



US inflation data in the spotlight

Investor sentiment remains fragile, and fears of rising interest rates appear to be shaping events on the capital markets in the coming days as well. Against this backdrop, markets are eagerly awaiting the release of the latest US inflation data this afternoon. According to analysts' estimates, the consumer price inflation rate declined from 2.1% in the previous month to 1.9% at the beginning of the year. The core inflation rate, excluding the energy component, should have fallen from 1.8% to 1.7%. If the inflation rate is coming in higher than anticipated, this would further exacerbate investors' interest rate fears and put equities under pressure. Japan's economy grew at a weaker-than-expected +0.1% pace in the final quarter of 2017 (consensus +0.2%, Q3 +0.6%). While the stock market weakened, the yen climbed to a 15-month high against the US dollar. In Sweden, the central bank will most likely leave its monetary policy unchanged.

Equities – Credit Suisse tops market estimates despite loss

Credit Suisse reported a Q4 net loss of CHF 2.13bn, mainly due to write downs on deferred tax assets on the back of the US tax reform, while pre-tax profit of CHF 141m was slightly above expectations. The dividend of CHF 0.25 is significantly lower than the previous year's CHF 0.70, whereby the scrip dividend option was dropped. **Clariant** has slightly topped estimates with its annual result. The dividend will be increased to CHF 0.50. For 2018, Clariant expects growth in local currencies. The banking software provider **Temenos** increased sales by +15% to USD 736.7m and EBIT by +17% to USD 223.5m. The dividend will be increased to USD 0.65. The management expects sales growth in 2018 at constant exchange rates of +10 to +13% and EBIT of between USD 255m and USD 260m. Dutch vitamin producer **DSM** exceeded the profit expectations in Q4 by more than +5%. For 2018, DSM expects to exceed its goals of "Strategy 2018".

Fixed Income – Chinese conglomerate HNA's empire sways

The Chinese conglomerate HNA Group, which according to Bloomberg has close to USD 36bn of debt, is targeting asset sales only months after the company made its latest acquisition. HNA has been primarily known as one of China's conglomerates with insatiable appetite for global trophy assets. Investments included shares of Deutsche Bank or investments in real estate in Manhattan. Now, HNA appears to have made a complete U-turn seeking to sell more than USD 6bn in real estate assets as pressure to repay its debt is mounting. HNA already agreed to sell two land plots in Hong Kong which it bought less than a year ago for about USD 2bn and apparently is in talks of selling office buildings in London's Canary Wharf district. Concerns that such asset sales might not be enough to help the company to roll over borrowing are persisting and leave the company's local Chinese securities trading at levels equivalent to junk bonds despite top credit ratings of local credit agencies.

Equity Indices	Current	YTD (%)
MSCI World	2'080.68	-1.08
Dow Jones	24'640.45	-0.32
S&P 500	2'662.94	-0.40
Nasdaq 100	6'553.86	2.46
Nikkei 225	21'154.17	-7.08
SMI	8'752.64	-6.71
SLI	1'434.62	-5.49
Euro Stoxx 50	3'340.93	-4.65
Euro Stoxx 600	370.58	-4.78
DAX	12'196.50	-5.58
MSCI UK	2'077.63	-6.75

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'164.49	0.52
MSCI EM Asia	584.96	-0.32
MSCI EM Eastern Europe	175.18	5.79
MSCI EM Latin America	2'965.26	4.85
Brazil IBOVESPA	80'898.70	5.89
Russian Depository Index	1'336.29	4.07
NIFTY Index	10'543.90	0.13
Hang Seng Index	30'322.19	1.35
HFRI Global HF Index	1'279.31	0.29
LPX50 Listed PE TR (EUR)	2'136.36	-2.33
BBG NA REITS	260.84	-9.06

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.83	0.42
German Bund 10Y (EUR)	0.75	0.32
Swiss Government 10Y (CHF)	0.19	0.34
United Kingdom 10Y (GBP)	1.62	0.43
Japan 10Y (JPY)	0.06	0.01
Fed Funds Rate	1.25	0.00
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	0.93	-0.01
Global HY Corporate Spread	3.51	0.18
EM Hard Currency Gov. Spread	2.18	0.02

