Market Overview 10/2025

A glance at the markets and current issues

Tellco Bank Ltd

Widespread demand for precious metals

The price of gold just keeps climbing, setting new records at an accelerated pace thanks to strong inflows into gold funds and the prospect of further interest rate cuts. In general, precious metals remain highly valued by investors. The price of silver has also risen sharply recently, reaching its highest level this month in 14 years. Since the beginning of the year, the value of silver has climbed by more than 50%. With a gain of almost 44% this year, gold is on course for its best performance since 1979. This has been a remarkable year with gold prices more than doubling, since the vast majority of investors no longer saw any plausible end to inflation – and to this day, this rally remains unmatched in terms of intensity and duration.

What is driving the price?

China's decision to offer Shanghai as an alternative gold storage location to central banks may be more symbolic than anything else. However, it underscores the fact that any adjustment of the global financial system brings with it an increase in demand for gold. While 1979 saw a rather irrational inflation panic, the latest rally appears to be driven by entirely rational calculations on the part of central banks. This means it could be here to stay for a bit. The expectation that interest rates in the US will fall further is a key factor driving prices, as the US Federal Reserve has signalled two further interest rate cuts of 0.25 percentage points by the end of the year. Declining interest rates for investments like government bonds leads to increasing demand for precious metals, as these do not yield market interest rates. In the longer term, gold purchases by central banks are also a major reason for the price increase. For some time now, some central banks have been expanding their gold reserves in an effort to become more independent of the dollar. However, long-term inflation concerns are also driving stronger demand for gold – e.g. in the form of gold funds (ETFs). These funds invest the physical gold in their portfolios and trade their securities on the stock exchanges, which drives the price of gold up even higher.

Weak dollar and dwindling confidence in the US

In addition, the gold price draws additional strength from the weakness of the US dollar, which has trended downward in recent weeks due to the prospect of falling interest rates in the US. With gold being predominantly traded in dollars on the global market, a weak US currency makes the precious metal cheaper, thus intensifying demand and bolstering the gold price. Gold remains popular as a safe haven. Investor behaviour has changed recently, however, and unlike in the past, gold is now attracting capital that once tended to flow into German or US government bonds. But with the price of gold having more than doubled in the last three years, reinforcing its role as a trusted safe haven for investors. Moreover, this comes in the context of the US government's aggressive tariff policy, which, together with US President Donald Trump's attacks on the US Federal Reserve, is causing heightened concern about the independence of the central bank.

Photo by Aldward Castillo on Unsplash

Silver and platinum mining companies have also performed well so far this year. Silver is continuing its upward trend, and platinum has reached an 11-year high. Looking ahead to the second half of the year, a favourable macroeconomic environment further strengthens the investment case for precious metal mining equities. Any future interest rate cuts by the major central banks will likely benefit the sector, given that lower interest rates have supported gold and silver prices in the past.

Financial markets remain optimistic

The financial markets remained optimistic in September. Equities from emerging markets performed particularly well. Sentiment indicators also paint a positive picture: the volatility index, which serves as a barometer of fear on the stock markets, remains at a low level, thus showing little sign of nervousness. The US stock markets reached new all-time highs, with the S&P 500 exceeding the 6,600-point mark for the first time in September, with technology stocks once again leading the rankings.

Photo by Josh Johnson on Unsplash

US economic data still looking gloomy

Meanwhile, the economic outlook in the US has continued to deteriorate. The latest labour market data confirms the weakness of recent months and points to the risk of a slowdown in the US economy. This is not good news for American companies. In addition, they are confronted with rising costs stemming from U.S. tariff policy, costs that likely cannot be passed on to consumers in full – even though the impact may only become apparent in some time. However, this development has so far received little attention on the markets. Instead, the prevailing hope seems to be that monetary easing will be able to compensate for the economic weakness.

Why are yields on government bonds rising?

Long-term yields continue to rise, thus increasing the pressure on global bond markets. What is happening? Government bond markets are under pressure again as long-term yields continue to rise in many major economies. Yield levels that seemed unattainable for a long time are being reached again – in the US, the UK and Japan, in some cases reaching highs not seen in years or even in a decade. The same trend is also evident in Europe and Australia, underscoring the global nature of this development.

