PostFinance investment compass July 2026

Keeping a cool head

Positioning Caution despite encouraging first-half performance
Market overview Financial markets show a positive trend
Economy Swiss economy picks up speed
Model portfolios No need for adjustment

PostFinance

Keeping a cool head

Surprises tend to be the rule, rather than exception on the financial markets. So it's all the more important to have a robust strategy that holds up even when things don't turn out as expected.

Philipp Merkt
Chief Investment Officer

What a summer it's been so far! Hot days with record temperatures were followed by sweltering nights, when we cheered, rejoiced and finally suffered with our national football team after they were unfortunately eliminated in the World Cup quarter-final against Argentina. It wasn't always easy to keep a cool head, both literally and metaphorically.

"We've had many exciting moments to follow this summer, but we still prefer to make our investment decisions with a cool head."

The same was true on the financial markets. No sooner had the parties to the Middle East conflict signed a peace agreement than the war flared up again. The ongoing blockade of the Strait of Hormuz is weighing on global trade and hampering the supply of goods in emerging markets. This is fuelling concerns over the global economy – at a time when inflation has risen sharply again. It's particularly pronounced in the US, where inflation remains well above the Fed's inflation target. Kevin Warsh stepped into his role as the new Chairman of the US Federal Reserve in an already challenging environment. His first official actions were enough to shift market interest-rate expectations from a cut to a rise within a few weeks.

Suddenly, even the supposed winners of the past few years could no longer be relied upon. It was the very US tech stocks that had set the pace on the equity markets in recent years that began to falter. Expectations resting on these companies are now so high that even outstanding quarterly results are barely rewarded. The stocks of computer chipmakers were hit particularly hard. Even minor disappointments were met with significant price losses.

That said, most equity markets posted strong gains in the first half of the year. Our customer portfolios performed very encouragingly and generated first-half returns that would otherwise be expected for a whole year. They also fared significantly better on average than the competition. This underscores the value of a broad-based investment strategy, especially in an environment characterized by surprising twists. The above-average performance isn't based on a single correct forecast, but on a strategy that's orientated towards different market trends from the outset.

Such a strategy also requires repositioning wherever opportunities and risks change significantly. For example, we remain cautious about US equities. While the development of the overall market is shaped by a handful of tech groups, each new record high also brings greater potential for a setback. By contrast, we see gold as more attractive. During times of political and economic uncertainty, the precious metal has proven time and again to be a reliable store of value time, which is why we're maintaining an increased allocation. Swiss real estate also remains overweighted, supported by solid structural demand.

Positioning

Caution despite encouraging first-half performance

The equity markets recorded a strong first half-year. This was particularly true for broadly diversified portfolios, with Japan and emerging markets excluding China the standout performers. However, the Swiss equity market and US stock markets have also posted price gains of over 10 percent since the start of the year. And yet the environment remains more challenging than this strong performance may suggest at first glance.

Change in leadership

There are growing signs of a change in leadership on the equity markets. While the "magnificent seven" have made a substantial contribution to gains in recent years, they've significantly underperformed the broad US stock market since the start of the year, rising by around 3 percent versus a gain of around 11 percent for the broad market.

This development reflects the current phase of the AI investment cycle. It isn't just the level of investment that's determining success, but increasingly its economic implementation. This is seen in the competition for large language models, which focuses on a few leading providers. Take Meta, which is expected to invest between 115 and 130 billion US dollars in 2026, yet its own AI models have so far played only a minor role in competing with market leaders.

> "The first six months of the year were encouraging. However, for price gains to continue, companies need to exceed their already high earnings expectations. This is becoming increasingly challenging."

The key factor isn't who invests the most, but who successfully monetizes these investments. For the stock markets, this is likely to lead to greater differentiation between winners and losers in the future.

Performance of asset classes

Asset class		1M in CHF	YTD[1] in CHF	1M in LCY[2]	YTD[1] in LCY[2]
Currencies	EUR	0.1%	–0.9%	0.1%	–0.9%
	USD	1.0%	1.7%	1.0%	1.7%
	JPY	–0.2%	–1.8%	–0.2%	–1.8%
Fixed Income	Switzerland	0.3%	0.1%	0.3%	0.1%
	World	0.6%	0.9%	–0.4%	–0.8%
	Emerging markets	1.7%	3.8%	0.7%	2.1%
Equities	Switzerland	5.9%	9.8%	5.9%	9.8%
	World	3.3%	12.1%	2.3%	10.3%
	USA	3.4%	12.5%	2.3%	10.6%
	Eurozone	3.6%	10.5%	3.5%	11.6%
	United Kingdom	3.7%	8.9%	2.4%	7.5%
	Japan	2.9%	18.0%	3.1%	20.2%
	Emerging markets	–0.8%	22.6%	–1.8%	20.6%
Alternative Investments	Swiss real estate	6.3%	1.4%	6.3%	1.4%
	Gold	–2.2%	–3.0%	–3.2%	–4.5%

[1] Year-to-date: Since year start
[2] Local currency

Data as of 09.07.2026
Source: Allfunds Tech Solutions, MSCI, SIX, Bloomberg Barclays, J.P.Morgan

Geopolitical risks remain high

Economic uncertainty is compounded by geopolitical uncertainty. The announced framework agreement between the US and Iran is proving fragile, as expected. Tensions rose again recently. Oil prices responded with significant volatility, which was a factor in long-term capital market interest rates remaining at a high level worldwide. At the same time, inflationary pressure is still high in the US, putting a significant strain on consumers' purchasing power.

