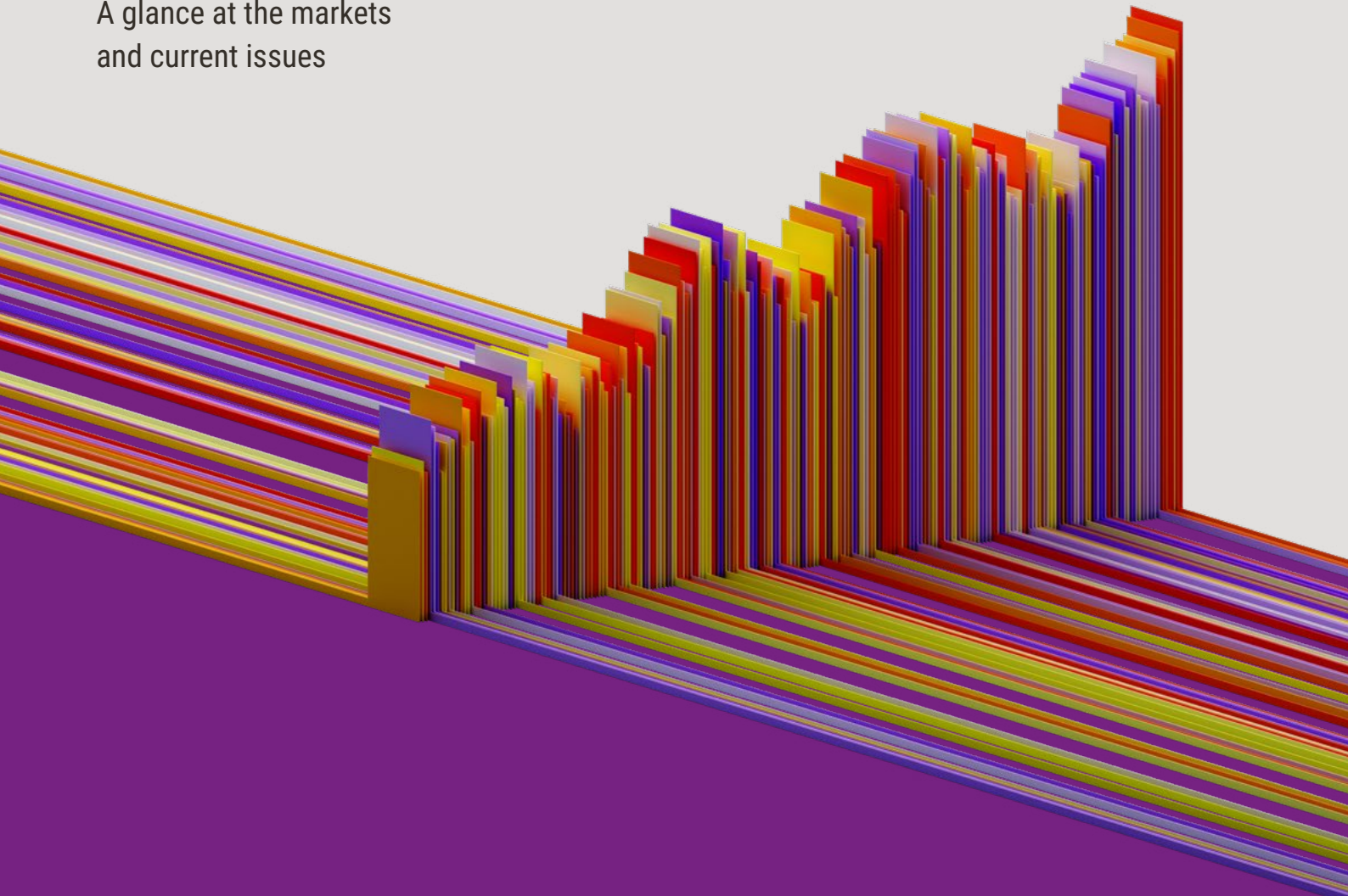


## Market Overview 04 | 2025

A glance at the markets  
and current issues



### **Equities**

P. 2

- Flight to safe havens
- Europe and gold to the rescue
- Gols recession on the horizon?

