

NZD	AUD	GBP	EUR	CAD	USD	CHF	JPY
0.61%	0.68%	0.33%	0.22%	0.06%	-0.21%	-0.21%	-1.14%

### Global News

#### Risk Sentiment - Risk On

Return of risk-on on the markets. The VIX recorded a weekly performance of **-8.54%**. The S&P, meanwhile, delivered a performance of **1.73%**

#### General News

- Switzerland: Back to negative inflation!
- Geopolitics: Trump: The meeting with Xi went very well; We discussed the intricacies of our trade agreement
- USD: A stable and strong employment ratio. CPI expected to rise. Return of dollar purchases?
- ECB: The ECB cut rates as expected. However, according to ECB sources: a "visible majority" at the ECB meeting expressed a preference for a stay in July
- CAD: The BOC is in good shape. Marked pessimism about growth in the 2nd quarter. The two upcoming inflation reports will be crucial in the valuation of the Loonie.
- CAD: Gradual weakening of the labour market with an unemployment rate seen at historically high levels.
- EUR: In the last few weeks, euro purchases within the levies have been significantly reduced to the point that the open interest percentage has entered negative territory (COT Flip)! See image next to it.



### Bank Positions

ANZ Research	Market Execution	USDCAD	06/06/2025	1.3790	1.3500	1.3790	Active	▲
BofA Global Research	Market Execution	EURUSD	06/06/2025	1.1397	1.1700	1.1200	Active	▲
Refinitiv	Market Execution	USDJPY	06/06/2025	144.2000	141.0000	145.8000	Active	▲
ANZ Research	Market Execution	EURCHF	06/06/2025	0.9385	0.9600	0.9200	Active	▲
Nomura Research	Market Execution	NZDCAD	03/06/2025	0.8230	0.8520	0.8100	Active	▲
Nomura Research	Market Execution	EURCHF	03/06/2025	0.9374	0.9650	0.9200	Active	▲
Credit Agricole Research	Market Execution	USDCAD	02/06/2025	1.3700	1.3932	1.3500	Active	▲
Refinitiv	Buy Limit	EURUSD	02/06/2025	1.1305	0.0000	1.1205	Active	▲
Refinitiv	Buy Limit	AUDUSD	02/06/2025	0.6410	0.0000	0.6310	Active	▲
BofA Global Research	Market Execution	AUDJPY	30/05/2025	92.3800	100.0000	89.5000	Active	▲

### EUR COT Flip

30,167	5,558	150,137	-1,911	9.50%	9.70%	3.90%	-0.2%	42	45	26	87
24,609	-3,321	154,016	-904	10.10%	10.20%	3.20%	-0.1%	46	45	29	91
27,930	-5,530	160,815	6,933	11.00%	10.10%	3.70%	0.9%	47	42	26	89
33,460	-1,527	152,527	20,153	11.50%	8.80%	4.50%	2.7%	48	40	30	89

Negative Open Interest Rates

## USD - Slightly Bullish Fundamental Bias

## Global context

- The Fed left its rates unchanged at 4.5%
- The statement said that **"uncertainty about the economic outlook has increased."**
- Risk of high unemployment and high inflation (stagflation?) The dots continue to point to two rate cuts this year. Focus on labor market conditions, inflationary pressures and inflation expectations, and financial and international developments. Nothing new basically, the idea that the economy always remains solid is reiterated by Powell

## Weekly Summary

- According to the NFP report of Friday 6, the US job market remains strong in May. In summary, 139k jobs were created during the period above expectations of 130k. Wages remain stable and high at 3.9%, with the unemployment rate still seen at low levels at 4.2%.  
Services sector contracted for the first time since June 2024 due to further weakening of new orders, according to the ISM index. However, preliminary data for the services sector according to the S&P index have been revised upwards.

