

Market Overview

04/2026

A glance at the markets
and current issues

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- Great uncertainty and volatility everywhere
- Why we still recommend precious metals

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- Current dynamics, structural causes and implications
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All eyes on oil prices



The many geopolitical tensions in the Middle East are continuing to cause uncertainty in the global markets. Precious metals traditionally benefit from a risk-averse market sentiment. However, the current market dynamics, shaped by changing interest rate expectations, energy shocks, and geopolitical developments, are causing unusually volatile trading conditions. Gold and silver have recently shown strong movements, which points more towards an environment of increased volatility than a clear, one-sided trend.

War on Iran affects all markets

In March, the equity markets were dominated by a roller coaster in which geopolitical tensions and monetary policy were the main factors. Whereas the month began with a correction, a cautious stabilisation emerged towards the end. The dominant factor was the war launched by the USA and Israel against Iran, which led to restricted or blocked transport routes through the Strait of Hormuz. This has disrupted the flow of oil and massively increased uncertainty in the markets. Today's world is as uncertain as rarely before, so risk aversion has affected almost all investment categories.

Equities and commodities

This is because market and energy risks will increase as long as the war on Iran continues; in the long term, the fight for energy and resources is likely to move to the fore. The German VDAX volatility index, often referred to as the fear index, temporarily jumped above 33%, indicating very high nervousness to the point of panic. The markets showed a mixed picture, with Europe and Japan holding up somewhat more robustly than the technology-heavy US market.

**Developments by sector**

- Energy and commodities: The winners of the month. Oil prices surged sharply due to the attacks on infrastructure in the Persian Gulf, which boosted stocks such as Chevron, Exxon, Shell, and Total Energies.
- Technology (AI): Despite the general market weakness, investments in AI infrastructure (such as semiconductors and data centres) remained an important anchor point, as they are considered largely independent of geopolitics.
- Automotive (DAX): Shares such as Porsche SE and VW were under pressure due to weaker participation results and the uncertain economic situation.
- Monetary policy: The central banks kept interest rates stable but signalled vigilance regarding inflation driven by energy prices.

In summary, March was a month of risk avoidance. There were increased shifts towards energy, gold, and high-quality dividend stocks, while the technology sector took a breather.

Gold price retreats

The gold sector has experienced a sharp decline in recent weeks, which may raise questions about the status of gold as a safe haven as well as the outlook for gold equities. While conflicts rage in the Middle East, market conditions remain uncertain. Nevertheless, we see the current market shift as an opportunity for disciplined investors who want to build their position in the gold sector. The price of gold has fallen sharply since the start of the war. It initially fell by about USD 400 per ounce in the first 2.5 weeks, and then again by around USD 800 between 18 and 23 March as it became clear that the Strait of Hormuz would remain almost completely closed for an extended period of time. After this it recovered slightly by around USD 200 per ounce.

Equities and commodities**Short-term reaction instead of new trends**

This development is, in our view, primarily due to short-term macroeconomic factors and liquidity-driven sales, not to a deterioration in the fundamental outlook for gold. A strong recovery in real US yields along with a stronger US dollar triggered a sell-off for gold, silver and mining companies. The sell-off, which brought the gold price back to the level last seen in December, was likely exacerbated by ongoing profit-taking following the strong performance of the sector in early 2026. The gold diggers have also withdrawn. Such corrections are not uncommon in the broader bull markets for gold and gold equities, with history providing several precedents. As the global financial crisis developed in 2008, gold and precious metals stocks experienced a significant decline before entering a multi-year bull market. Similarly, the sector sold off sharply during the COVID-19 pandemic in 2020 due to a widespread liquidity crisis, but recovered quickly and achieved strong profits in the months that followed. In both cases, precious metal mining companies led the recovery and outperformed the physical gold and broader equity markets. We assume that the current environment offers a comparable opportunity, as the supportive fundamental background for the gold sector has not changed.

