

Market cycles: how to distinguish noise from trend

Financial markets move in cycles. This reality, well known to investors, is nonetheless regularly put to the test by daily news flow, conflicting macroeconomic signals and sometimes sharp market volatility. In this context, being able to distinguish noise from trend becomes a key challenge in wealth management.

Noise refers to short-term market movements: emotional reactions, excessive expectations, fashionable themes or dominant narratives.

It is amplified by the speed at which information circulates and by increasingly interconnected markets. Being guided by it exposes investors to impulsive decisions, often made at the wrong time

By contrast, trends unfold over the long term. They reflect structural dynamics such as demographic developments, technological innovation, economic cycles, monetary policy or geopolitical transformations. These forces act slowly, sometimes imperceptibly, but they shape asset performance in a lasting way.

Distinguishing between the two first and foremost requires analytical discipline. This means putting each event into context, assessing its real impact on fundamentals and resisting the temptation to react hastily. An interest rate hike, a market correction or geopolitical tension does not necessarily call a long-term allocation into question; more often, it is an integral part of it.

The recent evolution of gold prices provides a clear illustration. After a period of heightened volatility marked by rapid corrections and sometimes spectacular moves, the yellow metal has once again shown how noise can blur interpretation. These adjustments mainly reflect profit-taking, leverage effects or short-term shifts in sentiment. They do not necessarily undermine the underlying trend, which continues to be supported by structural factors such as reserve diversification, geopolitical uncertainty and gold's long-term role as a safe haven.

At Selvi & Cie, we are convinced that wealth management is not about predicting markets, but about guiding clients through their cycles. This requires building robust, diversified portfolios aligned with each client's objectives, investment horizon and risk tolerance.

In an uncertain environment, the key is not to ignore noise, but to listen to it without submitting to it. It is this ability to step back, arbitrate with discernment and remain faithful to a long-term



vision that allows market cycles to be transformed into lasting opportunities.



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