

PROBUS  PLEION

Monthly Newsletter

February 2026

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EDITORIAL

We certainly weren't bored in January!

A hyperactive market buffeted by geopolitics

Those who hoped for a “smooth” recovery to get back into the swing of things after the end-of-year break were disappointed. Since January 2 and the kidnapping of the Venezuelan president, not a day has gone by without one or more major news stories. It would be tedious to list them all, but we can still mention the threats of annexation of Greenland or intervention in Iran on the geopolitical front.

On the American political front, there are plans to cap credit card interest rates at 10%, ban institutional investors from acquiring real estate, threats to increase customs duties on European products, higher taxes on Korean exports, and outright attacks on the outgoing chairman of the Federal Reserve.

Finally, on the markets, there was the surge and then crash in precious metals, the weakness of the greenback, and the 10% drop in Microsoft shares in a single trading session.

The price of silver since December 2024



Trump breaks all the rules in Davos

While Donald Trump had already accustomed us to revisiting the codes of diplomacy, it must be said that he literally “outdid himself” at the World Economic Forum in Davos. Not content with starting his speech by mocking a leader of the host country, he then copiously taunted and threatened his (former?) European allies by hammering home his desire to annex Greenland’s sovereign territory in one way or another. This had the “merit” of finally provoking reactions from American Democratic politicians, notably Gavin Newsom, the Governor of California, who called on the European Union to stand firm in the face of Donald Trump’s threats.

The market goes “crazy” over precious metals

All this turmoil spread to the foreign exchange market and, in particular, to the precious metals market. The loss of confidence in fiat currencies served as a springboard for a veritable buying frenzy, particularly for silver.

Massive purchases of physical metal pushed the price up 70% over the month, only to crash 27% on the last trading day of January.

What consequences can we expect for the markets?

This “frenzy” of media announcements and erratic market movements requires us to stay the course and not give in to rash investment decisions. The year is still long and opportunities abound.



Kim Muller
CIO (Switzerland)

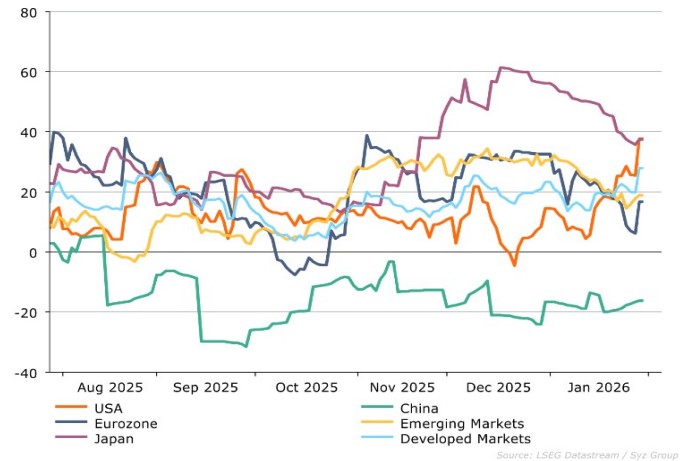


Assessment of the economic situation

The latest economic data from the US and Europe point to an acceleration of the upturn seen in recent months. Geopolitical turmoil is not (for the moment) hampering these positive figures.

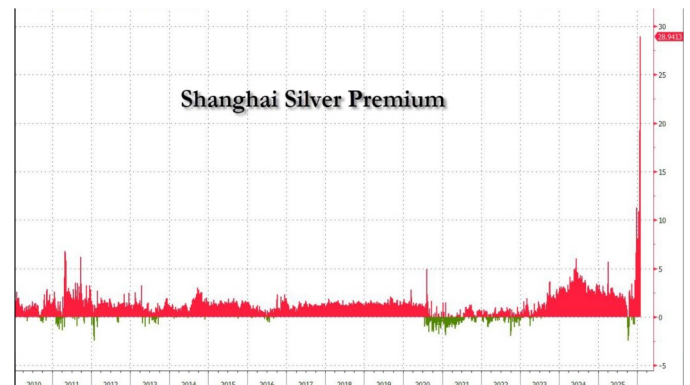
Economic growth rebounds in Europe and the US

