PostFinance investment compass November 2025

The world’s changing

Positioning The air’s getting thinner
Market overview Optimism on the financial markets crumbles
Economy Growth lacking breadth
Model portfolios Potential in emerging market bonds

PostFinance

Editorial

The world's changing

Pronounced trends often emerge on the financial markets. Some are fundamentally justified, whereas others reflect short-term fads. Financial analysts often find it often difficult to derive a reliable strategy particularly for such trendy themes. Fads are known to be difficult to predict.

Philipp Merkt
Chief Investment Officer

You can only be successful by trading with the trend. On the markets, as the saying goes, "the trend is your friend". To put it another way: it's the momentum that counts. Or simply, go with the flow.

"Emerging markets benefit when the dollar falters, which is exactly what we're seeing at the moment."

The US stock market is a good example here. We've seen an almost continuous upward trend for three years. By contrast, the dollar has been heading south for about the same amount of time. Whereas the media has regularly been reporting new record highs for US stock markets, the picture for Swiss investors is less impressive: in Swiss francs, the USA is lagging behind both Europe and the emerging markets.

And there's plenty to suggest that the weak dollar is more than just a passing fad. US inflation is well above that in Switzerland. At the same time, US fiscal policy lacks discipline. Despite a strong economy, the budget deficit is running close to 8 percent of national income, which is exceptionally high in peacetime. The US debt-to-GDP ratio has now even exceeded that of France. Added to that, the White House itself has outlined a weaker dollar as one of its policy goals.

Whereas US stocks have achieved only a modest single-digit return in Swiss francs this year, emerging markets have been far stronger. These markets are up by over 17 percent on average in Swiss francs. We're benefiting from this as we've deliberately been underweighted in the USA and are more heavily invested in emerging markets. China's stock market performed particularly strongly, which is why we took profits there last month.

It's no surprise that emerging markets tend to benefit from a weaker dollar. As a result, we expanded our position in emerging market bonds in November. The dollar's downturn could even accelerate if stock markets become more turbulent. However, we've yet to see the inflows into the Swiss franc as a safe haven typically resulting from such turbulence , despite our currency rising by more than 10 percent. Such inflows could still set in and boost the Swiss franc even more.

Gold, where we've also increased our weighting, is likely to have recorded its biggest rise for the time being: it has gained over 40 percent this year in Swiss francs. Bitcoin, on the other hand, is undergoing a correction and is around 25 percent below its peak.

Given the dollar's intact downward trend, the sharp rise in US government debt and the Swiss franc's growing structural appeal, it makes sense to reduce currency risks in US dollar positions. With this in mind, we recommend at least partially hedging US dollar investments. We've unwound our overweight position in US government bonds and simultaneously increased our positions in emerging market bonds. And we still consider our current underweight in US stocks to be correct.

Positioning

The air’s getting thinner

Equity markets hit new record highs in many places in October, but optimism is increasingly fading. We remain cautious in the expensive US market and see opportunities primarily in value stocks and emerging market investments as well as in gold and Swiss real estate.

Share prices continued to climb last month, with many markets hitting new all-time highs. However, optimism has faded considerably since the end of October. This is likely due in part to third quarter earnings reports. Although companies in the S&P 500, the US leading index, recorded double-digit earnings growth, this was mainly due to tech stocks, especially those companies that are benefiting greatly from the AI boom. This concentration is a growing concern and it no longer seems sufficient to surpass earnings expectations to trigger a new price surge.

“The focus is gradually turning to two issues: how do companies actually make money with artificial intelligence and how are the investments required being financed.”

AI investments under scrutiny

Specifically, the focus is gradually turning to two issues: how companies make money with artificial intelligence and how the investments required are financed . On the latter question, investors seem to want to separate the wheat from the chaff. Companies that are relying heavily on the AI trend but can’t finance this from their current business and are raising debt capital to do so have come under considerable pressure recently. US software group Oracle, which has financed a huge share of its AI investments with external debt, lost almost 30 percent last month. Tech company Meta, which has also borrowed to finance some of its investments, saw its shares fall by around 15 percent.

We’ve already been underweighted towards the expensive, tech-heavy US stock market for some time and have focused instead on global value stocks. This positioning has recently paid off. We continue to see increased downside potential on the US stock market and are sticking to this diversifying approach.