The debt burden keeps getting bigger

The drivers are neither new nor easy to resolve: high budget deficits, persistent inflation and growing political uncertainty are fuelling doubts about whether governments will be able to stabilise their debt in the long term. Global debt has risen to record levels, making many countries more vulnerable to rising financing costs. At the same time, central banks are withdrawing from previous bond-buying programmes or selling holdings, shifting the balance of supply and demand and increasing pressure on long maturities.

Consequences for the real economy

Investors are increasingly demanding higher risk premiums for long-term securities as they reassess inflation, fiscal credibility and political risks. In the US, questions about the independence of the Federal Reserve have once more come to the fore now that the Trump administration is attempting to influence Fed's leadership. In the UK, investors are focusing on the upcoming budget plans of Chancellor of the Exchequer Rachel Reeves. In Japan, the normalisation of monetary policy and the leadership crisis following the LDP's losses in the upper house in July have fuelled discussion about a possible change of government, which could take on more populist and spending-oriented characteristics. The consequences reach deep into the real economy: rising long-term interest rates increase the cost of mortgages, consumer loans and corporate financing, while governments are faced with rising interest rates that may necessitate additional bond issues. What happens next is still up in the air. If inflation and issuance volumes remain high, the long end is likely to feel additional pressure. On the other hand, if there is a more pronounced slowdown in growth or a clearer easing of monetary policy, the short end of the curve is likely to react first. Until then, the long end of the yield curve is likely to remain volatile and prevent investors from extending the duration.

What can be done?

How can Trump and the Fed reduce long-term interest rates? If long-term yields remained high despite interest rate cuts, this would trigger indirect political intervention. Options range from increased sales of short-term bills and bond buybacks to renewed Fed purchases as part of QE. The Fed is currently shifting its focus away from inflation and towards the labour market, with an interest rate cut of 25 basis points. The US Federal Reserve has continued its cycle of easing and reduced the key interest rate by 25 basis points to a range of 4.0% to 4.25%.

Weaker employment figures now being seen as a greater threat than price pressure from tariffs .

This is the first adjustment since December and was made against the backdrop of weaker employment figures now being seen as a greater threat than price pressure from tariffs – a move that had been widely anticipated by the markets. Everything points to the majority of decision-makers anticipating at least two further interest rate cuts by the end of the year – a significantly more dovish outlook than in June. Some experts expect more than a full percentage point of easing by December, while others anticipate only small steps over several years.

Political interest rate cuts in the US

Jerome Powell pointed to downwardly revised labour market data and the recent rise in the unemployment rate, which has now reached its highest level in almost four years. He spoke of a "risk management move" and emphasised that although inflation was above target, the weaker momentum in the labour market posed the greater danger if no countermeasures were taken. The decision to cut rates by 25 basis points was passed by 11 votes to one. Stephen Miran, a new member of the Board with close ties to the White House, argued for a more substantial cut of 50 basis points. Other governors who had opposed easing in previous meetings joined the majority this time. Observers viewed the low number of dissenting votes as a success for Powell, as more resistance had been expected. The political environment remains tense: President Trump has been calling for significantly lower interest rates for months, regularly attacking Powell and attempting to bring the Fed's leadership more under his control. His attempt to remove a member of the Board of Governors continues to occupy the courts, while a close economic adviser now sits temporarily on the Board. Powell made it clear that future decisions will be made "meeting by meeting". Strategists emphasise that this is not an aggressive easing cycle like those used in a recession, but rather a cautious adjustment to stabilise the labour market while keeping an eye on inflation risks. The message is clear: the Fed is continuing its easing course, anticipating further steps and focusing on supporting employment in an economy that appears increasingly vulnerable.

US labour market figures raise eyebrows

The assessment of risks to the US economy, whose fundamentals remain relatively solid, still appears fairly balanced, but there are early signs of risks emerging in the labour market, government debt and equity valuations. Notably, the US labour market has slowed, with unemployment rising and new hiring declining. August saw another weak labour market report: only 22,000 new jobs were created, significantly fewer than expected. The unemployment rate rose to 4.3%, reaching its highest level in over three years. This means that the labour market has now recorded job growth of less than 100,000 for four months in a row – the weakest phase since the start of the post-pandemic recovery. Updated data also shows that the hiring momentum at the beginning of the summer was weaker than initially reported. June now shows a net job loss, while the moderate growth in July was only slightly revised upwards. Overall, the revisions for June and July removed 21,000 positions from the previous estimates. On average, only 29,000 jobs per month were created between June and August, primarily in health and social services. In contrast, there were significant declines in sectors such as manufacturing, wholesale and intermediate trade, as well as the public sector. A notable development was the loss of 15,000 jobs in the federal administration. Wages rose by 0.3% month-on-month; while the year-on-year increase slowed slightly to 3.7%. The figures come at a sensitive time for monetary policy. While the economy as a whole continues to show signs of moderate growth, central bankers are increasingly concerned about the slowdown in employment. At the same time, uncertainty about tariffs and inflation risks are complicating the assessment. Politically, too, the debate over labour market data has intensified. Following a dispute over earlier revisions, there was a change of leadership at the Bureau of Labour Statistics (BLS). The acting leadership is now responsible for publishing a preliminary estimate for the annual benchmarking process, which could change the latest employment figures once again.

