PRIMIS INVESTMENT

Swiss Independent Wealth Manager,
Licensed by the Swiss Financial Market
Supervisory Authority FINMA

WEEKLY MARKETS ROUND-UP

Executive Summary

30th June 2025

Top news: Non-Farm Payrolls on Thursday - during his testimonies to Congress last week, Chair Powell reaffirmed a cautious, data-driven approach considering unclear inflation implications for now from the tariffs (and Core PCE did print slightly higher than exp. on Friday). Earlier in the week, on Monday, European Manufacturing and Services Flash PMIs came in pretty much as expected and neutral in terms of growth (49.4 and 50.0 resp.) while these beat expectations in the US, signaling further expansion (52.0 and 53.1 resp.). In contrast, Q1 U.S. GDP was revised down to -0.5% (from -0.2%) on Thursday, mostly driven down by a surge in imports ahead of the tariffs' announcement. The data marked the first contraction in 3 years. We can also note the crash in Oil prices last Monday as Iran's response to the US bombing its nuclear sites was mere symbolic, as well as the FED's proposal on Wednesday to overhaul how much capital large US banks must hold against Treasuries. Looking ahead, on Tuesday afternoon, the main central bankers will speak at the ECB Forum, shortly followed by the release of the ISM Manufacturing PMI (exp. 48.8, up from 48.5) and the JOLTS job openings (exp. at 7.45M up from 7.39M). On Thursday, Non-Farm Payrolls are expected at +120K (vs. 139K in May), the unemployment rate could tick up to 4.3% from 4.2%, while average hourly earnings could slow to +0.3% MoM from +0.4%. Later that day, the ISM Services PMI is forecasted to improve from 49.9 to 50.8.

Equities: US indices rose 3-4% to new all-time highs last week, with the S&P500 and Nasdaq100 now slightly Overbought. Other markets were also 1-3% higher. A dip is still possible, but the trend could extend higher during Q3.

Fixed Income: the US10Y dropped 10bps last week and probably remains in a shallow consolidation that could extend into the Summer. Bund yields ticked up. High Yield and EM credits are slightly Overbought (table below) and could dip.

Forex: USD dropped 1-2% further last week, with EUR/USD and Cable now slightly Overbought and USD/CHF slightly Oversold. Stabilization may come during July and potentially into late Q3, as US debt refinancing pressures may ease.

Commodities: Oil dropped 12% on the week as geopolitical worries eased. We believe previous support in the mid 60s on Brent could hold into the Summer. Gold also retraced by -3.5% last week and may continue to dip into mid/late Q3.

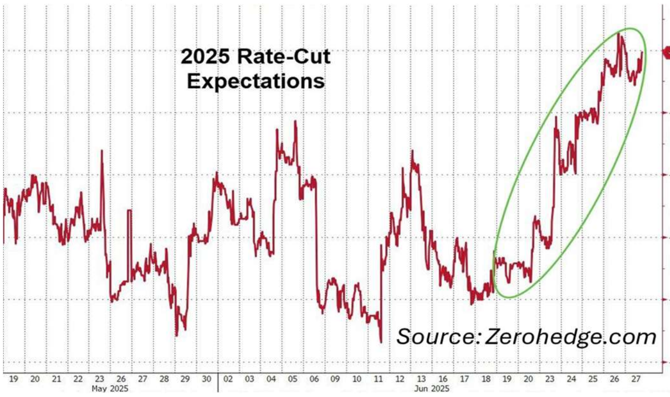
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS [2]
S&P500 Index	USD	6 173	Apr-25	4 983	23,9%	Jun-25	6 173	0,0%	5,0%	up	slightly OB
Nasdaq100 Index	USD	22 534	Apr-25	17 090	31,9%	Jun-25	22 534	0,0%	7,2%	up	slightly OB
Dow Jones Industrials Index	USD	43 819	Apr-25	37 646	16,4%	Dec-24	45 014	-2,7%	3,0%	neutral	neutral
EuroStoxx50	EUR	5 326	Aug-24	4 572	16,5%	Mar-25	5 541	-3,9%	8,8%	up	neutral
Swiss Market Index	CHF	11 980	Apr-25	10 888	10,0%	Mar-25	13 167	-9,0%	3,3%	neutral	slightly OS
Nikkei225	JPY	40 151	Apr-25	31 137	29,0%	Jul-24	42 224	-4,9%	0,6%	neutral	slightly OB
Shanghai Composite	CNY	3 424	Sep-24	2 704	26,6%	Oct-24	3 490	-1,9%	2,2%	neutral	neutral
US 10Y Treasury Yield	%	4,28%	Sep-24	3,62%	0,7%	Jan-25	4,79%	-0,5%	-0,3%	neutral	neutral
German 10Y Bund Yield	%	2,59%	Dec-24	2,03%	0,6%	Mar-25	2,89%	-0,3%	0,2%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	87	May-25	83	5,3%	Sep-24	100	-12,9%	-0,9%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	109	Apr-25	105	4,2%	Sep-24	113	-3,5%	2,1%	neutral	slightly OB
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Jul-24	75	6,8%	Jun-25	80	-0,0%	2,9%	neutral	slightly OB
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	92	Jul-24	86	7,5%	Jun-25	92	-0,1%	4,2%	neutral	slightly OB
EUR/USD		1,17	Jan-25	1,02	14,4%	Jun-25	1,17	0,0%	13,1%	up	slightly OB
GBP/USD		1,37	Jan-25	1,22	12,8%	Jun-25	1,37	-0,1%	9,6%	up	slightly OB
USD/JPY		145	Sep-24	141	2,9%	Jul-24	162	-10,5%	-8,0%	neutral	neutral
USD/CHF		0,80	Jun-25	0,80	0,0%	Jan-25	0,92	-12,9%	-12,0%	down	slightly OS
AUD/USD		0,65	Apr-25	0,60	9,8%	Sep-24	0,69	-5,5%	5,6%	neutral	neutral
Brent Oil (per Barrel)	USD	68	May-25	60	12,5%	Jul-24	87	-22,5%	-9,3%	neutral	neutral
Gold Spot (per Ounce)	USD	3 274	Jul-24	2 330	40,5%	Jun-25	3 434	-4,7%	24,7%	up	neutral