Performance of asset classes

Asset class		1M in CHF	YTD[1] in CHF	1M in LCY[2]	YTD[1] in LCY[2]
Currencies	EUR	−0.9%	−1.9%	−0.9%	−1.9%
	USD	−1.6%	−12.8%	−1.6%	−12.8%
	JPY	−2.9%	−11.1%	−2.9%	−11.1%
Fixed Income	Switzerland	0.0%	0.8%	0.0%	0.8%
	World	−1.4%	−6.1%	0.2%	7.7%
	Emerging markets	0.1%	−1.8%	1.7%	12.7%
Equities	Switzerland	1.9%	13.4%	1.9%	13.4%
	World	0.1%	3.7%	1.7%	18.9%
	USA	−0.5%	0.6%	1.1%	15.4%
	Eurozone	2.0%	19.9%	3.0%	22.2%
	United Kingdom	1.8%	14.1%	4.4%	24.1%
	Japan	3.2%	10.2%	6.2%	23.9%
	Emerging markets	2.6%	16.5%	4.3%	33.7%
Alternative Investments	Swiss real estate	2.8%	7.0%	2.8%	7.0%
	Gold	0.8%	40.2%	2.4%	60.8%

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

Data as of 13.11.2025
Source: Allfunds Tech Solutions, MSCI, SIX, Bloomberg Barclays, J.P.Morgan

Emerging market investments remain attractive

We' re far more positive about emerging market investments. They are one of the best-performing asset classes this year. Emerging market equities rose by over 15 percent measured in Swiss francs, while emerging market bonds are also among the stronger investments, gaining almost 9 percent. The US dollar is likely to have been a major contributor as these investments have particularly benefited historically from the currency's weakness. As the US dollar remains overvalued against many emerging market currencies and the US government favours a weaker dollar, additional downside potential has emerged despite its recent stabilization and is likely to provide emerging market investments with additional tailwinds. With this in mind, we're now overweighting emerging market bonds, supplementing our existing overweight in emerging market equities excluding China. At the same time, we're critically monitoring ever-rising US debt levels and financing the increase in emerging market bonds by unwinding our overweight position in US government bonds.

Gold and real estate continue to impress

We're continuing to overweight gold and Swiss real estate in our portfolio. Gold is likely to remain attractive given the geopolitical uncertainties, stubbornly high inflation in the USA and the US dollar's downside potential. Measured in Swiss francs, it is by far the most successful asset class this year, gaining around 40 percent. Swiss real estate funds also remain attractive relative to the money market, especially as the recent weak GDP figures and declining inflationary pressure have increased the likelihood of negative interest rates returning again.

Positioning relative to long term strategy: Swiss focus

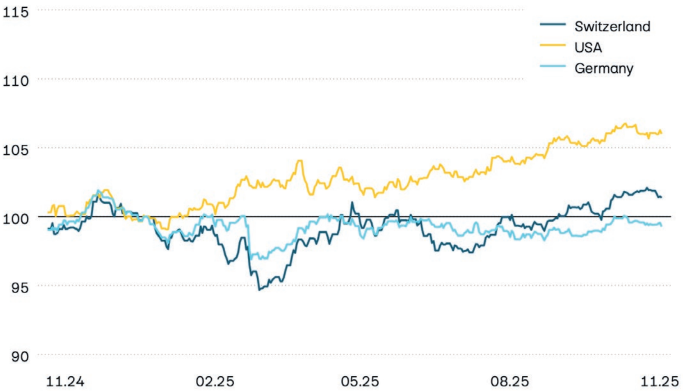
Asset class		**TAA[1] old**	**TAA[1] new**	**underweighted[3]** −−	−	**neutral[3]**	**overweighted[3]** +	++
Liquidity	**Total**	**2.0%**	**2.0%**	■				
	CHF	2.0%	2.0%				■	
	Money market CHF	0.0%	0.0%	■				
Fixed Income	**Total**	**35.0%**	**35.0%**				■	
	Switzerland	17.0%	17.0%			■		
	World[2]	10.0%	10.0%			■		
	Emerging markets[2]	6.0%	8.0%				■	
	US government bonds[2]	2.0%	0.0%			■		
Equities	**Total**	**49.0%**	**49.0%**		■			
	Switzerland	23.0%	23.0%			■		
	USA	8.0%	8.0%	■				
	Eurozone	4.0%	4.0%			■		
	United Kingdom	2.0%	2.0%			■		
	Japan	2.0%	2.0%			■		
	Emerging markets ex China	6.0%	6.0%				■	
	China	2.0%	2.0%			■		
	World Value	2.0%	2.0%				■	
Alternative Investments	**Total**	**14.0%**	**14.0%**				■	
	Swiss real estate	8.0%	8.0%				■	
	Gold[2]	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
□ Adjustment compared to last month

Fixed income

Although there were fluctuations on the bond markets last month, there was little change overall month-on-month.

