PRIMIS® INVESTMENT

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WEEKLY MARKETS ROUND-UP

Executive Summary

4th August 2025

Top news: ISM Services PMI on Tuesday, BOE on Thursday – last week was a roller coaster for most asset classes with risk assets rising into Wednesday, yet then suffering an initial hawkish drop as the FED kept its rate at 4.5% and Chair Powell stated that the FOMC needed to adopt a wait and see approach towards the tariffs implications as well as in light of steady growth, solid labor and CPI still well above its 2% target. Then on Friday, risk assets suffered a further drop as the US Non-Farm Payrolls came in well below their 106k expectations, at 73k, while the April and May data were heavily revised down, almost to zero, a mishap which led President Trump to fire the Bureau of Labor head. Strong earnings from Microsoft, Meta or Apple on Wednesday and Thursday couldn't save the week as these retraced some of their post-earnings gains into Friday, while Amazon dropped 8% on decent earnings yet weaker guidance. Other releases last week were slightly stagflationary with Core PCE and hourly earnings both rising to +0.3% MoM as exp. yet above +0.2% last month. On the other hand, ISM Manufacturing PMI dropped back to 48 from 49.5 last month, UoM Consumer Sentiment ticked down, while Inflation Expectations rose back slightly. Next week, will be calmer, with the ISM Services PMI on Tuesday, the BOE (exp. to cut 0.25%) on Thursday and earnings from PLTR, AMD and CEG.

Equities: US markets sold off between 2.5-3% late last week while global markets dropped circa 1%. On average, most indices remain Overbought and we would hence still expect 2-3 of weeks of temporary dipping into mid/late August.

Fixed Income: the US10Y yield dropped 17 bps last week, while the 10Y Bund yield just ticked lower. We would still expect several weeks of consolidation of both into August. Credit remains slightly Overbought and could dip a bit.

Forex: USD rose 2-3% early in the week and then on the FED's rather hawkish comments. It then sold off heavily on Friday's NFP release, retracing circa half of its gains. We expect some stabilization and a further bounce into late Q3.

Commodities: Oil rallied 5% early in the week as the US continued to pressure Russia with sanctions and OPEC agreed to maintain production levels, but then retraced these gains on the negative NFPs. Gold did the opposite.

	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	6 240	Apr-25	4 983	25,2%	Jul-25	6 390	-2,3%	6,1%	up	slightly OB
Nasdaq100 Index	USD	22 760	Apr-25	17 090	33,2%	Jul-25	23 356	-2,6%	8,3%	up	slightly OB
Dow Jones Industrials Index	USD	43 593	Apr-25	37 646	15,8%	Dec-24	45 014	-3,2%	2,5%	neutral	slightly OB
EuroStoxx50	EUR	5 320	Aug-24	4 572	16,4%	Mar-25	5 541	-4,0%	8,7%	neutral	neutral
Swiss Market Index	CHF	11 836	Apr-25	10 888	8,7%	Mar-25	13 167	-10,1%	2,0%	neutral	neutral
Nikkei225	JPY	40 832	Apr-25	31 137	31,1%	Jul-25	41 826	-2,4%	2,3%	up	slightly OB
Shanghai Composite	CNY	3 563	Sep-24	2 704	31,8%	Jul-25	3 616	-1,5%	6,3%	up	slightly OB
US 10Y Treasury Yield	%	4,21%	Sep-24	3,62%	0,6%	Jan-25	4,79%	-0,6%	-0,4%	neutral	neutral
German 10Y Bund Yield	%	2,68%	Dec-24	2,03%	0,6%	Mar-25	2,89%	-0,2%	0,3%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	88	May-25	83	5,9%	Sep-24	99	-11,2%	2,0%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	110	Jan-25	103	6,5%	Sep-24	111	-0,9%	4,8%	neutral	slightly OB
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Aug-24	74	8,3%	Jul-25	80	-0,3%	4,7%	neutral	slightly OB
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	93	Aug-24	85	8,7%	Jul-25	93	-0,1%	6,9%	neutral	slightly OB
EUR/USD		1,16	Jan-25	1,02	13,1%	Jul-25	1,18	-1,7%	11,8%	up	neutral
GBP/USD		1,33	Jan-25	1,22	9,1%	Jul-25	1,37	-3,4%	6,1%	neutral	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	1,5%	Jan-25	0,92	-12,3%	-11,4%	down	neutral
AUD/USD		0,65	Apr-25	0,60	8,8%	Sep-24	0,69	-6,4%	4,6%	neutral	neutral
Brent Oil (per Barrel)	USD	70	May-25	60	15,7%	Jan-25	82	-15,4%	-6,8%	neutral	neutral
Gold Spot (per Ounce)	USD	3 363	Aug-24	2 383	41,1%	Jun-25	3 434	-2,1%	28,1%	up	neutral

