



S E R E N I S

FAMILY CAPITAL

## Monthly Markets Chronicle

October 2025



1995 - 2025

*Three decades of trust, expertise, and serenity.*

## *The fragile balance of confidence*

*October was marked by a sustained rise in global equity markets, driven by technology, growth stocks, and a still-dominant U.S. momentum. In a nuanced macroeconomic environment, investors extended their exposure to risk, encouraged by the Fed's rate cuts and the persistence of ample liquidity. Yet this strength unfolds against a more tense geopolitical backdrop: rivalries between Washington and Beijing are intensifying around critical metals, semiconductors, and industrial supply chains, amid an accelerated reshaping of global power dynamics. Technology continues to attract the bulk of investment flows and remains the central engine of a cycle driven more by confidence than by visibility.*

*The month confirmed the pre-eminence of equities in a climate where risk appetite remains robust despite uneven fundamentals. At the same time, gold surpassed the historic threshold of USD 4,000 per ounce, reflecting the growing tension between the search for yield and capital preservation amid persistent fiscal uncertainty in the United States. This delicate balance, sustained by abundant liquidity and fragile underlying structures, defines a market that is both confident and vulnerable—where composure in management and consistency in allocation remain the keys to lasting performance.*

*In this edition, our Thinking Forward focuses on the implications of the Genius Act and the redefinition of stablecoins within the global monetary architecture. We also revisit the artificial intelligence bubble, whose public and media narrative has markedly shifted since the summer—a change we deemed necessary, though the speed and radicalism of the adjustment remain striking.*



## Comments of the month of October

Global equity markets extended in October the positive momentum initiated the previous month. Investors largely ignored the threat of a U.S. government shutdown, choosing instead to focus on easing interest rates, solid corporate earnings, and signs of moderate economic growth. In the United States, the bullish trend remained well anchored. Although labor market indicators showed some cooling and inflation stayed above target, the Federal Reserve decided to cut rates by 25 basis points. Mid-October was marked by renewed tensions between Washington and Beijing, with both sides threatening new trade measures. The episode was short-lived, and markets quickly stabilized, ending the month up 2.3% for the S&P 500 and 4.8% for the Nasdaq.

In the euro area, markets followed the global trend. Just over half of the companies reporting third-quarter results exceeded expectations (around 56%), suggesting stronger-than-anticipated profit margins.

In Asia, performance diverged. Japan stood out with a remarkable 16.6% gain in October—its best monthly performance in three decades—driven by technology stocks, a weaker yen, and expectations of stimulus measures following Sanae Takaichi's rise to power. Conversely, in China, growth slowed (+4.8% in Q3), and renewed trade tensions with Washington weighed on sentiment.

For gold, October was particularly volatile. The metal briefly surpassed USD 4,400 per ounce before correcting in the latter part of the month as geopolitical tensions eased somewhat. Nevertheless, it posted a 3.7% monthly gain and is up more than 50% year-to-date - its strongest annual performance since 1979.

Equity Indexes	Value	MTD	2025
S&P 500 (USA)	6 840	2.3%	16.3%
Nasdaq 100 (USA)	25 858	4.8%	23.1%
Euro Stoxx 50 (Europe)	5 662	2.4%	15.6%
SMI (Switzerland)	12 235	1.0%	5.5%
Nikkei 225 (Japan)	52 411	16.6%	31.4%
CSI 300 (China)	4 641	0%	17.9%
Currencies	Value	MTD	2025
EUR/USD	1.154	-1.7%	11.4%
USD/CHF	0.805	1.0%	-11.3%
EUR/CHF	0.928	-0.7%	-1.3%
GBP/USD	1.315	-2.2%	5.1%
USD/JPY	153.990	4.1%	-2.0%
Bond Indexes		MTD	2025
Government USA		0.6%	6.0%
US Corporate IG		0.4%	7.3%
US Corporate HY		0.2%	7.4%
Government EU		1.2%	1.00%
EU Corporate IG		0.8%	3.0%
EU Corporate HY		0.1%	4.2%
Other Asset Classes	Value	MTD	2025
Gold	4 003	3.7%	52.5%
Brent Crude	65	-2.9%	-12.8%
Bitcoin	109 428	-4.5%	16.8%
Rates / Indicators	Value	Δ MTD	Δ 2025
US 10 years rate	4.08%	-0.07%	-0.49%
GER 10 years rate	2.63%	-0.08%	0.27%
US Unemployment	4.3%	0.0%	0.1%
Volatility Index (VIX)	17.4	1.2	0.1



