

Economy

In the United States, the statistics published were fairly encouraging. Purchasing managers' confidence improved more than expected in October in services (from 54.2 to 55.2 vs. 53.5 est.) and in manufacturing (from 52 to 52.2 vs. 52 est.). Consumer price growth was lower than anticipated (+3% y/y vs. +3.1% y/y est.) and reassuring in September. In the eurozone, purchasing managers' confidence rose in services (from 51.3 to 52.6 vs. 51.2 est.) and in manufacturing (from 49.8 to 50 vs. 49.8 est.) in October. In China, GDP slowed in Q3 (from +5.2% y/y to +4.8% y/y) and investment disappointed in September (-0.5% y/y vs +0.1% y/y est.). On the other hand, industrial production accelerated (from +5.2% y/y to +6.5% y/y vs +5% est.) and retail sales slowed in line with expectations (from +3.4% y/y to +3% y/y).

Planetary Boundaries

According to the World Resources Institute's "State of Climate Action 2025" report, none of the 45 climate action indicators are on track to meet the 2030 targets. While most are moving in the right direction, the pace and scale of progress are alarming and will lead to risks that are incompatible with a sustainable future.

Bonds

In the US, the 10-year yield ended the week unchanged, torn between a lower-than-expected CPI and a potential trade agreement with China. In Europe, activity figures were generally positive, with eurozone manufacturing and services PMIs exceeding expectations. This led to a general rise in European rates, with the 10-year Bund ending up 5bp and the 10-year BTP up 6bp. The ECB and the Fed will meet this week, with the market expecting a cut in the US and no further cuts in Europe.

Sentiment of traders

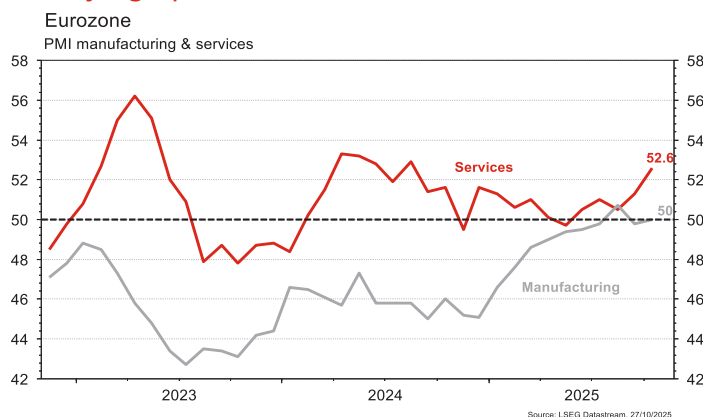
Stock markets

Markets got off to a flying start this week, with all eyes on the FOMC meeting (expected cut of 25 basis points) and the publication of quarterly results from Microsoft, Alphabet, Meta, Amazon and Apple. Thursday's meeting between Trump and Xi is expected to produce a positive agreement, with Scott Besant having already laid the groundwork over the weekend.

Currencies

Hopes and optimism surrounding Sino-American relations are supporting the dollar this morning: €/ \$ 1.1625, \$/JPY 152.92, \$/CHF 0.7965. Economic officials on both sides are talking about pauses in US tariffs and controls on rare earth exports. Currency traders are anticipating a 0.25% rate cut by the Fed this week. The €/CHF is consolidating at 0.9260, sup. 0.9230, res. 0.9332. Gold is down at \$4057/oz, sup. 4000, res. 4200. Our ranges are €/ \$ 1.1543-1.17, \$/CHF 0.7910-0.8040, \$/JPY 151.75-153.40, £/\$ 1.3275-1.3365.

Today's graph



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Markets

Good economic news and strong corporate results in Q3 boosted equities (+1.9% in the US; +1.7% in Europe and +2% in emerging markets). Ten-year sovereign yields were unchanged in the US and rose a few basis points in the eurozone. The dollar index rose 0.5% and oil prices soared 7.6% following the announcement of new sanctions against Russian exports. Gold fell 2.9% on profit-taking amid renewed risk appetite. This week to watch: durable goods orders, consumer confidence, Fed meeting, preliminary Q3 GDP estimate and PCE inflation in the US; EC confidence index (economy, industry and services), ECB meeting and consumer price index in the eurozone; manufacturing and services PMI in China.

Swiss Market

To watch this week: Q3 property price index (FSO), October economic barometer (KOF), SNB results, September retail sales (FSO) and August services sales (FSO).

The following companies will publish their figures: Bucher, Landis+Gyr, Novartis, SIG Group, Temenos, Logitech, Amrize, UBS, Straumann, Avolta, Clariant, Idorsia, Phoenix Mecano, Sandoz, Swiss, Vontobel and Molecular Partners.

Equities

HERMÈS – removed from the Core Holding list: its upside potential will be lower than its more cyclical peers over the coming months, particularly LVMH (Core Holding), which will benefit from a more favourable basis for comparison and specific measures to boost activity. Hermès outperforms its peers during periods of slowdown in luxury goods consumption but tends to underperform during recovery phases. After a 450% increase including dividends since the recommendation (July 2017), we recommend taking profits.

HSBC (Satellite) has announced a provision of \$1.1 billion related to an old Madoff case. Herald Securities was claiming up to \$5.6 billion in the Luxembourg courts. The impact on capital is limited: -15 bp of CET1, or less than 0.5% of capitalisation. An unpleasant surprise, but not a material one.

This week will be decisive in gauging AI momentum with the publication of results by **MICROSOFT** (Core Holding), **ALPHABET** (Core Holding) and Amazon. We expect Microsoft to perform strongly, buoyed by Azure and the roll-out of Copilot. Amazon will need to confirm a rebound for AWS. Alphabet, for its part, is beginning to open up its TPU infrastructure to external customers, a strong signal to boost the competitiveness of its Cloud division.

VOLKSWAGEN (Satellite): Porsche published better-than-expected results for Q3 2025 this morning, particularly in terms of underlying operating margin, at 9.6% vs. 7.9% expected, and cash generation at around €900 million vs. around €100 million expected. Reassuring.

Performances

	As at 24.10.2025	Since 17.10.2025	Since 31.12.2024
SMI	12 568.18	-0.60%	8.34%
Stoxx Europe 600	575.76	1.68%	13.42%
MSCI USA	6 494.65	1.93%	15.62%
MSCI Emerging	1 389.39	2.04%	29.19%
Nikkei 225	49 299.65	3.61%	23.57%
CHF vs. USD	0.7953	-0.35%	13.95%
EUR vs. USD	1.1626	-0.36%	12.27%
Gold (USD/per ounce)	4 121.36	-2.86%	56.98%
Brent (USD/bl)	65.95	7.62%	-11.76%
		As at 17.10.2025	As at 31.12.2024
10-year yield CHF (level)	0.16%	0.17%	0.23%
10-year yield EUR (level)	2.59%	2.54%	2.36%
10-year yield USD (level)	3.98%	3.98%	4.57%

Source: LSEG Datastream