### **Fixed Income** P. 5

- The tariff hammer strikes
- What does this mean for the global economy?
- ECB lowers interest rates

### **Alternative investments** P. 8

- Diversification is once again the watchword
- How do the alternatives stack up?
- Trends with major managers

## Equities

# Flight to safe havens

Equity markets have performed very differently since the start of the year. Despite geopolitical uncertainties, a solid reporting season at the start of the year put the wind back into the stock markets' sails, with the European markets in particular making a strong start to the new year. In contrast, US equities suffered from a dizzying chopping and changing on the tariff front, which also led to a slashing of GDP forecasts. In response, the price of gold rose above 3,000 US dollars per ounce in March for the first time ever.

### **An economic slowdown on the horizon**

Economies are starting to slow. Most stock markets are already in bear market mode, or on the cusp of it. Even highly valued US equity markets are also at risk, despite previous price falls. Selective buying opportunities will arise for European and Swiss equities: here valuation risks are less severe, fiscal policy support is increasing and the uncertainty surrounding tariffs is likely to peak in the coming weeks and months.

### **Escape to the safe havens of Europe**

European oases, known as "safe havens", will remain attractive with US policies continuing to fluctuate. The tariffs themselves are only delaying growth, though the almost daily chopping and changing in the US President's policies is by contrast having a greater effect on sentiment and the real economy. This is why the upturn in US equities will not last, and the stampede into European safe havens will continue.



### **China and Europe set to grow**

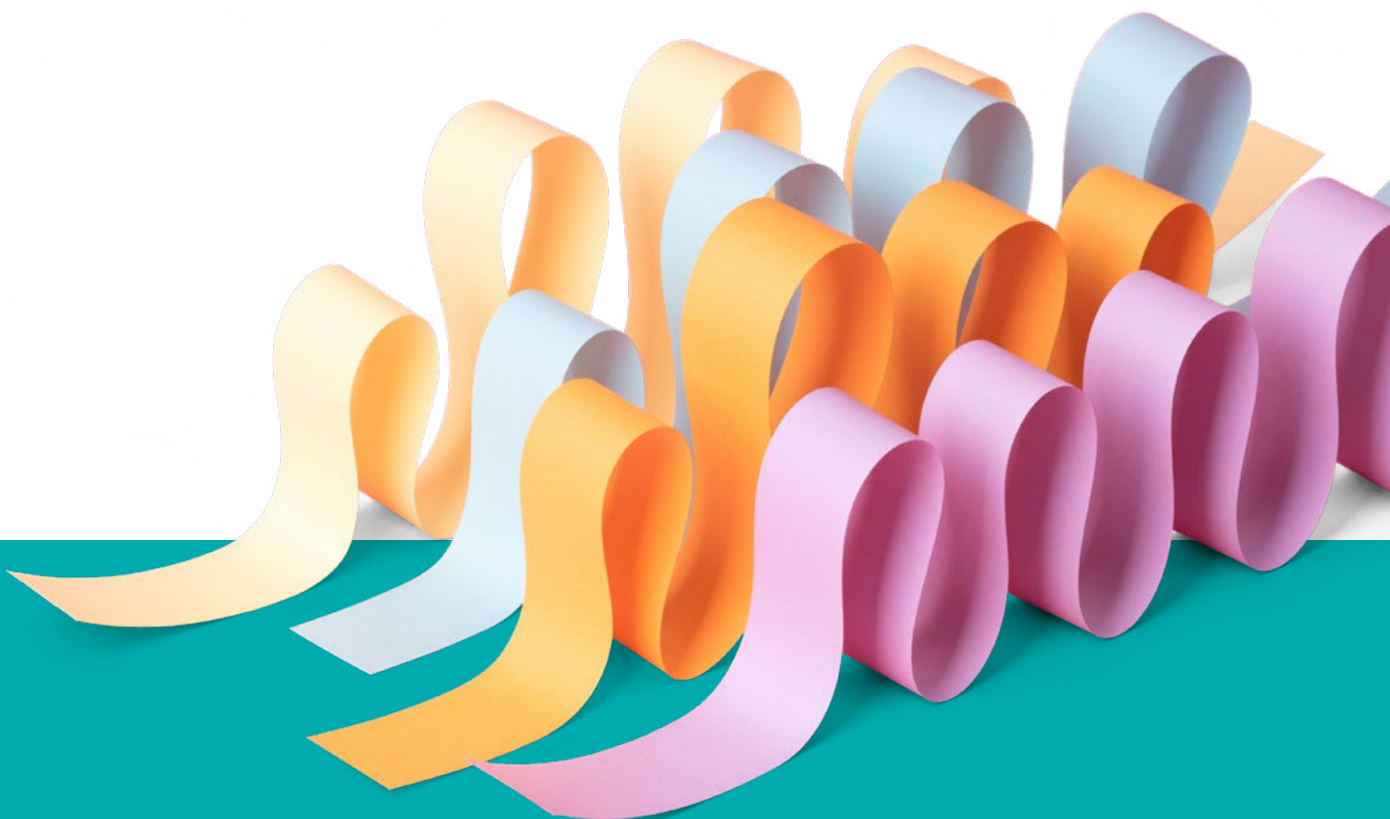
Although it has not been long since the start of 2025, we have had to deal with political tensions, tariffs and AI-driven market volatility. And if the last few weeks have been any indication, further tensions are likely to emerge over the course of the year. US policy remains a factor of uncertainty: what applies today might no longer make sense tomorrow. For the USD, the key factor is the relative rate of growth in the USA compared to the rest of the world. Europe will still benefit from a tailwind, thanks to signals of reform and relative calm in the war in Ukraine. In China, the government is adopting clear, pro-business policies with further stimulus measures set to follow.

