

**Economy**

In the United States, not many statistics were published. While SME confidence (NFIB index) continued to deteriorate in december (from 91.9 to 89.8), household confidence (Univ. of Michigan) rose the same month (from 59.7 to 64.6). In line with expectations, price growth slowed in december (-0.1% m/m; +6.5% y/y). In the eurozone, Sentix investor confidence recovers in January (from -21 to -17.5), as does industrial production in November (+1% m/m; +2% y/y) and the unemployment rate, unsurprisingly, is unchanged at 6.5%. Finally, in China, despite a small acceleration, price growth remains modest by international standards in December (+1.8% y/y). The contraction in exports (-9.9% y/y) and imports (-7.5% y/y) is less severe than expected.

**Planetary Limits**

According to the US National Oceanic and Atmospheric Administration, 2022 has been the warmest year since records began in 1958 (and probably for more than 1000 years) for the oceans. This will have consequences in terms of atmospheric humidity, and therefore the frequency and intensity of hurricanes, typhoons and rainfall in different regions.

**Bonds**

In the US, December inflation came out in line with expectations (m/m Core 0.3%; headline 0.1%), which led to a slight drop in rates (2Y -1bp/10Y -5bp). The market revised its expectations for the FED meeting on 1<sup>st</sup> February, with the probability of a 50bp hike now only 10% (-20bp). This context was favourable to risk and credit spreads continued to narrow on HY (EU -28bp/US -32bp) and IG (EU -4bp/US -11bp). Credit indices ended strongly up in Europe (IG +0.8%/HY +1.4%) and the US (IG +1.4%/HY +1.6%).

**Sentiment of traders**

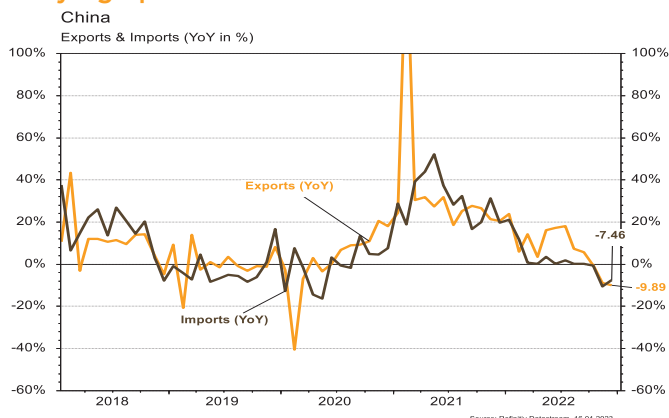
**Stock market**

The markets opened in the green, continuing their momentum. While quarterly results will be released this week (GS, MS, PG, Netflix, Ericsson...), on the macro side we will have in the US the PPI, the industrial production as well as real estate statistics while in Europe the ZEW will be released. We remain confident.

**Currencies**

The € was up sharply last week reaching €/ \$ 1.0870 and €/CHF 1.0103 supported by expectations of an ECB rate hike. The € is trading this morning at €/ \$ 1.0810 and €/CHF 1.0017. We expect the following ranges: €/ \$ 1.0730 -1.0950, €/CHF 0.9950 -1.02. The \$ is down at \$/CHF 0.9265, up 0.9194 and down 0.9354. The £ is flat at £/ \$ 1.2190, above 1.1840 and above 1.2290. Gold oz is up sharply at \$1912/oz sup. 1864 and res. 1998.

**Today's graph**



**Markets**

Reassuring US inflation figures push down 10-year yields (USD: ~-5bp; EUR: ~-10bp; CHF: ~-17bp). Credit spreads narrow and equities benefit (US: +2.8%; Europe: +1.8%; emerging markets: +4.2%). The dollar depreciates (dollar index: -1.6%), causing commodity prices to rise sharply (oil: +8.5%; copper: +7%; gold: +2.6%). Coming up this week: regional leading economic indicators (NYC, Philadelphia, Fed Beige Book), retail sales, industrial production, NAHB and housing starts in the US; ZEW confidence index and new car registrations in the Eurozone; industrial production, retail sales, investments and Q4 GDP in China.

**Swiss Market**

To be monitored this week: accommodation statistics November (BFS) and production-import prices December (FSO).

The following companies are due to report sales: Lindt&Sprüngli, Barry Callebaut, Richemont, Tornos, Belimo, Galenica, Geberit, Zur Rose, SFS, Huber+Suhner, Autoneum, BB Biotech and Zehnder.

**Equities**

**ANGLO AMERICAN** (Satellite): China's National Development and Reform Commission said it would crack down on illegal activity, speculation, to ensure stability in iron ore prices (1/3 of Anglo's EBITDA). Added to this is the entry into a seasonally more anemic period for ore. Weakness to be expected in the short term on the stock.

**LINDE** (Satellite) will hold its extraordinary meeting on 18 January at which shareholders will vote in favour of the proposed delisting in Europe, with the aim of completing the transaction by early march. As a reminder, we recommend voting in favour.

**P&G** (Core Holding) will release its Q2 2023 results on Thursday. The market expects a solid quarter driven by organic growth of +5% (mainly price effect), a more favourable currency effect (decline of the \$) for its international activities and lower incoming cost pressure. An increase in annual targets would be a plus.

**SIKA** (Core Holding): as expected, the group will divest (to Ineos) c. 30% of the MBCC business being acquired, to meet the requirements of the anti-trust authorities. This announcement lends credibility to the assumption that MBCC will be integrated in the first half of the year. Positive.

**Performances**

	Since		
	As at 13.01.2023	06.01.2023	30.12.2022
SMI	11 290.79	1.31%	5.23%
Stoxx Europe 600	452.54	1.83%	6.51%
MSCI USA	3 795.29	2.82%	4.26%
MSCI Emerging	1 029.85	4.16%	7.68%
Nikkei 225	26 119.52	0.56%	0.10%
<b>As at 13.01.2023</b>			
CHF vs. USD	0.9263	0.52%	-0.11%
EUR vs. USD	1.0830	2.14%	1.47%
10-year yield CHF (level)	1.13%	1.30%	1.62%
10-year yield EUR (level)	2.12%	2.21%	2.56%
10-year yield USD (level)	3.51%	3.57%	3.83%
Gold (USD/per ounce)	1 911.17	2.63%	5.26%
Brent (USD/bl)	85.31	8.47%	0.46%

Source: Datastream

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