Cautious positioning remains advisable

We see the recent improvement in market breadth as a positive factor. One example is the equal-weighted S&P 500, which was able to catch up with the cap-weighted index. Meanwhile, rising earnings expectations are bolstering the stock markets, but the potential for a setback in the event of disappointment remains considerable. What's more, the current rally is still being largely driven by the semiconductor sector. If momentum weakens, it may be more difficult for the entire market to justify the high valuations. That's why we're maintaining our cautious positioning, particularly in relation to US equities.

Gold and real estate funds as an anchor of stability

Gold remains an important part of the portfolios for us. Inflation has been above the US Federal Reserve's 2 percent inflation target for the past five years and is currently at a high level. It means the precious metal remains an attractive hedge against crises and inflation.

We're also maintaining an overweight position in exchange-listed Swiss real estate funds. After strong monthly growth of around 5 percent, prices have risen moderately again since the start of the year. Valuations have increased accordingly. However, distribution yields of over 2 percent remain attractive in the zero interest rate environment. This is underpinned by the continuing high demand for Swiss residential and commercial properties with limited supply.

Positioning relative to long term strategy: Swiss focus

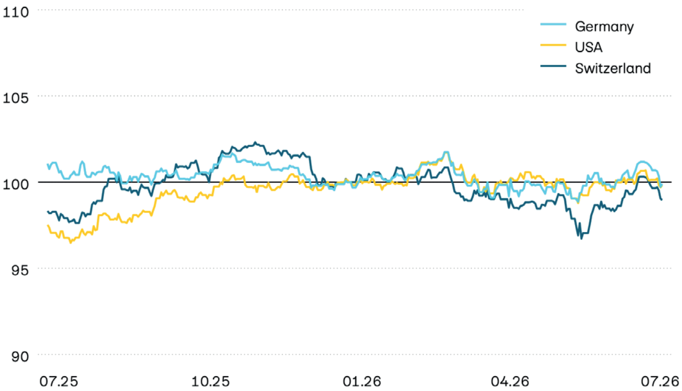
Asset class		**TAA[1] old**	**TAA[1] new**	**underweighted[3]**		**neutral[3]**	**overweighted[3]**	
				– –	–		+	++
Liquidity	**Total**	**5.0%**	**5.0%**					
	CHF	5.0%	5.0%					
	Money market CHF	0.0%	0.0%					
Fixed Income	**Total**	**33.0%**	**33.0%**					
	Switzerland	17.0%	17.0%					
	World[2]	10.0%	10.0%					
	Emerging markets[2]	6.0%	6.0%					
Equities	**Total**	**48.0%**	**48.0%**					
	Switzerland	23.0%	23.0%					
	USA	10.0%	10.0%					
	Eurozone	4.0%	4.0%					
	United Kingdom	2.0%	2.0%					
	Japan	2.0%	2.0%					
	Emerging markets ex China	5.0%	5.0%					
	China	2.0%	2.0%					
Alternative Investments	**Total**	**14.0%**	**14.0%**					
	Swiss real estate	8.0%	8.0%					
	Gold	6.0%	6.0%					

[1] Tactical Asset Allocation: short to mid-term orientation
[2] Currency hedge to CHF
[3] Positioning relative to our long-term asset allocation

Fixed income

Hopes for progress in the Middle East conflict led to a temporary fall in long-term interest rates. However, the recent escalation led to a renewed rise in yields. Government bonds trended sideways overall last month.

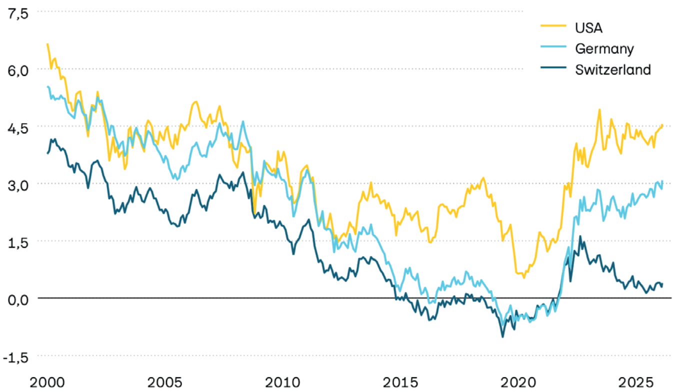
Indexed performance of government bonds in local currency
100 = 01.01.2026



Government bonds trended sideways overall last month. In Europe, lower inflation rates initially led to a fall in long-term interest rates and a corresponding rise in bond prices. In the USA, interest rates fell temporarily after hopes of easing tensions in the Middle East conflict led to a fall in the price of oil, easing concerns over inflation. However, long-term interest rates on both sides of the Atlantic rose again towards the end of the month. While robust economic data bolstered interest rates in the USA, the renewed escalation in the Middle East weighed on the bond markets recently.