## UPCOMING EVENT(S)

11.06.2025

CPI dates

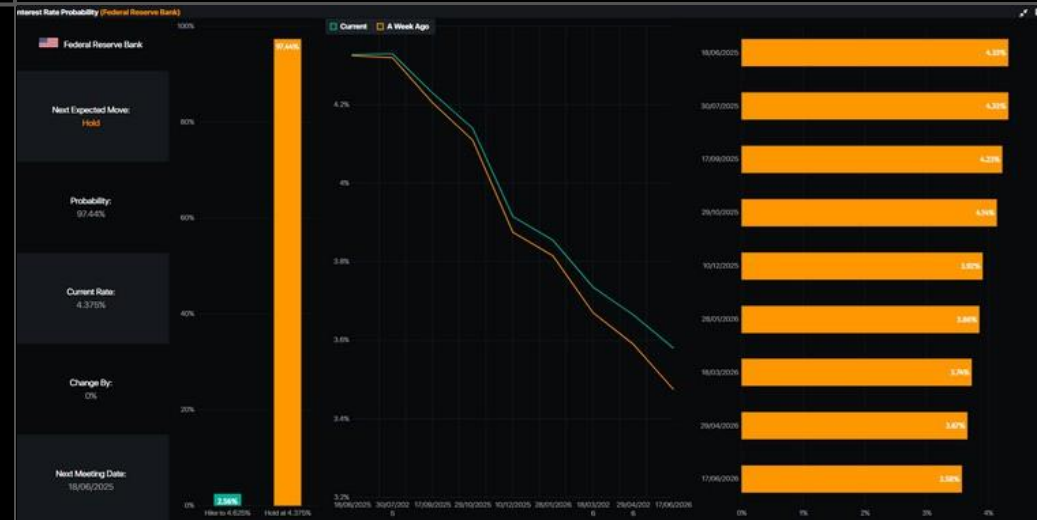
12.06.2025

PPI dates

13.06.2025

UofM Consumer Sentiment x Inflation Expectations

## Future Interest Rate Probabilities



## EXPECTATIONS

## US INFLATION DATA

After a strong NFP report, the inflation numbers are coming out. Inflation is expected to rebound in May, with headline inflation seen at 2.5% vs. 2.3% in April, and core inflation seen at 2.9% vs. 2.8% in April

## INFLATION EXPECTATIONS AND CONSUMER SENTIMENT

Inflation expectations will also play a crucial role in the direction of the dollar this week. Namely, rising inflation in the short/medium term would give the dollar more ground. Otherwise, a pause in inflation would see the dollar collapse. Consumer sentiment and consumer expectations will also be scrutinized. A large gap (sentiment > expectations could see the dollar lose), conversely, a marked optimism in expectations should support the dollar.

