

Economy

Statistics released in the United States were somewhat mixed. Activity in the residential real estate sector remains sluggish: in September, housing starts fell 5.2% MoM (vs. +1.9% est.), building permits dropped 0.2% MoM (vs. -1.3% est.), pending home sales by 7.3% MoM (vs. -0.5% est.), and developer confidence (NAHB) fell from 32 to 29 (vs. 31 est.) in October. On the other hand, the PMIs performed well in October: the manufacturing PMI rose from 55.9 to 56 (vs. 55.5 est.), while the services PMI fell from 58.8 to 57.9 (vs. 58 est.). In the eurozone, the manufacturing PMI was slightly disappointing (down from 52.9 to 52.4 vs. 52.8 est.), as was the services PMI (down from 53 to 51.7 vs. 52.5 est.). Consumer confidence declined in October from -16.8 to -17.9 (vs. -17 est.). In China, GDP growth accelerated more than expected in Q3 (from +0.9% q/q to +1.2% vs. +1% est.).

Artificial Intelligence

OpenAI is preparing GPT-6 Astra Cyber after pausing training of its most advanced models for 11 days to enhance their security. This development comes as fears of AI-facilitated cyberattacks intensify. The discovery of two critical vulnerabilities in PHP – used by nearly 70% of websites – illustrates this paradox: AI agents help detect vulnerabilities, but could also enable hackers to exploit them more quickly.

Bonds

In the U.S., the 10-year Treasury yield fell by 8 bps last week amid a "risk-off" move fueled by concerns over the AI sector and geopolitical risks. In Europe, the rise in French yields accelerated, with the 10-year Bund/OAT spread widening by 32 bps, in a week marked by protests and the launch of the presidential campaign. This week, the market will be watching the Fed and the ECB as they meet; both are expected to keep their policy rates unchanged.

Sentiment of traders

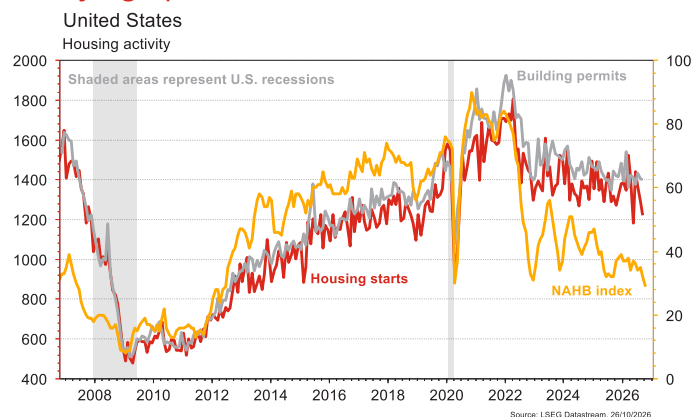
Stock markets

A big week ahead, with elections in Israel and the fallout from Lula's victory in Brazil. On the macro front, we'll have the FOMC meetings, the core PCE price index, and U.S. GDP; the ECB; eurozone unemployment and GDP; and the BOJ meeting. On the micro front, Microsoft, Alphabet, and Amazon, as well as Novartis, UBS, Verizon, SK Hynix, and Samsung, will report their earnings.

Currencies

Moody's decision to maintain France's sovereign rating provides some relief for the euro, which is consolidating this morning at €//\$ 1.1207, with support at 1.1130 and resistance at 1.1280. The dollar is weakening slightly to \$/CHF 0.8250 ahead of the Fed's decision this week. The market anticipates no change in interest rates in October, followed by a hike in December. Against the backdrop of last week's tense geopolitical situation, the CHF is strengthening at €/CHF 0.9247, sup. 0.92, res. 0.9312. Gold is trading at \$4,014/oz.

Today's graph



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Markets

The rebound in oil prices (+6.1%) and political and social tensions in Europe dampened risk appetite. Stocks fell 0.4% in the U.S., 1.4% in Europe, and 2.6% in emerging markets. Yields on "safe-haven" 10-year government bonds fell in the USD (-8 bps), CHF (-5 bps), and Germany (-6 bps), but not in France (+25 bps!) or Italy (+11 bps). The dollar was unchanged, but gold's drop of more than 4% was disappointing. To watch this week: durable goods orders, home prices (FHFA and S&P Cotality), consumer confidence, the Fed meeting, new home sales, PCE inflation, and Q3 GDP in the United States; EC confidence indices (economy, industry, and services), the ECB meeting, and Q3 GDP in the eurozone; industrial profits in China.

Swiss Market

Coming up this week: Q3 real estate price index (FSO), October economic sentiment survey (KOF), and SNB Q3 results.

The following companies will report earnings: Bucher, Inficon, Novartis, SIG, Temenos, Logitech, Rieter, Dormakaba, UBS, Sandoz, Straumann, Amrize, Avolta, Oerlikon, Idorsia, Lastminute, Phoenix Mecano, Vontobel, Landis+Gyr, Molecular Partners, and BC Luzern.

Equities

The week will be marked by earnings reports from **ALPHABET**, **AMAZON**, and **MICROSOFT** (Core Holdings). Expectations are high for their cloud divisions, driven by AI. The market will also be watching their CapEx outlooks, the scale of which will need to remain consistent with the pace of cloud growth.

MERCK & CO (Core Holding): Data presented this weekend at the ESMO Congress on intismeran (developed with Moderna) in combination with Keytruda as an adjuvant treatment for melanoma confirm a sales opportunity of over \$3 billion. The next step will be the publication of the Phase II study in renal cell carcinoma in early 2027, which will be crucial for assessing the potential to extend this success to other tumors.

NOVARTIS (Core Holding): Data on remibrutinib for relapsing multiple sclerosis, presented at the MS Toronto conference, fell slightly short of expectations, with a smaller reduction in the annualized relapse rate compared to Aubagio (Sanofi) than that demonstrated by fenebrutinib (**ROCHE**). However, the reduction in disability progression at 6 months is greater than that of fenebrutinib, and the safety profile is better, with no evidence of liver toxicity. Remibrutinib will find its place in this market, representing a sales opportunity of \$3 billion.

TRAVEL & LEISURE SECTOR: Revenue per available room (RevPAR) in Europe rose 6.8% in September month-over-month, driven by both higher prices and improved occupancy rates, with the luxury and upper-tier segments posting a larger increase than entry-level brands.

Performances

	As at 23.10.2026	Since 16.10.2026	Since 31.12.2025
SMI	14 462.36	0.49%	9.01%
Stoxx Europe 600	635.77	-1.39%	7.36%
MSCI USA	7 264.77	-0.44%	11.21%
MSCI Emerging	1 578.04	-2.63%	12.37%
Nikkei 225	62 693.16	-4.03%	24.54%
CHF vs. USD	0.8244	-0.20%	-3.90%
EUR vs. USD	1.1204	-0.44%	-4.60%
Gold (USD/per ounce)	3 995.84	-4.41%	-7.60%
Brent (USD/bl)	116.65	6.11%	91.70%
		As at 16.10.2026	As at 31.12.2025
10-year yield CHF (level)	0.50%	0.55%	0.30%
10-year yield EUR (level)	3.32%	3.38%	2.82%
10-year yield USD (level)	5.00%	5.07%	4.14%

Source: LSEG Datastream