

## Economy

US statistics were once again mixed. On the positive side, retail sales came in stronger than expected in May (+0.9% m/m vs +0.6% est.). Industrial production rose by just 0.1% m/m last month (vs +0.3% m/m est.), but April's figure was revised upwards (from +0.7% m/m to +0.9%). By contrast, activity in the property sector continued to struggle in May: housing starts (-15.4 m/m vs -2% est.), planning permissions (-0.7% m/m) and developer confidence (down from 37 to 35 in June) all disappointed. In the eurozone, industrial production rose by 0.1% m/m in April. In China, retail sales were once again disappointing in May (-0.6% y/y vs -0.2% est.), as were investments (-4.1% y/y vs -2.3% est.), whilst industrial production accelerated from 4.1% y/y to +4.5% y/y.

## Artificial Intelligence

GLM-5.2 (Zhipu AI) illustrates the progress of Chinese models in artificial intelligence, with announced improvements in coding, AI agents and the processing of very long content. Its open weights and stable pricing are fuelling interest in more accessible alternatives. The key will be to confirm these gains in real-world use cases, beyond benchmarks.

## Bonds

In the US, yields have fluctuated between the prospect of a US-Iran deal and the Fed's more hawkish-than-expected stance, which leaves the door open to a possible rate rise. The yield curve has flattened significantly (2Y +10bp / 10Y -3bp), with a decline in inflation expectations across the curve. In Europe, yields have stabilised at their current levels and the market is still pricing in two further rate rises. This week, attention will focus on US inflation (PCE) and the PMI surveys in Europe.

## Sentiment of traders

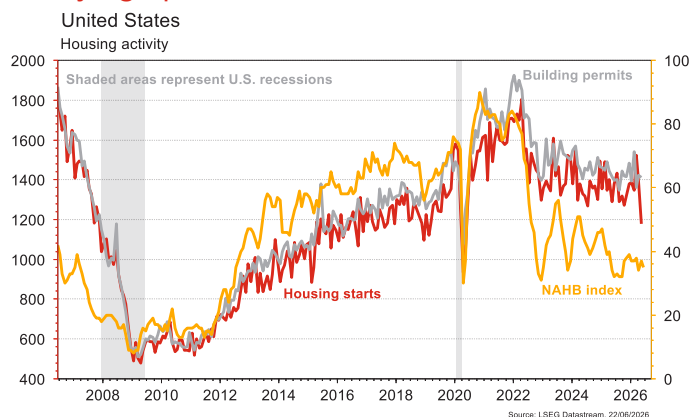
### Stock markets

Markets will remain focused at the start of the week on progress in the Bùrgenstock negotiations and, above all, on the number of ships passing through the strait. However, the week will not be dictated solely by geopolitics; on Wednesday, the release of Micron's figures is likely to continue fuelling speculation around the theme of AI. On Thursday, the PCE inflation figures could confirm the latest inflationary trends and prompt the Fed to exercise caution.

### Currencies

The US dollar is holding onto its gains following the Fed meeting, reaching \$/CHF 0.8080, with support at 0.7965 and resistance at 0.8182. The euro is falling against the US dollar to 1.1449, sup. 1.14, res. 1.1530. Following the SNB's decision to keep rates unchanged, the CHF weakened to €/CHF 0.9258, with support at 0.9150 and res. 0.9307. Keir Starmer's resignation weighed on the £, which fell to £/\$ 1.3195, sup. 1.3038, res. 1.3325. Gold is trading at \$4,193 per ounce.

## Today's graph



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## Markets

The US-Iran memorandum of understanding and the 8% fall in oil prices fuelled the rise in share prices (Europe 0.4%, US 1%, Emerging Markets 4.1%, Japan 7.9%), whilst interest rates remained largely unchanged despite the seemingly more hawkish comments from K. Warsh following his first Fed meeting: government bonds also rose (US and European 10-year bonds +0.2%), with gold falling by 1.5% as the dollar strengthened by 1.1%. This week we will be monitoring: manufacturing and services PMIs, new home sales, durable goods orders and, above all, PCE inflation in the US; manufacturing and services PMIs and consumer confidence in the eurozone; and 1- and 5-year lending rates in China.

## Swiss Market

Coming up this week: consensus forecasts (KOF), May accommodation statistics (FSO), Q3 balance of payments (SNB), June UBS-CFA indices, and economic forecasts and review of Switzerland (IMF).

Klingelberg and Carlo Gavazzi will publish their 2025/26 results.

## Equities

According to press reports, **ABBVIE** (Core Holding) is reportedly set to acquire the biotech firm Apogee for \$11mia. Specialising in immunological and inflammatory diseases, its pipeline would complement AbbVie's portfolio. The most advanced treatment, zumilokibart (entering Phase III trials for atopic dermatitis, where its long duration of action is a key advantage), is a potential competitor to Dupixent (Sanofi); its sales could reach \$5mia if successful.

Following the signing of the US-Iran memorandum of understanding, we have added **DEUTSCHE LUFTHANSA**, **SAFRAN**, **HEIDELBERG MATERIALS** and **TECHNIP ENERGIE** to our European recommendation lists, whilst removing **VESTAS** and **SCHINDLER** in return.

**SK HYNIX** (Satellite) remains one of our key picks in the memory cycle, thanks to its lead in HBM and its direct exposure to Nvidia. We expect Micron's earnings release to confirm the sustained rise in DRAM/NAND prices and the strength of AI demand. This should strengthen the investment case for SK Hynix.

## Performances

|                           | As at 19.06.2026 | Since 12.06.2026        | Since 31.12.2025        |
|---------------------------|------------------|-------------------------|-------------------------|
| SMI                       | 13 774.02        | 0.48%                   | 3.82%                   |
| Stoxx Europe 600          | 635.61           | 0.38%                   | 7.33%                   |
| MSCI USA                  | 7 146.27         | 0.97%                   | 9.40%                   |
| MSCI Emerging             | 1 786.22         | 4.09%                   | 27.19%                  |
| Nikkei 225                | 71 250.06        | 7.92%                   | 41.54%                  |
| CHF vs. USD               | 0.8078           | -1.42%                  | -1.92%                  |
| EUR vs. USD               | 1.1470           | -0.91%                  | -2.34%                  |
| Gold (USD/per ounce)      | 4 151.42         | -1.49%                  | -4.01%                  |
| Brent (USD/bl)            | 80.43            | -7.93%                  | 32.18%                  |
|                           |                  | <b>As at 12.06.2026</b> | <b>As at 31.12.2025</b> |
| 10-year yield CHF (level) | 0.34%            | 0.40%                   | 0.30%                   |
| 10-year yield EUR (level) | 2.98%            | 3.00%                   | 2.82%                   |
| 10-year yield USD (level) | 4.45%            | 4.48%                   | 4.14%                   |

Source: LSEG Datastream