

Economy

The US federal shutdown prevented the publication of certain statistics, and those that were published were rather disappointing. The ISM manufacturing index rose in September from 48.7 to 49.1, but was barely above expectations (49) and is still contracting, below the 50 threshold. Its services counterpart disappointed, falling from 52 to 50 (vs. 51.7 est.). Consumer confidence fell from 97.8 to 94.2, more than expected (96). House prices contracted slightly less than anticipated in July (-0.1% m/m vs. -0.2% m/m). In the eurozone, headline inflation accelerated from +2% y/y to +2.2%, while core inflation remained stable at +2.3% y/y, both in line with expectations. In China, the (official) manufacturing PMI rose more than expected in September (from 49.4 to 49.8 vs. 49.6 est.) and the services PMI fell from 50.3 to 50 (vs. 50.2 est.).

Planetary Boundaries

The Trump administration cancelled USD 7.6 billion in subsidies supporting 223 clean energy projects in 16 states (all of which voted for Harris in the last presidential election). Following a review that revealed that some projects were not in line with the country's energy needs or were not economically viable, the Department of Energy cancelled several initiatives, particularly in the areas of battery factories, hydrogen, carbon capture and electricity grid modernisation.

Bonds

In the US, 10-year yields fell 6 bp over the week after negative employment figures (ADP), well below consensus (-32k vs +51k expected), and the federal shutdown, while the ISM manufacturing index remained in contraction territory at 49.1 and the services index fell to just 50.0 (from 52.0 last month). In Europe, the OAT lost 6 bp over the week ahead of the government appointment over the weekend. This week will be marked by developments in France following the government's resignation and the shutdown in the US.

Sentiment of traders

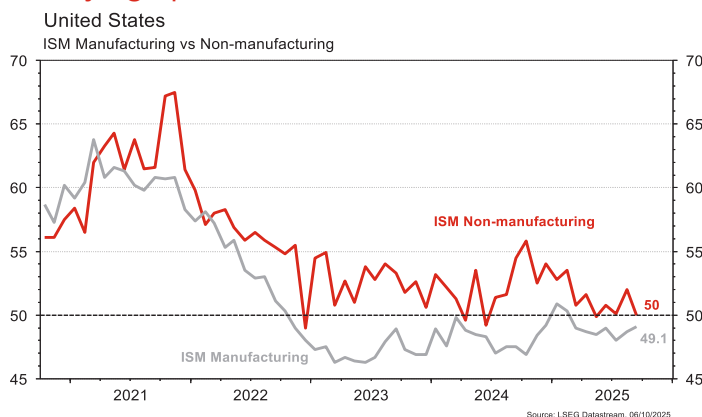
Stock markets

The markets continued to rise despite the US shutdown and the absence of economic data. The Nikkei welcomed the appointment of Sanae Takaichi as Prime Minister, who is considered rather dovish. On the macro side, there is still uncertainty about possible US releases, while in the eurozone we will have retail sales figures. The first quarterly results are starting with Pepsi and Delta Airlines.

Currencies

In the absence of US data, volatility is low. The dollar is consolidating against the Swiss franc at 0.7975, with support at 0.7885 and resistance at 0.8050. The euro fell to €/€ 1.1675, with European economic data not helping, and in France, Prime Minister Lecornu resigned on Monday morning. A consolidation of the euro/dollar around 1.1600 is possible, with resistance at 1.1820 remaining valid. The election of Sanae Takaichi in Japan was followed by a sharp fall in the yen against the dollar to \$/JPY 150.10, resistance at 151.05, support at 147.95. Gold soared to \$3,933/oz.

Today's graph



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Markets

The US shutdown did not really dampen investor sentiment. Equities rose in the US (+1.1%), Europe (+2.9%) and especially in emerging markets (+3.7%) and Switzerland (+4.8%). Sovereign yields fell by around 5bp in USD and EUR, and the dollar depreciated by 0.4% (dollar index). The fall in yields and the greenback logically pushed up gold prices (+2.8%). The increase in oil production by OPEC caused crude oil prices to fall by 8%. To watch this week: minutes from the latest Fed meeting, trade balance and consumer confidence (University of Michigan) in the United States; Sentix investor confidence index and retail sales in the eurozone; foreign exchange reserves and monetary aggregates in China.

Swiss Market

This week will be particularly quiet in terms of news, as companies will not begin publishing their end-of-September results until next week.

Nevertheless, we will be able to follow the following statistics: September unemployment (SECO), Confederation borrowing (FFA/SNB), foreign exchange reserves at the end of September (SNB) and September consumer confidence (SECO).

Equities

We are adding **ADIDAS** to the Satellites Europe list. We believe that the 20% decline in the share price since the beginning of the year offers an entry point. The strategy implemented by the new CEO is delivering commercial success in both the Lifestyle and Performance categories. The group's recovery (visible since 2024) will continue in 2026, with the aim of achieving an operating margin of 10% (vs 5.6% in 2024 and 8% in 2025e), and should surprise on the upside. Target price - €230.

ASM International has been added to our Core Holdings Europe list. The group is a key supplier of equipment for the manufacture of advanced semi-conductors and enjoys strong visibility thanks to the structural increase in the number of layers to be deposited in next-generation architectures (GAA, DRAM). ASM maintains ambitious targets for 2030, with a revenue target of €5.7 billion and continued margin expansion.

DASSAULT AVIATION joins our Satellites Europe list: the Rafale order book offers visibility, deliveries of business jets (Falcon) are expected to recover in the coming years and the share price offers a discount of around 30% vs. comparables.

LVMH (Core Holding): reactions to the first Christian Dior women's collection fashion show, designed by new creative director Jonathan Anderson, were positive for both ready-to-wear and leather goods. The impact on business should only be visible from the second quarter of 2026, but these initial reactions support an improvement in the trend in the near future and are therefore favourable for sentiment on the stock.

Performances

	As at 03.10.2025	Since 26.09.2025	Since 31.12.2024
SMI	12 507.17	4.84%	7.81%
Stoxx Europe 600	570.45	2.87%	12.38%
MSCI USA	6 422.60	1.03%	14.34%
MSCI Emerging	1 373.89	3.65%	27.75%
Nikkei 225	45 769.50	0.91%	14.73%
CHF vs. USD	0.7952	0.42%	13.97%
EUR vs. USD	1.1741	0.41%	13.38%
Gold (USD/per ounce)	3 880.27	2.80%	47.80%
Brent (USD/bl)	64.54	-7.96%	-13.65%
		As at 26.09.2025	As at 31.12.2024
10-year yield CHF (level)	0.25%	0.20%	0.23%
10-year yield EUR (level)	2.66%	2.70%	2.36%
10-year yield USD (level)	4.11%	4.16%	4.57%

Source: LSEG Datastream