FOUNDERS BANK

Market Overview 11/2026

Strategic outlook, risk radar and portfolio positioning



Investment Office
Nur zu Informationszwecken

Market Outlook

Power shift in Congress, relief in the oil market

The Democrats will take control of both chambers of the US Congress in January 2027. Signs of easing in the Iran conflict brought relief to the oil market: oil prices have fallen markedly, and the yield on 10-year US Treasuries has dropped to around 4.9%. We nevertheless remain vigilant, as the situation in the Gulf is fragile.

Economy

The global economy remains resilient, according to the IMF. In the US, the ISM manufacturing index came in above expectations at 55.5 in October, and the labour market surprised on the upside – supporting private consumption. In Asia, by contrast, industrial activity is cooling, notably in Japan, Taiwan and South Korea.

Rates & bonds

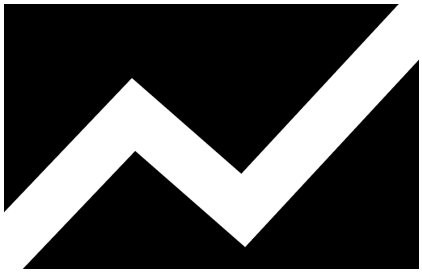
Lower oil prices are bringing relief: 10-year US Treasuries yield around 4.9%, having touched 5.4% at times. Central banks are on hold; the Fed is focused above all on inflation and the labour market. Companies financing the AI build-out through bonds are in some cases paying higher risk premiums – but overall, companies remain on a solid footing.

Equities

Profit-taking in technology stocks weighed on markets: the MSCI AC World lost 1.6% in USD terms over the month, while emerging markets fell 8.1%. Earnings growth nevertheless remains strong – Bloomberg Intelligence estimates it at around 24.6% for the S&P 500 in the third quarter. Growth is likely to slow in 2027 but should continue to support markets.







PORTFOLIO ACTIONS

01	Maintain equity allocation: focus on quality and market breadth, including AI beneficiaries along the supply chain in emerging markets.
02	Bonds upgraded to neutral, short-duration position maintained.
03	Maturities of 1–3 and 3–5 years: corporate bonds rated A or better, floating rate notes selectively.
04	Underweight government bonds from the European periphery; France remains on our watch list.

KEY DATES

18–19 Nov	APEC summit: Iran possibly on the agenda for Trump, Putin and Xi
9–17 Dec	Rate decisions by the Fed (9 Dec), SNB (10 Dec) and ECB (17 Dec)
Mid-Dec	US: possible renewed debate over a government shutdown
January 2027	New Congress: Democrats hold majorities in both chambers

Equities

Rotation, not a sell-off

After strong gains, investors took profits in the technology sector, and the correction spread to Asia. There was no broad sell-off, however: energy, consumer staples, pharmaceuticals and insurance were in demand.

24.6%

Earnings growth for the S&P 500 in the third quarter year on year, as estimated by Bloomberg Intelligence.

–0.9%

S&P 500 over the month: despite profit-taking in technology stocks, a broad sell-off did not materialise.

+10.7%

Average gain for the S&P 500 in the three months after a US president lost both chambers – after six months, it was as much as 17.5%.

WHAT MATTERS NOW

Topic	Key question	Implication
Market breadth	Will the rotation into defensive sectors continue?	Less dependence on tech
AI investment	Will hyperscalers' investments pay off?	Underpins earnings expectations
Financing	How costly will the AI build-out be at higher rates?	Key for credit quality
Outlook 2027	Will earnings growth stay supportive as it slows?	Allows the P/E to come down
US politics	Will renewables and pharma benefit?	Broader sector rotation possible

WHAT IS MOVING MARKETS

Earnings season: a mixed picture

Meta beat revenue expectations, but its heavy AI spending is unsettling investors. Amazon (capex, advertising) and Intel (capex) disappointed, while SK Hynix and Samsung impressed with their memory chips.

AI supply chain in emerging markets

Beyond the major hardware makers, specialists in chip supply, testing, packaging and distribution are increasingly benefiting. After the setback over the month (MSCI Emerging Markets –8.1%), valuations remain attractive by long-term standards.