### **Earnings expectations corrected downwards**

Amongst all of the commotion surrounding US tariff policy, the reporting season that is now underway has gone almost unnoticed. The outlook presented by companies in an environment of uncertainty is particularly of interest. The trend of earnings corrections is already fading away, i.e. where expected profits are reduced much more frequently than they are increased.

### **Gold more in demand than ever as a store of value**

Due to sustained market volatility, the price of gold has climbed to a new record high of more than USD 3,400. The main driver of this development has been the growing demand for safe havens. With the highest YTD performance among the major asset classes, gold benefits from inflation fears, macroeconomic uncertainty and US dollar weakness. Increasing numbers of investors are seeking protection in secure stores of value, despite sluggish equity markets and weak economic data. This has resulted in strong inflows into gold. The trend is consistent with a development that began in 2023, when both gold and Bitcoin demonstrated strong price dynamism against the backdrop of growing global instability.



### Copper-gold indicator points to recession

Another recession alarm has gone off, with the ratio of copper to gold falling to its lowest level in at least 40 years. The ratio has halved in the last three years. Moreover, the decline has even accelerated over the past month as gold prices have risen by 9% while copper prices have dropped by 8%. In the past, a rapid fall in the copper-gold ratio has always been a sign of a slowdown in global economic activity. Similar major declines also occurred in 2020 and 2008. Indeed, we could even ask whether we are already in recession.



## Tellco Bank Ltd – your partner for property loans

Tellco Bank Ltd is a FINMA-supervised Swiss bank headquartered in Schwyz. As an occupational pension benefits and asset specialist, we are also happy to support you in financing and purchasing the property of your dreams. Our comprehensive offers put you and your needs at the centre of our work, and we offer you tailor-made solutions for your own home.

Our financing specialists will be happy to advise you personally. Contact us.

[kredite@tellco.ch](mailto:kredite@tellco.ch)  
 t 058 442 41 01

### Indicative interest rates\* as of May 2025

<b>Fixed-rate mortgage</b>	3 Years	1.00 %
	5 Years	1.06 %
	7 Years	1.25 %
	10 Years	1.43 %
<b>SARON mortgage**</b>	SARON + 0.80 % Margin	

\* 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

**Fixed Income**

# The tariff hammer strikes – or maybe not?

Photo by Aron Yigim on Unsplash

Trump's new tariff offensive came into the spotlight as the USA raised tariffs overnight from 2% to 23%. With this significant tightening of his protectionist agenda, Donald Trump has embarked on an aggressive new wave of tariffs, surprising allies, unsettling markets and leaving companies uneasy. In contrast to the trade war launched during his first term of office, in which geopolitical friendships still counted for something, the new package of measures has been subject to hardly any exceptions.

