

# WEEKLY MARKETS ROUND-UP

## Executive Summary

8<sup>th</sup> September 2025

**Top news: US PPI and CPI on Wednesday and Thursday, ECB also on Thursday** – last week first saw the US ISM PMIs. Manufacturing on Tuesday remained in contraction (below 50) and was slightly lower than expected at 48.7 vs 48.9 yet above last month's 48 reading. Services on Thursday beat expectations at 52 vs 50.9 and vs 50.1 last month. Both showed improvement and on average pointed to further progression on growth. Friday's US Non-Farm Payrolls were then the main event last week. They came in very weak at 22k new jobs vs 75k expected. Worse, June was revised down heavily to negative territory, from 27k to -13k, its worse reading since Covid. Qualitatively, the report was also negative, with Full-time workers dropping heavily and Part-time ones rising consequently. Similarly, multi-jobs holders surged. In contrast to recent trends, Native-born workers dropped heavily, while Foreign-born ones started to stabilize. Equities first rallied on the news, along with rate cuts anticipations, but then reversed down, closing at a slight loss. This week may see further volatility as US PPI and CPI are expected resp. on Wednesday and Thursday. All measures, Core and Headlines are expected at around +0.3% MoM which is rather sticky. YoY figures may even rise due to positive base effects (Aug-24 figures were low). Core PPI may reach back up to 4%, Headline to 3.5%, Core CPI to 3.2% and Headline CPI to 2.8-2.9%. Thursday will also see the ECB, which is expected to hold its short term rates.

**Equities:** US markets and Japan did close the week slightly higher despite Friday's late sell-off, Europe and China retraced slightly. Although most are slightly Overbought, we would expect a further 3-5% upside into mid/late October.

**Fixed Income:** US yields finally dropped lower last week, German ones retreated slightly. We expect further retracement into late Q3, possibly to below 4% on the US10Y (3.8%), and towards 2.4% on DE10Y. Credit remains solid.

**Forex:** USD retested down vs other majors last week. With the prospects of potentially 3 rates cuts into yearend, it probably remains under pressure for now and into early Fall at least. We would expect new lows, some 2-3% lower.

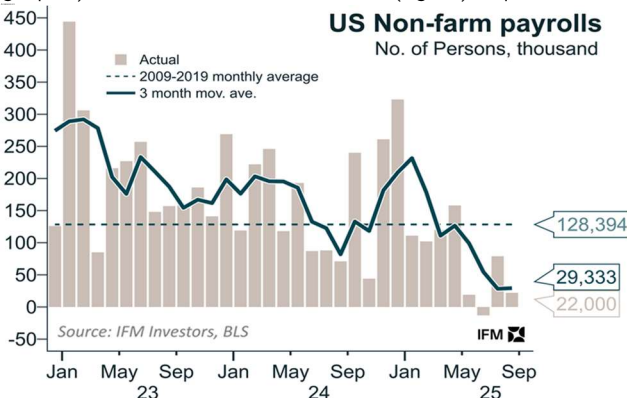
**Commodities:** Oil is selling off, as the menace of further US tariffs on India proved ineffective and OPEC+ is eyeing a further supply boost. Gold continues to push into all-time highs on economic (e.g. negative NFPs) and fiscal worries.

