

Economy

The statistics published in the United States were disappointing overall. The ISM manufacturing index fell more than expected in October, from 49 to 46.7, as did its services counterpart, which fell from 53.6 to 51.8. Household confidence also fell in October (from 104.3 to 102.6), but less than expected. The 150,000 jobs created in October were below expectations, and the previous two months were revised downwards to a total of 101,000. In the eurozone, headline inflation slowed more than expected in October (from 4.3% to 2.9% y/y), while core inflation stood at 4.2% y/y vs. 4.5% the previous month. Q3 GDP disappointed (-0.1% q/q), but Q2 GDP was revised upwards (from +0.1% to +0.2% q/q). Finally, in China, the official PMI (manufacturing: from 50.2 to 49.5; services: from 51.7 to 50.6) and Caixin PMI (manufacturing: from 50.6 to 49.5; services: from 50.2 to 50.4) have disappointed.

Planetary Limits

In its World Energy Outlook 2023, the International Energy Agency notes that for every \$1 invested in fossil fuels, \$1.8 is now invested in clean energy. This ratio was one to one five years ago. This increase in spending is concentrated in the advanced economies and in China.

Bonds

In the US, the Fed kept its key rate unchanged, while the economic data published were disappointing (ISM manufacturing and employment reports). Growth seems to have peaked in Q3 and the market is starting to revise its estimates for the coming quarters downwards, leading to a sharp fall in yields (10Y -26bp). In Europe, inflation is now below 3% (2.9% y/y) and yields have followed suit (Bund 10Y -19bp). In credit, the week was positive for risk, with HY spreads falling sharply (EU -17bp/US -44bp).

Sentiment of traders

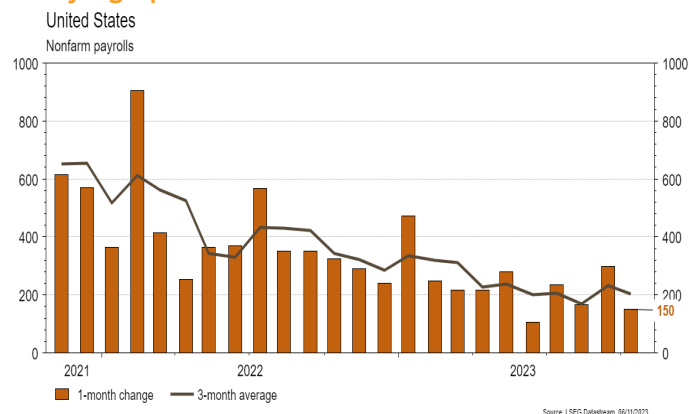
Stock markets

The US employment figures published last Friday seem to validate the scenario of an end to rate hikes, and the Fed can envisage a soft landing. This is helping the equity indices to recover. The only important macro figures this week are the US trade balance and PPI in the eurozone. Many more quarterly results will be released, and the rebound could continue.

Currencies

The dollar corrected following the FED's status quo and the US employment figures: \$/CHF 0.8966, sup. 0.8830 res. 0.9112. The € rebounds to €/£ 1.0745, a break of 1.0810 is necessary otherwise a test of sup. 1.0495 is possible. The CHF is down slightly at €/CHF 0.9633, sup. 0.9457 res. 0.9694. The pound is up at 1.2394, sup. 1.2075 res. 1.2548. Gold consolidated at 1986\$/oz, sup. 1953 and res. 2022.

Today's graph



Markets

Disappointment on the economic front and a Fed speech perceived as less restrictive than expected caused 10-year sovereign yields to plunge (USD: ~-26bp; EUR: ~-19bp). Equities appreciated (US: +5.9%; Europe: +3.4%; emerging markets: +3.1%) the fall in rates, without worrying about the growth aspect. The dollar is depreciating (dollar index: -1.4%) and gold is benefiting (+0.7%). The continued easing in oil prices is welcome (-5.4%). Coming up this week: trade balance, household credit and household confidence (Univ. of Michigan) in the United States; producer price indices and retail sales in the eurozone; trade balance, foreign exchange reserves, consumer and producer price indices and monetary aggregates in China.

Swiss Market

Coming up this week: employment indicator Q4 (KOF), unemployment in October (Seco), house price index Q3 (FSO), foreign exchange reserves at the end of October (SNB) and economic survey in November (KOF).

The following companies are due to release figures: UBS, PSP Swiss Property, Swiss Life, Zurich Insurance, Lem and Richemont.

Equities

According to the Korean media (ETnews), **APPLE** (Core Holdings) is developing a new-generation battery with the aim of bringing it to market in 2025 for mobile phones. Apple is said to be directly involved in the development of the materials that make up the battery, and is aiming for considerably improved performance to support experiences based on mixed reality and new graphics processors.

DEUTSCHE TELEKOM (Satellite) has announced a dividend increase of +10% (€ 0.77) and a share buyback of € 2 billion. Q3 will be published on 09.11.2023, and we expect confirmation of debt reduction to 2.75x (net debt/Ebitda) by 2024.

FAURECIA-FORVIA (Satellite): good news from Fitch, which has revised the outlook on its BB+ rating from negative to neutral. The agency notes the group's solid profile, good customer diversification and good liquidity.

SWISS RE (Satellite) released a robust net profit of \$1,019m for Q3 on Friday, 17% ahead of expectations. But this was mainly thanks to gains on investments therefore of average quality. The stock had performed well over the past 3 months and the strengthening of claims reserves gave the market reason to take some profits on the publication. We think that management is right to "invest" in the technical result for the next few years, given that 2023 already looks set to exceed targets. To strengthen on weakness.

Performances

	As at 03.11.2023	27.10.2023	Since 30.12.2022
SMI	10 579.67	2.48%	-1.40%
Stoxx Europe 600	444.24	3.41%	4.55%
MSCI USA	4 145.41	5.93%	13.88%
MSCI Emerging	948.26	3.10%	-0.85%
Nikkei 225	31 949.89	3.09%	22.44%
As at 03.11.2023			
CHF vs. USD	0.8984	0.49%	2.99%
EUR vs. USD	1.0734	1.46%	0.57%
10-year yield CHF (level)	1.12%	1.14%	1.62%
10-year yield EUR (level)	2.60%	2.80%	2.56%
10-year yield USD (level)	4.57%	4.83%	3.83%
Gold (USD/per ounce)	1 995.41	0.68%	9.90%
Brent (USD/bl)	85.57	-5.36%	0.77%

Source: Datastream

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