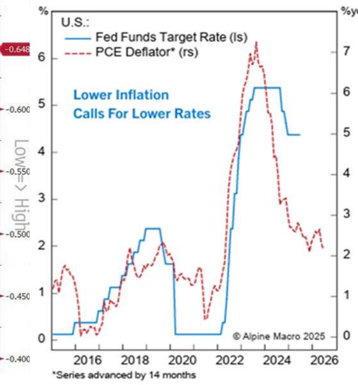
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

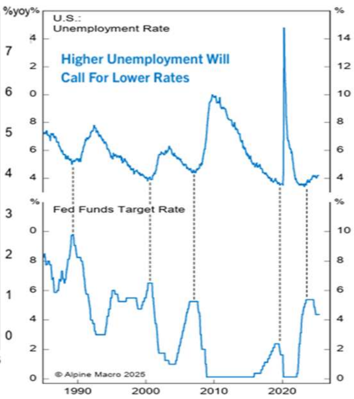
Source: Primis Investment (Suisse) SA

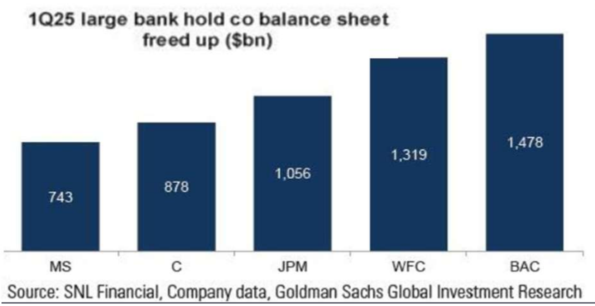
Treasury focus: as rate cuts odds rise, new funding sources being considered

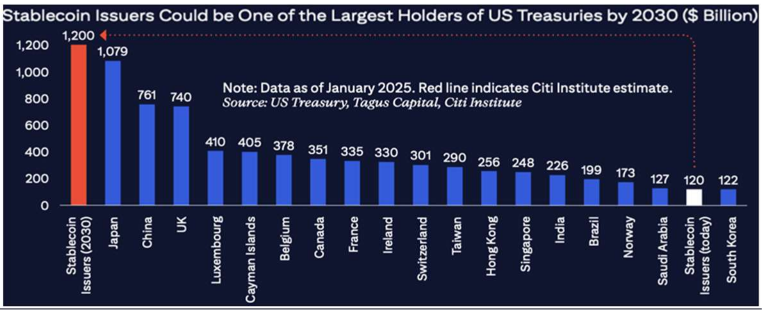
Since early June, the Bloomberg US Economic Surprise index has been dropping rapidly and as a result, US rate cuts odds have surged (from less than two 10 days ago to almost three now, top-left graph). The context is indeed ripe for these rate cuts as inflation has dropped back closer to the FED's 2% targets (top-middle) and unemployment is starting to tick up (top-right). These rate cuts could also meet a more friendly funding environment, easing some pressure off the long end of the curve and potentially allowing risk assets to thrive. Indeed, the proposal laid out by the FED this week to adjust its enhanced Supplementary Leverage Ratio (eSLR) rules would pretty much exclude low risk assets such as Treasuries from additional capital requirements. As early as 2026, it could unlock $5.5TN in bank balance sheet capacity (bot-left simulation on 1Q25 amounts) and hence encourage banks to hold more Treasuries, improving liquidity and reducing market dysfunctions. We would also mention the recent passing by the Senate of the Genius act, a legislation setting guardrails for USD-pegged stablecoins, establishing a regulated pathway for private companies to issue digital dollars (all backed by shorter term Treasuries). By 2030, such venues are expected to be the biggest holders of Treasuries (bot-right).











Notes:

1. **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".
2. **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".

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