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Investment Report

August 2026

Factum AG
Current positioning:

Portfolio balanced	Neutral	Current	Change*
Liquidity	5%	5%	→
Bonds	35%	35%	→
Equities	47%	45%	→
Alternative investments	13%	15%	→

**Changes since the last Investment Report (14 July 2026) & current assessment.*

Strategy overview

The investment environment in July and during the first days of August remained shaped by geopolitics, the earnings season, AI companies, as well as economic data and interest rate expectations. Depending on prevailing market sentiment, one of these factors tended to dominate equity prices. The technology-heavy Nasdaq also deserves mention, showing its volatile side. While it declined by around 3% in July, it advanced by more than 5% in the first week of August, marking its strongest weekly performance since April 2026.

«The familiar factors continue to shape the investment environment.»

All in all, we remain close to our strategic positioning, while selectively adding tactical tilts and maintaining broad diversification and disciplined risk management. Tactically, we hold a marginal underweight in U.S. equities relative to our strategic allocation. Within alternative investments, our overweight position in gold has recently paid off particularly well. The precious metal gained 7% in the first week of August, marking its strongest weekly performance since January 2026.

«The overweight position in gold has recently paid off.»

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Politics

The geopolitical situation in the Middle East remains tense. Following the military conflict between Iran, Israel and the United States, the parties have recently shifted somewhat towards negotiations; however, a sustainable political solution remains out of sight. In addition to Iran's nuclear programme, the key issues include the lifting of U.S. sanctions and the future of the strategically important Strait of Hormuz.

«A sustainable political solution to the Iran conflict remains out of sight.»

For financial markets, the situation surrounding the Strait of Hormuz is of particular importance. Around 20% of global oil trade passes through the strait. Iran is currently making a full reopening conditional on political concessions from Washington. Although talks with Oman are underway regarding alternative or secured shipping routes, a full normalisation of transit has not yet been achieved.

«The Strait of Hormuz is of central importance.»

A political de-escalation would primarily have positive implications for risk assets and could simultaneously reduce risk premia in energy markets. A renewed escalation, by contrast, could rapidly feed through to inflation, bond yields and global equity markets via higher oil prices. The key question, therefore, will be whether the ongoing talks actually lead to a lasting reopening of the Strait of Hormuz and progress on nuclear and sanctions-related issues.

«A political de-escalation would have significant implications across various asset classes..»

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Economy

The U.S. labour market performed significantly weaker than expected in July. Non-farm payrolls declined by 23,000, while the consensus had anticipated an increase of around 80,000 jobs. At the same time, employment figures for the previous two months were revised down by a combined 103,000 jobs. The unemployment rate edged down to 4.1% in July, from 4.2% in June. However, this decline should not be interpreted as a sign of further improvement in labour market conditions: it was primarily driven by a decline in labour force participation. As a result, the unemployment rate alone paints an overly positive picture of the underlying labour market dynamics.

«Weak U.S. labour market in July.»

Prior to the release of the data, markets had been pricing in a rate hike in September. The weak employment report, however, significantly reduced these expectations. In interest rate markets, the implied probability of a 25-basis-point rate hike in September fell from 55% to around 45%. The immediate market reaction was correspondingly positive for interest-rate-sensitive asset classes. U.S. Treasury yields declined, while equities benefited from the prospect of a less restrictive monetary policy stance. The S&P 500 even reached a new record high.

«A September rate hike in the U.S. has become less likely.»

Equity Markets

International equity markets have been volatile over the past five weeks, but have recently shown a marked improvement. The U.S. market in particular managed to overcome the weakness experienced at the end of July. The S&P 500 ended the first week of August up 3.5%, while the technology-heavy Nasdaq gained as much as 5%. Key drivers included the strong U.S. earnings season and, more recently, a significant decline in expectations for Fed rate hikes.

«A strong start to the month of August.»

The second-quarter earnings season continues to provide important fundamental support. Around 87% of S&P 500 companies that have reported so far have exceeded earnings estimates, with earnings coming in approximately 30% above expectations on average. Aggregate earnings growth is currently around 50% year-on-year, the highest level since 2021. At the same time, expectations for companies are also rising, particularly in the technology and AI sectors.

