SEPTEMBER 2026 · BACK TO WORK

The price of *long time*

Earnings have not grown this fast since 2021. Thirty-year money has not cost this much since 2007. Both markets are telling the truth.

09.2026

EDITORIAL

The season turns *on thirty years.*

A summer in markets usually fits into one sentence. This one needs two, and they contradict each other. American equities ended August within a breath of their records, carried by the strongest earnings growth since 2021. Over the same weeks, the rate at which the United States borrows for thirty years spent more than one session in three above 5%, which had not happened since 2007, and the money market began to price a rate rise rather than a cut. One market says the future is expensive. The other says time is expensive. Both are right, and that is what makes this autumn interesting.

We have chosen to read the period through the long rate, because it connects every subject in this letter. The build-out of artificial intelligence is now borrowed at the expensive end of the curve, for installations that last fifteen to twenty years, on credit rather than out of profits. The US Treasury, by doubling its buybacks of long bonds, has shown that it treats this rate as a variable it manages rather than merely observes. Gold, back above 4’500 dollars an ounce in August before easing, prices exactly that doubt. And Switzerland, whose policy rate sits at zero with no rise announced, lives in a different regime of time, one in which the franc serves as the world’s funding currency.

One figure captures the ambiguity of the moment. Second-quarter earnings at S&P 500 companies grew 52% year on year, the best reading since 2021. Remove from the calculation the two companies that carry most of those gains, Alphabet and Amazon, and index growth returns to 34%. That is the perimeter FactSet publishes, and it should be named for what it is: two whole companies come out, not merely their gains. The number is still excellent. But part of what the market read as operating profit is the revaluation of a bet those companies placed on themselves. We return to it, because this is the kind of detail that decides what comes next.

This letter does not try to predict the next quarter. It sets out what we observe, what we make of it, and what would change our minds. Each of the five analytical sections closes with our reading, marked as such. Section 06 gathers the facts that would prove us wrong, with thresholds and dates set in advance so they can be held against us.

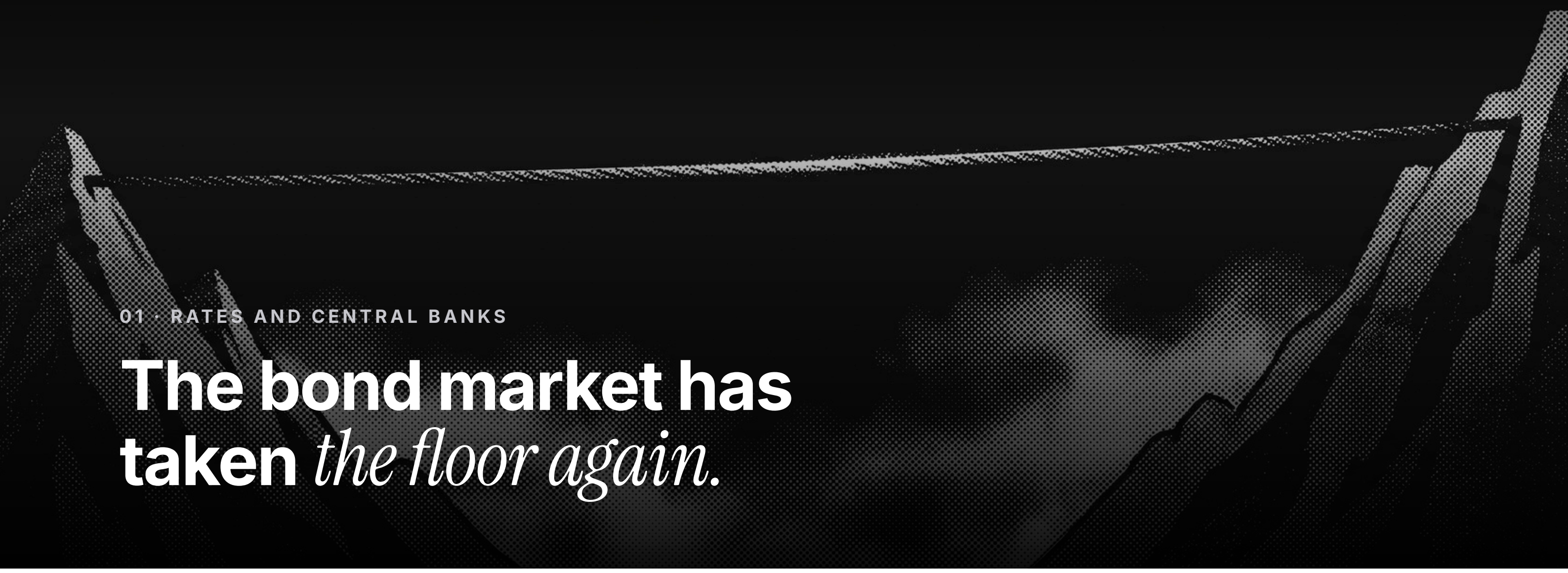
Our underlying conviction has not moved since the spring. When the binding constraint on an economy becomes physical again, electricity delivered, memory, cooling, the wait for a grid connection, it is the owners of those scarce things who capture the rent, not those who buy the story through listed shares. The autumn of 2026 adds a question: if the build-out disappoints, whose balance sheet takes the loss? We devote the third section to it.

Meotis Finance · Neuchâtel, 4 September 2026

IN THIS LETTER

SIX FIGURES FOR THE AUTUMN

5.27% US thirty-year yield, close of 2 September 2026	**+52%** S&P 500 second-quarter earnings growth, year on year
+13.2% S&P 500 since 1 January, at 3 September 2026	**4’430** Dollars per ounce of gold, close of 4 September 2026
0.8% Swiss inflation year on year in August 2026	**0%** Swiss policy rate observed at 4 September 2026



01 · RATES AND CENTRAL BANKS

The bond market has taken *the floor again.*

Five per cent at thirty years has become the price at which the world lends to the United States for a generation. That price has now entered politics.

The US Treasury thirty-year yield closed at 5.27% on 2 September. Since January it has spent 58 sessions out of 169 above 5%, the longest run above that level since 2007, with a high of 5.31% on 17 August. The ten-year stands at 4.79%, its highest since January 2025, against 4.18% at the end of 2025. The two-year is at 4.39%.

Near-term inflation explains little of this strain. The July US price index rose 3.4% year on year, but its core measure, excluding food and energy, was held to 2.5%, the slowest pace since March 2021. Almost the whole gap between the two comes from energy, up 14.7% on the year, from motor fuel at plus 24.6%, and from air travel at plus 25.5%. What is pushing the long rate is the part that pays for time itself, and doubt about those who manage it.

A central bank speaking firmly, and a market that believes it

On 29 July the Federal Reserve held its policy rate between 3.50 and 3.75%, but by nine votes to three, the three dissents calling for a quarter-point rise. That is unusual. The minutes, published on 19 August, point the same way: many participants judged that tightening would probably be needed if inflation did not recede. In late August, Kevin Warsh said from Jackson Hole that underlying inflation trends had not improved and that work remained to be done.

The market listened. On 31 August it put roughly two chances in three on a rate rise at the 16 September meeting, and one chance in two on a second in December. Barclays published a forecast of two increases in 2026 the same day. More cautious remarks from a governor then brought that probability back to about one in two as September opened. A central bank thought to be close to easing is now the one whose next turn of the screw is feared.

