



QUARTERLY REPORT: ECONOMY AND MARKETS

Q3 2025 - BANCA DEL SEMPIONE



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PRIVATE BANK
SINCE 1960

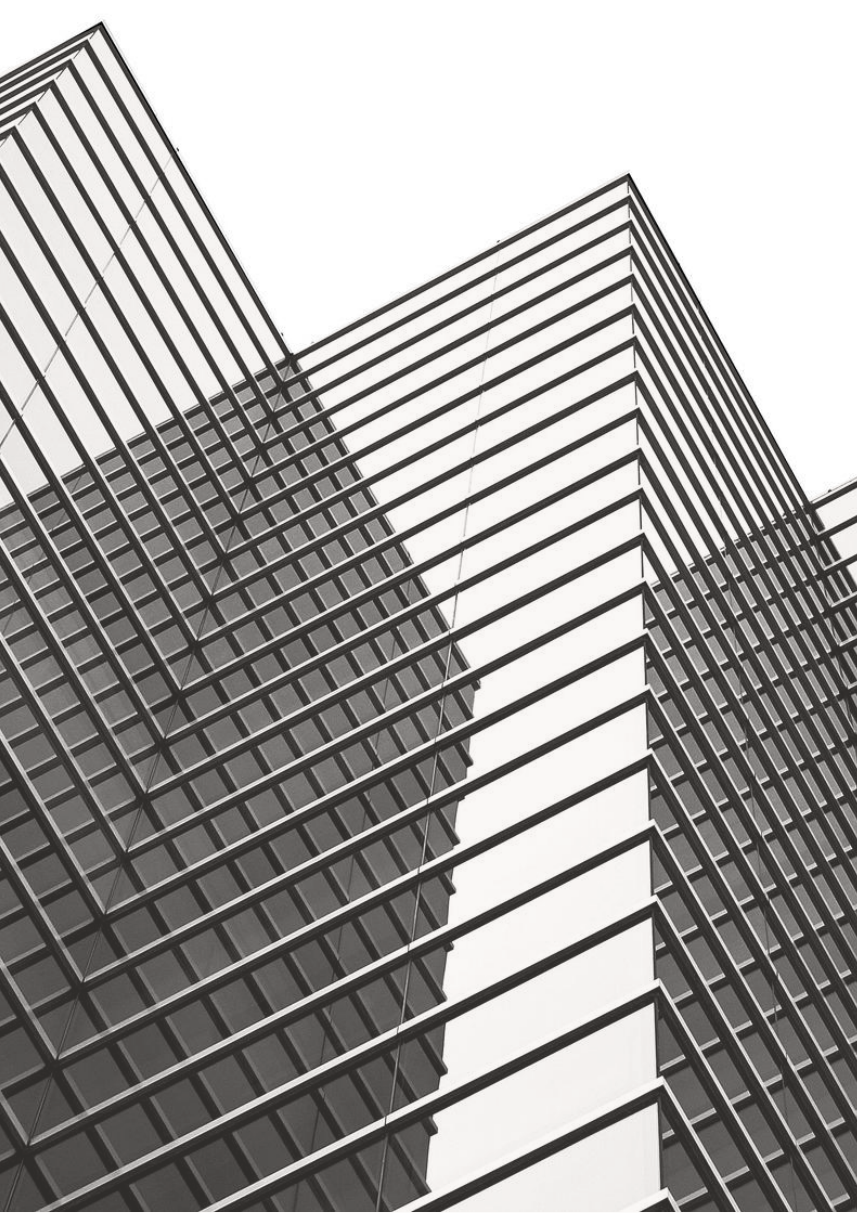


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MESSAGE – FINANCE AND MARKET DIVISION

Over the past three months, investors' generally positive sentiment has further strengthened. Equity markets recorded new gains, supported by a decline in interest rates, particularly on the short end of the curve, and by a marked rebound in precious metals.

The main driver behind equity indices remains the Artificial Intelligence theme, which continues to attract strong investor interest, despite divergent opinions on the actual ability of such massive investments to generate profits consistent with already elevated company valuations. The picture in Asia also remains positive, with a growing sense of confidence among international investors.