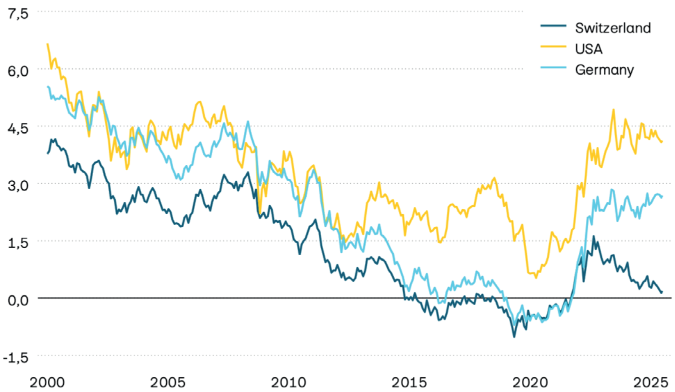
Indexed performance of government bonds in local currency
100 = 01.01.2025



The bond markets experienced fluctuations in October, but ultimately remained virtually unchanged month-on-month. They rose sharply in the first half of the month following relatively weak labour market data from the USA. There was another downturn towards the end of the month, however, due to an interest rate decision in the USA. As expected, the US Federal Reserve cut the policy rate by 25 basis points for the second time this year. Once again, it became clear how differently the US monetary policy committee members view the inflation situation, which dampened market participants' expectations of a further key interest rate cut in December. Monetary policy decisions were also pending in Europe and Japan. As expected, the central banks left their policy rates unchanged.

Source: SIX, Bloomberg Barclays

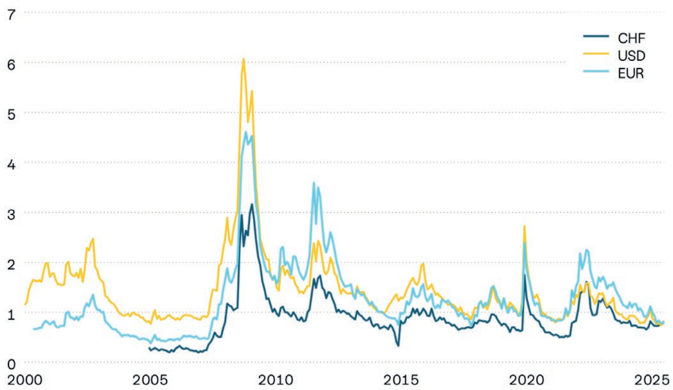
Trend in 10-year yields to maturity
In percent



Yields to maturity on long-term government bonds remained broadly stable worldwide compared to the previous month. However, there were stronger fluctuations during the month. In mid-October, yields to maturity on 10-year US government bonds reached their lowest level since April, at 3.9 percent. Towards the end of October, however, there was a countermove, which was likely driven by uncertainty about further interest rate cuts by the US Federal Reserve and more positive market sentiment. In Switzerland, yields to maturity on Swiss federal bonds remained unchanged from the previous month, at just under 0.2 percent.

Source: SIX, Bloomberg Barclays

Credit spreads on corporate bonds
In percentage points



Credit spreads on corporate bonds remain at historically low levels. They rose slightly again at the end of October, probably due in large part to the increase in yields to maturity on the government bond market. Overall, however, fears of recession on the corporate bond market are still low.

Source: Bloomberg Barclays

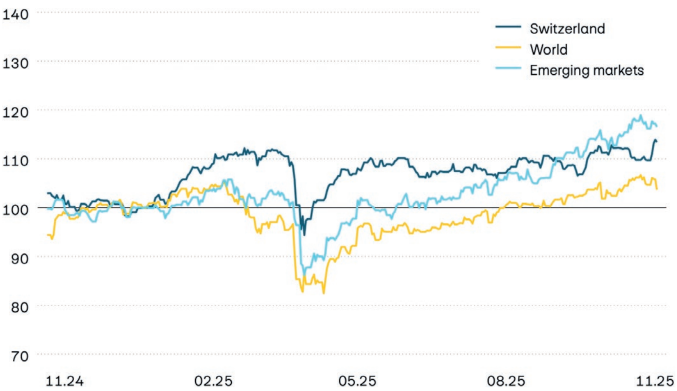
Market overview

Equities

The equity markets made further gains last month. However, this rise in value is coming under growing pressure. Concerns over the high level of investment in artificial intelligence are becoming increasingly prominent, weighing noticeably on the markets recently.

