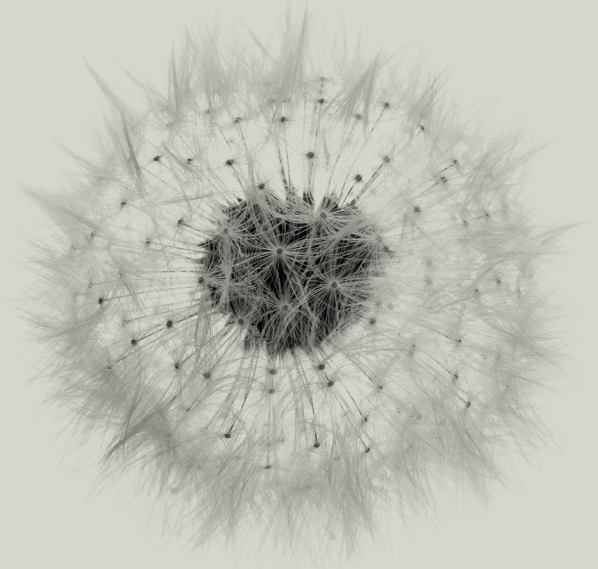


CIC – Weekly Markets

An overview of the markets



Equity markets followed a similar downward trend as the previous week, with the S&P 500 and NASDAQ both losing over 3%, while Switzerland's SMI closed slightly higher.

Investor sentiment remains weighed down by ongoing concerns about U.S. economic growth and heightened uncertainty around tariffs. The U.S. jobs report delivered mixed signals, with stable payroll growth and wages, but a higher unemployment rate and a spike in job cuts.

The European Central Bank cut rates by 25 basis points but signaled a more cautious approach to future policy decisions. Oil prices dropped to their lowest level in three years, influenced by global growth concerns and increased OPEC+ production.

On the corporate front, TSMC announced a \$100 billion investment in U.S. chip production, while AI firm Anthropic raised \$3.5 billion in new funding, reaching a \$61.5 billion valuation. Microsoft said it will shut down Skype, and Chinese bubble tea chain Mixue surged 43% on its Hong Kong IPO debut. Looking ahead, markets remain technically oversold, and Wednesday's U.S. CPI report along with Friday's sentiment index release will be key macro drivers for the week.

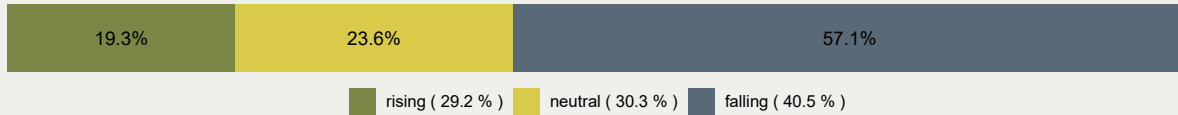
Our Trade of the Week is a Swiss semiconductor supplier.



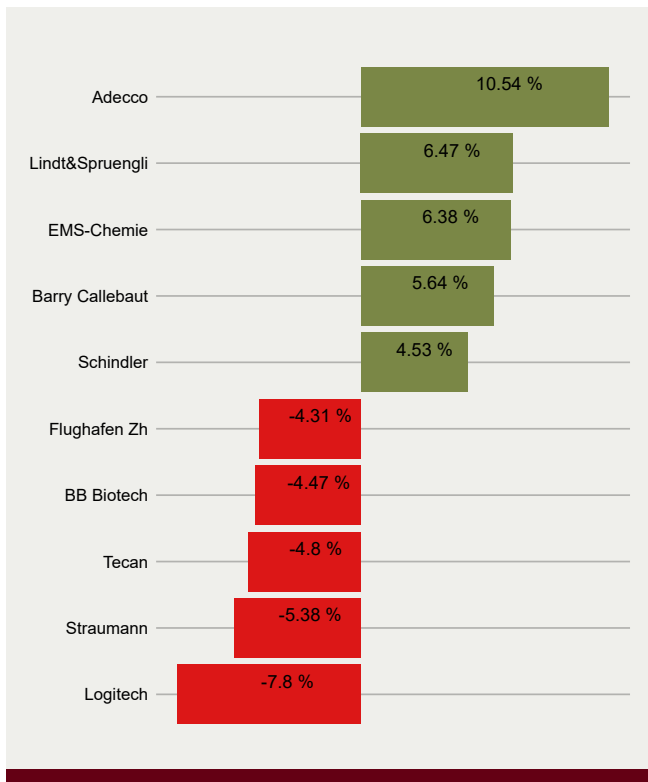
Luca Carrozzo
CIO, Bank CIC (Switzerland) Ltd.