The Treasury steps into the curve

On 19 August the US Treasury announced that it would at least double its buybacks of ten- and thirty-year bonds from 9 September. The thirty-year lost 9 basis points that day. The Treasury presents these buybacks as a market liquidity operation rather than a cap on yields. We note the gesture without ascribing intent to it: whether it durably weighs on the long rate remains a hypothesis, and one that can be observed.

The US thirty-year yield

US Treasury 30-year yield, daily closes, per cent

Source: Federal Reserve Bank of St. Louis, last observation 2 September 2026.

Europe is tightening too

The European Central Bank raised its deposit rate to 2.25% in June, its first increase since 2023, in response to energy prices. On 1 September euro-area inflation came in at 3.3% year on year, against 2.9% in July, the highest since September 2024, with an energy component at plus 14.3%. Its core measure, by contrast, eased to 2.4%. The market assigned near-certainty the same day to a further quarter-point rise, to 2.5%, at the meeting of 10 September.

Japan as the fulcrum

On 31 July Japan spent 8′450 billion yen, about 53 billion dollars, to support a currency that had fallen to its weakest in forty years, and the United States joined the operation by selling euros, a method without precedent. The stake was US bonds as much as the Japanese currency: the aim was to stop the largest foreign holder of American debt from selling its holdings, or raising its rates far enough to divert global capital. Japan's four largest life insurers were carrying 15′130 billion yen of unrealised losses on domestic bonds at the end of June, which is the hidden face of the American long rate.

The real rate reaches the level that matters

BCA Research notes that a rise of roughly 75 basis points in the ten-year real yield from a trough preceded the equity setbacks of 2018, of 2022 and of early 2025. Three observations do not make a law, and we cite the regularity for what it is worth. The calculation, on the other hand, is reproducible: this rate, which measures what a bond returns once expected inflation is removed, went from 1.67% on 11 September 2025 to 2.45% on 2 September 2026, or 78 basis points. The order of magnitude has been reached, within three points. It does not say when something gives, only that the cushion is thin.

The ten-year real yield has covered the three quarters of a point that matter

US ten-year inflation-indexed yield, daily closes, per cent

Source: Federal Reserve Bank of St. Louis, last observation 2 September 2026. The 75 basis point threshold is BCA Research's, cited by the World Gold Council on 24 August 2026.

WHAT TIME COSTS

5.27% US thirty-year, 2 September 2026	4.79% US ten-year, highest since January 2025
6.87% US thirty-year mortgage, highest since June 2025	58 / 169 2026 sessions with a thirty-year above 5%

> *The long rate has become a policy.*

What a supported rate would change

Were the buybacks to weigh on the yield, that yield would become less informative: it would stop being the thermometer it was, and it would perhaps soften some of the pain. The two effects would travel together, and the second would be paid for with the first. This paragraph is written in the conditional because nothing, at this stage, establishes the effect.

For a portfolio the consequence is concrete. A long government bond historically protected against a growth shock: rates fell when the economy slowed. In a regime where inflation stays above target, where public spending carries activity and where the issuer intervenes in its own curve, that protection is less reliable, and it costs more to hold than it used to.

Fed staff themselves noted, in the July minutes, that the equity risk premium in the United States had been lower than its current level, in recent history, only during the technology bubble. When a central bank writes that in its own record, the sentence quotes itself.

OUR READING

We do not build a portfolio that needs the thirty-year to come back down in order to do well. Naked duration protects less than it did, and we prefer to look for protection elsewhere: in real assets whose income is contracted, in gold, and in currencies whose central bank has nothing to hide.

On the 16 September meeting we take no side on the coin toss. What matters more to us is the rate projection the Federal Reserve publishes the same day, because it commits 2027, and the first reaction of the thirty-year to the Treasury buybacks, which begin a week earlier. That reaction will tell us whether the buybacks genuinely weigh on the yield.

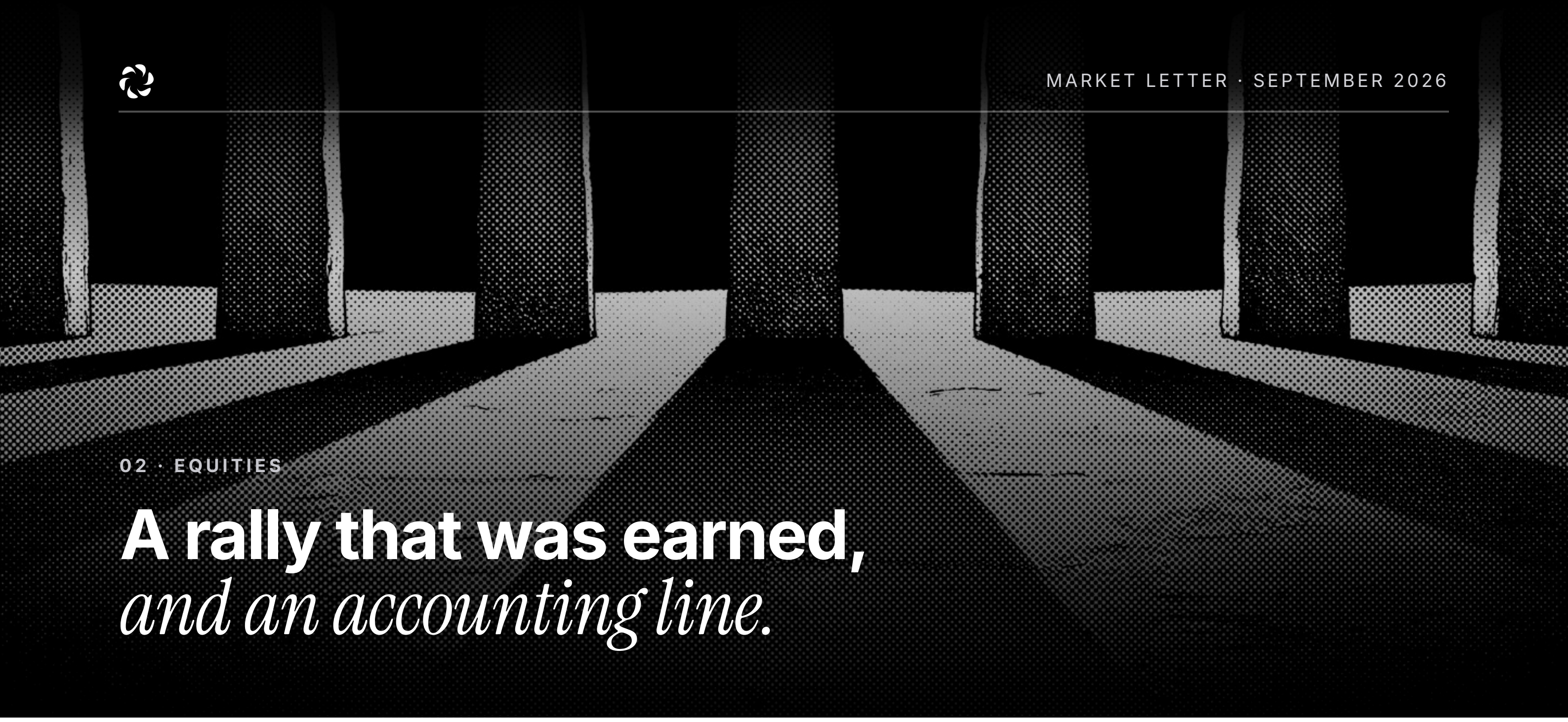
We note finally that two of the three large Western central banks are tightening into a shock none of them controls. A rate rise produces no oil. It defends expectations, which is a legitimate objective, and it costs growth, which is its price.

