



S E R E N I S

FAMILY CAPITAL

Monthly Markets Chronicle

December 2025



1995 - 2025

Three decades of trust, expertise, and serenity.

The Dusk of Fluidity, the Dawn of Scarcity

2025 has clearly imposed a reality that markets had long deferred: the real has regained precedence over the abstract.

This shift translated into an unambiguous hierarchy of performance. Precious metals dominated, driven by silver (+147%), while European defense asserted itself as one of the few structural performance drivers (+75%). Conversely, consumer stocks posted a marked decline, signaling a regime in which cost constraints, energy, and sovereignty now weigh more heavily than the mere continuity of demand.

In this environment of transition, our investment committee favors a deliberate prudence toward risk assets, maintaining a level of liquidity intended to capture tactical opportunities during phases of dislocation. Allocation to satellite strategies remains close to its 25% ceiling, reflecting a clear commitment to diversification and the search for performance engines less dependent on major indices.

Our Thinking Forward focuses on the central risk of the period: the temptation, for contemporary economies, to restore a monetary and financial order whose conditions of coherence have disappeared. Currency is becoming repoliticized and once again an instrument of power. Energy constraints are slowing the large-scale deployment of the most promising technologies. Finally, geopolitical blocs are organizing around critical supply chains and industrial capacities, in a context of now-recurring strategic bottlenecks.

For nearly three years, we have anticipated this inflection, which reads as the entry into an era of Strategic Scarcity. The break of the S&P 500 / gold ratio relative to its long-term reference points offers a particularly illuminating perspective: the progressive erosion of the confidence premium historically granted to intangible assets and to disembodied growth promises.

The era of fluidity and relative abundance is reaching its limit. What opens is that of sovereign materiality, a phase in which alpha creation will rely more on critical metals, vital infrastructure, and the levers of hard power than on passive exposure to major indices. Recognizing this regime change, and adapting to it, becomes both a virtue of management and a condition of robustness. It allows one to move forward with composure, arbitrate without haste, and remain aligned with reality.

Enjoy the read, and we extend our best wishes for the new year.



2025 in figures

2025 proved to be a particularly favorable year for wealth, supported by positive performance across most asset classes. The rapid dissipation of uncertainties related to spring trade tariffs, combined with the acceleration of the artificial intelligence theme, contributed to a supportive market environment. In this context, the S&P 500 recorded seven consecutive months of gains starting in May, posting an annual return of +16%, although it was outperformed by Europe (Euro Stoxx 50: +18%) and, above all, by emerging markets (+30%).

Precious metals emerged as the clear winners of the year, benefiting from a tense geopolitical backdrop, the depreciation of the U.S. dollar (-10%), and growing concerns over the sustainability of public debt. Silver (+147%) and platinum (+127%) delivered exceptional performances, followed by gold (+60%). Semiconductors (+85%), European banks (+80%), and the European defense sector (+75%) also ranked among the year's top performers.

Conversely, performance dispersion remained pronounced. Oil (WTI) fell by -25%, highlighting the heterogeneity within the commodities complex. U.S. defensive sectors, notably Consumer Staples, stagnated (-1%), while several large European capitalizations experienced sharp corrections, particularly Pernod Ricard (-33%) and Novo Nordisk (-49%). Finally, Bitcoin, despite reaching a peak around USD 120,000 during the year, ended with a mixed overall performance.

Top 5 – Performances 2025	
Asset / Sector	Perf
Silver	+ 147%
Platinum	+127%
Semi Conductors	+85%
European Banks	+80%
European Defense	+75%

Bottom 5 – Performances 2025	
Asset / Sector	Perf
Novo Nordisk	- 49%
Pernod Ricard	-33%
Oil (WTI)	-25%
Bitcoin	-6%
USD	-10%



Our current positioning

December was marked by the resumption of U.S. economic data releases following the longest government shutdown in recent history. Investors subsequently refocused on the labor market to recalibrate their monetary policy expectations. The data published were mixed: October showed a net loss of more than 100,000 jobs, while November recorded a rebound with 64,000 job creations. On closer inspection, most of the adjustment came from the public sector, with around 172,000 federal positions eliminated. Nevertheless, the overall diagnosis remains unchanged: the labor market is cooling, but not deteriorating. This trend is consistent with the gradual rise in the unemployment rate to 4.6%, well above the low of 3.4% reached in April 2023.

