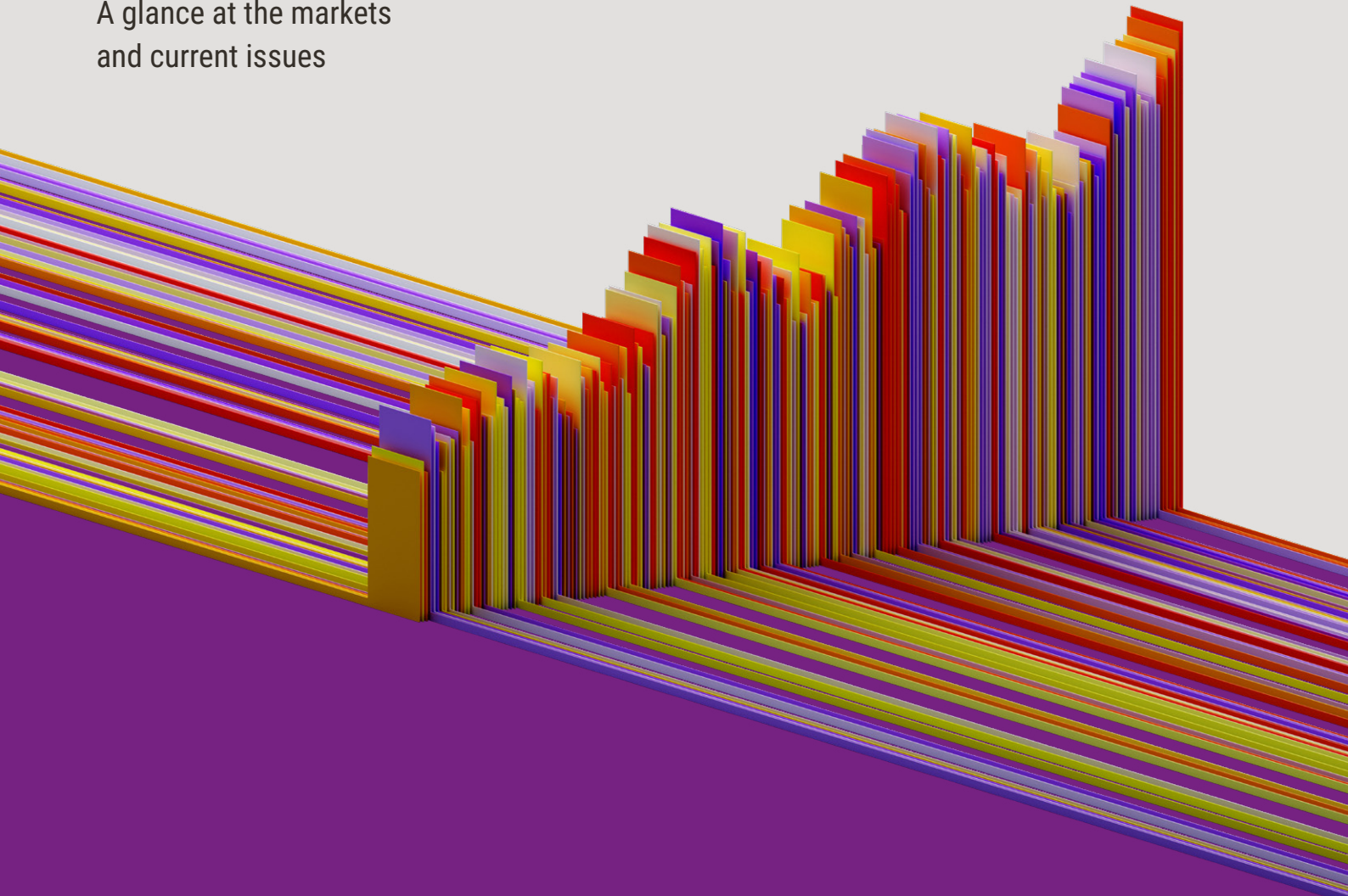


Market Overview 05 | 2025

A glance at the markets
and current issues



Equities

- A rally follows the tariff shock
- Subdued results in corporate reports
- The gold price remains at a high level

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Fixed Income

- A gloomier outlook for the USA
- Switzerland is back at zero inflation
- Tariffs: 90 days of peace between the USA and China

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Alternative investments

- No delivery today
- Something new is coming next month

Equities

A remarkable recovery after the tariff shock

The technical situation in the equity markets is currently stable for the major indices, which have recovered remarkably well since the tariff shock in April.

