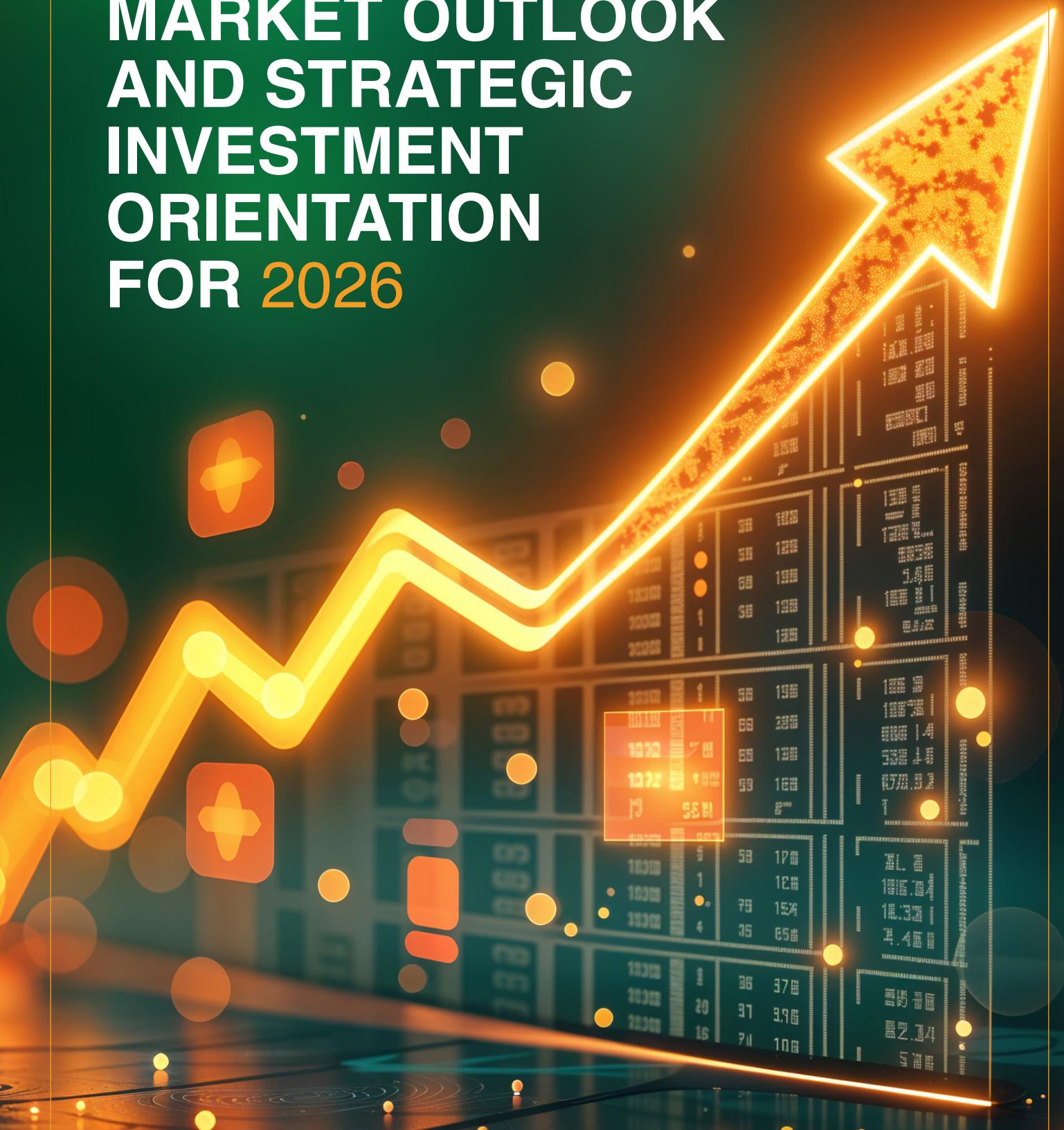


ECONOMIC AND MARKET OUTLOOK AND STRATEGIC INVESTMENT ORIENTATION FOR 2026



MINERALS
INCOME
INVESTMENT
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ABSTRACT

This report provides an outlook for global and Ghanaian financial markets in 2026 amid moderating inflation, shifting monetary policy, and ongoing geopolitical and structural challenges. It examines key macroeconomic trends and assesses prospects across major asset classes, including equities, fixed income, and commodities, with emphasis on Ghana's economic conditions. The analysis highlights priority themes such as artificial intelligence, energy transition, and critical minerals, and outlines key risks and opportunities to support informed investment decision-making and strategic positioning.



