PROBUS PLEION

# Monthly Newsletter

**January 2026**

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# Contents



# EDITORIAL

## Trump seeking permanent chaos

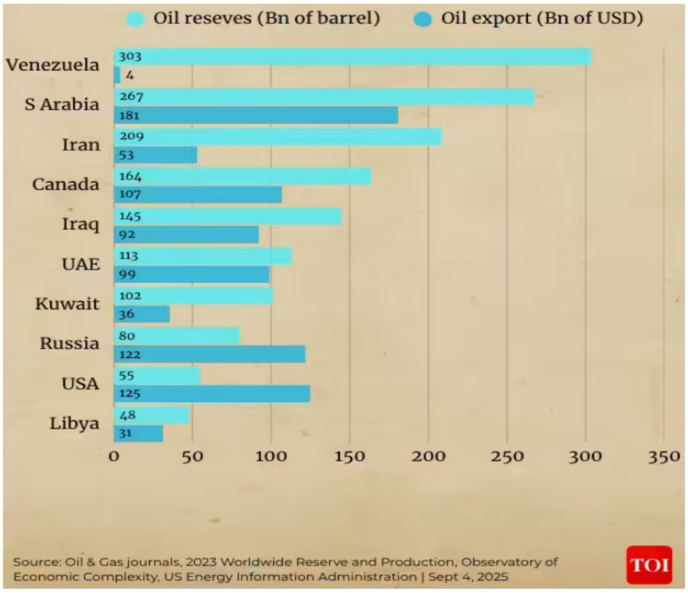
### Over the past year, he has reshaped the world order.

Just when we thought he had already largely redefined the rules of global geopolitics in 2025, the White House tenant didn't wait long to outdo himself in 2026. Without hesitation, he "simply" kidnapped a sitting president by removing him from his residence under the pretext of "narco-terrorism," a concept recently defined by the U.S. administration.

While it is undeniable that Nicolas Maduro has largely abused his power to secure a third election in 2024, the latest action taken by the US president is nonetheless cause for concern.

While Not content with this latest act of war (how else can it be described?), committed without the approval of Congress, which is required in such cases, he immediately went further by threatening Colombia (for the same reasons) and Greenland, arguing that the Danes were incapable of looking after the latter.

**Oil reserves and exports in 2023 by country**




### The US's desire to control the West side of the world

The message sent to the "target" countries and China is quite clear. To the former, to which we can add Iran, and even Mexico and Brazil, the US appetite for raw materials knows no bounds, and any uncooperative leader could find himself in a US courtroom overnight, accused of narco-terrorism.

As for its great Asian rival, any influence deemed too strong on a country in the western hemisphere will be immediately punished by a brutal regime change in that country.

### The US has only cut off the head of the Maduro regime

At this stage, the first question remains about the consequences in Venezuela of the operation carried out this weekend. Several scenarios are possible, from a "smooth" transition under the aegis of the army to chaos similar to that which followed the ousting of Gaddafi in Libya. In the latter case, the consequences for the entire South American continent could be very negative. As for the US takeover of Venezuelan oil, the first step will be to restore all infrastructure, most of which is outdated.

**What consequences can we expect for the markets?**

**A new geopolitical shock that the world could have done without, orchestrated without congressional approval by an uncontrollable American president. The idea of Venezuelan oil flooding the markets will remain a fantasy for the next 10 years.**


