Actinver

House View: DECEMBER 2025

2026 Outlook

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2026: Back to Fundamentals for a World in Transition

After a five-year period defined by extraordinary events —pandemic, massive stimulus, inflation, and geopolitical conflicts— during which investors sought refuge in the U.S. economy and markets, 2026 marks the transition into a new cycle. We leave behind imminent recession fears and the absolute dependence on U.S. policy. We enter a stage where investment success will no longer rely on broad market momentum, but on the true fundamentals of each company and country.

While the global economy has shown remarkable resilience, we now face weaker growth prospects in China and the United States, alongside elevated valuations in the U.S. equity market. As interest rates decline toward neutral levels, investors will need to turn to other assets in search of higher returns.

Although U.S. technology companies remain solid, opportunities are emerging in select sectors within the American market. The core argument is that the boom in Artificial Intelligence requires new physical infrastructure (energy, fiber optics, cooling, water). In addition, consumer spending will be key to economic performance in 2026. Regional diversification is also essential. We expect Europe and Mexico to narrow the growth gap with the U.S., while offering more attractive valuations.

Finally, in this “return to basics,” commodities are essential: Copper as a driver of the energy transition and Gold as an indispensable safe-haven asset for resilient portfolios.

House View: 2026 Outlook

		Caution	Positive	Very Positive	Expected Return 2026
Stocks	S&P 500		■		9.6%
	Health		■		7.3%
	Cons. Discretionary		■		11.6%
	Energy		■		8.1%
	Real Estate		■		10.7%
	Financials		■		9.3%
	Industrials		■		9.3%
	Materials		■		6.6%
	Cons. Staples		■		7.4%
	Technology		■		15.9%
	Communications		■		10.4%
	Utilities			■	9.8%
	Global		■		9.1%
	Europe		■		6.4%
	Emerging Markets		■		9.9%
	Mexbol		■		13.1%
FX	USDMXN		■		2.9%
Rates	USA: Short-Term Rate		■		2.1%
	USA: Long-Term Rate		■		5.3%
	MEX: Short-Term Rate			■	12.3%
	MEX: Long-Term Rate		■		10.7%
Commodities	Gold		■		10.3%
	Oil		■		4.9%

1. U.S. Dollar Rates (Short Term)
Positive. Following the expected December cut, we believe the Fed will pause in the first months of the year, creating room to continue benefiting from rates remaining above their historical average.

2. Mexican Peso Rates (Short Term)
Very positive, but time-sensitive. Current yields are slightly above historical averages, although the opportunity is shrinking as Banxico continues to cut rates.

3. Global Equities
Positive. Solid fundamentals in the U.S. and early signs of policy stimulus support returns in line with historical averages. Favorable sectors include Technology, Materials, Utilities, and Healthcare.

4. Mexican Equities
Positive. Expected performance in line with historical averages, supported by Banxico’s rate cuts and economic resilience. Attractive valuations.

5. US Dollar (USD/MXN)
Positive. Forecast at 19.40 for year-end 2026, with potential mid-year pressure during USMCA renegotiations.

6. Gold
Positive. Despite the recent correction, fundamentals remain solid due to central bank demand, falling U.S. rates, fiscal risks, and trade conflicts. Forecast of USD 4,500 for 2026.

7. Oil
Positive. Economic recovery in Europe and stimulus in China will support demand. Forecast of USD 63 per barrel for 2026.

What's Coming in 2026

1)Economy: Major Powers Will Grow Less

United States: Growth aligned with its historical average. Since the end of the pandemic, the world has relied on the U.S. economy as the main engine of global growth, with GDP expanding above its historical average (2.0%). Trump's tariff and immigration policies would push growth back toward 1.9%, driven by consumption, allowing other countries to narrow the gap that widened during the pandemic.

China: Support ready to keep the course. The Asian country no longer grows at double-digit rates and is shifting its economic model from construction investment and low-cost exports toward domestic consumption and specialized manufacturing. To maintain a growth path between 4.0%–4.5%, the government will carefully manage fiscal and monetary support.

