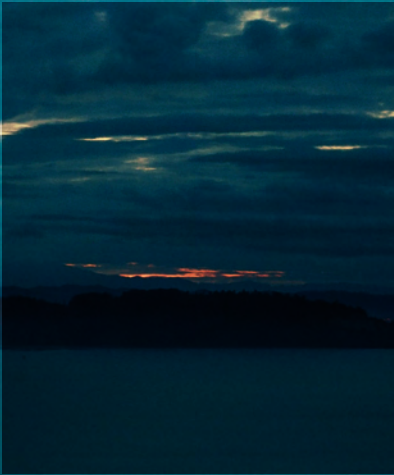




Outlook 2026 Wealth Management.

Foreword

Navigating a Complex Market Landscape.



2025 will go down as one of the most extraordinary years in recent financial history. Across virtually every asset class, records were broken, all against a backdrop of slowing economic growth and heightened global political uncertainty.

In the United States, growth has lost momentum. Weakening consumer spending and a softer labor market are coinciding with sticky inflation, creating a paradox largely traced to President Trump's new tariffs, the highest imposed since the 1930s. Yet despite these challenges, U.S. equity markets, led by the S&P 500, have continued to hit new highs, while gold has surged in parallel.

Such a dual rally is highly unusual. In the 1990s, in a comparable economic and monetary environment, gold prices fell by 25% even as the S&P 500 climbed 125%. Today they're moving in tandem. Since January 2023, the S&P 500 has gained more than 80% while gold has soared nearly 120%.

Several factors have driven the recent headlong rush into safe-haven assets: escalating political and geopolitical tensions, concerns over the Federal Reserve's independence, major central banks expanding

their gold reserves, and, most notably, the surging U.S. debt, which has risen from roughly 50% of GDP three decades ago to over 110% today. Gold is now witnessing its strongest rally since 1979, a year defined by the Iranian Revolution and the second oil crisis.

Long-term interest rates have also added to market tensions. In the U.K. and Japan, 30-year yields have climbed to levels not seen in nearly two decades, reflecting investor caution toward high sovereign debt. France faces similar pressures. In September, the yield on 30-year government bonds climbed above 4.5%, its highest point since the 2011 Eurozone crisis, as widening deficits and political uncertainty unnerved investors.

Equity markets are increasingly concentrated. Although the S&P 500 remains near record levels, much of its performance is driven by a small cohort of companies. Ten firms, seven of them from the tech sector, account for nearly two-thirds of the index's gains so far this year.

Tech giants powered by artificial intelligence and cloud computing, such as Nvidia with its \$5 trillion market capitalization, continue to dominate market momentum.

In many ways, 2025 epitomizes the contradictions of modern finance: markets at record highs despite weakening fundamentals, soaring global debt, and investors wanting to profit from the euphoria in tech without throwing caution to the wind. This is a stark reminder that in today's financial world, yesterday's rules no longer guarantee tomorrow's outcomes.

 **Marco Grilli**
Head of Wealth
Management



S&P 500:

+80%

since January 2023

Gold:

+120%

since January 2023

Looking Ahead to 2026: Opportunities Amid Uncertainty

As we turn the page to 2026, the lessons of 2025 will guide our outlook. Investors face a more complex environment where economic growth may continue to soften, inflation could remain above central bank targets, and long-term interest rates may stay elevated. Equity markets will be tested not just on headline gains but on the breadth and sustainability of their performance. Meanwhile, gold and other alternative assets may continue to serve as protection against fiscal, political, and geopolitical risks.

Strategic navigation, disciplined risk management, and informed positioning will be essential in this environment. Investors must balance opportunity and caution, adapting to a world where surprises and upsets are likely and conventional patterns no longer hold.

BCP: Guiding Clients with Independence and Transparency

In this landscape, BCP stands ready to help clients navigate this uncertainty with confidence. Today's investors demand independence, transparency, and advice that is fully aligned with their interests. BCP operates under a fully open-architecture model, giving clients access to the broadest investment opportunities without bias or conflicts of interest.

Every recommendation is delivered with transparency, rigorous governance, and client-aligned incentives, ensuring that decisions place the investor's goals at the center. By combining market insight with a commitment to fiduciary responsibility, BCP equips clients to seize opportunities, manage risks, and navigate the complexities of 2026 and beyond.