Three open questions

The refinancing wall. The cheap borrowing of the pandemic years was mostly termed at five years and comes back in blocks between 2026 and 2028, at today's rates rather than those of the time. The setting it returns into is measurable: our debt and liquidity tracker puts US non-financial debt at 361% of broad money, growing about a point faster than that money. The pool of money available to refinance is growing more slowly than what there is to refinance.

Central bank independence. It has become an explicit political subject before the mid-term elections of 3 November. An institution that must demonstrate its independence has one more reason to tighten, and the market knows it.

The mortgage rate. At 6.87% it is the highest in fifteen months. American housing is the channel through which a high long rate eventually shows up in the real economy.



02 · EQUITIES

A rally that was earned, *and an accounting line.*

The market of 2026 is rising because companies are earning more, and its multiple fell while it rose. That is its strength. The composition of those gains still deserves a second look.

The S&P 500 closed at 7’748 points on 3 September, up 13.2% since the start of the year, close to its record of 13 August. The Nasdaq is up 14.4%. Since the trough of 30 March the American index has recovered about 22%, some 12’000 billion dollars of market value. And that rally came with a falling multiple: the ratio of price to expected earnings for the next twelve months went from 20.4 to 19.6 since the end of June, because earnings forecasts rose faster than prices.

The best quarter since 2021

With 97% of companies having reported, second-quarter earnings growth comes to 52% year on year, on revenue up 15.5%. That is the best reading since the second quarter of 2021, and the seventh consecutive quarter of double-digit growth. At the end of June analysts expected 23%. The index net margin, at 17.0%, is the highest since that series has existed.

Two sectors do most of the work. Energy shows 146% earnings growth, because a barrel sold for 92.55 dollars on average in the second quarter against 63.68 a year earlier. Information technology follows at 75%, with 142% for semiconductors alone and a net margin of 32.3%. Health care is the only sector in retreat, at minus 6.5%.

The line to read twice

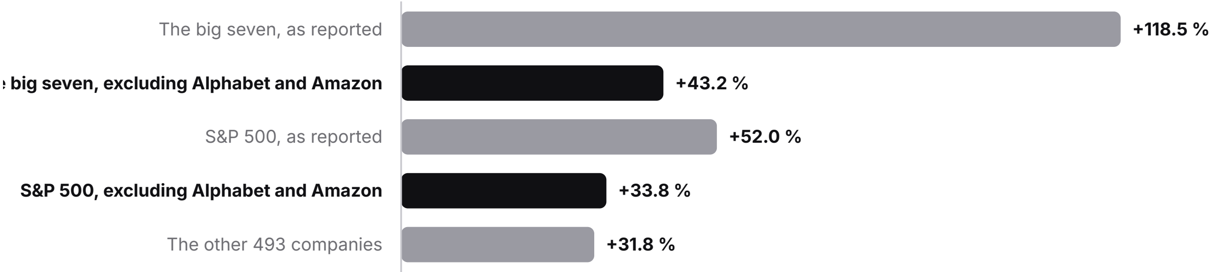
The seven largest companies show 118% growth, against 32% for the other 493. But the profit Alphabet reported contains 98 billion dollars of unrealised gains on securities it holds, and Amazon’s 53.4 billion arising mainly from its stake in the laboratory Anthropic. Remove those two companies from the calculation and growth at the seven returns to 43%, the index to 34%, and their surprise against analyst expectations collapses from 66% to 4%. The operation takes out two whole companies, with their revenue and their costs, rather than the single line of gains: the two adjustments do not give the same perimeter, and it is FactSet’s that is used here.

Finance directors, for their part, are confident

One quiet indicator looks forward rather than back. Among companies that issued an earnings forecast for the third quarter, 63 set it above expectations and 35 below. One forecast in three is therefore negative, against an average of nearly six in ten over the past five years. American finance directors have not been this confident in a long time, and they are speaking about their own order books.

Take out two companies and growth falls from 52% to 34%

Second-quarter 2026 earnings growth, year on year, per cent, with 97% of the index reported



Source: FactSet Earnings Insight, 28 August 2026. Alphabet booked USD 98 billion of unrealised gains on securities, Amazon USD 53.4 billion arising mainly from its stake in Anthropic.

These gains are real, they are published, and accounting rules require them to be booked. What remains is this: part of what the market read as proof that artificial intelligence pays is the revaluation of holdings those same companies own in artificial intelligence. It is a measure of asset prices, not a measure of customer revenue. It rises when the theme rises, and it will fall the same way.

Analysts have already turned the page: for the fourth quarter they expect growth of 26.8% at the 493 ordinary companies against 23.2% at the seven largest. If that forecast holds, the base of the rally widens.

Europe keeps pace quietly

The STOXX 600 is up 9.6% and the SMI 8.5% in local currency, without the equivalent of a computing giant. European first-half earnings grew 14%, the best start to a year since 2022. European banks have clearly outpaced the seven largest American stocks since 2022, and the dividend yield of the American index, around 1%, is close to its historical low. The diversification many had abandoned has become a source of return again.

Computing has already had its accident

The Korean market, the world's memory barometer, is still up 58.7% on the year, but it has lost 27% from its peak of 22 June. On 28 July the index gave up 10.84% in a single session; on the 30th it triggered two circuit breakers in a row, a first; on 24 August Samsung fell 8.7% on the very day it announced returning up to 80 billion dollars to shareholders. The scarcity of memory has not eased. What was repriced, sharply, were fixed-price contracts and expectations of return.

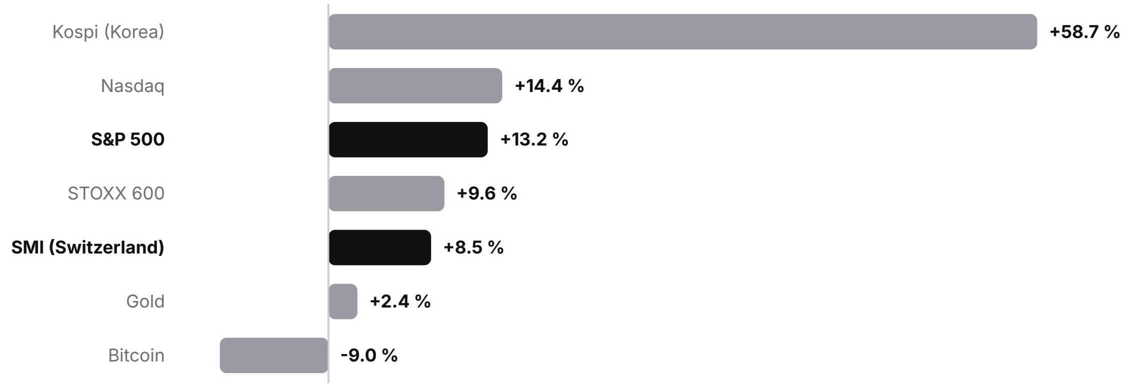
The voices on the other side

Two investors whose careers were built on identifying excess, Ray Dalio and Jeremy Grantham, now describe the American market as the largest bubble in the country's history, comparable to 1929 and 1999. Our disagreement rests on a measurable point: the rally of 2026 came with a falling multiple, from 20.4 to 19.6, whereas 1929 and 1999 were expansions of the multiple. We must nonetheless apply to our own argument the correction we have just applied to earnings. Part of that fall reflects earnings inflated by investment gains, so the multiple adjusted for them has retreated less than the published one. Our disagreement is narrower than the formula suggests: we dispute the word bubble, not the idea that the margin for error has narrowed.