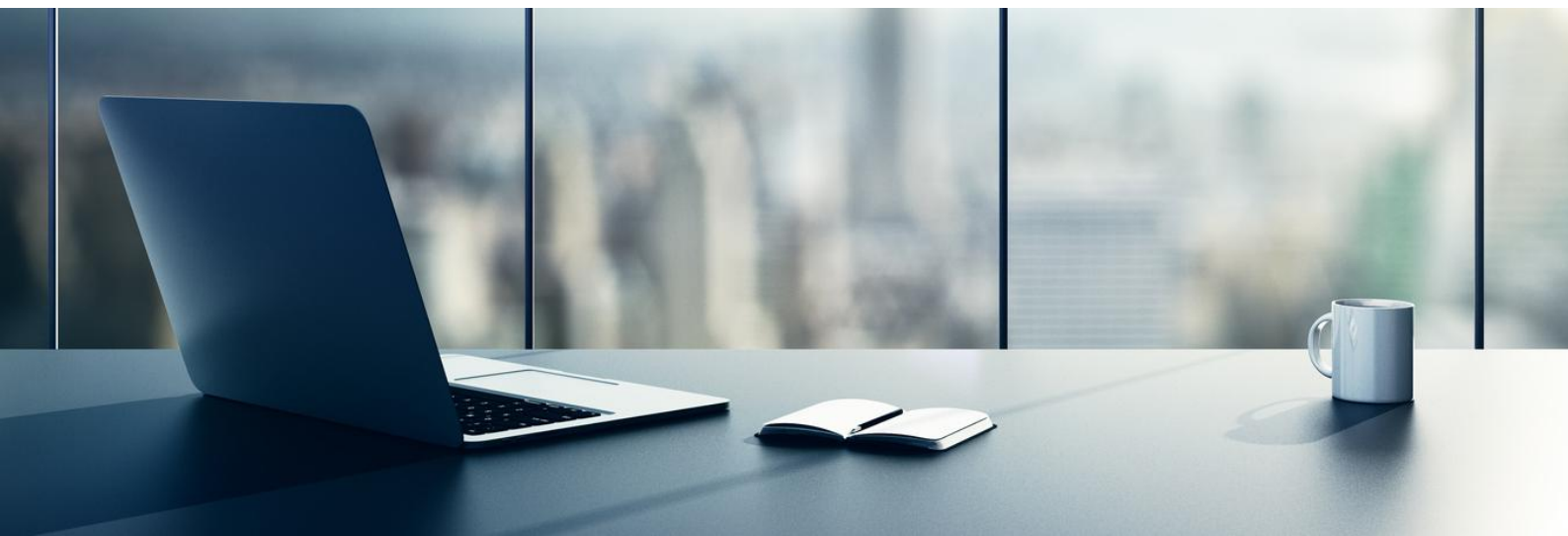
On the bond side, the long end of both the U.S. and European yield curves, after returning close to their multi-year highs, is now showing some moderation in nominal rates. The market continues to favor corporate debt over government bonds, amid increasing concerns about the sustainability of public debt. Meanwhile, the political crisis in France triggered a moderate sell-off in the country's sovereign bonds, as the debt-to-GDP ratio climbed well above 100%, prompting the need for deficit-control measures. In foreign exchange markets, the U.S. dollar's weakness has faced some resistance, which analysts interpret as a temporary pause within a broader trend of gradual depreciation of the U.S. currency. At the same time, the Swiss franc remains under steady upward pressure, continuing to attract capital flows thanks to its reputation as a store of purchasing power, even in a near-zero interest rate environment.

Our investment approach remains cautious toward equities, particularly in sectors where valuations appear to reflect overly optimistic expectations. The decline in long-term government bond yields leads us to maintain a moderate exposure to duration, as we believe there is still some room for price appreciation, though we remain aware that price dynamics could be affected by more protectionist trade policies or a return to autarkic tendencies.

Finally, regarding the issue of currency debasement, the erosion of purchasing power in traditional currencies, of which gold remains the primary barometer, we believe that real assets have already benefited significantly from the expansionary environment that began after the 2008 crisis. Supportive monetary and fiscal policies have inevitably contributed to a gradual decline in the real value of money. The current phase remains dynamic, and the continuation of existing trends cannot be ruled out.

