

Morning Brief

QUICK SUMMARY OF THE MARKETS LAST SESSION

Thursday's session in the United States delivered a sharp rotation away from technology into cyclicals and defensives. The Dow Jones Industrial Average surged +1.7% to a fresh record of 51'562, led by UnitedHealth, JPMorgan Chase, and Walmart, while the S&P 500 added +0.4% to 7'584 and the Nasdaq slipped -0.1% to 26'831 as the AI complex digested Broadcom's mixed after-hours reaction.

In Europe, the STOXX 600 ended +0.5% at 624, the FTSE 100 closed +0.3% at 10'361, and the Swiss SMI outperformed at +0.9% to 13'341 on defensive flows.

Asian markets this morning extended the risk-off tone: the Nikkei fell -1.3% to 66'588, the Hang Seng -1.0% to 24'997, and the Shanghai Composite -0.7% to 4'028.

The primary rate driver was a softer-than-expected labour print, initial jobless claims hit 225k versus 215k consensus, the highest since early February, while Q1 unit labour costs were revised down to +1.8% from a +2.4% estimate, offering modest Treasury relief. The US 2-year yield settled at 4.08% and the 10-year at 4.48%.

On commodities, gold closed at 4'475 (+0.9%), drawing safe-haven support from geopolitical uncertainty, while Brent crude sold off sharply to 95.03 (-2.8%) on reports of tentative progress toward a Middle East ceasefire, a move that, if sustained, would remove a meaningful inflation tail risk that has kept rate markets on edge.

WHAT TO WATCH IN THE MARKET TODAY

The session pivots on the May US nonfarm payrolls report (14h30 CET, developed in section 5) and on whether Thursday's factor rotation, out of technology and into non-tech large caps extends.

A payroll beat risks pushing the 10-year above 4.50% and compressing growth multiples; a soft reading could revive Nasdaq leadership. In Europe, final Eurozone Q1 GDP and employment data print at 11h00 CET, with any downward revision reinforcing the growth divergence narrative.

Energy and luxury names will remain sensitive to developments on the Iran front following yesterday's oil drop.

KEY HIGHLIGHTS YESTERDAY

Ciena was the headline result, with fiscal Q2 2026 revenue of \$1.57 billion (+40% year-on-year) and adjusted EPS of \$1.64 versus a \$1.49 consensus, full-year guidance raised to \$6.3 billion, and a backlog of \$7.7 billion; yet the stock fell roughly 16% as the guidance raise was judged marginal relative to elevated expectations, dragging the broader optical networking complex lower.

DocuSign beat on EPS at \$1.09 versus \$1.01 but missed revenue at \$830 million against \$841 million consensus; operating margin expanded to 32% and IAM reached 12.6% of ARR, with the stock down only 1.7% – a contained reaction reflecting strong underlying cash flow quality.

Wealthfront missed on both lines, revenue \$90.5 million versus \$93.4 million and EPS \$0.07 versus \$0.12, though platform assets hit a record \$96.6 billion (+19%); shares fell roughly 9% as margin compression outweighed the asset growth narrative.

Lululemon reported Q1 revenue of \$2.5 billion (+4%) in line but cut full-year revenue guidance to a decline of up to 1%, with Americas comps down 3% and \$210 million in tariff headwinds excluded from the outlook, sending the stock down around 11%.

MACRO RELEASES TO WATCH TODAY

The May nonfarm payrolls report is today's dominant release, with consensus at 88k, well below the 115k prior, alongside an unchanged unemployment rate of 4.3% and average hourly earnings of +0.3% MoM and +3.4% YoY. A soft print would confirm orderly labour cooling and offer relief to rate-sensitive growth equities; a beat on jobs or wages would instead entrench the 85% market-implied probability of a year-end Fed hike and risk pushing the 10-year through 4.50%, compressing duration and growth factors globally.

In Europe, final Eurozone Q1 GDP (consensus +0.1% QoQ / +0.8% YoY) also prints this morning, and yesterday's April retail sales miss at -0.4% MoM frames the context: domestic demand remains fragile, and any downward GDP revision would deepen the transatlantic growth divergence and complicate the ECB's easing narrative.

MOST IMPORTANT NEWS YESTERDAY

Alphabet closed the equity portion of its \$84.75 billion capital raise on June 4, the largest US equity offering in modern history, with Berkshire Hathaway anchoring via a \$10 billion private placement, all proceeds earmarked for AI infrastructure as full-year capex guidance stands at \$180-190 billion.

