Redefining resilience

2026 tested portfolios on several fronts with markets buffeted by geopolitical uncertainty, energy disruptions, rising rates and shifting investor expectations around Artificial Intelligence (AI). 2027 may bring its own set of challenges. In this evolving environment, resilience is not about finding one safe asset, but about combining different assets that respond differently to risks, so that portfolios are better equipped to withstand volatility while still participating in the upside. Our investment teams share their perspectives on how they are redefining resilience and how different asset classes can contribute to portfolio resilience in 2027.

Key takeaways

- From a multi asset perspective, disruption to the historical stock-bond relationship means that we need to construct portfolios that can adapt to changing correlations.
- Investors should not have to choose between growth and dividends in 2027. Amid rapid changes in market leadership, a broader, multi-dimensional approach to income investing will become increasingly important.
- The resilience from quality bonds will matter even more for portfolios in 2027. SGD bonds offer attractive income from a high-quality universe.



Have the changes in the macro regime led you to think differently about risk premia and portfolio diversification?

Yes, in part. Given the shifts in the relationship between growth, inflation and rates, we no longer treat bonds as an automatic equity hedge. Historically, the stock-bond correlation has depended on what drives yields.

We ensure that the portfolio risk is not dominated by a single economic outcome, region or theme.

When inflation dominates, as was the case in 2022, stocks and bonds tend to fall together, leaving 60/40 portfolios nowhere to hide. When growth is the focus, the correlation usually turns negative. For example, against the backdrop of robust US consumption, strong AI-related capex and continued earnings growth, equities have been able to absorb the move up in yields in 2026.

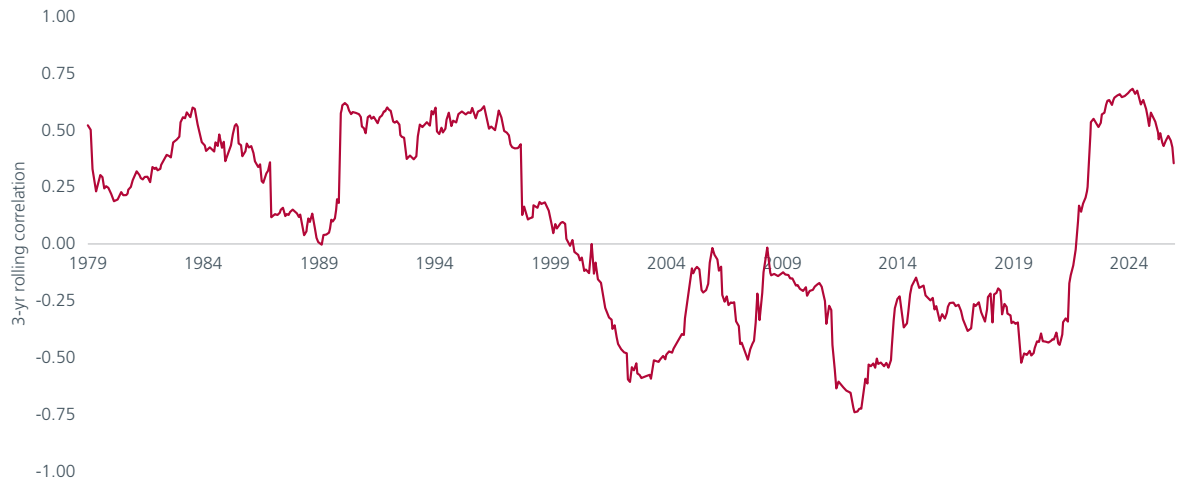
From a multi asset perspective, diversification extends beyond asset class labels. We look to diversify across underlying economic risks, regions, investment horizons and return sources. We also seek to broaden our sources of portfolio diversification, looking to add appropriate left tail risk hedges when opportunities arise. Rather than trying to predict every regime shift, we construct portfolios that can adapt to changing correlations and evolving opportunities. This approach remains key going into 2027.

How are you balancing upside capture with portfolio resilience in 2027?

We ensure that the portfolio risk is not dominated by a single economic outcome, region or theme, and we use options to manage asymmetric outcomes. Instead of reducing equity exposure and forgoing potential gains, we can use structures to tailor protection for specific risks and time horizons. Supplementing this with other proxy hedging instruments allows us to keep the carry more palatable in case the left tail risk does not materialise.

Craig Bell, Head of Multi Asset Portfolio Solutions, Eastspring Singapore

Correlation between S&P500 and 10-year US Treasury has been shifting (3-yr rolling correlation)



Source: Eastspring Investments. Bloomberg. November 2026.

