

WEEKLY MARKETS ROUND-UP

Executive Summary

13th October 2025

Top news: Amid market turmoil, US bank earnings expected throughout the week and on Thursday, US PPI – last Friday was a bloodbath on US markets (circa -3%) and a historical flash crash on Cryptocurrencies which wiped out billions of Altcoins leveraged plays. President Trump's post on his Truth Social network around 11:00 EST on Friday was the trigger as he lambasted China's new restrictions on rare earths exports and then imposed an additional 100% Tariffs starting 1st November. For now, the Trump/Xi meeting to be held at the APEC meeting in South Korea later this month hasn't been cancelled yet, but both leaders are threatening to do so. In short, trade tensions have escalated once again while they may still be a window for negotiations until early November. Otherwise, last week was rather calm with the FOMC minutes leaving some room for further easing into yearend and the NFPs release on Friday being postponed again due to the Government shutdown. Late Friday, the Univ. of Michigan Consumer Sentiment data held up at 55, slightly above consensus, while 12m US Inflation Expectations continued to nudge lower (4.6% vs 4.7% prev). This week should be quiet on the macro front with mainly US PPI and Retail sales exp. on Thursday (both rather on the high side, resp. at +0.3% and +0.4% MoM), while US CPI and the NFPs have now been pushed back to next week. From Tuesday onwards, Q3 earning releases will also accelerate, with most large US banks starting to report.

Equities: Western markets dropped 2.5-3% on Friday. Japan and China were off resp. -4% and -2% early this morning yet have since bounced back (both by +2%). Generally, we would avoid too much risk taking into November as most markets remain Slightly Overbought. Today's session in the US and Europe will be crucial to gauge short term support.

Fixed Income: Treasuries and Bunds are rallying on flight to safety flows. Credit is correcting in line with risk assets.

Forex: the USD recovery, which started mid Sept. accelerated last week and into Friday vs EM currencies, while it retraced slightly vs European ones and JPY. Generally, we would still expect some base-building on USD into yearend.

Commodities: Brent continued to drop last week (by another 2\$/bbl), is now slightly Oversold yet still at risk of deteriorating supply/demand. Gold made new highs again last week at c. 4'060 \$/oz and remains uptrending for now.