**Kim Muller**

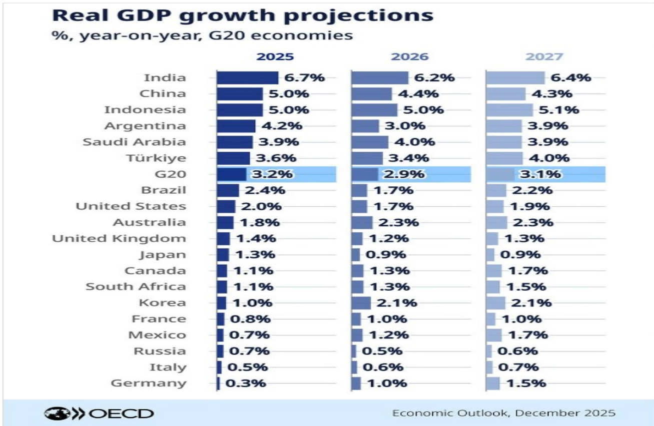
**CIO (Switzerland)**

# Assessment of the economic situation

**Overall economic growth will remain within the norm in 2026. Inflation has stopped falling, but could be disrupted by a potential surge in commodity prices. Central banks remain vigilant.**

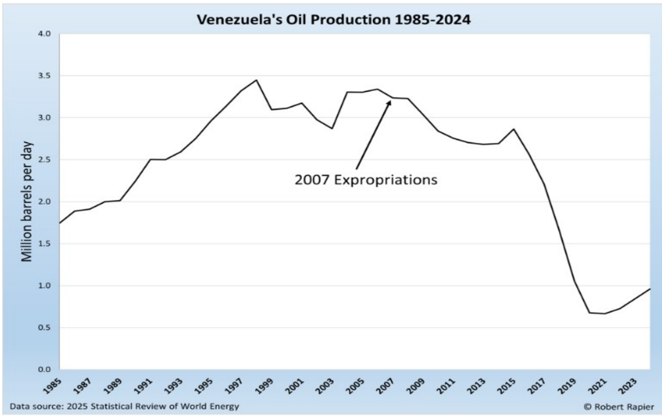
## Overall economic growth within the norm

While According to OECD projections for 2026 and 2027, global economic growth should remain more or less at 2025 levels. On the one hand, China will see its growth normalize somewhat as its economy approaches Western standards, while on the other hand, Europe, emerging from more than 10 years of stagnation, will rebound significantly in the wake of a German economy in full recovery. In absolute terms, the US economy will remain one of the major contributors to global growth given its size, while in % terms, India will maintain its leadership within the G20. Behind these rather promising figures, we must not forget the fiscal stimulus plans decided by the US, Germany and Japan, which are sure to inflate government debt.



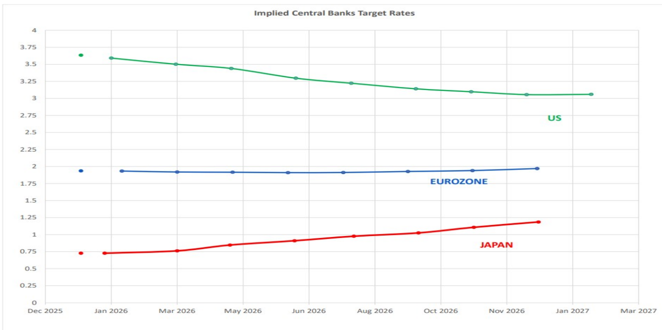

## Do not confuse reserves with oil production.

Following the capture and "destitution" of Nicolas Maduro, some media outlets have suggested that Venezuelan oil will flood the markets. But nothing could be further from the truth, as several factors are not being taken into account by those who support this hypothesis. First, the US does not yet control the country and will need to secure the support of the army to do so. More importantly, two decades of Chavista dictatorship and the 2007 expropriation of oil infrastructure have rendered it completely obsolete, leading to a collapse in production. It will take at least 10 years to bring it up to standard, especially since Venezuelan oil is much more complex to refine than oil from the Middle East.




## Fed cuts rates, BoJ raises rates, ECB remains stable

Apart from the Fed and the BoE, where the market expects two to three rate cuts in 2026, the other major central banks have finished easing their monetary policy. Economic growth and earnings growth will now support equity markets, while the bond market will keep a close eye on inflation trends and the continued increase in debt levels in most G20 countries.




