

Economy

In the United States, statistics published were mixed. Small business confidence (NFIB index) fell more than expected in August from 91.9 to 91.3, as did household confidence (Univ. of Michigan), which fell in September from 69.5 to 67.7. Retail sales rose by 0.6% m/m in August, but the previous two months were revised downwards. Similarly, industrial production came as a pleasant surprise (+0.4% m/m), but July was revised downwards. Core inflation is slightly higher than forecast (+0.3% m/m; +4.3% y/y). In the eurozone, industrial production contracted more than expected in July (-1.1% m/m; -2.2% y/y). In China, industrial production (4.5% y/y) and retail sales (4.6% y/y) rose more than expected in August, while investment disappointed slightly (+3.2% y/y).

Planetary Limits

In its report ahead of COP28 in Dubai, the International Energy Agency (IEA) notes an acceleration in the deployment of clean technologies, particularly electric vehicles (18% of sales in 2023), and investment in clean technologies is now higher than investment in fossil fuels... but considers that the pace is still insufficient to achieve the targeted emissions trajectory.

Bonds

In the US, inflation came out broadly in line with expectations (headline 0.6% m/m), while jobless claims remained at very low levels (220k). Against this backdrop, rates have risen along the curve (2Y +11bp/10Y +9bp/30Y +4bp). The market is expecting the Fed to pause on Wednesday and we will be keeping a close eye on the DOTS revision. In Europe, the ECB raised its key rate by 25bp to 4% and the market believes that the rate peak has now been reached. EU rates ended the week higher (Bund 2Y +13bp/10Y +6bp).

Sentiment of traders

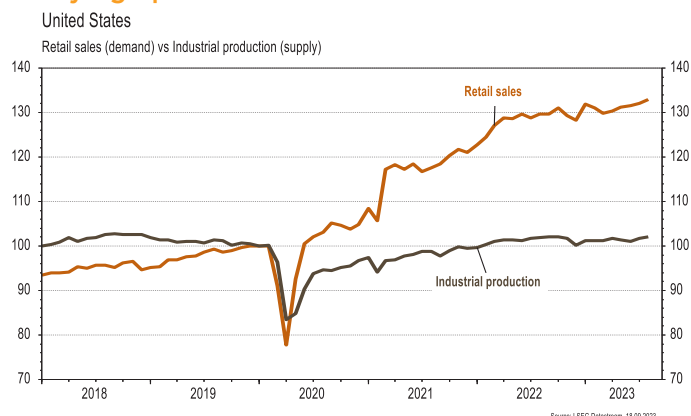
Stock markets

The markets remain buoyant, despite the ECB's surprise rate hike (+0.25%), and are awaiting the Fed this Wednesday. According to the latest polls, no rate change is expected. Note that TSMC is expecting a fall in demand, which hurt the whole sector on Friday. Apart from a few statistics on housing in the US and CPI in the eurozone, there are few macro figures this week.

Currencies

Last week was a volatile one, with the ECB raising rates by 0.25%, despite which the €/£ fell from 1.0730 to 1.0630. The €/£ remains under pressure, and a break above 1.0590 would confirm this trend, while the 1.0780 res. remains valid. Forex traders will be focused on the FED meeting, with the \$/CHF consolidating at 0.8966 sup. 0.8900 res. 0.9056. The CHF remains firm at €/CHF 0.9556 sup. 0.9410 res. 0.9613. The £ falls to 1.2380 sup. 1.2308 res. 1.2535. Gold is at \$1925/oz sup.1901 and res. 1947.

Today's graph



Markets

After the ECB rate hike last week, markets are awaiting decisions from the Fed, BoE, BoJ and SNB, and are pushing up 10-year sovereign interest rates (USD: +9bp; EUR: +6bp; CHF: +4bp). Equities are suffering in the US (-0.2%), but not in Europe (+1.6%) or the emerging markets (+1.1%). The dollar is appreciating slightly (dollar index: +0.2%), but this is not preventing gold from rising (+0.3%). Finally, the price of oil continues to rise (+3.7%). Coming up this week: NAHB housing confidence, housing starts, building permits, manufacturing and services PMIs and Fed meeting in the United States; household confidence, manufacturing and services PMIs in the eurozone; 1-year and 5-year bond rates in China.

Swiss Market

Coming up this week: August foreign trade/exports in watches (OFDF), autumn economic forecasts (Seco), monetary policy assessment (SNB) and Q2 balance of payments (SNB).

The following companies are due to release results: Baloise, SHL, Xlife and Medacta.

Equities

On 15/09/23, we added China's **BYD** to our list of Asia Satellites: since 2022, the group has been the world's leading manufacturer of electric cars (1.9 million units), ahead of Tesla. The penetration of EVs in global sales is expected to rise from 13% in 2022 to 40-50% in 2030. BYD's vertically integrated battery business model, which is already profitable and debt-free, gives it a technological and price advantage over the incumbents. Sales are expected to double and earnings to multiply by 2.5 by 2025.

LONZA (Satellites): surprise departure of CEO, effective at the end of September. Chairman Albert M. Baehny will act as interim CEO while a successor is found. This surprise departure is likely to heighten concerns about short-term business trends in what remains a difficult environment for the CDMO sector. The company will be holding its Investor Day on 17 October, at which the medium-term outlook will be updated. We have updated our rating on the stock to Hold (from Buy) and recommend waiting until 17 October.

SIKA (Core Holdings): after 12 successful years as Chairman of the Board of Directors, Paul Hälgl will be replaced at the next AGM by Thierry Vanlancker, a director since 2019 with 30 years' experience in strategic positions in the industry. This announcement is in addition to that of a management reorganization, ahead of the presentation of the 2028 strategy scheduled for 3 October.

Performances

	As at 15.09.2023	Since 08.09.2023	30.12.2022
SMI	11 197.72	2.28%	4.36%
Stoxx Europe 600	461.93	1.60%	8.72%
MSCI USA	4 234.45	-0.21%	16.33%
MSCI Emerging	984.99	1.14%	2.99%
Nikkei 225	33 533.09	2.84%	28.51%
As at 15.09.2023			
CHF vs. USD	0.8970	-0.58%	3.15%
EUR vs. USD	1.0667	-0.45%	-0.06%
10-year yield CHF (level)	1.07%	1.04%	1.62%
10-year yield EUR (level)	2.64%	2.57%	2.56%
10-year yield USD (level)	4.33%	4.26%	3.83%
Gold (USD/per ounce)	1 928.05	0.32%	6.19%
Brent (USD/bl)	94.05	3.69%	10.75%

Source: Datastream

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