Europe: new highs for equity indices

To those following the stock markets since “Liberation Day” – the day US President Trump announced his tariff policy – on 2 April 2025, the developments are astonishing. The equity markets have recovered well across the board. The EURO STOXX 50 and DAX had temporarily surpassed their previous highs or at least (in the case of the S&P 500) made a move to catch up. The SPI index has risen by almost 10% since the start of the year, while the DAX has increased by 20.5%. The US markets, on the other hand, are clearly lagging behind. The S&P 500 is currently down 1.5% and the Nasdaq 100 down 0.5% year-on-year. The US dollar continues to weaken, with European – especially German – stocks performing significantly better than the US market (as of 26 May 2025).

USA: tariff policy will increase consumer prices

Meanwhile, the US population is also feeling the impact of the tariff policy. University of Michigan inflation expectations have risen significantly. The fact that Walmart, the country's largest supermarket chain, plans to start raising prices due to the tariff policy does not bode well for future consumption. Tariffs are nothing more than a form of value-added tax incurred at the border but ultimately paid by the end consumers. The tariffs on imported goods are not expected to be passed on to consumer goods prices until the end of May, according to statements from Walmart, which means they will only be reflected in the actual consumer price index in June or July.

A subdued corporate reporting season

The reporting season is coming to an end, with more than 60% of the companies included in the European STOXX Europe 600 index already having published their reports. An average of approximately 60% of companies have exceeded analysts' estimates. Compared to the usual odds of positive surprises, which are often above 70%, this is not very convincing. The quarterly reports of the S&P 500 are almost all complete. Over 75% exceeded expectations, with significant differences between the sectors. While the outlook is



becoming more subdued, revision momentum remains weak; analysts are consistently revising more earnings estimates downward than they are raising them.

Gold prices remain high

The bull market for gold has developed strong momentum, and the key factors indicate that this level could be maintained for the time being. The recent highs were driven by strong demand (both physical and through exchange-traded funds) from a number of investors. From central banks that are increasing their gold reserves, through institutions seeking diversification, down to retail investors looking for a safe haven – the importance of gold continues to grow under the current macroeconomic conditions. Exchange-traded gold funds recorded the highest quarterly inflows in three years in the first quarter of 2025 – a sign of an upturn in investor sentiment regarding the gold sector. The outlook for precious metal mine operators also seems to be increasingly positive. The margins of the mining companies are currently expanding, as costs remain largely under control. The balance sheets are solid, and buybacks are increasing. Compared to the broader equity markets, precious metal mines continue to be traded at a very low level.