We take the warning seriously on one point: the margin for error. The largest listing ever completed, in June, now trades below its offer price, with free cash flow that analysts project negative until 2029. The primary market has already begun to sort the stories from the accounts.

Since 1 January 2026

Price indices in local currency, closes of 3 September for the US indices, 4 September for the rest



Source: public market data. The Kospi is down 27% from its 22 June 2026 peak.

Insurance rarely this cheap

The volatility index closes at 14.5 on 4 September, just off its low for the year, reached on 14 August at 14.25, and downside protection is priced in the first percentile of its range over the past twelve months. This comes two weeks before a central bank meeting whose outcome is open, a month before the largest listing ever attempted in artificial intelligence, and two months before American mid-term elections. Insurance is rarely this cheap on the eve of events this well known.

What the share has to beat

One comparison frames the stake, provided it is the right one. The American index trades at 19.6 times expected earnings, which is an earnings yield of 5.1%, while the thirty-year government bond returns 5.27% with no credit risk. The shareholder is therefore accepting a slightly lower yield than the government pays, while carrying business risk on top. The dividend, at about 1%, does not compare with a coupon: it measures only the share of earnings paid out in cash. It is the gap between the earnings yield and the bond yield that Fed staff describe, in the record cited in the first section, as the lowest since the technology bubble. Earnings growth can rebuild it, and an easing of the long rate can too. Neither is assured, which is why this letter reads equities through the long rate.

What still supports prices

Buybacks remain the first source of net demand: about 1’400 billion dollars expected in 2026, against some 700 billion of new issuance. Authorisations announced since January approach 1’000 billion, a record, and more than 1’100 billion become usable again as the results blackout lifts, in September. Two thirds come from companies outside technology.

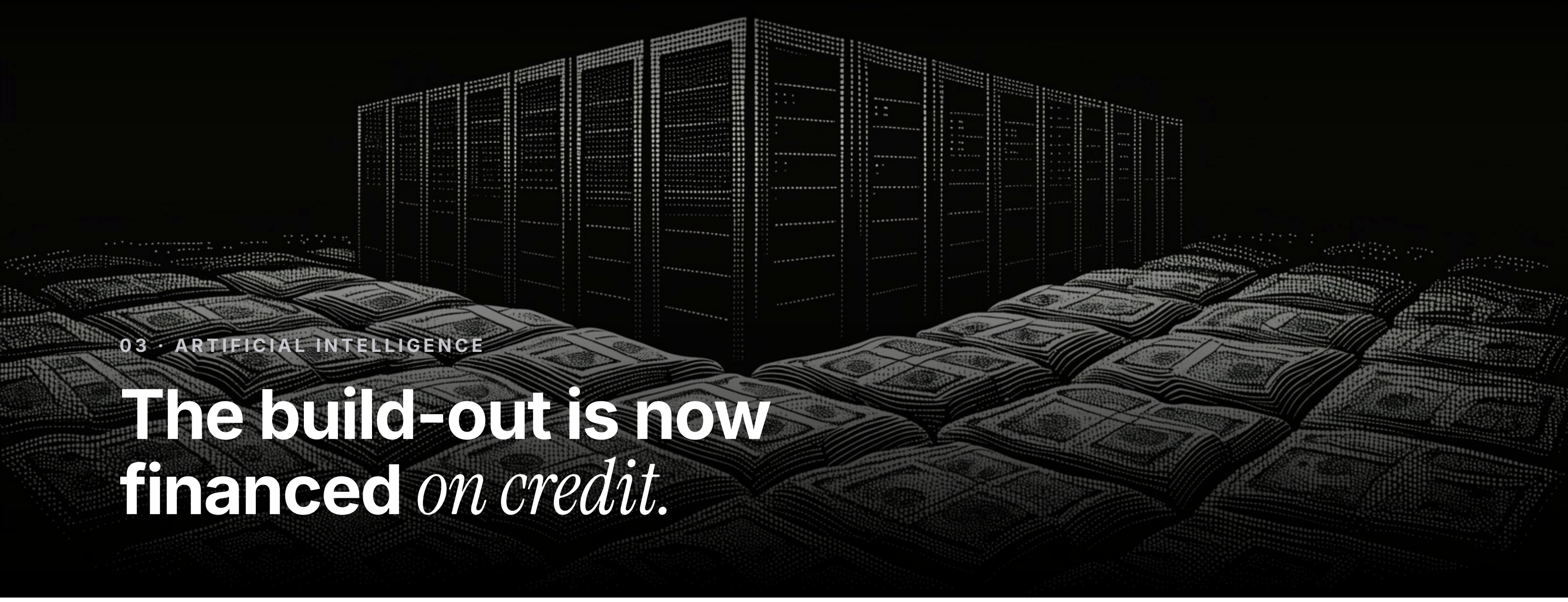
Retail leverage, by contrast, has already receded: assets in leveraged index products have shrunk by close to a third from their June peak, and by half in semiconductor products. This market has purged part of its excess without the index falling.

OUR READING

We stay invested in a market carried by earnings, and we do not mistake the index for the economy. Oil and computing make the rally; we prefer to hold them through what constrains them, electricity, the grid, memory, optics, rather than through the model layer alone. Europe and Switzerland offer a dividend yield and a valuation that America no longer offers.

We give more weight to growth at the 493 ordinary companies than to growth at the seven largest, because it is measured on sales rather than on revaluations. If the fourth quarter confirms the broadening analysts project, the rally becomes healthier and our exposure wider.

Our exit signal on the theme has not changed and has not flashed: a genuine slowdown in the intention to invest among the large cloud operators, projects postponed, orders suspended.



03 · ARTIFICIAL INTELLIGENCE

The build-out is now financed *on credit.*

Knowing whether artificial intelligence is a bubble does not say who pays. The useful question is a question of plumbing. If the build-out disappoints, whose balance sheet takes the loss?

The order of magnitude first. The four largest American cloud operators have announced, for 2026, between 720 and 745 billion dollars of investment, and about 835 billion once Oracle is added. Amazon plans close to 220 billion, Alphabet between 195 and 205, Microsoft about 175, Meta between 130 and 145. Nvidia’s finance director cited a projection of 1’300 billion for 2027 across the top five. Artificial intelligence now accounts for 15.8% of all physical business investment in the United States, structures and equipment together, and it supplied about 78% of the growth in that investment over a year.

The moment cash stops being enough

What changed this year fits on one line of an account. Alphabet reported in the second quarter its first negative free cash flow since its 2004 listing, at minus 5.9 billion dollars. Amazon shows minus 7.6 billion on a trailing twelve-month basis. Meta’s free cash flow fell to 784 million, down about 90%, on 31.9 billion of operating cash flow. Only Microsoft still generates a comfortable surplus, at 19.6 billion, with investment up 70%.

