



A profitable November

November ended on a positive note. Our favorable assessment of equities continues to be supported by robust earnings growth. Third-quarter results were strong. The Swiss Market Index (SMI) recently stood at 12,834 points, representing a substantial gain (+4.9%) in November.

The SMI thus outperformed all other European and American indices. The global equity index fell slightly (-0.2%) in November. Chinese indices lost around 2%. Corporate profits in October fell significantly (-5.5%) compared with the previous year. In any case, economic growth in China appears to be continuing to slow noticeably. This is prompting the authorities to place even greater emphasis on substituting imported goods with domestic products ("Made in China 2025").

China is no longer a growth market for European industrial goods. Instead, technological advances have led to increased domestic competition (e.g. in industrial robotics), which is in some cases engaging in price wars that are eating into profits. This is one of the reasons why ABB (-3%) sold its robotics division to Japan's SoftBank.

The undisputed star of the SMI is currently Roche (+19%). This performance has made the pharmaceutical and diagnostics group the most valuable stock on the Swiss market. Geberit, Alcon, and Richemont (each +7%) are also at the top of the November rankings. The share price performance of Novartis, Holcim, and Kühne + Nagel (+5% each) and Nestlé (+4% each) was also encouraging.

At the bottom of the scale was Logitech (-7%), a stock that we do not hold and which is likely to drop out of the SMI in the next two years. The company was founded in 1981 by Daniel Borel, a graduate of EPF Lausanne, who later studied computer science at Stanford University in Silicon Valley, where he also met co-founders Pierluigi Zappacosta and Giacomo Marini. Logitech quickly gained notoriety for its innovative mice and expanded its product portfolio to include a wide range of computer accessories. The company is now largely managed from California and Asia. Only 35% of shareholders are Swiss, while 41% are US-based.

Shares in construction chemicals group Sika (+1%) have stabilized. Management plans to strengthen its long-term profitability with a new cost-cutting and investment program. Sika expects annual savings of CHF 150 to 200 million from 2028 onwards. The aim is to optimize the production network and streamline organizational structures. At the same time, CHF 120 to 150 million will be invested in digital transformation. The "Fast Forward" program is expected to incur one-time costs of CHF 80 to 100 million in 2025 for restructuring in China and efficiency measures in other markets. Despite the planned adjustments, China will remain a key growth market in the medium term. The existing "Strategy 2028" with a sales target of 3% to 6% growth in local currencies will continue to apply.

Market data

Stock markets	since 31/12/2024	
SMI	12'834.0	+10.6%
SPI	17'652.9	+14.1%
DAX €	23'836.8	+19.7%
Euro Stoxx 50 €	5'668.2	+15.8%
S&P 500 \$	6'849.1	+16.4%
Dow Jones \$	47'716.4	+12.2%
Nasdaq \$	23'365.7	+21.0%
MSCI EM \$	1'366.9	+27.1%
MSCI World \$	4'398.4	+18.6%

Bond markets	since 31/12/2024	
SBI Dom Gov TR	226.5	+1.3%
SBI Dom Non-Gov TR	122.1	+1.2%

Real estate markets	since 31/12/2024	
SXI RE Funds	593.5	+9.2%
SXI RE Shares	4'402.7	+20.1%

Commodities	since 31/12/2024	
Oil (WTI; \$/Bbl.)	58.6	-18.4%
Gold (CHF/kg)	109'583.4	+43.1%
Bitcoin (USD)	90'914.6	-3.0%

Currencies	since 31/12/2024	
EUR/CHF	0.9322	-0.8%
USD/CHF	0.8040	-11.4%
EUR/USD	1.1598	+12.0%

Short-term interest rates	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.05%	0.2%–0.5%	0.2%–0.5%
EUR	2.06%	1.9%–2.1%	1.7%–1.9%
USD	3.79%	4.0%–4.4%	3.4%–3.8%

Long-term interest rates	10-years	3-m. fcst.	12-m. fcst.
CHF	0.19%	0.6%–0.9%	0.5%–0.7%
EUR	2.69%	2.8%–3.0%	2.5%–2.8%
USD	4.01%	4.3%–4.6%	3.8%–4.2%

Inflation	2024	2025P	2026P
Schweiz	0.7%	0.5%	0.5%
Euroraum	2.2%	1.8%	1.8%
USA	2.8%	2.5%	2.3%

Economy (real GDP)	2024	2025P	2026P
Switzerland	1.8%	1.8%	1.8%
Eurozone	1.5%	1.6%	1.7%
USA	2.6%	1.8%	2.0%
Global	3.0%	3.0%	3.0%

Topic of the week: Outlook for the coming year



It comes as no surprise that Swiss markets have performed well recently. When inflation, interest rates on bank deposits, and yields on top-rated bonds are at 0%, while equities offer attractive earnings yields of 6%, it is fairly clear where responsible capital will flow in the longer term. A 6% difference in the expected returns of bonds and equities in a phase of growing, resilient global economic growth is historically rather rare and provides an attractive environment for equity investors.

This makes it all the more important to use the quiet period in the coming weeks to rethink your personal allocation. Perhaps there is still excess liquidity that could be invested in securities to contribute to your household income. What is certain is that allocation is always a matter of weighing up personal risk capacity on the one hand (what fluctuations can I objectively accept in order to achieve my financial goals?) and individual risk tolerance on the other (how much fluctuation can I tolerate and still feel comfortable?).

This consideration forms the basis for your investment strategy. It is important to note that capital markets experience not only good times but also bad times. Risk has always been rewarded – for well over a hundred years. The crucial question is whether you can and are willing to muster the necessary patience.

There is no such thing as a 100% guarantee of profit. But there is one thing you should know when looking ahead to your investments in the coming year: determining the right investment strategy is the key to successful investing and achieving your target net return. You can discuss what this means for you specifically with your client advisor.

The most important data points in the new week

December 1, 2025	Eurozone, USA: PMI purchasing managers' indices for the manufacturing sector in November
December 2, 2025	Eurozone: HICP core inflation and inflation for November
December 3, 2025	Eurozone, USA: PMI Purchasing Managers' Indices for Services for November
December 5, 2025	USA: University of Michigan Consumer Confidence Index for December

Save taxes with 3a

Regular savings contributions invested in the third pillar not only help to build up a financial cushion for retirement, but also offer immediate tax advantages. Insured persons who are members of a pension fund can pay in up to CHF 7,258 and deduct the corresponding amount in their tax return for 2025.

Depending on your location and income, this can save you over CHF 2,500. In addition, interest and dividend income is exempt from income tax. To break the tax progression later on, you should set up a new 3a securities account for amounts between CHF 50,000 and CHF 75,000. In most cases, two to three 3a accounts per person are a good solution.

At the beginning of this year, a new regulation came into force: anyone who does not pay in the maximum amount in the 2025 calendar year can make up for this in 2026 (or 2027) with a supplementary payment into their 3a account. To be eligible for such a voluntary payment, you must have income subject to AHV contributions in Switzerland, both in the year of the additional payment into the 3a account and in the year for which contributions are paid retrospectively.

Those who are not affiliated with a pension fund can pay up to 20% of their net income (maximum CHF 36,288) into pillar 3a and claim it for tax purposes.

Please use the QR payment slips, which can be found in the Zugerberg Finanz app under "Deposit money," to make payments. We recommend that you make payments by December 22, 2025, at the latest, so that they can still be credited to your account in 2025.

Best regards,
Timo Dainese, CEO

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