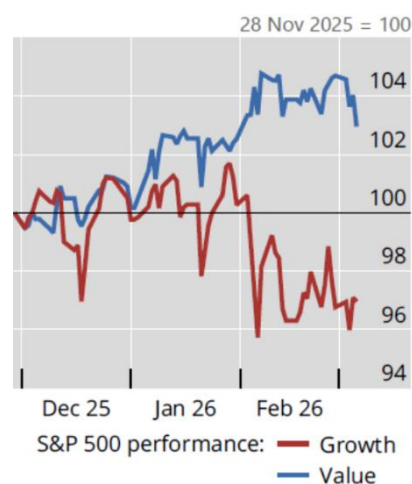


Comment on the investment policy in the 2nd quarter of 2026

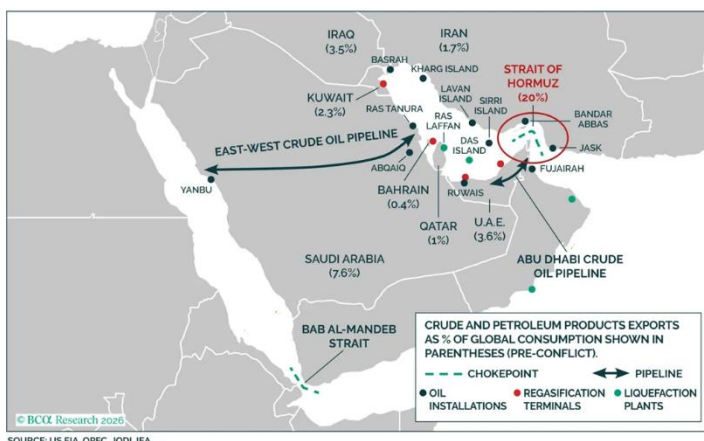
The first quarter brings significant changes in the financial and real sector

A new war breaks out

Equity investors reoriented themselves in the first quarter of the year. They have somewhat relativized the euphoric assessment of American technology stocks, which has led to a grotesque shift in market capitalization in favour of the USA. In particular, there were fears that the tech giants' huge investments in artificial intelligence (AI) infrastructure could lead to disappointment. Their financing is also critically assessed. The company's own funds have long since ceased to be sufficient for this. Funds are increasingly being raised on the capital market and increasingly also via the private sector. A circumstance to which the non-American supervisory authorities particularly point out. As a result, investors have diversified their portfolios more. The equity and foreign exchange markets in Europe, Japan and the emerging markets benefited from this. Studies on the effects of AI on business and software companies have also triggered fears. Their shares, which are mainly found in the SME sector and are mainly managed by private equity firms, have slumped by around 30%. For these reasons, a general movement from growth companies to value companies started at the beginning of February.



This also affected the gold, silver and crypto markets, which started a real bubble last year that literally burst in the course of the reorientation.



Then, at the beginning of March, another surprise: the USA allows itself to be drawn into a war by Israel in violation of international law. The Iranian air force, the fleet, the defense systems are destroyed, and the top government is killed. The manoeuvre was announced as a "short-term military operation".

Now we have to talk about war, because Iran has managed to inflict considerable damage on those Gulf states that have provided military bases to the Americans.

More serious, however, is that the attackers have clearly underestimated Iran's capabilities. With the control of the Strait near Hormuz, the Iranians also have a means of power in their hands that could severely affect the global economy. This powerlessness has led Trump to engage in disturbing threatening tirades that are likely to make it difficult to achieve real peace. It is also typical that shortly before his ultimatum expires, he declares victory and announces the opening of the Strait of Hormuz. However, the fact that he had to accept Iran's 10-point plan as a basis for negotiations, which is tantamount to a capitulation document, was only mentioned when asked. Only on this basis was Iran ready to return to the negotiating table. However, the extent to which the "agreements" can be attributed to the president's wishful thinking will become clear in the coming weeks.

After all, the financial markets have reacted positively to the announcements. However, it remains to be seen what will happen next. The consensus among the commentators is that there are only losers in the Middle East at the moment. Among them is the global economy, as it is faced with a problem that did not exist before the war, namely the possible restriction or even closure of shipping in the Persian Gulf. It shows once again that violence usually gives birth to new violence. That was the realization after two world wars. It would be nice if the ruling autocrats could find their way back to this realization as soon as possible.

With regard to the current situation, it is difficult to make a forecast. However, we consider the most plausible thesis to assume that Trump feels an urgent desire to turn to new, more promising "business areas". This is all the more so as the midterm elections are approaching. The landslide loss of Trump's friend Orban in Hungary should be a warning signal. Then we would have to consider a quick "peace solution" again, which leaves a lot open. What would remain – as usual – would be scorched earth. In this case, Europe would probably have to take over and work out a peace treaty with Tehran, which is unlikely to contain much more concessions than the 2015 agreement rejected by the Trump administration, because the price of a longer closure of the Strait of Hormuz would simply be too high for the global economy. Market participants also expect an amicable end to the Iran war, as the year-end prices for fossil raw materials continue to be well below previous highs. Even if one assumes this amicable settlement of the Iran conflict, global growth losses of around half a percent and inflation rates of an additional one percent must be expected in the next 12 months. A definitive opening of the aforementioned shipping route would have a positive effect on the coming monetary policy.

Since the beginning of the war, central banks have announced that they would take action to counteract any inflationary effects at an early stage. Interest rates at the short end have therefore risen slightly and the expected interest rate cuts have been reversed, especially in the USA. A permanent opening of the Strait of Hormuz before the end of the 2nd quarter would lead to a significant reduction in energy prices and prompt central banks to continue the neutral monetary policy adopted before the war or to ease the tighter handling in the USA and Great Britain somewhat.

The experience of recent years has also shown that the majority of companies succeed in passing on cost increases and sometimes margin extensions to customers. This time should be no different.

Apart from Trump's constant bluster, the medium-term economic outlook remains quite positive. They are being driven by two demand shocks that will keep us busy for years to come. These are the large investments in Artificial Intelligence (AI) infrastructure and the unprecedented demand for armaments.

Investments in AI are expected to generate considerable productivity gains, which make capital investment lucrative, but temporarily put pressure on labour as a production factor.

Regarding investments in security, there is agreement, at least within Europe, that sovereignty can only be achieved if one can defend oneself – without the United States.

Both programmes have dimensions that increase global demand to an extent that we have only seen with the major economic stimulus programmes of the seventies and eighties, and this at a time when supply capacities are already largely utilised. Slightly higher inflation than in the last two decades could become the norm. AI can have a doubly dampening effect. On the one hand, through the pressure on wages, which temporarily leads to lower purchasing power, and on the other hand, through the passing on of productivity gains in the form of lower prices.

Overall, little has changed in the medium-term prospects for the global economy and the financial markets. Despite all the war cries, the positive signs outweigh the negatives. We are therefore using the March correction of the markets to slightly overweight equities. This should not lead to euphoria, because the valuations of American tech companies continue to be above average. Nevertheless, it makes sense not to change a strategy that is optimal for the individual portfolio. However, we still expect the diversification of global portfolios to continue and the extreme overweight in the US market capitalisation to be gradually reduced. This will benefit the more favourably valued markets in Europe, Asia and the emerging countries. The application phase of AI will support this trend, as AI knowledge diffuses not only sectorally but also geographically.

So much for the big lines.

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



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