

**Economy**

US statistics were mixed. Sales of new homes fell by 11.3% m/m in May, much more than expected. House prices held up less well than expected, but rose by 0.2% m/m in April (FHFA). Household confidence fell from 101.3 to 100.4 in June, but less than expected (100). The PCE inflation measure decelerates y/y in line with expectations to 2.6%. In the eurozone, the EC confidence indices deteriorated marginally, from 6.8 to 6.5 in services (vs. 6.3 expected), from -9.9 to -10.1 in industry (-9.6 expected) and from 96.1 to 95.9 in the economy (vs. 96.1 expected). Finally, in China, industrial profits slowed from 4% to 0.7% y/y, the June manufacturing PMI remains below 50, at 49.5, while the Caixin index stands at 51.8 (+0.1, vs 51.5 expected).

**Planetary Limits**

According to the International Energy Agency's World Energy Investment 2024 report, investment in clean energy and infrastructure should reach 2 trillion dollars by 2024, i.e. 2/3 of total investment in energy, compared with 1/3 when the Paris Agreement was signed in 2015. However, the Agency warns that only 15%, or 300 billion of this 2 trillion, will be invested by emerging countries excluding China, a figure that is insufficient to meet the targets.

**Bonds**

In the US, inflation continues to fall (PCE 2.6% y/y), while the economic surprises index is now at its lowest level since August 2022. Nonetheless, long-term yields rallied over the week (10Y +14bp/30Y +16bp), with the market expecting no real weakness in activity in the near future. Friday's employment report will give us the trend for the start of Q3. In Europe, initial inflation estimates are in line with expectations. Interest rates also ended higher (10Y Bund +8bp) and the Bund-OAT spread stood at 80bp before this morning's easing (-5bp).

**Sentiment of traders**

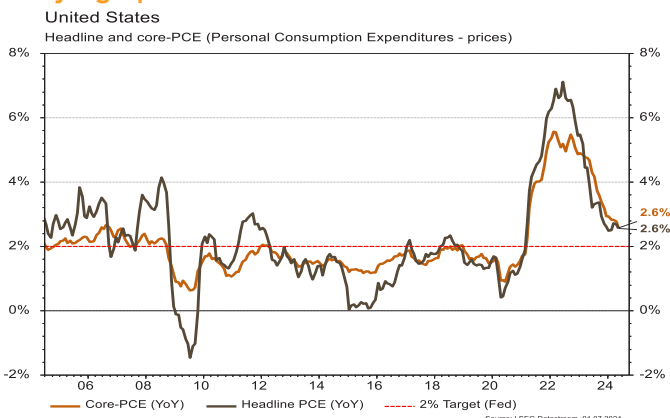
**Stock markets**

This morning the European markets are breathing a sigh of relief that the worm (the left) is not in the fruit. In the US, after waiting all week for the PCE, we will have to be patient until Friday for the NFP. The wait will be shorter since the week will be cut short on the other side of the Atlantic on July 4, but the result is likely to be the same, with an erratic market.

**Currencies**

Following the first round of elections in France, in which the RN obtained 34% of the vote against 29% for the Popular Front, the EUR is trading higher this morning: the EUR/USD is at 1.0775 and the EUR/CHF at 0.9685. This is due to the fact that some analysts believe it will be difficult for the RN to win an absolute majority. The pound is on the rise just a few days before the general election, with GBP/USD currently at 1.2685 and GBP/CHF at 1.1400. Gold is stable at USD 2325/oz.

**Today's graph**



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**Markets**

Developed equities gained 0.1% over the week (Japan +2.6%, Europe -0.7% pending the French elections: CAC40 -2%), with the rise in rates (6-12 bp) penalising bonds (US -0.8%, Bund -0.5%, Italy -0.9%). Oil remains firmer (+0.6%) than copper (-1%). The euro and European equity futures are rebounding this morning on the assumption that no extreme party will win an absolute majority in France. Coming up this week: ISM manufacturing and services for June, Fed minutes, business orders and employment report in the United States; in the eurozone: consumer and producer price indexes, unemployment rate and retail sales, projected results of the French elections; services PMI (official and Caixin) in China.

**Swiss Market**

Coming up this week: retail sales in May (FSO), services sales in April (FSO), PMI purchasing managers' indexes in June, unemployment in June (Seco), inflation in June (FSO), accommodation statistics in May (FSO), consumer sentiment in June (Seco) and currency reserves at the end of June (SNB).

Dottikon, Burckhardt and Cosmo will be holding their AGM.

**Equities**

**ANGLO AMERICAN** (removed from the Satellite list): fire at the Grosvenor metallurgical coal mine (c. 4% of EBITDA). The extent of the damage is not known at this stage and the uncertainty over the closure time or even a reopening will weigh on the stock in the short term. This incident comes at a time when the metallurgical coal assets are being put up for sale as part of the refocusing, which were seen as the easiest to sell and capable of generating value. Execution of the strategic plan is key to the stock's continued outperformance. Given this uncertainty and the impact it may have on the refocusing timetable, we are removing Anglo.

According to Taiwanese media outlet Ctee, **APPLE** (Core Holdings) has increased its orders for A18 chips from TSMC (Satellites) to produce 90 to 100 million iPhones in the 16 series. The iPhone 16, which will be released in September 2024 and is expected to incorporate new AI features, will also benefit from improved specifications for the camera, microphone and memory.

**ASSA ABLOY** (Core Holdings) acquires Canadian Wesko Locks, a specialist in electronic locking systems with 70 employees and sales of CAD 22 million in 2023, representing 0.1% of acquired sales.

**SCHNEIDER ELECTRIC** (Satellite): after S&P upgraded its credit rating to A in April, Moody's raised its outlook from stable to positive by confirming its A3 rating, equivalent to A- at S&P.

**Performances**

	Since		
	As at 28.06.2024	21.06.2024	31.12.2023
SMI	11 993.83	-0.16%	7.69%
Stoxx Europe 600	511.42	-0.72%	6.76%
MSCI USA	5 192.93	-0.02%	14.08%
MSCI Emerging	1 086.25	-0.06%	6.11%
Nikkei 225	39 583.08	2.56%	18.28%
As at 28.06.2024			
<b>CHF vs. USD</b>	0.8986	-0.56%	-6.34%
<b>EUR vs. USD</b>	1.0718	0.33%	-2.98%
10-year yield CHF (level)	0.57%	0.64%	0.70%
10-year yield EUR (level)	2.46%	2.39%	2.00%
10-year yield USD (level)	4.37%	4.26%	3.87%
Gold (USD/per ounce)	2 326.30	-0.25%	12.63%
Brent (USD/bl)	86.43	0.59%	11.25%

Source: Datastream