



Trump's personnel shakeups increase insecurity

Further turbulence in the White House following the sudden dismissal of US Secretary of State Rex Tillerson increased uncertainty on Wall Street that the US is drifting further into an unilateral trade, foreign, and national security policy. Another topic of discussion was the USD 117bn deal banned by Trump between US chip manufacturer Qualcomm and Singapore-based rival Broadcom. After recently, expectations of a stronger rise in inflation on the financial markets had caused uncertainty with regard to the pace of further increases in interest rates, the Federal Reserve (Fed) will have closely monitored new consumer price data published yesterday. Inflation developed as expected in February, with the annual inflation rate rising from 2.1% in the previous month to 2.2%. The core inflation rate remained unchanged at 1.8%. In view of rising inflationary expectations, markets expect that the Fed will raise its key rate again on March 21.

Equities – Adidas increases long-term profit targets

Adidas exceeded profit expectations with its annual result by around 5% and increased its long-term profitability targets. By 2020, the profit margin is expected to increase to 11.5%, and profit is anticipated to gain annually by +22% to +24% (previously +20% to +22%). CEO Rorsted continues to expect a favorable environment, especially in China. In the US, the German sporting goods maker anticipated positive effects from the tax cuts. At the same time, Adidas announced the launch of a share buyback of up to EUR 3bn. **Walmart** plans to expand its grocery home-delivery service from currently six cities to more than 100 metro areas this year. The service will then be available to more than 40% of American households by the end of the year. **Alphabet's Google** will ban online advertisements promoting cryptocurrencies and initial coin offerings starting in June, as part of a broader crackdown on the marketing of a new high-risk financial products.

Currencies – Japanese yen defies turmoil in local politics

The Japanese yen is currently in focus due to a political scandal. The turmoil is revolving around a rather opaque property deal mounting pressure on the current administration under prime minister Shinzo Abe, as finance minister Taro Aso admitted that official documents regarding the sale of public properties to an Abe supporter had been tampered with. Paradoxically the incident could well end up to be yen-supportive, as it tends to politically weaken those that welcome an ultra-loose monetary policy and a weak Japanese currency. Regardless of this development, Bank of Japan governor Haruhiko Kuroda recently sent signals that the Japanese monetary policy was due for some first tightening measures – if only minor and very gradually - as economic growth in Japan has strengthened considerably over past quarters.

Equity Indices	Current	YTD (%)
MSCI World	2'144.60	1.96
Dow Jones	25'007.03	1.16
S&P 500	2'765.31	3.43
Nasdaq 100	7'046.51	10.16
Nikkei 225	21'777.29	-4.34
SMI	8'880.92	-5.34
SLI	1'453.83	-4.22
Euro Stoxx 50	3'397.35	-3.04
Euro Stoxx 600	375.49	-3.52
DAX	12'221.03	-5.39
MSCI UK	2'066.73	-7.24

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'223.83	5.64
MSCI EM Asia	615.60	4.90
MSCI EM Eastern Europe	179.50	8.40
MSCI EM Latin America	3'124.80	10.49
Brazil IBOVESPA	86'383.84	13.06
Russian Depository Index	1'375.99	7.16
NIFTY Index	10'357.45	-1.65
Hang Seng Index	31'203.63	4.29
HFRX Global HF Index	1'283.45	0.62
LPX50 Listed PE TR (EUR)	2'166.45	-0.96
BBG NA REITS	266.02	-7.26

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.83	0.42
German Bund 10Y (EUR)	0.62	0.19
Swiss Government 10Y (CHF)	0.11	0.26
United Kingdom 10Y (GBP)	1.49	0.30
Japan 10Y (JPY)	0.05	0.00
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	0.99	0.05
Global HY Corporate Spread	3.30	-0.04
EM Hard Currency Gov. Spread	2.18	0.03

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
15.03.	CH	DUFY AG-REG	Y	1.57
15.03.	CH	GALENICA AG-REG	Y	-
15.03.	DE	DEUTSCHE LUFTHANSA-REG	Y	1.18
19.03.	US	ORACLE CORP	Q3	0.72
22.03.	IT	ENEL SPA	Y	0.09
22.03.	US	NIKE INC -CL B	Q3	0.53
27.03.	CH	BALOISE HOLDING AG - REG	Y	-
28.03.	US	MONSANTO CO	Q2	3.32
03.04.	CH	TRANSOCEAN LTD	Q1	-0.32
11.04.	CH	BARRY CALLEBAUT AG-REG	S1	-
13.04.	US	CITIGROUP INC	Q1	1.61