PIETRO SCIBONA

DEPUTY GENERAL MANAGER
HEAD OF THE FINANCE AND MARKETS DIVISION



MACROECONOMY

Global economic scenario

The third quarter of 2025 was marked by persistent uncertainty, driven both by the evolution of U.S. trade policies and by the renewed tensions in the Middle East.

Following the introduction of the so-called “*Liberation Day*” tariffs in April, the **Trump** administration maintained an inconsistent approach, alternating between periods of easing and new tariff threats. The immediate impact on global trade flows resulted in a slowdown in international exchanges, with more pronounced effects in Asia and Europe, but less severe than expected in the United States, where macroeconomic data showed greater-than-expected resilience.

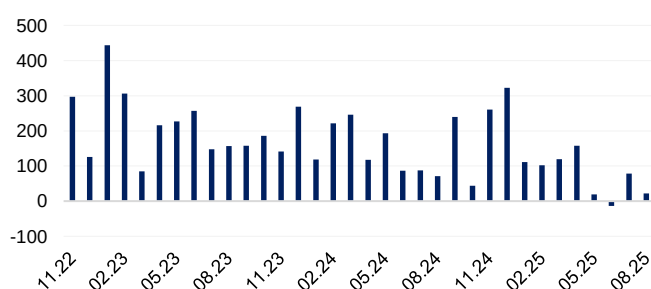
On the macroeconomic front, U.S. indicators continued to surprise to the upside: in the second quarter, GDP exceeded expectations, rising by +3.8% quarter-on-quarter, while inflation remained contained, easing the Federal Reserve’s concerns about a tariff-driven acceleration in prices.

Greater concern, however, came from **the labor market**, where figures fell short of expectations: in August, only 22’000 new jobs were created. Downward revisions to previous data further confirmed a weaker-than-expected environment.

Finally, attention should be drawn to the increasing pressure exerted by the Trump administration in its attempt to politicize the Federal Reserve’s monetary policy, pushing for a more accommodative stance while issuing direct criticism toward committee members and Chair Jerome Powell himself.

U.S Labor Market

Non-farm sectors; In thousands; 11.22– 08.25



Source: Bloomberg

In **Europe**, the environment remains characterized by moderate economic growth. The new fiscal stimulus measures introduced by the German government will take time to translate into a tangible increase in activity, while the recent political crisis in France has done little to improve the overall picture. At the same time, the conclusion of trade negotiations led to the introduction of 15% tariffs on products from the bloc, with certain exceptions for specific goods.

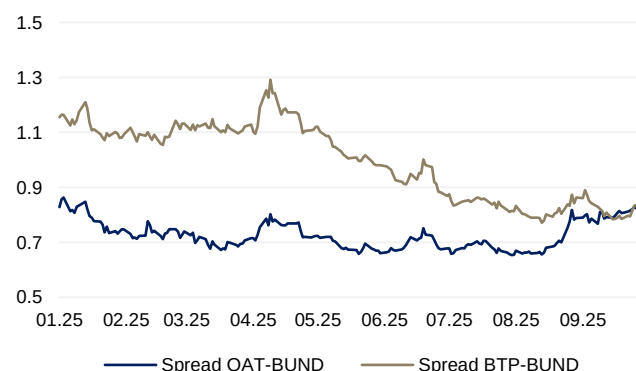
Confirming this scenario, the Purchasing Managers’ Index (PMI) indicators remain at relatively weak levels, although they show some improvement compared with the beginning of the quarter and continue to stay in expansionary territory (>50). The preliminary aggregate reading for September came in at 51.2.

In **Asia**, the economic climate appeared more positive, supported by greater dialogue between the United States and China, although this has yet to translate into a meaningful boost to economic activity.

Despite a more relaxed environment compared with the start of the year, the Chinese economy continues to show signs of weakness. Retail sales, a key indicator of domestic consumption strength, remain soft, with only marginally positive growth rates. Confirming the weak demand for goods and services, inflation fell in August, reaching -0.4% year-on-year. This trend reinforces expectations that additional government stimulus will be needed to support economic activity.

