europe is expected to generate modest but improving growth in 2026. German fiscal spending on defence and infrastructure is set to materialise, while parts of Southern Europe continue to close the growth gap with the North. Political uncertainty in France may persist in the near term before greater stability emerges. On the monetary front, the European Central Bank (ECB) is likely to maintain its current policy stance, with scope for a single rate cut as insurance against downside growth risks.



Asia: Balancing trade

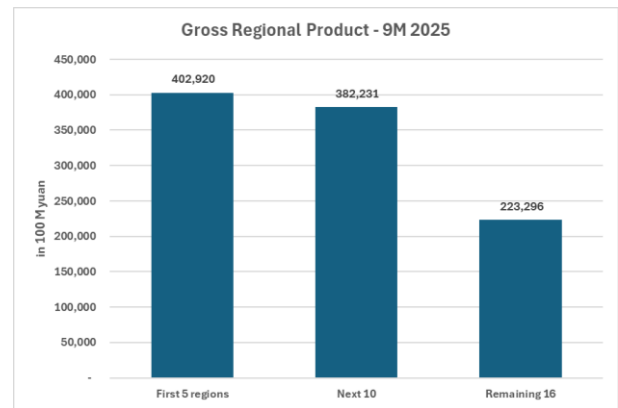
Since the Sputnik moment in the form of DeepSeek in early 2025, **China** has failed to engineer a revival in its broader economy. Retail sales continued its decline and Consumer Price Index (CPI) barely turned positive in November, while the country remained dependent on its exports for growth. In its recently concluded Fourth Plenum, despite talks of boosting domestic consumption to spur growth, China remains focused on advanced manufacturing and to achieve technological self-reliance.

For much of 2025, China has effectively used the control of rare earths exports, starting with the lighter rare earths to the more important heavier ones for permanent magnet applications, to counter America’s use of export restrictions of advanced technology, including AI chips and chip-making technology. China will remain the main supplier of these rare earths, as others such as America and Australia attempt to match the scale of China’s processing capacity, while continuing to develop its own AI models and advanced chips.



Source: National Bureau of Statistics of China (NBS), Dec 2025

Within China, there is known intense competition amongst provinces and local governments, and inequality between the coastal regions and rest of the country. With reference to figure below, the top five regions including Guangdong, Jiangsu and Zhejiang, generated higher gross regional product in the first nine months of 2025 than the next ten regions as well as the last 16 regions. “Common prosperity”, which was first mentioned by President Xi in 2021, is clearly work in progress.



Source: National Bureau of Statistics of China (NBS), Dec 2025; First 5 regions include Guangdong, Jiangsu, Shandong, Zhejiang and Sichuan, Next 10 includes Shanghai and Beijing, and Remaining 16 includes Chongqing, Liaoning and Yunnan

In the Fourth Plenum, it states the country’s GDP per capita should be \$20,000 by 2035, and to achieve a “moderately developed economy” status, both requiring the country to grow 4.4% per year in next ten years, according to the Economist. It is possible the committee may set a growth target of less than 5% in 2026, and the central bank may continue to keep its loan prime rates unchanged for much of 2026.

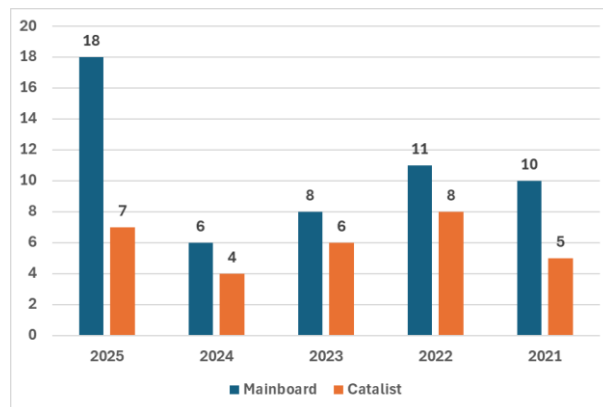
India, which has overtaken China as the most populous country, has recently announced the most significant overhaul of its labour laws, liberalising hiring and firing, leading the State Bank of India to project a 15% increase in formal jobs. The country is widely expected to generate at least 6% GDP growth in 2026, with the Reserve Bank of India likely to cut repo rate once more to 5% to ease lending and support growth.

