



“Make America Weak in 100 Days”

Our Opinion
May 2025

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Dear Readers

In the article “Make America Weak in 100 Days”, we show how Donald Trump has made the USA weaker instead of bigger in his first 100 days of his second term of office.

Looking for advice and support on financial matters? Our investment advisors look forward to hearing from you and will be happy to talk to you personally.

We wish you a pleasant read.
Your Advisory Team

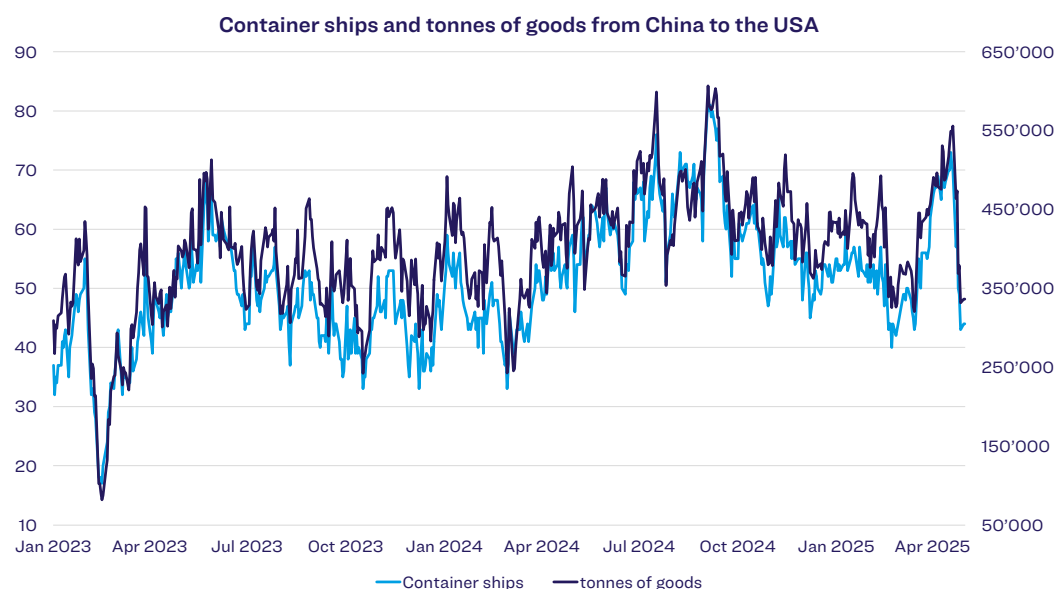
“Make America Weak in 100 Days”

The economy

Donald Trump completed his first 100 days of his second term of office on 30 April 2025. These 100 days were supposed to be the starting signal for ‘Make America Great Again’, but were characterised by complete chaos. With his arbitrary tariff policy, the US President led the country to the brink of recession - if not right into it - alienating the USA from a network of political and economic allies around the world that had been spun over decades and jeopardising the creditworthiness of the American state as a result. Despite the 90-day tariff pause until the beginning of July, tariffs of 10 per cent already apply to Switzerland and the EU, which is many times higher than the previous level. Trump has imposed even higher tariffs on Canada and Mexico and a crazy 145 per cent on China. According to the Budget Lab at Yale University, the USA is imposing historically high tariffs of 28 per cent on average. This is almost twelve times the previous level - the last time tariffs were higher was in 1901. According to Yale University, these tariffs will lead to a price increase of around 3 per cent and will cost every US household around USD 4,900. Large retail chains in the US are also already warning of higher prices and even empty shelves. Imports of goods from China are already declining, as can be seen from the significant drop in container shipments and deliveries of goods from China to the USA.

Neue Bank traffic light

-  strongly bearish
-  bearish
-  neutral
-  slightly bullish
-  bullish
-  strongly bullish