Spread Evolution – Italy and France vs Germany

Basis Points, 2025



Source: Bloomberg

MACROECONOMY

Focus: geopolitical context and Switzerland

Geopolitical context

In the third quarter of 2025, although with less intensity than in the previous one, global markets witnessed a significant succession of events. At the center of global media attention remained U.S. President **Donald Trump**, who continued to dominate the main geopolitical debates, both domestic and international.

On the trade front, the “Trumpian” approach maintained its characteristic volatility, oscillating between conciliatory tones and new threats, often accompanied by ultimatums and deadlines.

This pattern now appears to be well understood by markets and major counterparties: ultimately, trade agreements with global economic partners were concluded with tariff levels considerably lower than those initially threatened during the so-called “*Liberation Day*.”

The **European bloc** reached an agreement setting tariffs at 15%, thereby mitigating the initially expected impact on the automotive sector. However, higher tariffs remain in place for metals and for certain goods excluded from the agreements, such as pharmaceuticals and strategic products like aircraft and defense components, which are still subject to new tariff threats. Japan also concluded a similar deal, lowering tariffs on automotive exports and setting a 15% rate on most other exports.

With **China**, tariffs initially set at 145% were gradually reduced to 30%, pending the conclusion of a final agreement still under negotiation. In the technology sector, which continues to play an increasingly strategic role in global power dynamics, there has been a partial easing of restrictions, with the U.S. administration authorizing the sale of lower-performance chips to major Chinese tech companies.

On the geopolitical front, conflicts remain open. In Ukraine, diplomatic efforts have yet to produce a ceasefire, while in the Middle East, the Palestinian conflict continues despite indications that an agreement could be within reach. The United Nations has accused Israel of committing acts of genocide in the Gaza Strip, and a growing number of countries have officially recognized Palestine as an independent state.

Switzerland

The Swiss economy remains in a transitional phase, influenced by several factors. As often happens in periods of geopolitical uncertainty, the strength of the Swiss franc continues to weigh on exports.

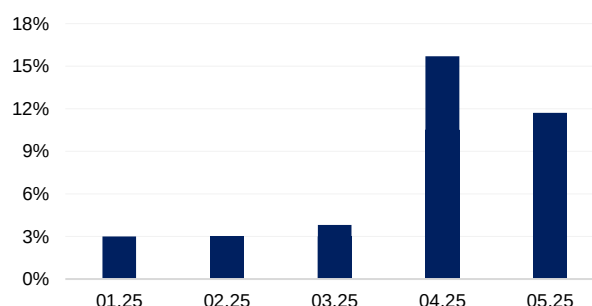
GDP growth remains modest, with 2025 estimates ranging between +1% and +1.5%, while the Swiss National Bank (SNB) anticipates a **possible slowdown** in 2026. PMI indicators remain consistently below the expansion threshold, signaling weak domestic demand. The Central Bank's main concern, however, remains inflation, which, partly due to the currency's appreciation, has stayed essentially flat, with monthly changes close to zero over the period. In this context, the SNB kept interest rates unchanged at 0%, indicating its intention not to return to negative territory for now, although acknowledging that such a move remains an option on the table.

On the trade front, a significant development came with the imposition of 39% tariffs on exports to the **United States**, among the highest levels globally. Despite the magnitude of this measure, the SNB expects the impact on the Swiss economy to be limited, as it affects only around 10% of total exports.

Finally, in a joint statement by the Swiss and U.S. Treasury Departments, the two countries ruled out the use of direct foreign-exchange interventions as a monetary policy tool.

Average Tariffs Applied by the U.S.

%; 01.25 – 05.25



Source: Bloomberg

FINANCE

Equity market

Indeces	Price	Quarterly Performance	YTD Performance
MSCI World	4.306,70	6,96%	15,80%
SMI	12.109,42	1,58%	4,38%
STOXX Europe 50	5.529,96	4,28%	13,57%
FTSE MIB	42.725,32	7,37%	24,98%
DAX	23.880,72	-0,12%	19,95%
S&P 500	6.688,46	7,79%	13,23%
NASDAQ 100	24.679,99	8,82%	16,43%
Nikkei 225	44.932,63	10,98%	12,63%
Hang Seng	26.855,56	11,56%	34,00%

Source: Bloomberg

The quarter confirmed the marked geographical and sectoral divergences already observed in previous periods. Lingerin in the background were concerns over U.S. tariffs, which were gradually absorbed by the markets thanks to the conclusion of several trade agreements and the softening of the **White House's** demands. As trade tensions eased, investors' attention shifted to macroeconomic data, which proved broadly positive overall. The only exception was the July labor market report, which sparked fears of a potential slowdown in the U.S. economy, though it did not derail the quarter's generally positive momentum, which remained highly favorable for equity investors.

