



Major US indexes hit record highs

S&P 500, Dow Jones industrials and Nasdaq Composite clocked record closes, mainly led by gains in financial and industrial stocks after the weakening of hurricane Irma, and concerns about US tensions with North Korea eased, drawing investors to riskier assets. In August UK inflation has risen surprisingly to 2.9% from 2.6% in July, clearly above the British central bank's inflation target of 2%. The surge was mainly driven by clothing prices, which surged 4.6% compared to 2016 and to the highest level in nearly three decades. The core inflation has exceeded analysts' expectations and reached with 2.7% the most since 2011. The British pound reacted to euro and dollar gains, as the numbers could pressure the Bank of England (BoE) to raise interest rates. Currently, however, the majority of the BoE policy makers are still opting for record-low interest rates at 0.25%. The BoE will announce its interest rate decision on Thursday.

Equity – Richemont exceeds expectations

Richemont achieved better than expected sales in from April to August. At constant currencies, sales rose by +12% well above consensus (+10%). The jewelry business and the Asia-Pacific region were the main drivers. **Bayer** has further reduced the share of its former chemistry division **Covestro**.

Apple introduced several new products yesterday and launched the iPhone X in honor of the 10th anniversary of the iPhone. Shares of **McDonald's** closed yesterday by about -3.2% lower. Investors are concerned about sales losses in the regions of Texas and Florida affected by the hurricanes. The company sold approximately 9.4% of its shares at a price of EUR 63.25. **Generali** sells its Dutch operations for EUR 143m in cash to ASR Nederland. In 2016 the asset generated a premium income of EUR 379m. The transaction is expected to be completed in Q1 2018.

Fixed Income – Investors' risk appetite puts pressure on bonds

The recent weaker than expected demand for Japanese 5-year government bonds has spurred a sell-off in the country's benchmark bonds. The bid to cover ratio of slightly above 4x was the lowest level since May and down from almost 4.5x in recent auctions such as the auction which took place on August 17. The main reason for the weaker demand for safe haven assets is seen in the fading hurricane Irma as well as abating concerns related to North Korea which is facing new UN-approved sanctions which are deemed less harsh than proposed by the USA. As a reaction to the overall more constructive market sentiment, Japanese 10-year bonds rose 2.5 basis points to 0.025%. Similarly, the US 10-year sovereign bonds were yielding 1.5 to 3.5 basis points higher at around 2.17%. UK 10-year yields continued to rise by 7 basis points pressured by higher UK inflation numbers and sound demand for long-end buyback operations.

Equity Indices	Current	YTD (%)
MSCI World	1'988.28	13.54
Dow Jones	22'118.86	11.92
S&P 500	2'496.48	11.51
Nasdaq 100	5'995.64	23.28
Nikkei 225	19'873.99	3.97
SMI	9'053.62	10.14
SLI	1'453.40	12.00
Euro Stoxx 50	3'512.56	6.75
Euro Stoxx 600	381.42	5.53
DAX	12'524.77	9.09
MSCI UK	2'149.98	3.49

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'102.26	27.83
MSCI EM Asia	550.95	31.51
MSCI EM Eastern Europe	159.24	8.53
MSCI EM Latin America	2'973.52	27.04
Brazil IBOVESPA	74'538.55	23.76
Russian Depository Index	1'235.67	-14.35
NIFTY Index	10'106.10	23.46
Hang Seng Index	27'900.84	26.82
HFRI Global HF Index	1'251.39	3.98
LPX50 Listed PE TR (EUR)	2'119.57	6.71
BBG NA REITS	288.07	4.86

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.16	-0.29
German Bund 10Y (EUR)	0.40	0.19
Swiss Government 10Y (CHF)	-0.11	0.07
United Kingdom 10Y (GBP)	1.14	-0.10
Japan 10Y (JPY)	0.02	-0.02
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	1.09	-0.16
Global HY Corporate Spread	3.51	-0.58
EM Hard Currency Gov. Spread	2.40	-0.48