Macroeconomic Environment and Global Outlook.

According to the IMF's World Economic Outlook, October 2025, global growth is expected to decelerate from 3.0% in 2025 to 2.9% in 2026. Advanced economies are set to hover around 1.5%, while emerging markets' growth is forecast marginally above 4%. This slowdown reflects growing fragmentation linked to protectionism and political uncertainty.



➤ **Christian Couyoumtzelis, Ph.D.**
Head of Asset Management and Advisory

United States: Dynamism Curbed by Trade Tensions

U.S. growth is forecast just below 2.0% for both 2025 and 2026, driven by consumer spending and business investment, but also pinned back by trade wrangling. The tariffs imposed by the Trump administration have sparked a wave of legal challenges: companies, states, and associations are contesting their legality under the International Emergency Economic Powers Act. In November, the Supreme Court sounded a skeptical note, potentially paving the way for annulments. A cancellation of recently imposed U.S. tariffs by the Supreme Court could change everything – strongly boosting stock markets by dispelling the uncertainty over the long-term consequences of these duties on inflation, jobs, and global economic growth. In concrete terms, while the new tariffs are set to generate USD 195 billion in 2025, they could also shave 0.5 percentage points off GDP this year. If the Trump administration's tariffs are indeed

overturned, exchange rates could also be heavily impacted, with markets tempted to return to April levels.

Inflation is rising again, picking up to 3% in September from 2.9% in August. However, cheaper crude oil, with the price of Brent crude down 13.8% year-on-year to USD 60-65/barrel, is helping to ease the pressure.

Jerome Powell, whose term ends in 2026, has a duty to preserve the Fed's independence in the face of presidential demands for rate cuts, which risk destabilizing the dollar and the economy. Much will also depend on the next Fed chair's ability to inoculate themselves against pressure from the White House. The Fed will likely have to shift into inflation-fighting mode while protecting the job market and supporting economic growth in general.

In equities, 2026 earnings forecasts remain solid. AI is expected to continue adding fizz

to the market, sending the S&P 500 12-14% higher and EPS into a range of USD 287-299. For investors, it seems like AI is the only game in town. Bloomberg puts the market's end-2026 target for the S&P 500 at 7750 points.

Europe: Sharp Contrasts

France, the second-largest economy in the Eurozone, has not been able to balance its books in more than a quarter of a century, and matters now seem to be spiraling out of control. It is estimated that the fiscal deficit will amount to 5.4-6.1% of GDP in 2025. The government is seeking to fill the gap through targeted tax increases on high incomes and large corporations. Some oppose this and believe savings should be instead made in government spending. Debt servicing costs have surged to 2.5-2.9% of GDP, resulting in the already-squeezed middle classes getting caught in the tax net, which will in turn weigh on their purchasing power.



Global GDP Growth:

2.9%
(IMF, 2026)

Advanced Economies:

1.5%
Growth expected

Emerging Markets:

Slightly above **4.0%**
growth expected

Such attempts to 'soak the rich' are likely to accelerate the exodus of the ultra-wealthy and business owners without actually getting to the root of the spending problem.

The rest of the Continent is, however, faring better. Italy, thanks to the National Recovery and Resilience Plan, looks set to deliver growth of 0.7-1.1% in 2025. Its fiscal position is in much better shape, too.

Switzerland: Resilient Once Again

Despite a strong franc against the euro and the dollar, the Swiss economy is holding up thanks to its price flexibility, cutting-edge innovation, and a research-oriented education system.

We can count on moderate but stable growth and low unemployment. Switzerland is exemplary at knowing how to adapt.

China: A Giant Reorienting Itself

Beijing has eased its rules to attract foreign investors. In February this year, it laid out a roadmap for opening up specific industries,

allowing lending against equity, and introducing measures to stabilize foreign direct investment. Despite GDP growth slowing to 4.8% in 2025, fiscal stimulus and China's reburnished reputation as the world's factory are making the market attractive again, especially in AI, batteries, and semiconductors.

Emerging Markets: India in Pole Position

India leads the pack on the strength of forecast GDP growth of 6.6% in 2025 and 6.2% in 2026 – driven by demographics, reforms, and infrastructure. South-East Asia is next in line, benefiting from the shift away from China.

