

MONITOR

4th Quarter 2026



MARKET REVIEW

“Super Intelligence” amid growth euphoria and new risks? Higher risk premia are driving greater volatility, while the technology investment and growth cycle appears to remain intact.



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The third quarter was marked by two risk factors for economic growth: rising interest rates and growing security concerns surrounding Artificial Intelligence – or rather, “Super Intelligence”. This new terminology was coined by President Trump and underscores the US ambition for technological leadership and AI’s potential to surpass human intelligence across many areas.

At the same time, the growth narrative showed its first cracks. Leading industry figures and researchers warned of the risks posed by increasingly powerful models and called for stronger safeguards and greater restraint in the pace of development. For investors, this creates tensions: the greater the technology’s economic potential, the more regulatory, societal and operational risks come to the fore.

Meanwhile, rising government bond yields are putting further strain on debt dynamics.

Elevated energy prices are complicating the fight against inflation, suggesting that higher interest-rate levels are likely to persist for longer.

The US midterm elections in November represent an important political focal point for these issues. An IPO by Anthropic following the elections will also serve as a key test of market sentiment.

Over the coming weeks, financial markets may face heightened volatility. Fundamentally, however, strong corporate earnings should provide support and underpin a positive market backdrop over the medium term. All the more so given that a technology cycle typically spans five to ten years. In AI, infrastructure build-out is already well advanced. The monetisation phase and realisation of productivity gains are only just starting.

365tn

Global debt reached a record USD 365tn in the first half of 2026, equivalent to 311% of global GDP.

119 bps.

10-year French government bonds posted their sharpest quarterly yield rise in 40 years. The new yield level stands at 4.85% (+119 basis points).

+43%

Bitcoin staged a particularly strong and remarkable rally in the third quarter.



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Macroeconomic Environment



Noticeable Economic Recovery

The global economy remained robust despite heightened geopolitical tensions. Rising global investment in Artificial Intelligence, driven by the expansion of chip manufacturing facilities, digital infrastructure and power grids, provided a boost to growth in the third quarter.

US economic growth is currently above 2% and is well supported by a solid labour market. Adjusted net employment figures have remained stable over the past six months. Purchasing Managers' Indices for both manufacturing and services continue to send positive signals for the US economy. However, stagnant real disposable incomes and weakening consumer spending could weigh on US growth, particularly as households face persistently higher living costs.

Eurozone and Swiss Confidence

In the euro area, the macroeconomic back-drop has recently developed more favourably than expected. The region's GDP came in above forecasts at +1.2% in the second quarter. According to sentiment indicators, this momentum is expected to continue through year-end, albeit at a slightly more moderate pace.

Switzerland recorded exceptionally strong and broad-based growth in the second quarter, with GDP rising by 1.5% quarter-on-quarter. This marked the highest rate in almost five years. Compared with the euro area (+0.9% for 2026), Switzerland is expected to grow slightly faster this year, at +1.1%.

Rise in Energy Prices

At the end of July and again in early September, Brent crude prices rose above USD 100 per barrel amid renewed military escalation, adding to inflationary pressures. Already in August, inflation stood at +3.4% in the US and +3.3% in the euro area. Even in Switzerland, inflation rose to +0.8%. While pronounced price-wage spirals remain largely absent so far, central banks are nevertheless responding with restrictive monetary policy.

US Fed Follows Suit

Following the policy rate hikes in June in the euro area and Japan, the US Fed also raised rates. This was the first rate hike in the US since July 2023. With this move, Fed Chair Kevin Warsh is reinforcing the credibility of the monetary policy stance and targeting the 2% inflation objective over the medium term.

Market data

30.09.2026

Equity Markets (since 31.12.2025)

SMI (CHF):	13,830.34 / +4.24 %
S&P 500 (USD):	7,651.54 / +11.77 %
EURO STOXX 50 (EUR):	6,269.02 / +8.25 %
FTSE 100 (GBP):	10,606.00 / +6.79 %
MSCI Emerging Markets (USD):	945.76 / +23.38 %
NIKKEI 225 (JPY):	66,753.72 / +32.61 %
MSCI All Country World (Local):	620.57 / +13.57 %

Bond Markets

Eidgenossen (10y):	0.54 % / +30.6 Bps
US-Treasury (10y):	5.29 % / +111.8 Bps
Bund (10y):	3.58 % / +73.0 Bps
SBI AAA-BBB 3-5 TR:	131.09 / -0.82 %

