TC STRATÉGIE FINANCIÈRE

Financial Outlook 2026

Between Multiple Bubbles, Systemic Risks and Alternative Strategies

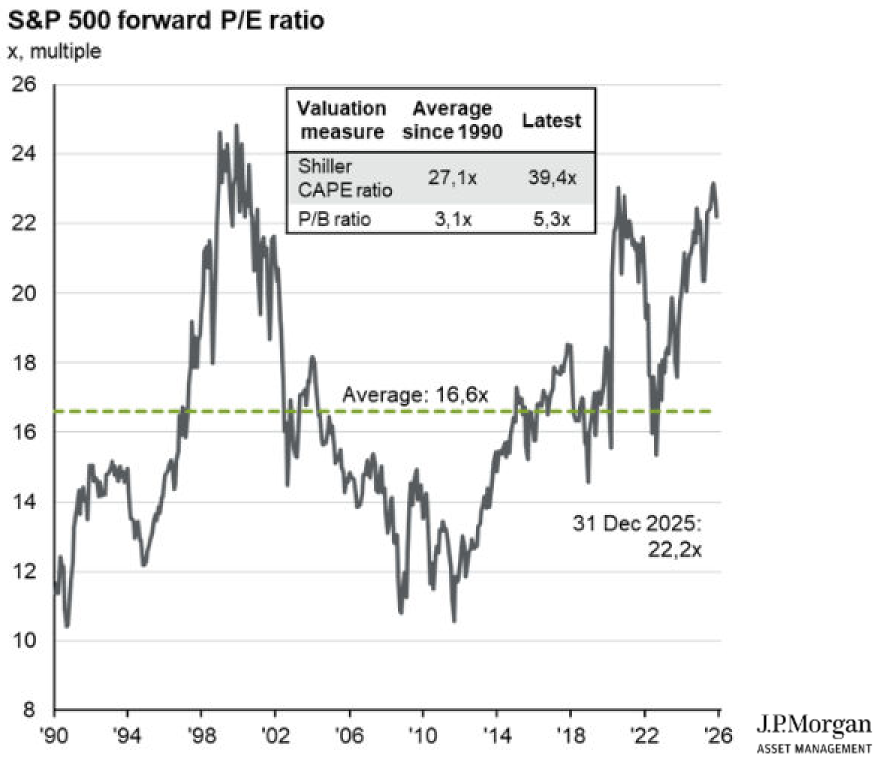
January 2026

A macroeconomic context under high tension

The year 2026 opens with a financial landscape marked by an accumulation of imbalances rarely seen in two decades. This simultaneous accumulation of sector bubbles, balance sheet fragilities and divergent macro signals make strategic management more complex than ever.

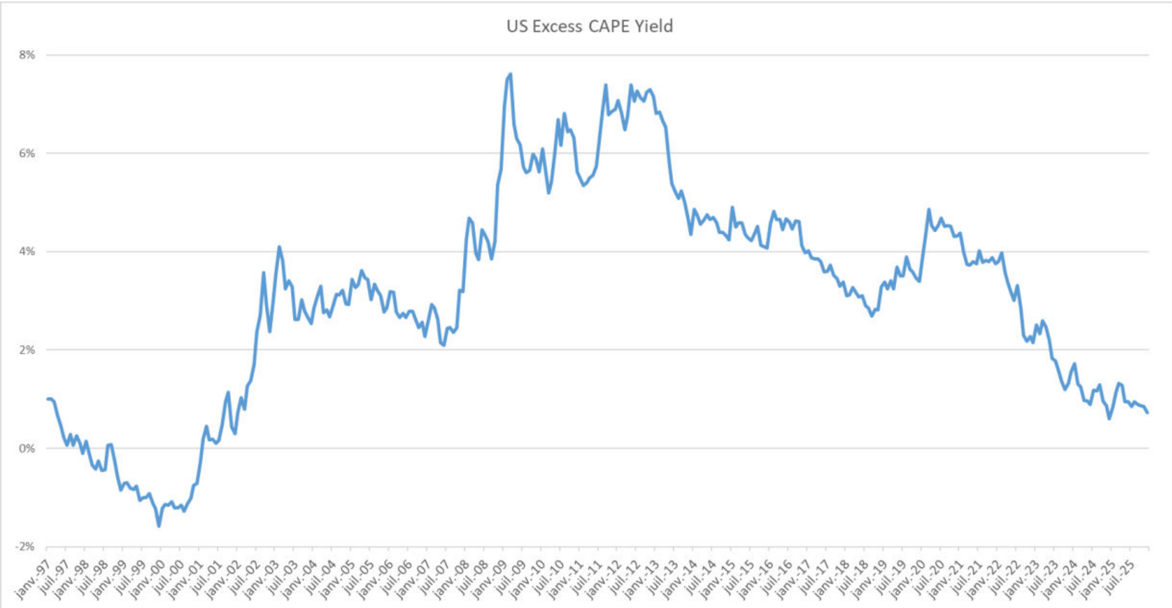
Equity markets, particularly in the United States, are trading at valuations reminiscent of the excesses of the dot-com bubble, driven by an almost limitless enthusiasm for artificial intelligence and its promise of productivity.

