T&T Your 360° Wealth Partner since 1999

AUGUST 2026

NEWSLETTER

Financial Market Outlook (Short Term)

Appealing		Less Favoured
• Preferred regional markets (US, Asia ex-Japan, Japan, Singapore, Australia, EM, China, India, Germany) • Preferred sectors (industrials, health care, Consumer discretionary, US financials, US utilities, European banks) • Automation and robotics, European leaders and luxury, Swiss high quality dividends • Multifactor strategies	**Equities**	• Excess single-name megacap exposure • Excess US tech exposure • Cash • Money market funds • Expiring fixed-term deposits
• High grade, investment grade, high yield, and emerging markets bonds • Diversified fixed income strategies (with preference for quality bonds and EM bonds)	**Bonds**	• Excess cash • Money market funds • Expiring fixed-term deposits
• NOK • CNY	**Currencies**	• Excess cash • Money market funds
• Broad commodities • Copper • Active commodity strategiess	**Precious Metals & Commodities**	• Excess cash • Money market funds

Asset Allocation

Equities: US, Europe, Asia ex-Japan, Japan, Singapore, Australia, China, India, Germany, and EM = Attractive.
Bonds: High-grade, investment-grade, high-yield, and emerging market bonds = Attractive.
Commodities: Broad commodities, copper, and active commodity strategies = Attractive.
FX: NOK and AUD = Attractive

Equities

Equities are hovering near all-time highs, as markets have been looking past the Middle East conflict and are refocusing on strong underlying fundamentals.

The overall macro backdrop remains constructive, supported by resilient consumption, robust access to capital, 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.

The combination of macro and structural tailwinds bodes well for earnings, and we anticipate 20%-plus EPS growth for the MSCI AC World Index this year. While technology sectors are likely to remain leaders, we expect earnings growth and performance to broaden through the rest of 2026.

Bonds

We upgrade the overall bond asset class and high yield to Attractive, while keeping Attractive views on investment grade and emerging market bonds.

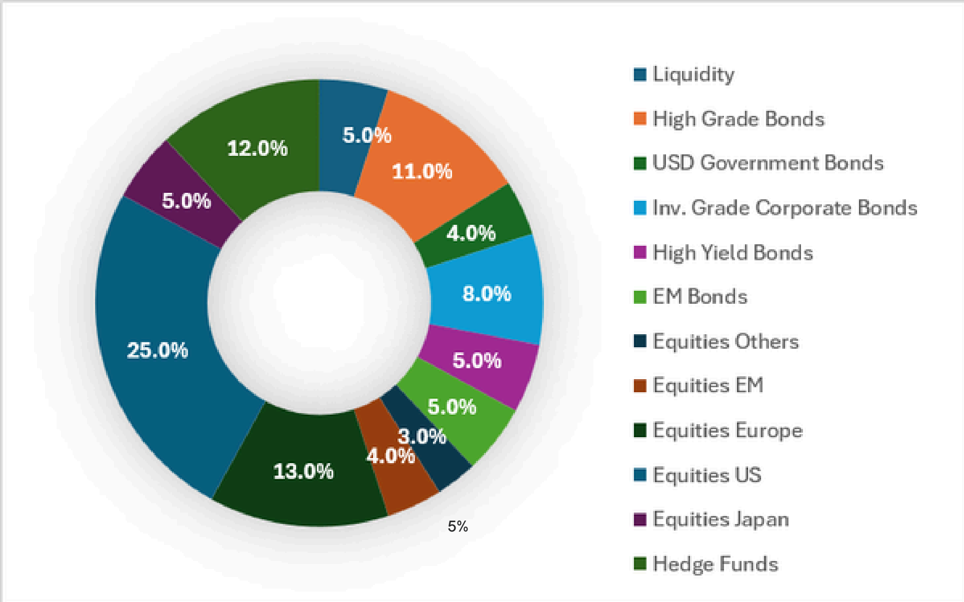
The upgrade is driven by cheap valuations and elevated yields. Markets priced in renewed rate hikes after the Middle East conflict and energy spike, but energy prices and inflation expectations have since fallen. Real rates have risen, pushing nominal yields higher, especially at the front and belly of curves, where we see value. We doubt central banks will deliver all the hikes priced in, creating potential capital gains, while high starting yields should still support returns and help cushion volatility..

