Horizon Handout

The Berenberg Capital Markets Outlook Wealth and Asset Management

October 2025

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Date 26.09.2025

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01 Overview of capital markets outlook and asset allocation

Overview of capital markets

	4-week & YTD		12-month periods over that last 5 years				
	4W (27/08/25 - 24/09/25)	YTD (31/12/24 - 24/09/25)	24/09/24 24/09/25	24/09/23 24/09/24	24/09/22 24/09/23	24/09/21 24/09/22	24/09/20 24/09/21
Gold	9.0	25.6	33.9	31.5	6.6	13.6	-6.7
MSCI Emerging Markets	5.8	13.0	15.9	15.0	-0.4	-11.1	21.5
Industrial Metals	3.8	-5.0	-3.3	6.8	-7.3	7.2	45.1
Global Convertibles	3.7	1.9	12.7	7.0	-3.2	-12.3	31.2
MSCI World	1.6	2.8	11.4	24.6	9.4	-3.7	36.2
Brent	1.1	-9.9	-0.1	-11.7	11.3	66.9	87.7
MSCI Frontier Markets	0.6	21.1	30.0	8.0	-5.6	-6.2	29.9
EUR Coporates	0.2	2.7	3.6	9.2	2.9	-14.8	1.8
EUR Sovereign Debt	0.0	1.7	1.8	7.1	-0.4	-11.1	-0.3
Euro overnight deposit	0.0	1.6	2.5	4.0	2.5	-0.5	-0.6
USDEUR	-0.8	-11.8	-4.8	-4.7	-9.1	21.0	-0.4
REITs	-1.5	-9.3	-12.7	22.5	-15.6	-3.3	31.7

MSCI World: MSCI World Net Return; MSCI Emerging Markets: MSCI EM Net Return; MSCI Frontier Markets: MSCI Frontier Markets Net Return; REITs: MSCI World REITs Index; EUR Sovereign Debt: ICE BofA 1-10 Year Euro Government Index; EUR Corporates: ICE BofA Euro Corporate Index; Global Convertibles: SPDR Convertible Securities ETF; Gold: Gold US Dollar Spot; Brent Crude: Bloomberg Brent Crude Subindex TR; Industrial Metals: Bloomberg Industrial Metals Subindex TR; Euro overnight deposit: ICE BofA Euro Overnight Deposit Rate Index; USDEUR: Price of 1 USD in EUR.

Period: 24/09/2020 – 24/09/2025

Performance of selected asset classes

Total return of asset classes in the last 4 weeks, year-to-date and over 5 years (%, EUR)

Sources: Bloomberg, Berenberg.
Note: The historical performance presented here is not a reliable indicator of future performance.

Overview of capital markets

Economics

Following a weaker third quarter, we anticipate stronger growth for the eurozone in the final quarter 2025.

Rising inflation in the UK is preventing further interest rate cuts by the Bank of England.

Trump is pushing ahead with a comprehensive restructuring of the United States, which will not be without consequences for the economy.

Equities

US equities caught up significantly in the third quarter but remain at the bottom of the table since the beginning of the year.

Earnings expectations for US companies have been revised upwards. Europe will see no earnings growth in 2025.

Seasonality points to a sustained stock market rally. Asian emerging markets are becoming increasingly attractive.

Bonds

Safe government bonds remain unattractive given public debt levels and the economic recovery.

Valuations for European corporate bonds call for caution. The financial sector remains the favorite.

Emerging market bonds look promising; we favor bonds from frontier markets.

Alternative investments / commodities

OPEC+ continues to turn up the oil tap. Beyond geopolitics, there are few reasons for optimism.

Gold is fuelled by interest rate cuts and rising government debt. Silver is further benefiting from the persistent deficit.

Industrial metals are caught between structural tailwinds and cyclical weakness.

Currencies

There are various reasons why the US dollar recently fell to its lowest level against the euro in four years.

Among other things, concerns about the independence of the Fed, falling interest rates and the growing mountain of debt.

The Swiss National Bank would like to support the economy. However, a return to negative interest rates is unlikely.

Current positioning with asset classes

Overview of Berenberg's asset allocation

Portfolio positioning of a balanced mandate at a glance

Equities

– +

Europe

Europe ex United Kingdom

United Kingdom

US

EM

Out of Benchmark

Asia-Pacific

Current weight deviation from the benchmark allocation for multi-asset strategies denominated in EUR (schematic representation)

— Underweight ▪ Neutral + Overweight

Bonds

– +

Euro Government Bonds

Core Eurozone

Eurozone Periphery

Euro Corporate Bonds

EUR Investment Grade ex-Financials

EUR Investment Grade Financials

Out of Benchmark

Covered Bonds

EUR High Yield

US Government Bonds

USD Investment Grade

USD High Yield

Emerging Market Bonds

short **Duration** long

Alternative Investments

– +

Gold / Precious Metals

Other Commodities

Alternative Strategies

Liquidity

– +

Currencies

These positions apply at portfolio level

EUR

USD

GBP

As of: xxx

Source: Berenberg

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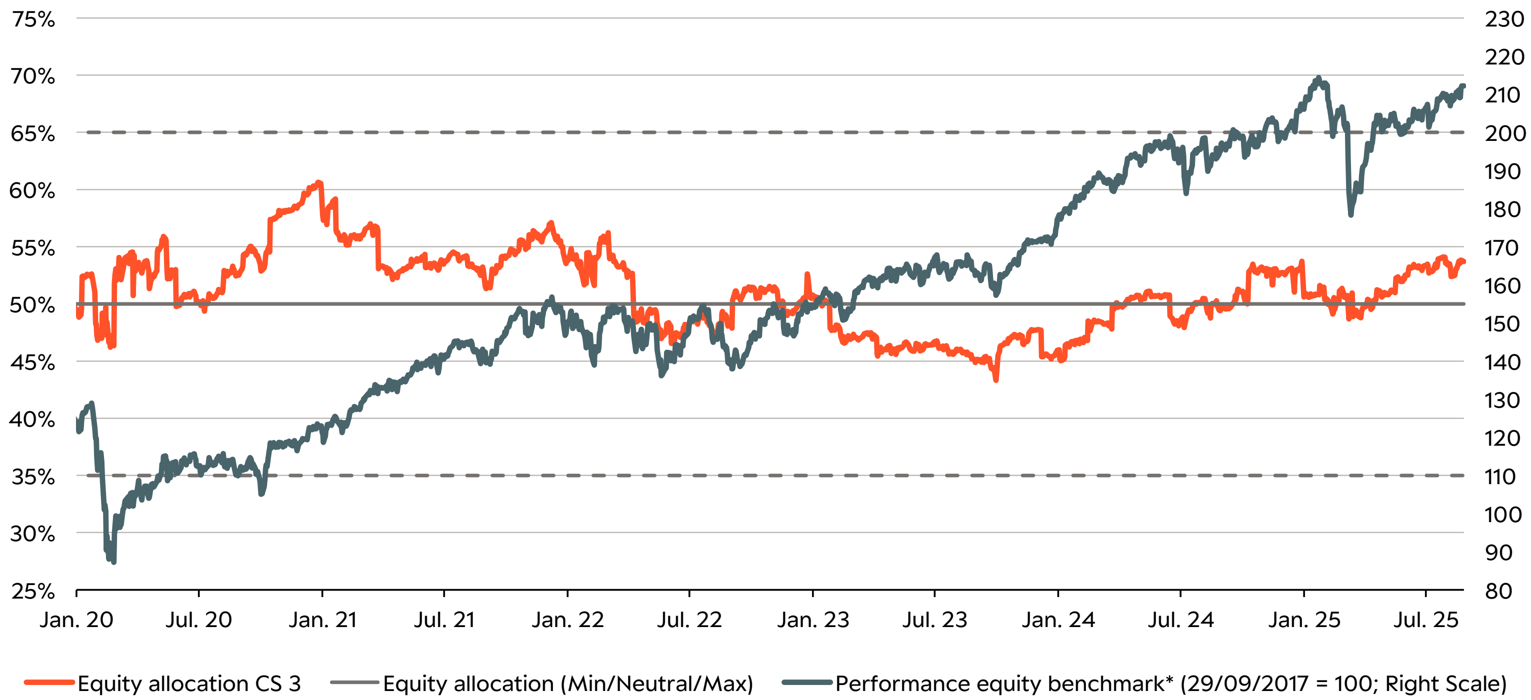
Overview of Berenberg's asset allocation

Management of the equity allocation of a balanced multi-asset mandate since inception

Performance equity benchmark	22/09/20 - 22/09/21	22/09/21 - 22/09/22	22/09/22 - 22/09/23	22/09/23 - 22/09/24	22/09/24 - 22/09/25
	27.98%	0.06%	15.55%	17.96%	9.67%



- Thanks to our cautiously constructive outlook and investors' low positioning in June, we started the second half of the year with a moderate overweight in equities, without a clear preference for Europe or the US. We have maintained this position since then and remain constructive on equities in the medium term.
- If the outlook remains unchanged, we believe a setback would be a buying opportunity. Our largest overweight position remains in gold. At the end of August, we exchanged our position in industrial metals for silver. In addition to positive market fundamentals, silver's favourable valuation compared to gold was another factor in its favour. Furthermore, the first central banks are now also buying silver. Our view that, in an environment of exploding government debt and structurally higher inflation, real assets should be preferred over nominal government bonds is clearly reflected. Bonds, especially government bonds, are underweighted.

