Comment on the investment policy in the 1st quarter of 2026

Global economic shocks have shaped the past half decade. Can we expect more from the second half?

The world has experienced an unprecedented cascade of shocks in the first half of the decade.

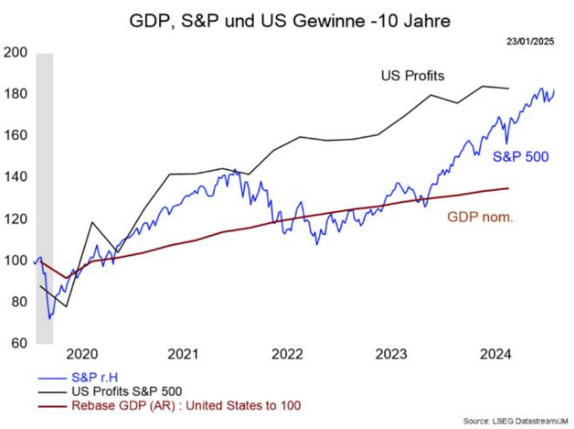
First, the global pandemic, which had prevented many workers from showing up at work. This was followed by a boom in demand, which was intended to compensate for the forced renunciation of consumption during the pandemic. Then came the Ukraine war with serious consequences for the energy markets. Europe was hit particularly hard by this, as energy supplies from Russia came to an abrupt standstill.

Relapses in the fight against the pandemic led to major disruptions in supply chains. They resulted in far-reaching production losses in almost all industries. The lack of supply allowed companies to significantly increase margins and prices. A fact that was reflected in inflation figures close to the double-digit range in both the USA and Europe. This prompted the US Federal Reserve in particular to make a shock-like braking manoeuvre, which was also followed by the European Central Bank.

Meanwhile, global output has rebounded, and inflation figures have returned to the desired level of 2%. Only in the USA did last year's tariff shock keep inflation close to 3%.

Overall, the 5 shocks have led to high economic costs. Not only has the pandemic led to above-average deaths and high production losses, but countries have also been forced to put together unprecedented aid packages to prevent the economy from collapsing. As a result, the debt of the OECD countries has risen from around 95% to 100% of GDP. A peak value in peacetime. It is also a burden that is likely to severely limit the scope of action of the international community. Among the losers of the shocks is also the majority of the population, who have invested their savings in bank accounts and bonds. They lost around 20% of their wealth in real terms, as cumulative inflation in the OECD was over 20% in the last 5 years (Switzerland around 8%). On the winning side were all those who owned mortgages that have devalued to the extent of inflation. However, companies that were able to exploit the shocks by increasing margins and were financed with debt capital have benefited the most. This also explains why equities have achieved above-average returns over the last 5 years. However, the positive shocks of those innovations that are summarized under the term "artificial intelligence" have also contributed to this brilliant result. The providers of these technologies promise high productivity gains for almost all industries. Due to the high initial investment, only a few providers will be able to provide a high-quality offer. This limited competition means that high profit rates can be expected. However, today's prices are likely to more than take them into account.

However, this brief review shows that global shocks can be costly or even tragic for many, but on the other hand, there are also many winners. Shareholders in particular have been able to benefit from the supply shortages through higher profits. The American stock index has almost doubled in the past five years.



2026 begins again with a bang.
The trigger is the National Security Strategy, Nov. 2025, recently published by the US government.

The German historian, Andreas Rödder, describes the strategy outlined in it as a "paradigm shift". At its core, it is about the concept of sovereignty of a state. For over 100 years, the American government has defined this term as it is enshrined in most constitutions and European international law. Namely, as the right of final decision within the state and externally as the independence and integrity of a state within the community of states. No stronger person should have the right to attack and take possession of a weaker one, as happened in the case of Iraq when Saddam Hussein invaded and annexed Kuwait. Bush rightly argued at the time that the "rule of law must replace the law of the jungle". [1]

The new administration rejects this concept of sovereignty and explicitly postulates that only those who have the power to guarantee it are sovereign. States have to take this new reality into account. They move in an environment that is no longer characterized by international agreements but by the principles of evolution.