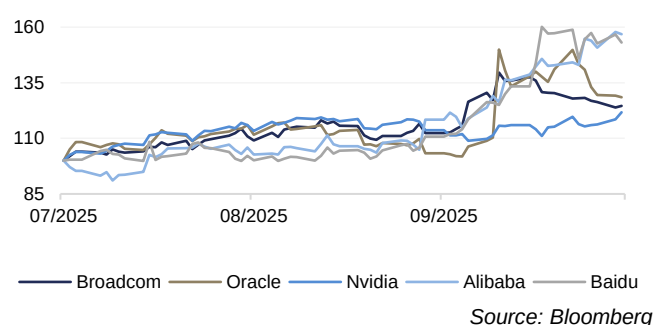
In U.S., the Artificial Intelligence theme continued to serve as the main growth driver, remaining at the center of market enthusiasm and pushing indices to new record highs, levels that were sustained for most of the quarter. Only in late July was there a temporary uptick in volatility, following the release of labor market data.

In September, numerous partnerships and collaborations among the leading global players in the AI sector fueled a renewed rally in technology stocks. In this context, **OpenAI**, the developer of the *ChatGPT large language model (LLM)*, stood out as a key player, even though it remains a private company. Its involvement in most of these agreements triggered intraday gains of 30-40% for its counterparties. Building on this backdrop, U.S. equity indices ended the quarter with particularly strong performances: +7.8% for the S&P 500 and +8.8% for the Nasdaq 100.

Also worth highlighting is the strong performance of the Russell 2000, the benchmark index for U.S. small-cap companies, which benefited from the

Performance of the Most Active Companies in AI Agreements

Rebased to 100; 07.25 – 09.25



Federal Reserve's more accommodative stance, closing the quarter with a +12% gain.

In Europe, uncertainties surrounding trade agreements and the strength of the euro against the dollar limited the upside potential of European equity indices. The smaller weighting of the technology sector and a still stagnant economy, as highlighted by the European Central Bank, contributed to more modest, albeit positive, returns. Nevertheless, the Eurostoxx 50 reached new record highs, closing the quarter with a +4.30% gain. Across European markets, however, significant dispersion emerged among the main indices: the DAX remained largely unchanged, the CAC 40 finished in positive territory despite the new government crisis in France, while the FTSE MIB continued to benefit from the strength of the financial sector, posting a solid +7.40% performance.

Asian markets also recorded positive performances. In Japan, the weakness of the yen and the cautious policy stance of the **Bank of Japan** supported equity markets, benefiting exporters and sustaining strong capital inflows into domestic equities. In **China**, by contrast, there was a renewed wave of optimism in the technology sector, accompanied by a sharp recovery in valuations. The country's major tech giants announced new investments in data centers, semiconductors, and strategic partnerships, reigniting international investor interest, also driven by valuations significantly lower than those of their U.S. counterparts.

FINANCE

Bond market

Government yields (in % p.a.)	2 years	5 years	10 years
Switzerland	0,14	0,01	0,18
Italy	2,24	2,76	3,53
Germany	2,02	2,31	2,71
United States	3,61	3,74	4,15

Source: Bloomberg

The third quarter of the year showed lower volatility in the bond market compared to previous periods, albeit within a context of persistent uncertainty regarding the future trajectory of interest rates. Contributing to the return of greater stability was the growing conviction among market participants that U.S. protectionist policies would not translate into a full-scale global trade war, and that the impact of tariffs on inflation would be more contained than initially feared.