I. Introduction

The year 2025 marked a period of recalibration in the global economy, shaped by easing inflationary pressures in advanced economies, the gradual normalization of monetary policy, and persistent geopolitical fragmentation. In Ghana, the year represented a notable improvement in key macroeconomic indicators following several years of economic strain. While growth proved more resilient than initially anticipated in several major markets, financial conditions remained tight, capital flows to emerging and frontier economies were selective, and commodity markets experienced heightened volatility. For emerging market sovereign wealth funds such as MIIF, these dynamics underscored the importance of disciplined asset allocation, prudent risk management, and selective deployment of capital.

Against this backdrop, the Market Outlook for 2026 presents a forward-looking assessment of the macroeconomic environment, financial market trends, and strategic investment opportunities relevant to the Fund's long-term mandate. The report evaluates prospects across key asset classes, including equities, fixed income, and alternative investments, with particular emphasis on implications for the Ghanaian economy.

In addition, the report highlights priority structural themes such as artificial intelligence, the energy transition, and critical minerals, while outlining key risks and scenarios that could shape portfolio performance in 2026 and beyond. Overall, the outlook seeks to support informed decision-making and guide the Fund's strategic positioning in an increasingly complex and evolving global investment landscape.

II. Key Points

Investment spending on AI by the world's leading economies and expansion by major technology companies should support global growth even with trade tensions whereas softer job markets and moderate inflation can provide leverage for more policy easing to keep growth steady.

Economic growth in Ghana is expected to pick up in 2026 aided by increased government spending and lower interest rates. Inflation is likely to continue falling early in the year but may rise later as the base effect wanes.

Gold and silver enter 2026 with strong fundamentals and demand-supply factors and bullish forecasts while oil faces somewhat softer pricing on abundant supply. Surplus in the global lithium market is expected to narrow as both demand and supply grow.

Equities are tipped to continue their positive performance as interest rates lower and AI-driven productivity enhancements result in improved corporate earnings.

Interest rates on short dated Ghanaian Treasuries are likely to drop to circa 10% levels as policy easing continues amid tempered inflationary concerns.

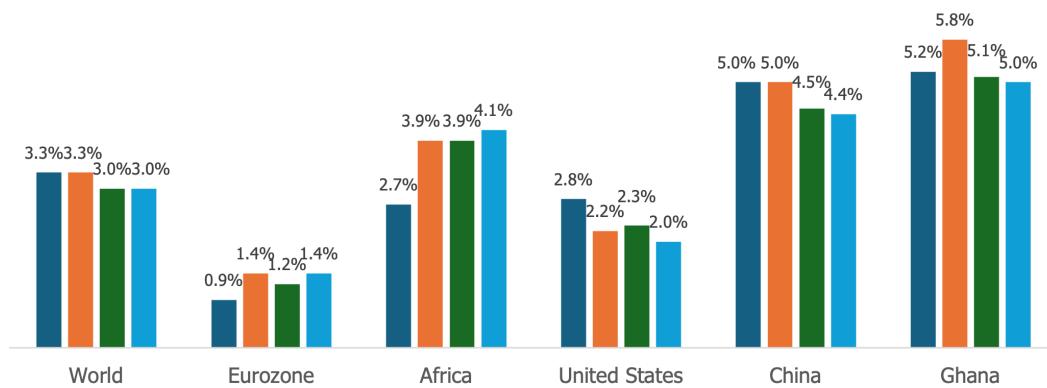
III. Macroeconomic Outlook

Global Economic Outlook

The intensifying competition for AI supremacy between the U.S and China, along with rivalry among massive Cloud Service Providers to roll out more advanced applications is expected to result in enhanced productivity and increased spending on infrastructure. This will likely spur global economic growth.