Time period: 22/09/2020 – 22/09/2025

Sources: SimCorp, Bloomberg, Berenberg *'Equity benchmark' comprised 70% STOXX Europe NR Index and 30% S&P 500 NR Index until 30 September 2024. From 1 October 2024, the equity benchmark consists of 60% STOXX Europe NR Index, 34% S&P 500 NR Index and 6% MSCI EM NR Index.
Note: The historical performance presented here is not a reliable indicator of future performance.

02 Economics

Eurozone

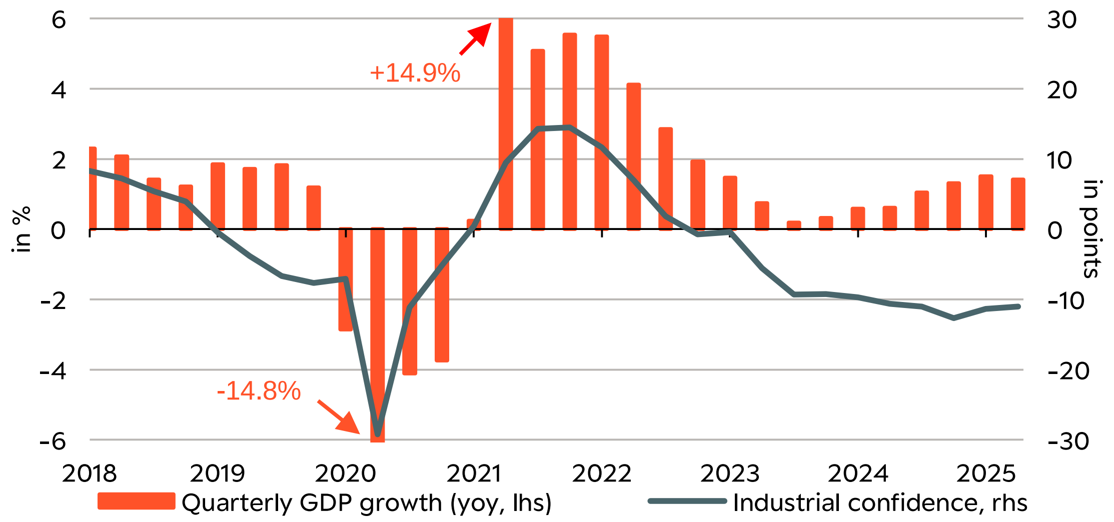
Upswing expected for the end of the year

- The trade agreement with the US reduces uncertainty and, following a third quarter that is expected to be even weaker, could serve as a catalyst for an incipient upturn in the eurozone in the final quarter. This is also indicated by the purchasing managers' index for the eurozone, which remained above the 50-point threshold for the nineth consecutive month in September, signaling growth.
- Meanwhile, the labor market remains stable, with the unemployment rate falling to 6.2% in July, reaching a historic low. Additional tailwinds are expected from the ECB's monetary easing and the German government's extensive fiscal package. The greatest threat to the eurozone currently comes from political instability and high debt levels in France.

The ECB is currently in a fairly comfortable position.

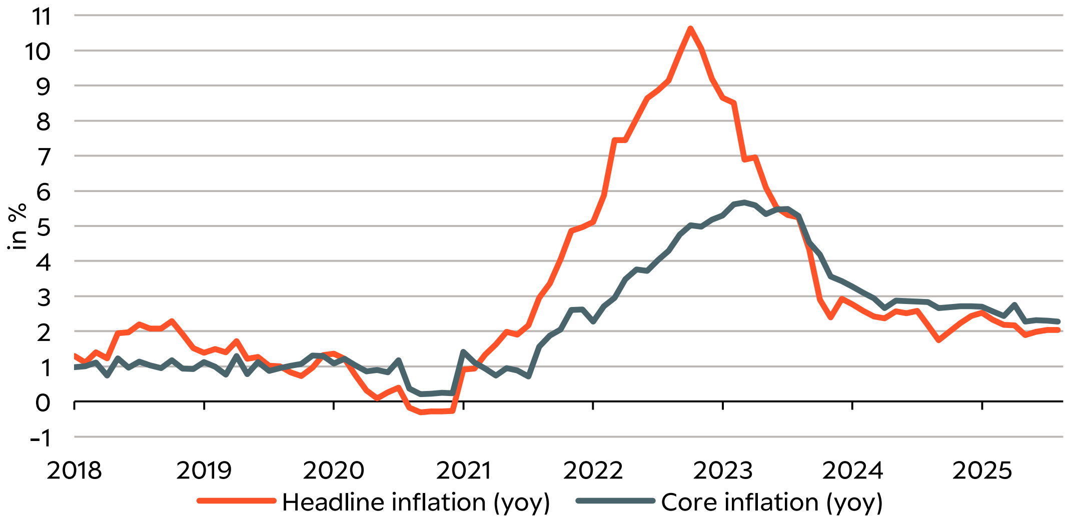
- There is currently no reason for the ECB to change its monetary policy. The eurozone economy has proven more resilient than expected so far this year. Trade policy uncertainty has decreased and inflation is hovering around the central bank's target of 2%.
- At its meeting on September 11, the ECB therefore left the deposit rate unchanged at 2.0%. There are currently no indications that the European Central Bank will make any further interest rate cuts. In the medium term, given the expansionary fiscal policy (especially in Germany) and wage cost inflation due to demographic change, the ECB will probably be forced to raise the key interest rate again slightly from mid-2027 onwards. We expect the deposit rate to reach 3.0% by the beginning of 2028.

Q3 weaker again before growth picks up in Q4



Period: 01/2018 – 06/2025

The inflation rate is hovering around the target value



Period: 01/2018 – 08/2025

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United Kingdom

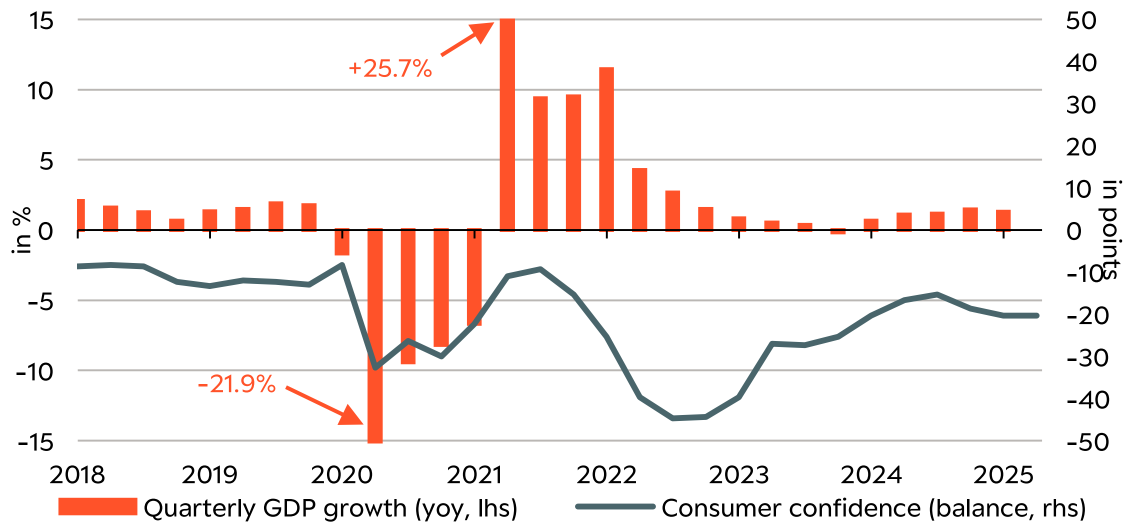
Solid growth in the second quarter

- The British economy has coped surprisingly well with US tariffs and domestic tax increases. GDP growth in Q2 was significantly higher than expected by the Bloomberg consensus, rising by 0.3% compared to the previous quarter. Once again, the growth engine was the service sector, which grew by 0.4% compared to the previous quarter. Fiscal spending also had a supportive effect, while foreign trade no longer weighed on growth.
- In the second half of the year, increased government spending, real wage growth for consumers and falling key interest rates will have a positive impact. We expect GDP growth of 1.3% for 2025 as a whole.