«Fundamental tailwinds from the earnings season.»

Overall, the outlook for equities remains constructive, albeit with increasing selectivity. In the coming weeks, the key question will therefore be whether strong earnings growth can continue to exceed elevated expectations while inflation remains sufficiently contained to avoid a more restrictive Fed policy stance.

«The outlook for equities remains constructive.»

Bond Markets

After the U.S. Federal Reserve had still been considering interest rate cuts at the beginning of the year, the outlook shifted towards potential rate hikes. However, the July labour market report has once again reduced the likelihood of a rate hike in September. Following its rate hike in June, the European Central Bank has most recently kept its policy rates unchanged. The renewed escalation of the Iran conflict and the resulting increase in inflation expectations have at times led to higher market interest rates, as investors demanded higher yields to compensate for the loss of purchasing power. In Switzerland, inflationary pressures are lower, which has resulted in a more moderate increase in interest rates. Credit spreads on corporate bonds, however, have remained broadly unchanged overall, as the majority of issuers continue to have very solid financial profiles. We continue to maintain a neutral allocation to bonds.

«How will the Fed approach interest rates?»

Commodities

Commodity markets have performed predominantly positively over the past five weeks. Brent crude oil gained around 15% to USD 83 per barrel. In addition to the recovery from the July low, geopolitical risks have recently moved to the forefront. Uncertainty surrounding Iran and the Strait of Hormuz has increased the risk premium in the oil market. Persistently elevated oil prices therefore remain a potential headwind for global inflation dynamics.

«The oil price has recently risen again.»

Gold gained around 5% over the same period, with momentum accelerating significantly more recently. In the first week of August alone, the precious metal advanced by more than 7%. The key drivers were weaker U.S. labour market data and the resulting decline in expectations for interest rate hikes. Lower yields and persistent geopolitical uncertainty are providing additional support for demand for gold.

«Are the gains in gold prices sustainable?»

Gold Price

Industrial metals also performed positively, led by copper with a gain of around 6%. In addition to robust demand, structural factors such as electrification, grid expansion and growing demand from data centres provided further support. We have allocated 2% to industrial metals in our managed portfolios, with the position gaining around 7% in value over the past five weeks.

«We have a 2% allocation to industrial metals in our managed portfolios.»

Currencies

Despite the uncertainties surrounding the conflict in the Middle East, the Swiss franc has remained weak so far. By contrast, currencies such as the Australian dollar and Norwegian krone benefited from higher commodity prices. The euro and U.S. dollar initially fluctuated against the Swiss franc but subsequently recovered, supported by changing interest rate expectations and the U.S. dollar's role as a safe-haven currency. For the remainder of the year, we consider the upside potential of both the U.S. dollar and the euro against the Swiss franc to be limited.

«The Australian dollar and the Norwegian krone benefited from higher commodity prices.»

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Market overview 31 July 2026

Stock indices (in local currency)	Current	1 Mt (%)	YtD (%)
SMI	14,346.14	1.07	11.30
SPI	20,161.16	0.73	10.66
Euro Stoxx 50	6,358.01	0.59	12.35
Dow Jones	52,485.03	0.38	10.17
S&P 500	7,489.72	-0.06	10.12
Nasdaq	25,373.85	-3.19	9.53
Nikkei 225	64,362.02	-8.13	28.95
MSCI Emerging Markets	1,665.89	-3.03	20.25
Commodities			
Gold (USD/fine ounce)	4,046.15	0.95	-6.33
WTI oil (USD/barrel)	84.67	21.83	47.46
Bond markets (change in basis points)			
US Treasury Bonds 10Y (USD)	4.73	0.27	0.57
Swiss Eidgenossen 10Y (CHF)	0.44	0.15	0.12
German Bundesanleihen 10Y (EUR)	3.21	0.35	0.35
Currencies			
EUR/CHF	0.93	0.77	-0.04
USD/CHF	0.81	-0.11	1.88
EUR/USD	1.15	0.92	-1.86
GBP/CHF	1.09	1.56	1.95
JPY/CHF	0.51	3.06	1.28
JPY/USD	0.01	3.27	-0.44
XBT/USD (Bitcoin)	62,899.25	7.26	-28.24

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Editorial deadline: 10. August 2026