Morning Brief

QUICK SUMMARY OF THE MARKETS LAST SESSION

US markets closed lower on Thursday after a turbulent session, with the S&P 500 falling 0.63% to 6,629, ending below the critical 6,650 level amid renewed concerns about credit quality in the regional banking sector. The Dow Jones slipped 0.65% to 45,952, while the tech-heavy Nasdaq declined 0.47% to 22,563. Financials led sectoral declines, with ten of eleven S&P 500 sectors finishing in negative territory. Technology countered the weakness, posting modest gains as semiconductor stocks received a boost from TSMC's strong earnings and bullish AI outlook, with the Philadelphia Semiconductor Index climbing earlier in the week.

Treasury yields fell as investors sought safety, with the US 10-year yield declining to 3.99%, breaching the 4% threshold. The 2-year Treasury yield also retreated as recession concerns mounted alongside banking sector worries.

Gold surged to fresh all-time highs above $4,350 per ounce, rallying 2.5% on the session as escalating US-China trade tensions and credit market jitters fueled safe-haven demand. Crude oil steadied near $58 per barrel after India's announcement to halt Russian oil imports provided some support, though prices remained under pressure from demand concerns.

The dollar index weakened to 98.57, falling 0.22% as dovish Fed expectations and trade war uncertainties weighed on the greenback, with weakness against traditional safe havens including the yen and Swiss franc.

Volatility spiked sharply with the Nasdaq-100 VIX jumping 15.7% to 28.26, its highest level since the October tariff-driven selloff, while the broader VIX climbed modestly, reflecting heightened nervousness around credit markets and geopolitical risks.

WHAT TO WATCH IN THE MARKET TODAY

Markets face a muted start Friday with US futures trading slightly lower in early European hours as concerns over regional bank loan quality continue to linger. Investors will closely monitor any additional disclosures from regional lenders including Fifth Third Bancorp, Huntington Bancshares, and Comerica, all reporting earnings today, for signs whether credit issues are isolated or systemic.

The ongoing IMF-World Bank Annual Meetings in Washington through October 18 could provide additional policy signals on global growth and debt concerns. Gold's relentless march to record highs above $4,350 will remain in focus as safe-haven flows intensify amid trade war rhetoric and banking sector jitters.

KEY EARNINGS YESTERDAY

Taiwan Semiconductor Manufacturing delivered a blockbuster third-quarter report that beat analyst estimates, with revenue of $33.1 billion and EPS rising 39% year-over-year to TWD 17.44, while raising its 2025 revenue growth forecast to mid-30% growth and reaffirming conviction in the AI megatrend.

Salesforce shares jumped in after-hours trading following an optimistic long-term outlook targeting over $60 billion in revenue by fiscal 2030, implying 10% annual organic growth driven by its Data and AI offerings which generated $1.2 billion in Q2 revenue.

MACRO RELEASES TO WATCH TODAY

US Building Permits for September at 12:30 PM ET with consensus at 1.33 million (previous 1.34 million), alongside Housing Starts expected to show 1% monthly growth after an 8.5% decline in August. Eurozone CPI for September at 09:00 AM CET showed 4.6% against 4.4% awaited.

MOST IMPORTANT NEWS YESTERDAY

Nestlé shares soared 9.5%, marking its largest single-day gain since 2007, after new CEO Philipp Navratil announced plans to slash 16,000 jobs over the next two years including 12,000 white-collar positions while raising cost-savings targets to 3 billion Swiss francs by 2027, coupled with better-than-expected nine-month sales showing 3.3% organic growth. The Swiss food giant emphasized automation and operational efficiency as key drivers of the restructuring, though it did not specify how AI would be integrated into corporate functions.
ASML Holding climbed after the Dutch semiconductor equipment maker reported third-quarter bookings above market expectations, underpinned by booming AI investment, setting a positive tone for the chip sector. Progressive Insurance tumbled after disappointing results, posting a reaction score that placed it at the bottom of S&P 500 earnings performers.

BIG CAPS TO FOLLOW TODAY AND WHY

American Express reports before the bell with expectations for strong performance in its premium card segment, though investors will scrutinize credit quality metrics given regional banking concerns. Fifth Third Bancorp, Huntington Bancshares, and Comerica will be closely watched for any additional signs of credit stress following yesterday's regional banking turmoil, with markets particularly focused on loan loss provisions and commentary on commercial real estate exposure.
Schlumberger results will be monitored for signals on energy sector capital spending trends given recent oil price weakness. State Street may offer perspectives on institutional investor positioning and market volatility. Regions Financial will face scrutiny on its loan portfolio quality and deposit trends. Technology investors will continue digesting TSMC's bullish AI commentary and its implications for the broader semiconductor supply chain.