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
14.09.	US	ORACLE CORP	Q1	0.60
25.09.	CH	ARYZTA AG	Y	-
26.09.	US	NIKE INC -CL B	Q1	0.48
04.10.	US	MONSANTO CO	Q4	-0.41
12.10.	US	CITIGROUP INC	Q3	1.29
12.10.	US	JPMORGAN CHASE & CO	Q3	1.67
13.10.	US	BANK OF AMERICA CORP	Q3	0.47
16.10.	CH	KUEHNE + NAGEL INTL AG-REG	Q3	1.65
17.10.	US	GOLDMAN SACHS GROUP INC	Q3	4.20
17.10.	US	INTL BUSINESS MACHINES CORP	Q3	3.28
17.10.	US	JOHNSON & JOHNSON	Q3	1.80

Forex

	Current	YTD (%)
EUR/USD	1.1977	13.88
EUR/CHF	1.1493	7.20
USD/CHF	0.9596	-5.83
GBP/CHF	1.2766	1.46
GBP/USD	1.3303	7.80
USD/JPY	110.10	-5.87
USD/HKD	7.8108	0.71
USD/SGD	1.3460	-6.97
USD/CNY	6.5298	-5.98
EUR/NOK	9.3901	3.33
EUR/SEK	9.5427	-0.34

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
13.09.	08:00	DE	EU harmonized Consumer Prices (y/y)	Aug F	1.80	1.80
13.09.	09:00	ES	EU-harm. Consumer Prices (y/y)	Aug F	2.00	2.00
13.09.	10:30	GB	Unemployment ILO Rate	Jul	4.39	4.40
13.09.	10:30	GB	Unemployment Claimant Count	Aug	-	-4.20
13.09.	10:30	GB	Claimant Count Rate	Aug	-	2.30
13.09.	11:00	EU	Industrial Production (y/y)	Jul	3.05	2.60
13.09.	14:30	US	Producer Prices (m/m)	Aug	0.30	-0.10
13.09.	14:30	US	Core Producer Prices (m/m)	Aug	0.17	-0.10
13.09.	14:30	US	Producer Prices (y/y)	Aug	2.44	1.90
13.09.	14:30	US	Core Producer Prices (y/y)	Aug	2.10	1.80
14.09.	04:00	CN	Retail Sales (y/y)	Aug	10.43	10.40

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	48.25	-15.40
Oil Future Brent (USD)	54.16	-7.84
Gold-ounce (USD)	1'330.61	15.96
Silver-ounce (USD)	17.86	12.14
Platinum (USD)	985.06	9.08
Palladium (USD)	951.60	39.74
JOC Industrial Metals Index	118.06	15.96
S&P GSCI Index Spot Indx	388.65	-2.40
Rogers Int. Commodity Index	2'245.53	-2.51
BBG Commodity Index	84.74	-3.17
Rogers Agriculture TR Index	808.22	-3.90

Topics LGT looks at

Topics	Description	Publication Type	Published
Reinsurers in the eye of the storm	Given the major damage from hurricane Harvey in Texas and the approaching hurricane Irma we are discussing the possible impact on reinsurances in our equity universe.	Market News	07.09.2017
German national election: Merkel – who else?	In this publication we assess the upcoming national election in Germany, including three possible scenarios for election results and their respective market implications.	Market News	30.08.2017
LGT Dividend Selection Europe	In this publication we are focussing on European names which we regard as long-term attractive dividend stories.	Investment Idea	25.08.2017
Monthly Asset Allocation August 2017	In our monthly publication we are presenting our asset allocation for the current month.	Monthly Asset Allocation Private Banking Europe	16.08.2017
What is currently driving the EUR, USD and CHF?	In this Market News our foreign exchange analyst gives his assessment of current moves in the FX markets with a focus on Euro, U.S. dollar, and the Swiss franc.	Market News	03.08.2017

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Impressum

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