



MacroSpotlight

The Macro Bet Behind Value

8th January 2026



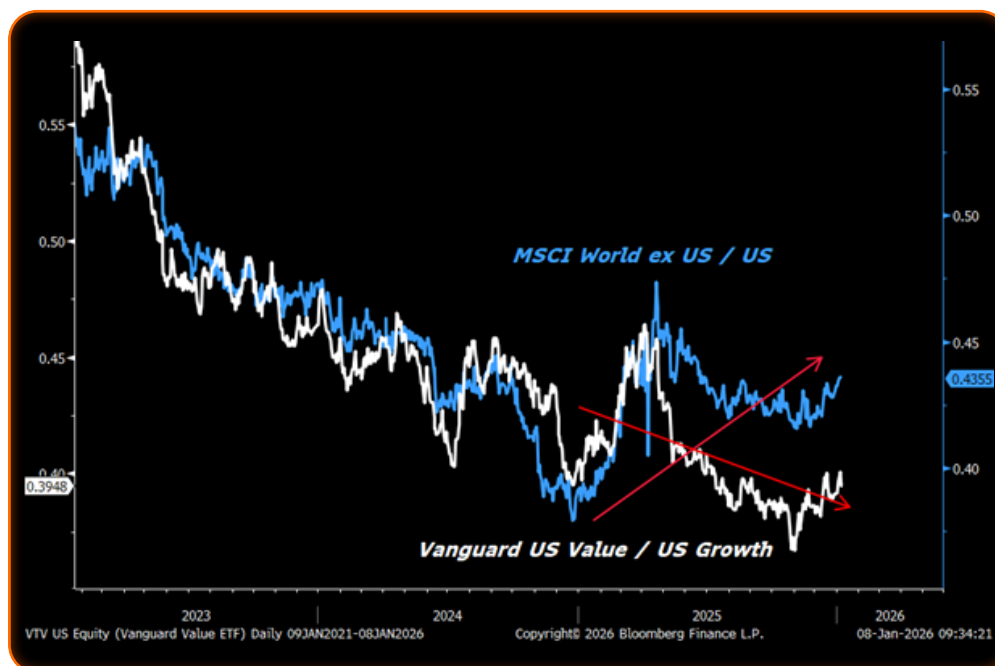
The Macro Bet Behind Value

“In the short run, the market is a voting machine, but in the long run, it is a weighing machine.” — Benjamin Graham

At the start of the year, Mr. Market has shown his hand. “Run it hot” optimism is high at the start of 2026, whether looking at the yield curve, commodities, or cyclical stocks. The AAI Bulls less Bears survey is at 1-year highs.

Value outperforming Growth is the style synonymous with this thesis.

If you look at every major market outside of the US, Value outperformed Growth in 2025—and since November, it has done so in the US too.



If you believe Rest of World (RoW) will outperform the US, you are paid to take a Value tilt in your portfolio.



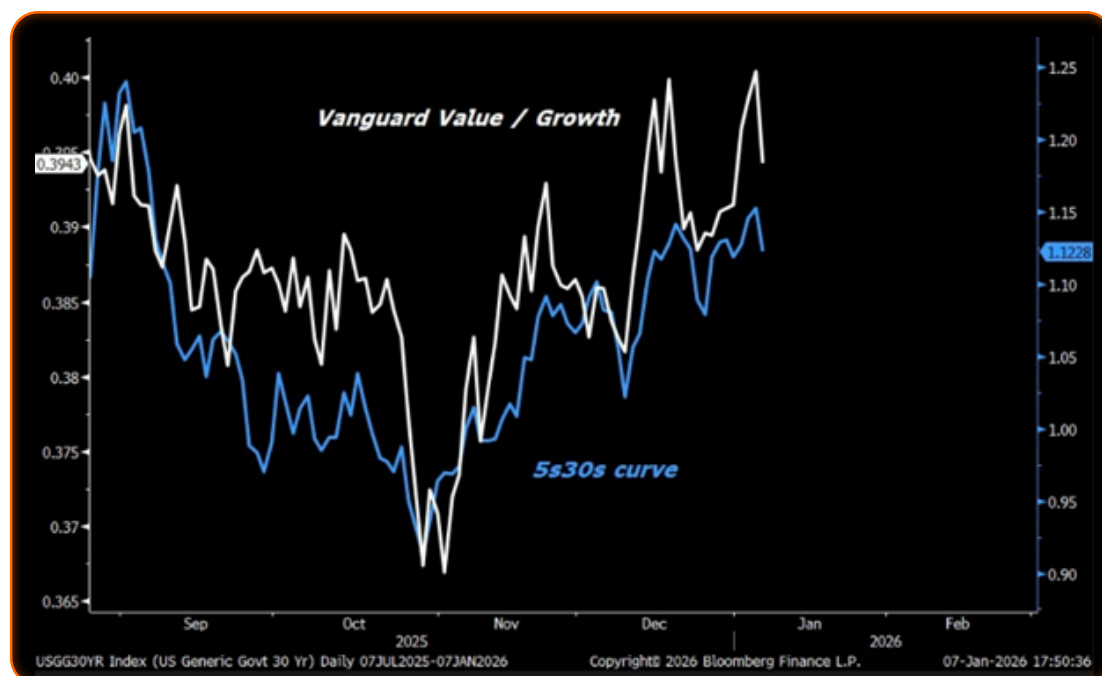
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Quant Insight reveals a security's macro factor exposures—the “ingredients” that could move the asset. However, we can also look beyond that to see which factor exposures are currently aligned with returns—i.e., what's truly top of mind.

A very clear story is revealed on what the Value macro bet is predicated on. Value outperformance currently requires:

- A steeper curve, stronger metals, higher terminal rate → Reflation
- A weaker dollar → Easier global financial conditions
- Weaker oil → Lower input costs
- Tighter credit spreads → Balance-sheet sensitivity matters

To illustrate, consider the close relationship between Value vs. Growth and the steepening we have seen in the 5s30s curve since November.



In other words: Value is a very clear macro bet here.



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