

Economy

Statistics released in the United States were somewhat mixed. Consumer price indices rose faster than expected in September, from +3.4% y/y to +3.7% (vs. +3.6% est.). Producer price indices rose from +5.6% y/y to +6.3% (vs. +5.4% est.). In contrast, retail sales came in stronger than expected in September (+0.8% MoM vs. +0.6% est.), as did industrial production (+0.7% MoM vs. +0.4% est.). In the eurozone, the contraction in industrial production in August was disappointing (-0.5% MoM vs. 0% est.). In China, the producer price index accelerated from +3.8% y/y to +5% (vs. +4.4% est.) in September, and the consumer price index rose from +0.8% y/y to +0.9% (vs. +1% est.), confirming that the process of emerging from deflation is very gradual, with international trade as the main driver of growth (exports: +36.3% y/y vs. +25.7% est.; imports: +31% y/y vs. +25% est.).

Artificial Intelligence

The financing of the AI cycle is sparking growing skepticism. The scale of investment in data centers implies an increasing reliance on debt. Investors are now questioning operators' ability to make these infrastructures profitable and to meet their financial obligations. Recent credit strains among certain players, particularly "neoclouds", illustrate this heightened caution.

Bonds

In the U.S., the 10-year Treasury yield fell 17 bps over the week amid a risk-off sentiment triggered by a sell-off in the tech sector, despite a higher-than-expected Consumer Price Index (CPI) reading that led to an upward revision of expectations for Fed rate hikes. In Europe, the trend was also bearish for the week, with the 10-year Bund and OAT closing down 5 basis points. This week, flash PMIs in Europe and the U.S. will provide further insight into the state of economic activity.

Sentiment of traders

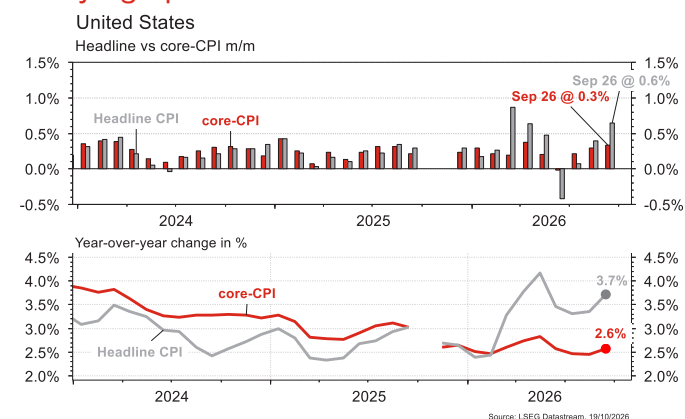
Stock markets

The week began on a negative note, with European indices weighed down by protests in France and persistently high oil prices. Few macroeconomic releases are scheduled; only building permits, the U.S. Leading Index, the ZEW, and the eurozone PMIs will be released. On the micro front, quarterly earnings reports will continue to roll in, including those from ABB, Hermès, GM, Netflix, Meta, and Tesla, among others.

Currencies

The euro remains under pressure, weighed down by political uncertainty in France and violent protests in several cities across the country. The EUR/USD is trading at 1.1220 this morning. The CHF continues to serve as a safe-haven currency; the EUR/CHF is at 0.9250 and the USD/CHF at 0.8245. It is worth noting that precious metal prices remain stable despite a highly uncertain environment. Gold is trading at \$4,175 per ounce, and silver is at \$57.60 per ounce.

Today's graph



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Markets

Despite economic data (stronger activity and higher inflation) and oil prices (+4.8%) - which typically support higher interest rates - the cost of 10-year sovereign financing fell by more than 15 bps in USD (and slightly less in EUR). The dollar is down 0.4%, but gold is not benefiting from this (-0.1%). Stocks, in the midst of the Q3 earnings season, are surprising on the upside in Europe (+2.1%), but are down in the U.S. (-2.1%) and in emerging markets (-5.2%) due to concerns about AI funding. To watch this week: homebuilder confidence (NAHB), housing starts, building permits, and manufacturing and services PMIs in the U.S.; consumer confidence, new car registrations, and manufacturing and services PMIs in the eurozone; home prices, Q3 GDP, industrial production, retail sales, and investment in China.

Swiss Market

Coming up this week: foreign trade/watch exports for September and Q3 (FDFO), monetary policy assessment (SNB), and September lodging statistics (FSO).

The following companies will report earnings: Comet, ABB, Huber+Suhner, Bystronic, Ems-Chemie, Galenica, Schindler, Kühne+Nagel, Galderma, Nestlé, Roche, SGS, Sika, Holcim, BB Biotech, and Gurit.

Equities

ASML (Core Holding) and **TSMC** (Satellite) reported solid quarterly results, despite the correction in AI-exposed stocks. ASML posted €11.7 billion in revenue and a gross margin of 57.5%, exceeding its guidance. TSMC raised its 2026 growth forecast to approximately 44%. Most importantly, both companies confirm that demand exceeds available capacity and that investment needs will remain strong through 2028, reinforcing the sector's outlook beyond 2026.

AUTOMOTIVE SECTOR: Mobil Global (formerly S&P) has once again raised its 2026 global production forecast by 100,000 units, to 91.6 million vehicles, representing a -1.7% year-over-year decline. The firm then projects production of 92.3 million in 2027.

SYMRISE (Core Holding): positive read-across from **GIVAUDAN's** Q3 revenue report (Swiss Conviction) last week (+8.6% organic growth, largely driven by an exceptional performance in fine fragrances, but with solid activity across other segments as well). Symrise will report its results on October 28. The consensus expects organic sales growth of 5%, a slight acceleration compared to Q2 (+4.5%). Signs of a recovery in the Pet Food business over the quarter will be worth watching, following several years of normalization.

Performances

	As at 16.10.2026	Since 09.10.2026	Since 31.12.2025
SMI	14 391.31	4.38%	8.47%
Stoxx Europe 600	644.74	2.09%	8.87%
MSCI USA	7 296.79	-2.06%	11.70%
MSCI Emerging	1 620.63	-5.16%	15.40%
Nikkei 225	65 324.29	-5.37%	29.77%
CHF vs. USD	0.8228	1.05%	-3.71%
EUR vs. USD	1.1253	0.51%	-4.18%
Gold (USD/per ounce)	4 180.01	-0.12%	-3.34%
Brent (USD/bl)	109.93	4.81%	80.66%
		As at 09.10.2026	As at 31.12.2025
10-year yield CHF (level)	0.55%	0.56%	0.30%
10-year yield EUR (level)	3.38%	3.46%	2.82%
10-year yield USD (level)	5.07%	5.24%	4.14%

Source: LSEG Datastream