

Economy

Statistics published in the United States were mixed. The ISM manufacturing index rose from 48 to 48.7 in August, but less than expected (49) and still contracting. On the other hand, its services counterpart was a pleasant surprise, rising from 50.1 to 52, more than expected (51). The employment report was disappointing in August: the economy created only 22,000 jobs, less than the 75,000 expected, and revisions for previous months were negative (-21,000). In the eurozone, consumer price growth accelerated very slightly in August, from +2% to +2.1% y/y, in line with expectations. The contraction in retail sales in July (-0.5% m/m) was offset by the upward revision of the previous month (from +0.3% to +0.6% m/m). In China, international trade disappointed in August: exports slowed from +7.2% to +4.4% (vs +5.5% est.) and imports from +4.1% to +1.3% y/y (vs +3.4% est.).

Planetary Boundaries

According to the International Energy Agency's Global Critical Minerals Outlook 2025, China is the world's leading producer of 19 of the 20 strategic refined materials in the energy and transition sector, with market shares close to 100% in some cases (gallium, graphite, manganese, rare earths).

Bonds

In the US, employment is slowing, with job creation below expectations (22k vs. 75k consensus), while the unemployment rate has risen to 4.3%, marking a new cycle high. Against this backdrop, the market is beginning to price in a potential 50 bp cut (12% probability) at the next Fed meeting. We also saw a marked rally in the sovereign curve (2-year -11 bp/10-year -17 bp). In credit, spreads were broadly unchanged. In terms of performance, US IG (1.2%) outperformed HY (+0.3%) and sovereign (+0.8%).

Sentiment of traders

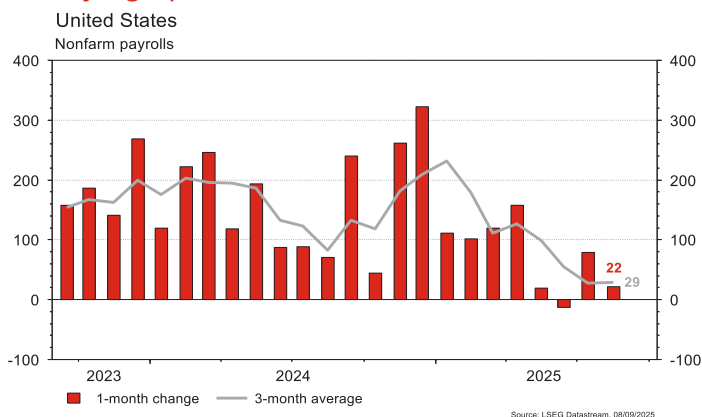
Stock markets

It could be an eventful week, with France and inflation providing the stimulus. France is expected to be without a government as of Monday and to be paralysed by nation-wide on Wednesday. With its abysmal debt, it remains to be seen how sovereign rates will react. On Thursday, we will have the US CPI. While the market is expecting a rate cut, could a return of inflation boosted by customs duties temper expectations? Surprise.

Currencies

Friday's poor US employment figures triggered a sharp fall in the \$, which is trading this morning at €/€ 1.1721 and \$/CHF 0.7966. Currency traders are anticipating a 0.25% cut by the Fed on Sept. 17, and this week's US inflation figures will be crucial. The political crisis in France could weigh on the single currency in the short term, which is falling against the CHF: €/CHF 0.9340. The £ is taking advantage of the weakness of the \$ to climb to £/\$ 1.351, sup. 1.3340, res. 1.36. The sharp rise in gold continues at \$3609/oz, sup. 3405, res. 3750. Our ranges are €/€ 1.1620-1.18, €/CHF 0.9268-0.9414, \$/CHF 0.79-0.8053, \$/JPY 146.60-150.

Today's graph



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Markets

Disappointments on the economic front pushed 10-year sovereign rates down by more than 10 basis points in the US and a few basis points in the eurozone. Equities held up better in Switzerland (+1.5%) and emerging markets (+1.4%) than in the US (+0.3%) and Europe (-0.2%). The dollar index is unchanged. The real winner from lower interest rates and economic fears is gold, which is up 4.2%, while oil prices, also penalised by OPEC's strategy, are down 3.8%. To watch this week: consumer and producer price indices and consumer confidence (University of Michigan) in the United States; Sentix investor confidence index and ECB meeting in the eurozone; consumer and producer price indices in China.

Swiss Market

Coming up this week: Swiss Confederation borrowing results (SNB) and August traffic statistics (Flughafen Zürich).

The following companies will publish their figures: Medacta, Baloise, Bioversys, BVZ, SHL and Villars.

Equities

AIRBUS (Satellites) delivered 61 commercial aircraft in August, bringing the total to 434 since the beginning of the year (compared with 447 at the end of August 2024). The group will need to deliver an average of 97 per month to reach its 2025 target of -820, an unprecedented pace.

HEIDELBERG MATERIALS (Satellites): Goldman Sachs initiated coverage of the stock with a buy rating and a target price of EUR 240 (+21% vs. current price).

ENERGY sector (negative outlook): driven by Saudi Arabia, OPEC+ announced this weekend a further increase in oil production of 137kbl/d from October. This will add to the global overcapacity estimated at more than 2mbl/d in the last quarter. Prices are likely to remain under pressure.

SWISS RE (Satellite): the Monte Carlo meeting confirms a downward price environment for January renewals, with pressure on natural catastrophes. The outlook remains dependent on the hurricane season. In this context of a softer cycle, management is emphasising its underwriting discipline and claims management in order to preserve profitability.

THERMO FISHER (Satellite): In the United States, the House Appropriations Committee presented a budget bill proposing to maintain the budget of the National Institutes of Health (NIH). The bill therefore does not include the 40% cut proposed by the Trump administration and is in line with the Senate bill, which aimed for a slight increase. The bipartisan support for the NIH is positive for the scientific equipment sector.

Performances

	As at 05.09.2025	Since 29.08.2025	Since 31.12.2024
SMI	12 370.57	1.50%	6.63%
Stoxx Europe 600	549.21	-0.17%	8.19%
MSCI USA	6 197.72	0.34%	10.34%
MSCI Emerging	1 276.05	1.40%	18.65%
Nikkei 225	43 018.75	0.70%	7.83%
CHF vs. USD	0.7978	0.16%	13.60%
EUR vs. USD	1.1737	0.27%	13.34%
Gold (USD/per ounce)	3 584.80	4.17%	36.55%
Brent (USD/bl)	65.53	-3.84%	-12.32%
		As at 29.08.2025	As at 31.12.2024
10-year yield CHF (level)	0.29%	0.31%	0.23%
10-year yield EUR (level)	2.62%	2.68%	2.36%
10-year yield USD (level)	4.07%	4.21%	4.57%

Source: LSEG Datastream