

# MONTHLY NEWSLETTER

October 2025

## KEY ECONOMIC DATA

- US nonfarm payrolls increased by just 22,000 for the month, lower than the 75,000 forecast, while the unemployment rate rose to 4.3%.
- US GDP increased at an upwardly revised 3.8% annualized rate last quarter, the fastest pace since the first quarter of 2023.
- ECB held rates steady in September meeting, while communicating concerns over persistent inflation near the 2.0% target.
- The S&P Global Japan Composite PMI fell to 48.4 in the first three weeks of September, missing expectations of 49.5 and retreating from the 49.7 seen in the prior month.
- HCOB Eurozone Manufacturing PMI fell to 49.8 in September from August's 50.7, which was the first reading above the 50.0-point line denoting growth since mid-2022.
- China's industrial production grew by 5.2% year-on-year in August, easing from July's 5.7% and falling short of expectations of 5.8%.
- >Consumer prices in Switzerland rose by 0.2% year-on-year in September, remaining steady from the previous two months and slightly below market expectations of 0.3%.

Gold has climbed above \$4,000 a troy ounce for the first time, Gold hit \$4,036 early on Wednesday

# 11.9%

PERFORMANCE  
OF GOLD IN SEPTEMBER

## INVESTMENT PERSPECTIVE

The global economy is showing resilient, albeit slowing, growth, with projections of around 3.2%-3.3% for 2025 and just below 3.0% for 2026. This growth is being held back by tariff uncertainties and geopolitical risks. The US economy is expected to undergo a brief slowdown, supported by anticipated interest rate cuts and policy stimulus. Labour market risks remain the most critical factor in the near term.

The eurozone experienced stagnation in Q3 due to the unwinding of export front-loading and tariff effects. However, underlying growth momentum and government spending are expected to support a rebound in Q4. Private consumption remains a key driver of growth. The European Central Bank (ECB) has stated that recent interest rate cuts should begin to stimulate growth, particularly through robust household spending fuelled by rising real disposable income and a gradual decline in the savings ratio.

Despite some temporary setbacks and demanding valuations, corporate earnings growth is expected to remain healthy globally, supporting equities. In this context, the primary US index closed last week at a record high. As the earnings season is about to begin, consensus estimates put year-on-year earnings per share growth at 6.0% in Q3. This seems quite conservative, including for the 'Magnificent Seven', and should therefore easily be surpassed, possibly even exceeding expectations.

The outlook remains positive globally. US equities are at record highs, while European equities are supported by fiscal spending and much more attractive valuations. Despite global uncertainties, emerging markets saw stronger growth and relative stability in September. These markets continue to benefit from valuation advantages and improving financial stability. However, risks remain in the form of tariffs, inflationary pressures and geopolitical tensions.

Commodity prices, particularly gold, have fluctuated significantly, and the US dollar has weakened moderately due to investor caution and expectations of monetary easing. The depreciation of the US dollar has further amplified the rally in gold prices and provided a tailwind for emerging market currencies.

Other commodities showed a mixed performance. While oil prices faced mild downward pressure due to ample supply, industrial metals remained relatively stable amid ongoing demand for infrastructure projects in emerging markets.

### Euro Stoxx 50 Index





## INVESTMENT STRATEGY

The US equity market recently hit record highs. The IT heavy-weight index continues to benefit from strong performance in companies such as AMD (which has a strategic partnership with OpenAI) and Nvidia. Despite tight valuations, momentum has been supported by optimism surrounding the potential for Federal Reserve interest rate cuts later in the year, as well as robust corporate activity.

However, the ongoing US government shutdown is a significant source of uncertainty. It has delayed the release of key economic data, including the jobs report. While this has increased the risk of market volatility, it has not yet dampened positive investor sentiment. As with the recent resignation of the French prime minister, the shutdown could create uncertainty around monetary policy decisions, but it may also present opportunities to buy at a low price.

Moderate excesses in sentiment and seasonal trends suggest that investors will embrace opportunities ahead of Q3 earnings releases, despite low expectations, as there is potential for positive surprises.