## *Our current positioning*

In October, the U.S. Federal Reserve continued its monetary easing by lowering rates by 25 basis points, in line with market expectations. This decision brought rates down to 4%, but as Jerome Powell noted during his press conference, there is no consensus within the Fed on another cut in December. Some members now favor a pause, given the continued strength of economic growth and still-elevated inflation, which stood at 3% in the latest reading. Central bankers thus find themselves at a crossroads—balancing the desire to preserve labor market momentum against the risk that stronger growth could reignite inflationary pressures.

Meanwhile, the European Central Bank opted to maintain the status quo at its October meeting, keeping key interest rates at 2.00% as core inflation eased to 2.4%. Globally, the overall trend remains one of monetary easing, which supported the advance of major equity indices during October, with regional performances ranging between 1% and 4%.

In this environment, the Investment Committee took note of recent developments and continues to maintain a substantial liquidity position to seize upcoming opportunities. The fixed-income allocation remains unchanged, with an underweight stance on the high-yield segment—justified by historically tight spreads despite early signs of stress in private debt markets, highlighted by the high-profile bankruptcy of First Brands. On equities, the rating for the U.S. market was upgraded to neutral, supported by a strong earnings season and favorable year-end seasonality, while neutral positions were maintained on both European and emerging markets.

Among satellite strategies, “strategic focus” themes delivered mixed results: precious metals led the gainers, with silver up 4% and gold up 3%, while Bitcoin corrected by 4% after its recent rally.

The committee also decided to introduce a new theme focused on the energy sector, in line with Serenis’ commitment to anticipate underexploited opportunities. The oil and gas sector offers attractive, often underestimated potential—providing useful diversification from technology and dividend yields above 8%, particularly in energy infrastructure. This new investment was financed through a partial sale of U.S. mid-caps, which, despite solid year-to-date performance (+10%), have struggled to outperform the broader market.



Finally, the committee continued its reflection on the U.S. strategic asset's theme and is now considering extending this approach to other developed regions—Europe, Japan, Canada, and Australia. In Europe in particular, growing awareness of vulnerability linked to excessive dependence on China, as illustrated by the Nexperia case, strengthens this conviction. While the United States has clearly shown its intent to secure strategic supply chains, similar initiatives remain modest elsewhere. This logic underpins our proposal to broaden the theme's geographic scope.

In this context, diversification and selectivity remain the guiding principles of our investment strategy—ensuring disciplined risk management while preserving the flexibility to capture emerging opportunities in the weeks ahead.

### « Core » Portfolio

	% SAA		%TAA
Cash	5%	↗	10.0%
Fixed Income	45%	✓	42.5%
Investment Grade	20%	=	20.0%
Sovereign Debt	15%	=	15.0%
High Yield	10%	✓	7.5%
Equities	50%	✓	47.5%
US markets	30%	✓	27.5%
European markets	15%	=	15.0%
Emerging markets	5%	=	5.0%

### « Strategic focus » investments

Themes	%	Since
<i>Inflation shield</i>		
- Gold	5.00%	29.12.2023
- Silver	0.50%	28.02.2025
- Platinum	0.50%	30.05.2025
- Bitcoin	0.25%	31.07.2025
<i>Energy Abundance</i>		
- Uranium	2.00%	29.12.2023
<i>Strategic Security</i>		
- Defense	2.50%	30.04.2024
<i>American Momentum</i>		
- MidCap US Momentum	2.50%	30.11.2024
<i>USD Debasement</i>		
- Emerging debt	2.50%	30.09.2025

Balanced USD Portfolio



# *The Invisible Empire: When the Dollar Colonizes the Blockchain*

« We consider it necessary that international exchanges be established on an indisputable basis, which bears the mark of no particular nation »

*Charles de Gaulle, Élysée Palace, February 4, 1965*

Emerging in Bitcoin's wake, stablecoins have profoundly disrupted the balance of the international monetary system. In just a few years, these dollar-backed digital tokens have evolved from marginal experiments into key players in global liquidity markets. Their combined market cap, over USD 160 billion in 2025, finally convinced Washington that a clear regulatory framework was needed. This came in July 2025 with the Genius Act, the first comprehensive federal regulation of stablecoins in the United States.