Investor sentiment on the stock market

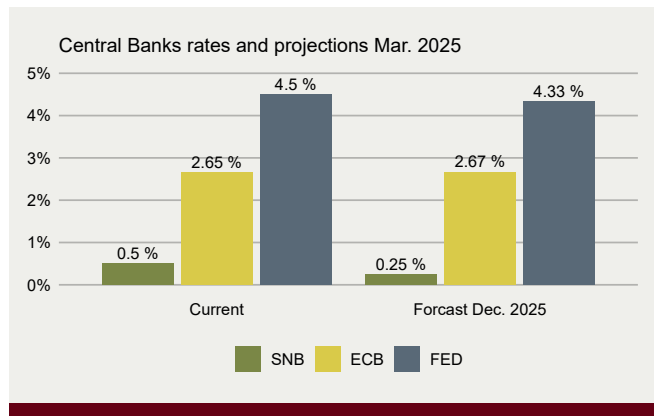
Expectations of equity investors about the direction over the next 6 months vs. 2 weeks result in (), study published by 'AAIL'



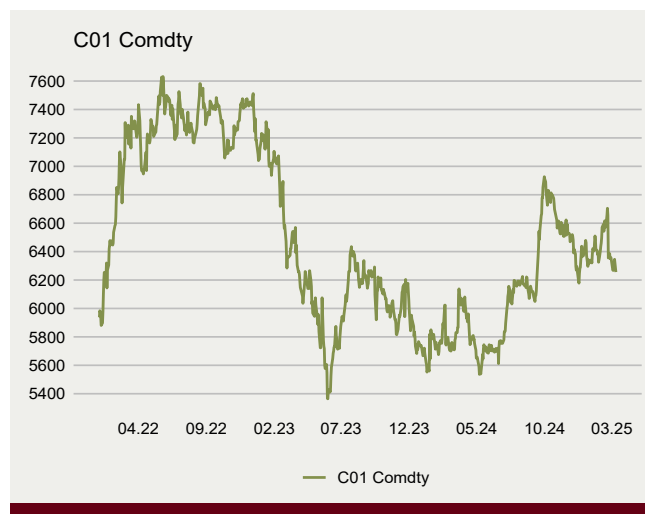
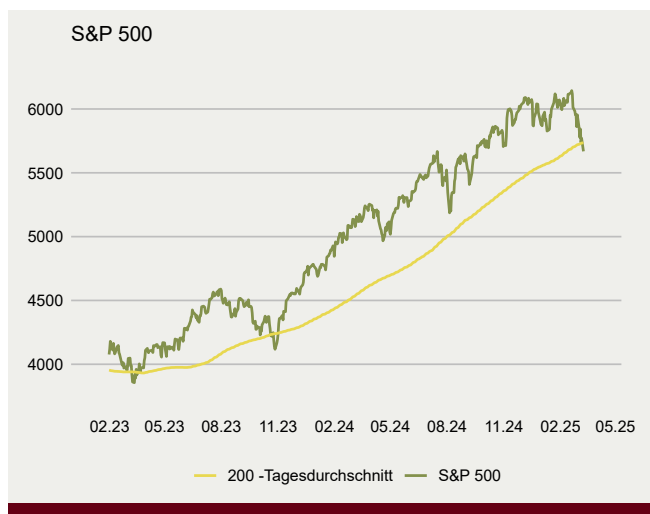
Top / Flops of the week (Switzerland)



Stock market



Market Commentary



Last week, equities delivered a similar pattern as in the week before – an almost constant downward movement, with a slight uptick on Friday’s session. The losses for the week surpassed 3% in the S&P 500 and in the NASDAQ indices. The SMI in Switzerland was volatile itself but closed the week in positive territory (+0.34%). The concerns regarding the growth prospects of the U.S. economy remained intact and the constant news flow on the tariff front is adding fuel to the fire in this respect.

