PRIMIS® INVESTMENT

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WEEKLY MARKETS ROUND-UP

Executive Summary

4th May 2026

Top news: Stalemate continues in the Gulf as US payrolls awaited on Friday - last week, most central banks held rates as exp., yet the FOMC surprised with 4 dissents, the highest count since 1993, and confirmed Powell to remain as Governor, potentially complicating governance for incoming Chair Warsh. Later that evening, hyperscalers' earnings had mixed outcomes. Alphabet surged +10% on blockbuster results, Amazon edged higher, yet Microsoft fell -6% as cloud growth proved stable rather than accelerating, and Meta dropped -10% despite beating on revenue and earnings as further capex hikes unnerved investors. Generally, the US rally extended +1–2% on the week, while global markets stalled as the conflict in the Gulf continued to weigh. Macro-wise, Friday's ISM Manufact. PMI came in flat, slightly below expectations, yet the prices paid sub-index surged to its highest level since 2022, pointing to higher inflation. This week, attention remains on the Gulf. Any escalation would likely prop-up Oil, yields while equities could correct. On the macro front, the ISM Services PMI and then JOLTS job openings are both expected stable on Tuesday, while Friday will then see the US Non-Farm payrolls, which should normalize to circa +60k from last month's +178k, with unemployment stable at 4.3% yet average hourly earnings nudging up from +0.2% to +0.3% MoM. As for earnings, Palantir reports this evening post close, AMD tomorrow post close, and Novo Nordisk Wednesday before the open.

Equities: US markets are slightly Overbought (table below), while other markets seem more neutral. Any new escalation in the Gulf is the main risk for now, and with BigTech earnings behind us the market may be more vulnerable.

Fixed Income: benchmark yields rose a bit more last week and remain slightly Overbought. Any further rise in Oil prices would continue to support them. US High Yield did retrace a bit further last week, having now topped out 3 weeks ago.

Forex: USD continued to retrace back as the rebound since January seems to be losing momentum. BoJ's intervention on the Yen also didn't help. We expect the USD to try to hold on into May/June and then to resume lower during H2.

Commodities: Brent rose above 120 $/bbl midweek as Trump's rhetoric got more aggressive and despite UAE leaving OPEC. Prices settled slightly up for the week. Gold is retracing again yet some support could be found later in May.

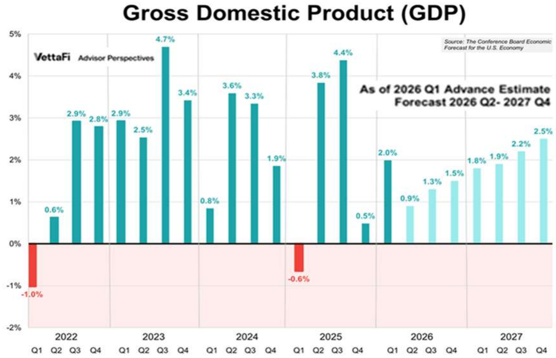
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS[2]
S&P500 Index	USD	7'230	May-25	5'607	29.0%	May-26	7'230	0.0%	5.6%	neutral	slightly OB
Nasdaq100 Index	USD	27'710	May-25	19'791	40.0%	May-26	27'710	0.0%	9.7%	neutral	slightly OB
Dow Jones Industrials Index	USD	49'499	May-25	40'829	21.2%	Feb-26	50'188	-1.4%	3.0%	neutral	neutral
EuroStoxx50	EUR	5'882	Aug-25	5'166	13.9%	Feb-26	6'173	-4.7%	1.6%	neutral	neutral
Swiss Market Index	CHF	13'136	Aug-25	11'755	11.7%	Feb-26	14'014	-6.3%	-1.0%	neutral	neutral
Nikkei225	JPY	59'606	May-25	36'780	62.1%	Apr-26	60'537	-1.5%	18.4%	up	neutral
Shanghai Composite	CNY	4'112	May-25	3'279	25.4%	Mar-26	4'185	-1.7%	3.6%	neutral	neutral
US 10Y Treasury Yield	%	4.38%	Oct-25	3.95%	0.4%	May-25	4.61%	-0.2%	0.2%	up	slightly OB
German 10Y Bund Yield	%	3.03%	May-25	2.48%	0.6%	Mar-26	3.10%	-0.1%	0.2%	up	slightly OB
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	86	May-25	79	8.5%	Feb-26	89	-4.3%	-0.1%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	109	May-25	100	8.7%	Mar-26	110	-1.4%	0.4%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	May-25	74	8.9%	Apr-26	80	-0.3%	1.3%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	96	May-25	85	12.9%	Mar-26	97	-1.2%	0.9%	neutral	neutral
EUR/USD		1.17	May-25	1.11	5.7%	Jan-26	1.20	-2.6%	-0.2%	neutral	neutral
GBP/USD		1.36	Nov-25	1.30	4.3%	Jan-26	1.38	-2.0%	0.8%	neutral	neutral
USD/JPY		157	May-25	142	10.3%	Apr-26	160	-2.0%	0.2%	neutral	neutral
USD/CHF		0.78	Jan-26	0.76	2.5%	May-25	0.85	-7.5%	-1.3%	neutral	neutral
AUD/USD		0.72	May-25	0.64	13.0%	May-26	0.72	0.0%	7.9%	neutral	neutral
Brent Oil (per Barrel)	USD	108	Dec-25	59	83.6%	Apr-26	118	-8.4%	77.8%	up	OB
Gold Spot (per Ounce)	USD	4'614	May-25	3'177	45.2%	Jan-26	5'416	-14.8%	6.9%	neutral	neutral

