

Economy

The statistics published in the United States were fairly reassuring. The ISM manufacturing index rose more than expected in May (from 52.7 to 54 vs. an estimate of 53), as did the services index, which rose from 53.6 to 54.5 (vs. an estimate of 53.8). Job creation (+172,000) also exceeded expectations (115,000) in May, and the previous two months were revised upwards by a total of 93,000 jobs. The rise in wages (+0.3% m/m and +3.4% y/y) came as no surprise. In the eurozone, inflation accelerated from +3% to +3.2% y/y and core inflation from +2.2% to +2.5% y/y, the latter being slightly above expectations. Q1 GDP was revised from +0.1% q/q to -0.2% q/q, which was a disappointment. In China, the manufacturing PMI (RatingDog) fell from 52.2 to 51.8 (vs 51.3 est.) in May, whilst the services PMI surprised on the upside, rising from 52.6 to 54.4 (vs 52.3 est.).

Artificial Intelligence

Alphabet is reportedly preparing an \$80 billion equity raise to secure its computing capacity and access to energy, which are central to its AI rollout. The move highlights the unprecedented scale of capital expenditure requirements (\$190 billion by 2026), as well as the risks of dilution and capital concentration around data centres. Meta is reportedly considering a similar approach, despite delays with its models.

Bonds

In the US, yields have risen (2Y +14 bp / 10Y +10 bp), supported by resilient economic data and the lack of resolution to the US-Iran conflict. In Europe, although Q1 GDP for the eurozone came in lower than expected (-0.2% q/q vs. +0.1% expected), inflation fears took hold and yields also ended higher (Bund +10 bp). Note that the ECB meets this Thursday and is expected to raise its key rate by 25 bp, in line with market expectations. In the credit market, high-yield spreads narrowed in Europe (-10 bp) but widened in the US (+9 bp).

Sentiment of traders

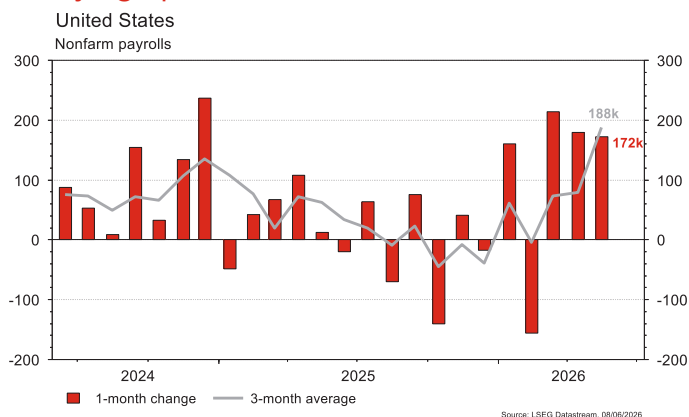
Stock markets

This morning, the markets opened lower, following Wall Street on Friday and Asia. US job creation figures reduced the likelihood of a rate cut and sent the indices tumbling. Furthermore, the situation in the Middle East worsened over the weekend and there is no end to the crisis in sight. The ECB meets this Thursday and is expected to raise rates, whilst in the US we await CPI and PPI figures.

Currencies

Strong US employment figures drove the dollar sharply higher on Friday. The exchange of fire between Iran and Israel and the rapid rise in oil prices (+5.05%) are sustaining the dollar's gains: \$/CHF 0.7970, \$/JPY 160.17. The euro remains under pressure at €/€ 1.1520; a break below 1.15 would trigger a test of €/€ 1.1409, with res. 1.1644. Forex traders will be watching the US CPI closely this week, as well as the ECB meeting (a 0.25% hike is expected). The CHF is down slightly at €/CHF 0.9185, sup. 0.91, res. 0.9235. Gold is at \$4,304.7/oz.

Today's graph



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Markets

Strong US employment figures pushed 10-year government bond yields up by more than 10 basis points in both USD and EUR terms, weighing on equities (US: -2.6%; Europe: -0.5%; emerging markets: -2%) and particularly on semiconductors (-5%). This renewed risk aversion is strengthening the dollar (dollar index: +1.2%) and weighing on gold (-5.2%), which is also suffering from rising interest rates. Oil prices are up 1.3% for the week but are up 4.5% this morning (new tensions in the Middle East). To watch this week: SME confidence index (NFIB), trade balance, consumer and producer price indices, and consumer confidence (University of Michigan) in the US; Sentix investor confidence and ECB meeting in the eurozone; trade balance and consumer and producer price indices in China.

Swiss Market

Coming up this week: April/winter season accommodation statistics (FSO), consumer sentiment, May survey (SECO), Confederation bond results (SNB) and May passenger statistics (Zurich Airport).

SoftwareONE will hold its investor day. AMS-Osram and Interroll will hold their AGMs.

Equities

AIRBUS (Satellites) delivered 81 aircraft in May, up 59% year-on-year, bringing its total to 262 units in 2026, or 30% of its annual target of 870. The second half of the year will once again be a challenge in terms of meeting annual targets.

We are adding **COREWEAVE** to our US Satellites list with a target price of \$200. CoreWeave is part of a new generation of AI-specialised clouds, driven by demand from AI laboratories and major technology groups. The potential is significant (a \$99 billion backlog), but the stock is volatile: its success will depend on its ability to turn this demand into profit, within a model that requires massive investment.

We are adding **ORACLE** to our US Core Holdings list with a target price of \$300. The stock offers balanced exposure to the next phase of the AI cycle: on the one hand, a defensive base of recurring revenue (databases, cloud applications, support); on the other, the strong growth of its AI-dedicated cloud infrastructure (OCI). Orders already secured, notably major contracts with OpenAI (the Stargate project), ensure visibility for several years. The main challenge: converting this order book into revenue, profits and cash flow.

Transport & Leisure Sector: The International Air Transport Association has revised down its 2026 passenger traffic growth forecast to +2.1% from 4.9% previously and halved its projection for total airline profits to \$23 billion.

Performances

	As at 05.06.2026	Since 29.05.2026	Since 31.12.2025
SMI	13 388.23	-1.14%	0.91%
Stoxx Europe 600	622.66	-0.53%	5.15%
MSCI USA	7 037.54	-2.54%	7.73%
MSCI Emerging	1 717.34	-1.99%	22.29%
Nikkei 225	66 588.13	0.39%	32.28%
CHF vs. USD	0.7942	-1.61%	-0.24%
EUR vs. USD	1.1559	-0.95%	-1.58%
Gold (USD/per ounce)	4 353.60	-5.17%	0.67%
Brent (USD/bl)	93.20	1.27%	53.16%
		As at 29.05.2026	As at 31.12.2025
10-year yield CHF (level)	0.42%	0.37%	0.30%
10-year yield EUR (level)	3.04%	2.90%	2.82%
10-year yield USD (level)	4.54%	4.43%	4.14%

Source: LSEG Datastream