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From the New York Times best-selling author

Vince Stanzione

7 Trading Themes for 2026 – A Special Report for Deriv Traders



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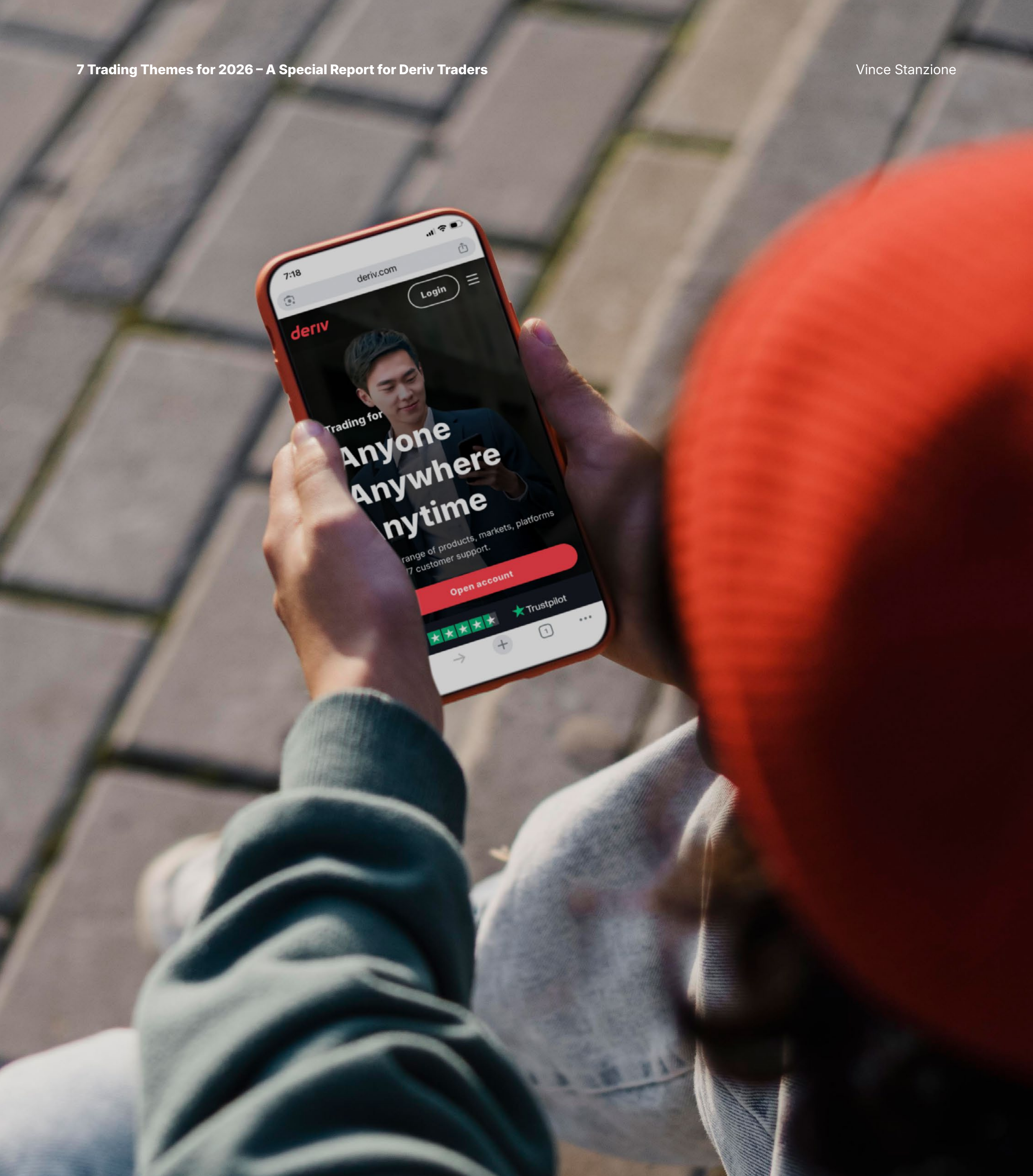
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Introduction

7 trading themes for 2026: Spotting patterns in an ever-changing market

Mark Twain famously said that history doesn't repeat itself, but it does rhyme. In this short report, my aim is to outline a few potential trading themes I see unfolding in 2026.

As I begin my 41st year trading the markets, the real edge isn't just that I'm still learning, it's that I've lived through decades of booms, busts, and everything in between. Those hard-won scars let me recognise the early warning signs and hidden opportunities that most people miss.

My goal remains to spot the repeating patterns early and position accordingly. 2026 is shaping up to be a year packed with both risks and opportunities, with Donald Trump likely to keep us all on our toes. I'm not suggesting you blindly copy these ideas — do your own research. You might well disagree with one or more of the themes, and that's exactly what makes a market: buyers and sellers.

Thanks to brokers like Deriv, it's possible to trade opportunities on up moves (long), down moves (short), and even in sideways or range-bound markets, a state of markets that is often overlooked.

Theme 1

**US interest rates
plunge to zero – but
this honeymoon won't
last long**



With Donald Trump's second term underway and Scott Bessent confirmed as Treasury Secretary, the new administration's primary economic objective is clear: aggressive fiscal expansion supported by highly accommodative monetary policy. This will involve substantial fiscal stimulus, further tax reductions, and wide-ranging deregulation, all designed to drive growth.

To execute this strategy, the administration will require significantly lower interest rates. Jerome Powell's term as Federal Reserve Chair expires on 15 May 2026, and President Trump is widely expected to nominate a successor fully aligned with a low-rate policy framework. Under such leadership, the federal funds rate could plausibly be reduced to zero, and given persistent inflation likely in the 3–4% range, real rates could turn meaningfully negative as early as mid-2026.

The push for zero rates

The United States now carries a federal debt load exceeding \$36 trillion, with annual interest expense already larger than the entire defence budget. Each additional percentage point in borrowing costs adds several hundred billion dollars to the annual servicing burden. In this environment, near-zero nominal rates are not merely a cyclical preference; they have become a fiscal necessity to prevent a sharp rise in debt-service costs that could otherwise force austerity measures or spark concerns about long-term sustainability.

Near-term implications for fixed income

Long-duration US Treasuries are poised for significant capital appreciation as yields compress. The 10-year and especially the 30-year sectors stand to benefit most from the anticipated policy shift. Based on current pricing and a plausible path toward zero policy rates, long-dated Treasury prices could rise 10–15% during the first half of 2026 alone. ETFs such as TLT (iShares 20+ Year Treasury Bond), IEF (7–10 Year), and IEI (3–7 Year) offer liquid, cost-effective exposure to this move.

While the United States retains an unquestioned ability to service its obligations in nominal terms thanks to reserve-currency privilege, investors should remain mindful that persistently negative real yields represent a gradual transfer of wealth from creditors to debtors. Over the long run, inflation will erode the purchasing power of fixed coupon payments.

The inevitable reversal

The zero-rate environment is unlikely to prove durable. Resurgent inflationary pressures — driven by protectionist trade policies, potential energy supply disruptions, and continued fiscal deficits — will eventually reawaken bond-market discipline. Major foreign holders of Treasuries (notably Japan and China) are unlikely to continue accumulating or rolling over holdings at yields that fail to compensate for inflation and currency risk. As pricing power returns to the market, the Treasury will be forced to offer higher coupons, and the Federal Reserve will ultimately need to resume tightening.

A return to a 4–5% federal funds rate by 2027 appears a realistic base-case scenario once these dynamics fully assert themselves. Long-duration bonds would face material price declines in such an environment. The US could then head into the 2028 elections with higher interest rates than at the start of the tightening cycle.

I have no long-term confidence in US sovereign debt. A technical default is effectively impossible thanks to the dollar's reserve status, but the inevitable response — persistent money-printing to service the debt — ensures that bondholders are steadily repaid in ever-weaker currency.

