

# BBGI PRIVATE BANKING STRATEGIES & INDICES USD

A BBGI exclusivity since 1999

July 2025

Annualized performance  
of **+5.38%** to **+6.83%**

## Mixed performance in July

### MIXED PERFORMANCE FOR THE THREE BBGI PRIVATE BANKING USD INDICES IN JULY

BBGI Private Banking Index « Low Risk »	-0.13%	(YTD +6.29%)
BBGI Private Banking Index « Medium Risk »	+0.32%	(YTD +7.29%)
BBGI Private Banking Index « Dynamic Risk »	+0.76%	(YTD +8.27%)

### Comments (performances in USD)

The BBGI Private Banking indices diverged in July. The low-risk approach fell by -0.13%, the moderate-risk strategy gained +0.32% and the dynamic-risk index posted the best performance of the month (+0.76%). Since January, the cumulative results have been positive (+6.29%, +7.29% and +8.27%, respectively). Bond markets were in the red this month. The domestic segment posted a performance of -0.39%, slightly outperforming the international segment (-1.79%). This trend was reversed over the year, with the international segment (+5.35%) outperforming the domestic segment (+3.35%). Equity markets diverged. The domestic segment rose +2.27% and the international segment fell -0.29%. Nevertheless, both segments have dominated the market since the beginning of the year. The US market gained +8.53% and the international segment rose +17.56%. The real estate sector fell below neutral, with a loss of -1.13% in July. Over the year, performance remains positive (+5.46%). Commodities showed strong monthly growth, gaining +3.62% to bring their annual result to +5.62%. Private equity also performed well, with a gain of +3.60% and +5.50% since the beginning of the year. Alternative investments rose +0.57% in July, with an annual increase of +2.96%.

### Financial market developments (performances in local currencies)

One might have expected volatility to return at the end of the 90 days given by Trump to reach bilateral agreements, but the markets decided otherwise. The month passed with relative indifference in this regard, while US growth in the second quarter benefited from the collapse in imports to record a misleading 3% increase in GDP. The adjustments made by companies in anticipation of tariff increases are still clouding the picture and making it difficult to assess the true health of the US economy. However, the labor market offers some more solid indicators, which do not seem to support the thesis of economic resilience in the face of the chaos orchestrated by Trump. The latest statistics in this area are indeed edifying and point instead to a collapse in employment. The steady decline in job creation observed in recent quarters has turned out to be much more pronounced than initially estimated. The August 1 revision of -258,000 jobs for the last two months is the sharpest downward correction in this statistic since the 2020 pandemic. The July figure (35,000) is also the lowest outside of the pandemic in the last ten years and is well below the 232,000 jobs created in January (three-month average). The effects of customs tariffs are still barely visible in this context, despite three months of tariffs increased to at least 10%. The Fed still faces the same dilemma: Trump's policy is inflationary, but it is also increasingly undermining confidence and the economy. If the employment trend continues, we are likely to see a decline in demand before observing an increase in inflation induced by customs tariffs. The latter will later weigh on consumption and investment. The upward trend has stalled in the equity markets, with a modest rise of +1.29% in the MSCI and a decline of -0.72% in Swiss stocks. In the fixed income markets, these signs will be interpreted favorably and will allow bond prices to rise in August, contrasting with the -1.49% decline in international bonds in July. In this context, the trade-weighted dollar rebounded by +3.09%, reversing a six-month downward trend. Stock indices are back at their highest levels, while a number of indicators suggest increased uncertainty. We recommend a cautious strategy in August.

### PERFORMANCE OF ASSET CLASSES (USD)

#### JULY

+ 3.62%	Commodities
+ 3.60%	Private equity
+ 2.27%	US equities
+ 0.57%	Alternative investments
- 0.29%	International equities
- 0.39%	US bonds
- 1.13%	International real estate
- 1.79%	International bonds

#### YTD

+ 17.56%	International equities
+ 8.53%	US equities
+ 5.62%	Commodities
+ 5.50%	Private equity
+ 5.46%	International real estate
+ 5.35%	International bonds
+ 3.35%	US bonds
+ 2.96%	Alternative investments