Major Themes for 2026: Energy, AI, Automotive

Energy remains central, especially its production. Nuclear fusion is progressing rapidly. China is aiming to have an industrial reactor up and running by 2030, with its Xinghuo program, USD 27.6 billion with private investments in this field, breaking technical records.

AI is becoming pivotal to all business segments and will continue to boost productivity and share valuations.

In the automotive sector, electric vehicles are struggling to take off in Europe. Registrations are declining, and with significant overcapacity, we could see major job losses, with thousands of positions threatened by 2030 according to the European Association of Automotive Suppliers. Deindustrialization is accelerating in the face of Chinese dominance and U.S./E.U. tariffs that hit local companies hard. China remains an EV powerhouse, accounting for 60% of global batteries, a production cost that is 30-40% lower, and record exports, despite the tariffs.

In summary, 2026 looks like it will see contrasting fortunes. The United States and India are driving growth, Europe is a mixed bag, and Switzerland seems unperturbed.

Savvy investors will bet on AI, fusion, China and Asian emerging markets, while keeping a close eye on the tariff story and potential energy shocks.



> Figure 1: Economic Indicators Actual Rates (IMF Forecasts)

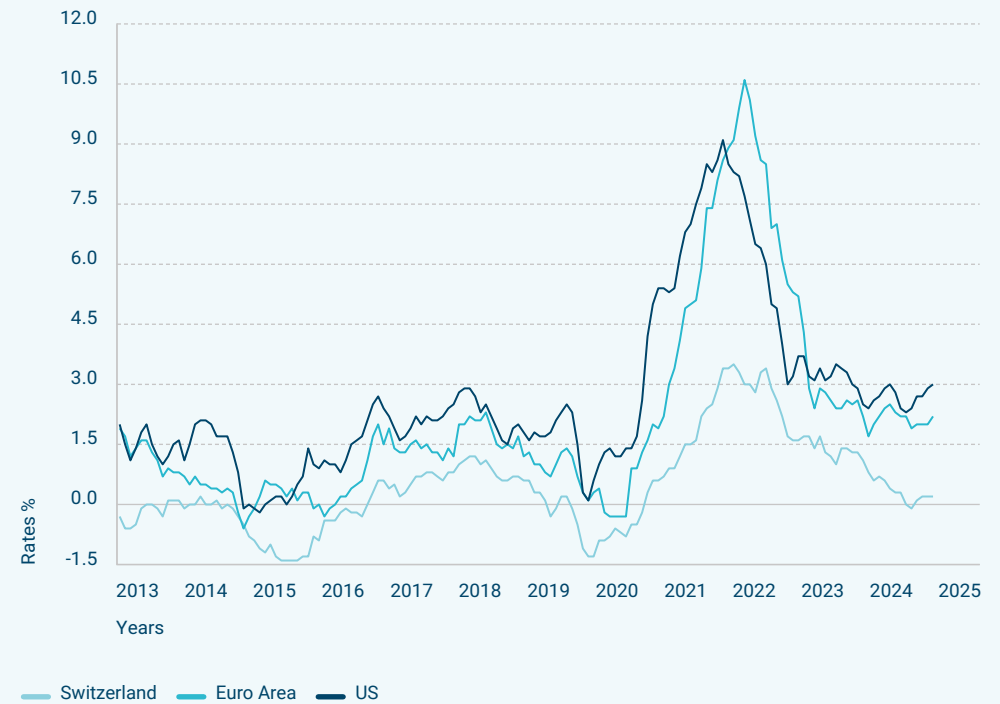
Bloomberg Data, 13/11/2025

REAL GDP GROWTH (in %)				INFLATION (in %)			
	2024	2025	2026		2024	2025	2026
World	3.1	3.0	2.9	World	3.2	3.5	3.5
Emerging	4.8	4.1	4.0	Emerging	6.8	2.7	2.7
Euro Zone	0.9	1.3	1.1	Euro Zone	2.4	1.8	1.8
US	2.8	1.9	1.8	US	3.0	2.9	2.9
Switzerland	1.4	1.1	1.2	Switzerland	1.1	0.6	0.6
Japan	0.1	1.1	0.7	Japan	2.7	1.8	1.8

UNEMPLOYMENT (in %)			
	2024	2025	2026
France	7.4	7.5	7.6
Germany	3.4	3.6	3.3
Japan	2.5	2.5	2.4
Switzerland	2.4	2.9	3.2
UK	4.3	4.7	4.8
US	4.2	4.2	4.4

> Figure 2: Inflation Evolution

Bloomberg Data, 13/11/2025





Market Insights.