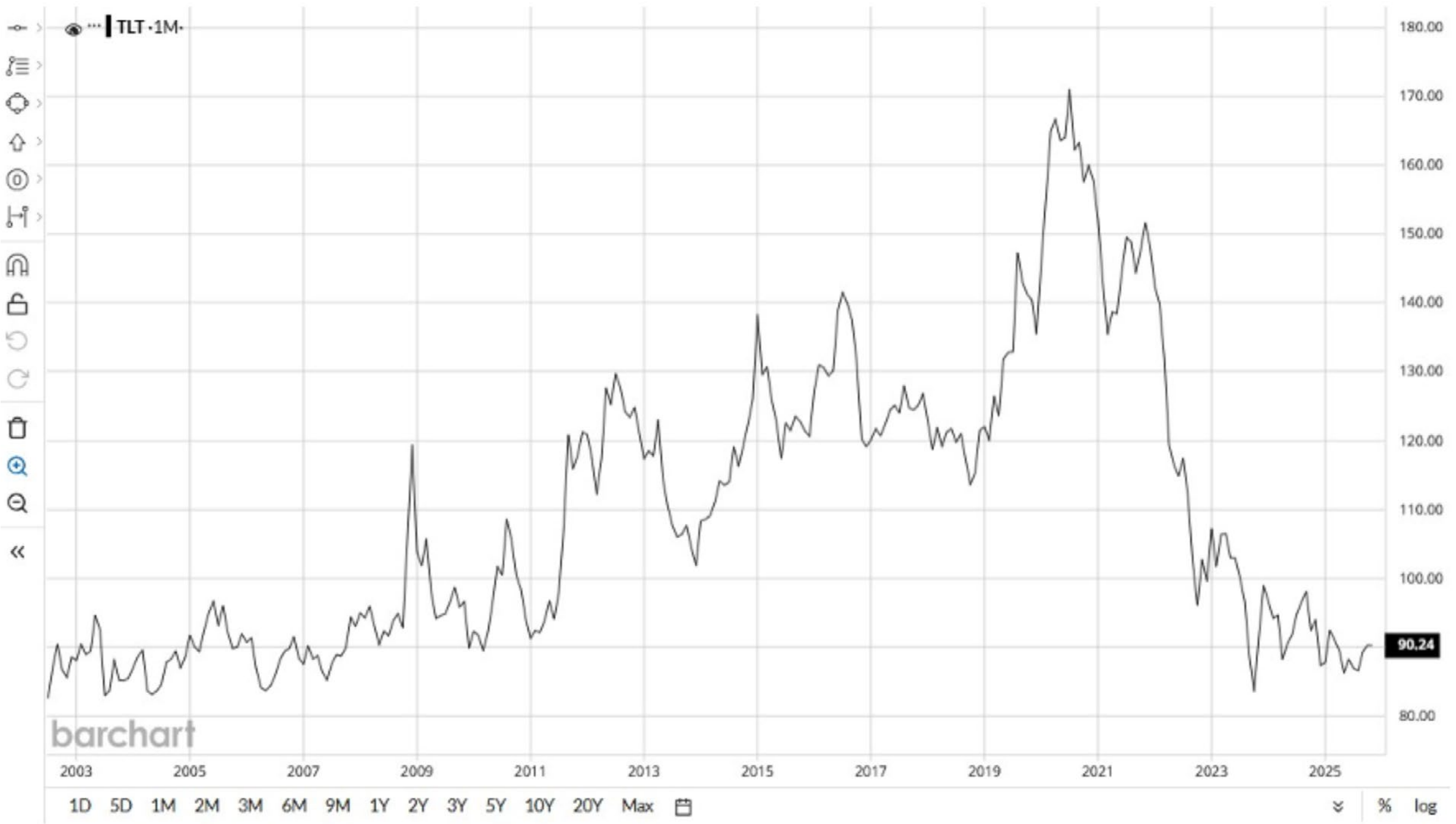


Figure 1. Long-term price chart of the iShares 20+ Year Treasury Bond ETF (TLT) from 2003 through late 2025

Positioning and risk management

Current tactical recommendation: Overweight duration, with a preference for TLT for maximum convexity, or IEF/IEI for somewhat lower volatility.

Trend-following discipline: Remain long while the price remains above the 50-day simple moving average and the 50-day stays above the 200-day. A confirmed break below the 50-day signals the first reduction; a subsequent breach of the 200-day warrants full exit and potential reversal.

Options overlay: Near-term call options on TLT currently offer attractive risk/reward for capturing the initial rally. Once the move matures, shifting to put positions or put spreads can capture the eventual reversal.

Leverage, when used (whether through margin or CFDs), should be modest and accompanied by predefined volatility buffers.

In summary, the path to zero rates represents a high-conviction near-term opportunity in long-dated Treasuries. However, the trade is explicitly cyclical: enter with discipline, monitor inflation and foreign flows closely, and maintain a clear exit strategy before the bond vigilantes reassert control.

Note: The CME website has a great [free tool](#). It helps you see probabilities, using futures, of expected interest rates.



Below, I have outlined interest rate expectations for January 2027.

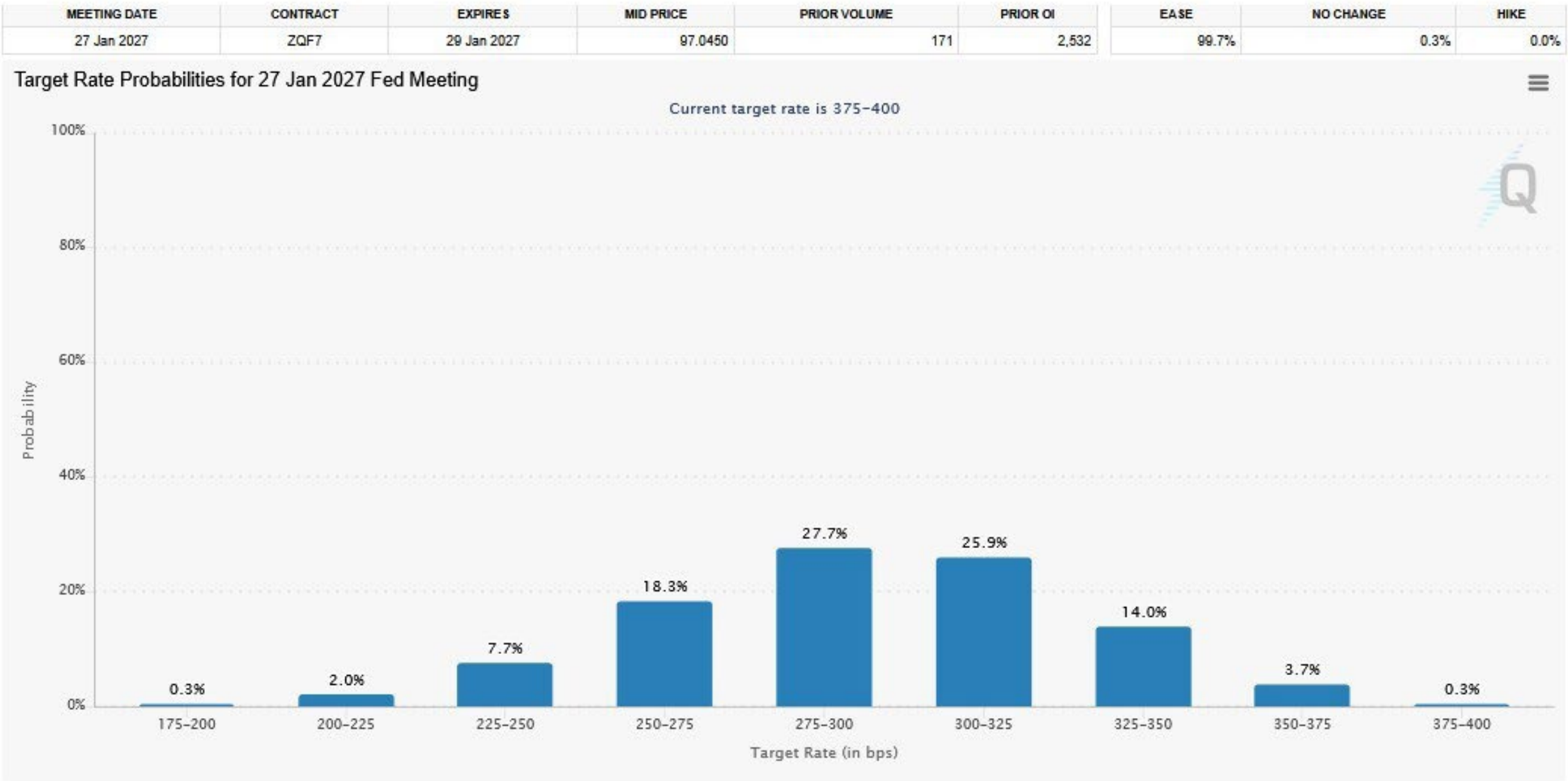


Figure 2. CME FedWatch Tool histogram displaying target interest rate probabilities for January 2027, Federal Reserve meeting

Theme 2

**Gold and silver –
momentum continues,
safe-haven shine
persists**



After a blockbuster 2025, where gold surged an historic 60% for the year (closing around \$4,200 per ounce amid relentless central bank buying and inflation jitters) and silver rocketed 80% (hitting highs near \$57 per ounce on industrial demand from green tech), precious metals enter 2026 with strong momentum and are poised to outperform every major asset again in 2026.

I forecast double-digit gains for both — gold up 20–25%, silver 25–30% — handily beating the S&P 500’s projected 3–5% return as equity multiples stretch thin. Not a repeat of 2025 (happy to be wrong), but still a very good potential gain. Be prepared for large pullbacks; however, the trend remains up.