Despite having a new PM who has expressed preference for lower rates, the Bank of **Japan** has surprised some by hiking its policy rate to 0.75% in December and is expected to hike rates at least once more in 2026. The government recently announced a 122 trillion Yen budget for social welfare, defence and debt servicing, mostly funded by higher tax revenues. Earlier, the government rolled out a 21 trillion Yen stimulus package in November which is aimed at boosting growth and addressing rising prices faced by consumers, as rising inflation is largely a consequence of higher import prices due to a weaker yen instead of higher demand.

Back home, **Singapore**'s MTI forecast GDP growth of 4% for 2025 and a lower 1% to 3% for 2026, citing slower growth for key trading partners such as China and Europe. Separately, MAS forecast inflation of less than 1% for 2025 and 1% for 2026 and, barring any big macro shifts, is also unlikely to adjust the width and level of S\$ Nominal Effective Exchange Rate Index (S\$NEER) in 2026 after easing the monetary policy twice in 2025.

While the US and Hong Kong stock markets have traditionally garnered more interest amongst investors, since the launch of the Equity Market Development Programme (EQDP) in 2025, the Singapore stock market has seen a revival in IPO activity with a total of 25 IPOs across the Mainboard and Catalist, the highest since 2021. Notable listings include NTT DC REIT and Centurion Accommodation REIT. So far, for the

EQDP, MAS has allocated a total of S\$3.95B to nine local and foreign asset managers, and the next round of appointments is set to be released in Q2 2026, which is expected to generate more activity in the local stock market in 2026.



Source: SGX, 2025

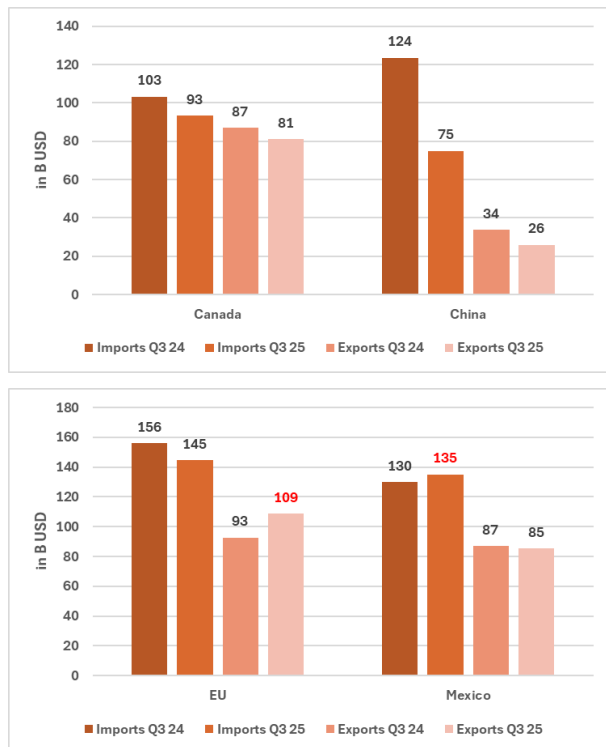
Macro indicators	US		Europe		China		Japan	
	2025	2026	2025	2026	2025	2026	2025	2026
GDP growth	1.7	2.3	1.4	1.2	4.8	4.2	1.1	0.6
CPI inflation	2.9	2.4	2.1	1.9	0.0	0.7	3.3	2.1
Unemployment rate	4.5	4.4	6.3	6.2	5.1	5.1	2.6	2.6

Source: Fed, ECB, IMF, 2025

Additional Perspectives

Tariffs: Frontload tapering

In the last outlook, data revealed both Canada and China, top trading partners with the US, have recorded lower imports to and exports from the US, while both EU and Mexico, registered higher imports to and exports from the US in the first half of 2025 compared to a year ago. In Q3 2025, while both Canada and China continued to reduce trade dependency with the US, the EU also exported less to the US compared to a year ago, and Mexico barely exported more to its Northern neighbours.