FX Market in 2026

Central Banks Likely to Go Their Separate Ways.



Foreign Exchange and Gold

As 2025 draws to a close, we observe a wide variation in forecasts across major financial institutions, reflecting the complex and often conflicting forces that shape global currency dynamics.

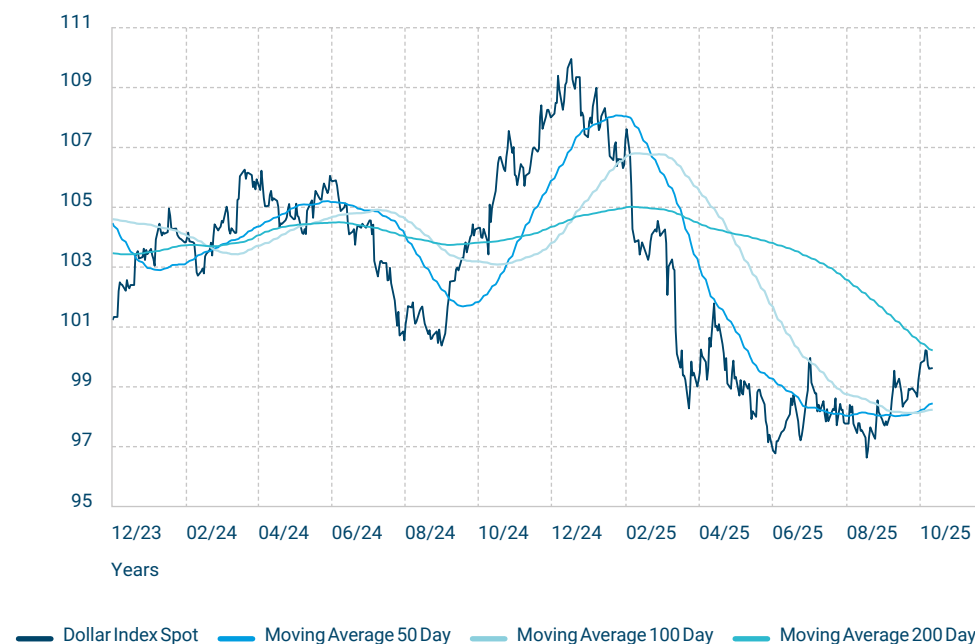
Shifting macroeconomic conditions will undoubtedly affect performance across all currencies.

A key source of uncertainty is the Fed policy path for its upcoming meetings. Some expect a gradual easing cycle as U.S. inflation slowly reduces, while others continue to anticipate persistent price pressures which could delay rate cuts, keeping the dollar stronger for longer. Similarly, the outlook for growth varies across economies, with the euro area and U.K. set for only modest recoveries, while the U.S. and select commodity-linked economies, such as Australia and Canada, are looking to sustain firmer momentum.

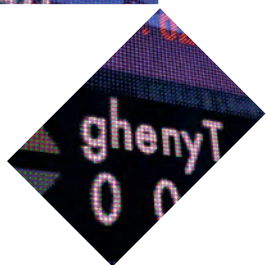
Geopolitical issues are also another source of uncertainty. In periods of market stress, mainly driven by armed conflicts, energy

> **Figure 3: Dollar Index**

Bloomberg Data, 13/11/2025



 **Marc Maeder**
Head of Trading
& Sales



EUR/USD:
Projected to reach
1.20–1.25

USD/CHF:
Expected to remain in the
0.78–0.82 range

Gold (XAU/USD):
New highs expected around
USD 4,600

shocks, or financial instability, safe-haven currencies such as the U.S. dollar, Swiss franc, and Japanese yen typically strengthen. On the other hand, during stable growth or risk-on periods, higher-yielding or risk-sensitive currencies like the Australian dollar and to some extent the British pound typically show superior performance.

