

2026 Mid-Year Investment Outlook

Crosscurrents and Divergence Amidst an Increasing AI Surge



In brief:

- Economic momentum has increased in 2026 as the investment boom from the AI surge and consumption gains from wealth effects and big income tax refunds have more than offset the negative effects of Iran War uncertainty and higher energy prices.
- CPI inflation hit a three-year high of 4.2% in May. However, it could drift down slowly from that level over the rest of 2026, provided there is a durable resolution to the Strait of Hormuz crisis, reflecting lower energy inflation, lower tariffs, lower shelter inflation and only moderate wage growth.
- We expect the Fed to remain on hold for the rest of this year but could ease modestly in 2027, causing the dollar exchange rate to renew its decline.
- Bonds are now priced for inflation and Fed rate hikes, with the short end of the yield curve offering a meaningful yield pick-up versus cash. While the Fed is on pause, the income across fixed income is not – and it is supported by solid municipal, corporate and household balance sheets.
- Stocks are supported by strong earnings due to the AI capex buildout, not by a strong economy. Economic reacceleration mid-year may prompt some rotation, but the climate is still one that favors the AI capex supply chain.
- International stocks are also supported by strong earnings growth driven by secular over cyclical themes. While emerging markets have become another way to invest in the global AI theme, Europe and Japan can offer diversification via themes like defense, corporate governance changes and the end of negative rates.
- Despite the crosscurrents of headwinds and tailwinds, staying on the sidelines has not been the right investment move. Instead, focusing on portfolio basics is key: Appreciate the fundamentals, balance with expectations, concentrate on the concentration and diversify the diversifiers across public and private markets.

Economic growth

Following relatively sluggish growth in late 2025 and early 2026, the U.S. economy is entering the second half of 2026 with increased momentum. Consumer spending is being bolstered by the spending of upper-income households that have seen huge gains in wealth over the past four years, while investment spending is surging as the largest technology companies race to take advantage of the potential of AI. Other parts of demand remain more sluggish, reflecting government cutbacks and the impact of weak demographics on homebuilding and spending on consumer staples. Overall, we expect real GDP growth to accelerate from an average pace of 1.1% growth over the fourth and first quarters to roughly 3% growth in the second and third quarters and then slow down to about 1.5% growth in late 2026.

Stronger growth could be extended into the fourth quarter if the federal government passes further fiscal stimulus before the mid-term elections. However, if, as polls suggest, the Democrats take control of the House of Representatives in those elections, further fiscal stimulus would be unlikely in 2027, allowing the economy to settle down to a 1.5% pace, with stronger investment spending being offset by weak consumer demand.

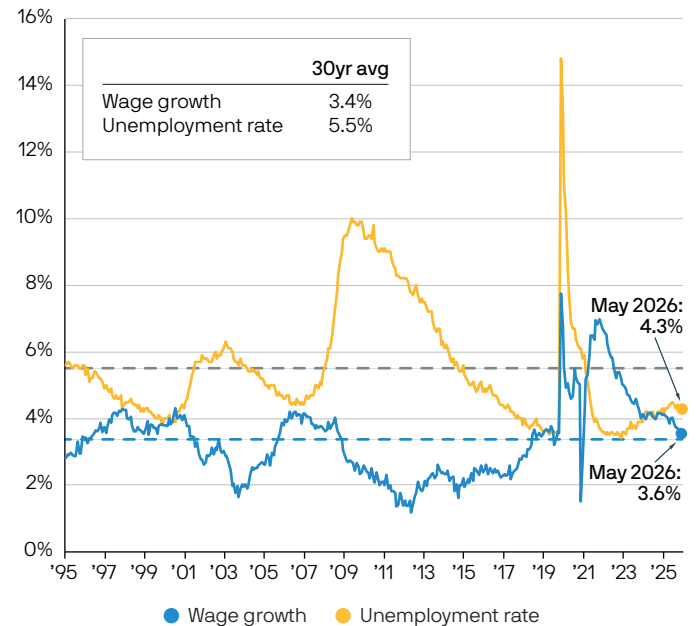
Jobs

The May jobs report showed improved momentum with a 172,000 gain in payrolls for the month and an average gain of 181,000 over the past three months, compared to an average job growth of just 26,000 per month over the prior year. The labor market is tightening again, with the unemployment rate falling from over 4.5% last November to just under 4.3% today. Businesses are still struggling to find qualified workers as witnessed by an increase in those unemployed for six months or more even as short-term unemployment trends down.

Looking forward, we expect employment gains of between 50,000 and 75,000 per month, as solid GDP growth is largely achieved by productivity gains. This should, in part, reflect productivity enhancements from the rollout of AI technology. However, it should also reflect the reality that, with legal as well as illegal immigration down sharply from recent years, the working-age population is now steadily declining, making it ever more difficult to find workers.

Civilian unemployment rate and annual wage growth

Exhibit 1: Private production and non-supervisory workers, seasonally adjusted, %



Source: BLS, FactSet, J.P. Morgan Asset Management. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs. *Guide to the Markets – U.S.* Data are as of June 8, 2026.

