

Market Overview 06/2026

A glance at the markets
and current issues

Equities and commodities

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Conflicting signals from the markets



Global equity markets are sending out mixed signals. While profits are still robust for many companies, significant macroeconomic and geopolitical risk factors remain.

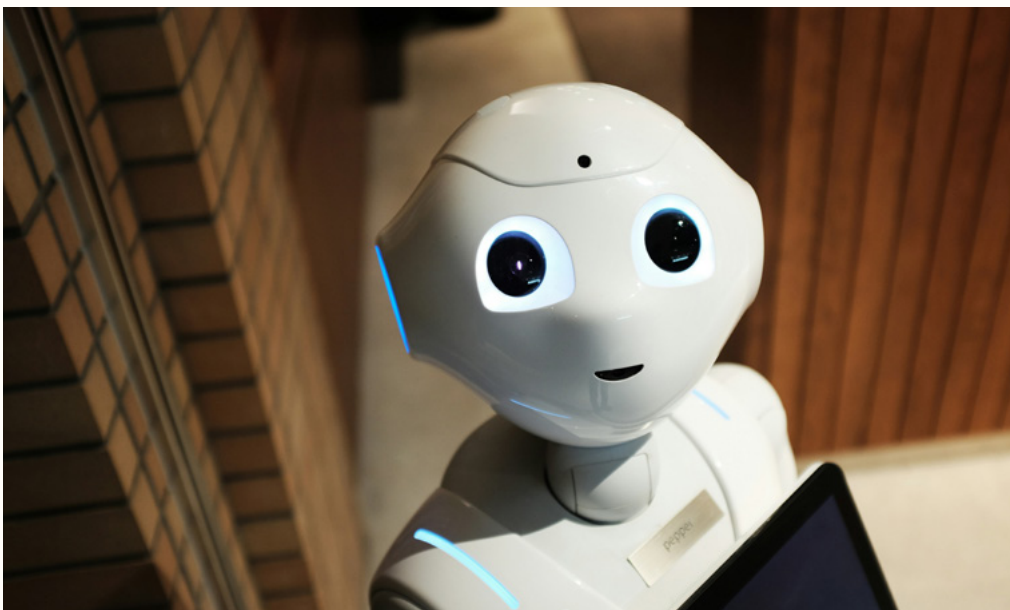
The fact that listed companies' fundamentals are very strong is having a positive effect. Balance sheets remain extremely sound, with debt generally well structured over the long term. In addition, operating margins have proved surprisingly resilient despite the increased cost base. In recent years, companies have learned to cope with higher inflation, sustained wage pressure and complex supply chain adjustments. This provides a stable and reliable foundation for the market as a whole, since operational resilience protects markets from abrupt systemic slumps.

Companies exceed expectations

This positive aspect is also reflected in the latest quarterly profits. Corporate reports from recent quarters have mostly presented solid results that slightly exceeded the already challenging market expectations in many sectors. Many large corporations have displayed remarkable pricing power, successfully passing higher input costs on to end consumers. At the same time, however, the outlook for the coming quarters is becoming increasingly nuanced. The bar for future earnings growth is now set high, with the macroeconomic environment leaving little scope for disappointing results. This noticeably limits the short-term upside potential for the major equity indices.

Equities and commodities**AI expands to reach classic service providers**

A key driver of overall market sentiment remains the ongoing hype surrounding AI. Enthusiasm for artificial intelligence and the broader digital transformation continues to act as a strong catalyst for the financial markets. While the initial wave primarily benefited hardware manufacturers and infrastructure providers, the focus is now slowly shifting to software companies and traditional service providers that are integrating AI to enhance productivity and streamline operations. This trend supports analysts' long-term growth expectations, but it is also contributing to increasingly demanding fundamental valuations. Price-to-earnings ratios, particularly within the global technology sector, remain well above historical averages and are premised on a practically flawless macroeconomic backdrop.

**Rotation from tech to energy and infrastructure**

Another important aspect is the healthy rotation away from market peaks driven solely by big-tech stocks towards a much broader base. Alongside the technology sector, cyclical consumer staples, energy stocks and industrial firms, which directly benefit from government infrastructure programmes, have been performing strongly. From a regional perspective, the United States and Europe remain firmly in focus. The United States continues to be the primary engine of growth and innovation, supported by a resilient domestic economy and robust consumer spending. European equities, by contrast, offer structurally more attractive valuations due to their lower price levels. However, they have traditionally tended to be more sensitive to global trade barriers and have displayed considerably less momentum in the high-growth technology sector.