Gold Price Performance: % Annual Change

Year	USD	AUD	CAD	CHF	CNY	EUR	GBP	INR	JPY
2010	+29.5%	+13.5%	+22.3%	+16.7%	+24.9%	+38.8%	+34.3%	+23.7%	+13.0%
2011	+10.1%	+10.2%	+13.5%	+11.2%	+5.9%	+14.2%	+10.5%	+31.1%	+4.5%
2012	+7.0%	+5.4%	+4.3%	+4.2%	+6.2%	+4.9%	+2.2%	+10.3%	+20.7%
2013	-28.3%	-16.2%	-23.0%	-30.1%	-30.2%	-31.2%	-29.4%	-18.7%	-12.8%
2014	-1.5%	+7.7%	+7.9%	+9.9%	+1.2%	+12.1%	+5.0%	+0.8%	+12.3%
2015	-10.4%	+0.4%	+7.5%	-9.9%	-6.2%	-0.3%	-5.2%	-5.9%	-10.1%
2016	+9.1%	+10.5%	+5.9%	+10.8%	+16.8%	+12.4%	+30.2%	+11.9%	+5.8%
2017	+13.6%	+4.6%	+6.0%	+8.1%	+6.4%	-1.0%	+3.2%	+6.4%	+8.9%
2018	-2.1%	+8.5%	+6.3%	-1.2%	+3.5%	+2.7%	+3.8%	+6.6%	-4.7%
2019	+18.9%	+19.3%	+13.0%	+17.1%	+20.3%	+22.7%	+14.2%	+21.6%	+17.7%
2020	+24.6%	+13.6%	+22.2%	+14.0%	+16.9%	+14.4%	+20.9%	+27.9%	+18.5%
2021	-3.5%	+2.2%	-4.1%	-2.0%	-6.1%	+2.9%	-2.5%	-1.6%	+7.5%
2022	-0.3%	+6.5%	+6.9%	+1.0%	+8.3%	+6.0%	+11.8%	+10.7%	+13.4%
2023	+12.8%	+12.6%	+9.9%	+2.4%	+15.7%	+8.7%	+6.6%	+13.4%	+21.6%
2024	+26.3%	+38.3%	+37.1%	+35.9%	+30.3%	+34.2%	+28.2%	+29.8%	+40.9%
2025	+58.8%	+50.7%	+54.9%	+40.7%	+54.0%	+41.8%	+50.2%	+65.5%	+57.9%
Average	10.3%	11.7%	11.9%	8.1%	10.5%	11.5%	11.5%	14.6%	13.4%

Fig. 2.1. Volatility 250 Index daily chart showing sharp price swings and high volatility

Why precious metals remain a 2026 haven

The bull case is simple: in a world of zero rates and fiscal fireworks, fiat currencies look increasingly threadbare. Central banks, led by the PBOC and RBI, added over 1,000 tonnes to reserves in 2025 alone; expect another 800–900 tonnes in 2026 as diversification from the dollar accelerates.

Silver’s dual role — as a monetary hedge and an industrial workhorse — gives it extra torque:

Solar panel production and EV battery demand could exceed mined output by 20%, according to Silver Institute estimates, squeezing inventories and supporting prices.

Gold miners, tracked by the VanEck Gold Miners ETF (GDX), mirrored the metals’ rally with a 110% gain in 2025, yet valuations scream “bargain” heading into the new year.

Take Newmont Corporation (NEM), the world’s largest gold producer and an S&P 500 constituent: its shares exploded in 2025 (145%) but trade at a dirt-cheap forward P/E of just 12.5 — less than half the S&P 500’s bloated 28. With all-in sustaining costs (AISC) below \$1,300 per ounce and \$9.6 billion in liquidity at Q3 end, Newmont’s free cash flow machine (up 100% year-on-year to \$1.6 billion) positions it to return capital via buybacks and dividends while funding high-return projects such as the Tanami expansion.



Figure 3. Monthly price chart of Newmont Corporation (NEM) from 1997 to November 2025

Miners like NEM offer leveraged upside to metal prices — historically, a 10% gold move translates to roughly 25–30% in earnings. That said, risks loom: a stronger-than-expected USD rebound mid-year could cap gains, and if China’s stimulus fizzles, industrial silver demand might stutter.

Trade implementation: How to capture the upside phase

- Long gold via a CFD with Deriv. You can also go long the SPDR Gold Shares ETF GLD (NYSE). Use leverage carefully, as gold is prone to pullbacks.

- For silver, focus on iShares Silver Trust ETF SLV (NYSE), which you can trade via CFDs with Deriv.

Miners leverage

VanEck Gold Miners ETF GDX (NYSE)

50+ global miners; beta 2.5x gold. Captures NEM, Barrick and other major gold miners in one trade.



Top 10 Holdings			View Holdings as  	
Name	% Holdings	Sector		
Agnico Eagle Mines Ltd	7.70 %	Non Energy Minerals		
Newmont Corp	6.72 %	Non Energy Minerals		
Barrick Mining Corp.	5.85 %	Non Energy Minerals		
AngloGold Ashanti Plc.	5.75 %	Non Energy Minerals		
Kinross Gold Corp.	5.01 %	Non Energy Minerals		
Gold Fields Ltd - ADR - Level II	4.85 %	Non Energy Minerals		
Northern Star Resources Ltd	4.72 %	Non Energy Minerals		
Franco-Nevada Corporation	4.45 %	Non Energy Minerals		
Wheaton Precious Metals Corp	4.28 %	Non Energy Minerals		
Pan American Silver Corp	3.86 %	Non Energy Minerals		
Percent of Portfolio in Top 10 Holdings	53.20 %			

Table 2. Top 10 holdings, VanEck Gold Miners ETF GDX (NYSE)

A sample gold and silver trading allocation

- 50% long GLD or gold CFD
- 20% long SLV or silver CFD
- 20% long GDX (miners exposure)
- 10% long/short CFDs to trade around positions or profit from pullbacks

Overall, the gold and silver bull market, even with pullbacks, remains intact.

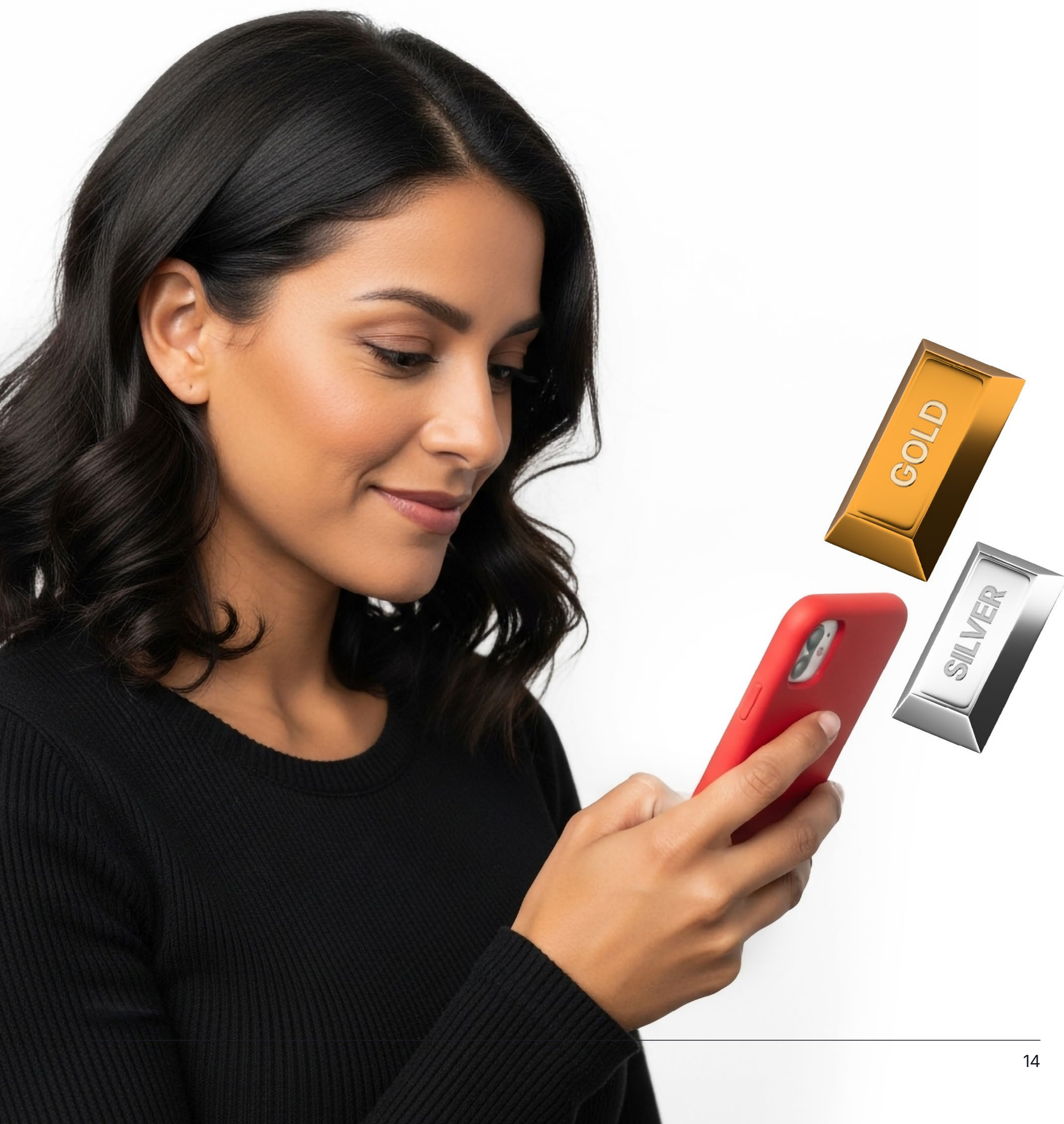
Options can also be used to capture directional moves.