Source: SIX, Bloomberg Barclays

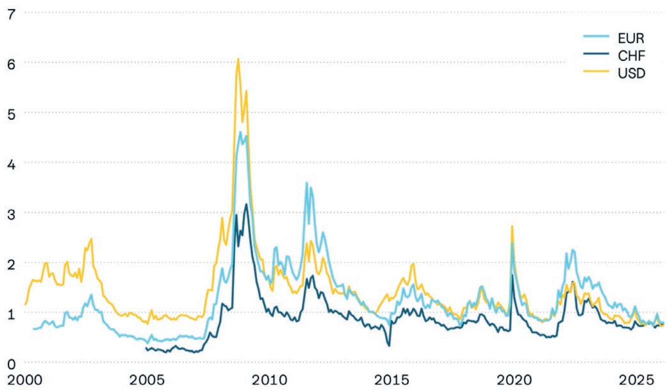
Trend in 10-year yields to maturity
In percent



Yields to maturity on 10-year government bonds saw little change month-on-month. Since the start of the year, they have therefore remained much higher in most advanced economies. While falling inflation temporarily eased inflation concerns in Europe, interest rates in the USA remained high in view of the robust economy and the US Federal Reserve's restrictive stance. The recent escalation in the Middle East put renewed upward pressure on long-term yields. The response was particularly pronounced in Japan, where 10-year yields to maturity rose sharply at times due to the high degree of dependency on energy imports.

Source: SIX, Bloomberg Barclays

Credit spreads on corporate bonds
In percentage points



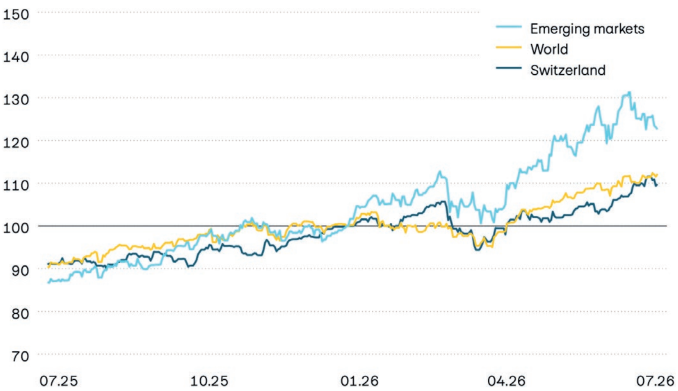
Credit premiums on corporate bonds remained largely unchanged last month and continue to trade at a historically low level. Credit spreads widened slightly only for European high-yield bonds. Overall, the current level indicates that investors still have a high risk appetite. At the same time, the potential for further narrowing remains limited, while credit premiums could widen rapidly if the economic environment deteriorates.

Source: Bloomberg Barclays

Equities

The equity markets continued their upward trend. In contrast to previous months, however, the companies benefiting most from the AI boom were no longer the main price drivers.

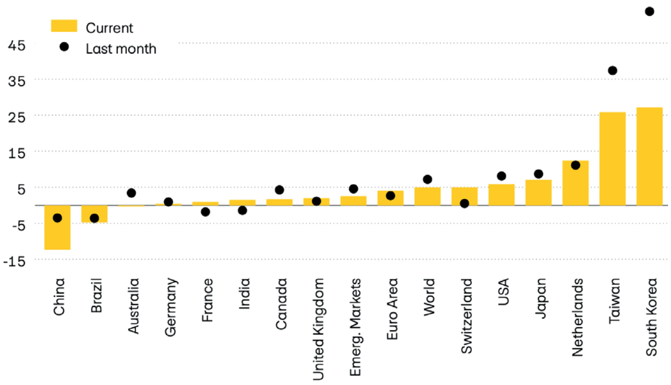
Indexed stock market performance in Swiss francs
100 = 01.01.2026



Global equity markets made further gains last month. However, the increase was not driven primarily by the heavyweights benefiting most from the AI boom, but by a broader base. The healthcare sector performed especially strongly, lifting the Swiss equity market. The latter rose by just under 6 percent last month and, with annual returns of over 10 percent, is almost on par with the European and US equity markets, which have risen by around 10 and 12 percent respectively, measured in Swiss francs since the start of the year.