Europe: The awakening of the old continent. After several years of subdued growth, we anticipate that the Eurozone economy will accelerate, expanding around 1.2%, supported by broad-based increases in real household incomes and, crucially, Germany's fiscal stimulus focused on defense and infrastructure.

Mexico: USMCA renewal will be crucial to reigniting nearshoring. Mexico enjoys a privileged position, directly benefiting from the reconfiguration of global supply chains. Despite the short-term uncertainty that the USMCA review may generate, we expect integration with the U.S. to continue strengthening, attracting new foreign investment. In addition, since the Federal Government has managed to reduce the deficit, public investment could once again become a positive catalyst for growth. We anticipate GDP expanding 1.6%.

2) Central Banks: The Threat of Inflation Fades, Rate Cuts Will Continue Cautiously

Fears of a sudden surge in inflation due to higher tariffs are starting to fade. This will allow central banks to continue lowering interest rates as they move toward a neutral stance.

In other words, the level of rates will no longer be aimed at slowing economic growth but at keeping it stable. This benefits indebted companies and consumers, while affecting savers and investors.

In the U.S., we expect inflation to settle near 2.5% and the policy rate to fall toward 3.25%. In Europe, inflation will remain around 2.0%, with rates staying unchanged at 2.0%. In Mexico, we anticipate inflation to end near 4.1% and the policy rate to stand around 6.50%.

3) U.S. Dollar: Stabilization After the Sharp Weakening in 2025

The dollar depreciated significantly in 2025 due to growth risks posed by Trump's tariffs and expectations of rate cuts by the Federal Reserve. This helped make the rest of global assets more attractive.

Toward 2026, we believe the diversification of reserves among the world's central banks will continue, reducing demand for the U.S. dollar and increasing demand for gold. The euro and the Mexican peso could maintain their relative strength. However, episodes of volatility may arise for the peso around the USMCA renewal process.

We anticipate the exchange rate at 19.20 pesos per dollar by year-end and the euro at 1.19 dollars per euro.

4) Equities: No Bubble in the U.S., but It's Time to Diversify

2025 ends with uncertainty over whether there is a bubble in the U.S. technology sector. We believe this is not the case because, unlike the 2000 dot-com bubble, today's major tech companies have significant cash flows and real profits. However, given that investment in components supporting the development of Artificial Intelligence applications grew sharply during the year, new strategies will be needed in 2026 to monetize those investments. Therefore, we believe it is time to seek value outside the "Magnificent 7."

Infrastructure: AI Is Here to Stay. In recent years, companies have grown by relying on existing infrastructure. However, for AI to deliver the expected benefits, the infrastructure underpinning its development must expand. We see opportunities in companies involved in stable electric power generation; those providing advanced solutions to keep equipment running under optimal conditions; companies that build facilities to store physical components with immediate expansion capacity; and broadband and fiber-optic infrastructure to ensure massive data transfer between users, firms, and data centers.

Opportunities Outside the US: With U.S. growth normalizing, European equities look attractive given the expectation of increased investment in the region and appealing valuations. Japan's stock market also appears attractive amid a series of reforms and economic support measures being implemented by the new government. Finally, emerging markets — such as Mexico — will continue to be an important source of diversification for global investors thanks to the integration of the national economy with that of North America.

Commodities: Commodities once again become essential in portfolios, not only as protection during risk episodes but also due to structural changes in the global economy.

Gold: It remains the go-to asset to hedge against geopolitical risks and dollar weakness. Stronger central bank demand supports the positive trend.

Copper: The energy transition and AI infrastructure require massive amounts of copper. A continued supply deficit is expected, which would keep prices rising.

Global Equities

Forecasts

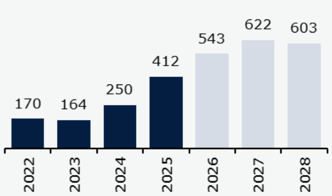
Global EquitiesForecastsOur models suggest that the S&P 500 could reach 7,500 by the end of 2026, a level very similar to the consensus among strategists and above the 6,800 points at which it was trading at the end of November.

