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# WEEKLY MARKETS ROUND-UP

## Executive Summary

**25th August 2025**

**Top news: NVIDIA earnings on Wednesday, Core PCE Inflation data on Friday** – early this week will probably see a follow through of the rally started on Friday. Last week, US stocks were mostly retracing, and the release of the Minutes of a divided FED (concerned about both unemployment and inflation) on Wednesday didn't help. On Thursday, the release of strong Global Flash PMIs in Europe, but especially in the US, added a further hawkish spin. Going into the Jackson Hole Powell speech, investors weren't sure he would confirm a September rate cut. He eventually did, and markets rallied sharply into Friday's close. This week will probably start quietly with no major macro or earnings data on Monday or Tuesday. Markets will essentially be gearing up from Nvidia's earnings on Wednesday after the close. The company is expected to report $46-47bn in revenue for Q2 (up circa 53-55% YoY) and circa $1.00 EPS, still up almost 50% YoY. Beyond these results, investors will mostly focus on guidance to understand if the growth rates on the demand side remain sustainable and if the supply bottlenecks remain in Nvidia's favor. Commentaries about the status of hyperscalers' orders, the order book of the new Blackwell Ultra chip and the sales pickup of H20 chips to China will especially be in focus. The rest of the week will see the Preliminary US GDP data on Thursday (exp. at 3.1% slightly higher than the 3% Advanced estimate) and the US Core PCE inflation data on Friday (exp. flat at +0.3% MoM).

Equities: the S&P500 and DJII made new highs on Friday, the Nasdaq100 was still below them, along with Europe, while China also made multiyear highs. Although slightly Overbought, we expect equities to rise further into early Fall.

Fixed Income: US and German benchmark yields did retrace a bit last week (by 6bps each) as US dovishness on the short end is having some effect on 10Y yields. We expect further measured retracement into late Q3 (e.g. 20 bps).

Forex: USD recovered some of its losses into early Friday but gave up most of these gains with Powell's dovish speech. The week finished pretty much flat on average. Short term dynamics should keep USD under pressure for now.

Commodities: Oil prices rose back 2 $/bbl last week as the Ukraine peace process stalled. These negotiations remain its main driver for now. Gold also rose back more than 1% last week, mostly late Friday, following Powell's speech.