Continued high inflationary pressure prevents key interest rate cut

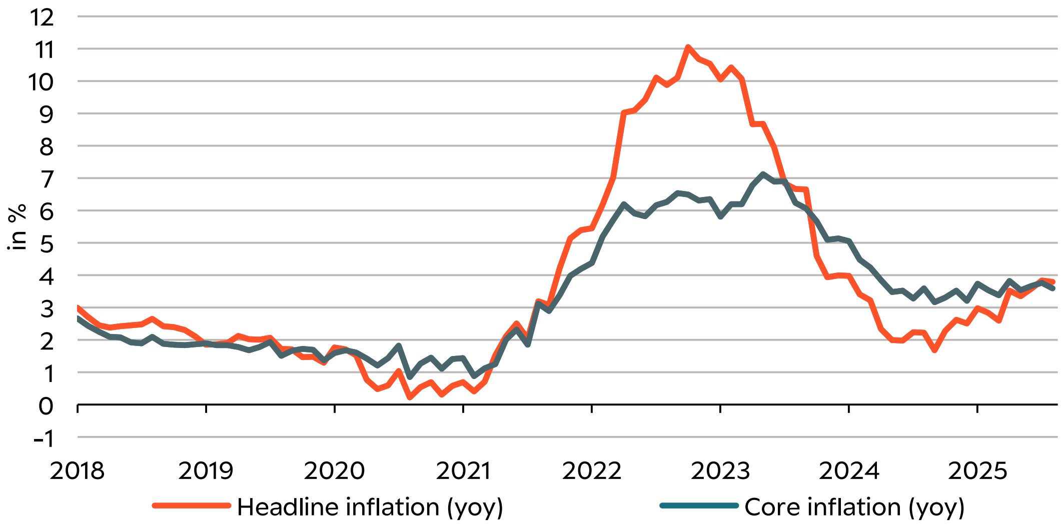
- As expected, the Bank of England (BoE) left its key interest rate unchanged at 4% on September 18. Inflation in the UK stood at 3.8% in August, well above the BoE's 2% target, and could rise even further to 3.9% in September.
- The BoE will likely wait until inflationary pressures ease somewhat toward the end of the year before cutting interest rates twice by 25 basis points each in the first half of 2026. The cycle of cuts would thus come to an end in the summer of 2026 with a key interest rate of 3.5%. However, it will probably take until 2027 for the inflation rate to return to the 2% target.

British economy gains some momentum



Period: 01/2018 – 06/2025

Inflation rate to continue rising until the end of the year



Period: 01/2018 – 08/2025

USA

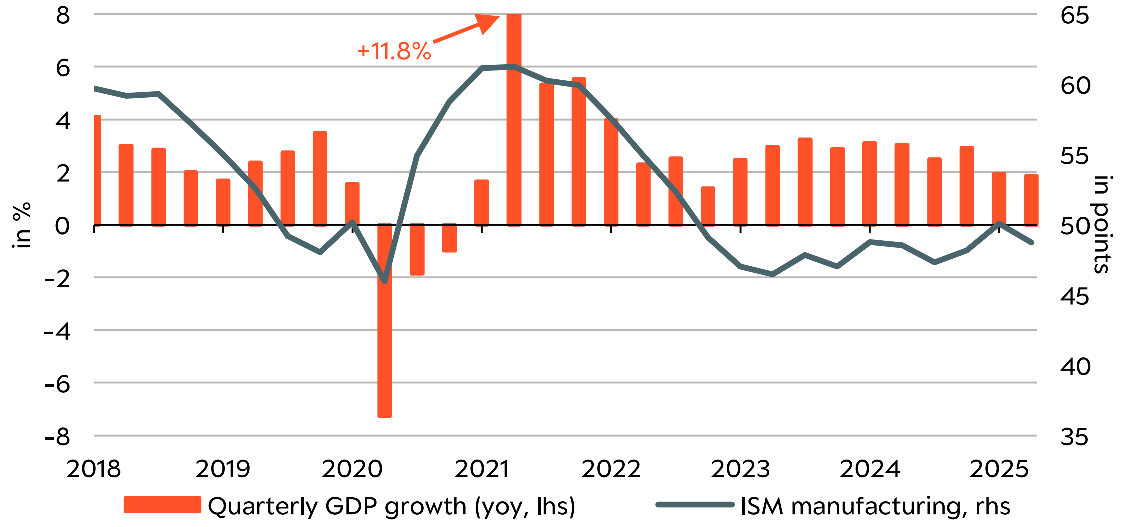
Trump's policies are weighing on the economy

- In recent months, the White House has concluded several trade agreements and agreed with China to extend the tariff pause until November 10. An agreement is expected to follow. Despite this, we anticipate that the average US tariff will be around 18% in the future. That would be about six times higher than at the beginning of Trump's second term.
- High tariffs will cause inflation to rise further and put pressure on US consumers. The US government's restrictive immigration policy is also having a dampening effect on the economy, as it significantly limits the supply of labor. Added to this is the US government's increasing erosion of institutions, which will undermine the attractiveness of the US as a business location over time.

First interest rate cut by the Fed this year

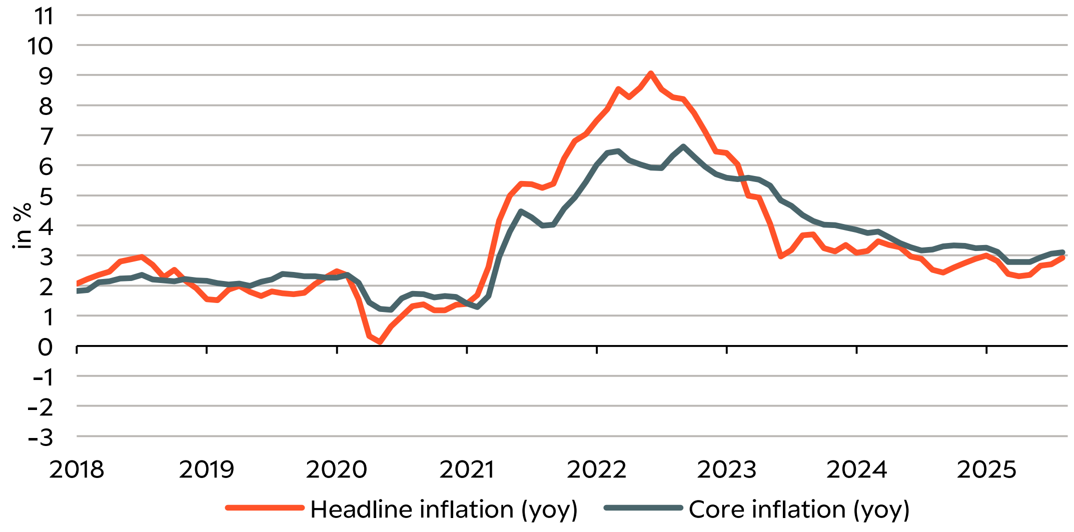
- As expected, the Fed lowered its key interest rate range by 25 basis points to between 4.00% and 4.25% on September 17. The fact that only Stephen Miran, the newly appointed Fed governor who is close to Trump, voted for a larger interest rate cut shows that the Fed is proceeding cautiously with its monetary easing.
- The situation remains difficult for the Fed. On the one hand, the labor market is currently cooling down, which calls for interest rate cuts. On the other hand, US tariffs are driving up inflation. The inflation rate rose from 2.7% to 2.9% in August and is expected to exceed the 3% mark in the coming months. For the next meeting on October 30, we expect another 25 basis point cut in the key interest rate range to 3.75-4.00%, before ongoing inflationary pressure puts a stop to further interest rate cuts.