Europe and Switzerland

Europe is less tech-heavy and offers a broad range of beneficiaries of infrastructure and energy spending – with higher dividend yields than the US. In Switzerland, Novartis and UBS impressed with their quarterly results.

Historical pattern after the midterms

Trump is only the eighth US president to lose both chambers to the Democrats during his term. In such periods, the S&P 500 rose on average by 2.1% after one month, 17.5% after six months and 15.5% after one year. Renewables and pharmaceuticals could be in demand.

OUR POSITIONING

01 Maintain equity allocation: favour quality stocks with solid balance sheets and pricing power.

02 Use market breadth: the equal-weighted S&P 500 outperformed the cap-weighted index in October.

03 Add AI beneficiaries selectively, including along the supply chain in emerging markets.

Bonds and Currencies

Yields fall, duration stays short

Following the slump in oil prices, the 10-year US yield fell from a high of around 5.4% to around 4.9%. We are upgrading bonds to neutral because fundamentals remain supportive, France has stabilised and an easing of tensions in the Gulf would reduce inflationary pressure. We are keeping duration short, as energy prices could rise again quickly.

Central banks

The Fed and the ECB remain in "wait-and-see" mode (Fed: 3.75–4.00%, ECB deposit rate: 2.50%). Above all, the Fed is watching inflation (PCE price index) and the labour market – if the latter stays robust, inflationary pressure may persist for longer. We do not expect the SNB to act for the time being.

Government bonds

A 10-year US yield holding below 5% would be positive, while a move towards 5.5% would trigger a repricing. Rising deficits are pushing up the term premium. France's spread over Germany narrowed to around 148 basis points (previously close to 170).

Corporate bonds

Credit spreads widened slightly – owing to disappointments in the AI sector and the situation in the Middle East. The market is differentiating more sharply when it comes to financing AI infrastructure. Fundamentals remain supportive.

WHAT IS MOVING MARKETS

France and Southern Europe

Fitch has kept France's rating unchanged at A+. High debt and political uncertainty persist. A spread of 200–250 basis points would likely raise the question of ECB intervention; Italy and Spain are also in focus.

Inflation

US: 3.6% in September (PCE), core inflation 3.1%; consumer prices rose 0.4% month on month in October. Eurozone: 4.0% in October after 3.8% in September, core inflation 2.5%. Lower oil prices should ease the pressure – provided the calm in the Gulf holds.

US budget and Congress

From January 2027, the power of the purse will give the Democrats control over war funding as well, while new legislation faces gridlock. A renewed dispute over a shutdown also looms in mid-December.

Currencies

The US dollar and the dollar index are trading at very high levels, while France is weighing on the euro. If the situation in the Gulf calms down, the Swiss franc should face somewhat less upward pressure – good news for exporters. In an escalation, it would be in demand again.

OUR POSITIONING

01	Neutral weighting in bonds, duration kept short – extend only once rates have stabilised.
02	Use maturities of 1–3 and 3–5 years, preferably corporate bonds rated A or better.
03	Selectively attractive: floating rate notes benefit from high rates and carry little interest rate risk.
04	Underweight government bonds from the European periphery.
05	Keep currencies neutral: the US dollar is trading high, and France is weighing on the euro.

Portfolio Risks

Risk radar

Our base case: the global economy remains resilient, and AI investment is supporting earnings. Inflation stays elevated, interest rates remain high, and the Fed and the ECB are pausing. In the Gulf, we expect a stalemate with an interim agreement. The risk radar shows what could jeopardise this scenario.



OUR RISK ASSESSMENT

Rate hikes instead of a pause

high

A renewed energy shock and a robust labour market could push inflation above our base case. The Fed and the ECB would then have to raise rates – by more than markets are pricing in.

AI expectations

high

A large share of S&P 500 earnings growth comes from AI beneficiaries. The recent tech correction shows how sensitive the market is to doubts about monetisation.