Money Markets

CHF (SARON):	-0.07 % / +1.1 Bps
USD (SOFR):	3.90 % / +3.0 Bps
EUR (ESTR):	2.44 % / +51.6 Bps

Exchange Rates

EUR/CHF:	0.947 / +1.74 %
USD/CHF:	0.836 / +5.45 %
EUR/USD:	1.133 / -3.54 %

Alternative Investments

Swiss Real Estate:	583.47 / -2.97 %
Gold (USD/Ounce):	4,157.41 / -3.75 %
US Crude Oil (USD/Barrel):	103.53 / +70.14 %
Bitcoin (USD/XBT):	83,621.23 / -4.59 %



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Traditional Investments

Currencies

The Swiss franc depreciated by 2.6% against the euro and 3.4% against the US dollar in the third quarter. While the euro has steadily appreciated against the Swiss franc on the back of the economic recovery in the euro area and the interest rate differential, reaching 0.95 EUR/CHF, the USD/CHF exchange rate has been significantly more volatile.

High Hedging Costs

In mid-August, US government debt exceeded the USD 40 trillion mark for the first time, prompting US Treasury Secretary Scott Bessent to initiate a bond buyback. On the day of the announcement, the US dollar fell by almost 2% against the Swiss franc, triggered by the unwinding of short Swiss franc positions. However, the effect of this measure was short-lived, and US Treasury yields rose again. Since then, the US dollar has gained increasing strength against the franc. This is largely attributable to the US authorities' determined efforts to restore price stability. This became apparent in mid-September, when the US Fed raised interest rates by 0.25% to combat inflation.

As a result, currency hedging costs for Swiss investors rose to 4.3% p.a. for USD and 2.8% p.a. for EUR.

USD/CHF Exchange Rate



Fig. 1: USD/CHF Exchange Rate over the Quarter
(Source: Bloomberg)

Bonds

International bond markets remain under pressure from high interest rates, persistent inflation risks and rising energy prices. Government bonds in particular lost significant ground over the past quarter, as yields remain at elevated levels. In the US, the yield on ten-year government bonds stands above 5.2%, having moved into a range last seen in 2007, before the global financial crisis. Significant yield premiums on government bonds can be observed not only in the US,

but in almost all countries across the Western world. In addition to the current economic environment, rising government debt levels and uncertainty over the future path of inflation and monetary policy are weighing on bond markets. At present, record-high interest rates in France are causing nervousness.

US Treasury vs. US Fed

In the US, a power struggle between the Fed and the US Treasury is becoming increasingly apparent, with both seeking to influence and bring the yield curve under control. At the short end of the curve, markets are pricing in three further rate hikes in the US through mid-2027, amounting to a cumulative +0.75%. A similar number of rate moves is expected in the euro area over the same period. In Switzerland, the current zero-interest-rate environment could come to an end as early as next spring.

Stable Corporate Bonds

In the segment of investment-grade corporate bonds, the situation remains considerably more stable. Credit spreads are fluctuating at relatively low levels, reflecting the continued resilience of corporate credit markets.

Equities

Earnings across global equity markets continued to rise in the third quarter, increasing by +1.0%, albeit at a less pronounced pace than in previous months. While some indices were trading close to their all-time highs, a sector rotation took place beneath the surface: bank, commodity and chemical stocks benefited more strongly from higher interest rates and solid fundamentals than, for example, technology-heavy growth stocks. Small-cap companies were seeing less demand, as larger companies in particular continued to impress with strong quarterly results.

International Equity Markets Gain Ground

From the perspective of Swiss investors, international equities performed more favourably than the Swiss equity market, driven by the weaker Swiss franc. In local-currency terms, US equities, emerging markets and economically sensitive indices such as Germany's DAX outperformed in the third quarter. The Swiss equity market gave back some of its gains over the course of the quarter. At the sector level, no clear trend was evident in Switzerland. Instead, company-specific factors were driving the performance of individual stocks. Sika was particularly noteworthy, gaining +10% in the third quarter as organic growth recovered and the margin outlook was upgraded.

