T&T Your 360° Wealth Partner since 1999

MAY 2026

NEWSLETTER

Financial Market Outlook (Short Term)

Appealing		Less Favoured
• US: Equal-weighted index approaches • Preferred markets for diversification (Japan, Singapore, Australia, Emerging Markets, Switzerland, European consumer discretionary) • LATAM: Brazil • Artificial intelligence, industrials, automation and robotics • Capital preservation strategies	**Equities**	• Cash • Money market funds • Excess equity exposure
• High grade and investment grade bonds • Select credit opportunities	**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 bonds and equity •Excess cash

Asset Allocation

- Equities: US, Switzerland, European leaders = Attractive, UK, India, Taiwan = Neutral
- Bonds: Prefer High Grade and Investment Grade; EM and High Yield = Neutral.
- Commodities: Copper and Gold = Attractive, Silver and Oil = Neutral
- FX: AUD = Attractive; USD, EUR, CHF, CAD, NOK = Neutral;

Equities

Equities have reached new all-time highs, as signs of US-Iran de-escalation have prompted markets to look past the conflict and refocus on strong underlying fundamentals, including an ongoing robust earnings season.

The overall macro backdrop remains constructive, supported by easing tariff headwinds, expected Federal Reserve rate cuts, supportive fiscal policies, and a recovery in manufacturing. Structural trends should also remain favorable, though we recommend a more selective approach within the AI sector.

Bonds

Following recent tensions in the Middle East and supply disruptions through the Strait of Hormuz, markets have rebounded as US-Iran negotiations raise hopes of deescalation. However, the situation remains fluid, with key disagreements unresolved and full transit likely weeks away.

Market volatility is still high, and energy prices remain above pre-conflict levels. Macro uncertainty persists, with inflation risks and growth concerns expected to take time to resolve. Short-term rates are focused on near-term inflation, while longer-term rates and credit spreads have recovered much of last month’s underperformance.

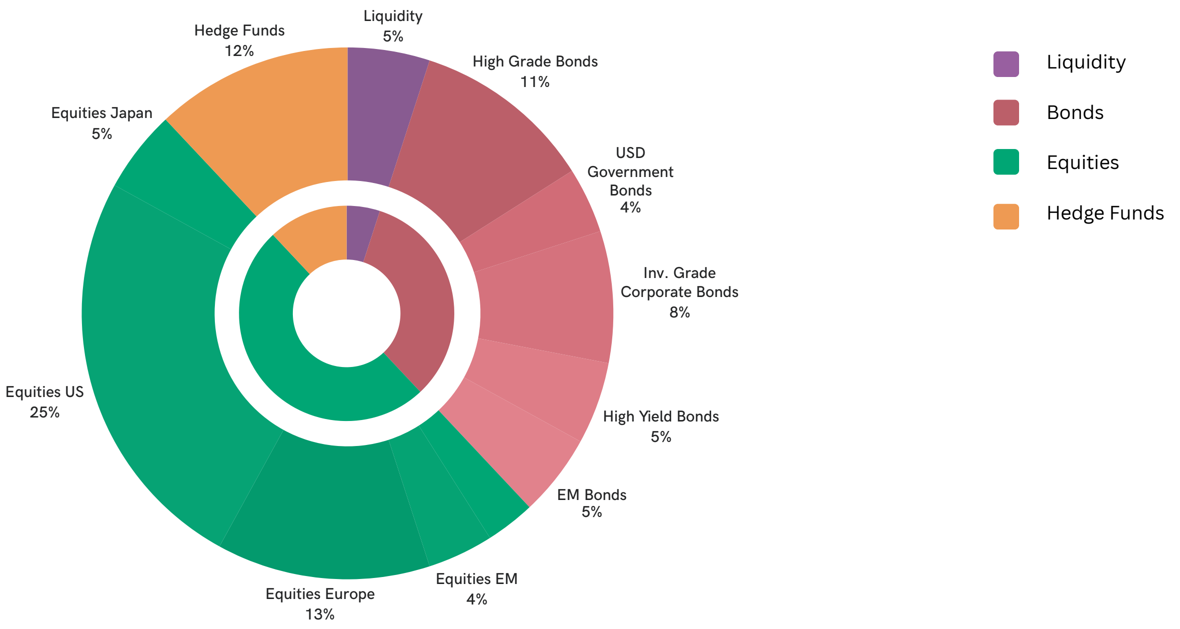
Currencies

While the conflict in the Middle East initially drove safe-haven flows into the USD and CHF, recent weeks have seen a reversal as investors refocus on fundamentals. EURUSD and EURCHF have recovered and are supported by expectations of further European Central Bank rate hikes and European fiscal measures.

