

Reassuring macro data

Equity markets bounced last week on the back of soothing macroeconomic data.

Consumer confidence in the US improved sharply in June, with the confidence index recovering to 109.7 versus 102.5 in May.

Personal consumption expenditures (PCE) slowed to +0.1% month-on-month in May, down from +0.4% in April. Year-on-year figures were +3.8% and +4.3%. Core inflation, stripping out food and energy, slowed to +0.3% month-on-month versus +0.4% in April. Year-on-year numbers were +4.6% and +4.7%.

Firmer consumer confidence in the US

On the economic front in the US, durable goods orders continued rising in May, for the third consecutive month – beating market expectations on the strength of transportation equipment. Total orders amounted to USD 288.2 billion, which was 1.7% higher than in April.

In the job market, initial jobless claims fell by 26,000 in the week beginning 19 June, clocking in at 239,000 versus 265,000 in the previous week. But if we look at the four-week average to gauge the underlying trend in the labour market, we can see a small increase in people signing on.

In Europe, the inflation data was mixed. Germany's CPI was +6.4% in June, rising from +6.1% in the previous month. Excluding food and energy, price growth was +5.8% in June versus +5.4% in May. Conversely, inflation continues to decline in France based on a preliminary estimate of +5.3%, down from +6% in May. But these figures are unlikely to deter the ECB from its tightening course.

Mixed inflation data in Europe

In China, manufacturing output in June declined for the third month running as the post-pandemic recovery remained fragile.

The economy is currently held back by a heavily indebted property sector, sluggish consumer spending amid the uncertain labour market prospects and the slowing economic growth globally, which is dampening demand for Chinese goods. It's looking more and more likely that the Chinese government will take steps to support its economy, the world's second largest.

In this setting, the S&P 500 ended the week up 2.35%. The tech-heavy Nasdaq rose by 2.19%. The Stoxx 600 Europe was ahead by 1.94%.

Key data

| | USD/CHF | EUR/CHF | SMI | EURO STOXX 50 | DAX 30 | CAC 40 | FTSE 100 | S&P 500 | NASDAQ | NIKKEI | MSCI Emerging Markets |
|--------|---------|---------|-----------|---------------------|-----------|----------|----------|----------|-----------|-----------|-----------------------------|
| Latest | 0.90 | 0.98 | 11'280.29 | 4'399.09 | 16'147.90 | 7'400.06 | 7'531.53 | 4'450.38 | 13'787.92 | 33'189.04 | 989.48 |
| Trend | ➡ | ➡ | ➡ | ⬆ | ➡ | ⬆ | ➡ | ⬆ | ⬆ | ➡ | ⬆ |
| YTD | -3.13% | -1.30% | 5.13% | 15.96% | 15.98% | 14.31% | 1.07% | 15.91% | 31.73% | 27.19% | 3.46% |

(values from the Friday preceding publication)

Swiss Market Index (SMI)



The SMI is set to remain inside its trading-range between 11100 and 11600 points in the coming days.

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