

Economy

The prolonged federal government shutdown is disrupting the publication of certain economic statistics in the United States. Consumer confidence, as measured by the University of Michigan, fell very slightly (from 55.1 to 55) in October. In the eurozone, investor confidence (Sentix) recovered more than expected in October (from -9.2 to -5.4 vs. -7.7 est.). After contracting in the previous month, retail sales rose in line with expectations (+0.1% m/m; +1% y/y) in August. In China, foreign exchange reserves were, unsurprisingly, fairly stable at USD 3,338 billion. Exports (+8.3% y/y vs +6.6% est.) and imports (+7.4% y/y vs +2% y/y) rebounded more than expected in September. However, this good news should be put into perspective, as it is partly due to technical reasons (number of working days).

Planetary Boundaries

According to a report by the Ember think tank, global solar power production increased by nearly a third year-on-year in the first half of 2025, covering 83% of the global increase in electricity demand; wind power increased by just over 7%. As a result, global renewable electricity production exceeded that from coal combustion for the first time.

Bonds

In the US, the 10-year yield fell 9 bp over the week after tensions with China escalated. With the shutdown, the only notable release was the University of Michigan consumer sentiment index, which was above expectations but down sequentially. In Europe, the 10-year OAT also lost 9 bp after S. Lecornu was reappointed as Prime Minister, and the 10-year Bund lost 5 bp. This week, the market will be watching developments in US-China tensions and the shutdown closely.

Sentiment of traders

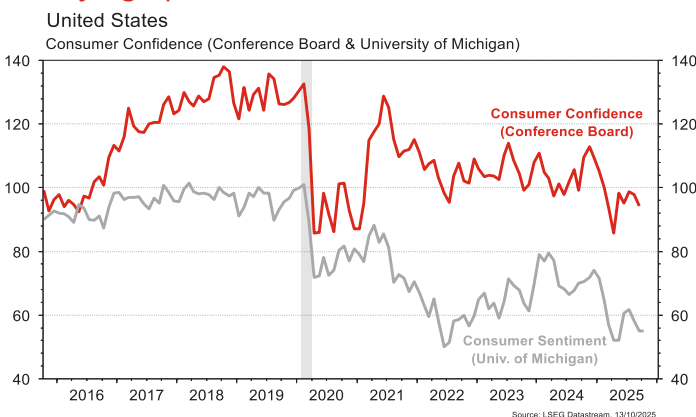
Stock markets

Markets recovered after Friday's sell-off triggered by the resumption of the Sino-American trade war, with Trump leaving the door open on Sunday. On the macro front, there is still no news, with the US government remaining shut down. In the eurozone, we will have the ZEW and final CPI figures. The first quarterly results will be released by US banks, as well as Nestlé, LVMH and ASML.

Currencies

Donald Trump's statements against China at the end of the week abruptly reversed the upward trend of the USD. This morning, it is consolidating around €/ \$ 1.1606, \$/CHF 0.8020 and \$/JPY 152.2. Currency traders will be watching developments in these trade tensions closely. Another setback for the newly appointed French government would weigh on the single currency. We remain negative on the euro in the short term, with our ranges at €/ \$ 1.15-1.17 and €/CHF 0.9250-0.9355. The pound is consolidating at £/ \$ 1.3340, above 1.3270. Gold continues to rise to \$4071/oz, above 3957, resistance 4120.

Today's graph



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Markets

The ongoing US government shutdown and Donald Trump's threat to China (before adopting a more conciliatory tone over the weekend) to increase tariffs by 100% are driving up volatility. Equities fell sharply in the US (-2.4%), less so in Europe (-1.1%) and emerging markets (-0.6%) or Switzerland (-0.2%). Sovereign yields fell by around 7bp in USD and EUR, and the dollar appreciated by 1.3% (dollar index). Gold was unaffected by the dollar's rebound and benefited from renewed risk aversion to rise a further 3.3%, while oil prices fell 2.7%. To watch this week: SME confidence (NFIB index), producer and consumer price indices, retail sales, industrial production, housing starts and building permits in the United States; industrial production and trade balance in the eurozone; consumer price index in China.

Swiss Market

Coming up this week: September production and import prices (FSO), September accommodation statistics (FSO) and autumn economic forecasts (SECO).

The following companies will publish their figures: Tecan, Flughafen Zürich, Bossard, Givaudan, Cicor, Sulzer, Ems-Chemie, VAT Group, ABB, DocMorris, Kuros, Nestlé and Comet.

Equities

AIRBUS (Satellite) delivered 73 aircrafts in September, for a total of 507 over nine months, compared with 497 in 2024. The figure increases the likelihood of reaching the annual target of 820. Positive.

ARYZTA announced the immediate departure of its CEO Michael Schai, who will be replaced by Chairman Urs Jordi. EBITDA for 2025 has been lowered to €300 million (vs €330 million) due to cost overruns and operational delays. This new warning, combined with reduced visibility and managerial instability, calls into question the recovery trajectory: we are removing Aryzta from our Swiss convictions list.

ASTRAZENECA (Core Holding) is the second pharmaceutical company to reach an agreement with the Trump administration. The content is in line with that agreed by Pfizer, including \$50 billion in investments over five years in production capacity and R&D; direct sales to patients in the field of chronic diseases, with discounts of up to 80%; and a three-year grace period during which the company will not be subject to S232 tariffs.

We are removing **MICRON TECHNOLOGY** (Satellite) from our lists after reaching the target of our bullish scenario at USD 200. Although the price dynamics for DRAM and HBM memory remain favourable, the market has already priced in a significant portion of expected sales through 2026. In this context, the potential for short-term upside appears limited.

Performances

| | As at 10.10.2025 | Since 03.10.2025 | Since 31.12.2024 |
|---------------------------|------------------|------------------|------------------|
| SMI | 12 481.41 | -0.21% | 7.59% |
| Stoxx Europe 600 | 564.16 | -1.10% | 11.14% |
| MSCI USA | 6 266.64 | -2.43% | 11.56% |
| MSCI Emerging | 1 365.67 | -0.60% | 26.98% |
| Nikkei 225 | 48 088.80 | 5.07% | 20.54% |
| CHF vs. USD | 0.8046 | -1.16% | 12.64% |
| EUR vs. USD | 1.1580 | -1.37% | 11.83% |
| Gold (USD/per ounce) | 4 006.90 | 3.26% | 52.62% |
| Brent (USD/bl) | 62.82 | -2.66% | -15.95% |
| | | As at 03.10.2025 | As at 31.12.2024 |
| 10-year yield CHF (level) | 0.22% | 0.25% | 0.23% |
| 10-year yield EUR (level) | 2.59% | 2.66% | 2.36% |
| 10-year yield USD (level) | 4.04% | 4.11% | 4.57% |

Source: LSEG Datastream