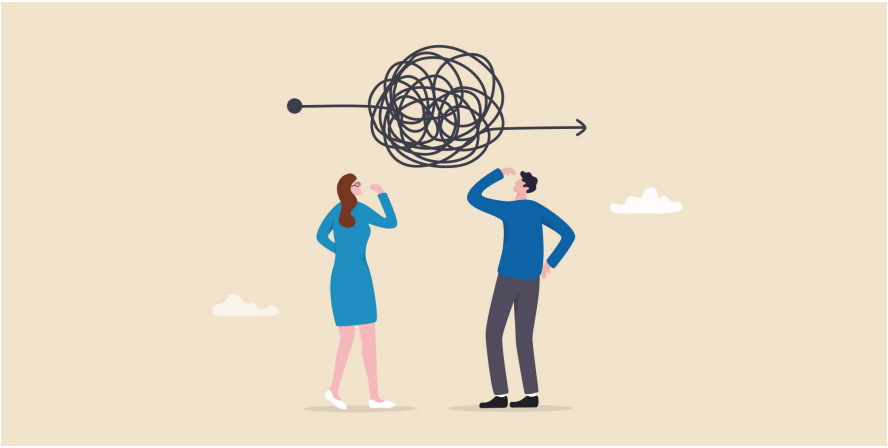


A Difficult Week

The past week was marked by a challenging environment. Ongoing hostilities in the Middle East, rising oil prices and increasing interest rate burdens, declining real estate markets, and mounting stress in the credit markets caused global turmoil. Nevertheless, both the European Central Bank and the Federal Reserve are expected to keep key interest rates steady at their next meetings despite high inflation. Borrowing costs for companies have risen even without central bank intervention and are likely to dampen both economic growth and inflation. This situation is compounded by political signals of instability. As a result, many investment projects are being postponed, both in Europe and in North America.

High energy and fertilizer prices, as well as disruptions in international supply chains, are directly and indirectly weighing on household purchasing power and corporate investment appetite. Consumer sentiment in the U.S. is at historic lows, and inflation expectations have risen again. There is currently no sign of relief, and the White House's policy remains unpredictable. As a result, crude oil prices on the global market recently rose above the $117 per barrel mark. This means that we will continue to have to brace ourselves for greater volatility.

Nevertheless, the Swiss Market Index (SMI) managed to gain slightly last week (+0.5%), while the vast majority of global stock markets suffered losses. Virtually all stocks in the SMI rose; only three stocks remained clearly in the red: UBS at -3%, Richemont at -8% (neither of which are in our portfolios), and ABB (underweight) at -10%.

The U.S. S&P 500 and the tech-driven Nasdaq ended last week slightly in the red. Nearly 40% of the S&P 500's market capitalization is accounted for by just 10 tech megacaps. The remaining 490 stocks together account for the other 60%. This represents an unprecedented level of market concentration. If even a minor shortfall occurs among these "Top 10," the entire market reacts immediately. This was the case, for example, with Meta Platforms' (-9%) earnings report. Alphabet (-6%) also had an impact.

Yet Meta Platforms had achieved 26% year-over-year revenue growth in the third quarter. Ad impressions on Facebook, Instagram, etc., rose by 10%, but the average price per ad increased by 23% in the U.S. This means that advertisers are paying more because Meta's AI-powered ranking and recommendation systems are delivering more conversions. This shows that AI is already paying off—not just in the distant future. However, aggressive investment plans weighed negatively on the stock amid a period of rising interest rates. Despite a top rating (AA-), Meta's borrowing costs for a five-year bond rose by two percentage points to 6.0% over the course of the year.

Market data

Stock markets		since 31/12/2025
SMI	14'462.4	+9.0%
SPI	20'387.9	+11.9%
DAX €	25'181.7	+2.8%
Euro Stoxx 50 €	6'068.2	+4.8%
S&P 500 $	7'623.7	+11.4%
Dow Jones $	52'215.2	+8.6%
Nasdaq $	25'955.3	+11.7%
MSCI EM $	1'578.0	+12.4%
MSCI World $	4'874.7	+10.0%

Bond markets		since 31/12/2025
SBI Dom Gov TR	220.8	–1.0%
SBI Corporate TR	121.5	+0.0%

Real estate markets		since 31/12/2025
SXI RE Funds	582.1	–3.2%
SXI RE Shares	4'646.2	+2.8%

Commodities		since 31/12/2025
Oil (WTI; $/Bbl.)	103.3	+79.9%
Gold (CHF/kg)	105'991.6	–3.7%
Bitcoin (USD)	81'328.7	–7.2%