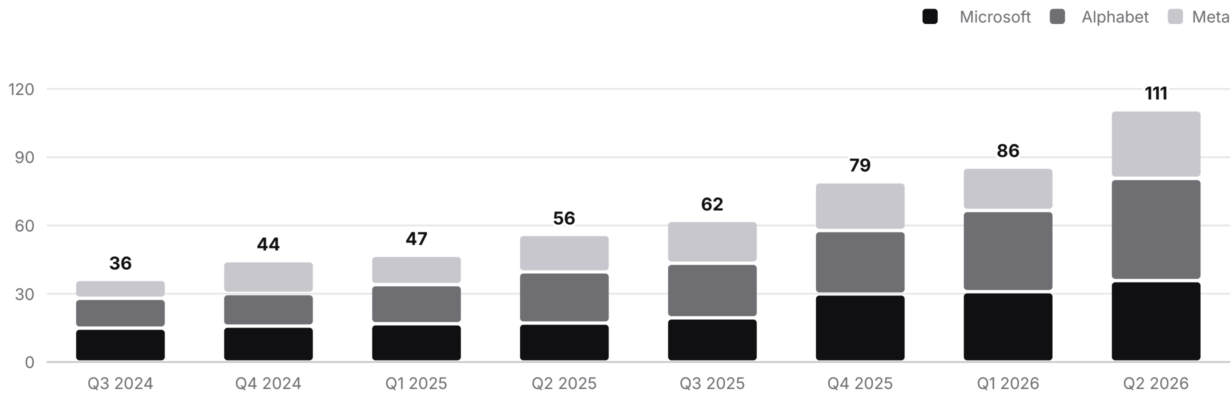
A single negative quarter does not by itself compel borrowing, and these four readings do not all cover the same period: Amazon’s is trailing twelve months, the others are quarterly. What documents the shift lies elsewhere, in the financing itself. The share of investment financed by new debt rose from 9% in the 2024 financial year to 32% over the past twelve months, and the combined debt of the five large operators approaches 700 billion dollars. Alphabet went from 16 to 100 billion of debt and raised 84.75 billion in equity in June, the largest such operation ever completed by a listed company, of which 10 billion was placed privately with Berkshire Hathaway.

Large enough to show in the trade balance

The scale of the build-out has spilled out of income statements. The American goods trade deficit reached 118.8 billion dollars in July, the widest since March 2025, and it is explained by the largest rise in capital goods imports since 1993: computers, semiconductors, network equipment. An investment theme that distorts the trade balance of an economy this size has stopped being a sector theme. It has become a macroeconomic variable, and that is how we follow it.

What three companies invest each quarter

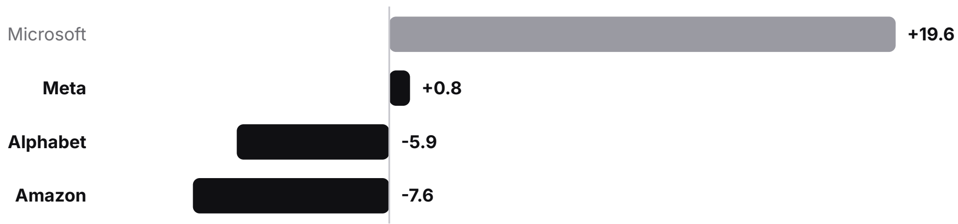
USD billion, Microsoft, Alphabet and Meta combined. Amazon is excluded, for want of a complete quarterly line



Source: cash flow statements filed with the SEC, house capital-spending tracker, reading of 28 August 2026. Cash spent excluding finance leases, which is why these totals sit below the announced envelopes, which include them.

Free cash flow after capital spending

USD billion. Second quarter 2026 as reported, except Amazon, on a trailing twelve-month basis



Source: company quarterly reports. Alphabet posts its first negative free cash flow since its 2004 listing.

Three channels, three different risks

Corporate bonds. This is the cleanest channel: the borrowers are profitable, the debt is rated and publicly quoted, and if it turns bad, it is seen in real time. It has its signals nonetheless. Oracle was downgraded in July to one notch above speculative grade, on rising investment, negative free cash flow and customer concentration.

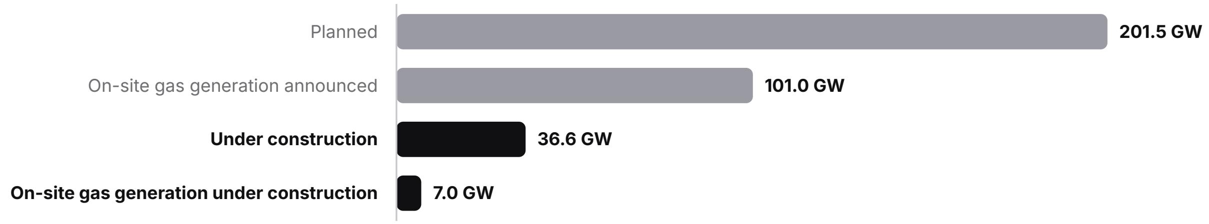
Chip-backed lending. An operator buys processors, borrows against them and against the rental contracts they generate, and those loans are then bundled and sold on. The honest question concerns the security: a generation of chips renews itself in three to five years, and its hourly rental had doubled in a month in the spring, which means it can halve just as fast.

What does not appear on the balance sheet. The lease commitments of the five large operators, which are not counted as debt, total about 820 billion dollars. For Oracle alone they represent close to three times the investment announced for the 2027 financial year. A lease commitment is an obligation to pay, whichever page of the report it sits on.

To this must be added private credit funded by life insurance, the least visible of the three channels: about 750 billion dollars of life insurer assets are now within reach of private equity, of which 10 to 15% is placed in private debt, often rated out of public view.

The electrical build-out behind US data centres

Gigawatts, capacity counted in May 2026



Source: industry counts of May 2026 collected by Meotis research. One gigawatt powers roughly one million American homes.

The constraint is physical, and it can be counted

Getting the current to the site has become the wall. Global gas turbine orders reached about 100 gigawatts by the end of 2025 against manufacturing capacity of 60 to 70 gigawatts a year, and new orders are priced 10 to 20% above the existing book. The Texas grid alone is processing about 356 gigawatts of connection requests. At least 25 projects were cancelled in 2025 after opposition from local communities.

Higher up the chain, memory is the second bottleneck. Nvidia reported quarterly revenue of 96.2 billion dollars in late August, up 106%, and announced a forecast of 108 billion for the following quarter. Its purchase commitments with suppliers have more than doubled, from 119 to 279 billion, mainly to secure memory. The company nonetheless expects its gross margin to fall from 75% to 71 or 72% by the end of its financial year, because of the price of that memory. The best-placed manufacturer in the cycle is watching its margin fall on account of its own supplier.