This extreme concentration of performance on a few mega-caps creates structural fragility: the slightest disappointment in terms of results or the pace of technology adoption could trigger violent adjustments.



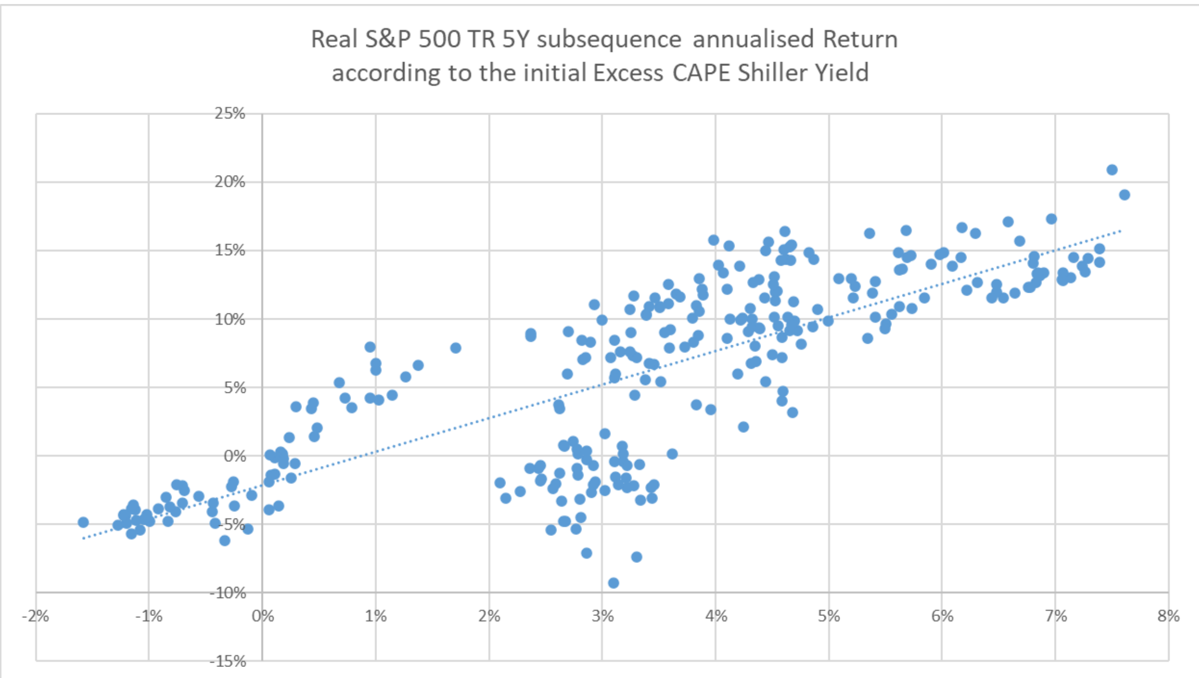
CAPE excess yield (ECY) is a valuation metric that compares the long-term earnings performance of the stock market to real interest rates. It is designed to measure whether equities are attractively valued relative to bonds, not just in absolute terms.

It is currently at 0.73%, the lowest since the end of 2001. This historically low level suggests that US equities offer a real return only slightly higher than bonds, which limits their relative attractiveness and increases their vulnerability in the event of a revision of expectations.



Source / TCSF / Bloomberg

This is a good indicator to predict the real annualized performance (above inflation) of US equities for the next 5 years:



Source / TCSF / Bloomberg

However, not all markets are historically overvalued. Thus, the Emerging Frontier, Eastern Europe, Japan Value and Gold Mines markets are not expensive in relative terms, especially as their growth prospects remain attractive. In addition, these markets are less efficient, good managers can generate Alpha, and they work very well with trend-following strategies.