As is often the case in financial markets, the trend matters more than the absolute level. For this reason, the economic surprises indicator is a barometer worth monitoring, as it shows the sum of economic data published above expectations minus that published below consensus. A positive total indicates an improving economy, while a negative total indicates the opposite. The correlation with stock market indices is fairly strong over time, and the latest data clearly points to a recovery in the US and the eurozone. Conversely, the Japanese economy is confirming its strong performance, but is less surprising than in the past, while China continues to disappoint expectations. Finally, emerging countries are continuing their recovery without excess.



The United States Mint suspends sales

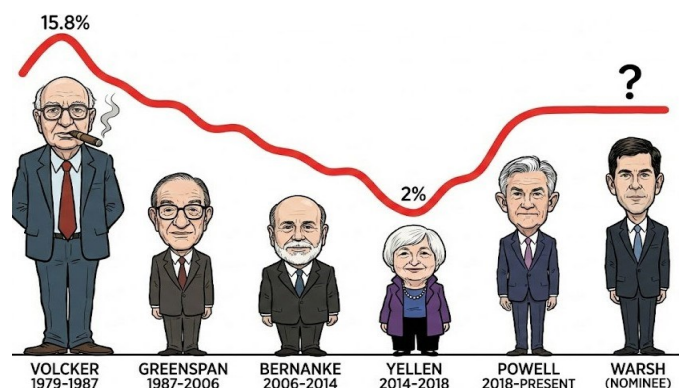
The US Mint suspended sales of its silver numismatic (collector's) products on January 14, 2026, due to extreme price volatility and rapidly rising production costs, in order to review and adjust the prices of these highly sought-after items. This "coin freeze" reflects strong market pressure and the significant gap between the spot price of silver and the actual cost of producing and replacing these physical coins. The most striking demonstration of this bottleneck is perfectly illustrated by the explosion in the premium between the 'physical' price in Shanghai and the "financial" price in London.



Trump names his candidate for Fed chair

On January 30, Donald Trump chose Kevin Warsh to be the next Fed Chair, a nomination that still needs to be confirmed by the Senate. Interestingly, the height of previous Fed Chairs coincided with the average level of official interest rates during their respective terms.

Paul Volcker towered over his peers at 6'7" and imposed the highest rates of the postwar period, while Janet Yellen, at 5'2", kept them at historic lows overall. Kevin Warsh is approximately 6'1".



What about the SNB's monetary policy?

Inflation in Switzerland fell sharply in 2025, averaging 0.2% compared with 1.1% in 2024. Prices for imported goods fell by 1.6%, while domestically prices rose by only 0.7% on average. Against this backdrop, the strength of the franc once again had a

deflationary effect and will remain one of the SNB's main areas of concern in order to avoid a deflationary spiral. A return to negative interest rates cannot be fully ruled out in 2026, but is obviously not desirable.



Financial markets during the month

Equity markets are positive in January, but US stocks continue to underperform the “rest of the world”. Precious metals are in all their forms, as mistrust of fiat currencies continues.

Mag 7 “fatigue” weighs on US indices

For The reason we are talking about the Mag 7 again is that their weight in the S&P 500 index remains considerable, despite the recent weakness of some of them, notably Microsoft. As of January 30, 2026, these seven companies still account for 34.29% of the index, making them inseparable from the performance of the US market. While selectivity among them was already the order of the day in 2025, their performance this year remains just as disparate. In the wake of the publication of its latest quarterly results, Microsoft fell 10% in a single session, as its outlook failed to inspire investors, despite figures that were generally above expectations. Since its recent high on October 28, the software giant's market capitalization has lost nearly \$1 trillion (!!!), while at the same time its capital expenditures have skyrocketed.

After a “Greenlandic” spike, the market is calming down

For several months, we had been pointing to the surge in Japanese long-term yields as one of the major risks for 2026. The relentless rise in the 30-year yield on Japanese debt has become a major theme, given its almost uninterrupted rise. Since mid-2023, it has risen from 1.24% to 3.88% on January 20, tripling in yield!