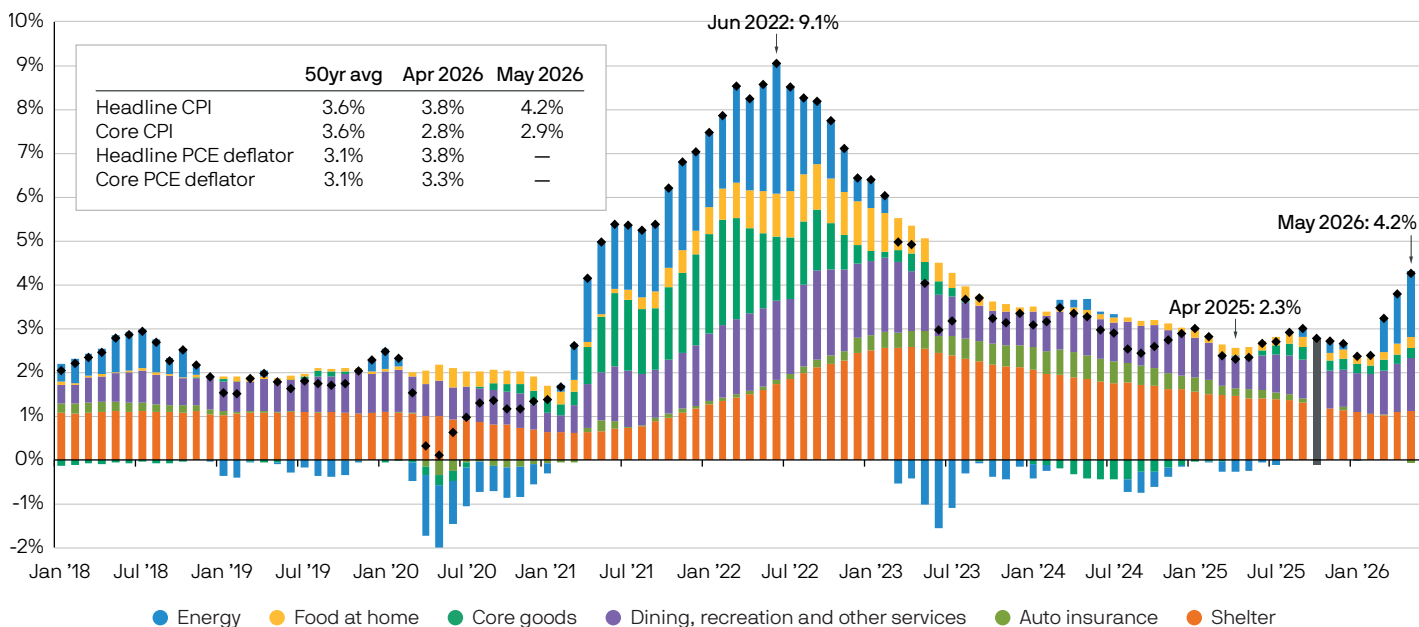
However, despite the tightness of the labor market, workers are not demanding (or, at least, not receiving) big wage gains. Average hourly earnings for all workers rose just 3.4% in the year ending in May – tied with March for the lowest year-over-year increase since pandemic-distorted May 2021 and representing a second straight month of declining real wages on a year-over-year basis.

Inflation

Inflation rose to a three-year high of 4.2% in May, reflecting a further surge in energy prices due to the Iran war. However, we are cautiously optimistic that inflation can begin to trend down from here. Gasoline prices fell in late May and early June, potentially setting the stage for a 7% month-over-month decline in energy CPI in the June CPI report. If this transpires, year-over-year CPI inflation could fall back to 4.1% in June. Moreover, with an interim agreement between the U.S. and Iran to reopen the Strait of Hormuz, the June drop in inflation could mark the start of a long period of normalization.

Contributors to headline CPI inflation

Exhibit 2: Contribution to year-over-year % change in CPI, non-seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. "Food at home" includes alcoholic beverages. Headline and core PCE deflator inflation shown are based on seasonally adjusted data due to data availability. Official October 2025 data unavailable due to government shutdown and data shown are J.P. Morgan Asset Management estimates. Data are as of June 10, 2026.

Such a downward trend would partly be due to falling energy prices. However, three other factors could play a role in bringing inflation back down toward the Fed's long-term objective of 2% PCE deflator inflation.

First, average tariff levels have fallen from an average of 11% of goods imports in the fourth quarter of 2025 to an estimated 7.3% in the three months ended in May. This decline is primarily due to the Supreme Court ruling IEEPA tariffs to be illegal in February. While the administration is trying to rebuild tariff revenue using other authority, both political and legal pressure will likely prevent them from achieving this, reducing cost pressures on importers.

Second, fully 35% of CPI comes from shelter costs, either in the form of rent or owners' equivalent rent. Both of these measures are calculated from a moving average of actual rents paid in the rental market. After a few years of very strong increases in rents, industry data suggest that average rents are hardly growing at all, with Zillow's estimate of average rents on new leases

rising just 1.7% in the year ended in April. This may, in turn, reflect the impact of very weak demographics on housing demand, with the vacancy rate on rental property rising to 7.3% in the first quarter of 2026 – its highest level since the summer of 2017.

Finally, while May represented a second straight month of falling real wages on a year-over-year basis, this does not appear to be leading to more aggressive wage demands from workers. Moreover, productivity gains continue to be solid, with output per hour in the non-farm business sector on track to grow by 2.5% this year, following gains of 2.9% and 2.3% in 2024 and 2025, respectively. These productivity gains, at least for now, are most likely due to the impact of solid output growth in a labor-constrained economy rather than any AI efficiency dividend. Either way, if wage growth remains relatively moderate in a tight labor market with strong productivity gains, the danger of sticky inflation is much reduced.

