


TRAMONDO
INVESTMENT PARTNERS

# MARKET COMPASS

A MONTHLY BRIEFING ON THE STATE OF THE FINANCIAL MARKETS AND OUR TACTICAL POSITIONING.

## NOVEMBER 2025

### TACTICAL POSITIONING

| | | | | | |
|---|---|---|---|---|---|
| Cash: | ○ | ● | ○ | ○ | ○ |
| Bonds: | ○ | ○ | ○ | ● | ○ |
| Equities: | ○ | ○ | ● | ○ | ○ |
| Alt. Investments: | ○ | ○ | ● | ○ | ○ |

We are happy to explain our detailed tactical positioning to you in a conversation. Please contact us.

### SPOTTED

**Volatility in the gold market** – What looked like a continuation of the strong trend in the first half of the month reversed into month-end: from the top, gold corrected by about 8.1%. Against the backdrop of an impressive YTD return of 45.9%, the pause is understandable. For a "safe haven," however, such swings are unusual - a sign that short-term speculation may have had a greater impact on price formation recently.

## MARKET OVERVIEW:

### EARNINGS FIREWORKS IN THE VALLEY, A TRUCE - FOR NOW

**Silicon Valley shines** – The highly anticipated quarterly results of the major tech companies have once again cemented Silicon Valley's leadership. Amazon surged by 10% on strong cloud business numbers: the unit's revenue clearly beat expectations, alleviating recent concerns about market-share losses to Microsoft, Alphabet, and Oracle. Apple is guiding for the best holiday quarter in its history: thanks to strong iPhone 17 demand, the company expects 10-12% revenue growth after having barely grown since 2022. Apple has ended the reporting period about 6.2% higher, with the recent thaw in US–China trade relations likely lending support. Meta Platforms, by contrast, lost ground. Once again, CEO Mark Zuckerberg startled investors with massive AI investment plans that raised eyebrows on Wall Street. Combined with a disappointing Q4 outlook, investors sent Meta shares into a tailspin (-11.7% in October). Alphabet and Microsoft, meanwhile, posted results broadly in line with analyst expectations. In aggregate, the tech-heavy Nasdaq 100 has advanced by 4.8% in October and the S&P 500 has gained 2.3%. Europe could not quite keep pace: Germany's DAX added 0.3%, Switzerland's SPI 1.4%, while the EuroStoxx 50 posted gains of 2.4%.

**Trump and Xi signal a truce** – US President Donald Trump and China's President Xi Jinping achieved a temporary easing of trade tensions at their first meeting since 2019 on the sidelines of the APEC summit. Both sides agreed to cut US tariffs on Chinese goods from 57% to 47%, including halving the penalty tariff on precursors to the painkiller fentanyl to 10%. In return, China plans to purchase large quantities of US soybeans, maintain exports of "rare earths," and crack down more forcefully on the illegal fentanyl trade. Sensitive topics such as exports of US semiconductor chips or the Taiwan question were not addressed, according to Trump. It remains unclear how durable this understanding will be: both economies continue to signal toughness in their geoeconomic rivalry, suggesting the détente should be seen as a fragile pause. Markets, however, have taken short-term comfort - with safe-haven gold in particular coming under pressure. The metal lost around 2.7% in the last week of the reporting period and repeatedly tested its key support at USD4'000.

**Diverging central banks** – As widely anticipated by market participants, the US Federal Reserve (Fed) cut its policy rate by 0.25% in October. At the press conference, Chair Powell cautioned that another rate cut in December is by no means set in stone. He argued that the ongoing "government shutdown"

## SOON IN FOCUS

**Seasonality** – For the US equity market S&P 500, November is, on average, the strongest month of the year with an average return of 1.9% - followed by December and April at 1.4% each. Given a (so far) strong Q3 2025 earnings season, the odds currently look relatively good that 2025 will not be a statistical outlier in this regard.

is increasingly depriving the Fed of timely data needed to assess the monetary backdrop - requiring the central bank to tap the brakes in the short term. The remarks dampened risk sentiment somewhat but gave the US dollar a boost. Across the Atlantic, the European Central Bank (ECB) has kept policy rates unchanged. In light of extensive fiscal measures enacted in recent quarters - led by Germany - the ECB President clearly prefers a cautious approach for now. A similar tone prevails in Japan. The Bank of Japan (BoJ) last raised policy rates in January and has since acted extremely cautiously on further normalization, despite repeated calls from US Treasury Secretary Bessent to abandon its low-rate regime - in the interest of financial-market stability.