The latest peak was driven by market volatility in the wake of Donald Trump's bellicose tone towards Europe, before he backtracked on the possible use of force to seize the world's largest island. While the retracement is not significant, the 3.88% level can now be considered a technical resistance and a threshold where very long-term purchases are returning to the market in large numbers. However, a “revisit” of this level cannot be ruled out.

Silver goes almost “crypto-like”

We are focusing our commentary on silver within the precious metals sector, as it is the metal that has shown the greatest excesses in this latest market phase. However, the other precious metals have followed the same trajectory, albeit to a slightly lesser extent, although this is unprecedented in many years. While gold initially drove the entire segment for several quarters, the latest phase (December-January) was clearly led by silver, as evidenced by the stratospheric volumes traded on the SLV ETF, with \$32 billion on January 26 and even \$42 billion traded on January 30 during the white metal's rout. The latter amount is almost 10 times higher than the record set in September and even \$10 billion higher than the amount traded on the same day on the gold ETF (GLD). After posting a 70% increase in January at its peak, silver ended the month up 12%..

The Mag 7 in January 2026

Meta Leads Mag 7's January Gains

Bars denote stock move over the month.

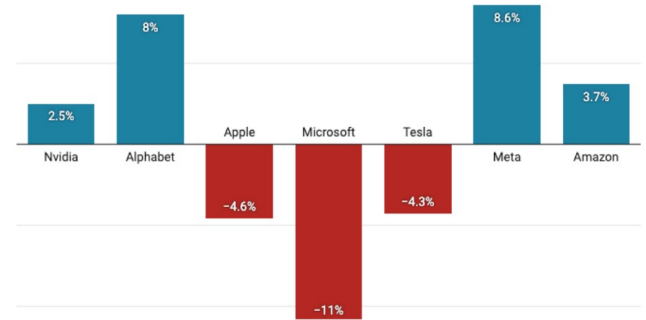


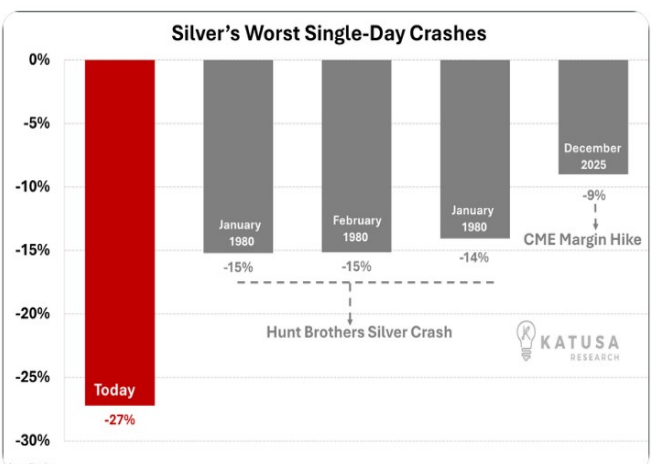
Chart: Yuvraj Malik | Stocktwits • [Get the data](#) • Created with [Datawrapper](#)

The Japanese 30-year bond yield (finally) peaks at 3.88%



Source: Trading Economics

The biggest daily crash in silver





Our convictions

	Least attractive	Unattractive	Neutral	Attractive	Very Attractive	Comments
Equities	US Equities	●	○			The Mag 7 fatigue weighs on the market
	EU Equities			●		Favor Industrials
	Swiss Equities			●		The new 15% US tariffs support exports
	Japan Equities			●		JPY severely 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		●	○		Consolidation in place, buy on dips
	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 geopolitical chaos orchestrated by Donald Trump is in full swing. Equity markets started the year on a positive note, but the rotation toward cyclicals and value stocks continues. The precious metals market soared, then collapsed under the weight of speculative positions. The dollar continues its downward spiral.