The strategy report explicitly states that no other power should succeed in taking over the leadership in the world. Undisputed leadership is to be ensured in the military, industry and energy sectors.[2] At the same time, the sphere of influence of the USA is being redefined. The focus is on "the Western Hemisphere", which also includes the Pacific and the Atlantic. In this area, the dominance of the USA is considered unrestricted. No other power will be allowed to build up positions that could be an obstacle to the development of the United States. (Strategy Report, p. 15: "We will deny non-Hemispheric competitors... to own or control strategically vital assets, in our Hemisphere. This "Trump Corollary" to the Monroe Doctrine is a common-sense and potent restoration of American power..."

The implementation of the new strategy will be taken swiftly. For example, Venezuela, the country with the world's largest oil reserves, was "temporarily taken over by the USA" at the beginning of January 2026, a state of affairs that was assessed by the NZZ am Sonntag as follows: "This is an enormous announcement. The US wants to be a colonial power in the Western Hemisphere again, so to speak."[3]

The exploitation of this potential is expected to take place through the granting of drilling licenses to American oil companies. American citizens will appreciate this, because lower energy prices are the declared goal of the new strategy.

For Europe, too, the report sees a turnaround from the strategy of recent decades. It must be interpreted as an actual divorce certificate. The indication that Europe will have to take care of its own security in the future is likely to have serious consequences. This endangers not only Europe's conventional, but also its nuclear defence readiness. Enormous efforts will be required in the coming decades to be able to restore Europe's sovereignty.

Another change in strategy is likely to lead to conflicting goals with Europe, namely the rejection of international agreements and the simultaneous emphasis on national ideas.[4]

He explicitly believes that Europe is on the wrong track[5] when it is stated that the EU's integration process prevents nations from developing.[6] In addition, it immediately explains what the US wants: namely, to turn away from the path

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[1] Andreas Rögger, NZZ, 21. Dez 2025, S.24
[2] Strategy Report, p.3
[3] Andreas Bernath, NZZaS, 4 1. 2026, S. 20
[4] "We stand *for* the sovereign rights of nations, *against* the sovereignty-sapping incursions of the most intrusive transnational organizations... (Sicherheitsbericht, S. 9)
[5] Although they (the authors, author) do not name any states that America threatens, the authors concentrate on to a hostile ideology. Not in the Chinese communism, not on Russian autocracy or Islamic extremism, but also on European liberal democracy, this is it, what this radical faction is really afraid of: People who are affected by 'Iran austerity, accountability, civil rights and the rule of law. (Anna Appelbaum, NZZ, 5 Jan. 2026, p.19)
[6] "The larger issues facing Europe include activities of the European Union and other transnational bodies that undermine political liberty and sovereignty, migration policies that are transforming the continent and creating strife, censorship of free speech and suppression of political opposition, cratering birthrates, and loss of national identities and self-confidence." (Sicherheitsbericht, S.25)

it has taken.[7] Or as Andreas Bernath puts it: "Trump's USA therefore wants to support like-minded people in Europe. In plain language: anti-pluralistic far-right parties and illiberal democracies like Hungary."[8]

In addition, Europe must not lean on hostile states in order not to endanger the security interests of the United States. This refers to China, on which Congress prepared another report in November[9] , which describes China as the biggest challenger to the US.[10]

At the moment, it is difficult to outline where Trump's power rush could come to an end. If you take the power imbalance that exists between the USA and most other countries, there is almost no limit to asymmetrical deals. Territorial claims against several neighbouring states are already being considered. Economists also doubt that the tariffs will be able to permanently eliminate the U.S. trade deficit. The government also has a great deal of leverage for asset shifting with the extremely high debt. Their debt restructuring could be described as indispensable for national security. This is all the more so because the trade surplus countries could be held responsible for the high external debt of the USA.

How the international community will react to this abuse of power is completely open. At the moment, everyone seems to be blocked. As in most cases where violence is used, there is an icy silence for the time being. Everyone ducks in front of the violence user, because rearing up only provokes new blows. Sooner or later, the affected states will have to pull themselves together and put an end to the behaviour that is damaging to prosperity. For the time being, probably through moral disapproval and in a second phase with collective security and economic policy action. At least the EU is called upon in this respect. The first test could already take place if Trump were to annex European territory.

