New Year's resolution for 2026: Invest (more successfully)

CIO Essentials

Author: Alessandro Bee, Economist, UBS Switzerland AG

- The low interest-rate environment in Switzerland is likely to continue in 2026, making savings accounts less attractive. We therefore think "Investing" is a better New Year's resolution than "Saving."
- We also expect political uncertainty to remain high in 2026, but this year has already shown that equity markets can hold their ground even in a challenging environment.
- Uncertainty is also plaguing technology stocks. However, we sometimes forget how much potential tech innovations hold for the economy and investors.

Source: UBS

The end of the year is approaching, meaning it's time to think about resolutions for 2026. According to a survey commissioned by online retailer Galaxus in 2023, this is done by around 60% of Swiss people, with resolutions related to nutrition and sports the most common. But four of 10 people in Switzerland also make New Year's resolutions regarding their finances.

Get yourself (and your money) in shape: Investing instead of saving

Saving more or even saving in general often pops up as a resolution. However, this does not sound particularly appealing with savings interest rates close to 0%. This rate is unlikely to change much in the new year, and the Swiss National Bank (SNB) kept its key interest rates at 0% at its quarterly assessment on 11 December.

A trade agreement with the US, which will reduce US import tariffs from 39% to 15%, is likely to reduce the biggest downside risks for the Swiss economy, but even the new US tariff still poses a burden for the export industry. While this situation argues against negative policy interest rates in the new year, we also see little scope for a rate hike. A low SNB policy rate means low savings rates as well.

We therefore think "Investing" makes a better New Year's resolution than "Saving." Taking inflation and taxes into account, Swiss equities have delivered an average annual return of around 3.5% over the past 75 years, while bonds have lost 0.3% and savings accounts 0.7% per year.

Improve resilience: Don't be intimidated by politics

This year was marked by geopolitical and economic policy uncertainty: Switzerland was affected by trade negotiations with the US, while the geopolitical situation in Ukraine and Europe remains fragile as the year draws to a close. These are unlikely to fade next year, in our view. Naturally, the question arises whether one should really invest in such an environment.

However, this year has also shown that financial markets have proven relatively robust in the face of political surprises. For example, equity markets in Switzerland, the Eurozone, and the US are higher today than at the beginning of the year—despite geopolitical and economic policy turbulence.

While political disruptions often only influence markets in the short term, economic turbulence such as recessions have longer-lasting effects. Investors can cushion geopolitical impacts with a diversified portfolio.

Don’t let opportunities pass by

Uncertainty prevails not only in politics, but it extends to the technology sector and whether it’s high valuations signal a bubble. While this is a risk, it is significantly smaller than it was 25 years ago during the dotcom era, as we outlined in the “CIO Essentials” September edition.

Furthermore, the long-term potential of artificial intelligence should not be overlooked. For example, ChatGPT has quadrupled its weekly active users to 800 million within a year. Integration in the corporate world is also progressing. Almost 45% of US companies now have paid subscriptions for AI applications, compared to around 25% at the beginning of the year. We see potential for equity prices to rise in 2026: around 5% for the Swiss Market Index (SMI) and around 10% for the global equity index MSCI AC World. In particular, we consider technology stocks in the US and China to be attractive investments for the coming year.

Turning resolutions into habits: Invest regularly

Making New Year’s resolutions is relatively easy, but sticking to them over the long term is much more challenging. Studies show that by the end of January, motivation to keep up with new resolutions drops significantly, and people fall back into old behavior patterns.

The psychologist Wendy Wood advises turning resolutions into habits, with simple rules and clear regularity, to break old patterns. Translated to the world of financial markets, this means: Invest regularly!

Global asset class preferences definitions
The asset class preferences provide high-level guidance to make investment decisions. The preferences reflect the collective judgement of the members of the House View meeting, primarily based on assessments of expected total returns on liquid, commonly known stock indexes, House View scenarios, and analyst convictions over the next 12 months. Note that the tactical asset allocation (TAA) positioning of our different investment strategies may differ from these views due to factors including portfolio construction, concentration, and borrowing constraints.
Most attractive – We consider this asset class to be among the most attractive. Investors should seek opportunities to add exposure.
Attractive – We consider this asset class to be attractive. Consider opportunities in this asset class.
Neutral – We do not expect outsized returns or losses. Hold longer-term exposure.
Unattractive – We consider this asset class to be unattractive. Consider alternative opportunities.
Least attractive – We consider this asset class to be among the least attractive. Seek more favorable alternative opportunities.