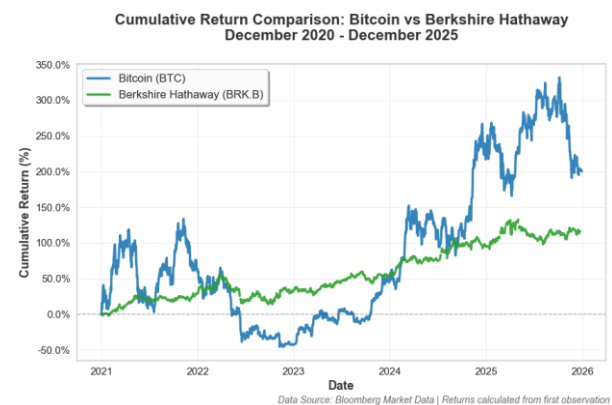
Source: US Census Bureau, Dec 2025

Apart from these notable trading partners, there has also been a marked increase in exports from Asian countries such as Vietnam and Thailand compared to a year ago, indicating some form of transshipment originating from China, as exports from China to Vietnam and Thailand gained 22% and 20% respectively in first 11 months of 2025 from a year ago, according to China customs data.

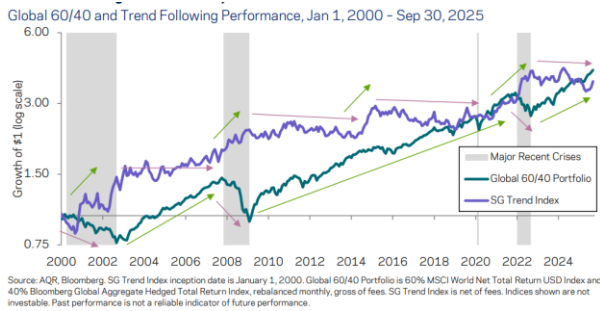
Diversifying Returns

Portfolio performance is evaluated using several metrics, some of which are widely recognized. One of the most commonly cited measures is cumulative return, which often receives the greatest attention from investors when assessing a fund or individual asset. Cumulative return represents the total return over a given period and is frequently used for year-end evaluations or relative comparisons across investment opportunities.

However, an exclusive focus on cumulative return can be misleading. For example, while assets such as Bitcoin have generated extraordinary returns over certain periods compared to more traditional investments like Berkshire Hathaway shares, these headline figures do not fully capture the underlying risk and volatility profiles. When performance is examined more comprehensively, including factors such as drawdowns, volatility, and consistency of returns, investors may arrive at materially different conclusions regarding suitability and allocation.



However, differences in return profiles highlight a broader consideration: the importance of diversification. Rather than relying on a single asset or return driver, combining assets with distinct risk and return characteristics can reduce portfolio volatility while improving the consistency of long-term outcomes.



Source AQR: *Diversifying Alternatives and the Rearview Mirror*

Considering a 60/40 portfolio with a split between equities and bonds, it can be observed that the portfolio experiences sharp drawdowns during market downturns. This reflects its relatively high exposure to market beta, despite a 40% allocation to fixed income. This indicates that bonds did not provide meaningful protection when diversification was most needed. Most notably during the 2022 market downturn, driven largely by high inflation and rising interest rates, when equities and bonds had positive correlation.

While diversifiers may underperform during strong equity rallies, they have historically demonstrated resilience during major drawdowns, reflecting fundamentally different return drivers that can enhance portfolio robustness during periods of sustained market stress.

This diversification limitation highlights the importance of incorporating return streams that are structurally different from traditional equity and bond exposures. Rather than relying solely on asset-class diversification, effective hedging requires strategies that can adapt to changing market regimes and benefit from sustained trends across asset classes.

One practical implementation of this approach is **portable alpha**, which allows investors to combine differentiated alpha sources with traditional market exposure, improving diversification without materially altering portfolio beta. With equity markets exhibiting elevated optimism, investors may have an opportune window to undertake strategic reallocations at favourable valuations.

At Rockstead, we construct diversified portfolios by combining exposure to traditional market beta

with a curated set of alternative strategies and hedge funds. Alongside core market exposure, the portfolio allocates to strategies including statistical arbitrage, multi-strategy approaches, tail risk and volatility hedging, and select alternatives such as private credit. By integrating multiple, structurally differentiated return streams, Rockstead seeks to reduce reliance on any single market outcome while improving portfolio resilience across market cycles.

