

**Economy**

In the United States, the statistics published have regained some colour. Thus, the ISM manufacturing index (in contraction zone) rose from 46.3 to 47.1 in April. Its services counterpart surprised positively, rising from 51.2 to 51.9. Finally, the US economy created 253,000 jobs in April, more than expected (185,000), but the previous two months had seen downward revisions (-149,000). The acceleration in hourly wages (from +4.3% y/y to +4.4% y/y) is not likely to calm the Fed. In the euro zone, the unemployment rate fell from 6.6% to 6.5%. Headline inflation rises from 6.9% y/y to 7% y/y and core inflation stands at 5.6% y/y, well above the ECB's target. Retail sales contracted by 3.8% y/y. Finally, in China, the manufacturing PMI (Caixin) falls from 50 to 49.5 and the services PMI from 57.8 to 56.4.

**Planetary Limits**

According to the Buenos Aires Stock Exchange, due to the prolonged drought, Argentina's soybean crop has yielded an average of 15.8 q/ha, 44% less than last year's 28 q/ha. Harvesting is also hampered by the late return of rain in part of the country: only 36% of the area had been harvested by 1 May, compared with more than half last year at the same time.

**Bonds**

The FED raised its key rate by 25bp and the statement suggests that a pause is likely, although J.Powell's speech indicates more flexibility for a further increase if conditions warrant. Over the week, the US yield curve steepened (2Y -9bp/10Y +1bp). In Europe, the ECB followed suit and raised its key rate by 25bp, but was not hawkish enough to raise expectations and rates ended lower (Bund 2Y -12bp). On the credit side, spreads widened on all categories in Europe (IG +6bp/HY +7bp) and the US (IG +9bp/HY +18bp).

**Sentiment of traders**

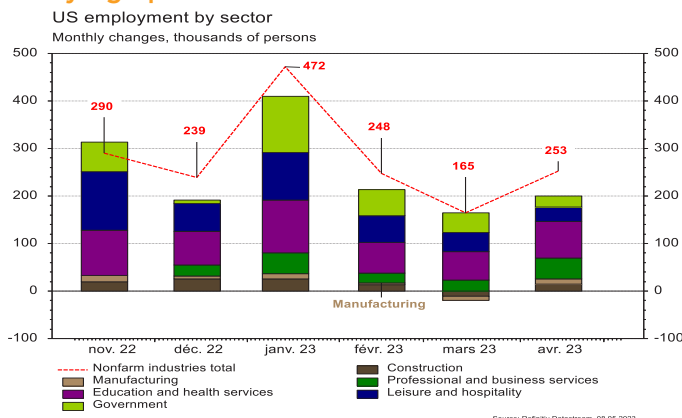
**Stock markets**

The markets were soaring on Friday after Apple's strong results and solid US employment figures. In addition, traders are expecting a rate cut in September. This week we will have the CPI and the University of Michigan sentiment, while on the corporate side, the results round continues. We are cautious, as the indices are in contact with important resistance levels.

**Currencies**

Despite C.Lagarde's bullish bias on rates and half-hearted US employment figures, the €//\$ at 1.1045 still fails to rise above 1.1090, the €//\$ range 1.09-1.1160 remains valid. The impasse over the US debt ceiling is weighing on the dollar in the short term. CHF remains firm: \$/CHF 0.8880, €/CHF 0.9807. We expect the following ranges: €/CHF 0.9706-0.9880, \$/CHF 0.8758-0.9061. The £ is up at £/\$ 1.2642, sup 1.2436 res 1.2772. Gold oz is at \$2022/oz, sup. 1969 and res. \$2062.

**Today's graph**



**Markets**

The US Fed and the ECB, in line with expectations and despite the tensions in the US regional banking sector, raised their respective key rates by 25bp. For their part, equities ended the week in mixed order (US: -0.8%; Europe: -0.3%; emerging markets: +0.5%). Sovereign rates are relatively stable. The dollar depreciates slightly (dollar index: -0.4%), favouring gold (+1.1%). Oil (-5.2%) and copper (-0.2%) prices reflect the uncertain outlook for global activity. Coming up this week: NFIB index, consumer price indexes, US household confidence (Univ. of Michigan), Eurozone investor confidence (Sentix), Chinese trade balance, monetary aggregates and consumer price index.

**Swiss Market**

Coming up this week: accommodation statistics March (FSO) and traffic statistics April (Flughafen Zürich).

The following companies are due to release results: Montana Aerospace, Alcon, Lonza, Dufry, Sunrise, Addex, Swiss Life, Molecular Partners and Richemont.

**Equities**

The UK regulator (CMA) has announced an investigation into the acquisition of Figma by **ADOBE** (Core Holdings). The deadline for a phase 1 decision is 30 June. Note that the CMA is conducting several investigations into M&A activities (Microsoft, Broadcom in particular) and competition (Apple, Alphabet, Amazon).

**ASSA ABLOY** (Core Holdings) and the US Department of Justice have reached an agreement regarding Assa's acquisition of the HHI division of Spectrum Brands' Hardware. The acquisition, Assa's largest, was announced in September 2021 and is expected to close by the end of June.

**DSM-FIRMENICH** (Satellite) announced last week that its co-CEO structure has changed following the departure of Geraldine Matchett (co-CEO and CFO), effective 1 September. Dimitri de Vreeze (co-CEO and COO) will now assume the role of CEO alone and Ralf Schmeitz (who worked alongside Geraldine Matchett) becomes CFO.

**SUBSEA 7** (Satellite) won two large contracts in one week (i.e. \$150-300m per contract), equivalent to 6-12% of its 2022 turnover. This confirms the strong order momentum observed in Q1-2023 and the future thesis of margin recovery.

**Performances**

	Since		
	As at 05.05.2023	28.04.2023	30.12.2022
SMI	11 554.24	1.02%	7.69%
Stoxx Europe 600	465.31	-0.28%	9.51%
MSCI USA	3 920.50	-0.76%	7.70%
MSCI Emerging	981.66	0.47%	2.64%
Nikkei 225	29 157.95	1.04%	11.74%
As at 05.05.2023			
<b>CHF vs. USD</b>	0.8927	-0.29%	3.65%
<b>EUR vs. USD</b>	1.1007	-0.30%	3.13%
10-year yield CHF (level)	1.12%	1.09%	1.62%
10-year yield EUR (level)	2.29%	2.32%	2.56%
10-year yield USD (level)	3.44%	3.43%	3.83%
Gold (USD/per ounce)	2 011.60	1.07%	10.79%
Brent (USD/bl)	75.34	-5.24%	-11.28%

Source: Datstream

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