**Tariffs across the board**

In a dramatic speech, Trump announced flat-rate tariffs of 10% on almost all imports into the USA, with effect from 5 April. In addition, higher "reciprocal" tariffs are to be imposed on countries with large trade surpluses with the USA, including a cumulative tariff of over 60% on Chinese goods. Japan, a close military ally, has been subjected to tariffs of 24%. Even Australia and the UK were not spared from the 10% basic tariff. A 20% tariff has been imposed on EU goods, reflecting Trump's long-standing criticism of the block's supposedly unfair trade practices. Israel, which had only just cancelled all tariffs on US goods as a gesture of good will, faced tariffs of 17% the next day. Swiss imports were even subjected to a 31% tariff. Behind the rhetoric of economic liberation, Trump's message was clear: no more special treatment, no more diplomatic exceptions. According to senior officials, the blanket minimum tariff was intended to prevent circumvention, for example by redirecting goods through third countries. Even remote areas such as the Heard and McDonald Islands, mainly occupied by penguins, occupied pride of place in the White House tariff rankings. Despite their massive scale, Trump's team had apparently been

considering even harsher measures, including a global flat-rate tariff of 20%. Internal discussions had been dragging along for months. At one point, one Mexican steel producer was even faced with the risk of three cumulative Trump tariffs. The final version withdrew some of the toughest measures, excluded sectors such as steel, aluminium and cars, which are already subject to separate tariffs, and exempted imports from Canada and Mexico under the USMCA.

### **Is there a risk of stagflation?**

The general tone was anything but conciliatory. Trump's advisors confirmed that factors such as strategic alliances or trade deficits will no longer be enough to obtain exceptions. The decision seems to have been driven by the desire to punish countries that are regarded as unfair trading partners, irrespective of the quality of their diplomatic relations with Washington. Trump described the move as a necessary countermeasure in a "relentless economic war", stressing that Americans would have to come first, even at the price of global disruption. The new tariffs are likely to significantly harm the US economy, potentially reducing GDP by 3% and increasing prices by 1.7% over the next two to three years. Experts are already warning of a real threat of stagflation: a combination of slower growth and rising inflation. This could harm not only American consumers but also their global partners, which are heavily dependent on US demand. At the moment, the message is clear: the USA will no longer sit on its hands. It remains to be seen whether this will result in a slew of renegotiated trade deals or a costly global conflict.

*The US job market recovered cautiously, as tariffs are still casting long shadows over economic optimism.*

### **The impact of tariffs on the economy**

The effects of US tariffs on economic data are much more important than all the speculation. The US job market recovered cautiously, as tariffs are still casting long shadows over economic optimism. US inflation slowed significantly in March. Although the recent easing in price rises is gratifying, it remains to be seen whether this reflects a long-term trend, or whether the recently announced tariffs (especially on Chinese imports) will drive up prices. Fed Chairman Jerome Powell's statements on the economic data available so far suggest that US economic growth slowed during Q1. This was a result of tariff policy and the increased uncertainty surrounding it. According to Powell, the tariffs announced so far have been significantly higher than expected, and the same is likely to be the case regarding their economic impact, which will include higher inflation and slower growth. According to Powell, the US Federal Reserve's task is to ensure that this price inflation will only be temporary and will not become baked in to the system. Even an increase in the unemployment rate can

no longer be ruled out, although imminent interest rate cuts appear to be off the table. Why this is important: whenever the Fed Chair himself is so clear about something, it has a strong signalling effect. In particular, the reference to potentially sustained inflationary pressures pricked up the market's ears. Only a few weeks ago, Powell was still suggesting that resurgent inflation would most likely only be temporary.

### **Subdued labour market figures**

At the start of April we received the latest figures for the US jobs market, which paint a picture of resilience coupled with caution. Now job creation recovered strongly in March, with the solid figure of 228,000 new jobs exceeding expectations, although previous months were revised downwards by a total of 48,000. However, some of this increase can be attributed to an end in strikes, thus making it more a temporary blip than a fundamental change in trend. The surprising rise in the unemployment rate to 4.2% was less positive, and was probably due to a higher proportion of people actively looking for work

again. At the same time, wage trends were weaker than expected, with downward revisions for February and disappointing year-on-year figures. This suggests that it could become increasingly difficult for consumers to cope with price increases resulting from the new tariffs. Comprehensive tariffs are causing considerable economic uncertainty, just as the labour market is displaying strength. In the face of turbulence on global markets and increasing warnings of a possible recession in the USA, financial experts are looking to the next few months with concern. This situation also puts the US Federal Reserve in a difficult position, boxed in by the need to boost the economy while keeping inflation under control.