## COMMENTS BY ASSET CLASS

### Bonds

The low level of activity in the interest rate markets and the absence of any clear trend clearly reflect the current uncertainty. The Fed is reluctant to consider the risks of a slowdown and is primarily concerned about a resurgence of inflation. It is still difficult to assess the state of the economy and how it will evolve in the near future, while the introduction of significant tariffs threatens not only US growth but also other related economies. The inflationary effects of Trump's tariff policy are worrying, but they still seem distant and have little short-term impact for the moment. Consumers and businesses are holding back as they wait for greater visibility, but employment already appears to be showing signs of latent weakness in the US, which is likely to increase. Despite a 1.49% correction in the global index, risk scores remain virtually unchanged. We believe that the likelihood of further rate cuts is greater in the United States, Canada, Australia, and the United Kingdom than in the eurozone, and we favor diversification in these regions.

### Equities

Emerging market and European equities continue to outperform US equities over a seven-month period, despite the latter's rebound to their previous highs prior to "liberation day." In an even more uncertain environment, with potentially disastrous effects on the economy and inflation in the second half of the year, it is not surprising to see risk scores rise slightly further, particularly in the United States. A stagflationary environment will not be favorable for equities, whose indices appear increasingly fragile to us. We suggest increased vigilance and a more cautious policy of equity exposure below neutral allocations.

### Commodities

Commodities rose again in July, mainly supported by continued growth in the energy sector amid persistent supply risks, despite a slight easing of geopolitical tensions. Oil and refined products posted solid gains, while natural gas fell sharply due to sustained production and declining demand. Precious metals remained broadly stable. Gold fell slightly (-0.42%), while silver rose (+1.49%), supported by the upward momentum of copper. Industrial metals declined, affected by a sharp drop in copper at the end of the month linked to the announcement of a tariff exemption. Aluminum, nickel, and lead also declined, while zinc held steady. Agricultural commodities trended downward, penalized by favorable weather conditions and abundant production. Sugar was the exception, buoyed by increased demand from China.

BBGI Group Private Banking Indices - Historical Performances in USD										
	Last three months			YTD	Full Year				Annualized Performances	
	May 2025	June 2025	Juliet 2025	Current Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2024 to date	1993 to date
BBGI Group PBI "Low risk" (65%fxd income)	1.04%	2.34%	-0.13%	6.29%	1.99%	4.36%			4.23%	5.38%
BBGI Group PBI "Medium risk" (48%fxd income)	2.00%	2.76%	0.32%	7.29%	1.50%	5.37%			6.88%	6.15%
BBGI Group PBI "Dynamic risk" (25%fxd income)	2.95%	3.19%	0.76%	8.27%	1.00%	6.38%			9.58%	6.83%
<b>Sub-Indices</b>										
US Bonds	-1.04%	1.26%	-0.39%	3.35%	2.90%	0.83%			0.65%	3.95%
International Bonds	-0.65%	1.86%	-1.79%	5.35%	2.57%	4.58%			-2.87%	3.40%
US Equities	6.41%	5.11%	2.27%	8.53%	-4.60%	11.25%			24.58%	10.14%
International Equities	4.58%	3.39%	-0.29%	17.56%	5.23%	12.03%			5.53%	5.73%
Private equity	3.72%	5.25%	3.60%	5.50%	-5.95%	8.27%			24.22%	9.89%
Hedge Funds	1.17%	1.10%	0.57%	2.96%	0.52%	1.84%			5.27%	5.40%
International Real Estate	2.61%	1.05%	-1.13%	5.46%	1.85%	4.72%			2.00%	6.68%
Commodities	1.59%	4.48%	3.62%	5.62%	4.89%	-2.81%			9.25%	1.95%
<b>Forex</b>										
USD/EUR	-4.52%	-3.73%	3.25%	-3.30%	2.05%	-8.23%			6.62%	-0.93%

The BBGI Group Private Banking indices can be obtained free of charge from the BBGI Group Analysis & Research Department (reception@bbgi.ch). They provide the first objective benchmarks for the performance of the wealth management industry.

Sources : Bloomberg, BBGI Group SA



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The diversified systematic strategies of the BBGI Private Banking Indices have produced returns of +5.38% to +6.83% annualized since 1993 to date.

The composition of our indices is available on request.