Forecasts vary widely

Trading volume on the capital markets declines in December. Most investors have already positioned themselves for the new year or will do so once there is clarity about available liquidity again after January 1. It is also interesting to note how widely forecasts regarding various investment opportunities vary. One thing is certain: in Switzerland, with an inflation rate of 0%, it will be virtually impossible to achieve any lasting returns on bank deposits. There is also widespread agreement that we have considerable growth potential in Europe. Further reforms are needed. Even in Brussels, reducing bureaucracy has become the order of the day in order to strengthen competitiveness.

Domestic economic growth is particularly important, as exports have become less significant. For the first time in its economic history, Germany has imported more from China than it has exported to the country. It is interesting to note in this context that German companies want to become more “Chinese.” Supply chains are being relocated and further investments are planned in order to grow in China with local forces and keep up with Chinese competitors. This is because three out of five German companies surveyed assume that their Chinese competitors will become innovation leaders in the next five years.

Some forecasters are concerned about a price bubble that is said to have arisen in connection with artificial intelligence (AI). Others, on the other hand, believe that we are only at the beginning of a great surge in productivity and growth in the real economy. Investments in infrastructure companies are associated with real economic benefits. Every data center ultimately needs a power supply, i.e., stable power grids with HVDC technology, large transformers, and reliable energy sources. According to estimates, up to 20% of the accelerated energy demand will be required by AI data centers by 2030. Depending on the energy source and location, it is not chips but energy that is the real limiting factor.

Some believe that the phase of exceptional performance by US equities is gradually coming to an end. Indeed, it is difficult to imagine that the weighting of US equities in the MSCI World Index will rise from its current level of 71% to 80%. History has shown time and again that weightings change, both on the capital markets and in the real economy. The market-value-weighted global equity index is more heavily weighted toward IT companies than ever before.

However, anyone who believes that a healthy diversification of the global equity index can be achieved, for example, by allocating to emerging markets (e.g., MSCI Emerging Markets) is mistaken. In Taiwan, semiconductor manufacturer TSMC accounts for more than 30% of the index; in South Korea, Samsung Electronics and SK Hynix generate 43% of the index; and in China, key IT companies such as Tencent and Alibaba are weighted at 22%. Should an IT bubble burst, this would affect these emerging markets just as much as those of the industrialized countries. That is why we take a fundamentally different approach to diversification and ensure a much broader spread across sectors.

Market data

Stock markets		since 31/12/2024
SMI	12'936.3	+11.5%
SPI	17'777.1	+14.9%
DAX €	24'028.1	+20.7%
Euro Stoxx 50 €	5'723.9	+16.9%
S&P 500 $	6'870.4	+16.8%
Dow Jones $	47'955.0	+12.7%
Nasdaq $	23'578.1	+22.1%
MSCI EM $	1'385.5	+28.8%
MSCI World $	4'418.6	+19.2%

Bond markets		since 31/12/2024
SBI Dom Gov TR	226.4	+1.2%
SBI Dom Non-Gov TR	122.1	+1.2%

Real estate markets		since 31/12/2024
SXI RE Funds	589.4	+8.4%
SXI RE Shares	4'403.3	+20.1%

Commodities		since 31/12/2024
Oil (WTI; $/Bbl.)	60.1	−16.2%
Gold (CHF/kg)	108'614.7	+41.9%
Bitcoin (USD)	89'203.5	−4.8%

Currencies		since 31/12/2024
EUR/CHF	0.9368	−0.3%
USD/CHF	0.8048	−11.3%
EUR/USD	1.1642	+12.4%

Short-term interest rates

	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.04%	0.2%–0.5%	0.2%–0.5%
EUR	2.08%	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	0.21%	0.6%–0.9%	0.5%–0.7%
EUR	2.80%	2.8%–3.0%	2.5%–2.8%
USD	4.14%	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: Europe offers an attractive risk/reward profile

Europe is growing. Credit growth accelerated in October (+3.0% year-on-year) and lending to the private sector averaged +2.4% of GDP over the last three months. This represented a solid credit impulse. These are clear signs of a recovery in the real estate market, with construction starts, transactions, prices, and lending showing positive momentum. In the European Commission's November survey, the weighted average of the business climate rose again. Momentum is also improving against the backdrop of major defense industry contracts. Europe now offers an attractive risk/reward profile.

Italy is impressing the capital market with a stable government, low inflation of around 1%, and impressive industrial development. Italy's rating has been upgraded for the first time in 23 years. The country also boasts European leaders (e.g., Enel, Ferrari, Assicurazioni Generali, UniCredit, Leonardo). The euro has clearly been good for the country. The dazzling Italian stock market (+27% since the beginning of the year) is attracting more private investors. Germany is also increasingly turning to private capital, for example to drive forward the energy transition and unlock untapped technological potential.

Private capital – from the assets of private households and private equity funds – is the key to modernizing the energy supply and infrastructure as a whole and unlocking the potential of the economy. Neighboring Poland, with its 37 million tech-savvy people, is already well on its way. Gross domestic product (+3.7%) is growing at a respectable rate. Poland has established itself not only as an extended workbench for Germany, but also as an attractive location for research and development and service centers.

Whereas Poles used to go abroad to keep their families afloat at home, today Polish companies are going abroad to conquer markets. The economy is characterized by unbroken drive and entrepreneurial daring, as well as bureaucracy kept in check. These are attributes that once tended to apply to Germany, and they show why Europe's outlook has improved.

The most important data points in the new week

9 December 2025	USA: Productivity and unit labor costs, third quarter
10 December 2025	China: Producer and consumer price indices for November
11 December 2025	USA: Federal Reserve meeting, setting of the key interest rate range
12 December 2025	United Kingdom: Industrial production and GDP estimate for the third quarter

Events

Zugerberg Finanz Economic and Stock Market Outlook – January 2026

The next Zugerberg Finanz Economic and Stock Market Outlook will take place on **Wednesday, January 14, 2026,** at **the Theater Casino** in Zug and on **Tuesday, January 20, 2026**, at **the KKL in Lucerne**, with a special topic: "The Art of Calculated Risk."
We welcome **Nicolas Hojac**, one of the leading Swiss mountaineers of our time, as our guest speaker. Whether it's the Eiger North Face in Switzerland, the peaks of Nepal, or the most remote mountains in the world, he takes us on his exciting expeditions and gives us an insight into the world of calculated risk.

Register
(Event in Swiss German language)

Information event for private individuals – Lecture language Swiss German

On **Thursday, February 19, 2026**, we will be holding an information event for private individuals at the Lüssihof. This event is primarily aimed at those who are interested in getting to know us better.

Register
(Event in Swiss German language)

Zugerberg Finanz economics workshops for young people – March 2026

Inspire and motivate young people! On **Saturday, March 7, 2026**, and **Saturday, March 14, 2026**, 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
(Workshops in Swiss German language)