Key Points on U.S. Monetary Policy

Fed Chairman Kevin Warsh delivered the keynote address at the meeting of central bank governors in Jackson Hole in the Rocky Mountains on August 28. He identified the Federal Reserve as clearly responsible for the “65 months of persistently high inflation,” which has not returned to the medium-term target of 2 percent since the pandemic began. Currently, the price index for personal consumption expenditures, known as PCE inflation, stands at 3.7%. The focus should therefore be primarily on prices, especially since the labor market is stable. This was definitely not a signal for falling interest rates, but rather an indication that the U.S. central bank takes the threat of inflation seriously.

The speech sparked quite a reaction. At first glance, there was relief in the White House that the rise in inflation driven by energy prices was not being linked to the U.S. president. Upon closer inspection, however, there was frustration that an interest rate hike (rather than a cut) was more likely ahead of the important midterm elections this fall. The probability of an interest rate hike in September rose from about 35% before the speech to nearly 57% afterward. Yield curves shifted upward, leading to lower prices on Friday evening. The dollar rose slightly as a result, while Bitcoin and gold suffered modest losses. Nevertheless, gold remains on track for its best monthly performance since 1999 in August. Bitcoin remained stable on a weekly basis after its price had risen 23% the previous week.

The Strait of Hormuz has remained severely disrupted since the start of the Middle East conflict in late February, causing the price of a barrel of Brent crude oil to recently stabilize at around $87 to $94. This has triggered a negative growth shock globally. At the same time, the global economy is experiencing a positive growth shock driven by ongoing AI investments. In addition, the U.S. has secured Venezuela’s vast oil reserves through equity stakes. It is important to note that Venezuela has more crude oil reserves than any other country. Consistent with this news, Venezuela is set to leave the OPEC oil cartel, and the U.S., including Venezuela, will cement its role as the world’s largest crude oil producer and refinery operator.

There were no significant changes in the stock markets last week. Movements in individual stock indices were below one percent almost across the board. The global stock index rose slightly (+0.3%). Among Swiss stocks, Partners Group (+5%) had a strong week, as did Sika and Holcim (both +4%), while defensive index heavyweights Nestlé (-1%), Novartis (-3%), and Roche (-5%) held back the SMI’s gains.

Whether the stock rally continues into the fall also depends on whether the rise in bond yields is merely a temporary reaction to higher inflation driven by the war and, consequently, higher energy prices, or whether certain conditions in the stock and bond markets are undergoing structural and lasting changes. We will address this in our September monthly report, which will be published later this week.

Market data

Stock markets		since 31/12/2025
SMI	14'399.8	+8.5%
SPI	20'270.6	+11.3%
DAX €	26'570.0	+8.5%
Euro Stoxx 50 €	6'485.7	+12.0%
S&P 500 $	7'711.8	+12.7%
Dow Jones $	53'560.0	+11.4%
Nasdaq $	26'402.4	+13.6%
MSCI EM $	1'722.1	+22.6%
MSCI World $	4'986.2	+12.5%

Bond markets		since 31/12/2025
SBI Dom Gov TR	220.7	−1.1%
SBI Dom Non-Gov TR	122.1	+0.5%

Real estate markets		since 31/12/2025
SXI RE Funds	587.0	−2.4%
SXI RE Shares	4'678.9	+3.5%

Commodities		since 31/12/2025
Oil (WTI; $/Bbl.)	83.4	+45.2%
Gold (CHF/kg)	115'888.8	+5.3%
Bitcoin (USD)	77'405.5	−11.7%

Currencies		since 31/12/2025
EUR/CHF	0.9371	+0.7%
USD/CHF	0.8091	+2.1%
EUR/USD	1.1585	−1.4%

Short-term interest rates

	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.05%	-0.1%–0.0%	-0.1%–0.0%
EUR	2.57%	1.9%–2.1%	1.7%–1.9%
USD	3.77%	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	3.25%	2.8%–3.0%	2.5%–2.8%
USD	4.72%	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: Nvidia as the Powerhouse of the AI Race

Chipmaker Nvidia reported record revenue of $96 billion for the second quarter, generating a profit of $60 billion. For the third quarter, Nvidia expects revenue of $108 billion. Because a significant amount of investor capital is at stake, all banks, fund managers, and asset managers are keeping a close eye on this company. Anyone who thinks the stock price would skyrocket given these impressive quarterly figures is mistaken: On a weekly basis, the gain was a meager 1.3%, even though the results were well above analysts' expectations. It seems people were secretly expecting the company to clearly exceed expectations.

Nvidia no longer needs to prove that there is an AI boom. "AI has reached its tipping point," explained CEO Jensen Huang. It is doing useful work, is productive, and is profitable. Demand is therefore growing rapidly. Rather, the company must demonstrate that this boom will be even bigger than the stock prices currently anticipate. After all, the company is now valued at $5'240 billion, leaving other companies such as Apple ($4'670 billion), Alphabet ($4'220 billion), Microsoft ($3'810 billion), and Amazon ($2'870 billion) in the dust. Although these hyperscalers still generate 55% of Nvidia's revenue, they are all now pursuing their own chip roadmaps to reduce their dependence on Nvidia.

Conversely, Nvidia is increasingly turning its attention to other companies that are finding it more difficult to secure affordable financing in the capital markets. Nvidia is evolving into the "house bank of the AI industry," providing guarantees, revenue assurances, and loans to suppliers and customers, and building up a large number of equity stakes in other companies. For example, this month Nvidia announced a guarantee of approximately $105 billion for an OpenAI data center in Portsmouth, Ohio.

The scale of these projects is reaching new heights. The data center project is planned to have a capacity of 10 gigawatts and will be the largest facility of its kind in the world. The total cost of the entire expansion is expected to amount to $350 billion. The computers there will primarily use Nvidia chip systems. Shortly before this, Nvidia had announced plans to establish a financial platform in partnership with private equity and private credit firms Goldman Sachs, KKR, Apollo, and BlackRock, through which up to $500 billion will be mobilized in the coming months to finance future AI development.

The most important data points in the new week

September 1, 2026	Eurozone: HICP core inflation and August inflation
September 2, 2026	U.S.: ADP Employment Report for August
September 3, 2026	U.S.: ISM Services Purchasing Managers' Index for August
September 4, 2026	U.S.: Job Creation and Unemployment for August

Events

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)

Zug Trade Fair 2026

We will once again be exhibiting at the Zug Trade Fair this year. The largest fall trade show for retail and commerce in Central Switzerland will take place **from Saturday, October 24, through Sunday, November 1, 2026** at the Stierenmarkt grounds in Zug.

We look forward to welcoming you to the Zug Fall Trade Fair in **Hall B1** at our **booth (B1.18).**

Find more information here.