Source: SIX, MSCI

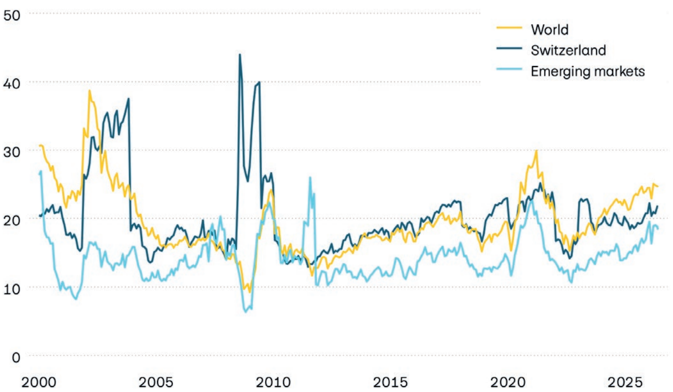
Momentum of individual markets
In percent



Momentum on the global equity markets remains positive overall. One exception is China, where the ongoing weak economy and structural economic problems continue to weigh on the equity market. In Taiwan and South Korea, the previously exceptionally strong momentum slowed significantly due to the recent setback in the AI sector. Despite this correction, both markets have continued to post the highest returns and the strongest momentum since the start of the year.

Source: MSCI

Price/earnings ratio
P/E ratio



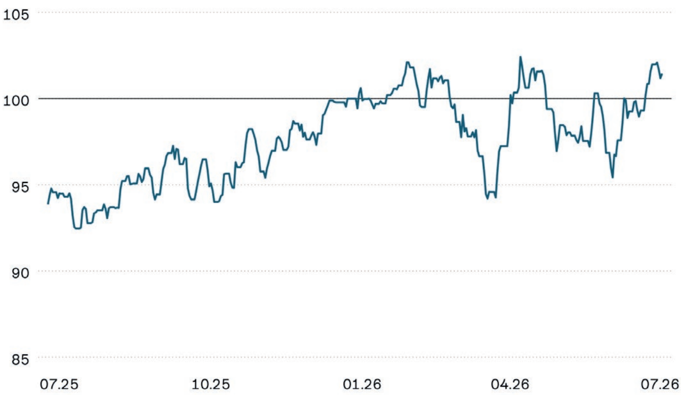
Valuation levels on global equity markets trended upwards again last month. The rise was most evident on the Swiss equity market. Buoyed by a broad-based price rally, its valuation level has now moved closer to that of global equity markets. In the USA, expectations for the current reporting season are once again very high: the S&P 500 companies' expected year-on-year earnings growth has increased again compared to the previous quarter and now stands at 23 percent.

Source: SIX, MSCI

Swiss real estate investments

The prices of exchange-listed Swiss real estate funds rose sharply last month, edging back into positive territory on an annual basis.

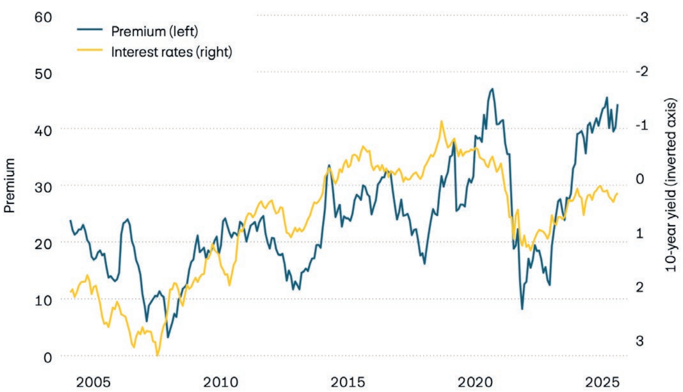
Indexed performance of Swiss real estate funds
100 = 01.01.2026



After a significant correction in the first week of June, exchange-listed Swiss real estate funds made a strong recovery last month, rising by over 6 percent. This was mainly due to the temporary fall in long-term Swiss capital market interest rates. Despite the recent rise in interest rates, real estate funds have so far managed to escape this trend. Thanks to the recovery, their annual return is now up again slightly. While it remains below that of the Swiss equity market, it has improved significantly compared to the previous month.