Profits

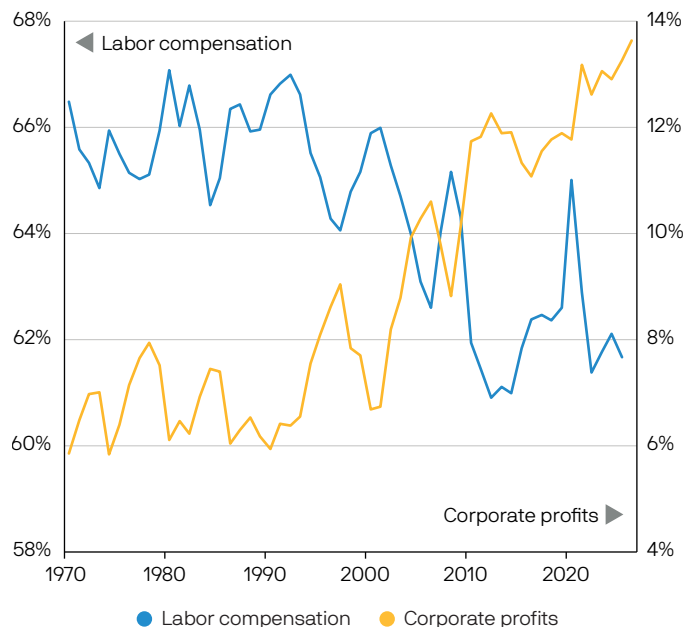
The juxtaposition of strong productivity gains and mild wage increases is also very positive for corporate profits, although both issues are currently being obscured by the impact of the AI boom on corporate earnings.

In the first quarter, the pro-forma earnings of S&P 500 companies rose 27% year-over-year and analysts expect a further 20% year-over-year gain for the second quarter. Technology and communications services were the two strongest sectors in terms of year-over-year earnings growth in the first quarter, although these numbers were boosted by the recognition as current earnings of certain one-time gains in the value of their holdings of private companies.

That being said, the capex boom being fueled by AI aspirations is boosting profitability more broadly, with financials benefiting from more M&A and IPO activity and utilities and materials being boosted by the resource demands of fast-growing data centers.

Labor compensation vs. corporate profits

Exhibit 3: Share of national income, annual



Source: BEA, J.P. Morgan Asset Management. Labor compensation includes wages and benefits. Corporate profits are calculated after tax and with capital consumption and inventory valuation adjustments. *Guide to the Markets* – U.S. Data are as of June 8, 2026.

This earnings surge, in combination with more favorable federal tax treatment, is continuing a surge in after-tax profits as a share of GDP, partly at the expense of labor. In the first quarter of 2026, the adjusted after-tax profit share of GDP was 14%, double the 7% it averaged during the 1990s, while the labor compensation share fell to 61% compared to 66% in the 1990s. This K-shaped pattern in the economy has served investors very well in recent years and seems likely to continue in the short run. However, it does pose a political risk as average households become more resentful of the relative success of richer households and corporations.

Fed

For the Federal Reserve, now led by Kevin Warsh, both the economic outlook and the political environment are challenging. The Fed's twin goals are to achieve inflation at a 2% rate as measured by the personal consumption deflator and to achieve maximum employment, which, based on their summary of economic projections, should correspond to an unemployment rate of 4.2%. In the middle of 2026, they are very close to the second of these goals, with a May unemployment rate of 4.3%, but are seriously overshooting on inflation with the May PCE deflator expected to show a 4% increase.

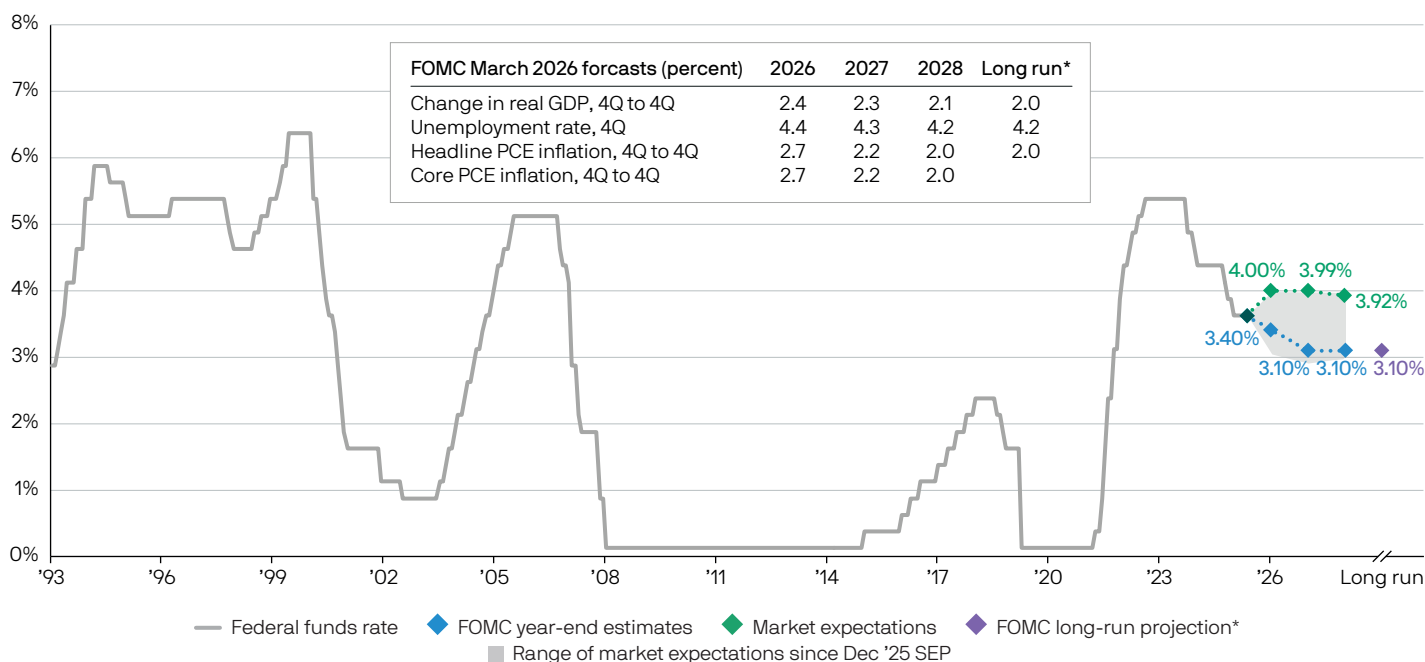
Consequently, futures markets have gone from expecting Fed easing in 2026 to expecting a rate hike before the end of the year. However, this still seems unlikely. Fed officials, like private sector economists, are well aware that inflation should be close to a peak, assuming a resumption of oil flows through the Strait of Hormuz in the weeks ahead.