Name	EV/EBITDA	EV/EBIT	Long Term PE	EV/Sales	PER	Price/Book Value	Dividend Yield
S&P 500 INDEX	17,3	24,3	38,5	3,7	27,4	5,5	1,2
MSCI World Private Equity Return Tracker	14,3	21,4	28,8	2,8	24,3	3,6	1,5
MSCI WORLD	15,1	20,8	33,0	3,0	23,9	3,9	1,6
MSCI WORLD x USA	10,6	15,2	24,0	2,1	17,6	2,3	2,7
MSCI EM	11,1	15,4	24,0	2,2	17,3	2,2	2,3
MSCI JAPAN VALUE	4,3	7,3	20,6	0,8	14,9	1,3	2,8
MSCI Frontier EmMkt	8,2	9,3	18,6	2,1	12,0	1,9	4,3
MSCI Europe Emerging Ex.Russia	5,2	6,5	20,5	1,3	10,4	1,8	4,7
NYSE Arca Gold Miners Ix	9,7	13,1	69,2	5,8	23,5	3,9	1,4

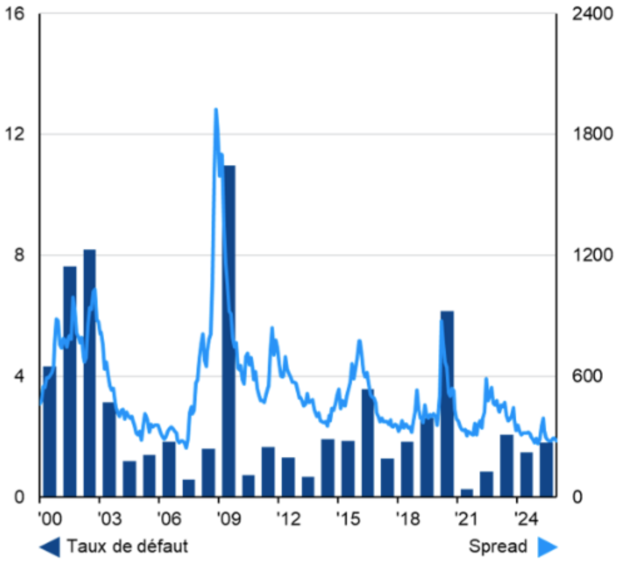
Source / TCSF / Bloomberg

At the same time, credit markets continue to send mixed signals. Spreads remain **abnormally tight** despite a gradual deterioration in corporate balance sheets and a rise in default risks.

The high-yield segment is largely based on the assumption of a favourable refinancing environment, even as monetary conditions remain restrictive.

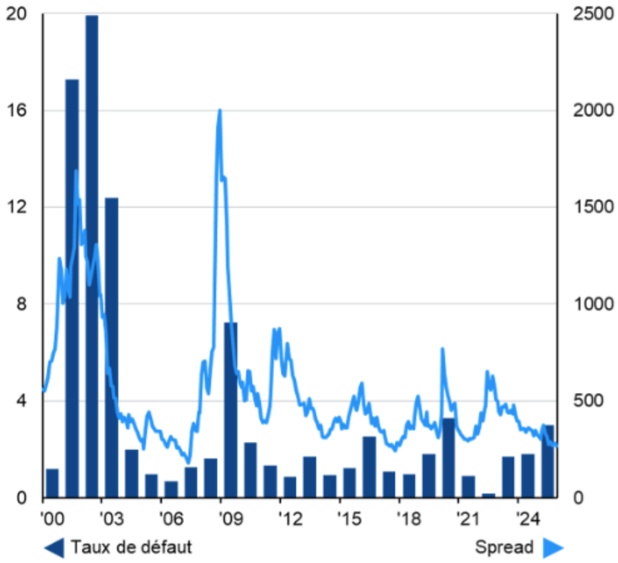
Spreads des obligations américaines à haut rendement et défauts

%, taux de défaut (éch. de gauche) ; points de base, spread corrigé des options (éch. de droite)



Spreads des obligations en euro à haut rendement et défauts

%, taux de défaut (éch. de gauche) ; points de base, spread corrigé des options (éch. de droite)



J.P.Morgan
ASSET MANAGEMENT

Private debt, on the other hand, is probably one of the most underestimated vulnerabilities in the financial system. After a decade of rapid expansion, it now has the characteristics of a late-cycle market (high leverage, covenant-lite structures, concentrated maturities and valuations that are not compatible with an economic slowdown), with an increasing interconnectedness between private funds, regional banks and non-bank vehicles, which could amplify the contagion effects in the event of stress.

