



The Strait of Hormuz remains closed

Since the start of Operation “Epic Fury”, various stock indices have been losing their resilience. The Nasdaq tech index (-4% since the start of the month, -6% since the start of the year) had long proven to be relatively resilient. The broad Dow Jones has already lost 6.9% at a time when oil prices have risen by around 50%. The Strait of Hormuz is the bottleneck.

In Europe, where prices for some distillates have nearly tripled, the situation looks worse: The Euro Stoxx 50 (-10.4% since the start of the month) is still faring better than the DAX (-11.5%) and the SMI (-12.1%).

The SMI fell from 14'014 (end of February 2026) to 12'321 points in a very short time.

This means that the market is not pricing in a quick end to the Middle East conflict.

The 200-day moving average has been clearly broken to the downside by all major stock indices. These are negative technical signals. However, as seen most recently after “Liberation Day” (April 2, 2025), the market has repeatedly demonstrated how quickly a recovery can occur in response to positive news.

In the U.S., pressure on the president is mounting. There, the sharp price increases—gasoline to \$3.70 per gallon (+\$1.00) and diesel to \$5.20 (+\$1.50)—are immediately passed on: higher Uber and Uber Eats prices, higher FedEx and airline prices, etc. This is fueling inflation fears on Main Street as well as on Wall Street.

The more important and far-reaching question, however, remains the negative impact on potential demand growth if the Strait of Hormuz is not reopened soon. Money spent on additional energy is money that is not available for other consumer goods. Stocks such as Nestlé’s (-10% since the start of the month) have therefore come under heavy selling pressure.

Governments’ fiscal leeway will narrow if higher yields driven by oil prices make borrowing more expensive in the long term. Fast-growing economies like Spain are certainly in a better position to finance fiscal relief packages in response to rising energy prices.

Expectations of an interest rate cut by the Fed have been wiped out. The market currently expects an interest rate hike in the fall of 2026. By December 2026, there are expected to be key interest rate hikes: three in the eurozone and two in Switzerland. This has significantly influenced the yield curve.

At the short end, there have been massive increases since the start of the month, e.g., in two-year government bonds in the U.S. (+55bp to 3.9%) and in the U.K. (+100bp). Yields on 10-year government bonds have also risen, albeit only moderately in Switzerland (+14bp), while increases were significantly stronger in Germany (+33bp), the US (+34bp to 4.3%), France (+46bp), and the UK (+62bp to 5.0%). Bond indices fell accordingly. The global bond index therefore quickly lost 3.0%, but, as expected, is proving more resilient than the global equity index (-6.6%).

The positive correlation between bonds and equities is reminiscent of 2022, but at present the macroeconomic differences are so numerous that we caution against simplistic analogies.

Market data

Stock markets	since 31/12/2025	
SMI	12'321.0	-7.1%
SPI	17'202.2	-5.6%
DAX €	22'380.2	-8.6%
Euro Stoxx 50 €	5'501.3	-5.0%
S&P 500 \$	6'506.5	-5.0%
Dow Jones \$	45'577.5	-5.2%
Nasdaq \$	21'647.6	-6.9%
MSCI EM \$	1'463.3	+4.2%
MSCI World \$	4'244.1	-4.2%

Bond markets	since 31/12/2025	
SBI Dom Gov TR	221.3	-0.8%
SBI Dom Non-Gov TR	121.4	-0.1%

Real estate markets	since 31/12/2025	
SXI RE Funds	581.2	-3.3%
SXI RE Shares	4'859.3	+7.5%

Commodities	since 31/12/2025	
Oil (WTI; \$/Bbl.)	98.3	+71.2%
Gold (CHF/kg)	113'811.9	+3.4%
Bitcoin (USD)	70'041.3	-20.1%

Currencies	since 31/12/2025	
EUR/CHF	0.9118	-2.0%
USD/CHF	0.7880	-0.6%
EUR/USD	1.1572	-1.5%

