

TRAMONDO
INVESTMENT PARTNERS

MARKET COMPASS

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

JANUARY 2026

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

BYD overtakes Tesla – Tesla lost its title as the world's largest electric vehicle manufacturer in 2025 to its Chinese rival BYD, after deliveries fell by 9% to 1.64 million vehicles – the second consecutive decline. BYD sold 2.26 million electric cars (+28% year-on-year), driven in particular by a successful expansion in Europe.

MARKET OVERVIEW:

EQUITY MARKETS ENTER THE FINAL SPRINT

Fed cuts interest rates, while ECB remains on hold – At its final meeting in 2025, the Federal Reserve (Fed) cut its policy rate by the expected 0.25% to a target range of 3.5% to 3.75%. This latest policy rate reduction was justified by a continued cooling in the labour market, while at the same time the Fed signalled caution with regard to further easing steps. According to the central bank's official rate projections ("Fed Dot Plot"), only one additional rate cut is expected in the coming year, with just one further step envisaged for 2027 as well. Far greater attention, however, was drawn to the announcement that the Fed will purchase US Treasury Bills to ensure adequate liquidity in certain market segments. This new programme, referred to as Reserve Management Purchases, resembles earlier phases of monetary expansion such as in 2008 or 2020, which were each accompanied by a significant expansion of the Fed's balance sheet. In Europe, central bankers are acting far more cautiously. At its December meeting, the European Central Bank (ECB) left policy rates unchanged as expected, as inflation in the Eurozone remains stubbornly above the 2% target and monetary policy is now considered to be broadly neutral. Accordingly, a restrained approach by the ECB is also likely in 2026.

Swiss equity market enjoys a year-end rally – After a rather disappointing performance up to mid-year, the Swiss Performance Index (SPI) recovered markedly in the final quarter. Since the end of Q3 2025, the domestic equity index has gained around 8.8%, clearly outperforming the European indices EuroStoxx 50 (+4.7%) and the DAX (+2.6%), as well as Wall Street (Nasdaq +2.6% and S&P 500 +2.4%). The mid-November agreement in the trade dispute with the United States appears to have eased concerns and drawn investors back into equities. In addition, the agreement struck by US President Trump with the pharma industry in September made an important contribution to the renewed momentum of the Swiss market, which is heavily weighted towards healthcare, with around 35% of the index attributable to this sector. In Q4 2025, pharma heavyweights Roche (+26.3%) and Novartis (+9.5%) showed strong momentum, while also smaller companies such as BB Biotech (+24.6%) and Sandoz (+22.6%) delivered impressive gains.

Micron results reinforce the "AI trade" – Micron Technology, one of the leading manufacturers of memory chips for AI servers, significantly exceeded analysts' expectations with its quarterly results released shortly before Christmas, giving the share price a strong boost in December (+20.7%).

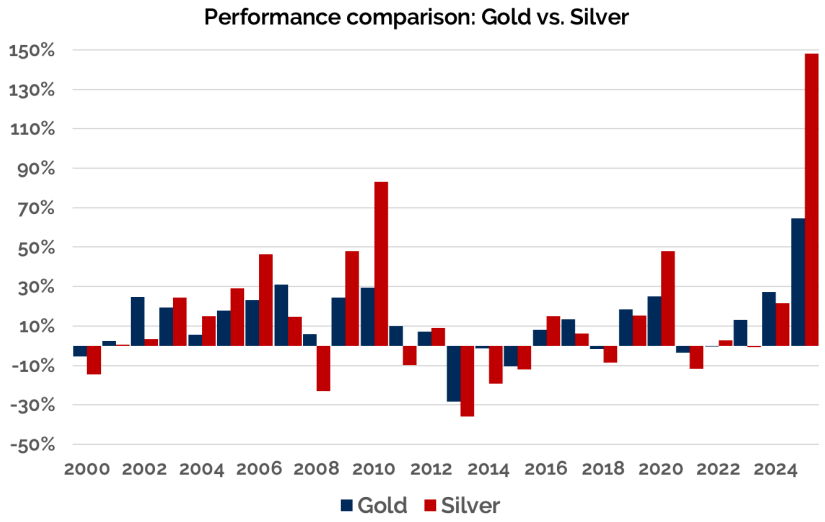
SOON IN FOCUS

Earnings Season – In the second week of January, the new year gets under way once again as Wall Street companies begin to report their Q4 2025 earnings. After analysts' expectations were comfortably exceeded in recent quarters, the results of leading AI companies in particular are likely to determine whether the US equity market can sustain its current momentum – or whether a correction may be on the horizon.