Who controls the Fed?

Trump could contribute to an increase in 10-year US interest rates by exerting greater influence on the Fed and reducing the issuance of long-term Treasuries. This is because Trump's political influence and the resulting loss of confidence in the US Federal Reserve could lead to a manipulation of key interest rates. The following scenario is emerging: Powell could remain a member of the Board after his term expires and thus continue to exert influence on the FOMC, while a new chair, selected from among Trump-friendly candidates, takes over as head of the Board. This would create two different, even opposing decision-making centres, which could potentially be quite destabilising. The Board has powerful levers at its disposal, such as setting the minimum interest rate (IORB), while the FOMC controls key interest rate policy. These two bodies could then pursue contradictory strategies, rendering the Fed's decisions ineffective or even counterproductive. For now, the markets are remaining relatively calm and presuming that institutional coherence will be maintained. The perspective of shared power within the central bank, however, raises significant problems: breaches of standards, loss of credibility and instability of monetary policy decisions. Another problem regarding Trump's political influence on US interest rates is emerging, namely that the US government intends to control the yield curve through targeted buybacks of US government bonds and a reduction in the issue of long-term government bonds. This would, however, reduce the market depth and liquidity of government bonds with maturities of more than 10 years. The consequences would be higher volatility and an immediate rise in 10-year government bonds.

Greater scope thanks to lower interest rates

While equities and bonds react strongly to geopolitical developments and monetary policy, the Swiss real estate market appears significantly more stable. For high-net-worth retail clients, the still low interest rates open up attractive opportunities to secure their financing long term while simultaneously building up assets. The decisive factor here is not only access to mortgages, but also strategic advice on how to make the most of current market conditions. This is precisely where Tellco Bank Ltd comes in with its comprehensive advisory approach.

Attractive financing options

The currently low interest rate level means a significantly lower burden for those with mortgages. Anyone who takes out financing today can stabilise their monthly costs in the long term and create additional leeway. These funds can either be invested in asset accumulation or used for accelerated amortisation. Both options reduce the cost of the mortgage in later years.

Comprehensive expertise

Tellco offers mortgage solutions that go far beyond the standard.

- Loans up to 80% also for rental freehold flats and multi-family houses.
- Subordinated loans that provide additional funds for investments or home improvements – particularly valuable given that many banks are becoming increasingly restrictive.
- Attractive terms and conditions that are among the most competitive in Switzerland.

Tellco combines special financing solutions with favourable interest rates to create a comprehensive package that offers long-term benefits.

Personalised service as a distinguishing feature

A key feature of Tellco is its experienced and strong team. Clients have access to direct contacts who know their situation and can implement decisions quickly and easily. This personal proximity is not always a given in the financial sector and makes the difference between standardised solutions and truly individual advice.

Advice with foresight

Tellco does not view mortgages in isolation, but as part of comprehensive financial planning. The focus is on how financing, pensions and wealth accumulation interact in the long term. This is how we put together solutions that are viable in the present and mindful of future goals and challenges.

Tellco Bank Ltd – your partner for property loans

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.

Tellco Bank Ltd is a FINMA-supervised Swiss bank headquartered in Schwyz.

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

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Indicative interest rates* as of Oktober 2025

Fixed-rate mortgage	3 Years	1.00 %
	5 Years	1.15 %
	7 Years	1.30 %
	10 Years	1.49 %
SARON mortgage**	SARON +	0.80 % 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.

Infrastructure: impact investing for a sustainable future

Private infrastructure investments are currently among the most attractive asset classes for institutional investors. These investments offer, in particular, strategic leverage: achieving not only stable returns independent of listed markets, but also positive and measurable impacts on society and the environment.