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

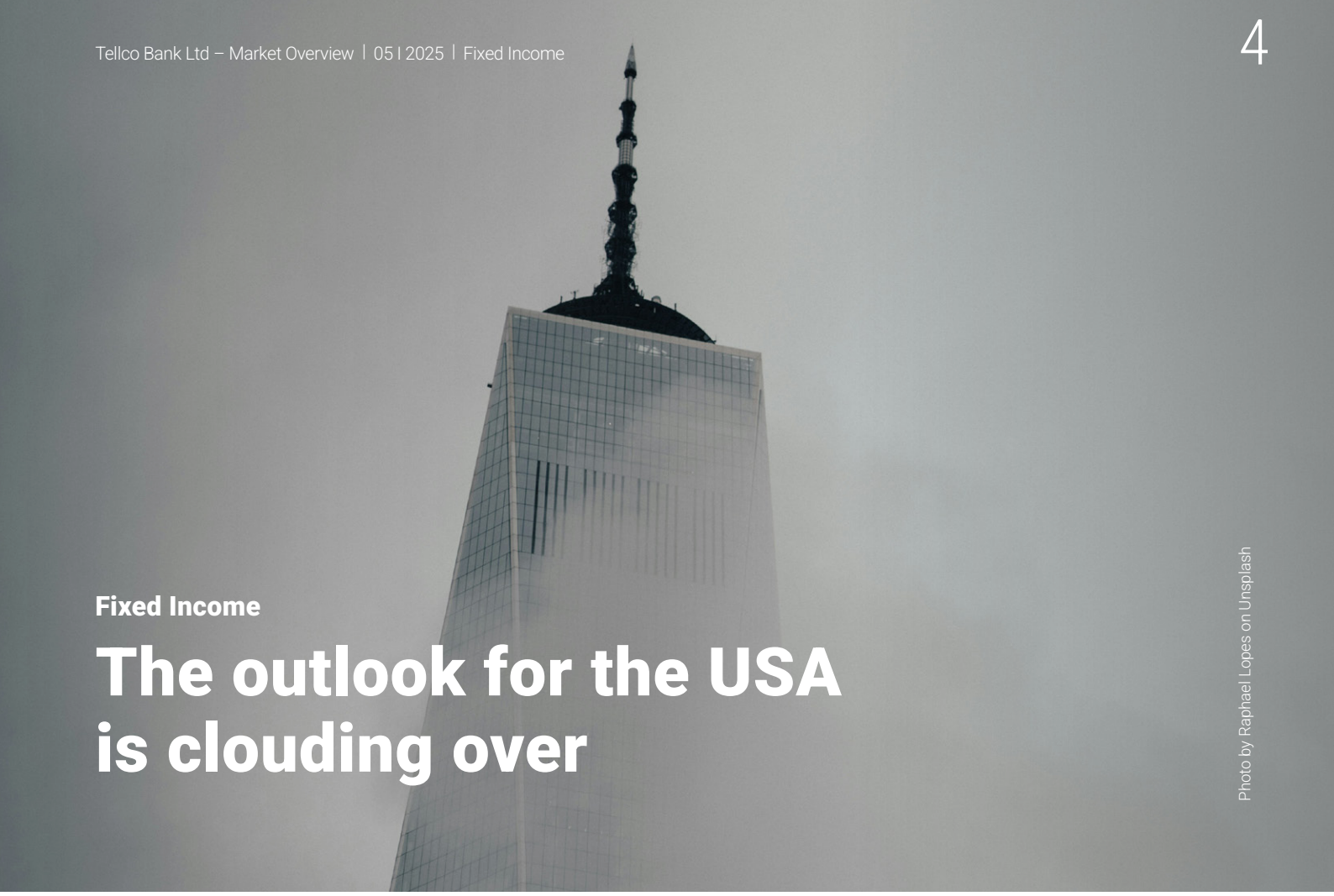
kredite@tellco.ch
t 058 442 41 01

Indicative interest rates* as of June 2025

Fixed-rate mortgage	3 Years	1,00 %
	5 Years	1,00 %
	7 Years	1,15 %
	10 Years	1,35 %
SARON mortgage**		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 outlook for the USA is clouding over

Photo by Raphael Lopes on Unsplash

The yields of two and ten-year US Treasuries rose during May, as did the German government bonds that serve as a benchmark for the eurozone, given that bond yields usually move inversely to stock prices.

The USA has also been downgraded by Moody's

The Chinese central bank decided to cut interest rates and implement other lending measures to stimulate export demand. By contrast, the US Fed is keeping key interest rates unchanged. The USA's credit rating has also been downgraded. The rating agency Moody's has downgraded the credit rating for the first time since 1919 from "Aaa" to "Aa1" – due to the country's increasing debt and rising costs to service its debt. According to Moody's, both the recent consecutive US governments and Congress failed to take action to reverse the trend of ever-increasing budget deficits and rising interest costs. Moody's also warned that debt could reach up to 134% of gross domestic product by 2035. The agency is thus following the other major rating agencies, all of which have downgraded the USA. Standard & Poor's downgraded the USA back in 2011, Fitch in August 2023. This is likely to complicate Donald Trump's efforts to lower taxes. Republicans in the House of Representatives had previously blocked Trump's tax bill, as they believed it would not contribute enough to reducing spending.

