



Kick off to year-end rally, at last?

Asian stock markets started the last week before the Christmas holidays on a positive note. Following last week's dominance of central bank decisions, investors are now focusing again on the US tax reform. The Republicans seem to have closed their own ranks: a vote in the House of Representatives and the Senate is expected by Mid-week. From an economic point of view, sentiment in the US industry seems to have worsened somewhat at the end of the year. This was indicated by the New York Fed's Empire State Index, published on last Friday, which fell to its lowest level since July but continues above zero, signaling a growth trend in manufacturing. At the national level, US industrial production also weakened more strongly than expected in November. Japan's exports rose at a stronger-than-expected annual pace of +16.2% in November (consensus +14.7%), thus showing the 12th consecutive month's increase.

Equity – Helvetia Chairman stepping down

Helvetia Chairman Pierin Vincenz is stepping down with immediate effect, as the Swiss authority FINMA's is opening an investigation against the former Raiffeisen CEO, which is not related to his current position at Helvetia.

Givaudan has entered into exclusive takeover talks with the private French perfume manufacturer Expressions Parfumées. Financial details were not disclosed. **Nestlé** is divesting its beverage brands "Sweet Leaf Tea" and "Tradewinds" in the USA to Fireman Capital Partners and Dunn's River Brands without giving any financial details. **Unilever** agreed to sell its margarine and spreads business to KKR for EUR 6.83bn, ridding the Anglo-Dutch consumer-goods giant of one of its worst-performing units as it focuses on faster-growing food and personal-care niches. **Oracle** agreed to buy Aconex, an Australian company that makes cloud-based collaboration software for construction projects, for AUD 1.56bn in cash.

Fixed Income – BoJ's holdings of JGBs to expand slower

The speed at which the Bank of Japan is set to expand its massive hoard of bonds will continue to slow in 2018, according to the majority of economists surveyed by Bloomberg. The central bank will increase its Japanese government bond holdings by about JPY 44 trillion (USD 392bn) next year, according to the average estimate in the survey. This is well below the BOJ's JPY 80 trillion annual guideline and a considerable drop from the JPY 61 trillion increase seen in the past 12 months through the end of November. Under BOJ Governor Haruhiko Kuroda, the central bank has come to dominate the government bond market in Japan, owning more than 40% of outstanding debt and depressing both, volatility and interest rates. However, none of the 44 economists surveyed by Bloomberg forecast any policy changes at the next BOJ board meeting on December 20-21.

Equity Indices	Current	YTD (%)
MSCI World	2'085.54	19.09
Dow Jones	24'651.74	24.74
S&P 500	2'675.81	19.52
Nasdaq 100	6'466.32	32.95
Nikkei 225	22'901.77	19.81
SMI	9'394.71	14.29
SLI	1'515.34	16.77
Euro Stoxx 50	3'560.53	8.21
Euro Stoxx 600	388.19	7.41
DAX	13'103.56	14.13
MSCI UK	2'170.29	4.47

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'118.50	29.72
MSCI EM Asia	571.19	36.33
MSCI EM Eastern Europe	162.49	10.74
MSCI EM Latin America	2'715.07	16.00
Brazil IBOVESPA	72'607.70	20.56
Russian Depository Index	1'307.93	-9.34
NIFTY Index	10'424.35	27.35
Hang Seng Index	29'101.57	32.28
HSFX Global HF Index	1'262.80	4.93
LPX50 Listed PE TR (EUR)	2'180.37	9.77
BBG NA REITS	290.58	5.77

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.36	-0.08
German Bund 10Y (EUR)	0.30	0.09
Swiss Government 10Y (CHF)	-0.17	0.02
United Kingdom 10Y (GBP)	1.15	-0.09
Japan 10Y (JPY)	0.04	-0.01
Fed Funds Rate	1.25	0.75
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	0.96	-0.29
Global HY Corporate Spread	3.42	-0.67
EM Hard Currency Gov. Spread	2.24	-0.64