Throughout 2025, companies linked to artificial intelligence — such as Amazon, Google, Microsoft, Nvidia, Broadcom, and Meta — have significantly outperformed the rest of the S&P 500. Their advance has pushed the index to trade at 24.9 times earnings, above the historical average of 17.5. Since they now account for nearly 30% of the index’s total value, calculating an equal-weight S&P 500 brings the valuation down to 19.6 times, suggesting that the most attractive opportunities lie outside this group.

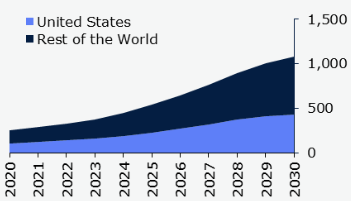
Technology Infrastructure and Data Center Expansion

In 2026, data center infrastructure expansion plans are expected to intensify—from USD 412 billion in 2025 to USD 543 billion by the end of 2026. This will prompt investors to seek returns in companies connected to each phase of this expansion cycle. In addition, according to forecasts from the International Energy Agency, the electricity required by data centers will continue to grow over the next five years.

Capital Investment
(USD billons); 2025



Elictricity Consumption of Data Centers
(Terawatts-hour)



For this reason, our models have identified four phases of the expansion, with companies that have attractive expected returns relative to the S&P 500. Opportunities are grouped into four stages of data center growth: **1) Electrical Infrastructure:** Eaton, Vistra, Constellation Energy, and GE Vernova, which supply power through electric plants, turbines, or systems that ensure continuous power delivery. **2) Networks and Connectivity:** Arista Networks, American Tower, and Palo Alto Networks, which provide modems, antennas, fiber, and communication equipment that enable fast and secure data transmission. **3) Cooling Systems:** Digital Realty, which uses industrial air conditioning and thermal solutions to maintain appropriate temperatures and prevent overheating. **4) Servers:** Nvidia and Dell, which manufacture chips, compute cards, and the computers where all data is actually processed.

Normalization of Consumption Patterns

The boost in U.S. consumption could be reflected across various segments. Opportunities are concentrated in four trends. **1) Quality vs. Discount:** Costco, P&G, and Mondelez, supported by consumers’ preference for trusted brands. **2) Experience Seeking:** Airbnb, Uber, Nike, and Comcast, driven by increased spending on travel and entertainment. **3) Wealth Management:** Interactive Brokers and Robinhood, benefiting from rising interest in investing. **4) Payment Systems:** Visa and Mastercard, which gain from increased transaction volumes.

Local Equities

Forecasts

We update our IPC forecast to 71,000 for the end of 2026. Despite strong YTD performance (approx. +25% in MXN and +45% in USD), we continue to find the Mexican equity market attractive due to valuation levels below the 5-year average (in EV/EBITDA and P/E terms) and compared with most peer markets. On the upside, we see catalysts in a positive USMCA renegotiation, better weather conditions versus 2025, and a larger positive impact from the FIFA World Cup 2026. On the downside, risks include increases in the minimum wage, higher excise taxes (IEPS), and slower growth in Southern Mexico.

Sector Outlook

In Consumer, the World Cup could contribute meaningfully to companies such as Arca Continental (23% of matches will be played within its operating territory), Alsea, KOF, Becle, and FEMSA, among others. In Supermarkets, we continue to view Chedraui favorably due to expected profitability improvements, and in Health & Personal Care we prefer Genomma Lab. With overall moderate consumption, consumers are becoming more selective, seeking savings across multiple product categories, and favoring spending on services over goods. These companies appear best positioned in that environment.

We believe **cement companies** CEMEX and GCC are well-positioned to capture higher public and private investment in key sectors such as railways, highways, housing, and infrastructure related to technology. Additionally, economic growth in the U.S. could support a recovery in volumes, alongside increased infrastructure spending.

Within sectors that may benefit from the USMCA renegotiation, **Transportation and Logistics** stands out, after being partially affected in 2025 by uncertainty related to U.S. tariff increases. In Air Transport, the World Cup could play a major role, with airlines benefiting from improved pricing power — positioning VOLARIS as a key player.