**Growing public debt and higher interest rates**

The gold sector is likely to be confronted with further volatility in the coming days, especially if the general equity markets are weaker. It is also clear that the Iran war has increased the risks of inflation, stagflation, and growing budget deficits. The increasingly unsustainable US national debt burden indicates fiscal dominance; political pressure to keep interest rates low will lead to financial repression if real interest rates become negative. This threat of devaluation supports the investment demand for precious metals as a means of protecting wealth. Meanwhile, volatile macroeconomic and geopolitical conditions continue to favour gold as a reserve asset for central banks, while the demand for technology (especially silver demand in solar photovoltaics) is increasing. Although short-term volatility is likely, these drivers of demand, along with the scarce physical supply, continue to support the long-term demand for precious metals.

Renewed inflationary pressure



Overall, the market narrative remains heavily dependent on developments in Iran. Although the recent market recovery was supported by easing AI concerns and positive technology sentiment, the rise in oil prices is bringing inflation concerns back to the forefront. As long as the disruptions and blockages of the energy infrastructure continue and the duration of the war remains unclear, the price of oil is likely to remain the most important driver of inflation expectations, bond yields, and the direction of the equity markets

Higher energy prices prevent interest rate cuts

The bond markets reacted to rising inflation expectations. Government bonds came under pressure. Yields rose across the entire yield curve. This shows a further revaluation of the interest rate outlook. Central banks such as the Federal Reserve and the Bank of Japan indicated that high energy prices make monetary policy easing more difficult. The markets are now pricing in only limited interest rate cuts by the Fed this year and thereby consolidating a higher-for-longer interest rate environment. The ECB is also keeping interest rates unchanged while its central bankers warn of the costs of the Iran war.

Fixed Income**Lack of clarity driving prices**

The global markets lost momentum again towards the end of the month, as renewed uncertainties surrounding ceasefire negotiations in Iran weighed on sentiment, caused a reversal of part of the previous risk-on environment, and reinforced the dominance of energy-driven macroeconomic factors. The key driver remains oil, which has resumed its upward trend. Brent rose to over USD 100 per barrel as conflicting messages regarding US-Iran negotiations and ongoing military escalations are keeping supply risks high. The de facto blockade of the Strait of Hormuz, through which normally about 20% of the world's oil trade is conducted, is causing a higher risk premium in the energy markets and fuelling additional inflation fears. The interest rate markets reflect this dynamic. Yields are rising particularly at the short end, while the yield on 10-year US Treasuries yield climbs towards 4.5%, thus continuing the significant revaluation since the beginning of the conflict. This development shows a growing consensus that central banks remain constrained as higher energy prices fuel inflation expectations and delay monetary easing. Overall, the markets remain strongly driven by the headlines. The lack of clarity about ceasefire negotiations and ongoing disruptions to energy flows are preventing a sustainable recovery. The interplay between oil prices, inflation expectations, and central bank policy remains the dominant framework. Until tangible progress is made in opening up central supply routes and stabilising the energy markets, volatility is likely to persist across bond investment categories.

**Wait and see?**

The markets increasingly fear that higher oil prices could intensify inflationary pressure while simultaneously slowing economic growth. The continuing geopolitical tensions are coming at a time when the markets are already struggling with high expectations of developments in artificial intelligence, excessive valuations, and emerging weaknesses in the credit markets. Thus, a cautious wait-and-see strategy probably remains the preferred approach, given that the markets were surprised by the intensity of the escalation in Iran and are now trying to price in the potential negative effects.