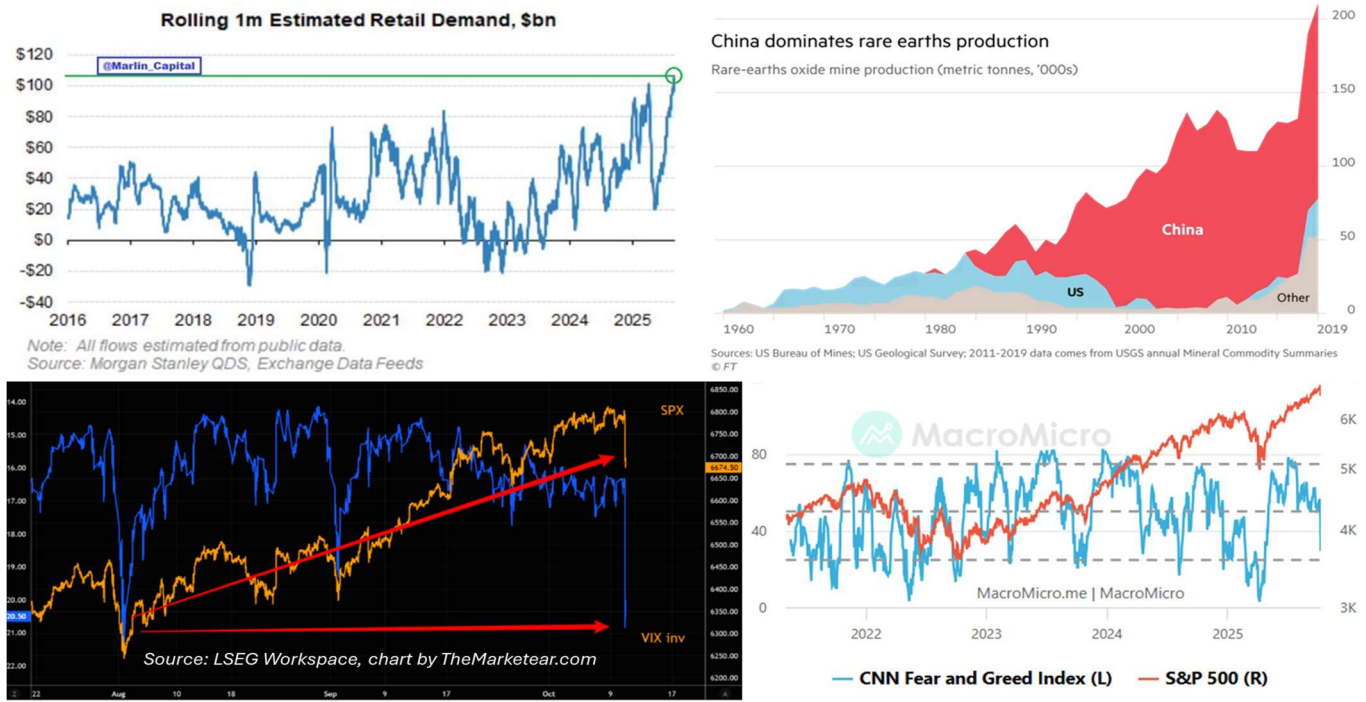
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	6 553	Apr-25	4 983	31,5%	Oct-25	6 754	-3,0%	11,4%	up	slightly OB
Nasdaq100 Index	USD	24 222	Apr-25	17 090	41,7%	Oct-25	25 137	-3,6%	15,3%	up	slightly OB
Dow Jones Industrials Index	USD	45 480	Apr-25	37 646	20,8%	Oct-25	46 758	-2,7%	6,9%	up	neutral
EuroStoxx50	EUR	5 531	Apr-25	4 622	19,7%	Oct-25	5 652	-2,1%	13,0%	neutral	slightly OB
Swiss Market Index	CHF	12 481	Apr-25	10 888	14,6%	Mar-25	13 167	-5,2%	7,6%	neutral	slightly OB
Nikkei225	JPY	48 089	Apr-25	31 137	54,4%	Oct-25	48 580	-1,0%	20,5%	up	OB
Shanghai Composite	CNY	3 897	Apr-25	3 097	25,8%	Oct-25	3 934	-0,9%	16,3%	up	slightly OB
US 10Y Treasury Yield	%	4,06%	Apr-25	3,89%	0,2%	Jan-25	4,79%	-0,7%	-0,5%	down	slightly OS
German 10Y Bund Yield	%	2,64%	Dec-24	2,03%	0,6%	Mar-25	2,89%	-0,3%	0,3%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	91	May-25	83	9,6%	Oct-24	92	-1,6%	5,6%	neutral	slightly OB
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	111	Jan-25	102	8,9%	Sep-25	112	-0,9%	7,1%	neutral	slightly OB
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Apr-25	74	8,8%	Oct-25	81	-1,2%	6,3%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	95	Apr-25	85	12,0%	Sep-25	95	-0,7%	10,9%	up	slightly OB
EUR/USD		1,16	Jan-25	1,02	13,5%	Sep-25	1,19	-2,0%	12,2%	neutral	neutral
GBP/USD		1,34	Jan-25	1,22	9,7%	Jul-25	1,37	-2,9%	6,7%	neutral	neutral
USD/JPY		151	Apr-25	141	7,3%	Jan-25	158	-4,6%	-3,9%	neutral	slightly OB
USD/CHF		0,80	Sep-25	0,79	1,6%	Jan-25	0,92	-12,9%	-12,0%	neutral	neutral
AUD/USD		0,65	Apr-25	0,60	8,8%	Oct-24	0,67	-3,8%	4,6%	neutral	neutral
Brent Oil (per Barrel)	USD	62	May-25	60	3,2%	Jan-25	82	-24,5%	-16,8%	neutral	slightly OS
Gold Spot (per Ounce)	USD	4 017	Nov-24	2 562	56,8%	Oct-25	4 041	-0,6%	53,1%	up	slightly OB

* 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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Sell-off focus: sudden drop rattles Overbought markets as trade tensions return

It happened suddenly on Friday at circa 11am EST with a post from Pres. Trump stating that very strange things were happening in China ... that they wanted to impose Export Controls ... on Rare Earths ... and calling for a massive increase of Tariffs on Chinese products (100% new tariffs were announced late Friday). With the S&P500 very much Overbought (RSI>=70) while retail investors were in up to their necks (largest ever, \$100 bn, monthly retail inflow in the US stock market in September, top-left graph), the reaction was swift and brutal with the S&P500 and the Nasdaq100 resp. down 4 and 5% into the close, while VIX exploded back above 20 (bot-left) and Cryptos suffered their largest liquidation ever (circa 19bn USD or 10X more than during any day ever before). Some Crypto Stop/Loss order books we just entirely wiped out with e.g. XRP dropping -50% before bouncing back to -16%, while some smaller coins dropped almost to zero at some point. Going forward, China's dominance in rare earths production is undeniable (top-right), the issue is strategic and will need to find some appeasement, while on the markets' front, sentiment has dropped rapidly. The CNN Fear&Greed Index is down to 29 but not in Extreme Fear below 25 yet (bot-right). We would probably wait it out a few days/weeks before considering buying Dips.



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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