Stablecoins are no longer a peripheral curiosity of the crypto ecosystem. They have become a true monetary infrastructure, reshaping the geography of financial power. Their success today stems less from ideology than from utility. In the world of digital assets, they have streamlined exchange, lending, and transfers; in the institutional sphere, they represent a digital dollar backed by U.S. Treasuries, immediately deployable, liquid, and traceable. This dual nature, an instrument of efficiency and a vehicle of trust, explains their resilience to recent crises and their transition from "parallel" currencies to the central mechanism of a new financial order.

Their rise extends the privilege of the U.S. dollar while preparing the next iteration of the global monetary order already underway. By allowing an African merchant, a Latin American investor, or an Asian entrepreneur to use dollars without going through traditional banking systems, stablecoins expand the American sphere of influence in a fragmented world. Each token issued and backed by public debt securities fuels structural demand for U.S. Treasuries, meaning these instruments both export the dollar and help finance America's deficit. The paradox is striking: born from rebellion, or at least resistance, to fiat money, they have become a tool that reinforces the very order they were meant to disrupt, the U.S. Treasury system.

To understand this turning point, one must return to its roots. After the 2008 crisis, trust in traditional currencies eroded as central banks embraced unlimited monetary creation. Bitcoin, launched in 2009, offered a scarce, politically independent alternative, but its extreme volatility limited practical use. To counter this instability, a new generation of digital assets was born: stablecoins, designed to reproduce the stability of the U.S. dollar within the decentralized realm of blockchain.

Two models soon emerged: asset-backed stablecoins and algorithmic ones. After several dramatic collapses, most notably TerraUSD in 2022, only the former survived. Players like



Tether (USDT) and Circle (USDC) built their dominance on a simple promise: every token issued is backed by one U.S. dollar held in reserve, primarily invested in Treasury bills.

This model, both safe and profitable, evolved in a regulatory gray zone. Before 2025, oversight was fragmented across states, New York leading the way, but no federal framework existed. Meanwhile, issuers were generating significant revenues from interest on their reserves, without sharing them with users. In practice, stablecoins functioned like quasi-banks, without the prudential constraints of the banking system.

The Genius Act ends this ambiguity. By imposing strict rules on reserves, transparency, and governance, the law now regulates the issuance and circulation of private digital currencies. It requires that reserves be held only in cash, deposits, or Treasuries; prohibits interest payments; and enforces full segregation of client funds. Supervision is entrusted to the U.S. Treasury and the Office of the Comptroller of the Currency (OCC), officially integrating stablecoins into the U.S. financial system.

Beyond compliance, the Act signals a deeper realization: stablecoins have become an essential component of the global monetary architecture, capable of influencing short-term rates, capital flows, and dollar access across emerging markets. By regulating the sector, Washington is not merely controlling it, it is domesticating it, turning it into an instrument of financial power. The United States has thus opened a new chapter in the global monetary rivalry, one where the stability of the dollar also plays out on the blockchain.

After years of caution, Washington has chosen to organize and regulate rather than marginalize. A federal framework elevates stablecoins from tolerated instruments to recognized tools of U.S. monetary policy. Beyond technical considerations, this is a declaration of leadership: America intends to define the global standard whereby digital money remains dollar-denominated. In an era of systemic rivalries, digital yuan, central-bank experiments, and fragmented payment systems, the strategy is clear: sustain structural demand for Treasuries and anchor the dollar as the benchmark currency of digital commerce, without resorting to a politically sensitive U.S. CBDC.

In this dynamic, the Genius Act is pivotal. By establishing a federal regime for payment stablecoins, fully backed, segregated reserves in high-quality liquid assets, on-demand redemption rights, recurring transparency obligations, and tiered supervision, it seeks to “onshore” activity, lower regulatory risk premiums, and align auditing and governance standards with U.S. money markets.

The impact is twofold: it professionalizes and consolidates the industry, strengthening structural demand for Treasuries; yet it also shifts power toward regulated institutions, embeds the programmable dollar in global trade, and forces policymakers to rethink safety nets for stress cycles.