## EUR - Bearish fundamental bias

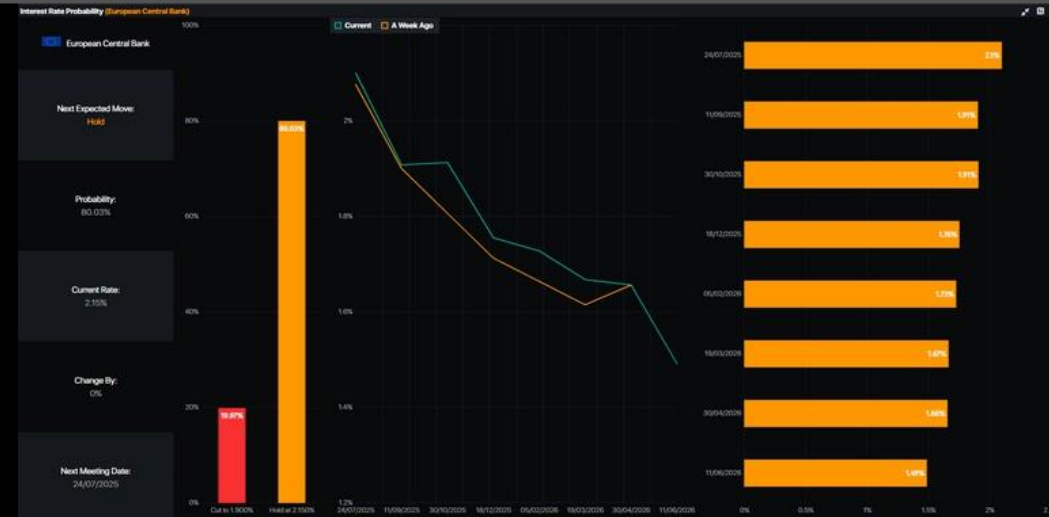
## Weekly Summary

- The European Central Bank (ECB) cut rates by 25 bps, bringing rates down to 2.15%.
- Meeting-by-meeting approach to its downward cycle Government spending plans should help support growth over the medium term
- Inflation forecasts for 2025 and 2026 have been revised downwards, while the Core CPI is expected to rise in 2025 before falling in 2026 to 1.9%.
- Growth for 2025 remains unchanged, with a small downward revision for 2026, i.e. 1.1% vs. 1.2% previously. As far as trade policies are concerned, the ECB has let it be known that it will look at 2 scenarios in particular.
- Scenario 1: In the event of rising trade tensions, growth and inflation are expected to be below projections.
- Scenario 2: If these same pressures resolve, growth, and only marginally, inflation, should be above projections
- ECB sources: 'visible majority' at ECB meeting expressed preference for July meeting

## UPCOMING EVENT(S)

No major economic data

## Future Interest Rate Probabilities



## EXPECTATIONS

No major economic event. I remain bearish euro, due to the significant revisions that have been made on inflation, subsequently signifying continuity in the ECB's bear cycle

## GBP- Bullish Fundamental Bias!!

## Global context

- The BOE cut rates by 25 bps as expected on 08.05.2025
  - 9 votes were expected (all members). However, only 7 voted for a decrease against 2 for a maintenance. (Mann having recently voted for a 50 bps cut goes to the other side)!!
- The gradual and cautious approach is again repeated in the minutes
- Medium-term inflation forecasts downwards Growth forecasts raised.

## Weekly Summary

On June 4, we had the final release of the PMI data in the UK indicating an expansion in May. The data was revised up to 50.9 points, from the preliminary data of 50.2 points. It is undoubtedly that the British economy remains efficient and those despite a context of trade uncertainty.

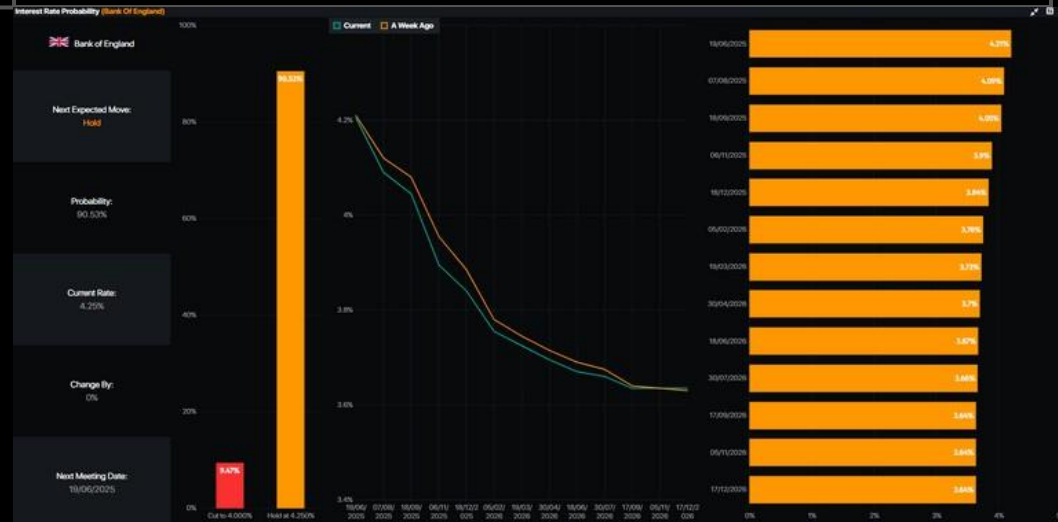
	act	cons	Prev
S&P Global Services	50.9	50.2	50.2
S&P Global Comp	50.3	49.4	49.4

