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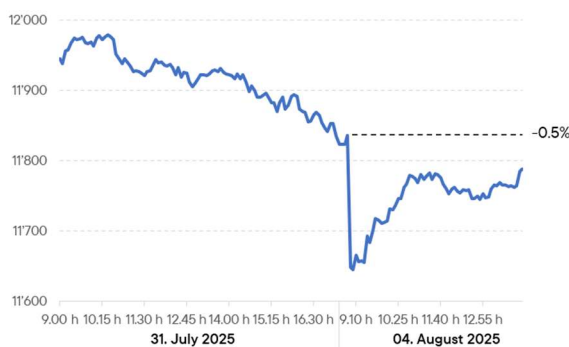
# The ghost of tariffs

Zurich, 4. August 2025

After several media outlets<sup>1</sup> had warned of a Black Monday on the Swiss stock exchange, it can be said from today's perspective that the market reaction to the 39% tariffs announced by Trump has been mild.

## Black Monday?

Market reaction to announced US tariffs, SMI performance in points 31 July to 4 August 2025



Source: Prio Partners, Bloomberg

It can be assumed that market participants had already positioned themselves somewhat more cautiously regarding export-oriented companies before the announcement and thus anticipated part of the market reaction. At the same time, there is a high probability that a negotiated solution will be found after all. In any case, the market is strongly differentiated: stocks without a high export share such as Swisscom (+2.3%), Zurich Insurance (+0.3%), Swiss Life (+0.3%) and Swiss RE (+0.1%) are gaining. On the other hand, companies

with strong exports such as Swatch (-2.8%) and Richemont (-1.4%) are coming under increased pressure.<sup>2</sup>

## Facts

Switzerland exports 16% of its goods to the USA – a large but manageable proportion of total global exports.<sup>3</sup> Switzerland's trade surplus with the USA amounts to CHF 39 billion. If gold and pharmaceutical exports are excluded (for which a separate customs regime is threatened), the surplus shrinks to a manageable CHF 10-15 billion. A very unpleasant situation, but not the end of the world for Switzerland. Moreover, the USA is blithely ignoring the fact that Switzerland has a deficit of around CHF 20 billion with the USA in services.<sup>4</sup>

A large part of the 'export surplus' is attributable to gold exports. This is because Switzerland is the world's largest location for gold refineries. The actual value generated in the country through the remelting of gold is significantly lower, yet the absolute value of the goods is very high.

Other facts are also interesting: In January 2024, Switzerland abolished all industrial tariffs and is now considered one of the most cosmopolitan economies. 99.3% of all goods from the USA can be imported into Switzerland duty-free.<sup>5</sup> It is therefore surprising that Switzerland was unable to reach an agreement with the USA. We can only speculate that the Swiss position showed that there was hardly any deficit and that the US wanted to present a negotiating trophy despite everything. To prove its goodwill, Switzerland

<sup>1</sup> <https://www.cash.ch/news/top-news/fur-den-smi-zeichnet-sich-schwarzer-montag-ab-die-aktien-ubersicht-an-der-vorborsa-848587>

<sup>2</sup> Werte Schweizer Börse SIX per Redaktionsschluss am 4.8.2025, 13h

<sup>3</sup> Staatssekretariat für Wirtschaft (SECO)

<sup>4</sup> Staatssekretariat für Wirtschaft (SECO)

<sup>5</sup> [https://www.seco.admin.ch/seco/de/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/usa.html](https://www.seco.admin.ch/seco/de/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/usa.html)



could, for example, bring in the 4% tariff on imports of US cars or (and much more politically sensitive) the tariffs on agricultural products. All in all, there is enough room for manoeuvre for good cooperation.

### Conclusion

The market reaction was much more moderate than had been feared over the weekend. Resilient companies can be found in the technology and financial services sectors (e.g. insurance companies and stock exchange operators). Companies in the industrial, luxury goods and pharmaceuticals sectors are under pressure.

All in all, however, it is becoming clear that the world (and therefore investors) has learnt to deal with the fact of higher US tariffs. Unfortunately, we now live in a multipolar world in which the old hegemon is trying to secure its position by any means necessary. Parallel structures and innovative ideas will develop to counteract this behavior.

Once again, it is important to remain calm in turbulent times.

*PC*