Deriv offers CFDs on major commodities, GDX, and individual mining stocks, including Newmont (NEM).

Platinum and palladium

A few lines on these two metals, which also had a good 2025, but represent much smaller markets than gold and silver. You can trade platinum and palladium with Deriv using a CFD. These metals have significant industrial use, with catalytic converters remaining a major demand driver. Whilst gold made new all-time highs, these metals remain below their peaks. Worth keeping on your radar for potential opportunities.

If you're interested in trading commodities, read my free ebook [How to Trade Commodities](#), exclusively published by Deriv.



Theme 3

**Oil and energy – why
I'm bearish on oil
despite being bullish
on gold and silver**



Many investors assume that if I’m bullish on gold and silver, I must also be bullish on oil. That’s not the case. In 2025, oil and gold moved in opposite directions — in fact, a simple long-gold/short-oil pairs trade performed extremely well. WTI oil fell over 16%, while gold rose over 55%.

As of December 2025, the Bloomberg Commodity Index (BCOM) has delivered a year-to-date return of approximately +13%. We saw a push-and-pull effect with gold doing the heavy lifting and oil dragging down overall performance.

Security	%YTD ↓	%1YR	Chg QTD %	Chg Pct MTD	2Yr % Chg
Gold	+58.0%	+57.5%	+7.5%	+3.3%	106.6%
MSCI Emerging Markets Net Tota	+27.3%	+25.6%	-.2%	-4.2%	43.2%
Generic 1st 'HG' Future	+26.3%	+22.8%	+4.7%	-1.1%	32.8%
MSCI World ex USA Net Total Re	+24.4%	+22.2%	-.8%	-1.8%	37.7%
Bloomberg Commodity Spot Index	+15.4%	+14.5%	+5.5%	+.6%	18.8%
S&P 500 Total Return Index	+15.3%	+13.4%	+.4%	-1.9%	51.1%
Bloomberg Commodity Index Tota	+13.0%	+14.3%	+3.3%	+.5%	16.6%
Bloomberg U.S. Treasury: 20+ Y	+6.6%	+1.5%	+1.4%	--	9.1%
Broad Dollar Index	-5.6%	-4.0%	+1.4%	+.4%	1.4%
Bloomberg Dollar Spot Index	-6.6%	-4.7%	+1.9%	+.3%	-1.1%
Bitcoin/US DOLLAR	-7.2%	-7.0%	-24.2%	-20.4%	130.2%
Generic 1st 'CL' Future	-19.5%	-14.9%	-7.4%	-3.7%	-22.3%

Source: Bloomberg Intelligence

Table 3. Bloomberg Intelligence table ranking year-to-date asset performance, showing Gold’s dominance over lagging sectors like Oil

As we head into 2026, the world remains well supplied with oil, and with President Donald Trump openly pushing for cheaper energy, the path of least resistance for crude is lower. Call me a cynic, but Trump wants US average petrol prices at bargain levels ahead of the November 2026 midterms.

The national retail average stands at \$3.07 per gallon. Trump has repeatedly stated he wants prices near \$2 in 2026 — and policy is already aligning to make that happen.

2026 oil outlook: Supply glut meets political will

Despite ongoing geopolitical tensions, global oil markets are awash with supply:

- OPEC+ is unwinding production cuts aggressively (+1.4 mb/d in 2025, +1.2 mb/d in 2026)
- Non-OPEC+ producers (US, Brazil, Canada, Guyana) are adding another 1.2–1.6 mb/d annually
- Demand growth remains sluggish at just 740 kb/d — weighed down by EV adoption, weak China, and slower global growth

Result? A global surplus of up to 4 mb/d by mid-2026 – the largest overhang in decades.

Trump’s “drill, baby, drill” agenda is in full swing:

- Fast-tracking Permian Basin permits
- Rolling back environmental rules
- Pressuring OPEC+ to pump more
- Publicly calling for “\$2 gasoline — bigger than a tax cut”

Gold–oil decoupling to continue

The gold–oil ratio ended 2025 above 66:1 — far from its long-term average of 19. With oil in surplus and precious metals supported by uncertainty, deficits, and industrial demand, this divergence should persist into 2026.

Long gold/silver and short oil are setting up for another profitable year.

Oil: How low can you go?

The old saying goes, “the cure for low prices is low prices.” If oil continues lower in 2026, as I believe it will, then WTI could fall to \$40. However, like zero US interest rates, that may be a short-term bottom before production cuts cause prices to stabilise and move higher.

It's very difficult for oil drillers to operate profitably at \$40 oil, so we will see cuts in production. After the next down move, oil could establish a new base and then start climbing again as supply dries up.



Figure 4. WTI oil going back to 1973 with a likely move back to \$40 in 2026; however, this could be a swift move lower, followed by consolidation in the \$40–\$60 range.

Note: mining stocks benefit from cheap oil. Mining remains an energy-intensive business, much of which relies on diesel-powered heavy machinery. A higher gold price combined with lower energy costs is an ideal scenario for mining stocks.

How to take advantage of lower oil prices

The most direct way is to short WTI or Brent oil via a CFD. If you have access to Unleaded Gasoline RBOB futures, these can also be shorted. Remember, wholesale futures prices differ from retail and are already trading around \$2 a gallon.

I would not short oil and gas exploration stocks, as valuations are already depressed. Keep an eye on the XOP ETF: for the last three years, it has been in a tight range — a breakout in either direction could offer a strong trading opportunity.

Also, if we do get down to WTI \$40, watch for sharp snapback rallies that may offer great buying opportunities.

Theme 4

US stocks (US is the world leader, but beware of leadership change); Magnificent Seven top out in 2026



The US has long dominated global equity markets, with the S&P 500 (SPY) as the world’s benchmark. In 2025, the index is up 13% year-to-date through early December — its third straight year of double-digit gains — despite geopolitical tension, sticky inflation, and Trump’s policy shifts.

Yet when measured against gold, the S&P 500’s real return is negative, exposing the fragility of fiat-denominated gains.

“Getting rich in a debased currency is the road to ruin, as anyone in Argentina, Venezuela, or Zimbabwe who held trillion-dollar notes can attest.”

Most concerning is extreme concentration: the “Magnificent Seven” (Apple, Microsoft, Nvidia, Amazon, Alphabet, Meta, Tesla) now make up 35% of the index, with Nvidia alone at 7.5%. The benchmark has effectively become a narrow mega-cap tech bet. History shows that narrow leadership eventually reverses — often painfully (dot-com bust, 2008, and other such events).

With the forward P/E at 22.9× (vs a 10-year average of 18.6×), conditions are set for rotation. Trump wants the party to continue: the “One Big Beautiful Bill Act” extends tax cuts and funds infrastructure (deficit be damned), he’s pushing for near-zero rates and \$2 petrol through deregulation and drilling, and he’ll celebrate every new high on Truth Social and at rallies. This could boost markets into early 2026, but the hangover may hit hard later in the year.



Figure 5. Here, we see the US S&P 500 going back to 1982, and even with some severe pullbacks, the market has been in a 40-year bull run. The moves from the 2020 Covid-19 lows have been dramatic, partly fuelled by money printing and increased speculation and risk-taking. In my view, we are in a blow-off-top pattern that will eventually end, followed by a severe correction and likely a period of consolidation with sideways markets. Often forgotten is that after peaking in 2000, the S&P 500 went largely nowhere for around 15 years. Many newer investors are accustomed to “stocks only go up” and may soon get a rude awakening.

Meanwhile, Berkshire Hathaway (BRK.B), where 95-year-old Warren Buffett is taking a back seat, is sitting on a record \$381.7 billion cash pile — larger than its entire equity portfolio and greater than the combined cash of Apple and Microsoft. With the Buffett Indicator at a stretched 220% of GDP (+2.4 above the long-term norm), the Berkshire team, led by Greg Abel, is clearly waiting for the inevitable “fat pitch” rather than swinging at today’s prices.

Not everything in the S&P 500 is expensive. Examples of forgotten value:

- Allstate (ALL): forward P/E under 9, 2% dividend yield, and a strong uptrend
- Newmont (NEM): even after its big run, forward P/E around 11 and backed by rising gold

Broad indices may look invincible, but beneath the surface, concentration risk is extreme, real returns are negative, and patient capital is already sitting on the sidelines waiting for the reset.

