Economic Outlook

Your monthly digest on economic trends.

Global Outlook

Global growth is expected to remain moderate but uneven across regions in 2026 as geopolitical tensions, elevated uncertainty, and tighter financial conditions weigh on activity. Trade and investment activity are also likely to remain subdued amid continued volatility and uncertainty, with economies benefitting from technology investment and those exposed to energy shocks the most impacted. Inflation is expected to remain above target for longer in many economies as higher energy and commodity prices have stalled the disinflation process. Further to this, renewed U.S.-Iran tensions have increased upside risks to inflation and downside growth risks, although continued investment and a normalization in trade activity could provide some support. We remain attentive to developments that could affect the balance of risks to the outlook.

United States

The U.S. economy is expected to grow at a modest pace, supported by resilient domestic demand and continued business investment. Progress on inflation is likely to remain slow as higher energy costs and lingering price pressures keep inflation expectations elevated, leading policymakers to maintain a cautious monetary policy stance. Additionally, consumer spending remains relatively resilient, while labor market conditions have softened somewhat but continue to support economic activity. Persistent geopolitical tensions could sustain higher fuel prices and tighter financial conditions, while policy uncertainty, and slower private investment outside the technology sector could pose risks to the outlook. We will continue to keep a close eye on incoming data and policy developments for signs of changing risks and opportunities.

Latin America, the Caribbean, and Trinidad and Tobago

The outlook remains moderately positive for most countries, supported by tourism recovery, remittance inflows, and stronger commodity prices. Growth, however, may face headwinds from climate-related shocks, elevated financing costs, and weaker external demand. For Trinidad and Tobago, higher oil and gas prices linked to Middle East tensions should strengthen export earnings, fiscal revenues, and external balances in the near term. However, the economy remains highly dependent on energy-sector performance and global commodity markets, leaving it exposed to external shocks. While elevated energy prices provide short-term support, limited diversification and structural constraints continue to weigh on growth prospects. We remain focused on regional and global developments that may shape investment conditions across our markets.

Asset Class	Average Maturity (Yrs)	Yield (%)	1M Return (%)	Year to Date Return (%)
U.S. Treasuries	4.09	4.47	-0.20	-0.31
Investment Grade	4.01	5.15	-0.23	0.52
High Yield	4.03	7.28	-0.20	2.68
EM Sovereign (USD)	4.01	5.90	-0.14	2.07
S&P 500	-	1.06	2.62	12.28

Data as at 08/31/2026

Unless otherwise specified, returns are index returns

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