Another sector likely to benefit from the USMCA renewal is **Industrial Real Estate**. This would add to already robust operating metrics and stable, inflation-indexed revenues across stabilized portfolios. The current macro backdrop is also favorable: falling interest rates in both the U.S. and Mexico have enabled companies to refinance debt at lower costs, improving their financial profiles and increasing the relative attractiveness of dividend yields. In this context, we consider FMTY, VESTA, and FIBRAPL to be the best-positioned companies to capitalize on opportunities in both growth and refinancing.

For **Hotels & Hospitality**, we expect a constructive year due to temporary benefits from the World Cup. Rising hotel demand can be monetized through commercial strategies built around higher rates and occupancy levels. Within the sector, we highlight FINN, given its high exposure to internationally recognized hotel brands and to Mexico’s northern region.

Summary of 2025

United States: From Tariff Chaos and the Tech Rebound to the Fed's Dilemma

An economy resilient to tariffs

The beginning of 2025 was marked by uncertainty surrounding Trump's second administration. Despite expectations of a more moderate trade policy compared to campaign rhetoric, the aggressiveness of new tariffs on key partners (Mexico, Canada, China) starting in February—and on the rest of the world in April—triggered a broad market contraction.

The Nasdaq and S&P 500 posted declines of roughly –25% and –21%, respectively, severely impacting the technology sector given its dependence on Asian supply chains.

However, after a tariff pause and the strategic corporate responses of inventory accumulation and supplier relocation, the impact on the economy and inflation proved smaller than expected.

The focus quickly shifted back to fundamentals. Strong corporate earnings reports and the momentum from Artificial Intelligence fueled a powerful rally, with the Nasdaq rebounding more than +50% between April and October 2025 (the S&P 500 gained more than +36% over the same period).

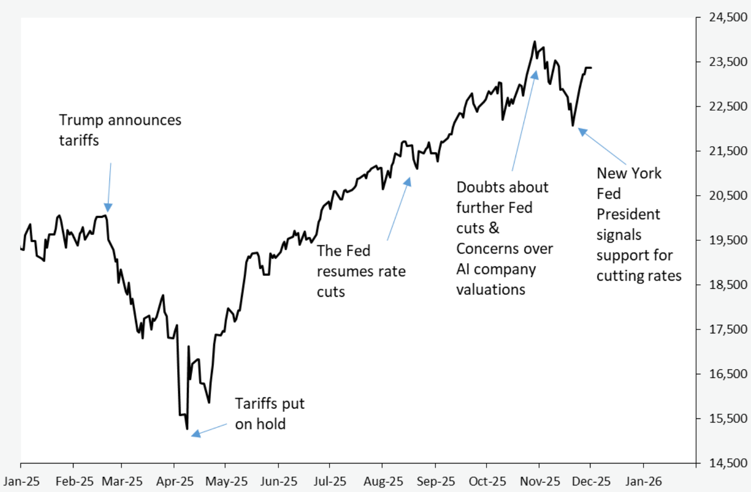
The Fed's dilemma: continue with rate cuts?

With inflation contained (near 3.0%) and the labor market showing signs of cooling, the Fed resumed cuts, delivering adjustments in September and October. However, the December cut remains uncertain.

Following the recent U.S. government shutdown, initial data show surprising economic strength and a rebound in job creation. With inflation still above the 2.0% target, the room for continuing cuts has narrowed.

The market still expects that—even if there is a pause in December—rates will continue falling toward 3.25% by the end of 2026. We agree with that endpoint but differ on the timing: current economic resilience leads us to project that cuts will be delayed until the second half of 2026, reflecting a more cautious approach.

Nasdaq (Points); Nov-28, 2025



Mexico: Fiscal Consolidation and Economic Weakness, Not Recession

The year 2025 began under the expectation that tariffs imposed by the Trump administration would push Mexico into a recession. However, the country's competitive advantage was reaffirmed thanks to the USMCA, which kept 85% of exports to the U.S. tariff-free.

This structural protection improved Mexico's standing relative to other emerging markets, making local assets more attractive. **The Mexican Stock Exchange** initially saw a -9% drop between February and April, but quickly reversed course, reaching new all-time highs and delivering a +27% gain from April through late November.