The Organization for Economic Co-operation and Development (OECD) projects global growth to slow to 2.90% in 2026 from 3.20% in 2025 whereas the World Bank forecasts an increase in global GDP to 2.40% from 2.30%.

Chart 1.1: Real GDP Growth Rates and Forecasts Across Regions

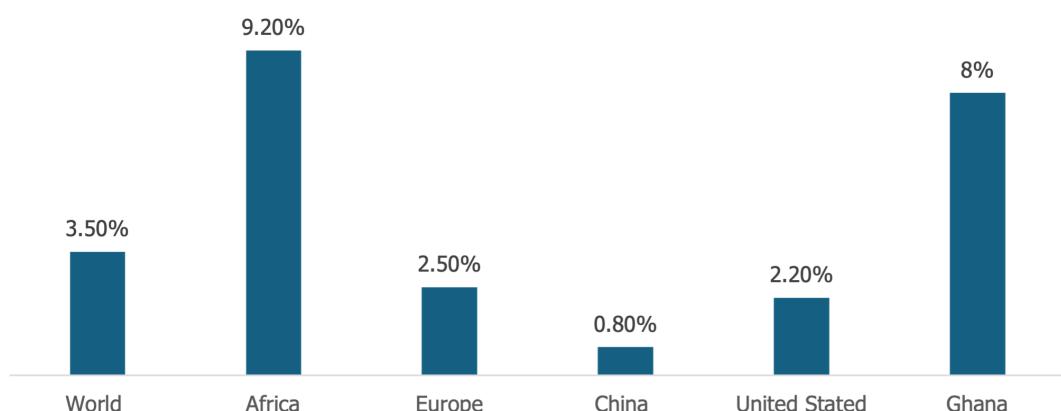


Source: Bloomberg

Central banks around the world are expected to adopt expansionary monetary policies driven by moderating inflation and the need to spur economic growth. Given that the full impact of tariffs is yet to be felt, a slowdown in growth is expected if the tariffs remain in place.

Inflation in most countries is expected to slow down to more growth supportive levels by the end of 2026.

Chart 1.2: Inflation forecasts across regions

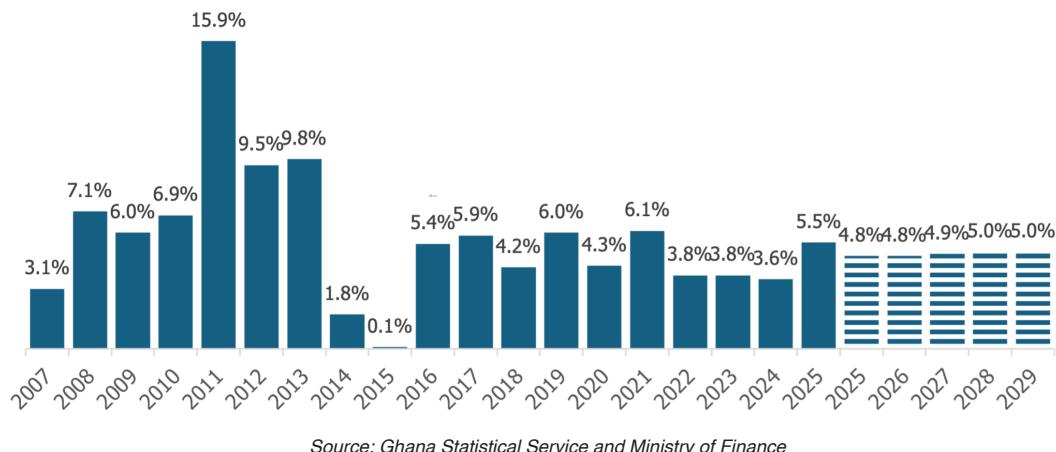


Source: IMF

Ghana Macroeconomic Outlook

In Ghana, lower inflation and interest rates as well as increased spending on infrastructure and other productive sectors of the economy are expected to provide impetus to higher economic growth. Reduced borrowing costs will encourage business to expand, thus increasing output.

