Your 360° Wealth Partner since 1999

AUGUST 2025

NEWSLETTER

Financial Market Outlook (Short Term)

Appealing		Less Favoured
US: Technology, health care, comm services, financials, utilities Asia: China tech, India and Singapore Europe: Six ways to invest in Europe, quality stock, technology, real estate, industrials LATAM: Brazil AI, power & resources and longevity Swiss high-quality dividends and income strategies	Equities	Cash Money market funds Excess equity exposure Least preferred single stocks
High grade and investment grade bonds Select credit opportunities in APAC and Europe	Bonds	Excess cash Money market funds Excess HY and EM bonds
EUR • AUD	Currencies	Excess cash Money market funds Excess USD holdings
Gold Active commodity strategies	Precious Metals & Commodities	Excess cash Money market funds Excess USD holdings

Asset Allocation

We hold a Neutral outlook on global equities, including the US.

In fixed income, we favor investment-grade and high-grade bonds, while maintaining a Neutral view on emerging market and high-yield debt.

In commodities, we continue to prefer gold.

In currencies, we see the EUR and AUD as Attractive, maintain a Neutral view on the JPY, CHF, GBP, and CNY, and view the USD as Unattractive.

Equities

While we see upside potential over the next 12 months, near-term risk-reward looks less attractive this summer due to tariff uncertainties and softer economic data, which may drive short-term volatility. We remain Neutral for now.

We favor a selective approach, recently adding US financials and European quality to our Attractive list, while maintaining a positive view on technology globally.

Looking ahead, reduced policy uncertainty, steady consumption, central bank easing, and strong structural trends should support the asset class.

Bonds

Fixed income has outperformed cash, supported by stable rates and tighter credit spreads.
US growth is easing, but consumer strength and a soft June CPI keep the outlook steady.

The Fed hints at cuts but remains cautious. We favor long-duration exposure in the US, UK, and Germany, especially in the mid-curve.

Credit looks rich; we prefer high and investment grade bonds, with returns likely driven by rates rather than spreads.

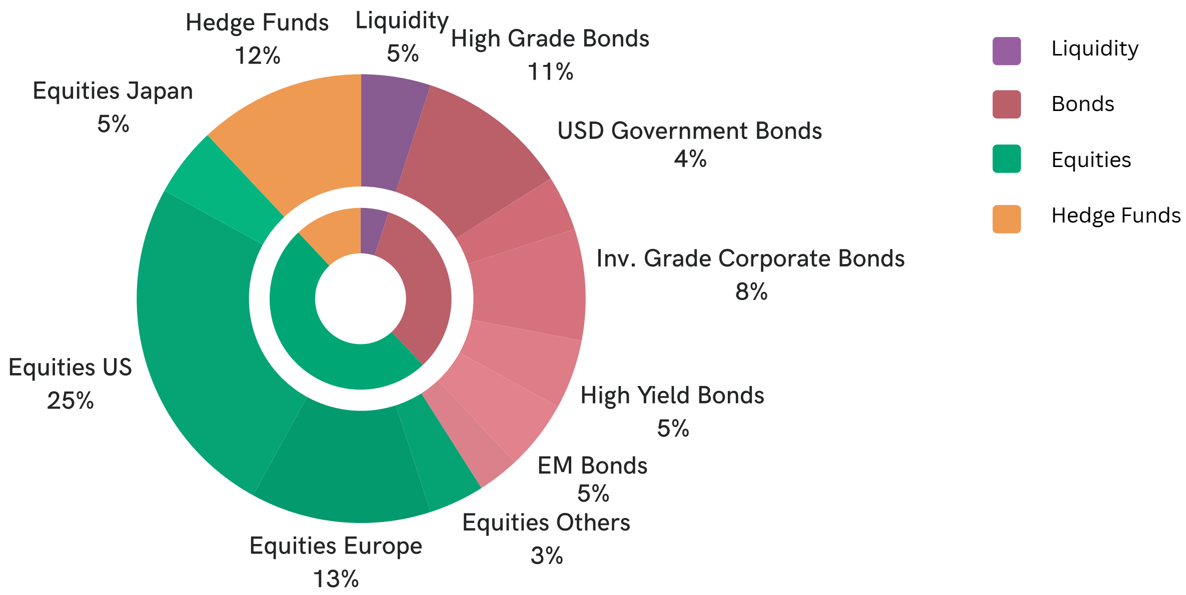
Currencies

Despite its rebound, the USD faces pressure from trade tensions, tariff hikes, Fed uncertainty, and fiscal concerns. With tariffs at 15%, growth risks have risen, and more Fed cuts are expected.