### **ECB continues to lower interest rates**

The outlook is different in Europe: towards the end of the month, as expected, the ECB decided to cut key interest rates by 25 basis points to 2.25%. It warned that the outlook for growth has “deteriorated” owing to rising trade tensions. Increased uncertainty is likely to reduce confidence among households and firms, and the adverse and volatile market response to the trade tensions is likely to have a tightening impact on financing conditions. These factors may further weigh on the economic outlook for the euro area. Services inflation has also eased markedly over recent months.

## Alternative investments

# How are alternative investments reacting to the recent turbulence?

April 2025 was a turbulent month for the financial markets, marked by volatility caused by geopolitical tensions, the new US trade policy and macroeconomic uncertainty.

Several key factors have contributed to market instability:

- Trade policy upheavals have shaken up global markets and sparked concerns about a potential economic slowdown.
- China's new "DeepSeek" AI has led to extreme volatility in the US technology sector.
- The fiscal policy adjustments initiated by the Department of Government Efficiency in the USA will have implications for market liquidity and investor sentiment.
- Major daily market fluctuations are stoking fears of inflation and a weakening labour market, as a result making investors cautious.

Under these circumstances, investors are increasingly focusing on long-term strategies while waiting for markets to stabilise.

### Hedge funds

According to J.P. Morgan, hedge fund strategies such as relative value and discretionary macro have proved to be fairly resilient during recent market turbulence. It is particularly remarkable that statistical arbitrage managers have been able to continue their strong performance for several years. These strategies are in general barely exposed to market shifts and even benefit from increased volatility. Macro and multi-strategy models delivered good results in Q1. Most multi-strategy funds returned small profits in April. A combination of a slight reduction in risk at the start of the month, strong risk management and



the absence of forced, structural debt reduction drove up returns. However, some strategies that typically perform well in tense markets have not done so well in the current market environment, including managed futures and basic bond business. Investors have always used hedge funds to protect themselves during times of stress. Many have reduced or removed their hedge fund portfolios in recent years. This happened when the markets were flourishing. According to J.P. Morgan, investors now appear to be looking for ways to diversify once again.

### Private markets

It is still too early to estimate the performance of the private markets in April. However, we expect short-term performance trends to continue: infrastructure and real estate have performed well, private loans have remained stable, while private equity ended up below average. But does this short-term perspective mark the end of the historical outperformance by private equity? It is clear that the youngest vintages will continue to face challenges.

Meanwhile, co-investment activities continue to grow. This is due to the fact that there are fewer co-investment players on the market, managers want to save capital in a difficult fundraising environment, co-investments are increasingly accepted by the market as a standard for business deals, and both funds and investors with regular co-investments generate high returns.

### Macquarie sells its US and European stock exchange business to Nomura

The recent sale of Macquarie's stock market business in the USA and Europe to Nomura for AUD 2.8 billion reflects several important trends in the wealth management industry:

- The shift to private markets: Macquarie's strategic shift towards private markets and alternative investments signals a broader trend among institutional investors. Private investments are becoming increasingly attractive thanks to their ability to provide long-term stability and diversification.
- This move suggests that Macquarie sees more potential in areas such as infrastructure, private lending and private equity than in traditional public-market strategies.
- Global expansion: the acquisition by Nomura illustrates the increasing focus on the expansion of global capacities. By acquiring Macquarie's business, Nomura aims to increase its assets under management to around USD 770 billion. A significant portion of this is to be managed for clients outside Japan.
- Scope for cooperation: the transaction establishes a strategic partnership between Macquarie and Nomura, enabling them to cooperate on both product and distribution opportunities. This reflects a trend towards partnerships that improve the range of services and client reach.
- Specialisation: the transaction also suggests that size and specialisation play a role, with companies focusing on either private or public investments, rather than comprehensively managing both areas.

#### Sources:

- Quarterly Market Commentary, April 20, 2025, Slavic 401k
- April 2025 update to TIGER: The world economy shudders and could stall
- Eswar Prasad and Caroline Smiltneks, April 20, 2025
- John Crabb, Institutional Investor 22 April 2025
- Macquarie press release Tokyo and Sydney, 22 April 2025