What our model says

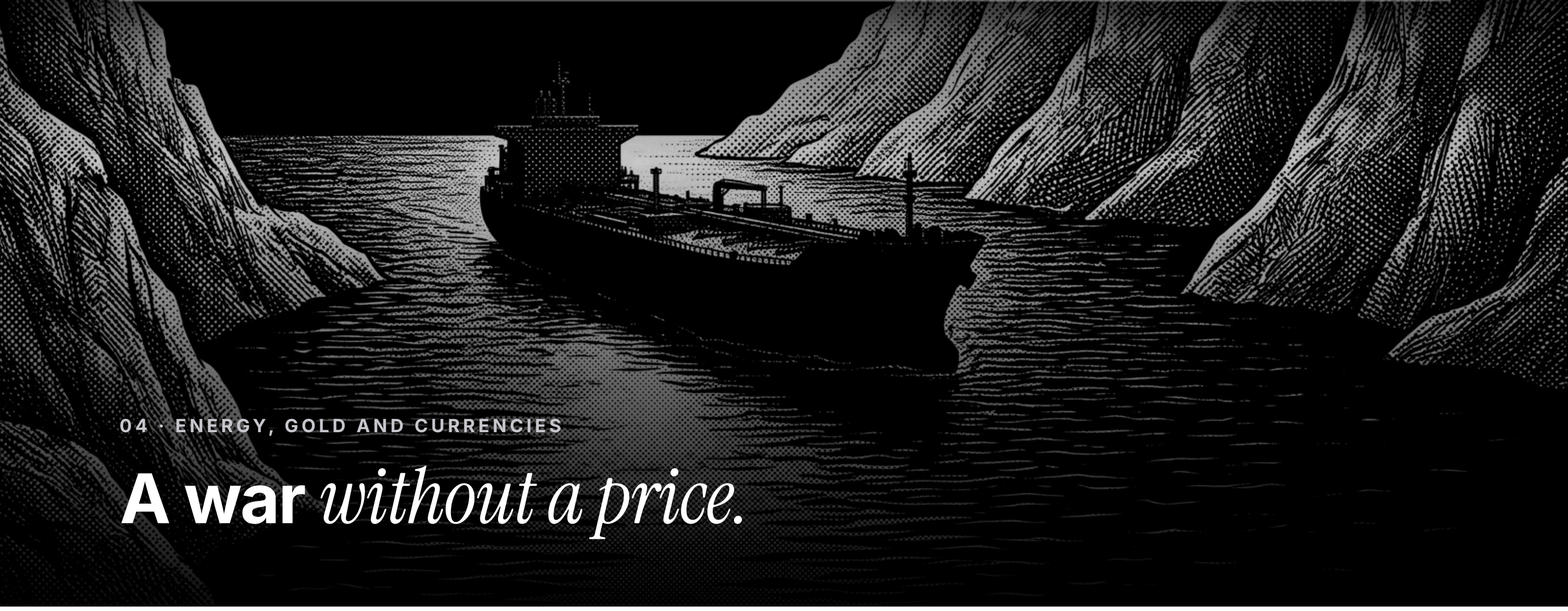
On 27 August the banking system category stood 1.40 standard deviations above its own mean, while liquidity was close to normal at 0.34 and household credit exactly on its mean at 0.03. Only one of the three lights of a general credit boom is on. What is moving through bank balance sheets is concentrated, and it comes neither from the consumer nor from an abundance of money.

OUR READING

Had the build-out been financed with equity, a disappointment would have been read in share prices. Financed as it is today, on debt, it will be read first in the quality of bank credit, in the valuation of private debt portfolios and in the reserves of insurers, European ones included, who have been buying that debt for years in search of a yield unavailable at home.

We draw three rules from it. Favour companies that can do without asking for money. Own the scarce layer at construction cost rather than the listed mirror, which trades at five to eleven times book value. And watch the dullest indicators: credit surveys, yield spreads, insurer disclosures, and the banking category of our model.

The build-out will continue as long as financing remains available, because those leading it believe computing is the constraint of the decade, and they are probably right on that point. Which is why we watch the financing rather than the conviction. The open question is who will hold the paper when the first generation of chips reaches the end of its useful life.



04 · ENERGY, GOLD AND CURRENCIES

A war *without a price.*

The Strait of Hormuz is contested daily and the barrel barely reacts. When a market stops pricing a risk, the risk does not disappear: it changes address.

On 1 September the American command announced that it had struck Iranian targets in response to attempted attacks on commercial shipping in the strait, including the laying of mines; Tehran said the same day that it had retaliated against American bases in the region, and explosions were reported over Aqaba. Brent closed at 90.49 dollars on 31 August and closes at 96 dollars on 4 September, up 58% on the year, but far from the high of 118 dollars on 31 March. In early August it had even fallen back below 80 dollars on a diplomatic hope.

In the meantime the market has learned to live without knowing. Tanker transponders are switched off in the Gulf; Washington maintains that 9 million barrels a day transit, traders count 4 to 6, against about 20 before the war, close to a fifth of world supply. Two buffers absorbed the shock: Chinese reserves and the American strategic reserve, down below 300 million barrels, its lowest since 1982. American diesel exports are at a record. The strain has left crude for refined products and public stocks.

The tungsten signal

While the oil war premium made its round trip, a metal almost nobody follows has risen tenfold since 2022: tungsten, indispensable to cutting tools and munitions, of which China controls about 80% of supply and now licenses only fifteen firms to export. For a century, Western tungsten mines have opened only as wars approached; a hundred-year-old mine is reopening in Tasmania. An oil premium evaporates on a communiqué. A premium on a strategic metal holds, because it prices a military doctrine rather than a diplomacy, unless Beijing reopens its export licences, which nothing suggests.

What this says about a portfolio

The episode reaches beyond oil. A deep, liquid and intensely watched market has stopped measuring a risk it can no longer observe, and has taken to pricing the latest official statement available. The risk has not diminished for that: it has moved to narrower, less liquid and far less watched markets, where it continues to be paid. That is a concrete argument for diversification that goes beyond the large listed asset classes, and a reason to distrust a reassuring price built on information nobody holds.

Gold, dollars per ounce

Nearest futures contract, daily closes

Source: public market data, last observation 4 September 2026. Goldman Sachs Research’s year-end forecast, published 25 August 2026, is USD 4’900.

Gold prices the doubt, and central banks are buying it

The ounce moved back above 4’500 dollars in August, for the first time since 29 May, with a high of 4’641 dollars on 24 August. It has eased since and closes at 4’430 dollars on 4 September. It had lost 25% between its peak of 29 January, at 5’318 dollars, and its trough of 16 July, then recovered 11%, of which 9% in August alone. It remains below its two-hundred-day average, which the rebound did not clear. Silver gained 15% in August.

The driver is identifiable and it is twofold. First real rates: inflation staying above target reduces what a bond returns once inflation is removed, and gold has no yield to defend. Then official buyers: central banks are buying on average, this year, about 50 tonnes a month against 17 tonnes before 2022, and the pace is reported to have reached 100 tonnes in June, the People’s Bank of China being the main identifiable buyer. Goldman Sachs Research sees the ounce at 4’900 dollars by year end.

The dollar, two thermometers that diverge

The index everyone watches is up 0.9% since January. The Federal Reserve’s broad index, weighted by actual US trade, is down 0.8%. The first weights the euro at 58% and ignores China and Mexico; the second counts them for a quarter. When the two diverge, the signal lies in the composition of the basket. The yuan has touched a three-and-a-half-year high.

Bitcoin, a nervous barometer of real rates

At 79’672 dollars, bitcoin is still down 9.0% on the year, but it has recovered 36% from its trough of 30 June and 23% over the past month alone, in a move that accelerated on the day the Treasury buybacks were announced. It reacts to real rates as gold does, more nervously. The US Senate votes on 15 September on regulating the sector.

OUR READING

We read the price of crude as a lagging indicator, and refined products, strategic stocks and strategic metals as the true thermometers of the conflict.

On gold, we take the summer recovery for the resumption of a long trend rather than a technical bounce: as long as real rates stay contained and inflation exceeds target, the metal plays a role of convexity in a portfolio. Its first buyer is a group of central banks diversifying reserves away from the dollar, and a reserve reallocation is decided over years.

