



Geopolitics and finance stocks weigh on indices

After an initial recovery on the stock markets following signs of a trade war de-escalation – US President Donald Trump considered resuming the Trans-Pacific Free Trade Agreement (TPP) on Friday and mitigating the rhetoric in the trade dispute with China – geopolitical tensions and disappointing results from US financials created selling pressure at the end of last week. With the quarterly earnings of major US banks, which investors acknowledged with price losses, the corporate balance sheet season suffered a first setback. Geopolitical tensions and the Syrian conflict will continue to cause continued uncertainty in the new week. Meanwhile, consumer sentiment in the USA deteriorated more than expected in April with fears of trade policies, rising borrowing costs and slower economic growth. Today, further important US economic indicators will follow, such as retail trade sales for March and the Empire State Index of the New York Fed.

Equities – Adecco acquisition in the USA

Adecco announced to acquire the US company General Assembly for a total of USD 412.5m. The acquisition is expected to be completed in the second quarter and to be value accretive within three years. The announced share buyback program is to be implemented predominantly in the Q4 2018 and 2019. **Sulzer** has announced details of the share buyback of Renova, the majority shareholder affected by US sanctions. The purchase price for the 5m shares amounts to CHF 109.13 per share. As a consequence, Sulzer is no longer subject to sanctions under US law. On Friday, two of the major U.S. universal banks opened their Q1 reporting season. **JPMorgan** beat expectations on both, revenues as well as adjusted earnings per share of USD 2.37, exceeding expectations. **Citigroup's** adjusted earnings per share of USD 1.68 also exceeded expectations. Despite solid quarterly results, both stocks fell after a promising opening.

Fixed Income – Moody's raises Spain credit rating

Spain's sovereign credit worthiness rating was raised one notch to Baa1 by Moody's Investors Service, with a stable outlook, completing a full rating upgrade by all three main credit rating agencies. "Recent years have seen gradual, but increasingly sustainable, improvements to Spain's credit profile. Much has been done to address the weaknesses in the banking sector that emerged during the financial crisis. It has also become increasingly clear that structural changes in the economy have changed the growth model to one that is broader-based and more sustainable," Moody's commented on Friday. The Spanish economy has entered its fifth year of solid growth, showing a resilience to external shocks and political turbulence.

Equity Indices	Current	YTD (%)
MSCI World	2'088.98	-0.69
Dow Jones	24'360.14	-1.45
S&P 500	2'656.30	-0.65
Nasdaq 100	6'628.34	3.63
Nikkei 225	21'834.49	-4.09
SMI	8'776.17	-6.46
SLI	1'441.14	-5.06
Euro Stoxx 50	3'448.00	-1.60
Euro Stoxx 600	379.20	-2.56
DAX	12'442.40	-3.68
MSCI UK	2'103.41	-5.59

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'170.09	1.00
MSCI EM Asia	593.76	1.18
MSCI EM Eastern Europe	161.20	-2.65
MSCI EM Latin America	3'026.56	7.02
Brazil IBOVESPA	84'334.41	10.38
Russian Depository Index	1'211.14	-5.68
NIFTY Index	10'471.95	-0.56
Hang Seng Index	30'355.93	1.46
HFRX Global HF Index	1'268.30	-0.57
LPX50 Listed PE TR (EUR)	2'115.29	-3.30
BBG NA REITS	261.27	-8.91

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.83	0.43
German Bund 10Y (EUR)	0.51	0.08
Swiss Government 10Y (CHF)	0.02	0.17
United Kingdom 10Y (GBP)	1.44	0.25
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	1.05	0.11
Global HY Corporate Spread	3.25	-0.08
EM Hard Currency Gov. Spread	2.28	0.12

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
16.04.	US	BANK OF AMERICA CORP	Q1	0.59
17.04.	US	GOLDMAN SACHS GROUP INC	Q1	5.56
17.04.	US	INTL BUSINESS MACHINES CORP	Q1	2.41
17.04.	US	JOHNSON & JOHNSON	Q1	2.01
18.04.	US	ALCOA CORP	Q1	0.67
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.	FR	GDF SUEZ	Q1	0.32
19.04.	CH	NOVARTIS AG-REG	Q1	1.26

Forex	Current	YTD (%)
EUR/USD	1.2333	2.73
EUR/CHF	1.1875	1.47
USD/CHF	0.9628	-1.18
GBP/CHF	1.3727	4.25
GBP/USD	1.4257	5.51
USD/JPY	107.24	-4.84
USD/HKD	7.8500	0.46
USD/SGD	1.3132	-1.71
USD/CNY	6.2842	-3.42
EUR/NOK	9.5924	-2.55
EUR/SEK	10.4524	6.29

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
16.04.	14:30	US	NY Fed Empire State Manufacturing	Apr	18.80	22.50
16.04.	14:30	US	Retail Sales (m/m)	Mar	0.40	-0.10
16.04.	16:00	US	NAHB Housing Market Index	Apr	70.00	70.00
16.04.	22:00	US	Treasury Total Net TIC Flows	Feb	-	119.67
16.04.	22:00	US	Net Long-term TIC Flows	Feb	-	62.08
17.04.	04:00	CN	China Retail Sales Cumulative	Mar	9.69	9.70
17.04.	04:00	CN	Retail Sales (y/y)	Mar	9.68	9.40
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

Commodities	Current	YTD (%)
Oil Future Nymex WTI (USD)	66.82	10.87
Oil Future Brent (USD)	71.85	9.23
Gold-ounce (USD)	1'346.19	3.33
Silver-ounce (USD)	16.65	-1.68
Platinum (USD)	929.60	0.15
Palladium (USD)	990.00	-6.91
JOC Industrial Metals Index	128.09	4.87
S&P GSCI Index Spot Indx	468.31	5.85
Rogers Int. Commodity Index	2'525.92	4.55
BBG Commodity Index	89.02	0.96
Rogers Agriculture TR Index	838.57	4.06

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

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

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Sources: Bloomberg, LGT Bank (Switzerland) Ltd.