PRIMIS INVESTMENT ®

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WEEKLY MARKETS ROUND-UP

Executive Summary

21st September 2026

Top news: Xi's visit to the US confirmed, Wednesday to Friday, SNB on Thursday – equity markets were under pressure last week until the Fed's rate decision on Wednesday. Despite a hawkish tone, a 25bps hike to 3.75-4.00% (its first since June 2023) and the dot plot now pointing to a further hike this year and no cuts before 2028, markets built on a slight correction in oil and in long-term yields to start rallying on Thursday. A dovish BOE that day, holding 3.75% on a 6-3 split, may have also helped, while Friday's BOJ 25bps hike to 1.25% was similarly seen as dovish, with 2 of 9 governors dissenting, both appointed by PM Takaichi, hinting at the government's discomfort with the recent tightening. Geopolitically, Friday brought early hints of a US-Denmark security deal over Greenland, while Houthi and Ukrainian strikes hit Saudi and Russian oil infrastructure respectively over the weekend. This week's focus shifts to Xi's state visit to the US, Wednesday to Friday, including a face-to-face meeting with Trump at the White House on Thursday. Wednesday brings the S&P Global Flash PMIs, expected slightly below last month yet still well in expansion across both the US and Europe. Thursday morning will feature the SNB decision, likely a hold, with focus on the growth and inflation outlook as well as to when a first hike might be expected (probably not before mid 2027, perhaps even 2028). Friday closes the week with the revised University of Michigan consumer sentiment and inflation expectations.

Equities: US markets are leading global ones higher as yields started to retrace following the Fed, and Oil dipped as the Saudi East-West pipeline repair time was revised down. Tech is leading again as AI-security concerns subside.

Fixed Income: 10Y yields made fresh closing highs last week (US 5.02%, Bund 3.52%) and are now Slightly Overbought. The trend remains up, despite some short term retracement, yet the likelihood of a larger interim pullback is growing.

Forex: The Dollar continued to rally back last week as the Fed proved more hawkish than the ECB, BOE or BOJ. USD/CHF is now even Slightly Overbought with marginal new highs. Can this hawkish repricing be sustained?

Commodities: Gold continues to consolidate its mid Summer recovery rally. Brent has pulled back almost 10$ from its recent highs as Saudi Arabia is partially successful in rerouting supply and Trump floats renewed talks with Iran.

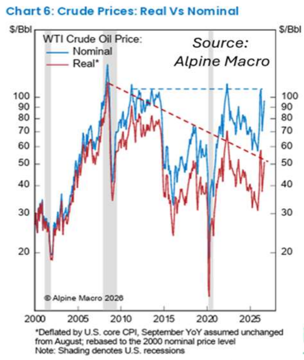
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS [2]
S&P500 Index	USD	7'651	Mar-26	6'344	20.6%	Aug-26	7'799	-1.9%	11.8%	up	neutral
Nasdaq100 Index	USD	29'644	Mar-26	22'953	29.1%	Jun-26	30'661	-3.3%	17.4%	up	neutral
Dow Jones Industrials Index	USD	51'683	Mar-26	45'167	14.4%	Aug-26	54'349	-4.9%	7.5%	up	neutral
EuroStoxx50	EUR	6'236	Sep-25	5'442	14.6%	Aug-26	6'551	-4.8%	7.7%	up	neutral
Swiss Market Index	CHF	13'787	Sep-25	11'876	16.1%	Aug-26	14'621	-5.7%	3.9%	neutral	neutral
Nikkei225	JPY	65'036	Oct-25	44'551	46.0%	Jun-26	72'366	-10.1%	29.2%	neutral	neutral
Shanghai Composite	CNY	3'914	Jul-26	3'764	4.0%	May-26	4'243	-7.7%	-1.4%	neutral	slightly OS
US 10Y Treasury Yield	%	5.00%	Oct-25	3.95%	1.1%	Sep-26	5.02%	-0.0%	0.8%	up	slightly OB
German 10Y Bund Yield	%	3.52%	Oct-25	2.55%	1.0%	Sep-26	3.54%	-0.0%	0.7%	up	slightly OB
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	81	May-26	81	0.7%	Feb-26	87	-6.5%	-2.5%	neutral	slightly OS
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	105	Nov-25	104	0.5%	Jun-26	108	-3.1%	-1.0%	neutral	slightly OS
US High Yield (HYG ETF, 3-4Y duration)*	USD	79	Oct-25	75	4.1%	Aug-26	79	-1.1%	1.5%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	93	Oct-25	90	3.5%	Jul-26	96	-2.3%	0.4%	neutral	slightly OS
EUR/USD		1.15	Jun-26	1.14	1.1%	Jan-26	1.20	-4.5%	-2.2%	neutral	neutral
GBP/USD		1.34	Nov-25	1.30	2.9%	Jan-26	1.38	-3.3%	-0.6%	neutral	neutral
USD/JPY		157	Oct-25	147	6.7%	Jul-26	164	-4.2%	0.1%	neutral	slightly OS
USD/CHF		0.82	Jan-26	0.76	7.8%	Sep-26	0.83	-0.5%	3.7%	neutral	slightly OB
AUD/USD		0.71	Nov-25	0.64	10.6%	May-26	0.73	-1.8%	6.8%	neutral	neutral
Brent Oil (per Barrel)	USD	104	Dec-25	59	76.3%	Apr-26	118	-12.0%	70.7%	up	slightly OB
Gold Spot (per Ounce)	USD	4'378	Sep-25	3'736	17.2%	Jan-26	5'416	-19.2%	1.4%	neutral	neutral

