

— face down the pressure

Saving you time

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Equity markets chalked up cautious gains last week amid continuing global tension and despite slightly higher-than-expected inflation in the US.

The Department of Labor published a September CPI rising by 2.4% year-on-year. This may have been the slowest rate since February 2021 but it was 0.1 points above the consensus, which was at 2.3%. Excluding food and energy, the yearly inflation rate was 3.3% last month. US consumer prices also rose by 0.2% between August and September 2024.

This renewed upswing in US inflation has galvanised expectations for less aggressive rate-cutting. As a result, we see a 25-basis point cut at the Fed's next meeting.

This news led the US 10-year yield back to 4.10%. The yield on its German counterpart, the Bund, was stable at 2.25%.

US labour market continues to deteriorate slowly

On the employment front, 258,000 initial jobless claims were recorded in the week commencing 30 September, which was 33,000 higher than in the previous week and more than expected. Additionally, the number of claimants receiving regular benefits rose by 42,000 to 1,868,000 in the week commencing 23 September.

So this shows the US labour market continuing to deteriorate slowly, mainly due to strike action in various sectors and the impact caused by hurricanes Helene and Milton.

US inflation heading towards its 2% target

Finally, the Labour Department published a stable producer price index for September. In year-on-year terms, the uptrend in US producer prices slowed by 0.1 points last month compared with August, to 1.8% in unadjusted terms, and to 3.2% excluding food, energy and business services. These figures ought to reassure Fed brass that inflation is still ultimately heading towards their 2% target.

The S&P 500 increased by 1.11% last week, while the Nasdaq gained 1.13%. The Stoxx Europe 600 edged up by 0.66%.

A string of earnings releases are due this week along with the ECB's monetary policy announcement.

Swiss Market Index (SMI)

The SMI is struggling to break past initial resistance at 12310, which close out a bullish gap in the first instance. The next hurdle would then be 12420 followed by 12500.



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	0.86	0.94	12'154.19	5'003.92	19'373.83	7'577.89	8'253.65	5'815.03	18'342.94	39'605.80	1'159.56
Trend	➡	➡	➡	⬆	⬆	➡	➡	⬆	⬆	⬆	⬆
YTD	1.48%	-0.31%	9.13%	3.65%	15.65%	1.72%	-0.30%	3.23%	4.27%	18.35%	6.77%

(values from the Friday preceding publication)

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