Equities and commodities**Gold remains a safe haven**

The developments in the commodity markets are having a noticeable impact on the equity markets. Persistently high and volatile crude oil prices are weighing down transportation and production costs across a broad range of industries. At the same time, however, they are providing support for the traditional energy sector, resulting in a more pronounced divergence in the sector's performance. In addition, the high price of gold reflects the greater demand among investors for safe-haven assets. Gold can be used as a classic hedge during periods of high geopolitical tension. This suggests that significant systemic concerns are lurking below the surface of stable equity indices, which thus limits the sustainability of valuation-driven market gains.

**Inflation remains a persistent threat**

The positive side is countered by significant structural risk factors. The risk of resurgent or persistently high inflation continues to weigh down valuation multiples, as higher interest rates reduce the present value of future earnings. In addition, ongoing geopolitical tensions between Iran and the United States are having a material impact on market sentiment. Conflicts in the Middle East entail a persistent risk of abrupt oil and gas supply shocks, as well as severe disruptions to global trade routes. These risks act as a drag on market sentiment and form a crucial, unpredictable counterweight to today's strong corporate earnings. By the end of the month, diplomatic hopes in the Middle East and prospects of a deal had faded significantly. The blockade of the Strait of Hormuz has heightened market fears of a sustained oil shock. This dampened investor risk appetite considerably in the last few days of the month.

Government bonds profitable again



by the dynamic interplay between monetary policy and macroeconomic data. However, the dominant macroeconomic issue is still the persistent risk of inflation.

Although general inflation has eased back from historical highs in many places, core inflation is proving to be extremely stubborn. A number of structural factors, such as the decarbonisation of the economy, the reconfiguration of global supply chains and persistently strong wage pressure, are preventing a swift return to central banks' target levels. This sticky inflationary backdrop is also limiting the scope for rapid-fire interest rate cuts and keeping volatility high at the long end of the yield curve.

Interest rates set to remain higher

This sustained economic strength is reducing the risk of major, widespread credit defaults within the system. At the same time, it is reducing pressure on central banks to ease monetary policy quickly and aggressively. For the bond market, this indicates that a deep economic downturn is highly unlikely, providing structural support at the lower end of the market. However, interest rates are set to remain higher for longer.

Fixed Income**Commodity prices amplify inflationary pressure**

Developments in key global commodity markets have been significantly reinforcing this interest rate dynamic. Fluctuating crude oil prices have been filtering through directly into transportation and energy costs, affecting consumer prices and pushing up inflation expectations among market participants. This in turn forces fixed-income markets to demand an additional inflation risk premium. At the same time, the continued strength of gold as a zero-yield asset suggests that, despite attractive nominal bond yields, investors are still seeking to protect real purchasing power. A high gold price is often a signal of scepticism regarding the long-term stability of fiat currencies in a persistent inflationary environment, resulting in upward pressure on sovereign bond yields.

**Government bonds finally returning a yield again**

From a monetary policy perspective, further interest rate hikes by both the US Fed and the European Central Bank (ECB) have now been largely priced in. Markets have come to accept that the era of ultra-loose monetary policy and negative interest rates is over. Central banks have been consistently signalling a strategy of keeping rates higher for longer in order to stamp out inflationary pressures sustainably and definitively. This restrictive stance is clearly reflected in government bond markets, with higher US Treasury yields and rising German Bund yields dominating the picture. After years of near-zero interest rates, ten-year government bonds are now trading at levels that finally make these fixed-income instruments genuinely attractive again as high-yielding options on the capital market. Government bonds are again providing a solid foundation and serving as a reliable benchmark across the entire interest rate spectrum.

