

Economy

Few statistics published in the United States. Note the unexpected rebound in the ISM services index, from 52.7 to 54.5 in August, while the services PMI for the same month was revised downwards (from 51 to 50.5). Business orders, excluding transport, came as a pleasant surprise in July, rising by 0.8% m/m. In the eurozone, Sentix investor confidence disappointed and fell in September, from -18.9 to -21.5. Retail sales were in line with expectations in July (-0.2% m/m), but the previous month was revised upwards, bringing the annual contraction to -1%. Q2 GDP was revised downwards (from 0.3% q/q to 0.1% q/q). Finally, in China, the services PMI (Caixin) fell in August from 54.1 to 51.8, more than expected (53.5). International trade (exports: -8.8% y/y; imports: -7.3% y/y) is doing slightly better than expected.

Planetary Limits

Ahead of COP28 scheduled for the end of the year in Dubai, the UN has published a progress report on the advances made since the Paris Climate Agreement in 2015. In short, global emissions are not on trajectories consistent with the Paris Agreement's temperature target, and the window for implementing existing commitments to limit warming to 1.5°C above pre-industrial levels is closing fast.

Bonds

In the US, rates ended higher with a flattening of the curve (2Y +11bp/10Y +9bp/30Y +4bp). In Europe, rates have also risen (10Y Bund +6bp) despite economic data pointing to a slowdown in activity, with PMIs below expectations and factory orders down sharply in Germany (-11.7% m/m). Even so, inflation remains too high and the ECB finds itself in a tricky situation, although a further hike could clearly be justified. At this stage, the probability of a 25bp hike at Wednesday's meeting is 40%.

Sentiment of traders

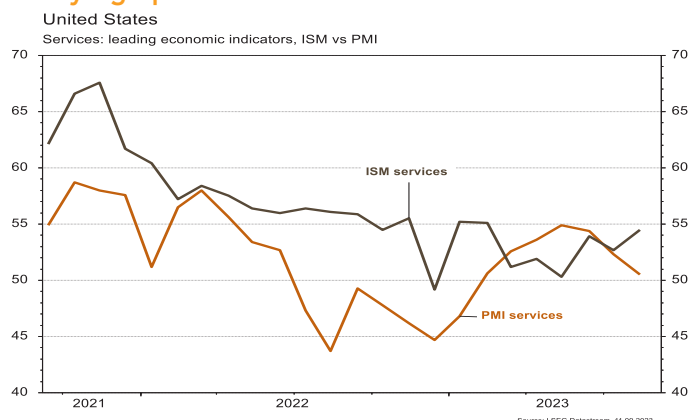
Stock markets

The markets opened in the green after a few days of consolidation. The week is rich in macro figures, with CPI, PPI, retail sales, import prices and industrial production in the US. In the eurozone, the ZEW and the trade balance will be published, and the ECB will meet on Thursday, with rates expected to remain unchanged. Arm IPOs and flat markets are expected.

Currencies

The dollar's rise is running out of steam (€/1.0732 \$/JPY 146.05), held back by worsening Sino-American tensions and the possibility of a change in Japanese monetary policy. The €/1.0635-1.0810 range. The CHF is holding steady at €/CHF 0.9555, above 0.9410 and res. 0.9650. The \$/CHF is consolidating at 0.8905, above 0.8833 and res. 0.9017. The £/\$ rebounded slightly to 1.2520 above 1.2369 from 1.2746. Lastly, the oz of gold is at \$1928 sup. 1903 and res. 1952.

Today's graph



Markets

The market is divided over what the ECB will do this week and is driving 10-year sovereign rates higher (USD/EUR/CHF: +7-8bp). Equities fall (US: -1.3%; Europe: -0.8% and emerging markets: -1.2%). The dollar is appreciating (dollar index: +0.8%) and, with the rise in interest rates, is penalizing gold (-0.9%). The continuing rise in oil prices (+2.3% over the week, +20% since the start of Q3) is starting to give cause for concern. Coming up this week: SME confidence (NFIB index), consumer price index, retail sales, industrial production and household confidence (Univ of Michigan) in the United States; ZEW confidence index, industrial production and ECB meeting in the eurozone; consumer and producer price indices, monetary aggregates, credit, industrial production, retail sales and investment in China.

Swiss Market

Coming up this week: air traffic statistics for August (Flughafen Zürich), result of the Confederation's bond issue (SNB), production-import prices PPI August (FSO) and accommodation statistics for August (FSO).

The following companies are due to release results: BVZ, Lalique, Aegis, Relief and Alpine Select.

Equities

ADOBE (Core Holdings) will publish its Q3 results on 14 September. The company is expected to announce price increases on certain software products, as well as a monetization plan for FireFly (a generative AI solution). Consensus expectations for Q3 and Q4 are relatively high, with both EPS and sales having been significantly revised upwards in recent months.

The trial between the US DoJ and **ALPHABET** (Core Holdings) will begin on 12 September. Google is accused of having maintained a monopoly in the search and advertising sector, thanks in particular to its agreements with Apple and Samsung and its acquisitions of competitors. If the court finds that Google has acted unfairly/illegally, it could be required to change its commercial practices (the search engine generated revenues of \$42.6 billion in the last quarter).

ASTRAZENECA (Core Holdings) this weekend presented clinical data evaluating Tagrisso (oral therapy / 15% of sales) in combination with chemotherapy in EGFR-mutated non-small cell lung cancer. The 38% improvement in progression-free survival (vs Tagrisso alone) was positive. These results strengthen the drug's position and raise the bar against competing developments.

SWISS RE (Satellites): reinsurers are meeting in Monte Carlo for their major annual conference. Early indications point to a reasonable increase in premium rates.

Performances

	As at 08.09.2023	Since	
		01.09.2023	30.12.2022
SMI	10 948.59	-1.14%	2.04%
Stoxx Europe 600	454.66	-0.76%	7.01%
MSCI USA	4 243.22	-1.28%	16.57%
MSCI Emerging	973.86	-1.20%	1.83%
Nikkei 225	32 606.84	-0.32%	24.96%
As at 08.09.2023			
CHF vs. USD	0.8918	-0.85%	3.75%
EUR vs. USD	1.0715	-0.86%	0.40%
10-year yield CHF (level)	1.04%	0.96%	1.62%
10-year yield EUR (level)	2.57%	2.51%	2.56%
10-year yield USD (level)	4.26%	4.19%	3.83%
Gold (USD/per ounce)	1 921.95	-0.89%	5.86%
Brent (USD/bl)	90.70	2.34%	6.81%

Source: Datastream

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