Public finances and politics

medium

High deficits are driving up risk premiums, although France has stabilised somewhat. The US faces gridlock in Congress and a budget dispute in mid-December; in Europe, the EU risks fragmentation.

Geopolitics

high

Until January, there is a window for US air strikes on Iran; a collapse of the Doha talks would drive up oil, inflation and interest rates. On Ukraine, the US and Russia are negotiating a peace treaty, but Moscow is demanding Crimea and the whole of the Donbas.

Inflation lower than expected

low

A grand bargain with Iran or a weaker economy could push inflation below our base case. Faster rate cuts would follow – and our short duration would benefit less from them.

Credit quality

high

Higher rates raise questions about the financing of AI infrastructure, and spreads in the AI segment are rising in places. Low risk premiums offer little cushion.

high: could significantly jeopardise the base case medium: keep an eye on low: little impact on the base case

Changes since October: AI expectations and credit quality now rated high; new on the radar: inflation lower than expected.

TOOLS FOR GREATER RESILIENCE

01	Quality stocks with solid balance sheets and pricing power, broadly diversified beyond the “Magnificent 7”
02	Short duration and floating rate notes to guard against a renewed rise in rates
03	High-quality government bonds such as Swiss Confederation bonds and German Bunds to hedge political risks
04	Gold and defence stocks as a hedge against an escalation in the Middle East
05	Disciplined rebalancing and diversification with low-correlation assets such as private debt

Topic of the Month

US midterms: gridlock in Washington, poker in the Gulf

The Democrats will take control of both chambers of Congress in January 2027 (a “blue sweep”). With the power of the purse, they can refuse special funding for a war with Iran – forcing Washington to the negotiating table in Doha but also strengthening Tehran. Three scenarios show what this means for markets.

Interim agreement

Probability: medium. A maritime hotline keeps the talks alive; core issues remain unresolved.

Collapse in Doha

Probability: medium. A tighter naval blockade or 90% enrichment brings diplomacy to an end.

Grand bargain

Probability: low. Nuclear controls in exchange for a gradual lifting of sanctions.

THE SCENARIOS AT A GLANCE

Asset class	Interim agreement	Collapse in Doha	Grand bargain
Equities	Solid; defensive Swiss quality stocks in demand	Correction; cyclicals under pressure, shift into value stocks	Relief rally; emerging markets and exporters strong
Oil (Brent)	Stable range; risk premiums priced out	Sharp rise; Strait of Hormuz route under threat	Marked decline as Iranian oil returns
Inflation and rates	Inflationary pressure persists; central banks on hold	New energy shock; central banks forced to tighten	Faster disinflation; quicker rate cuts
Currencies	Slightly less upward pressure on the franc	Flight to safe havens: CHF and USD stronger	Risk-on: CHF and USD weaker

WHAT INVESTORS SHOULD WATCH

“Lame-duck” period until January 2027: window for US air strikes, limited by munitions shortages.

Power of the purse: from January, Congress can refuse special funding for a war with Iran.

Investigations will tie up the White House; impeachment would fail without a two-thirds majority.

Economic policy remains intact: high investment, domestic growth, competition with China.

INVESTMENT IMPLICATION

Our base case is a stalemate with an interim agreement. We are sticking with short duration and favouring solid names in equities; defensive Swiss quality stocks offer stability. Gold and defence stocks hedge against a collapse of the talks, while a grand bargain would lift emerging markets and European exporters.

Performance and Key Figures

Markets at a glance

Performance of asset classes, currencies and Founders funds – all data as of 30 October 2026.

