



Impending punitive tariffs burden car stocks

In view of a public holiday in the US (President's Day), new impulses from Wall Street were missing at the start of the week. At the same time, European stock markets were depressed by concerns that the US government might impose punitive tariffs on European car imports in a further escalation step in the trade conflict. This is after the US Department of Commerce handed over a report to the White House on the threat to national security posed by car imports and President Trump now has 90 days to decide whether European car brands will be burdened with import taxes. For its part, the EU Commission is threatening retaliatory measures. The US currently imports European car and car parts worth more than EUR 50bn per year. Not surprisingly, car values were under pressure at the start of the week. Meanwhile, 16 US states are suing the Trump government for its decision to declare a state of emergency to finance the wall construction.

Equities – Straumann posts solid organic sales growth

Straumann slightly exceeded sales expectations with its 2018 annual results, but narrowly missed at net profit level. After the dental implant manufacturer had already raised its forecast twice in 2018, investors regard the better-than-expected organic sales growth as a positive surprise. **Danone** posted 2018 organic sales growth of +2.9%, exceeding estimates amid strong demand for bottled water and as its dairy and plant-based yogurts and drinks recovered in Europe. For 2019, Danone guided for organic sales growth of about +3% and a recurring operating margin of more than 15%. **HSBC** reported a net profit of USD 12.6bn for 2018 (+30% y-o-y). Pre-tax profit in Q4 was up +16% but missed expectations, which was mainly due to the market corrections in late 2018. The dividend was unchanged at 51 cents. **BHP** reported a -8% drop in underlying profit to USD 4.03bn and a -4.7% decline in revenue to USD 20.7bn, missing estimates.

Fixed Income – SoftBank disagrees with rating agencies

The rating agencies S&P and Moody's continue to see SoftBank's debt-fueled growth strategy as a clear headwind towards higher credit ratings. In contrary, the likelihood of a further downgrade to SoftBank's ratings is higher compared to an upgrade. This view heavily contrasts SoftBank CEO Masayoshi Son's view, who argued in an appeal to investors and analysts that the company does not have a debt problem. For the rating agencies, however, the company which has about USD 96bn in net debt on a consolidated basis as per December 2018, the company instills a significant financial risk profile. And also on the key metric which SoftBank argues is at low 14%, the loan-to-value ratio, rating agencies have another take. They see the correct value in the range of between 25% to 35%. Monetizing on investments could prove the founder of SoftBank right in his assessment, but before the rating agencies change their view, Masayoshi Son has to build a track record and sell assets at his estimated values.

Equity Indices	Current	YTD (%)
MSCI World	2'072.62	10.02
Dow Jones	25'883.25	10.96
S&P 500	2'775.60	10.72
Nasdaq 100	7'055.18	11.46
Nikkei 225	21'302.65	6.43
SMI	9'267.46	9.94
SLI	1'431.57	10.46
Euro Stoxx 50	3'244.79	8.11
Euro Stoxx 600	369.78	9.52
DAX	11'299.20	7.01
MSCI UK	2'086.65	7.19

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'036.73	7.35
MSCI EM Asia	520.18	7.17
MSCI EM Eastern Europe	162.55	6.85
MSCI EM Latin America	2'853.27	11.20
Brazil IBOVESPA	96'509.89	9.81
Russian Depository Index	1'432.68	10.54
NIFTY Index	10'676.75	-1.71
Hang Seng Index	28'269.07	9.38
HSBC Global HF Index	1'218.33	2.39
LPX50 Listed PE TR (EUR)	2'256.41	14.29
BBG NA REITS	296.72	13.29

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.67	-0.02
German Bund 10Y (EUR)	0.11	-0.13
Swiss Government 10Y (CHF)	-0.27	-0.02
United Kingdom 10Y (GBP)	1.17	-0.11
Japan 10Y (JPY)	-0.03	-0.03
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	1.32	-0.23
Global HY Corporate Spread	4.17	-1.14
EM Hard Currency Gov. Spread	2.82	-0.48

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
19.02.	IE	MEDTRONIC PLC	Q3	1.24
19.02.	US	WALMART INC	Q4	1.34
20.02.	DE	FRESENIUS SE & CO KGAA	Y	0.92
20.02.	CH	GLENCORE PLC	Y	0.16
20.02.	GB	LLOYDS BANKING GROUP PLC	Y	0.02
21.02.	GB	BARCLAYS PLC	Y	0.02
21.02.	FR	AXA SA	Y	-
21.02.	DE	DEUTSCHE TELEKOM AG-REG	Y	0.22
21.02.	DE	HENKEL AG & CO KGAA VORZUG	Y	1.38
21.02.	GB	RELX PLC	Y	-
21.02.	CH	SWISS RE AG	Y	-0.21

Forex

	Current	YTD (%)
EUR/USD	1.1295	-1.50
EUR/CHF	1.1358	0.91
USD/CHF	1.0055	2.38
GBP/CHF	1.2972	3.59
GBP/USD	1.2900	1.14
USD/JPY	110.69	0.91
USD/HKD	7.8485	0.21
USD/SGD	1.3575	-0.40
USD/CNY	6.7791	-1.45
EUR/NOK	9.7336	-1.71
EUR/SEK	10.4680	3.11

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
19.02.	08:00	CH	Exports (m/m)	Jan	-	-5.00
19.02.	08:00	CH	Imports (m/m)	Jan	-	3.70
19.02.	10:00	IT	Industrial Orders (y/y)	Dec	-	-2.00
19.02.	10:30	GB	Unemployment ILO Rate	Dec	4.02	4.00
19.02.	11:00	DE	ZEW Current Situation	Feb	21.46	27.60
19.02.	11:00	EU	ZEW Expectation	Feb	-	-20.90
19.02.	11:00	DE	ZEW Expectation	Feb	-13.94	-15.00
19.02.	16:00	US	NAHB Housing Market Index	Feb	59.00	58.00
20.02.	16:00	EU	Consumer Confidence index	Feb A	-7.83	-7.90
21.02.	08:00	DE	EU harmonized Consumer Prices (y/y)	Jan F	1.70	1.70
21.02.	08:45	FR	Business Confidence	Feb	101.89	102.10

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	55.93	22.33
Oil Future Brent (USD)	66.45	23.01
Gold-ounce (USD)	1'323.47	3.20
Silver-ounce (USD)	15.76	1.72
Platinum (USD)	807.73	1.52
Palladium (USD)	1'473.14	16.75
JOC Industrial Metals Index	-	-
S&P GSCI Index Spot Indx	423.40	13.11
Rogers Int. Commodity Index	2'375.76	8.27
BBG Commodity Index	81.21	5.86
Rogers Agriculture TR Index	763.46	0.76

Topics LGT looks at

Topics	Description	Publication Type	Published
Asset Allocation PBE	In our monthly publication, we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	30.01.2019
Brexit – a drama without end	UK Prime Minister May survives a vote of no confidence and enters the next round of the Brexit drama. However, the outcome remains highly uncertain and ranges from "hard Brexit" to new elections or even a new referendum.	Market News	17.01.2019
Outlook 2019 - Quality is king	Heightened 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

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