IMPORTANT EARNINGS IN THE LAST FEW DAYS

ASML's third-quarter report on Wednesday showed orders and operating income above expectations driven by AI chip demand, lifting European technology stocks.
Sartorius, the Franco-German laboratory supplies manufacturer, jumped 9% alongside its subsidiary Sartorius Stedim Biotech which surged 11% after releasing quarterly results and positive forecasts.
Pernod Ricard dropped 0.77% after announcing a 7.6% decline in first-quarter revenue attributed to weak consumer demand and inventory reductions in China and the US.

MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED

China's third-quarter GDP will be released October 20 with forecasts in the mid-4% range year-over-year, down from 5.2% in Q2, alongside September industrial production, retail sales, and property price data that will gauge the effectiveness of recent stimulus measures. UK inflation data for September is due Wednesday October 22, with CPI expected to remain elevated near 3.8%, keeping the Bank of England cautious on rate cuts despite growth concerns. US retail sales data for September was already released showing a 0.6% increase.

Coges Corraterie Gestion SA

COMMENTARY
October 17, 2025

MARKET DATA

EQUITY

		Futures	Last	% 1D	% WTD	% MTD	%YTD
Europe	CAC 40	-0.92%	8 188.59	1.4%	3.4%	3.7%	10.9% ▲
	DAX 30	-2.15%	24 272.19	0.4%	0.1%	1.6%	21.9% ▲
	SMI 20	-1.19%	12 702.08	1.4%	1.8%	4.9%	9.5% ▲
	SPI	-	17 451.81	1.1%	1.4%	4.2%	12.8% ▲
	FTSE MIB 40	-1.97%	42 374.18	1.1%	0.8%	-0.8%	24.0% ▲
	EUROSTOXX 50	-1.48%	5 652.01	0.8%	2.2%	2.2%	15.4% ▲
	DJ STOXX 600	-1.50%	571.66	0.7%	1.3%	2.4%	12.6% ▲
	FTSE 100	-1.53%	9 436.09	0.1%	0.1%	0.9%	15.5% ▲
America	S&P 500	-1.24%	6 629.07	-0.6%	1.2%	-0.9%	12.7% ▲
	NASDAQ COMP	-1.36%	22 562.54	-0.5%	1.6%	-0.4%	16.8% ▲
	S&P 500 EW		7 583.72	-0.9%	1.1%	-1.4%	6.8% ▲
	S&P 400 MIDCAP	-1.32%	3 216.64	-1.2%	1.7%	-1.4%	3.1% ▲
	S&P 600 SMALLCAP		1 436.04	-1.3%	3.1%	-0.9%	2.0% ▲
	RUSSELL 2000	-1.79%	2 467.02	-2.1%	3.0%	1.3%	10.6% ▲
Asia	NIKKEI 225	-1.82%	48 277.74	1.3%	0.4%	7.4%	21.0% ▲
	HANG SENG H	-	25 888.51	-0.1%	-1.5%	-3.6%	29.1% ▲
	SHANGHAI COMP A	-	3 916.23	0.1%	0.5%	0.9%	16.8% ▲
	SHENZHEN COMP A	-	2 463.95	-0.6%	-1.7%	-2.2%	25.9% ▲
EM	BOVESPA	-	142 200.02	-0.3%	1.1%	-2.8%	18.2% ▲
	SENSEX	-	83 467.66	1.0%	1.2%	4.0%	6.8% ▲
Indices Total Return	MSCI WORLD 100% H Sfr NTR		2 355.78	-0.3%	1.1%	-0.0%	15.0% ▲
	S&P 500 TR		14 702.57	-0.6%	1.2%	-0.8%	13.9% ▲
	MSCI USA NTR		19 096.33	-0.6%	1.2%	-0.9%	13.6% ▲
	MSCI EUROPE NTR		387.13	0.7%	1.4%	2.5%	15.2% ▲
	MSCI EUROPE SMALL NTR		630.70	0.3%	0.5%	0.8%	13.3% ▲
	MSCI EM NTR		750.03	1.0%	1.0%	2.5%	30.7% ▲
	MSCI AC ASIA EX JAPAN NTR		752.20	0.9%	0.5%	2.5%	30.0% ▲
	MSCI EM LATAM NTR		654.49	0.5%	2.4%	-2.8%	39.1% ▲