In this context, the Federal Reserve implemented a final rate cut for 2025 in December, while signaling that it does not intend to accelerate monetary easing further. Market-implied expectations now point to two additional rate cuts in 2026, but at a measured pace. The year ended with the second estimate of U.S. third-quarter GDP, which confirmed a clear rebound in activity: growth came in at 4.3%, driven by robust household consumption, up 3.5%. Far from weakening, the U.S. consumer is, for now, absorbing the tariff shock, which is an encouraging signal for 2026. At the same time, inflation continues to normalize around 2.6%, placing the economy in a “Goldilocks” scenario—positive growth without overheating and easing inflation—thereby reducing short-term recession risks.

This macroeconomic environment remains supportive of risk assets. Major global equity markets posted double-digit gains over the full year 2025, even though December did not deliver a true “Santa Claus rally.” The S&P 500 ended the month broadly flat, down slightly by 0.05%, while European indices advanced by around 2%. On the fixed-income side, year-end conditions were more challenging: the rise in long-term yields weighed on prices and led to a modest decline in the main bond indices.

Against this backdrop, the investment committee chose to maintain a broadly neutral exposure to risk assets, mindful that elevated valuations mechanically increase the risk of profit-taking. Fixed-income positioning remains unchanged: the high-yield segment continues to be underweighted, as spreads are at historically compressed levels while early signs of stress are emerging in unlisted private debt. A liquidity buffer is maintained to allow for swift action in the event of market corrections and to take advantage of more attractive entry points.

Satellite strategies, for their part, closed the year on a very positive note. Precious metals once again stood out: silver rose by 25%, platinum by 22%, and gold by 2%, while physical uranium gained 7% amid renewed interest in nuclear power. The defense theme also performed well, with an average return of around 5%. By contrast, Bitcoin once again acted as a detractor, declining by 4% over the month; however, after discussion, the committee decided to maintain this marginal exposure.



New themes have been proposed to enrich the satellite allocation, notably robotics and Japanese value, which could benefit from the gradual normalization of interest rates in Japan. The committee will decide next month on their potential inclusion. We therefore close 2025 with a satellite allocation close to its 25% cap, reflecting a clear commitment to diversification in a rapidly reshaping world. In 2026, risk management will need to remain commensurate with the potential volatility stemming from geopolitical developments.

« Core » Portfolio

	% SAA		%TAA
Cash	5%	↗	7.5%
Obligations	45%	✓	42.5%
Investment Grade	20%	=	20.0%
Sovereign Debt	15%	=	15.0%
High Yield	10%	✓	7.5%
Actions	50%	=	50%
US markets	30%	=	30%
European markets	15%	=	15.0%
Emerging markets	5%	=	5%

Balanced USD Portfolio

« Satellite » Portfolio

Issue Name	Weight
Inflation Shield	
Gold	5,00%
Gold Miners	
Silver	0,50%
Platinum	0,50%
Bitcoin	0,20%
Re-Care-Nation	
Biotech Sector	1,00%
Health Care Sector	1,50%
Strategic Ressources	
Uranium	1,50%
Oil/Gas Exploitation & Production	0,60%
Energy Infrastructure	0,60%
Critical material	0,80%
Strategic Security	
Defense (DFNS)	1,00%
Defense (NATO)	1,00%
Quantum Computing	0,50%
US & Friends	
Latin American Market	1,25%
Swiss Market	1,25%
USD Debasement	
Emerging Debt	2,50%



Thinking Forward : Neo-mercantilism 2.0

“The future is no longer what it used to be.”
Paul Valéry, Regards sur le monde actuel, 1931

On April 28, 1925, Winston Churchill, then Chancellor of the Exchequer, announced to the House of Commons that Great Britain would return to the gold standard at its prewar parity. For the financial elite of the City, the move was not bold; it was restorative. It marked a return to an order deemed natural—that of a nineteenth century in which sterling and British free trade formed the backbone of the world. Currency was being reattached to yesterday’s world, as if a technical adjustment were sufficient to restore the regime that had once made it coherent.

