PRIMIS® INVESTMENT

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WEEKLY MARKETS ROUND-UP

Executive Summary

14th September 2026

Top news: Mounting geopolitical pressure on Oil and FED, BOE and BOJ rate decisions this week – the ECB hiked 25bps to 2.50% on Thursday, a move Lagarde called a "no brainer" given that inflation is now expected to stay above target into 2027. That afternoon, US PPI data kept the pressure on, coming in well above July's release (Headline 5.4% YoY vs. 4.7%, Core 4.6% vs. 4.2%), while Friday's CPI matched expectations YoY on both Headline (3.4%, down from 3.5%) and Core (2.4%, flat), yet Core surprised slightly MoM at +0.3% (vs. +0.2% exp). Disinflation remains underway, yet uncertainty over its future path is picking up. As a result, the market is now pricing an 85% chance of a hike at Wednesday's FOMC, as Chair Warsh has committed himself to the 2% inflation target and several Governors already dissented from last month's hold in favor of a hike. Markets will scrutinize the press conference for whether this proves a rare one-off hike or the start of a campaign (4 hikes are now priced-in over the next year, up from just 1-2 a month ago). This is very awkward for the administration, given the Midterms, long-term US yields already at multi-year highs, and the imposing Treasury 2026/27 refinancing wall. The geopolitical picture isn't helping. Houthi forces have now taken control of the Bab el-Mandeb strait, the gateway to the Red Sea, while Saudi Arabia's East-West pipeline, a key bypass route since the Hormuz disruption, was shut down after a drone attack over the weekend. In this context, the BOE is expected to hold on Thursday, while on Friday, the BOJ is likely to follow the FED and hike 0.25% to 1.25%

Equities: equities have been correcting for now 4 weeks, dropping again today, as further turmoil in the Gulf and Red Sea, rising Oil prices and a possible FED hike are putting downside pressure. Trends are mostly still heading up though.

Fixed Income: 10Y benchmark yield may push a bit higher considering the geopolitics and the US fiscal situation.

Forex: USD continues to bounce for now reacting to the rising US rate hikes expectations. That said, other Central Banks are also hiking while the Treasuries refinancing pressure may require new monetary support at some point.

Commodities: Gold is retracing its recent bounce as the USD and short term rate hikes expectation are rising. Oil continues its reacceleration on upstream supply disruptions as well as downstream bottlenecks in refining capacity.

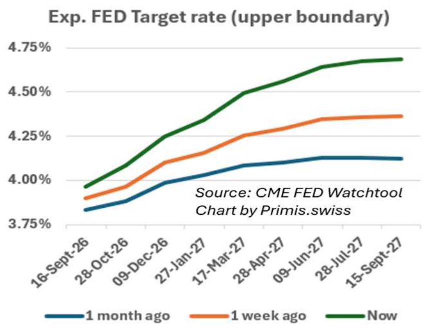
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS [2]
S&P500 Index	USD	7'657	Mar-26	6'344	20.7%	Aug-26	7'799	-1.8%	11.9%	up	neutral
Nasdaq100 Index	USD	29'368	Mar-26	22'953	27.9%	Jun-26	30'661	-4.2%	16.3%	up	neutral
Dow Jones Industrials Index	USD	52'573	Mar-26	45'167	16.4%	Aug-26	54'349	-3.3%	9.4%	up	neutral
EuroStoxx50	EUR	6'325	Sep-25	5'370	17.8%	Aug-26	6'551	-3.5%	9.2%	up	neutral
Swiss Market Index	CHF	13'775	Sep-25	11'876	16.0%	Aug-26	14'621	-5.8%	3.8%	up	neutral
Nikkei225	JPY	63'952	Oct-25	44'551	43.5%	Jun-26	72'366	-11.6%	27.0%	neutral	neutral
Shanghai Composite	CNY	3'887	Jul-26	3'764	3.3%	May-26	4'243	-8.4%	-2.1%	neutral	neutral
US 10Y Treasury Yield	%	4.98%	Oct-25	3.95%	1.0%	Sep-26	4.98%	0.0%	0.8%	up	slightly OB
German 10Y Bund Yield	%	3.50%	Oct-25	2.55%	1.0%	Sep-26	3.50%	0.0%	0.6%	up	slightly OB
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	81	May-26	81	0.2%	Feb-26	87	-7.0%	-2.9%	neutral	slightly OS
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	104	Nov-25	104	0.1%	Jun-26	108	-3.4%	-1.3%	neutral	slightly OS
US High Yield (HYG ETF, 3-4Y duration)*	USD	79	Oct-25	75	4.2%	Aug-26	79	-1.0%	1.6%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	93	Oct-25	90	3.4%	Jul-26	96	-2.3%	0.4%	neutral	neutral
EUR/USD		1.16	Jun-26	1.14	2.1%	Jan-26	1.20	-3.6%	-1.3%	neutral	neutral
GBP/USD		1.35	Nov-25	1.30	3.9%	Jan-26	1.38	-2.3%	0.4%	neutral	neutral
USD/JPY		154	Sep-25	146	4.9%	Jul-26	164	-6.3%	-2.0%	neutral	slightly OS
USD/CHF		0.82	Jan-26	0.76	7.1%	Jul-26	0.82	-0.3%	3.0%	neutral	slightly OB
AUD/USD		0.72	Nov-25	0.64	11.3%	May-26	0.73	-1.2%	7.5%	neutral	neutral
Brent Oil (per Barrel)	USD	105	Dec-25	59	77.5%	Apr-26	118	-11.4%	71.9%	neutral	slightly OB
Gold Spot (per Ounce)	USD	4'349	Sep-25	3'644	19.3%	Jan-26	5'416	-19.7%	0.7%	neutral	neutral

