

## Economy

The statistics published in the United States tended to disappoint. The ISM manufacturing index fell from 49.1 to 47.8 in February, whereas an increase had been expected. Similarly, household confidence fell from 110.9 to 106.7 in February, well below expectations of 115. House prices rose in line with expectations in December (+0.2% m/m; +6.1% y/y). Finally, the core PCE deflator for February was in line with the consensus (+0.4% m/m; +2.8% y/y). In the eurozone, the EC confidence indices all disappointed in February: it fell from 8.4 to 6 in services, from -9.3 to -9.5 in industry and from 96.1 to 95.4 in the economy. Inflation surprised on the upside in February (+3.1% y/y vs 2.9% y/y expected). In China, the manufacturing PMI was fairly stable at 49.1 in February, and the non-manufacturing PMI rose more than expected, from 50.7 to 51.4.

## Planetary Limits

According to the European Climate Agency, average global temperatures over the last twelve months have exceeded the pre-industrial average by 1.52°C. It should be remembered that the objective of the Paris Agreement, which admittedly needs to be analyzed over several years, is to limit global warming to 1.5°C, or a maximum of 2°C. The European Copernicus Institute also notes that January 2024 was the hottest January on record.

## Bonds

In the US, the pace of economic surprises is slowing, while the PCE index was in line with expectations (0.3% m/m). This led to a rally in rates, particularly at the short end (2Y -16bp/10Y -7bp). In Europe, core inflation surprised on the upside (3.1% y/y vs. 2.9% expected), which weighed on rates (Bund 2Y +4bp/BTP 2Y +10bp), with the market now expecting fewer than 4 cuts in 2024 (3.7). At its meeting on Thursday, the ECB is unlikely to signal a change of course. In credit, primary activity was strong and we are buyers of Citycon €2029 @6.2%.

## Sentiment of traders

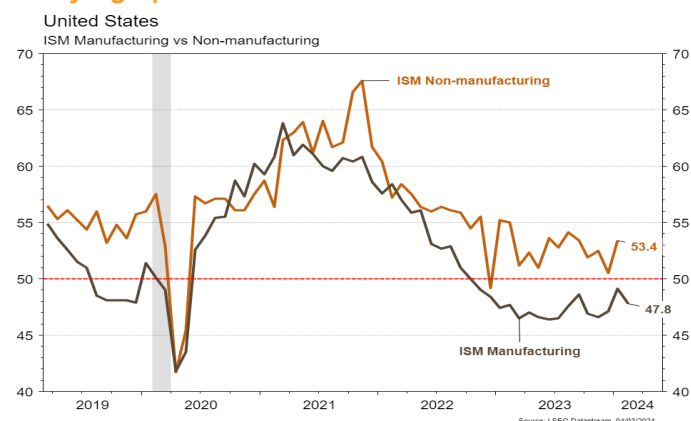
### Stock markets

Nothing seems to be able to halt the rise of equity markets, neither inflation, which is still present, nor the rise in oil prices. This week sees Super Tuesday, when 12 states will vote on their primaries. On the macro front, the ECB meeting (no change expected), J. Powell's speech to Congress and US unemployment figures will be the highlights of the week. Barring any unforeseen events, the rally should continue.

### Currencies

The €/£ remains stuck in the 1.0790-1.0900 zone, with the ECB meeting this week likely to bring volatility, sup. 1.0656 res. 1.0998. The CHF has weakened against major currencies, with market anticipating a rate cut at the end of March: €/CHF 0.9564, \$/CHF 0.8810. We expect the following ranges: \$/CHF 0.8688-0.8925, €/CHF 0.9468-0.9660. The £ is stagnant at £/\$ 1.2670, sup. 1.2612 res. 1.2772. Gold oz is up sharply at \$2085/oz, sup. 2013 and res. 2135.

## Today's graph



## Markets

Mixed economic figures combined with satisfactory Q4 corporate earnings reports led to a mixed performance by equities (US: +1%; emerging markets: -0.3%; Europe: +0.1%). Sovereign 10-year yields are down in USD (-7bp) and up in EUR (~+9bp). The dollar is depreciating slightly (dollar index: -0.1%), pushing gold up (+2%), also supported by the fall in USD rates. Oil prices rose by 2.1% over the week. Coming up this week: ISM services, consumer credit and employment reports in the United States; producer price index, retail sales and ECB meeting in the eurozone; trade balance and foreign exchange reserves in China.

## Swiss Market

Coming up this week: SNB results for 2023, inflation in February (FSO), unemployment in February (Seco) and foreign exchange reserves at the end of February (SNB).

The following companies are due to release results: Belimo, Hiag, Comet, Gurit, Aryzta, Forbo, Ascom, Dormakaba, Huber+Suhner, VAT Group, BCGE, Inficon, Lindt&Sprüngli, U-blox, Schweiter, SFS, Kardex, Bachem, Swiss, Coltene, Orell Füssli, Flughafen Zürich and Mikron.

## Equities

**ADOBE** (Core Holdings) will publish its Q1 results on 14 March, when we expect to hear details of its strategy for its video segment. Following the success of Sora (OpenAI), Adobe plans to launch an artificial intelligence-based solution for generating video from text, as well as integrating it into its suite of applications.

According to Bloomberg, **APPLE** (Core Holdings) has decided to close its electric vehicle development program after several years of R&D. Apple is going to devote its resources to artificial intelligence, and we will have first announcements in June 2024 at WWDC. We are expecting new features on its processors and on iOS 18.

**EDENRED** (Satellite) announced the acquisition of Spirii, RB and PagBem with the publication of its Q4 results. Management also expressed confidence in the outcome of the investigation in Italy. It is not yet known how long this will take, but we remain positive on the stock, given that the correction since the announcement of the investigation seems excessive.

**Energy sector:** OPEC+ announced the extension of its voluntary production cut of 2.2 mbl/d until the end of June 2024. Although this decision was anticipated, it will support the price per barrel.

## Performances

	As at 01.03.2024	Since 23.02.2024	Since 31.12.2023
SMI	11 493.92	-0.03%	3.20%
Stoxx Europe 600	497.58	0.07%	3.87%
MSCI USA	4 898.47	1.01%	7.61%
MSCI Emerging	1 024.68	-0.35%	0.09%
Nikkei 225	39 910.82	2.08%	19.26%
As at 01.03.2024			
CHF vs. USD	0.8851	-0.45%	-4.90%
EUR vs. USD	1.0836	0.13%	-1.91%
10-year yield CHF (level)	0.81%	0.82%	0.70%
10-year yield EUR (level)	2.40%	2.34%	2.00%
10-year yield USD (level)	4.19%	4.27%	3.87%
Gold (USD/per ounce)	2 073.60	1.98%	0.39%
Brent (USD/bl)	84.19	2.15%	8.37%

Source: Datastream

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