Forex	Current	YTD (%)
EUR/USD	1.2396	3.26
EUR/CHF	1.1698	-0.05
USD/CHF	0.9437	-3.14
GBP/CHF	1.3186	0.14
GBP/USD	1.3972	3.40
USD/JPY	106.57	-5.43
USD/HKD	7.8410	0.35
USD/SGD	1.3105	-1.91
USD/CNY	6.3187	-2.89
EUR/NOK	9.5836	-2.64
EUR/SEK	10.1764	3.48

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
14.03.	03:00	CN	China Retail Sales Cumulative	Feb	-	9.70
14.03.	08:00	DE	EU harmonized Consumer Prices (y/y)	Feb F	-	1.20
14.03.	11:00	EU	Industrial Production (y/y)	Jan	-	5.20
14.03.	13:30	US	Producer Prices (y/y)	Feb	-	2.70
14.03.	13:30	US	Core Producer Prices (y/y)	Feb	-	2.20
14.03.	13:30	US	Retail Sales (m/m)	Feb	-	-0.30
15.03.	08:00	-	EU 27 Car Registrations	Feb	-	7.10
15.03.	08:45	FR	EU Harmonised Consumer Prices (y/y)	Feb F	-	1.30
15.03.	13:30	US	Philly Fed survey	Mar	-	25.80
15.03.	13:30	US	NY Fed Empire State Manufacturing	Mar	-	13.10
15.03.	13:30	US	Import Price Index (y/y)	Feb	-	3.60

Commodities	Current	YTD (%)
Oil Future Nymex WTI (USD)	60.66	0.43
Oil Future Brent (USD)	64.47	-2.45
Gold-ounce (USD)	1'325.68	1.76
Silver-ounce (USD)	16.60	-2.00
Platinum (USD)	967.85	4.27
Palladium (USD)	993.60	-6.57
JOC Industrial Metals Index	125.37	2.64
S&P GSCI Index Spot Indx	440.57	-0.42
Rogers Int. Commodity Index	2'446.47	1.27
BBG Commodity Index	87.85	-0.36
Rogers Agriculture TR Index	848.96	5.35

Topics LGT looks at

Topics	Description	Publication Type	Published
Monthly Asset Allocation	In our monthly publication we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	14.03.2018
LGT Dividend Selection	Dividend stocks offer an interesting investments in a continued low-interest environment. Our selection contains long-term attractive dividend stories.	Investment Idea	28.02.2018
Italian elections	In Italy, early parliamentary elections will take place on 4 March. We analyse the possible initial electoral scenarios and interpret their potential impact on the financial markets.	Market News	21.02.2018
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

For further information, please contact your LGT relationship manager.

Risk Disclosure (Disclaimer)

This publication is for your information only and is not intended as an offer, solicitation of an offer, or public advertisement to buy or sell any investment or other specific product. Its content has been prepared by our staff and is based on sources of information we consider to be reliable. However, we cannot provide any confirmation or guarantee as to its being correct, complete and up to date. The circumstances and principles to which the information contained in this publication relates may change at any time. Information that has been published should therefore not be understood as implying that no change has taken place since its publication or that it is still up to date. The information in this publication does not constitute an aid for decision-making in relation to financial, legal, tax-related or other consulting matters, nor should any investment decisions or other decisions be made on the basis of this information alone. It is recommended that advice be obtained from a qualified expert. Investors should be aware that the value of investments can fall as well as rise. Positive performance in the past is therefore no guarantee of positive performance in the future. Investments in foreign currencies are also subject to fluctuations in exchange rates. We disclaim all liability for any loss or damage of any kind, whether direct, indirect or consequential, which may be incurred through the use of this publication. This publication is not intended for persons subject to legislation that prohibits its distribution or makes its distribution contingent upon an approval. Any person coming into possession of this publication shall therefore be obliged to find out about any restrictions that may apply and to comply with them. In line with internal guidelines, persons responsible for compiling this report are free to buy hold and sell the securities referred to in this report.

Impressum

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

Editorial: Alessandro Fezzi, +41 44 250 78 59, E-Mail: lgt.navigators@lgt.com

Authors Equities: Georg Ruzicka, Dr. Tilman Dumrese, Simon Weiss, CFA, Chris Burger, CFA

Authors Fixed Income, Commodities & Currencies: Maurice Jiszda, Sandro Zwysig, CFA, Dominik Garcia, Dr. Wolfgang von Hessling

Sources: Bloomberg, LGT Bank (Switzerland) Ltd.