

# Mixed start to the year

Swiss edition



Dr. Anja Hochberg  
Head of Multi Asset  
solutions

surpassed the USD 3,000 mark, while the oil price finished the quarter almost unchanged.

## Market review

International financial markets closed the first quarter with marked regional differences. While the equity markets in the US visibly corrected, they were able to gain significantly in Europe. The interest rate landscape could not be more diverse either. In the eurozone and Switzerland, capital market returns rose despite further cuts in interest rates. In the US, on the other hand, long-term capital market rates have fallen. Gold

surpassed the USD 3,000 mark, while the oil price finished the quarter almost unchanged.

## Positioning

With the market development of the first quarter, two of our three main theories for 2025 have already become reality. On the one hand, the market breadth has increased and the dominance of the so-called "Mag 7" in particular has decreased significantly. On the other hand, interest rate curves have also continued to normalise. Our portfolios benefited from both trends. We have implemented our call via greater regional differentiation (e.g. emerging countries or UK), more pronounced sectoral allocation (e.g. financials) and broader thematic investments. We countered the challenging interest rate environment, particularly in Switzerland, with an overweight in Swiss bonds, an overweight in foreign government bonds (including a switch from EUR to AUD bonds), an addition of convertible bonds or our overweight in emerging market bonds. In addition, we took profits after the gold price jumped above USD 3,000.

## Outlook

The sharp stock market correction at the beginning of the second quarter has altered the conditions for the current investment strategy. The risks of recession have increased due to the announced tariffs. A significant slowdown in growth is certainly priced in at current levels (7 April 2025). However, a pronounced recession would require further adjustments, particularly in valuations. This would lead to an extended correction. Given the low visibility, we have a neutral weighting in equities and are focusing on a defensive implementation in all asset classes. Within equities, this is reflected in investments in the healthcare sector, and within bonds, in our overweight of government bonds relative to corporate bonds. We are overweight in commodities and favour a defensive positioning in currencies (CHF and Yen).

## Performance of stock markets (local currency)



Source: Zürcher Kantonalbank, Bloomberg

## Review of the financial markets

		31.03.2025	31.12.2024	Performance YtD in local currency	Performance YtD in CHF
<b>Returns (%)</b>	10-year Swiss Confederation bonds / Swiss Bond Index	0.58	0.33	-1.4	-1.4
	10-year German Federal Bonds / GER Govt Bond Index	2.74	2.37	-2.0	-0.3
	10-year US Treasuries / US Govt Bond Index	4.21	4.57	2.9	0.3
<b>Equity markets</b>	Switzerland, SMI	12'598	11'601	8.6	8.6
	Europe, Euro Stoxx 50	5'248	4'896	7.2	9.1
	USA, S&P 500	5'612	5'882	-4.6	-7.0
	Japan, Nikkei	35'618	39'895	-10.7	-8.5
	Emerging Markets, MSCI Emerging Markets	1'101	1'075	2.4	-0.2
<b>Currencies</b>	EUR/CHF	0.956	0.940	-	1.7
	USD/CHF	0.884	0.907	-	-2.5
	GBP/CHF	1.142	1.136	-	0.6
	EUR/USD	1.082	1.035	-	4.5
<b>Commodities/precious metals (USD)</b>	Crude oil, Brent	74.74	74.64	0.1	-2.4
	Gold, Ounce	3'124	2'625	19.0	16.0

Source: Bloomberg, figures rounded: Performance of the bonds is based on indices

Want to know more? Further interesting articles on current topics as well as information on our extensive range can be found at:

### Our Expertise on the Blog

#### Insights Blog Asset Management

Exciting articles from our experts and information on the macro environment and investment strategy.



<https://swisscanto.com/ch/en/institutional/blog.html>

### Our Product Update Hub

#### Swisscanto Products

Here you will find all information about our funds.



<https://products.swisscanto.com/en>

## Legal Notice

This publication was prepared by Zürcher Kantonalbank and is intended for distribution in Switzerland. It is not intended for people in other countries. Unless otherwise stated, the information refers to Zürcher Kantonalbank's asset management, which includes collective investment schemes under Swiss and/or Luxembourg and/or Irish law (hereinafter referred to as «Swisscanto Funds») and/or investment groups of Swisscanto Investment Foundations and/or asset management mandates of Zürcher Kantonalbank. This information is for advertising and information purposes only and does not constitute investment advice or an investment recommendation. This publication does not constitute a sales offer or an invitation or solicitation to subscribe to or to make an offer to buy any financial instruments, nor does it form the basis of any contract or obligation of any kind. The investment opinions and assessments of securities and/or issuers contained in this document have not been prepared in accordance with the rules on the independence of financial analysts and therefore constitute marketing communications (and not independent financial analysis). In particular, the employees responsible for such opinions and assessments are not necessarily subject to restrictions on trading in the relevant securities and may in principle conduct their own transactions or transactions for Zürcher Kantonalbank in these securities. The sole binding basis for the acquisition of Swisscanto Funds is the respective published documents (fund agreements, contractual conditions, prospectuses and key investor information, as well as annual reports). These can be obtained free of charge from [products.swisscanto.com/](https://products.swisscanto.com/) or in paper form from Swisscanto Fund Management Company Ltd., Bahnhofstrasse 9, CH-8001 Zurich, which is the representative for Luxembourg funds, and at all branch offices of Zürcher Kantonalbank, Zurich. Carne Global Fund Managers (Schweiz) AG is the representative for funds domiciled in Ireland. Zürcher Kantonalbank is the paying agent for the Irish Swisscanto funds in Switzerland and Luxembourg funds. The sole binding basis for investments in investment groups of the Swisscanto Investment Foundations is the statutes, regulations, investment guidelines and any prospectuses of the Swisscanto Investment Foundation or Swisscanto Investment Foundation Avant. These can be obtained from the Swisscanto Investment Foundations, Bahnhofstrasse 9, 8001 Zurich.

The information contained in this document has been prepared with customary diligence. However, no guarantee can be provided as to the accuracy and completeness of the information. The information contained in this publication is subject to change at any time. No liability is accepted for the consequences of investments based on this document. Every investment involves risks, especially with regard to fluctuations in value and return. With regard to any information on sustainability, it should be noted that there is no generally accepted framework and no generally valid list of factors in Switzerland that need to be taken into account to ensure the sustainability of investments. For Irish and Luxembourg Swisscanto funds, information on sustainability-related aspects in accordance with the Disclosure Regulation (EU) 2019/2088 is available at [products.swisscanto.com/](https://products.swisscanto.com/).

The products and services described in this publication are not available to US persons in accordance with the applicable regulations. This publication and the information contained in it must not be distributed and/or redistributed to, used or relied upon by, any person (whether individual or entity) who may be a US person under Regulation S of the US Securities Act of 1933. US persons include any US resident; any corporation, company, partnership or other entity organised under any law of the United States; and other categories set out in Regulation S.

© 2025 Zürcher Kantonalbank. All rights reserved.