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Global Listed Infrastructure

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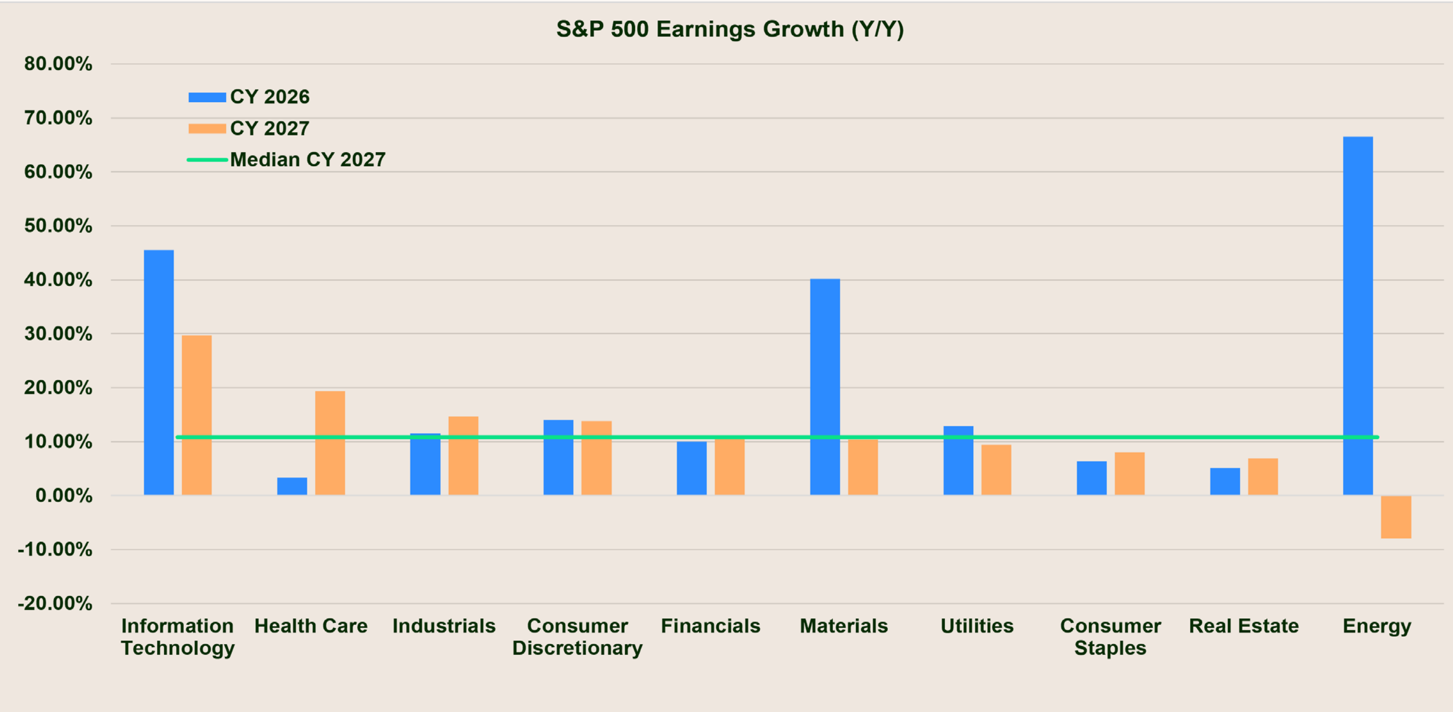
Infrastructure in focus: July 2026

A hard-wearing HALO in infrastructure

With a tentative peace deal between the US and Iran in place, the reset in markets poses the question of what we should next expect from listed infrastructure in the aftermath of this shock. The chart below shows S&P 500 earnings growth estimates by major sub-sector for Calendar Year (CY) 2026 and 2027. You can observe that, unsurprisingly, energy is the standout for earnings this year, followed by IT, which also underscores the strength of the AI theme. Looking to 2027, earnings growth cycles down significantly for energy along with materials and tech. The more interesting story for us is those sectors – including utilities – that continue to plough through, delivering solid, consistent earnings growth. S&P 500 utilities companies are expected to achieve 13% earnings growth in CY 2026 and 9.4% in CY 2027.



Source: FactSet. Data as of 18 June 2026

- Recall that the HALO (Heavy Assets, Low Obsolescence) rotation was predominant in early 2026 before the Iran war upended markets. Utilities, along with sub-sectors including materials and industrials, were beneficiaries of the rotation away from AI-exposed tech companies. Now, the unwind in the conflict suggests an environment of better economic growth but persistent inflation for some quarters to come. At the same time, hopes are sky-high for the AI-driven technology sector.
- Infrastructure assets are well-positioned in risk-on markets. Solid earnings growth such as that expected for regulated utilities is achievable, with AI demand for power strong and some embedded inflation protection in these businesses. Conversely, if the US/Iran truce backslides and we once again see rising geopolitical tensions and energy supply ructions, infrastructure can be expected to still deliver consistent, solid-paced returns. Demand for essential services, including power and water, supports sustained performance, even in a downturn. It is this hard-wearing HALO effect that positions infrastructure well in the current climate.

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