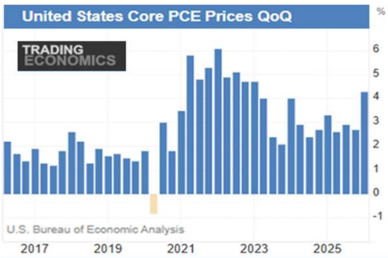
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

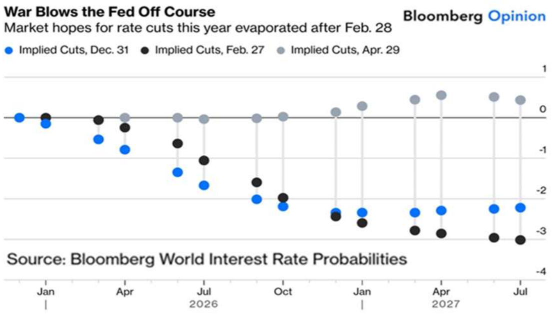
Source: Primis Investment (Suisse) SA

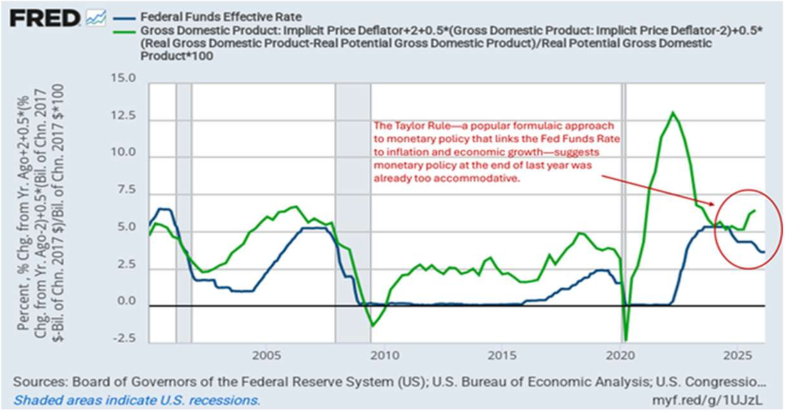
Macro focus: growth holds, prices surge, as Warsh inherits an impossible task

The Q1 2026 GDP advance estimate rebounded to an annualized +2.0% from Q4's shutdown-distorted +0.5% (top-left). Going forward, the Conference Board expects some impact from the war in Q2, yet then a gradual reacceleration towards 2.5% in 2027. This rather resilient, moderate growth may however pale in comparison with rising inflation. Indeed, both measures published last week, Core PCE QoQ (top-center) and ISM Manufacturing prices paid (top-right) re-accelerated up sharply to resp. +4.3% annualized in Q1 and an 84.6 index level in April, reaching levels not seen in 3 years. Hence, with the current supply shock, inflation isn't easing anymore; yet re-igniting. The immediate policy consequences are already clear, as 2026 market-implied Fed cuts have been repriced from circa 3 three months ago to at best zero today (bot-left). Theoretically, this is correct as the Taylor Rule (a systematic formula to determine the ideal level of short term policy rates, and Warsh's own preferred policy framework), now implies that the Fed Funds rate should be materially higher than the current 3.50–3.75% (between 5 and 6%, bot-right). In this context, Warsh isn't inheriting a normalizing economy but rather a late-cycle inflationary re-acceleration with no easy policy exit, especially considering Pres. Trump's determination to get rates cut. Resilient labor prints on Friday and then in June could make his task even more complicated, considering his first FOMC on June 16-17th.









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".

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