## UPCOMING EVENT(S)

10.06.2025  
UK employment data

13.06.2025  
Inflation expectations

## Future Interest Rate Probabilities



## EXPECTATIONS

## UK EMPLOYMENT DATA

This Tuesday, June 10, the employment figures are eagerly awaited in the United Kingdom. The unemployment rate is expected to continue to rise gradually in May, to 4.6%. Wages, meanwhile, are expected to be slightly stable in May, with wages including bonuses seen at the same level as in March at 5.5% while those excluding bonuses are expected to increase to 5.4%, slightly less than in March. 120K jobs are expected to have been created during the period, representing a little more than in March at 112K.

Stronger-than-expected data could further support the Pound. Conversely, the Pound could take a correction given its recent meteoric appreciation.

## INFLATION EXPECTATIONS

No consensus on inflation expectations. However, the evolution of the indicator will be crucial to understand the BOE's positioning.



## CAD - Slightly bearish fundamental bias

## Global context

- The Bank of Canada maintained the Bank Rate at 2.75%, as expected.
  - It decided to maintain the key rate while more information on US trade policy and its impacts is made available.
- The economy is expected to be significantly weaker in the second quarter and will proceed cautiously, paying particular attention to the risks and uncertainties facing the Canadian economy.
- The labour market has weakened, with job losses
- concentrated in trade-intensive sectors. The Bank will closely monitor measures of core inflation. In short, it is less forward-looking than in the past.
- the usual. Following the press conference, Macklem said they expect weaker growth in the second half of the year and will wait for the next two CPI reports to see where they stand.

In addition, the Canadian labour market continues to show signs of weakening (but is still in line with expectations), with the

- unemployment rate continuing to gradually climb to historically high levels.

## UPCOMING EVENT(S)

No major economic data

## Future Interest Rate Probabilities



## EXPECTATIONS

At the beginning of this week, we note a considerable gap between the future probabilities of last week and this week. The market seems to be pricing in another hold for the next meeting as nothing concrete has been achieved so far and despite Macklem's comments, the need to wait for more information on the US situation could delay another cut.

## AUD – Neutral Fundamental Bias

## Global context

- The RBA cut interest rates to 3.85% in April, after holding rates on hold. This marks the 2nd rate cut in its cycle.
- She said inflationary pressures continue to ease and the labor market remains tight. Bullock said there was a discussion about a 25-basis point or 50 basis point cut. She was also confident about the 25-basis point cut, which differs from the previous cut, and indicated that further adjustments were possible.
- A downward revision of growth and inflation has been made compared to February.
- It will closely monitor developments in the global economy and financial markets, trends in domestic demand, as well as the outlook for inflation and the labour market.
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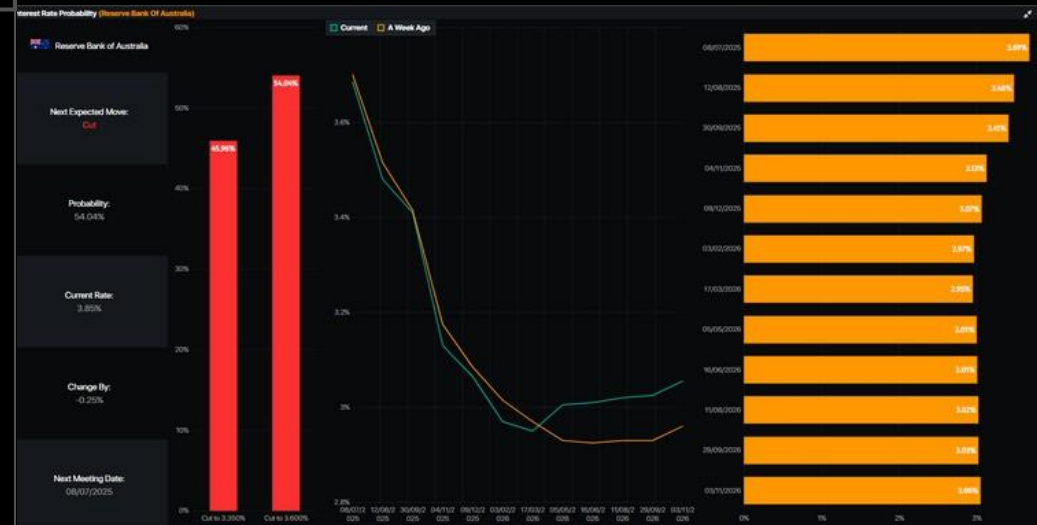
## Global context