Fixed Income**Preference for high-quality corporate bonds**

The picture in the corporates segment is significantly more nuanced and cautious. Credit spreads, i.e. the risk premiums on corporate bonds compared to risk-free government bonds, are historically tight at the moment. The market is therefore rewarding companies with very solid balance sheets and stable cash flows, buoyed by the resilient macroeconomic environment. Given these narrow spreads, however, the risk-reward profile for lower-quality credit has become asymmetrically skewed. A sudden widening of spreads in the event of even a modest economic slowdown appears significantly more likely than further tightening. As a result, market positioning shows a clear preference for high-quality issuers within the investment-grade corporates segment, whereas riskier segments such as high-yield bonds are increasingly being viewed more critically.

**Conclusion for investors**

In summary, the bond market is offering an attractive ongoing yield again, thanks to higher nominal yields for both government bonds and high-quality corporate bonds. However, the potential for significant price gains on the back of falling yields will be constrained for the foreseeable future by latent inflation risks, commodity price dynamics and the restrictive stance of the Fed and ECB. The overall market environment is still dominated by investors' efforts to lock in current yield-to-maturity levels, while cautious, risk-conscious duration management remains a key focus.

Scenarios for Europe's future energy system



Three scenarios illustrate how Europe's energy system could become fully electrified by 2050, as well as more competitive and resilient. They also show what level of investment will be required to achieve this.

A wide-scale, collective expansion of the grid will be needed if Europe is to be reliably supplied with affordable, clean energy by 2050. Various initiatives are already providing detailed guidance on where, how and when investments will have to be made by 2050 in order to optimise this grid expansion. The European energy system is facing a profound transformation – from mostly imported oil and gas towards locally produced electricity. This change is heightened by the global geopolitical and economic crises, which place additional demands on policymakers and industry players. As a result, key initiatives such as the EU Clean Industrial Deal, the European Grid Package and the REPowerEU roadmap have emerged. Ensuring the competitiveness of European industry, affordable energy prices and systemic resilience are key focuses.

Three possible scenarios for Europe's future energy system illustrate how the infrastructure of tomorrow could be designed in practical terms. In any case, it will be crucial to sustainably strengthen Europe's competitiveness and energy sovereignty while at the same time providing an affordable, resilient and zero-carbon energy supply.

Alternative investments

Each of the three paths is defined by specific assumptions about political ambitions, investment decisions and structural framework conditions. The interplay between these variables gives rise to different outcomes, which will significantly affect the continent's energy future.

The consequences of this lack of modernisation are borne by European households and industry

Scenario 1:**Competitive and resilient (balanced transition)**

Under this scenario, Europe follows a balanced and pragmatic transition pathway. Priority areas include the systematic, direct electrification of heating and cooling systems for buildings using heat pumps, and also of road traffic through the use of electric vehicles. At the same time, energy-intensive industries are decarbonised through the targeted use of biomass and synthetic e-fuels. These molecular alternatives are preferred where they are economically viable and direct electrification is not technically feasible. Dependence on energy imports is drastically reduced by the massive expansion of regional wind and solar power, as well as new, smart distribution networks. This means that an energy transition can be achieved in the vast majority of sectors – with the exception of those niche areas that have high CO₂ avoidance costs and require regulatory transition periods.

Scenario 2:**Delayed transformation (slow transition)**

This scenario is characterised by the limited scale of structural change as well as political inertia. Progress on the energy transition stalls, as both public and private investments slow down dramatically due to regulatory uncertainty; the status quo is largely maintained. The low level of direct domestic and industrial electrification means that the European energy system remains fatally dependent on fossil fuels and volatile energy imports. The consequences of this lack of modernisation are borne by European households and industry, which are permanently confronted with high energy prices, CO₂ certificate costs and significant locational disadvantages in global competition.

Scenario 3:**Absolute decarbonisation (net-zero emissions)**

Europe focuses broadly on green hydrogen, large storage facilities and a closely interconnected European supergrid. As a result, the continent becomes fully energy-independent by 2050 and achieves 100% climate neutrality.

Alternative investments

What conclusions can Switzerland draw?

Switzerland has to coordinate its energy policy closely with the expansion of the European grid in order to prevent prohibitively expensive locational disadvantages. A successful outcome of the pragmatic scenario 1 would secure a stable electricity supply for the country through the expansion of smart distribution grids, thereby supporting heat pumps and electric mobility. By contrast, a delayed transformation in Europe (scenario 2) would also place a significant burden on the Swiss economy, driven by persistently high import prices and continued dependence on fossil fuels. Under the ambitious net-zero scenario 3, direct Swiss participation in European hydrogen and supergrid infrastructure would be essential in order to ensure long-term viability. As a central electricity hub in Europe, Switzerland is under pressure to conclude agreements with the EU linking the two sides closely together, despite the political obstacles.

