



## Uncertainty in trade dispute continues

The continuing uncertainty in the trade dispute between the USA and China led to restraint among investors. According to China, the three-day negotiations have been positive and there has been some rapprochement, but there are no concrete solutions on the table. Chinese Deputy Prime Minister Liu He will travel to the US on 30 January to meet with trade commissioner Robert Lighthizer and finance minister Steven Mnuchin about the trade dispute. Yesterday, during a speech to the Economic Club of Washington, US Federal Reserve Chairman Jerome Powell stressed that the Fed could remain patient in the face of relatively subdued inflation and that there was no need to rush to raise interest rates further. The Fed will react flexibly and quickly should the economic situation require it. In view of the more cautious tone, markets now assume that the central bank will take a break in the current cycle of interest rate hikes this year.

## Equities – Richemont meets sales expectations

**Richemont** met the market's sales expectations in the third quarter. Overall, the Swiss luxury goods group achieved a +25% increase in sales to EUR 3.92bn (consensus 3.88bn). In particular, acquisitions characterized the high growth. Organic sales growth was +5%, which was also in line with expectations. The difficult environment in Europe was offset by business in China. **Credit Suisse** will start its share buyback program announced in December on January 14. The Board of Directors has approved the repurchase of up to CHF 1.5bn of Credit Suisse shares during the current year. The bank expects to repurchase shares for at least CHF 1bn by the end of 2019. Automotive supplier **Hella** continues to expect a difficult market environment and forecasts an increase in sales and profit at the lower end of the outlook. On an adjusted basis, profit is expected to increase by +5 to +10%.

## Currencies – A rather difficult start for the US-Dollar

After the US dollar (USD) was a surprise outperformer in last year's currency markets, gaining more than +4% against every other G10 currency besides Swiss franc and Japanese yen in 2018, the greenback is experiencing a rather bumpy start to 2019. Since New Year's Eve the USD lost ground against almost all G10 peers, and to a minor extent against European currencies, and considerably against Asian and commodity-related currencies. This is little surprising considering the effect that the protracting US government shutdown has on sentiment vs. US assets, the recovery in commodity prices with crude oil prices rallying some 23% from their December 24 lows, some careful signs of progress in trade discussions as well as monetary policy stimulus from China. On a capitalization weighted currency index basis, emerging market currencies gained some +1% vs. the USD since year start. Intra-G10 the notable outperformers vs. the greenback are CAD (+3.1%), NOK (+2.3%), AUD (+2%), JPY (+1.4%) and NZD (+1%).

Equity Indices	Current	YTD (%)
MSCI World	1'957.69	3.92
Dow Jones	24'001.92	2.89
S&P 500	2'596.64	3.58
Nasdaq 100	6'620.94	4.60
Nikkei 225	20'359.70	1.72
SMI	8'801.48	4.42
SLI	1'357.49	4.75
Euro Stoxx 50	3'075.73	2.48
Euro Stoxx 600	348.88	3.33
DAX	10'921.59	3.43
MSCI UK	2'006.89	3.09

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	998.67	3.42
MSCI EM Asia	494.86	1.95
MSCI EM Eastern Europe	160.57	5.77
MSCI EM Latin America	2'833.16	10.41
Brazil IBOVESPA	93'805.93	6.73
Russian Depository Index	1'369.10	5.64
NIFTY Index	10'766.10	-0.89
Hang Seng Index	26'624.26	3.01
HFRX Global HF Index	1'203.20	1.12
LPX50 Listed PE TR (EUR)	2'087.30	5.72
BBG NA REITS	271.76	3.76

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.72	0.04
German Bund 10Y (EUR)	0.26	0.01
Swiss Government 10Y (CHF)	-0.15	0.10
United Kingdom 10Y (GBP)	1.27	0.00
Japan 10Y (JPY)	0.02	0.01
Fed Funds Rate	2.25	0.00
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.54	-0.01
Global HY Corporate Spread	4.67	-0.65
EM Hard Currency Gov. Spread	3.09	-0.21

## Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
14.01.	US	CITIGROUP INC	Q4	1.55
15.01.	US	JPMORGAN CHASE & CO	Q4	2.21
16.01.	US	ALCOA CORP	Q4	0.60
16.01.	US	BANK OF AMERICA CORP	Q4	0.63
16.01.	US	GOLDMAN SACHS GROUP INC	Q4	4.89
18.01.	US	SCHLUMBERGER LTD	Q4	0.36
22.01.	US	INTL BUSINESS MACHINES CORP	Q4	4.84
22.01.	US	JOHNSON & JOHNSON	Q4	1.95
22.01.	CH	LOGITECH INTERNATIONAL-REG	Q3	0.65
22.01.	CH	SGS SA-REG	Y	-
22.01.	US	TRAVELERS COS INC/THE	Q4	2.47

Forex	Current	YTD (%)
EUR/USD	1.1522	0.48
EUR/CHF	1.1329	0.65
USD/CHF	0.9832	0.11
GBP/CHF	1.2542	0.15
GBP/USD	1.2756	0.02
USD/JPY	108.38	-1.19
USD/HKD	7.8411	0.12
USD/SGD	1.3513	-0.85
USD/CNY	6.7557	-1.79
EUR/NOK	9.7524	-1.52
EUR/SEK	10.2377	0.84

## Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
11.01.	08:30	FR	BdF Business Sentiment	Dec	99.71	100.55
11.01.	09:00	ES	Industrial Production (y/y)	Nov	-	3.60
11.01.	10:00	IT	Industrial Production (y/y)	Nov	0.49	1.00
11.01.	10:30	GB	Industrial Production (y/y)	Nov	-0.60	-0.80
11.01.	14:30	US	Consumer Prices (m/m)	Dec	-0.12	0.00
11.01.	14:30	US	Core Consumer Prices (y/y)	Dec	2.17	2.20
11.01.	14:30	US	Consumer Prices (y/y)	Dec	1.87	2.20
11.01.	14:30	US	Core Consumer Prices (m/m)	Dec	0.18	0.20
14.01.	11:00	EU	Industrial Production (y/y)	Nov	-1.74	1.20
14.01.	-	US	Durable Goods New Orders (m/m)	Nov F	-	0.80
14.01.	-	CN	China Imports & Exports Trade	Dec	50.74	44.71

Commodities	Current	YTD (%)
Oil Future Nymex WTI (USD)	52.53	15.68
Oil Future Brent (USD)	61.55	14.41
Gold-ounce (USD)	1'292.63	0.79
Silver-ounce (USD)	15.71	1.41
Platinum (USD)	823.40	3.49
Palladium (USD)	1'328.78	5.31
JOC Industrial Metals Index	-	-
S&P GSCI Index Spot Indx	405.77	8.40
Rogers Int. Commodity Index	2'319.47	5.71
BBG Commodity Index	79.84	4.08
Rogers Agriculture TR Index	769.15	1.51

## Topics LGT looks at

Topics	Description	Publication Type	Published
Outlook 2019 - Quality is king	Hightened volatility on capital markets and a more and more dysfunctional political environment are promising a challenging year for investors. Our motto is: Quality is king.	Investment Idea	09.01.2019
Safe haven assets return to investor's favor	Shaky risk markets finally propel safe haven assets Gold and JPY higher as USD stumbles.	Market News	04.01.2019
Market roller coaster over the Christmas holidays	With the recent sell-off in US stocks, Q4 2018 ranks among the worst fourth quarters for US stocks in history.	Market News	27.12.2018
Asset Allocation PBE	In our monthly publication, we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	12.12.2018
Shifting towards a cleaner future	Five selected companies, which have shifted their strategic direction towards a cleaner future.	Investment Idea	11.12.2018

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#### Impressum

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