Chart 1.3: GDP Growth Rates and Forecasts in Ghana



Currency

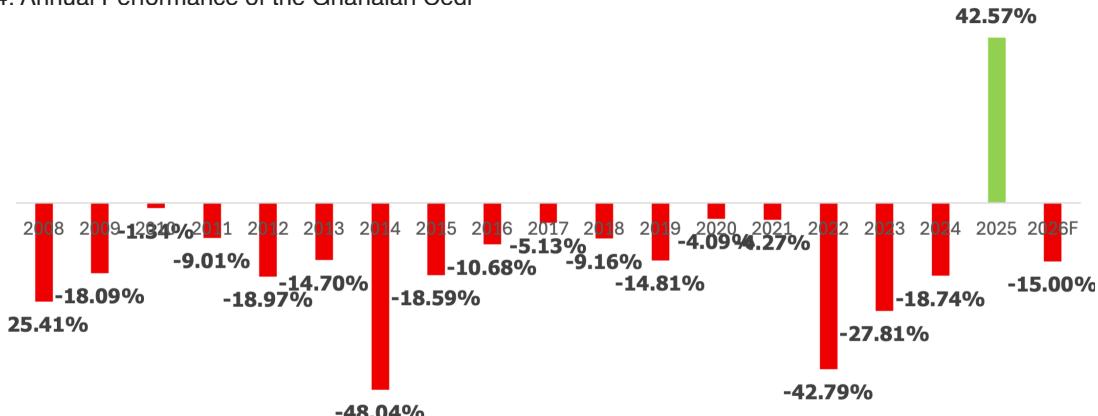
In 2025, the Ghana cedi appreciated by over 40% against the U.S. dollar, recording its first annual gain in more than 30 years and closing at GHS10.45 per dollar. This performance was driven by higher export earnings led by gold, progress in debt restructuring, and fiscal discipline under the IMF's Extended Credit Facility (ECF), which disbursed USD2.8 billion to the economy. Improvements in the current account balance, stronger gross international reserves, rising remittances, and sustained foreign exchange support from the Bank of Ghana further underpinned the currency's strength.

In 2026, the Ghana cedi is projected to depreciate moderately, trading within a range of GHS10.12–13.15 per U.S. dollar by the fourth quarter, implying a marginal annual loss with a probability of 68.4%. As at 22 January 2026, the cedi had depreciated by 4.02% year-to-date, compared with 2.45% over the same period in 2025. While 2025 largely reflected a phase of policy adjustment and restrained public spending, 2026 is expected to mark the commencement of full-scale implementation of the Government's economic reform and investment programmes, requiring substantial fiscal outlays. Rising corporate demand for foreign exchange, particularly in construction and energy under the "Big Push" initiative, is likely to increase pressure on the currency. Nevertheless, the Government and the Bank of Ghana are expected to deploy available policy tools to support the currency.

The Bank of Ghana is projected to maintain its Domestic Gold Purchase Programme (DGPP), although it plans to exit the small-scale segment, while exports are forecast to exceed the USD23.3 billion recorded in 2025 on the back of higher gold prices. Gross International Reserves (GIR) are expected to remain above 4.8 months of import cover, with export operations by the Ghana Gold Board complementing official foreign exchange support measures.

Key risks to cedi stability include maintaining fiscal discipline following the end of the IMF's ECF programme in May 2026, gold price volatility, and external developments, including President Donald Trump's tax bill, which introduces a 3.5% levy on remittance transfers, as well as Ghana's planned return to the international capital market.

Chart 1.4: Annual Performance of the Ghanaian Cedi



Source: Bloomberg, MIIF

Inflation

Ghana's headline inflation declined sharply to 5.4% in December 2025, from 23.8% at the beginning of the year, marking a sustained disinflation trend driven by tighter macroeconomic management, improved exchange-rate stability, and easing food price pressures. This outcome reflects the combined effects of fiscal consolidation under the IMF-supported programme, restrained domestic demand, and a more stable external environment compared to earlier years.

Looking ahead to 2026, inflation is projected to remain moderate, though the pace of further decline is expected to slow. Model-based estimates suggest that inflation could average around 4.8% by mid-2026 and trend slightly lower thereafter if current macroeconomic conditions are maintained. At the same time, a panel of economists surveyed by independent forecasting institutions projects average inflation of about 7.3% for the full year 2026, reflecting uncertainty around food prices, energy costs, and exchange-rate developments. These projections suggest that inflation is likely to remain in single digits throughout 2026, with some short-term volatility driven by seasonal food supply patterns and administered price adjustments.

