RESEARCH · MARKETS

Crisis or resilience? Markets put to the test

Rethinking allocation in an ambiguous world

By Diana Diels, President, Luxembourg For Family Office

AGEFI LUXEMBOURG · JUNE 2026

> *The real question is no longer "are we heading towards a crisis?" It is: "is my portfolio built to survive both scenarios?"*

The Friday morning doubt

Every first Friday of the month, Wall Street holds its breath. The American employment report has become, over the years, far more than a statistic: it is a barometer of the mood of the markets, a catalyst of volatility, and sometimes the signal that precipitates or postpones a decision by the Fed. Friday 5 June was no exception. In the trading rooms, the question had been circulating in low voices for several weeks: are we on the threshold of a recession, or facing an economy that is holding up better than expected?

The answer arrived in the form of a figure: 172,000. That is the number of jobs created in May 2026 by the American economy, more than double the 85,000 anticipated by the consensus of economists. A surprise of this magnitude does not go unnoticed. It modifies probabilities, revives debates and, above all, forces investors to reconfigure their positions.

A labour market that holds, but with fault lines

The figures speak for themselves. In May, non-farm payrolls advanced by 172,000, the unemployment rate remained stable at 4.3%, and revisions to the previous months added 93,000 further jobs to what had initially been announced: March now revised to 214,000 and April to 179,000. For Goldman Sachs Asset Management, this report is a genuine payroll blowout. For the economists of Navy Federal Credit Union, it is simply confirmation that the hiring recession is over.

Yet it would be imprudent to retain only this flattering headline. Behind the principal indicator lie nuances that temper the enthusiasm. The hiring rate and the quit rate remain depressed, what the Anglo-Saxons call the low-hire, low-fire dynamic, the sign of a labour market turning over slowly rather than running at full capacity.

More worrying still: the share of the long-term unemployed, without work for more than twenty-seven weeks, has jumped to 27.5%, against 20.4% a year earlier. An economy in good health does not produce that kind of statistic.

The honest reading of the American labour market is therefore one of duality: an economy that creates jobs concentrated in restaurants, leisure, local government and health, but whose internal mobility is seizing up, and whose most fragile segment of workers is deteriorating silently.

No rate cut: the Fed stays away

This report had an immediate effect on monetary expectations, and it went in a precise direction: towards higher rates, not lower. Yields on ten-year US Treasury bonds jumped above 4.53% in the hours following publication, and according to the CME FedWatch Tool the probability of seeing the Fed raise its rates again before the end of 2026 climbed to 70%. Goldman Sachs has decided: no rate cut is now expected this year, and the bank has pushed back its projections of monetary easing to June and December 2027.

The Federal Reserve, which maintains its policy rate in a range of 3.50 to 3.75%, is confronted with a classic dilemma: employment is holding up, inflation remains above its target, and any premature easing could reignite inflationary pressures that years of restrictive policy have barely tamed.

For the investor, this scenario of higher for longer is not neutral. It compresses the valuations of long-duration assets, penalises indebted balance sheets, and poses a fundamental question: in what type of assets should one look for performance and protection in this context?

Diversification through real assets

The current environment, high rates, persistent inflation, geopolitical uncertainty, has revived interest in what finance professionals call real assets: tangible assets whose value does not depend directly on cash flows discounted at an interest rate, but on scarcity, physical utility or symbolic status. This category encompasses real estate, infrastructure and commodities, but also, and this is where the debate becomes richer, precious metals and alternative assets such as art.

Gold: the refuge that has never cost so much

If gold is the old accomplice of investors in periods of stress, its behaviour in 2025 and 2026 has exceeded every scenario. The ounce crossed the symbolic barrier of $5,000 for the first time in history, climbed as high as $5,595, before experiencing in March 2026 its worst two-day correction since 1983: a fall of nearly $1,200.