The AAI Investor Sentiment Survey shows that although bullish sentiment is above the long-term average, it is nowhere near the extreme euphoria seen at previous market peaks. This reflects a moderate level of optimism among investors.

Volatility indices suggest calm markets, indicating that investor fear remains subdued, though there is some greed present. Lower volatility and growing momentum typically signal positive market sentiment and can encourage further equity advances.

### France's Prime Minister Sebastien Lecornu resigned, creating political instability

## PORTFOLIO ACTIVITY

In early September, in anticipation of challenging seasonality in the equity markets this month and given high valuation levels, we reduced our exposure to the credit markets after achieving strong performance.

The cash generated from selling some of our high-yield credit exposure was invested in alternatives, specifically gold and an alternative trend strategy.

At the same time, we reduced our overweight position in equities slightly by reducing our weighting in the US market. This reduction was reinvested in short-term liquidity instruments to maintain the flexibility to return to the markets in the event of a sharp decline or confirmation of the September trend.

In retrospect, we should have maintained our US equity position. However, gold performed exceptionally well, rising by 11.9% in US dollar terms. Furthermore, to hedge against a potential further decline in the US dollar, we favoured instruments hedged in various portfolio reference currencies.

It should also be noted that our alternative investment selection, particularly the alternative trend strategy, had a record month, with an increase of 5.8% in US dollar terms versus 3.6% for the broad US market index.

We would like to highlight the continued strong performance of our global and emerging market managers, a segment in which we have a significant presence. The latter recorded a return of 6.7% in US dollars in September and has achieved a return of over 27.5% so far this year.

Our stance remains constructive on the equity and credit markets, leading to a mildly risk-on posture. If market dynamics are confirmed, as they were in early October when key support levels were broken, particularly in Europe, we could consider returning to the equity markets selectively to take advantage of the current momentum.

	31/12/2024	30/06/2025	30/09/2025	Month-to-Date	Year-to-Date
<b>Yields (%)</b>				<b>Δ In basis points</b>	<b>Δ In basis points</b>
US 3-Month	4.31	4.29	3.93	-21	-38
German 3-Month	2.49	1.79	1.74	-7	-74
US 2-Year	4.24	3.72	3.61	-1	-63
German 2-Year	2.08	2.17	2.02	+8	-6
US 10-Year	4.57	4.23	4.15	-8	-42
German 10-Year	2.36	2.61	2.71	-1	+35
<b>Currencies</b>				<b>Δ In %</b>	<b>Δ In %</b>
EUR/USD	1.0354	1.1787	1.1734	0.4	13.3
USD/CHF	0.9074	0.7931	0.7964	(0.5)	(12.2)
EUR/CHF	0.9401	0.9348	0.9345	(0.1)	(0.6)
GBP/USD	1.2516	1.3732	1.3446	(0.4)	7.4
<b>Commodities</b>				<b>Δ In %</b>	<b>Δ In %</b>
Oil (WTI)	\$71.7	\$65.1	\$62.4	(2.6)	(13.0)
Copper	\$402.7	\$503.0	\$485.7	7.5	20.6
Gold	\$2'625	\$3'303	\$3'859	11.9	47.0

Source: Bloomberg Finance L.P.

**DISCLAIMER.** The Forum Finance Group S.A. (FFG) is authorised by FINMA as asset manager and registered with the SEC as investment adviser. Although every care has been taken by The Forum Finance Group S.A. (FFG) to ensure the accuracy of the information published, no warranty can be given in respect of the accuracy, reliability, up-to-datedness, or completeness of this information. FFG disclaims, without limitation, all liability for any loss or damage of any kind, including any direct, indirect, or consequential damages, which might be incurred through the use of this document. The entire content of this document is subject to copyright with all rights reserved. You may not reproduce (in whole or in part), transmit (by electronic means or otherwise), modify, or use for any public or commercial purpose this document without the prior written permission of FFG. Please go to [www.ffgg.com](http://www.ffgg.com) for our full disclaimer.