At BCP we take the view that 2026 will likely continue to bring U.S. dollar weakness, supported by lower interest rates from the Fed, potential easing in trade tensions with China, and reduced geopolitical issues.

A risk-on environment will reduce the demand for safe-haven currencies. Timing will also be key to navigating the currency market, as central banks are likely to diverge during the year. Intermittent periods of USD strength may occur due to possible shifting in rate expectations or temporary risk-off sentiment. We would take such opportunities to sell into dollar strength.

Focusing on Key Pairs for 2026

- **EUR/USD.** We view the currency pair as trending higher, potentially reaching 1.20 to 1.25 by late 2026. This outlook is supported by expectations of modest ECB easing and gradual U.S. dollar weakening on expectations for lower Fed Funds rates.
- **USD/CHF.** The pair is likely to trade within a tight range of 0.78 to 0.82. A reduction in global tensions should allow CHF to weaken, but the expectation of a softer USD will keep the pair well contained in this channel.
- **GBP/USD.** In the UK, moderate domestic growth and political uncertainties are likely to moderate GBP gains next year. Nevertheless, with a softening U.S. dollar, the pair is expected to edge higher, potentially reaching 1.38 in the second half of 2026.
- **USD/JPY.** We expect the BOJ to gradually reduce its accommodative stance, increasing the divergence with the U.S. and giving some support to a gradual yen appreciation. We forecast USD/JPY to reach 140 in the second half of 2026.

Precious Metals

We expect gold to remain a key beneficiary of the prevailing uncertain climate in the global economy and the divergent forecasts for monetary dynamics in the coming year.

With persistent Central Bank demand for gold and expected USD weakness, we see gold testing new high of USD 4,600 next year.

All in all, we recommend maintaining flexible positioning and monitoring macro and geopolitical developments closely before initiating currency investments.

Equity Outlook 2026

Climbing the Wall of Worry.



 **Erman Mendirek,**
CFA
Investment
Advisor

US Equities

After closing another positive year, marked by breathtaking volatility, the U.S. equity market now sets its sights on 2026, where it will likely be called upon to master its preferred discipline: “climbing the wall of worry.” The landscape remains challenging, dominated by escalating geopolitical tensions, sticky inflation binding the Fed’s hands, decelerating economic growth, and structural pressures imposed by a massive federal debt and fiscal deficit exceeding 5%.

Yet, the market’s gains are rooted in an extraordinary technological tailwind: Artificial Intelligence. For 2026, S&P 500 companies are increasingly seeing quantifiable productivity gains that have been flagged by CEOs in recent earnings calls. Management teams at Walmart and Amazon, for instance, are citing AI and automation as generating direct cost savings and operational efficiency, translating into higher margins. This digital transformation is even expected to jump to the next stage with the commercialization of the first humanoid and physical AI solutions, promising a further structural reduction in

> **Figure 4: Major Indexes Evolution**

Bloomberg Data, 13/11/2025





S&P 500:

Double-digit earnings growth driven by AI adoption

DAX:

Trading at **13.5×** forward P/E

SMI:

Outperforming US indices YTD in currency-adjusted terms

labor costs and boosting economic potential. This tech-led revolution underpins an already strong, double-digit earnings growth forecast, making current valuations more digestible.

Furthermore, the supportive policy landscape cannot be ignored. The positive impact of the One Big Beautiful Bill Act (OBBBA) tax cuts will bolster corporate profitability and consumer spending. The Federal Reserve may press ahead with measured rate cuts, especially with its new Chairman prioritizing the recently observed weakness in labor market dynamics over sticky inflation. Additionally, further deregulation and lower capital requirements for banks could increase participation in U.S. debt markets, helping to lower long-end rates and improve financial conditions.

Despite this compelling productivity narrative, the constructive outlook carries its own set of persistent headwinds and risks. The primary concern remains valuation sensitivity: With the S&P 500 trading at multiples above historical averages, it is left vulnerable to any missteps in earnings growth, margin tightening, or AI competition from China. This is compounded by the continuous threat of unpredictable geopolitical frictions. A hawkish pause or reversal in the Fed's easing policy amid reaccelerating inflation would spoil the market's mood, punishing these elevated valuations. Finally, the ballooning federal debt pile can trigger an unexpected black-swan event anytime.

