



## Asian stocks start the week on a positive tone

Japan's exports rose +14.9% in May, in line with estimates, while imports showed a stronger-than-anticipated gain of +17.8%. European stock indices benefitted from an agreement between creditors and Greece to release EUR 8.5bn in loans for the Greek government, extending the country's bailout. In France, President Emmanuel Macron secured the biggest legislative majority in 15 years. At the same time, U.S. economic data, as well as a rout in retail sector shares clouded sentiment on Wall Street. According to preliminary survey results of the University Michigan American consumers were less optimistic in June, as the consumer confidence index declined to 94.5 from 97.1. Additionally latest data from the U.S. housing market disappointed, as building permits and housing starts dropped significantly. In the Eurozone, inflation pressure eased in May, as consumer prices rose at an annual rate of +1.4% compared to +1.9% in the previous month.

## Equity – Amazon stirs up retail sector

**Amazon** announced on Friday to acquire organic-food chain **Whole Foods Market** for USD 42 per share in an all-cash transaction, which corresponds to a premium of 27% vs. its previous closing price and values the company at CHF 13.7bn including its net debt. This marks the biggest transaction ever for the e-commerce giant and its most aggressive move yet to get into the world of brick-and-mortar stores as well as groceries. While the share price of Amazon increased +3.3% on Friday, grocery stocks came under heavy pressure. Shares of the world's biggest retailer **Wal-Mart** ended -4.65% lower on Friday, while **Kroger** closed with a loss of -9.24%, and **Ahold Delhaize** ended the week -9.53% in the red. Swiss pharmaceutical group **Novartis** has been granted regulatory approval in Europe for the rituxan biosimilar "Rixathon" for the treatment of blood cancer and immunological diseases.

## Fixed Income – Russian central bank acts moderate

Russian borrowing costs climbed to a two-month high on Friday after the central bank said it will maintain "moderately tight" monetary easing and may pause rate cuts for several meetings. The yield on Russian ruble government bonds climbed nine basis points to 7.97%, the highest level since April 19. The lender cut its benchmark rate by 25 basis points to 9.0%, a smaller reduction than many in the market had forecast. This implies, that officials seem relatively confident with the current pace of both, economic growth dynamics and running inflation. Consequently, the Russian ruble might be considered more attractive since the yield advantage over other, in particular hard currencies should remain higher than previously expected.

Equity Indices	Current	YTD (%)
MSCI World	1'923.24	9.82
Dow Jones	21'384.28	8.21
S&P 500	2'433.15	8.68
Nasdaq 100	5'681.48	16.82
Nikkei 225	20'058.02	4.94
SMI	8'963.29	9.04
SLI	1'417.73	9.25
Euro Stoxx 50	3'543.88	7.70
Euro Stoxx 600	388.60	7.52
DAX	12'752.73	11.08
MSCI UK	2'168.88	4.40

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'003.12	16.33
MSCI EM Asia	506.68	20.94
MSCI EM Eastern Europe	139.94	-4.63
MSCI EM Latin America	2'534.06	8.26
Brazil IBOVESPA	61'626.41	2.32
Russian Depository Index	1'137.34	-21.16
NIFTY Index	9'624.40	17.57
Hang Seng Index	25'881.02	17.64
HSFX Global HF Index	1'231.66	2.34
LFX50 Listed PE TR (EUR)	2'182.10	9.86
BBG NA REITS	287.39	4.61

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.16	-0.29
German Bund 10Y (EUR)	0.28	0.07
Swiss Government 10Y (CHF)	-0.15	0.04
United Kingdom 10Y (GBP)	1.02	-0.22
Japan 10Y (JPY)	0.06	0.02
Fed Funds Rate	1.00	0.50
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.13	-0.12
Global HY Corporate Spread	3.52	-0.57
EM Hard Currency Gov. Spread	2.53	-0.35

## Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
21.06.	US	ORACLE CORP	Q4	0.78
28.06.	US	MONSANTO CO	Q3	1.78
29.06.	US	NIKE INC -CL B	Q4	0.50
14.07.	US	CITIGROUP INC	Q2	1.24
14.07.	US	JPMORGAN CHASE & CO	Q2	1.61
17.07.	CH	GIVAUDAN-REG	S1	40.00
17.07.	CH	SGS SA-REG	S1	-
18.07.	US	BANK OF AMERICA CORP	Q2	0.45
18.07.	US	GOLDMAN SACHS GROUP INC	Q2	3.86
18.07.	US	INTL BUSINESS MACHINES CORP	Q2	2.76
18.07.	US	JOHNSON & JOHNSON	Q2	1.79

## Forex

	Current	YTD (%)
EUR/USD	1.1195	6.45
EUR/CHF	1.0903	1.70
USD/CHF	0.9739	-4.43
GBP/CHF	1.2441	-1.12
GBP/USD	1.2775	3.53
USD/JPY	110.94	-5.15
USD/HKD	7.7981	0.54
USD/SGD	1.3827	-4.43
USD/CNY	6.8115	-1.92
EUR/NOK	9.4583	4.08
EUR/SEK	9.7464	1.79

## Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
20.06.	08:00	DE	Producer Prices (y/y)	May	2.90	3.40
21.06.	16:00	US	Existing Homes Sales (m/m)	May	-0.43	-2.28
21.06.	16:00	US	Existing Homes Sales (y/y)	May	5.55	5.57
22.06.	08:00	CH	Exports (m/m)	May	-	-2.50
22.06.	08:00	CH	Imports (m/m)	May	-	2.60
22.06.	08:45	FR	Business Confidence	Jun	105.00	105.00
22.06.	14:30	US	Initial Jobless Claims (thousands)	17.	239.	237.00
22.06.	15:00	US	FHFA US House Price Index	Apr	0.50	0.60
22.06.	16:00	EU	Consumer Confidence index	Jun A	-3.10	-3.30
22.06.	16:00	US	Conference Board US Leading Indica-	May	0.30	0.30
23.06.	08:45	FR	GDP (q/q)	1Q F	0.40	0.40

## Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	44.62	-21.39
Oil Future Brent (USD)	47.24	-19.69
Gold-ounce (USD)	1'252.53	9.15
Silver-ounce (USD)	16.65	4.56
Platinum (USD)	928.03	2.76
Palladium (USD)	869.32	27.66
JOC Industrial Metals Index	104.00	2.15
S&P GSCI Index Spot Indx	364.17	-8.55
Rogers Int. Commodity Index	2'127.78	-7.62
BBG Commodity Index	81.10	-7.33
Rogers Agriculture TR Index	841.45	0.06

## Topics LGT looks at

Topics	Description	Publication Type	Published
Monthly Asset Allocation June 2017	Following the elections in Europe, markets focus on the corporate earnings season and the Fed's monetary policy bias. In the run-up to the next earnings season we expect a consolidation regarding broad stock markets. Reduction of high-yield bonds in favor of emerging markets local currency bonds.	Asset Allocation Private Banking Europe	14.06.2017
Tories lose majority in UK snap elections	Theresa May's plan to solidify her negotiation stance has backfired considerably. The government forming without majorities increases insecurities. We expect the unfavorable election outcome to further dampen U.K. growth prospects.	Market News	09.06.2017
Qatar diplomatic crisis	Increasing diplomatic tensions between Gulf Nations and Qatar escalated. So far we see limited economic risks to Qatar, but financial market volatility will probably stay elevated in the near-term.	Market News	06.06.2017
LGT Dividenden Selection Europa Update	Our selection of attractive dividend investments in the current low-interest environment contains ten European names (ex-Switzerland) which we regard as long-term attractive dividend stories.	Investment Idea	29.05.2017

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