The euro stands out as the preferred alternative, backed by German stimulus and solid Eurozone fundamentals. Any EUR dip should be short-lived.

We keep the EUR and AUD at Attractive, USD at Unattractive, and remain Neutral on CNY, CHF, and JPY. Scandinavian currencies offer selective opportunities.

Balanced USD Model Portfolio



Source: UBS Houseview monthly, August 2025

Topic of the Month

There is always a reason to sell. Or is there?

The stock market is often associated with crises and crashes – and not without reason. One crisis seems to follow another: the global financial crisis, the COVID-19 shock, the Russia-Ukraine war and, most recently, the tariff chaos. Added to this are alarming headlines such as "America is a big bubble" and constant warnings from analysts and banks about overvaluations or an impending recession. The result? A feeling of permanent uncertainty. So, there is always a reason to sell.
Historical returns at a glance
Let's look at the history of the S&P 500 and examine the development of returns from 1928 to 2024. It is immediately apparent that the years of losses are clearly in the minority. The ratio is 73% positive and 27% negative performance years. Despite all the stock market crashes, there have only been six years since 1928 with a performance worse than -20%. In negative years, the average performance was -14%, while in positive years it was +21%.

S&P 500: 1928–2024	Number
Total number of years	97
How many years are positive?	71
Number of years with a performance of more than 10%	57
Number of years with a performance of more than 20%	38
Number of years with a performance of less than –10%	14
Number of years with a performance of less than –20%	6

Source: Bloomberg, Lienhardt & Partner Privatbank Zürich AG

History shows that bull markets not only occur more frequently but also last significantly longer than bear markets. In bear markets, it takes an average of around 300 days for the low point to be reached. The subsequent recovery, until new highs are reached, takes longer. However, it takes an average of over 1,000 days for new highs to be reached, more than three times as long as they decline. No wonder, then, that crashes have a stronger emotional impact: they are fast, turbulent, and attract media attention. Recovery, on the other hand, usually happens quietly, almost unnoticed. But those who miss the upturn also miss out on a large part of the returns in the long term. Even after reaching previous highs, the bull market often continues its run. Over the last 50 years, a bull market lasted between 21 and 131 months. This resulted in performance between 21 % and +545% (source: J.P. Morgan).
When the stock market reaches a new all-time high, many investors intuitively press the sell button. Instead of expanding their position, they reduce it—out of fear that the next setback is imminent. This behavior is deeply rooted in human instinct, but it is often irrational. A coin toss provides a clear example: if heads come up ten times in a row, many people are convinced that tails must finally come up next. However, the probability of heads or tails remains constant at 50% – just as it was on the first toss. The previous results therefore have no influence on the next toss. A similar probability scenario also applies to the stock market. Just because the past few years have been strong does not necessarily mean that weaker ones will follow.

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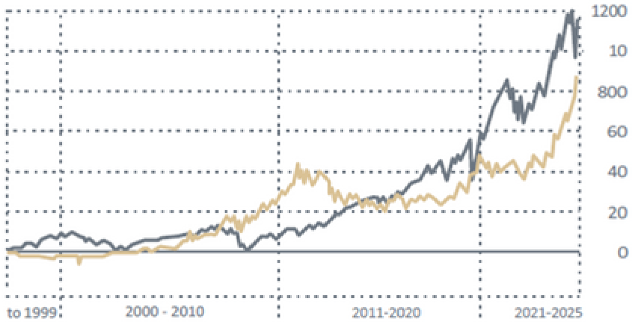
Historical data shows that bull markets rarely end due to "old age," but rather due to external shocks, recessions, geopolitical or monetary policy turning points. These events often hit the financial markets suddenly and amid euphoria.
Anyone who has ever held a gold bar in their hands knows immediately that gold shines and radiates value. No other precious metal enjoys such a strong cult status as a safe haven in turbulent times. Gold has been valued as a store of value for centuries, but it has only been freely traded on the market since the end of the Bretton Woods system in the early 1970s. At that time, freed from its fixed link to the dollar, gold began to fluctuate on a larger scale for the first time, sometimes violently. However, these initial turbulences subsided over time. Gold found its role as a defensive investment in times of crisis and was used as a counterweight to movements on the financial markets. And indeed, the volatility of gold gradually declined and is now lower than that of the stock market.