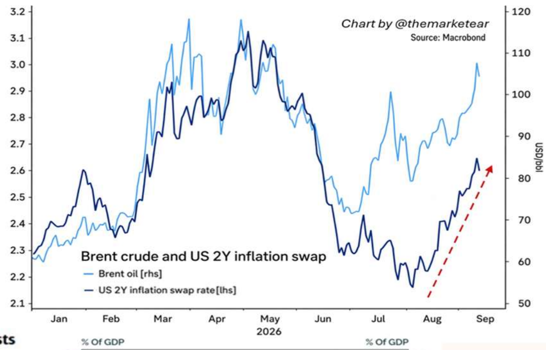
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

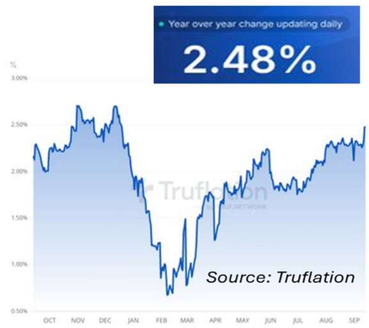
Source: Primis Investment (Suisse) SA

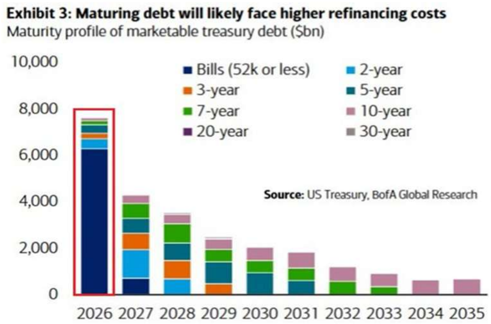
FED focus: markets pricing an 85% probability of a hike on Wednesday's FOMC

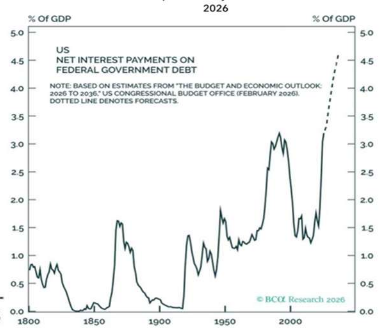
Rate-hike expectations have shifted dramatically over the past month as the market-implied probability of a hike this week now exceeds 85% while the terminal rate expected in a year has risen from circa 4.0-4.25% to circa 4.5-4.75% (top-left graph), i.e. implying up to four hikes in the next 12 months! The market, not the Fed, now seems to be setting the pace, an evolution that the recent reacceleration in oil prices probably justifies considering that Brent typically leads US2Y inflation swaps (market-based inflation protection) higher (top-middle). The Truflation's real-time US inflation gauge is also rising again, having climbed back to 2.48%, from below 1% since February (top-right). This points to upcoming pressure on lagging inflation measures such as CPI and PCE. Being boxed in this way is very inconvenient for the current FED and US administration as the Treasury faces a circa $7tn wall of short-term bills maturing over the next 12 months (bot-left), just as net interest payments on federal debt are already making new all-time highs in % of GDP. The ratio is projected to rise 50% further over the next decade (bot-center). The Fed's balance sheet has meanwhile shrunk back to pre-Covid levels (bot-right). In this context, and despite Warsh's preference for a more traditional, rate-driven toolkit, resuming balance sheet expansion may prove the path of least resistance to recapture the long end of the US curve and secure cheaper Treasury financing.











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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