According to leading market analyses, capital invested in private infrastructure worldwide has exceeded one trillion US dollars, and attractive growth is forecast for the coming years. This is driven by the energy transition, digitalisation and the need for expanding social infrastructure. For institutional investors, the combination of returns and impact opens up concrete opportunities in key sectors. One example is waste management, which is crucial for accelerating the transition to a circular economy. Another core sector is renewable energy, which is essential for decarbonisation. Naturally, this also includes sustainable mobility, social infrastructure and resilient water networks. The typical time horizon for infrastructure investments – often over a period of 10 to 15 years – is ideal for those seeking stability and diversification while also supporting regional change and contributing to the United Nations' sustainable development goals.

Combing returns and impact

Impact investing is an investment strategy that intentionally aims for a positive and measurable social and/or environmental impact in addition to a financial return. The most important elements include intentionality, referring to investor's explicit intention to make a difference; measurability, as the impact must be quantified using concrete indicators such as CO_2 reduction, access to clean water or job creation; and additionality, meaning the impact would not have occurred without the investment.

Carefully balancing the portfolio

The main drivers for infrastructure investment can be summarised in several dimensions. Primarily, the selection of the infrastructure sector plays a key role, as does the geographical location of the target investment: regions with serious infrastructure deficits, favourable regulatory conditions, government incentives or public-private partnerships may offer better opportunities. Another driver is the project phase: greenfield projects, i.e. new construction, have greater potential impact but also involve higher risks in terms of approval, construction or grid connection. brownfield investments, i.e. expansions or modernisations of existing facilities, generally involve lower risk but offer less additional potential. It is therefore crucial to balance the portfolio according to the risk/impact target.

Wide range of options

The infrastructure sector has evolved significantly in recent years. Namely, it is no longer viewed as a single block, but rather as a range of opportunities with different risk/return profiles, encompassing equity and debt capital, various sectors, transaction sizes and geographical locations. Key trends include the decarbonisation of aviation through sustainable fuel using existing fleets or infrastructure, and the utilisation of agricultural and urban waste to produce renewable natural gas. At the same time, the growth of artificial intelligence is driving demand for data centres and fibre optic networks, creating enormous opportunities but also new challenges.

A wealth of experience at Tellco

Tellco plays a key role in impact investing and integrates ESG criteria into all investment decisions, with a growing focus on sustainable infrastructure. In 2019, our company set itself the goal of investing CHF 400 million in sustainable infrastructure projects, primarily in the area of decarbonisation. By the end of 2024, we invested around CHF 150 million in over 120 projects. Our infrastructure investments are spread geographically across Switzerland (30%), other European countries (53%) and North America (15%). Over 50% of the projects focus on achieving impact through interventions in the energy sector (e.g. photovoltaics, wind, hydropower, storage), while social infrastructure (e.g. housing for the elderly or schools), transport and digitalisation infrastructure also play an important role. In terms of social projects, the partnership with the Oase Group (Switzerland) aims to build 265 retirement homes and 214 nursing care places. Other important projects include a wind farm in Sweden, which supplies 44,000 families with clean energy, saving 8,000 tonnes of CO_2 per year, and a photovoltaic development project in Spain, which produces 4,588 MWh of exported electricity. Overall, Tellco pk's sustainable infrastructure projects combine financial objectives with a clear social and environmental impact in line with the Swiss Energy Strategy 2050.

Sources

- Tellco pk, Climate and Sustainability Report 2024
- Roland Berger, Infrastructure investment outlook 2025, July 2025
- IFM Investors, Infrastructure Horizons 2025, March 2025