Trump's policies will not be without consequences



Period: 01/2018 – 06/2025

Rising inflation due to tariffs complicates the Fed's work



Period: 01/2018 – 08/2025

 Source: Haver

Economics forecast

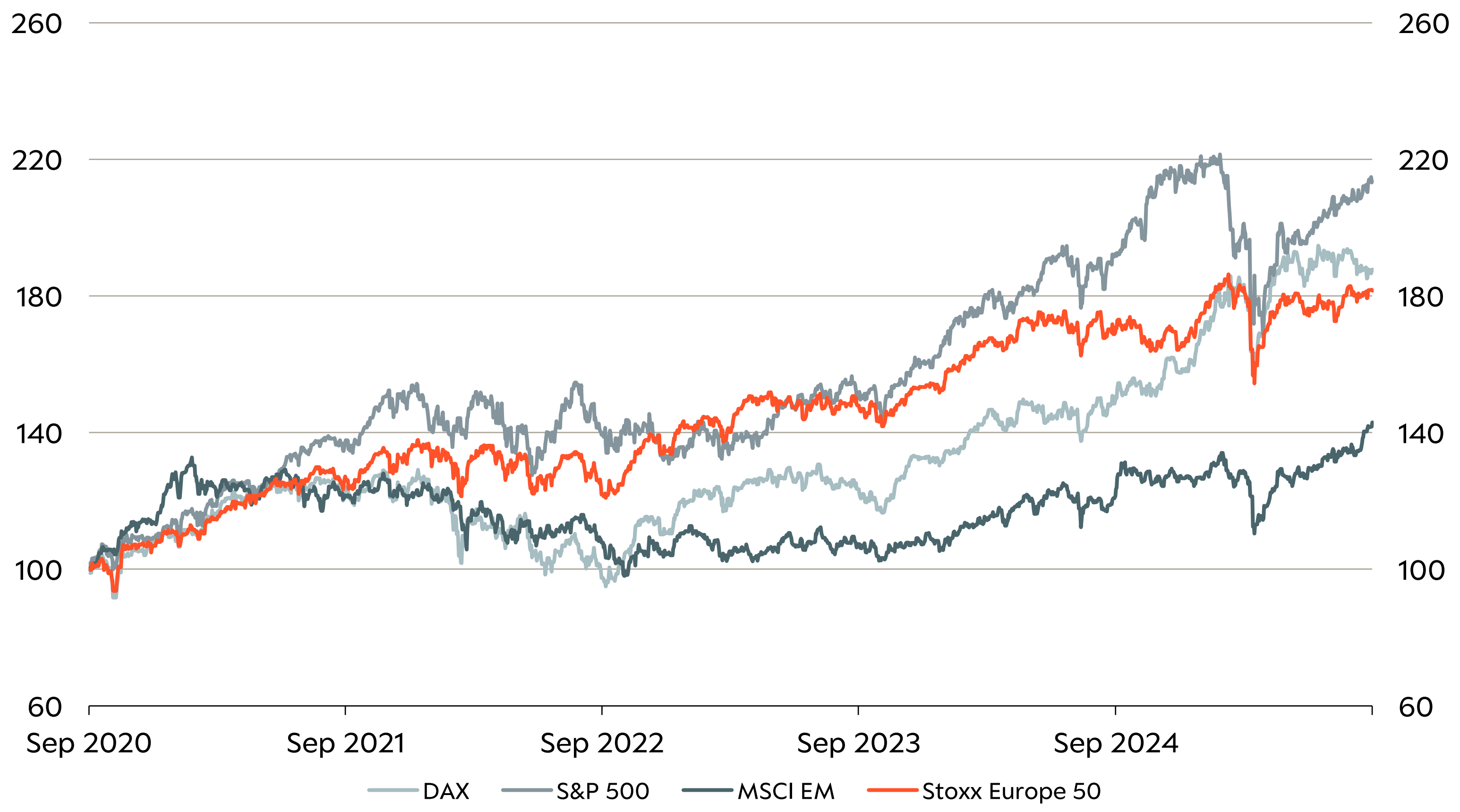
	GDP growth (in %)						Inflation (in %)					
	2025		2026		2027		2025		2026		2027	
	Berenberg	Ø**	Berenberg	Ø**	Berenberg	Ø**	Berenberg	Ø**	Berenberg	Ø**	Berenberg	Ø**
USA	1.9	1.6	1.7	1.7	1.5	2.0	2.8	2.8	2.9	2.8	2.6	2.5
Eurozone	1.2	1.2	1.2	1.1	1.5	1.5	2.1	2.1	1.9	1.8	2.2	2.0
Germany	0.3	0.3	1.1	1.1	1.4	1.6	2.1	2.1	1.8	2.0	2.2	2.0
France	0.6	0.6	0.9	0.9	1.2	1.2	1.2	1.1	1.9	1.7	2.1	1.8
Italy	0.6	0.5	1.0	0.8	0.9	1.0	1.9	1.8	1.9	1.6	2.2	1.9
Spain	2.6	2.5	2.2	2.0	2.4	1.8	2.6	2.5	2.5	2.0	2.8	2.1
United Kingdom	1.3	1.3	1.1	1.1	1.5	1.5	3.4	3.4	2.7	2.5	2.2	2.0
Japan	1.3	1.1	0.9	0.7	1.0	0.8	3.1	3.0	1.9	1.8	1.7	2.0
China	4.8	4.8	4.1	4.2	3.9	4.0	0.1	0.1	1.3	0.8	1.9	1.3
World*	2.6	-	2.4	-	2.3	-	-	-	-	-	-	-

* At actual exchange rates. not purchasing power parity; PPP would give more weight to the fast-growing emerging-market countries.
** Average of estimates of other experts (Bloomberg); consensus.
Source: Bloomberg, Berenberg per 23.09.2025

03 Equities

The year-end is likely to bring further stock gains

Performance of selected equity indices



Zeitraum: 23/09/2020 – 23/09/2025

US stocks reach new all-time highs in July on a dollar basis

Overall, the third quarter was a good one for equities. Almost all major equity regions posted gains, with US equities performing strongest, driven by the big AI winners. Asian equity markets followed in the performance rankings, while European equities recently stagnated. The strong euro, mixed economic data and political turmoil, such as in France, weighed on investor sentiment. Since the beginning of the year, however, European equities have continued to significantly outperform US equities in the single currency.

Even though the US labour market has weakened recently and the Fed responded with its first interest rate cut in September, the US stock market is not pricing in an economic slowdown. On the contrary: the Fed's lower key interest rates are raising hopes of a significantly looser monetary policy and lower interest rates. For the stock markets, the medium and long end of the yield curve is particularly important. However, whether this actually happens depends on how inflation figures develop. If global liquidity were to grow further as a result of the possible reintroduction of quantitative easing by central banks, we could see a significant overshoot in the stock market.

From a seasonal perspective, the end of the year and the beginning of the new year promise a continuation of the positive stock market performance. This is due, among other things, to seasonally strong fund inflows and optimism for the new year.

 Source: Bloomberg; performance in EUR scaled to 100

US reporting season has been surprisingly positive so far

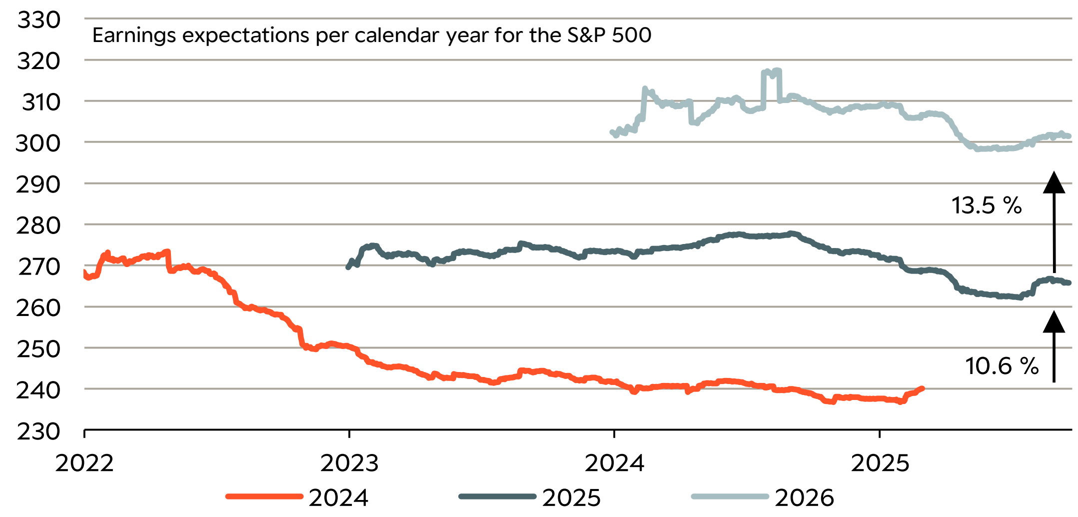
Earnings revisions have been upgraded in the US

- In the wake of the strong Q2 reporting season, analysts have significantly raised their earnings estimates for the S&P 500. The consensus now expects earnings growth of 11% for this year and as much as 13% for next year. In addition to the significant depreciation of the US dollar this year, unabated growth in the AI sector has also helped.
- In addition to higher investment in production capacity in the US, high margins are helping companies to cushion the negative effect. In contrast, software providers came under pressure globally after concerns grew that AI could at least partially undermine their business models. Meanwhile, AI-driven demand for high-performance chips boosted the share prices of manufacturers, who were increasingly optimistic about 2026.

Europe however will see no earnings growth in 2025

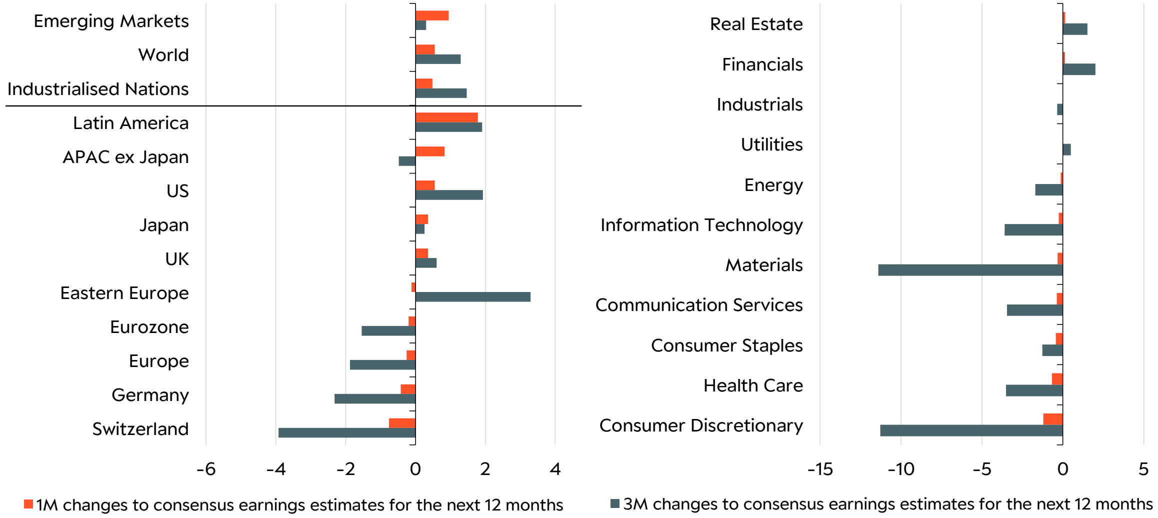
- In contrast, the strong euro and uncertainty surrounding US tariffs have weighed on local exporters. In addition, there have been special issues such as weakening demand for luxury goods and sales problems at Novo Nordisk. Analysts now expect negative profit growth for Europe this year. For 2026, analysts again anticipate positive growth of 8%.

