

Economy

The statistics published in the United States were satisfactory. Among the good news was the faster-than-expected slowdown in inflation in October (from +3.7% to +3.2% y/y). Retail sales also surprised on the upside in the same month, contracting less than expected (-0.1% m/m). Housing starts (+1.9% m/m) and building permits (+1.1% m/m) were better than expected in October, but were tempered by the fall in property developers' confidence in November (from 40 to 34). In the eurozone, industrial production fell more than expected in September (-1.1% m/m; -6.9% y/y). Finally, in China, industrial production (+4.6% y/y) and retail sales (+7.6% y/y) rose more than expected, while investment disappointed somewhat (+2.9% y/y) in October.

Planetary Limits

According to an Oxfam report on the distribution of CO2 emissions based on wealth and income, the wealthiest 1% of individuals on a global scale, i.e. 77 million people, would account for CO2 emissions equivalent to those of the poorest 66%.

Bonds

In the US, inflation came as a positive surprise (Headline 0% m/m vs 0.1% expected) and employment is showing signs of weakness with jobless claims at their highest level for the year (1865K). Against this backdrop, US rates fell sharply (10Y -22bp/30Y -17bp) and the market is now expecting a 90bp Fed rate cut in 2024. In Europe, yields followed suit (10Y Bund -13bp/BTP -22bp). On the credit side, spreads tightened on IG (EU -6bp/US -8bp) and HY (EU -11bp/US -4bp). We are reiterating our Buy recommendation on Macy's \$2029 (@8.1%) following the Q3 results.

Sentiment of traders

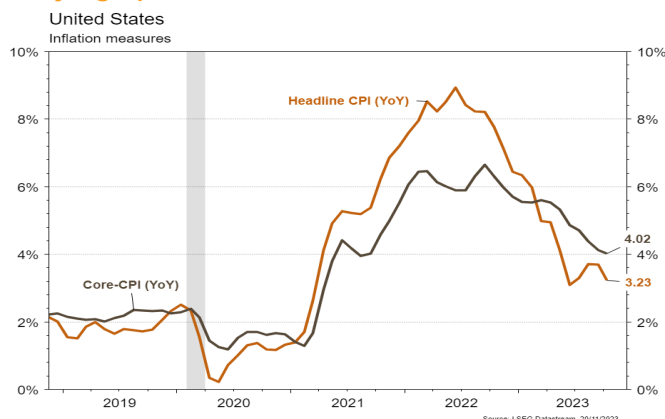
Stock markets

After a bullish week marked by signs of a slowdown in the US, the indices opened mixed. This week, slightly truncated due to Thanksgiving, will see the eagerly awaited publication of Nvidia's quarterly figures and, on the macro side, the Leading Index, housing sales and durable goods orders in the US. The rebound should continue.

Currencies

Traders' expectations of the end of the Fed's rate hike cycle are pushing the dollar down against all currencies. The €//\$ managed to climb to 1.0920, a test of the res. 1.1000 is likely and the sup. 1.0760 is still valid. The \$/CHF remains down at 0.8844, sup. 0.8745 and res. 0.9007. The CHF is stuck at €/CHF 0.9660, sup. 0.9556 res. 0.9694. The £ is benefiting from the weakness of the \$ at £/\$ 1.2480 sup. 1.2266 res. 1.2548. Gold rebounds to 1977 \$/oz, sup. 1955 and res. 2022.

Today's graph



Markets

Reassuring US inflation figures fuelled the prospect of central bank rate cuts next year and pushed 10-year sovereign yields down (USD: ~-22bp; EUR & CHF: ~-13bp; ITA benefits from Moody's outlook being raised from negative to stable: -21bp). Equities appreciated (US: +2.3%; Europe: +2.8%; emerging markets: +3%). The dollar index suffered (-1.8%), while gold rose (+1.8%). Oil prices continued to fall (-1.1%), but at a more moderate pace. Coming up this week: Fed minutes, durable goods orders and manufacturing and services PMIs in the United States; household confidence and manufacturing and services PMIs in the eurozone.

Swiss Market

Coming up this week: foreign trade/exports in watches in October (OFDF), Q3 employment barometer (FSO) and Q3 parahotel statistics (FSO).

The following companies are due to release figures or holding an investor day: Julius Bär, Sonova, U-blox, SIG Group, Carlo Gavazzi and Epic.

Equities

BAIDU (Satellite) will publish its Q3 results on 21 November and we expect information about advertising trends for Q4 (currently in recovery territory), as well as potential monetization initiatives for certain AI models. We remain positive on Baidu.

LOREAL (Core Holdings) held an Investor event. The company is benefiting from positive momentum and will continue to outperform the cosmetics market (estimated at +5% on average/year) by continuing to gain market share (currently 15%). Its resilience in the current environment was underlined. Management placed particular emphasis on its advances in digital development and the use of artificial intelligence to support innovation and strengthen its marketing strategy.

MEDTRONIC (Satellite): against all expectations, the FDA has approved Symplicity Spiral (a renal denervation system to lower blood pressure) for hypertension in poorly controlled patients (13% of the population with hypertension). Following the publication of disappointing data at the end of 2022, this device was withdrawn from the consensus projections. This is therefore positive news. However, there is still some uncertainty as to whether it will be reimbursed, which is key to its commercial success.

Sam Altman (ex-CEO of OpenAI, ousted last Friday) and Greg Brockman will join **MICROSOFT** (Core Holdings) to lead a new advanced AI research team. Other OpenAI researchers will join this team after the turnaround at the start-up. Microsoft says it remains committed to OpenAI and its new CEO, Emmett Shear.

Performances

	As at 17.11.2023	Since 10.11.2023	30.12.2022
SMI	10 737.37	1.72%	0.07%
Stoxx Europe 600	455.82	2.82%	7.28%
MSCI USA	4 295.72	2.31%	18.01%
MSCI Emerging	976.52	2.97%	2.11%
Nikkei 225	33 585.20	3.12%	28.71%
As at 17.11.2023			
CHF vs. USD	0.8865	1.87%	4.37%
EUR vs. USD	1.0888	2.03%	2.01%
10-year yield CHF (level)	1.01%	1.16%	1.62%
10-year yield EUR (level)	2.55%	2.68%	2.56%
10-year yield USD (level)	4.46%	4.64%	3.83%
Gold (USD/per ounce)	1 980.95	1.76%	9.10%
Brent (USD/bl)	80.66	-1.10%	-5.02%

Source: Datastream

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