

Economy

The statistics published in the United States were somewhat mixed. Business confidence (NFIB index) disappointed, falling from 105.1 to 102.8 (vs. 104.7 est.) and retail sales contracted more than expected (-0.9% m/m vs. -0.2% est.) in January. The consumer price index rose more than expected (+0.5% m/m vs. +0.3% est.). The rise in industrial production (+0.5% m/m) came as a pleasant surprise in January. In the eurozone, Sentix investor confidence rebounded more than expected in February (from -17.7 to -12.7 vs. -16.5 est.). Industrial production fell more than expected (-1.1% m/m) in December, but was "reassuring" in annual variation (-2% vs -3.1% est.). Finally, in China, the acceleration in the M0 monetary aggregate (from +13% y/y to +17.2% y/y) is consistent with the easing by the PBoC.

Planetary Boundaries

According to the International Energy Agency's report "Electricity 2025 - Analysis and projections to 2027", global electricity demand is set to accelerate. Annual demand is expected to increase by 3,500 TWh between 2024 and 2027, or c. 4% p.a., which is equivalent to more than "one more Japan" each year. 85% of this growth will come from developing economies, particularly China, which alone accounted for more than half of the increase in demand in 2024.

Bonds

In the US last week, the CPI surprised on the upside (+0.5% m/m against +0.3% expected) and caused volatility in rates, with the 10Y gaining 13bp between Monday and Wednesday before ending the week 2bp lower. The picture was very different in Germany, where deflation continued on its path, with CPI down by -0.2% m/m. The 10Y Bund gained 6bp over the week, with this weekend's federal elections and increased defence spending looming in connection with developments in Ukraine.

Sentiment of traders

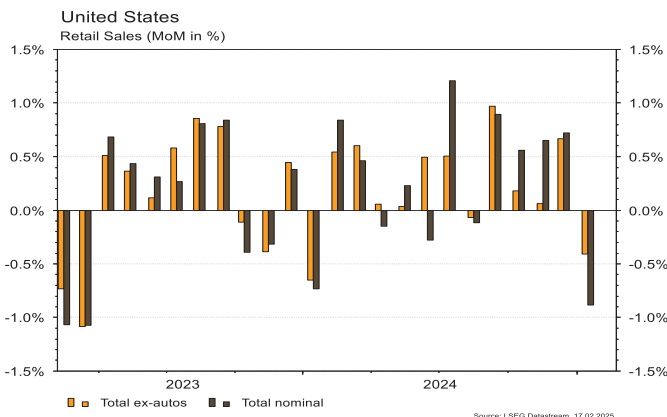
Stock exchange

The corporate results released so far have been good to very good, driving up equity indices despite inflationary pressures. This week will see the publication of the FOMC minutes, building permits and the Leading Index in the US. In the eurozone, we will have the ZEW, the trade balance and a consumer confidence index. The US and Canadian markets are closed today.

Currencies

Delays in the imposition of US tariffs, poor US retail sales figures and the forthcoming peace talks in Ukraine have pushed the € higher. This morning it is trading at €//\$ 1.048, sup. 1.0383, res. 1.058. However, the German elections and the rise of the AfD are likely to curb this trend. The CHF is strengthening to €/CHF 0.943, above 0.94, res. 0.9513 and \$/CHF 0.90, above 0.8965, res. 0.9156. The pound is up at £/\$ 1.2591, up 1.2436, down 1.2729. Gold oz is at 2899, sup. 2864, res. 2950.

Today's graph



Markets

The details and nature of price growth in the US were reassuring, allowing 10-year sovereign yields to stabilise in the US while they rose by 6/7bp in EUR. The dollar is a victim (dollar index: -1.2%) and gold a beneficiary (+1%). This trend is also supporting international equities (Switzerland: +2%; Europe: +1.8%; emerging markets: +1.5%) at the expense of US equities (+1.5%). Coming up this week: confidence among property developers (NAHB index), housing starts, building permits, Fed minutes, manufacturing and services PMIs in the United States; household confidence, manufacturing and services PMIs in the eurozone; new and old house prices and 1- and 5-year borrowing rates in China.

Swiss Market

Coming up this week: GDP Q4 2024 (Seco), foreign trade/exports in watches January 2025 (OFDF) and employed population in Q4 (OFS).

The following companies will be publishing figures: Aluflex-pack, Oerlikon, Siegfried, Also, Phoenix Mecano, Basilea, Temenos, EFG International, Novavest, SoftwareONE, Straumann, Glencore, Zug Estates, Zurich Insurance, Cembra, Allreal, Sika, LLB, BB Biotech and Calida.

Equities

AMERICAN ELECTRIC POWER has been removed from our list of US satellite stocks. We are taking profits on this October 2023 recommendation, after 45% Total Return performance and 5% out-performance on the US Utilities sector.

ANGLO AMERICAN (Satellite): the demerger of Anglo American Platinum will take place in June. The group will retain a 19.9% stake (vs. c. 67% at present). The main listing will remain on the Johannesburg stock exchange, but an additional listing will take place on the London stock exchange.

Entry of **BASF** into the Satellites list, which is undergoing a strategic and cultural change - with a refocus on its Core Business activities (vertically integrated), a disciplined capex allocation, a focus on profitability and value creation - and will benefit from a cost reduction programme. While 2025 will remain weak, these factors are supportive, and an improvement in EBITDA and free cash flow will materialise from 2026 onwards.

CARRIER has been removed from our list of US Satellite recommendations, following a lacklustre 4Q2024 results report and a 2025 outlook insufficient to justify the valuation level.

SONOVA leaves the Core Holdings list. The launch of Re-Sound Vivia by GN Store Nord, which also offers real-time AI processing, is leading to a faster-than-anticipated and not insignificant intensification of competition. Given this risk and the stock market performance since the recommendation (+25% including dividends), we recommend taking profits.

Performances

	Since		
	As at 14.02.2025	07.02.2025	31.12.2024
SMI	12 839.87	1.96%	10.68%
Stoxx Europe 600	552.41	1.78%	8.82%
MSCI USA	5 853.90	1.46%	4.21%
MSCI Emerging	1 125.23	1.51%	4.63%
Nikkei 225	39 149.43	0.93%	-1.87%
As at 14.02.2025			
CHF vs. USD	0.8979	1.28%	0.94%
EUR vs. USD	1.0509	1.59%	1.48%
10-year yield CHF (level)	0.40%	0.33%	0.23%
10-year yield EUR (level)	2.40%	2.35%	2.36%
10-year yield USD (level)	4.48%	4.49%	4.57%
Gold (USD/per ounce)	2 900.30	1.00%	10.47%
Brent (USD/bl)	75.01	0.44%	0.36%

Source: LSEG Datastream

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