



CIO expect markets to stay supported by solid fundamentals, and see several ways investors can boost portfolio resilience. (UBS)

Markets entering the fourth quarter of 2025 with uncertainty

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The US government has shut down after the final vote on a stopgap spending bill failed to pass the Senate on Tuesday evening.

US President Donald Trump has added new tariffs on imported timber and lumber, while the *Wall Street Journal* reported that the administration is considering a tariff scheme to offer incentives for chipmakers to invest in domestic manufacturing.

In addition to the temporary furloughs of hundreds of thousands of federal employees, the immediate concern for investors is the suspension of certain government data releases that are crucial in assessing the health of the US economy and the Fed's pace of further easing. Depending on the length of the shutdown this time, these data points could include September's labor report, which is due this Friday, and the consumer price index in two weeks' time.

Market volatility may be expected in the coming days and weeks. But the macroeconomic effects of shutdowns have historically been minimal and quickly reversed. Investing is best approached with a long-term perspective, in our view, and the fundamental drivers that have powered markets this year remain intact.

We do not expect temporary data delays to deter the Fed from cutting interest rates further, corporate and aggregate household balance sheets are in good shape, and transformational innovation is still key to long-term returns.

We maintain the view that retaining a resilient portfolio is essential for navigating near-term uncertainties and meeting long-term financial goals. We offer several guidelines for investors against the current backdrop.

- **Put cash to work in higher-yielding market segments.**
- **Focus on transformational innovation, which we expect to outperform broader markets.**
- **Seek diversification from gold and alternatives.**

As evidenced by the market performance over the past two quarters, staying invested has paid off. We expect markets to stay supported by solid fundamentals, and see several ways investors can boost portfolio resilience.

Original report: [Boosting portfolio resilience amid uncertainty, 1 October 2025.](#)

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