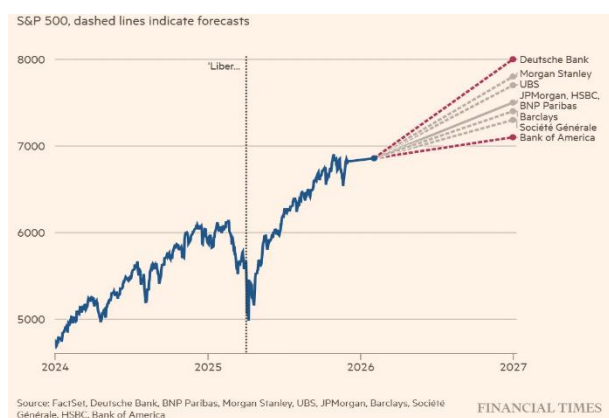
Asset Classes

Equity

US

Based on market estimates, the S&P 500 could hit at least 7,700 in 2026 (+11% y/y), driven by:

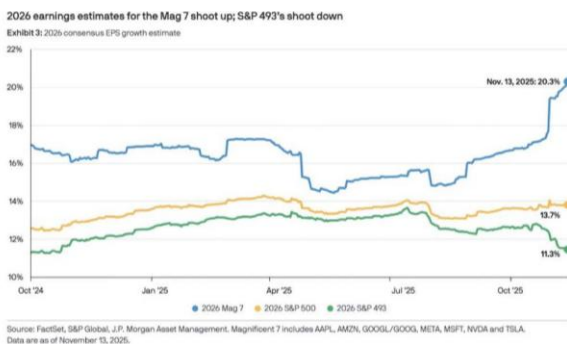
- Continued earnings per share growth driven by sales and margin growth
- Valuations holding up with two rate cuts expected in 2026



Source: *Financial Times*. Double-digit gains forecast for US stocks in 2026.

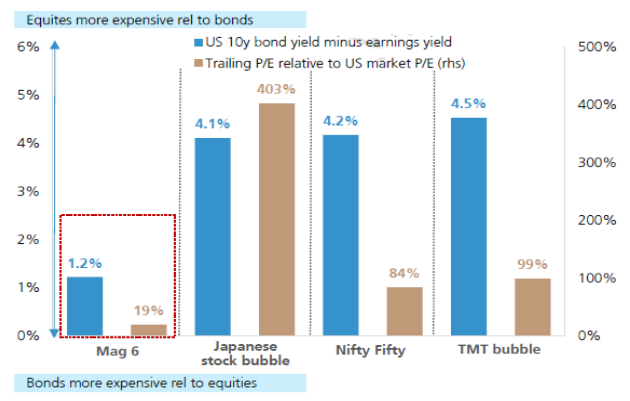
Gains are likely to still be led by big tech companies amidst:

- Increased AI adoption across and within companies of various industries
- Greater emphasis on AI monetisation as a product and an enhancer



Concerns of a tech bubble have surfaced in recent months, but the situation today looks very different from past cycles, because:

- The AI cycle is being financed by profitable-cash rich firms underpinned by robust demand
- Incumbents are still dominating with little competition from new entrants
- Relative valuations are more moderate compared to past bubble levels



Source: MSCI, IBES, Datastream, Bloomberg, UBS.

We therefore remain positive on the following sectors:

- **Technology:** Specifically, tech hardware is appealing for its buildout visibility over tech software which has seen a divided landscape with winners (e.g. cybersecurity) and losers (e.g. software services).
- **Communication Services:** The increased adoption and monetisation of AI is likely to benefit companies in this space, such as personalisation of advertisements and more efficient game development.
- **Industrials:** Industrial stocks positioned to benefit from electrification and infrastructure investments under the OBBBA should outperform consumer-exposed industrial segments, such as home and garden equipment.

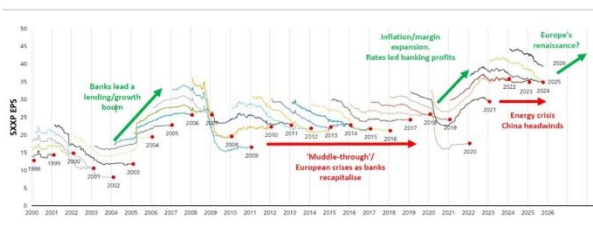
Key risks include:

- An unexpected slowdown among the hyper-scalers, such as declining cash flows, could disrupt the AI narrative.
- There have been concerns that the US could fall into a prolonged stagflation next year, which would hinder any rate cuts and hurt equity sentiment.