Therefore, we anticipate 2026 to be an intriguing year, defined by further structural growth fighting multiple headwinds. This will demand selectivity and discipline in equity investments.

A cautiously constructive portfolio that favors high-quality AI adopters and enablers in different sectors, those unlocking value with robust revenue and cash generation with improving margins, may end up being the winning formula. Although pullbacks are almost guaranteed, staying the course and possibly adding during these corrections may prove to be key to long-term success.

European Equities

After starting the year with a strong rally, European large caps have stalled since March amid tariff jitters and earnings weaknesses. The latest Q3 2025 reporting season illustrated the latter well: at the Stoxx 600's level, both earnings growth and revenue hovered near 0% year-over-year, despite a weak comparison base. Banks retained performance leadership, driven by solid earnings and improved valuations, while the defense sector shone, in anticipation of a long reinvestment cycle.

Looking ahead, positive catalysts may balance the usual headaches of an aging population, worrying sovereign-debt levels, and the ongoing war in Europe. Most notably, Germany is preparing a EUR 500 billion multi-year investment plan, representing 12% of GDP. Fiscal stimulus of this magnitude should always be welcomed by equity investors – making the DAX, with its 14x forward P/E, an interesting active bet. Secondly, valuations remain relatively low. Should France find political stability, its heavily discounted blue chips, which have lagged since H2 2024, may prove to be a compelling catch-up story. The U.K. is also eye-wateringly cheap, offering investors strictly seeking value a 3%-plus dividend yield, making it a compelling European bargain.

Swiss Equities

Swiss stocks present robust diversification benefits for global investors. Defying heavy U.S. tariff clashes, the Swiss franc's considerable appreciation, and its index heavyweights struggling with organic growth woes and geopolitics, some companies have shone by virtue of their compelling narratives. For example, Holcim finalized its U.S. spinoff, Sandoz continued its operational excellence in generics, while ABB is thriving amid its recalibration in data centers and electrification. Finally, strong CHF proved to be a balancing act: SMI is beating S&P 500 and Nasdaq-100 year-to-date in currency-adjusted terms.

Nonetheless, 2026 may prove to be a challenging year. Expected earnings growth is lower compared to European and U.S. peers, while multiples are higher than European rivals. This backdrop will require the resilient and pragmatic Alpine nation to create value through worldwide reach and R&D prowess.

Fixed Income Outlook 2026

Focus on the Belly of the Curve. Using Long-dated Bonds as a Tactical Diversifier.



 **Charles Winkler**
Investment
Advisor

For next year, we would reasonably expect lower short-term rates in the U.S., with long-term rates that should stay relatively stable.

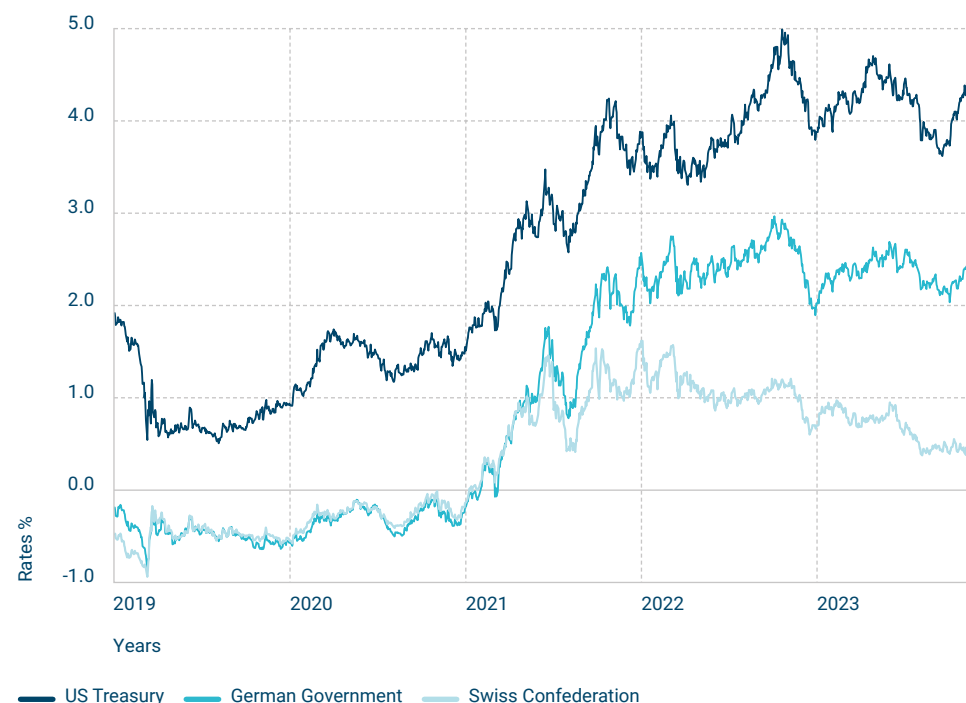
Overall, we believe 2026 should offer an interesting bond-friendly environment, especially in the U.S. if the Fed moves towards a less restrictive policy stance. This scenario will stay valid provided that inflation remains close to the Fed's targets.