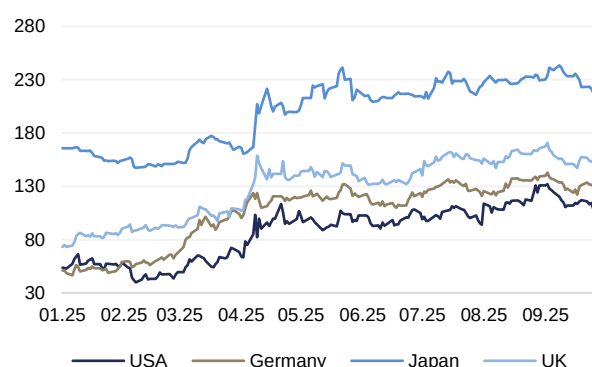
President Trump's attacks on the Fed's independence, however, intensified, including an attempt to dismiss Governor Lisa Cook over alleged real estate irregularities. This dismissal was blocked by the Constitutional Court, which temporarily reaffirmed the central bank's independence, at least from a formal standpoint.

Nonetheless, tensions between the government and the Fed eased as labour market data worsened, prompting the institution to abandon its wait-and-see approach and resume its rate-cutting cycle. At the September meeting, the dollar reference rates were reduced by 25 basis points, to the 4%–4.25% range. Although the inflation rate remains above the official target (core CPI for August rose 3.1% year-on-year), the Fed deemed supporting employment a priority, signalling possible further cuts in the coming months, barring a sudden change in the economic environment.

In Europe, the **ECB** disappointed expectations for a return to ultra-low rates, describing the current level (2%) as balanced and to be maintained until new evidence emerges. Similarly, the **Swiss National Bank (SNB)** kept rates unchanged at 0%, postponing any consideration of a return to negative territory.

Difference between 30-year and 2-year government bond yields in major countries

01.25 – 09.25



Source: Bloomberg

By contrast, the **Bank of Japan** remains the only central bank considering further rate hikes, keeping the policy rate at 0.5% despite inflation running above target.

The U.S. 10-year Treasury closed the quarter with yields at 4.15%, a slight decline compared to the previous period. In contrast, European bond yields rose: +10 basis points for the German Bund and +20 basis points for the UK Gilt. A key theme over the summer months was the 'steepening' of yield curves, particularly in the long end. Thirty-year bonds came under broad selling pressure globally, especially in Japan, amid concerns over fiscal deficits and the risk that less independent central banks might keep rates too low, reigniting inflationary pressures and discouraging investment in longer-duration assets. The move did not reach alarming proportions, thanks to reassurances about the Fed's independence. The **Bloomberg Global Aggregate Index** in euros recorded a year-to-date increase of 2.41%, marking the third consecutive quarter of growth, albeit moderate.

The credit market remains solid: credit spreads are compressed, indicating that investors are not pricing in an economic slowdown and continue to pursue carry trades. The weak demand observed in government bonds is not mirrored in the corporate sector, where new issues have been met with strong demand. The **Markit iTraxx Crossover Index**, which measures European non-investment-grade spreads, stands at 260 basis points, its lowest level since 2021.

FINANCE

Currency and commodities market

Currencies	Price	Quarterly Performance	Yearly Performance
EUR/CHF	0,9345	-0,03%	-0,64%
USD/CHF	0,7964	0,42%	-11,87%
EUR/USD	1,1734	-0,45%	12,75%
GBP/USD	1,3446	-2,08%	7,14%
USD/JPY	147,90	2,69%	-5,70%

Source: Bloomberg

Currencies

After the high volatility observed in the first half of the year, the third quarter showed greater stability, driven in particular by the performance of the **U.S. dollar**, which remained within a range between 97 and 100 on the Dollar Index.

This dynamic was mainly influenced by statements from the Federal Reserve and by pressure from President Trump on committee members in an attempt to force an interest rate cut. Following Jerome Powell's speech at Jackson Hole, the dollar began to weaken again.

The **Swiss franc** remained exceptionally strong against the world's major currencies, reaffirming its status as the ultimate safe-haven currency.

The **Japanese yen**, by contrast, continued to weaken, reaching new lows against the euro during the quarter.

Finally, the **cryptocurrency** market maintained its positive trend, with broad-based gains not only for Bitcoin but also for several altcoins, which helped push the total market capitalization of the sector to new highs.