## Tellco-Products

### Tellco Classic

	ISIN	Tranche	April 30th	% April	% YTD	Web
Tellco Classic II Global Equities**	CH0443816621	V	251.82	-6.20	-10.28	<a href="#">More Infos</a>
Tellco Classic Swiss Equities ESG	CH0421075018	V	186.69	-2.08	5.29	<a href="#">More Infos</a>
	CH0421074961	R	108.20	-2.11	5.13	
Tellco Classic Best Idea ESG	CH0442770316	V	112.35	-6.50	-11.83	<a href="#">More Infos</a>
Tellco Classic Best ESG	CH0442615701	R	121.24	-6.50	-11.83	
Tellco Classic Sustainable Heritage ESG	CH0583763542	V	79.56	-6.42	-11.67	<a href="#">More Infos</a>
	CH0583763534	R	70.28	-6.43	-11.72	
Tellco Classic Bonds CHF ESG	CH0421043669	V	107.08	0,42	-0.39	<a href="#">More Infos</a>
	CH0421043594	R*				
Tellco Classic Bonds in foreign currency ESG	CH0421043768	V	85.99	-1.75	-0.96	<a href="#">More Infos</a>
	CH0421043743	R*				
Tellco Classic Bonds in foreign currency hedged ESG	CH0469074956	V	91.57	-1.36	0.32	<a href="#">More Infos</a>
	CH0469074865	R	82.44	-1.36	0.32	
Tellco Classic Inflation Protection ESG	CH1101347354	V	95.65	-1.05	-0.64	<a href="#">More Infos</a>
	CH1101347347	R*				
Tellco Classic Aktien Alkimia ESG	CH0544465831	V	146.70	-6.29	-1.22	<a href="#">More Infos</a>
	CH0544465823	R	138.67	-6.33	-1.33	
	CH1116144333	P	107.50	-6.30	-1.23	

\* Not yet launched \*\*available only to swiss pension funds

### Tellco Classic Strategy

	ISIN	Tranche	April 30th	% April	% YTD	Web
Tellco Classic Strategy 10	CH0450199770	V	124.37	0.13	-0.30	<a href="#">More Infos</a>
	CH0544445619	R*				
Tellco Classic Strategy 25	CH0450201261	V	134.72	-0.48	-0.55	<a href="#">More Infos</a>
	CH0544465658	R	103.46		1.85	
Tellco Classic Strategy 45	CH0450201329	V	153.60	-1.28	-0.75	<a href="#">More Infos</a>
	CH0544465757	R*				
Tellco Classic Strategy 100	CH0450382632	V	137.33	-2.67	-0.96	<a href="#">More Infos</a>
	CH0544465773	R	86.07	-2.68	-0.96	

\* Not yet launched

## The Tellco Top Products

### Top-Performer



#### Tellco Classic Best Idea

The Tellco Classic Best Idea fund aims at a long-term appreciation of invested capital, by investing in listed equities issued by companies whose expected growth is a multiple of global GDP growth, thanks to innovations primarily, and without limitation, in the technology, healthcare and energy fields.

### Top-Seller



#### Tellco Classic Sustainable Heritage

The Tellco Classic Sustainable Energy fund invests in all industries that benefit from a sustainable future. The investment universe includes themes such as renewable energy, energy storage, green and smart transport solutions, water and waste-water treatment, the digitalisation of energy systems and the integration of smart and efficient technologies in cities (smart cities).

## Numbers

### Equity markets

	April 30th	% April	% YTD
MSCI AC World	3,813.03	1.18	-1.02
SMI	11,764.20	-3.82	4.45
SPI	323.28	-1.97	6.16
DAX	19,626.45	1.50	13.00
EuroStoxx 50	4,804.40	-1.68	5.40
EuroStoxx 600 Price Index	510.25	-1.21	3.91
FTSE 100	8,287.30	-1.02	3.94
DOW Transportation	17,618.63	-7.50	-14.19
S&P500	6,032.38	-0.76	-5.31
NASDAQ 100	20,930.37	1.52	-6.86
Shenzen–Shanghai CSI300	3,916.58	-3.00	-4.18
Emerging Market	1,078.57	1.04	3.47
Nikkei	38,208.03	1.20	-9.65
Volatilität	13.51	10.86	42.36

### Commodities

	April 30th	% April	% YTD
WTI–CrudeOil	68.00	-18.56	-18.84
Brent Oil	72.94	-15.55	-15.43
ThomReuters /JefferiesCRB	286.94	-6.64	-2.68
Gold	2,643.15	5.29	25.31

### LIBOR

	April 30th	% April	% YTD
Saron 6M CHF	0,43	-142,62	-122,06
Euribor 6M	2,70	-8,86	-17,10
SOFR 6M USD	4,38	-2,22	-3,54