In line with these forecasts, the Bank of Ghana has indicated that inflation is expected to remain within the lower bound of its medium-term target range of 8% \pm 2%, signalling confidence that recent disinflation gains can be sustained. This outlook is supported by continued monetary discipline, the expected moderation in import prices, and improved agricultural output, which should help contain food inflation. Exchange-rate stability, supported by export receipts and reserve buffers, is also expected to limit pass-through from imported inflation.

However, inflation risks remain tilted to the upside. Potential pressures could arise from higher food prices due to adverse weather conditions, renewed currency depreciation, or fiscal slippages following the end of the IMF ECF programme in May 2026. External risks, including volatility in global energy prices and geopolitical developments, could also affect transport and utility costs. In addition, stronger-than-expected domestic demand from expanded government capital spending and private-sector activity could add to price pressures.

Overall, inflation in 2026 is expected to remain broadly contained within or close to the Bank of Ghana's target range, providing room for cautious monetary policy support to growth while preserving price stability. Sustained fiscal discipline, effective liquidity management, and exchange-rate stability will be critical to anchoring inflation expectations and consolidating the disinflation achieved in 2025.

IV. Mining and Commodities Outlook

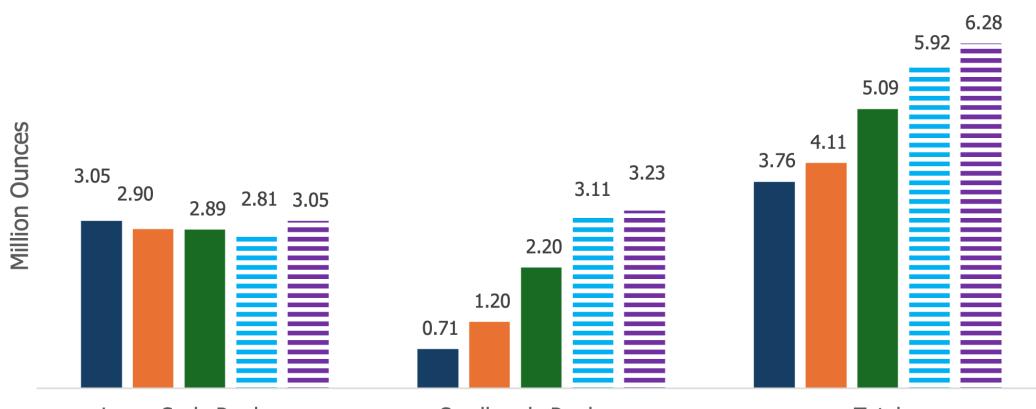
In the face of rising prices of precious metals, declining ore grades and rising extraction complexity, operational costs are elevating industry-wide, pressuring margins and forcing capital shifts toward innovation and efficiency. On the other hand, automation, robotics and digital transformation are becoming core competitive factors, towards improving safety and efficiency.

Early in the year, global mining markets are bracing up for the fallouts of a potential \$200 billion merger between Rio Tinto and Glencore. The merger could face Chinese regulatory hurdles over the expected dominance of a combined Rio Tinto – Glencore entity in the copper and iron ore markets.

In Ghana, the Abooso Gold Fields, Damang mine is expected to be in the late stages of its transition to Government ownership ahead of a full handover, with operations largely focused on processing remaining stockpiles rather than fresh ore, pointing to subdued output and tighter margins versus historical levels. A supportive gold price environment (around US\$5,000 per ounce) during the year should provide partial revenue support with the near-term outlook shaped by lower throughput and ongoing feasibility work to assess post-handover redevelopment options and potential life-of-mine extension.