For foreign partners, the challenge is clear: adapt to a faster, private form of dollarization now anchored in U.S. law.



The Trump administration's approach fits this pattern of industrial and financial assertion. The "America First" logic, protectionism, supply-chain reshoring, and industrial sovereignty, extends to finance. Supporting a stablecoin ecosystem backed by public debt effectively locks in monetary market share while reinforcing domestic funding. The same rationale underlies U.S. efforts in technology sovereignty and trade defense, even at the cost of a new cycle of economic confrontation that reorders global incentives.

The economic impact is multilayered. In the short term, stablecoin reserves create structural demand for T-bills, improving short-term liquidity. In the medium term, they establish a programmable funding layer that smooths international settlements and expands the dollar's extraterritorial reach. Over the long term, however, contradictions reemerge: the more stablecoins become universal payment rails, the more they foster a multipolar monetary landscape that could eventually dilute U.S. dominance. America retains structural advantages, market depth, capital strength, and the capacity to integrate innovation into state power, but must continually adapt to preserve the dollar's central role in the digital era.

Risks remain. Regulatory shifts, excessive market concentration, slow mainstream adoption, or the rise of public digital currencies could reshape the landscape. Above all, massive exposure to Treasuries ties the fate of stablecoins to the sustainability of U.S. debt: a strength in calm times, liquidity, transparency, standardization, but a vulnerability if fiscal confidence wavers. The very instrument that facilitates funding today could amplify doubts tomorrow.

Beyond deficit financing, the real innovation lies in balance-sheet redefinition. By making flows more traceable and enforcing transparency, stablecoins reconfigure both public and private financial governance. Where opacity and off-balance-sheet transfers once prevailed, programmable money introduces real-time accounting. This visibility is politically charged: it narrows states' discretionary power, weakens banks' intermediary dominance, and enables a "controlled demolition" of impaired balance-sheet segments, effectively granting depositors creditor-like protection surpassing traditional deposit insurance schemes.

This narrative gains weight through its milestones. On October 23, 2019, Mark Zuckerberg warned Congress that if America failed to innovate, its financial leadership could falter, turning a private experiment (Libra) into a national security issue. In May 2022, TerraUSD's collapse discredited algorithmic illusions and enshrined full-reserve backing as the norm. On August 7, 2023, PayPal's launch of PYUSD marked the entry of major payment networks into programmable money, validating stablecoins beyond crypto circles. Three dates, three lessons: strategic warning, prudential discipline, and industrial validation.

For long-term investors, the analytical lens must remain twofold. On one side, the opportunity: structural demand, indirect exposure to Treasury liquidity, bridges to income-generating protocols, and the rise of a dominant payment standard. On the other, the risk: regulatory uncertainty, issuer concentration, slow real-economy adoption, CBDC competition, and dependence on U.S. fiscal health. The prudent strategy lies between blind enthusiasm and reflexive skepticism, disciplined exposure to infrastructure segments (custody, compliance, tokenization, payments) where long-term value will endure.





Ultimately, the question extends beyond crypto: it is about who sets the standards of programmable money, and who captures the network rent that follows. The United States holds structural advantages and the political will to embed those standards within the dollar's orbit. Stablecoins both reinforce U.S. dominance in the short term and redraw its boundaries for the future.

The conclusion can be summed up in one phrase: If the Internet was the protocol of information, stablecoins may well be on their way to becoming the protocol of the dollar. But this scenario is far from predetermined. Other monetary architectures, public, regional, or hybrid, could still prevail, fragmenting the landscape instead of uniting it. Between hegemonic consolidation and the rise of competing ecosystems, the coming decade will reveal whether programmable money becomes the engine of a lasting empire... or the testing ground for an unprecedented monetary pluralism.

