

Economy

The statistics published in the United States were somewhat disappointing. Purchasing managers' confidence fell in services (from 52.9 to 49.7 vs. 53 est.) in February. Similarly, confidence among homebuilder's fell from 47 to 42 (vs. 46 est.) and among households (Univ. of Michigan) from 67.8 to 64.7 (vs. 67.8 est.), while housing starts contracted by 9.8% m/m (vs. -7.3% est.). The manufacturing PMI was the main positive surprise, rising from 51.2 to 51.6 (vs. 51.4). In the eurozone, household confidence rose slightly (from -14.2 to -13.6 vs. -14 est.), as did purchasing managers' confidence in the manufacturing sector (from 46.6 to 47.3 vs. 47 est.), while it deteriorated in the services sector (from 51.3 to 50.7 vs. 51.5 est.). In China, the contraction in house prices (-0.34% m/m for existing homes) continues.

Planetary Boundaries

The legal battles are starting in the United States: two complaints against the Trump administration were filed last week by environmental groups. One is against the President's revocation of protections put in place by J. Biden to protect 625 million acres of federal waters from future fossil fuel development. The other was to reverse a 2021 decision confirming the protection of nearly 130 million acres in the Arctic and Atlantic oceans.

Bonds

In the US, the 10Y lost 5bp over the week, mainly due to a disappointing services PMI (49.7 vs. 53 expected, -3.2 m/m) and sluggish consumer sentiment (Univ. of Michigan 64.7 vs. 67.8 expected, -3.1 m/m), which weighed more heavily than the rebound in the manufacturing sector (PMI 51.6 vs. 51.4 expected, +0.2 m/m). In Europe, the 10Y Bund gained 4bp over the week while awaiting the outcome of the federal elections. This week, all eyes will be on the PCE in the US and the negotiations to form a coalition in Germany.

Sentiment of traders

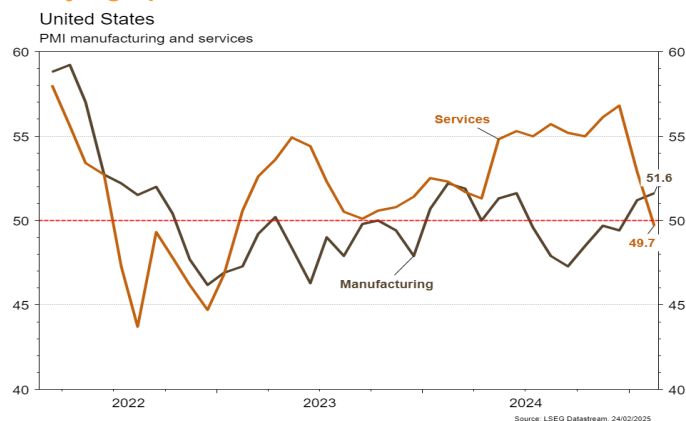
Stock markets

Despite Wall Street's correction on Friday, Europe opened in the green, led by the Dax, which welcomed the Conservatives' election victory. The Saipem/Subsea 7 merger and the takeover of Just Eat Takeaway by Prosus are the headline news this morning. On the macro front, housing statistics, GDP and the core PCE price index in the US will be published, while in the eurozone we will have the CPI (final).

Currencies

Following the results of the German elections won by the Conservatives, the EUR soared to EUR/USD 1.0530 and EUR/CHF 0.9425 before stabilizing at 1.0500 and 0.9405 this morning. The ounce of gold is holding at historic levels at USD 2945/Oz sup. 2912 res. 2960. The CHF is strengthening against the dollar and is trading below 0.9000 at 0.8980.

Today's graph



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Markets

Economic disappointments in the US are pushing down 10-year sovereign yields (-5bp), the dollar (dollar index: -0.3%) and US equities (-1.8%). Elsewhere, 10-year yields are rising (EUR: +4bp; CHF: +11bp), as are equities (Europe: +0.3%; emerging markets: +2%), supported by hopes of a China recovery and election results in Germany favorable to reforms. Gold hits new highs (+1.1%). Coming up this week: house prices (FHFA and S&P CoreLogic), household confidence, Q4 GDP 2nd estimate, durable goods orders and PCE inflation in the United States; EC confidence indices (economy, industry and services) and new car registrations in the eurozone; manufacturing and services PMIs in China.

Swiss Market

Coming up this week: employment barometer Q4 (FSO), GDP Q4 2024 (Seco), retail sales January 2025 and services sector December 2024 (FSO) and economic barometer February 2025 (KOF).

The following companies are due to release results: Belimo, Dormakaba, PSP, SIG Group, Alcon, Implenia, Adecco, Alpiq, Emmi, Georg Fischer, U-blox, Zehnder, Bossard, Bystronic, Feintool, Bachem, Idorsia, Intershop, Kudelski, Swiss Re, Bucher, Schweiter, Holcim, VZ Holding, Bobst, Clariant and Sunrise.

Equities

NOVO NORDISK (Core Holdings): on Friday, the FDA removed semaglutide (Ozempic/Wegovy) from the list of medicines in short supply. The news is positive and should be accompanied by a withdrawal from compounding pharmacies (which have the option of producing a drug in short supply) and an increase in prescriptions over the coming weeks.

ROCHE (Core Holdings) has unveiled its new Next Generation Sequencing (NGS) technology, attracting a great deal of interest from industry. The company has developed a new sequencing-by-expansion (SBX) approach, offering ultra-fast (reducing the time from sample to full genome sequencing from days to 7 hours), scalable and flexible technology. The launch will take place in 2026 and will enable Roche to enter a \$6.4 billion market, growing at 9% per year.

SIEMENS (Satellite) has sold a 2% stake in Healthineers, its health-care division, in line with its strategy of partial divestment and to finance the acquisition of Altaïr, in industrial automation softwares.

Performances

	Since		
	As at 21.02.2025	14.02.2025	31.12.2024
SMI	12 948.60	0.85%	11.62%
Stoxx Europe 600	553.85	0.26%	9.11%
MSCI USA	5 746.74	-1.83%	2.31%
MSCI Emerging	1 147.30	1.96%	6.68%
Nikkei 225	38 776.94	-0.95%	-2.80%
As at 21.02.2025			
CHF vs. USD	0.8996	-0.19%	0.74%
EUR vs. USD	1.0455	-0.51%	0.97%
10-year yield CHF (level)	0.51%	0.40%	0.23%
10-year yield EUR (level)	2.44%	2.40%	2.36%
10-year yield USD (level)	4.43%	4.48%	4.57%
Gold (USD/per ounce)	2 931.45	1.07%	11.66%
Brent (USD/bl)	74.45	-0.75%	-0.39%

Source: LSEG Datastream