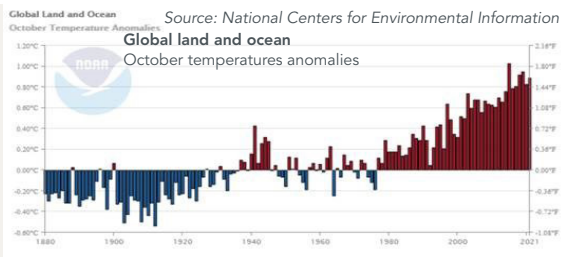


**Economy**

On the whole, US statistics surprised to the upside last week. The Philadelphia Fed's leading economic indicator bounced back from 23.8 to 39 in November, while the Empire Manufacturing (NYC) climbed from 19.8 to 30.9, both much higher than expected. The exception was the Kansas City Fed's indicator, which fell short of expectations, down from 31 to 24. Retail sales came in well ahead of expectations, up 1.7% MoM, as did industrial production, up 1.6% MoM in October. Slightly disappointing housing starts (down 0.7% MoM) were more than made up for by building permits, up 4% MoM in October, and confidence among homebuilders (NAHB index), up from 80 to 83 in November. In the eurozone, Q3 GDP growth was confirmed (second read) at 2.2% QoQ.

**Climate**



**Bonds**

Interest rate volatility remains high, supported by uncertainty around monetary policy and inflation. US 10-year yields climbed to 1.65% on Wednesday before ending the week at 1.54% (down 2 bps). In Europe, sovereign yields ended the week sharply down (10-year Bund: -8 bps), with markets no longer expecting the ECB to hike interest rates in 2022. It was a bad week for credit, with spreads widening sharply in both high yield (US: +17 bps; Europe: +7 bps) and investment grade (US: +4 bps; Europe: +3 bps).

**Sentiment of traders**

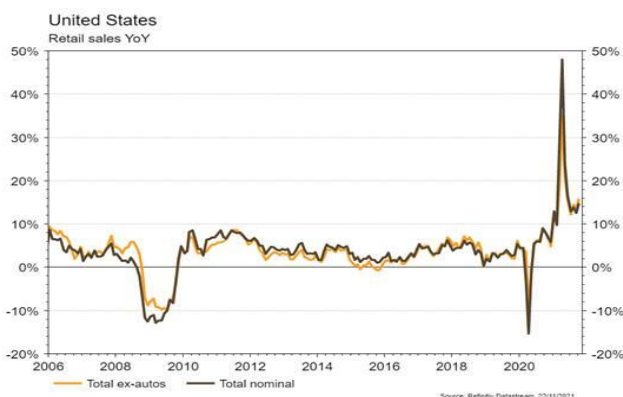
**Stock market**

After an uneventful week, this week will be a shortened one, with US markets closed for Thanksgiving on Thursday and only open for a half-day on Friday. The appointment of the Fed chair (Powell or Brainard) is also due to be announced this week. On the macro front, this week brings durable goods orders and housing numbers in the US and consumer confidence and PMIs in the eurozone. We remain confident.

**Currencies**

The rapid increase in Covid-19 cases in Europe and the lockdown in Austria have piled further pressure on the euro, which has slumped to EUR/CHF 1.0465 – a six-year low – and EUR/USD 1.1270. We anticipate the following ranges: EUR/USD 1.1180-1.1420; EUR/CHF 1.0400-1.0580. USD has cemented its gains at USD/CHF 0.9280 and GBP/USD 1.3424. We remain positive on USD in the short term. Gold is trading at \$1,846/oz.

**Today's graph**



**Markets**

Although new pandemic-related restrictions in Europe have not yet had much impact on risk appetite, they have affected EUR (down c. 1% vs. USD and c. 0.5% vs. CHF) and caused 10-year sovereign yields to fall (down c. 10 bps). Equities held fairly steady (up 0.3% in the US and down 0.1% in Europe) and credit spreads widened, especially in the high-yield segment. USD gained ground (with the dollar index up 0.9%), hampering gold (down 0.2%) and putting downward pressure on copper (down 0.9%) and oil (down 4.1%). To be monitored this week: leading economic indicators (Chicago and Richmond Feds), manufacturing and services PMIs and durable goods orders in the US; consumer confidence, manufacturing and services PMIs and M3 growth in the eurozone; and one- and five-year borrowing rates in China.

**Swiss Market**

To be monitored this week: FSO Q3 employment barometer, FSO Q3 supplementary accommodation statistics and SECO Q3 GDP.

The following companies are due to report results: Julius Baer, Carlo Gavazzi and Dottikon ES. Lastly, u-blox, Clariant, Inficon, Swiss Life and Calida are due to hold investor days.

**Equities**

**EPIROC** (Core Holdings): the group's net zero 2050 climate commitments have been approved by the Science Based Targets initiative.

**NOVARTIS** (Core Holdings): according to German daily paper Handelsblatt, Swedish private equity group EQT and the Struengmann family (a major shareholder of BioNTech) are considering offering over CHF 20bn to acquire Sandoz. Brothers Andreas and Thomas Struengmann founded Hexal AG (which was Germany's number two generic drugmaker in the early 2000s), acquired by Sandoz in 2005.

**UBS** (Satellites) has appointed former Morgan Stanley President Colm Kelleher to succeed Axel Weber as Chairman and nominated Lukas Gaehwiler as Vice-Chairman. Kelleher's appointment will be put to the vote at the AGM in April.

**VESTAS** (Core Holdings) reported on Saturday that it had been the victim of a cyberattack that had affected various IT systems and compromised data. After the recent downgrade of the group's 2021 EBIT guidance and given the volume of orders to be delivered in Q4, the attack has not exactly come at the best time, though the group did say it had been able to continue operations. We recommend steering clear of the share for now and will review the situation once the consequences are known.

**Performances**

	Since		
	As at 19.11.2021	12.11.2021	31.12.2020
SMI	12 545.01	0.23%	17.20%
Stoxx Europe 600	486.08	-0.14%	21.82%
MSCI USA	4 559.57	-0.23%	24.31%
MSCI Emerging	1 269.22	-1.27%	-1.71%
Nikkei 225	29 745.87	0.46%	8.39%
<b>As at 19.11.2021</b>			
<b>CHF vs. USD</b>	0.9268	-0.55%	-4.62%
<b>EUR vs. USD</b>	1.1318	-1.11%	-7.50%
10-year yield CHF (level)	-0.19%	-0.14%	-0.55%
10-year yield EUR (level)	-0.34%	-0.25%	-0.58%
10-year yield USD (level)	1.53%	1.57%	0.91%
Gold (USD/per ounce)	1 859.66	-0.14%	-2.01%
Brent (USD/bl)	79.03	-4.08%	52.30%

Source: Datastream

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