“The intelligent investor is a realist who sells to optimists, and buys from pessimists.” — Benjamin Graham

Trading ideas to consider

- Underweight US technology, overweight defensives: reduce exposure to the Magnificent Seven via inverse ETFs like the ProShares Short QQQ (PSQ), or switch to equal-weight S&P 500 funds (e.g. Invesco S&P 500 Equal Weight ETF, RSP) to mitigate concentration risk. You could also consider a short position on the Nasdaq 100 or the QQQ ETF. Options may also be used.
- Pivot to dividend payers such as British American Tobacco (BTI) for consumer staples stability. The stock offers a 6% dividend yield and trades on a forward P/E under 12. Fun fact: BTI outperformed Nvidia in 2025.

In summary, while US stocks retain their crown in 2026, vigilance is essential. A midterm-fuelled policy push could extend the bull market, but extreme concentration and global alternatives point to a coming leadership shift. Traders who rotate early may capture alpha in a year of transitions.

Defensive stocks — utilities, consumer staples, and healthcare — provide ballast with yields averaging 3–4% and lower beta to market swings.

One stock I am watching that is currently out of favour is Kraft Heinz (KHC). It is a defensive consumer staple that has struggled and is splitting into two companies in 2026. It currently trades on a P/E under 9 and pays a 5% dividend yield.

In the next theme, I will look at stocks and ETFs that are not US-focused. Many of them still have a US listing, so you will not need to obtain a Chinese trading account. Opportunities outside the US, particularly in China, could accelerate if US tariffs trigger retaliatory diversification by global investors.

Deriv allows you to trade over 1,000 stocks and ETFs using CFDs. This gives you the opportunity to trade long or short with leverage, meaning you can take a position in a stock, for example, Tesla, with just a small margin deposit. You can learn more about trading stocks and stock indices with Deriv in my free ebook [How to Trade Stocks](#).

Theme 5

**Global stocks –
widening your horizon
beyond the US to find
real bargains**



The old adage still holds: “When America sneezes, the world catches a cold.” For years, US market dominance has left most international equities in the dust, but it would be a mistake to assume there are no opportunities elsewhere.

In 2025, the best-performing developed market was Spain (up 70% in local-currency terms), while the top emerging market was Colombia (up nearly 100%). Yet the majority of investors — especially US-based ones — suffer from severe home-country bias and rarely venture outside their domestic indices.

I’ve always taken the opposite approach: the world is full of mispriced assets if you’re willing to look. The good news? You no longer need foreign brokers. Hundreds of global companies and country ETFs are listed directly on US exchanges, or are available as CFDs on platforms like Deriv, making international exposure more accessible than ever.

Three standout bright spots heading into 2026:

China – the “forgotten” growth engine

Chinese equities, particularly technology and consumer internet stocks, still trade at some of the most attractive valuations globally (forward P/E around 11–13× for the CSI China Internet Index vs 28×+ for the Nasdaq 100).

The KraneShares CSI China Internet ETF (KWEB) has already surged 61% from its Q2 2024 lows and continues to outperform the S&P 500 by more than 30 percentage points in 2025. Regulatory tailwinds, massive stimulus, and a domestic consumption rebound are the key drivers.

Top holdings such as Alibaba, Tencent, PDD Holdings, and Meituan remain dominant in their home market, yet are priced as if China’s growth story is permanently broken — it isn’t.



Figure 6. US Tech (QQQ) vs Chinese Tech (KWEB) – US tech has outperformed Chinese tech dramatically over the last decade, but the tide may be turning.



Top 10 Holdings			View Holdings as  	
Name	% Holdings	Sector		
Tencent Holdings Ltd.	11.13 %	Technology Services		
Alibaba Group Holding Ltd	11.03 %	Retail Trade		
PDD Holdings Inc - ADR	7.41 %	Retail Trade		
Meituan - Ordinary Shares - Class B	5.25 %	Transportation		
Baidu Inc	4.97 %	Technology Services		
JD.com Inc - Ordinary Shares - Class A	4.94 %	Retail Trade		
JD Health International Inc.	4.90 %	Distribution Services		
Kanzhun Ltd - ADR	4.45 %	Commercial Services		
Kuaishou Technology - Ordinary Shares - Class B	4.25 %	Commercial Services		
Trip.com Group Ltd	4.11 %	Consumer Services		
Percent of Portfolio in Top 10 Holdings	62.45 %			

Table 4. Top holdings in the KWEB ETF

Brazil & the commodity/value rotation — The anti-Nasdaq trade

While the S&P 500 is 35% technology and has minimal exposure to energy or materials, the iShares MSCI Brazil ETF (EWZ) is almost the polar opposite with heavy exposure to:

- Financials (28%)
- Materials/mining (25%; including Vale)
- Energy (Petrobras)
- Utilities

Brazil benefits directly from higher commodity prices, a weaker US dollar cycle, and attractive valuations (MSCI Brazil trades around 8–9× forward earnings and offers a dividend yield above 8%). EWZ has already started to wake up in late 2025 as rate-cut cycles in the West support emerging-market risk appetite.

Other areas worth watching in 2026:

Poland (EPOL)

Europe's fastest-growing major economy (4% real GDP growth) and a clear winner at Germany's expense. Poland has attracted significant business as companies shift away from a more bureaucratic and costly Germany. The EPOL ETF rose over 50% in 2025 and is well-positioned for another strong year in 2026.

The two largest weightings in the ETF are:

- PKO Bank Polski – 14%
- Orlen SA (integrated energy/refining) – 13%



Top 10 Holdings			View Holdings as  	
Name	% Holdings	Sector		
POWSZECHNA KASA OSZCZEDNOSCI BANK	14.19 %	Other		
ORLEN SA	11.65 %	Other		
PZU SA	8.03 %	Other		
BANK PEKAO SA	7.77 %	Other		
KGHM POLSKA MIEDZ SA	4.66 %	Other		
ALLEGRO SA	4.10 %	Other		
SANTANDER BANK POLSKA SA	3.99 %	Other		
DINO POLSKA SA	3.87 %	Other		
LPP SA	3.61 %	Other		
CD PROJEKT SA	3.42 %	Other		
Percent of Portfolio in Top 10 Holdings	65.29 %			

Table 5. Top holdings in EWZ

Mexico (EWW)

Unlike the tech-heavy SPY (over 30% IT), EWW has a more traditional sector tilt:

- Financials (35%)
- Consumer staples (20%)
- Materials/mining (15%)

This mix has already outperformed SPY in 2025, with EWW up 40% year-to-date through December while SPY lags behind.

The new catalyst is President Claudia Sheinbaum. Since taking office in late 2024, she has quietly adopted a more investor-friendly stance, fast-tracking dozens of mining permits and signalling openness to private capital — particularly in silver, gold, copper, and lithium. Mining giants such as Grupo México (a top-10 EWW holding) are now receiving approvals for previously delayed projects.

Add in the nearshoring boom (US companies continue building factories in Mexico), a cheap peso, falling Banxico rates heading toward 6–7%, record remittances, and infrastructure spending ahead of the 2026 World Cup, and Mexico’s growth could accelerate from 2025’s slowdown to 2–3% in 2026.

EWW trades at just 9.3× forward earnings and yields 2% — a compelling bargain compared with SPY’s 22× multiple. When global money rotates out of overpriced US tech, Mexico’s undervalued real economy will shine. I expect EWW to outperform SPY again in 2026.

Tip: you can use finviz.com to screen and filter country-specific opportunities.

Top 10 Holdings		View Holdings as  	
Name	% Holdings	Sector	
Grupo Mexico S.A. - Ordinary Shares - Class B	11.32 %	Non Energy Minerals	
Grupo Financiero Banorte - Ordinary Shares - Class O	10.17 %	Finance	
America Movil S.A.B.DE C.V. - Ordinary Shares - Class B	8.50 %	Communications	
Wal-mart de Mexico S A B de C V	6.99 %	Retail Trade	
Fomento Economico Mexicano S.A.B. de C.V. - Units (Rep. 1 Seri...	6.37 %	Consumer Non Durables	
Cemex S.A.B. De C.V. - CPO	4.58 %	Non Energy Minerals	
Grupo Aeroportuario Del Pacifico SAB de CV - Ordinary Shares - ...	4.56 %	Transportation	
Industrias Penoles S.A.B. DE C.V.	4.21 %	Non Energy Minerals	
Grupo Aeroportuario Del Sureste S.A. - Ordinary Shares - Class B	2.79 %	Transportation	
Arca Continental S.A.B. de C.V. - Ordinary Shares - Class B	2.66 %	Consumer Non Durables	
Percent of Portfolio in Top 10 Holdings	62.15 %		

Table 6. Top holdings in EWW

Trading ideas to consider

Go long ETFs via a CFD with Deriv that are trading on lower P/E ratios, such as EWW, EPOL, and EWZ. Use a trend-trading system to help capture the trend, such as the 200-day moving average, which also provides an exit signal should these regions fall out of favour. Explore traded options where available.

