

WEEKLY MARKETS ROUND-UP

Executive Summary

5th May 2025

Top news: further Tech earnings, the FED on Wednesday and the BOE on Thursday – last week was intense. On Monday, the Jolts US Job openings came in lower than exp. along with the Conference Board US Consumer Confidence index. Wednesday first saw the BoJ on hold, then mostly positive preliminary GDP data out of Europe, yet with higher inflation too, and, in the afternoon, the first negative US GDP print (Q1 at -0.3% yearly) since Q1/22. It was predominantly attributed to companies front-loading imports before the tariffs (the net export component was widely negative) while domestic demand remained steady above +2% yearly. Later that afternoon, Core PCE dropped to 0% MoM (vs +0.1% exp.) while after-hours then saw good earnings and strong rallies from Meta and Microsoft. Thursday, the ISM Manufacturing PMI came in higher than expected (48.7 vs 48.0) while related prices paid were lower (69.8 vs 72.9 exp). Apple and Amazon both beat then evening but guided lower, resulting in a 4% drop for Apple and a flat tape for Amazon. Finally, Friday, the US Non-Farm Payrolls surprised positively (177k vs 138k exp.) while average hourly earnings were lower than exp. Generally, the US economy seems to be holding while inflation is cooling further. This week, some Tech earnings (PLTR, AMD, UBER) may still dominate, while on the macro front, we await the ISM Services PMI today, the FOMC meeting on Wednesday (not further cut exp. yet) and the BOJ on Thursday (-0.25% exp.).

Equities: last week, most indexes rose further and closed April higher than where they started it. The rally may take a breather at some point, yet for now, sentiment remains depressed, while short term momentum remains positive.

Fixed Income: benchmark yields dropped early in the week, yet rose back into Friday on the European GDP data and the positive US Payrolls. We still expect some retracement into Q3, yet for now our indicators are still mostly neutral.

Forex: USD stabilized last week, bouncing slightly vs most currencies. It remains slightly Oversold for now on our table below and may still hold/rebound another week or so. We then probably expect more weakness into the Summer.

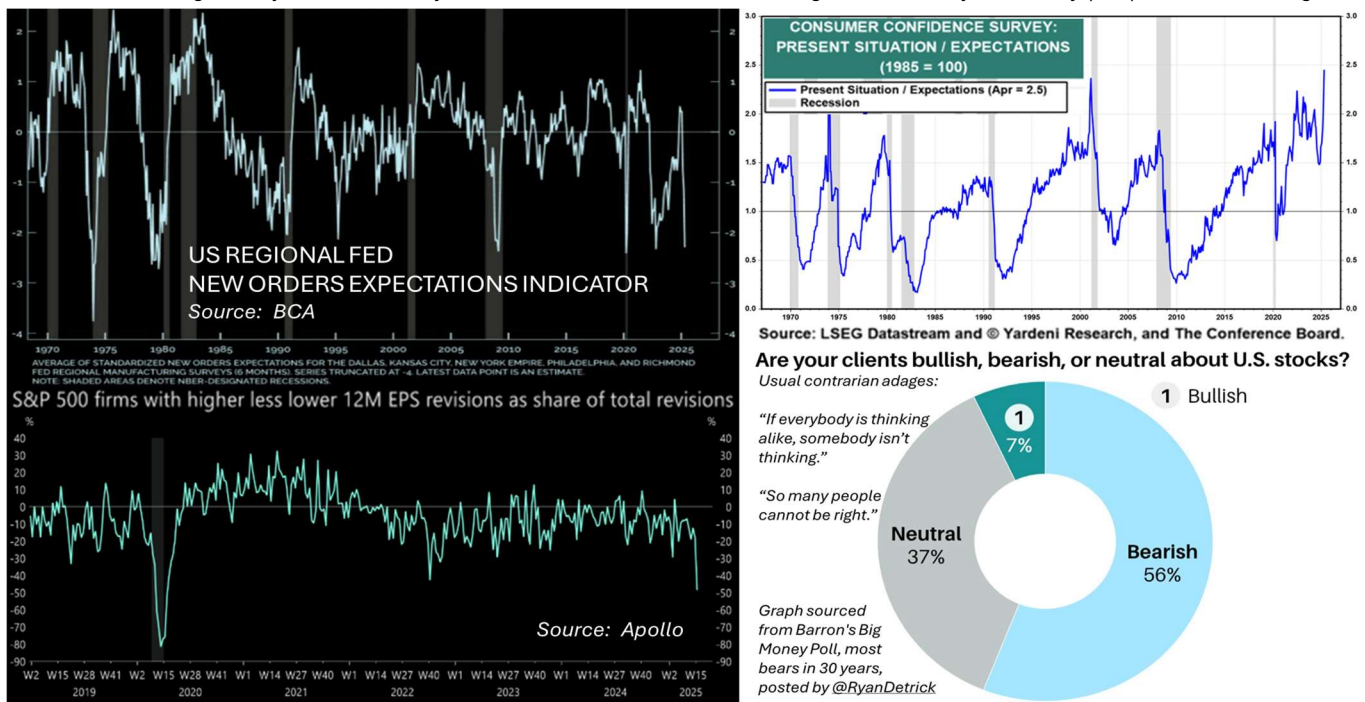
Commodities: Brent lost 7% last week ahead of OPEC meeting over the weekend and the further production increases than were just announced. Gold dropped 3% last week and may continue to retrace over the next couple of weeks.