Strategic Imperative: Moving from Beta to Alpha

Faced with this configuration, the central question for investors is how **to protect capital while remaining exposed to growth opportunities.** The answer can no longer be based on simple passive exposure to the markets. In 2026, **performance must come more from Alpha**, i.e. the ability to generate returns independent of the general management of the markets, **than from traditional Beta.** In a world where bubbles are threatening and systemic risks are intensifying, passive management is becoming insufficient, even dangerous.

Alternative strategies play a key role in this new configuration. **Commodity Trading Advisors (CTAs) and systematic macro funds**, for example, are particularly well positioned to capture directional trends across different asset classes. Their quantitative approach, based on robust models and strict discipline, allows them to quickly adapt to regime changes and take advantage of market movements, whether bullish or bearish. Historically, these strategies have demonstrated their ability to offer **valuable diversification during periods of stress, turning volatility into opportunity.**

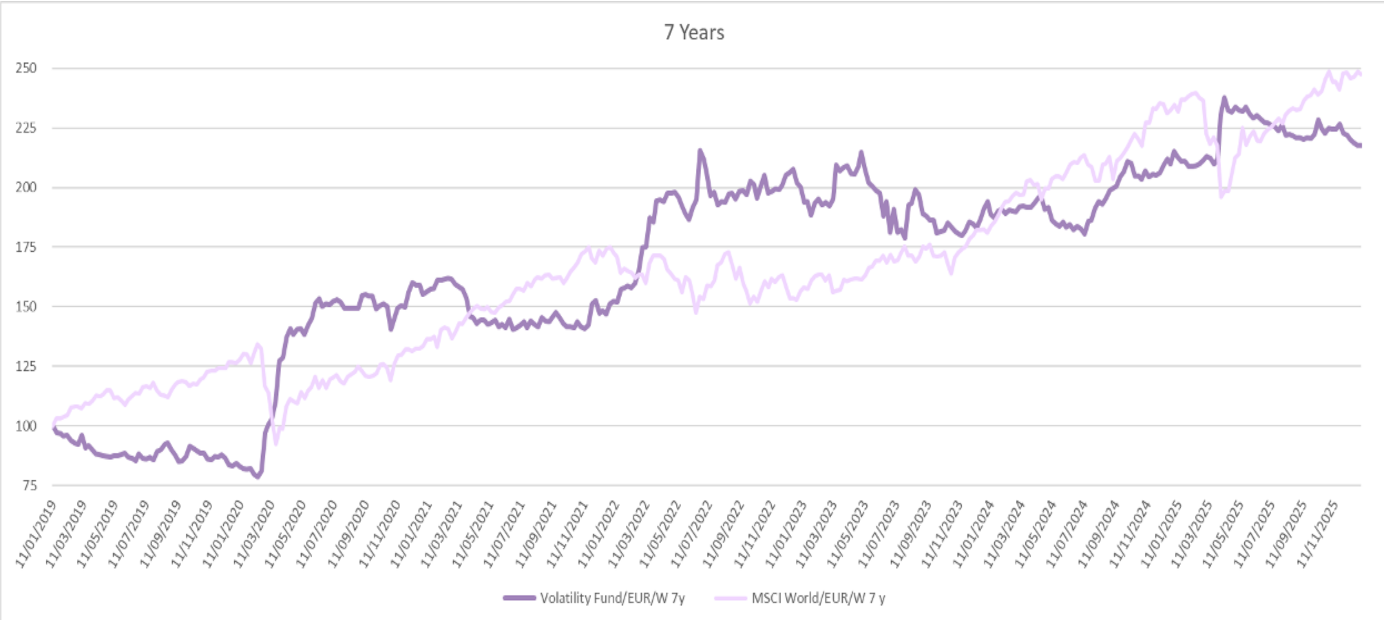
	CTA Fund												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**
2025	-0,25%	-0,62%	2,68%	4,55%	-0,13%	0,15%	-1,53%	0,47%	5,60%	-0,19%	0,70%	2,29%	**14,33%**
2024	1,41%	3,66%	1,49%	2,33%	0,21%	-1,59%	-1,54%	2,10%	2,20%	-1,07%	2,86%	0,62%	**13,25%**
2023	-0,64%	6,85%	-8,29%	1,52%	4,62%	1,33%	-0,85%	1,97%	2,64%	-1,10%	1,65%	-0,24%	**9,05%**
2022	5,27%	2,82%	10,54%	4,78%	-0,07%	1,09%	-0,35%	6,94%	1,75%	1,17%	-0,59%	0,31%	**38,52%**
2021	0,87%	-3,56%	-4,39%	1,76%	-0,01%	1,61%	-0,40%	3,15%	1,84%	2,99%	-2,01%	3,60%	**5,19%**
2020	-0,28%	-0,25%	6,85%	2,08%	2,20%	-2,48%	3,77%	0,05%	2,78%	4,09%	-4,59%	1,65%	**16,48%**
2019	-5,62%	2,94%	4,33%	3,39%	0,39%	5,93%	1,79%	3,23%	-5,65%	-1,90%	-1,20%	2,42%	**9,69%**
2018	2,29%	-1,18%	-0,25%	-1,30%	0,51%	-2,29%	-0,67%	3,97%	-0,08%	-3,95%	-3,31%	-1,91%	**-8,13%**