Yet the ground had already shifted. Power no longer resided primarily in monetary discipline, but in an industrial and energy density that was rising across the Atlantic—more robust, more adaptable to the material flows of the new century. This change did not take the form of a single, clear shock. It looked instead like a succession of “independent” events: the relocation of gold reserves, the rise of oil over coal, a widening gap in productive capacity. It took the crisis of 1929 and then another world war for the truth to become undeniable. The regime—and the center of global power—had long since changed.

Identifying a regime shift usually eludes those living through it, because they reduce it to a series of technical adjustments. Parameters are tweaked and rules modified under the assumption that the system is still repairable, simply because familiar institutions and vocabulary persist. This encourages a focus on maintaining a mechanism whose very nature has already changed, rather than understanding the new one. That is precisely the risk we face: proceeding by inertia in a world governed by new principles, while reasoning with old ones. Continuing to believe that fluidity is the norm, that trade is neutral, that money is separate from politics, that supply chains are merely a question of cost. In other words, adapting on the surface while remaining immobile at depth.

The global economy is entering a phase of inflection of the same order. The pillars of the past forty years’ orthodoxy—central banking elevated to doctrine, fiscal discipline presented as proof of seriousness, the primacy of free trade, optimized global supply chains—are all being weakened by a simple reality: politics and geopolitics are back. They had been kept at bay by a period of relative stability, abundant energy, and the belief that a more interconnected world would mechanically produce cooperation.

That interlude is closing. The system no longer seeks merely to preserve a supposedly neutral market equilibrium. It seeks to steer power under constraint: security, industrial continuity, social stability, rivalry between blocs. The state is once again a strategist, aligning budget, trade, industry, and regulation within a single grammar.

The United States offers a clear example. Tariffs are no longer anomalies; they structure a framework and signal preferences. Relocation programs and public support measures are not aimed merely at correcting “imperfections.”



They are designed to reorganize the productive base and reduce dependencies deemed critical. Earlier still, but in the same vein, the Inflation Reduction Act acts as a magnet, encouraging firms to expand their presence in the U.S. Export controls on technology provide another illustration: this is not simply a binary “yes/no” on a product. It is fine-grained steering through licenses, exceptions, extraterritorial rules, and the segmentation of value chains. The implicit goal is not necessarily to stop a rival outright, but to slow it, channel it, and preserve the advantage of the coalition that controls scarce segments. Power no longer consists solely in producing. It lies in controlling bottlenecks—deciding which remain open, which stay narrow, and which become negotiable.

The technology sector brings us back to the most material point of all: energy. Two centuries of growth rested first and foremost on abundant, cheap energy. Productivity was often a derivative of that abundance, far more than its cause. When energy becomes constrained again, many narratives ring hollow because they confuse promise with power. What is new today is the convergence of multiple trends: strategic rivalry, reindustrialization, tighter energy constraints, tougher regulation, and fragile supply chains.

In this landscape, artificial intelligence can be seen as a revealer. It concentrates, in a single object, the constraints of our time: the need for dispatchable electricity, massive financing, saturated grids, scarce transformers, dependence on specialized metals and equipment, location trade-offs, and issues of technological control. It shows that the digital does not escape the real: an economy may dream of algorithms, but it ultimately negotiates megawatts, transmission lines, sites, water, and processors.

This materiality reshapes the role of monetary authorities. The idea of a central bank fully insulated from the imperatives of security and reindustrialization becomes difficult to sustain, as does the notion of a world in which capital moves freely without constraint. A world of rearmament, energy transition, and rivalry between blocs is a world of distributive trade-offs—and thus of temptations to steer and control capital. Money becomes political again because it must finance assets whose strategic return may outweigh immediate financial return.

