Economy

The statistics released in the U.S. were encouraging. The ISM Manufacturing Index rose in October from 54.5 to 55.5 (vs. 54.5 est.), while the ISM Services Index fell marginally (from 54.9 to 54.5 vs. 54.8 est.). In addition, the economy added more jobs than expected (+165,000 vs. +65,000 est.). Hourly wages rose faster than anticipated (+0.4% m/m vs. +0.3% est.; +3.1% y/y vs. +2.9% est.), bolstering consumer confidence (University of Michigan), which improved in November (from 48 to 51 vs. 48 est.). In the eurozone, inflation was in line with expectations in October (+0.4% m/m; +4% y/y), but retail sales were disappointing (-0.7% m/m vs. -0.1% est.). In China, the manufacturing PMI fell from 52.1 to 52 in October, and the services PMI from 51.6 to 50.8 (vs. 51.7 est.). Consumer price inflation slowed (from +0.9% y/y to +0.7%), while producer price inflation accelerated from 5% to 5.7% (vs. 5.3% est.).

Markets

The Democrats' landslide victory in the U.S. midterm elections sparked a rise in volatility and triggered significant market movements: U.S. stocks came under greater pressure (-2.8%), as did emerging markets (-4.1%) and Japan (-9.3%), while Europe (+0.2%) benefited from the drop in oil prices (-16.3%). 10-year government bond yields fell (USD: -4 bps; EUR All: -6 bps; EUR Fra: -20 bps!), causing gold to rebound (+4.3%) despite a 0.4% appreciation in the USD. To watch this week: SME confidence (NFIB), existing home sales, and consumer and producer price indices in the United States; Q3 GDP (second estimate) and the trade balance in the eurozone; trade balance, retail sales, industrial production, and investment in China.

Artificial Intelligence

The U.S. midterm elections have intensified pressure on an AI investment cycle already under strain from rising financing costs, deployment delays, and questions about the profitability of investments. The risk centers on expected capacity in 2028–2029. The stock market correction already anticipates a deterioration in these prospects, while committed investments and earnings reports do not, at this stage, signal a reversal of the cycle.

Swiss Market

Coming up this week: Swiss Confederation bond auction (SNB), Q3 labor market survey (FSO), and October producer and import price index (FSO).

The following companies will report earnings: PSP Swiss Property, BKW, Lem, Sunrise, Alcon, SoftwareOne, Swiss Life, Ypsomed, Zurich Airport (October traffic statistics), Adecco, Zurich, Montana Aerospace, Sonova, AMS Osram, and Richemont.

Bonds

In the U.S., Democrats won a majority in both houses of Congress in the midterm elections, bolstering hopes for a de-escalation of the U.S.-Iran conflict. Oil prices fell sharply (WTI -13%), leading to a decline in 10-year yields (-4 bps). This outcome could also help stabilize the term premium. In Europe, the drop in oil prices fueled a significant rally in sovereign yields (10-year OAT -21 bps / BTP -18 bps). In the credit market, investment-grade spreads widened slightly (EU +5 bps / US +2 bps).

Equities

AIRBUS (Satellites) is launching its multi-year share buyback program totaling 5 billion EUR, maturing on July 31, 2029—representing 3.2% of its current market capitalization—with an initial tranche of 800 million EUR to be completed by December 23, 2026.

ASTRAZENECA (Core Holding): According to the WSJ, the company has reportedly made a $10 billion offer to acquire Rhythm Pharmaceuticals, a U.S. biotech firm specializing in rare neuroendocrine disorders that cause obesity and hyperphagia (an eating disorder). If the acquisition were to be confirmed, it would strengthen Astra's presence in rare diseases with a cutting-edge technology platform focused on alterations in the melanocortin 4 receptor (MC4R—which regulates appetite and energy expenditure).

NOVARTIS (Core Holding): Nine reports of tumors among more than 6,000 patients treated with Zolgensma (Revenue = $1.5 billion), a gene therapy for spinal muscular atrophy, two of which showed that the DNA delivered by the treatment had integrated into the host's genome. Novartis also markets Itvisma for the same indication, based on the same technology, for which no cases have been reported to date. The FDA is evaluating whether regulatory action is appropriate but states that the benefits of Zolgensma and Itvisma continue to outweigh the potential risks for their approved uses.

Sentiment of traders

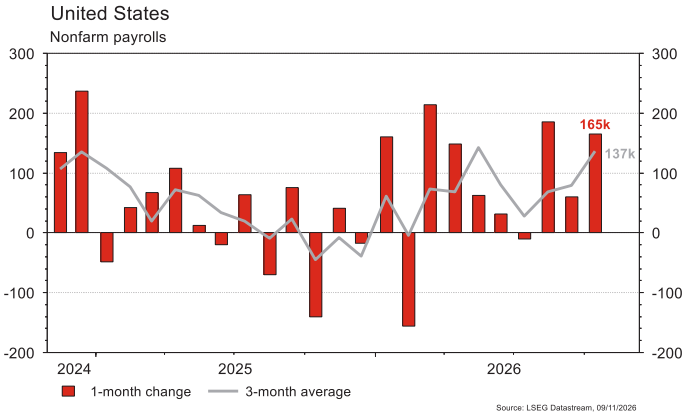
Stock markets

After a challenging week, will the markets be able to regain momentum? We may get an answer on Tuesday with the release of the CPI and on Friday with the PPI. Persistent inflation in the U.S. could further weaken markets already rattled by concerns over the cost of AI investments. We'll have time to reflect on this with a U.S. holiday on Wednesday. Caution is advised.

Currencies

Following U.S. jobs data that far exceeded market expectations, the dollar remains strong against the Swiss franc and, more notably, against the euro, with USD/CHF at 0.8185 and EUR/USD at 1.1170 this morning. Precious metals are on the rise. Gold is at $4,095 per ounce and silver is at 52.20 XAG/USD. The EUR/CHF pair is trading within a narrow range around 0.9150, with no clear trend.

Today's graph



Performances

	As at 06.11.2026	Since 30.10.2026	Since 31.12.2025
SMI	14 796.50	-0.10%	11.52%
Stoxx Europe 600	648.33	0.24%	9.48%
MSCI USA	7 018.24	-2.80%	7.44%
MSCI Emerging	1 502.29	-4.11%	6.97%
Nikkei 225	57 434.77	-9.25%	14.09%
CHF vs. USD	0.8203	0.34%	-3.41%
EUR vs. USD	1.1146	-0.15%	-5.10%
Gold (USD/per once)	4 063.59	4.30%	-6.04%
Brent (USD/bl)	98.43	-16.30%	61.76%

		As at 30.10.2026	As at 31.12.2025
10-year yield CHF (level)	0.45%	0.47%	0.30%
10-year yield EUR (level)	3.23%	3.29%	2.82%
10-year yield USD (level)	4.86%	4.90%	4.14%

Source: LSEG Datastream

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