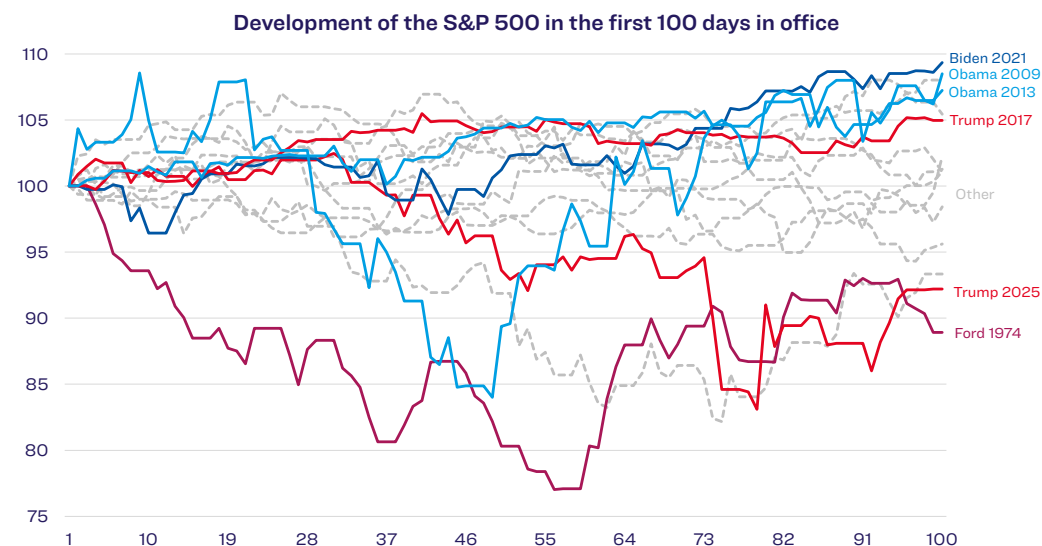
Source: Bloomberg und Neue Bank AG

With his tariff war, Trump has lost the trust of US consumers, who form the backbone of the US economy, at least temporarily. Consumer sentiment has plummeted by 30 per cent since he took office and is close to the all-time low recorded in 2022. Trump has taken over a functioning economy and weakened it significantly in a very short space of time - possibly even plunging it into recession.

Shares

On Liberation Day (2 April 2025), Trump announced his new tariffs. Those responsible probably don't know exactly how the calculations were made. There is no other explanation for the fact that even an island where only penguins live was hit with a 10 per cent tariff. The US stock market had already lost value in the run-up, but after the 'day of liberation' there was no stopping it: the stock markets collapsed. From its high in mid-February to 8 April, the S&P 500 lost almost 19 per cent of its value. Trump repeatedly called for perseverance via social media, but he was unable to overcome the forces of the financial markets and backed down on 9 April with the announcement of the 90-day tariff freeze. This calmed the markets for the time being and led to a recovery rally. But the question remains: what will happen after the end of the tariff pause? Trump keeps talking about tariff deals that he will conclude with other countries, but so far there are no concrete successes to report. The sword of Damocles in the form of Trump's unpredictable policies continues to hover over the stock markets. In the 100 days

since he took office, there has been no sign of 'Make America Great Again' on the stock markets - quite the opposite: it is one of the worst developments in the first 100 days of a US president in office.



Source: Bloomberg und Neue Bank AG

Bonds

It was not only shares that lost value, but also supposedly safe US government bonds. In times of crisis, American bonds are normally in demand as a safe haven, but during the recent turmoil there was almost panic selling. Investor confidence in America has been damaged by Trump's erratic policies. Anyone who treats once close allies like enemies must expect consequences. The US Treasury market, with a volume of USD 27 trillion, serves as the centre of gravity for the entire financial system. The flight of creditors from US government bonds has exacerbated existing concerns about the high level of US debt and a possible downgrading of the credit rating by the major rating agencies. Confidence could be further damaged - not least because of the paradigm shift in terms of power-sharing, the rule of law and a free press, which are increasingly being undermined under the Trump administration. The consequences would be devastating for the global financial system, which is largely based on trust in the US and the US dollar.

Currencies

The customs chaos and dwindling confidence in the USA led to massive shifts out of the USA and into European equities and other securities in April. This 'sell America' sentiment resulted in capital flowing out of the US dollar and into other currencies - which is reflected in a significant weakening of the US dollar. In April alone, the dollar lost 5 per cent against the euro and 7 per cent against the Swiss franc. The Federal Reserve System (Fed) is still the last rock of stability for the US dollar. Federal Reserve Chairman Powell and his colleagues think little of Trump, which is a thorn in his side. Trump called Powell a 'big loser' and spoke out in favour of his early dismissal. A day later, Trump rowed back in his usual manner, but with such actions he is questioning the independence of the Fed. With this policy, Trump is making a significant contribution to weakening the US dollar as the reserve currency.

Alternative investments

The trade conflicts and dwindling confidence in politics, the economy and the reserve currency are producing one big winner: gold. Demand for the yellow precious metal is rising rapidly. Central banks in particular - starting with China, India, the remaining BRICS countries and many OPEC members - have acquired record-high holdings of gold. The price of gold has risen by around 26 per cent this year alone and now stands at over USD 3,300 per ounce. The aim of gold purchases by central banks is to shift currency reserves away from the reserve currency, the dollar, and towards the rare precious metal. This trend will continue, which should protect the gold price from major setbacks.

PRIMUS–ETHICS

With the PRIMUS-ETHIK asset management mandate, we give investors the opportunity to incorporate environmental and social considerations into their investment decisions alongside financial aspects. We invest your assets in ethically and morally sound companies and apply professional approaches to their implementation. Scientific studies prove the positive effects of sustainability on economic success. Neue Bank AG's client advisors will be happy to show you the special features of this asset management solution in a personal meeting.