The scale of dilution weighed on the stock, already down roughly 4% on announcement, demonstrating that even a franchise of Alphabet's quality faces multiple pressure when equity supply is this large.

UnitedHealth surged over 5% in the session as investors responded to the improving medical cost ratio trajectory and the ongoing \$2 billion buyback program.

BIG CAPS TO FOLLOW TODAY AND WHY

Alphabet remains in focus as the depository share tranche of its \$84.75 billion capital raise settles today, keeping supply-related pressure on the stock alive.

Broadcom, meanwhile, will be watched for signs of stabilisation after its post-earnings dip, with the central debate being whether the software segment miss is transitory or structural relative to the exceptional AI hardware trajectory.

On the cybersecurity side, Palo Alto Networks enters its post-earnings trading window with investor attention squarely on RPO quality and billings visibility as the markers of durable demand.

Shifting to defensives, UnitedHealth will trade not only on any management commentary but also on the payroll outcome itself, given the direct linkage between employment levels and commercial insurance enrollment.

IMPORTANT EARNINGS IN THE LAST FEW DAYS

The past week's results deliver a clear regime signal: AI-driven infrastructure spending is arriving in income statements with measurable force. HPE's revenue growth, Broadcom's AI semiconductor trajectory, and Palo Alto's RPO build collectively confirm that hyperscaler capex is converting into real volumes and multi-year bookings – Broadcom cited supply agreements extending to 2028 across major cloud and AI customers. Cash conversion across all three names was strong, reducing valuation risk even at elevated multiples.

The recurring gap between hardware outperformance and software relative weakness is the one note of caution, potentially signalling early enterprise IT budget prioritisation away from licensing toward infrastructure.

MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED

Beyond today's payrolls, the calendar's next pivotal release is US May CPI, due in the second week of June and the defining input into the FOMC meeting on June 16-17. The Fed is expected to hold, but any upside surprise in services or shelter inflation would entrench the pricing for a year-end hike and further compress duration-sensitive equity factors globally.

In Europe, the ECB's upcoming meeting and staff projections will be tested against weak retail demand and still-positive headline inflation, while in Switzerland the SNB's tolerance for continued franc appreciation under geopolitical safe-haven flows is the key variable, a shift toward intervention or further easing would directly affect CHF hedging costs and Swiss export-sector earnings estimates.

