

Economy

The statistics published in the United States are somewhat mixed. The war in Iran is dampening the confidence of purchasing managers (manufacturing sector) in the New York region (Empire Manufacturing Index), which fell in March from +7.1 to -0.2 versus an estimate of +3.9. Industrial production rose more than expected in February (+0.2% m/m versus an estimate of +0.1%). However, even before the conflict-related damage, producer prices accelerated in February (from +2.9% y/y to +3.4% vs +3% est.) and are causing concern. In the eurozone, economic growth expectations (ZEW survey) plummeted in March, against the backdrop of the war in Iran, from 39.4 to -8.5. News from China (pre-conflict) was reassuring in February: retail sales (+2.8% y/y), investment (+1.8% y/y) and industrial production (+6.3% y/y) all surprised on the upside.

Artificial Intelligence

OpenAI is abandoning several experimental projects to focus its resources on coding and professional services, the only segment capable of generating the recurring revenue needed to absorb colossal infrastructure costs. At the same time, autonomous agents are establishing themselves as the natural vehicle for integrating AI into corporate workflows: systems capable of executing complex, multi-step tasks across an organisation's digital platforms.

Bonds

In the US, the 10-year yield rose by 10 basis points over the week, still driven by inflation fears linked to the Iran conflict. The Fed kept rates unchanged, and Powell confirmed that he would remain in post until the end of the ongoing DOJ investigation. In Europe, the ECB also kept its key interest rate unchanged, but comments from various members continued to push up expectations of rate hikes this year, now exceeding three hikes, whilst the 10-year OAT rose by 8 basis points and the 10-year Bund by 6 basis points. Developments in the Iran conflict will remain the focus of attention again this week.

Sentiment of traders

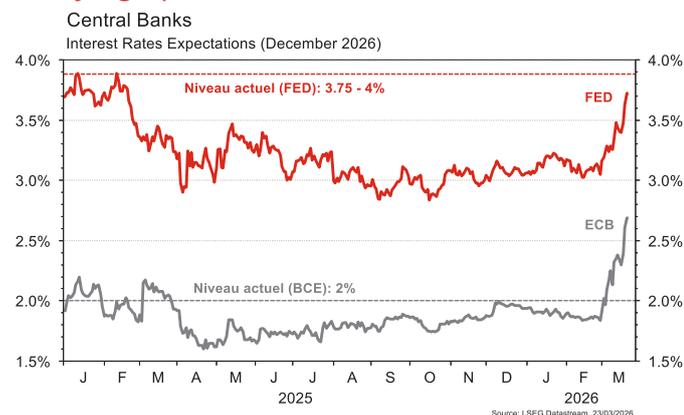
Stock markets

Markets were entering their fourth consecutive week of declines as the conflict in the Middle East intensifies and oil prices prompt a reassessment of forecasts regarding central bank rate movements: the talk is no longer of cuts, but of hikes for 2026 to counter inflation. Against this backdrop, the PMIs in both the US and the eurozone are likely to go largely unnoticed.

Currencies

The dollar has stabilised despite market concerns over a possible escalation of tensions between the US and Israel regarding Iran. The €//\$ exchange rate stands at 1.1540 this morning. The same applies to the CHF, with the €/CHF trading between 0.9080 and 0.9117. Gold has seen a sharp fall of over 8%, driven by inflation and expectations of a rise in interest rates globally. Meanwhile, the yen has edged down slightly to stand at \$/JPY 159.50.

Today's graph



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Markets

As expected, neither the Fed in the US nor the ECB in the eurozone touched their key interest rates. Rising energy prices are disrupting their schedule... and the markets no longer expect any cuts in the US in 2026 and are even pricing in 2–3 hikes in Europe! The escalation in Iran has spared no asset class this week, apart from oil (+9.5%); equities down -0.3% (Emerging Markets) to -3.8/-4.0% (Europe-Switzerland); developed market government bonds down -0.5/-0.7%; corporate bonds down -0.1%; and gold in correction (-8.8%). This week, in addition to US and European PMIs, we will be monitoring consumer confidence in Europe and industrial profits in China, as well as any signs of escalation or de-escalation in Iran: with US 10-year yields at 4.4%, the pain threshold is approaching for D. Trump.

Swiss Market

This week, the SNB will publish its balance of payments, whilst Inficon, SIX, Migros and Vaudoise will release their figures, and DKSH, SGS, VZ Holding, Swisscom, Sika, Schindler and Oerlikon will hold their Annual General Meetings.

Equities

ALIBABA / TENCENT (Satellite) reported last week. Tencent remains the most straightforward case, with steady double-digit growth (+13% y/y) and profitability self-financed by gaming and advertising. Alibaba is undergoing a more radical shift: the acceleration in Cloud/AI is impressive (+36% y/y), but comes at the cost of a marked squeeze on margins that is likely to persist for several more quarters. Overall, the results confirm that the AI investment cycle in China is intensifying, which continues to support the Chinese tech sector.

SHELL (Satellite) has announced the indefinite shutdown of the Pearl GTL plant in Qatar following the Iranian strikes. This is a major asset, producing the equivalent of 140 kbl/d of liquids, and its prolonged absence is likely to weigh on the Group's results: to be monitored.

VW (Satellite): according to 'Automotive News', Audi will unveil a second electric vehicle developed in collaboration with China's SAIC, the E7X crossover, at the Beijing Motor Show next month.

Performances

	As at 20.03.2026	Since 13.03.2026	Since 31.12.2025
SMI	12 320.99	-4.04%	-7.13%
Stoxx Europe 600	573.28	-3.79%	-3.19%
MSCI USA	6 196.19	-1.87%	-5.15%
MSCI Emerging	1 463.33	-0.42%	4.20%
Nikkei 225	53 372.53	-0.83%	6.03%
CHF vs. USD	0.7890	0.11%	0.42%
EUR vs. USD	1.1545	0.88%	-1.70%
Gold (USD/per ounce)	4 588.20	-8.82%	6.09%
Brent (USD/bl)	112.42	9.49%	84.75%
		As at 13.03.2026	As at 31.12.2025
10-year yield CHF (level)	0.41%	0.40%	0.30%
10-year yield EUR (level)	3.01%	2.95%	2.82%
10-year yield USD (level)	4.38%	4.28%	4.14%

Source: LSEG Datastream