		Last	% 1D	% WTD	% MTD	%YTD
MSCI WORLD FACTORS	MSCI WORLD	4 292.08	-0.2%	1.3%	-0.3%	15.8% ▲
	GROWTH	6 760.59	-0.1%	1.3%	-0.1%	17.2% ▲
	VALUE	4 194.30	-0.4%	1.3%	-0.7%	14.1% ▲
	MOMENTUM	4 644.04	-0.3%	1.0%	-1.1%	18.0% ▲
	LOW VOL	2 375.73	-0.5%	-0.3%	-1.6%	5.9% ▲
	QUALITY	4 563.63	-0.3%	1.1%	0.1%	11.1% ▲
	SIZE	6 190.82	-0.1%	1.2%	-0.3%	15.7% ▲
	HIGH DIV.	1 669.66	0.0%	1.0%	0.1%	11.9% ▲
	SMALLCAP	647.19	-0.8%	1.9%	0.0%	15.0% ▲
MSCI US SECTORS	MSCI USA	6 338.70	-0.6%	1.1%	-0.9%	12.8% ▲
	ENERGY	338.34	-1.1%	0.0%	-4.3%	-0.2% ▼
	MATERIALS	407.52	-0.6%	1.3%	-1.8%	6.3% ▲
	INDUSTRIALS	590.23	-0.6%	1.1%	-1.5%	14.9% ▲
	CONSUMER DISC.	775.33	-0.9%	1.2%	-3.1%	2.4% ▲
	CONSUMER STAPLES	333.96	-0.8%	0.7%	0.5%	2.5% ▲
	HEALTH CARE	461.78	-0.1%	0.2%	2.1%	4.0% ▲
	FINANCIALS	284.93	-2.8%	-0.8%	-4.1%	7.4% ▲
	IT	1 226.59	0.1%	1.6%	-0.0%	21.6% ▲
	COMM. SERVICES	134.54	-0.5%	2.9%	-0.6%	23.0% ▲
	UTILITIES	274.00	-1.0%	1.9%	5.3%	21.2% ▲
MSCI EUROPE SECTORS	MSCI EUROPE	191.23	0.7%	1.3%	2.5%	12.6% ▲
	ENERGY	149.10	-0.1%	0.5%	0.2%	2.3% ▲
	MATERIALS	334.65	0.8%	2.8%	2.4%	4.3% ▲
	INDUSTRIALS	495.26	1.1%	0.8%	1.5%	22.5% ▲
	CONSUMER DISC.	208.06	0.4%	3.0%	2.5%	-2.4% ▼
	CONSUMER STAPLES	274.86	3.0%	3.5%	5.2%	5.4% ▲
	HEALTH CARE	269.96	0.6%	-0.1%	6.9%	1.1% ▲
	FINANCIALS	110.52	-0.2%	-0.1%	-0.6%	27.6% ▲
	IT	225.30	0.4%	4.7%	4.7%	10.5% ▲
	COMM. SERVICES	62.65	-0.1%	-0.2%	-0.4%	10.4% ▲
	UTILITIES	169.82	1.0%	2.3%	5.7%	23.7% ▲

