

## Economy

In the United States, the statistics published were mixed. Although the Empire Manufacturing (NY) leading economic indicator fell less than feared in July (from 6.6 to 1.1) and retail sales (excluding cars and petrol) rose in line with expectations in July (+0.3% m/m), the other publications disappointed. Despite the slight improvement in confidence among property developers (NAHB) in July (from 55 to 56), housing starts (-8% m/m) and building permits (-3.7% m/m) fell more than expected in June. Similarly, while stagnation was expected in June, industrial production fell by 0.5% m/m. In the eurozone, new car registrations continued to rise (+17.8% y/y) in June. In China, 1- and 5-year borrowing rates (3.55% and 4.2% respectively) are, as expected, unchanged.

## Planetary Limits

Ahead of the forthcoming COP28, the IEA indicates that a necessary condition for the "net zero" trajectory is a tripling of installed renewable electricity capacity by... 2030, i.e. in seven years' time. This would reduce annual CO2 emissions by 7 billion tonnes (c.20%).

## Bonds

In the US, short rates rose (2Y +7bp), while long rates fell (10Y flat/30Y -3bp) and the 10Y-2Y slope fell back below 100bp. In Europe, several governors made dovish statements, expressing optimism about the path of inflation, and EU rates ended lower (Bund 10Y -4bp/BTP 10Y -9bp). This week, the market is expecting Fed and ECB rates to rise by 25bp. On the credit front, there were no major spread movements and all indices generated a positive performance in Europe (IG +0.3%/HY +0.1%) and the US (IG +0.2%/HY +0.1%).

## Sentiment of traders

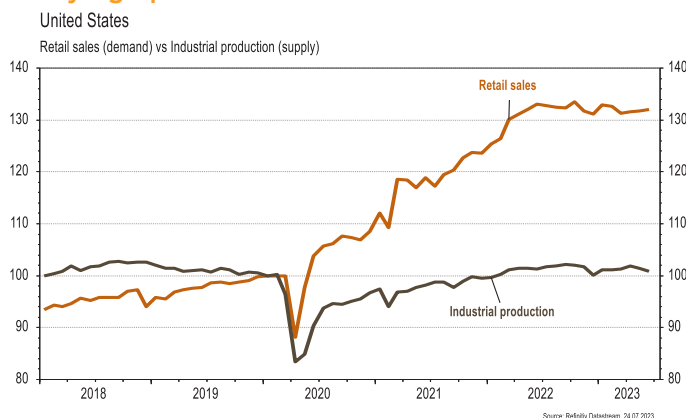
### Stock markets

The quarterly results season is in full swing, with reports from Philips, MSFT, Google, UBS and Unilever among others, as well as the Fed meeting on Wednesday and the ECB meeting on Thursday, which is expected to raise rates by 0.25%. On the macro front, consumer confidence and core PCE in the US will be published and will be particularly closely watched. We expect a little more volatility this week.

### Currencies

The dollar rebounded at the end of last week: €/£ 1.1140, \$/CHF 0.8650, \$/JPY 141.40. Forex traders will be focusing this week on the FED and ECB speeches, with the market anticipating +0.25% in both cases. The €/£ is trending downwards, with a test of the 1.10 support possible and the 1.13 res. still valid. The CHF is consolidating at €/CHF 0.9630 and \$/CHF 0.8655. Our expectations are: \$/CHF 0.8500-0.8790, €/CHF 0.9550-0.9767. The pound is down at £/\$ 1.283, up at 1.2659 and down at 1.3140. Gold oz is at 1964\$/oz, above 1939 and res. 1987.

## Today's graph



## Markets

Ahead of this week's decisions by the Fed, ECB and BoJ, the markets are holding back. Sovereign 10-year rates are unchanged in the US and down slightly in EUR (~-4bp). Equities are up 1% in Europe and 0.7% in the US, while they are down in emerging markets (-1.3%). The dollar regains some of what it lost the previous week (dollar index: +1.2%) without gold suffering (+0.1%). Coming up this week: manufacturing and services PMI, Fed meeting, household confidence, 1st estimate of Q2 GDP, durable goods orders and PCE deflator in the United States; manufacturing and services PMI, EC confidence indices and ECB meeting in the eurozone; industrial profits in China.

## Swiss Market

Coming up this week: June retail turnover (FSO) and July economic barometer (KOF).

The following companies are due to release figures: Dätwyler, SGS, Belimo, Julius Bär, Logitech, Sulzer, Kühne+Nagel, Idorsia, Lindt&Sprüngli, SIG Group, Sunrise, Cosmo, EFG Int'l, Tornos, Bucher, Bachem, Holcim, Kardex, VAT, Inficon, Lem, Roche, Valiant, Nestlé, Forbo, Comet, AMS Osram, Clariant, Medacta and Zehnder.

## Equities

**FORVIA** (Satellite) is to build a seat assembly plant in Thailand with China's BYD. Forvia's partnership strategy with BYD and Tesla, which now account for almost 40% of global sales of electric cars, is a strong point for the group in the future.

**LONZA** (Satellite): The 11% fall in the stock price, following Friday's earnings warning, represents a buying opportunity. Although 2023 will prove more difficult for the company, the medium-to-long-term outlook remains positive, with the ramp-up of new projects, contract wins and a solid pipeline within the biopharmaceutical industry.

**ROCHE** (Core Holdings) has entered into a partnership with Alnylam for the development and commercialization of zilebesiran, a promising interfering RNA therapy currently in phase II for the treatment of hypertension. Alnylam will receive an upfront payment of \$310m, milestone payments based on clinical and regulatory progress, profit sharing in the US and royalties on ex-US sales.

**THERMO FISHER** (Satellite) closed up over 4%, following comments from Sartorius on Friday. Sartorius pointed out that order books for its two divisions, particularly Bioproduction, are currently at a low point and that it expects a recovery from the end of Q3-Q4. This is a positive reading for the LifeSciences sector and therefore for Thermo Fisher. Opinion: Buy.

## Performances

	Since		
	As at 21.07.2023	14.07.2023	30.12.2022
SMI	11 207.38	0.87%	4.45%
Stoxx Europe 600	465.40	0.99%	9.53%
MSCI USA	4 316.52	0.69%	18.58%
MSCI Emerging	1 014.58	-1.35%	6.09%
Nikkei 225	32 304.25	-0.27%	23.80%
As at 21.07.2023			
CHF vs. USD	0.8660	-0.68%	6.84%
EUR vs. USD	1.1114	-1.15%	4.13%
10-year yield CHF (level)	0.97%	1.02%	1.62%
10-year yield EUR (level)	2.43%	2.48%	2.56%
10-year yield USD (level)	3.84%	3.82%	3.83%
Gold (USD/per ounce)	1 960.65	0.07%	7.99%
Brent (USD/bl)	81.08	1.48%	-4.52%

Source: Datastream

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