+4.7%

MSCI All Country World Index in CHF – Q3

-2.6%

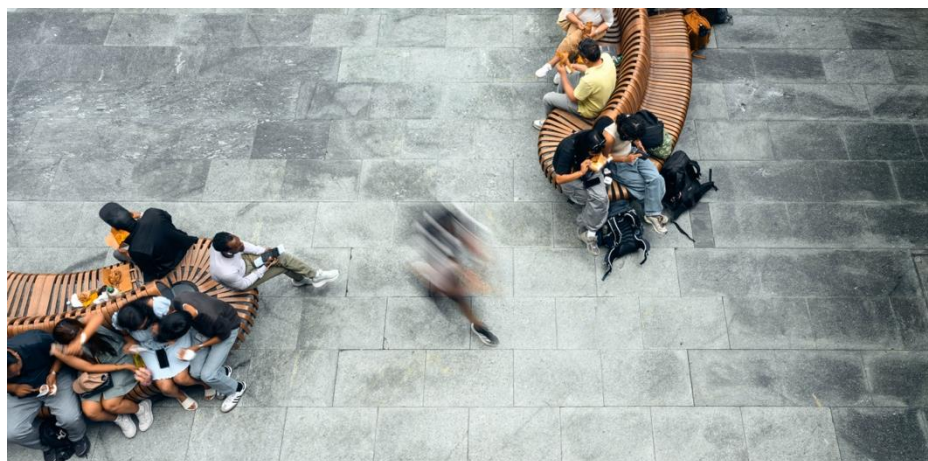
SMI Excluding Dividends in CHF – Q3

+29.4%

Expected Earnings Growth for the S&P 500 – 2026

Strong Earnings Season

Second-quarter earnings in the US increased by 25% year-on-year. 88% of companies exceeded the high expectations at the earnings level. For the full year, earnings growth of +29% is expected in the US, followed by a more moderate increase of +17% in 2027. A similar trend is evident in Europe and Switzerland, although less pronounced, with earnings growth of +16% expected for 2026 and +13% for 2027.



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Alternative Investments

The price of gold per troy ounce rose by +2.7% by the end of September to USD 4,157. In the meantime, the price climbed above USD 4,650 before falling back from mid-August amid the US Federal Reserve's restrictive monetary policy. Although volatility in precious metals is likely to remain elevated, the fundamental drivers remain intact, including central bank purchases and ETF inflows.

Although the Swiss National Bank (SNB) left its policy rate unchanged at 0% in September, market participants are anticipating potential rate moves in 2027, currently weighing on sentiment towards Swiss real estate funds. Strong issuance activity, particularly capital increases, combined with a slight correction in high premiums, resulted in losses for real estate funds.

Bitcoin staged a strong rally, gaining +43% to USD 83,621. Actions by the US Treasury weakened the US dollar in the short term, prompting investors to seek alternative assets such as Bitcoin. The failure of the Clarity Act was largely taken in stride. Attention now turns to the prospect of favourable regulation authorised by the US Securities and Exchange Commission (SEC).

Private Markets

Buy-and-build strategies continued to gain importance in the private equity market. As corporate sales remained challenging and valuations stayed high, funds increasingly focused on smaller add-on acquisitions of existing portfolio companies. In the first half of 2026, more than half of global private equity transactions involved such add-on acquisitions.

The financial services and insurance, industrial and energy sectors were particularly active. Key drivers included the consolidation of fragmented markets, automation, changing supply chains and the rising energy demand of data centres. However, success depends not only on acquisitions, but also on sector expertise, disciplined purchase prices, as well as the successful integration and operational development of portfolio companies.

NEWS

A New Look. Values That Endure.



Fig. 2: Our New Valterna Design

Perhaps you have noticed: Our Monitor looks different. So does our website. And this is just the beginning. We are continuing to evolve how you experience Valterna – both digitally and personally. Information should be easier to access and communication more straightforward. And for those who prefer the digital route, even more options will be available in the future.

There is more behind the new look than a new design. We asked ourselves what our clients expect from us today – and what truly matters to them. This is reflected in our offering, our communication and the way we work with you. Digitally too – but not for the sake of digitalisation. Only where it makes things simpler. Not all of this is visible at first glance. But hopefully, you can feel the difference.

Our new brand presence brings this development to life. Since August, Valterna has presented itself differently on our new website: clearer and more modern. Monitor and Know-how now also appear in the new style. And there is more to come. What remains unchanged, however, is what matters most: personal advice, direct dialogue and our commitment to supporting your wealth with foresight and a personal approach. Digital opportunities are designed to complement this proximity, not replace it.

What is new is how we present ourselves. Not what defines us.



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