- Economic activity in Australia remains stable and strong despite some month-on-month weaknesses
- Like its neighbour, the Aussie benefited from the outperformance of the S&P500
- However, TD Bank is adding another cut in the RBA interest rate to 2025 to its forecast: 25 basis points cut in August and November
- 

## UPCOMING EVENT(S)

11.06.2025  
Inflation expectations

## Future Interest Rate Probabilities



## EXPECTATIONS

## INFLATION EXPECTATIONS

The inflation expectations indicator will be the subject of our study this week. Persistent upward inflationary pressures would support the Aussie against the backdrop of a more aggressive RBA. Otherwise, easing pressures would allow the RBA to continue cutting rates without worries.



## NZD - Slightly bearish fundamental bias

## Global context

- The RBNZ cut rates by 25 bps bringing rates down to 3.25%.
- Domestic economic activity developed largely as expected
- Downward revision of short/medium term inflation data and downward revision of the path of final rates

The monetary policy response to tariffs will focus on **the**

- **medium-term implications for inflation.**

Discussions about maintaining rates were seen as healthy and were the subject of considerable repricing for the next

- meeting

## Weekly Summary

No major economic announcement. However, the Kiwi's performance is due to the risk sentiment on the markets during the week, notably the performance of the S&P500.

## Future Interest Rate Probabilities



## EXPECTATIONS

Under a risk, the Kiwi seems to me to be very buoyant because of the improvement and continuous recovery of New Zealand's economic activity. This week there will be no major economic announcements, but reading the leading indicators in New Zealand will be interesting and will allow us to analyse the future directions of the economy.

## UPCOMING EVENT(S)

08.06.2025

Manufacturing Sales

12.06.2025

Business NZ PMI



## CHF - Bearish fundamental bias

## Global context

- The SNB cut rates by 25 bps, bringing rates down to 0.25%
- Ready to intervene in the foreign exchange market if necessary, It will continue to monitor the situation closely and adjust its monetary policy if necessary.
- expects global economic growth to remain subdued in the coming quarters
- Underlying inflationary pressures are expected to continue to gradually ease in the coming quarters

## Weekly Summary

Inflationary pressures in Switzerland continue to ease, with the core inflation rate entering negative territory in May, and the prolonged decline in the core metric. This was the first deflation since March 2021, mainly due to larger declines in transportation prices (-3.7% vs. -2.6% in April), continued declines in food and non-alcoholic beverages (-0.3% vs. -0.8%), and health care (-0.2% vs. -0.3%).

- Main inflation rate (YY) seen at -0.1% versus -0.1% expected.
- Core inflation rate seen at 0.5%, compared to 0.6% previously.

It is clear that such a scenario puts the SNB in an uncomfortable position and does not sideline the implementation of QE (Quantitative Easing)