Short-term interest rates	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.05%	-0.1%-0.0%	-0.1%-0.0%
EUR	2.11%	1.9%-2.1%	1.7%-1.9%
USD	3.69%	3.4%-3.6%	3.0%-3.3%

Long-term interest rates	10-years	3-m. fcst.	12-m. fcst.
CHF	0.40%	0.2%-0.5%	0.4%-0.7%
EUR	3.02%	2.8%-3.0%	2.5%-2.8%
USD	4.38%	4.1%-4.4%	3.7%-4.0%

Inflation	2025	2026P	2027P
Schweiz	0.1%	0.3%	0.5%
Euroraum	2.2%	1.8%	1.8%
USA	3.0%	2.5%	2.0%

Economy (real GDP)	2025	2026P	2027P
Switzerland	1.2%	1.3%	1.5%
Eurozone	1.4%	1.4%	1.7%
USA	2.3%	2.2%	2.0%
Global	3.0%	3.0%	3.0%

Topic of the week: Are key rates and mortgage rates rising?



Mortgage rates in Switzerland have risen significantly in recent weeks. This trend could intensify if inflation—driven globally solely by the “blocked” Strait of Hormuz—spreads to every link in the supply chains of all products and services in the coming months.

“We will do whatever it takes to keep inflation under control,” ECB President Christine Lagarde said. The goal is to ensure that the consequences of the conflict in the Middle East do not trigger a surge in inflation, as was the case in 2022 and 2023, when Russia’s war of aggression against Ukraine drove prices upward. The ECB will react in a timely manner if necessary, but will not rush into anything. For now, the priority is to keep a cool head. Forecasting inflation and growth is currently significantly more complex than usual given the sharp fluctuations in energy prices. We must work with various scenarios.

On Wednesday, the U.S. Federal Reserve left its key interest rates unchanged at 3.50% to 3.75%. Fed Chair Jerome Powell emphasized that the committee would first need to see further progress in reducing inflation in the U.S. before it could implement additional easing. “As long as we don’t see this progress, we won’t lower interest rates,” he said defiantly after the meeting. The Fed also raised its inflation forecasts to 2.7%. GDP growth for the current year is now estimated at 2.4% and is expected to drift down to 2.1% by 2028.

The Fed chair, however, refrained from making any predictions about inflation risks related to the Iran conflict to avoid facing another wave of criticism from the White House. It is indeed still too early to assess the extent and duration of the potential economic impact.

Amid rising yields, the price of gold fell. Gold ultimately recorded its steepest weekly loss (-10.5%) in six years, but remains up for the year (+4%).

The most important data points in the new week

March 24, 2026	Eurozone: HCOB Purchasing Managers' Index (PMI) for March
March 25, 2026	UK, Germany: CPI inflation for February, ifo expectations for March
March 26, 2026	US: Kansas City Fed Manufacturing Survey for March
March 27, 2026	US: University of Michigan Consumer Sentiment for March

Events

Information event for private individuals – presentation in Swiss German – Investing is also a matter of trust

On **Thursday, 30 April 2026**, we will be hosting an information session for private individuals at the Lüssihof. This event is primarily aimed at those who are interested in getting to know us better.

[To registration](#) (event in Swiss German)

Zugerberg Finanz KidsDay – May 2026

On **Wednesday, 27 May 2026**, the next Zugerberg Finanz KidsDay will take place in Baar in collaboration with MORE Sports. Children aged 6 to 12 can register for this fun afternoon of football. The venue is the Lättich sports complex in Baar. The football will take place between 1.00 pm and 5.00 pm. All children will receive a starter pack containing a football shirt and other extras. Drinks and healthy snacks will be available to them as much as they like.

[To registration](#)

Zugerberg Finance Economic and Stock Market Outlook – June 2026

The next Zugerberg Finance Economic and Stock Market Outlook will take place on **Tuesday, 16 June 2026** at the **Theater Casino in Zug** and on **Thursday, 18 June 2026** at the **KKL in Lucerne**.

Please make a note of the dates. The programme and registration details will be available at a later date via the events section of our website (event in Swiss German).

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