Europe, in this context, must evolve quickly. Its historical lever remains access to its market through rules. When it imposes safety, environmental, or compliance standards, it can dictate manufacturing conditions globally. This is real power: the power of technical specification. But the era demands a harsh nuance: normative power does not replace material coercion. Defense and credible force rest on an industrial base—stocks, throughput, the capacity to sustain a prolonged effort. Without these, Europe may set rules, but it will never be able to enforce them.

By contrast, China is refining a strategy that seeks less autarky than discreet leverage. It is strengthening and more explicitly asserting control over certain segments that are difficult to replace in the short term: materials, processes, refining, components. The recent use of its near-monopoly in rare earths demonstrates its ability to inject operational risk into adversarial supply chains at precisely the right points.



It also shows that “cooperative” globalization à la China was far from innocent for those who believed in it uncritically.

It is evident that in this new regime, optimization will matter less than robustness, and short-term profit less than long-term power. The most important assets will be those that shape the infrastructure of power: energy networks, grid equipment, critical metals and processes, refining capacity, defense, industrial components.

For the global investor, the conclusion is less a conviction than a discipline. In a world where “the future is no longer what it used to be” the main risk is continuing, by reflex, to apply the principles of a fading regime: fluidity as the norm, the neutrality of rules, stability as a given. The task is not to discard the tools of the past, but to refuse to follow them blindly when the center of gravity shifts. Geopolitics is no longer a backdrop; it is embedded in the cost of capital, access to inputs, and the visibility of cash flows. The challenge becomes allocating with clarity—favoring continuity over pure optimization, materiality over promise, and resilience over theoretical perfection. To invest today is to recognize that the regime has changed and that reality is back.



The graph that says it all

The S&P 500 / Gold ratio measures the relative performance of U.S. financial assets against the ultimate reserve currency. An examination of the historical series, spanning 1928 to 2025, reveals a major structural break currently underway.

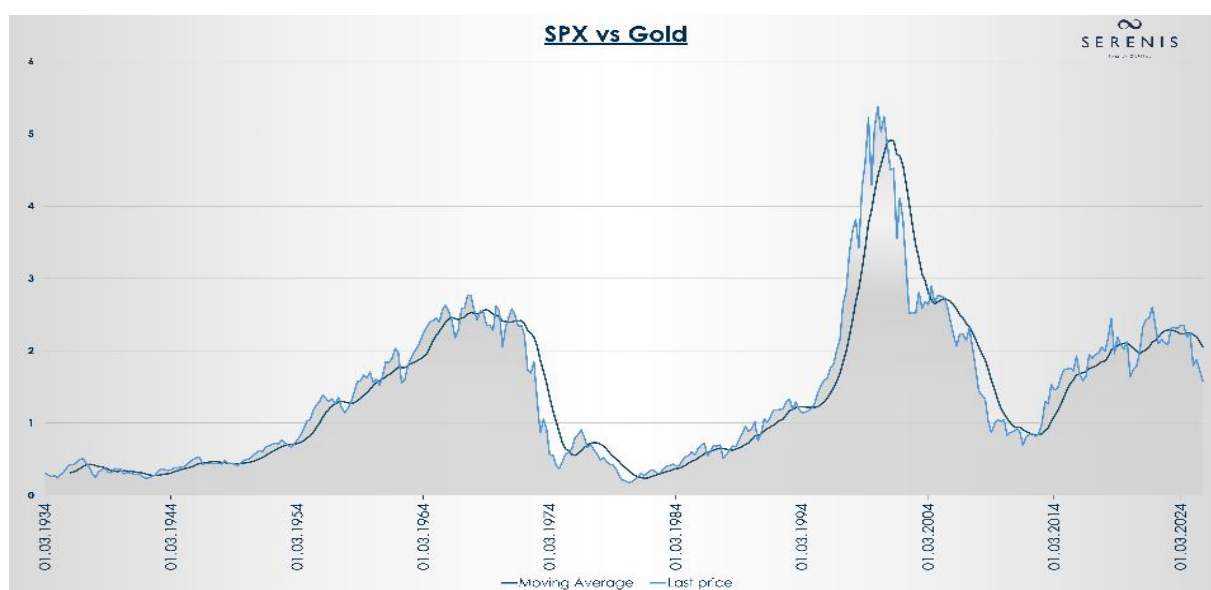
Following the collapse of the technology bubble in 2000, when the ratio peaked above 5.0, a long phase of secular consolidation ensued. From 2011 to 2024, the ratio regained momentum, fueled by an unprecedented regime of financial repression: artificially compressed interest rates and massive monetization of sovereign debt by central bankers.