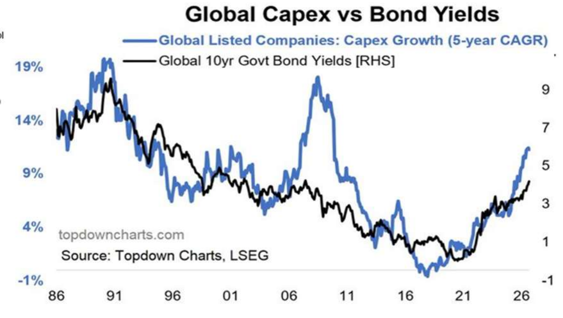
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

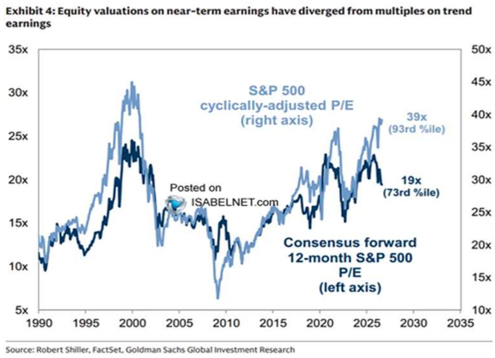
Source: Primis Investment (Suisse) SA

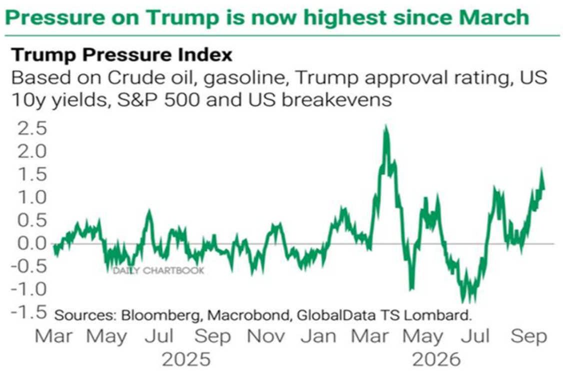
Equity focus: putting a positive spin as markets seem to climb a wall of worry

Despite apparent headwinds such as renewed Houthi strikes on Saudi Arabia, Ukraine's weekend strike on a major Russian refinery, a French OAT-Bund spread above 100bps for the first time since 2012, while both ends of the US yield curve keep rising, equities have extended their recovery since mid last week. In this context, we've hence decided to focus on what is still genuinely encouraging. 1. US corporate earnings remain exceptionally strong, increasingly pulling global earnings with them (top-left). 2. The oil story may also be less damaging than headlines suggest. Adjusted for inflation, crude remains well below its 2011-2014 real peak (top-middle). 3. Rising long-term yields may be also driven by the current capex expansion cycle and hence by stronger growth rather than by just supply-chain and fiscal stress (top-right). 4. Valuations look stretched on a 10Y cyclically-adjusted basis yet 12m frwd P/Es have retraced meaningfully (bot-left). 5. real corporate profits have surged even as payroll growth has stalled, a possible sign of early AI-driven productivity gains (bot-middle). As political pressure on the administration rises into the midterms (bot-right), the odds of another de-escalatory "TACO" moment, likely on Iran, are increasing. Given the resilient growth context mentioned above, it may well reignite equity markets animal spirits.









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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