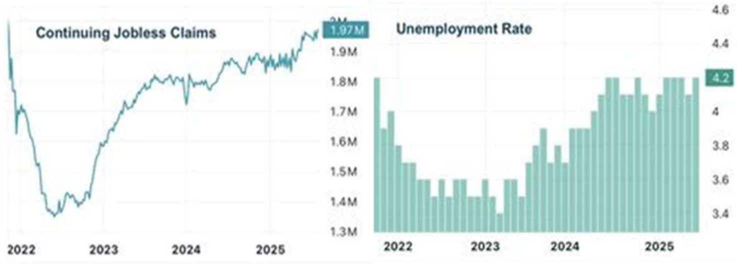
| | Currencies | Price | Performance since 52 Week Low | | | Performance since 52 Week High | | | Performance | Trend | Exaggeration |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Date Low | Low Price | Rise % | Date High | High price | Decline % | YTD in % | last 6m[1] | OB / OS[2] |
| S&P500 Index | USD | 6 467 | Apr-25 | 4 983 | 29,8% | Aug-25 | 6 469 | -0,0% | 10,0% | up | slightly OB |
| Nasdaq100 Index | USD | 23 498 | Apr-25 | 17 090 | 37,5% | Aug-25 | 23 849 | -1,5% | 11,8% | up | slightly OB |
| Dow Jones Industrials Index | USD | 45 632 | Apr-25 | 37 646 | 21,2% | Aug-25 | 45 632 | 0,0% | 7,3% | up | slightly OB |
| EuroStoxx50 | EUR | 5 488 | Apr-25 | 4 622 | 18,7% | Mar-25 | 5 541 | -0,9% | 12,1% | neutral | slightly OB |
| Swiss Market Index | CHF | 12 265 | Apr-25 | 10 888 | 12,6% | Mar-25 | 13 167 | -6,9% | 5,7% | neutral | neutral |
| Nikkei225 | JPY | 42 633 | Apr-25 | 31 137 | 36,9% | Aug-25 | 43 714 | -2,5% | 6,9% | up | OB |
| Shanghai Composite | CNY | 3 826 | Sep-24 | 2 704 | 41,5% | Aug-25 | 3 826 | 0,0% | 14,1% | up | slightly OB |
| US 10Y Treasury Yield | % | 4,26% | Sep-24 | 3,62% | 0,6% | Jan-25 | 4,79% | -0,5% | -0,3% | neutral | neutral |
| German 10Y Bund Yield | % | 2,72% | Dec-24 | 2,03% | 0,7% | Mar-25 | 2,89% | -0,2% | 0,4% | neutral | neutral |
| US 20Y Treasuries (TLT ETF, 17-18Y duration)* | USD | 87 | May-25 | 84 | 4,2% | Sep-24 | 100 | -12,6% | 0,4% | neutral | neutral |
| US Investment Grade (LQF ETF - 8-9Y duration)* | USD | 110 | Jan-25 | 103 | 6,9% | Sep-24 | 111 | -0,6% | 5,1% | neutral | slightly OB |
| US High Yield (HYG ETF, 3-4Y duration)* | USD | 81 | Apr-25 | 74 | 8,7% | Aug-25 | 81 | 0,0% | 6,2% | neutral | slightly OB |
| EM USD Sovereigns (EMB ETF, 7-8Y duration)* | USD | 94 | Apr-25 | 86 | 9,9% | Aug-25 | 94 | 0,0% | 8,8% | neutral | slightly OB |
| EUR/USD | | 1,17 | Jan-25 | 1,02 | 14,5% | Jul-25 | 1,18 | -0,6% | 13,2% | neutral | neutral |
| GBP/USD | | 1,35 | Jan-25 | 1,22 | 11,2% | Jul-25 | 1,37 | -1,6% | 8,1% | neutral | neutral |
| USD/JPY | | 147 | Sep-24 | 141 | 4,5% | Jan-25 | 158 | -7,2% | -6,5% | neutral | neutral |
| USD/CHF | | 0,80 | Jul-25 | 0,79 | 1,2% | Jan-25 | 0,92 | -12,6% | -11,7% | down | neutral |
| AUD/USD | | 0,65 | Apr-25 | 0,60 | 9,1% | Sep-24 | 0,69 | -6,1% | 4,9% | neutral | neutral |
| Brent Oil (per Barrel) | USD | 68 | May-25 | 60 | 12,5% | Jan-25 | 82 | -17,8% | -9,4% | neutral | neutral |
| Gold Spot (per Ounce) | USD | 3 371 | Sep-24 | 2 493 | 35,2% | Jun-25 | 3 434 | -1,8% | 28,5% | up | neutral |

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

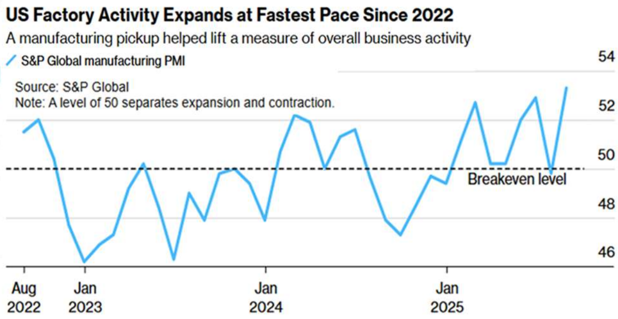
*Source: Primis Investment (Suisse) SA*

## Monetary focus: the FED's dovish confirmation raises LT inflationary concerns

Last Friday at Jackson Hole, Chair Powell confirmed that "with policy in restrictive territory, the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance", pretty much confirming that a that a rate cut is on the table at the FED's September meeting. Powell acknowledged persistent upside inflation risks, yet mostly focused on the downside risks for employment following July's negative payrolls surprise. While US labor is indeed seeing signs of slowing, with Continuing Jobless Claims back towards 2M (their highest level since 2021), the unemployment rate is ticking up only slowly (top-left graphs). With US equities at all-time highs again, US CPI still at 2.7% for Headline and 3.1% for Core, and the Treasury running a 7% deficit, many analysts are fearing the inflationary consequences of too much easing. What we can observe, is that US Manufacturing is indeed re-accelerating (top-right), and that the US30Y rate (red line, bot-left) has widely risen since the first rate cuts last year. The fear is that the 125bps of cuts priced into late 2026 (blue-line) may trigger further rises in the US30Y, this unless the economy effectively slows or if, on the other hand, these rate cuts are then priced out. In the meantime, some would point that Commodity prices are already signaling higher inflation expectations (bot-right).




Source: Harry Mills @ Oku Markets






**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".



**Primis Investment (Suisse) SA**
5 rue Jacques-Balmat, 1204 Geneva –Switzerland
T: + 41 22 570 60 80
wealth-management@primis.swiss www.primis.swiss