Stable Swiss Stocks

Recently, we observed volatility in the equity and currency markets. Rising bond yields and persistent doubts about whether all AI investments would pay off quickly enough caused technology stocks to fluctuate. The Nasdaq 100 posted a clear loss over the week (-2.5% in USD; -3.9% in CHF), as did the global equity index (-2.6% in CHF), as Asian markets also showed weakness.

The announcement by U.S. Treasury Secretary Scott Bessent that the government would purchase far more U.S. Treasury bonds than expected led only to a brief easing of pressure on yields, while the currency experienced a significant depreciation (-1.5% USD/CHF). In the U.S. debt market, it is possible to invest money more quickly and in greater amounts than in any other bond market. However, doubts about the anchor of the global financial system have recently been mounting. U.S. debt now totals more than 40 trillion dollars. A decade ago, it was only half that amount. The federal deficit amounts to about 6.5% of the gross domestic product (GDP) of $32.4 trillion. It's hard to imagine what GDP growth would be like if the economy weren't "propped up" by massive federal deficits—higher than in any other major industrialized nation.

However, fiscal consolidation is not on Donald Trump's political agenda. As a result, if the U.S. wants to borrow money for 30 years, for example, it currently has to pay interest rates higher than at any time since 2007. Investors were concerned about persistently high oil prices (+15% over the past two weeks) and high refining margins, which are likely to lead to higher inflation rates, particularly in energy-intensive economies like the U.S., and thus also to rising government debt. Consequently, many investors sought to offload their long-term bonds, which depressed their prices and pushed yields higher. In search of alternatives, even institutional investors turned to gold and Bitcoin. The price of gold rose to more than $4,600 per troy ounce, and Bitcoin climbed to over $77'000.

By contrast, the Swiss Market Index (SMI) gained ground last week, rising to 14'457 points (+0.5%), and has been clearly in positive territory since the beginning of the month (+0.8%). The SMI currently offers what is in demand: robust balance sheets, transparent free cash flows, pricing power, and a geographically broad diversification of revenue and profits. Geberit (+7%) finished last week at the top, ahead of healthcare stocks Roche (+6%), Lonza (+5%), and Novartis (+4%). Sanitary technology company Geberit posted growth for the ninth consecutive quarter and maintained high margins. The Europe region, where Geberit generates nearly 90% of its revenue, posted strong growth (+5.6%).

Overall, the European economy appears to be gaining momentum. In the eurozone, annualized GDP growth accelerated from 0.8% to 1.6% in the second quarter. The manufacturing PMI recently rose from 51.9 to 52.8—its highest level since May 2022. Higher defense spending and investments in data centers are evidently having an economic impact in Europe as well.

Market data

Stock markets		since 31/12/2025
SMI	14'457.0	+9.0%
SPI	20'317.8	+11.5%
DAX €	26'136.6	+6.7%
Euro Stoxx 50 €	6'462.2	+11.6%
S&P 500 $	7'674.4	+12.1%
Dow Jones $	53'277.0	+10.8%
Nasdaq $	26'180.5	+12.6%
MSCI EM $	1'721.9	+22.6%
MSCI World $	4'969.8	+12.2%

Bond markets		since 31/12/2025
SBI Dom Gov TR	220.2	−1.3%
SBI Dom Non-Gov TR	122.0	+0.4%

Real estate markets		since 31/12/2025
SXI RE Funds	588.5	−2.1%
SXI RE Shares	4'707.3	+4.1%

Commodities		since 31/12/2025
Oil (WTI; $/Bbl.)	87.1	+51.6%
Gold (CHF/kg)	118'568.5	+7.7%
Bitcoin (USD)	77'504.6	−11.6%

Currencies		since 31/12/2025
EUR/CHF	0.9352	+0.5%
USD/CHF	0.8012	+1.1%
EUR/USD	1.1679	−0.6%

Short-term interest rates

	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.07%	-0.1%–0.0%	-0.1%–0.0%
EUR	2.52%	1.9%–2.1%	1.7%–1.9%
USD	3.74%	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	3.23%	2.8%–3.0%	2.5%–2.8%
USD	4.73%	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: Demographic Change in Switzerland

Switzerland is barely growing anymore. Annual population growth has been below 1.0% since 2017 and reached only 0.8% last year as well. The most striking trend, however, is the aging population, a phenomenon that even Switzerland cannot escape. A historic shift in the age structure occurred in 2025. For the first time in the history of the Swiss Confederation, the old-age ratio exceeded the youth ratio.

From an economic perspective, this means that more people are leaving the labor market than young people are entering it. Consequently, there is a shortage not only of workers but also of contributors to the pension system and all other social insurance programs. The largest age cohorts among the Swiss population are those between the ages of 55 and 69. They will drive up costs in the coming decades, with no prospects for sustainable financing.

In recent years, the number of people over 90 has increased in particular. There are now around 90'000 of them, 31% of whom are male and 69% female. Among those over 100, the proportion of women is over 83%. Increasing longevity is becoming a social and economic challenge. Admittedly, a huge industry is emerging around the topic of eternal health. The body should remain as vital and healthy as possible. Even 25-year-olds worry about their wrinkles—more so than about their retirement finances. And 50-year-olds are often still unaware of the likelihood of how old they will actually live to be. But anyone who doesn't start financial planning until age 60 is really behind the curve.

Many people generally underestimate their life expectancy and choose too short a time horizon for their investment profile. What matters is life expectancy at age 65 (more than 22 years for all women and around 26 years for wealthy women—and the trend is rising) and at age 80. In any case, mortality tables show the trends dating back to the birth cohorts of 1876. Now, those born between 1961 and 1966 are entering (early) retirement. If mortality trends continue in this manner, men and women born in 2017 will live to an average age of 91 and 94, respectively, while high-net-worth individuals will live about 3 years longer.

The most important data points in the new week

August 25, 2026	Germany: 2nd-quarter GDP and August ifo Business Climate Index
August 26, 2026	U.S.: 2nd-quarter GDP and July (core) PCE inflation
August 27, 2026	U.S.: Jackson Hole—Start of the central bank monetary policy meeting
August 28, 2026	Switzerland: KOF Economic Barometer for August

Podcast

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