

Economy

The statistics published in the United States were generally positive. By rising less than expected (+0.2% m/m vs. +0.3% m/m est.; +3.2% y/y vs. +3.3% est.), core inflation has reassured. SME confidence (NFIB index) rebounded more than expected in December (from 101.7 to 105.1 vs. 102.2 est.), as did homebuilder's confidence in January (from 46 to 47 vs. 45 est.), and industrial production in December (+0.9% m/m vs. +0.3% est.). Only retail sales disappointed in the same month (+0.4% m/m vs +0.6% est.). In the eurozone, the rise in industrial production in November (+0.2% m/m and -1.9% y/y) came as no surprise. In China, the economy finished 2024 well: GDP (+5.4% y/y in Q4), industrial production (+6.2% y/y vs. +5.4% est.) and retail sales (+3.7% y/y vs. +3.6% est.) except for investments (+3.2% y/y vs. +3.3% est.).

Planetary Limits

The US Federal Reserve has announced its withdrawal from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

Bonds

In the US, rates began a sharp decline (10Y -13bp), buoyed by a risk-on market (USD HY spread -13bp) on lower-than-expected inflation (PPI +0.2% m/m vs. +0.4% expected, core +0.0% vs. +0.3% expected) and a relatively favorable growth environment. Rate cut expectations now include 1.5 rate cuts, compared with just one the previous week. This trend has spread to Europe (Bund 10Y -6bp, OAT 10Y -12bp). This week, with few macro publications, all eyes will be on Donald Trump's inauguration and his first executive decrees.

Sentiment of traders

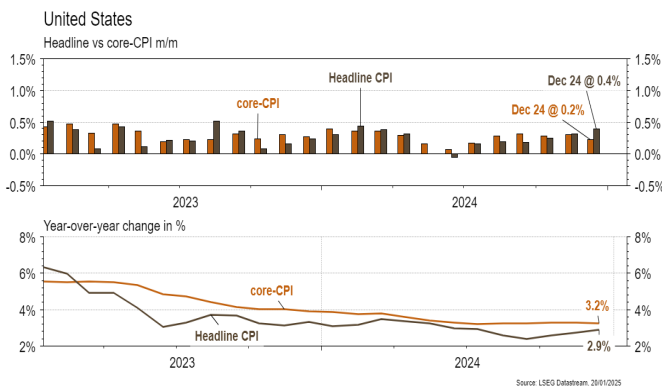
Stock markets

After a week marked by excellent results from US banks, everyone's eyes are riveted on the arrival of Trump in the White House, who has promised to sign a number of decrees quickly. We will have results from Netflix, J&J, GE, PG, Givaudan and Ericsson, and on the macro front, the Leading index and US housing sales, ZEW and eurozone PMIs. A chaotic week ahead.

Currencies

The forex market is starting the week peacefully, with the dollar consolidating against the major currencies: €//\$ 1.0310, \$/CHF 0.9132, \$/JPY 156.15. Forex traders are focused today on Trump's inauguration, with the many presidential decrees expected and statements on tariffs likely to lead to high volatility and support the dollar. Despite a slight rebound, the £ remains under pressure £/\$ 1.2200. Gold peaks at \$2704/oz, sup. 2680 res. 2760. Our ranges: €//\$ 1.0180-1.0440, \$/CHF 0.8980-0.9190, €/CHF 0.9330-0.9450.

Today's graph



Markets

While awaiting the first decrees of the new US President, who takes office today, reassuring US inflation figures drove 10-year sovereign yields down last week (USD: -13bp; Ger: -6bp; Fra: -12bp; CHF: -7bp). Equities benefited (US: +3.0%; Europe: +2.4%; emerging markets: +1.2%). The dollar index fell very slightly (-0.2%), allowing gold to continue its advance (+0.9%). Oil prices rose by a further 2.8%. Coming up this week: manufacturing and services PMI and existing home sales in the United States; manufacturing and services PMI and household confidence in the eurozone; 1- and 5-year loan rates in China.

Swiss Market

Coming up this week: the December and 2024 production-import price indices (FSO). The WEF begins today and will be held in Davos until Friday.

The following companies are due to release sales figures and/or orders for 2024: Belimo, DocMorris, Komax, Barry Callebaut, Schlatter, Galenica, Huber+Suhner, Autoneum, Givaudan, SFS, BB Biotech, Mikron and Hilti.

Equities

AIRBUS (Satellite) is included in our Satellite recommendation list. Provided that supply chains and engine manufacturers function properly, deliveries will grow strongly between now and 2028, leading to a sharp rise in earnings that is not fully reflected in the stock price.

ASSA ABLOY (Core Holdings) has announced the dual acquisition of the American companies 3millID Corporation and Third Millennium Systems Ltd, founded in 1996 and 2015 respectively and specializing in access control in the US and the UK. The annual sales acquired amount to c. SEK 220 million, or 0.15% of group sales.

We are adding **MICRON** to our list of Satellite. The group is capitalizing on the rise of HBM in datacenters, positioning it as a key player in the memory market.

We are adding **NVIDIA** to our Core Holdings list. Growth in datacenters will be driven by big tech capex in 2025, when Nvidia will reinforce its near-monopoly with the Blackwell arrival in mass production. At the same time, the group is extending its horizons by capturing opportunities in emerging markets, notably robotics and services, thereby reinforcing its strategic diversification.

SHELL is included in our Satellite recommendation. The group, which is focused on controlling its costs and investments, offers the most reliable profile in terms of return to shareholders, thanks to its high free cash flow generation over the next two years.

Performances

	Since		
	As at 17.01.2025	10.01.2025	31.12.2024
SMI	11 990.27	1.68%	3.36%
Stoxx Europe 600	523.62	2.37%	3.15%
MSCI USA	5 737.35	3.00%	2.14%
MSCI Emerging	1 070.12	1.23%	-0.50%
Nikkei 225	38 451.46	-1.89%	-3.62%
As at 17.01.2025			
CHF vs. USD	0.9138	0.30%	-0.82%
EUR vs. USD	1.0301	0.50%	-0.52%
10-year yield CHF (level)	0.33%	0.40%	0.23%
10-year yield EUR (level)	2.51%	2.57%	2.36%
10-year yield USD (level)	4.61%	4.77%	4.57%
Gold (USD/per ounce)	2 716.66	0.93%	3.48%
Brent (USD/bl)	81.02	2.75%	8.40%

Source: LSEG Datastream

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