Bitcoin value trend

USD; 01.25 – 09.25



Source: Bloomberg

Commodities	Price	Quarterly Performance	Yearly Performance
Commodity Index	104,63	2,56%	5,83%
WTI Oil	62,37	-4,21%	-12,14%
Brent Oil	67,02	-0,87%	-0,87%
Gold	3.858,96	16,83%	16,83%
Silver	46,65	29,18%	29,18%

Source: Bloomberg

Commodities

Volatility continues to characterize the commodities sector, although the trends observed in previous months have largely been confirmed.

Precious metals remain the best-performing segment within the asset class. Unlike in previous months, silver and platinum have outperformed gold, which nonetheless maintained solid growth. The reasons lie in the persistent geopolitical risk, compounded by concerns that the Federal Reserve is becoming increasingly politicized in its management of monetary policy. These are precisely the factors that favor the “*debasement*” trade or the gradual loss of value of major currencies in favor of real assets.

In the energy sector, **oil** prices gradually corrected following the sharp rise at the end of June, driven by OPEC's decision to increase production in a context of relatively stable demand. The move aims to regain market share, particularly against the United States.

The picture for **industrial commodities** remains, as always, heterogeneous, with overall positive performances for aluminium, copper, and iron ore. Also noteworthy is the volatility of lithium, which has regained investor interest amid renewed optimism about the Chinese economy.

Finally, **agricultural commodities** showed mixed trends. Coffee remained at elevated levels due to limited supply, while cocoa, though still high, retreated from previous peaks. Beef and sugar prices increased, whereas cotton recorded a slight decline.

Did you know that...

“

...A small, sharp-toothed character has turned Pop Mart into a company more highly valued than Hasbro, Mattel, and Sanrio...

”

In a context of slowing discretionary spending and challenges for many global retailers, Chinese company Pop Mart has managed to turn the rules of the market upside down.

Founded in 2010 in Beijing, the company has transformed **Labubu**, a small ‘forest elf’ created by artist *Kasing Lung*, into a global phenomenon that blends art, experiential marketing, and consumer psychology.

How can a toy become a global consumption icon?

Pop Mart’s success stems from its reinterpretation of collecting through the ‘*blind box*’ model: sealed boxes that play on surprise, scarcity, and the desire for completion, all of which drive repeat purchases. This is complemented by a strategic management of intellectual property (IP): each character belongs to a coherent narrative universe designed to create recognition, loyalty, and long-term value. Labubu, with its pointed ears, jagged teeth, and mischievous smile, is the symbol of this strategy. Part of the “The Monsters” series, it is not merely a collectible object, it is attached to bags, backpacks, and suitcases, becoming an identity and cultural accessory for young adults and collectors alike.

Thanks to extraordinary international growth, with revenues doubling in 2025 to \$3 billion and overseas sales accounting for about 40% of the total, Pop Mart is now more highly valued than Hasbro, Mattel (the producer of Barbie) and Sanrio, the Japanese company owning Hello Kitty.

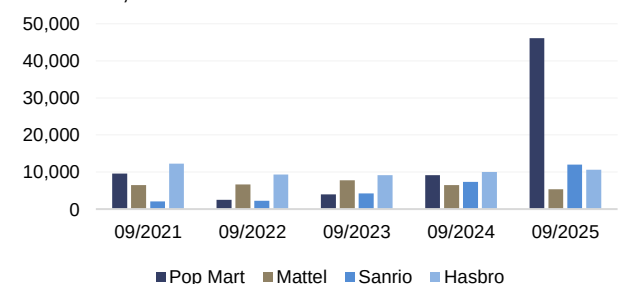
What lessons does Pop Mart offer to markets and the world of discretionary consumption?

The **Pop Mart** case represents a turning point in the discretionary consumption industry: it demonstrates that value no longer depends solely on price or on a product’s economic exclusivity, but on the ability to generate *engagement, recognizability, and emotional belonging*. The company has successfully identified specific psychological drivers among consumers, transforming them into a scalable business model based on intellectual property and community engagement. It stands as a symbol of the maturation of China’s IP economy, where value is increasingly derived from the ability to develop and monetize cultural and creative content on a large scale.

