

A Positive Week

Last week was encouraging. The Swiss Market Index rose to 15,106 points (+2.1%), while the German DAX and the U.S. S&P 500 posted even stronger gains of +4.9% each in Swiss francs. The entire month of November has been extremely encouraging for European markets so far. Here, the markets posted their strongest gains as a result of falling energy prices. But it's also because local markets offer diversification away from the sectors that have dominated so far: AI, cloud computing, data centers, and chips. Europe is benefiting from the correction in tech markets and from broader risk diversification across a wide range of industries.

Oil prices fell by as much as 20% within two weeks, creating encouraging prospects. After the U.S. president gave the all-clear regarding the Iran conflict, investors worldwide breathed a sigh of relief. This is because freed-up budgets can once again stimulate consumption and investment in the future, although this downward trend is still in its early stages. On the futures markets, prices are consistently significantly lower than on the spot market.

Initial forecasts for the coming year are being released these days, and we believe the optimism is warranted. Like the International Monetary Fund, we also expect real global economic growth of around 3.5%, which corresponds to approximately 7.0% in nominal terms. Thanks to their market power, the revenues and profits of large publicly traded companies are growing at a somewhat faster pace, which is why double-digit profit growth rates are expected. Energy prices are also of particular importance, as they have driven up global inflation rates since the start of the war in the Middle East. Now, some forecasts predict falling prices: from the current $95 down to as low as $65 per barrel of crude oil in the coming year.

Another trend toward disinflation could originate in the AI sector, driven by three factors: First, more and more actual productivity gains are being achieved; second, token prices are falling rapidly while computing power continues to accelerate; and third, the slowing wave of expansion to build new data centers is likely to put downward pressure on chip prices. This, in turn, would slow the cost drivers that have been noticeable this year in the IT sector for businesses and in computing and consumer electronics for individuals.

Perhaps another factor is also having a dampening effect: Following Jensen Huang's resignation as CEO of Nvidia, the AI industry is missing both a global visionary and its "chief financier." This should mean that the "most explosive" phase, marked by sharp price increases for computing and memory chips as well as the construction of data centers, is already behind us. The lower growth rates ahead are likely to be accompanied by fewer supply chain issues and more moderate price trends.

Market data

Stock markets		since 31/12/2025
SMI	15'106.1	+13.9%
SPI	21'257.7	+16.7%
DAX €	26'750.0	+9.2%
Euro Stoxx 50 €	6'386.9	+10.3%
S&P 500 $	7'561.7	+10.5%
Dow Jones $	52'347.6	+8.9%
Nasdaq $	25'136.3	+8.2%
MSCI EM $	1'550.2	+10.4%
MSCI World $	4'852.0	+9.5%

Bond markets		Seit 31.12.25
SBI Dom Gov TR	218.3	–2.2%
SBI Corporate TR	121.2	–0.2%

Real estate markets		Seit 31.12.25
SXI RE Funds	590.0	–1.9%
SXI RE Shares	4'836.7	+7.0%

Commodities		Seit 31.12.25
Oil (WTI; $/Bbl.)	88.6	+54.2%
Gold (CHF/kg)	104'754.7	–4.8%
Bitcoin (USD)	68'322.1	–22.0%

Currencies		Seit 31.12.25
EUR/CHF	0.9247	–0.7%
USD/CHF	0.8388	+5.8%
EUR/USD	1.1023	–6.2%

Short-term interest rates

	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.04%	-0.1%–0.0%	0.2%–0.4%
EUR	2.78%	2.9%–3.1%	2.5%–2.7%
USD	4.16%	4.0%–4.2%	3.6%–3.8%

Long-term interest rates

	10-years	3-m. fcst.	12-m. fcst.
CHF	0.57%	0.2%–0.5%	0.4%–0.7%
EUR	3.36%	3.2%–3.5%	2.8%–3.2%
USD	5.14%	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: Germany Struggles for Its Own Future



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The Deutsche Bundesbank warns against spiraling government debt. It cites John Maynard Keynes's book "How to Pay for the War," written during World War II. In it, the economist explains that when financing a war, one must cut spending elsewhere to avoid sliding into inflation. The notion that everything can be financed on credit at the same time does not correspond to economic reality.

In this vein, the German government has presented a budget whose debt policy demonstrates a lack of learning. There is a lack of courage to make tough decisions and implement growth-promoting reforms. Next year, 200 billion euros in new debt is planned. The cost of servicing that debt will double in the coming years to around 80 billion. The Ministry of Research, which is supposed to lay the groundwork for innovation and growth, has only about 22 billion at its disposal. Taxes remain high, and for high earners, they are even being raised. Even the victorious AfD lawmakers in the Magdeburg state parliament are at a loss. They have no plan for how to cut the 15-billion-euro budget of the highly indebted state. Fiscal realities are consistently ignored on both sides.

Added to this is the fact that industry is in crisis. Labor productivity is dismal, and intense competition with China is taking its toll. German manufacturers are considering building their cars where their competitors do (e.g., the Czech Republic, Hungary). Mercedes has announced a freeze on investment in Germany and is currently finalizing plans for possible plant closures to reduce labor costs.

In terms of energy policy, Germany is considering reactivating old coal-fired power plants, and perhaps even nuclear power plants within its own borders. Currently, nuclear power is simply imported from France during the winter. Natural gas is likely to become both expensive and scarce. Renewable energy sources are far from sufficient to compensate for the gas shortage, partly due to grid and storage bottlenecks. Furthermore, people are only now realizing that the cost of the system increases the more solar and wind power are used because of their fluctuating, weather-dependent supply.

Not everything in the north is bad, and fortunately, the DAX is not an index of the German economy as a whole. Rather, it is dominated by a few excellent global companies, such as Siemens, which reported solid results. Allianz, the world's leading insurance company, surprised with record figures and is looking confidently toward the new fiscal year.

The most important data points in the new week

November 17, 2026	Germany: ZEW Current Situation and Economic Expectations for November
November 18, 2026	Eurozone and United Kingdom: Core Inflation and Inflation for October
November 19, 2026	U.S.: Philly Fed Business Indicators for November
November 20, 2026	Eurozone, U.S.: Consumer Confidence, University of Michigan Sentiment Index for November

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)

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)

Zugerberg Finanz economics workshops for young people – March 2027

Inspire and motivate young people! On **Saturday, March 6, 2027**, and **Saturday, March 13, 2027**, we are hosting two one-day workshops for young people entitled **"The Fascination of Economics"** and **"The Fascination of the Stock Market & Capital Markets."**

Register here
(Workshops in Swiss German)

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