## Future Interest Rate Probabilities



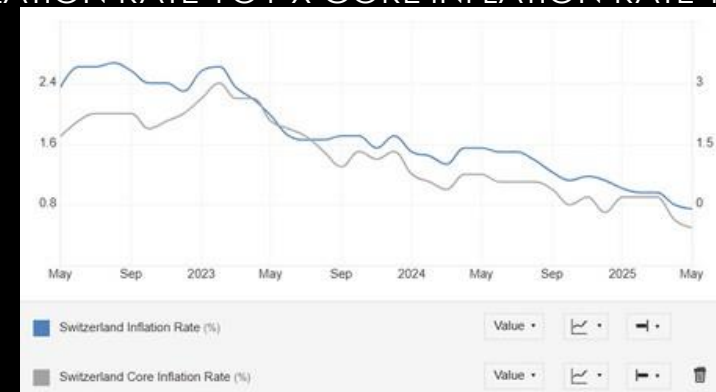
## EXPECTATIONS

RAS, I continue to favor selling on the CHF because of the risk combined with the bad inflation data and pessimistic comments coming from the SNB.

## UPCOMING EVENT(S)

10.06.2025  
SECO Consumer Climate

## INFLATION RATE YOY X CORE INFLATION RATE YOY



## JPY - Bearish fundamental bias

## Global context

- The BOJ left rates unchanged at 0.5% as expected.
- Core consumer price inflation is expected to be broadly consistent with the 2% target. Uncertainty surrounding Japan's economy, prices remain high
- Risks to the economic outlook are tilted to the downside  
Risks to the inflation outlook are tilted to the downside
- It is important for the BoJ to carefully consider factors such as **the evolution of economic activity as well as inflation**

## Weekly Summary

Retail sales were significantly contracted in April, both year-on-year and month-on-month. Thus, it is that the

- BOJ is in a rather delicate situation. On the front, much more persistent inflation, on the other side of consumer spending hindering growth

economic.

- Moreover, given the current situation facing Japan, the BOJ is not ready to raise rates. This is what Ueda implied during his comments this week.

	act	Cons	Prev
H. Spending YY	-0.1%	1.4%	2.1%
H. Spending MM	-1.8%	-0.8%	0.4%

## UPCOMING EVENT(S)

10.06.2025  
PPI YY

## Future Interest Rate Probabilities



## EXPECTATIONS

## PPI DATA

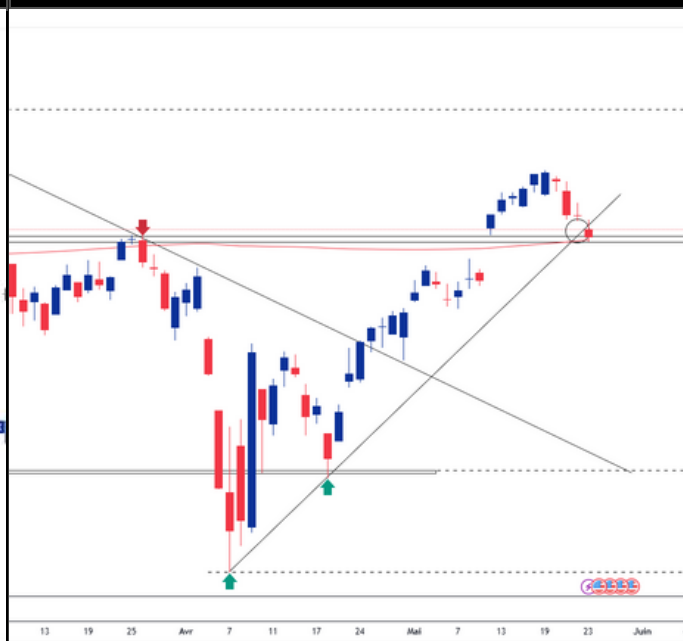
- In April 2025, the first signals of reversal appeared. Indeed, since August 2024, we have been witnessing a gradual and continuous increase in the level of the PPI. It was only in April that the first signs of reversal appeared. Thus, PPIs in May are expected to increase to only 3.5%, which would represent a continuation in the easing of inflationary pressures.

Other than that, I remain bearish Yen due to the mixed outlook related to its economy

VIX - D1



S&P500 - D1



US10Y - H4



USOIL - H4



DXY - H4



XAUUSD - H4





NZD





CHF



JPY



GBPCHF Long - 0.5R RISK



AUDNZD Short - 1R RISK

