

Economy

Mediocre statistics in the US last week: in May, retail sales at -0.9% m/m vs -0.1% in April and -0.7% expected, building permits (1.39 m vs 1.43 expected) and housing starts (1.26 m vs 1.37 expected) down and below expectations, as is developers' confidence in June, at 32 (-2pts m/m and vs 36 expected), Empire State index at -16 (-7 pts m/m and vs -6 expected) and Philly Fed stable at -4 vs -5 expected. In Europe, few statistics: consumer confidence stable at -15.3 (vs -14.3 expected); final inflation figures for May on the ECB's path, at 1.9% y/y, including 2.3% for core Europe. In China, industrial production in May came in at +5.8% y/y (-0.3 pt m/m) but in line with expectations, while retail sales rebounded by 6.4% y/y vs. 4.8% expected and 5.1% in April.

Planetary Boundaries

According to the latest World Energy Outlook 2025 report, we have entered the era of electrical storage batteries, which are necessary for grid stability, in parallel with the increase in the share of intermittent renewables in production: investment in these batteries amounted to 1 billion dollars in 2015 and is estimated at 66 billion dollars for 2025. The US, Europe and China account for 90% of this total.

Bonds

In the US, the Fed - unsurprisingly - kept its key rates unchanged and the 10y ended the week down by just 2bp, against a backdrop of geopolitical tensions. Manufacturing, retail sales and property data all surprised on the downside, continuing to point to a slowdown in the US economy. The Swiss 10y ended 11bp higher after a SNB cut that was widely expected, but which the market now believes to be the last. Finally, the 10y Bund lost 2bp with a negative PPI in line with expectations.

Sentiment of traders

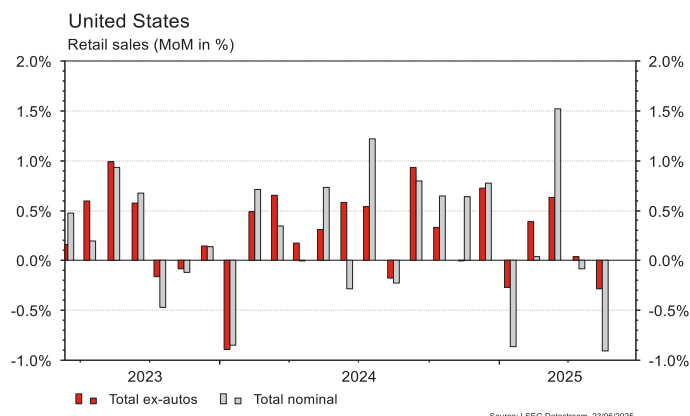
Stock markets

The markets are hanging on Iran's response to the US attacks and are opening lower. In addition to geopolitical tensions, in the US we will be keeping a close eye on PMIs, durable goods orders and the core PCE Price index, while in the eurozone PMIs and confidence indices will be published. Otherwise, we will have the first quotes from Amrize, the spinoff of Holcim's US operations.

Currencies

The dollar and oil have risen since the US strikes on Iran: \$/¥ 147.12, \$/CHF 0.8170. The forex market remains nervous this morning as it awaits Iran's response. Despite the SNB's rate cut, the CHF remains firm at €/CHF 0.9397, with the SNB reiterating its willingness to intervene if the CHF rises too quickly. The £ is down sharply at £/\$ 1.3440 and £/CHF 1.0985. Our ranges are: €/¥ 1.1380-1.1600, \$/CHF 0.8040-0.8250, €/CHF 0.9220-0.9429, XAU/\$ 3293-3451.

Today's graph



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Markets

With the Fed keeping rates unchanged and the SNB returning to zero, and against a backdrop of continuing strikes and retaliation between Israel and Iran, oil gained more than 3% again, gold (-1.7%) caught its breath and risk aversion increased: dollar index +0.5%, US Treasury +0.3%, Bund +0.2%, developed equities down 0.5% (Europe -1.5%, US -0.1%) with the exception of Japan (+1.5%). This week will undoubtedly be a volatile one, dominated by Iran's response to the US's entry into the conflict. Nevertheless, we will be keeping an eye on: in the US, the PCE inflation index, the June PMI indices, durable goods orders, and house sales and prices (May). In Europe, the confidence indices for the EU and China, 1-year credit rates and foreign direct investments in May.

Swiss Market

Coming up this week: tourism balance 2024 (FSO), consensus forecasts (KOF), accommodation statistics May (FSO) and earned income 2024 (FSO).

Amrize (spin-off of Holcim's US activities) will be floated on the stock exchange. Klingelberg, Carlo Gavazzi and Titisbahnen will publish results.

Equities

ASSA ABLOY has been removed from our Core Holdings Europe selection. Organic growth will remain limited in 2025-26, probably not returning to the historical 10% total annual growth rate before 2027-28. In this scenario, the stock does not offer significant short-term potential.

EATON (Satellite) is to acquire US-based Ultra PCS Limited (c. USD 250 million sales) from Cobham for USD 1.55 billion. The company specializes in next-generation aerospace solutions for mission-critical and security applications (electronic controls, detection and data processing solutions). The acquisition will be accretive to Eaton's growth potential and EPS from 2026.

NOVO NORDISK (Core Holdings): the ADA conference does not represent a catalyst for the stock, with a mixed reading. On the one hand, detailed data from CagriSema (phase III) are solid, with no plateau in weight loss, indicating continued efficacy. Side-effects were in line with those of Wegovy, with a higher but transient rate of nausea. Conversely, while the efficacy of amycratin (phase I/II) is indeed high, the side-effects (gastrointestinal) are high and should be reduced in phase III.

VW (Satellite): Gernot Dollner, CEO of Audi, has said that the brand has reversed its decision to stop producing combustion-powered vehicles by 2033. Audi is launching a new range of internal combustion and plug-in hybrid vehicles, giving it the flexibility to make decisions over the next 7-10 years.

Performances

	As at 20.06.2025	Since 13.06.2025	Since 31.12.2024
SMI	11 871.32	-2.26%	2.33%
Stoxx Europe 600	536.53	-1.54%	5.70%
MSCI USA	5 704.06	-0.12%	1.55%
MSCI Emerging	1 189.85	-0.02%	10.64%
Nikkei 225	38 403.23	1.50%	-3.74%
CHF vs. USD	0.8177	-0.69%	10.84%
EUR vs. USD	1.1515	-0.25%	11.20%
Gold (USD/per ounce)	3 367.64	-1.69%	28.27%
Brent (USD/bl)	76.90	3.37%	2.90%
		As at 13.06.2025	As at 31.12.2024
10-year yield CHF (level)	0.40%	0.28%	0.23%
10-year yield EUR (level)	2.51%	2.54%	2.36%
10-year yield USD (level)	4.37%	4.40%	4.57%

Source: LSEG Datastream