

WEEKLY MARKETS ROUND-UP

Executive Summary

22nd September 2025

Top news: Global Flash PMIs on Tuesday, SNB on Thursday and Core PCE US Inflation data on Friday – last week, US equities continued making new all-time highs. The move mostly followed Wednesday's FED cut and was led by the Nasdaq100 rising +2.5% on the week. Indeed, as expected, the FED did cut its Federal Funds rate by -0.25% to 4.0-4.25% on Wednesday evening, and although Chair Powell's speech and the dot plot were a bit hawkish (showing some dissent in the committee on further rate cuts to come), the market is now pricing in 2 further -0.25% rate cuts into yearend and 3 more next year. The BOE on the other hand kept rates unchanged at 4% on Thursday, while on Friday, the BOJ did the same. That said, 2 BOJ Governors did dissent, which was seen as a prelude to a further hike before yearend to 0.75%. On the macro front, both Retail sales on Tuesday and the Philly Fed Manufacturing Index on Thursday surprised to the upside. This week will first focus on the Global Flash PMIs on Tuesday. These are expected to rise further in slight expansion territory in Europe and to also remain expansionary yet slow a bit in the US. The market will then focus on the SNB on Thursday morning with its short term rate expected to remain flat at 0%, and then the US final GDP figure for Q2 (exp. at 3.3%). The week will the end with Friday's Core PCE Inflation data which could drop to +0.2% MoM (from +0.3% in July) yet, due to base effects, remain close to 2.9-3.0% on a YoY basis.

Equities: US indexes rose to new all-time highs last week, led by the Nasdaq100. The Nikkei225 and the EuroStoxx50 were also strong, while the SMI and the Shanghai Comp. retraced slightly. The rally may still extend higher for now.

Fixed Income: the 10Y US and Bund yields did bounce slightly last week. The window for some consolidation may extend a few more weeks (US10Y may still tests below 4% once more), but all bond ETFs are now rather Overbought.

Forex: USD ended flat last week, dropping into the FOMC and then bouncing back into Friday. Indeed, Powell's speech and the dot plot were a bit more hawkish than expected. For now, however, USD probably remains under pressure.

Commodities: Oil held into Thursday yet was weaker on Friday on supply and demand concerns. These negative dynamics could extend further. Gold made new highs again and doesn't appear Overbought yet on the table below.

	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	6 664	Apr-25	4 983	33,7%	Sep-25	6 664	0,0%	13,3%	up	slightly OB
Nasdaq100 Index	USD	24 626	Apr-25	17 090	44,1%	Sep-25	24 626	0,0%	17,2%	up	slightly OB
Dow Jones Industrials Index	USD	46 315	Apr-25	37 646	23,0%	Sep-25	46 315	0,0%	8,9%	up	slightly OB
EuroStoxx50	EUR	5 458	Apr-25	4 622	18,1%	Mar-25	5 541	-1,5%	11,5%	neutral	neutral
Swiss Market Index	CHF	12 110	Apr-25	10 888	11,2%	Mar-25	13 167	-8,0%	4,4%	neutral	neutral
Nikkei225	JPY	45 046	Apr-25	31 137	44,7%	Sep-25	45 303	-0,6%	12,9%	up	OB
Shanghai Composite	CNY	3 820	Sep-24	2 749	39,0%	Aug-25	3 884	-1,6%	14,0%	up	slightly OB
US 10Y Treasury Yield	%	4,13%	Oct-24	3,73%	0,4%	Jan-25	4,79%	-0,7%	-0,4%	neutral	slightly OS
German 10Y Bund Yield	%	2,75%	Dec-24	2,03%	0,7%	Mar-25	2,89%	-0,1%	0,4%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	89	May-25	83	7,8%	Sep-24	96	-7,2%	3,8%	neutral	slightly OB
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	112	Jan-25	102	9,3%	Sep-25	112	-0,6%	7,5%	neutral	OB
US High Yield (HYG ETF, 3-4Y duration)*	USD	81	Apr-25	74	10,0%	Sep-25	81	0,0%	7,6%	neutral	slightly OB
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	95	Apr-25	85	12,0%	Sep-25	96	-0,6%	10,9%	up	slightly OB
EUR/USD		1,17	Jan-25	1,02	14,7%	Sep-25	1,19	-0,9%	13,4%	neutral	neutral
GBP/USD		1,35	Jan-25	1,22	10,7%	Jul-25	1,37	-2,0%	7,6%	neutral	neutral
USD/JPY		148	Apr-25	141	5,1%	Jan-25	158	-6,6%	-5,9%	neutral	neutral
USD/CHF		0,80	Sep-25	0,79	1,2%	Jan-25	0,92	-13,3%	-12,3%	neutral	neutral
AUD/USD		0,66	Apr-25	0,60	10,8%	Sep-24	0,69	-4,6%	6,6%	neutral	neutral
Brent Oil (per Barrel)	USD	67	May-25	60	10,6%	Jan-25	82	-19,1%	-10,9%	neutral	neutral
Gold Spot (per Ounce)	USD	3 685	Nov-24	2 562	43,9%	Sep-25	3 690	-0,1%	40,4%	up	neutral

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Focus on Gold: more tailwinds for Gold as the FED cuts to avoid a recession

With Core PCE Inflation still at 2.9% in July and expected to remain so when the August data is released this Friday, the FED seems to have definitely chosen "to avoid recession at the cost of giving up its 2% inflation target" according to Dhaval Joshi from BCA Research. His top-left graph below does indeed point to the widening market gap between the lower 1Y Fed Funds Future and the higher 1Y Inflation Swap rate. His analysis hence suggests underweighting USD and Duration while owning BitCoin and Gold. Focusing on Gold, we first confirm that structural demand from China remains very strong, with monthly Gold imports still above their 5Y average (top-right). The bot-left graph from KATUSA research then considers the current valuation of Gold in comparison to the M2 Money Supply. Previous historical peaks in the ratio would leave some leeway for further rises in Gold prices, towards 4'000 \$/oz if the 2011 peak in taken as reference, to almost 10'000 if the 1980 one is considered. Finally, we can also note that for now, retail ownership of Gold through ETFs has dropped well behind the price of Gold (bot-right). Gold is a Veblen good, meaning that its demand tends to rise as its price increases (a bit like exclusive luxury goods). Hence, every \$/oz of further upside progression raises the likelihood of a panic catch-up buying spree.



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 +0.08% the trend is then "up", below -0.08% 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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