

Economy

The statistics published in the United States were somewhat mixed. The publication of May's inflation figures was reassuring: headline CPI was lower than expected (+0% m/m vs. +0.1% est. and +3.3% y/y vs. +3.4% est.). The same goes for core inflation, excluding energy and food (+0.2% m/m vs +0.3% m/m est. and +3.4% vs +3.5% est.). SME confidence (NFIB) recovered slightly (from 89.7 to 90.5) in May. On the other hand, the rise in jobless claims was a disappointment (242,000 vs. 225,000 expected), as was the fall in household confidence (Univ. of Michigan) in June (from 69.1 to 65.6). In the eurozone, industrial production disappointed in April (-0.1% m/m vs +0.2% est.; -3% y/y). Finally, in China, the rise in the consumer price index was stable in May (+0.3% y/y), whereas a slight acceleration was expected (+0.4% y/y).

Planetary Limits

According to a United Nations report published today analyzing the performance of the 193 member states in relation to the 17 sustainable development goals defined in 2015, none of these 17 goals is on track to meet the 2030 targets. The institution recommends that countries redouble their efforts to finance the achievement of these goals, and also that the UN system itself be overhauled.

Bonds

In the US, the Fed kept its rate unchanged, while the DOTS 2024 forecasts now call for just one cut (vs. 3), which was more hawkish than expected. Nevertheless, inflation came as a positive surprise (0% m/m vs. 0.1% expected), with the first signs of disinflation in services. Against this backdrop, US yields fell sharply (10Y -22bp). In Europe, French political tensions led to a rally in German yields (10Y -26bp), while French sovereigns underperformed (10Y +3bp): their 10Y spread vs Bund is close to 80bp, the highest since 2012.

Sentiment of traders

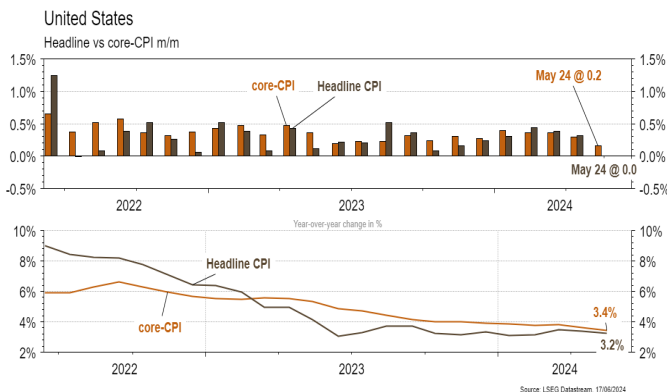
Stock markets

Europe is ill with its policies, the USA is at its highest, with few catalysts for further upside. This week, investors will be faced with few if any major macroeconomic figures and a Wednesday off in the United States. Finally, although a rebound is likely in Europe, a wait-and-see attitude is likely to be the order of the day this week.

Currencies

Risk aversion is causing the € to fall against the major currencies: €/ \$ 1.0696, €/CHF 0.9531. A momentary rebound is still possible, but we remain negative on the € until after the French elections, our ranges: €/ \$ 1.0535 -1.08. The CHF is trending up \$/CHF 0.8907, €/CHF 0.9530; a rate cut by the SNB this week (-0.25%) could put the brakes on this trend. Our ranges: \$/CHF 0.8825-0.9015, €/CHF 0.9440-0.9610. The pound is down £/ \$ 1.2670, sup. 1.2630 res. 1.2800. Gold is consolidating at \$2317/oz, sup. 2282 res. 2354.

Today's graph



Markets

The announcement of early parliamentary elections in France weighed on European assets, while the Fed's decision, slightly more hawkish than expected, was more than offset by favourable inflation figures. As a result, 10-year sovereign yields fell by >20bp in the US and Germany and were unchanged in France. Equities rose (US: +1.6%; emerging markets: +0.4%) excluding Europe (-2.4%). Dollar strength (+0.6%) does not prevent gold from strengthening (+0.7%). Coming up this week: Empire Manufacturing, retail sales, industrial production, home builders' confidence, housing starts, building permits and manufacturing and services PMIs in the United States; ZEW confidence index, manufacturing and services PMIs and household confidence in the eurozone; consumer and producer price indices in China.

Swiss Market

Coming up this week: nominal wage trends (FSO), summer economic forecasts (KOF & Seco), accommodation statistics May (FSO), Financial Stability Report 2023 (SNB), foreign trade/exports in watches May (FSO), construction price index April (FSO) and monetary policy assessment (SNB).

Klingelberg has published its 2023/24 results.

Equities

Last week at WWDC 2024, **APPLE** (Core Holdings) highlighted the convenience and improvements of AI features on its devices. Forecasts for the coming quarters point to a deceleration in annual iPhone sales growth. The group will have to wait until September 2025 to potentially initiate a new cycle of device sales.

ING (Satellite): management today unveils its strategy and targets for 2027. With essentially annualized growth of 4-5% and ROE of 14%, the consensus is 5-10% behind the group's ambitions at this stage.

ROCHE (Core Holdings) on Sunday presented positive phase III data for Columvi in second-line diffuse large cell lymphoma (a form of blood cancer). The indication represents a sales opportunity of c. CHF 2 billion.

SIKA (Core Holdings) has opened its 34th plant in China, in Liaoning province, for the production of mortars, adhesives and sealants. It will serve an area of c. 100 million people in north-east China and Mongolia.

Finally, it should be noted that we have removed several stocks from our recommendation lists, namely **ESTEE LAUDER & STRAUMANN** (Core Holdings list) and **ALSTOM, EDENRED** and **ORANGE** in the Satellite list.

Performances

	Since		
	As at 14.06.2024	07.06.2024	31.12.2023
SMI	12 044.59	-1.72%	8.14%
Stoxx Europe 600	511.05	-2.39%	6.69%
MSCI USA	5 162.17	1.57%	13.41%
MSCI Emerging	1 076.89	0.35%	5.19%
Nikkei 225	38 814.56	0.34%	15.99%
As at 14.06.2024			
CHF vs. USD	0.8905	0.69%	-5.48%
EUR vs. USD	1.0688	-1.15%	-3.25%
10-year yield CHF (level)	0.72%	0.88%	0.70%
10-year yield EUR (level)	2.34%	2.60%	2.00%
10-year yield USD (level)	4.21%	4.44%	3.87%
Gold (USD/per ounce)	2 331.65	0.70%	12.89%
Brent (USD/bl)	82.61	3.67%	6.33%

Source: Datastream

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