Currencies

FX markets remain highly sensitive to developments in the Iran war, with oil price swings driving inflation and rate hike expectations. We expect the conflict to fluctuate between escalation and de-escalation, but as global oil markets have adjusted and found new export routes, Brent oil prices are unlikely to exceed USD 100/bbl in the near term, which should allow most G10 central banks to refrain from hiking rates.

We favor continued selective exposure to pro-growth and carry currencies. The SEK, NZD, AUD, GBP, CNY, and now NOK are rated Attractive, supported by yield and resilience to global volatility. We remain Neutral on the EUR and expect the EURUSD to stay within a 1.14-1.20 range and gradually move higher.

Balanced USD Model Portfolio



Source: UBS Houseview monthly, August 2026

A QUIET AUGUST? NOT FOR INVESTORS

Investors hoping August will bring a summer lull may be disappointed. Oil prices are swinging with every twist in the Middle East conflict, while AI earnings and spending plans are driving sharp moves in stocks. Alongside the repricing in government bond yields, these developments underscore our long-held view of a world shaped by supply scarcity keeping inflation and borrowing costs higher. For investors, the role of government bonds has shifted: less ballast, more income.

The steepening of the two-year/30-year Treasury yield curve after last week's Federal Reserve meeting reflects growing inflation worries and uncertainty over how the Fed will respond. We see this not as new but as a continuation of the broader macro regime we have described for several years. The fastest AI investment buildout in history is unfolding in a world shaped by supply scarcity, where energy constraints, tight labor markets and geopolitical fragmentation are shifting the focus from efficiency to resilience. Meanwhile, governments and hyperscalers are drawing on the same pool of savings, intensifying competition for capital. These forces are pushing investors to demand higher returns to lend for longer, lifting real yields across developed markets. See the chart. That broader repricing underpins today's investment backdrop.

The global repricing of long-term bond yields has come a long way. The U.S. 10-year Treasury yield has risen from less than 1% six years ago to nearly 5% today. German 10-year yields recently reached a 15-year high and Japanese 10-year yields have approached 3% for the first time since the mid-1990s.

Continuation on page 4

Continuation from page 3

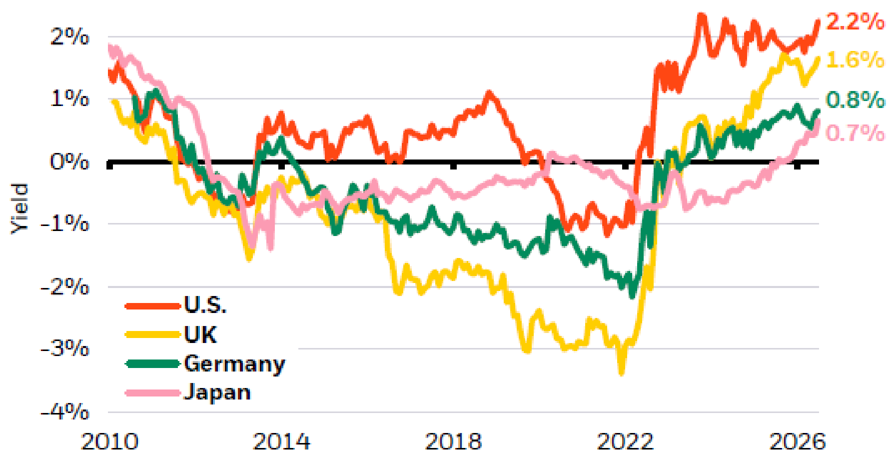
The structural forces behind higher bond yields have been building for several years but intensified this year. What was already the fastest AI investment boom in history has accelerated further, with consensus forecasts for hyperscaler capital spending in 2026 revised about 30% higher over the past six months to $720 billion. Greater sovereign borrowing and persistentconsensus forecasts for hyperscaler capital spending in 2026 revised about 30% higher over the past six months to $720 billion. Greater sovereign borrowing and persistentfiscal deficits, alongside a shift in Middle Eastern investment toward domestic priorities, have reduced capital available for overseas investment and further intensified competition for capital. Scarcity-driven inflation—amplified by the Middle East energy and commodity shock—has driven a sharp repricing of Fed expectations from easing to tightening, prompting a global rise in bond yields. More recently, new uncertainty around the Fed's reaction function under new Chair Kevin Warsh has pushed the term premium higher.