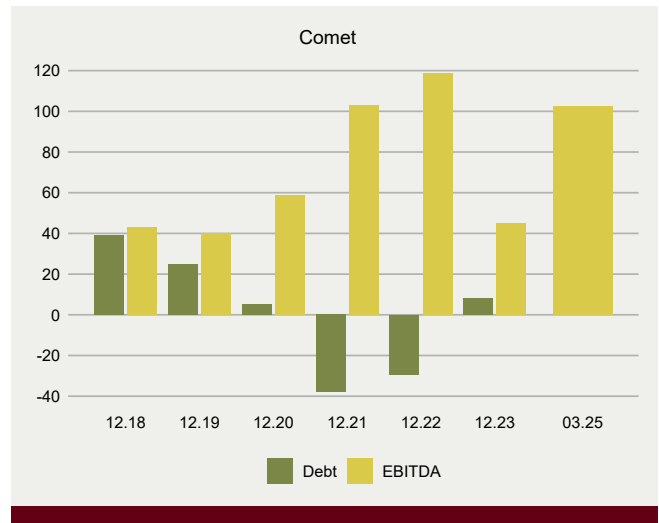
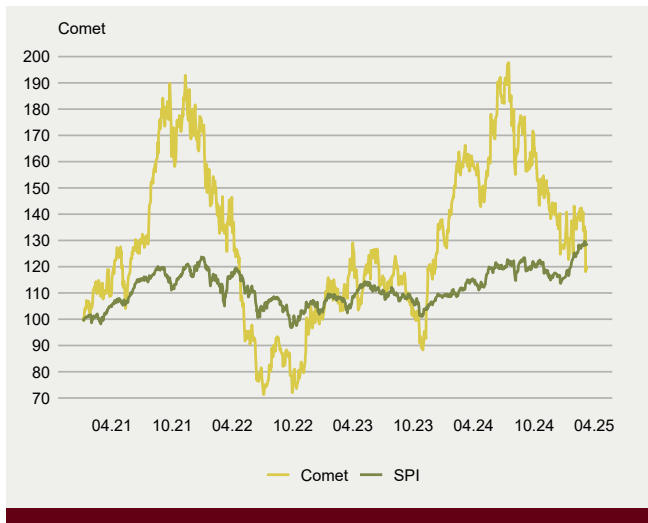
Macroeconomics, Commodities: the perhaps most awaited macro publication last week, the U.S. jobs report brought mixed signals – nonfarm payrolls and average hourly earnings were in line with expectations, while the unemployment rate ticked slightly upwards (to 4.1%, up from the prior and expected value of 4%) and the job cuts number was significantly higher than expected (172k, the highest value since July 2020). The ECB reduced its main reference rate by further 25 bps (down to 2.5%). In what is seen as a slight shift in policy, the commentary coming out of the Eurozone’s central bank became less accommodative, with members of the governing council indicating that future rate cuts will be considered with more caution. Oil reached the lowest levels in three years. Part of the reason for the low prices were general growth concerns, but OPEC+ also agreed on increasing output (in what is seen as an appeasement move towards Trump, who has stated that he wants oil prices to remain low). The U.S. CPI numbers will be of importance for this week.

Business News: TSMC, the world’s biggest chip manufacturer, announced that they would invest further \$ 100 bn. in manufacturing capacity in the U.S. Shortly afterwards, President Trump suggested the company will likely be exempt from future tariffs. Anthropic, an AI startup backed by Amazon and Google, raised an additional \$ 3.5 bn., bringing its total valuation to \$ 61.5 bn. The company has its own “hybrid reasoning” model, where users can choose between speed and detailedness of answers. Microsoft announced it is shutting down Skype, the video call software that has become synonymous with the service it provides. Since the pandemic however, it has lost market share to new players such as Zoom and Google Meet. Mixue, a chain of bubble tea shops from China, had its IPO on the Hong Kong Stock Exchange. Its stock price surged by 43% in the first day of trading. Mixue has a large network of stores in Asia and Australia (45’000 in total, more than the global number of McDonalds’ and Starbucks’).