Fixed Income**Fed in a quandary**

The US Federal Reserve has left interest rates unchanged in the 3.50 to 3.75% target range for the second time in a row. The actual change lies in the tone. The war in Iran and the associated increase in oil prices have created a new risk of inflation, precisely at the moment when the US economy is weakening. Higher energy prices are likely to push overall inflation upwards in the short term and make the Fed more cautious about lowering interest rates too early. This is also reflected in the updated projections. The central bank now expects inflation to be around 2.7% at the end of the year (previously 2.4%) and thus still above the target. The markets reacted with rising short-term returns and reduced expectations of interest rate cuts. Before the war, investors still assumed that the Fed would introduce further easing steps relatively soon. This now seems significantly less likely. As long as oil prices remain high and inflation risks persist, the Fed has little scope for interest rate cuts, even if growth continues to weaken. This is where the core problem lies – the labour market is weakening and growth has slowed, which would normally favour a looser monetary policy. At the same time, higher energy prices are driving inflation in the wrong direction. The Fed is thus caught between a weakening economy and renewed inflationary pressure. For the time being, this means that interest rates will remain on hold and monetary policy will remain restrictive. The next step depends less on communication and more on whether the energy shock subsides or proves to be permanent.



Photo by Joshua Hoehne on Unsplash

New ECB projections

The ECB has left the interest rates unchanged and kept the deposit rate at 2.0%, but has taken a more cautious tone regarding the inflation outlook. The ECB Governing Council stated that the war in the Middle East had made the outlook significantly more uncertain and had created both upside risks for inflation and downside risks for growth. Higher energy prices will increase inflation noticeably in the short term. The severity of the medium-term consequences will depend on the intensity and duration of the conflict and the extent to which higher energy costs impact consumer prices and the overall economy. This shift was clearly evident in the new projections, which were the actual core message of yesterday's meeting. The ECB now expects headline inflation of 2.6% in 2026, 2.0% for 2027 and 2.1% for 2028. In terms of growth, it expects 0.9% in 2026,

Fixed Income

1.3% in 2027, and 1.4% in 2028. Compared with December, this is a clear upward revision for inflation and a downward revision for growth. That indicates a more stagflationary environment. Core inflation has also been revised upwards, which shows that the central bank is not only looking at the direct energy shock but also at the risk of second-round effects. Nevertheless, the ECB avoided any indication of an imminent interest rate hike. Lagarde emphasised that the central bank was still well positioned because inflation was already close to its target before the war, long-term inflation expectations remained well anchored, and the economy has shown resilience. The monetary policy message therefore remains a combination of patience and flexibility: no predetermined interest rate path, no pressure to act, and sticking to a meeting-to-meeting approach based on new data. All in all, the ECB is not yet reacting directly to the shock. The new projections show, however, that it is taking the risk of inflation due to higher energy prices much more seriously.



Private credit under stress



Private credit has become established as a key component in the area of alternative lending in recent years. Private credits are direct loans to companies, granted by non-bank investors outside the public capital markets. The reason for the success of this type of loan relates to the exponential growth of assets under management and structural demand for returns. Institutional investors have increasingly integrated private credit into their portfolios to achieve diversification compared to public markets and to benefit from illiquidity premiums as well as typically highly secured structures.

Investors want their money bac

Recent market dynamics show a significant increase in redemption requests in private credit funds, especially in semi-liquid and open vehicles with gating mechanisms. These are fund structures that allow regular redemptions (such as monthly or quarterly), but the gating mechanisms enable the fund managers to limit redemptions during periods of stress. In several cases recently, managers have limited redemptions to the specified limit (typically around 5%), while in other cases the requests were fulfilled pro rata, indicating a deterioration in sentiment among both retail and institutional investors.

Alternative investments**The market is under pressure**

At the same time, the key listed players in the sector have experienced significant downward pressure on their share prices, reflecting the growing risk premium for assets perceived as non-transparent and illiquid. Furthermore, some financial institutions have adjusted the valuations of credit portfolios downwards and reduced their lending, which further increases the awareness of stress. Overall, a market under pressure is emerging, not primarily due to defaulted loans, but because of liquidity dynamics. The key factor in the current tensions is the structural mismatch between the liquidity offered and the illiquid underlying assets. Direct loans are naturally not easily transferable. In the case of high redemption requests, managers must choose between sales with a discount or activating gating mechanisms. This problem is particularly evident in semi-liquid funds and open funds.

