



## Signs of de-escalation?

In Asia, the stock markets today followed Wall Street's positive direction after talks between the US and China scheduled for the end of August nurtured hopes of an easing in the ongoing trade dispute between the two world's largest economies. A fast agreement in this poker to gain better trading conditions might not be however to expect. Investors also hope for signs of relief in the Turkey crisis. Yesterday, an investor conference convened by the Turkish Finance Minister aroused great interest and the Emir of Qatar is said to have pledged direct investments of USD 15bn to Turkey. Meanwhile, US Treasury Secretary Mnuchin warned Turkey against further sanctions. In the USA, the business climate barometer of the Philadelphia central bank signaled a surprisingly marked slowdown. The Philly Fed index fell to its lowest level since November 2016 in August. Today's focus is on the US leading indicator and the Michigan Consumer Confidence survey.

## Equities – Schindler beats market expectations at all levels

Swiss elevator and escalator manufacturer **Schindler** clearly topped estimates at all levels in H1 2018. Operating profit rose +10% to CHF 613m, thanks to strong growth in all regions. The full-year growth forecast was raised to +5 to +7%. **Credit Suisse** is dividing its international wealth management business into seven regions instead of four. Following the strong growth of recent years, the units are to become more operationally independent. **Walmart** posted a loss in Q2, as expected, due to the sale of a majority stake in its Brazilian business, but adjusted for this special effect, earned more (USD 1.29 per share) than anticipated and raised its full-year forecast 2018/19 from USD 4.75-5.00 to USD 4.90-5.05 yesterday. In the three months to the end of July, US sales rose +4.5% on a comparable basis, more than twice as much as expected and the strongest increase in more than ten years. The shares closed nearly +10% higher.

## Fixed Income – Argentina issues peso-denominated short-term notes

While Argentina just saw investors pulling out of the Argentinian peso, it is entering a risky bet whereby the country is pushing investors out of selected local debt notes. Idea behind that move is to shore up investor confidence in its central bank. The new notes have maturities of around one year, which is about ten times longer than currently widely held Lebac notes. Lebac have become particularly popular investments following the Argentinian central bank's aggressive rate hikes in December 2015, the time when currency controls were lifted. Some of the currently held Lebac were issued at interest rates that reached 47% and these investors need to be convinced that holding the new notes and remain stuck to the currency for a relatively long time horizon in the middle of a crisis plays out to be a good investment. Because of this move, investors might opt to exchange the local currency into USD, which could add to the peso's poor performance this year.

Equity Indices	Current	YTD (%)
MSCI World	2'131.05	1.31
Dow Jones	25'558.73	3.40
S&P 500	2'840.69	6.25
Nasdaq 100	7'374.30	15.29
Nikkei 225	22'274.51	-2.15
SMI	8'997.72	-4.09
SLI	1'468.17	-3.28
Euro Stoxx 50	3'377.56	-3.61
Euro Stoxx 600	381.43	-1.99
DAX	12'237.17	-5.27
MSCI UK	2'182.98	-2.02

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'021.57	-11.82
MSCI EM Asia	524.44	-10.63
MSCI EM Eastern Europe	150.27	-9.25
MSCI EM Latin America	2'536.39	-10.32
Brazil IBOVESPA	76'818.72	0.55
Russian Depository Index	1'282.09	-0.15
NIFTY Index	11'472.80	8.95
Hang Seng Index	27'254.39	-8.91
HFRX Global HF Index	1'257.47	-1.42
LPX50 Listed PE TR (EUR)	2'373.94	8.53
BBG NA REITS	289.18	0.82

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.87	0.46
German Bund 10Y (EUR)	0.32	-0.11
Swiss Government 10Y (CHF)	-0.11	0.04
United Kingdom 10Y (GBP)	1.24	0.05
Japan 10Y (JPY)	0.10	0.05
Fed Funds Rate	1.75	0.50
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.15	0.21
Global HY Corporate Spread	3.66	0.32
EM Hard Currency Gov. Spread	2.96	0.80

## Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
17.08.	US	DEERE & CO	Q3	2.74
20.08.	AU	BHP BILLITON PLC	Y	1.00
21.08.	IE	MEDTRONIC PLC	Q1	1.11
28.08.	CH	BALOISE HOLDING AG - REG	S1	-
30.08.	US	KROGER CO	Q2	0.38
04.09.	CH	HELVETIA HOLDING AG-REG	S1	-
05.09.	DE	BAYER AG-REG	Q2	1.43
11.09.	CH	KABA HOLDING AG-REG B	Y	-
13.09.	US	ORACLE CORP	Q1	0.68
25.09.	US	NIKE INC -CL B	Q1	0.62
01.10.	CH	ARYZTA AG	Y	-

## Forex

	Current	YTD (%)
EUR/USD	1.1376	-5.24
EUR/CHF	1.1344	-3.06
USD/CHF	0.9972	2.35
GBP/CHF	1.2684	-3.68
GBP/USD	1.2720	-5.87
USD/JPY	110.89	-1.60
USD/HKD	7.8497	0.46
USD/SGD	1.3758	2.98
USD/CNY	6.8897	5.88
EUR/NOK	9.6405	-2.06
EUR/SEK	10.4591	6.35

## Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
17.08.	11:00	EU	Core Consumer Prices (y/y)	Jul F	1.10	1.10
17.08.	11:00	EU	Consumer Prices (Final, y/y)	Jul F	2.09	2.10
17.08.	16:00	US	Conference Board US Leading Indica-	Jul	0.42	0.50
17.08.	16:00	US	Uni Michigan Consumer Confidence	Aug P	98.05	97.90
21.08.	08:00	CH	Exports (m/m)	Jul	-	0.50
21.08.	08:00	CH	Imports (m/m)	Jul	-	-0.40
22.08.	16:00	US	Existing Homes Sales (m/m)	Jul	1.18	-0.55
22.08.	16:00	US	Existing Homes Sales (y/y)	Jul	5.44	5.38
23.08.	08:45	FR	Business Confidence	Aug	-	106.00
23.08.	09:00	FR	Markit Composite PMI	Aug P	-	54.40
23.08.	09:30	DE	Markit Composite PMI	Aug P	55.12	55.00

## Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	65.42	10.75
Oil Future Brent (USD)	71.37	10.84
Gold-ounce (USD)	1'174.53	-9.85
Silver-ounce (USD)	14.63	-13.65
Platinum (USD)	779.09	-16.07
Palladium (USD)	891.26	-16.20
JOC Industrial Metals Index	109.31	-10.50
S&P GSCI Index Spot Indx	449.37	1.57
Rogers Int. Commodity Index	2'426.10	0.42
BBG Commodity Index	82.86	-6.02
Rogers Agriculture TR Index	800.15	-0.71

## 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	16.08.2018
Bayer	Bayer shares came under substantial pressure following the Monsanto "Roundup – Johnson verdict".	Market News	13.08.2018
Aryzta	Swiss retails specialty bakery producer Aryzta announced that it intends to raise up to EUR 800m of equity capital.	Market News	10.08.2018
Forex Strategy	In this publication, our FX strategist presents his view on the major currency pairs and investment advice.	Investment Idea	09.08.2018
Turkey	US sanctions against Turkish government members triggered an asset price correction. We have analyzed the current situation and present our view.	Market News	08.08.2018

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#### Impressum

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