Market Outlook: with the S&P 500 and NASDAQ indices dropping down to 200-day moving averages, we continue to be in technically oversold territory. Growth concerns continue to be present, but an in line CPI report on Wednesday could counteract this sentiment and provide some upwards buying pressure. With little news left on the fundamental side, the next publication of note for the week will be the University of Michigan Sentiment Index on Friday, making this week’s stock performance quite macro-driven.

by Luca Carrozzo

Trade of the Week



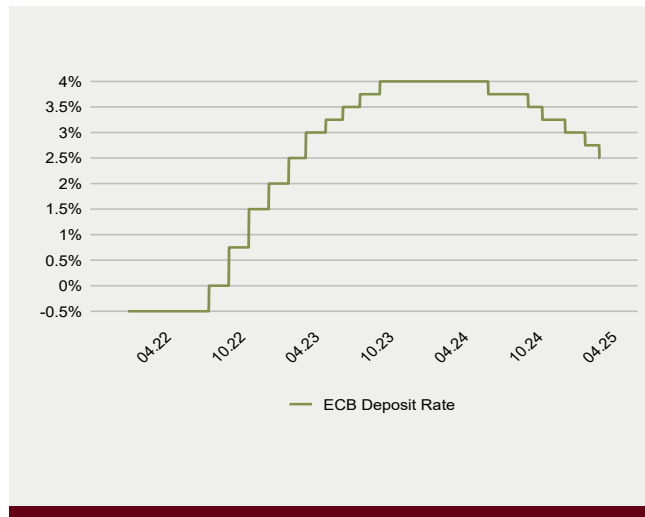
Solid High-Tech Stock: With its expertise in high frequency and X-ray technology, Comet holds a leading position in the market and technology. The high-tech components and systems are utilized in critical process control within the semiconductor industry, as well as in material and safety testing. They are applied in the production of high-performance microchips and in the testing of components in the automotive and aerospace industries, helping companies produce their products more efficiently and in an environmentally friendly manner. With a high equity ratio and minimal debt, Comet is financially solid.

Digitalization and Electrification: The semiconductor market plays a central role in digital transformation and electrification, offering significant opportunities. The demand for semiconductors is steadily increasing as applications such as AI, data centers, and electrified vehicles drive the need for semiconductors. Comet is thus part of a market projected to exceed one trillion USD by 2030, providing investors with the chance to participate in this growth. The division specializing in chip manufacturing, Plasma Control Technologies, is expected to benefit significantly from this trend. Additionally, a recovery in the X-ray sector could further stimulate growth.

Cautious Outlook: The shares tumbled on the stock market after the presentation of the 2024 results, despite a doubling of the net profit. The reason for this is that the outlook for 2025 did not meet expectations. Overall, demand for semiconductors is expected to continue growing, but it will remain uneven. The semiconductor industry is likely to benefit significantly from developments in AI, while the company remains cautious in the consumer electronics, industrial, and automotive sectors. It is anticipated that the group's X-ray activities will continue to stagnate. Additionally, the recent change in the leadership of the board has raised questions.

by Andreas Weiss

Market developments at a glance



Swiss Consumer Prices and Unemployment Rate

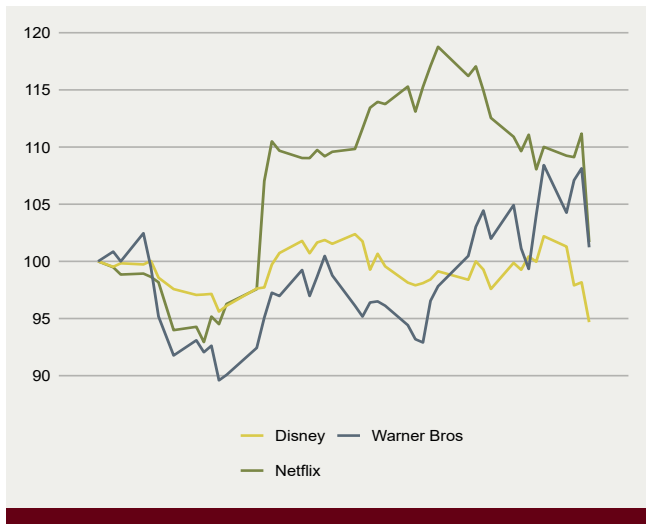
- Last week, two important macroeconomic indicators for the Swiss economy were published. The development of consumer prices confirms that inflation concerns in Switzerland are currently no longer an issue, and the unemployment rate continues to show that the Swiss labor market is practically at full employment.
- Overall inflation in Switzerland continued to decline in February. The latest data shows that consumer prices have only increased by 0.3% year-on-year, which is the lowest level since 2021. Economists had expected an even stronger decrease to 0.2%. Particularly lower prices in the service sector, food, and energy costs were crucial for this development.
- The Swiss unemployment rate remains low. The latest data published by the State Secretariat for Economic Affairs (SECO) shows that the unemployment rate has dropped from 3.0% to 2.9%. The seasonally adjusted unemployment rate remained unchanged at a level of 2.7%. Seasonally adjusted rates are helpful for comparing market conditions across different times of the year. In numerical terms, at the end of February, 135,446 people were registered as unemployed in the regional employment centers (RAV) across Switzerland.
- In the current environment, we continue to expect that the Swiss National Bank will lower the key interest rate in March. Consumer prices should now remain at a low level, allowing the SNB to focus more on currency management and stimulating the economy. For the entire year, we anticipate two to three interest rate cuts from the SNB.

