

Economy

The statistics published in the United States were somewhat reassuring. Purchasing managers' confidence rose in May in both the manufacturing sector (from 50.2 to 52.3 vs. 49.9 est.) and the services sector (from 50.8 to 52.3 vs. 51 est.). Sales of new houses rebounded by 10.9% m/m in April, whereas a fall had been expected, but sales of existing houses fell by 0.5% m/m (vs +2% est.). In the eurozone, household confidence improved slightly in May (from -16.6 to -15.2 vs. -16 est.), as did purchasing managers' confidence in the manufacturing sector (from 49 to 49.4 vs. 49.2 est.), while it fell in services (from 50.4 to 49.5 vs. 50.6 est.). In China, retail sales disappointed in April (+5.1% y/y vs. +5.8% est.) as did investments (+4% vs. +4.2% est.), while industrial production surprised on the upside (+6.1% y/y vs. +5.7% y/y est.).

Planetary Boundaries

In its "Global Critical Minerals - Outlook 2025", the International Energy Agency notes that the supply of critical materials grew faster than demand in 2024. This is true for lithium, copper, nickel, cobalt, graphite and rare earths. This has led to prices falling and investment rising by only 5% compared with 14% in 2023.

Bonds

In the US, the 10y gained 3bp over the week after peaking at over 12bp, following the passage of the Big Beautiful bill in the House, supported by the announcement of 50% tariffs on the EU on Friday. In Europe, the 10y Bund lost 2bp over the week, while the OAT ended the week unchanged, after rising at the start of the week, also in reaction to the announcement of 50% tariffs on the EU and a lower-than-expected services PMI. There will be no major economic releases this week, apart from US PCE inflation.

Sentiment of traders

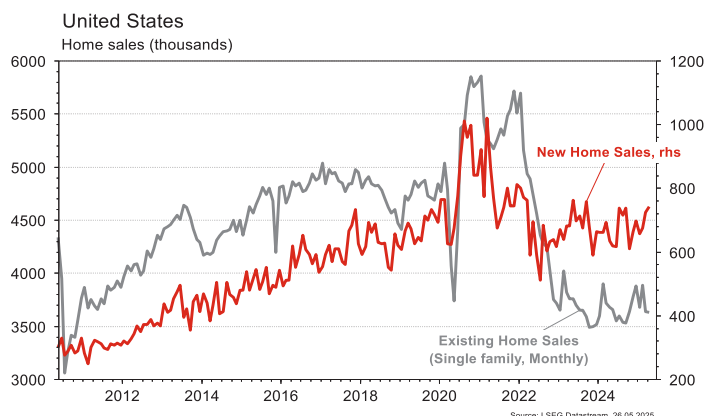
Stock markets

With Trump continuing to threaten Europe with trade tariffs and then backtracking, the focus will be on inflation figures in the eurozone with ECB expectations and the PCE Price index in the US. On the corporate front, we have Nvidia's quarterly results on Wednesday evening. The markets open this morning by erasing some of Friday's losses.

Currencies

Last weekend was an explosive one, with Trump's intention to tax Europe at 50%, sending the markets plunging and the €//\$ plunging to 1.1298. However, the moratorium obtained over the weekend until 9 July reversed the trend and pushed the €//\$ up to 1.1400 this morning. Traders are concerned about US debt, so the dollar remains down at \$/CHF 0.8205 and \$/JPY 142.83. The pound is rebounding sharply to £/\$ 1.3575, sup. 1.3470 res. 1.3630. Gold is at \$3334/oz. Our ranges are: €//\$ 1.1256-1.1575, \$/CHF 0.8155-0.8300, €/CHF 0.9290-0.9420.

Today's graph



This document has been issued for information purposes only. The views and opinions contained in it are those of Bordier & Cie SCmA. Its contents may not be reproduced or redistributed by unauthorized persons. The user will be held liable for any unauthorized reproduction or circulation of this document, which may give rise to legal proceedings. All the information contained in it is provided for information only and should in no way be taken as investment, legal or tax advice provided to third parties. Furthermore, it is emphasized that the provisions of our legal information page are fully applicable to this document and namely provisions concerning the restrictions arising from different national laws and regulations. Consequently, Bordier Bank does not provide any investment services or advice to "US persons" as defined by the Securities and Exchange Commission rules. Furthermore, the information on our website – including the present document – is by no means directed to such persons or entities.

Markets

Worries about the US public deficit (the "Big Beautiful Bill") being discussed in Washington and new threats of higher tariffs on European imports to the US have unsettled investors. Sovereign 10-year yields in the US rose by a few basis points (as they did in CHF and JPY), but not in EUR. Equities suffered, falling by 2.6% in the US, just 0.8% in Europe and 0.1% in emerging markets. The dollar is depreciating sharply (dollar index: -2%), allowing gold to rebound by 5.7%. Coming up this week: durable goods orders, house prices (FHFA and S&P CoreLogic), household confidence, Fed minutes and PCE inflation in the US; EC confidence indices (economy, industry and services) in the eurozone; industrial profits in China.

Swiss Market

Coming up this week, shortened by the closure of the stock market on Ascension Thursday: Q1 employment barometer (FSO), April foreign trade/exports in watches (OFDF) and May economic barometer (KOF).

The following companies are due to release figures: Axpo, Epic, Lem, Salt, Dot-tikon ES, Varia US, CI Com, Leclanché and Meyer Burger.

Equities

We have removed **BARRY CALLEBAUT** from our Swiss Convictions list due to the sustained rise in cocoa prices and the deterioration of its financial fundamentals. Profitability is under significant pressure, with falling production volumes, rising debt due to costly inventories and delayed efficiency gains. With no significant recovery expected before 2026/27, and investor confidence waning, the risk/return profile has become unattractive.

BYD (Satellite) is making Hungary its hub in Europe: the group will set up its European headquarters there, as well as five factories, including one already under construction and two dedicated to batteries, and an R&D center. We are taking profits after the 75% rise in the stock price since the beginning of 2025.

EON (Satellite): Fitch affirms credit rating at BBB+ with stable outlook. The agency expects the company's financial profile between 2025 and 2028 to remain solid.

EPIROC (Core Holdings): as part of a rationalization drive, the group will move the manufacture of drilling tools from Canada, where the Langley site will close in 2027, to Mexico from 3Q-2025.

RIO TINTO (Satellite): CEO Jakob Stausholm will step down at the end of the year, following a succession process. Two internal profiles would be well received by the market to replace him: Bold Baatar (currently Chief Commercial Officer and before that Head Copper division) and Simon Trott (Head Iron Ore division).

Performances

	As at 23.05.2025	Since 16.05.2025	Since 31.12.2024
SMI	12 198.69	-1.11%	5.15%
Stoxx Europe 600	545.13	-0.75%	7.39%
MSCI USA	5 544.61	-2.62%	-1.29%
MSCI Emerging	1 170.98	-0.12%	8.88%
Nikkei 225	37 160.47	-1.57%	-6.85%
CHF vs. USD	0.8213	2.19%	10.35%
EUR vs. USD	1.1345	1.69%	9.56%
Gold (USD/per ounce)	3 357.48	5.67%	27.89%
Brent (USD/bl)	64.81	-0.98%	-13.29%
		As at 16.05.2025	As at 31.12.2024
10-year yield CHF (level)	0.38%	0.32%	0.23%
10-year yield EUR (level)	2.58%	2.59%	2.36%
10-year yield USD (level)	4.50%	4.44%	4.57%

Source: LSEG Datastream