

WEEKLY MARKETS ROUND-UP

Executive Summary

14th July 2025

Top news: US CPI and PPI on Tuesday and Wednesday as Earnings Season really takes off – US markets once again made fresh new all-time highs into Thursday last week, as the FOMC minutes, although cautious, did point to the likelihood of rate cuts later on this year. On the tariffs front, 35% import duties were announced on Thursday on Canadian goods although these may be limited only to goods, which do not comply to the United States-Mexico-Canada Agreement, while this Saturday 30% duties were announced on Mexican and EU goods. On all of these, the tariff's deadline has been postponed to August 1st, leaving some room for further negotiations. This week will also focus on the US inflation data. Indeed, CPI is expected on Wednesday. Headline and Core are meant to rise back from +0.1% MoM to +0.3%, or respectively from 2.4% to 2.7% and from 2.8% to 3.0% YoY as analysts still expect to see some impact from the tariffs. US PPI on Wednesday is also expected to rise by a similar measure. Then on Thursday, we will await US Retail Sales (also expected to recover sharply from their negative readings in May), and then finally on Friday the UoM Consumer Sentiment data, which could tick up. This week will also see an acceleration in earnings releases, with many banks reporting between Tuesday (Citi, WFC, JPM) and Wednesday (BofA, GS, MS), yet also some large growth stocks such as ASML on Wednesday and Taiwan Semiconductor and Netflix on Thursday.

Equities: US markets made new highs again and are now slightly Overbought. Other markets may have also reached intermediate tops and could start to retrace. Some dipping is expected into August, yet higher highs into September.

Fixed Income: Yields are drifting higher again, in Europe especially, considering the large German fiscal package. We'd still expect further consolidation at some point into mid/late Q3, yet are wondering about its scope in terms of targets.

Forex: the US Dollar did bounce a bit last week and remains slightly Oversold vs CHF and EUR. We expect this rebound to continue another few weeks, and then again perhaps into late Q3. Q4 could then see a further downside retest.

Commodities: Brent and Gold rose last week, as geopolitical tensions resurfaced (new Houthi attacks, Iran still refusing to resume nuclear talks). We expect Iran to rejoin such talks, which may lead to some consolidation into August.

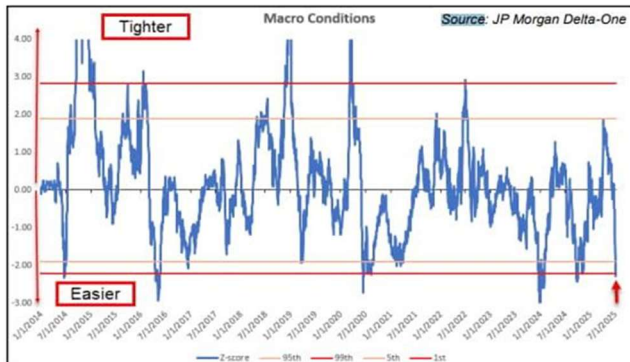
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance YTD in %	Trend last 6m ¹	Exaggeration OB / OS ²
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	6 260	Apr-25	4 983	25,6%	Jul-25	6 280	-0,3%	6,4%	up	slightly OB
Nasdaq100 Index	USD	22 781	Apr-25	17 090	33,3%	Jul-25	22 867	-0,4%	8,4%	up	slightly OB
Dow Jones Industrials Index	USD	44 372	Apr-25	37 646	17,9%	Dec-24	45 014	-1,4%	4,3%	neutral	slightly OB
EuroStoxx50	EUR	5 383	Aug-24	4 572	17,8%	Mar-25	5 541	-2,8%	10,0%	neutral	neutral
Swiss Market Index	CHF	11 937	Apr-25	10 888	9,6%	Mar-25	13 167	-9,3%	2,9%	neutral	neutral
Nikkei225	JPY	39 570	Apr-25	31 137	27,1%	Jul-24	41 275	-4,1%	-0,8%	up	slightly OB
Shanghai Composite	CNY	3 510	Sep-24	2 704	29,8%	Jul-25	3 510	0,0%	4,7%	neutral	neutral
US 10Y Treasury Yield	%	4,42%	Sep-24	3,62%	0,8%	Jan-25	4,79%	-0,4%	-0,2%	neutral	neutral
German 10Y Bund Yield	%	2,69%	Dec-24	2,03%	0,7%	Mar-25	2,89%	-0,2%	0,3%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	86	May-25	83	3,5%	Sep-24	99	-13,2%	-0,3%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	108	Jan-25	103	5,0%	Sep-24	111	-2,3%	3,3%	neutral	slightly OB
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Aug-24	74	8,3%	Jul-25	80	-0,4%	4,7%	neutral	slightly OB
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	92	Jul-24	85	8,3%	Jun-25	93	-0,9%	5,7%	neutral	slightly OB
EUR/USD		1,17	Jan-25	1,02	14,1%	Jul-25	1,18	-0,9%	12,9%	up	slightly OB
GBP/USD		1,35	Jan-25	1,22	10,9%	Jul-25	1,37	-1,9%	7,8%	up	neutral
USD/JPY		147	Sep-24	141	4,8%	Jan-25	158	-6,9%	-6,2%	neutral	neutral
USD/CHF		0,80	Jul-25	0,79	0,6%	Jan-25	0,92	-13,2%	-12,2%	down	slightly OS
AUD/USD		0,66	Apr-25	0,60	10,5%	Sep-24	0,69	-4,9%	6,3%	neutral	neutral
Brent Oil (per Barrel)	USD	70	May-25	60	16,8%	Jul-24	85	-17,4%	-5,9%	neutral	neutral
Gold Spot (per Ounce)	USD	3 355	Jul-24	2 365	41,9%	Jun-25	3 434	-2,3%	27,8%	up	neutral

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

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US market positioning focus: tactically Overbought, yet still uptrending

Early April, US equities started reversing up and never looked back. Indeed, while the postponement of the tariffs was the trigger, the rally was supported by a sustained easing of Macro Conditions (top-left graph) – USD's depreciation, a narrowing of credit spreads, progress on inflation, oil which remains at/below 70, M2 accelerating and US yields rather range-bound below 4.5%. The CNN Fear & Greed Index is now back in Extreme Greed (i.e. above 75 – bot-left), a condition that may justify some caution. That said, such situations often take time to trigger any meaningful correction (as was the case in the Spring of 2023, early in 2024 and last Fall), while market positioning remains low historically (at its 35% percentile since 2010 – top-right). Our view is that the current uptrend probably extends into early Fall, and that short term concerns should be addressed asymmetrically (e.g. perhaps using a Bearish Put spread) as volatility (VIX) is now back to more affordable levels (bot-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".

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