MARKET DATA

		EQUITY						MSCI WORLD FACTORS						
		Futures	Last	% 1D	% WTD	% MTD	%YTD			Last	% 1D	% WTD	% MTD	%YTD
Europe	CAC 40	0.22%	8 244.29	1.2%	0.7%	0.7%	1.2%	MSCI WORLD	4 865.52	0.4%	0.0%	0.0%	0.0%	9.8%
	DAX 30	-0.12%	24 944.95	0.6%	-0.6%	-0.6%	1.9%	GROWTH	7 616.97	0.2%	-0.0%	-0.0%	0.0%	9.7%
	SMI 20	-0.16%	13 341.27	0.9%	-1.5%	-1.5%	0.6%	VALUE	4 777.40	0.5%	0.1%	0.1%	0.1%	9.9%
	SPI	-	18 882.99	0.8%	-1.4%	-1.4%	3.6%	MOMENTUM	5 766.96	-0.6%	2.2%	2.2%	2.2%	22.1%
	FTSE MIB 40	-0.07%	50 174.36	0.3%	0.3%	0.3%	11.6%	LOW VOL	2 378.28	0.2%	-1.0%	-1.0%	-1.0%	
	EUROSTOXX 50	-0.10%	6 103.33	0.8%	0.9%	0.9%	5.4%	QUALITY	5 127.95	0.3%	-0.0%	-0.0%	0.0%	8.3%
	DJ STOXX 600	-0.02%	624.45	0.5%	-0.2%	-0.2%	5.4%	SIZE	6 925.07	0.4%	-0.1%	-0.1%	0.0%	8.9%
	FTSE 100	0.04%	10 360.32	0.3%	-0.5%	-0.5%	4.3%	HIGH DIV.	1 844.98	0.7%	-0.2%	-0.2%	0.0%	7.1%
America	S&P 500	-0.57%	7 584.31	0.4%	0.1%	0.1%	10.8%	SMALLCAP	755.09	0.4%	-0.2%	-0.2%	0.0%	13.8%
	NASDAQ COMP	-1.17%	26 830.96	-0.1%	-0.5%	-0.5%	15.4%	MSCI USA	7 234.16	0.5%	0.2%	0.2%	0.2%	10.7%
	S&P 500 EW	-	8 521.94	0.8%	0.9%	0.9%	9.8%	ENERGY	457.76	0.1%	4.3%	4.3%	29.4%	
	S&P 400 MIDCAP	-0.49%	3 765.85	0.4%	1.1%	1.1%	13.9%	MATERIALS	467.92	0.1%	0.9%	0.9%	12.0%	
	S&P 600 SMALLCAP	-	1 703.40	1.3%	1.1%	1.1%	16.1%	INDUSTRIALS	687.31	1.3%	1.5%	1.5%	14.5%	
RUSSELL 2000	-0.67%	2 935.33	1.4%	0.5%	0.5%	18.3%	CONSUMER DISC.	797.09	0.5%	-3.8%	-3.8%	-0.8%		
Asia	NIKKEI 225	-1.43%	66 588.12	-1.3%	0.4%	0.4%	32.3%	CONSUMER STAPLES	351.08	-0.1%	-0.7%	-0.7%	6.3%	
	HANG SENG H	-	24 988.21	-1.1%	-0.8%	-0.8%	-2.5%	HEALTH CARE	487.89	3.1%	1.6%	1.6%	-2.4%	
	SHANGHAI COMP A	-	4 027.74	-0.7%	-1.0%	-1.0%	1.5%	FINANCIALS	286.46	2.7%	1.1%	1.1%	-5.3%	
EM	SHENZHEN COMP A	-	2 763.92	-1.3%	-1.5%	-1.5%	9.2%	IT	1 539.42	-1.3%	0.8%	0.8%	24.2%	
	BOVESPA	-	170 330.63	-	-2.0%	-2.0%	5.7%	COMM. SERVICES	152.99	2.1%	-2.3%	-2.3%	6.0%	
Indices Total Return	SENSEX	-	74 360.01	0.0%	-0.6%	-0.6%	-12.7%	UTILITIES	260.02	0.6%	-1.1%	-1.1%	2.3%	
	MSCI WORLD 100% H Sfr NTR	-	2 708.22	0.4%	0.2%	0.2%	11.0%	MSCI EUROPE	208.62	0.6%	-0.1%	-0.1%	5.6%	
	S&P 500 TR	-	16 949.85	0.4%	0.1%	0.1%	11.4%	ENERGY	203.73	-0.9%	3.6%	3.6%	31.1%	
	MSCI USA NTR	-	21 906.89	0.5%	0.2%	0.2%	11.1%	MATERIALS	404.20	-0.5%	-0.2%	-0.2%	15.2%	
	MSCI EUROPE NTR	-	430.70	0.6%	-0.1%	-0.1%	7.4%	INDUSTRIALS	532.88	0.5%	-0.7%	-0.7%	7.5%	
	MSCI EUROPE SMALL NTR	-	695.29	0.3%	-1.2%	-1.2%	7.4%	CONSUMER DISC.	186.67	0.6%	-1.0%	-1.0%	-12.4%	
	MSCI EM NTR	-	967.07	-1.6%	0.4%	0.4%	26.2%	CONSUMER STAPLES	259.42	-0.7%	-2.6%	-2.6%	-4.1%	
	MSCI AC ASIA EX JAPAN NTR	-	985.61	-1.8%	0.8%	0.8%	28.8%	HEALTH CARE	271.30	3.0%	-1.4%	-1.4%	-3.5%	
	MSCI EM LATAM NTR	-	804.34	-0.4%	-2.4%	-2.4%	10.4%	FINANCIALS	122.96	0.6%	-1.4%	-1.4%	0.7%	
								IT	322.00	0.5%	6.9%	6.9%	44.4%	

