

What to Expect in 2026

Imagine standing at the edge of a pool as water rises, lifting everything higher. That's exactly how money works in the financial system. When there's more money flowing, stocks and investments tend to rise.



The Federal Reserve's Game-Changing Move

The Federal Reserve controls how expensive or cheap money is, and they've started making it cheaper again. This isn't random—it's how the system works. When borrowing gets easier and money flows freely, asset prices climb.

Understanding this shift is crucial for your financial future. The key to unlocking what's happening next lies in one concept: liquidity.



What's Liquidity, and Why Should You Care?



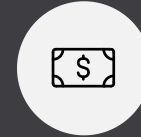
The Water Analogy

Liquidity is how much money is available and how easy it is to get. Like water in a pool—when there's more, everything floats higher.



Rising Tide

Right now, the "water level" is rising again. More money means higher asset prices, regardless of how the economy feels.



Money in Motion

When there's more money, it doesn't sit still—it flows into stocks, real estate, and anything people see as valuable.



The Market Paradox

"Prices are already so high! The economy feels shaky. How can things keep going up?"

Here's the secret: Financial markets don't care about how the economy *feels*. They care about how much money is available. When there's more money flowing through the system, asset prices rise—it's that simple.

Why Interest Rates Are the Key



Lower Rates

When the Fed lowers rates, borrowing becomes cheaper and spending increases.



Bigger Risks

Investors take bigger risks as cash in banks earns less, pushing them to seek better returns.



Rising Values

Money flows into investments, driving up asset values across the board.

The Fed's Latest Announcement

0.25%

Rate Cut

The Fed just cut interest rates, bringing them down to 3.75%.

\$40B

Cash Injection

They're buying Treasury securities to flood the system with cash.

2.3%

Growth Forecast

Expected U.S. economic growth in 2026, up from 1.8% earlier estimate.

4.4%

Unemployment

Projected to remain steady, indicating economic stability.

The big takeaway: We're no longer in a phase where rates are going up. We're in a phase where rates are coming down, supporting higher asset prices.

The Truth About Money Printing

What They Call It

"Reserve management" and "expanding the Fed's balance sheet"

What It Really Is

Money printing—plain and simple

The Federal Reserve has started printing money again, adding \$40 billion in December. While they say it's temporary, history shows once they start, it's hard to stop. The system needs that money—government deficits, bank reserves, and market stability all depend on it.

Why the Money Keeps Flowing

Government Deficits

The government runs on big deficits and needs continuous funding.

Breaking Point

If the Fed stops the flow, something could break in the system.



Bank Reserves

Banks require adequate reserves to maintain stability and lending capacity.

Market Stability

Markets rely on stable funding to prevent crashes and maintain confidence.

What Happens When the Dollar Weakens?

01

Lower Interest Rates

The Fed prints more money and lowers rates, making dollars less attractive to hold.

02

More Dollars in Circulation

With more dollars available, each one buys less—basic supply and demand.

03

Ringgit Strengthens Relatively

As the dollar weakens, other currencies like the ringgit gain relative strength.

04

Asset Prices Rise

Real estate and commodities become more expensive—this is inflation in action.

The Inflation Reality (and Analogy)



A weaker currency has a ripple effect throughout the economy. It takes more currency to buy the same assets.

When property prices go up, the property itself doesn't become more valuable—it's just that the money is worth less. This is the essence of inflation.

The "Fed Put" Safety Net

Why the Federal Reserve Can't Let Markets Crash

If the stock market crashes, the Federal Reserve will likely step in to save it. This has happened before—in 2008 during the financial crisis, in 2020 during the pandemic, and during other times of financial stress.

Market Impact

A crash doesn't just hurt investors—it spreads to jobs, housing, and consumer confidence.

Emergency Response

The Fed steps in with rate cuts, money printing, and other emergency measures.

Too Big to Fail

The cost of doing nothing becomes too high, so intervention becomes inevitable.