On the dollar, we take no position while the two indices diverge. Bitcoin we size as a high-leverage exposure to real rates: it follows gold, with three to four times its amplitude.

05 · SWITZERLAND

The franc, the world's *funding currency.*

The Swiss policy rate is zero, and the National Bank publishes no path for it. That makes the franc the cheapest of the major currencies to borrow, and that is precisely what makes it interesting.

Three things need separating here, and conflating them is expensive. The observed fact: the policy rate is zero. The reported expectation: the financial press attributes to the National Bank an intention to leave it there until the end of 2027 before raising it, absent a new shock, but the institution commits to no path and publishes no rate projection. Our own scenario: we see no case for tightening at 0.8% inflation, and we hold that as a reading rather than a settled matter. Negative rates remain an open option rather than a central scenario. Swiss inflation came in at 0.8% year on year in August, a figure published on 3 September by the Federal Statistical Office, in Neuchâtel, with a monthly rise of 0.4% driven by rents, motor fuels and hospital care. The country sits in the middle of its target range, while the euro area is at 3.3% and the United States at 3.4%. The next decision falls on 24 September.

An economy sturdier than expected

Gross domestic product, adjusted for major sporting events, grew 1.5% in the second quarter, the fastest pace since 2021, carried by pharmaceuticals and chemicals, when no economist surveyed expected better than 0.3%. The effect is doubtless partly one-off, but it confirms one thing: a country with little dependence on fossil fuels weathers an oil war better than its neighbours.

A customs disadvantage of two and a half points

The Swiss subject of the autumn lies elsewhere. After the Supreme Court struck down, in February, the duties Washington had founded on its emergency powers, a new set came into force on 24 July, on another legal basis, covering some sixty trading partners. Switzerland is treated at a combined ceiling of 12.5%, against 10% for the European Union. Two and a half points of difference, on the country's first export market. Industry federations spoke of an unjustified competitive disadvantage, and two challenges have been filed before the American court of international trade. In the short term Swiss exports to the United States nonetheless rose more than 21% in the second quarter, against 0.4% for those of the European Union: buyers moved early. That flattering figure should therefore be read as time borrowed from the quarters ahead rather than as immunity.

The currency rather than the rate

One question returns each cycle: will the National Bank go negative again? Economists surveyed in the spring answered almost unanimously no, and recommended the currency tool over the rate tool. That is the doctrine that has applied since: intervene to cushion an external shock, never to defend a level. It has the advantage of sparing bank margins and pension returns, which eight years of negative rates had severely tested, and the drawback of letting the franc tighten when the world takes fright.

The euro in Swiss francs

EUR/CHF, daily closes

Source: public market data, last observation 4 September 2026.

What the world borrows, it returns one day

With very low currency volatility and no prospect of a rate rise, investors borrow in francs to buy better-paid assets elsewhere. The euro trades at 0.94 francs, against 0.90 in March; the dollar at 0.81. The National Bank has intervened only twice recently, after the announcement of American duties and at the start of the war in Iran, and only to smooth the jolts, never to hold a level.

The precedent is worth keeping in mind. The last great unwinding of yen-funded positions, in August 2024, wiped 12% off the Tokyo market in a single session. If a credit event, whatever its origin, forces investors to cut leverage, the franc will be bought back quickly, and a central bank that no longer intervenes to hold a level will let much of the move through.

Property in a zero-rate regime

Prices of owner-occupied homes rose 3.6% year on year in the second quarter, and the forecast for 2026 as a whole runs between 3.5 and 4.0%. The index that measures overheating risk moved from 0.62 to 0.72 points, a level described as moderate, with a correction judged unlikely in the near term. Asking rents are rising 2.4% year on year, rents in place 1.1%, and the vacancy rate remains at 1.00%. With mortgage rates anchored to a policy rate that is zero today, Swiss property is financed at a cost few European markets obtain, which is both its attraction and its vulnerability.

The useful watt

Switzerland will not win the gigawatt race in computing. It can win the race for the useful watt. The country counts about 120 data centres and more than ten sites under construction, one of the highest densities in the world. An analysis by the Federal Institute of Technology in Zurich estimates that 4.6 terawatt hours would have to be produced or imported to cover expected demand in 2030, and the Zurich grid operator reports that several areas of its upstream network can no longer absorb additional load. Three quarters of Swiss electricity is renewable, river water cools without chillers, and the heat rejected finds buyers in urban networks. These three advantages can be measured rather than declared, and we will publish that measurement in a coming letter.

OUR READING

The Swiss regime is legible: zero short rates with no tightening announced, a currency the world borrows, a solid real economy, and a customs disadvantage that weighs on exporters without breaking them. We therefore hedge what needs hedging in foreign currency, because the franc's return always arrives faster than expected. We look at Swiss property and infrastructure, whose income is financed at a cost few other markets obtain. And we treat the physical layer of computing, in Switzerland, as one more real asset, to be held at construction cost.

06 · CALENDAR

What we watch, and what would *change our minds.*

THE DATES THAT COUNT

9 Sept	Doubled US Treasury buybacks begin	The thirty-year's reaction will say whether the curve can be managed.
10 Sept	European Central Bank	A rise to 2.5% is close to settled.
11 Sept	US inflation for August	Five days before the Federal Reserve. The core component decides.
15 Sept	US Senate vote on digital assets	Bitcoin already prices part of it.
16 Sept	Federal Reserve, with projections	Outcome open. The projection commits 2027.
24 Sept	Swiss National Bank	Zero maintained. Any allusion to negative rates would weigh on the franc.
24 Sept	Meeting of the American and Chinese presidents	Duties, rare earths, strategic metals.
October	Expected listing of a large laboratory	The test of what the model layer is worth.
Mid-Oct	Third-quarter results	The intention to invest: our exit signal.
3 Nov	US mid-term elections	Budget, duties, central bank independence.
9 Dec	Federal Reserve	A second rise is already half priced.
10 Dec	Swiss National Bank	The currency market sees one chance in two of a rise. At 0.8% inflation, we see no reason for it.

WHAT WOULD PROVE US WRONG

Each condition carries a threshold and a deadline. We will check them in the December letter and say which have come about.

01 **On rates**
A thirty-year yield closing below 4.75% for twenty consecutive sessions before the end of December. The regime we describe, of a durably expensive long rate, would not exist.

02 **On earnings**
Earnings growth below 15% in the third quarter for the 493 companies outside the seven largest. Our preference for growth measured on sales would be misplaced.