This momentum has now reversed with rare violence. Despite the resilience of the S&P 500 in 2025 (+16%), the ratio has broken below its 20-period moving average, signaling a likely return to the preeminence of tangible assets.

At Serenis Family Capital, we interpret this chart as confirmation of our “Strategic Scarcity” theme. The equity markets’ attempt to outperform gold failed technically in 2024. We are now entering the anteroom of a secular bear market for the SPX/Gold ratio. This is not a call for a generalized liquidation of equities, but rather a fundamental reallocation of alpha sources: future outperformance is likely to stem from real and sovereign assets—gold, critical metals, strategic energy—rather than passive index exposure.

The chart remains unmistakably eloquent: the confidence premium granted to the U.S. financial system—the numerator—is steadily eroding against the ultimate store of value—the denominator. This recent bearish crossover stands as a solemn warning.

The era of easy money, in which paper assets thrived, may be drawing to a close. What opens instead is an era of strategic scarcity, where control over tangible resources becomes paramount.

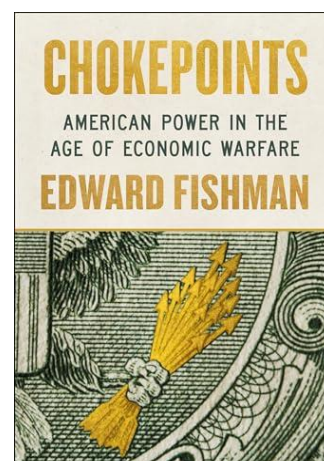


One more thing...

“Someday the age of economic warfare will end. But we might miss it when it is gone.”

Edward Fishman, Chokepoints

Chokepoints explains clearly and with great skill how American economic warfare did not emerge from a single, coherent doctrine, but from an empirical learning process. What appears coherent today was built through successive iterations, and the book illustrates this through three structuring episodes: Iran, Huawei, and Russia.



Iran serves as the laboratory. Confronted with the limits of “traditional” sanctions, Washington realizes that the decisive lever is not trade, but access to the global financial system. The target is no longer solely the Iranian state; it also includes banks, insurers, intermediaries, and counterparties. Power becomes legal-financial: the threat of being cut off from the dollar and payment infrastructures creates a reflex of self-censorship on a global scale. This is the founding act of the model—producing a massive strategic effect by relying on the incentives and fears of the private sector.

With Huawei, the framework changes scale. The objective is no longer to constrain a peripheral actor, but to contain a systemic rival fully embedded in globalization. The tools are reused, but shifted toward technology: control over semiconductors, equipment, software, and intellectual property.

Russia reveals both the maturity—and the limits—of the method. After 2014, and then again in 2022, the West deploys a full arsenal: financial sanctions, restrictions via SWIFT, the freezing of central bank reserves, and energy-related measures. The leap is historic: reserves cease to be “neutral,” and infrastructures cease to be “apolitical.” But this success comes at a cost: it accelerates the global realization that the financial order is also an instrument of power—and therefore something to be circumvented.

The strength of the book lies in showing continuity. Each crisis refines the previous one, each victory expands the scope of use, and each excess reinforces strategies of avoidance. It becomes clear that today’s fragmentation is not an accident, but the logical outcome of thirty years of building chokepoints.



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

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