Source: SIX

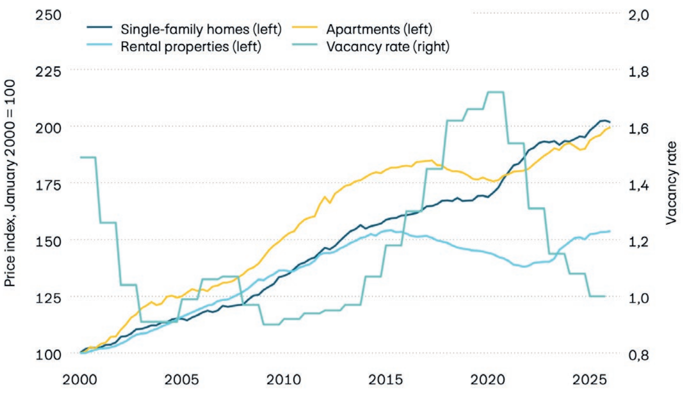
Premium on Swiss real estate funds and 10-year yields to maturity
In percent



The recovery in Swiss real estate fund prices has also driven their valuations back up. As such, the premium that investors pay for exchange-listed Swiss real estate funds compared to the net asset value is close to historic highs again.

Source: SIX

Vacancy rate and real estate prices
100 = January 2000 (left) and in percent (right)



Source: SNB, FSO

Swiss real estate prices were more mixed in the second quarter than of late. After four quarters of price increases, single-family house prices fell slightly, while apartment prices continued their upward trend. Rental property prices also rose further, though still only to a minor extent. However, the year-on-year trend in both categories remains clearly positive: apartment prices rose by around 3 percent and single-family home prices by around 2 percent. The vacancy rate is still at a very low level, which is likely to remain the main reason for high real estate prices overall.

Find out more in our interest rate forecast for mortgages.

Currencies and cryptocurrencies

The US dollar remains strong, having risen by around 1 percent against the Swiss franc again last month. In contrast, the Swiss franc remained broadly stable against the euro, continuing the sideways trend observed since the start of the year.

The US dollar continued to hold its ground as the strongest of the major currencies last month. On an annual basis, however, the appreciation against the Swiss franc remains moderate at just under 2 percent. The euro/Swiss franc currency pair has also remained virtually unchanged since April. Overall, few distinct trends can be seen on the foreign exchange markets. Most major currency pairs have been trading in tight ranges for some time and show only minor changes on an annual basis.

Currency pair	Price	PPP[1]	Neutral area[2]	Valuation
EUR/CHF	0.92	0.87	0.80 – 0.93	Euro neutral
USD/CHF	0.80	0.74	0.64 – 0.83	USD neutral
GBP/CHF	1.07	1.08	0.94 – 1.22	Pound neutral
JPY/CHF	0.50	0.78	0.63 – 0.94	Yen undervalued
SEK/CHF	8.32	9.29	8.30 – 10.27	Krona neutral
NOK/CHF	8.16	9.35	8.25 – 10.45	Krona undervalued
EUR/USD	1.14	1.18	1.02 – 1.34	Euro neutral
USD/JPY	161.38	93.80	70.35 – 117.26	Yen undervalued
USD/CNY	6.78	6.42	5.90 – 6.95	Renmimbi neutral

Cryptocurrency	USD rate	YTD in USD[3]	Annual high	Annual low
Bitcoin	63'186	–27.78%	96'942	58'526
Ethereum	1'745	–41.20%	3'354	1'569

[1] Purchasing power parity. This metric calculates an exchange rate using relative inflation rates.
[2] Range of historically normal fluctuations.
[3] Year-to-date: Since year start

Source: Allfunds Tech Solutions, Coin Metrics Inc.

Gold

Last month, the precious metal failed to match its strong performance at the start of the year. The gold price fell by around 2 percent in Swiss franc terms.

Indexed performance of gold in Swiss francs
100 = 01.01.2026

After performing exceptionally strongly at the start of the year, the value of gold has fallen significantly in recent months. Calculated in Swiss francs, the precious metal is now down by around 3 percent on an annual basis. Long-term capital market interest rates, which are higher by historical standards, continue to have a negative impact. Higher interest rates increase the opportunity costs of gold, as the precious metal does not generate any current income. However, the price decline has slowed recently, and gold has been trading largely stably again for some time at just over 4,000 US dollars per troy ounce.

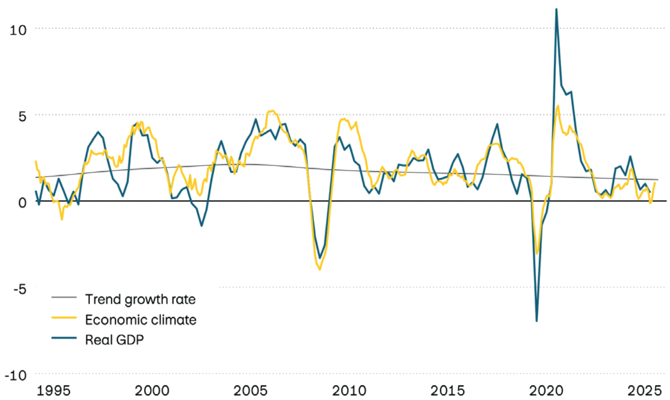
Source: Allfunds Tech Solutions

Swiss economy picks up speed

After a difficult year in 2025, the Swiss economy has recovered slightly recently. Together with Japan, it's one of the few economies to post a clear upward trend. In the USA, the picture is increasingly mixed; in the eurozone, the economic weakness is continuing for the time being, and China remains in crisis. As such, the global economic environment remains challenging, especially as inflation remains too high in many economies.

