



CIO believes the US equity bull market is intact and expects further gains over the next year amid a resilient US economy, a weaker dollar, and an earnings boost from the One Big Beautiful Bill Act. (UBS)

Why the US equity bull market remains intact

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After a strong run for equities and with risks on the horizon, investors who are already allocated to equities in line with their strategic benchmarks should consider implementing short-term hedges and those underallocated should prepare to add exposure on potential market dips in the weeks ahead.

The bull market is intact.

- The US economy remains resilient, with consumer spending holding up.
- Second-quarter earnings have been solid, and a weaker US dollar should continue to offer a tailwind.
- The One Big Beautiful Bill Act has provisions that should drive a modest boost to near-term cash flows and provide incentives for capital spending.

But stock volatility may pick up in the coming weeks.

- Valuations are elevated after a substantial rally in recent weeks.
- The economic impact of US tariffs is currently feeding through, and uncertainty remains about the scale, distribution, and second-order effects.
- Investors also have to deal with fears about government debt sustainability, geopolitical uncertainty, and threats to Federal Reserve independence.

We see ways investors can prepare for near-term volatility.

- Investors who are already allocated to equities in line with their strategic benchmarks should consider implementing short-term hedges and those underallocated should prepare to add exposure on potential market dips in the weeks ahead.
- Capital preservation strategies and/or phasing into the market can be an effective way to position for medium- and longer-term upside while managing near-term risks and uncertainty.
- We continue to see long-term growth opportunities in AI, power and resources, and longevity.

Investment view

We believe the US equity bull market is intact and expect further gains over the next year amid a resilient US economy, a weaker dollar, and an earnings boost from the One Big Beautiful Bill Act. Trade uncertainty and elevated valuations could be a modest headwind for equities in the near term, but we think investors can navigate volatility with capital preservation and/or phasing-in strategies. We focus on select US sectors, including information technology, communication services, financials, health care, and utilities. We also see structural growth opportunities in AI, Power and resources, and Longevity.

Original report - [What's next for US equities?, 28 July 2025.](#)

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