

Economy

The statistics published in the United States were satisfactory. Penalized by transports, durable goods orders contracted by 2.2% m/m in December (+0.3% excluding transport). Household confidence fell more than expected, from 109.5 to 104.1 in January, but their spending rose more strongly than expected in December (+0.7% m/m vs. +0.5% est.). GDP growth in Q4 turned out to be weaker than expected (+2.3% q/q annualized vs. +2.6% est.), but consumption is reassuring (+4.2% vs. +3.2% est.) and PCE inflation is in line (+0.3% m/m; +2.6% y/y). In the eurozone, Q4 GDP growth disappointed slightly (0% q/q vs. +0.1% est.), but the EC confidence indices surprised positively in January (economy: from 93.7 to 95.2 vs. 94.1 est.; industry: from -14.1 to -12.9 vs. -13.8 est.; services: from 5.7 to 6.6 vs. 6.1 est.).

Planetary Limits

China has accounted for more than half of the growth in oil demand since the turn of the century. But the country is undergoing a revolution in the automotive sector, with 11 million electric vehicles sold in China by 2024, representing over 60% of global sales totaling 17.1 million units.

Bonds

In the US, the Fed unsurprisingly left rates unchanged last week, while Q4 GDP was below expectations, and the 10Y ended the week down 8bp. The ECB cut rates by 25bp and the 10Y OAT ended the week down 8bp, while the 10Y Bund lost 11bp. This week, the tariffs announced over the weekend by the US administration, as well as the budget vote in France and developments in the German election campaign, will be the focus of attention and are likely to be a source of volatility.

Sentiment of traders

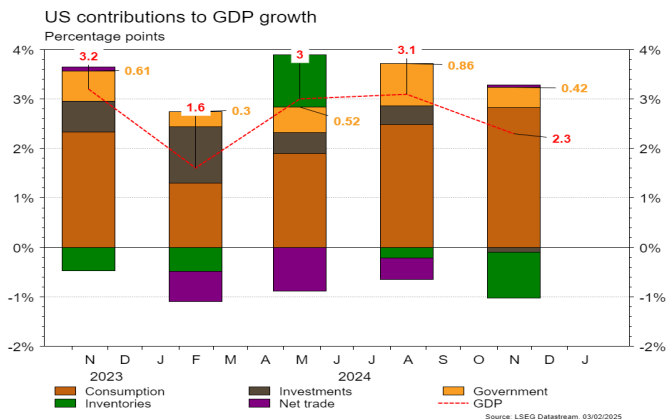
Stock markets

By introducing tariffs, Trump sent equity markets tumbling (Japan -2.6%, Europe -2% on average). US indices were not spared, with futures well into the red. The ISM and employment figures are likely to go unnoticed, as are the quarterly results of Palantir, BNP, UBS and Pfizer amid the political hubbub.

Currencies

Threats of a US trade war became reality over the weekend, with the CAD and MXN falling sharply to \$/CAD 1.4682 and \$/MXN 21.08. With Europe Trump's next target, the €/€ has already plunged to 1.0140 before rising this morning to €/€ 1.0240. We remain bullish on the \$ in the short term. Risk aversion is supporting the CHF, which is strengthening to €/CHF 0.9387 sup. 0.9300 res. 0.9450. Gold is soaring to \$2790/oz, sup. 2740 res. 2804. Our ranges: €/€ 1.0100-1.0365, \$/CHF 0.9100-0.9210, £/\$ 1.2240-1.2470.

Today's graph



Markets

As expected by the markets, the ECB cut its key rates by 0.25% and the Fed kept its rates unchanged. Sovereign 10-year yields fell (USD & CHF: -8bp; EUR: ~-10bp), with equities benefiting in Europe (+1.8%) and Switzerland (+2.5%) but not in the US (-1%). The dollar's appreciation (dollar index: +0.9%), resulting from monetary policy divergences, is not penalizing gold (+1.3%). Coming up this week: ISM manufacturing and services, employment report and household confidence (Univ. of Michigan) in the United States; consumer and producer price indices and retail sales in the eurozone; manufacturing and services PMI, consumer and producer price indices in China.

Swiss Market

Coming up this week: Q4 house price index (FSO), Q1 employment barometer (KOF), January PMI indices, business survey (KOF), January unemployment (Seco) and end-January currency reserves (SNB).

The following companies are due to release figures: Julius Bär, UBS, Medacta, Valiant, Dätwyler, Financière Tradition, Leonteq, SPS, Ems-Chemie, Lem, Vontobel and ZKB. Finally, Bioversys will be listed on the Swiss stock exchange.

Equities

ABBVIE (Core Holdings) has published good Q4 results and reassured the market about its 2025 target, with EPS expected at \$12.12-12.32, in line with expectations. The market had feared a more conservative figure. The company is beginning to emerge from the impact of Humira's patent expiry and will benefit from the ramp-up of recent launches, with sales and EPS that we expect to be +7% and +11%/year over 2024-27, offering rare visibility within the sector between now and the end of the decade.

DUKE ENERGY (Satellite) has announced that it has joined a public-private coalition seeking an \$800 million federal grant to build its first nuclear "small modular reactor" (SMR) in Tennessee.

Following the publication of **MICROSOFT's** results, with Azure up 31% y/y, attention is now turning to **ALPHABET** and **AMAZON** (Core Holdings), which will publish their results this week. The consensus forecast is for Google Cloud to grow by +32.6% and AWS by +19.3%.

SCHNEIDER ELECTRIC has been removed from the Satellite list of recommendations. Deepseek's breakthrough represents a risk for investment in electrical equipment in datacenters, which is difficult to quantify at this stage. Schneider is exposed to this risk, with more than half of its sales growth coming from this segment. Given the stock's valuation (NTM PE of 24.8x), we consider the risk reward profile to be negative.

Performances

	Since		
	As at 31.01.2025	24.01.2025	31.12.2024
SMI	12 597.09	2.52%	8.59%
Stoxx Europe 600	539.53	1.79%	6.29%
MSCI USA	5 783.63	-0.93%	2.96%
MSCI Emerging	1 093.37	0.31%	1.66%
Nikkei 225	39 572.49	-0.90%	-0.81%
As at 31.01.2025			
CHF vs. USD	0.9081	-0.39%	-0.20%
EUR vs. USD	1.0396	-1.16%	0.39%
10-year yield CHF (level)	0.35%	0.42%	0.23%
10-year yield EUR (level)	2.43%	2.55%	2.36%
10-year yield USD (level)	4.55%	4.62%	4.57%
Gold (USD/per ounce)	2 809.79	1.28%	7.03%
Brent (USD/bl)	76.81	-2.15%	2.77%

Source: LSEG Datastream

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