FIXED INCOME

Range: Avg ◆ Now ●

		Yield	Duration	% 1D	% WTD	% MTD	%YTD	Range 1Y	Range 5Y	Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD
EUR	AGGREGATE 5-7Y	2.95	5.5	0.0%	0.6%	1.0%	3.1% ▲	46 – 69	44 – 113	47 bp	-1 bp	-1 bp	-1 bp	-16 bp
	CORP IG 5-7Y	3.36	5.3	-0.0%	0.5%	0.9%	3.9% ▲	90 – 140	90 – 253	93 bp	-0 bp	-0 bp	+2 bp	-20 bp
	CORP BBB	3.39	4.4	0.0%	0.4%	0.8%	3.3% ▲	89 – 145	89 – 277	93 bp	-0 bp	+0 bp	+2 bp	-22 bp
	CORP HIGH YIELD	5.43	2.8	-0.0%	0.3%	-0.3%	4.3% ▲	257 – 446	257 – 668	292 bp	-1 bp	-9 bp	+20 bp	-16 bp
USD	AGGREGATE 5-7Y	4.12	4.9	0.3%	0.6%	1.1%	8.0% ▲	27 – 47	18 – 67	31 bp	+1 bp	+0 bp	+1 bp	-5 bp
	CORP IG 5-7Y	4.33	4.1	0.2%	0.5%	0.8%	7.4% ▲	63 – 111	57 – 155	71 bp	+2 bp	-0 bp	+5 bp	-0 bp
	CORP BBB	4.90	6.8	0.2%	0.6%	1.0%	8.3% ▲	91 – 146	91 – 198	100 bp	+2 bp	-0 bp	+7 bp	-1 bp
	CORP HIGH YIELD	6.75	2.7	-0.0%	0.6%	-0.1%	7.0% ▲	252 – 453	252 – 588	290 bp	+9 bp	-12 bp	+20 bp	+3 bp
	EM AGG. 5-7Y	5.85	4.7	0.2%	0.6%	0.3%	10.4% ▲	186 – 321	186 – 463	212 bp	+3 bp	+1 bp	+20 bp	-45 bp

		1Y	5Y	10Y	Δ 10y 1D	Δ 10y YTD
Sovereign	US	3.61	3.56	4.00	-6 bp	-59 bp
	Germany	1.82	2.16	2.59	+1 bp	+23 bp
	Switzerland	-0.14	-0.03	0.17	+1 bp	-14 bp
	Italy	1.98	2.60	3.33	-0 bp	-12 bp

		Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD
CDS	CDX $ IG 3Y SPRD	34 bp	+2 bp	-1 bp	+2 bp	+4 bp
	CDX $ HY 5Y SPRD	341 bp	+12 bp	-6 bp	+19 bp	+29 bp
	ITRAXX € IG 3Y SPRD	33 bp	+1 bp	-2 bp	+1 bp	-2 bp
	ITRAXX € HY 3Y SPRD	197 bp	+4 bp	-9 bp	+11 bp	-64 bp

FOREX, VOLATILITY & PHYSICAL ASSETS

		Last	% 1D	% WTD	% MTD	%YTD
FX	EUR/USD	1.1687	0.3%	0.6%	-0.4%	12.9% ▲
	EUR/CHF	0.9268	-0.1%	-0.2%	-0.8%	-1.4% ▼
	USD/CHF	0.7930	-0.5%	-0.8%	-0.4%	-12.6% ▼
	USD/JPY	150.43	-0.4%	-0.5%	1.7%	-4.3% ▼
	USD/GBP	0.7444	-0.2%	-0.5%	0.1%	-6.8% ▼
	USD/CNY	7.125	-0.0%	-0.1%	0.0%	-2.4% ▼
	USD/RUB	80.13	2.4%	-1.9%	-3.3%	-29.2% ▼
	BTC/USD	107 886.31	-3.0%	-5.6%	-5.9%	15.1% ▲
Vol	S&P500 VOL (VIX)	25.31	22.6%	16.9%	55.5%	45.9% ▲
	ICE BOFAML MOVE INDEX	81.23	8.1%	-0.5%	4.2%	-17.8% ▼

		Last	% 1D	% WTD	% MTD	%YTD
Physical Assets	GOLD	4 326.58	2.8%	7.7%	12.1%	64.9% ▲
	SILVER	54.24	2.3%	8.2%	16.3%	87.7% ▲
	COPPER	10 495.00	-1.9%	-2.2%	1.9%	20.5% ▲
	ALUMINIUM	2 806.02	1.9%	1.7%	4.7%	11.1% ▲
	IRON	98.03		-1.1%	-0.1%	2.8% ▲
	WHEAT	502.50	0.8%	0.8%	-1.1%	-8.9% ▼
	CORN	421.75	1.2%	2.1%	1.5%	-8.0% ▼
	CRUDE OIL (WTI)	57.46	-1.4%	-2.4%	-7.9%	-16.1% ▼
	BRENT	61.06	-1.4%	-2.7%	-7.5%	-15.0% ▼
	US NATURAL GAS	2.94	-2.6%	-5.4%	-11.1%	-19.1% ▼
	SWISS RES. REAL ESTATE	3 149.18	1.0%	1.6%	0.6%	8.1% ▲

Closing as of Thursday October 16, 2025, futures as of Friday October 17, 2025 09:43

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