Indexed stock market performance in Swiss francs

100 = 01.01.2025

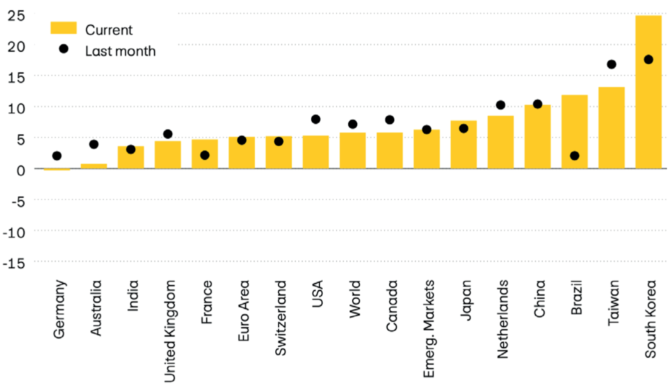


The equity markets confirmed their upward trend last month. In the USA, tech stocks helped the equity market to make strong gains, especially in the first half of October. Towards the end of the month, however, concerns about high investments in artificial intelligence and generally high valuations led to a decline. In Switzerland, the quarterly results of index heavyweights Roche and Novartis initially weighed on market performance. However, there was a significant recovery in November, due to developments in the trade dispute with the USA. According to the memorandum of understanding signed during the month, tariffs for Swiss companies will fall from 39 to 15 percent. Once again, emerging market equities made the strongest gains last month.

Source: SIX, MSCI

Momentum of individual markets

In percent

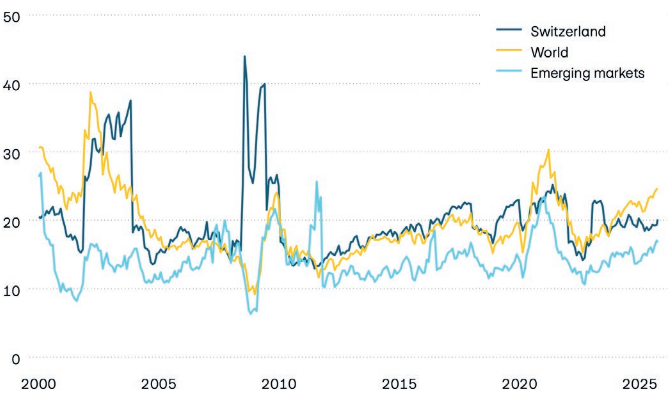


Momentum on the equity markets is still predominantly positive. Only momentum on the German equity market turned negative this month. Once again, the South Korean equity market has proved exceptional. The two companies Samsung Electronics and SK Hynix, which account for almost half of the local index, contributed significantly to returns with their strong performance following new product announcements. Overall, the euphoria surrounding the positive developments in artificial intelligence once again pushed the tech-dominated markets to positive gains this month, even though sentiment has recently shifted somewhat and the previously high level of confidence has waned.

Source: MSCI

Price/earnings ratio

P/E ratio



The price/earnings ratio rose sharply again last month due to another upswing in prices on most markets. This is currently causing increased concern in the USA. Tech stocks are all very highly rated, and companies are spending enormous amounts of money in the AI race, which has recently caused some unease among investors. A look ahead to the reporting season is likely to exacerbate these concerns. Although profit figures are positive again, they are almost entirely driven by the tech sector.

Source: SIX, MSCI

Swiss real estate investments

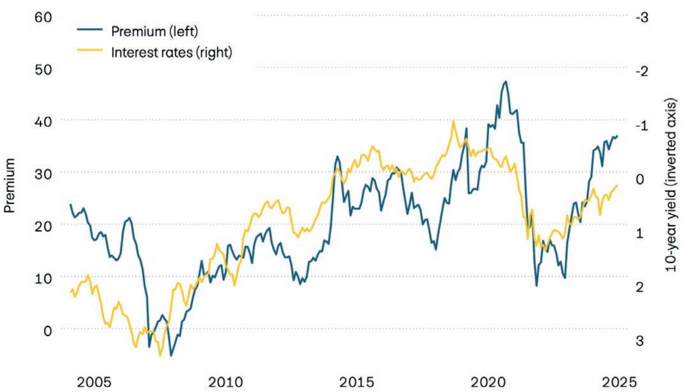
Although prices came under pressure in early November, exchange-listed Swiss real estate funds made further gains last month.