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Tellco Products

Tellco Classic

	ISIN	Tranche	September 30st	% Sep.	% YTD	Web
Tellco Classic II Global Equities	CH0443816621	V	261,38	3,30	3,34	More Infos
Tellco Classic Swiss Equities ESG	CH0421075018	V	198,13	–1,11	7,52	More Infos
	CH0421074961	R	114,4	–1,15	7,15	
Tellco Classic Best Idea ESG	CH0442770316	V	121,02	4,48	6,38	More Infos
	CH0442615701	R	130,60	4,48	6,39	
Tellco Classic Sustainable Heritage ESG	CH0583763542	V	78,51	5,23	0,87	More Infos
	CH0583763534	R	69,24	5,21	0,71	
Tellco Classic Bonds CHF ESG	CH0421043669	V	106,80	0,40	0,09	More Infos
	CH0421043594	R*	–	–	–	
Tellco Classic Bonds in foreign currency ESG	CH0421043768	V	84,26	–0,11	–1,83	More Infos
	CH0421043743	R*	–	–	–	
Tellco Classic Bonds in foreign currency hedged ESG	CH0469074956	V	89,23	–0,19	–0,98	More Infos
	CH0469074865	R	80,34	–0,19	–0,96	
Tellco Classic Inflation Protection ESG	CH1101347354	V	92,06	0,02	–1,87	More Infos
	CH1101347347	R*	–	–	–	
Tellco Classic Aktien Alkimia ESG	CH0544465831	V	157,35	2,92	10,58	More Infos
	CH0544465823	R	148,29	2,88	10,29	
	CH1116144333	P	115,26	2,92	10,55	

* Not yet launched

Tellco Classic Strategy

	ISIN	Tranche	September 30st	% Sep.	% YTD	Web
Tellco Classic Strategy 10	CH0450199770	V	125,32	0,26	1,38	More Infos
	CH0544445619	R*	–	–	–	
Tellco Classic Strategy 25	CH0450201261	V	136,70	0,21	2,08	More Infos
	CH0544465658	R	–	–	–	
Tellco Classic Strategy 45	CH0450201329	V	157,60	0,64	3,68	More Infos
	CH0544465757	R*	–	–	–	
Tellco Classic Strategy 100	CH0450382632	V	146,31	1,45	7,63	More Infos
	CH0544465773	R	97,70	1,44	7,63	

* 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

Countries / GDP

	2025	2026	2027
USA	1,80 %	1,80 %	1,80 %
Euro Area	1,30 %	1,30 %	1,10 %
Japan	1,10 %	1,10 %	0,70 %
China	4,80 %	4,80 %	4,20 %
Switzerland	1,10 %	1,10 %	1,30 %

Countries / CPI

	2025	2026	2027
USA	2,80 %	2,90 %	2,50 %
Euro Area	2,10 %	1,80 %	2,00 %
Japan	3,00 %	1,80 %	1,95 %
China	0,00 %	0,80 %	1,30 %
Switzerland	0,20 %	0,60 %	0,90 %

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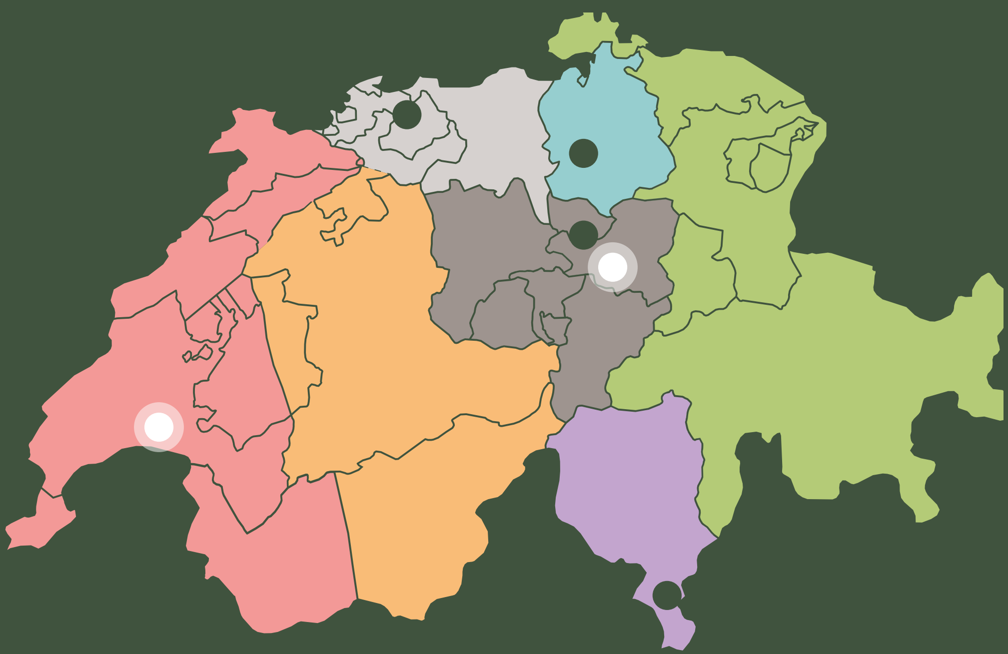

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