A common approach among traders is pairs trading; for example, going long on KWEB while shorting QQQ.

Theme 6

Cryptocurrencies in 2026 – a year for traders, not HODLers



Cryptocurrencies, including Bitcoin and Ethereum, had a disappointing 2025. After briefly touching \$120,000, Bitcoin has struggled to make any meaningful upside progress.

Before the Bitcoin bulls come for me: I have done very well from crypto over the years. I bought my first BTC at \$150 and Ethereum at \$10, so this isn't sour grapes. There is no doubt Bitcoin and Ethereum have delivered life-changing returns for early investors, but we don't get paid for past performance — only for what happens next. Also worth remembering: an open (unrealised) profit is very different from a realised one.

Longer term, I still view cryptocurrencies as legitimate assets, but the road through 2026–2028 looks extremely rocky. For short-

term and swing traders, that creates excellent opportunities to go both long and short. For buy-and-hold HODLers, however, the next couple of years could be painful.

The next major positive catalyst for Bitcoin — the four-year halving — is not scheduled until 2028 (no fixed date yet). My base-case scenario is that we see a 70% drawdown in Bitcoin and Ethereum before then, possibly even deeper. While the market should eventually recover, a crash of that magnitude will shake out a large number of over-leveraged holders and leave lasting psychological damage, similar to the dot-com crash of 2000.

Remember: 60–80% crashes are completely normal in Bitcoin's relatively short history.



Figure 7. Taking the recent \$120,000 top, an 80% crash would see Bitcoin around \$24,000. While not ideal for more recent buyers, those who have been in Bitcoin for years would still be in substantial profit.

Why swing traders could have a great 2026 – stick to Bitcoin and Ethereum

The last few years have been flooded with thousands of “joke” or meme coins — Doge, PEPE, Floki, Fartcoin, and countless others. A lucky few made money from pump-and-dump cycles, but the sustainability of these projects is near zero.

As the market matures, investors will demand real utility, credible teams, and genuine use cases. A funny name and a cartoon logo will

no longer be enough. Expect widespread delistings from exchanges in the coming months, which will render many of these coins effectively worthless.

We’ve also reached the saturation point on “Bitcoin treasury” companies (MicroStrategy (MSTR) being the poster child) and on Bitcoin/Ethereum ETFs. We have gone from famine to feast in less than 18 months. Launching spot Bitcoin ETFs in the US was undoubtedly a milestone, but I expect consolidation — some of the smaller or newer ETFs will close in 2026–2027 once fee income no longer justifies their existence.

The 2024 “Trump bump” (a crypto-friendly administration, and even Trump and Melania launching their own token) gave the market a strong sugar rush, but that euphoria has now largely faded.

Bitcoin-to-gold ratio: A different perspective

Bitcoin is almost always quoted in USD or other fiat currencies, but looking at the BTC/gold ratio removes the effect of currency debasement. In 2025, gold outperformed Bitcoin significantly, and I expect gold to outperform again in 2026. After peaking in 2021, Bitcoin has essentially been moving sideways in a large volatile range.

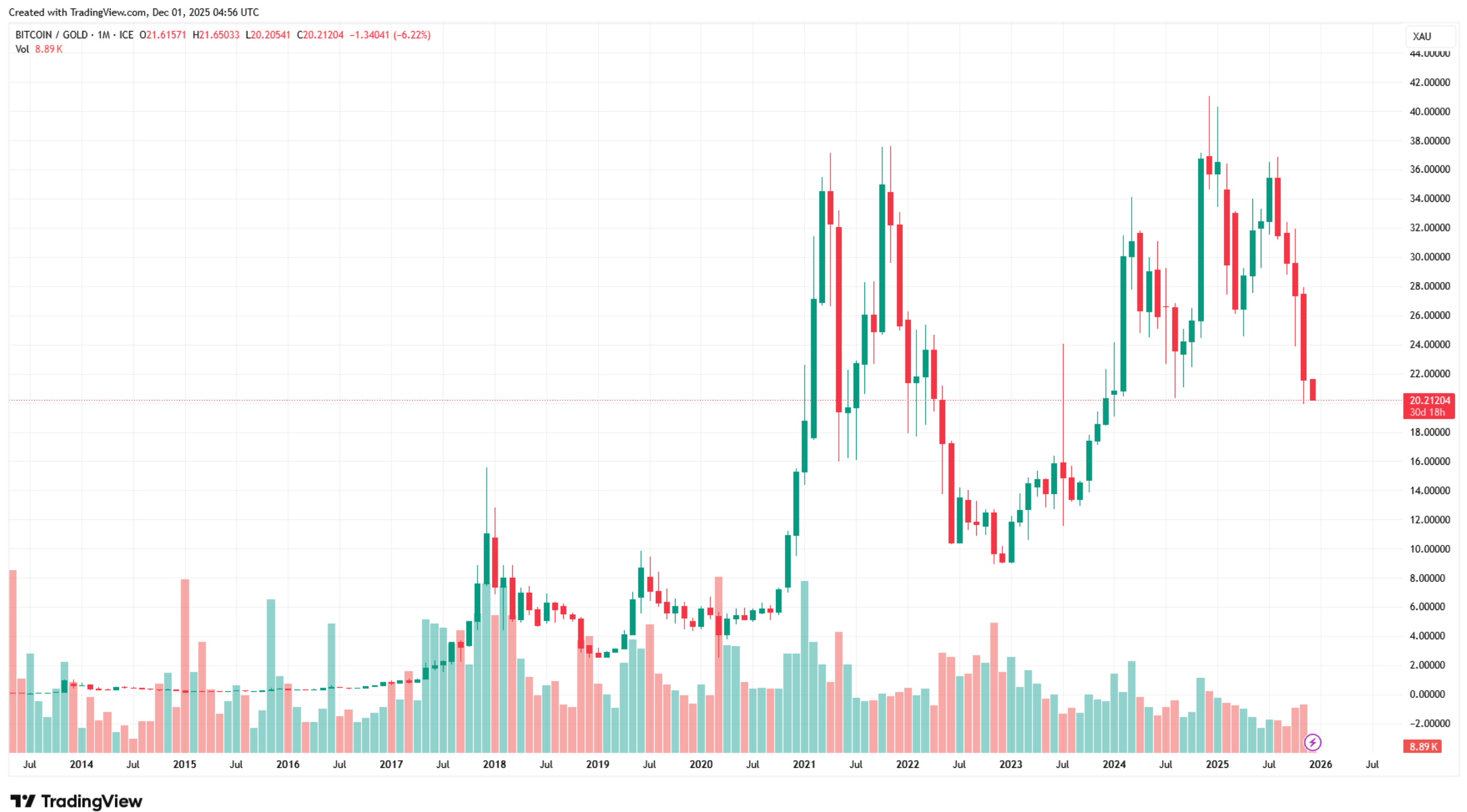


Figure 8. TradingView chart illustrating the Bitcoin-to-Gold ratio

Ethereum

Unlike Bitcoin’s ironclad 21 million supply limit, Ethereum has no maximum cap on ETH issuance. This is not just a technicality; it is a fundamental vulnerability.

While EIP-1559 introduced a burn mechanism to offset new issuance during high network activity, supply can still inflate when usage falls — exactly what is happening now amid cooling DeFi interest.

As of late 2025, the circulating supply hovers around 120 million ETH, with no ceiling in sight.

Volatility on steroids: sideways since the peak

Look at the chart, and the story is sobering. ETH surged to an all-time high of \$4,800 in November 2021, then fell 75% in the 2022 bear market. It clawed back to \$4,000 in the 2024 bull run, but by November 2025, it was around \$2,800 — effectively a sideways grind for four years.

Monthly returns? Positive in just 54% of months from 2017–2025, with enormous swings such as +79% in January 2021, offset by -60% drops elsewhere.

This is not growth; it is a rollercoaster stuck in neutral. Macro headwinds — tightening liquidity, rising US yields, and inconsistent spot ETF inflows — are amplifying the pain, with ETH down 19% year-to-date in 2025. Heading into 2026, expect more of the same: bearish moving averages and a potential drop to \$1,500 if risk-off sentiment continues.

In my view, ETH has had its best days. It becomes more of a utility token now, and its long-term value could be as low as \$500.

ETH remains good for traders, but it is not a store of value.

After peaking again at \$5,000, ETH has begun selling off. I would not be surprised to see ETH lose a zero, falling to around \$500. This may take two years, with many choppy moves along the way, but ultimately that is where I believe it could land.



Figure 9. Weekly candlestick chart of Ethereum (ETH) against the US Dollar from 2020 to 2025

XRP

XRP is one of the better projects, but that does not guarantee the coin will make you money. In 2025, it is up around 2%, although it performed well in 2024, rising from 50 cents to \$2.50.

