



Chinese economy continues growing

Economic growth in the People's Republic of China is still on track. Supported by strong March retail sales figures, China was able to maintain the annual growth rate of +6.8% in the first quarter of 2018 as expected, despite slightly cooler industrial production data. This gives the Chinese leadership further leeway to purge excessive lending. China's growth depicts tailwind for the global economy. Asian markets did not react significantly to the numbers that were mostly in line with expectations. In the USA, retailers ended their negative series in March after three consecutive declines in sales. Revenues increased by +0.6% compared to the previous month, the Commerce Department announced in Washington on Monday. Above all, consumers made more money available for larger expenditures, such as for cars. Private consumption accounts for around two thirds of total economic output in the USA.

Equities – Record sales at Sika

The construction chemicals and adhesives manufacturer **Sika** has started the new year with record sales. Thanks to acquisitions, growth in Q1 2018 rose +11% in local currencies to CHF 1.55bn, slightly above consensus expectations. According to a media report, negotiators from the food company **Nestlé** and the retail trade association Agecor had agreed on a compromise in the negotiations on discounts and conditions at the end of last week. **Bank of America** moderately beat expectations with Q1 revenues of USD 23.3bn and a net income of USD 6.5bn, helped by taxes and reserve releases. Shares of **Merck** rose by around +2.6% yesterday after the US pharmaceutical company released positive data for its lung cancer drug "Keytruda". At the same time, shares of the competitor **Bristol-Myers Squibb** fell by -7.8%. **Roche** has received FDA breakthrough designation for its hemophilia drug "Hemlibra".

Currencies – Yen holds gains ahead of Trump-Abe meeting

The yen maintained gains against the US dollar in muted activity as traders await a meeting between Japanese Prime Minister Shinzo Abe and US President Donald Trump that is set to discuss both trade and North Korea. The USD/JPY exchange rate declined -0.1% to 107.04 this morning after falling -0.2% on Monday. Abe's visit to Florida comes at a time of declining ratings approval at home amid political scandals and speculation he may step down. However, the dollar was broadly weaker yesterday after Trump used Twitter to accuse China and Russia of devaluing their currencies, breaking from his own Treasury chief's view that no major trading partners are currency manipulators.

Equity Indices	Current	YTD (%)
MSCI World	2'099.82	-0.17
Dow Jones	24'573.04	-0.59
S&P 500	2'677.84	0.16
Nasdaq 100	6'675.18	4.36
Nikkei 225	21'841.14	-4.06
SMI	8'726.54	-6.99
SLI	1'436.90	-5.34
Euro Stoxx 50	3'441.04	-1.80
Euro Stoxx 600	377.74	-2.94
DAX	12'391.41	-4.07
MSCI UK	2'083.73	-6.48

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'163.25	0.41
MSCI EM Asia	590.45	0.62
MSCI EM Eastern Europe	159.21	-3.85
MSCI EM Latin America	2'984.33	5.52
Brazil IBOVESPA	82'861.58	8.45
Russian Depository Index	1'198.23	-6.68
NIFTY Index	10'542.50	0.11
Hang Seng Index	30'316.14	1.33
HFRX Global HF Index	1'267.37	-0.65
LPX50 Listed PE TR (EUR)	2'119.82	-3.09
BBG NA REITS	262.79	-8.38

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.83	0.42
German Bund 10Y (EUR)	0.53	0.10
Swiss Government 10Y (CHF)	0.03	0.18
United Kingdom 10Y (GBP)	1.46	0.27
Japan 10Y (JPY)	0.04	-0.01
Fed Funds Rate	1.50	0.25
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.04	0.10
Global HY Corporate Spread	3.23	-0.10
EM Hard Currency Gov. Spread	2.28	0.12

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
17.04.	US	GOLDMAN SACHS GROUP INC	Q1	5.56
17.04.	US	INTL BUSINESS MACHINES CORP	Q1	2.42
17.04.	US	JOHNSON & JOHNSON	Q1	2.00
18.04.	US	ALCOA CORP	Q1	0.69
18.04.	NL	ASML HOLDING NV	Q1	1.18
18.04.	US	AMERICAN EXPRESS CO	Q1	1.71
18.04.	CH	TEMENOS GROUP AG-REG	Q1	0.38
19.04.	CH	ABB LTD-REG	Q1	0.31
19.04.	CH	NOVARTIS AG-REG	Q1	1.26
19.04.	US	PHILIP MORRIS INTERNATIONAL	Q1	0.90
20.04.	US	GENERAL ELECTRIC CO	Q1	0.12

Forex	Current	YTD (%)
EUR/USD	1.2384	3.16
EUR/CHF	1.1892	1.62
USD/CHF	0.9603	-1.44
GBP/CHF	1.3772	4.59
GBP/USD	1.4341	6.13
USD/JPY	107.04	-5.01
USD/HKD	7.8498	0.46
USD/SGD	1.3099	-1.95
USD/CNY	6.2822	-3.45
EUR/NOK	9.6184	-2.28
EUR/SEK	10.4119	5.87

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
17.04.	04:00	CN	China Retail Sales Cumulative	Mar	9.69	9.80
17.04.	04:00	CN	Retail Sales (y/y)	Mar	9.68	10.10
17.04.	10:00	IT	EU harm. Consumer Prices (y/y)	Mar F	1.10	1.10
17.04.	10:30	GB	Unemployment ILO Rate	Feb	4.30	4.30
17.04.	10:30	GB	Unemployment Claimant Count	Mar	-	9.20
17.04.	10:30	GB	Claimant Count Rate	Mar	-	2.40
17.04.	11:00	DE	ZEW Current Situation	Apr	87.33	90.70
17.04.	11:00	EU	ZEW Expectation	Apr	-	13.40
17.04.	11:00	DE	ZEW Expectation	Apr	-1.06	5.10
17.04.	14:30	US	Building Permits (m/m)	Mar	0.53	-4.10
17.04.	14:30	US	Housing Starts (y/y)	Mar	2.55	-7.00

Commodities	Current	YTD (%)
Oil Future Nymex WTI (USD)	66.55	10.42
Oil Future Brent (USD)	71.69	8.98
Gold-ounce (USD)	1'345.46	3.27
Silver-ounce (USD)	16.69	-1.48
Platinum (USD)	931.67	0.37
Palladium (USD)	1'006.68	-5.34
JOC Industrial Metals Index	128.09	4.87
S&P GSCI Index Spot Indx	464.51	4.99
Rogers Int. Commodity Index	2'517.69	4.21
BBG Commodity Index	89.03	0.98
Rogers Agriculture TR Index	833.26	3.40

Topics LGT looks at

Topics	Description	Publication Type	Published
Swedbank	On the initiation of coverage of Swedbank in the LGT equity universe, our analyst presents his assessment of the stock.	Investment Idea	11.04.2018
Asset Allocation PBE	In our monthly publication we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	11.04.2018
Oerlikon & Sulzer	Due to the new US sanctions against Russia, Oerlikon and Sulzer came under pressure due to the shareholding of Russian investment group Renova.	Market News	09.04.2018
Apple's potential shift from Intel chips	In this market news our equity specialists give their assessment on Apple as the company might consider to move away from Intel for Mac chips by 2020.	Market News	03.04.2018
Looming trade war burdens capital markets	In this Market News we highlight the latest developments on capital markets as investor sentiment is rattled by a potential global trade war.	Market News	23.03.2018

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: David Wolf, +41 44 250 83 48, 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.