



China's economy expanded slightly stronger

The world's second-biggest economy grew at a moderately stronger-than-expected pace of +6.9% in the second quarter, the same rate as in the first three months. Growth was supported by solid foreign trade and capital investments. While China's GDP data raised some optimism, latest U.S. data could not really convince investors. U.S. retail sales fell by -0.2% (consensus + 0.1%) in June compared to May. In addition, sentiment among American consumers was more pronounced than expected in July, according to the University of Michigan's preliminary survey. At the same time, the inflationary pressure weakened more than expected. The annual rate of American consumer price inflation declined from + 1.9% to + 1.6%. On the other hand, first quarterly balance sheets of major U.S. banks (more in our Equities commentary) did not really lighten the mood on Wall Street.

Equity – SGS cracks three billion revenue level

The Swiss industrial inspection, analysis, testing and verification services specialist **SGS** increased sales in H1 by 5.0% to CHF 3.05bn and the adjusted operating profit to CHF 570m (+3.6% y-o-y). The subdued willingness to invest in the oil and gas industry continues to weigh on the SGS's business while the consumer area shows signs of improvement. **Roche** has also received approval for its multiple sclerosis drug "Ocrevus" in Australia. **JPMorgan Chase** and **Citigroup** were among the first American banks reporting half-year results. While Citigroup was able to beat market expectations with a net income of USD 3.87bn in the second quarter - partly due to an investment banking result which was helped by M&A advisory, offsetting some higher loan loss provisions - JPMorgan missed some of the analysts' estimates. Despite a year-on-year net profit increase of +13% to USD 7.03bn, JPM was burdened by a weak result in fixed income trading.

Fixed Income – Sweden adds risk weights to government bonds

It has long been the elephant in the room throughout Europe's debt crisis, but ultimately too sensitive an issue for supervisors to fiddle with. Regulations have historically implied that government bonds are risk-free. But Greece's near-death experience quickly made a mockery of that assertion. Now, Sweden is taking the next step, and banks in the country are starting to assign risk weights bigger than zero to the government bonds on their balance sheets. The move follows a decision by the Swedish Financial Supervisory Authority to stop the country's four largest banks using so-called standardized approaches that have allowed them to assign zero risk-weights to government debt. Instead, banks are required to use internal risk-based models for the asset class. SEB said on Friday that it added USD 1.1bn to its risk-weighted assets to reflect the fact that there is a greater-than-zero chance it may suffer losses on its holding of sovereign debt.

Equity Indices	Current	YTD (%)
MSCI World	1'948.08	11.24
Dow Jones	21'637.74	9.49
S&P 500	2'459.27	9.85
Nasdaq 100	5'838.08	20.04
Nikkei 225	20'118.86	5.26
SMI	9'034.57	9.91
SLI	1'433.90	10.50
Euro Stoxx 50	3'525.94	7.15
Euro Stoxx 600	386.84	7.03
DAX	12'631.72	10.02
MSCI UK	2'144.22	3.21

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'047.05	21.43
MSCI EM Asia	526.48	25.66
MSCI EM Eastern Europe	146.51	-0.15
MSCI EM Latin America	2'714.25	15.96
Brazil IBOVESPA	65'436.18	8.65
Russian Depository Index	1'176.80	-18.43
NIFTY Index	9'918.45	21.17
Hang Seng Index	26'539.60	20.63
HFRX Global HF Index	1'240.61	3.09
LPX50 Listed PE TR (EUR)	2'186.58	10.08
BBG NA REITS	283.42	3.16

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.33	-0.11
German Bund 10Y (EUR)	0.60	0.39
Swiss Government 10Y (CHF)	0.02	0.20
United Kingdom 10Y (GBP)	1.31	0.07
Japan 10Y (JPY)	0.08	0.04
Fed Funds Rate	1.00	0.50
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.05	-0.20
Global HY Corporate Spread	3.55	-0.54
EM Hard Currency Gov. Spread	2.55	-0.34

