



New highs after economic data remains solid

Major U.S. equity markets reached new all-time highs on Wall Street following a set of mostly better-than-expected economic data. Following the earlier release of the New York Fed Empire State index which pointed to an improvement in manufacturing, the Federal Reserve Bank of Philadelphia's survey, published yesterday, also signaled a stronger growth trend in the regional industry sector. At 43.3 points, the Philly Fed manufacturing indicator reached the highest level since 1983. At the same time, U.S. building permits – a leading indicator for the real estate market – increased at a stronger-than-anticipated +4.6% pace (consensus +0.2%). In Europe, the European Central Bank (ECB) emphasized that no clear signs of a broader increase in inflation pressures are seen. According to the central bank, higher inflation at the end of 2016 was based more or less on base effects from energy prices.

Equity – Allianz convinces all along the line

German insurance group **Allianz** delivered strong figures for the final quarter of 2016. While premiums continued to grow, operating profit increased to EUR 2.8bn, helped by a low natural catastrophe loss. In addition to an increase in the ordinary dividend by EUR 0.30 to EUR 7.60 per share, the company plans to repurchase shares worth EUR 3.0bn within the next twelve months. **Hugo Boss** shares rose about +6.5% in Frankfurt, after rumors circulated that the big investor Albert Frere should have bought a stake. Shares of British biopharmaceutical group **Shire** closed nearly +4.0% higher after the company had presented its figures yesterday afternoon. Shire has slightly surpassed the market expectations with its annual result and the outlook is positive. The **Roche** subsidiary Chugai has applied for approval of the lung cancer drug "Atezolizumab" in Japan.

Fixed Income –Riksbank stays dovish in spite of domestic recovery

The Swedish Riksbank left its key repo rate unchanged at -0.5% where it had been since February 2016. Although this was largely expected by economists, the SEK lost slightly as the wording around the decision was pretty dovish. The Riksbank commented that they view it more likely that the next rate move will be a cut rather than a hike, leaving SEK bulls disappointed. Governor Stefan Ingves named uncertainty abroad as the main reason for keeping such a pessimistic rate path in spite of the improving domestic economy: Swedish inflation recovered to close below the 2% target lately, growth lies around 3 percent, unemployment stands at an eight-year low and economic confidence is at its highest level in more than five years. Yet, in the face of global risk factors and the fact that inflation forecasts might still be missed due to recent SEK strength, the Riksbank projects "slow increases" in rates that "will not begin until early 2018," sticking to language they used in December.

Equity Indices	Current	YTD (%)
MSCI World	1'836.56	4.87
Dow Jones	20'619.77	4.34
S&P 500	2'347.22	4.84
Nasdaq 100	5'300.64	8.99
Nikkei 225	19'234.62	0.63
SMI	8'467.52	3.01
SLI	1'347.42	3.83
Euro Stoxx 50	3'311.04	0.62
Euro Stoxx 600	370.10	2.40
DAX	11'757.24	2.41

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	945.62	9.67
MSCI EM Asia	459.98	9.79
MSCI EM Eastern Europe	152.63	4.02
MSCI EM Latin America	2'662.32	13.74
Brazil IBOVESPA	67'814.24	12.60
Russian Depository Index	1'405.27	-2.59
NIFTY Index	8'850.30	8.12
Hang Seng Index	23'990.83	9.05
HFRI Global HF Index	1'225.53	1.83
LPX50 Listed PE TR (EUR)	2'110.36	6.24
BBG NA REITS	279.56	1.76

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.46	0.01
German Bund 10Y (EUR)	0.36	0.16
Swiss Government 10Y (CHF)	-0.10	0.08
United Kingdom 10Y (GBP)	1.26	0.02
Japan 10Y (JPY)	0.09	0.05
Fed Funds Rate	0.50	0.00
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.20	-0.05
Global HY Corporate Spread	3.68	-0.41
EM Hard Currency Gov. Spread	2.57	-0.32