Earnings growth expectations rise slightly again



As of: 01/01/2025 - 23/09/2025

Earnings revisions in Europe still clearly negative



As of: 23/09/2025

 Source: Factset, Bloomberg, own calculation

Seasonality points to a sustained stock market rally

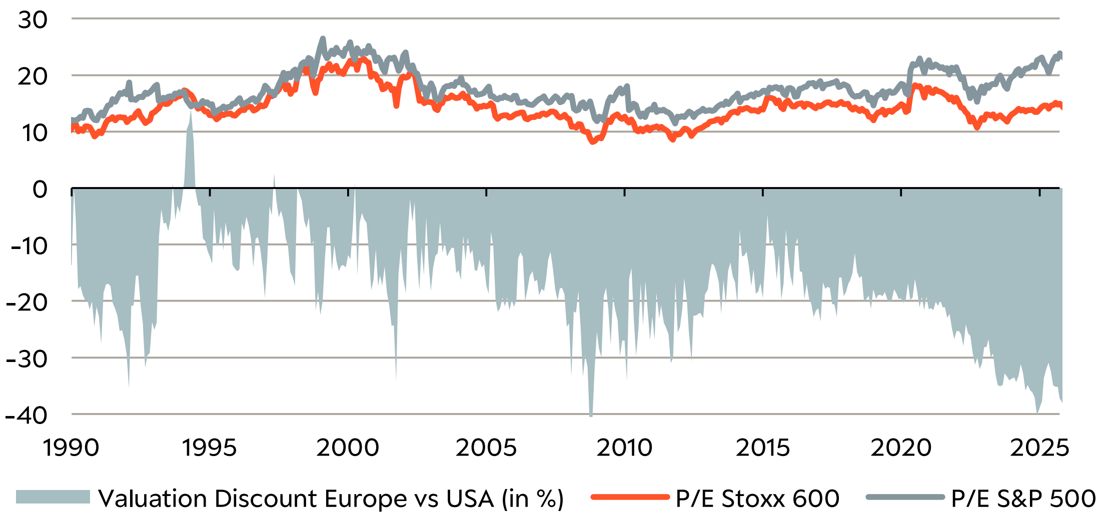
European equities still not expensive

- While earnings estimates for European equities have fallen over the past 12 months, partly due to the strong euro, valuations have risen slightly, not least because of looser fiscal policy in Europe.
- Despite the slight expansion in European equity valuations in the wake of the significant price movements since the beginning of the year, the valuation gap between Europe and the US remains close to its lows and offers further potential for narrowing. With a P/E ratio of 15, European equities still appear to be attractively valued. The discount to US equities is once again around 37%.

Market has already priced in Fed easing

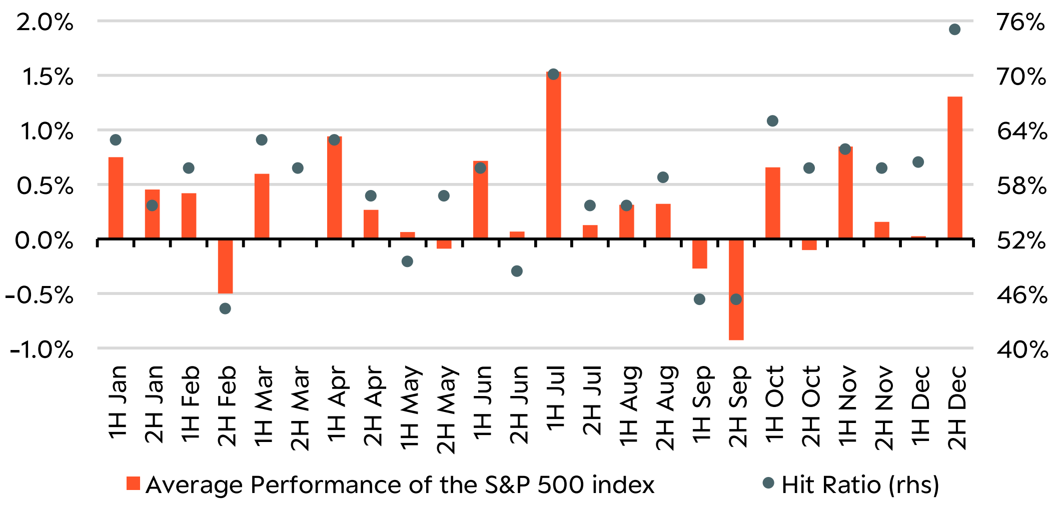
- Even though the US labour market has weakened recently and the Fed responded with its first interest rate cut in September, the US stock market is not pricing in an economic slowdown. On the contrary: the Fed's lower key interest rates are raising hopes of a significantly looser monetary policy and lower interest rates.
- Given the still very high valuation levels for US stock indices, the market seems to be betting that long-term interest rates will also come down this time. However, whether this actually happens depends on how inflation figures develop. If global liquidity continues to grow as a result of the possible reintroduction of quantitative easing by central banks, we could see a significant overshoot in the stock market.

Significant valuation gap between the US and Europe still persists



Time period: 01/01/1988 - 23/09/2025

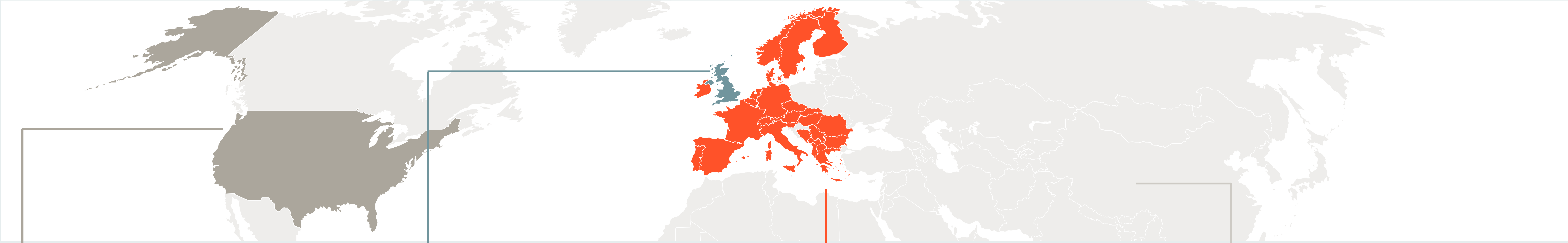
Seasonality supportive until mid-February



Time period: 01/01/1928 - 13/12/2024

 Source: Bloomberg, own calculation

Overweight in Europe and the US



US

overweight

The still strong weighting of US mega caps and the continuing high valuation of US equities make the region less attractive compared to cheaper regions such as Europe or emerging markets. On the other hand, robust economic data, rising profit estimates, a weaker US dollar and unabated growth in the AI sector are having a positive effect.

United Kingdom

neutral

At an index level, UK equities offer a combination of defensive and commodity-rich stocks, which should prove beneficial in a context of high inflation and geopolitical risks.

Europe ex. UK

overweight

Despite their strong performance since the beginning of the year, European companies are not highly valued. Should the economy recover noticeably, there is further potential for them to catch up. However, uncertainty surrounding US tariffs and the strong euro remain a risk.

Emerging Markets

neutral

If the trade conflict continues to de-escalate and the US dollar remains weak, emerging markets should continue to be supported. Accordingly, we already neutralised our underweight position in February of this year.

Estimates for selected indices

Equity market forecasts

Index forecasts	23/09/2025	30/06/2026	31/12/2026	In 12 months
	Current			Ø*
S&P 500	6,657	7,000	7,200	7,298
DAX	23,611	25,500	26,500	27,680
Euro Stoxx 50	5,472	5,800	6,000	6,045
MSCI UK	2,624	2,800	2,900	2,939

Index potential (in %)				
S&P 500	-	0.6	3.8	7.2
DAX	-	-1.0	5.2	11.4
Euro Stoxx 50	-	6.7	12.3	10.9
MSCI UK	-	0.9	6.7	9.7

Source: Bloomberg, Berenberg per 23/09/2025
*Average based on bottom-up estimates.