Source: USS Research

## What about the SNB's monetary policy?

After hovering around the 0.94 level in December, the EUR/CHF pair finally closed the year just above the 0.93 level, at 0.9309, likely thanks to a little "help" from the SNB. While our central bank remains vigilant about the franc's performance, it has not lost sight of its primary objective, which is price stability in Switzerland. According to the KOF, the Swiss economy is expected to grow by 1.1% this year and 1.7% in 2027, which should help avoid negative interest rates in 2026.

## Financial markets during the month

**Despite all the hype surrounding AI, the US stock market underperformed international indices in 2025. Conversely, long-term USD bonds outperformed those of other developed countries.**

### US stocks underperformed despite AI

For only the fourth time in 16 years, US stocks underperformed international stocks by more than 12%, an unprecedented margin over the period. Previously, the largest performance gap had been 5.9% in 2017. Despite dominating the headlines, the AI theme, driven by US tech giants, did not enable the world's largest market to deliver superior performance. One reason for this is likely to be found in the relative performance of the previous two years, when US equities outperformed the "rest of the world" by 12.5% and 21.0% in 2023 and 2024, respectively.  Given this, a partial catch-up was therefore inevitable. The challenge for international equities in 2026 will be to deliver a second consecutive year of outperformance, something that has not happened in over 20 years.

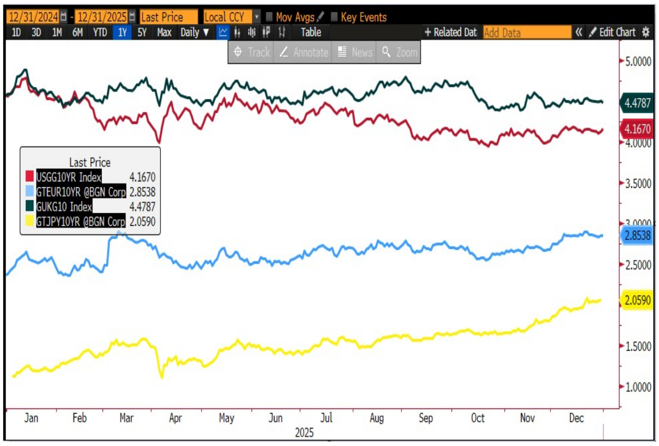
**US stocks (blue) and international stocks (red) in 2025**


Source: Bloomberg

### 10-year yields scattered in 2025

Central banks that remained in "accommodative" mode, namely the Fed and the BoE, saw 10-year yields on their currencies fall, while conversely, the ECB and the BoJ, which moved into "neutral to restrictive" mode, saw the long end of their yield curves rise. At first glance, this seems logical, but for EUR yields in particular, controlled inflation could have led to the assumption that long-term rates would remain fairly stable in 2025. It is therefore the anticipation of a recovery in economic growth in Europe, particularly in 2026, that has pushed long-term yields higher. For the JPY curve, the issue is slightly different, with the credibility of the BoJ seriously called into question, as its monetary policy seems detached from reality and out of step with the current economic cycle in Japan.