On the macroeconomic front, the Federal Government **prioritized fiscal stability**. A significant spending adjustment reduced public debt from 6% of GDP (2024) to 4% (2025). This required a cut in public investment, leading to moderate economic growth; our projection for year-end GDP stands at 0.4%.

The Ministry of Finance, in coordination with the Ministry of Energy and Pemex, unveiled a plan to ensure that the state-owned oil company meets its short- and medium-term financial obligations. This generated a positive reaction from rating agencies, leaving **Pemex one step away from regaining Investment Grade status.**

The convergence of these positive factors strengthened the exchange rate, with the **Mexican peso appreciating 15% against the US dollar** so far this year. We expect the peso to close 2025 near 18.50 per dollar.

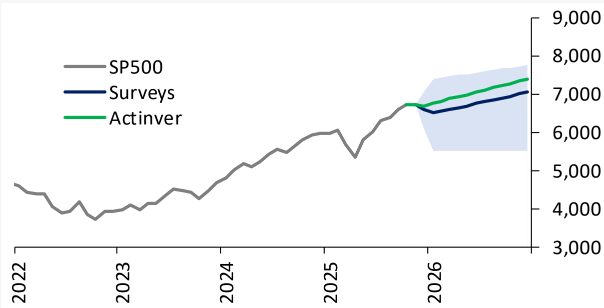
With a stable exchange rate and abundant rainfall, inflation returned to Banco de México's target range. This allowed the central bank to cut its policy rate from 10.00% to 7.25% (excluding the anticipated December cut). Given the fiscal adjustments planned for next year, we expect Banxico to proceed cautiously. Our projection is for a pause in rate cuts during the first half of 2026, **ending the year with the policy rate near 6.50%.**

Markets Performance in November

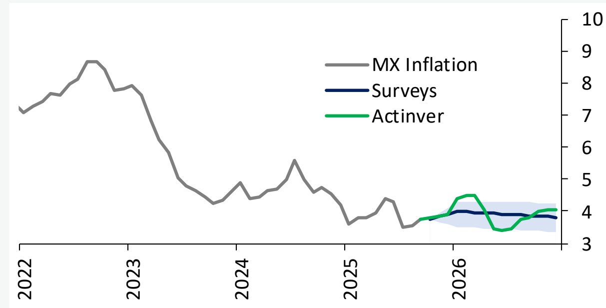
	Level 28-nov	October	November	Accummulated 2025
Stock Markets				
IPC	63,597	-0.2%	1.3%	28.4%
S&P 500	6,849	2.3%	0.1%	16.4%
Health Care	158	3.7%	9.3%	14.6%
Materials	89	-4.4%	4.4%	6.3%
Consumer Staples	79	-2.7%	4.1%	1.0%
Energy	90	-1.4%	2.6%	5.6%
Real Estate	42	-2.9%	1.9%	2.5%
Financials	53	-2.8%	1.8%	10.3%
Utilities	91	2.2%	1.7%	19.7%
Communication	115	-3.0%	0.5%	19.2%
Industrials	154	0.5%	-0.9%	16.6%
Disc. Consumption	236	0.1%	-1.4%	5.4%
Technology	286	6.7%	-4.8%	23.1%
NASDAQ	23,366	4.7%	-1.5%	21.0%
Currencies				
USDMXN	18.29	1.3%	-1.4%	-12.2%
Rates				
MX 10y	8.90	3.5	5.0	-153.7
US 10y	4.02	-4.9	-8.2	-55.3
Commodities				
Gold	4,231	3.7%	5.7%	60.2%
Oil	58.6	-2.2%	-4.0%	-18.4%

Expectations

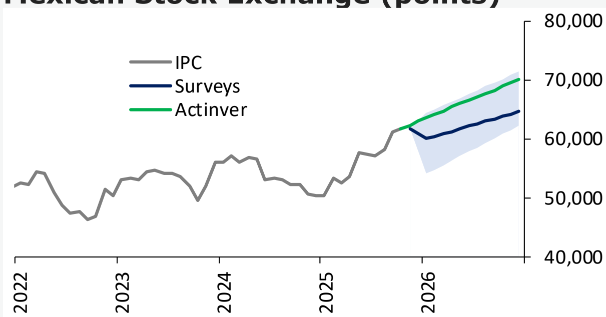
S&P 500 (points)