Europe

We are more cautious on Europe as earnings growth could remain sluggish amidst:

- Lower GDP growth for 2026 partly caused by US tariffs
- Lingering fiscal and political uncertainty contributing to competitiveness
- Higher probability of rate hike to address stronger Euro

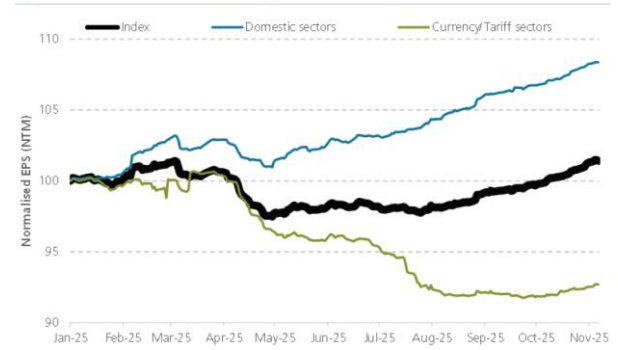


Source: UBS, Refinitiv Datastream

Nevertheless, the outlook is expected to be better for domestic players compared to those in export-sensitive industries. There is likely to be more potential for:

- **Defence:** Defence stocks potentially have more room to gain as Germany continues its military spending and geopolitical uncertainty persists.
- **Financials:** European banks remain relatively cheap and could benefit from simpler regulations and favourable rate policies.

Figure 169: Domestic sectors doing well versus export sensitive



Source: UBS

Asia

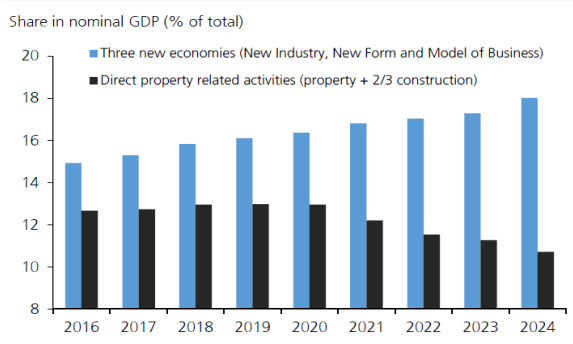
China:

China will unveil its 15th Five-Year Plan next year which should provide more support for equities, specifically the “new economy” sectors. However, disinflationary pressures and a fragile trade truce with the US could weigh on growth.

Our sector views would be:

- **Favour:** Innovation-related sectors such as Internet, batteries, tech hardware and biotech have improved their capabilities amid a lower cost base.
- **Cautious:** The consumer sector continued to be dragged down by the property crisis with continued consumption downgrades and intense competition.

Figure 95: Rapid rise of new economy vs notable decline of property sector



Source: CEIC, UBS estimates

Japan:

Japan is likely to continue rising in 2026, driven by:

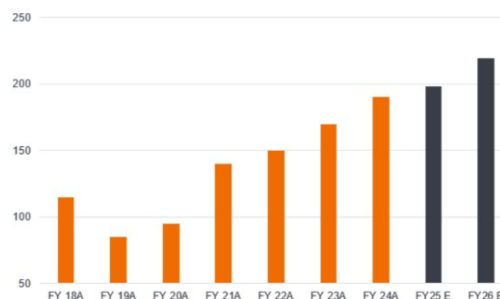
- Ongoing corporate reforms such as mandatory investor relations for listed firms
- The Nov 2025 stimulus roll-out and Dec 2025 budget unveiled by the Takaichi Cabinet

Our sector views would be:

- **Favour:** Defence, nuclear energy, and technology sectors may benefit from pledged investments in AI, semiconductors, quantum computing, space, advanced medicine, and cybersecurity.
- **Cautious:** The consumer sector may remain weak with declining real wages. Exporters

may be hit by lingering strained relationships with China or a slowdown with global trading partners.

Figure 3: TOPIX EPS upgrades



Source: Bloomberg, Janus Henderson Investors, IBES consensus data, JP Morgan as at 2 December 2025. Data for FY25 and FY26 are forecasts. Forecast data may vary and are not guaranteed.

Singapore:

2025 was a strong year for Singapore-listed stocks amid policy tailwinds and GDP upgrades. These factors could sustain and propel the index to new heights in 2026.