What did 2026's market dispersion reveal about the resilience of Asian dividend strategies, and how does this shape the opportunity set for 2027?

2026 highlighted the limitations of defining dividend investing simply as buying the highest-yielding stocks. Rapid rotations and frequent changes in market leadership meant that traditional defensive, high-yield stocks could perform well when risk appetite weakened but lagged sharply when leadership shifted towards growth sectors such as technology.

That reinforces our preference for a more forward-looking approach - investing across the dividend cycle rather than relying on a single source of income. The result is a more style-agnostic portfolio with different return drivers that can work across different market environments.

Asia is particularly attractive in this respect. Shareholder returns remain an important priority across the region, including in sectors such as technology that have not traditionally been associated with dividends or buybacks. At the same time, Asia is not a homogeneous market. Different countries, sectors and companies are at different stages of their cycles, creating opportunities to diversify factor and macroeconomic risks.

Investors should not have to choose between growth and dividends in 2027. As market regimes become less persistent, we believe a broader, multi-dimensional approach to income investing will become increasingly important.

Christina Woon, Head of Core and Income Equities, Eastspring Singapore

Market leadership changed rapidly in 2026 (MSCI Asia Pacific)

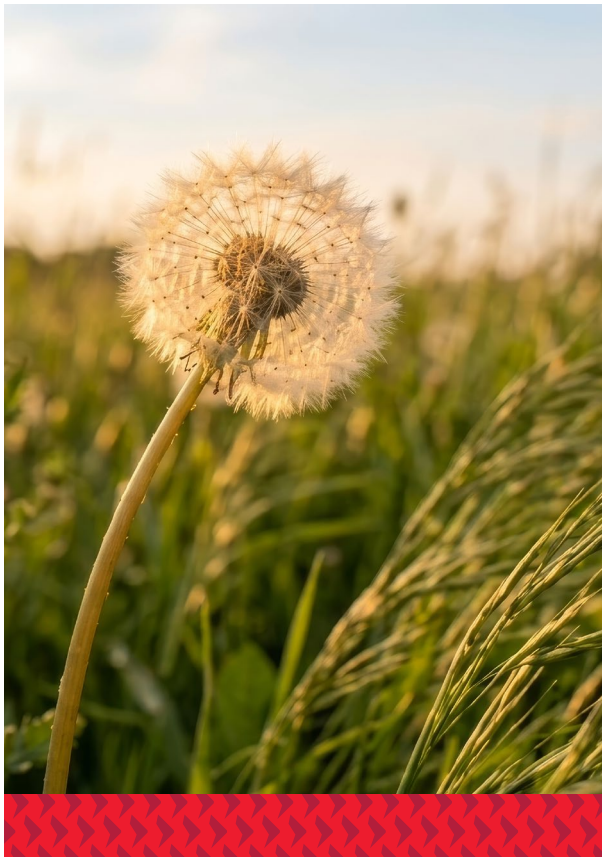
Rank	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
1	Technology 16%	Technology 13%	Energy -1%	Technology 32%	Technology 27%	Technology 4%	Consumer Discretionary 11%	Healthcare 9%	Technology 4%	Healthcare 2%
2	Industrials 9%	Industrials 10%	Utilities -6%	Industrials 13%	Consumer Discretionary 2%	Financials 1%	Financials 9%	Technology 5%	Telecom services -1%	Energy 2%
3	Financials 5%	Utilities 6%	Consumer Staples -8%	Financials 6%	Telecom services 1%	Consumer Staples -1%	Energy 9%	Industrials 5%	Healthcare -1%	Consumer Staples 1%
4	Healthcare 4%	Energy 6%	Telecom services -9%	Consumer Discretionary 5%	Industrials 0%	Healthcare -1%	Telecom services 6%	Energy 3%	Financials -1%	Utilities 1%
5	Utilities 4%	Consumer Staples 5%	Healthcare -9%	Energy 4%	Financials 0%	Industrials -5%	Consumer Staples 6%	Financials 1%	Industrials -2%	Financials -1%
6	Energy 3%	Financials 5%	Financials -11%	Utilities 4%	Utilities -3%	Telecom services -6%	Healthcare 4%	Utilities 1%	Utilities -2%	Consumer Discretionary -2%
7	Consumer Discretionary 3%	Healthcare 3%	Industrials -14%	Telecom services 3%	Consumer Staples -3%	Utilities -6%	Utilities 3%	Consumer Staples 0%	Energy -3%	Industrials -6%
8	Telecom services 1%	Consumer Discretionary 2%	Consumer Discretionary -14%	Consumer Staples 1%	Healthcare -3%	Consumer Discretionary -9%	Industrials 1%	Consumer Discretionary -1%	Consumer Staples -4%	Telecom services -8%
9	Consumer Staples 0%	Telecom services -9%	Technology -18%	Healthcare 1%	Energy -8%	Energy -10%	Technology -14%	Telecom services -1%	Consumer Discretionary -6%	Technology -12%

Source: Eastspring Investments. Bloomberg. November 2026. MSCI indices. In USD.