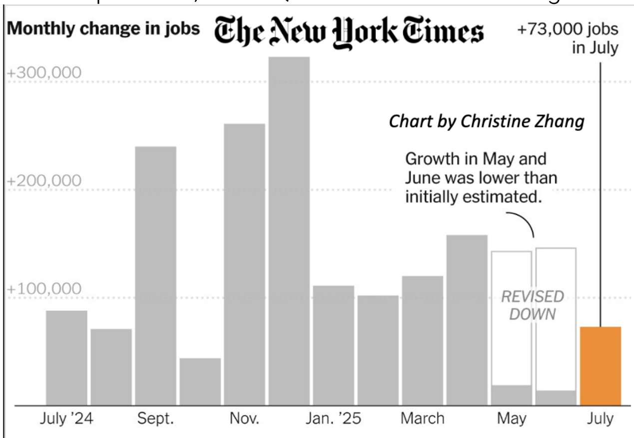
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

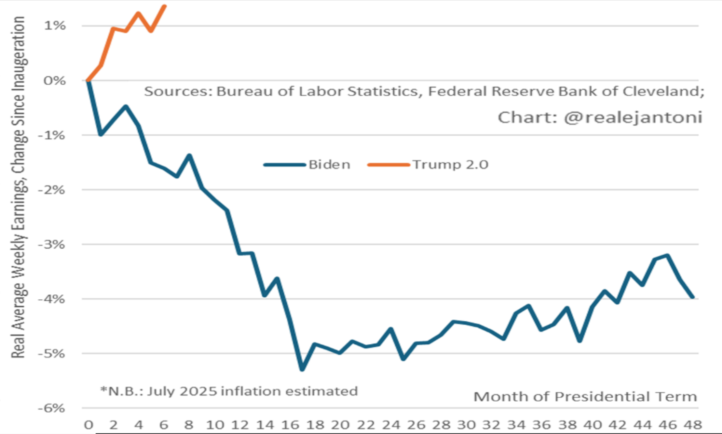
Source: Primis Investment (Suisse) SA

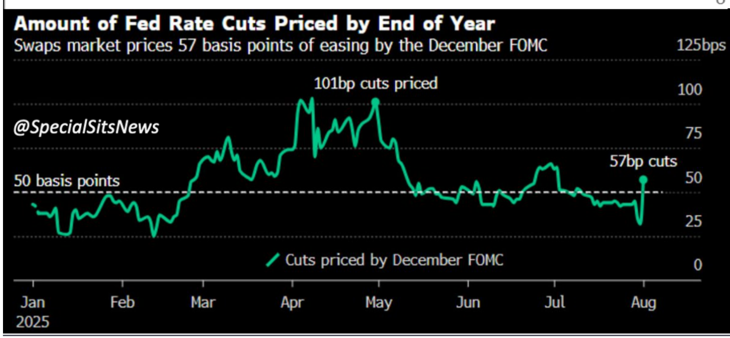
WEEKLY MARKETS ROUND-UP

Payrolls Focus: awful print hides shift to native workers, perhaps even Goldilocks

Last Friday's June Non-Fam Payrolls data at 73k was the worst in 9 months, well below the exp. 106k (top-left graph). Worse, the April and May data were heavily revised down, by circa 260k to almost zero, making Q2-25 the worst quarter for US employment since COVID. On the other hand, June Hourly earnings rose to +0.3% MoM, while Hourly earnings of recent months were also revised up. This translates in Weekly paychecks which were 1.4% higher in July than in January, in sharp contrast with Biden's term first year (top-right). Yet, rather than fueling a stagflationary scare, these developments may appear more like a political consequence of the Trump immigration policies with Native Born workers soring by 2.5mio since January (and demanding higher salaries) while Foreign Born ones have dropped by 1.2mio. In fact, the market has repriced 30bps cuts since Friday's NFPs (bot-left) pointing to further easing to come from September, while Q3 revenues and earnings beats are already at their highest level in 4 years (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 +0.08% the trend is then "up", below -0.08% 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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