With gross margins exceeding 60% and international growth of over 480% in the first quarter of 2025, the company has become an emblematic example of the transformation of “*Made in China*”, from a low-cost label to a symbol of creativity and global innovation. The challenge now lies in making its business model sustainable and durable. The company aims to follow Disney’s IP management strategy, focusing not merely on new viral hits, but on building an integrated brand ecosystem: consolidating Labubu and developing 5–10 new IPs with comparable potential, through new products, strategic partnerships, media content, and theme parks.

Toy Industry Market Capitalization

Mln USD, 2021-2025



Source: Bloomberg

KEY TAKEAWAYS

1 – RECORD PRICE PAID FOR A LABUBU

150'000 USD

2 – DAILY UNIT SALES SINCE SEPTEMBER¹

10 Mln

3 – POP MART ANNUAL (YOY) REVENUE GROWTH²

205%

Source: 1) CEO estimates 2) Data as of 30/06/20225

Expert Talk Giorgio Bertoli

«What are the factors driving gold's performance, and can the trend continue?»

Interview with **Giorgio Bertoli**, Portfolio Manager of Flexible Low Risk Exposure:

We are witnessing a strong upward movement in gold prices. What is driving it?

Over the past few years, several positive factors have aligned in favour of a significant rise in the price of gold.

After a decade of sideways movements, the highly expansionary fiscal policies introduced following the 2020 pandemic reignited inflationary pressures, thereby increasing interest in an asset capable of protecting against the erosion of purchasing power.

The real turning point, however, came with the escalation of geopolitical tensions between Western countries and some members of the BRICS bloc: particularly Russia and China, following the outbreak of the war in Ukraine in 2022.

The fear of being subject to international sanctions has led many central banks to convert part of their foreign exchange reserves into gold, thereby reducing their dependence on the dollar and the euro. Even countries not directly in conflict with the United States and Europe, such as India, adopted this strategy to maintain greater strategic independence.

The “trade wars” of 2025 further exacerbated this dynamic of mutual distrust, strengthening gold's role as an alternative to the dollar and as a global safe-haven asset.

In addition to gold, digital assets particularly Bitcoin, often referred to as “digital gold” have also benefited from this environment of heightened geopolitical uncertainty, reaching new all-time highs and approaching a value of nearly USD 124'000 per Bitcoin in September.

What are the prospects? Can this trend continue for long?

Institutional and retail investors joined the trend only in its later stages, triggering the parabolic price acceleration observed throughout 2025, particularly in the last quarter.

When market movements reach such proportions, the environment becomes highly volatile, and sharp corrections cannot be ruled out.

At a strategic level, however, the global factors that have supported gold's rally, namely geopolitical tensions and the persistent use of large fiscal deficits, appear likely to continue over time.

As long as this macroeconomic regime remains in place, gold, with its distinctive characteristics, will continue to play a valuable role in portfolio diversification.

“ [...] The fear of being subject to international sanctions has led many central banks to convert part of their foreign exchange reserves into gold...”



GIORGIO BERTOLI

Manager of Flexible Low Risk Exposure

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BANCA DEL SEMPIONE
PRIVATE BANK
SINCE 1960

Lugano headquarter

Via P. Peri 5
CH-6900 Lugano
Tel. +41 (0)91 910 71 11
Fax +41 (0)91 910 71 60
info@bancasempione.ch
www.bancasempione.ch

Chiasso branch

Piazza Boffalora 4
CH-6830 Chiasso
Tel. +41 (0)91 910 71 11
Fax +41 (0)91 910 73 61
chiasso@bancasempione.ch

Bellinzona branch

Viale Stazione 8a
CH-6500 Bellinzona
Tel. +41 (0)91 910 71 11
Fax +41 (0)91 910 73 60
bellinzona@bancasempione.ch

Locarno branch

Via della Stazione 9
CH-6600 Locarno-Muralto
Tel. +41 (0)91 910 71 11
Fax +41 (0)91 910 73 62
locarno@bancasempione.ch

Zurich Representative Office

Bahnhofstrasse 65
CH-8001 Zurich
Tel. +41 (0)91 910 71 11
zuerich@bancasempione.ch