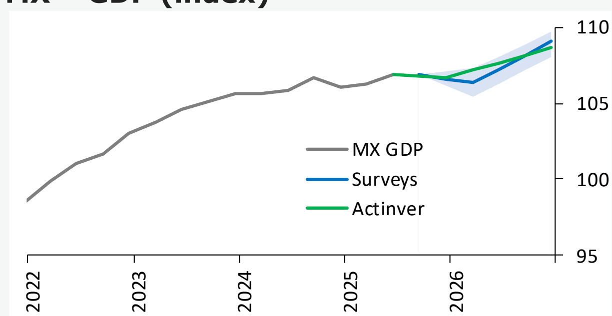
MX - Inflation (%)



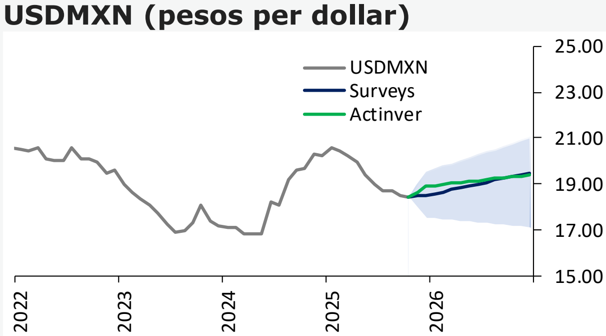
Mexican Stock Exchange (points)



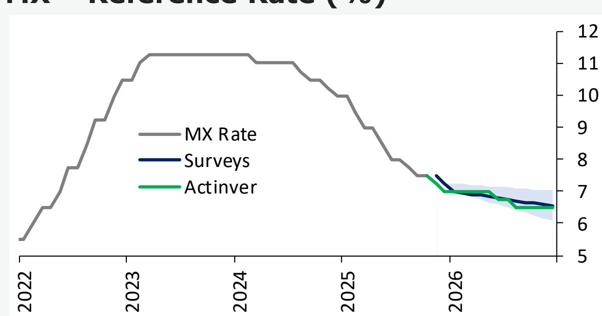
MX – GDP (index)



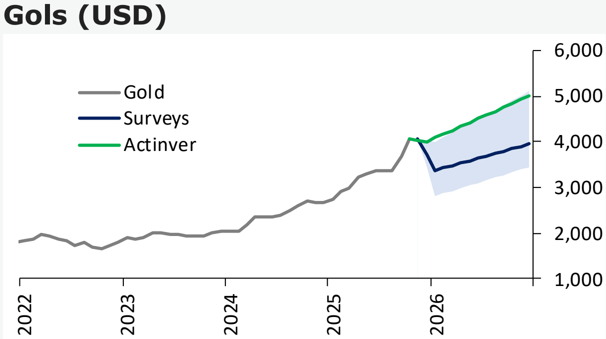
USDMXN (pesos per dollar)



MX – Reference Rate (%)



Gols (USD)



	2023	2024	2025	2026
Mexico				
GDP (% YoY)	**3.1**	**1.5**	0.4	1.6
Headline Inflation (%)	**4.7**	**4.2**	3.8	4.1
Core Inflation (%)	**5.1**	**3.7**	4.2	4.5
Reference Rate (%)	**11.25**	**10.00**	7.00	6.50
USDMXN (pesos per dollar)	**16.95**	**20.82**	18.50	19.20
USA				
GDP (% YOY)	**2.5**	**2.6**	1.8	1.9
Inflation (%)	**3.3**	**2.9**	3.9	2.4
Reference Rate (upper bound, %)	**5.50**	**4.50**	3.75	3.25
EURUSD (dollars per euro)	**1.10**	**1.04**	1.17	1.19
Markets				
S&P 500 (points)	**4,770**	**5,882**	-	7,500
MSCI Europe (points)	**2,020**	**2,003**	-	2,700
Mexican Stock Market - IPC (points)	**57,386**	**49,513**	-	71,000
Gold	**2,072**	**2,641**	-	4,500

