

Economy

Not many statistics were published in the United States. As expected, the monthly trade deficit narrowed from USD 71.7 billion to USD 60.2 billion in June. The ISM services index disappointed in July, falling from 50.8 to 50.1, whereas an improvement had been expected. New weekly jobless claims rose slightly more than expected, from 219,000 to 226,000. In the eurozone, investor confidence contracted in August, from +4.5 to -3.7 (vs +6.9 in June). Retail sales rose in line with expectations in June (+0.3% MoM), and revisions to previous months pushed the annual change higher than expected (+3.1% vs +2.6%). Finally, in China, trade grew more than expected in July, with exports up +7.2% y/y (vs +5.6% est.) and imports up 4.1% y/y (vs -1% est.).

Planetary Boundaries

According to the International Energy Agency, global investment in electric storage batteries will amount to \$66 billion in 2025. The figure was \$1 billion in 2015. Ninety per cent of this investment is being made in the United States, Europe and China.

Bonds

In the US, 10 year yields rose 7bp over the week, while the labour market continued to show signs of weakness, with the number of unemployed approaching 2 million at the end of July. The disappointing ISM services index also confirmed a deterioration in the labour market and upward pressure on prices. In Europe, the 10 year OAT ended the week unchanged and the Bund gained 1 bp in a quiet week in terms of economic data releases. In the US, the CPI and PPI will be released this week, along with the University of Michigan surveys.

Sentiment of traders

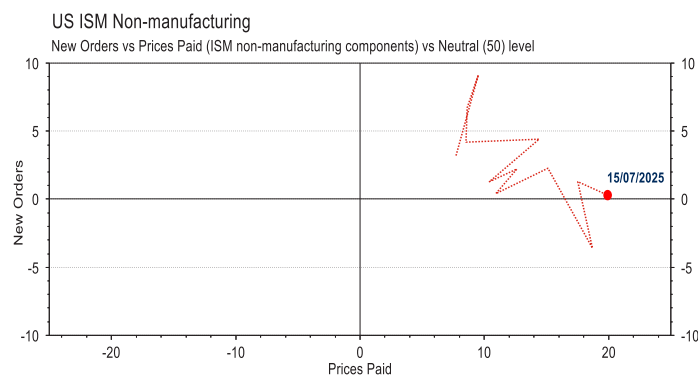
Stock markets

This week will be marked by the release of US CPI and PPI figures for July, which should give us some indication of whether the Fed will cut rates in September, while in the eurozone we will have the ZEW, industrial production and unemployment figures. Cisco, Applied Materials and Tencent, among others, will publish their results. The Trump/Putin meeting on Ukraine will close the week.

Currencies

The foreign exchange market is starting the week on a flat note. The major currency pairs remain within narrow ranges: €//\$ 1.1657, \$/CHF 0.8073, \$/JPY 147.57. Only gold experienced a bout of panic on Friday following the announcement of tariffs on Swiss gold bars, although this was subsequently corrected before the close in New York. This week, currency traders will be watching the ZEW, US PPI and CPI figures closely. Our ranges are €//\$ 1.1580-1.1750, \$/CHF 0.80-0.8150, €/CHF 0.9210-0.9460, £/\$ 1.3250-1.3590, XAU/USD 3268-3400.

Today's graph



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Markets

Equity markets were not disrupted by economic disappointments and uncertainty over the trade war. Indices rose by 2.4% in the US, 2.1% in Europe and 2.3% in emerging markets. Switzerland's underperformance (+0.3%) is modest and can be partly explained by the catch-up effect following the closure on 1 August, when global markets fell by 1%. Ten-year sovereign yields rose by a few basis points in the US and remained unchanged in the eurozone. This did not prevent the dollar index from falling 1%, contributing to a 1.3% rise in gold. This week to watch: consumer price indices, SME confidence index (NFIB index), retail sales, industrial production and consumer confidence (University of Michigan) in the US; industrial production in the eurozone; retail sales and industrial production in China.

Swiss Market

Coming up this week: July air traffic statistics (Flughafen Zürich), July production-import price index (OFS) and second quarter GDP (Seco).

The following companies will publish their figures: Aryzta, Bell, Tecan, Komax, Polypeptide, On Holding, Feintool, BC de Saint-Gall, Montana Aerospace, Swiss Re, Swissquote, Mobilezone and VZ Holding.

Equities

ARYZTA (Swiss Conviction) reported a solid H1, with revenue of €1,086 million (+2.8% organic), driven by market share gains and innovation. Margins are under pressure (-30bp to 13.9%) for temporary reasons. Financial leverage is improving (2.8x). The 2025 targets and medium-term ambitions are confirmed. After the recent decline in the share price, we see an attractive entry point: buy.

METLIFE (Satellite) reported a weaker Q2 (EPS of \$2.02 vs. \$2.16), penalised by one-off items (non-recurring disability claims, increased use of voluntary coverage). Fundamentals remain solid: EMEA/LatAm segments close to record levels, high liquidity (\$5.2 billion), sustained buybacks. Normalisation expected in Q3 and recovery in H2: we recommend buying.

ZURICH (Satellite) reported a solid H1 (BOP \$4.23 billion, +2% vs consensus) driven by P&C Retail and Farmers, where growth is picking up. Improved combined ratio (92.4%), higher revenues and solvency at 255%. Slight weakness in Life due to investments, but robust technical fundamentals. The recovery at Farmers is a catalyst: buy on weakness.

Performances

	As at 08.08.2025	Since 01.08.2025	Since 31.12.2024
SMI	11 866.85	0.26%	2.29%
Stoxx Europe 600	547.08	2.11%	7.77%
MSCI USA	6 110.36	2.44%	8.78%
MSCI Emerging	1 253.79	2.25%	16.58%
Nikkei 225	41 820.48	2.50%	4.83%
CHF vs. USD	0.8076	-0.12%	12.22%
EUR vs. USD	1.1656	0.88%	12.56%
Gold (USD/per ounce)	3 391.61	1.26%	29.19%
Brent (USD/bl)	66.64	-4.42%	-10.84%
		As at 01.08.2025	As at 31.12.2024
10-year yield CHF (level)	0.27%	0.34%	0.23%
10-year yield EUR (level)	2.65%	2.64%	2.36%
10-year yield USD (level)	4.27%	4.21%	4.57%

Source: LSEG Datastream