**10-year yields in 2025 in GBP, USD, EUR, and JPY**

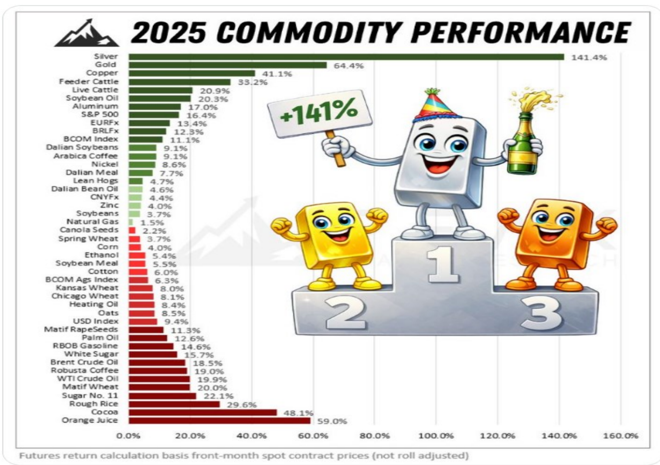



Source: Bloomberg

### The Silver and gold top, orange juice and cocoa flop

While gold has been the "spearhead" of precious metals for several years, its continued rise in 2025 ultimately "contaminated" the rest of the precious metals, as the relative discount of silver and platinum compared to gold had become significant. In addition, the various industrial uses of silver, particularly in solar energy, have boosted demand, while production has been in deficit for the fifth consecutive year. With physical stocks at their lowest and speculative demand on the rise, it didn't take much for silver to literally skyrocket since the end of August, with an increase of more than 80% (!!) over the last four months. Conversely, cocoa and orange juice, two of the "stars" of 2024, saw their prices halve as speculators rushed for the exit and harvests proved less weak than expected in the face of reduced demand.

**The performance of commodities in 2025**




Source: Peak Trading Research

## Our convictions

| | | Least attractive | Unattractive | Neutral | Attractive | Very Attractive | Comments |
|---|---|---|---|---|---|---|---|
| Equities | US Equities | | | ● | | | Solid trend, careful on valuations |
| | EU Equities | | | | ● | | Favor Industrials |
| | Swiss Equities | | | | ● | | The new 15% US tariffs support exports |
| | Japan Equities | | | | ● | | JPY severly undervalued |
| | China Equities | | | ● | | | Current consolidation ready to end? |
| | Asia ex-Japan & China | | | ● | | | Favor India |
| Fixed Income | Cash & short term debt | | | | ● | | Favor 3-5 y maturities in EUR, 2-3 y in USD |
| | US long term debt | | ● | | | | Risk / return unattractive |
| | EU long term debt | | ● | | | | Avoid French government debt |
| | High Yield US & EU | | ● | | | | Credit spreads are unattractive |
| | Emerging debt local currency | | | | ● | | US rate cuts are supportive |
| | Emerging debt hard currency | | | ● | | | |
| Alternatives | Precious metals & gold miners | | | | ● | | Mid-term trend intact |
| | Commodities | | | | ● | | Favor industrial metals |
| | REITs (EU + CH) | | | ● | | | Swiss residential real estate richly valued |
| | Private Markets | | | ● | | | |

● Current conviction ○ Previous conviction

| Devises | | | | | |
|---|---|---|---|---|---|
| EURUSD | EURCHF | EURGBP | USDCHF | USDJPY | GBPUSD |
| ⇧ | ⇧ | ⇧ | ⇩ | ⇩ | ⇨ |

## Comments on investment decisions

**The years go by, but they are not necessarily alike. The current dynamic remains favorable for equities, but complacency looms given the strong positive consensus. Inflation appears to be under control at this stage, but a surge in commodity prices cannot be ruled out, especially as the geopolitical situation remains highly uncertain.**

### Equities

Torn between positive momentum (economic recovery or fiscal stimulus, profit growth) and relatively high, even very high valuations, we ultimately remain slightly overweight in this asset class. AI remains a hot topic, but expectations are high and leave little room for disappointment. Industrial recovery, particularly in Europe, is one of our strong convictions, while the surge in industrial metals is beginning to resemble to what happened with precious metals and is making mining stocks attractive.

### Bonds

Slips on the long end of the JPY yield curve remain a threat, should they ever lead to a disorderly unwinding of carry trade operations. In EUR, long-term yields are still searching for their equilibrium point, while in USD they appear unattractive. In this sense, we remain focused on the short to medium end of the curve, while emerging market debt in local currency appears attractive for accounts managed in USD.

### Precious metals, listed real estate (REITs)

The year 2025 was incredibly buoyant for all precious metals, which a fortiori makes them slightly less attractive in 2026. The upside potential remains, but speculation has now taken hold in the sector, at least for silver and platinum. Daily movements of 10% are no longer unheard of for these metals, calling for a degree of caution in the short term. European REITs have been very disappointing, weighed down by rising long-term yields in EUR. For German residential REITs, this punishment seems excessive.