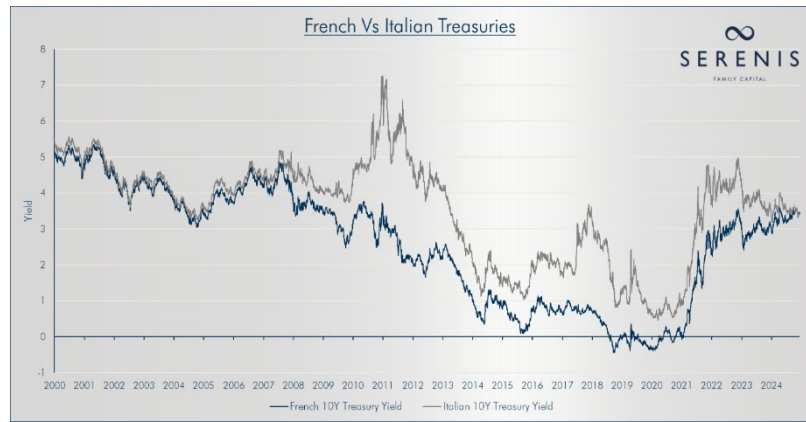
Those who set its rules will not only shape the future of crypto—they will settle the bill, theirs and others', in the fractured economy to come



## Three charts

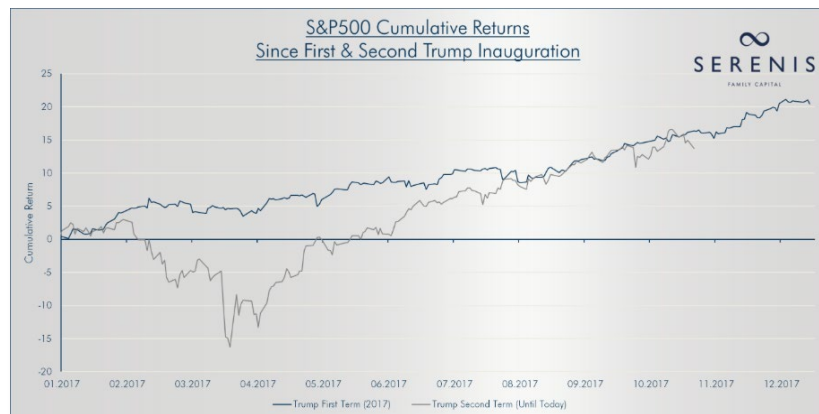
The political turmoil that has shaken France in recent months appears to have spared the stock market: the CAC 40 is trading only 2% below its all-time high. Does this mean that political crises have no impact on financial markets? A closer look suggests otherwise. Unlike equities, the bond

market has clearly reacted to recent developments. For the first time since the creation of the euro, French 10-year yields now exceed those of Italy. Under Giorgia Meloni's leadership, Italy has achieved a remarkable and steady fiscal consolidation, reducing its budget deficit from -8% in 2023 to -2.9% in 2025. Over the same period, France's situation has deteriorated, with its deficit widening from -5% to -5.8%.



History never repeats itself exactly, but it often rhymes. This maxim, attributed to Mark Twain, finds a particular resonance on Wall Street: the performance of the S&P 500 under Trump's second term is mirroring almost exactly that of his first, with an identical 13% increase between 2016 and the end

of 2017. The year 2018, however, was marked by sharp volatility—driven by a monetary tightening cycle deemed too aggressive by investors. Is it to avoid a similar outcome that Trump is now exerting greater pressure on the Federal Reserve to lower interest rates? Time will tell whether, this time again, history chooses to rhyme... or repeat itself.




The arrival of Milei to power in November 2023 coincided with a remarkable surge in the Argentine stock market (MERVAL): +367% in local currency (+150% in USD) in just a few months. Financial markets—typically quick to price in economic trends 6–9 months ahead—were not



wrong: Argentina experienced an impressive rebound in growth between September 2024 and June 2025. However, the 2025 trading year proved far more uneven, notably due to unfavorable polling for Milei ahead of the October 2025 legislative elections, which forecast a setback for his party (*La Libertad Avanza*). Reality told a different story: Milei won decisively, once again confounding expectations, which propelled the MERVAL to an exceptional +85% gain in just a few days.



A night photograph of a city waterfront, likely Geneva, featuring a large fountain with a tall, illuminated water column. The scene is reflected in the calm water. Buildings with lit windows line the shore, and mountains are visible in the background under a deep blue twilight sky. The foreground shows a paved promenade with a metal railing.

*“Markets can only be  
understood backwards,  
but they must be invested  
thinking forwards”*

**Serenis Family Capital**

Esplanade de Pont-Rouge 1

1212 Grand-Lancy

+41 22 704 08 40

[info@serenis.ch](mailto:info@serenis.ch)

[www.serenis.ch](http://www.serenis.ch)