Indexed performance of Swiss real estate funds
100 = 01.01.2025

The prices of exchange-listed Swiss real estate funds rose month-on-month, although they were significantly higher at the end of October. Prices came under particular pressure in November. This is likely due partly to subdued market sentiment and partly to UBS's announced merger of several Swiss real estate funds, which may have triggered uncertainty regarding premiums or discounts and fund structure.

Source: SIX

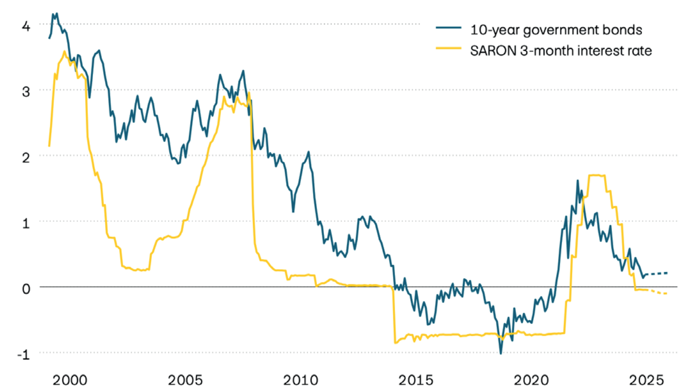
Premium on Swiss real estate funds and 10-year yields to maturity
In percent



As in the previous month, premiums – the premium investors pay on the stock exchange compared to the net asset value of the properties – rose again last month. This is likely to be due mainly to the rise in prices of Swiss real estate funds. Premiums have been on a clear upward trend since April and are reaching levels previously seen only during periods of negative capital market interest rates.

Source: SIX

3-month Saron and 10-year yields to maturity
In percent



Yields to maturity on 10-year Swiss government bonds remain close to the zero interest limit. In light of the lower core inflation rate of 0.5 percent and continued easing of inflationary pressure, attention is starting to turn back to negative interest rates. However, the majority of market participants are not expecting negative interest rates again until next year.

Source: SIX

Currencies and cryptocurrencies

The precious metal gold hit a new all-time high last month, while the US dollar continued to trade at a much lower level than at the start of the year.

In mid-October, the US dollar appreciated by around 3 percent against most currencies, including the Swiss franc and the euro. However, the appreciation did not last long, and the US dollar lost these gains towards the end of the month. The performance of the euro against the Swiss franc is also striking. The euro traded within a narrow price range against the Swiss franc for most of the year, but was relatively weak towards the end of October. The euro is currently at an all-time low against the Swiss franc.

Currency pair	Price	PPP[1]	Neutral area[2]	Valuation
EUR/CHF	0.92	0.92	0.85 – 0.99	Euro neutral
USD/CHF	0.79	0.79	0.69 – 0.89	USD neutral
GBP/CHF	1.05	1.13	0.98 – 1.28	Pound neutral
JPY/CHF	0.51	0.84	0.68 – 1.01	Yen undervalued
SEK/CHF	8.43	9.87	8.82 – 10.92	Krona undervalued
NOK/CHF	7.90	10.44	9.18 – 11.70	Krona undervalued
EUR/USD	1.16	1.17	1.02 – 1.32	Euro neutral
USD/JPY	154.57	93.41	71.21 – 115.61	Yen undervalued
USD/CNY	7.10	6.34	5.84 – 6.83	Renmimbi undervalued

Cryptocurrency	USD rate	YTD in USD[3]	Annual high	Annual low
Bitcoin	99'618	6.68%	124'728	76'244
Ethereum	3'261	−2.13%	4'836	1'471

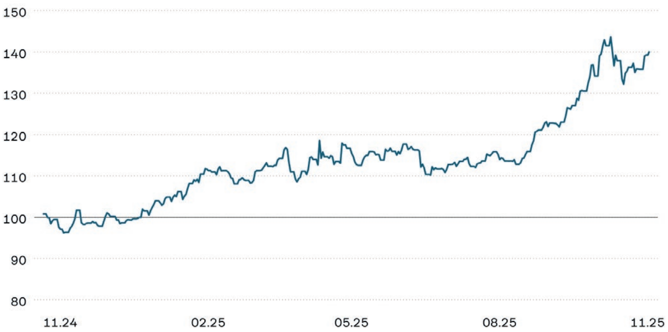
[1] Purchasing power parity. This metric calculates an exchange rate using relative inflation rates.
[2] Range of historically normal fluctuations.
[3] Year-to-date: Since year start

Source: Allfunds Tech Solutions, Coin Metrics Inc.