Consumer sentiment has continued to decline

The results of a survey by the University of Michigan on US consumer confidence also sparked discussion. It forecast a further decline in US consumer sentiment in May, along with increased inflation expectations. The consumer sentiment index fell to 50.8 points (from 52.2 in April), the lowest level since June 2022. The survey indicated, among other things, a significant decline in sentiment among Republicans (down 7 points); Trump's

voter base seems increasingly concerned about the impact of his tariffs. Consumer inflation expectations for the next 12 months jumped to 7.3%, the highest level since November 1981. The survey was conducted between 22 April and 13 May, therefore ending two days after the USA and China negotiated a temporary halt in the trade war.

OPEC+ plans to increase oil production

The OPEC+ group is planning an increase in oil production and could bring 2.2 million additional barrels per day to the market by November. OPEC+ had already surprised the markets back in April, when it announced an unexpectedly sharp increase in the oil production rate for May, putting pressure on the oil price. And the pressure continues to rise; Saudi Arabia, which is regarded as the leader of the group, is apparently no longer willing to tolerate persistent over-production by certain OPEC+ members (e.g. Iraq and Kazakhstan). Saudi Arabia itself has been trying for years to bring the market into balance through production cuts. If the reports are correct, US President Donald Trump is likely to be particularly pleased. He has repeatedly advocated for higher OPEC+ production (and thus lower prices) – and paid a visit to Saudi Arabia in mid-May.

The Swiss National Bank (SNB) reacted decisively, lowering the key interest rate by a total of 150 basis points to 0.25% in five consecutive steps.

Switzerland is back at zero inflation

Inflation has practically disappeared in Switzerland. Official data shows that consumer prices in April were at exactly the same level as in the previous year. This means that inflation is at zero for the first time since 2019, representing a significant decrease from 0.3% in March. The main reason for this is the strong Swiss franc. Its appreciation against all major currencies makes imported goods and raw materials cheaper, thereby pulling the overall price level down. Upon closer examination, it is primarily travel-related services that contribute to the weakening, with hotel rooms and holiday accommodation becoming noticeably cheaper. Core inflation, which excludes volatile components such as energy and fresh and seasonal foods, fell further than expected to 0.6%. Even slight price increases in clothing and vegetables failed to offset the broader deflationary effect. However, weak price momentum is not a new phenomenon for Switzerland. The Swiss National Bank (SNB) already expects that inflation will amount to an average of just 0.4% in 2025 – and warns that it could even fall into negative territory in some months. The economy is also providing little tailwind; industrial production recently

recorded its largest drop in four years, triggered by the dual burden of a stronger currency and ongoing trade conflicts. The Swiss National Bank (SNB) reacted decisively, lowering the key interest rate by a total of 150 basis points to 0.25% in five consecutive steps. On the financial markets, a further cut to 0% at the meeting on 19 June is already priced in as almost certain – even though central bankers may still wait for additional inflation data and more clarity regarding the trade conflicts.

China is attempting to stimulate the economy

China's decision-makers presented a package of interest rate cuts and lower minimum reserve ratios throughout May, aimed at injecting fresh money into the struggling economy and calming the nerves strained by the tariff dispute with Washington. The People's Bank of China (PBOC) cut the seven-day reverse repo rate by 0.1 percentage points to 1.4% – a move that will also reduce the important loan prime rate. At the same time, banks are allowed to hold less cash in their vaults. The minimum reserve requirement was

lowered by 0.5%, thereby immediately releasing around CNY 1 trillion (approximately USD 138 billion) for new loans. In addition to the broad-based measures, the regulators also presented three sector-specific initiatives. A “credit window” of CNY 500 billion (USD 69 billion) is intended to enable extremely favourable financing in sectors that Beijing classifies as strategic: semiconductors, renewable technologies, urban development, consumer services and care facilities. The government justifies this with fragile global supply chains and US tariffs impacting Chinese exporters; some factories are already reducing working hours and staff. Analysts warn, however, that cheaper loans alone will barely stimulate demand – further cuts in interest rates or reserves could follow if growth remains weak.