Asset class	Index / currency pair	1M	3M	6M	12M
Global equities	MSCI ACWI	–1.64%	–0.14%	4.25%	**12.33%**
Swiss equities	Swiss Performance Index (SPI)	6.30%	2.97%	12.38%	**22.17%**
US equities	S&P 500	–0.93%	1.21%	5.15%	**11.33%**
European equities	EURO STOXX 50	–2.20%	–3.57%	4.25%	**14.98%**
Emerging market equities	MSCI Emerging Markets	–8.11%	–5.96%	–2.10%	**13.21%**
Global bonds	Bloomberg Global Aggregate	1.41%	–0.56%	–1.46%	**–0.69%**
Swiss bonds	Swiss Bond Index (SBI)	0.76%	0.12%	–0.20%	**–1.59%**
High-yield bonds	Bloomberg High Yield	–0.21%	–2.17%	–1.57%	**1.64%**
Currencies	EUR/USD	–1.58%	–3.18%	–4.83%	**–4.13%**
Currencies	USD/CHF	–1.21%	2.17%	5.43%	**–3.72%**
Currencies	EUR/CHF	–2.81%	–1.07%	0.31%	**0.43%**

Founders Funds	ISIN	Price 30 Oct	October	Year to date
Strategy 10	CH0450199770	126.06	0.71%	**0.18%**
Strategy 25	CH0450201261	141.15	0.71%	**1.62%**
Strategy 45	CH0450201329	167.75	0.92%	**4.11%**
Strategy 100	CH0450382632	166.88	0.80%	**9.59%**
Strategy 100	CH0544465773	95.68	0.80%	**9.57%**
Aktien Alkimia	CH0544465831	175.02	0.95%	**9.64%**
Aktien Alkimia	CH0544465823	163.62	0.92%	**9.32%**
Aktien Alkimia	CH1116144333	127.81	0.94%	**9.59%**

Tellco Investment Foundation	ISIN	Price 30 Oct	October	Year to date
Tellco AST Immobilien Schweiz	CH0024559798	222.01	0.22%	**3.28%**
Tellco AST Kommerzielle Immobilien Schweiz	CH0598652672	137.95	0.37%	**3.95%**

Methodology: Indices in local currency (e.g. S&P 500 in USD, EURO STOXX 50 in EUR, SPI and SBI in CHF), Bloomberg High Yield in hard currencies; currencies: change in spot rate. Funds: price and performance of the respective tranche. Past performance is not a reliable indicator of future results. All data as at 30 October 2026.

Founders Bank AG – your financing partner

As specialists in pensions and wealth management, we put our comprehensive services at the heart of what we do and offer tailor-made solutions that genuinely meet your needs. Founders Bank AG is a FINMA-supervised Swiss bank headquartered in Schwyz. Our financing specialists will be happy to help and can be reached at:

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Indicative rates* as of 12 November 2026

Fixed-rate mortgages	3 years	1.50%
	5 years	1.60%
	7 years	1.65%
	10 years	1.70%
SARON mortgages**	SARON + margin	0.80%

* These rates are guide values for first-ranking mortgages on owner-occupied residential property. They apply to first-class properties and borrowers with impeccable creditworthiness. ** The rate is at least 0%, plus the margin.

Allocation View

Preferences by asset class

The preference scale reflects our tactical assessment for the next 3 to 6 months. It does not constitute a personal investment recommendation and must be implemented within the respective portfolio guidelines.

Asset class	Previous month	Current	Assessment
Equities **Unchanged**	NEUTRAL	NEUTRAL	Earnings growth remains robust but is likely to slow in 2027. The tech correction is seen as profit-taking, and market breadth is increasing. Quality is decisive: high-quality revenues, solid balance sheets and the ability to turn investment into profits.
Bonds **Upgraded**	UNATTRACTIVE	NEUTRAL	Reasons for the upgrade: fundamentals remain supportive, France has stabilised and an easing of tensions in the Gulf would reduce inflationary pressure. We are keeping duration short, as energy prices could rise again quickly. Underweight the periphery; maturities of 1–3 and 3–5 years rated A or better and floating rate notes are selectively attractive.
Currencies **Unchanged**	NEUTRAL	NEUTRAL	The US dollar is trading at very high levels, while France is weighing on the euro. If the situation in the Gulf calms down, the Swiss franc could face somewhat less upward pressure.

DEFINITION OF PREFERENCES

ATTRACTIVE	Consider opportunities to increase positions.
NEUTRAL	Maintain long-term positioning; no above-average return expected.
UNATTRACTIVE	Consider more attractive alternatives.

Important information

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