Gold

The price of gold has risen again, reaching a new all-time high of 3,400 Swiss francs per troy ounce.

Indexed performance of gold in Swiss francs
100 = 01.01.2025



Gold continued its strong upward trend last month, reaching a new all-time high of just under 4,400 US dollars per troy ounce in the middle of the month. In particular, the escalating conflict between the USA and China over export controls on rare earth metals is likely to have driven gold prices to this peak at the start of the month. As the geopolitical situation eased, the gold price fell back slightly and has recently stabilized at around 4,200 US dollars per troy ounce. Overall, gold remains one of the strongest asset classes since the start of the year, with an increase in value of over 40 percent measured in Swiss francs.

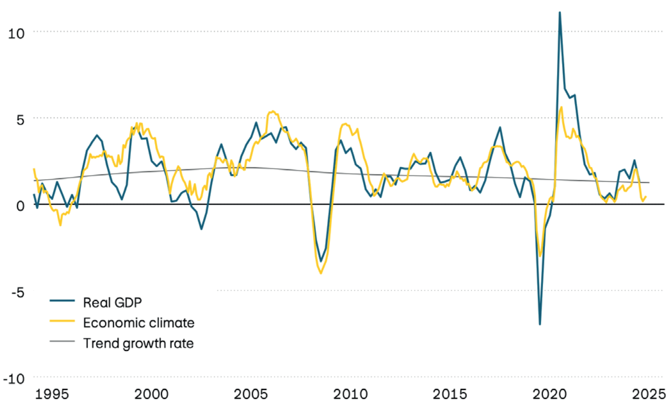
Source: Allfunds Tech Solutions

Growth lacking breadth

The global economy is lacking momentum. While the US economy still appears strong on the surface, its momentum is increasingly losing breadth. Private consumption, a key driver of growth, is almost exclusively being fuelled by high income households, while consumer confidence has recently fallen to one of the lowest levels ever recorded. Confidence has increased somewhat in Europe, but this has not yet translated into stronger economic momentum. In China, economic activity remains well below average, and growth prospects in Switzerland are also limited due to the current US tariffs.

Switzerland

Growth, sentiment and trend
In percent

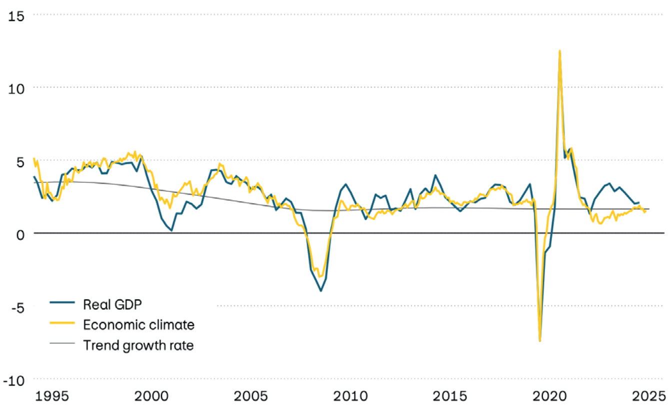


Despite high tariffs on its key market, the US, the Swiss economy has so far avoided a slump. Advance deliveries to the United States are likely to sustain economic momentum until the end of the year, as many companies had previously replenished their stocks and are now gradually reducing them. Despite this, the economy has slowed significantly. Both industry and service providers expect a decline in business volumes over the coming months, while domestic demand has lost considerable momentum recently. This could indicate a period of stagnation, which is likely to further dampen already low inflationary pressures. However, the latest agreement with the US, which will see import duties for Swiss companies fall from 39 to 15 percent, gives cause for hope.