The key factor in the current tensions is the structural mismatch between the liquidity offered and the illiquid underlying assets

Lower risk appetite

Moreover, the macroeconomic environment is more restrictive; high interest rates in some regions and exogenous shocks, including an energy crisis caused by the Iran war, have tightened financial conditions and reduced risk appetite. Furthermore, a significant exposure to sectors such as technology and software entails specific risks, for example due to disruptions such as artificial intelligence with uncertain revenue potential in some cases, which can lead to adjusted cash flow forecasts. And finally, challenges arise due to less stringent lending guidelines in some cases during the period of strong market growth.

Fundamental data remains solid

Despite the tension, the fundamentals of the investment category remain solid overall. The portfolios mostly consist of secured and overcollateralised loans, with continued moderate default rates, which do not indicate a systemic crisis. The responses of asset managers in this area are heterogeneous. On the one hand, there are signs of increasing selectivity, with restraint in investments in transactions that are not considered sufficiently profitable. On the other hand, some actors are attempting to exploit misvaluations and market inefficiencies to acquire assets with higher returns.

Alternative investments

Careful review and continuous management

The management of liquidity risk remains key. The tension between redemption requests and the illiquid nature of the assets is leading to a structural rethinking in the strategies. This is particularly the case with semi-liquid or open vehicles with gating, where the ratio of promised to actual liquidity has become even more critical. The introduction of gating mechanisms serves to limit excessive redemptions, avoid forced sales, and protect the market value of the investments. Therefore, a careful review and assessment of the liquidity conditions, redemption policies, and valuation methods is essential. Due diligence should go beyond credit quality and include a rigorous analysis of liquidity management – all of which we endeavour to implement at Tellco pk. This results in selective opportunities for investors with a long-term horizon who are able to tolerate temporary volatility and benefit from higher risk-adjusted returns and attractive entry valuations in some cases.

Sources

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Indicative interest rates* as of April 2026

Fixed-rate mortgage	3 Years	1.35%
	5 Years	1.45%
	7 Years	1.55%
	10 Years	1.70%
SARON mortgage**	SARON + 0.90% Marge	

* These interest rates represent benchmarks for first-ranking mortgages on owner-occupied residential property. They apply to first-class residential properties and borrowers with impeccable credit ratings.

** The interest rate is at least 0 %, plus the margin.

Tellco Products



Tellco Products

Tellco Classic

	ISIN	Tranche	March 31th	% March	% YTD	Web
Tellco Classic II Global Equities	CH0443816621	V	258,17	-2,60%	-2,89%	
Tellco Classic Swiss Equities ESG	CH0421075018	V	209,53	-2,53%	-1,99%	Mehr Infos
	CH0421074961	R	118,67	-2,59%	-2,10%	
Tellco Classic Best Idea ESG	CH0442770316	V	116,78	-5,00%	-4,88%	Mehr Infos
	CH0442615701	R	126,02	-5,00%	-4,88%	
Tellco Classic Sustainable Heritage ESG	CH0583763542	V	84,55	1,72%	6,65%	Mehr Infos
	CH0583763534	R	74,49	1,68%	6,60%	
Tellco Classic Bonds CHF ESG	CH0421043669	V	105,75	-0,50%	0,27%	Mehr Infos
	CH0421043594	R*	-	-	-	
Tellco Classic Bonds in foreign currency ESG	CH0421043768	V	83,42	0,63%	-0,45%	Mehr Infos
	CH0421043743	R*	-	-	-	
Tellco Classic Bonds in foreign currency hedged ESG	CH0469074956	V	87,73	-1,06%	-1,03%	Mehr Infos
	CH0469074865	R	77,42	-1,06%	-1,02%	
Tellco Classic Inflation Protection ESG	CH1101347354	V	92,13	0,14%	0,98%	Mehr Infos
	CH1101347347	R*	-	-	-	
Tellco Classic Aktien Alkimia ESG	CH0544465831	V	170,69	0,12%	6,93%	Mehr Infos
	CH0544465823	R	160,71	0,06%	6,83%	
	CH1116144333	P	125,02	0,11%	6,92%	