An ETF has also launched under the symbol XPR, allowing investors to buy it without a crypto account. Deriv offers XRP via CFD, giving you the ability to go long or short without owning the coin and to use leverage.

2026 may be a year where XRP gains use cases, but the price does not necessarily rise. Keep an eye on charts and patterns for opportunities both long and short.



Figure 10. Candlestick price chart of XRP showing price spikes and recent consolidation

Practical crypto trading ideas for 2026

Bitcoin and Ethereum remain extremely volatile. Key rules:

- Keep position sizes small, and use wider stops to survive whipsaws.
- Use Deriv CFDs for small position sizing on BTC and ETH.
- Consider long-dated options on popular ETFs (e.g. IBIT, ETHA) — an effective way to use puts or calls with defined risk.

Summary

- Size positions appropriately — volatility will remain very high.
- Be prepared to stop-and-reverse: go short → long → short again to capture swings.
- Avoid almost all altcoins and meme coins — many are already down 90%+ with little chance of recovery.
- 2026 looks set to be a trader’s market, not a HODLer’s market. For many, the best decision may be to avoid the crypto market altogether and seek opportunities elsewhere until the storm clears.



Theme 7

**Old dog, new tricks –
why the US dollar is
likely to strengthen
in 2026**



Despite widespread predictions in 2025 that the US dollar’s dominance was coming to an end, the currency is poised for a significant relative recovery in 2026. There is, as yet, considerable life left in the world’s reserve currency.

The long-term erosion of the dollar’s purchasing power began in 1971, when President Nixon suspended the convertibility of the US dollar into gold. Since that moment, the dollar has been a pure fiat currency. A lesser-known but critical fact: since 1971, the US dollar has lost approximately 99% of its purchasing power when measured against gold. In 1971, an ounce of gold cost \$35; today, the price exceeds \$4,000. This means it now requires roughly 114–120 times more dollars to purchase the same quantity of gold.

The notion that “a dollar today is worth the same as a dollar yesterday” is simply untrue when viewed through the lens of real money.

History offers no exceptions: every unbacked fiat currency over the past 2,000+ years has eventually collapsed or suffered catastrophic devaluation — a 100% failure rate.

The Roman denarius provides the classic illustration:

- 2nd century BC: nearly 100% silver
- Nero (54–68 AD): ~90% silver
- Marcus Aurelius (161–180 AD): ~75% silver
- Septimius Severus (193–211 AD): ~50% silver
- Third-century crisis: <5% silver (effectively copper)
- By 270 AD: abandoned amid hyperinflation

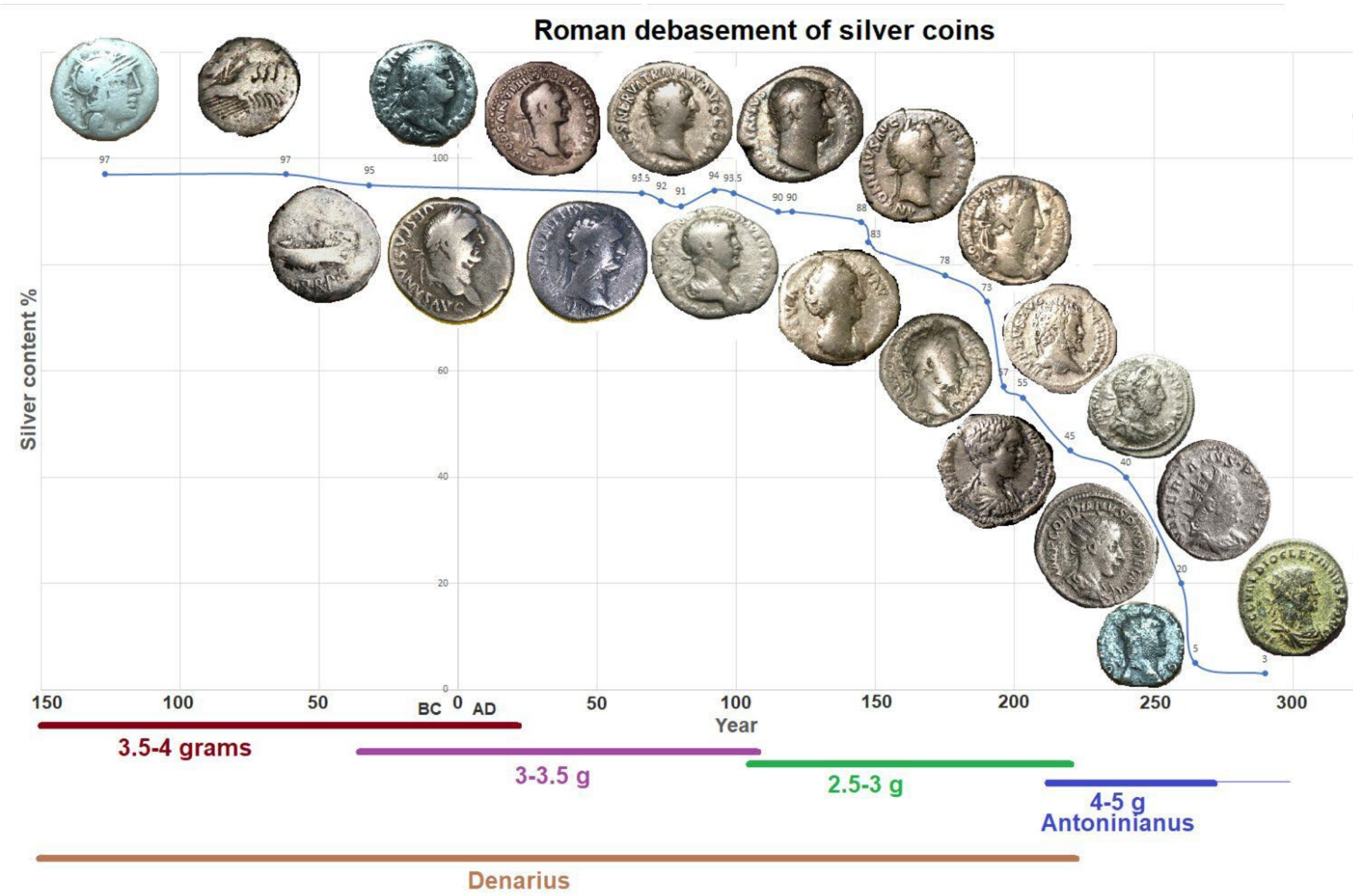


Figure 11. The Roman debasement of silver coins, showing the reduction in silver content from 100% to near 0% between the 2nd century BC and 270 AD

The pattern repeats across civilisations:

- Byzantine solidus: gradual debasement over centuries
- Chinese paper currencies (Song, Yuan, Ming dynasties): recurrent hyperinflation
- French assignats (1790s): worthless within five years
- Continental dollar, Weimar mark, Zimbabwean dollar, Venezuelan bolívar: each ultimately collapsed

Even precious-metal coins retained their integrity only when governments refrained from debasement — a restraint that rarely endured. Once a state faces fiscal pressure and controls the minting or printing, debasement and eventual collapse follow with near-perfect consistency.

Historical record: more than 2,000 years, zero surviving unbacked currencies.

In the modern digital era, central banks can expand the money supply with a few keystrokes. Remarkably, many of the same institutions continue to accumulate physical gold as a reserve asset while simultaneously engaging in aggressive monetary expansion.

Nevertheless, financial markets rarely move in straight lines. Despite its structural weaknesses, the US dollar remains the least impaired major currency — the cleanest shirt in a dirty laundry basket. A global monetary reset appears increasingly probable, though its final form remains uncertain.

All major currencies are weakening simultaneously; the relevant question is which weakens most slowly.

Currency trading is always relative: going long one currency necessarily means going short another. Today, every major central bank appears willing to tolerate, or actively pursue, currency devaluation in what can accurately be described as a race to the bottom.

The euro, now in its 26th year, has proven a poor long-term store of value when priced in gold. The downtrend remains intact, and the coming decade may well be its last as a viable major currency.