### Currencies

Although the dollar fell sharply in the first half of 2025, the trend has stabilized somewhat since then. Nevertheless, we remain negative on the greenback, with only a still weak market positioning, weighed down by numerous forward sales, offering the potential for a (slight) rebound. The yen is becoming even more undervalued, but there is still no sign of a trigger to reverse this trend. The EUR/CHF could gain a few points if the German recovery is confirmed.

## Performance summary

### Equity performance

| Equity Indices | Last | 1m Return (%) | YTD Return (%) | 1y Return (%) |
|---|---|---|---|---|
| SWISS MARKET INDEX | 13267 | 3.4 | 14.4 | 14.4 |
| STXE 600 (EUR) Pr | 592.8 | 2.8 | 17.4 | 17.4 |
| CAC 40 INDEX | 8168 | 0.6 | 11.7 | 11.7 |
| DAX INDEX | 24490 | 2.7 | 23.0 | 23.0 |
| FTSE 100 INDEX | 9941 | 2.3 | 22.4 | 22.4 |
| Euro Stoxx 50 Pr | 5796 | 2.3 | 19.0 | 19.0 |
| DOW JONES INDUS. AVG | 48367 | 1.4 | 13.6 | 13.6 |
| S&P 500 INDEX | 6896 | 0.7 | 16.7 | 16.7 |
| NASDAQ COMPOSITE | 23419 | 0.2 | 20.2 | 20.2 |
| RUSSELL 2000 INDEX | 2501 | 0.0 | 12.2 | 12.2 |
| TOPIX INDEX (TOKYO) | 3409 | 0.9 | 22.4 | 22.4 |
| FTSE CHINA A50 | 15422 | 1.0 | 13.5 | 13.0 |
| Global Index | 1020.16 | 1.5 | 20.9 | 20.9 |

### Performance of bonds, currencies and commodities

| Fixed Income Indices | Last | 1m Return (%) | YTD Return (%) | 1y Return (%) |
|---|---|---|---|---|
| SBI AAA-BBB | 138.4 | -1.0 | -0.1 | -0.1 |
| Euro-Aggregate | 246.8 | -0.5 | 1.2 | 1.2 |
| U.S. Aggregate | 2351.2 | 0.0 | 7.3 | 7.3 |
| Global Aggregate | 501.8 | 0.4 | 8.2 | 8.2 |

| Currency | Last | 1m Change (%) | YTD Return (%) | 1y Return (%) |
|---|---|---|---|---|
| CHF | 0.792 | -1.5 | -12.4 | -12.4 |
| EUR | 1.175 | 1.3 | 12.9 | 12.9 |
| DXY | 98.24 | -1.2 | -9.1 | -9.1 |
| GBP | 1.347 | 1.8 | 7.3 | 7.3 |
| JPY | 156.410 | 0.1 | -0.3 | -0.3 |
| CNY | 6.996 | -1.7 | -4.2 | -4.2 |
| CAD | 1.370 | -2.0 | -4.6 | -4.6 |
| AUD | 0.670 | 2.2 | 7.6 | 7.6 |
| BRL | 5.475 | 2.6 | 0.0 | -11.4 |
| INR | 89.785 | 1.1 | 5.0 | 5.0 |
| MXN | 17.995 | -1.6 | -12.8 | -12.8 |
| EURCHF | 0.931 | -0.2 | -1.1 | -1.1 |

| Commodity | Last | 1m Change (%) | YTD Return (%) | 1y Return (%) |
|---|---|---|---|---|
| Gold | 4339 | 2.4 | 66.5 | 66.5 |
| Silver | 76.29 | 35.0 | 163.5 | 163.5 |
| WTI | 57.95 | -1.0 | -18.4 | -18.4 |
| Copper | 578.15 | 11.5 | 41.3 | 41.3 |
| Industrial Metals | 164.60 | 6.8 | 16.3 | 16.3 |
| Agriculture | 53.84 | -5.0 | -4.8 | -4.8 |

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