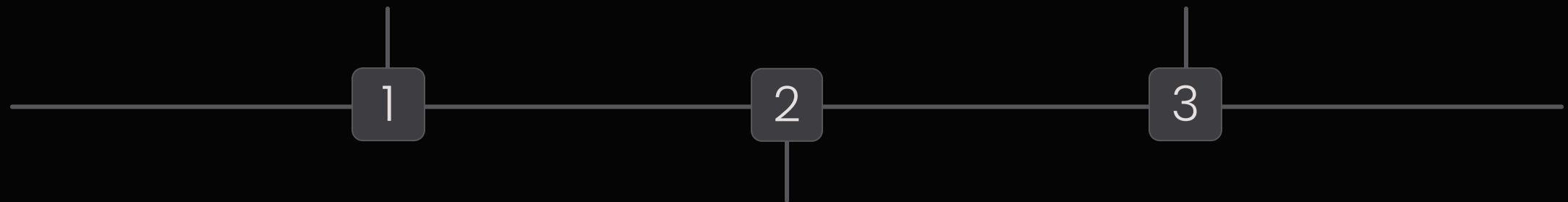
Historical Precedents

2008 Financial Crisis

The Fed slashed rates and launched massive quantitative easing to prevent economic collapse.

2026 and Beyond

The pattern continues—the Fed stands ready to intervene when needed.



2020 Pandemic

Emergency rate cuts and unprecedented money printing stabilized crashing markets.

This pattern of intervention is what investors call the "Fed put"—a safety net that supports markets during times of stress.

What Else is Next for 2026?



New Federal Reserve Chair

In May 2026, we'll have a new Federal Reserve chair. While we don't know who it will be, new leadership often means a shift in priorities.

The focus is likely to be on making money even cheaper to boost the economy and markets, especially with midterm elections around the corner.

Connecting the Dots

Falling Interest Rates



Higher Asset Prices



More Money Printing



Weaker Dollar



Fed Ready to Intervene

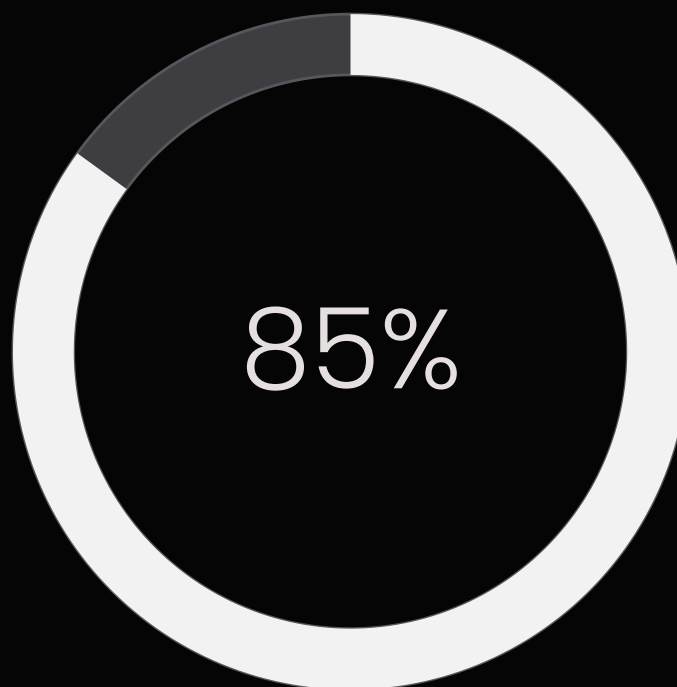
All of these factors point in one direction: higher prices for investments in 2026 and beyond.

The 2025 Progress So Far



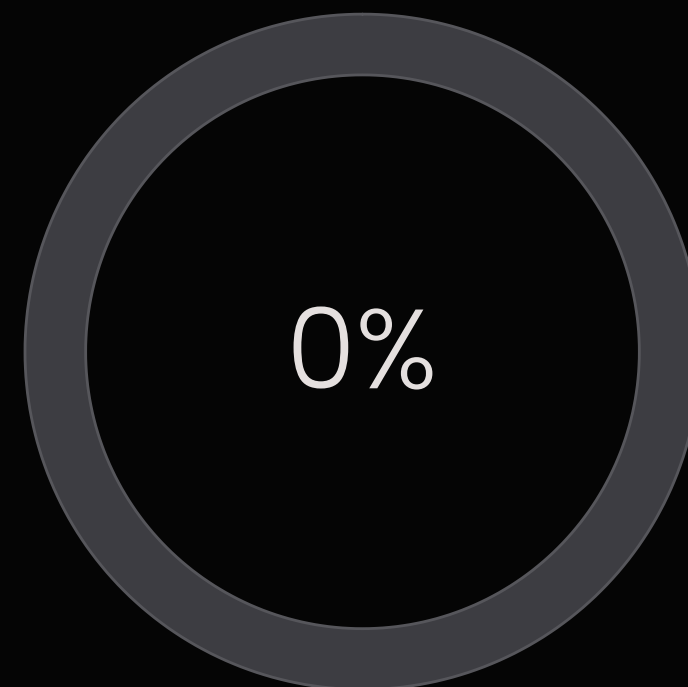
Stayed Invested

Investors who didn't panic sell in April saw solid gains.



