

Economy

The statistics published in the United States were somewhat mixed. Retail sales came as a positive surprise in March (+0.7% m/m vs +0.4% expected), but building permits (1.46 m vs 1.51 expected), housing starts (1.32 m vs 1.49 expected) and house sales (4.19 m) disappointed, as did Empire Manufacturing (NY), which fell to -14.3 in April vs -5.2 expected. Industrial production rose by 0.4% m/m in March, as expected. In the eurozone, industrial production was in line with expectations in February (+0.8% m/m). In China, March industrial production (+4.5% y/y) and retail sales (+3.1% y/y) were below expectations, but Q1 GDP came in at +5.3% y/y vs +4.8% expected.

Planetary Limits

According to an IMF report, sub-Saharan Africa is home to 30% of the reserves of essential materials needed for the energy transition. The extraction of certain minerals could increase the region's GDP by at least 12% by 2050, not to mention the development of processing industries, which represent an even greater opportunity for the region.

Bonds

US yields continued to pick up and the yield curve rose (2Y +9bp/10Y +10bp) due to the rise in real rates, which now stand at 2.22% (+9bp) at 10Y. Fed Funds rate expectations for this year are now 1.5 cuts (vs 1.7). In Europe, the decoupling of EU rates has not continued, despite relatively dovish speeches by governors (10Y Bund +14bp/BTP +17bp). In a risk-averse week, HY credit spreads widened sharply (EU +18bp/US +14bp), while IG spreads remained contained (EU +5bp/US +3bp).

Sentiment of traders

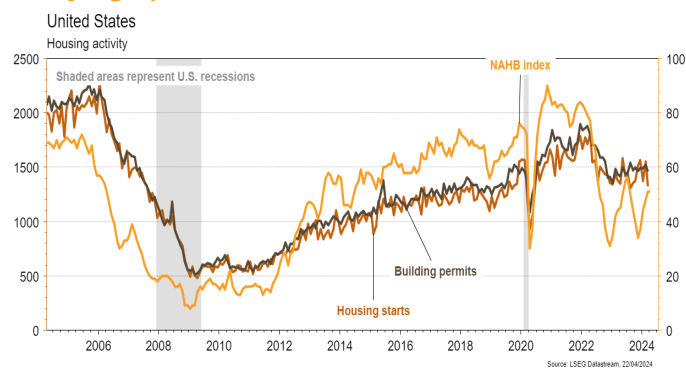
Stock markets

The markets corrected last week, with the US rate cut receding and the tech sector under pressure. Many tech companies will be reporting this week, on both sides of the Atlantic. On the macro side, the week will also be very busy, with statistics on real estate, consumer spending and GDP. A rebound begins at the opening, but it could be short-lived.

Currencies

The easing of tensions in the Middle East is reducing demand for safe havens, and the CHF is down at: €/CHF 0.9710 and \$/CHF 0.9109, and we expect the following ranges: €/CHF 0.9555-0.9880, \$/CHF 0.8995-0.9244. The divergences between the major central banks are in favor of the dollar, which continues its uptrend against € and £ at €/£ 1.0654 and £/\$ 1.2357. We expect the following ranges: €/£ 1.0517 -1.0757 and £/\$ 1.2187-1.2500. Gold corrects to \$2359/oz, sup. \$2303 res. \$2431.

Today's graph



Markets

News from the Middle East influenced the markets last week. In the end, only the dollar posted a positive performance (dollar index: +0.1%). Gold fell by 0.8% and oil by 4.7%, following some easing at the end of the week. European equities (-1.2%) held up better than elsewhere (US: -3.1%; emerging markets: -3.6%). US and European long-term yields rose by 10bp and 14bp respectively on fears of a resumption of US inflation. Overall, sovereign bonds lost -0.7% (USD)/-1.1% (EUR) and investment-grade corporate bonds -0.6%. Coming up this week: US manufacturing and services PMI, durable goods orders and PCE deflator; eurozone manufacturing and services PMI and M3 growth; 1- and 5-year loan rate in China.

Swiss Market

Coming up this week: the SNB's Q1 results and wage trends in 2023 (FSO).

The following companies are due to release figures: Arysza, Kühne+Nagel, Novartis, Phoenix Mecano, Romande Energie, Temenos, U-blox, Roche, Bucher, Ems-Chemie, Holcim, Ificon, Nestlé, Santhera, Vontobel, SGS, BB Biotech and AMS Osram.

Equities

ACCELLERON (new reco in the Swiss Conviction list) is a leader in turbochargers with more than a century of experience. Since separating from ABB in 2022, it has strengthened its independence and strategy, positioning itself firmly in a niche market. With more than 75% of its revenues coming from services, it guarantees financial stability and predictable cash flows. Its high margins reflect efficient management, underpinning its innovation and growth. Accelleron therefore stands out for its expertise, independence and commitment to sustainability, putting it in a strong position for the future.

ALSTOM (Satellite) announced on Friday evening that it had sold its conventional signaling business in North America to Knorr-Bremse AG for c. €630 million. This single transaction corresponds to 1/3 of the group's debt reduction target announced in November, which will be reviewed on 8 May at the time of the annual results. Good news for the stock.

UBS (Satellite): the stock price continued to slide on the news of Swiss regulatory inflation. Since the takeover of Credit Suisse, capital requirements have been significantly increased by the FINMA, which should reduce the potential return to shareholders in the form of share buybacks. But the fall in the stock price has already largely absorbed these headwinds.

Performances

	Since		
	As at 19.04.2024	12.04.2024	31.12.2023
SMI	11 296.40	-0.73%	1.42%
Stoxx Europe 600	499.29	-1.18%	4.23%
MSCI USA	4 729.07	-3.15%	3.89%
MSCI Emerging	1 004.17	-3.60%	-1.91%
Nikkei 225	37 068.35	-6.21%	10.77%
As at 19.04.2024			
CHF vs. USD	0.9094	0.16%	-7.44%
EUR vs. USD	1.0670	0.37%	-3.41%
10-year yield CHF (level)	0.79%	0.69%	0.70%
10-year yield EUR (level)	2.49%	2.34%	2.00%
10-year yield USD (level)	4.62%	4.52%	3.87%
Gold (USD/per ounce)	2 394.05	-0.78%	15.91%
Brent (USD/bl)	87.30	-4.70%	12.37%

Source: Datastream

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