

WEEKLY MARKETS ROUND-UP

Executive Summary

3rd November 2025

Top news: ISM Manufacturing & Services PMIs resp. Monday and Wednesday, BOE on Thursday – last week was intense in terms of geopolitics, Central Banks and earnings. Initially, Treasury Bessent came out on Sunday a week ago outlining a framework for a new US/China Trade agreement. The deal was then sealed on Thursday when Trump and Xi met in South Korea. The US would drop any further tariffs on Chinese goods and even reduce these slightly. China would postpone its control of Rare Earths exports while resuming its purchases of US Soybeans. This was rather positive for equity markets. In the meantime, however, on Wednesday evening, the FED did deliver a further -0.25% rate cut (to 3.75-4.00%), yet its narrative was rather hawkish stating that further cuts (e.g. the Dec. one) were not a foregone conclusion. Equities, which had been rising on the expected trade deal then started to retrace a bit into Friday. Earnings releases were also mixed. Most beat on both revenue and EPS and rose substantially (+7.5% on the week for Alphabet, +9% for Amazon or +3% for Apple), while Microsoft pumped into and dropped back after its earnings and Meta sold-off -13% as investors grew concerned about the monetization prospects for their AI investments. This week, we will await the ISM Manufacturing PMI on Monday, the JOLTS Job Openings on Tuesday, the ISM Services PMI on Wednesday, the BOE on Thursday. Earnings from Palantir and AMD are also expected Monday and Tuesday.

Equities: generally, equities remain slightly Overbought, and we would expect a further mild consolidation into early November. Indeed, for now with the Gov. shutdown and QT (until 1st Dec.) still ongoing, liquidity is a bit constrained.

Fixed Income: benchmark yields bounced slightly last week, despite the cut, on the rather hawkish FED. We still expect these to retrace back into November (to 4-3.8% on US10Y). Credit (e.g. US HY) for now is still holding up very well.

Forex: USD continued to recover, also following the rather hawkish FED. JPY seems to be the weakest link for now along with GBP yet all other Majors USD pairs also rose. Some limited downside retesting is still possible into yearend.

Commodities: Oil's geopolitical gains (recent sanctions on Russian producers) held last week, yet supply and demand remains weak. Gold tested down to 3'900 yet finished above 4'000. It remains in an uptrend yet may still dip further.

	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	6 840	Apr-25	4 983	37,3%	Oct-25	6 891	-0,7%	16,3%	up	slightly OB
Nasdaq100 Index	USD	25 858	Apr-25	17 090	51,3%	Oct-25	26 120	-1,0%	23,1%	up	slightly OB
Dow Jones Industrials Index	USD	47 563	Apr-25	37 646	26,3%	Oct-25	47 706	-0,3%	11,8%	up	slightly OB
EuroStoxx50	EUR	5 662	Apr-25	4 622	22,5%	Oct-25	5 711	-0,9%	15,6%	up	slightly OB
Swiss Market Index	CHF	12 235	Apr-25	10 888	12,4%	Mar-25	13 167	-7,1%	5,5%	neutral	neutral
Nikkei225	JPY	52 411	Apr-25	31 137	68,3%	Oct-25	52 411	0,0%	31,4%	up	OB
Shanghai Composite	CNY	3 955	Apr-25	3 097	27,7%	Oct-25	4 016	-1,5%	18,0%	up	slightly OB
US 10Y Treasury Yield	%	4,08%	Apr-25	3,89%	0,2%	Jan-25	4,79%	-0,7%	-0,5%	down	neutral
German 10Y Bund Yield	%	2,63%	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	90	May-25	83	9,2%	Dec-24	92	-1,9%	5,2%	up	slightly OB
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	111	Jan-25	102	8,8%	Oct-25	113	-1,5%	7,0%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	81	Apr-25	74	9,9%	Oct-25	81	-0,6%	7,5%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	97	Apr-25	85	14,4%	Oct-25	97	-0,4%	13,2%	up	slightly OB
EUR/USD		1,15	Jan-25	1,02	12,7%	Sep-25	1,19	-2,7%	11,4%	neutral	neutral
GBP/USD		1,31	Jan-25	1,22	8,1%	Jul-25	1,37	-4,4%	5,1%	neutral	neutral
USD/JPY		154	Apr-25	141	9,3%	Jan-25	158	-2,8%	-2,1%	neutral	slightly OB
USD/CHF		0,80	Sep-25	0,79	2,3%	Jan-25	0,92	-12,3%	-11,3%	neutral	neutral
AUD/USD		0,65	Apr-25	0,60	10,0%	Sep-25	0,67	-2,1%	5,8%	neutral	neutral
Brent Oil (per Barrel)	USD	65	May-25	60	8,0%	Jan-25	82	-21,0%	-13,0%	neutral	neutral
Gold Spot (per Ounce)	USD	4 004	Nov-24	2 562	56,3%	Oct-25	4 378	-8,5%	52,6%	up	neutral