This being the case, they will likely be reluctant to raise rates to battle an inflation problem that is likely to fade in the months ahead anyway, particularly if doing so further angers an administration that has posed the greatest threat to Fed independence in the central bank's 113-year history.

Consequently, we expect the Fed to hold rates unchanged for the rest of 2026 but potentially consider modest easing in 2027, if both economic growth and inflation fall below 2% year-over-year.

Federal funds rate expectations

Exhibit 4: FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management. Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. *Guide to the Markets – U.S.* Data are as of June 8, 2026.

International outlook, central banks and the dollar

Turning to the global economy, the Iran conflict has, on balance, both slowed economic growth and raised the risk of inflation. Europe seems to be taking the brunt of the damage with composite PMI readings running below 50 in both the UK and the eurozone in May. By contrast, Asia appears to be weathering the conflict better with both China and Japan being able to dip into deep stockpiles of oil inventories while the Indian economy seems relatively unaffected. As with the U.S., a near-term agreement between the U.S. and Iran could provide significant relief to Europe both in terms of growth and inflation. Meanwhile, the global rush to take advantage of AI is boosting the fortunes of technology industries in Taiwan, Korea and China, while beefed up defense spending in Europe should provide the region with much-needed fiscal stimulus.

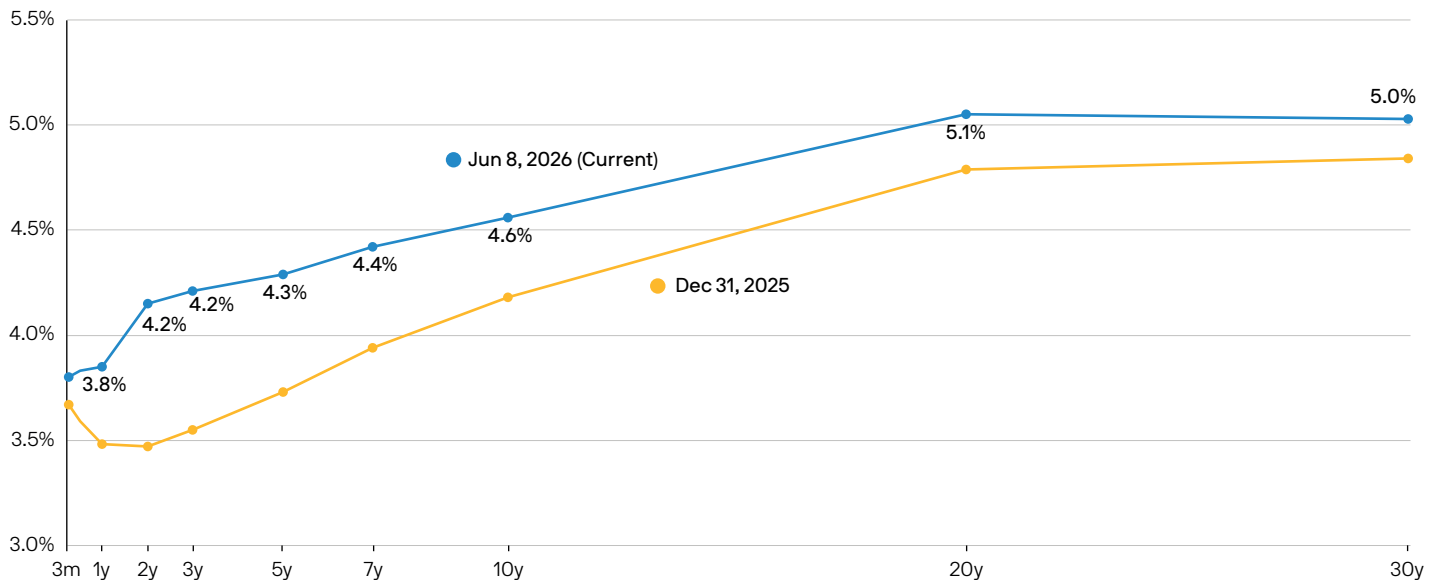
Foreign central banks remain more hawkish than the Fed, with both the Bank of Japan and the European Central Bank poised to hike rates in the months ahead. If they do so, the gap between U.S. and international rates should close, allowing for a resumption of a dollar decline that paused in early 2026 in the shadow of the Iran conflict.

