

WEEKLY MARKETS ROUND-UP

Executive Summary

2nd June 2025

Top news: ECB on Thursday and Non-Farm Payrolls on Friday – last week was mostly positive for risk assets with equities moving higher by 1-2% while bond yields retreated slightly. The main equity event was NVIDIA Q1 earnings released on Wednesday after the close. While the company had to take a \$8bn hit from the export ban of its H2O chips to China, it still beat on revenue growth (\$44.1bn vs 26bn last year and expectations of 43.3), while its adjusted EPS rose to 0.96 from 0.61 last year and 0.93 exp. As HSBC analyst Ryan Mellor puts it, “the results were good enough to avoid disappointment” and indeed, NVIDIA’s share price popped +5.5% on Thursday’s open, while then giving up these gains into Friday (rather flat on the week as a whole). The other event was the April PCE inflation data on Friday. Core dropped to 2.5% YoY vs 2.7% in March (Headline also dropped to 2.15%), showing a rather muted effect from the tariffs for now as consumers seemed to shift spending patterns. Indeed, the related personal income data rose a large +0.8% MoM, while personal spending dropped to +0.2% (from +0.7% last month) boosting the saving rates to 4.9% YoY, its highest level in 7 months, reflecting more conservative spending patterns. Today and Wednesday resp. will see the ISM Manufacturing and Services PMIs. Both are due to rise slightly. Thursday, the ECB is expected to cut rates a further 0.25% and finally on Friday, the May Non-Farm Payrolls are expected at +130k (vs 177k last month).

Equities: last week, US equities rose 2% and European ones 1%. All indexes are back to neutral (table below) as the rally from the early April lows may still need to be digested into mid June, before potentially further strength into Q3.

Fixed Income: benchmark yields finally saw some retreat last week, with the US10Y dropping -11bps, and the 10Y Bund -7bps, and while credit ETFs rose. We expect this dovish normalization to continue into the Summer.

Forex: USD rose slightly last week, yet as yields may drop back, could come under pressure again into the Summer. Hence, despite it being slightly Oversold (table below), we would still wait before reentering the US Dollar.

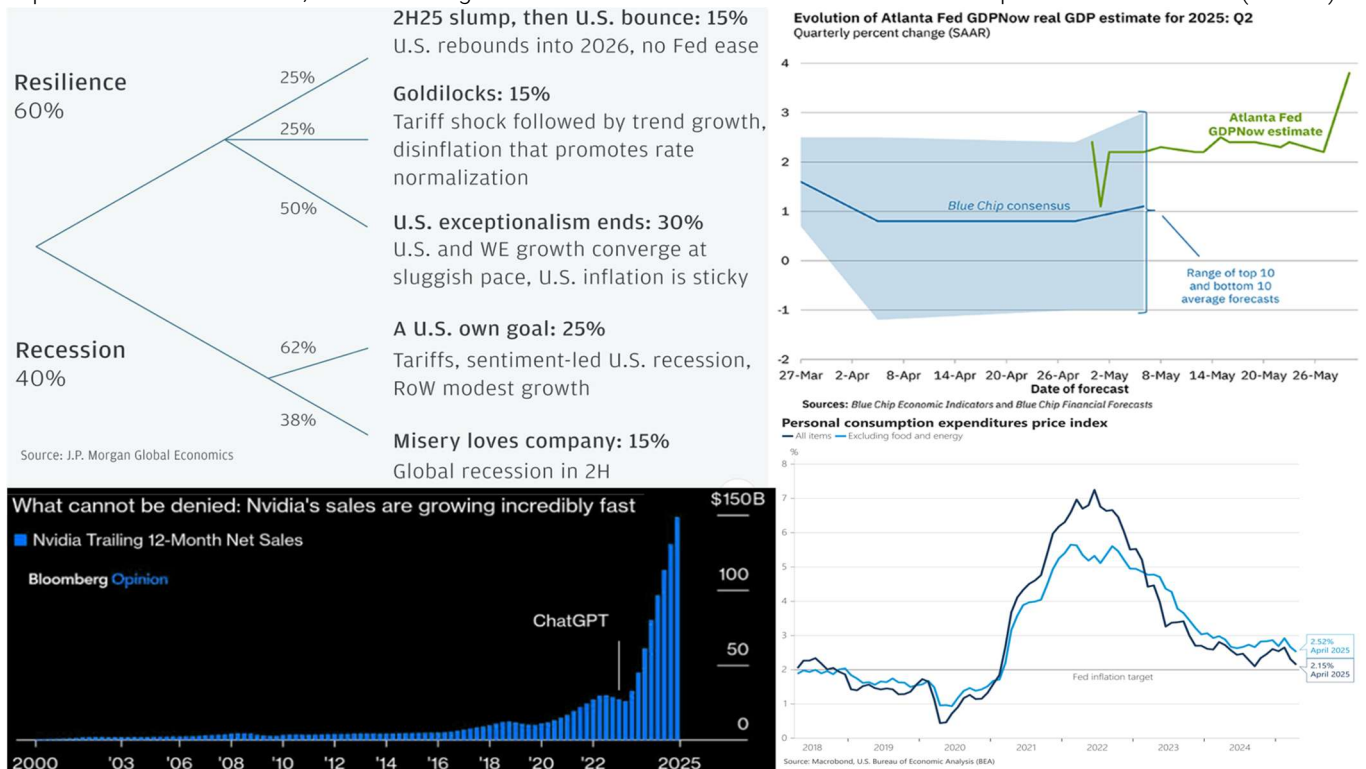
Commodities: Oil was down 1\$/bbl last week as investors awaited the OPEC meeting and new production increases (which did happen on Saturday). Gold consolidated back last week, yet could benefit from a weaker USD again soon.

