

**Economy**

In the US, there were not many statistics published. The employment report indicates that the US economy created 311,000 jobs in February, more than expected. Hourly wage growth (+0.2% m/m, +4.6% y/y), which was weaker than expected, reassures us about inflationary pressures. In the eurozone, the Sentix investor confidence index fell from -8 to -11.1, whereas an increase was expected. Retail sales disappointed with only a 0.3% m/m increase in January (-2.3 y/y). Finally, in China, price growth surprises by decelerating from 2.1% y/y to only 1% y/y. In annual variation, exports fell less than expected (-6.8%) and imports more than expected (-10.2%) allowing the trade balance to recover (USD +116.8bn) in February.

**Planetary Limits**

According to The Guardian, at least 1,000 "super-emissive" methane leaks were identified in 2022 around the world using satellite data analysed by the company Kayrros. The majority of these leaks are linked to the exploration, production and transport of fossil fuels. Three countries accounted for half of these leaks: Turkmenistan, the United States and India. As a reminder, methane has contributed to a third of the temperature increase since pre-industrial times.

**Bonds**

The beginning of the week was first marked by J. Powell's hawkish speech, then overshadowed by the problems of the SVB, which was finally put in receivership by the banking authorities. In reaction, US rates ended sharply lower (2Y -27bp/10Y -25bp) and the market now expects only one rate hike. European rates followed the movement with a Bund and BTP 10Y down 26bp and 21bp respectively. On the credit side, spreads have widened violently in the US (IG +20bp/HY +58bp) and are mixed in Europe (IG -1bp/HY +15bp).

**Sentiment of traders**

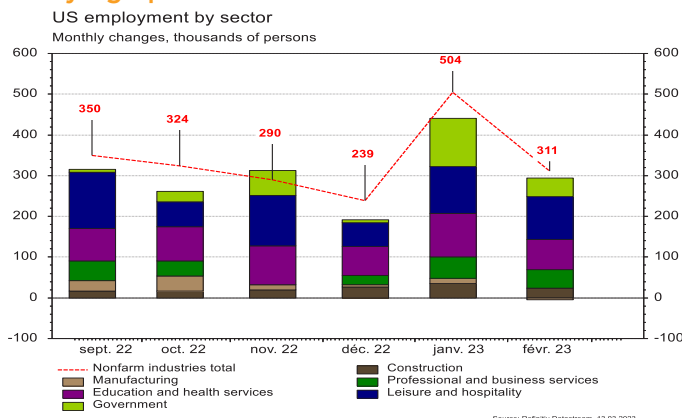
**Stock markets**

The Fed is releasing liquidity and putting out the SVB fire, which should allow the US indices to recover, unlike the European indices which opened in the red, led by financial stocks. In this atmosphere, macro figures are likely to take a back seat, with all eyes on bank liquidity. Volatility will be the order of the day.

**Currencies**

Last week was very volatile, the \$ was up sharply testing the €/ \$ sup. 1.0535 and the \$/CHF res. 0.9440. Then, the \$ was massively sold following the events in the United States around the SVB bankruptcy. The €/ \$ is trading this morning at €/ \$ 1.0720, above 1.0530 and res. 1.0870. CHF is strengthening: €/CHF 0.9760, \$/CHF 0.9143. We expect the following ranges: €/CHF 0.9670-0.9980, \$/CHF 0.90-0.9430. The pound rallies to £/ \$ 1.2102, above 1.1810 and below 1.2269. Gold oz rises to \$1878/oz, sup. 1804 and res. 1900.

**Today's graph**



**Markets**

The collapse of the SVB bank caused a sharp increase in risk aversion. Equities are down 4.7% in the US, 2.3% in Europe and 3.3% in emerging markets. Sovereign 10-year yields fell by ~25bp in the US and by more than 20bp in the eurozone. Gold benefits (+0.7%) while the dollar is stable (dollar index: +0.1%). The announcement by the US authorities to preserve all SVB deposits and to facilitate access to liquidity for banks in general should help limit contagion. To be continued this week: SME (NFIB) and household confidence (Univ. of Michigan), consumer price index, building permits, retail sales and industrial production in the US; industrial production and ECB meeting in the euro zone; retail sales, industrial production and investments in China.

**Swiss Market**

Coming up this week: February statistics (Flughafen Zürich), February production-import prices (FSO), February accommodation statistics (FSO) and spring economic forecasts (Seco).

The following companies are due to release results: Metall Zug Hiag, Medartis, Sensirion, Tecan, Vetropack, BKW, Flughafen Zürich, Komax, Newron, Polypeptide, Stadler Rail, Von Roll, V-Zug, Swissquote, Interroll and Medacta.

**Equities**

The Biden administration is continuing its efforts to further limit exports of semiconductor manufacturing equipment to China and is expected to unveil new restrictions in the coming weeks. If implemented, these additional restrictions could create new challenges for ASML (Satellite), which is already preparing for limitations on specific lithography products (DUV machines, by immersion).

**MONDI PLC** (removed from the Satellites list): the environment is expected to remain challenging in the Paper & Packaging sector over 2023 and 2024, with lower prices and low volumes putting pressure on margins. In addition, the conditions for the disposal of the Russian assets remain uncertain and represent a short-term risk.

**SIEGFRIED HOLDING** (Swiss conviction new recommendation) benefits from the current outsourcing trend in the pharmaceutical industry. In addition, the pharmaceuticals division has reached the critical size to be considered a preferred manufacturing partner for large pharmaceutical companies. The expansion of recent years offers attractive future growth with margin potential and is currently trading at an attractive valuation discount to peers.

**Performances**

	Since		
	As at 10.03.2023	03.03.2023	30.12.2022
SMI	10 765.26	-3.80%	0.33%
Stoxx Europe 600	453.76	-2.26%	6.79%
MSCI USA	3 666.87	-4.75%	0.73%
MSCI Emerging	955.28	-3.32%	-0.12%
Nikkei 225	28 143.97	0.78%	7.85%
As at 10.03.2023			
CHF vs. USD	0.9194	2.19%	0.64%
EUR vs. USD	1.0688	0.85%	0.14%
10-year yield CHF (level)	1.36%	1.50%	1.62%
10-year yield EUR (level)	2.50%	2.72%	2.56%
10-year yield USD (level)	3.69%	3.96%	3.83%
Gold (USD/per ounce)	1 859.13	0.70%	2.40%
Brent (USD/bl)	82.84	-3.66%	-2.45%

Source: Datstream

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