Fixed income: Priced for inflation

While equities remain laser-focused on the AI theme, bond investors continue to focus on the Iran War, its impact on inflation and the hawkish change in tone by some FOMC members. While bond volatility has come down from its March highs, bond yields remain near their highs of the year. Interest rate-sensitive short-end yields have led the move higher (up nearly 70 bps year-to-date), as Fed interest rate expectations have rapidly repriced: from three rate cuts this year to one full hike, with the potential for a second.

U.S. Treasury yield curve

Exhibit 5: Yield by tenor



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of June 8, 2026.

If headline inflation does end up peaking in May, as we expect, investors may well end up pricing out any rate hikes. As a result, the short end of the curve looks attractive. Crucially, two-year yields are now 60 bps above the federal funds rate – a clear incentive for investors to step away from ultra-short cash-like rates. The long end of the curve, however, is likely to remain more jittery for the rest of the year, especially should further fiscal stimulus be introduced ahead of the mid-term elections.

While we expect the Fed to be on hold for the foreseeable future, the income in fixed income is not. While nothing is “cheap” per se, given tight spreads, the all-in yield across the fixed income universe looks attractive: from 5% in investment grade and securitized debt to 6% tax-equivalent yield in municipals and 7% in high yield. Additionally, while the federal balance sheet remains troubling, corporate, household and municipal balance sheets are in good shape.

Within corporate credit, hyperscaler net issuance should remain top of mind for investors as these companies pursue an “all of the above” AI capex

funding model. Given solid starting positions (with net debt to EBITDA of 0.3x versus the investment grade average of 2.6x) and a resilient economic backdrop, spreads overall are likely to remain tight; however, investors should recognize that AI is creeping into the bond side of portfolios as well. Since 2006, the technology sector weighting of the investment grade market has increased five-fold, and it has doubled for high yield. This improves the quality of the corporate credit indices but does create more AI concentration within portfolios.

Given core fixed income’s flat return year-to-date, its role in portfolios may be questioned once again. However, investors should keep in mind that bonds do work as diversifiers if and when concerns about economic growth mount. Eventually, the pendulum of investor concerns will inevitably swing back toward fear. Bonds are not, however, a one-stop shop for diversification, given their difficulty in diversifying inflation risk. For that, portfolios can – and should – look elsewhere.

U.S. equities: Show me the (AI capex) money

U.S. stocks have made 24 new all-time highs so far this year, driven by strong earnings – not a strong economy. Despite near double-digit returns year-to-date, multiples have come down 7% as future earnings expectations have moved up 15 percentage points since the start of the year (as opposed to their usual downdrift). The first quarter earnings season was exceptionally strong, with index-level earnings growth of 27% year-over-year and an above-average percentage of companies beating on revenues and earnings.

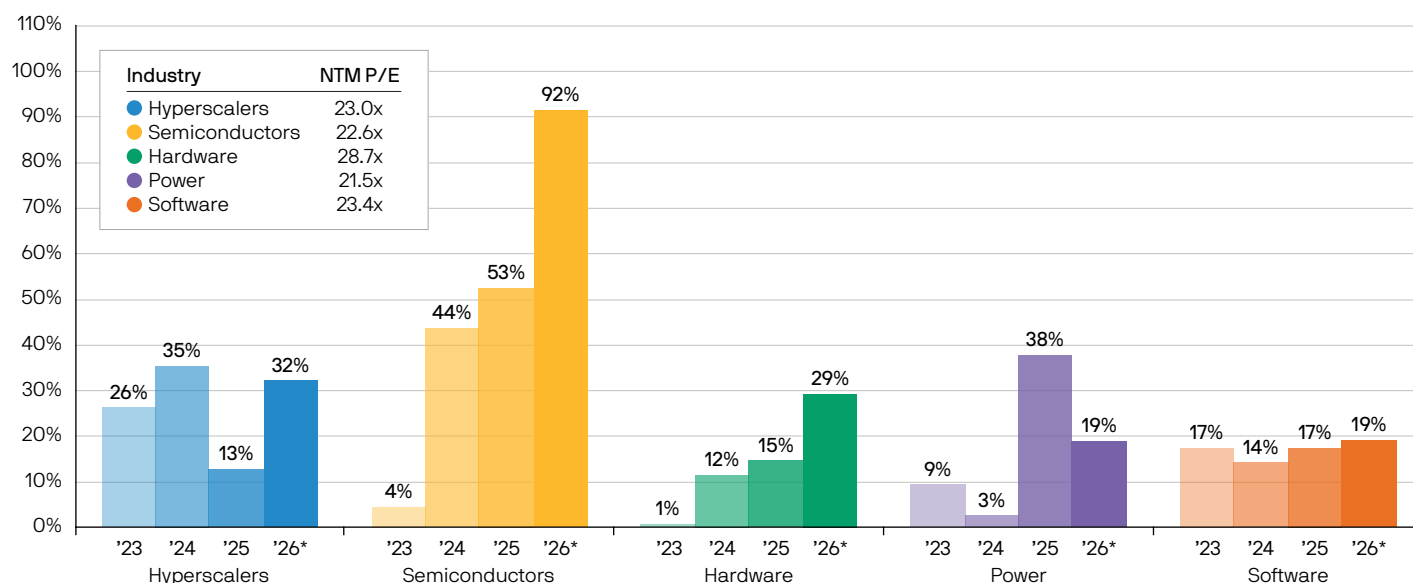
Looking by sector, it's clear the driving force is the AI capex boom rather than any reacceleration in the cyclical economy itself: While technology and communication services have grown earnings by about 50% year-over-year, consumer staples and real estate have only seen 5% and 3% growth, respectively.