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
18.07.	US	BANK OF AMERICA CORP	Q2	0.43
18.07.	US	GOLDMAN SACHS GROUP INC	Q2	3.43
18.07.	US	INTL BUSINESS MACHINES CORP	Q2	2.75
18.07.	US	JOHNSON & JOHNSON	Q2	1.79
18.07.	CH	KUEHNE + NAGEL INTL AG-REG	S1	1.61
18.07.	CH	NOVARTIS AG-REG	Q2	1.18
19.07.	US	ALCOA CORP	Q2	0.61
19.07.	NL	ASML HOLDING NV	S1	0.96
19.07.	US	AMERICAN EXPRESS CO	Q2	1.43
19.07.	CH	FISCHER (GEORG)-REG	S1	-
19.07.	CH	TEMENOS GROUP AG-REG	Q2	0.47

Forex	Current	YTD (%)
EUR/USD	1.1463	90
EUR/CHF	1.1054	3.11
USD/CHF	0.9643	-5.37
GBP/CHF	1.2624	0.33
GBP/USD	1.3092	6.09
USD/JPY	112.64	-3.69
USD/HKD	7.8024	0.60
USD/SGD	1.3696	-5.34
USD/CNY	6.7699	-2.52
EUR/NOK	9.3885	3.31
EUR/SEK	9.5342	-0.43

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
17.07.	11:00	EU	Core Consumer Prices (y/y)	Jun F	1.10	1.10
17.07.	11:00	EU	Consumer Prices (Final, y/y)	Jun F	1.30	1.30
17.07.	14:30	US	NY Fed Empire State Manufacturing	Jul	14.50	19.80
18.07.	10:30	GB	Core Consumer Prices (y/y)	Jun	2.60	2.60
18.07.	10:30	GB	PPI Input (y/y)	Jun	9.20	11.60
18.07.	10:30	GB	EU-harm. Consumer Prices (y/y)	Jun	2.80	2.90
18.07.	11:00	DE	ZEW Current Situation	Jul	88.00	88.00
18.07.	11:00	EU	ZEW Expectation	Jul	-	37.70
18.07.	11:00	DE	ZEW Expectation	Jul	22.30	18.60
18.07.	14:30	US	Import Price Index (y/y)	Jun	1.60	2.10
18.07.	16:00	US	NAHB Housing Market Index	Jul	67.00	67.00

Commodities	Current	YTD (%)
Oil Future Nymex WTI (USD)	46.64	-18.03
Oil Future Brent (USD)	49.04	-16.66
Gold-ounce (USD)	1'231.56	7.33
Silver-ounce (USD)	16.06	0.85
Platinum (USD)	924.69	2.39
Palladium (USD)	860.24	26.33
JOC Industrial Metals Index	108.70	6.77
S&P GSCI Index Spot Indx	373.46	-6.21
Rogers Int. Commodity Index	2'172.47	-5.68
BBG Commodity Index	82.72	-5.47
Rogers Agriculture TR Index	853.78	1.52

Topics LGT looks at

Topics	Description	Publication Type	Published
LGT Equity Top Picks Update	In our quarterly update we are reviewing the previous quarter and present our new selection of the LGT Equity Top Picks for the third quarter 2017.	Investment Idea	13.07.2017
Monthly Asset Allocation Private Banking Europe	Major central banks change their rhetoric as hawks have gained momentum, indicating a more restrictive monetary bias. For the upcoming earnings season corporate outlook for the second half 2017 will be in the spotlight.	Asset Allocation Private Banking Europe	12.07.2017
Funds in Focus	In this publication we are introducing our new research feature Funds in Focus. The selected funds are fund pearls that are ideally suited to implement our preferred investment themes in the portfolio. The themes reflect our current convictions and cover both traditional asset classes and interesting niche segments. Every Fund in Focus passes through a comprehensive selection process and is continuously monitored.	Investment Idea	05.07.2017
Mid-year Outlook 2017: Focus on earnings growth	In this publication we are presenting our assessment of global economic developments and its corresponding consequences on major asset classes.	Investment Idea	28.06.2017
Luxury goods stocks – repositioning in an attractive sector	This publication focusses on stocks in the luxury goods sector and includes our assessment and sector favorites.	Investment Idea	21.06.2017

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