

Economy

Against the backdrop of the start of a potentially disruptive trade war, the statistics published in the United States have not really reassured. The ISM manufacturing and services indexes disappointed in March, falling from 50.3 to 49 (vs. 49.5 est.) and from 53.5 to 50.8 (vs. 52.9 est.) respectively, but for the time being, the job market is holding up well. The US economy created 228,000 jobs in March, more than the 140,000 expected. In the eurozone, price growth in March was in line with expectations (+0.6% m/m) and continued to slow (from +2.3% y/y to +2.2% y/y), with core inflation slowing faster (from +2.6% y/y to +2.4% y/y vs. +2.5% est.). Lastly, in China, the Caixin PMIs rose more than expected: manufacturing from 50.8 to 51.2 (vs. 50.6 est.) and services from 51.4 to 51.9 (vs. 51.5 est.).

Planetary Boundaries

According to a new study by the Potsdam Institute for Climate Research (PIK), global warming this millennium could exceed previous estimates. This study is the first to make projections over the next 1,000 years, taking into account currently established carbon cycle feedbacks, including methane: the analysis shows, then, that the Paris Agreement objective (warming < 2°C) is only possible in very low emissions scenarios and if climate sensitivity is lower than currently estimated.

Bonds

In the US, following Trump's announcement of tariffs, the UST 10Y lost 26bp over the week, and by the end of the week the market was forecasting 4 rate cuts by the Fed this year (compared with 3 last Monday). In Europe, expectations rose to 3 rate cuts on Friday from 2.3 on Monday, with the 10Y Bund losing 15bp. On the credit side, HY experienced strong movements: US spreads widened by 92bp, European spreads widened by 56bp, while IG spreads widened by 21bp in both currencies.

Sentiment of traders

Stock markets

Equity markets are running for cover this morning, down between 4% and 6%, with Donald Trump hammering home the point about tariffs and no negotiations in sight so far. Against this backdrop, the first quarterly results from US banks on Friday and the publication of CPI and PPI figures in the US and retail sales in the eurozone are likely to go unnoticed.

Currencies

Risk aversion is at its height on Monday. As safe havens, the CHF and the JPY are rising sharply against the major currencies: €/CHF 0.9344, \$/JPY 145.38. The £ falls rapidly to £/CHF 1.0930 and £/\$ 1.2910. The dollar starts the week sharply lower at €/€ 1.1023 and \$/CHF 0.8460. Gold remains in demand at \$3026/oz. Our ranges are: €/€ 1.0882-1.1144, \$/CHF 0.8375-0.8626, €/CHF 0.9206-0.9510, £/\$ 1.2768-1.3050. XAU/USD 2971-3167.

Today's graph



Markets

The announcement of US tariffs and China's initial retaliatory measures have caused the price of risky assets to plummet: equities have collapsed globally (US: -9.1%; Europe: -8.4%; emerging markets: -3.0%). Sovereign 10-year yields fell sharply (USD: -26bp; EUR & CHF: -15bp). The dollar index depreciated by 1%. Despite a very favorable environment, gold is often used for its liquidity in times of tension and is down 1.3%. Coming up this week: Fed minutes, consumer and producer price indices and household confidence (Univ. of Michigan) in the United States; Sentix investor confidence and retail sales in the eurozone; foreign exchange reserves and consumer and producer price indices in China.

Swiss Market

Coming up this week: foreign exchange reserves at the end of March (SNB), debt collection and bankruptcy statistics for 2024 (FSO), March passenger statistics (Flughafen Zürich) and consumer sentiment (Seco).

The following companies are due to release results or sales figures: Romande Energie, Alpine Select, Repower, Givaudan, Comet, Ad-dex, Barry Callebaut, DocMorris, Relief, Bossard and BC de Lucerne.

Equities

AMAZON (Core Holdings) is preparing to take a major step forward in its "Kuiper" project, designed to rival SpaceX's Starlink, by launching its first communication satellites. A total of 27 satellites are due to be put into orbit on 9 April. The launch marks the start of a long journey to catch up with Starlink, which already has a constellation of 7,000 satellites and a user base of more than 4.5 million worldwide.

APPLE (Core Holdings) has not been spared by the Trump administration on tariffs, despite a gradual relocation of its supply chain out of China - but with still relatively modest investments in the US. In the same vein, the market is anticipating the introduction of targeted tariffs on the semiconductor industry, despite announcements of massive investments by groups such as TSMC (Asia Satellite) and Samsung, or their alignment with US requirements vis-à-vis China. These developments will depend on negotiations and/or new commitments.

ARYZTA (entry in Swiss Convictions): management has successfully begun a restructuring program that is repositioning the group on its core business, with improved margins and a gradual reduction in debt. The Group should be able to pay its first dividend since 2017 and is trading at a discount of 15-20%.

Performances

	Since		
	As at 04.04.2025	28.03.2025	31.12.2024
SMI	11 648.83	-9.28%	0.41%
Stoxx Europe 600	496.33	-8.44%	-2.22%
MSCI USA	4 832.69	-9.15%	-13.97%
MSCI Emerging	1 087.59	-2.96%	1.13%
Nikkei 225	33 780.58	-9.00%	-15.33%
As at 04.04.2025			
CHF vs. USD	0.8563	2.88%	5.83%
EUR vs. USD	1.0989	1.53%	6.12%
10-year yield CHF (level)	0.48%	0.63%	0.23%
10-year yield EUR (level)	2.54%	2.70%	2.36%
10-year yield USD (level)	4.02%	4.26%	4.57%
Gold (USD/per ounce)	3 043.80	-1.30%	15.94%
Brent (USD/bl)	66.18	-10.01%	-11.45%

Source: LSEG Datastream

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