However, dangers come from monetary policy. Since Trump accepts neither constitutional rules nor institutional rules of good governance, we must also assume that he has nothing to do with the intellectual concept of "central bank independence". We must therefore assume that Powell's successor will be a loyal Trump supporter who will read the president's wishes from his mouth. And they have long been known: namely lower interest rates. Together with the expansionary fiscal policy, a dangerous cocktail could thus develop.

However, the questionable trends in terms of democracy and foreign policy are contrasted with economic policy issues that are of considerable importance in terms of investment policy.

First, Trump has shown on several occasions that he always has his decisions judged by the stock market. He justified his second candidacy for the presidency with the good US stock market performance, among other things. He also immediately reversed the tariff bombshell of April last year after investors caused global stock prices to collapse by around 20%. We therefore assume that he will do everything in his power to be able to compensate for any stock market losses.[11]

Second, the government has adopted a fiscal package that provides significant relief for companies and increases their chances of profit accordingly. The tariffs levied on imported goods also increase the pricing leeway for domestic suppliers. Price and margin increases will be the result. Thirdly, the move away from the energy transition has triggered a real boom in fossil and nuclear production facilities and caused energy prices to fall sharply. This has significantly improved the competitiveness of domestic industry. With this step, a decades-long struggle to internalize external costs (disease and environmental damage) into the market economy system has been abruptly reversed.

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[7] "Our goal should be to help Europe correct its current trajectory. We will need a strong Europe … to prevent any adversary from dominating Europe." (Sicherheitsbericht, S.26)

[8] Andreas Bernath, NZZaS, 7. Dez. 2025, S. 22

[9] U.S.-China Economic and Security Review Commission: 2025 Report to Congress, Nov. 2025 (China-Review)

[10] "Taken together, these actions form a coordinated strategy to prepare China for the possibility of potential conflict while steadily seeking to erode U.S. deterrence and the resilience of allied security networks" (China-Review, S.19)

[11] Economists are therefore right to speak of a Trump put.

Fourthly, many authorities will only be able to carry out their supervisory and control activities to a limited extent due to a lack of staff and reduced competences. This gives freedom for entrepreneurial activity, but also more responsibility and risks for consumers and employees.

Fifthly, this government thinks little of market-based competition. Companies now have greater freedom to ramp up monopolistic structures and cartels. Large corporations are even supported by the government because they are able to skim off monopoly rents abroad. Foreign states that try to regulate such entities on their territory are even threatened with sanctions.

These same companies also have the full support of the administration in developing the artificial intelligence (AI) strategy, whether for the procurement of land, energy, intertwined contracts and licenses.

All in all, it can probably be said that this administration largely puts the government apparatus at the service of the companies.

Many of these profit opportunities have flowed into the valuation of American equities over the past year. They are now valued significantly higher than the companies in the other regions. There is therefore no reason to take them more into account, as the risks of a political setback for Trump's strategy with the midterm elections in November are not to be underestimated.

For Europe and the rest of the world, the Americans' change of system from an international legal order to a power-oriented order means that they will all have to spend a lot of money to regain their sovereignty.

This will lead to large government investment programs that will further increase the already high debt of most countries. These are not the best prospects for bonds in the medium term. Since rising inflation rates and interest rates are to be expected in such phases, nominal values such as bank deposits and bonds lose value. We are not there yet, but it is advisable to prepare for it in good time. By contrast, we are reducing US bonds from neutral to slightly underweight. This is intended to take into account the risk that the US will not fully compensate the holders of its government bonds.

In addition, the geopolitical paradigm shift also calls for caution in asset allocation. Since smaller states are less able to defend themselves, they are also easier to blackmail. Therefore, the broad diversification of equity assets is of greater importance. Too many portfolios are still invested in the domestic market with too large a share (home bias). This needs to be corrected.

What we cannot alleviate with these material precautions is the pain caused by the loss of a good friend who says goodbye to the jointly defended ideals of democracy, freedom, human rights and sovereignty of states and replaces them with brute force.

However, we cannot simply accept this. This deserves a huge moral outcry, as the central banks have powerfully demonstrated.

So much for the big lines.

Best wishes, Prof. Dr. Josef Marbacher & CORUM Investment Committee