WEEKLY MARKETS ROUND-UP

AI Hyperscalers focus: high growth prospects yet with some emerging concerns

Lat week, most Hyperscalers reported flawless scorecards on their advertising revenue. Market perception towards their expanding AI business was however more mixed, with Alphabet and Amazon praised for their surging Cloud revenue, while Meta and Microsoft sparked some concerns regarding their AI longer term Return On Investment. Indeed, the days when Big Tech was awash in cash seem over, with Free Cash Flow dropping sharply (top-left graph) as the AI Capex of Meta/Amazon/Alphabet/Microsoft now tops 100\$bn per quarter. While Alphabet and Amazon are still mostly financing this expansion internally, Meta, Microsoft, yet also Oracle, have recently hit the bond market in a big way (bot-left). AI valuations are hence once again a dominant concern. The PEG ratio (exp. PE to Earnings Growth, top-right), which is still conservative, may bring some reassurance. Yet, its pertinence depends on the sustainability of current growth assumptions. The bot-right graph reverses this argument. It calculates the number of implied +2.5% growth years needed to justify the S&P500's current 41 Cyclically Adj. PE (CAPE) vs its long term average (around 15-16). The result is 45 years, which sounds very aggressive.

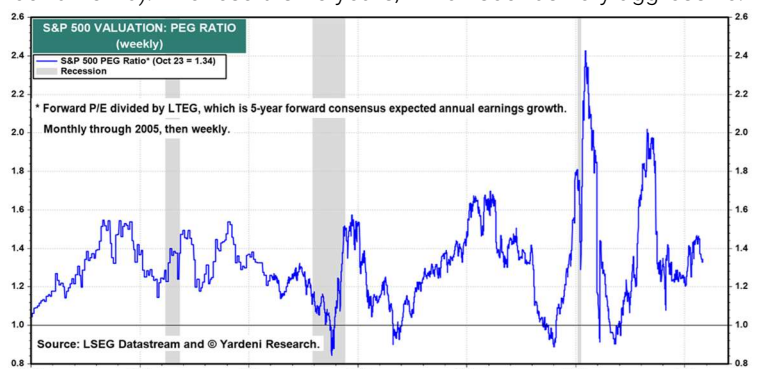
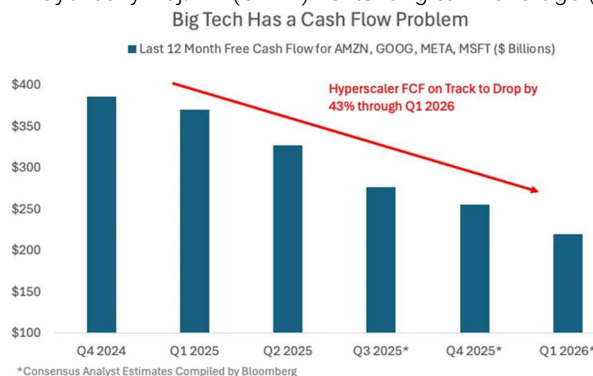
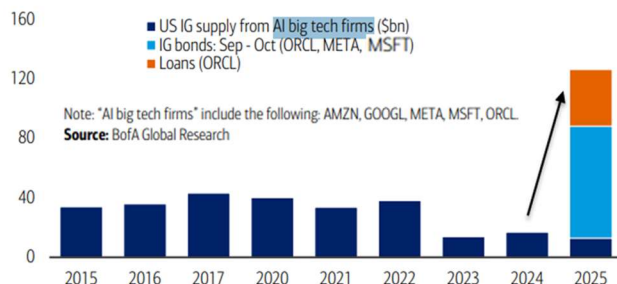


Exhibit 1: Borrowing to fund AI datacenter spending exploded in September and so far in October
IG bond market supply from META (\$30bn), ORCL (\$18bn) and MSFT (\$27bn) totaled \$75bn, and that's not counting the \$38bn loan tied to Oracle.



Overvaluation is appreciation pulled forward. If you assume a 2.5% growth in GDP (the economy), this current CAPE is 45 years of appreciation pulled forward. Have a nice day...



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".

Disclaimer: The information in this document is being provided for general market commentary and information purposes. This document does not constitute a solicitation or offer, or recommendation to acquire or dispose of any investment or to engage in any other transaction. Any reference to a transaction, trade, position, holding, security, market, or level is purely meant to educate readers about possible opportunities and risks in the marketplace and are not meant to imply that any person or entity should take any action whatsoever without first evaluating such action(s) in light of their own situation either on their own or through a professional advisor. If a person or entity does not believe they are qualified to make such decisions, they should seek professional advice. The prices listed are for reference only and are in no way intended to represent an actual trade. This information is not a substitute for professional advice of any nature, including tax, legal, and financial. While we believe the information contained herein to be accurate, all numbers should be verified by the reader through independent sources. Primis Investment (Suisse) SA assumes no responsibility for errors or omissions in the contents of this document. In no event shall Primis Investment (Suisse) SA be liable for any special, direct, indirect, consequential, or incidental damages or any damages whatsoever, whether in an action of contract, negligence, or other tort, arising out of or in connection with the contents of this document or any related services. Trading securities, options, futures, or any other security involves risk and can result in the immediate and substantial loss of the capital invested. Every reader/recipient is responsible for his or her own investment decisions. Primis Investment (Suisse) SA reserves the right to make additions, deletions, or modifications to the contents of this document and related services at any time without prior notice.



Primis Investment (Suisse) SA
5 rue Jacques-Balmat, 1204 Geneva –Switzerland
T: + 41 22 570 60 80

wealth-management@primis.swiss

www.primis.swiss

@Copyright 2025 Primis Investment (Suisse) SA