Source: Bloomberg

USA

Growth, sentiment and trend
In percent



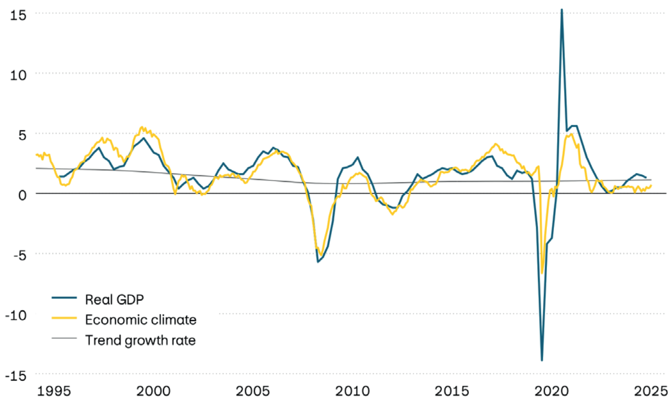
The longest government shutdown in US history, lasting 43 days, has prevented the release of official economic data. Estimates from private providers indicate that the US economy grew significantly again in the third quarter. However, this growth is narrowing. Outside the field of artificial intelligence and related infrastructure, investment activity has declined significantly. In addition, consumption growth is being driven primarily by high income households. This is reflected not least in the fact that consumer confidence has recently fallen to the second-lowest level ever recorded. Added to this is the continuing weakness on the labour market. Wage growth has slowed significantly, particularly for lower earners, putting pressure on many households' purchasing power.

Source: Bloomberg

Eurozone

Growth, sentiment and trend

In percent



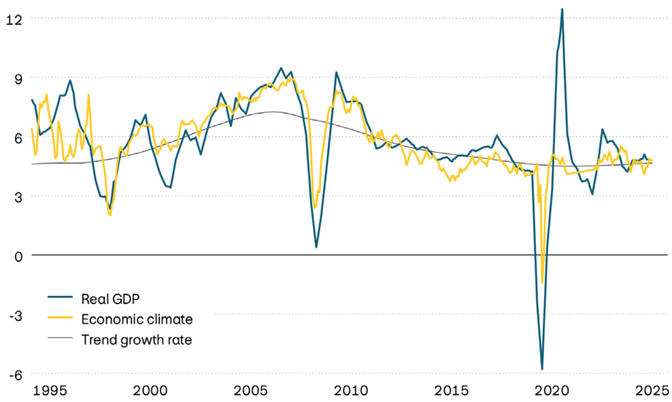
Economic performance in the monetary union remains below average. Momentum in industry and consumption has continued to weaken recently, with export volumes in the autumn falling below the previous year's level. Despite the difficult environment, there are signs of a slight improvement in sentiment. Industrial and service companies are looking to the future with slightly more confidence, pointing to a moderate upturn in business activity over the coming months. However, no additional momentum is expected from monetary policy. Contrary to the expectations of the European Central Bank (ECB), inflation weakened only very slightly over the summer and autumn months. The core inflation rate, which excludes volatile energy and food prices, is still above the ECB's target.

Source: Bloomberg

Emerging markets

Growth, sentiment and trend

In percent



Economic performance in the emerging markets remains highly variable. In Asia, India remains the growth engine, recording strong upswings in both industry and the services sector. Indonesia is also performing well, with increasing economic momentum. In China, by far the largest economy among the emerging markets and the second largest in the world, economic momentum is still subdued, despite the positive growth rates. Domestic demand in particular is unusually weak, as investment is declining and consumption is growing only slightly. Economic performance is also sluggish in Latin America's major economies, particularly Brazil and Mexico.

Source: Bloomberg

Global economic data

Indicator	Switzerland	USA	Eurozone	UK	Japan	India	Brazil	China
GDP Y/Y[1] 2025Q2	n.a.[4]	n.a.[4]	1.4%	1.3%	1.1%	n.a.[4]	n.a.[4]	4.8%
GDP Y/Y[1] 2025Q1	1.2%	2.1%	1.5%	1.4%	2.0%	7.8%	2.2%	5.2%
Economic climate[2]	↘	↘	↘	↘	↗	→	↘	↗
Trend growth[3]	1.2%	1.6%	0.8%	1.8%	1.1%	5.3%	1.9%	3.6%
Inflation	0.1%	3.0%	2.1%	3.6%	2.9%	0.3%	4.7%	0.2%
Key rates	0.0%	4.0%	2.15%[5]	4.0%	0.5%	5.5%	15.0%	3.0%