The Fed keeps interest rates unchanged

Meanwhile, the US Federal Reserve kept key interest rates unchanged for the third time in a row and pointed to increasing uncertainty related to trade conflicts and possible inflation. Although the economy remains stable, officials warned that new tariffs could burden both the labour market and price stability. Despite political pressure, the Fed did not indicate any urgency to adjust its monetary policy, but rather plans to wait for clearer signs before acting.

Tariffs: 90 days of peace between the USA and China

After weeks of uncertainty and escalating rhetoric, US and Chinese government officials agreed during their Geneva talks to temporarily reduce mutual import tariffs. For the next 90 days, the USA plans to reduce its tariffs on Chinese goods from 145% to “just” 30%. Additionally, the USA lowered the de minimis tariff on low-value packages from 120% to 54% as of 14 May. In exchange, China promised to reduce its 125% tariffs on American imports to 10%. The two countries released a joint statement emphasising the importance of bilateral trade relations. According to US Treasury Secretary Scott Bessent, both sides have an interest in balanced trade, and the USA “will continue moving towards that”.

This led to a broad-based risk-on rally and the birth of the TACO acronym: Trump Always Chickens Out.



Tellco-Products

Tellco Classic

	ISIN	Tranche	May 31st	% May	% YTD	Web
Tellco Classic II Global Equities**	CH0443816621	V	240.35	5.91	-4.97	More Infos
Tellco Classic Swiss Equities ESG	CH0421075018	V	199.65	2.90	8.34	More Infos
	CH0421074961	R	115.46	2.86	8.14	
Tellco Classic Best Idea ESG	CH0442770316	V	106.54	6.22	-6.35	More Infos
Tellco Classic Best ESG	CH0442615701	R	114.98	6.23	-6.34	More Infos
Tellco Classic Sustainable Heritage ESG	CH0583763542	V	72.35	5.24	-7.04	
	CH0583763534	R	63.85	5.21	-7.13	More Infos
Tellco Classic Bonds CHF ESG	CH0421043669	V	106.79	0.48	0.08	
	CH0421043594	R*				More Infos
Tellco Classic Bonds in foreign currency ESG	CH0421043768	V	84.64	-0.44	-1.39	More Infos
	CH0421043743	R*				
Tellco Classic Bonds in foreign currency hedged ESG	CH0469074956	V	89.92	-0.53	-0.21	More Infos
	CH0469074865	R	80.96	-0.52	-0.20	
Tellco Classic Inflation Protection ESG	CH1101347354	V	92.72	-0.53	-1.16	More Infos
	CH1101347347	R*				
Tellco Classic Aktien Alkimia ESG	CH0544465831	V	148.30	5.51	4.22	More Infos
	CH0544465823	R	139.93	5.48	4.08	
	CH1116144333	P	108.65	5.51	4.21	

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

Tellco Classic Strategy

	ISIN	Tranche	May 31st	% May	% YTD	Web
Tellco Classic Strategy 10	CH0450199770	V	124.35	0.90	0.60	More Infos
	CH0544445619	R*				
Tellco Classic Strategy 25	CH0450201261	V	135.13	1.47	0.91	More Infos
	CH0544465658	R				
Tellco Classic Strategy 45	CH0450201329	V	154.37	2.33	1.56	More Infos
	CH0544465757	R*				
Tellco Classic Strategy 100	CH0450382632	V	140.20	4.14	3.13	More Infos
	CH0544465773	R	87.88	4.15	3.15	