04 Bonds

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Safe government bonds remain an unattractive asset class

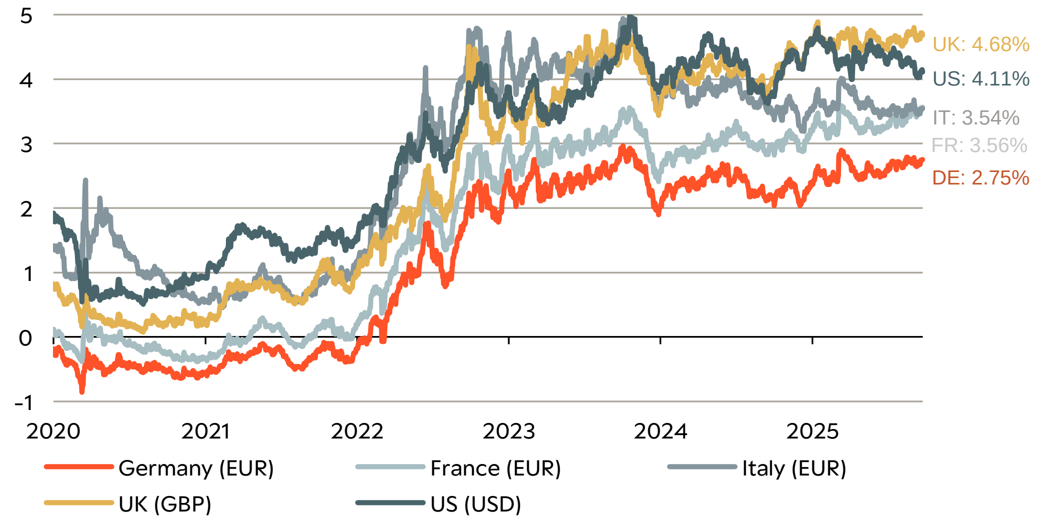
Politics continues to play along

- While uncertainty surrounding US President Donald Trump's erratic tariff policy eased in the third quarter, his attacks on the US Federal Reserve raised concerns about its independence. On this side of the Atlantic, French Prime Minister Bayrou's vote of confidence stirred emotions – and yields. Bond markets remain political in parts.
- In August, Fed Chairman Powell signalled at the Jackson Hole conference that potential weaknesses in the US labour market could be given greater weight than concerns about tariff-related inflationary effects, at least in the short term. As a result, the Fed lowered its key interest rate by 25 basis points on 17 October. We expect the US key interest rate to fall by a further 25 basis points by the end of the year.

Gloomy outlook for government bonds

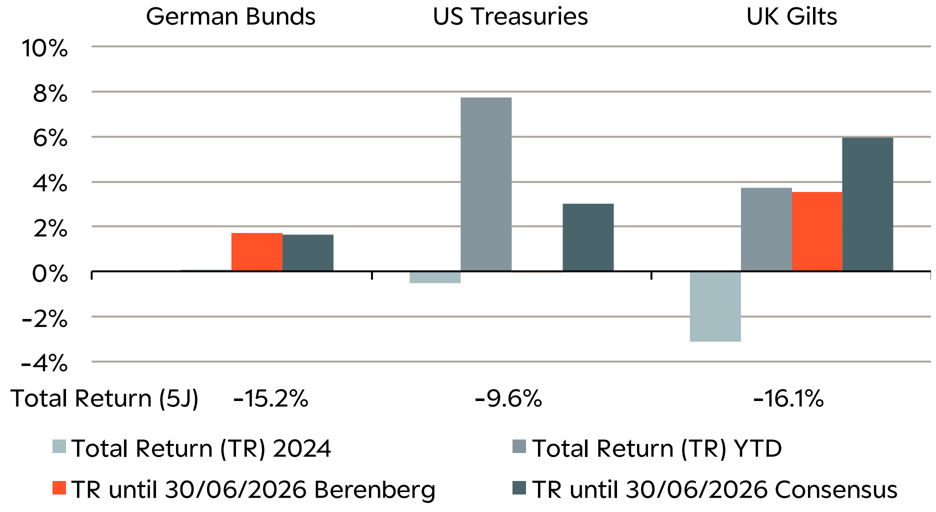
- In the eurozone and the UK, no stimulus measures are expected from the central banks in the final quarter; the Bank of England is also unlikely to take action again until 2026. At the longer end of the yield curve, we see little potential for falling yields in the medium term. This is offset by the increase in public debt, the stable economy in the eurozone and structurally higher inflation in the US.
- The outlook for German government bonds and US Treasuries is correspondingly limited or even negative. In local currency terms, we expect only British government bonds to benefit from high carry with roughly unchanged yields, although the inflation rate must still be deducted for a real assessment. We remain cautious about France, whose yields have risen to the level of Italy and Greece amid uncertainties about the status and future of fiscal reforms.

10-year yields (%) remain volatil



Period: 01/01/2020–23/09/2025

Safe government bonds: UK with the best prospects



Period: 31/12/2023 - 17/09/2025, returns in local currency

Source: Bloomberg, own calculations, ICE BofA government bond indices (7–10 years, TR)

Opportunities in finance and frontier markets

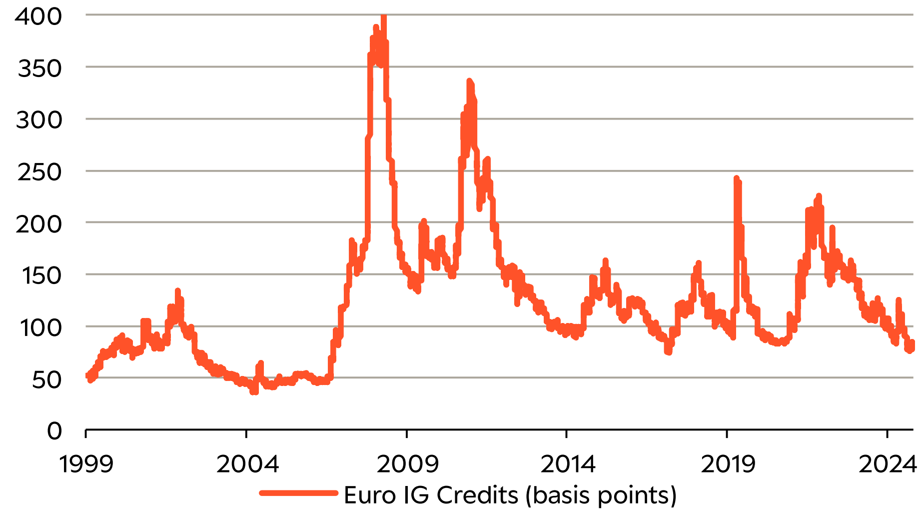
Corporate bonds: Spread levels call for caution

- European corporate bonds continued to perform well over the summer. Risk premiums on euro-denominated investment-grade securities are trading at levels last seen during the ECB's extensive purchases in the coronavirus crisis. This development calls for caution in the coming months. On the one hand, technical factors such as a seasonally high number of new issues could weigh on the market segment. On the other hand, corporate earnings are likely to deteriorate due to the effects of US tariff policy on economic data.
- Fiscal policy uncertainties in France could also dampen market sentiment. Although corporate bonds are not at the forefront, they are unlikely to remain completely unaffected by developments.

Emerging market bonds: frontier markets preferred

- The at least partial easing of trade disputes and the prospect of interest rate cuts by the US Federal Reserve amid a continuing robust US economy have recently had a positive impact on emerging market bonds. In the hard currency segment, they benefited from the constructive mood, with risk premiums falling to multi-year lows..
- While industrialised countries have to pay higher risk premiums, local emerging market bonds are benefiting from falling yields. Against this backdrop, we are focusing in particular on local emerging market bonds from frontier markets. These are not only attractive due to their solid fundamentals and attractive interest rates, but are also likely to benefit from the expected further decline in yields, as inflation has largely been overcome and their economies are already cooling as a result of tariffs.

Corporate bonds: valuations recently expanded



Period: 31/12/1999–15/09/2025, IG: Investment Grade

Emerging market bonds sought after over industrialised countries

Period: 30/06/2024–15/09/2025

 Source: ICE, own calculations, indices: ICE BofA Local Debt Markets Plus Index, ICE BofA Global Government Index.

Capital market strategy

Core segments

Government bonds

underweight

- As macroeconomic data continues to fluctuate widely, interest rate volatility is also likely to remain high for safe government bonds. Although the yield curve is no longer inverted, it is still flatter compared to the historical average. Even if central banks cut interest rates further, yields on longer maturities are unlikely to fall significantly.
- Secured covered bonds have a similar credit risk profile but offer higher yields. We consider this risk/return profile to be more attractive than that of government bonds, although the relative attractiveness has declined due to narrower swap spreads.

Corporate bonds

neutral

- Due to low risk premiums, the risk of valuation adjustments has risen again recently in both the high-yield and investment-grade segments. However, in our baseline scenario, spreads should hardly widen, meaning that high-quality corporate bonds remain more attractive than government bonds. In terms of sector selection, we are focusing on defensive industries and avoiding cyclical ones. We currently see selective opportunities in the high-yield bond segment.

