



The global equity index is up 4.9% (in CHF)

There are only a few trading hours left until the end of the year. Overall, it has been a good year. However, Swiss investors are significantly affected by the fact that the Swiss franc has appreciated by 14.1% against the dollar so far this year.

This means that returns denominated in dollars look significantly lower when converted into francs. The Dow Jones, with stocks such as Apple, Amazon, Nvidia, etc., is up +13.1% (in USD) at the end of the year. However, this translates into a return of -0.8% (in CHF). The US S&P 500, the broadest and most influential index in the world, is also “shining” with +16.2% (in USD), which translates into a meager +1.9% (in CHF).

Far higher returns than in the US could be achieved in Europe. But before we jump to conclusions about why we didn't invest more in European stocks, we would like to remind you how often and how readily analysts and investors disparage Europe and talk down the euro. In addition, Europe accounts for only 17.6% of the global stock index. In contrast, North America accounts for 73.9%. The global stock index is a benchmark against which companies are measured, whether they like it or not.

In this respect, we are pleased that the global stock index stood at +4.9% (in CHF) last Friday evening. The low value is also due to the fact that of the “Glorious 7”, only Alphabet (+42% in CHF) and Nvidia (+18% in CHF) have really impressed so far this year. We would like to point out that this year, even “boring” stocks such as Swisscom (+18%) have managed to achieve comparable returns among the low-valued European stocks.

Our DekarbRevo solutions have achieved double-digit returns so far this year. Investors have focused on the security of supply for economic areas and data centers, and these solutions are benefiting from this. Lucrative, long-term contracts made it interesting to get involved in this area. For example, Zug-based company Capital Dynamics, French energy group Engie, and McDonald's (UK) have signed an innovative 15-year corporate power purchase agreement for the Douglas West Extension wind farm in Scotland. From 2026, McDonald's will purchase 100% of the electricity generated by the 66 MW wind farm, which supplies around 190 GWh of clean energy (without subsidies!) annually. This will cover around 8% of McDonald's UK energy needs and support its strategy to decarbonize its supply chain.

Our Dividend solutions have also delivered double-digit returns so far this year. The focus here is on Switzerland and on disciplined and carefully selected dividend gems from the European environment, which, however, hold a global leading position in their respective markets wherever possible. The distributed returns alone generated a return of 4% from March to May.

Market data

Stock markets	since 31/12/2024		
SMI	13'171.9	+13.5%	
SPI	18'088.5	+16.9%	
DAX €	24'288.4	+22.0%	
Euro Stoxx 50 €	5'760.4	+17.7%	
S&P 500 \$	6'834.5	+16.2%	
Dow Jones \$	48'134.9	+13.1%	
Nasdaq \$	23'307.6	+20.7%	
MSCI EM \$	1'368.5	+27.2%	
MSCI World \$	4'413.8	+19.0%	
Bond markets	since 31/12/2024		
SBI Dom Gov TR	222.5	-0.5%	
SBI Dom Non-Gov TR	121.4	+0.6%	
Real estate markets	since 31/12/2024		
SXI RE Funds	599.0	+10.2%	
SXI RE Shares	4'454.0	+21.5%	
Commodities	since 31/12/2024		
Oil (WTI; \$/Bbl.)	56.7	-21.0%	
Gold (CHF/kg)	110'982.2	+45.0%	
Bitcoin (USD)	87'787.1	-6.3%	
Currencies	since 31/12/2024		
EUR/CHF	0.9316	-0.9%	
USD/CHF	0.7956	-12.3%	
EUR/USD	1.1710	+13.1%	
Short-term interest rates	3-m	3-m. fcst.	12-m. fcst.
CHF	-0.04%	0.2%–0.5%	0.2%–0.5%
EUR	2.00%	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	0.34%	0.6%–0.9%	0.5%–0.7%
EUR	2.89%	2.8%–3.0%	2.5%–2.8%
USD	4.15%	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: International diversification



It is becoming increasingly clear that this year it has been particularly worthwhile to invest away from the all-dominant US stock market. In recent weeks, there have been isolated but striking examples of how far a stock can fall when its euphoria-driven price quickly diverges from its fundamentals and earnings growth. In such cases, setbacks of 30% to 50% should come as no surprise.

It should also be noted that 2025 was a difficult year for government bonds. With a few exceptions, yields typically rose at the longer end, pushing the total return on long-term bonds into negative territory. Yields on short-term bonds tended to fall slightly, but due to the low duration, this had little significant positive effect on overall returns. Characteristic of the landscape is the Swiss Bond Index (AAA-BBB), which, in addition to government bonds, also includes numerous corporate bonds and has achieved a return of -0.2% so far this year. With our bond selection, on the other hand, we are at +1.3% with the conservative bond fund and +3.3% with the more risk-tolerant bond fund.

With international diversification, the aim should be to pursue business models that can participate in global economic growth. There are more defensive sectors, such as insurance, which typically have generous capital resources and can generate added value for shareholders primarily through acquisitions and the resulting synergy effects. Helvetia Baloise is a good example of this.

Value-oriented investors are also likely to benefit in the coming quarters from the fact that smaller-cap companies globally are gradually proving to be adaptable to the new conditions on the various continents. Many of these companies have their headquarters in Switzerland or Europe. Their earnings expectations for 2026/27 rose the most, which is still far from being reflected in share prices. Not only these so-called small caps can expect tailwinds, but also private market providers. The infrastructure business is booming, both in the listed and private sectors. In addition, numerous exits in recent weeks have triggered a new wave of transactions.

The most important data points in the new week

22 December 1, 2025	United Kingdom: Real economic growth GDP in the third quarter of 2025
23 December 2, 2025	USA: Real economic growth GDP in the third quarter of 2025
24 December 3, 2025	No relevant news will be announced
25 December 5, 2025	Japan: Industrial production for November

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)

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