Economic Outlook

Your monthly digest on economic trends.

Global Outlook

The global economy is expected to moderate but remain broadly resilient. The outlook, however, has become more uncertain as escalating geopolitical tensions, most notably conflict in the Middle East, have raised the risk of weaker than anticipated activity. While inflation has been trending closer to target across most regions, renewed energy pressures are likely to slow the pace of disinflation and monetary policy easing. Trade and investment also remain fragile though modest improvements may be seen, if uncertainty declines. Downside risks remain, most notably from a potential further escalation in geopolitical tensions, supply disruptions and upside risks to inflation. Upside potential also remains but is dependent on conditions stabilizing. We will continue to monitor global developments and adjust as conditions evolve.

United States

U.S. GDP is projected to moderate amid an anticipated slowdown in income growth and consumer spending, which may be further compounded by higher energy prices which weigh on demand. Disinflation is also to continue progressing slowly, as higher oil and gas prices reinforce upside risks to inflation. The central bank has adopted a more hawkish stance as a result. With the balance of risks shifting, the U.S. outlook remains sensitive to geopolitical shocks and policy uncertainty. We will continue to track developments closely, as these will shape the overall risk environment for diversified portfolios.

Latin America, the Caribbean, and Trinidad and Tobago

The region is expected to growth at a measured pace, supported by tourism and remittances flows. External vulnerabilities are also anticipated to persist amid tighter financing conditions and market and climate related shocks. A continued elevation in oil prices may also sharpen a divergence among countries with energy exporters likely benefiting. For T&T, higher oil and gas prices may strengthen near term growth prospects and revenues. However, with production volumes declining, heightened geopolitical tensions highlight the importance of economic diversification. Persistent forex pressures, and higher public debt also continue to weigh on the outlook. We will closely track energy-market developments and fiscal policy changes, as these factors will be key when assessing regional investment prospects.

Asset Class	Average Maturity (Yrs)	Yield (%)	1M Return (%)	Year to Date Return (%)
U.S. Treasuries	4.07	3.90	-1.27	-0.03
Investment Grade	4.07	4.72	-1.33	-0.14
High Yield	3.97	7.65	-0.91	-0.48
EM Sovereign (USD)	4.08	5.80	-1.95	-0.49
S&P 500	-	1.21	-5.09	-4.63

Data as at 03/31/2026
Unless otherwise specified, returns are index returns

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