	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	5 912	Apr-25	4 983	18,6%	Feb-25	6 144	-3,8%	0,5%	neutral	neutral
Nasdaq100 Index	USD	21 341	Apr-25	17 090	24,9%	Feb-25	22 176	-3,8%	1,6%	neutral	neutral
Dow Jones Industrials Index	USD	42 270	Apr-25	37 646	12,3%	Dec-24	45 014	-6,1%	-0,6%	neutral	neutral
EuroStoxx50	EUR	5 367	Aug-24	4 572	17,4%	Mar-25	5 541	-3,1%	9,6%	neutral	neutral
Swiss Market Index	CHF	12 227	Apr-25	10 888	12,3%	Mar-25	13 167	-7,1%	5,4%	neutral	neutral
Nikkei225	JPY	37 965	Apr-25	31 137	21,9%	Jul-24	42 224	-10,1%	-4,8%	neutral	neutral
Shanghai Composite	CNY	3 347	Sep-24	2 704	23,8%	Oct-24	3 490	-4,1%	-0,1%	neutral	neutral
US 10Y Treasury Yield	%	4,40%	Sep-24	3,62%	0,8%	Jan-25	4,79%	-0,4%	-0,2%	neutral	neutral
German 10Y Bund Yield	%	2,50%	Dec-24	2,03%	0,5%	Mar-25	2,89%	-0,4%	0,1%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	86	May-25	84	2,8%	Sep-24	100	-14,0%	-2,1%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	108	Jan-25	105	2,6%	Sep-24	113	-4,6%	1,0%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Jun-24	75	6,0%	Nov-24	80	-0,1%	1,9%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	91	Jun-24	85	6,1%	Sep-24	92	-1,7%	2,5%	neutral	neutral
EUR/USD		1,13	Jan-25	1,02	10,8%	Apr-25	1,15	-1,4%	9,6%	up	slightly OB
GBP/USD		1,35	Jan-25	1,22	10,6%	May-25	1,36	-0,8%	7,5%	up	slightly OB
USD/JPY		144	Sep-24	141	2,4%	Jul-24	162	-10,9%	-8,4%	down	neutral
USD/CHF		0,82	Apr-25	0,81	1,7%	Jan-25	0,92	-10,3%	-9,3%	down	slightly OS
AUD/USD		0,64	Apr-25	0,60	8,1%	Sep-24	0,69	-7,0%	4,0%	neutral	neutral
Brent Oil (per Barrel)	USD	64	May-25	60	6,1%	Jul-24	87	-26,9%	-14,5%	down	slightly OS
Gold Spot (per Ounce)	USD	3 291	Jun-24	2 293	43,5%	May-25	3 432	-4,1%	25,4%	up	neutral

WEEKLY MARKETS ROUND-UP

Focus on the US economy: resilience expected and potentially lower inflation

In their research report from last Tuesday, JP Morgan no longer expects a recession. Its odds have indeed been brought down from 60% to 40% (top-left), mostly due to reduced trade tensions. However, the remaining tariffs, (39% on China and circa 10% globally), may still lead U.S. growth to slow into late 2025 (to 0.25% annually) while global growth is forecasted a higher yet still weak 1.3%. As for the FED, JPM believes that it is unlikely to cut until December, while 3 cuts are then projected by Q2/26. According to the decision tree below, this scenario probably best positions the US economy in some weak form of Goldilocks (15% chance). The latest Atlanta FED NowCast (with US Growth projected above 3% in Q2, top-right) would suggest even more resilience than what JPM expects, while at the same time, the PCE data from Friday (bot-right), is getting closer to the FED's 2% target (2.5% on Core, 2.15% on Headline), perhaps allowing for earlier rate cuts. As for any expectations of US demise, the continuing acceleration of NVIDIA's sales doesn't seem to point in that direction (bot-left).



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