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
17.02.	US	DEERE & CO	Q1	0.55
21.02.	AU	BHP BILLITON PLC	S1	0.53
21.02.	US	HOME DEPOT INC	Q4	1.33
21.02.	GB	HSBC HOLDINGS PLC	Y	0.07
21.02.	IE	MEDTRONIC PLC	Q3	1.11
21.02.	US	WAL-MART STORES INC	Q4	1.29
22.02.	DE	BAYER AG-REG	Y	1.27
22.02.	DE	FRESENIUS SE & CO KGAA	Y	0.79
22.02.	GB	LLOYDS BANKING GROUP PLC	Y	0.01
22.02.	CH	TRANSOCEAN LTD	Q4	0.05
23.02.	GB	BARCLAYS PLC	Y	0.02

Forex

	Current	YTD (%)
EUR/USD	1.0671	1.46
EUR/CHF	1.0646	-0.70
USD/CHF	0.9977	-2.09
GBP/CHF	1.2468	-0.91
GBP/USD	1.2497	1.27
USD/JPY	113.35	-3.09
USD/HKD	7.7604	0.06
USD/SGD	1.4168	-2.07
USD/CNY	6.8671	-1.12
EUR/NOK	8.8398	-2.72
EUR/SEK	9.4508	-1.30

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
17.02.	10:30	GB	Retail Sales (y/y)	Jan	3.27	4.30
17.02.	16:00	US	Conference Board US Leading Indica-	Jan	0.50	0.50
20.02.	08:00	DE	Producer Prices (y/y)	Jan	1.60	1.00
20.02.	16:00	EU	Consumer Confidence index	Feb A	-4.80	-4.90
21.02.	08:00	CH	Exports (m/m)	Jan	-	9.90
21.02.	08:00	CH	Imports (m/m)	Jan	-	-0.80
21.02.	08:45	FR	EU Harmonised Consumer Prices (y/y)	Jan F	-	1.60
21.02.	09:00	FR	Markit Composite PMI	Feb P	-	54.10
21.02.	09:30	DE	Markit Composite PMI	Feb P	54.80	54.80
21.02.	10:00	EU	Markit Composite PMI	Feb P	54.30	54.40
21.02.	10:00	EU	Markit Manufacturing PMI	Feb P	55.00	55.20

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	53.45	-2.21
Oil Future Brent (USD)	55.77	-2.99
Gold-ounce (USD)	1'238.26	7.91
Silver-ounce (USD)	18.06	13.41
Platinum (USD)	1'013.16	12.19
Palladium (USD)	789.52	15.94
JOC Industrial Metals Index	109.48	7.53
S&P GSCI Index Spot Indx	403.71	1.38
Rogers Int. Commodity Index	2'347.13	1.90
BBG Commodity Index	88.18	0.76
Rogers Agriculture TR Index	884.79	5.21

Topics LGT looks at

Topics	Description	Publication Type	Published
Nestlé 2016 results	Nestlé shares under pressure after annual earnings missed market expectations. New medium-term targets seem realistic and we are optimistic that the new CEO will achieve a turnaround.	Market News	16.02.2017
Medium-term outlook for gold remains positive	Following the post-electoral weakness, gold could shine not only due to the risk diversification contribution. Demographic and production cycles as well as an ultra-low risk perception and an aligned market positioning should support the gold price in the long term.	Investment Idea	14.02.2017
Cars – Made in Germany	In this investment idea our equity specialists give an assessment of the automobile sector and preferences among the three German car makers: Daimler, Volkswagen and BMW.	Investment Idea	10.02.2017
Advantage Roche	Roche presented solid results and intact growth prospects, while investors need patience with Novartis.	Investment Idea	01.02.2017
Actelion	In this investment idea we are discussing the consequences of Johnson & Johnson's takeover bid for Actelion. The planned acquisition provides clarity and a failure of the takeover offer seems unlikely. However, every acquisition bares residual risks.	Investment Idea	30.01.2017

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