



## Volatile Days

The market remains volatile these days. The Swiss Market Index (SMI) ended the volatile past week virtually unchanged at 13'100 points (-0.3%). Individual stocks such as Holcim and ABB (total return of +5% each last week) and Kühne + Nagel (+3%) posted clear gains, while a few others like Nestlé (-1%) and Swiss Re (-2%) lost some ground—but no stock as sharply as Alcon (-15%). However, corporate earnings are not immediately reflected in stock prices.

Alcon's ophthalmic products, such as contact lenses, are a business characterized by continuity. Growth in contact lenses (4%) even exceeded that of market leader J&J (+2.7%). The first-quarter results were strong, and the market reaction was hard to fathom. Given the stock's modest valuation, 84% of analysts now recommend buying the stock. That is the second-highest figure in the SMI. Only Lonza, at 93%, has a higher buy recommendation rate.

Swiss Life, on the other hand, has only two analysts worldwide who recommend the stock as a buy. For all others, the recommendation is "hold," "underweight," or "sell." Most recently, the UBS analyst changed his opinion and gave it a thumbs-down ("sell"), which was detrimental to the stock price. Analysts are no longer sure whether Swiss Life is an insurance company with a real estate business or a real estate company with an insurance business.

In forming our opinions, we rely to a certain extent on third-party research, but our own analysis certainly always comes first. So, one day after the quarterly results were released, we visited Anders Malmström, CFO of Swiss Re, at the company's headquarters on Mythenquai in Zurich. In a small group setting, he reviewed the past year for an hour and expressed delight that a third of the annual target had already been achieved. It was important to him that all three divisions, as well as asset management, had contributed to the results. Expectations were clearly exceeded. Nevertheless, with a low price-to-earnings ratio of 10 and a high dividend yield of more than 5%, the stock is trading lower than at the start of the year (-7%). However, this puts the stock in familiar territory. Only 5 out of 20 SMI stocks are currently in the black; all others are in the red.

Things are going well on Wall Street. Profits in the S&P 500 rose so sharply in the first quarter (+27%) as they have not since 2013. 85% of companies exceeded expectations. 64% of all sectors recorded margin expansion. Analysts raised their earnings per share forecasts in 73% of all sectors. The largest investments ever made came from the "hyperscalers." Over the course of the year, they will invest \$755 billion. In the first quarter, they thus contributed 95% to U.S. GDP growth.

## Market data

Stock markets	since 31/12/2025	
SMI	13'100.6	-1.3%
SPI	18'574.5	+1.9%
DAX €	24'338.6	-0.6%
Euro Stoxx 50 €	5'911.5	+2.1%
S&P 500 \$	7'398.9	+8.1%
Dow Jones \$	49'609.2	+3.2%
Nasdaq \$	26'247.1	+12.9%
MSCI EM \$	1'711.3	+21.9%
MSCI World \$	4'757.3	+7.4%

Bond markets	since 31/12/2025	
SBI Dom Gov TR	221.4	-0.8%
SBI Dom Non-Gov TR	121.9	+0.3%

Real estate markets	since 31/12/2025	
SXI RE Funds	592.0	-1.5%
SXI RE Shares	4'831.0	+6.9%

Commodities	since 31/12/2025	
Oil (WTI; \$/Bbl.)	95.4	+66.2%
Gold (CHF/kg)	11'728.9	+7.0%
Bitcoin (USD)	80'124.0	-8.6%

Currencies	since 31/12/2025	
EUR/CHF	0.9148	-1.7%
USD/CHF	0.7766	-2.0%
EUR/USD	1.1787	+0.3%

	Short-term interest rates		
	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.04%	-0.1%–0.0%	-0.1%–0.0%
EUR	2.23%	1.9%–2.1%	1.7%–1.9%
USD	3.65%	3.4%–3.6%	3.0%–3.3%

	Long-term interest rates		
	10-years	3-m. fcst.	12-m. fcst.
CHF	0.39%	0.2%–0.5%	0.4%–0.7%
EUR	2.99%	2.8%–3.0%	2.5%–2.8%
USD	4.35%	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: Alphabet Inc.



Image source: Reelistic – stock.adobe.com

The Alphabet Inc. holding is most easily found on stock tickers under the ticker symbol GOOG (for Google). Or, if all companies were ranked by profits, Alphabet would be near the top. Only Nvidia has ever reported once a higher quarterly profit than Alphabet's most recent \$34 billion. For competitors like Meta Platforms, Microsoft, or Oracle, the question of the profitability of their investments is a recurring topic of discussion, whereas Alphabet delivers. The increased use of AI-Gemini in the search business is creating impressive momentum.

No company can currently deploy AI with the breadth and depth that Alphabet does and leverage it for economic success. Following a compelling quarterly and product report, market capitalization surged to \$4.83 trillion. Most notably, the price-to-earnings ratio is now higher than that of Nvidia and Microsoft. This reflects investors' confidence that future growth will outpace that of its competitors.

In one respect, the company's fate is in its own hands. Instead of constantly buying more chips from Nvidia, Alphabet is rapidly developing its own chips, optimized for its own applications (search functions, smartphones, storage). The cloud business is growing faster than ever before. Orders have surged to a massive \$468 billion. As recently as December, the company reported a "revenue backlog" of \$242 billion. A multi-year commitment from AI leader Anthropic likely contributed to this (at the same time, Google invested \$40 billion in Anthropic). And semiconductors—in competition with Nvidia—are also part of this. No company in economic history has ever experienced such a rapid increase in orders within just three months.

Of course, this requires an acceleration of the already impressive investments in semiconductors and data centers. In the coming quarters, Alphabet will invest \$1 billion every single business day (i.e., excluding weekends and holidays). But even this historically unprecedented scale is likely to be surpassed again as early as 2027. It should not be forgotten that generative AI technology is largely based on inventions from Google, which eight Google researchers published in 2017, thereby making them accessible to everyone.

## The most important data points in the new week

May 12, 2026	US: CPI inflation and core inflation for April
May 13, 2026	Eurozone: GDP, industrial production, Q1 2026
May 14, 2026	United Kingdom: GDP, personal consumption, trade balance for Q1 2026
May 15, 2026	US: Empire Manufacturing Index for May

## Events

## 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 tournament will take place between 1.00 pm and 5.00 pm.

[To registration](#)

## Zugerberg Finance Economic and Stock Market Outlook – June 2026

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

The program will be led by founder and CEO **Timo Dainese**. Chief Economist **Prof. Dr. Maurice Pedergnana** and CIO **Cyrill von Burg** will discuss the outlook for the economy and capital markets in a panel discussion. We are also pleased to welcome **Dr. phil. Helmut Stalder** as a guest speaker, a renowned historian, publicist, and author of numerous historical non-fiction books and biographies.

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

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

On **Thursday, 17 September 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)

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