Our sector views would be:

- **Favour:** Industrials stocks may continue to rise with exports momentum while the telecom sector could benefit from the recent consolidation between major players.
- **Cautious:** Banks may be hurt by lower interest rates. The real estate sector outlook is cloudy despite potential rate cuts due to relocations and downsizing.

Table 1: Major equity market initiatives and latest developments

Initiative	Aim	Size	Latest Development
Equity Market Development Programme (EQDP)	Strengthen Singapore's asset management and research ecosystem to boost investor interest in local equities.	SGD 5 billion	MAS appoints the second batch of EQDP asset managers, with SGD 2.85 billion in placements.
Value Unlock Package	Deepen investor engagement and sharpen companies' focus on shareholder value creation.	SGD 30 million	MAS launches two grants to build competencies in corporate strategy, capital optimisation, and investor relations.
Enhanced Grant for Equity Market Singapore (GEMS) Scheme	Enhance the equity research ecosystem to support growth in Singapore's listed product suite.	SGD 50 million	Increased research activity, with more non STI stocks receiving coverage; reports are available on the SGX website.
SGX-Nasdaq dual-listing bridge	Attract quality Asia-based growth companies (> SGD 2 billion market cap) with global ambitions to raise capital in Singapore.	N.A.	Relevant regulatory processes are underway for the new Board, which is expected to launch around mid-2026.

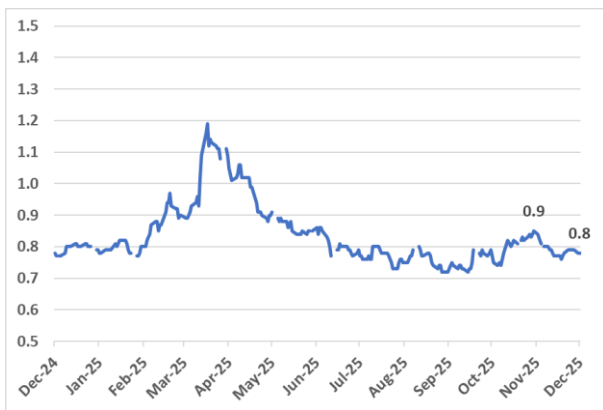
Source: Monetary Authority of Singapore
Data as of 20 Nov 2025

Fixed Income

Since a brief spike in US investment grade (IG) bond credit spread during Liberation Day in April 2025, IG credit spread widened marginally in November 2025, as some mega technology companies uncharacteristically took on more debt to fund their insatiable capital expenditure which caused concern amongst some investors. Thus far, tech companies including Alphabet, Microsoft and Meta have operating cash flows higher than capex, but less so for others such as Oracle. Credit spread has tightened back to 80bps but could widen if tech companies' operating cash flows do not keep pace with growing debt.

In US Treasuries, there is evidently greater issuance of shorter-dated bills and notes compared to longer-dated bonds, as the Treasury attempts to offset the higher term premium expected due to a widening fiscal deficit. In fact, the Treasury has been retiring 20-year and 30-year bonds and replacing with shorter-dated bills, according to the Economist. This paper prefers shorter duration under ten years.

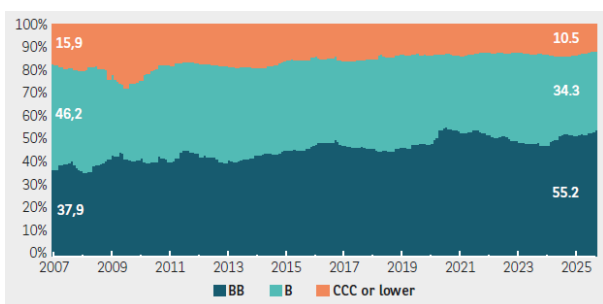
US IG credit spread remains tight



Source: Bloomberg, 2025

Likewise, US high yield (HY) bond credit spread remained tight at around 270bps. On closer examination, there are more BB-rated HY bonds than single B or CCC or lower rated HY bonds, suggesting an improvement in overall credit quality of HY bond issuers. From a risk-reward perspective, selective HY bonds may offer more attractive yield than IG bonds.