Other segments

Emerging markets

overweight

- Local currency bonds remain attractive due to high real yields, solid fundamentals combined with a sustained disinflationary trend in emerging markets and the weakness of the US dollar and offer a good risk/return profile.
- Among hard currency bonds from emerging markets, we prefer government bonds over investment grade corporate bonds due to higher yields, longer durations and higher inflows.

High yield bonds

overweight

- The high-yield bond segment remains attractive to many investors due to the positive economic outlook resulting from the ECB's interest rate cuts and high carries. Although risk premiums are historically low, the average quality of companies in the segment is also better than in the past.
- We continue to view catastrophe bonds and high-yield bond funds with a more defensive profile as attractive.

Forecasts

Base interest rates and government bond yields (in %)	23/09/2025	30/06/2026		31/12/2026	
	Current	Berenberg	Ø*	Berenberg	Ø*
US					
Base interest rate	4.00-4.25	3.75-4.00	3,53	3.75-4.00	3.36
10Y US yield	4.11	4.55	4.15	4.80	4.09
Eurozone					
Base interest rate**	2.00	2.00	2.05	2.00	2.09
10Y Bund yield	2.75	2.80	2.83	3.00	2.88
United Kingdom					
Base interest rate	4.00	3.50	3.47	3.50	3.33
10Y Gilt yield	4.68	4.70	4.37	4.70	4.17

Source: Bloomberg. Berenberg. as of 23/09/2025
*Average of estimates by other experts (Bloomberg) consensus.
**Deposit rate

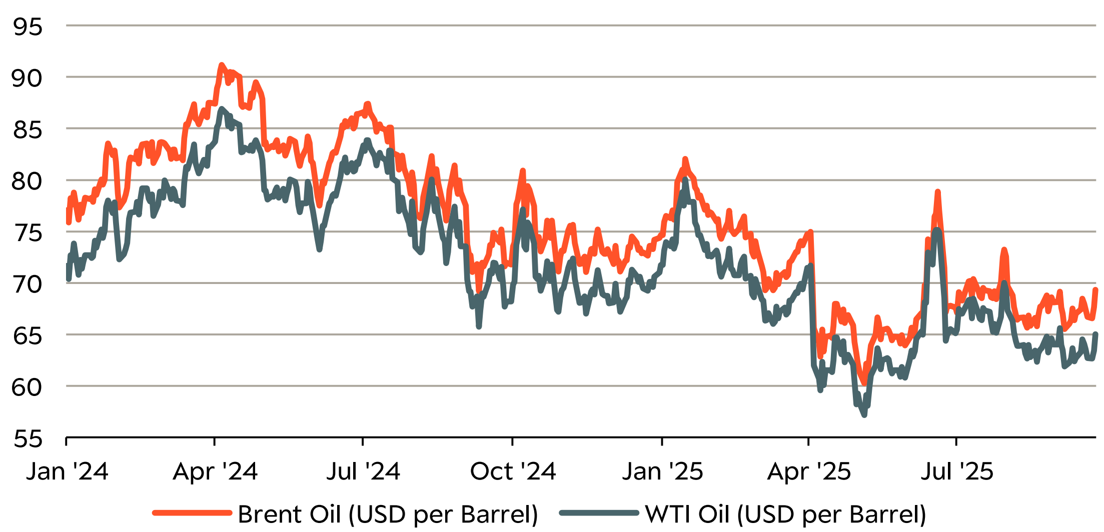
05 Commodities

A lot of supply, little room for upward fantasies

'Drill, baby, drill' in the Middle East

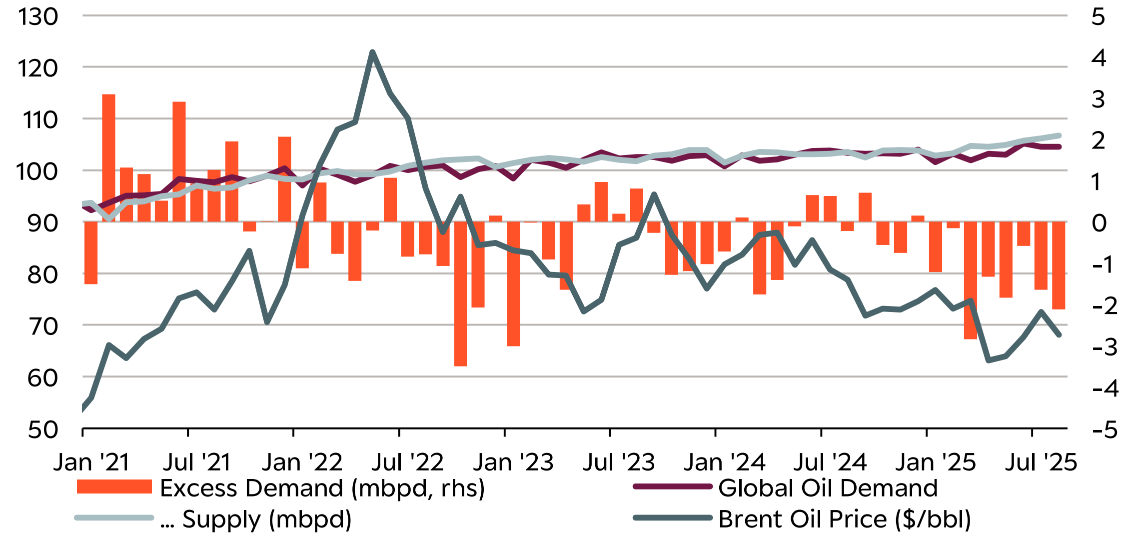
- The oil price moved sideways in September with low volatility. With a price range of less than USD 4 per barrel (Brent), September was the least volatile month of the year so far.
- Meanwhile, OPEC+ continued its course of expanding production. After 140 kbpd in April and 411 kbpd in May, June and July, the cartel picked up the pace again in August and September, expanding production by 548 kbpd. Production is set to rise further in October, albeit at a more moderate pace of only 137 kbpd.
- With so much supply, there is little room for big upside fantasies. The IEA even forecasts the largest supply surplus in history, amounting to 3.3 mbpd, in 2026.
- However, the imbalance could ultimately turn out to be smaller than expected. Although OPEC+ could officially roll back further cuts, some member states are already operating at their actual capacity limits. In addition, US shale oil production is stagnating, contrary to the expectations of many analysts, and is likely to be scaled back if prices continue to fall. Furthermore, global inventories outside China remain relatively low.
- A sideways movement therefore seems likely for the time being. Geopolitical risks in the Middle East and secondary sanctions offer (temporary) upside opportunities. However, there has been less attention on both issues recently.

Crude oil continues to trend sideways



Period: 01/01/2024 – 24/09/2025.

Oil market has been in surplus for months



Period: 01/01/2021 – 31/08/2025.

 Source: Bloomberg, EIA, Baker Hughes, own calculations.

Gold from all-time high to all-time high

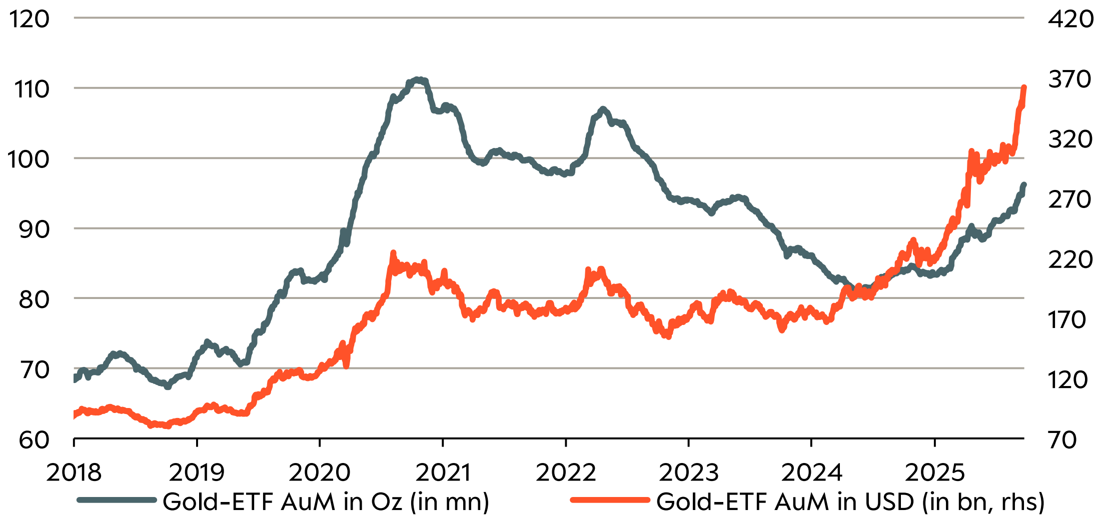
The environment for gold could hardly be better at present

- After gold gained significantly in value at the beginning of the year, the precious metal remained within a narrow trading range for a long time since the end of April. In addition to declining demand due to the increased price level, the increased risk appetite of many investors, who preferred alternative asset classes, also limited further price increases.
- However, anticipation of the Fed's recent interest rate cut, concerns about the central bank's dwindling independence under Trump and a sharp rise in ETF holdings have recently given the precious metal a new boost. Structural demand from central banks, ongoing geopolitical tensions and rising government debt are likely to continue to support the gold price in the medium term, alongside a further weakening of the dollar, and increasing inflation risks.