Higher yields have changed both the role of government bonds in portfolios and the opportunity set for investors. Bonds have become a less effective portfolio ballast. The correlation between daily U.S. equity and 10-year Treasury returns averaged 7% over the last five years, compared to -43% in the decade prior to the pandemic. Still, higher yields have created attractive income opportunities, reinforcing our durable income theme. More than 80% of the global bond universe now yields above 4%, versus around 20% in the decade pre-pandemic. Rather than reaching further out the curve, we favor building durable income through short- and medium-term Treasuries, local-currency emerging market debt, short-maturity euro area bonds, agency mortgage-backed securities and selected public and private credit with resilient cash flows. Higher borrowing costs also raise the bar for equities. But companies able to grow earnings faster than borrowing costs increase can still outperform. However, we expect greater dispersion across companies, strengthening the case for active investing.

Source: Blackrock weekly commentary 03-08-2026

The real deal

10-year real government bond yields across major developed markets, 2010–2026



Source: BlackRock Investment Institute, with data from LSEG Datastream, July 2026. Notes: Chart shows 10-year inflation-adjusted government bond yields for the U.S., U.K., Germany and Japan.

Source: BlackRock 03.08.2026

Key Figures 2026

Equity Indices (Local Currencies)

AMERICA	31.12.2025	04.08.2026	% Chg YTD
DOW JONES IND.	48'063.29	54'085.88	12.53%
S&P 500	5'881.63	7'736.52	13.02%
RUSSELL 2000	2'481.911	3'036.98	22.36%
NASDAQ COMP	23'241.99	26'584.99	14.38%
CANADA - TSX	31'712.00	35'801.59	12.90%
MEXICO - IPC	64'308.29	66'833.16	3.93%
BRAZIL IBOVESPA	161'125.00	177'894.97	10.41%
COLOMBIA COLCAP	2'474.76	2'384.67	-3.64%
ASIA	**31.12.2025**	**04.08.2026**	**% Chg YTD**
JAPAN- NIKKEI	50'339.00	66'300.44	31.715%
H.K. HANG SENG	25'630.00	25'915.82	1.12%
CHINA CSI 300	4'629.00	4'658.15	0.63%
EUROPE	**31.12.2025**	**04.08.2026**	**% Chg YTD**
EURO STOXX 50	5'791.00	6'486.70	12.01.%
UK - FTSE 100	9'931.00	10'879.38	9.55%
GERMANY - DAX	19,909.14	26'202.35	6.99%
SWITZERLAND - SMI	13'267.48	14'463.23	9.01%
SPAIN - IBEX 35	17'703.80	19'982.60	12.87%
PORTUGAL - PSI 20	8'263.65	9'171.70	10.99%

Volatility

	31/12/2025	04.08.2026	% Chg YTD
SPX (VIX)	14.95	15.86	6.09%

Currencies

	31.12.2025	04.08.2026	% Chg YTD
EUR/USD	1.1747	1.1539	-1.86%
USD/JPY	148.59	157.81	6.20%
USD/CHF	0.9726	0.8100	2.20%
GBP/USD	1.3474	1.3455	-0.14%
USD/CAD	1.3725	1.4070	2.51%
EUR/CHF	0.9310	0.9331	0.23%

Commodities (USD)

PRECIOUS METALS	31/12/2025	04.08.2026	% Chg YTD
GOLD USD/OZ	4'315.00	4'057.29	-5.97%
SILVER USD/OZ	71.31	58.36	-18.16%
PLATINUM USD/OZ	2'054.00	1'639.00	-20.20%
ENERGY	**31/12/205**	**04.08.2026**	**% Chg YTD**
WTI Crude Oil	57.42	75.77	31.96%
Brent Crude Oil	60.85	84.14	38.27%
Natural Gas	3.69	2.68	-27.37%

Interest Rates Goverment Bonds

	3 Months	2 Years	10 Years
USA	3.823	4.194	4.627
GERMANY	3.512	2.716	3.117
SWITZERLAND	-0.090	0.079	0.376
UK	3.892	4.239	0.489
JAPAN	1.036	1.573	2.853

T&T International Group

T&TInternational isa 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

Ifyoudonotwishto receive our Newsletter, you may unsubscribe at any time. Simply reply by email with “Unsubscribe” to bbaettig@tt-international .ch

Disclaimer