US HY bond composition by selected ratings



Source: BNP Paribas, 2025

Currencies

Looking back at the previous outlook, the appointment of Japanese PM Takaichi threw some **JPY** views off course. Recent interest rate hike by the BOJ also did not result in meaningful strengthening of the yen. The BOJ is largely expected to hike rate at least once more in 2026, contingent on strong real wage growth and more demand-driven inflation.

The **CHF** turned out to be one of the strongest currencies in 2025, and is likely to remain so in 2026. The perceived reluctance of the SNB to resume negative rates may have created a zero interest rate floor and asymmetric expectation of higher rates. Bouts of heightened political and market uncertainties could increase demand for safe haven currencies such as CHF.

Likewise, talks of ECB being done with rate cuts and likely to keep rates unchanged for most of 2026 has created an implicit floor for the **Euro**. Increased fiscal spending partly financed by issuance of more euro-denominated debt should create demand for the regional currency, which could be somewhat offset by possible bond selloff owing to the Dutch pension reform.

The old topic of de-dollarisation continues despite **USD** accounting for over 56% of world's reserve currencies as of Q3 2025 and over 46% in global payment's currency as of November 2025, according to the IMF and SWIFT. The expectation of at least one more rate cut by the Fed in 2026, and the unlikely scenario of a partisan and non-technocratic US central bank should see DXY rangebound in the near term.

Commodities

Gold

In the end, the recent pullback in gold prices only resulted in a stronger rally in the precious metal to prices above \$4,500/oz. Continued demand from central banks as well as institutional and retail investors, partly as a portfolio diversification from equally elevated stock valuations, should keep gold prices at high 4,000s levels in 2026.

Oil

Cognizant of lower oil prices in recent months, OPEC+ members sensibly paused oil output hikes in first quarter of 2026, whilst still having over 3.2 million barrels of oil per day cuts in place for unwinding. Increased tensions between the US and Venezuela, and energy-related sanctions between the EU and Russia, could result in occasional supply disruptions, which could push oil prices higher.

FICC views

	3-month target
Fixed Income	
10Y UST	4.00
Currencies	
DX	98
EURUSD	1.17
USDJPY	155
USDCHF	0.79
USDSGD	1.29
EURJPY	183
CHFJPY	195
EURCHF	0.93
EURSGD	1.51
CHFSGD	1.61
SGDJPY	120
AUDUSD	0.66
AUDSGD	0.85
Commodities	
Gold	4,500
WTI	60

Alternatives

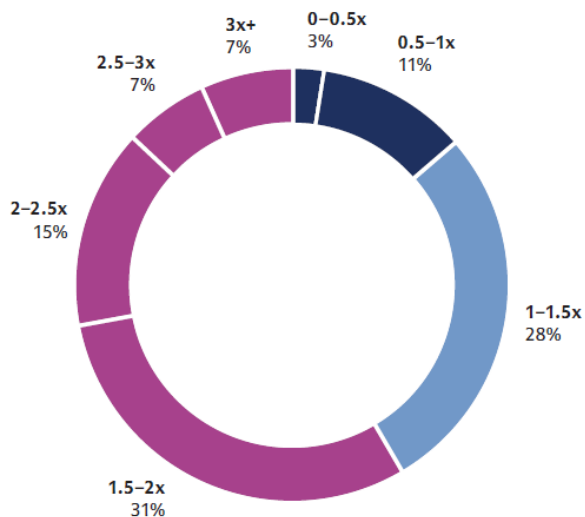
Private Credit: Systemic or idiosyncratic?

The unraveling of First Brands and Tricolor in the final quarter of 2025 raised concerns about growing risks in the increasingly crowded private credit space, as traditional and non-traditional private lenders compete to underwrite more private loans to small and mid-sized borrowers and in the process generating higher returns for yield-seeking investors.

A closer look at the credit quality of private credit borrowers suggests most of them have at least 1.5x interest coverage, which is not too different from some HY-rated borrowers. Private credit, as part of alternatives, would account for a greater allocation in investor portfolios for its enhanced yield and diversification over time, provided lenders continue to remain selective and carry out comprehensive due diligence in underwriting new loans. Yields may decline as public interest rates trend lower and private credit becomes more accessible to a larger pool of investors.

