



findependent Market Report - 2025

Review of Q1 2025

The first three months of the year brought both ups and downs for investors. The financial markets were heavily influenced by the first ten weeks of President Trump's new term. His often unconventional actions created noticeable uncertainty. While U.S. stocks temporarily dropped by more than 10%, European equities, in contrast, saw significant gains.

However, the most impactful event likely occurred on April 2, when the U.S. government clarified its trade policy in a press conference that raised eyebrows.

Recently, we have received many inquiries about whether it makes sense to invest in such an "uncertain" environment. Below, we share our insights and recommendations.

Review

Our main asset classes showed the following performance (in CHF):

- Gold +16.4%
- Swiss equities +8.6%
- Swiss real estate funds +1.9%
- CHF corporate bonds -0.5%
- Swiss government bonds (3-7 years) -0.7%
- Global equities -4.5%

The sharp rise in global uncertainty - particularly regarding the world economy and security situation in Europe - was fueled by the increasingly isolationist trade and foreign policies of the U.S. President. This led to a surge in the price of gold and other precious metals. Meanwhile, Swiss and European stocks performed well. On the other hand, losses in U.S. equities (-6.9%) combined with a weakening U.S. dollar (-2.6% against CHF) weighed on global equity returns.

Assessment

Since January 20, Donald Trump has been serving as President of the United States, making him the most powerful person in the world. His actions directly influence financial markets. In particular, the erratic escalation of U.S. trade policies - reaching a peak on April 2 with the introduction of country-specific tariffs - has sparked fears of a potential global economic slowdown. If such a slowdown materializes, corporate earnings expectations would likely suffer, leading to downward pressure on stock prices.

Tariffs are a core part of Trump's campaign promises, marketed under the slogan MAGA ("Make America Great Again"). He believes that tariffs on imported goods will strengthen domestic industries and increase national prosperity. However, most economists and economic theory contradict this view. In reality, tariff costs are often passed on to consumers through higher prices, effectively acting as a "consumer tax." This discourages spending and trade, ultimately weakening economic growth.

The situation could become even more problematic if other countries retaliate with their own tariffs. Such a scenario would create many losers, with the potential for prolonged market downturns. However, this outcome is not set in stone. Governments may negotiate new trade agreements that ease concerns. The truth is, no one can predict short-term market movements with certainty.

What can investors do?

Regardless of market conditions, our advice remains the same:

- Don't stress yourself out by constantly checking your portfolio.
- Don't waste time and energy reading too much financial news.
- Don't fall into the trap of believing that experts can reliably predict the future.
- Remember your long-term investment horizon, despite the daily flood of news.
- Prepare mentally for potential market fluctuations - patience may be needed.
- Focus on what you can control.
- Every crisis also presents opportunities. If you have savings that you definitely won't need for the next five years and have been waiting for the right moment to invest, now could be your chance - ideally by investing gradually over time.

For more detailed guidance on investing during uncertain times, we recommend checking out our [blog post](#) on the topic.

Ultimately, every crisis passes. The recipe for successful investing is simple: pursue a long-term investment horizon, diversify your portfolio, and stay invested. In particular, broad diversification has paid off this year.

The actions of the U.S. President, among other things, have led Europe to awaken politically and take its "destiny" into its own hands. Several countries have since increased their defense budgets. Germany's new government is even planning a large-scale infrastructure program. This has boosted several European stock markets. Some particularly bold commentators are already calling it MEGA ("Make Europe Great Again").

Outlook

We don't make predictions. Our approach remains simple: Invest for the long term, diversify broadly, and keep costs low.