Appendix

Risk Information
UBS Chief Investment Office's ("CIO") investment views are prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland) or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. Additional disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.
The investment views have been prepared in accordance with legal requirements designed to promote the **independence of investment research**.
Generic investment research – Risk information:
This publication is **for your information only** and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or other specific product. The analysis contained herein does not constitute a personal recommendation or take into account the particular investment objectives, investment strategies, financial situation and needs of any specific recipient. It is based on numerous assumptions. Different assumptions could result in materially different results. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors. All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness (other than disclosures relating to UBS). All information and opinions as well as any forecasts, estimates and market prices indicated are current as of the date of this report, and are subject to change without notice. Opinions expressed herein may differ or be contrary to those expressed by other business areas or divisions of UBS as a result of using different assumptions and/or criteria. UBS may utilise artificial intelligence tools ("AI Tools") in the preparation of this document. Notwithstanding any such use of AI Tools, this document has undergone human review.
In no circumstances may this document or any of the information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes (i) valuation or accounting purposes; (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees. By receiving this document and the information you will be deemed to represent and warrant to UBS that you will not use this document or otherwise rely on any of the information for any of the above purposes. UBS and any of its directors or employees may be entitled at any time to hold long or short positions in investment instruments referred to herein, carry out transactions involving relevant investment instruments in the capacity of principal or agent, or provide any other services or have officers, who serve as directors, either to/for the issuer, the investment instrument itself or to/for any company commercially or financially affiliated to such issuers. At any time, investment decisions (including whether to buy, sell or hold securities) made by UBS and its employees may differ from or be contrary to the opinions expressed in UBS research publications. Some investments may not be readily realizable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult to quantify. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS, into other areas, units, divisions or affiliates of UBS. Futures and options trading is not suitable for every investor as there is a substantial risk of loss, and losses in excess of an initial investment may occur. Past performance of an investment is no guarantee for its future performance. Additional information will be made available upon request. Some investments may be subject to sudden and large falls in value and on realization you may receive back less than you invested or may be required to pay more. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information.

Different areas, groups, and personnel within UBS Group may produce and distribute separate research products **independently of each other**. For example, research publications from **CIO** are produced by UBS Global Wealth Management. **UBS Global Research** is produced by UBS Investment Bank. **Research methodologies and rating systems of each separate research organization may differ**, for example, in terms of investment recommendations, investment horizon, model assumptions, and valuation methods. As a consequence, except for certain economic forecasts (for which UBS CIO and UBS Global Research may collaborate), investment recommendations, ratings, price targets, and valuations provided by each of the separate research organizations may be different, or inconsistent. You should refer to each relevant research product for the details as to their methodologies and rating system. Not all clients may have access to all products from every organization. Each research product is subject to the policies and procedures of the organization that produces it. The compensation of the analyst(s) who prepared this report is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking, sales and trading or principal trading revenues, however, compensation may relate to the revenues of UBS Group as a whole, of which investment banking, sales and trading and principal trading are a part.
Tax treatment depends on the individual circumstances and may be subject to change in the future. UBS does not provide legal or tax advice and makes no representations as to the tax treatment of assets or the investment returns thereon both in general or with reference to specific client's circumstances and needs. We are of necessity unable to take into account the particular investment objectives, financial situation and needs of our individual clients and we would recommend that you take financial and/or tax advice as to the implications (including tax) of investing in any of the products mentioned herein.
This material may not be reproduced or copies circulated without prior authority of UBS. Unless otherwise agreed in writing UBS expressly prohibits the distribution and transfer of this material to third parties for any reason. UBS accepts no liability whatsoever for any claims or lawsuits from any third parties arising from the use or distribution of this material. This report is for distribution only under such circumstances as may be permitted by applicable law. For information on the ways in which CIO manages conflicts and maintains independence of its investment views and publication offering, and research and rating methodologies, please visit www.ubs.com/research-methodology. Additional information on the relevant authors of this publication and other CIO publication(s) referenced in this report; and copies of any past reports on this topic; are available upon request from your client advisor.
Important Information About Sustainable Investing Strategies: Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and portfolio construction. Strategies across geographies approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or Sustainable Investing considerations may inhibit UBS's ability to participate in or to advise on certain investment opportunities that otherwise would be consistent with the Client's investment objectives. The returns on a portfolio incorporating ESG factors or Sustainable Investing considerations may be lower or higher than portfolios where ESG factors, exclusions, or other sustainability issues are not considered by UBS, and the investment opportunities available to such portfolios may differ.
External Asset Managers / External Financial Consultants: In case this research or publication is provided to an External Asset Manager or an External Financial Consultant, UBS expressly prohibits that it is redistributed by the External Asset Manager or the External Financial Consultant and is made available to their clients and/or third parties.
USA: This document is not intended for distribution into the US and / or to US persons.
For country information, please visit ubs.com/cio-country-disclaimer-gr or ask your client advisor for the full disclaimer.
Additional Disclaimer relevant to Credit Suisse Wealth Management
You receive this document in your capacity as a client of Credit Suisse Wealth Management. Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.
Except as otherwise specified herein and/or depending on the local Credit Suisse entity from which you are receiving this report, this report is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).
Version C/2025. CIO82652744