

Economy

The statistics published in the United States were mixed. The manufacturing PMI disappointed, falling from 52.7 to 49.8 in March (vs. 51.7 est.), but the services PMI rebounded more than expected (from 51 to 54.3). Household confidence fell in the same month from 100.1 to 92.9 (vs. 94 est.). PCE inflation was in line in February (+0.3% m/m; +2.5% y/y) but core inflation (+0.4% m/m; +2.8% y/y) was slightly higher than expected. In the eurozone, the manufacturing PMI rises and surprises somewhat on the upside (from 47.6 to 48.7 vs. 48.2 est.), while the services PMI falls and disappoints (from 50.6 to 50.4 vs. 51.1 est.). Finally, in China, the PMIs rose more than expected: manufacturing from 50.2 to 50.5 (vs. 50.4 est.) and services from 50.4 to 50.8 (vs. 50.6 est.).

Planetary Boundaries

According to the International Energy Agency's Global Energy Review 2025, global coal-fired power generation reached a new record in 2024, at 10,700 TWh (+1% y/y), or c.41% of total electricity consumption. This also led to record CO2 emissions linked to energy consumption, at 37.8 billion tons: +0.8% y/y, even though emissions linked to industrial production fell by 2.3%.

Bonds

In the US, the 10Y was unchanged over the week with mixed macro data, notably disappointing manufacturing PMIs offset by better than expected services. Similarly, PCE was in line with expectations, but the core disappointed on the upside (+0.4% m/m vs +0.3% est.). In Europe, the opposite was true, with disappointing services PMIs, while manufacturing surprised on the upside, confirmed by the EC confidence indices, and the 10Y Bund gave up 4bp over the week. All eyes will be on ISM and NFP in the US this week.

Sentiment of traders

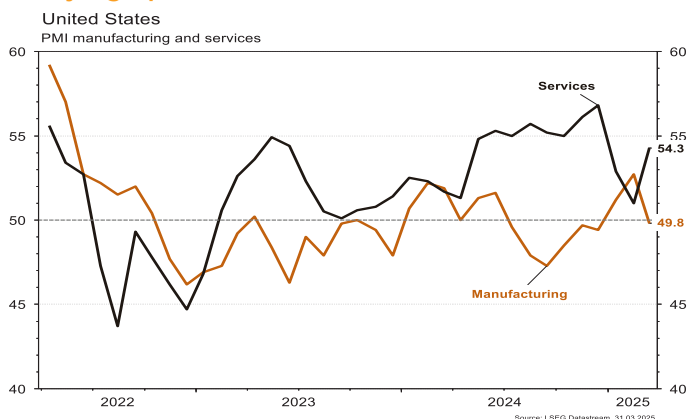
Stock markets

The markets began the week as they had ended the previous one: in the red. Investor confidence is at an all-time low, with the implementation of US tariffs in sight from Wednesday. In addition, the CPI and PPI figures for the eurozone and the ISM and US employment figures are due to be published on Friday. Volatility is likely to remain high.

Currencies

Following the publication of weaker-than-expected US indicators, the dollar ended the week lower: €/ \$ 1.0827, \$/CHF 0.8797. We remain very cautious this week, with high volatility on the cards as Trump's release day approaches and the retaliation from the countries targeted. Risk aversion prevailed this morning, with gold reaching \$3122/oz and the JPY rising rapidly against the dollar to 148.98. The CHF remains in demand at €/CHF 0.9527. Our ranges: €/ \$ 1.0680-1.0950, \$/CHF 0.8627-0.9000, €/CHF 0.9410-0.9620, XAU/\$ 3070-3200.

Today's graph



Markets

The announcements and uncertainties surrounding US tariffs are increasing risk aversion. As a result, gold prices (+2.3%) reached new all-time highs. Sovereign 10-year yields were stable in the US and fell by a few basis points in EUR but by 10bp in CHF. Equities corrected and fell globally (US: -1.6%; Europe: -1.4%; emerging markets: -0.9%). In this uncertain environment, the dollar index is unchanged. Coming up this week: ISM manufacturing and services and employment report in the US; consumer price index, Sentix investor confidence and retail sales in the eurozone; manufacturing and services PMI (Caixin) in China.

Swiss Market

Coming up this week: Q4 currency market intervention volumes (SNB), March purchasing managers' PMI indices, March inflation (FSO), March unemployment (Seco) and February accommodation statistics (FSO).

The following companies are due to release results: Varia US, Adval Tech, Newron, Valartis, Orior, Jungfraubahn, Aevis, Montana Aerospace and Mobilair.

Equities

AMAZON (Core Holdings) is broadening the scope of its Alexa Fund (set up in 2015) to support generative AI startups, with the aim of accelerating Alexa's transition to an LLM-driven conversational assistant. This repositioning reflects the urgent need for big tech to remain competitive on the voice interface. **APPLE** (Core Holdings), for its part, is actively working to modernize Siri in order to adapt it to the new standards of generative AI, with possible announcements as early as WWDC.

According to TD Cowen, **MICROSOFT** (Core Holdings) recently cancelled plans to expand capacity equivalent to 2 GW, without any clear explanation at this stage. According to analysts, OpenAI has taken over some of this capacity in its own name, while the rest has been absorbed by Google and Meta. This move could reflect Microsoft's refocusing on inference rather than models training.

SIEMENS (Satellite) has completed the acquisition of Altair Engineering Inc, a leading provider of software for industrial simulation and analysis, for c.10 billion USD. Altair Engineering's goal is to become a leader in the field of digital twins in industry, enabling clients to speed up the time-to-market for complex products.

Auto sector: vehicle sales fell by 3.4% year-on-year in February in Europe (-3% year-on-year since the start of 2025), including -6.4% in Germany... and -47% for Tesla. Over 2025, sales of electric vehicles rose by 28.4% year-on-year to 255,489 units, or 15.2% of total sales.

Performances

| | Since | | |
|---------------------------|------------------|------------|------------|
| | As at 28.03.2025 | 21.03.2025 | 31.12.2024 |
| SMI | 12 840.43 | -1.80% | 10.68% |
| Stoxx Europe 600 | 542.10 | -1.38% | 6.79% |
| MSCI USA | 5 319.64 | -1.59% | -5.30% |
| MSCI Emerging | 1 120.72 | -0.94% | 4.21% |
| Nikkei 225 | 37 120.33 | -1.48% | -6.95% |
| As at 28.03.2025 | | | |
| CHF vs. USD | 0.8810 | 0.28% | 2.87% |
| EUR vs. USD | 1.0823 | 0.13% | 4.52% |
| 10-year yield CHF (level) | 0.63% | 0.73% | 0.23% |
| 10-year yield EUR (level) | 2.70% | 2.74% | 2.36% |
| 10-year yield USD (level) | 4.26% | 4.25% | 4.57% |
| Gold (USD/per ounce) | 3 083.97 | 2.30% | 17.47% |
| Brent (USD/bl) | 73.54 | 1.91% | -1.61% |

Source: LSEG Datastream

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