MARKET INSIGHT

February 2026

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WEALTH MANAGEMENT & CONSULTING

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Welcome to 2026, the year of the new international (dis)order!

Some days sometimes feel like weeks. This was certainly not the case in January 2026, when economic, geopolitical and financial developments followed one another at breakneck speed, requiring constant and close attention.

From US intervention in Venezuela to the Iranian tragedy, via the Greenland issue and the fractures it has created within the Atlantic alliance, disruptive geopolitical developments have been plentiful. This is without even mentioning the current tensions in the Persian Gulf.

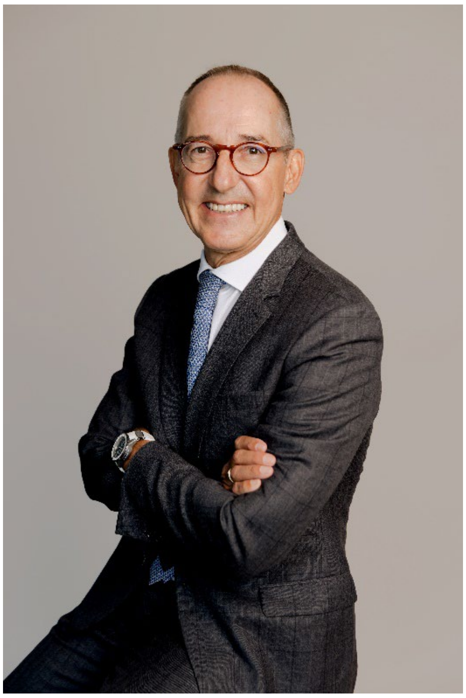
Risk assets have so far found the strength to look past political uncertainty and international tensions, as illustrated by the major global equity indices, which have continued the upward momentum seen at the end of 2025.

Global economic conditions remain favorable. A soft landing scenario for the business cycle appears increasingly likely, as reflected in the recent upward revisions of the IMF's growth forecasts for 2026 and 2027.

US economic data, often better than expected, have contributed to this trend; however, Europe is also supporting this more positive outlook for activity, Germany being a case in point.

Likewise, inflation data appear to point toward better control of price pressures, or even a mildly disinflationary trend in major economies.

We remain more cautious with regard to the United States, while acknowledging that recently published price indices are of better quality and contradict the worst forecasts. The sustainability of this trend remains a key issue for financial markets in 2026



« Global economic conditions remain favorable for equities. »

FRANÇOIS SAVARY, CIO

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The continuation of an accommodative monetary environment is not being called into question (with the exception of Japan). A framework of ample liquidity should persist, at least over the next six months.

This represents a second factor supporting equity markets over the medium term, in line with what we anticipated in our December 2025 publication.

As we write these lines, the earnings season for Q4 2025 is in full swing, particularly in the United States.

While expectations are high and have tended to strengthen over recent months (a relatively rare phenomenon), all indications suggest that companies are able to meet investors' forecasts.

Overall, economic and liquidity conditions argue in favor of solid earnings growth in 2026, led by US equities (+15%), an improvement in Europe (around 8%), and a genuine acceleration in emerging markets.

In this context, AI-sector companies will be under particular scrutiny in the coming weeks, given the questions raised in recent months about the sustainability of the structural nature of this theme.

It is also worth noting that sector rotation during the last quarter weighed on the relative performance of these stocks compared with the S&P 500 index.

Aside from geopolitics, is everything therefore for the best in the best of all possible worlds? One should not jump to conclusions.

Two concurrent developments (the renewed weakness of the US dollar and the sharp rise in gold prices) deserve particular attention.

At first glance, we can only welcome these developments, which once again validate two key pillars of our strategic positioning over the past 18 months.

We have repeatedly expressed our negative view on the US dollar, primarily due to the unsustainable nature of US public debt.

The Greenland affair and the "acrimonious" developments in relations between the two sides of the Atlantic have not only highlighted the unstable nature of Donald Trump's decisions, but have also brought the issue of potential "de-dollarization" of the global financial system back to the forefront.

In this regard, and for those interested, the book *"Our Dollar, Your Problem"* by K. Rogoff (2025) offers highly instructive insights on the subject.

Are the dollar and US assets facing an imminent loss of confidence, with gold and precious metals as the main beneficiaries, potentially paving the way for a rapid test of USD 6,000 per ounce of gold?

« Vigilance regarding the US dollar therefore remains warranted. However, it is important to remain prudent on gold after its sharp rise since the beginning of the year. »

There are undoubtedly elements that support this view, particularly from a medium- to long-term perspective.

As a result, while we have raised our gold price target to USD 5,200 for 2026, we have decided to take profits on our gold exposures, which have generated very significant gains in recent days.

This decision does not call into question our medium-term overweight position in gold. However, we are positioning for a consolidation in gold prices over the coming weeks.

