



Agreement in Washington?

In Washington, the Republicans and Democrats in the US Congress appear to be facing a preliminary settlement in the US budget dispute, which could prevent a new partial closure of the US authorities ("shutdown"). US President Donald Trump is also cautiously optimistic about the trade talks between the US and China. According to the White House, Trump will soon meet with China's President Xi Jinping. Against this backdrop, US equity futures gained ground and the US dollar increased its recent gains. On Europe's stock markets, however, investors were cautious at the beginning of the week in view of the forthcoming Brexit negotiations between London and Brussels. British Prime Minister Theresa May is due to make another statement in parliament today on the status of the Brexit negotiations to give the parliament more time to review the content. On Thursday, the House of Commons will hold a vote on the next steps in the Brexit process.

Equities – Kering exceeds market expectations thanks to Gucci

With its 2018 results, the French luxury goods group **Kering** exceeded the market's profit expectations on a comparable basis by +1%. Gucci's organic sales growth in Q4 was +28%, driven by better-than-expected business in China. Analysts had expected growth of +27.1%. Kering's profitability increased by +5% to 28.9% in 2018 because of the Puma spin-off. After **TUI** had already issued a profit warning last week, the company presented its Q1 result today. At EUR 83.6m, the operating loss figure was significantly higher than in the previous year (EUR 36.7m). **Covestro** is currently conducting concrete M&A discussions with other companies, according to a newspaper interview with CEO Markus Steilemann. However, further details were not disclosed. **BP** CEO Bob Dudley said that the oil company will invest about USD 1.8bn in Egypt this year as the company expects a crude oil price of USD 50-65 a barrel over the next year.

Fixed Income – China ten-year yield at multi-year lows

China's government bond prices rose, hence the yield on ten-year notes fell to the lowest since December 2016, as expectations of further monetary policy easing by the Chinese central bank PBoC helped to strengthen the momentum. As a result, the yield on ten-year government debt fell towards the key 3% level. Analysts broadly argue that the market is increasingly expecting an interest rate cut soon, hence react accordingly in anticipation. The yuan traded stronger on Tuesday morning as investors seem to position for success rather than a failure with regard to this week's trade talks between China and the US, surging small caps prices among Chinese equities could be understood as additional evidence of optimistic expectations.

Equity Indices	Current	YTD (%)
MSCI World	2'021.60	7.31
Dow Jones	25'053.11	7.40
S&P 500	2'709.80	8.10
Nasdaq 100	6'909.19	9.15
Nikkei 225	20'864.21	4.24
SMI	9'068.62	7.58
SLI	1'398.02	7.87
Euro Stoxx 50	3'165.61	5.47
Euro Stoxx 600	361.12	6.95
DAX	11'014.59	4.32
MSCI UK	2'059.55	5.80

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'035.41	7.21
MSCI EM Asia	519.68	7.06
MSCI EM Eastern Europe	164.93	8.41
MSCI EM Latin America	2'809.24	9.48
Brazil IBOVESPA	94'412.91	7.43
Russian Depository Index	1'470.18	13.44
NIFTY Index	10'879.55	0.16
Hang Seng Index	28'144.89	8.90
HSFX Global HF Index	1'216.76	2.26
LPX50 Listed PE TR (EUR)	2'224.29	12.66
BBG NA REITS	295.15	12.69

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.68	-0.01
German Bund 10Y (EUR)	0.12	-0.12
Swiss Government 10Y (CHF)	-0.28	-0.03
United Kingdom 10Y (GBP)	1.18	-0.10
Japan 10Y (JPY)	-0.01	-0.02
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	1.33	-0.22
Global HY Corporate Spread	4.31	-1.01
EM Hard Currency Gov. Spread	2.86	-0.43

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
12.02.	FR	KERING	Y	-
12.02.	CH	TEMENOS AG - REG	Y	1.12
13.02.	CA	BARRICK GOLD CORP	Q4	0.05
13.02.	CH	CLARIANT AG-REG	Y	0.38
13.02.	US	CISCO SYSTEMS INC	Q2	0.72
13.02.	DE	DEUTSCHE BOERSE AG	Y	1.26
13.02.	GB	TULLOW OIL PLC	Y	-
14.02.	FR	AIR LIQUIDE SA	Y	3.55
14.02.	CH	CREDIT SUISSE GROUP AG-REG	Y	0.13
14.02.	US	DUKE ENERGY CORP	Q4	0.89
14.02.	US	COCA-COLA CO/THE	Q4	0.43

Forex

	Current	YTD (%)
EUR/USD	1.1285	-1.59
EUR/CHF	1.1330	0.67
USD/CHF	1.0040	2.23
GBP/CHF	1.2920	3.17
GBP/USD	1.2868	0.89
USD/JPY	110.53	0.77
USD/HKD	7.8482	0.21
USD/SGD	1.3584	-0.33
USD/CNY	6.7775	-1.47
EUR/NOK	9.8170	-0.87
EUR/SEK	10.4808	3.23

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
13.02.	10:30	GB	EU-harm. Consumer Prices (y/y)	Jan	1.95	2.10
13.02.	11:00	EU	Industrial Production (y/y)	Dec	-3.07	-3.30
13.02.	14:30	US	Consumer Prices (m/m)	Jan	0.08	0.00
13.02.	14:30	US	Core Consumer Prices (y/y)	Jan	2.08	2.20
13.02.	14:30	US	Consumer Prices (y/y)	Jan	1.50	1.90
13.02.	14:30	US	Core Consumer Prices (m/m)	Jan	0.20	0.20
14.02.	08:00	DE	GDP (q/q)	4Q P	0.11	-0.20
14.02.	11:00	EU	GDP (q/q)	4Q P	0.19	0.20
14.02.	14:30	US	Producer Prices (y/y)	Jan	2.09	2.50
14.02.	14:30	US	Core Producer Prices (y/y)	Jan	2.50	2.70
14.02.	14:30	US	Retail Sales (m/m)	Dec	0.09	0.20

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	52.60	15.05
Oil Future Brent (USD)	61.81	14.42
Gold-ounce (USD)	1'311.43	2.26
Silver-ounce (USD)	15.79	1.87
Platinum (USD)	790.38	-0.66
Palladium (USD)	1'395.45	10.59
JOC Industrial Metals Index	-	-
S&P GSCI Index Spot Indx	406.27	8.53
Rogers Int. Commodity Index	2'317.97	5.64
BBG Commodity Index	79.82	4.05
Rogers Agriculture TR Index	764.00	0.83

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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