Monday Report | *22 December 2025*

Next Monday Report
5th January 2026

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Economy

In the United States, the statistics published were rather disappointing. The economy shed 105,000 jobs in October (vs. -25,000 est.), created 64,000 in November (vs. +50,000 est.) and the unemployment rate rose to 4.6% (vs. 4.5% est.). Retail sales stagnated in October, whereas a 0.1% increase had been expected. The manufacturing PMI also disappointed, falling from 52.2 to 51.8 (vs. 52.1 est.), as did the services PMI, which fell from 54.1 to 52.9 (vs. 54 est.). Price growth, which is good news, slowed to +2.7% y/y (vs. +3.1% est.). In the eurozone, as in the US, the manufacturing PMI disappointed, falling from 49.6 to 49.2 (vs. 49.9 est.), as did the services PMI, which fell from 53.6 to 52.6 (vs. 53.3 est.). Household confidence also fell slightly (from -14.2 to -14.6 vs. -14 est.).

Artificial Intelligence

This week, the debate on the "post-LLM" era focused on world models. Fei-Fei Li defended the idea that language models remain insufficient for understanding the physical world, and is pushing World Labs towards a form of AI known as "spatial intelligence", capable of reasoning in 3D. At the same time, Yann LeCun is preparing a similar project, with approximately € 500 million in funding to develop world models for concrete applications (robotics, autonomous transport, simulation).

Bonds

In the US, 10-year yields fell 4 bps over the week, supported by NFP figures well below expectations for October-November and lower-than-expected CPI in November. In Europe, the ECB kept its rates unchanged: the 10-year OAT gained 3 bps and the 10-year Bund 4 bps, with French manufacturing PMI exceeding expectations and returning to expansionary territory, against a backdrop of rather hawkish rhetoric from some ECB members. This week should be quiet, with US employment figures due on 24 December.

Sentiment of traders

Stock markets

In a week shortened by the Christmas holidays, European markets seem a little sluggish. This should not be the case on Wall Street, with a clear target of 7,000 points on the S&P. While the Mag7 are faltering a little, the torch is being taken up by banking stocks and US small caps, which are benefiting from optimism about future rate cuts. US consumer confidence is unlikely to break the upward trend, so we remain confident.

Currencies

In a year-end market, the €/$ is struggling to break through the 1.1750 resistance level, and a test of the 1.1610 support level is likely. Despite the rise in Japanese interest rates, the JPY fell rapidly against the $ to $/JPY 157.42, support 156.4, resistance 158.13. The CHF remains firm at €/CHF 0.9320 and $/CHF 0.7947. We anticipate the following ranges: €/CHF 0.9230-0.9390, $/CHF 0.79-0.8020. The £ is up at £/$ 1.3420, sup. 1.3325, res. 1.35. Metals are soaring at $4410/XAU and $68.60/XAG.

Markets

Reassuring figures on inflation and rising unemployment in the US caused 10-year sovereign yields to fall by a few basis points in USD. They rose by 3 basis points in EUR: the ECB left its rates unchanged but adopted a slightly restrictive tone. The BoE cut its key rates by 25 bps, while the BoJ raised them by 25 bps (without preventing the JPY from depreciating by 1% against the USD). Equities rose by +1.6% in Europe and +0.1% in the US, while falling by -1.5% in emerging markets. Gold (+1.6%) benefited from the fall in US rates, while the dollar index stabilised (+0.1%). To watch this week: housing starts and building permits, Q3 GDP, industrial production and consumer confidence in the United States; new car registrations in the eurozone; 1-year and 5-year borrowing rates in China.

Swiss Market

Coming up this week: November accommodation statistics (OFS). The week looks set to be quiet with the SIX closed on 24, 25 and 26 December.

The Trump administration and nine pharmaceutical companies, including Novartis and Roche (via its subsidiary Genentech), have reached an agreement on lowering drug prices and investing in the US, with a commitment to launch future drugs at a comparable price in high-income countries, opening a three-year grace period on tariffs.

Equities

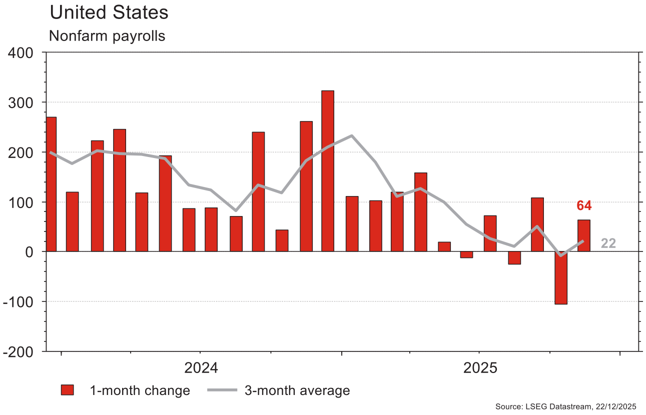
We are adding **ALLIANZ** to our Satellite Europe recommendations list. The group is the European leader in insurance and benefits from sustained growth in non-life premiums (CAGR 7-9% 2025-27), resilient technical margins and good cost discipline. Asset Management is benefiting from the normalisation of rates (net inflows > USD 50 billion at PIMCO in Q3) and solvency > 200% allows for attractive distributions.

We are adding **BANCO SANTANDER** to our Satellite Europe recommendations list. The group benefits from exposure to high-growth areas, particularly Latin America (CAGR > 10% 2025–28). Cost discipline and digitalisation are supporting profitability, with a RoTE target of ~17.5% by 2028. Improved capital generation allows for high distributions (~€13 billion in 2025–26, including €10 billion in buybacks).

ENGIE (Satellite) has commissioned its largest onshore wind project in Brazil: Serra do Assuruà, comprising 188 wind turbines with a total capacity of 846 MW (equivalent to the capacity of a conventional gas-fired power plant, for example).

STRAUMANN has been added to the Core Holding list. Specialising in dental solutions and equipment, the company benefits from a target market that is growing at 8% per year, which it outperforms thanks to constant innovation. Although the business is sensitive to economic trends, the 20% decline in the share price over two years offers a buying opportunity, given that discretionary consumption could prove solid in Europe and relatively resilient in the US in 2026.

Today's graph



Performances

	As at 19.12.2025	Since 12.12.2025	Since 31.12.2024
SMI	13 171.85	2.21%	13.54%
Stoxx Europe 600	587.50	1.60%	15.74%
MSCI USA	6 524.15	0.09%	16.15%
MSCI Emerging	1 368.48	-1.55%	27.25%
Nikkei 225	49 507.21	-2.61%	24.10%
CHF vs. USD	0.7959	0.00%	13.87%
EUR vs. USD	1.1710	-0.24%	13.09%
Gold (USD/per once)	4 343.16	1.33%	65.43%
Brent (USD/bl)	60.50	-1.08%	-19.05%
		As at 12.12.2025	**As at 31.12.2024**
10-year yield CHF (level)	0.31%	0.32%	0.23%
10-year yield EUR (level)	2.86%	2.83%	2.36%
10-year yield USD (level)	4.13%	4.17%	4.57%

Source: LSEG Datastream