Investors are likely to remain myopically focused on the AI secular theme until the economy meaningfully changes directions (for better or for worse). We currently expect a reacceleration in the U.S. economy in the middle of the year, which, combined with a clear resolution of the Iran War, may temporarily cause a rotation within the market. Ahead of it, investors should ensure they have some exposure to areas a bit further removed from the AI capex theme. Financials come to mind given their year-to-date underperformance versus solid 20% earnings growth in 1Q, underpinned by an economy that's "good enough" (with default rates remaining contained from here) and the tailwind of deregulation.

Investors should temper their enthusiasm somewhat about other very cyclical areas of the market. Should growth decelerate again into 4Q and 2027, then the AI theme will reassert its dominance. While the climate still favors AI, investors have already moved on to the next season of the investment theme. A striking statistic sums it up: NVIDIA's suppliers have outperformed NVIDIA's customers by 186 percentage points year-to-date.

AI-related industry earnings growth

Exhibit 6: Earnings growth by industry, year-over-year



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.

*2026 price return is year-to-date, and earnings growth reflects 2026 consensus estimates as provided by FactSet. Hyperscalers is a market weighted composite of AMZN (Sector = Con. Disc, Industry = Broadline Retail), GOOGL/GOOG (Comm. Svcs., Interactive Media & Svcs.), META (Comm. Svcs., Interactive Media & Svcs.), MSFT (Info. Tech., Software) and ORCL (Info. Tech., Software). The remaining categories are based on GICS Industries. Semis = Semiconductors & Semiconductor Equipment (Info. Tech.); Hardware = market weighted composite of Communications Equipment (Info. Tech.), Electronic Equipment Instruments & Components (Info. Tech.) and Technology Hardware Storage & Peripherals (Info. Tech.); Power = market weighted composite of Electrical Equipment (Industrials) and Electric Utilities (Utilities); Software = Software (Info. Tech.). Hyperscalers that fall in category industries are included in both the hyperscaler and that additional category. Past performance is no guarantee of future results. *Guide to the Markets* – U.S. Data are as of June 8, 2026.

Broadly speaking, three key dynamics are likely to hold for the rest of the year:

1. **More scrutiny around each AI capex upgrade:** AI capex dollar spenders (the “hyperscalers”) had outsized returns from 2023 to 2025. This year, their earnings growth remains strong at 60% for the first quarter and an expected 32% for 2026; however, the group is underperforming as questions remain about future returns on AI investment and how it’s being funded. Post-earnings performance has been nuanced, tied to who is upgrading revenues rather than who is merely upgrading capex plans.
2. **Follow the AI capex dollars:** Clearly, AI capex is still in its acceleration phase, so investors have had more confidence in rewarding the AI capex dollar receivers directly. Looking at where earnings growth is accelerating and beating expectations, semiconductors, hardware, power and electrical equipment stand out. Drilling even further down, the winners within semiconductors have broadened from just AI chips to memory and CPUs, where earnings growth is skyrocketing as capacity remains constrained.
3. **More AI capex is great for some, but too much for others:** Investors are eagerly starting to price in the “disrupted” as well as the “disruptors.” Software is a key example, with a substantial sell-off driven by the uncertainty around future business models rather than any change in current fundamentals. Over the rest of the year, investors are likely to apply a more surgical lens, as not all software is created equal.

Increasingly, U.S. equities are tied to the AI theme. The biggest risk for the market is a bad headline from a tech conference, model release, funding round or IPO. Crucially, investors will want to watch how the shift to a per-usage fee model affects the enterprise adoption of AI – and hence the estimates for hyperscaler capex. Given how far the theme has run, any hint of a potential deceleration in AI-related capex can spell trouble for the concentrated U.S. equity market.

International equities: Secular over cyclical themes

Being bullish international is not about being bearish the U.S. For a second year in a row, international is outperforming the U.S. – by 440 bps so far this year after 1,500 bps last year (the best since 2009). The divergence in earnings growth has been closing – and the divergence in valuations and positioning is still wide. Sentiment should continue to improve because of recent performance, with international remaining within the top five Morningstar categories for U.S. investor flows. The expected resumption of the weaker U.S. dollar trend should provide a cherry on top for U.S. dollar-based investors.