We remain Neutral on the USD and EUR, with the CHF expected to underperform as risk appetite returns.

We continue to use setbacks to add exposure to select high-yielding currencies, pairing them with lower yielding cyclical currencies to manage volatility.

Balanced USD Model Portfolio



Source: UBS Houseview monthly, May 2026

Topic of the Month

Chokepoint Crisis: What the Iran Conflict Means for Global Energy Markets

On February 28, the United States and Israel launched attacks against Iran, marking the beginning of a dangerous and wider conflict in the Middle East. For years, tensions between the U.S. and Iran have been building due to Iran's growing nuclear program and non-compliance with negotiations and deals to limit their nuclear arms. As these clashes intensified along with additional factors such as protests, cyberattacks, and sanctions, this tension culminated in a joint military attack aiming to weaken Iran's regime. As expected, the initial attack triggered immediate, retaliatory attacks from Iran, expanding the fighting across the region.

As missiles fly across the Middle East and drone strikes ripple across the Persian Gulf, the shock is being felt far beyond the region. Across the world, global energy markets are on the verge of collapse with oil prices rising, gas production halted, and critical infrastructure and trade routes compromised. With Iran's Supreme Leader Ayatollah Ali Khamenei already killed, Iran's retaliation is only escalating, with Iran attacking U.S military bases in several Gulf states. Though officially directed at U.S. military bases, the strikes have also hit essential energy infrastructure and other civilian assets, both directly and indirectly. Most importantly, Iran has effectively closed the Strait of Hormuz, a vital maritime chokepoint between Oman and Iran that carries roughly one-fifth of the world's oil.

In the immediate aftermath, around 16 percent of the world's oil supply has been disrupted, double the effects of the 1970s oil shock, and Brent crude oil prices rose by 3 percent at $103 per barrel, almost 38 percent higher since the Iran conflict started. Additionally, Iran has struck key oil infrastructure sites such as Saudi Arabia's 550,000 b/d Ras Tanura refinery, the world's largest oil export terminal. This has raised concerns for long-term effects on the global economy as Ras Tanura serves as the "cornerstone of global energy security" and processes a considerable portion of Saudi Arabia's exports.

Continuation on page 4

continuation from page 3

As the conflict continues to broaden regionally, the shock is no longer limited to oil, with shipping routes, investor confidence, and gas production all at risk. With the majority of Liquefied Natural Gas (LNG) transiting through the Strait of Harmuz, disruptions to Middle Eastern gas pipelines amount to almost 130 billion cubic metres or 20 percent of global LNG flows. As of March 14, gas prices have spiked more than 30 percent in several U.S. states, hitting New Mexico the hardest, where prices surged by nearly 40 percent To put this into perspective, before the war escalated, gas in New Mexico was an average of $2.76 and now it is $3.86. Similarly, diesel prices in the U.S. have risen up by 42 percent since the beginning of the war. Overall, the magnitude of disruptions to the world's LNG supply is affecting 50 percent more volume than the 2022 Russian gas crisis and this will only continue until the conflict reaches an end.

In terms of investor confidence, all eyes are on the Strait of Hormuz and the ongoing attacks on energy infrastructure, which could create long-lasting impacts to global oil and gas supplies.

Financial markets have already begun to reflect this uncertainty. The yield on the 2-year U.S treasured note initially fell, a typical response in times of crisis as investors shift towards safe assets. However, yields rose again shortly after, signalling growing concerns about inflation and broader economic risk. Major stock indexes such as the Dow Jones Industrial Average and the S&P 500 edged slightly downwards, leading to more global unease. The disruption in the Strait could also shape future energy investment, as countries that rely on imports may turn to more stable suppliers like U.S. natural gas.

The strait is an "irreplaceable chokepoint" for up to 15 million barrels per day of crude oil. Apart from LNG shipments, the Strait of Hormuz is also responsible for roughly a third of global trade in urea, the most widely used fertiliser. Given the importance of the strait, Saudi Arabia and the UAE can only reroute 25 percent of the total amount of gas transiting through the strait. The situation is further exacerbated by drone attacks in Qatar, a major LNG exporter, resulting in 20 percent of world LNG trade being shut down.