Equities

In the wake of the Greenland crisis, we decided to slightly reduce our equity allocation as a precautionary measure. We remain constructive on the macroeconomic environment and are ready to increase this exposure if the US market firmly breaks through the technical resistance it has recently encountered. The Nasdaq in particular is struggling to break above its October all-time high, which could eventually lead to a short-term downturn. Furthermore, given the recent volatility in precious metals, a degree of caution is warranted.

Bonds

The (very) long end of the yen yield curve finally seems to have found a level of resistance (intermediate?) to its relentless rise, which has been in place for more than two years. This is not enough to rule out a potential domino effect from a massive and disorderly unwinding of carry trade positions, but it does offer a welcome respite. On the USD and EUR curves, the long end continues its very gradual rise, but this is not enough to threaten equity valuations. It is still too early for long durations.

Precious metals, listed real estate (REITs)

After a spectacular 2025, precious metals continued to break records at an almost daily pace from the beginning of 2026. The frenzy of buying physical silver by Chinese investors (speculators) in particular drove the entire sector into an almost parabolic rise, which led us to sell our entire position in gold mines on January 28. However, we did not reduce our position in physical gold, as we consider it strategic, unlike our position in gold mines, which was clearly a tactical choice.

Currencies

In January, the US dollar continued its decline that began a year ago, even reaching a 15-year low against the Swiss franc. Against the euro, it briefly fell below the 1.20 threshold before recovering somewhat. The news of Kevin Warsh's appointment to replace Jay Powell was taken as a pretext for this rebound, even though a new Fed chair cannot reverse the fiscal excesses accumulated by successive US administrations.



Performance summary

Equity performance

Equity Indices	Last	1m Return (%)	YTD Return (%)	1y Return (%)
SWISS MARKET INDEX	13188	-0.6	-0.6	4.7
STXE 600 (EUR) Pr	611.0	3.1	3.1	13.2
CAC 40 INDEX	8127	-0.5	-0.5	2.2
DAX INDEX	24539	0.2	0.2	12.9
FTSE 100 INDEX	10224	2.8	2.8	17.9
Euro Stoxx 50 Pr	5948	2.6	2.6	12.5
DOW JONES INDUS. AVG	48892	1.1	1.1	9.8
S&P 500 INDEX	6939	0.6	0.6	14.9
NASDAQ COMPOSITE	23462	0.2	0.2	19.5
RUSSELL 2000 INDEX	2614	4.5	4.5	14.3
TOPIX INDEX (TOKYO)	3566	4.6	4.6	27.9
FTSE CHINA A50	14981	-2.1	-2.1	15.7
Global Index	1044.26	2.4	2.4	20.2

Performance of bonds, currencies and commodities

Fixed Income Indices	Last	1m Return (%)	YTD Return (%)	1y Return (%)
SBI AAA-BBB	139.5	0.8	0.8	1.4
Euro-Aggregate	248.6	0.7	0.7	2.0
U.S. Aggregate	2351.4	0.0	0.0	6.8
Global Aggregate	506.0	0.8	0.8	8.6

Currency	Last	1m Change (%)	YTD Return (%)	1y Return (%)
CHF	0.773	-2.4	-2.4	-15.1
EUR	1.185	0.9	0.9	14.4
DXY	96.99	-1.3	-1.3	-10.5
GBP	1.369	1.6	1.6	10.4
JPY	154.780	-1.0	-1.0	-0.3
CNY	6.957	-0.5	-0.6	-4.0
CAD	1.361	-0.6	-0.6	-6.4
AUD	0.696	4.0	4.0	12.0
BRL	5.263	-3.9	0.0	-9.9
INR	91.990	2.5	2.5	6.2
MXN	17.461	-3.0	-3.0	-15.6
EURCHF	0.916	-1.5	-1.5	-2.9

Commodity	Last	1m Change (%)	YTD Return (%)	1y Return (%)
Gold	4894	12.8	12.8	74.9
Silver	85.20	11.7	11.7	172.2
WTI	65.21	12.5	12.5	-10.1
Copper	592.40	2.5	2.5	38.4
Industrial Metals	172.07	4.5	4.5	21.4
Agriculture	53.10	-1.4	-1.4	-10.8

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