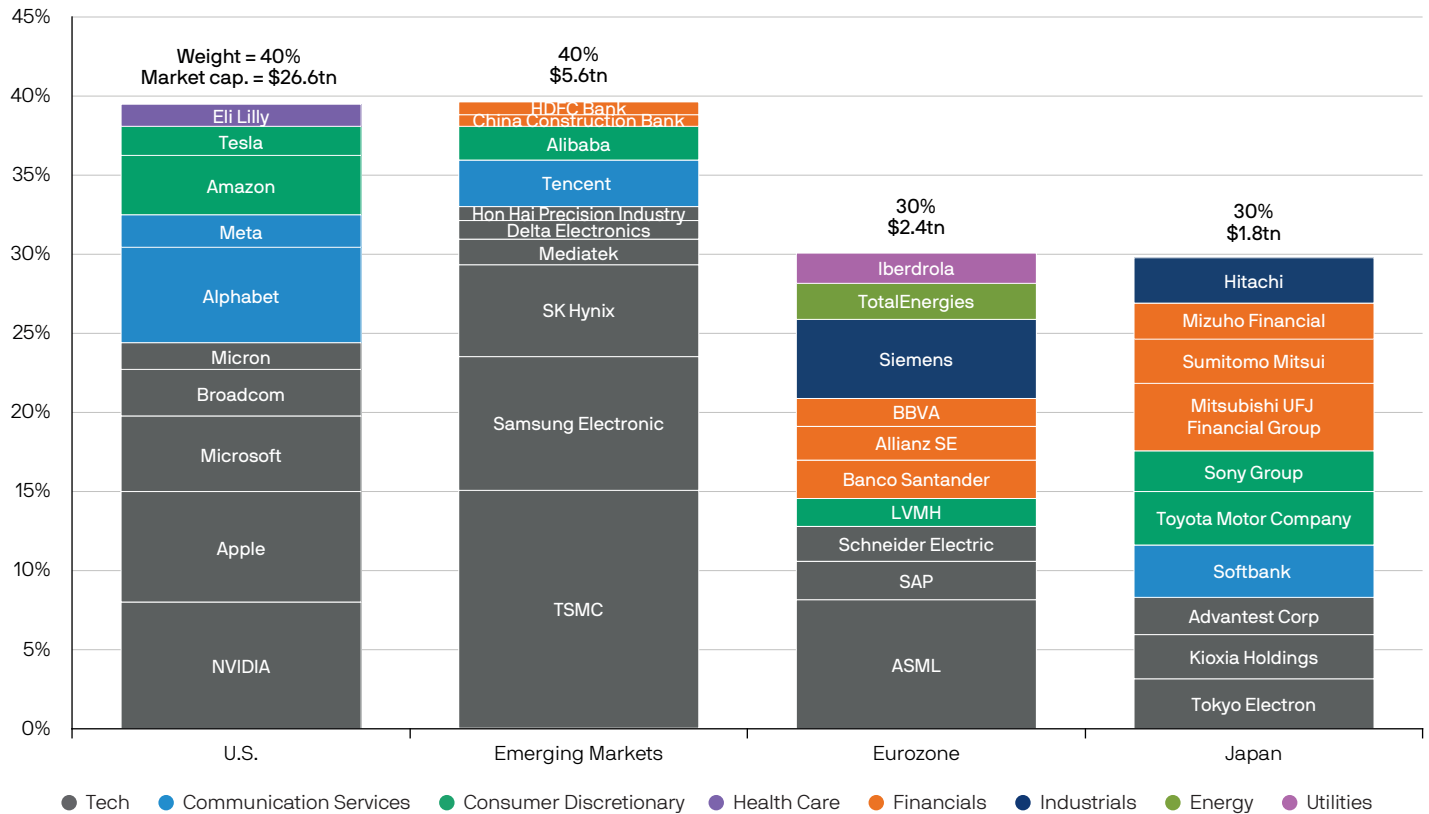
This year, the star region is emerging markets (EM), up 23%, as forward earnings expectations have moved up 36 percentage points. Similar to the U.S., this is being driven by AI capex, as the AI theme has gone global. Asia is at the epicenter of the AI supply chain, with markets like Korea and Taiwan having double the exposure to “hard tech” (like memory semiconductors) versus the U.S. EM has become another way to invest in the AI theme, with technology now making up over 40% of the MSCI EM Index.

As long as there’s enthusiasm around the AI capex acceleration phase, Korea and Taiwan are likely to continue to dominate EM performance. The correlation between EM and the U.S. market has increased, so investors should remember to look elsewhere for diversification from the AI capex theme. Additionally, investors should be careful with the concentration risk that has built up: Just three semiconductor stocks represent about 25% of the EM index and 70% of this year’s EM return.

There’s more to the global AI theme than just three companies: Asia more broadly (including China) has plenty of innovation of its own and leads in the physical application of AI with robotics. Additionally, the region has been seeing a wave of corporate governance changes, which should lift certain markets’ structural discounts as companies focus more on shareholder returns and on boosting return on equity.

Top 10 companies in regional indices

Exhibit 7: Index weight on the first day of the current month



Source: Bloomberg, J.P. Morgan Asset Management. All markets are represented by their respective MSCI index except for the U.S., which is the S&P 500. Eurozone is MSCI European Monetary Union Index. Past performance is no guarantee of future results. *Guide to the Markets – U.S.* Data are as of June 8, 2026.

On the other hand, developed markets ex-U.S. have lagged a bit behind the U.S. this year due to the Iran War. Europe and Japan are net energy importers (and have much less exposure to technology), so they would benefit the most from an eventual resolution of oil flows through the Strait of Hormuz and/or any tech-related sell-off. AI is not the dominant theme, but earnings have also been driven by secular over cyclical themes: fiscal spending on defense and infrastructure, corporate governance reform and the end of deflation/negative rates. This favors the value style, in particular, which can help diversify portfolios by region, thematics and style – something that will be valuable during the next inevitable AI-related equity market correction.

Alternatives: Key to diversifying the offense and defense

This year, private credit has dominated headlines, given a mixture of concerns around certain defaults, the software business model and the illiquidity inherent in the investment vehicles. Despite this, we believe many investors continue to see private markets as integral to a diversified portfolio. However, the recent experience with private credit funds should serve as an important reminder that these are intended to be long-term investments with “semi” liquidity. Additionally, unlike most public markets, each individual alternatives strategy can be radically different from another, with very different risk and reward profiles.

