Strong Recovery in Semiconductor Stocks

The Swiss Market Index (SMI) has made little headway in August. It closed last week at 14'390 points (+0.3% since the start of the month). While Partners Group (+8%), Sika (+5%), and ABB (+4%) have gained ground so far, Amrize (-5%), Zurich Insurance (-4%), and Novartis (-3%) have lost ground. Two other heavyweights, Roche and Nestlé, have remained unchanged so far.

More significant changes were observed in the Euro Stoxx 50. SAP (+14%), Deutsche Telekom (+7%), and Schneider Electric (+6%) posted the strongest gains. In the U.S., Nvidia (+12%) and Microsoft (+6%) rebounded slightly more strongly than the Nasdaq (+5%). Apple (-1%), Alphabet, and Amazon (both -3%) were among August's losers so far, despite strong corporate earnings.

The recovery in semiconductor-related stocks was stronger than expected. Just three weeks ago, there were sharp setbacks, but investors have since returned—often with leveraged ETF products such as the Direxion Daily Semiconductor Bull 3X ETF—to recoup any losses during the rally. The renewed rush into high-risk investments was driven by fundamental factors that justify an overweight allocation to stocks in a diversified portfolio.

Geopolitical, monetary policy, and regulatory issues took a back seat, even though last week was not short on news. The latest U.S. jobs report was disappointing and poses a challenge for the Federal Reserve, as it sees its goal of full employment slipping away. Instead of growing as usual, the labor market lost about 23'000 jobs. Wage growth was weaker than in the previous month, and more and more people are withdrawing from the labor market. This is another reason why consumer spending in the U.S. has recently slowed.

There were declines in both consumer sentiment and retail sales. The latter fell in July at the sharpest rate seen in a year. In addition, U.S. producer prices remained unchanged in July, falling short of expectations. As a result, the probability of a key interest rate hike by the U.S. Federal Reserve in September has plummeted from 70% to around 30%. This caused the euro to strengthen against the dollar (1.16) and the Swiss franc (0.94). The price of gold (+8% since the start of the month) also rose against the dollar.

U.S. President Donald Trump is planning new "unprecedented" economic measures against Iran. There is still no agreement on the use of the Strait of Hormuz.

The administration is no longer as convinced of the need to impose punitive U.S. tariffs as it was in April 2025. A report led by trade expert Peter Navarro, senior counselor to the Trump administration, clearly shows that China illegally circumvented the tariffs through transactions via third countries such as Vietnam. Goods were first smuggled into third countries, relabeled, repackaged, slightly processed, or marked with false information regarding their country of origin, always with the aim of paying lower tariffs.

Market data

Stock markets		since 31/12/2025
SMI	14'390.7	+8.5%
SPI	20'310.6	+11.5%
DAX €	26'440.3	+8.0%
Euro Stoxx 50 €	6'539.6	+12.9%
S&P 500 $	7'785.8	+13.7%
Dow Jones $	53'732.4	+11.8%
Nasdaq $	26'729.2	+15.0%
MSCI EM $	1'701.2	+21.1%
MSCI World $	5'029.5	+13.5%

Bond markets		since 31/12/2025
SBI Dom Gov TR	220.5	−1.1%
SBI Dom Non-Gov TR	122.1	+0.5%

Real estate markets		since 31/12/2025
SXI RE Funds	599.6	−0.3%
SXI RE Shares	4'695.5	+3.9%

Commodities		since 31/12/2025
Oil (WTI; $/Bbl.)	82.4	+43.5%
Gold (CHF/kg)	114'432.3	+4.0%
Bitcoin (USD)	62'847.5	−28.3%

Currencies		since 31/12/2025
EUR/CHF	0.9408	+1.1%
USD/CHF	0.8133	+2.6%
EUR/USD	1.1570	−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	2.51%	1.9%–2.1%	1.7%–1.9%
USD	3.76%	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	3.17%	2.8%–3.0%	2.5%–2.8%
USD	4.69%	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: Selected Observations

Earnings season is in full swing and is confirming some macroeconomic data, such as subdued consumer sentiment. For example, McDonald's sales (-10% year-to-date) in the U.S. rose by only 0.8% last quarter. Adjusted for inflation, this amounts to zero growth, and the number of customers actually declined. In response to inflation-eroded household incomes and the growing number of low-income households, a McValue meal was recently launched for less than three dollars (2.40 francs!).

Things are getting interesting for the tech giant Meta (-11% year-to-date). In Australia, following the implementation of the country's social media ban for users under 16, approximately 460'000 Instagram accounts and 290,000 Facebook accounts were suspended. However, many young people are managing to circumvent the age restriction. In Europe, a legal data protection dispute is brewing over "smart glasses." And in the U.S., the first federal court trial against Meta is set to begin, based on allegations that its platforms promote social media addiction. Specifically, the case will focus on the algorithms that encourage endless scrolling and harm the mental health of minors.

The logistics group Kühne+Nagel is faring better. The Middle East crisis—with the closure of the Strait of Hormuz and attacks by Houthi militias in the Red Sea—is driving up freight rates and demand for consulting services related to corporate logistics. The rerouting of the key Asia-Europe route via the Cape of Good Hope at the southern tip of Africa is lengthening transit times, reducing capacity, and ultimately driving up transportation costs. The major Danish shipping company Maersk raised its annual profit forecast for the second time this year. The same trend is likely to be seen at MSC, the largest container shipping company, which is headquartered in Geneva but is 100% owned by Switzerland's wealthiest family. Kühne+Nagel shareholders are also benefiting this year (+28% total return): the best-performing stock in the SMI after ABB.

And finally, there was an encouraging indication from Novartis's highly sought-after CEO that he will lead the company through its next phase of growth. Under his leadership, Novartis has maintained a consistent focus, and in terms of total shareholder return over the past three years, Novartis has been surpassed among the major pharmaceutical companies only by Eli Lilly.

The most important data points in the new week

August 18, 2026	Germany / United Kingdom: ZEW Economic Sentiment, Unemployment Rate
August 19, 2026	EU: HICP inflation and core inflation for July
August 20, 2026	U.S.: Philly Fed Business Indicator for August
August 21, 2026	U.S.: S&P Global Manufacturing and Services PMI, August

Podcast / Events

"Zugerberg Finanz Perspektive" – Financial Insights on the Go

The podcast provides concise insights into markets, the economy, and investments. Chief Economist **Prof. Dr. Maurice Pedergnana** and CIO **Cyrill von Burg** explain complex topics in an accessible way.

Listen to the podcast here
(Podcast in Swiss German)

Information Session for Private Individuals – Presented in Swiss German – Investing Is Also a Matter of Trust

On **Thursday, September 17, 2026**, our next information session for private individuals will take place here at the Lüssihof. This event is primarily aimed at those interested in getting to know us better and who would like to gain a non-binding impression of our company.

Register here
(Event in Swiss German)

Introduction Event for Private Individuals – Presented in English – Longevity II: Investing for a Longer Life – October 2026

Our next information session for individuals, held in English, will take place on Wednesday, October 21, 2026 at 6:00 p.m.
The event is aimed at English-speaking individuals who would like to get a feel for our company with no obligation.

Register here
(Event in English)