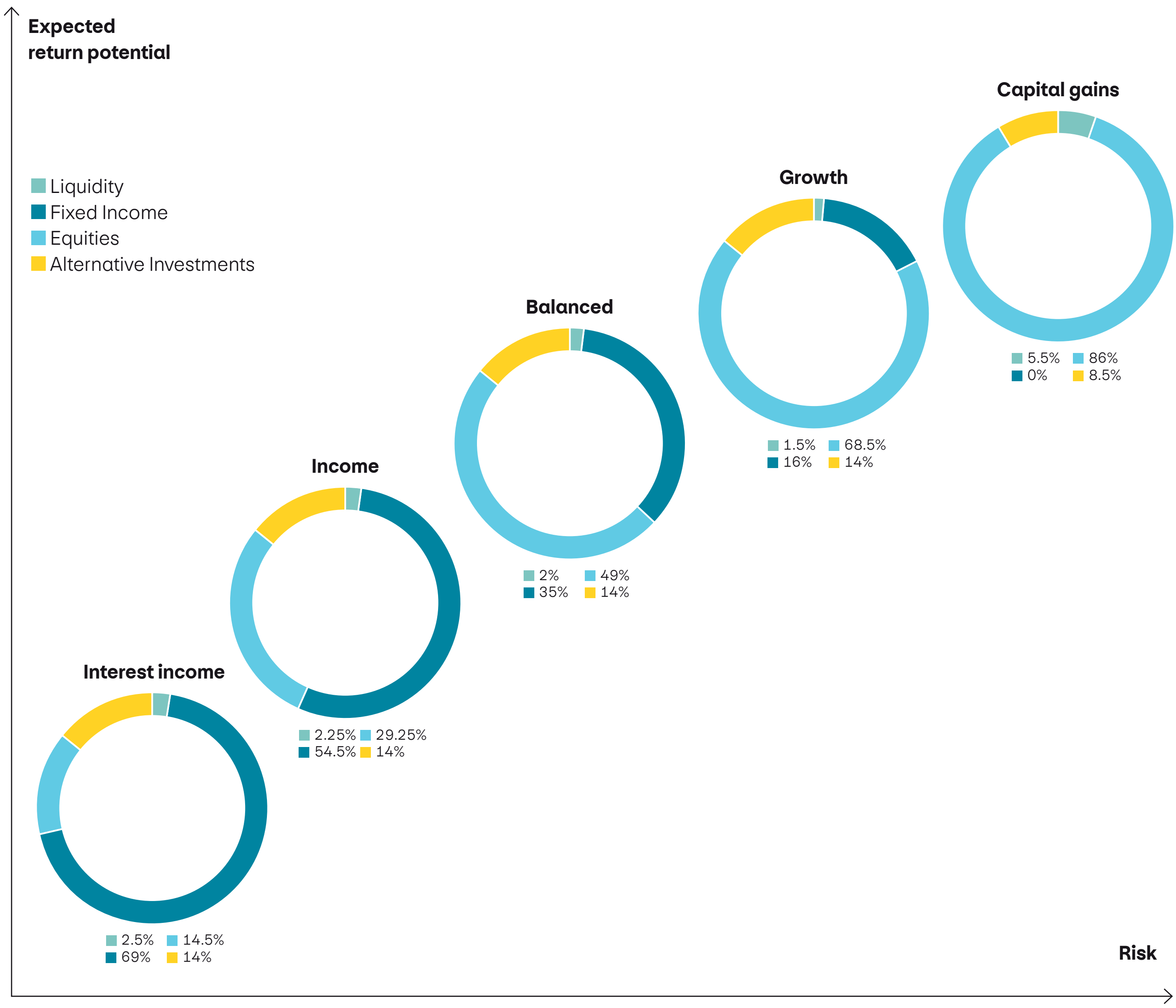
[1] Growth compared to year-ago quarter
[2] Indicator, measuring the overall sentiment and typically leading 1 to 2 quarters in advance of GDP.
Green arrow indicates an increasing economic growth, red arrow a slowing.
[3] Potential growth. Long-term change in gross domestic product with sustainable capacity utilization.
[4] No data available
[5] This is the ECB's main refinancing rate, the deposit rate is 0.15 percentage points lower.

Source: Bloomberg

Model portfolios Swiss focus

Potential in emerging market bonds

Market sentiment remained fundamentally optimistic last month, although momentum has lost some of its vigour overall. Technology stocks have come under pressure in recent weeks of trading. We therefore remain cautious about the technology-heavy US stock market and continue to favour global value stocks.
We see new potential primarily in emerging market bonds. Historically, both equities and bonds from these countries have benefited from a weaker US dollar, which has already been evident in emerging market equities this year. Given the further downside potential of the US dollar and the increasingly burdensome debt situation in industrialized nations, we are overweighting emerging market bonds at the expense of US government bonds.



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: 13 November 2025
Editorial deadline: 17 November 2025

461.40 en (pf.ch/dok.pf) 11.2025 | Advertising from PostFinance Ltd

PostFinance