	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	6 482	Apr-25	4 983	30,1%	Sep-25	6 502	-0,3%	10,2%	up	slightly OB
Nasdaq100 Index	USD	23 652	Apr-25	17 090	38,4%	Aug-25	23 849	-0,8%	12,6%	up	slightly OB
Dow Jones Industrials Index	USD	45 401	Apr-25	37 646	20,6%	Aug-25	45 637	-0,5%	6,7%	up	slightly OB
EuroStoxx50	EUR	5 318	Apr-25	4 622	15,1%	Mar-25	5 541	-4,0%	8,6%	neutral	neutral
Swiss Market Index	CHF	12 371	Apr-25	10 888	13,6%	Mar-25	13 167	-6,0%	6,6%	neutral	neutral
Nikkei225	JPY	43 019	Apr-25	31 137	38,2%	Aug-25	43 714	-1,6%	7,8%	up	slightly OB
Shanghai Composite	CNY	3 813	Sep-24	2 704	41,0%	Aug-25	3 884	-1,8%	13,7%	up	slightly OB
US 10Y Treasury Yield	%	4,08%	Sep-24	3,62%	0,5%	Jan-25	4,79%	-0,7%	-0,5%	neutral	slightly OS
German 10Y Bund Yield	%	2,67%	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	89	May-25	83	7,3%	Sep-24	98	-10,1%	3,3%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	111	Jan-25	102	8,7%	Sep-25	111	0,0%	7,0%	neutral	slightly OB
US High Yield (HYG ETF, 3-4Y duration)*	USD	81	Apr-25	74	9,5%	Sep-25	81	0,0%	7,1%	neutral	slightly OB
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	95	Apr-25	85	11,8%	Sep-25	95	0,0%	10,7%	neutral	slightly OB
EUR/USD		1,17	Jan-25	1,02	14,4%	Jul-25	1,18	-0,6%	13,1%	neutral	neutral
GBP/USD		1,35	Jan-25	1,22	11,0%	Jul-25	1,37	-1,7%	8,0%	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	0,7%	Jan-25	0,92	-13,0%	-12,1%	neutral	neutral
AUD/USD		0,66	Apr-25	0,60	10,1%	Sep-24	0,69	-5,2%	5,9%	neutral	neutral
Brent Oil (per Barrel)	USD	66	May-25	60	8,9%	Jan-25	82	-20,4%	-12,3%	neutral	neutral
Gold Spot (per Ounce)	USD	3 587	Sep-24	2 506	43,1%	Sep-25	3 587	0,0%	36,7%	up	neutral

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## Easing focus: Friday's negative NFPs have anchored rate cut expectations

Last Friday's 22k Non-Farm Payrolls for August were ugly. Not only were these below expectations (at 75k), but the month of June was revised down from +27k to -13k, or its lowest levels since 2020. As suggested by the top-left graph, the growth in US NFPs has dropped well below pre-COVID levels in recent months. Such weakness has lifted rate cut odds in recent weeks. Market pricing now expects 100% chance of a cut at the next FED meeting in 10 days (up from 86% a week ago) and with 11% even expecting -0.5%. 2 more cuts are now priced-in into yearend and 3 more next year (top-right). For now, unemployment remains at 4.3% and GDP likely above 3% in Q3. This doesn't confirm a recession yet, and in such case (lower graphs), when the FED starts to cut (again), Equities usually rise over the next year, while the US10Y yield usually nudges up.

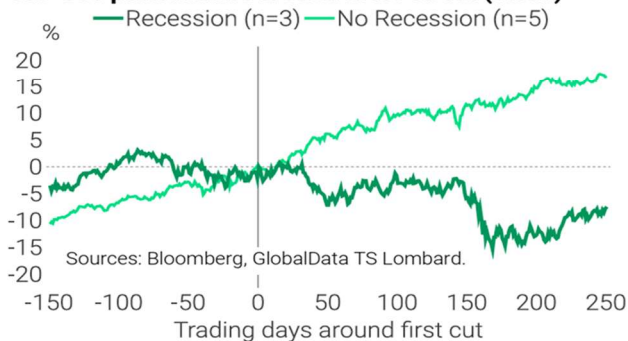


# Cuts	Meeting Date	17.09.25	29.10.25	10.12.25	28.01.26	18.03.26	29.04.26	17.06.26	29.07.26	16.09.26	28.10.26	09.12.26
None	425-450											
1	400-425	89%	12%									
2	375-400	11%	88%	21%								
3	350-375			79%	68%	7%						
4	325-350				32%	93%	70%	6%				
5	300-325						30%	94%	74%	34%	18%	1%
6	275-300								26%	67%	82%	99%

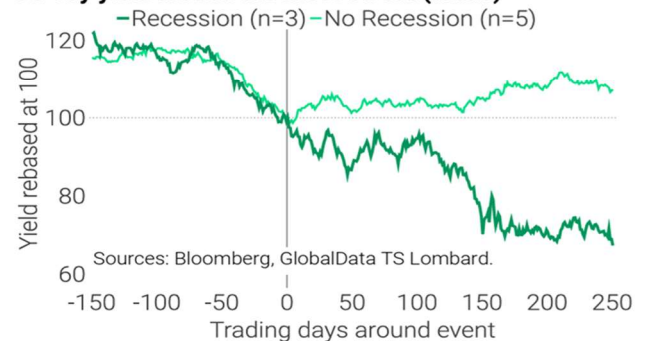
Source: CME FedWatch

## In the absence of recession, equities perform well and bonds poorly during easing cycles

### S&P 500 performance around first Fed cut (Mean)



### US 10y yield around the first Fed cut (Mean)



### 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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