Switzerland

Growth, sentiment and trend
In percent

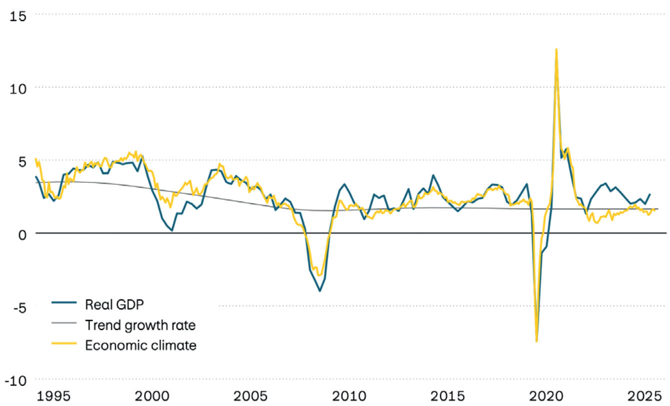


After a challenging 2025, the Swiss economy gradually appears to be regaining its footing. It gathered some momentum again in the first few months of 2026, which is also reflected in sentiment among industrial and service companies, which are expecting business activity to increase again. Consumer activity also picked up again to some extent recently, although the Swiss public remains cautious overall in view of geopolitical tensions and the difficult economic environment. The fact that inflation in Switzerland is exceptionally low by international standards is also likely to be helpful for consumer activity: despite higher energy prices, inflation currently stands at just 0.5 percent. This gives the Swiss National Bank (SNB) the leeway to continue providing support through its monetary policy.

Source: Bloomberg

USA

Growth, sentiment and trend
In percent

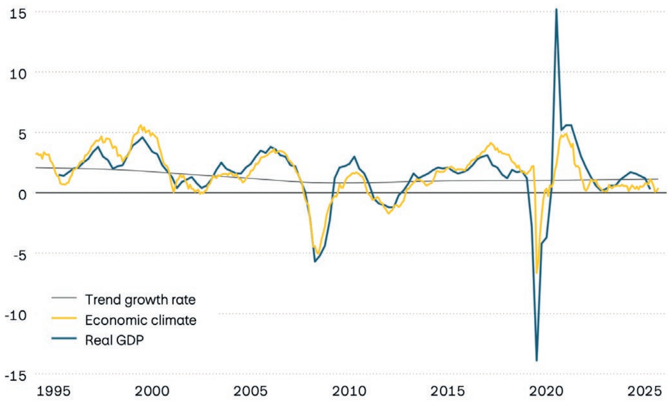


The economic picture in the largest economy remains uneven. US companies remain optimistic, which supports investment activity and helps to stabilize the labour market. Since the start of the year, more jobs have been created, following a decline in employment towards the end of last year. Consumers, on the other hand, remain extremely pessimistic, which is hardly surprising given the rise in inflation that has clearly exceeded income growth since the start of the year. The weakness in the construction sector has also become more pronounced. Overall, growth momentum remains subdued. Against this backdrop, the US Federal Reserve (Fed) faces an extremely challenging task, as the inflation rate remains well above 3 percent.

Source: Bloomberg

Eurozone

Growth, sentiment and trend
In percent

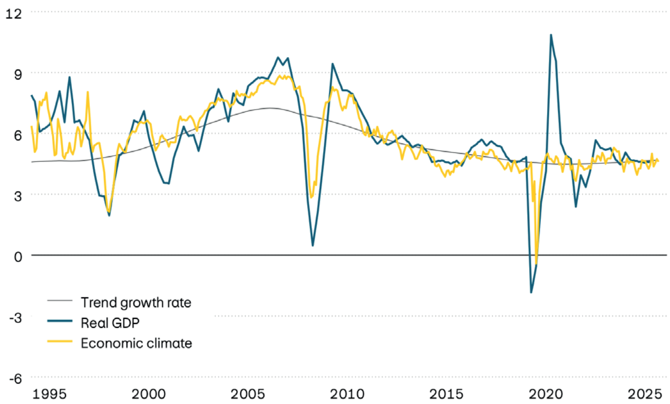


Economic activity in the eurozone remains subdued for the time being. There has been a certain weakness in demand in the services sector in particular, which reflects continued restraint and pessimistic sentiment among consumers. Stagnant foreign trade is also holding back economic development. However, industrial companies have become somewhat more optimistic again recently, reporting rising order intake. Inflation also stabilized recently: the overall rate fell from 3.2 percent in May to 2.8 percent in June. This is primarily due to the lower oil price, but prices in the services sector are also no longer rising as sharply in light of the weak economy. This has eased the pressure on the European Central Bank (ECB) to take further action after it raised its key policy rate by 0.25 percentage points in June.