Borrowers: A look under the hood

Interest Coverage Ratios of Private Credit Borrowers



Source: Goldman Sachs, 2025

Hedge funds

2025 has been a good year for most hedge funds, in particular long/short funds with the top ones generating high double-digit returns, followed by multi-strategy funds. In general, macro funds have outperformed statistical arbitrage funds, as discretionary portfolio managers justified their high fees while systematic portfolio managers found some of their signals wanting at times. On a specific note, as a handful of renowned asset managers exited long positions and opened short ones in some of the well-loved big technology names, majority of the market still believes the high valuations are still supported by strong earnings and there is no bubble in sight, yet.

This paper argues for a bigger allocation into alternatives, as public equities generate beta-like returns and public bond credit spreads remain historically tight, and as alternatives offer higher risk premiums to compensate for less liquidity as well as lower volatility and correlation to other asset classes partly due to smoothing effects. The careful selection of managers would generate higher potential alpha in private equity funds as well as hedge funds.

Proposed Portfolio Allocation

Asset	Q4 2025 Allocation	Q1 2026 Allocation
Equities	30%	30%
Fixed Income	20%	20%
Alternatives	30%	30%
Gold	10%	10%
Cash	10%	10%

Performance Review

Key events and risks in Q1 2026

Probability	Low impact	Moderate impact	High impact
High	<ul style="list-style-type: none"> No peace deal between Russia and Ukraine Iran buys time 	<ul style="list-style-type: none"> Heightened political uncertainty in France 	
Medium	<ul style="list-style-type: none"> People's Bank of China (PBoC) keeps interest rates unchanged 	<ul style="list-style-type: none"> New sectoral tariffs in advanced technology, semiconductor and pharmaceutical industries 	<ul style="list-style-type: none"> Fed's base case for tariff impact on inflation to fade fails to materialise, resulting in only one cut this year
Low		<ul style="list-style-type: none"> US earnings miss 	<ul style="list-style-type: none"> Erosion of Fed independence

Q1 2026 Investment Themes

Themes	Background	Trade Ideas
Geopolitical Tensions	<ul style="list-style-type: none"> Rivalry between US and China, war between Russia and Ukraine and unrest in the Middle East continue to fuel global tensions. Defence companies have been beneficiaries with Bloomberg Modern Global Defense Aggregate Equal Weight Total Return (BMDAET) Index rising 80% YTD. The US dollar has weakened almost 10% YTD while gold has risen 70% during the same period. 	<ul style="list-style-type: none"> Non-US companies, particularly domestic-oriented businesses benefitting from cyclical or secular trends, have shown promise amid diversification. EU's infrastructure and defence players continue to benefit from a renewed focus on growth and national security. Gold is a good hedge against market risk.
Artificial Intelligence	<ul style="list-style-type: none"> The big US tech companies continue to invest heavily in AI which in turn drives demand for power-intensive data centers. Chinese firms have made efforts to close the software gap, which has contributed to a tech boom in China and Hong Kong. 	<ul style="list-style-type: none"> While the Magnificent 7 companies remain dominant, there have been spillover benefits to companies in adjacent sectors like utilities. China's BAT (Baidu, Alibaba, Tencent) or Hangzhou's six little dragons could replicate its success in the EV and solar markets.
Income Opportunity	<ul style="list-style-type: none"> Investors continue to seek income-generating portfolios for earlier and longer retirements. Longer term Treasury yields stay elevated as investors demand higher compensation for undertaking risk in uncertain times. 	<ul style="list-style-type: none"> Short to mid-term Treasuries, developed market investment grade bonds, along with private credit, offer opportunities to earn relatively stable, less-correlated yield.
Aging population	<ul style="list-style-type: none"> Governments in both developed and emerging countries continue to face challenges in trying to come up with pro-family policies to encourage having more children to mitigate a declining birth rate and immigration. Seniors may decide to save more for longer retirement. 	<ul style="list-style-type: none"> Parents may invest more in childcare, educational and entertainment services. Pharma companies continue to invest in R&D to develop new drugs to combat old age illnesses such as Alzheimer's to increase health span.
Climate change	<ul style="list-style-type: none"> Despite President Trump's reversal from prior climate change commitments, a growing number of countries see the need to invest in climate mitigation and adaptation. 	<ul style="list-style-type: none"> More investments are expected in cleaner energy source such as natural gas, and technologies such as carbon capture, nuclear power, smart grids and even geo-engineering.

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