And yet the major banks revised their targets upwards after this episode. Goldman Sachs maintains an objective of $5,400 by the end of 2026. J.P. Morgan has published a range of $6,000 to $6,300. Yardeni Research speaks of $6,000 before the end of the year. At the median, a Reuters survey of thirty analysts arrives at a forecast of $4,746.50 an ounce for the year as a whole, the highest ever recorded in this type of survey since 2012.

What explains this trajectory? Several engines accumulate. The central banks of emerging countries continue to accumulate gold in order to reduce their dependence on the dollar. Geopolitical fragmentation increases the security premium. The trend depreciation of the US dollar over several months makes the yellow metal more attractive. And in a world where sovereign debts accumulate and where the independence of central banks is sometimes called into doubt, gold embodies a refuge value whose bankruptcy no government can decree.

Silver: the dual-purpose “turbo gold”

If gold crystallises attention, silver deserves an equally attentive look, but for different reasons. The ounce of silver reached a new historic record at $95.34 in January 2026, carried by a rare combination: solid industrial fundamentals and rising financial demand. For silver is not only a precious metal; it is an indispensable industrial metal.

Solar panels, electric vehicles, semiconductors and electronic devices of all kinds consume growing quantities of it. The rigidity of supply, silver mines cannot simply double their production in a few months, combined with falling physical stocks in London and Shanghai, has created the conditions for a structural tension in the metal.

Forecasts for 2026 remain ambitious: Bank of America and Citigroup see the ounce between $135 and $170 in scenarios of compression of the gold-silver ratio. Marek Rogalski, analyst at DM BOS, nicknames silver “turbo gold”, a metal that amplifies the movements of gold in both directions, with a far greater sensitivity to global industrial conditions.

For a portfolio, silver thus offers a double exposure profile: protection against monetary uncertainty on one side, and exposure to the energy transition on the other. A combination which, in theory, fully justifies a dedicated allocation.

Art: a portfolio asset in its own right?

The question may seem iconoclastic in a financial article. And yet it imposes itself with growing legitimacy. In 2026, art crosses a symbolic threshold: its recognition as an asset of structural allocation, and no longer as the simple passion of a wealthy collector.

The world art market generated around $59.6 billion in sales in 2025, up 4% after two years of decline, according to the Art Basel and UBS report. Admittedly, this growth masks a worrying concentration: sales of works above $10 million jumped by 30%, while the intermediate market struggles.

But the underlying trend is clear: private banks, family offices and wealth managers now integrate art into their allocation models. What makes art interesting from a financial point of view rests on several specific properties. Its weak correlation with traditional financial markets makes it an effective tool of diversification, particularly precious in phases of market stress. Its resistance to inflation is documented over long periods: reference works tend to conserve their real value.

Finally, young wealthy collectors now allocate between 15 and 30% of their wealth to art, a strong signal of the institutionalisation of this practice. But the real limits must not be obscured. Illiquidity is structural: a work does not sell in a few seconds like a share. Transaction, insurance and conservation costs are significant. And selectivity is pitiless: it is works of great quality, established artists, irreproachable provenance, that generate the returns.

The secondary market for emerging artists remains fragile and speculative. But for an investor with a long horizon and a capacity to tolerate illiquidity, art offers something that financial markets cannot always guarantee: a genuine decorrelation, a tangible value, and a durability that transcends economic cycles.

Conclusion: rethinking allocation in an uncertain world

The employment report of Friday 5 June did not settle the debate on recession; it complicated it. An American economy that creates twice as many jobs as expected is not in recession. But an economy where the long-term unemployed accumulate, where the Fed cannot lower its rates and where inflation remains sticky is not in comfortable expansion either.

In this ambiguous context, diversification towards real assets is not a passing fashion: it is a structural response to a market regime durably different from that of the 2010s. Gold as a monetary anchor, silver as a bridge between security and industry, art as a decorrelated store of value: these assets do not replace equities or bonds, but they complement them in a way that the last ten years had allowed us to forget.

— Luxembourg For Family Office.

> *Gold as a monetary anchor, silver as a bridge between security and industry, art as a decorrelated store of value.*