

Economy

Statistics published in the US were mixed. The positive surprise of housing starts in July (+5.2% m/m vs. -1.8% est.) was offset by a sharper-than-expected contraction in building permits (-2.8% m/m vs. -0.5% est.) and a decline in real estate developer confidence in August, from 33 to 32 (vs. 34 est.). Confidence among purchasing managers in the services sector deteriorated less than expected (from 55.7 to 55.4 vs. 54.2 est.) in August and rebounded strongly in the manufacturing sector (from 49.8 to 53.3 vs. 49.7 est.). In the eurozone in August, purchasing managers' confidence in the manufacturing sector continued its upward trend (from 49.8 to 50.5 vs. 49.5 est.), while confidence in services declined slightly (from 51 to 50.7 vs. 50.8 est.) and household confidence disappointed, falling from -14.7 to -15.5 (vs. expected stabilisation). In China, 1-year (3%) and 5-year (3.5%) lending rates remained unchanged.

Planetary Boundaries

After announcing that he would no longer approve any new wind or solar projects, describing these energies as "the scam of the century", Donald Trump, via his administration, issued an order suspending the "Revolution Wind" project led by Denmark's Orsted, with an installed capacity of 700 MW off the coast of Connecticut and estimated at USD 1.5 billion, despite its progress of around 80%. This comes as a shock to the renewable energy industry.

Bonds

In the US, 10-year yields ended the week down 6bp after J. Powell's speech in Jackson Hole on Friday hinted at the possibility of a rate cut in September. In Europe, the 10-year OAT lost 5bp with PMIs rebounding but still below 50, and the 10-year Bund fell 7bp after the release of negative PPIs that were below expectations. This week in the US, the market will be watching developments concerning Lisa Cook, the Fed governor who is currently in turmoil, and the release of the PCE.

Sentiment of traders

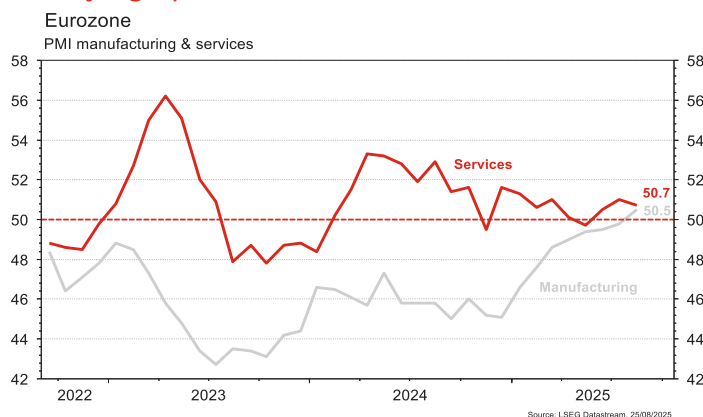
Stock markets

The start of the week could be fairly quiet as markets digest the announcements from Jackson Hole. However, volatility is likely to return on Wednesday evening with Nvidia's quarterly results and on Thursday with US PCE inflation. With a rise of more than 32% this year and a weighting of more than 8% in the S&P, the AI star cannot afford to disappoint, otherwise some turbulence is to be expected.

Currencies

This year, Jackson Hole brought us some volatility when J. Powell opened the door to a rate cut in September. The punishment was immediate, with the dollar falling from CHF 0.8090 to 0.80 and the euro jumping from 1.16 to 1.1742. This morning, the euro is down slightly at €1.1711, with Germany feeling the first effects of US tariffs. Currency traders will be watching the IFO closely this morning. The Swiss franc is stable at €0.9395. Gold is at \$3,367/oz. Our ranges are €/¥ 1.16-1.1830, \$/CHF 0.7975-0.8100, \$/JPY 146.30-149.

Today's graph



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Markets

J. Powell's speech in Jackson Hole on Friday, which was more accommodative than expected, allowed equities to rebound and rates to fall. Over the week, equities rose (US: +0.3%; Europe: +1.4%; Switzerland: +1.6%), except in emerging markets (-0.5%), which were already closed on Friday when Powell made his comments, and 10-year sovereign rates fell by a few basis points in USD and EUR. The USD weakened on these announcements (dollar index: -0.1%) and gold benefited, rebounding by 1%. To watch this week: durable goods orders, house prices (FHFA and S&P CoreLogic), consumer confidence, PCE inflation and trade balance in the United States; EC confidence indices (economy, industry, services) in the eurozone; industrial profits in China.

Swiss Market

Coming up this week: Q2 employment barometer (FSO), July accommodation statistics (FSO), Q2 GDP (SECO) and August economic barometer (KOF).

The following companies will publish their figures: Metall Zug, Epic, Molecular Partners, TX Group, Vetropack, Arbonia, Flughafen Zürich, Kudelski, Aceleron, Piazza, Investis, Peach Property, Stadler Rail, Jungfraubahn, Pierer Mobility, SoftwareONE, Financière Tradition and BC de Zurich.

Equities

AIR LIQUIDE (Satellite) announced that it has signed an agreement with Macquarie Asia-Pacific Infrastructure Fund 2 to acquire DIG Airgas, a leading company in South Korea. The transaction values DIG at EUR 2.85 billion in enterprise value, representing a high EV/EBITDA multiple of 20.2 on a 2024 basis, but returning to a more reasonable level of 14.8x when the backlog and cost synergies are included. The acquisition strengthens the company's position in South Korea, the world's fourth largest market for industrial gases.

ALPHABET (Core Holding): META announces a cloud agreement worth more than USD 10 billion with ALPHABET, marking a strategic turning point. To meet the massive computing needs of its AI models, the group will now rely on the infrastructure of a direct competitor, in addition to its own internal capabilities.

BYD (Satellite), in an offensive in the premium segment, is investing CNY 5 billion (c. USD 700 million) in public testing and racing centres, the first of which has opened in Zhengzhou.

NVIDIA (Core Holding) will publish its Q2 FY2026 results on Wednesday after the close, with consensus estimates of USD 46 billion in revenue (+4.5% q/q) and EPS of USD 1.01 (+25% q/q). The market will be watching for Q3 guidance, particularly recognition of H20 sales in China, the pace of Blackwell's rollout, and any indications on the next generation Rubin. More broadly, strong investment in AI infrastructure continues to support excellent visibility for Blackwell in the short term.

Performances

	As at 22.08.2025	Since 15.08.2025	Since 31.12.2024
SMI	12 264.85	1.58%	5.72%
Stoxx Europe 600	561.31	1.40%	10.58%
MSCI USA	6 180.95	0.27%	10.04%
MSCI Emerging	1 266.55	-0.46%	17.77%
Nikkei 225	42 633.29	-1.72%	6.86%
CHF vs. USD	0.8016	0.46%	13.06%
EUR vs. USD	1.1718	0.05%	13.16%
Gold (USD/per ounce)	3 376.40	1.01%	28.61%
Brent (USD/bl)	67.77	2.98%	-9.33%
		As at 15.08.2025	As at 31.12.2024
10-year yield CHF (level)	0.32%	0.31%	0.23%
10-year yield EUR (level)	2.68%	2.74%	2.36%
10-year yield USD (level)	4.24%	4.31%	4.57%

Source: LSEG Datastream