# DID YOU KNOW THAT...

## ...US EQUITY MARKETS HAVE LAGGED MANY OF THEIR PEERS SINCE DONALD TRUMP'S RE-ELECTION?




SOURCE: BLOOMBERG

"Make America Great Again" - a slogan originally coined by Ronald Reagan during his 1980 presidential campaign and later a hallmark of Donald Trump's "America First" agenda - epitomizes the notion of "US exceptionalism." In a recent post on his social-media platform Truth Social, President Trump stated that US equity markets are "stronger than ever" - attributing this to the tariffs he has imposed since returning to office earlier this year.

WHILE LEADING US INDICES HAVE REACHED NEW RECORD HIGHS SINCE DONALD TRUMP'S RE-ELECTION, THE UNITED STATES NO LONGER DOMINATES GLOBAL EQUITY MARKETS AS IT ONCE DID.

While leading US indices such as the S&P 500 and the Nasdaq have indeed set a series of new record highs during his renewed presidency, the United States no longer so clearly dominates global equity-market performance. Markets in Asia and parts of Europe are increasingly taking the lead. Over the year since Donald Trump's re-election, the S&P 500 has gained 19.7%, while the Nasdaq 100 has returned 29.5%. Excluding technology, however, US equity performance looks far more subdued - the equal-weighted S&P 500 has advanced by only 6.4% over the same period.

By contrast, several Asian markets have posted pronounced outperformance: South Korea's KOSPI has risen by 58.7%, Japan's Nikkei by 36.2%, Vietnam's Ho Chi Minh Index by 31.7%, and Hong Kong's Hang Seng Index by 26.0%. It has been less rewarding for domestic Swiss investors: the Swiss Performance Index has disappointed with a gain of only 7.2%, making it one of the weaker flagship indices.

This development shows that the old market adage - “Invest in US stocks to benefit from global growth” - is losing validity. With market leadership shifting and both political and valuation headwinds in the United States, regional diversification in equities is not only sensible; it can open up additional return opportunities or at least reduce risk. At Tramondo, we address these risks by diversifying portfolios broadly across regions and sectors to remain resilient in a changing market environment.

## MARKET OUTLOOK

About a year ago, Donald Trump was elected US president - since then, financial markets have experienced a veritable rollercoaster ride. Hardly anyone - candidly, not even we - would have bet on US equities after the tariff shock on the so called “Liberation Day” in April. And yet, Corporate America has held firm and demonstrated exceptional resilience - further evidence of the outstanding quality of many Wall Street companies, led by Silicon Valley.

We believe this quality will likely be in demand over the final two months of the 2025 investment year. Accordingly, we currently see no reason to change our neutral stance on global equities - we continue to view the underlying risk/reward as balanced. As in previous months, the market is likely to remain highly selective, with quality companies with strong cash flows taking the lead. At a regional level, the United States remains our first choice, followed by select Asian markets that should benefit from political tailwinds (Japan) or structural supply chain shifts (Vietnam). Europe remains a show me story that could materialize in the coming investment year - in the short term, however, we see no immediate need to increase our allocation to the region.

AS IN PREVIOUS MONTHS, THE MARKET IS LIKELY TO REMAIN HIGHLY SELECTIVE, WITH QUALITY COMPANIES BOASTING STRONG CASH FLOWS TAKING THE LEAD.

Away from equities, we remain overweight fixed income - with a clear preference for investment grade issuers in USD and EUR. An environment of moderate growth deceleration and easing rate pressure should continue to support higher quality issuers in the coming months. We remain underweight high yield given its asymmetric risk/return profile.

Finally, a word on gold: we remain constructive despite the recent price weakness. In our view, the asset class is still significantly underrepresented - the average gold allocation in a balanced portfolio is only 1%. Looking ahead to 2026, continued Fed monetary easing, a weaker US dollar, and declining real yields clearly argue for the bull market to continue. Overall, we view the recent correction as a healthy consolidation within a structural bull market and see pullbacks to USD3’800/3’900 as attractive entry points for investors who have so far missed the 2025 rally.

## WHO WE ARE

Tramondo Investment Partners AG is a bank-independent Swiss asset manager based in Zug and licensed by the Swiss Financial Market Supervisory Authority (FINMA) to act as an asset manager of collective investment schemes. Tramondo is the investment arm of a multi-family office group that has been in existence for over 45 years.

CITYWIRE TOP 50 IAMs 2025

For the fifth time, the company was named one of the 50 most influential independent asset managers in Switzerland and Liechtenstein by the renowned media company Citywire.

ASV/ASWM
Allianz Schweizer Vermögensverwalter
Alliance of Swiss Wealth Managers

Tramondo is a member of the Alliance of Swiss Wealth Managers (ASV/ASWM), founded in 2016. The members of the Alliance currently represent more than 100 billion Swiss francs in client assets.

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