Crises, headlines, and warnings are part of everyday life on the capital markets. Whether it's a financial crisis, a pandemic, inflation concerns, or geopolitical tensions, there is always a reason to sell. Nevertheless, historical data clearly shows that those who invest for the long term are rewarded. Despite setbacks, global stock markets have performed impressively over decades. The average annual return on the S&P 500 is around +7%, including all crises. Losses are inevitable, but they occur less frequently and are usually shorter than the subsequent upturns. What is often overlooked is that companies are adaptable. Business models change, cost structures are optimized, and new markets are tapped. This ability to adapt is a key reason why the stock market rises over the long term. In addition, the probability of a positive return increases significantly with the length of the investment period. With an investment horizon of one year, the result is roughly equivalent to a coin toss. Over ten years, the historical probability of achieving a positive investment result is already over 90%. Anyone who has invested in the S&P 500 for 20 years has almost never lost money – regardless of when they started.

The conclusion is clear: it is not perfect timing that determines investment success, but rather the length of time spent in the market. There are always reasons to sell – but in the long term, there are more reasons to remain invested.



Source: Bloomberg, Lienhardt & Partner Privatbank Zürich AG
S&P 500 Index   Gold

Key Figures 2025

Equity Indices (Local Currencies)			
AMERICA	**31/12/2024**	**28/07/2025**	**% Chg YTD**
DOW JONES IND.	42,544.22	44,837.56	5.39%
S&P 500	5,881.63	6,389.77	8.64%
RUSSELL 2000	2,230.16	2,261.07	1.39%
NASDAQ COMP	19,310.79	21,178.58	9.67%
CANADA - TSX	24,727.94	27,405.42	10.83%
MEXICO - IPC	49,513.27	57,083.56	15.29%
BRAZIL IBOVESPA	120,283.40	132,129.26	9.85%
COLOMBIA COLCAP	1,379.60	1,762.46	27.75%
ASIA	**31/12/2024**	**28/07/2025**	**% Chg YTD**
JAPAN-NIKKEI	39,894.54	40,998.27	2.77%
H.K. HANG SENG	20,059.95	25,562.13	27.43%
CHINA CSI 300	3,934.91	4,135.82	5.11%
EUROPE	**31/12/2024**	**28/07/2025**	**% Chg YTD**
EURO STOXX 50	4,895.98	5,337.58	9.02%
UK - FTSE 100	8,173.02	9,081.44	11.11%
GERMANY - DAX	19,909.14	23,970.36	20.40%
SWITZERLAND - SMI	11,600.90	11,914.95	2.71%
SPAIN - IBEX 35	11,595.00	14,220.20	22.64%
PORTUGAL - PSI 20	6,377.26	7,672.94	20.32%

Volatility			
	31/12/2024	**28/07/2025**	**% Chg YTD**
SPX (VIX)	17.35	14.93	-13.95%

Currencies			
	31/12/2024	**28/07/2025**	**% Chg YTD**
EUR/USD	1.0355	1.1591	11.94%
USD/JPY	157.3	148.56	-5.56%
USD/CHF	0.9078	0.8035	-11.49%
GBP/USD	1.251	1.3359	6.79%
USD/CAD	1.439	1.3736	-4.54%
EUR/CHF	0.94	0.9314	-0.91%

Commodities (USD)			
PRECIOUS METALS	**31/12/2024**	**28/07/2025**	**% Chg YTD**
GOLD USD/OZ	2,625.27	3,314.00	26.23%
SILVER USD/OZ	28.84	38.19	32.42%
PLATINUM USD/OZ	905.75	1,394.00	53.91%
ENERGY	**31/12/2024**	**28/07/2025**	**% Chg YTD**
WTI Crude Oil	71.72	66.71	-6.99%
Brent Crude Oil	74.64	70.04	-6.16%
Natural Gas	3.63	3.03	-16.54%

Interest Rates Goverment Bonds			
	3 Months	**2 Years**	**10 Years**
USA	4.343	3.922	4.442
GERMANY	1.828	1.902	2.689
SWITZERLAND	-0.17	-0.141	0.379
UK	4.141	3.912	4.652
JAPAN	0.436	0.841	1.56

T&T International Group

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