

Economy

In the United States, the statistics published were mixed. The ISM manufacturing index rose more than expected in August (from 46.4 to 47.6), but the new orders component weakened (from 47.3 to 46.8). Similarly, more jobs than expected were created in August (187,000), but the figures for previous months were revised downwards (-110,000) and the unemployment rate rose from 3.5 to 3.8%. Consumer confidence fell from 114 to 106.1 in August, whereas an increase had been expected. Q2 GDP was revised downwards (from +2.4% to +2.1% q/q annualized). In the eurozone, the EC confidence indices all fell (economy: from 94.5 to 93.3; industry: from -9.3 to -10.3; services: from 5.4 to 3.9). Finally, in China, the manufacturing PMI rose from 49.3 to 49.7 (Caixin's from 49.2 to 51) and the services PMI decreased from 51.5 to 50.

Planetary Limits

According to the International Energy Agency, global demand for electricity is set to grow by just under 2% this year, 2023, before rebounding by 3.3% in 2024, including 5.2% in China and 6.5% in India, driven in particular by the growth in electrification. Renewable electricity generation could overtake coal-fired generation for the first time as early as 2024, with a share of around 1/3 of overall generation.

Bonds

In the US, several employment statistics (JOLTS, NFP) point to a weakening and should enable the Fed to justify a pause in its monetary policy at the meeting on 20 September. Over the week, rates ended lower, with the 10-year at 4.18% (down 8bp) after hitting a session low of 4.05% on Friday. In the eurozone, long-term rates were broadly unchanged, with August inflation surprisingly on the rise and PMI figures coming in below expectations. On the credit front, US HY spreads have returned to their lows for the year (down 13bp at 367bp).

Sentiment of traders

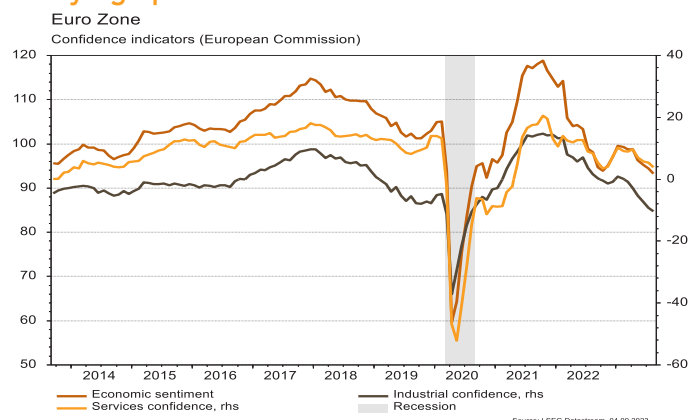
Stock markets

The markets were well oriented at the opening following the Asian markets, with investors betting on an end to rate hikes and a soft landing in the US. We will be watching for the release of durable goods orders, the trade balance and the ISM services index in the US. In the eurozone, the PPI, retail sales, GDP and employment figures will be released.

Currencies

Despite a higher-than-expected unemployment rate, the PMI pushed the dollar to a new high at the end of last week. The € remains down: €/£ 1.0799, €/CHF 0.9540. We expect the following ranges: €/£ 1.0635-1.0930, €/CHF 0.9410-0.9613. The \$/CHF consolidates at \$/CHF 0.8837 sup. 0.8745 res. 0.8920. The £ corrects to £/\$ 1.2623, sup. 1.2487 res. 1.2746. The ounce of gold rises to \$/oz 1943, sup. 1903 and res. 1963.

Today's graph



Markets

Equities resumed their upward trend (US: +2.7%; Europe and emerging markets: +1.5%), supported by a slight fall in 10-year sovereign rates (USD: ~-8bp; EUR: ~-5bp). The tightening of credit spreads confirms this risk appetite. The dollar is appreciating slightly (dollar index: +0.2%), but this is not preventing gold (+1.8%) and oil (+4.8%) from rebounding. Coming up this week: new car registrations, durable goods orders, ISM services, trade balance in the United States; Sentix confidence index, producer price index, retail sales and new estimate of Q2 GDP in the eurozone; services PMI (Caixin), trade balance, foreign exchange reserves and credit growth in China.

Swiss Market

Coming up this week: 2nd quarter GDP (Seco), housing statistics for July (FSO), unemployment for August (Seco) and currency reserves at the end of August (SNB).

The following companies are due to release H1 results: Burkhalter, Accelleron, Fundamenta, BKW, Partners Group, Swiss Life, Santhera and Mobilier.

Equities

DISNEY (Core Holdings) has withdrawn its programming from Charter's service due to a disagreement over pricing and distribution of their TV channels/streaming offer. Disney is seeking a perfect balance between its TV revenues and its streaming strategy. This disagreement, which has also affected other US media, is expected to be resolved between Disney and Charter.

ESTEE LAUDER (new Core Holdings reco): While the Group's business and margins have been heavily impacted by the inventory reduction in travel retail in Asia, this short-term pressure is now reflected in the stock price (down 40% since the end of April) and in the 2023/24 estimates. The medium- to long-term outlook remains unchanged. On the strength of its prestige brands with clearly differentiated profiles, the Group will benefit from growth in the cosmetics market, expected to reach 6%/year by 2027, driven by the premiumization movement.

PARTNERS GROUP (Swiss Convictions) will publish its H1 results tomorrow. The Group had already given reassuring indications in mid-July about the trend in assets under management. This publication also gave management the opportunity to point to an improvement in the business trend, with conditions once again favourable for the completion of programmes.

Performances

	As at 01.09.2023	Since 25.08.2023	Since 30.12.2022
SMI	11 075.15	1.08%	3.22%
Stoxx Europe 600	458.13	1.49%	7.82%
MSCI USA	4 298.17	2.67%	18.08%
MSCI Emerging	985.68	1.51%	3.06%
Nikkei 225	32 710.62	3.44%	25.35%
As at 01.09.2023			
CHF vs. USD	0.8842	0.33%	4.64%
EUR vs. USD	1.0808	0.34%	1.26%
10-year yield CHF (level)	0.96%	1.03%	1.62%
10-year yield EUR (level)	2.51%	2.53%	2.56%
10-year yield USD (level)	4.19%	4.25%	3.83%
Gold (USD/per ounce)	1 939.25	1.80%	6.81%
Brent (USD/bl)	88.62	4.79%	4.36%

Source: Datastream

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