### Alternative Investments

	April 30th	% April	% YTD
S&P Leveraged Loan TR Index	4,038.34	-0.05	0.43
Swiss RE Cat Bond TR Index	524.25	0.23	1.25

## Numbers

### Currencies

	April 30th	% April	% YTD
EUR/USD	1.0577	4.73	2.15
USD/CHF	0.8810	-6.62	-2.91
USD/JPY	149.7700	-4.59	-4.73
EUR/CHF	0.9320	-2.13	-0.86
GBP/CHF	1.1220	-3.59	-1.20
CAD/CHF	0.6291	-2.60	-0.30
AUD/CHF	0.5736	-4.20	2.15
JPY/CHF	0.5881	-2.17	2.07
BRL/CHF	0.1480	-5.81	0.68
CNY/CHF	0.1215	-6.73	-2.33
RUB/CHF	0.0083	-5.35	3.24
TRY/CHF	0.0254	-8.20	-0.74
ZAR/CHF	0.0487	-8.07	1.25

### Countries / GDP

	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	2023	2024	2025
USA	4.90 %	3.30 %	1.60 %	1.90 %	2.80 %	2.50 %	2.50 %	2.80 %	1.40 %
Euro Area	0.10 %	0.10 %	0.40 %	0.50 %	0.90 %	0.90 %	0.50 %	0.70 %	0.80 %
Japan	-2.10 %	-0.40 %	-2.00 %	3.10 %	0.90 %	2.75 %	1.90 %	0.10 %	1.00 %
China	4.90 %	5.20 %	4.90 %	4.70 %	4.60 %	4.80 %	5.20 %	5.00 %	4.20 %
Schweiz	0.40 %	0.65 %	0.70 %	1.40 %	1.80 %	1.70 %	0.80 %	1.30 %	1.10 %

### Countries / CPI

	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	2023	2024	2025
USA	3.60 %	3.20 %	3.20 %	3.20 %	2.60 %	2.70 %	4.10 %	2.95 %	3.20 %
Euro Zone	5.00 %	2.70 %	2.60 %	2.50 %	2.20 %	2.20 %	5.40 %	2.40 %	2.10 %
Japan	3.10 %	2.95 %	2.60 %	2.70 %	2.80 %	2.68 %	3.30 %	2.70 %	2.70 %
China	-0.05 %	-0.30 %	0.00 %	0.30 %	0.50 %	0.20 %	0.20 %	0.20 %	0.40 %
Schweiz	1.65 %	1.60 %	1.20 %	1.40 %	1.10 %	0.80 %	2.10 %	1.10 %	0.40 %

## Numbers

### Rates

	April 30th	in bps April	in bps YTD
10j. EUR (Swap)	2.16	-22.54	6.65
10j. UK (Swap)	3.79	-24.61	-14.28
10j. CHF (Swap)	0.32	-25.85	0.42

### Bonds

	April 30th	in bps April	in bps YTD
US Govt 10Y	4.17	-4.43	-40.91
GER Govt 10Y	2.09	-29.39	7.80
Swiss Govt 10Y	0.20	-27.14	0.20
UK Govt 10Y	4.24	-23.43	-12.53
IT Govt 10Y	3.28	-30.30	4.27
ESP Govt 10Y	2.79	-25.95	5.45

### Generic iTRAXX

	April 30th	in bps April	in bps YTD
Europe Main	55.74	4.60	10.59
Finl Sen	62.52	4.02	9.39
Finl Sub	110.95	8.15	16.40
X-Over	297.87	22.36	37.18

#### Disclaimer

This document was produced by Telco Bank Ltd (hereinafter referred to as "Telco") to the best of its knowledge and belief. However, Telco gives no warranty as to the contents or completeness of this document and accepts no liability for any losses that arise through use of the information contained in this document. The statements made by Telco in this monthly report may be amended at any time without notification. Barring any notice to the contrary, all amounts and disclosures in this document are unaudited. This publication is for information purposes only. It is not intended as a recommendation to invest or investment advice, nor as a recommendation to buy or sell financial instruments or banking services, and is no substitute for the requisite expert advice from a qualified professional prior to making any purchase decision, particularly with regard to the risks such a decision entails. This document may not be reproduced in part or in full without the express written consent of Telco. In particular, this document is not intended for persons whose nationality or place of residence prohibits access to such information on legal grounds.