The pull to private markets is the role they can play in diversifying both the offense and the defense in portfolios. On the “offense” side of the equation, private equity (PE) is top of mind this year given the dominance of the AI theme. Year-to-date, AI has dominated 90% of venture capital (VC) deals – and with several large IPOs scheduled for the year, it is likely to dominate exits as well. Depending on how these IPOs perform, other companies are likely to follow suit. Additionally, M&A should continue to pick up pace, as companies race to build the scale needed to compete in today’s economy. As a result, PE and VC funds are likely to finally be able to increase distributions to investors after a dry spell. To diversify the AI theme, small and mid-sized private equity has its advantages: lower valuations, domestic focus, simpler business models and more tried-and-tested value-creation playbooks.

On the “defense” side of the equation, the renewed focus on inflation and potential rate hikes further highlights the importance of adding non-correlated alternatives to portfolios. This includes real assets like real estate, infrastructure and transportation. The latter two, in particular, provide attractive income while also benefiting from two large tailwinds: (1) rising power demand for infrastructure strategies, and (2) rewiring of supply chains for transportation ones. Core infrastructure (which includes power utilities) can add natural diversification to both inflation and any eventual economic downturn, while transportation can act as a natural geopolitical hedge. Lastly, hedge funds also have a lot to offer as diversifiers, and can see alpha pick up given higher rates, elevated volatility and stock price dispersion.

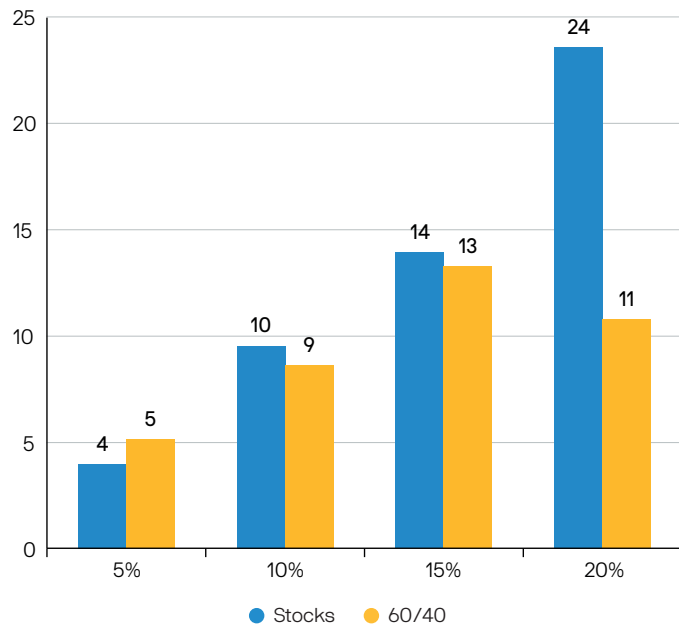
Asset allocation: Back to basics in portfolio construction

Over the course of the rest of the year, investors will have to continue to navigate multiple headwinds and tailwinds. Staying on the sidelines altogether is never the best option: Cash has underperformed a diversified portfolio again so far this year. When times are uncertain, getting back to portfolio basics can help define success versus failure. The “ABCDs” to keep in mind include:

- **Appreciate the earnings/fundamentals:** While the cyclical economy itself may still be “soggy,” there are powerful secular forces keeping corporate fundamentals very strong for certain markets and sectors. Risk assets should remain supported, and investors should continue to follow the earnings in secular over cyclical themes.
- **Balance the earnings with the valuations/expectations:** Given the torrid pace of AI-related industry performance, disappointments may arise not because fundamentals themselves aren’t good, but because expectations have become unbeatable. A periodic setback or correction should be expected, even if the technology itself is revolutionary.
- **Concentrate on the concentration:** Given the divergence in fundamentals and performance, portfolios may have become heavily concentrated in what has been working. The top 10 companies now represent 41% of the S&P 500, and the U.S. represents 64% of global equities. More than that, true diversification away from the AI theme lurking in portfolios has become harder to come by – investors should not overlook international value. Large, embedded capital gains taxes may leave investors feeling like they are losing by rebalancing; however, there are plenty of opportunities to do tax-loss harvesting. During any given year, 75% of S&P 500 stocks sell off 5% or more – and this year is no exception.
- **Diversify the diversifiers:** Equities may be on track for the fourth year in a row of double-digit returns, a record unseen since the 1990s. Meanwhile, core bonds have underperformed cash year-to-date. While we remain optimistic about corporate fundamentals, investors should remember the role that core fixed income plays: lowering overall portfolio volatility and shortening the recovery time after an equity market correction. Since 1988, it has taken stocks an average of 24 months to recover from a 20% sell-off. A 60/40 portfolio has taken half as long: 11 months. That said, we expect bonds to continue to have a positive correlation to stocks from time to time, as inflation remains a concern. As a result, investors should expand their roster of portfolio diversifiers, including hedges to provide downside protection, real assets (real estate, infrastructure, transportation), gold and absolute-return hedge funds.

Average time to recover from drawdowns by portfolio type

Exhibit 8: Number of months to recovery, 1988 - 2025



Source: Bloomberg, FactSet, Standard & Poor's, J.P. Morgan Asset Management. Time in months is calculated based on trading days between drawdown and the subsequent recovery. *Guide to the Markets – U.S.* Data are as of June 8, 2026.

As headlines swing from fear to greed and back again, investors should keep portfolio balance as their North Star and actively steer the ship that way, rather than drift along with the latest market move. Ultimately, diversification is not about maximizing returns in any single regime; it is about increasing the probability of meeting objectives across regimes, especially when the future mix of shocks – growth, inflation, geopolitics and technological disruption – is unknowable.

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