In the meantime, as the largest oil producer in the world, many are looking to the United States to provide oil supplies. Despite the U.S. Strategic Petroleum Reserve's stock of over 400 million barrels, it is only enough to cover 125 days of demand. One possible solution is for the U.S. to step up shipments, but construction will take years and can only be a long-term solution. If major suppliers such as Qatar and transit routes like the Strait continue to be disrupted, LNG buyers in Asia and Europe will be forced to seek alternatives.

As the crisis persists, its consequences are disproportionately concentrated in Asia and Europe, where structural dependence on energy imports amplifies the shock. For example, natural gas prices in Europe surged up to 50 percent in the immediate aftermath. Wholesale gas prices in the region could even triple if the Strait were to close completely for three months.

Although Asian share markets rebounded from steep early losses, they remained down by around 1.5 percent. In general, most Asian countries, with the exception of Malaysia, tend to import more oil than they export resulting in a greater shock to the region. Even major superpowers like China are heavily dependent on Iran, with exports from the region accounting for 13 percent of China's total seaborne oil imports. According to analysts, a continuation of the conflict and rising prices could lead to a loss in national income for several Asian countries. Already, governments are taking steps to mitigate the impact on households; Thailand, for example, has banned petroleum exports and is drawing on a national fuel fund to shield consumers from rising fuel prices.

Ultimately, these events underscores the reality of today's modern energy geopolitics: no nation is insulated from a disruption of this scale. The crisis is not simply a regional conflict, but a systemic shock that exposes the fragility of global supply chains, the limits of even the largest energy products, and the enduring importance of strategic chokepoints like the Strait of Hormuz. As countries scramble to secure alternative supplies and shield their economies from rising costs, the focus is likely to shift from the illusion of energy independence to long-term stability in global energy markets in the future.

Key Figures 2026

Equity Indices (Local Currencies)			
AMERICA	**31.12.2025**	**01.05.2026**	**% Chg YTD**
DOW JONES IND.	48,063.29	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	**31.12.2025**	**01.05.2026**	**% 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	**31.12.2025**	**01.05.2026**	**% 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			
	31/12/2025	**01.05.2026**	**% Chg YTD**
SPX (VIX)	17.35	14.93	-13.95%

Currencies			
	31.12.2025	**01.05.2026**	**% 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	**31/12/2025**	**01.05.2026**	**% 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	**31/12/205**	**01.05.2026**	**% 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

T&T International is a globally active boutique firm with Swiss origins established in 1999. The group offers global wealth management and multi-family office services. T&T International advises an international clientele of Wealthy Individuals and Families in Switzerland and internationally. Over the last 25 years T&T International has built an extensive and highly reputable network to support the requirements of our Partners and Clients. We work together with prestigious financial institutions as well as insurance companies, tax and legal professionals and fund managers. Independence, commitment and trust constitute the fundamental values of T&T International. We cultivate personal relationships with each Client and offer them availability, flexibility and efficiency. We take on an approach that is instigated by dialogue, and executed with uncompromising commitment and responsibility.

Contact details

T&T International Wealth Management Ltd.
Schlösslistrasse 26, CH-6045 Meggen-Lucerne
Tel: +41 (0) 43 844 0 844
www.tt-international.ch
info@tt-international.ch

Unsubscribe

If you do not wish to receive our Newsletter, you may unsubscribe at any time. Simply reply by email with “Unsubscribe” to bbaettig@tt-international.ch

Disclaimer

This document is based on information we received from our analysts. This document should not be construed as a solicitation or offer, or recommendation to acquire or dispose of any investment or to engage in any other transaction. The services described in this document are supplied exclusively under the agreement signed with the service recipient. The facts presented and views expressed herein are for information purposes only and do not take account of any individual investment targets, financial circumstances or specific requirements. Moreover, the nature, scope and prices of services and products may vary from one investor to another and/or due to legal restrictions and are subject to change without notice. Before making an investment decision, investors are advised to consult a professional advisor regarding their individual situation. Prospective investors should be aware that past performance is not necessarily indicative of future results. In no event any member of the T&T International Group will be liable for any loss or damage of any kind arising out of the use of the information contained herein.