Management highlighted that the accelerated build-out of AI infrastructure is driving demand for memory chips well beyond current supply. In the company's view, this strong revenue momentum should extend through 2028, implying annual growth of roughly 40%. Following recent concerns about the sustainability of the "AI trade," the semiconductor sector broadly benefited from this more constructive news flow. Since the publication of Micron's results on 17 December, shares of Lam Research have risen by 19.4%, TSMC by 15.4%, ASML by 12.9%, and Nvidia – the sector's poster child – by 10.5%

DID YOU KNOW THAT...

...SILVER OUTPERFORMED GOLD BY MORE THAN 80% IN 2025?



SOURCE: BLOOMBERG

As we have discussed on several occasions – most recently in our Market Compass for 2026 – gold's recent performance has been remarkable. In 2025, gold gained around 65%, following an increase of around 27% in 2024. Among the most frequently cited drivers of this rally are substantial purchases by central banks, with the trend towards de-dollarization further reinforced by tariff-related uncertainties, growing concerns about the fiscal sustainability of the United States, and questions surrounding central bank independence.

SILVER DELIVERED A RETURN OF 148% IN 2025, MORE THAN DOUBLE GOLD'S GAIN OF 65% OVER THE SAME PERIOD.

While gold continues to be the dominant asset within the precious metals hierarchy from an investor's perspective, silver significantly outperformed gold in 2025. Specifically, silver delivered a return of 148%, more than double gold's gain of 65% over the same period. The forces behind silver's strong performance largely overlap with those supporting the rise in gold prices – in particular inflation hedging, concerns about currency debasement, and the already-mentioned de-dollarization trend.

Unlike gold, however, silver plays a dual role: it is both a precious metal and a critical industrial commodity. As one of the best electrical conductors, silver is widely used in applications such as switches, connectors, semiconductors, printed circuit boards and electric vehicles. With the continued expansion of electrification and renewable energy, structural demand for silver is therefore increasing. As a rule of thumb, around 50–60% of total silver demand comes from industrial applications.

Historically, periods in which silver outperformed gold in terms of total returns occurred in the late 1970s, the early 2000s, in the aftermath of the financial crisis, and again during the precious metals rally in 2020,

when silver's percentage gains exceeded those of gold over many shorter intervals. While strength in gold often lifts demand for silver as well, the long-term average of the gold-to-silver ratio – a measure of relative valuation – typically stands in the range of 60 to 70.

Going into 2026, this ratio stands at around 60, close to its long-term average. As outlined in our Market Compass for 2026, we remain constructive on gold in 2026, supported by ongoing concerns about the fiscal sustainability of the United States and a continued trend towards de-dollarization. We are equally constructive on silver, which is likely to continue benefiting from gold's tailwind, with additional support from robust industrial demand.

MARKET OUTLOOK

The new investment year begins against a complex yet constructive backdrop, underpinned by a cautious easing of US monetary policy and continued investment in artificial intelligence (AI). Overall, the risk–reward balance in equity markets remains broadly balanced. Given valuations that already reflect a degree of optimism – particularly in the United States – we expect earnings growth, rather than further valuation/multiple expansion, to be the main driver of equity market returns in 2026. Accordingly, the market is likely to remain highly selective in the months ahead, favouring companies with solid balance sheets, strong earnings power and reliable cash flow generation.

DISTINGUISHING BETWEEN SUSTAINABLE INNOVATION AND NARRATIVE-DRIVEN HYPE WILL BE A CRITICAL SUCCESS FACTOR IN 2026.

The AI theme is likely to remain the dominant market topic at the start of 2026. While we do not expect an abrupt end to the AI euphoria, we do see signs of excess in the more speculative segments of the ecosystem. Accordingly, distinguishing between sustainable innovation and narrative-driven hype will be a critical success factor in 2026. Alongside established AI beneficiaries, second-tier companies are increasingly coming into focus, including utilities, grid operators and manufacturers of semiconductors and infrastructure equipment, which are likely to benefit from bottlenecks in energy supply and production capacity.

From a regional perspective, the United States remains our preferred equity market, as earnings trends and structural growth drivers appear more robust than in other regions. In Asia, we see attractive opportunities in Japan and Vietnam, as well as – very selectively – in China. Europe, by contrast, remains a "show-me story": while supportive factors are in place, the region still needs to demonstrate its ability to deliver sustained margin and earnings growth.

In 2025, fixed income reaffirmed its role as a key source of income and diversification. We maintain a slight overweight to the asset class while adhering to a disciplined up-in-quality approach. Given the advanced stage of the credit cycle, we prefer USD and EUR investment-grade issuers, whereas high-yield bonds should only be added selectively.

Despite last year's strong rally, gold remains strategically attractive: structural demand from central banks, ongoing fiscal uncertainties and a fragile geopolitical environment argue in favour of a continued upward trend.

Overall, we expect moderate economic growth, structural stability and selective opportunities in 2026 – an environment that clearly favours quality, diversification and flexibility.

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
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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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