



## US inflation data in focus

Today's market focus will be on US consumer price data as inflationary developments remain top priority of the Federal Reserve's monetary policy. Investors' fears that the Fed might fall behind the (interest rate) curve in view of higher than expected wage growth had increased recently. Today's inflation figures could well play a decisive role when the FOMC meets for the next monetary policy meeting on Wednesday, March 21. Yesterday some equity indices gained momentum as stocks were boosted by gains of memory chip manufacturers shares, which drove the Nasdaq to a new record high. In Europe, the utilities sector was in the spotlight after RWE and its rival E.ON announced their intention to take over and break up the German eco-electricity group Innogy at the weekend. At the same time, the impending trade conflict with the USA over tariffs on steel and aluminum took somewhat of a back seat in investors' minds.

## Equities – Geberit – one-off effects cloud the result

Swiss sanitary engineering group **Geberit** slightly missed market expectations for annual EBITDA due to special effects (costs for the integration of the Finnish Sanitec and for the closure of two ceramic plants in France), and the company indicated a profit decline. Adjusted for the one-off effects, profit increased by +3.5% to CHF 604.2m, slightly ahead of estimates. For 2018, Geberit expects a favorable environment for the construction industry. The dividend will be CHF 10.40 per share, slightly below consensus of CHF 10.63. **Adecco** completed the EUR 300m share buyback launched in March. Under the program, 4.58m shares or 2.7% of the share capital were repurchased. The average purchase price per share was CHF 73.83. **Veolia**: Qatari Diar Real Estate Investment, the property arm of Qatar Investment Authority, will sell about 26.1m shares or 4.6% of share capital (worth USD 640m) in the French utility group.

## Fixed Income – Demand for US Treasuries weakens

While there is no danger of the US being unable to borrow as much as it needs, evidence of softening demand for government bonds has grown. Based on the number of bids that investors submitted versus the amount sold, the average demand for ten-year bonds has fallen to the lowest since October 2009. In the past two years, the average bid-to-cover ratio at auctions for ten-year paper has fallen below 2.5, the lowest since the financial crisis. As recently as 2013, the two-year average was above 3.0. Weak auction results don't necessarily lead to losses in Treasuries. However, it's an early sign some investors are backing away from funding the USA's obligations as the budget deficits balloon and the Federal Reserve is raising interest rates.

Equity Indices	Current	YTD (%)
MSCI World	2'154.26	2.42
Dow Jones	25'178.61	1.86
S&P 500	2'783.02	4.09
Nasdaq 100	7'131.12	11.49
Nikkei 225	21'968.10	-3.50
SMI	8'970.74	-4.38
SLI	1'470.74	-3.11
Euro Stoxx 50	3'429.48	-2.13
Euro Stoxx 600	379.20	-2.56
DAX	12'418.39	-3.86
MSCI UK	2'089.24	-6.23

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'222.20	5.50
MSCI EM Asia	614.51	4.72
MSCI EM Eastern Europe	179.57	8.44
MSCI EM Latin America	3'129.38	10.65
Brazil IBOVESPA	86'900.43	13.74
Russian Depository Index	1'391.10	8.34
NIFTY Index	10'446.60	-0.80
Hang Seng Index	31'489.35	5.25
HFRX Global HF Index	1'281.59	0.47
LPX50 Listed PE TR (EUR)	2'194.10	0.31
BBG NA REITS	265.73	-7.36

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.88	0.47
German Bund 10Y (EUR)	0.63	0.21
Swiss Government 10Y (CHF)	0.10	0.25
United Kingdom 10Y (GBP)	1.49	0.30
Japan 10Y (JPY)	0.05	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	0.98	0.04
Global HY Corporate Spread	3.28	-0.06
EM Hard Currency Gov. Spread	2.17	0.01

## Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
14.03.	DE	ADIDAS AG	Y	0.10
15.03.	CH	DUFREY AG-REG	Y	1.57
15.03.	CH	GALENICA AG-REG	Y	-
15.03.	DE	DEUTSCHE LUFTHANSA-REG	Y	0.35
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	-0.31
11.04.	CH	BARRY CALLEBAUT AG-REG	S1	-

Forex	Current	YTD (%)
EUR/USD	1.2329	2.70
EUR/CHF	1.1693	-0.09
USD/CHF	0.9484	-2.66
GBP/CHF	1.3172	0.03
GBP/USD	1.3889	2.78
USD/JPY	106.85	-5.18
USD/HKD	7.8398	0.33
USD/SGD	1.3130	-1.72
USD/CNY	6.3306	-2.71
EUR/NOK	9.5597	-2.88
EUR/SEK	10.1612	3.33

## Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
13.03.	09:00	ES	EU-harm. Consumer Prices (y/y)	Feb F	-	1.20
13.03.	13:30	US	Consumer Prices (m/m)	Feb	-	0.50
13.03.	13:30	US	Core Consumer Prices (y/y)	Feb	-	1.80
13.03.	13:30	US	Consumer Prices (y/y)	Feb	-	2.10
13.03.	13:30	US	Core Consumer Prices (m/m)	Feb	-	0.30
14.03.	03:00	CN	China Retail Sales Cumulative	Feb	-	10.20
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

Commodities	Current	YTD (%)
Oil Future Nymex WTI (USD)	61.23	1.37
Oil Future Brent (USD)	64.86	-1.86
Gold-ounce (USD)	1'319.71	1.30
Silver-ounce (USD)	16.50	-2.59
Platinum (USD)	962.65	3.71
Palladium (USD)	978.21	-8.02
JOC Industrial Metals Index	125.10	2.42
S&P GSCI Index Spot Indx	441.50	-0.21
Rogers Int. Commodity Index	2'446.16	1.25
BBG Commodity Index	87.73	-0.50
Rogers Agriculture TR Index	848.77	5.33

## Topics LGT looks at

Topics	Description	Publication Type	Published
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
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

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.