Building on the latest production trend, gold is expected to further entrench its role as the anchor of Ghana's mining sector, with total output increasing from 5.1 million ounces in 2024 to approximately 6.3 million ounces by 2026. Growth is overwhelmingly driven by the small-scale segment, which expands more than fourfold from about 0.7 million ounces in 2022 to over 3.2 million ounces by 2026, raising its share of national production to just above 50%. In contrast, large-scale producers are projected to remain broadly stable, easing from around 3.0 million ounces in 2022 to a trough near 2.8 million ounces in 2025 before recovering to roughly 3.0 million ounces in 2026. This evolving production mix underscores the need for continued formalization, stronger regulatory oversight, and enhanced governance frameworks to support environmental compliance while improving the state's capacity to deepen royalty capture and strengthen sector resilience.

Chart 1.5: Gold Production in Ghana by Producer Type (2022–2026)



Source: Minerals Commission, MIIF

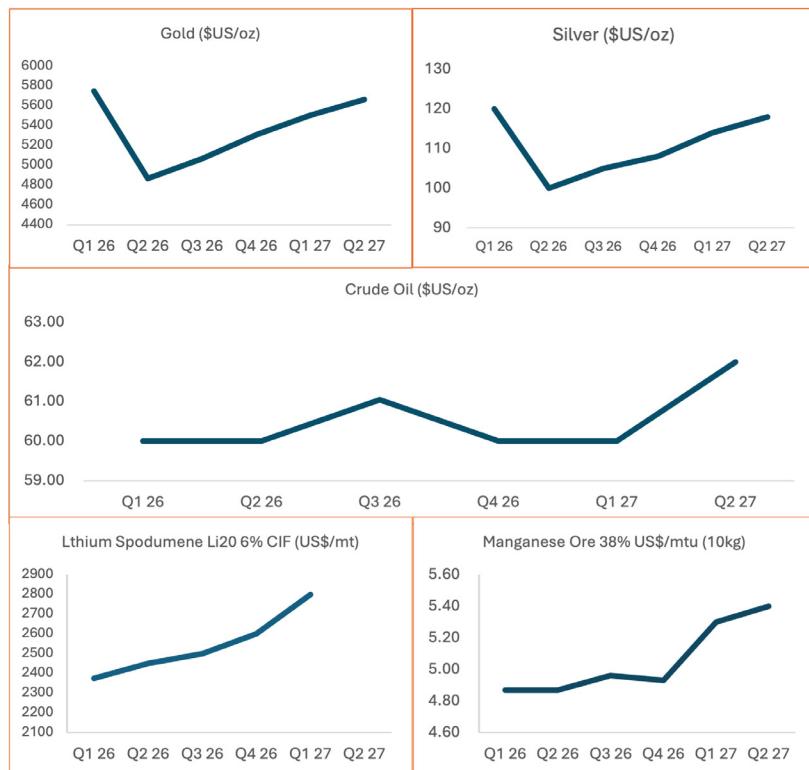
The commodities market enters 2026 amid persistent geopolitical risk, uneven global growth, and ongoing structural shifts tied to the energy transition and supply chain realignment. Bloomberg consensus points to a largely range-bound pricing environment rather than a broad cyclical upswing.

Precious metals are expected to remain a core hedge within the complex. Gold is projected to rise to US\$5,750/oz in Q1 before easing to US\$4,865/oz in Q2, followed by a renewed rally toward US\$5,308/oz in Q4. This outlook reflects continued support from geopolitical risk, sustained central bank demand, and expectations of softer real interest rates, alongside some degree of price normalization later in the year. Silver is expected to display moderate volatility, increasing from US\$120.00/oz in Q1, adjusting to US\$100.00/oz in Q2, and advancing to US\$108.00/oz by Q4, driven by its combined exposure to investment flows and industrial demand.

In battery materials, Lithium SC prices are projected to firm gradually, rising from a median of US\$2,375/mt in Q1 2026 to US\$2,600/mt by Q4 2026, before extending gains toward US\$2,800/mt in Q1 2027. This trajectory points to a market that is steadily rebalancing as demand from the battery supply chain improves, while ongoing project ramp-ups and residual inventories continue to temper the pace of recovery.

Brent crude oil price projections indicate a decline from an average of US\$68/bbl in 2025 to around US\$60/bbl in 2026, marking a five-year low. The expected softening reflects slower demand growth, driven by the rising adoption of electric and hybrid vehicles and signs of stagnating oil consumption in China. Notwithstanding this baseline outlook, elevated geopolitical risks present a material upside risk to prices and could trigger periods of heightened volatility.