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
14.02.	CA	BARRICK GOLD CORP	Q4	0.21
14.02.	US	CISCO SYSTEMS INC	Q2	0.59
14.02.	US	MARRIOTT INTERNATIONAL -CL A	Q4	1.00
15.02.	FR	AIR LIQUIDE SA	Y	2.70
15.02.	CH	NESTLE SA-REG	Y	2.69
15.02.	GB	RELX PLC	Y	-
15.02.	FR	SCHNEIDER ELECTRIC SE	Y	-
15.02.	CH	SYNGENTA AG-REG	Y	-
16.02.	DE	ALLIANZ SE-REG	Y	3.68
16.02.	FR	DANONE	Y	1.84
16.02.	US	DEERE & CO	Q1	1.25

Forex

	Current	YTD (%)
EUR/USD	1.2373	3.07
EUR/CHF	1.1544	-1.35
USD/CHF	0.9330	-4.24
GBP/CHF	1.2966	-1.53
GBP/USD	1.3896	2.83
USD/JPY	107.24	-4.84
USD/HKD	7.8220	0.10
USD/SGD	1.3192	-1.26
USD/CNY	6.3410	-2.55
EUR/NOK	9.7135	-1.32
EUR/SEK	9.9161	0.83

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
14.02.	08:00	DE	GDP (q/q)	4Q P	0.80	0.60
14.02.	08:00	DE	EU harmonized Consumer Prices (y/y)	Jan F	-	1.40
14.02.	10:00	IT	GDP (q/q)	4Q P	-	0.36
14.02.	11:00	EU	GDP (q/q)	4Q P	-	0.60
14.02.	11:00	EU	Industrial Production (y/y)	Dec	-	3.20
14.02.	14:30	US	Consumer Prices (m/m)	Jan	-	0.20
14.02.	14:30	US	Core Consumer Prices (y/y)	Jan	-	1.80
14.02.	14:30	US	Consumer Prices (y/y)	Jan	-	2.10
14.02.	14:30	US	Retail Sales (m/m)	Jan	-	0.40
15.02.	08:00	-	EU 27 Car Registrations	Jan	-	-4.90
15.02.	09:00	ES	EU-harm. Consumer Prices (y/y)	Jan F	-	0.70

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	59.19	-2.07
Oil Future Brent (USD)	62.82	-5.45
Gold-ounce (USD)	1'333.78	2.38
Silver-ounce (USD)	16.64	-1.75
Platinum (USD)	977.70	5.33
Palladium (USD)	990.23	-6.89
JOC Industrial Metals Index	124.68	2.08
S&P GSCI Index Spot Indx	431.70	-2.43
Rogers Int. Commodity Index	2'397.68	-0.75
BBG Commodity Index	86.76	-1.60
Rogers Agriculture TR Index	828.14	2.77

Topics LGT looks at

Topics	Description	Publication Type	Published
Asset Allocation PBE February	In our monthly publication we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	14.02.2018
Initiation of Coverage TUI	TUI, a fully integrated heavyweight in the touristic market which covers the entire value chain has been added to our equity universe.	Investment Idea	07.02.2018
Correction in global stock markets	- Recent stock market correction brings about a sharp increase in volatility - Triggers are rising bond market yields and rising US wage inflation - Global economic outlook and corporate data remain solid	Market News	06.02.2018
Emerging Markets Fixed Income - Top three themes 2018	In this investment idea our fixed income analysts highlight their top themes in emerging market bonds in 2018.	Investment Idea	25.01.2018
LGT Equity Top Picks	The final quarter of 2017 was another very successful quarter for the LGT Equity Top Picks as our European and Swiss selection showed a significantly positive absolute performance and clearly outperformed its benchmarks.	Investment Idea	19.01.2018

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Published by: LGT Bank (Switzerland) Ltd., Glärnischstrasse 36, CH-8027 Zuerich

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Sources: Bloomberg, LGT Bank (Switzerland) Ltd.