Can Singapore equities and bonds be a source of portfolio diversification and resilience in 2027?

Singapore equities are expected to offer one of the highest dividend yields in Asia, around 4.5% to 5.0%, which would help to underpin the market in 2027. At the same time, the market enjoys several structural growth drivers including wealth management, AI and data centre infrastructure, energy transition and corporate value unlocking. Ongoing initiatives, including the SGD6.5bn Equity Market Development Programme should also continue to improve liquidity, broaden investor participation and support valuations, particularly among small-and mid-cap companies. That said, following the strong market rally in 2026, further upside will likely be increasingly driven by earnings delivery and stock specific catalysts rather than a broad market re-rating.

Bryan Yeong, Portfolio Manager, Growth Equities, Eastspring Singapore



SGD fixed income was one of the more resilient bond asset classes in 2026, and we expect its quality characteristics to matter even more in 2027. Beyond resilience, the asset class offers investors attractive income from a high-quality universe.

Global rates volatility is likely to remain elevated, given evolving monetary policy expectations, persistent geopolitical risks and lingering concerns over the AI investment cycle. Singapore credit, however, enters this less certain environment from a position of strength. Corporates' debt-servicing capacity has improved, with short-term debt making up just 32% of listed companies' total debt, and corporate non-performing loans falling to an 18-year low of 1.2%. With only 19% of outstanding corporate bonds maturing by end-2027, refinancing pressures look manageable. (Source: MAS Financial Stability Review 2026). Although SGD credit spreads have widened slightly, the outlook remains stable, supported by ample liquidity, supportive technicals and a firm SGD NEER policy backdrop.

In 2027, we favour building carry in our portfolios without compromising on liquidity. We continue to favour carry and curve roll-down opportunities in high-quality SGD corporate bonds given their sound credit fundamentals. We will remain nimble on duration, looking to add selectively if yields rise further.

Wei Ming Cheong, Portfolio Manager, Fixed Income, Eastspring Singapore

Benedict Phua, Portfolio Manager, Fixed Income, Eastspring Singapore

India's economic resilience has surprised investors in 2026. Do you see that economic resilience translating to investment opportunities in 2027?

Although the Indian economy remains vulnerable to external shocks, particularly through imported energy; decades of investments in infrastructure, as well as years of continued formalisation of industries and income groups have broadened the economy's foundations, making India's economic growth less dependent on any single engine. We are finding attractive investment opportunities in auto-component suppliers benefiting from rising localisation, hospital chains creating value through consolidation and selected quick-commerce platforms.

> **We are finding opportunities in auto-component suppliers, hospital chains and quick-commerce platforms.**

At the same time, AI implementation should create new sources of demand for Indian IT providers. Deploying AI across complex businesses requires expertise in integrating legacy systems, modernising data and delivering measurable outcomes, areas where established Indian IT firms are well positioned. That said, a meaningful AI-driven revenue uplift may be two to three years away, causing us to favour leading Indian IT companies that have high-quality, cash-generative businesses.

Yuan Yiu Tsai, Portfolio Manager, Equities, Eastspring Singapore

How can systematic investing help build resilient portfolios in 2027?

The case for systematic investing is increasingly about diversification rather than prediction. The objective is to build portfolios capable of participating across a broader range of market outcomes. Within equities, this means combining differentiated sources of return. A multi-factor strategy drawing on quality, sentiment, momentum and value can participate in structural themes such as AI while controlling excessive stock, sector and style concentration. Defensive systematic strategies can also complement global value and income strategies by providing portfolio ballast through low-volatility, quality and robust-yield characteristics.

Beyond equities, systematic credit applies disciplined security selection and risk control across a broad and fragmented issuer universe, while enhanced and passive solutions provide additional flexibility in determining where and how active risk should be deployed.

Ioannis Kampouris, Head of Quantitative Strategies, Eastspring Singapore

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