Source: Bloomberg

Emerging markets

Growth, sentiment and trend
In percent



Asia's major emerging markets are particularly exposed to the ongoing conflict in Iran due to the high trading volume with the Gulf region. The associated restrictions in the Strait of Hormuz have not yet been sustainably resolved, despite repeated efforts to achieve a ceasefire and negotiations on a peace agreement. That said, economic activity remains solid in many economies, partly because countries such as South Korea and Taiwan are benefiting greatly from the strong demand for computer chips, thanks to their important role in the value chain. China continues to paint a different picture: the world's second largest economy is still struggling with serious economic problems. Investments are now well below the previous year's level, and consumer spending is also down on last year.

Source: Bloomberg

Global economic data

Indicator	Switzerland	USA	Eurozone	UK	Japan	India	Brazil	China
GDP Y/Y[1] 2026Q1	0.5%	2.7%	0.3%	0.9%	0.4%	7.8%	1.8%	5.0%
GDP Y/Y[1] 2025Q4	1.0%	2.0%	1.2%	0.9%	0.3%	8.0%	1.8%	4.5%
Economic climate[2]	↗	↘	→	→	↗	↘	↘	→
Trend growth[3]	1.2%	1.7%	0.8%	1.8%	1.1%	5.3%	2.1%	3.6%
Inflation	0.5%	3.5%	2.8%	2.8%	1.5%	4.4%	4.7%	1.0%
Key rates	0.0%	3.75%	2.4%[4]	3.75%	1.0%	5.25%	14.25%	3.0%

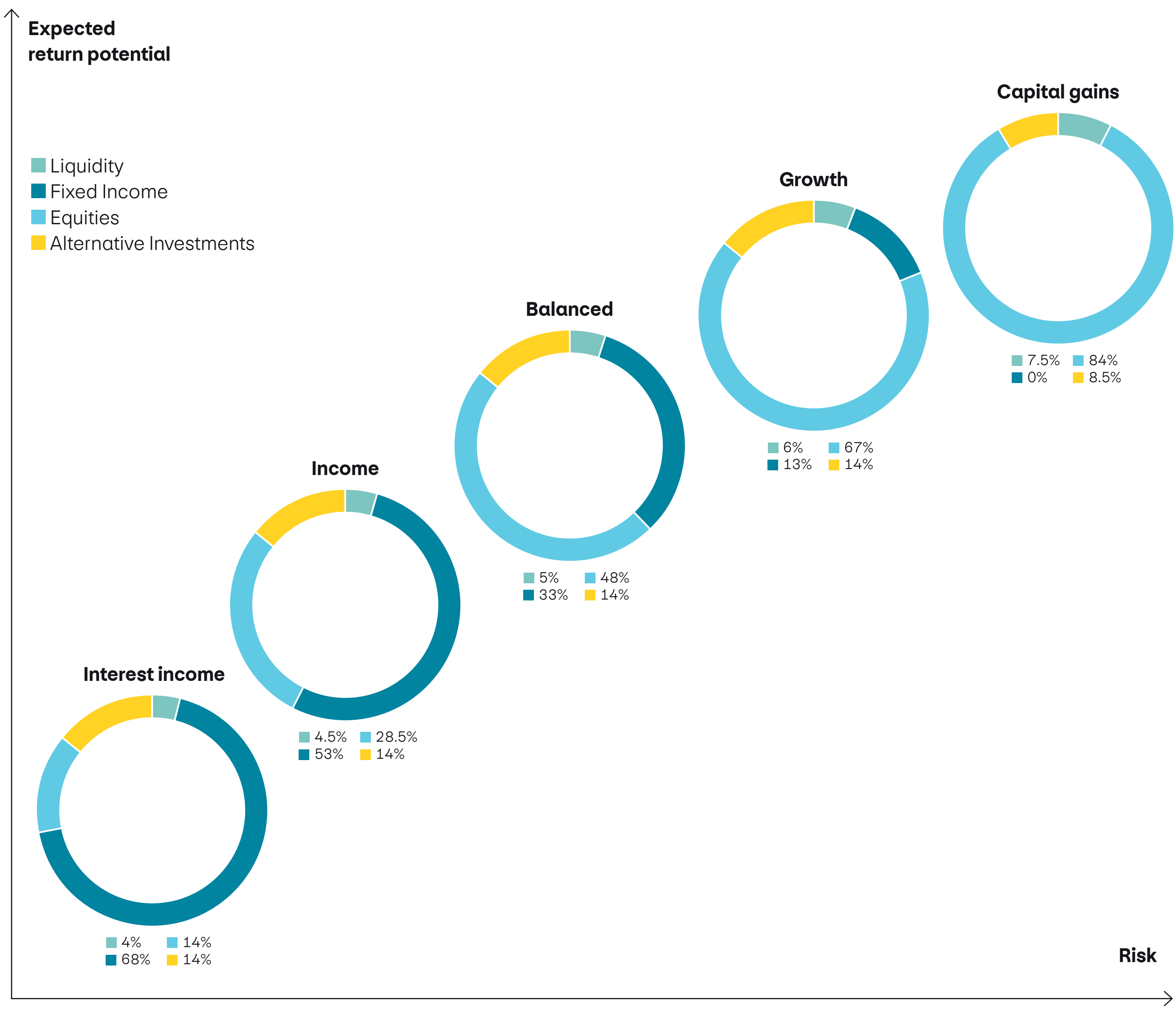
[1] Growth compared to year-ago quarter
[2] Indicator, measuring the overall sentiment and typically leading 1 to 2 quarters in advance of GDP.
Green arrow indicates an increasing economic growth, red arrow a slowing.
[3] Potential growth. Long-term change in gross domestic product with sustainable capacity utilization.
[4] This is the ECB's main refinancing rate, the deposit rate is 0.15 percentage points lower.