Currencies		since 31/12/2025
EUR/CHF	0.9238	–0.7%
USD/CHF	0.8250	+4.1%
EUR/USD	1.1202	–4.6%

Short-term interest rates

	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.06%	-0.1%–0.0%	0.2%–0.4%
EUR	2.67%	2.9%–3.1%	2.5%–2.7%
USD	4.07%	4.0%–4.2%	3.6%–3.8%

Long-term interest rates

	10-years	3-m. fcst.	12-m. fcst.
CHF	0.50%	0.2%–0.5%	0.4%–0.7%
EUR	3.32%	3.2%–3.5%	2.8%–3.2%
USD	4.99%	4.4%–4.8%	4.2%–4.6%

Inflation

	2025	2026P	2027P
Schweiz	0.1%	0.6%	0.7%
Euroraum	2.2%	2.7%	2.2%
USA	3.0%	3.5%	2.6%

Economy (real GDP)

	2025	2026P	2027P
Switzerland	1.2%	1.6%	1.6%
Eurozone	1.4%	1.5%	1.7%
USA	2.3%	2.3%	2.2%
Global	3.0%	3.1%	3.2%

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Topic of the week: Encouraging Reports in Switzerland



Last week saw a series of encouraging reports coming out of Switzerland. Food giant Nestlé exceeded growth expectations in the third quarter. Organic growth came in at an impressive 4.0%. Sales volumes rose by 2.8%, supplemented by price increases of 1.1%.

Pharmaceutical giant Roche also confirmed its outlook for the full year and even expects profit growth in the high single digits. Revenue continued to rise in the third quarter thanks to strong demand for medications and a recovery in the diagnostics business, reaching a total of 46.5 billion Swiss francs in the first nine months.

Building materials company Holcim raised its full-year profit forecast following unexpectedly strong quarterly results. The cement manufacturer reported a rise in recurring operating profit to 976 million Swiss francs (+17%) in the third quarter. The EBIT margin of 19.2% for the first nine months was attributed to increased customer demand, strict cost discipline, and operational strength.

The Swiss construction chemicals group Sika met market profit expectations in the first nine months of the year and reaffirmed its full-year forecast. SGS, the product testing group also headquartered in Zug, recorded the highest revenue growth (+14.6%) in its history in the third quarter of 2026. Revenue climbed to 1'982 billion francs; organic growth amounted to 5.7%.

Also worth mentioning is the logistics group Kuehne+Nagel, which raised its operating profit forecast for the third time this year. The company cited continued strength in the air freight business and market share gains in ocean freight as the reasons for this. The group, which operates in more than 100 countries, now expects recurring earnings before interest and taxes (EBIT) of 1.5 to 1.6 billion Swiss francs.

It is also interesting to note that positive developments are taking place in the industrial sector as well. Although ABB outperformed expectations, its stock was caught up in a wave of AI-related selling centered on the data center sector. The lesser-known Swiss technology group Huber+Suhner increased its revenue to 734.1 million Swiss francs (+11.3%) in the first nine months. Order intake even reached 811.9 million Swiss francs. For the full year, the company confirmed its forecast of organic revenue growth of at least 10% and a high operating margin between 10.5% and 12.0%.

The most important data points in the new week

October 28, 2026	U.S.: Fed Open Market Committee interest rate decision
October 29, 2026	U.S.: GDP growth for the third quarter, PCE (core) inflation for September
October 30, 2026	Eurozone, Poland: HICP and CPI (core) inflation for October
October 31, 2026	Eurozone: Real GDP growth in the third quarter

Events

Zug Trade Fair 2026

Last **Saturday**, the Zug Trade Fair opened its doors. The largest fall trade show for commerce and industry in Central Switzerland runs through Sunday, November 1, 2026.
We've already had the pleasure of welcoming numerous visitors. We hope many more will follow suit and find their way to us at the Zug Trade Fair, **Booth B1.18**, in the coming days.

Further information can be found here. (in 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)

Zugerberg Finance Economic and Stock Market Outlook – January 2027

The next Zugerberg Finance Economic and Stock Market Outlook will take place on **Wednesday, January 13, 2027,** at **the Theater Casino in Zug,** and on **Tuesday, January 19, 2027, at the KKL in Lucerne**.
Founder and CEO **Timo Dainese** will lead the program. Chief Economist **Prof. Dr. Maurice Pedergnana** will discuss the outlook for the economy and the capital markets.

Register here
(Event in Swiss German)

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