by Luca Carozzo

ECB: Another Interest Rate Cut

- Last week, the European Central Bank (ECB) lowered the interest rate once again by 0.25%. The deposit rate at which commercial banks can park excess liquidity with the ECB is now at 2.5%.
- This interest rate cut, which was largely anticipated by the markets, marks the sixth adjustment since last June. Christine Lagarde emphasized that the ECB's monetary policy is becoming meaningfully less restrictive.
- Regarding further interest rate cuts, the ECB President did not want to give a clear guidance. She justified this with the current environment, which is characterized by uncertainties. Navigating monetary policy remains undoubtedly challenging, as it is influenced by trade conflicts, geopolitical risks, a potential military buildup in Europe, and a potential turnaround in German debt policy.
- The markets have priced in two more interest rate cuts this year. However, the voices advocating for a pause in the interest rate cut cycle are increasing.

by Carl Münzer



A BRC on Entertainment Companies

- The entertainment industry has undergone a phase of disruption.
- Established players have also modernized the channels through which they distribute their content (e.g. Disney+ reached profitability last quarter).
- Disney is a diversified company with a broad portfolio (incl. streaming, content creation, theme parks, cruises, etc.). Netflix has always managed to optimize its business model and create growth in all aspect. Warner Brothers, with their latest blockbuster topping the Box Office, shows that the company continues to create original content.
- A BRC (Barrier Reverse Convertible) on Disney, Warner Bros. and Netflix with a barrier of 70% offers a high coupon of 19% (in CHF; 23% in USD).

by Dimitri Paunov

Key Data

Next macro data releases

Date	Event	Time	Domicile
11.03.	NFIB Small Business Optimism	11:00	
12.03.	CPI MoM	13:30	
	CPI YoY	13:30	
	Bank of Canada Rate Decision	14:45	
	DOE U.S. Crude Oil Inventories	15:30	
13.03.	Producer & Import Prices YoY	08:30	
	Producer & Import Prices MoM	08:30	
	PPI Ex Food and Energy YoY	13:30	
	Initial Jobless Claims	13:30	
14.03.	CPI YoY	08:00	
	CPI EU Harmonized YoY	08:00	
	U. of Mich. Sentiment	15:00	

Next company data releases

Date	Event	Time	Domicile
10.03.	Oracle Corp	Aft-mkt	
11.03.	Partners Group Holding AG	07:00	
	Galenica AG	Bef-mkt	
	BKW AG	Bef-mkt	
	Volkswagen AG	Bef-mkt	
12.03.	Tecan Group AG	06:00	
	Avolta AG	06:30	
	Industria de Diseno Textil SA	Bef-mkt	
	Adobe Inc	Aft-mkt	
13.03.	Enel SpA		
14.03.	Bayerische Motoren Werke AG	07:30	
	Swiss Life Holding AG	Bef-mkt	

Impressum



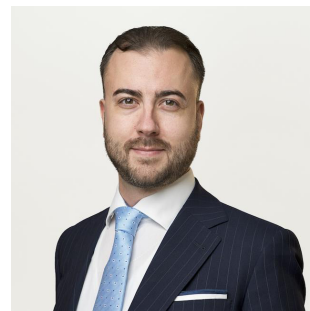
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CIO



Carl Münzer
Deputy CIO



Dimitri Paunov
Fixed Income



Marc Ammann
Equities



Roger Baumann
Equities



Andreas Weiss
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John James Bayer
Commodities



Nicolas Laporte
Private Markets



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Private Markets



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