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September 30, 2025 | Update

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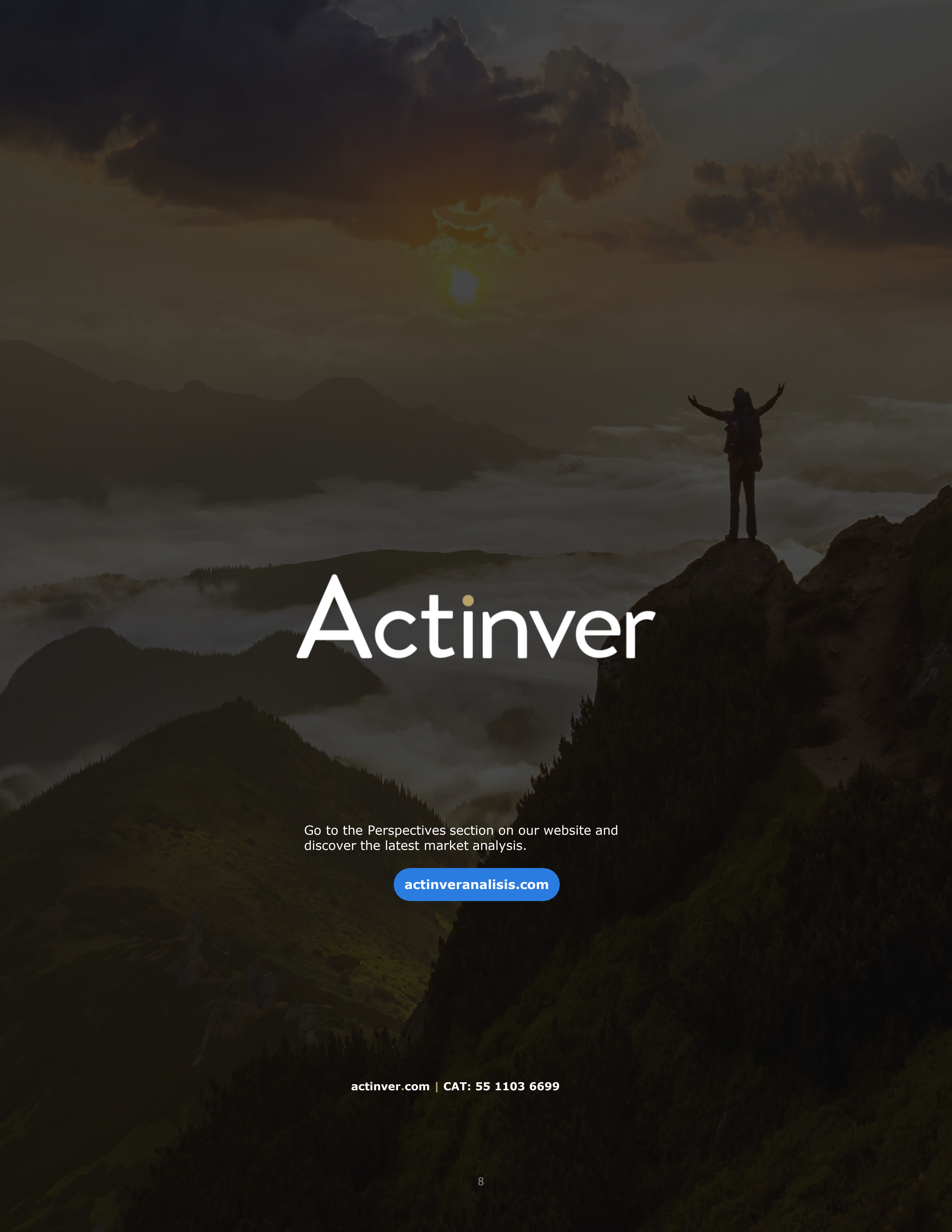

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