	Monthly Performance : MSCI World/EUR/W												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**
2025	3,13%	-0,76%	-8,01%	-4,13%	6,06%	0,88%	3,88%	0,33%	2,82%	3,84%	-0,27%	-0,49%	**6,65%**
2024	2,91%	4,63%	3,42%	-2,75%	2,89%	3,35%	0,79%	0,34%	1,00%	0,76%	7,50%	-0,66%	**26,60%**
2023	5,22%	-0,05%	0,63%	0,14%	2,52%	3,63%	2,28%	-0,84%	-1,91%	-2,74%	5,96%	3,62%	**19,60%**
2022	-3,92%	-2,72%	3,72%	-3,29%	-1,45%	-6,41%	10,67%	-2,84%	-6,90%	6,24%	2,66%	-7,62%	**-12,78%**
2021	-0,29%	2,66%	6,71%	2,18%	-0,12%	4,64%	1,80%	2,95%	-2,37%	5,82%	0,56%	3,21%	**31,07%**
2020	0,67%	-7,64%	-13,14%	11,12%	3,22%	1,66%	-0,48%	5,48%	-1,53%	-2,42%	9,83%	1,91%	**6,33%**
2019	7,38%	3,80%	2,74%	3,74%	-5,23%	4,30%	2,79%	-0,96%	3,16%	0,21%	4,00%	1,17%	**30,02%**
2018	1,48%	-2,09%	-2,99%	2,96%	4,15%	-0,07%	2,90%	1,81%	0,73%	-5,02%	1,21%	-8,48%	**-4,11%**

Source / TCSF / Bloomberg

Absolute return strategies are another **key source of Alpha.** Long/short equity funds, relative value strategies and complex arbitrage make it possible to generate returns independent of market cycles. **In times of high valuation dispersion**, as is the case today, these approaches become particularly relevant. They make it possible to **take advantage of the inefficiencies** created by excess liquidity, mimetic behaviour and structural distortions.

Volatility itself should be seen as an asset class in its own right. Volatility buying strategies and option approaches offer **much-needed protection** in an environment where shocks can be sudden and severe. While they may underperform in quiet times, they provide convex gains when markets are tight, acting as **portfolio insurance.**



Source / TCSF / Bloomberg

Geographical and sectoral diversification is also becoming crucial. Equity **markets in frontier emerging countries, Eastern Europe and emerging corporate debt** offer more attractive valuations and structural growth engines that are less dependent on the excesses of developed markets. These segments, often overlooked, can be **uncorrelated sources of alpha**, especially valuable in a bubble-dominated environment, **working very well with trend-following strategies.**

Finally, **real assets**, whether commodities, infrastructure or projects related to the energy transition, provide inflation protection and visibility on long-term cash flows. In a world where public policies massively support energy transition, these assets benefit from a favourable structural framework.

Conclusion

En définitive, construire un portefeuille en 2026 implique de renoncer à l'idée d'un marché linéaire et prévisible. Il s'agit plutôt de **concevoir des allocations capables de résister à la volatilité et surtout aux baisses de marché**, de s'adapter à la fragmentation des cycles économiques et de tirer parti des dislocations.

L'Alpha, la convexité et la diversification constituent les piliers de cette approche. Dans un environnement où les bulles se multiplient et où les risques systémiques s'intensifient, **l'Alpha n'est plus un avantage compétitif : il devient une nécessité absolue.**

Il est également primordial **d'associer des fonds complémentaires** (peu ou pas corrélés), c'est ce qu'on appelle la **diversification qualitative.**

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