Beat Inflation

Returns outpaced inflation for those who remained patient.

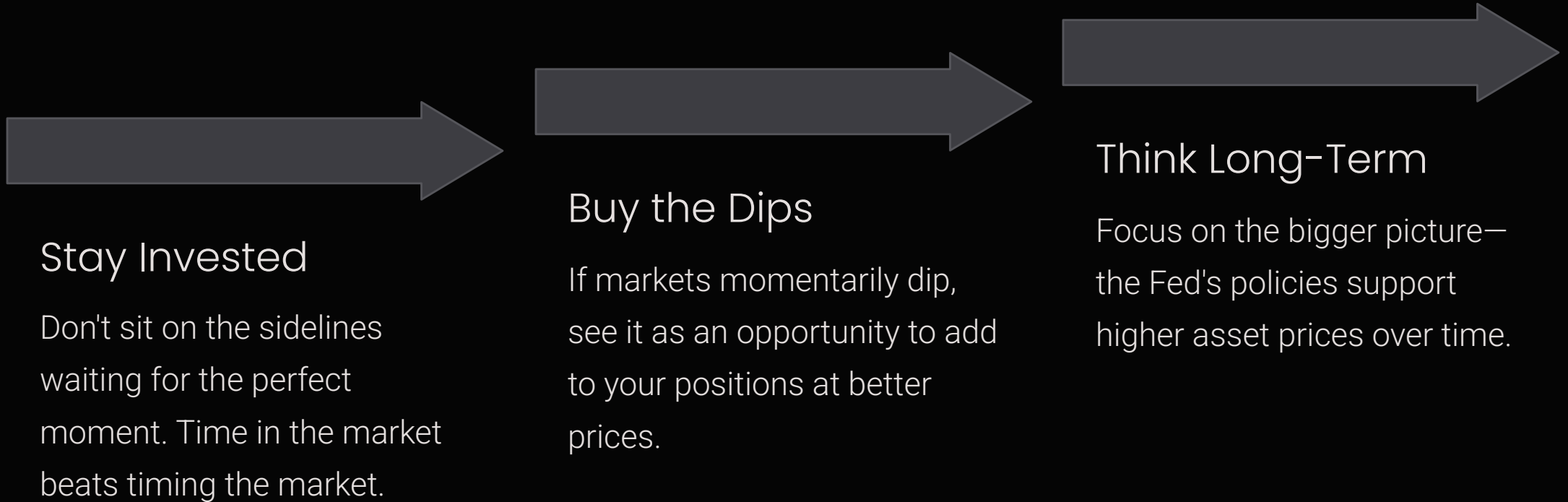


Sideline Sitters

Those waiting for dips missed significant opportunities.

If you invested before 2025 and didn't panic sell, you've already experienced the power of staying invested. This lesson becomes even more important going into 2026.

2026 Strategy



Overcoming Fear

"Buying now can feel scary. You might wonder, 'How much higher can prices go?'"

The Fear

Markets seem expensive. Uncertainty feels overwhelming. What if prices fall?

The Reality

Ask yourself: How much more money can the government print? If they keep printing, why should markets come down?

The Fundamental Question

How much more money can they print?

This is the question that changes everything. As long as the Federal Reserve continues to print money and keep interest rates low, the fundamental support for higher asset prices remains in place.

Unlimited Printing Capacity

The Fed can create money with a keystroke—there's no technical limit to money creation.

Political Pressure

With elections and economic concerns, the pressure to keep money flowing is immense.

System Dependency

The entire financial system now depends on continuous liquidity support.

Key Takeaways for 2026

1

Liquidity is Rising

More money in the system means higher asset prices—it's that simple.

2

Rates Are Falling

Lower interest rates make borrowing cheaper and push investors into riskier assets.

3

The Fed Has Your Back

The "Fed put" means intervention is likely if markets face serious trouble.

4

Don't Wait on the Sidelines

Staying invested beats trying to time the perfect entry point.

5

Buy the Dips

Temporary pullbacks are opportunities, not reasons to panic.