Source

- CIP Copenhagen Infrastructure Partners: Charging Ahead, A Roadmap for Electrified, Competitive and Resilient European Energy System, 2026

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Indicative interest rates* as of June 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	May 29 th	% May	% YTD	Web
Tellco Classic Aktien Alkimia ESG	CH05444465831	V	178,44	-0,71%	11,78%	
	CH05444465823	R	167,92	-0,73%	11,63%	
	CH1116144333	P	130,68	-0,71%	11,76%	

Tellco Classic Strategy

	ISIN	Tranche	May 29 th	% May	% YTD	Web
Tellco Classic Strategy 10	CH0450199770	V	126,53	0,29%	0,56%	Mehr Infos
	CH05444445619	R*	-	-	-	
Tellco Classic Strategy 25	CH0450201261	V	141,14	0,68%	1,61%	Mehr Infos
	CH05444465658	R	-	-	-	
Tellco Classic Strategy 45	CH0450201329	V	165,65	1,71%	2,81%	Mehr Infos
	CH05444465757	R*	-	-	-	
Tellco Classic Strategy 100	CH0450382632	V	161,23	3,71%	5,88%	Mehr Infos
	CH05444465773	R	93,80	3,72%	5,87%	

* 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).

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

Numbers

Numbers

Countries / GDP

	2026	2027	2028
USA	2,10%	2,00%	2,19%
Euro Area	0,80%	1,29%	1,45%
Japan	0,69%	0,80%	1,00%
China	4,60%	4,40%	4,40%
Switzerland	1,10%	1,40%	1,40%

Countries / CPI

	2026	2027	2028
USA	3,50%	2,40%	2,30%
Euro Area	2,90%	2,10%	2,00%
Japan	2,10%	2,10%	1,90%
China	1,05%	1,10%	1,50%
Switzerland	0,60%	0,70%	0,80%

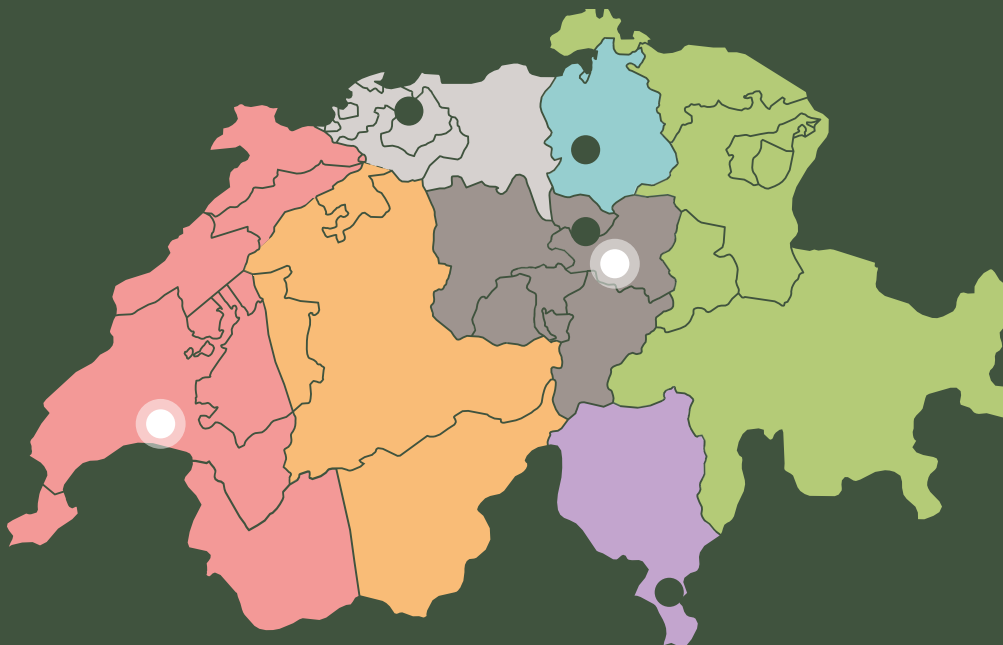
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