* Not yet launched

Tellco Classic Strategy

	ISIN	Tranche	March 31th	% March	% YTD	Web
Tellco Classic Strategy 10	CH0450199770	V	125,01	-1,33%	-0,65%	Mehr Infos
	CH0544445619	R*	-	-	-	
Tellco Classic Strategy 25	CH0450201261	V	138,05	-1,12%	-0,61%	Mehr Infos
	CH0544465658	R	-	-	-	
Tellco Classic Strategy 45	CH0450201329	V	159,89	-1,53%	-0,77%	Mehr Infos
	CH0544465757	R*	-	-	-	
Tellco Classic Strategy 100	CH0450382632	V	150,24	-2,40%	-1,34%	Mehr Infos
	CH0544465773	R	87,41	-2,39%	-1,34%	

* Not yet launched

Note

Tranche R: This share class is intended for private and qualified investors.

Tranche V: This share class is reserved exclusively for tax-recognised Swiss pension institutions (e.g. pension funds, vested benefits and pillar 3a foundations).

Numbers

Numbers

Countries / GDP

	2026	2027	2028
USA	2,20%	2,00%	2,08%
Euro Area	1,07%	1,40%	1,45%
Japan	0,80%	0,90%	0,90%
China	4,60%	4,40%	4,40%
Switzerland	1,10%	1,50%	1,50%

Countries / CPI

	2026	2027	2028
USA	3,05%	2,50%	2,35%
Euro Area	2,35%	2,00%	2,13%
Japan	2,00%	2,00%	1,95%
China	0,90%	1,00%	1,50%
Switzerland	0,50%	0,70%	0,90%

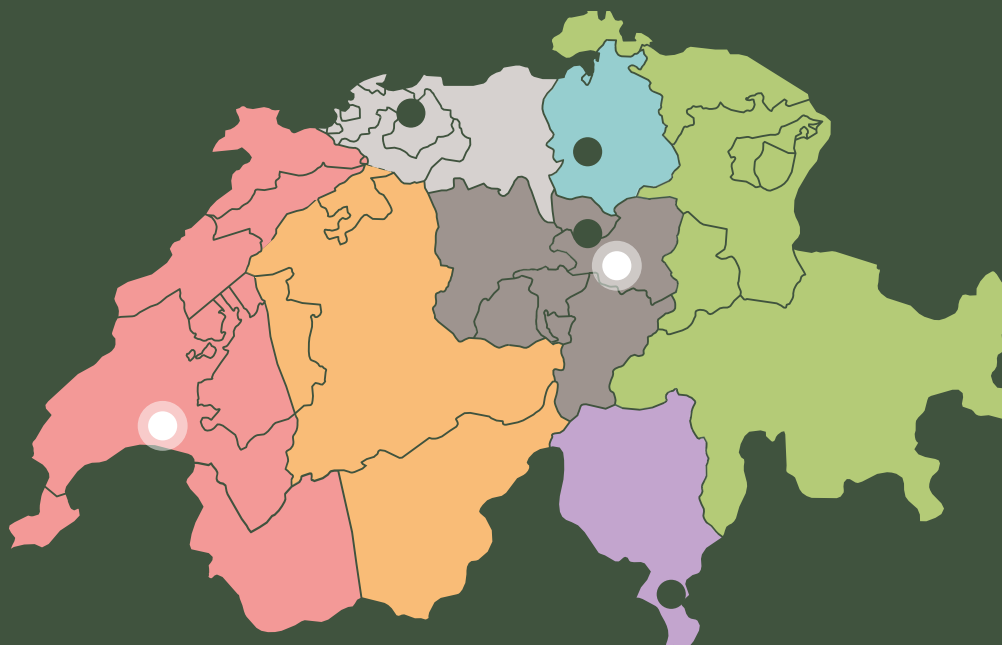
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