

Economy

The statistics published in the United States tended to disappoint. Business confidence (NFIB index) fell from 102.8 to 100.7 in February, more than expected (101). Similarly, household confidence (Univ. of Michigan) fell in March from 64.7 to 57.9 (vs. 63 est.). Price growth is slowing and, on a positive note, is weaker than expected in February (+0.2% m/m vs. +0.3% est.; +2.8% y/y vs. 2.9% est.). In the eurozone, Sentix investor confidence rebounded more than expected (from -12.7 to -2.9 vs. -9.3 est.) and industrial production rose more than discounted in January (+0.8% m/m vs. +0.6% est.; +0% y/y vs. -0.8% est.). Finally, in China, the contraction in consumer prices (-0.7% y/y vs -0.4% est.) and producer prices (-2.2% y/y vs -2.1% est.) in February indicates that the risk of deflation remains present.

Planetary Boundaries

According to an article published in Environmental Research Letters, the Antarctic Circumpolar Current has started to slow down (like the AMOC in the Atlantic) and its intensity could fall by 20% by 2050 as a result of global warming. This would result in less oxygenation of the seabed, less marine life, a change in regional climates and a reduction in Antarctica's capacity to absorb carbon.

Bonds

In the US, inflation came in below expectations (headline 0.2% vs. 0.3% expected). Interest rates are broadly unchanged. Investors remain concerned about the inflationary potential on rates, as shown by the inflation expectations published in the University of Michigan survey (5-10Y @3.9% vs 3.4% expected). This should also lead the Fed to remain cautious at this week's meeting. In Europe, yield curves continued to steepen (2Y Bund -6bp/10Y +4bp). On the credit front, HY spreads widened sharply in a widespread risk-off movement (EU +25bp / US +29bp).

Sentiment of traders

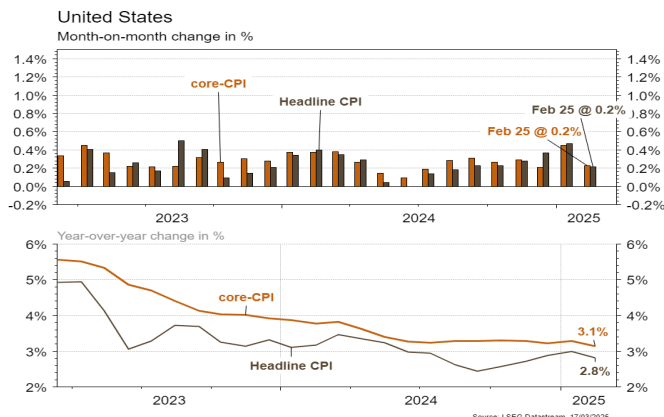
Stock markets

After another hectic week, we turn to central banks, with meetings of the FOMC (unchanged), the BOE (unchanged) and the SNB (-0.25%). J. Powell's speech will be eagerly awaited, while several experts are not ruling out a US recession. Otherwise, on the geopolitical front, Trump will meet Putin on Tuesday to discuss Ukraine, and the backdrop will continue to be the waltz of tariffs.

Currencies

The week is dominated by the central banks, with only the SNB expected to cut by 0.25%. The €/£ is consolidating at 1.0882, with no break of the 1.0940 res. and a possible return to the 1.0780 high. The dollar stagnates while awaiting the FED at \$/CHF 0.8835, sup. 0.8810 and res. 0.8910. The CHF weakens to €/CHF 0.9615 sup. 0.9565 and res. 0.9650. The pound remains unchanged at £/\$ 1.2940 sup. 1.2911 and res. 1.3000. After reaching the all-time high of \$3005/oz, gold consolidates at \$2986 sup. 2975 res. 3020.

Today's graph



Markets

Pending parliamentary approval of Germany's fiscal stimulus package this week, economic disappointment and political uncertainty continue to weigh more heavily on US equities (-2.3%) than on European (-1.2%) and emerging market (-0.8%) equities. Sovereign 10-year yields are fairly stable (USD: +0bp; EUR: +4bp) except in Switzerland (+10bp). The dollar is also fairly unchanged (dollar index: -0.1%) and gold (+2.5%) is benefiting from this environment. Coming up this week: retail sales, homebuilder's confidence, housing starts, industrial production and Fed meeting in the United States; trade balance and household confidence in the eurozone; house prices, industrial production, retail sales and investments in China.

Swiss Market

Coming up this week: macroeconomic forecasts (BAK Economics), publication of the 2024 Annual Report (SNB), spring economic forecasts (Seco), foreign trade/ watch exports February 2025 (OFDF) and monetary policy assessment (SNB).

The following companies will publish 2024 results: Medartis, Vetropack, Investis, Stadler Rail, Swatch Group, Swissquote and Financière Tradition.

Equities

ASSA ABLOY (Core Holdings) has acquired the German Gesellschaft für Sicherheitstechnik mbH, active in security solutions for commercial, industrial and public buildings, created in 1977 and which will bring in c.130 million SEK in high margin annual sales.

ASTRAZENECA (Core Holdings): positive data for eneboparotide in hypoparathyroidism, which could eventually reach sales of \$1 billion. In addition, the group announced the acquisition of EsoBiotec, a privately-held company specializing in cell-based therapies, for an initial amount of \$425 million and milestone payments of up to \$575 million.

E.ON (Satellite): the preliminary agreement signed in Germany between the CDU/CSU, the SPD and the Greens states that 100 billion of the 500 billion euros earmarked for Infrastructure will be directed towards the existing climate and transformation plan. This is clearly positive for the prospects of investment in electricity networks, so E.On.

VERIZON (Satellite listing) is one of the leading telecoms operators in the USA, a leader in mobile, internet and corporate network services. With solid free cash flow generation and good financial visibility, the stock has a defensive profile and offers a high dividend yield (5.9%). The valuation (12-month PE of 9.3x) is at a low point and represents a buying opportunity.

Performances

	Since		
	As at 14.03.2025	07.03.2025	31.12.2024
SMI	12 916.81	-1.22%	11.34%
Stoxx Europe 600	546.60	-1.22%	7.68%
MSCI USA	5 374.57	-2.32%	-4.32%
MSCI Emerging	1 119.61	-0.79%	4.10%
Nikkei 225	37 053.10	0.45%	-7.12%
As at 14.03.2025			
CHF vs. USD	0.8855	-0.76%	2.34%
EUR vs. USD	1.0873	0.02%	5.00%
10-year yield CHF (level)	0.80%	0.70%	0.23%
10-year yield EUR (level)	2.85%	2.81%	2.36%
10-year yield USD (level)	4.31%	4.32%	4.57%
Gold (USD/per ounce)	2 988.40	2.47%	13.83%
Brent (USD/bl)	70.99	0.41%	-5.02%

Source: LSEG Datastream

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