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Continued Solid Growth

The International Monetary Fund (IMF) expects slightly weaker global economic growth than previously forecast. While last year it cited “higher trade barriers and increased uncertainty” following April 2, growth is now likely to be weighed down by the slump in commodity supplies resulting from the blockade of the Strait of Hormuz and the uncertainty caused by the war in the Middle East.

The IMF expects global economic growth of 3.1% this year (2025: 3.2%). In 2027, the global economy is projected to grow by 3.2% again. These are subtle differences, but important ones. IMF Managing Director Kristalina Georgieva had already warned recently: “Even in the best-case scenario, there will be no clean and smooth return to the pre-war situation.” Growth will be somewhat slower—even if the new “peace” were to last.

There was some positive news from Switzerland. Last week, the prospect of an agreement on the Strait of Hormuz lifted the Swiss Market Index to 13,426 points (+1.2% compared to the start of the year). Nestlé Chairman Pablo Isla is quoted in the NZZ as saying: “There is a strong focus on implementation. All employees know exactly what they need to do. We are seeing the first positive results, which is motivating.” Nestlé aims to reduce debt and is generating strong cash flow. “We will also make some divestments, such as selling part of the water business.”

The newly formed insurance group Helvetia Baloise has set ambitious financial targets for 2028. Adjusted earnings per share are expected to grow by 10% to 12% annually. After the group presented cost efficiency targets in April of last year, it is now unveiling further profitability metrics. Accordingly, the return on equity is expected to rise to 16% to 18% between 2026 and 2028. For the 2025 fiscal year, Helvetia Baloise is proposing a dividend of 7.70 Swiss francs per share for the first time. By 2029, this is expected to be more than 50% above the 2025 level.

In local currencies, Sika posted a slight increase (+0.9%) in the first quarter of 2026. CEO Thomas Hasler continues to expect a subdued market environment for the current year given the situation in the Middle East. Nevertheless, he confirmed the annual targets and is counting on an ongoing cost-cutting program that is expected to yield savings of 80 million Swiss francs this year. Givaudan also performed better than expected. Revenue recorded organic growth of 2.8% on a currency-adjusted basis in the first quarter of 2026.

Vas Narasimhan, the CEO of Novartis, has been appointed to the board of directors at Anthropic, a leading AI company known for the AI models Claude 4.6 and Claude Mythos, among others. He explained that AI is already accelerating progress on the most challenging scientific problems in healthcare, from improving our understanding of diseases to developing better medications.

Market data

Stock markets	since 31/12/2025	
SMI	13'426.7	+1.2%
SPI	18'874.9	+3.6%
DAX €	24'702.2	+0.9%
Euro Stoxx 50 €	6'057.7	+4.6%
S&P 500 $	7'126.1	+4.1%
Dow Jones $	49'447.4	+2.9%
Nasdaq $	24'468.5	+5.3%
MSCI EM $	1'597.1	+13.7%
MSCI World $	4'650.4	+5.0%

Bond markets	since 31/12/2025	
SBI Dom Gov TR	220.5	−1.2%
SBI Dom Non-Gov TR	121.9	+0.3%

Real estate markets	since 31/12/2025	
SXI RE Funds	605.1	+0.6%
SXI RE Shares	5'040.1	+11.5%

Commodities	since 31/12/2025	
Oil (WTI; $/Bbl.)	83.9	+46.0%
Gold (CHF/kg)	121'394.4	+10.1%
Bitcoin (USD)	77'898.8	−11.0%

Currencies	since 31/12/2025	
EUR/CHF	0.9197	−1.2%
USD/CHF	0.7817	−1.5%
EUR/USD	1.1765	+0.2%

Short-term interest rates	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.04%	-0.1%–0.0%	-0.1%–0.0%
EUR	2.20%	1.9%–2.1%	1.7%–1.9%
USD	3.68%	3.4%–3.6%	3.0%–3.3%

Long-term interest rates	10-years	3-m. fcst.	12-m. fcst.
CHF	0.41%	0.2%–0.5%	0.4%–0.7%
EUR	2.94%	2.8%–3.0%	2.5%–2.8%
USD	4.25%	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: Inflation shock or buying opportunity?

Markets continue to view the turmoil in the Middle East as an inflation shock; oil prices are rising, inflation is rising (in the U.S. from 2.4% to 3.3% in March), and asset prices will adjust.

The decisive factor, however, is duration: At what point does a supply shock begin to affect not only prices but also growth? Price shocks are short-lived. They alter the level but not the trend. Stock valuations, by contrast, are structural in nature. A decline in price-to-earnings ratios typically stems from weaker sector or earnings outlooks.

Currently, therefore, we are dealing with a price shock, not a valuation shock, which points to a correction, not a deterioration. And now comes the crucial aspect of this distinction. A price shock thus presents an opportunity to strengthen one's asset pyramid by investing liquidity from the household into structurally sound growth strategies at lower prices. After all, the earnings season for the first quarter of 2026 has gotten off to an excellent start. Some domestic stocks, such as Sika (+21% since late February) and ABB (+19%), and foreign stocks, such as Siemens (+21%) and Amazon (+22%), are trading significantly higher today than they were three weeks ago. This is also because expectations were exceeded, not least regarding the outlook for the coming quarters.

One more point regarding the duration of the price shock: The trend in energy prices appears to be only temporary and is unlikely to last long enough to spill over into general economic activity and expectations. The steep backwardation in the oil futures curve points to significantly lower prices over the coming months, but also signals future supply bottlenecks on a scale that will keep growth on track and prevent a growth or valuation shock (e.g., lower price-to-earnings ratios).

The capital markets viewed the recent price distortions as a buying opportunity. U.S. stocks have recently been trading at new highs. The SMI is also just a few percentage points below its all-time high. Investors aren't even waiting for facts to emerge; they're simply relieved that the risk of escalation has decreased.

The most important data points in the new week

April 21, 2026	Germany: ZEW Current Situation and Economic Expectations for April
April 22, 2026	Eurozone: Consumer Confidence April
April 23, 2026	U.S.: S&P Global Manufacturing & Services PMI April
April 24, 2026	US: University of Michigan Consumer Sentiment April

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