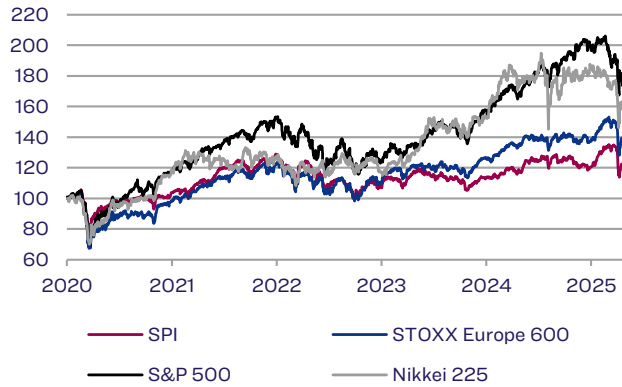
Key Performance Indicator in USD¹

	30.04.2025	2024	2023	2022	2021	2020
PRIMUS-ETHICS Equities World	2.16%	19.72%	28.83%	-28.69%	31.27%	23.34%
Peergroup	-1.75%	11.33%	18.61%	-23.66%	17.85%	22.56%

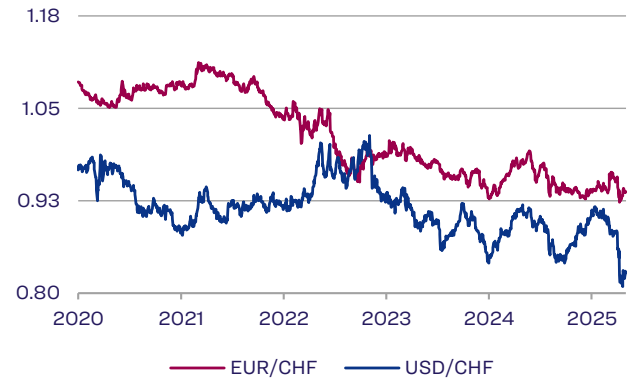
¹ Past performance is not an indicator of future performance and offers no guarantee of success in the future. The presentation of performance is gross without taking into account your individual tax liability. The net performance is lower due to fees. You can also find Our Opinion on our website: www.neuebankag.li S.E.& O.

Market data

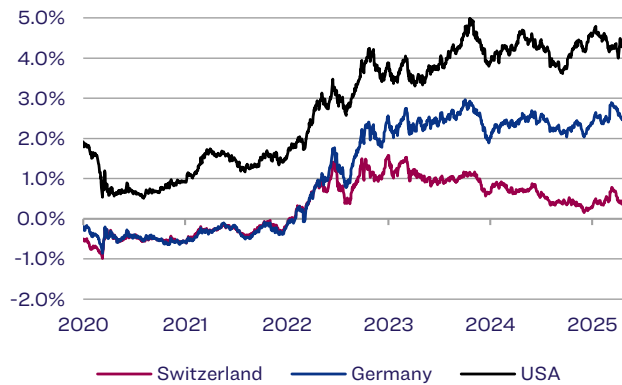
Stock market (indexed)



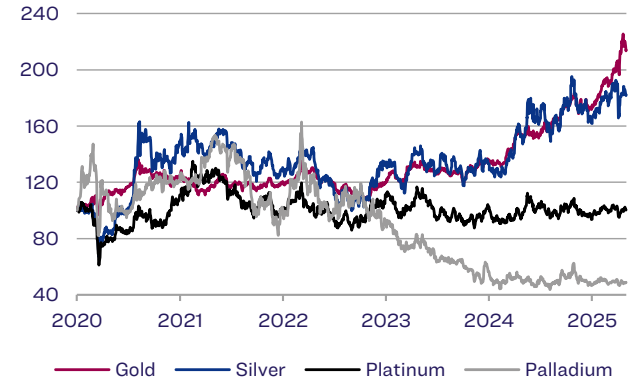
EUR/CHF and USD/CHF



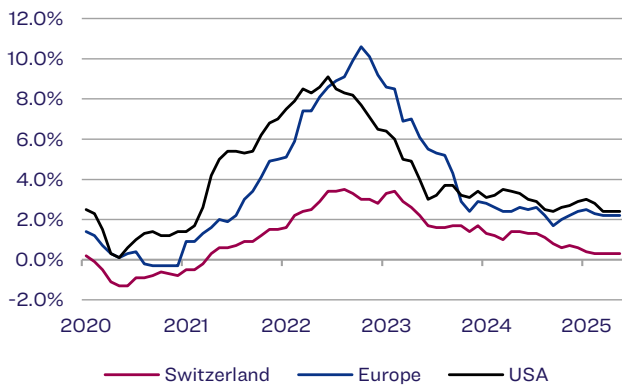
10-year government bond yield



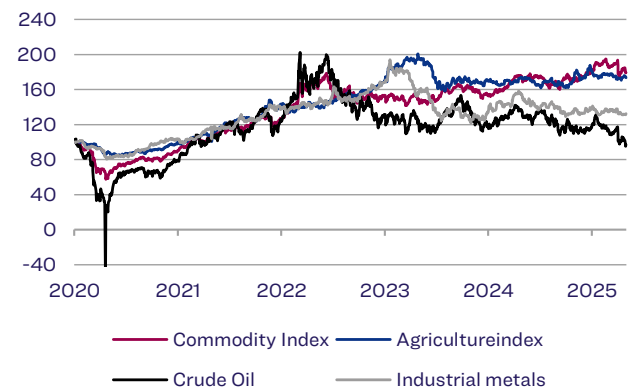
Precious metals (indexed)



Inflation rate



Raw materials (indexed)



The price developments are shown over 5 years.

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