

Invesco Releases 2026 Midyear Investment Outlook Focused on Resilient Economy

Economic data suggests resilience endures and provides a favorable investment environment for the rest of the year.

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ATLANTA, June 15, 2026 – Invesco released its 2026 Midyear Investment Outlook, with expectations for the global economy to re-accelerate in the second half of the year.

The first half of 2026 was marked by a series of disruptive forces including geopolitical fractures and an upset of energy and commodity supplies. Despite these challenges, the economy remained resilient and corporate earnings have been strong, led by the technology sector and the artificial intelligence (AI) investment boom.

The Invesco Strategy & Insights team expects the global economy to re-accelerate in the second half of 2026, dependent on the timing of any resumption in energy flows through the Strait of Hormuz.

“While recent events have delayed some of the trends we anticipated at the start of the year, they have not derailed them,” said Brian Levitt, Chief Global Market Strategist at Invesco. “In a world undergoing immense disruption, the economy has demonstrated signs of resilience. Private-sector balance sheets are stronger than in past cycles, and policy shifts may help support a gradual reacceleration in investment and spending. We believe this combination of disruption and durability continues to shape a constructive, though evolving backdrop for investors.”

Key Investment Themes to Watch

The Strategy & Insights Team believes the themes that will matter most for investors in the second half of the year include market resilience, the US dollar, emerging markets, AI, and alternatives for income potential and diversification.

- **Market resilience.** Most major asset classes have delivered positive returns so far in 2026 despite periods of volatility. This is a reminder of the value of staying invested in the face of uncertainty. Resumption of traffic through the Strait of Hormuz will likely be met by a strong cyclical bounce led by emerging market (EM) and European markets. US stock and bond markets will likely perform well, too, but lag in cyclical areas such as materials and industrials.
- **US dollar weakness.** A core tenet of our 2026 Investment Outlook was that the US dollar would weaken this year. The Strategy & Insights team maintains that view and believes the dollar remains one of the more overvalued currencies on most measures. In this environment, the Outlook favors equities in non-US markets, especially EM.
- **Artificial intelligence.** The AI story remains a dominant theme for markets and many economies around the world. The impact and best way to get exposure to this theme,

however, appears to be changing. The Outlook favors exposure to semiconductors and hardware players and takes a more cautious view on software companies

- **Alternative sources of income and diversification.** With inflation expected to remain above pre-pandemic norms in many developed economies, the Outlook highlights opportunities in real estate and private credit. Direct lending, bank loans, and AAA-rated collateralized loan obligations may offer diversification benefits in the current environment.

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Commodities may subject an investor to greater volatility than traditional securities such as stocks and bonds, and can fluctuate significantly based on weather, political, tax, and other regulatory and market developments.

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In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

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Inflation is the rate at which the general price level for goods and services is increasing.

The opinions referenced above are those of the author as of May 31, 2026. The opinions expressed are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals. These comments should not be construed as recommendations, but as an illustration of broader themes. Forward-looking statements are not guarantees of future results. They involve risks, uncertainties, and assumptions; there can be no assurance that actual results will not differ materially from expectations.

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