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
21.12.	US	NIKE INC -CL B	Q2	0.40
04.01.	US	MONSANTO CO	Q1	0.40
09.01.	US	AMGEN INC	Q4	3.01
10.01.	US	AFLAC INC	Q4	1.56
10.01.	US	BRISTOL-MYERS SQUIBB CO	Q4	0.67
12.01.	US	JPMORGAN CHASE & CO	Q4	1.70
16.01.	US	CITIGROUP INC	Q4	1.25
17.01.	US	ALCOA CORP	Q4	1.25
17.01.	NL	ASML HOLDING NV	Y	1.14
17.01.	US	BANK OF AMERICA CORP	Q4	0.47
17.01.	US	GOLDMAN SACHS GROUP INC	Q4	5.17

Forex

	Current	YTD (%)
EUR/USD	1.1767	11.89
EUR/CHF	1.1651	8.68
USD/CHF	0.9901	-2.84
GBP/CHF	1.3214	5.02
GBP/USD	1.3345	8.14
USD/JPY	112.65	-3.69
USD/HKD	7.8145	0.76
USD/SGD	1.3482	-6.82
USD/CNY	6.6125	-4.79
EUR/NOK	9.8529	8.42
EUR/SEK	9.9876	4.31

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
18.12.	11:00	EU	Core Consumer Prices (y/y)	Nov F	-	0.90
18.12.	11:00	EU	Consumer Prices (Final, y/y)	Nov F	-	1.50
18.12.	16:00	US	NAHB Housing Market Index	Dec	-	70.00
19.12.	10:00	DE	IFO Business Climate	Dec	116.63	117.50
19.12.	10:00	DE	IFO Current Situation	Dec	124.83	124.40
19.12.	10:00	DE	IFO Expectations	Dec	108.89	111.00
19.12.	14:30	US	Building Permits (m/m)	Nov	-	7.40
19.12.	14:30	US	Housing Starts (y/y)	Nov	-	13.70
20.12.	08:00	DE	Producer Prices (y/y)	Nov	2.60	2.70
20.12.	16:00	US	Existing Homes Sales (y/y)	Nov	5.42	5.48
21.12.	08:00	CH	Exports (m/m)	Nov	-	-1.80

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	57.64	1.14
Oil Future Brent (USD)	63.56	8.45
Gold-ounce (USD)	1'256.54	9.50
Silver-ounce (USD)	16.06	0.81
Platinum (USD)	897.23	-0.65
Palladium (USD)	1'027.42	50.88
JOC Industrial Metals Index	117.47	15.38
S&P GSCI Index Spot Indx	419.70	5.40
Rogers Int. Commodity Index	2'309.08	0.25
BBG Commodity Index	84.26	-3.72
Rogers Agriculture TR Index	794.58	-5.52

Topics LGT looks at

Topics	Description	Publication Type	Published
LGT Dividend Selection Europe	The LGT Dividend Selection offers attractive dividend investments in a continued low-interest environment. Our selection contains ten European names (excl. Switzerland) which we regard as long-term attractive dividend stories.	Investment Idea	13.12.2017
Asset Allocation PBE December	In our monthly publication we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	12.12.2017
Commodities offer an attractive diversifying opportunity	In this investment idea our fixed income analysts highlight the aspects of commodities as an attractive diversifying opportunity.	Investment Idea	30.11.2017
LGT Dividend Selection Switzerland	The LGT Dividend Selection offers attractive dividend investments in a continued low-interest environment. Our selection contains ten Swiss names which we regard as long-term attractive dividend stories.	Investment Idea:	29.11.2017
Global Brands	Strong brands retain customers, realize price premiums and simplify the launch of new products. Companies with strong brands proved to be good investments in the past and outperformed the market. We highlight our ten favorite buy-rated stocks in the global brands universe and offer an attractive fund solution.	Investment Idea	15.11.2017

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