Globally, we can expect a step-down in growth in the coming months as the U.S. tariffs implemented between April and August this year start to bite in earnest. The usual lag, from tariff announcement to economic damage, can take up to five months to manifest, suggesting the true effects of the tariffs have yet to show up fully in the data.

At the time of writing, we can reasonably expect the Fed to continue its easing cycle in 2026. The Fed is in the process of recalibrating its policy stance and looking to better balance the risks to its dual inflation-and-jobs mandate.

> **Figure 5: 10-Year Yield Evolution**

Bloomberg Data, 13/11/2025





Inflation:
Returning to
central bank targets
around **2%**

US Treasury yields:
Moving above
the **4.0%** technical level
at end of 2025

In Europe, the situation is certainly less clear. The ECB, as usual, is data dependent and has adopted a meeting-by-meeting approach. For the time being, its policy rate is expected to remain on hold, reinforcing the message of calm – the ECB being the first and only advanced-economy central bank so far capable of wrestling inflation down to its official target (2%).

Even with a Federal Reserve that should be more accommodative in 2026, it is still vital to remind clients that reinvestment risks at the very short end of the yield curve can suddenly materialize if and when policy rates are cut.

In a certain sense, history is repeating itself. As we advocated in late 2023 and throughout 2024, we advise clients to diversify duration risk in their portfolios with a mix of short, medium and longer maturities. Doing so simply avoids risky bets on the future direction of interest rates while optimally diversifying our clients' portfolios. The main difference compared to our previous two annual publications is we prefer the belly of the curve (3-7Y), with some limited exposure to longer-dated bonds (7-12Y) as a tactical diversifier.

The steepening yield curves have opened the possibility for investors to reposition their exposure towards longer duration to benefit from some attractive carry. Our feeling is that next year will be harder to generate performance through curve movements than in 2025. In this respect, there will certainly be attractive opportunities to hold low-investment-grade bonds with duration that could be longer than what we trade – usually 5 years – in order to take advantage of the attractive carry through a buy-and-hold strategy.

In the U.S., it is interesting to note that demand for high-yielding bonds has declined because former investors are now more attracted to private debt instruments such as Credit Linked Obligations or leveraged loans. In return, the quality of the high-yield segment has significantly improved, and the default rate should stay low over the coming months. Junk bonds are becoming rare, and recovering fallen angels are emerging. If we are always open to selecting specific BB/BB+ names of well-known issuers, our first choice is still towards the low-investment-grade names (rated BBB) of the U.S. bond market.

For investors looking to add a welcome dose of diversification to their fixed-income portfolios, we should not overlook emerging-market corporate bonds, which still offer an attractive risk/reward – mainly thanks to a weak USD, renewed strong earnings growth, and easing tariff risks, all of which should continue to underpin the segment in the coming months.

Looking ahead to 2026, we therefore prefer a mixed allocation of medium-dated and longer-dated high-quality bonds, in both the U.S. and Europe, to allow better maturity diversification in our clients' portfolios.

Longer-dated bonds should serve as a tactical diversifier to lock in attractive yields, making it possible to benefit from the higher carry for an extended period. In terms of credit risk, we usually stick to the low-investment-grade segment in the U.S. and in Europe.



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