With regard to the US dollar, we maintain our targets of 1.22–1.25 against the euro and 0.75 against the Swiss franc for 2026.

These unchanged prospective levels take into account the increased distrust toward the dollar as a result of Donald Trump's actions. Conversely, we have reduced the number of expected Fed rate cuts in 2026 (one instead of two).

This adjustment is logical in light of the good-quality US economic data released in recent weeks. Jerome Powell's message following the latest Fed meeting is fully consistent with this view.

We remain attentive to US macroeconomic data, whose readability has been impaired by tariff decisions and the government shutdown in the last quarter of 2025.

More generally, developments in foreign exchange markets (including potential interventions on the yen) command our full attention, as currency volatility can often be a harbinger of more erratic conditions across financial markets as a whole.

Beyond profit-taking on our gold investments, we have made other adjustments to our portfolios.

On the fixed income front, and in line with our reinforced interest in emerging assets, we decided to introduce exposure to emerging market debt.

We selected a fund offering the flexibility to invest in bonds denominated in local currencies and/or in USD, depending on circumstances. This is an important feature in the context of our scenario of emerging currency appreciation against the dollar in 2026.

Given the relatively higher risk profile of this investment, we reallocated from positions with excessive duration or from high-yield securities whose potential appeared more limited.

Our total exposure to bonds remains unchanged following these adjustments.

Although we have tended to increase allocations to fixed-income assets over recent quarters—mainly through a diversified strategy with a total return bias—we continue to recommend a slight underweight in bonds.

Following developments in Venezuela and tensions in Iran, we introduced a thematic investment in the oil services sector within our equity allocation, via an ETF.

The investment needs required to restart production in these two countries appear favorable for this segment of oil-related equities from a long-term perspective.

We maintain our bias in favor of European and emerging equities in our investment frameworks. In other words, the introduction of an oil services ETF was carried out at the expense of indexed exposure to US equities.

It is worth noting that our energy and energy infrastructure product, which experienced a more difficult end to 2025, has shown excellent performance in January. This medium- to long-term investment theme remains fully valid, in our view.

Overall, our equity exposure remains reasonable, at levels close to our benchmarks across the various management profiles. Moreover, we continue to diversify well beyond the sole theme of artificial intelligence.

The alternative allocation in our portfolios remains elevated at the start of 2026.

Beyond some profit-taking on gold, these investments continue to offer attractive properties for managing overall portfolio volatility.

Our exposures within this segment remain diversified (long/short equity strategies, real estate, relative value in bonds), but with a strong representation of gold (a theoretical 7% and significantly more in practice).

This further explains our recent decision to reduce gold positions in order to return to the levels recommended in our investment frameworks and to protect against a sharp correction in prices.

While portfolio performance has been strong since January 1st and continues the solid results achieved in 2025, we remain firmly committed to rigorous risk management.

The mistake would be to assume that the low market volatility observed over recent months is a permanent feature.

Both the return of erratic currency movements and the investors' knee-jerk reactions to US threats regarding Greenland serve as clear reminders of this reality.

In conclusion, the month of January demonstrated that we remain active in the management of your assets. New ideas have been introduced, in line with our overarching scenario for the economy and financial markets.

Because we assign a meaningful probability to a re-acceleration of global economic activity—supported by the most recent economic data—we maintain our target of **7,500 for the S&P 500 index by the end of 2026**.

Current conditions continue to justify favoring equities over bonds from a 6- to 12-month perspective. As such, a (probable) return of volatility in the coming months should be assessed in light of solid fundamentals, which for now do not argue in favor of exiting equity markets, despite legitimate valuation concerns.

January ended with a positive performance for equities. Some point to the rule suggesting that when this occurs, the stock market year is generally a good one—the famous January effect.

More than the January effect, however, recent weeks have shown that we are clearly under a **Trump effect**. With the midterm elections approaching, there is a strong likelihood that this effect will remain firmly on investors' radar.

As the new world order—or perhaps more accurately, the new international disorder—takes shape day by day, investors have grown accustomed to the idea that shocks are only temporary and that things eventually work themselves out.

This is precisely the problem. Excessively anticipating favorable outcomes to shocks may have become a dangerous mindset—one that must be resisted.

For our part, we will strive, through this monthly publication, to provide you with as clear a view as possible of our assessment of the situation and the choices underpinning the management of your wealth.

Thanking you once again for your trust at the dawn of this year 2026, which will undoubtedly hold many surprises.

Geneva, 28 January 2026

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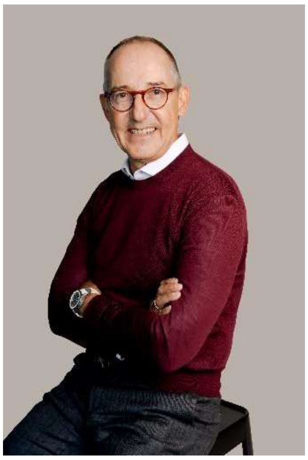

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