Chart 1.6: Price Forecasts for Key Metals (Consensus Median Price)



Source: Bloomberg, MIF

Meanwhile, the rapid expansion of AI and growing electricity demand to power data centers could raise prices for energy and for base metals like aluminum and copper, which are essential for electricity generation and AI infrastructure.

V. Equities Outlook

The global equities market is expected to sustain its positive momentum in 2026 and over the medium term, with forecast returns ranging between 9% and 12%, supported by resilient corporate earnings and steady economic growth across regions. The International Monetary Fund (IMF) projects global economic growth of 3.1% in 2026, which is expected to underpin equity market performance. While elevated government deficits remain a potential risk to the global outlook, diversification across sectors is likely to continue supporting earnings expansion.

An additional driver of equity returns in 2026 is the anticipated continuation of monetary easing by central banks as inflation moderates. Lower interest rates are expected to stimulate business activity, support consumer spending, and enhance equity valuations. In the United States, the S&P 500 is projected to rise by 12% according to Goldman Sachs, while equity markets in Europe and Japan are also expected to record positive returns.

Debate surrounding technology stock valuations persists as capital expenditure on artificial intelligence (AI) remains elevated. However, analysts generally argue that recent rallies in large technology stocks are driven more by earnings prospects and productivity gains than by speculative excesses linked to AI.

On the domestic front, trading activity on the Ghana Stock Exchange (GSE) is expected to be concentrated in ICT, Food and Beverages, and financial stocks in terms of both volumes and values. The GSE Composite Index (GSE-CI) is projected to return approximately 81%, supported by commodity-linked equities, while the GSE Financial Stock Index (GSE-FSI) is forecast to deliver returns of about 95% over the same period.

Overall, the combination of declining interest rates and inflation, improving corporate profitability, sustained investment in AI, and continued economic expansion presents favorable conditions for equity market appreciation in 2026.

VI. Fixed Income Outlook

The global fixed-income environment in 2026 is expected to be characterized by policy stabilization rather than aggressive easing, as inflation moderates while economic growth remains relatively resilient. According to the IMF's January 2026 World Economic Outlook Update, global growth is projected at about 3.3%, with major central banks expected to proceed cautiously. The U.S. Federal Reserve is likely to keep its policy rate broadly within the 3.50%-3.75% range, with any rate cuts more likely to occur later in the year and to be modest in scale. Similarly, the European Central Bank has signaled no urgency to adjust policy, with its deposit rate expected to remain around 2.0% for an extended period as inflation converges gradually toward target. In this context, longer-term global bond yields, including the U.S. 10-year Treasury, are expected to trade within a relatively stable 3.5%-4.0% range, supporting steady capital flows to emerging and frontier markets rather than a sharp global bond rally.

Against this backdrop, Ghana's fixed-income outlook for 2026 remains cautiously constructive, supported by improved macroeconomic stability. Inflation closed 2025 at 5.4%, within the Bank of Ghana's target band. The Monetary Policy Committee of the Bank of Ghana announced a 250 basis points cut to the policy rate to 15.50% on 28th January 2026. This is expected to improve real interest rate conditions and investor confidence. However, the scope for further declines in Treasury bill rates is constrained by fiscal and supply-side dynamics. The 2026 Budget projects a financing gap of about GH¢34.4 billion, to be funded largely from domestic sources, while weekly Treasury bill auctions and planned GH¢10 billion in infrastructure bond issuance will keep supply elevated.

As a result, further yield movements in 2026 following the expected immediate drops in T-bill rates will likely be driven more by supply-demand conditions than by further monetary policy easing. To frame these dynamics, Table 1 below presents three scenarios for the fixed-income market based on alternative assumptions around inflation, fiscal execution, and investor demand.

