



Summer 2025

# Info SIGMA

## Forecast: Risk of storms and reduced visibility

It almost never happens that markets are not confronted with various uncertainties and of varying magnitude. Over the past 20 years, we have experienced periods of recession, spikes in inflation, the financial crisis of 2008-2009, the European debt crisis of 2010-2012 and finally the 2020 pandemic. Today, we are faced with a raging narcissist in the White House.

There is no doubt that the United States is going through a period of political turbulence and social division. Whether it is social media and its isolation that encourage echo chamber thinking, the ever-widening wealth gap that fuels populist impulses, or the loss of trust in institutions and scientific expertise, the status quo is being put to the test. Whether Mr. Trump instigated it, or simply profited from the situation without ideology, he shows a remarkable prowess in mobilizing everything negative to his advantage.

The uncertainty created by Mr. Trump contains an additional dimension resulting from his relentlessness against the institutions that have been put in place over the decades to ensure the proper functioning of the American economic system, and secondly, internationally. His endless attacks on the chairman of the Federal Reserve, against whom he is enraged for his refusal to cut key rates, the unprecedented dismissal of the director of the BLS following the disappointing statistics and revisions on job creation, or the ease with which he tears up, without any regard for the most basic contractual rules of law, the agreements signed by his country and even by his own hand can only weaken the institutional structure essential to the proper functioning of the economy. Will we be able to trust the jobs numbers in the future now that Mr. Trump has installed a puppet as leader? What will happen to the reliability of federal statistics on inflation, unemployment and the trade balance? Will we be able to trust the messages of other major institutions such as the FDA, NIH, CDC, FEMA if they all adopt Mr. Trump's compulsion to lie?

The new dimension of uncertainty that Mr. Trump brings is defined by a lack of confidence in the integrity and accuracy of the information provided by the federal agencies on which investors depend to make good decisions.

Does this mean that you should sell your investments and wait for a more certain environment? Despite the sense of relief, this might offer in the short term, this is not the right thing to do. History

teaches us that staying invested, even during the greatest market turbulence, has always been far more advantageous than going out and trying to reinvest at the "right time".

One thing is certain, the economic backdrop for 2025 is completely different than it was in previous years. If in the past, it was enough to be overweight in the technology sector and thumb your nose at all other asset classes, this is no longer the case. The return on our portfolios in 2025 is not at all generated by the same investments as in previous years. The consequences of Mr. Trump's actions are quite unpredictable. Having a resilient portfolio structure may never have been more important.