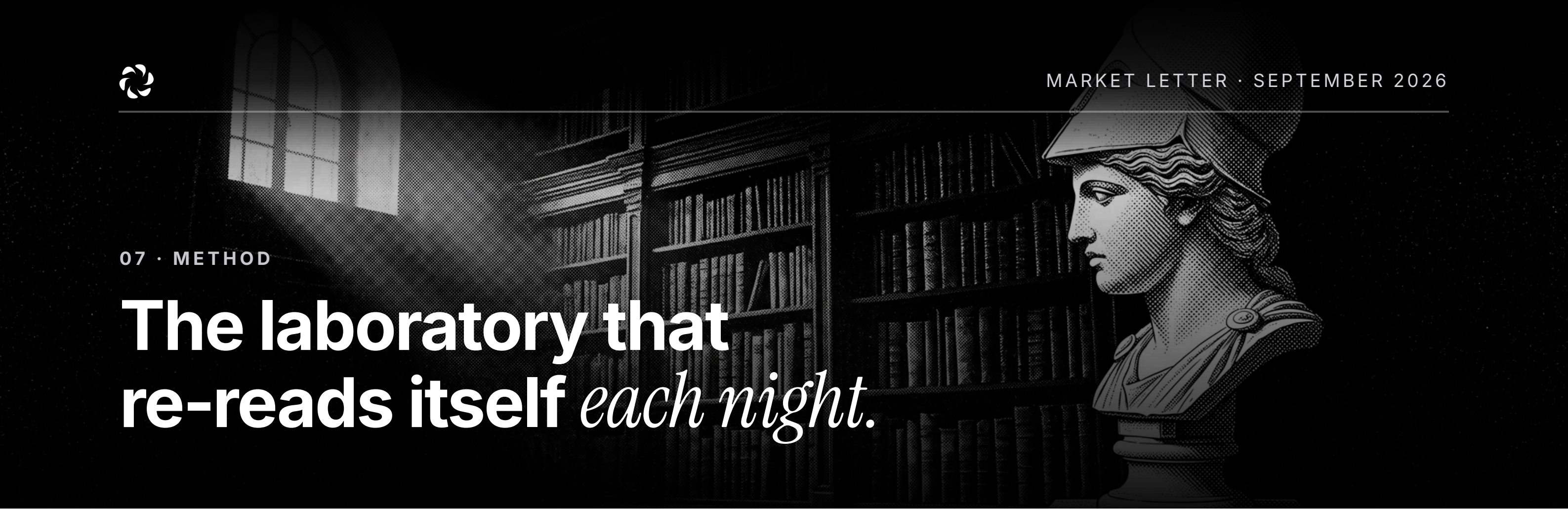
03 **On artificial intelligence**
A share of investment financed by new debt falling back below 20%, against 32% today, on third-quarter results. Or the banking category of our model below 0.50 standard deviations for three consecutive monthly readings while the build-out continues.

04 **On gold**
Official purchases below 20 tonnes a month on a three-month average, against about 50 today. The metal would lose the one of its two drivers we judge the more durable.

05 **On the franc**
A National Bank naming negative rates as its central scenario on 24 September or 10 December. Or three-month implied volatility on the euro against the franc above 6%, which would make the carry too expensive to last.

06 **On the whole**
A Federal Reserve balance sheet expanding by more than 500 billion dollars over six months. Abundant money forgives a great deal of borrowing, for a time, and would make our caution premature.

> *A conviction not written down cannot be contested after the fact. A conviction written, dated and attributed can.*

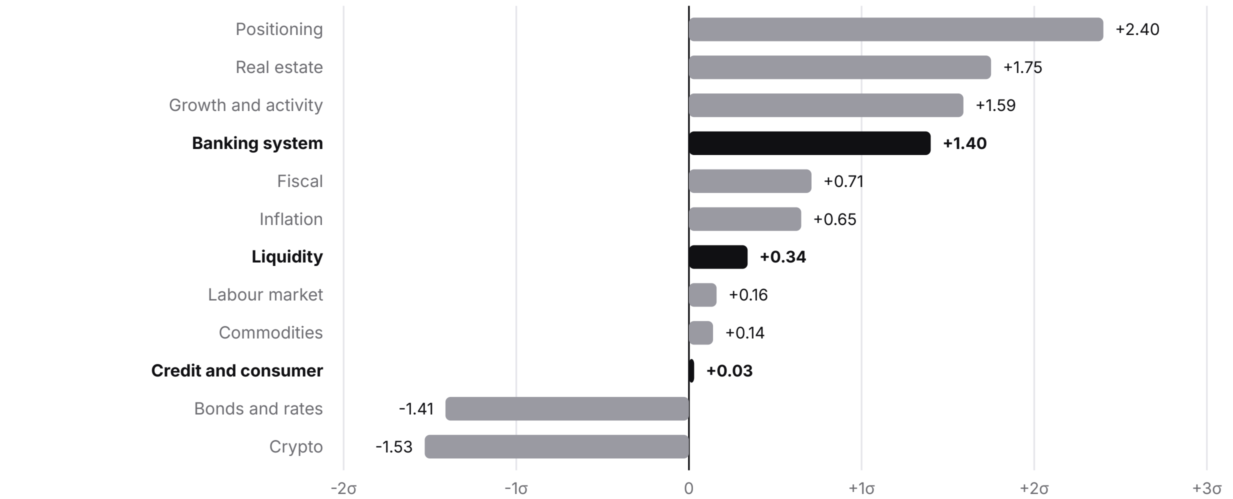


07 · METHOD

The laboratory that re-reads itself *each night.*

Where the model sees strain

Each category's distance from its own historical mean, in standard deviations, computed 27 August 2026



Source: the Noésis allocation model, 184 fresh indicators out of 270 under the house 75-day window. The Global and geopolitics category is set aside, only 2 of its 56 indicators being fresh.

Zero means a category exactly on its historical mean; plus one means hotter than about five readings in six. The three categories in black are the ones the third section of this letter reads together.

The readings in this letter come out of a system built to contradict us. Noésis, our investment laboratory, follows 270 economic and market indicators across thirteen categories. Each indicator is compared with its own history and expressed in standard deviations, which strips out the story: the model does not know there is a narrative about artificial intelligence, it only knows whether bank data resemble themselves. A figure more than 75 days old stays visible but stops carrying weight, and a category too thinly covered tilts no allocation.

Each candidate position then goes before a committee. Thirty seats divide fifteen disciplines and argue them for and against; three judges rule in parallel without reading one another, and a head judge writes the verdict. The system deliberately puts several families of models to work, because models of the same lineage are wrong in the same places and agree with each other there. Of 269 archived debates, 262 led to no transaction. That rate describes the height of the bar without proving the quality of the judgement: only the seven decisions taken can do that. We publish it because a committee that approves everything serves no purpose.

The last word remains human. No order leaves the platform without a person having signed it, and every decision is recorded with the strongest argument that opposed it. That is why each section of this letter states what would change our minds: a conviction that cannot be contradicted deserves another name.

MEOTIS

Capital in the age of intelligence.

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Research, market letters and governed management, installed on infrastructure chosen and controlled by the organisation that runs it.

WHERE THE FIGURES COME FROM

Rates and inflation
Federal Reserve Bank of St. Louis, Federal Open Market Committee minutes, Bureau of Labor Statistics, Eurostat, Swiss Federal Statistical Office.

Equities and earnings
FactSet, company quarterly reports, public market data.

Investment and energy
Filings with the SEC, industry counts, International Energy Agency, Federal Institute of Technology in Zurich.

Gold, currencies, commodities
World Gold Council, Goldman Sachs Research, public market data.

Switzerland
State Secretariat for Economic Affairs, Federal Statistical Office, property market studies, industry federations.

House measures
The allocation model and trackers of Meotis research, described in section 07 and dated at each use.

The next letter appears in early October. Until then, two figures will tell us most of what matters: how the thirty-year reacts to the Treasury buybacks, and how much of third-quarter earnings growth comes from sales rather than revaluations.

Market data are as at 4 September 2026, at the last close available for each series: 3 September for American equity indices, 2 September for Treasury yields, 4 September for gold, oil, currencies and volatility.