Metals caught between conflicting market forces

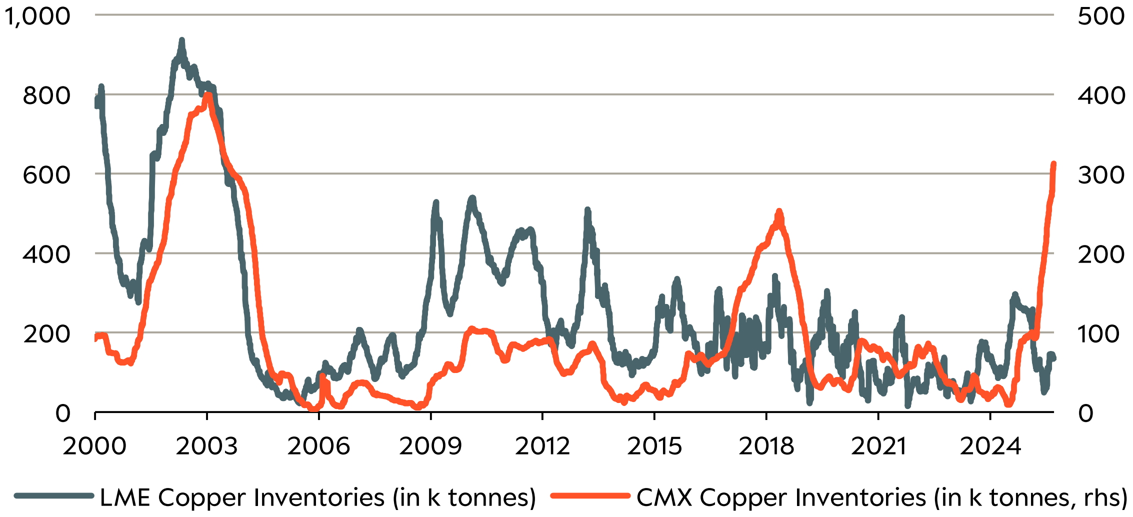
- Industrial metals have recently failed to find a clear direction after Trump's tariff policy led to some significant movements: after the copper price rose sharply due to tariff concerns, copper traded on COMEX suddenly lost value at the end of July following the announcement of an import tariff on semi-finished copper products.
- Looking ahead, demand is likely to flatten out initially due to advance purchases and high inventories. Despite small steps by China to support demand, a dollar that is likely to continue to weaken and structural demand (electrification, rearmament), industrial metals are likely to trend sideways for the time being without a significant economic upturn.

Sharp rise in ETF holdings since the beginning of the year



Period: 01/01/2018 – 24/09/2025.

COMEX inventories at their highest level since 2003



Period: 01/01/2000 – 24/09/2025.

 Source: Bloomberg, own calculations.

06 Currencies

BERENBERG

Market development

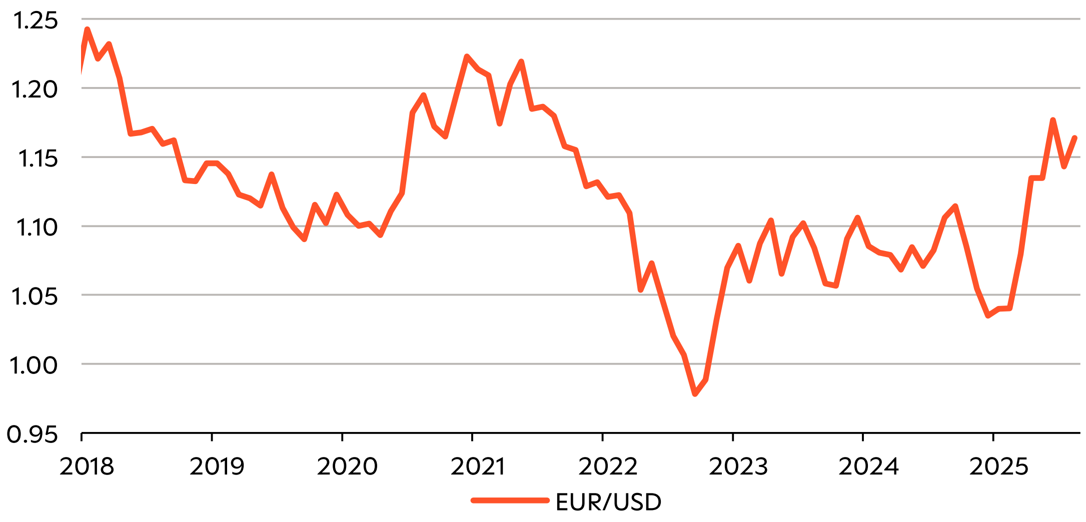
The dollar is at its weakest level in four years

- The euro recently rose to its highest level against the dollar since September 2021. The slowdown in economic momentum is likely to continue to weigh on the US dollar. The US Federal Reserve is responding to the cooling labor market with further interest rate cuts, narrowing the interest rate gap with other central banks. Capital outflows from the US are the likely consequence. This could put additional pressure on the dollar.
- In addition, Trump is increasingly attempting to extend his influence over the Fed, which will increase inflation risks in the medium term. The market is responding to this with a weaker dollar. The continuing rapid rise in US government debt is also a cause for concern. Overall, there is little to be optimistic about for the greenback at present.

Swiss franc stable despite zero interest rate policy and customs hammer

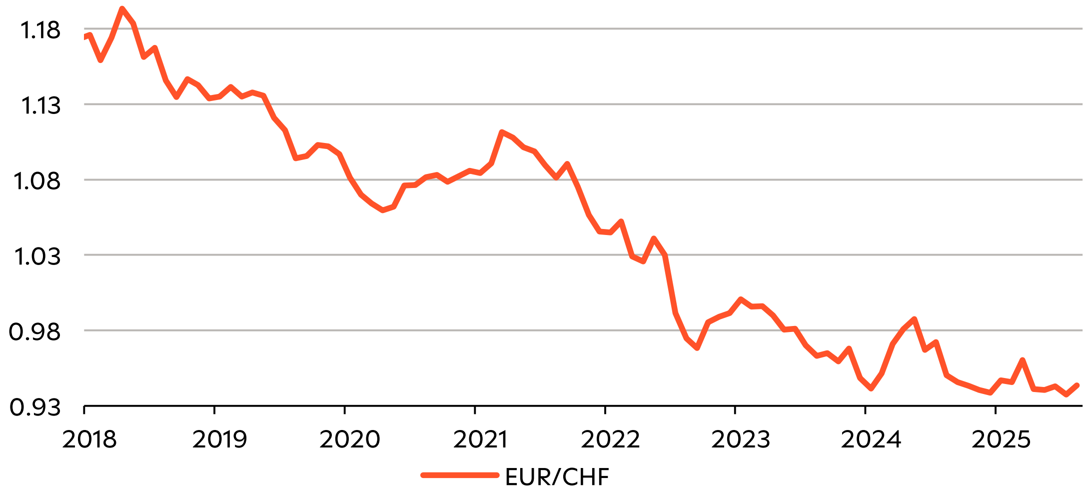
- The US customs hammer has hit Switzerland hard: at 39%, the import duty is higher than for all other industrialized nations. While the economy is weakening, the inflation rate in August was once again just barely positive at 0.2%.
- The Swiss National Bank (SNB) would like to support the economy by further easing monetary policy, but the key interest rate has been at 0.0% since June 20. It is considered unlikely that the SNB will decide to introduce negative interest rates again. The Swiss franc weakened slightly in response to these events, but remains fairly stable overall at around EUR/CHF 0.94. We expect it to continue moving sideways. However, much will depend on the outcome of further negotiations with the US for Switzerland and the Swiss franc.

The dollar is facing many headwinds



Period: 01/2018 – 08/2025

Swiss franc as hard as Alpine granite



Period: 01/2018 – 08/2025

 Source: Bloomberg

Estimates of key currencies

Forecasts

Exchange rate forecasts

	23/09/2025	30/06/2026		31/12/2026	
	Current		Ø*		Ø*
EUR/USD	1.18	1.19	1.20	1.20	1.21
EUR/GBP	0.87	0.87	0.87	0.88	0.87
EUR/CHF	0.93	0.95	0.95	0.95	0.95
EUR/JPY	174	170	168	168	168

Change against the Euro (in %)

	23/09/2025	30/06/2026		31/12/2026	
	Current		Ø*		Ø*
USD	-	-0.7	-1.5	-1.5	-2.0
GBP	-	0.4	0.4	-0.7	0.4
CHF	-	-1.6	-1.6	-1.6	-1.6
JPY	-	2.6	3.8	3.8	4.1

*Average of estimates of other experts (Bloomberg); consensus
**Average of estimates of other experts (Bloomberg) for Q4 2025 and Q4 2026
Source: Bloomberg, Berenberg as of 23/09/2025

07 Publishing information

Publishing information

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