Table 1: Fixed Income & Policy Rates Outlook - Scenario Table (2026)

Scenario	Key Assumptions	Global Environment	Rates	Expected Ghana Short-Term Yields (91–364 day)	Policy Rate Outlook
Base Case	Inflation continues to ease globally and domestically; IMF programme remains on track; government relies mainly on domestic financing with stable auction sizes	Fed holds policy rate broadly at 3.50%–3.75%; ECB maintains deposit rate around 2.0%; U.S. 10-year yield trades in 3.5%–4.0% range	Compress modestly by 1.00–3.0ppt from late-2025 levels as supply pressures limit further declines.	91-day: 8.6%-10.1% 182-day: 9.00%-10.50% 364-day: 10.4%-10.9%	Policy rate broadly stable around 14.5%-15.5%, with cautious easing bias.
Optimistic	Stronger disinflation, stable cedi, improved revenue performance, and renewed foreign participation reduce domestic borrowing pressure	Gradual easing in advanced economies; global yields drift lower within the 3.5%-4.0% range	Larger compression of 3.0 - 5ppt as lower issuance and stronger demand support auction outcomes.	91-day: 7.6%-9.1% 182-day: 9.0%-10% 364-day: 10.5%-11.4%	Further easing possible, with policy rate falling toward 12.0%-14.0%
Downside	Inflation stalls or rises; fiscal slippage increases domestic borrowing; weaker investor appetite and renewed currency pressures	Global rates remain elevated; risk appetite weakens	Limited compression or upward pressure on yields due to higher supply and weaker demand.	91-day: 11.5%-12.5% 182-day: 13.0%-14.0% 364-day: 14.0%-15.0%	Policy rate held or tightened toward 17.0%-19.0%

VII. Key Themes and MIIF's Strategic Orientation

MIIF's strategic orientation for 2026 is anchored on capturing opportunities arising from structural shifts in global markets while maintaining portfolio resilience amid macroeconomic and geopolitical uncertainties. The strategy emphasizes exposure to commodities and critical minerals to benefit from the energy transition and electrification trends, selective positioning in global and local equities to harness AI-driven growth and domestic recovery, and a balanced fixed income approach to manage yield volatility and liquidity conditions. Together, these themes support a diversified portfolio positioned to deliver stable long-term returns while managing downside risks across asset classes and regions.

Table 2: MIIF's Strategic Investment Orientation

Asset Class / Theme Sector Focus		Portfolio Positioning	Preferred Instruments
1. Equities/ Alternatives – Commodities	Precious metals are expected to continue anchoring portfolio stability and deliver healthy returns amid geopolitical risks, highly leveraged governments and corporates, and market volatility.	<ul style="list-style-type: none"> Invest in mid-tier to large-scale developers with lower operating costs. Take positions in mid- to large-scale mine support and downstream processing assets. 	Direct equity; royalty structures; bespoke streaming deals; listed equities of Tier-1 producers and royalty/streaming companies; long-duration strategies.
2. Equities – Critical Minerals	Electrification, renewable energy expansion, and rising EV penetration are expected to sustain long-term demand for lithium, copper, graphite, and rare earth metals. Africa's large, undeveloped endowment presents early-mover opportunities.	Take minority strategic stakes in large-scale or near-producing assets with secure offtake arrangements.	Direct equity; listed equities of large-scale producers.
3. Equities – Local	Measured growth in local equities is expected to result from a stronger macroeconomic environment and a more resilient currency.	Build positions in manufacturing, consumer services, and energy companies.	Listed instruments with attractive entry valuations.
4. Equities – Global	As AI becomes embedded in the global economy, new revenue pools are expected across technology and related sectors. However, large technology firms must grow revenues faster than investment outlays.	Take selective exposure to U.S. technology, infrastructure, and utility stocks positioned to capture AI-driven revenue growth.	Listed equities with high dividend yields.
5. Fixed Income – Local	Yields on short-term instruments are expected to decline moderately as disinflation and monetary easing continue.	Participate in structured issuances by Mine support and allied services companies within the mining value chain.	Structured corporate instruments.
6. Fixed Income – Global	A weaker U.S. dollar and elevated government debt levels in advanced economies may increase issuance costs and trigger bond yield volatility.	Take tactical positions in short- to medium-term Treasuries and new issues by investment-grade technology, energy, and financial services corporates.	Advanced market Treasuries; listed corporates and supranational bonds; emerging market hard-currency debt.

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