Source: Bloomberg

Model portfolios Swiss focus

No need for adjustment

In recent months, shares in semiconductor manufacturers have been characterised by a strong rally. In recent weeks, this narrative has come under pressure, despite some heavyweights such as Samsung continuing to post strong results. In June, we took timely tactical profits on emerging market equities that are heavily exposed to the chip industry. Furthermore, the ongoing and once again escalating Iran-US conflict has weighed on sentiment. The already fragile framework agreement is proving to be even less viable than the financial markets had assumed. We therefore remain cautiously positioned overall and are slightly underweight in equities. By contrast, we continue to view gold and Swiss property positively. We still regard gold as an appropriate hedge against inflation and geopolitical risks. In the case of Swiss property, the dividend yield remains attractive compared with the Swiss money market, which is why we are maintaining our overweight position in this asset class.



Source: PostFinance Ltd

Legal information

This document and the information and statements it contains are for information purposes only and do not constitute either an invitation to tender, a solicitation, an offer or a recommendation to purchase a service, buy or sell any securities or other financial instruments or to perform other transactions or to conclude any kind of legal transaction.

This document and the information it contains is intended solely for persons domiciled in Switzerland.

The investment analyses from Investment Research are produced and published by PostFinance. PostFinance selects the information and opinions published in this document carefully and includes sources deemed reliable and credible. However, PostFinance cannot guarantee that this information is accurate, reliable, current or complete and, to the extent permitted by law, does not assume any liability for it. In particular, PostFinance rejects any liability for losses resulting from investment performance based on information contained in this document. The content of this document is based on various assumptions. Differing assumptions can result in significantly different outcomes. The opinions expressed in this document may differ from or contradict the views of other PostFinance business units, as they are based on the use of different assumptions and/or criteria. The content of this document is specific to a particular date. This means that it is only current at the time of creation and may change at any time. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when purchasing units or of the service fee. The price, value and return of investments may fluctuate. Investment in financial instruments is subject to certain risks and does not guarantee the retention of the capital invested or an increase in value. The analyst or group of analysts who produced this report may interact with employees from marketing and sales or other groups for the purposes of collecting, compiling and interpreting market information. PostFinance has no obligation to update information or opinions, to specify that information is no longer up to date, or to remove such information.

No advice (investment, legal or tax advice, etc.) is provided through this document. This information does not take into consideration the specific or future investment objectives, financial or tax situation or particular needs of any specific recipient. This means the information and opinions are not a suitable basis for investment decisions. We recommend that you consult your financial or tax advisor before every investment. Downloading, copying or printing this information is permitted for private use only, provided that the copyright notice or other legally protected names or symbols are not removed. Complete or partial reproduction, communication (electronic or otherwise), modification, linking or use of the newsletter for public or commercial purposes and non-commercial distribution to third parties is prohibited without prior written consent from PostFinance. PostFinance accepts no liability for claims or legal action by third parties based on the use of this information. Further information is available on request.

Important information on sustainable investment strategies
PostFinance may include sustainable investments when selecting instruments for the model portfolio. This means that environmental, social and governance (ESG) criteria are taken into account in investment decisions. If ESG criteria are implemented, certain investment opportunities may not be pursued which would otherwise be compatible with the investment goal and other general investment strategies. Taking account of sustainability criteria can result in the exclusion of certain investments. As a result, investors may not pursue the same opportunities or market trends as investors who do not apply such criteria.

PostFinance Ltd
Mingerstrasse 20
3030 Bern
Switzerland

Phone +41 58 448 14 14
www.postfinance.ch

Data as of: 9 July 2026
Editorial deadline: 13 July 2026

461.40 en (pf.ch/dok.pf) 07.2026 | Advertising from PostFinance Ltd

PostFinance