		FIXED INCOME													
		Yield	Duration	% 1D	% WTD	% MTD	%YTD	Range 1Y	Range 5Y	Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD	
EUR	AGGREGATE 5-7Y	3.47	5.5	0.1%	-0.5%	-0.5%	0.4%	41	57 41	113	45 bp	+0 bp	+0 bp	+0 bp	+0 bp
	CORP IG 5-7Y	3.89	5.3	0.1%	-0.4%	-0.4%	0.6%	84	111 84	253	90 bp	-0 bp	-2 bp	-2 bp	-1 bp
	CORP BBB	3.95	4.4	0.1%	-0.3%	-0.3%	0.6%	84	115 84	277	90 bp	-0 bp	-2 bp	-2 bp	-0 bp
	CORP HIGH YIELD	5.83	2.9	-0.0%	0.0%	0.0%	1.3%	249	331 249	668	251 bp	-1 bp	-8 bp	-8 bp	-13 bp
USD	AGGREGATE 5-7Y	4.74	4.9	0.1%	-0.2%	-0.2%	0.0%	23	37 23	67	26 bp	-0 bp	+1 bp	+1 bp	-2 bp
	CORP IG 5-7Y	4.88	4.1	0.1%	-0.1%	-0.1%	0.5%	62	84 57	155	65 bp	-0 bp	+1 bp	+1 bp	-5 bp
	CORP BBB	5.36	6.6	0.1%	-0.1%	-0.1%	0.8%	90	115 90	198	91 bp	-0 bp	+0 bp	+0 bp	-8 bp
	CORP HIGH YIELD	7.05	2.8	0.1%	-0.1%	-0.1%	1.5%	247	338 247	588	261 bp	-0 bp	+6 bp	+6 bp	-6 bp
	EM AGG. 5-7Y	6.15	4.7	0.1%	0.1%	0.1%	1.7%	186	264 186	463	194 bp	+1 bp	-2 bp	-2 bp	-5 bp
Sovereign	US	3.90		4.20	4.49	-2 bp	+31 bp								
	Germany	2.44		2.75	3.06	-1 bp	+17 bp								
	Switzerland	0.03		0.25	0.45	-1 bp	+11 bp								
	Italy	2.57		3.19	3.78	-0 bp	+27 bp								
CDS	CDX \$ IG 3Y SPRD									30 bp	-0 bp	+0 bp	+0 bp	+1 bp	
	CDX \$ HY 5Y SPRD									305 bp	-2 bp	+5 bp	+5 bp	-12 bp	
	ITRAXX € IG 3Y SPRD									29 bp	-1 bp	+0 bp	+0 bp	+2 bp	
	ITRAXX € HY 3Y SPRD									178 bp	-2 bp	+2 bp	+2 bp	+9 bp	

		FOREX, VOLATILITY & PHYSICAL ASSETS									
		Last	% 1D	% WTD	% MTD	%YTD	Last	% 1D	% WTD	% MTD	%YTD
FX	EUR/USD	1.1611	0.1%	-0.4%	-0.4%	-1.1%					
	EUR/CHF	0.9167	-0.2%	0.7%	0.7%	-1.5%					
	USD/CHF	0.7896	-0.3%	1.1%	1.1%	-0.4%					
	USD/JPY	160.02	-0.0%	0.5%	0.4%	2.1%					
	USD/GBP	0.7449	-0.1%	0.2%	0.2%	0.4%					
	USD/CNY	6.775	-0.1%	0.1%	0.1%	-3.1%					
	USD/RUB	73.42	-0.4%	3.5%	3.5%	-6.8%					
	BTC/USD	63 575.87	-2.1%	-13.6%	-13.7%	-27.5%					
Vol	S&P500 VOL (VIX)	15.40	-4.1%	0.5%	0.5%	3.0%					
	ICE BOFAML MOVE INDEX	71.16	-3.3%	1.3%	1.3%	11.3%					
Physical Assets	GOLD	4 474.80	0.9%	-1.4%	-1.4%	3.6%					
	SILVER	73.88	1.6%	-1.9%	-1.9%	3.1%					
	COPPER	13 872.00	-0.3%	1.9%	1.9%	10.9%					
	ALUMINIUM	3 738.21	-0.9%	-0.8%	-0.8%	26.0%					
	IRON	100.60		0.1%	0.1%	-3.2%					
	WHEAT	581.75	-0.9%	-4.7%	-4.7%	14.7%					
	CORN	424.50	-1.6%	-5.0%	-5.0%	-3.6%					
	CRUDE OIL (WTI)	93.04	-3.1%	6.5%	6.5%	63.1%					
	BRENT	95.03	-2.8%	4.3%	4.3%	57.9%					
DUTCH TTF NATURAL GA	48.75	-0.2%	6.0%	6.0%	73.1%						
SWISS RES. REAL ESTATE	3 303.59	-0.7%	-2.3%	-2.3%	-0.3%						

Closing as of Thursday June 4, 2026, futures as of Friday June 5, 2026 09:56

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