	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	5 687	Apr-25	4 983	14,1%	Feb-25	6 144	-7,4%	-3,3%	down	neutral
Nasdaq100 Index	USD	20 103	Apr-25	17 090	17,6%	Feb-25	22 176	-9,3%	-4,3%	down	neutral
Dow Jones Industrials Index	USD	41 317	Apr-25	37 646	9,8%	Dec-24	45 014	-8,2%	-2,9%	down	neutral
EuroStoxx50	EUR	5 285	Aug-24	4 572	15,6%	Mar-25	5 541	-4,6%	7,9%	neutral	neutral
Swiss Market Index	CHF	12 254	Apr-25	10 888	12,5%	Mar-25	13 167	-6,9%	5,6%	neutral	neutral
Nikkei225	JPY	36 831	Apr-25	31 137	18,3%	Jul-24	42 224	-12,8%	-7,7%	down	neutral
Shanghai Composite	CNY	3 279	Sep-24	2 704	21,3%	Oct-24	3 490	-6,0%	-2,2%	neutral	neutral
US 10Y Treasury Yield	%	4,31%	Sep-24	3,62%	0,7%	Jan-25	4,79%	-0,5%	-0,3%	neutral	neutral
German 10Y Bund Yield	%	2,54%	Dec-24	2,03%	0,5%	Mar-25	2,89%	-0,4%	0,2%	up	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	88	Apr-25	86	2,3%	Sep-24	100	-12,6%	-0,5%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	107	May-24	104	2,5%	Sep-24	113	-5,4%	0,2%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	79	May-24	75	5,4%	Nov-24	80	-1,4%	0,6%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	89	May-24	85	5,3%	Sep-24	92	-3,0%	1,1%	neutral	neutral
EUR/USD		1,13	Jan-25	1,02	10,3%	Apr-25	1,15	-1,8%	9,1%	up	slightly OB
GBP/USD		1,33	Jan-25	1,22	9,1%	Apr-25	1,34	-1,2%	6,1%	neutral	slightly OB
USD/JPY		145	Sep-24	141	3,1%	Jul-24	162	-10,3%	-7,8%	down	slightly OS
USD/CHF		0,83	Apr-25	0,81	2,2%	Jan-25	0,92	-9,9%	-8,9%	down	slightly OS
AUD/USD		0,64	Apr-25	0,60	8,3%	Sep-24	0,69	-6,8%	4,2%	neutral	neutral
Brent Oil (per Barrel)	USD	61	May-25	61	0,0%	Jul-24	87	-29,9%	-18,0%	down	slightly OS
Gold Spot (per Ounce)	USD	3 241	Jun-24	2 293	41,3%	Apr-25	3 424	-5,3%	23,5%	up	slightly OB

WEEKLY MARKETS ROUND-UP

Sentiment focus: too much negativity may imply than it may be already priced in

Despite the positive NF-Payrolls on Friday, and more generally, hard data, which is holding up well (e.g. the higher than exp. US ISM Manuf. PMI last Thursday), soft "survey" data is continuing to deteriorate. For example, we would point to the new business orders expectations estimated by the Bank Credit Analyst from the FED regional manufacturing surveys (top-left graph). These are in freefall and approaching recessionary levels. Last Tuesday, the Conference Board Consumer Confidence data also came in weaker than expected. While the current conditions index held up, the expectations component deteriorated sharply. Their ratio is hence skyrocketing, a phenomenon, which according to Yardeni research usually precedes recessions (top-right). Market expectations are also falling, and earnings are currently being revised down aggressively (bot-left). This corroborates extreme Bearish sentiment from the American Ass. of Individual Investors or the Goldman Sachs equity investors sentiment index, still well below 0. In fact, despite the rebound, the Barron's latest Big Money poll of professional investors (May 2nd) shows that 56% of the respondents' clients are bearish, while only 7% are bullish (bot.-right), the worse reading in 30 years. This may constitute a decent contrarian signal as usually "so many people cannot be right".



Notes:

- Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.05% the trend is then "up", below -0.05% then "down", otherwise it is "neutral".
- Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

Disclaimer: The information in this document is being provided for general market commentary and information purposes. This document does not constitute a solicitation or offer, or recommendation to acquire or dispose of any investment or to engage in any other transaction. Any reference to a transaction, trade, position, holding, security, market, or level is purely meant to educate readers about possible opportunities and risks in the marketplace and are not meant to imply that any person or entity should take any action whatsoever without first evaluating such action(s) in light of their own situation either on their own or through a professional advisor. If a person or entity does not believe they are qualified to make such decisions, they should seek professional advice. The prices listed are for reference only and are in no way intended to represent an actual trade. This information is not a substitute for professional advice of any nature, including tax, legal, and financial. While we believe the information contained herein to be accurate, all numbers should be verified by the reader through independent sources. Primis Investment (Suisse) SA assumes no responsibility for errors or omissions in the contents of this document. In no event shall Primis Investment (Suisse) SA be liable for any special, direct, indirect, consequential, or incidental damages or any damages whatsoever, whether in an action of contract, negligence, or other tort, arising out of or in connection with the contents of this document or any related services. Trading securities, options, futures, or any other security involves risk and can result in the immediate and substantial loss of the capital invested. Every reader/recipient is responsible for his or her own investment decisions. Primis Investment (Suisse) SA reserves the right to make additions, deletions, or modifications to the contents of this document and related services at any time without prior notice.



Primis Investment (Suisse) SA
5 rue Jacques-Balmat, 1204 Geneva –Switzerland
T: + 41 22 570 60 80

wealth-management@primis.swiss

www.primis.swiss

@ Copyright 2023 Primis Investment (Suisse) SA