* 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

	May 31st	% May	% YTD
MSCI AC World	3,917.31	5.99	4.91
SMI	12,227.08	0.91	5.40
SPI	346.59	2.23	8.53
DAX	23,997.48	6.67	20.53
EuroStoxx 50	5,366.59	4.00	9.61
EuroStoxx 600 Price Index	548.67	4.02	8.09
FTSE 100	8,772.38	3.27	7.33
DOW Transportation	14,686.30	7.67	-7.61
S&P500	5,911.69	6.15	0.51
NASDAQ 100	21,340.99	9.04	1.56
Shenzen-Shanghai CSI300	3,840.23	1.85	-2.41
Emerging Market	1,157.34	4.00	7.61
Nikkei	37,965.10	5.33	-4.84
Volatilität	18.57	-24.82	7.03

Commodities

	May 31st	% May	% YTD
WTI-CrudeOil	60.79	4.43	-15.24
Brent Oil	63.90	1.24	-14.39
ThomReuters /JefferiesCRB	290.43	0.57	-2.12
Gold	3,0289.25	0.02	25.33

LIBOR

	May 31st	% May	% YTD
Saron 6M CHF	-0.16	-138.46	-152.61
Euribor 6M	2.07	-2.82	-19.43
SOFR 6M USD	4.27	4.05	0.37

Alternative Investments

	May 31st	% May	% YTD
S&P Leveraged Loan TR Index	4,141.94	1.55	1.99
ILS Advisers Index	240.26	0.51	1.02
Swiss RE Cat Bond TR Index	527.47	0.61	1.87

Numbers

Currencies

	May 31st	% May	% YTD
EUR/USD	1.1347	0.17	9.59
USD/CHF	0.8224	-0.41	-9.37
USD/JPY	144.0200	0.66	-8.38
EUR/CHF	0.9333	-0.29	-0.73
GBP/CHF	1.1069	0.51	-2.53
CAD/CHF	0.5990	0.07	-5.07
AUD/CHF	0.5287	-0.08	-5.84
JPY/CHF	0.5710	-1.06	-0.90
BRL/CHF	0.1440	-1.37	-2.04
CNY/CHF	0.1143	0.53	-8.12
INR/CHF	0.0096	-1.47	-9.10
RUB/CHF	0.0106	5.46	32.54
TRY/CHF	0.0210	-2.01	-18.00
ZAR/CHF	0.0457	2.93	-4.99

Countries / GDP

	2025	2026	2027
USA	1.38%	1.38%	1.59%
Euro Area	0.80%	0.80%	1.10%
Japan	0.80%	0.80%	0.80%
China	4.50%	4.50%	4.10%
Schweiz	1.10%	1.10%	1.40%

Countries / CPI

	2025	2026	2027
USA	3.00 %	2.80 %	2.36 %
Euro Zone	2.10 %	1.90 %	2.02 %
Japan	2.80 %	1.80 %	1.90 %
China	0.30 %	1.00 %	1.50 %
Schweiz	0.40 %	0.70 %	1.00 %

Numbers

Rates

	May 31st	in bps May	in bps YTD
10j. EUR (Swap)	2.50	7.16	13.81
10j. UK (Swap)	4.13	20.15	5.87
10j. CHF (Swap)	0.36	-3.02	-2.60

Bonds

	May 31st	in bps May	in bps YTD
US Govt 10Y	4.40	24.04	-16.87
GER Govt 10Y	2.50	5.65	13.46
Swiss Govt 10Y	0.23	-3.74	-3.54
UK Govt 10Y	4.65	20.57	8.04
IT Govt 10Y	3.48	-8.45	-4.18
ESP Govt 10Y	3.09	-2.16	3.29

Generic iTRAXX

	May 31st	in bps May	in bps YTD
Europe Main	57.78	-10.45	0.13
Finl Sen	61.82	-11.36	-1.97
Finl Sub	107.14	-21.37	-4.97
X-Over	300.05	-50.19	-13.01

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