



ECB continues to postpone turnaround

In view of a noticeable weakness in growth, the European Central Bank (ECB) feels compelled to postpone its targeted interest rate turnaround until at least the end of the year. In addition, the central bank will support the economy with renewed injections of liquidity. In its economic projections, the ECB is much more cautious and anticipates weaker economic growth and lower inflation (more on this in today's currency commentary). While China's latest export figures came as a negative surprise – exports slumped by staggering -16.6% in February compared to the same period a year earlier – today's focus on the financial markets is on the monthly US labor market report, which will determine the Federal Reserve's bias. In the UK, a new parliamentary vote on Brexit is scheduled for next week. Prime Minister May will again try to convince the MPs in Westminster of her deal with the EU in order to prevent a disorderly exit from the European Union.

Equities – Kroger shares under pressure as guidance misses

Kroger reported Q4 2018 results with identical-store sales growth of +1.9% matching consensus estimates, but adjusted EPS of USD 0.48 fell short of expectations (USD 0.53). The shares slumped nearly -10% as the provided guidance for 2019 adjusted EPS of USD 2.15-2.25 was clearly below the consensus of USD 2.28. **Ascom** shares advanced +11% after the company published 2018 results, which did not contain any surprises.

Roche has received European approval for "Tecentriq" in combination with "Avastin" and chemotherapy for the treatment **Bayer** has filed for approval of its prostate cancer drug "Darolutamide" in Europe of certain forms of lung cancer. **Deutsche Bank** and **Commerzbank** have resumed talks on a possible merger, according to unconfirmed information. **Iberdrola** shares rose +2.8% after it reached an agreement with the government to extend the life of nuclear plants in Spain by five years.

Currencies – ECB sinks Euro to fresh 2019 lows

Yesterday's ECB meeting and press conference put major pressure on the euro amid a mix of growth forecast reductions and additional monetary stimulus. In a major cut to its growth outlook, the ECB now expects the euro-area economy to expand by a mere +1.1% in 2019, down from an expected +1.7% just three months ago, with ECB President Mario Draghi emphasizing that "the risks surrounding the euro area growth outlook are still tilted to the downside". Against this backdrop, the central bank revived its program offering Targeted Long-Term Financing Operations (TLTROs) which are supposed to stimulate banks credit generation, and ultimately euro zone consumption and growth. Additionally, officials pledged to keep EZ rates at record-low levels throughout 2019, and added a rather defensive outlook for 2020. Against this unexpectedly bearish and dovish ECB stance, the euro's exchange rate dropped 0.80 US-cents to fresh 2019 lows.

Equity Indices	Current	YTD (%)
MSCI World	2'061.41	9.42
Dow Jones	25'473.23	9.20
S&P 500	2'748.93	9.66
Nasdaq 100	7'026.88	11.01
Nikkei 225	21'025.56	5.05
SMI	9'324.58	10.62
SLI	1'437.45	10.92
Euro Stoxx 50	3'308.85	10.24
Euro Stoxx 600	373.88	10.73
DAX	11'517.80	9.08
MSCI UK	2'066.32	6.14

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'043.56	8.05
MSCI EM Asia	530.37	9.27
MSCI EM Eastern Europe	162.35	6.72
MSCI EM Latin America	2'712.58	5.72
Brazil IBOVESPA	94'340.17	7.34
Russian Depository Index	1'437.74	10.93
NIFTY Index	11'034.20	1.58
Hang Seng Index	28'288.25	9.45
HFRI Global HF Index	1'223.70	2.84
LPX50 Listed PE TR (EUR)	2'259.26	14.43
BBG NA REITS	292.06	11.51

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.63	-0.05
German Bund 10Y (EUR)	0.06	-0.18
Swiss Government 10Y (CHF)	-0.33	-0.08
United Kingdom 10Y (GBP)	1.17	-0.11
Japan 10Y (JPY)	-0.03	-0.04
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	1.28	-0.27
Global HY Corporate Spread	4.09	-1.22
EM Hard Currency Gov. Spread	2.82	-0.48

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
12.03.	CH	ARYZTA AG	S1	-
12.03.	CH	GEBERIT AG-REG	Y	2.66
13.03.	DE	ADIDAS AG	Y	0.38
13.03.	DE	E.ON SE	Y	0.12
14.03.	CH	DUFREY AG-REG	Y	0.47
14.03.	CH	GALENICA AG-REG	Y	-
14.03.	DE	DEUTSCHE LUFTHANSA-REG	Y	0.60
14.03.	US	ORACLE CORP	Q3	0.84
15.03.	GB	LINDE PLC	Q4	1.52
20.03.	DE	BAYERISCHE MOTOREN WERKE	Y	1.91
21.03.	IT	ENEL SPA	Y	0.14

Forex

	Current	YTD (%)
EUR/USD	1.1204	-2.29
EUR/CHF	1.1311	0.49
USD/CHF	1.0095	2.79
GBP/CHF	1.3213	5.51
GBP/USD	1.3089	2.63
USD/JPY	111.05	1.24
USD/HKD	7.8499	0.23
USD/SGD	1.3596	-0.24
USD/CNY	6.7221	-2.27
EUR/NOK	9.8599	-0.44
EUR/SEK	10.6067	4.47

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
08.03.	04:17	CN	Exports (y/y)	Feb	-5.24	-20.70
08.03.	04:17	CN	Imports (y/y)	Feb	-0.41	-5.20
08.03.	08:00	DE	Factory Orders (y/y)	Jan	-3.09	-3.90
08.03.	08:45	FR	Industrial Production (y/y)	Jan	0.35	-1.40
08.03.	09:00	ES	Industrial Production (y/y)	Jan	-	-4.20
08.03.	10:00	IT	Industrial Production (y/y)	Jan	-2.97	-5.50
08.03.	14:30	US	Building Permits (m/m)	Jan	-2.95	0.30
08.03.	14:30	US	Housing Starts (y/y)	Jan	10.49	-11.20
08.03.	14:30	US	Average Hourly Earnings (y/y)	Feb	3.33	3.20
08.03.	14:30	US	Non-farm Payrolls	Feb	181.28	304.00
08.03.	14:30	US	Unemployment Rate	Feb	3.86	4.00

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	56.25	22.07
Oil Future Brent (USD)	65.77	21.10
Gold-ounce (USD)	1'292.40	0.77
Silver-ounce (USD)	15.09	-2.63
Platinum (USD)	817.10	2.70
Palladium (USD)	1'522.27	20.64
JOC Industrial Metals Index	-	-
S&P GSCI Index Spot Indx	423.37	13.10
Rogers Int. Commodity Index	2'370.13	8.02
BBG Commodity Index	80.38	4.77
Rogers Agriculture TR Index	739.48	-2.40

Topics LGT looks at

Topics	Description	Publication Type	Published
Consolidation in the Swiss telecom market	The takeover of UPC Switzerland by Sunrise represents a consolidation of the Swiss telecom market.	Market News	28.02.2019
Asset Allocation PBE	In our monthly publication, we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	27.02.2019
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

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