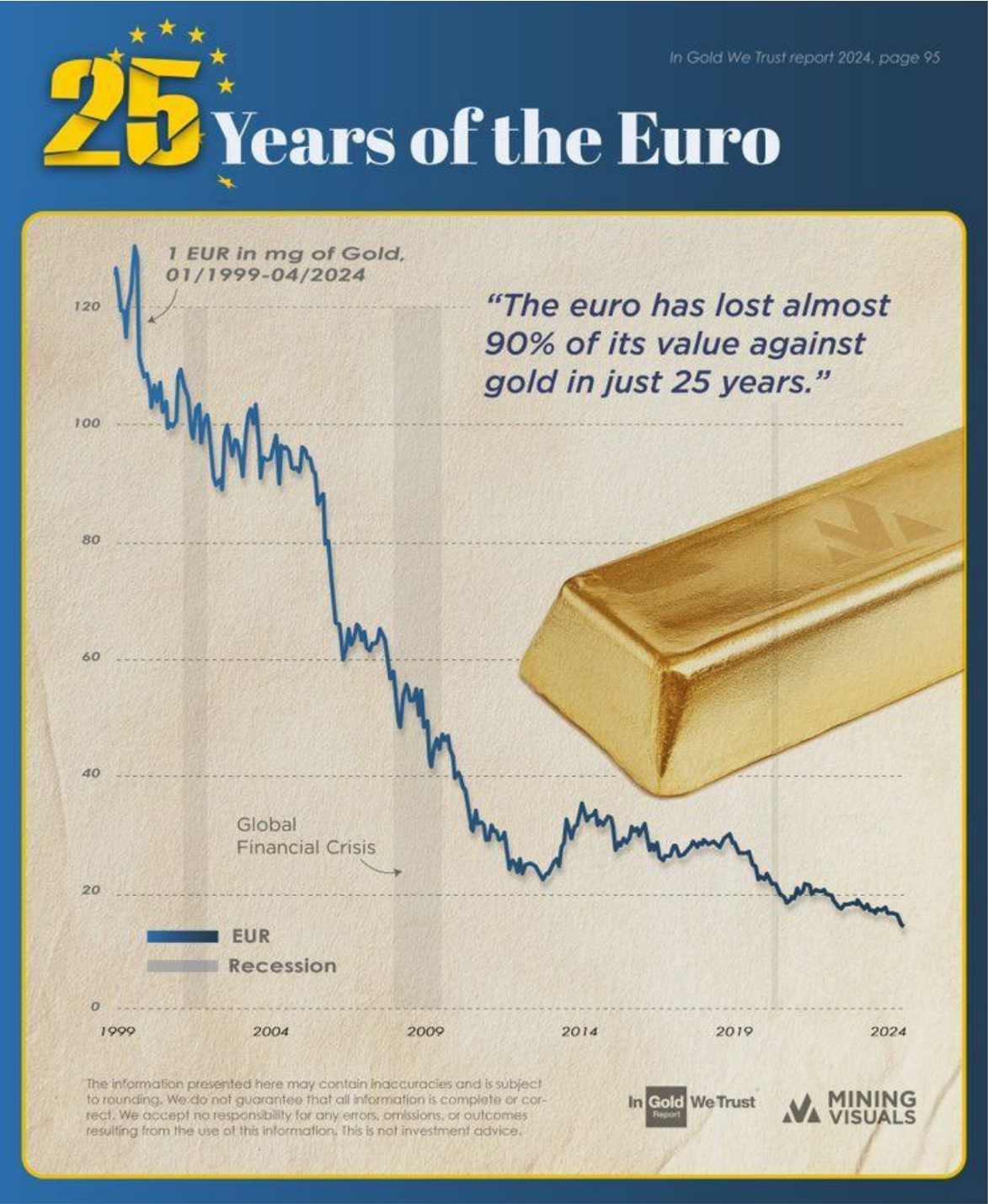


Figure 12. “25 Years of the Euro,” illustrating the Euro’s loss of purchasing power when measured in milligrams of gold.

(Note: Bitcoin, freely traded for only 15 years, has significantly outperformed every fiat currency as a store of value during that period.) When all major currencies are priced in gold rather than in dollars, the reality becomes unmistakable: every fiat currency is losing purchasing power, some more rapidly than others. Gold is not “rising”; fiat money is falling.

Even the Swiss franc, traditionally regarded as the soundest paper currency, continues to depreciate steadily against gold.

Why 2026 is likely to favour the US dollar

The US Dollar Index (DXY) declined significantly in 2025. Yet even if President Trump succeeds in pushing US interest rates toward zero, the dollar is expected to outperform other major currencies on a relative basis. The dollar retains its status as the primary global safe-haven asset and remains the principal currency for commodity settlement, including oil and gold.

US Dollar Index (DXY) composition

Currency weighting	(%)
Euro (EUR)	57.6
Japanese yen (JPY)	13.6
British pound (GBP)	11.9
Canadian dollar (CAD)	9.1
Swedish krona (SEK)	4.2
Swiss franc (CHF)	3.6
Total:	100.0



Figure 13. Thirty years of the Dollar Index (DXY) show that after a weaker 2025, the USD is likely to bounce back. Remember, this index is 57.6% euro.

Practical expressions of a stronger-dollar view

- Long UUP (Invesco DB US Dollar Index Bullish Fund) — options also available
- Short EUR/USD, targeting 1.05 or lower during 2026 (leverage available)
- Short GBP/USD — UK interest rates may remain above US levels, but likely not enough to attract sustained capital inflows. The UK has long-term fiscal issues, and the GBP looks vulnerable. Look for at least a 10–12% drop in 2026.



Figure 14. GBP/USD remains in a long-term downtrend against USD. After a bounce in 2025, expect the downtrend to continue. \$1.20 is the first target, and possibly as low as \$1.15.

Conclusion

Major currency pairs rarely exhibit double-digit annual moves in percentage terms. The attraction of FX lies in the disciplined application of leverage. Deriv continues to offer some of the smallest minimum trade sizes in the industry, combined with tight spreads and high leverage.

If you wish to develop a deeper understanding of currency trading, read my comprehensive free [Forex trading ebook](#), written exclusively for Deriv clients.

The old dog may face long-term structural challenges, but in 2026, it is likely to remind the world that it can still bark loudly.

As you can see from the table below, when you price currencies in gold, you will see that all currencies are weakening — some more than others. It is not a case of gold going up, but rather currencies going down.

Gold Price Performance: % Annual Change									
Year	USD	AUD	CAD	CHF	CNY	EUR	GBP	INR	JPY
2010	+29.5%	+13.5%	+22.3%	+16.7%	+24.9%	+38.8%	+34.3%	+23.7%	+13.0%
2011	+10.1%	+10.2%	+13.5%	+11.2%	+5.9%	+14.2%	+10.5%	+31.1%	+4.5%
2012	+7.0%	+5.4%	+4.3%	+4.2%	+6.2%	+4.9%	+2.2%	+10.3%	+20.7%
2013	-28.3%	-16.2%	-23.0%	-30.1%	-30.2%	-31.2%	-29.4%	-18.7%	-12.8%
2014	-1.5%	+7.7%	+7.9%	+9.9%	+1.2%	+12.1%	+5.0%	+0.8%	+12.3%
2015	-10.4%	+0.4%	+7.5%	-9.9%	-6.2%	-0.3%	-5.2%	-5.9%	-10.1%
2016	+9.1%	+10.5%	+5.9%	+10.8%	+16.8%	+12.4%	+30.2%	+11.9%	+5.8%
2017	+13.6%	+4.6%	+6.0%	+8.1%	+6.4%	-1.0%	+3.2%	+6.4%	+8.9%
2018	-2.1%	+8.5%	+6.3%	-1.2%	+3.5%	+2.7%	+3.8%	+6.6%	-4.7%
2019	+18.9%	+19.3%	+13.0%	+17.1%	+20.3%	+22.7%	+14.2%	+21.6%	+17.7%
2020	+24.6%	+13.6%	+22.2%	+14.0%	+16.9%	+14.4%	+20.9%	+27.9%	+18.5%
2021	-3.5%	+2.2%	-4.1%	-2.0%	-6.1%	+2.9%	-2.5%	-1.6%	+7.5%
2022	-0.3%	+6.5%	+6.9%	+1.0%	+8.3%	+6.0%	+11.8%	+10.7%	+13.4%
2023	+12.8%	+12.6%	+9.9%	+2.4%	+15.7%	+8.7%	+6.6%	+13.4%	+21.6%
2024	+26.3%	+38.3%	+37.1%	+35.9%	+30.3%	+34.2%	+28.2%	+29.8%	+40.9%
2025	+58.8%	+50.7%	+54.9%	+40.7%	+54.0%	+41.8%	+50.2%	+65.5%	+57.9%
Average	10.3%	11.7%	11.9%	8.1%	10.5%	11.5%	11.5%	14.6%	13.4%

Table 7. Gold price performance against global currencies across 15 years

The Swiss franc remains a better currency, but it is also devaluing and losing purchasing power compared with gold, as the chart shows (CHF).

Parting thoughts

I sincerely hope you have found this 2026 financial markets outlook insightful and genuinely helpful as you plan for the year ahead. Without doubt, 2026 promises to be a year rich with both risks and opportunities — one that will reward preparation, discipline, and adaptability.

Wherever the markets take us, Deriv remains committed to providing the tools, platforms, and educational resources you need to navigate them with confidence.

If you would like to explore trading with Deriv, visit [its website](#). For those looking to sharpen their skills, [Deriv Academy](#) offers a wide selection of free ebooks, courses, and learning materials.

Wishing you every success in your trading and investing journey throughout 2026 and beyond.

Safe trading,

Vince Stanzione

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Trading for anyone, anywhere, anytime.