

Economy

In the United States, the publication of statistics remains disrupted by the federal shutdown. Of note is the slight increase in house prices (S&P Cotality) in August (+0.2% m/m, +1.6% y/y) and the decline in consumer confidence in October (from 95.6 to 94.6 vs. 93.4 est.). In the eurozone, EC confidence indices rose more than expected in October: economy (from 95.6 to 96.8 vs. 96 est.), industry (from -10.1 to -8.2 vs. -10 est.), services (from 3.7 to 4 vs. 3.8 est.). The unemployment rate remained stable in September at 6.3%. Q3 GDP surprised on the upside (+0.2% q/q vs +0.1% est.), while inflation slowed from +2.2% y/y to +2.1% in October, in line with expectations. In China, the official manufacturing PMI fell in October from 49.8 to 49 (vs. 49.6 est.), as did S&P Global's PMI to 50.6 (vs. 51.2 in September and 49.6 est.), while the services PMI remained unchanged at 50.1 (vs. 50 in September).

Planetary Boundaries

The report "10 New Insights in Climate Science" (70 scientists, 21 countries) published ahead of COP30 in Brazil concludes that the capacity of natural carbon sinks is weakening as temperatures rise: forests and soils in the northern hemisphere are particularly affected, while marine heatwaves are reducing the oceans' capacity to absorb carbon dioxide (CO₂).

Bonds

In the US, the Fed cut its key interest rate by 25 basis points, but J. Powell indicated that a further cut at the December meeting was not a foregone conclusion. The 10-year yield ended the week up 8 basis points, returning above the 4% mark. In Europe, the ECB kept its key interest rate unchanged, and inflation data in France and Germany confirmed the downward trend already well underway on an annualised basis. This week, the ISM and ADP reports in the US are likely to be the focus of market attention.

Sentiment of traders

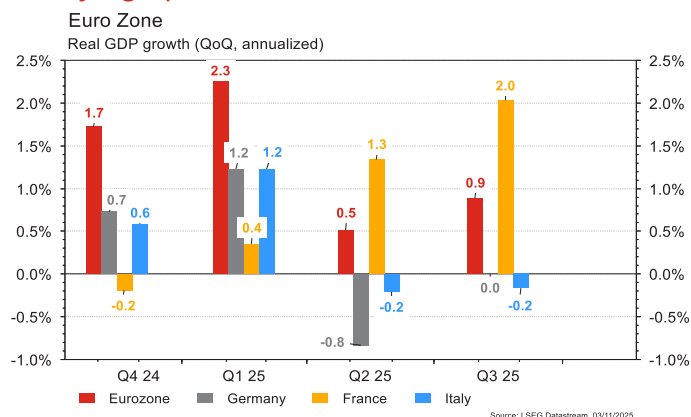
Stock markets

Markets opened mixed as the shutdown deprived us of important economic news. We should still get the ISM and ADP figures, but still no official employment figures, while in the eurozone the PPI and retail sales will be published. On the corporate side, there are still a few quarterly results to come (Palantir, Uber, AMD, ARM, Moderna, etc.).

Currencies

The dollar started the week higher: €/ \$ 1.1525, \$/CHF 0.8055, \$/JPY 154.15, supported by the Fed's less dovish than expected statement. Currency traders will be watching the US ISM and PMI indicators closely. We remain negative on the euro in the short term, with a test of the 1.14 level possible, resistance at 1.1669. The Swiss franc remains firm at €/CHF 0.9285, resistance at 0.9180, support at 0.9332. The £ is falling rapidly to £/\$ 1.3120, sup. 1.3040, res. 1.3250. Gold is consolidating at \$4015/oz, sup. 3886, res. 4160.

Today's graph



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Markets

The publication of Q3 2025 results, led by tech, supported US equities (+0.7%) and emerging markets (+0.9%) but not the European market (-0.7%), which was impacted by the strength of the EUR. Japan (+6.3%) stood out with new highs. The risk-on mood was also reflected in the US 10-year yield (up 10 bp), the dollar (+0.9%) and the decline in gold (-3.5%). To watch this week: ISM manufacturing and services, employment report and consumer confidence (University of Michigan) in the United States; producer price index and retail sales in the eurozone; services PMI (S&P Global) and trade balance in China. The announcement of a pause in OPEC production increases in early 2026 should support oil prices in the short term.

Swiss Market

Coming up this week: October inflation (FSO), Q4 employment indicator (KOF), October PMI indices, September accommodation statistics (FSO), economic survey (KOF), October unemployment (Seco), October consumer confidence (Seco) and foreign exchange reserves at the end of October (SNB).

The following companies will publish their figures: Burckhardt, Oerlikon, Geberit, Barry Callebaut, Adecco, Zurich, Financière Tradition, Lastminute, Valiant, Züblin and Swisscom.

Equities

DASSAULT AVIATION (Satellite) announced that it has produced its 300th Rafale fighter jet.

DUKE ENERGY (Satellite) will receive USD 3.3 billion in clean energy subsidies to build natural gas units to replace two coal-fired power plants in Indiana.

We are removing **EPIROC** from the Core Holdings list of recommendations. In Q3 2025, orders rose by 7% and sales by 5%, but the adjusted operating margin fell further to 19% (vs. 21.8% in 2023), mainly due to the weakness of the Tools & Attachments division. The fundamental valuation stands at SEK 204, with no upside potential. In the absence of a credible plan to restore margins and after several quarters of stagnation, the stock is being removed from our recommendations.

We are removing **SANDOZ** from the Satellite recommendations list. The stock has appreciated by 44% in total return since the recommendation on 03/18/2025. The share price is approaching CHF 55, which is our 12-month target. The valuation is becoming stretched, with a 12-month forward P/E of 17x for EPS growth of 15% per annum between now and 2028 (PEG > 1x), leaving little room for disappointment. Furthermore, consensus estimates are in line with the 2028 targets, limiting the potential for upward revision. We advise taking profits.

SIEMENS (Satellite) and Capgemini are strengthening their partnership to develop a new generation of native AI digital solutions for product engineering, manufacturing and industrial operations.

Performances

	As at 31.10.2025	Since 24.10.2025	Since 31.12.2024
SMI	12 234.50	-2.65%	5.46%
Stoxx Europe 600	571.89	-0.67%	12.66%
MSCI USA	6 544.46	0.77%	16.51%
MSCI Emerging	1 401.55	0.88%	30.32%
Nikkei 225	52 411.34	6.31%	31.37%
CHF vs. USD	0.8028	-0.93%	12.89%
EUR vs. USD	1.1542	-0.72%	11.46%
Gold (USD/per once)	3 978.95	-3.46%	51.56%
Brent (USD/bl)	65.10	-1.29%	-12.90%
		As at 24.10.2025	As at 31.12.2024
10-year yield CHF (level)	0.14%	0.16%	0.23%
10-year yield EUR (level)	2.60%	2.59%	2.36%
10-year yield USD (level)	4.08%	3.98%	4.57%

Source: LSEG Datastream