



## Electric cars in focus of German Motor Show

On the eve of the opening of the 67. International Motor Show (IAA) many European carmakers announced plans to accelerate their shift to electric cars, after the diesel scandal started to unfold two years ago and battery technology was significantly improved. On Wednesday the EU car industry lobby offered to further cut CO2 emissions. EU auto suppliers, on the other hand, warn that the focus on electric cars risks handing jobs to China. China's economy itself just experienced further cooling in August with industrial production growing at a lower-than-expected pace of +6.0% year-on-year, the slowest industrial growth pace year-to-date. Driven by a surge in the cost of gasoline, the US producer prices rose for the first time since April by +2.4% year-on-year (consensus +2.5%) in August, announced the US Department of Labor on Wednesday. The weak inflation foils the Fed's plans to increase interest rates.

## Equity – Munich Re publishes profit warning

Although the magnitude of the hurricane losses from “Harvey” and “Irma” cannot yet be quantified, **Munich Re** publishes a profit warning as the projected full-year earnings target between EUR 2.0-2.4bn is most likely out of reach. **Swiss Life** has been contacted by the US Department of Justice (DOJ) regarding its cross border business with US customers. The life insurer would like to use the opportunity for dialogue and explain its past cross-border business in cooperation with the US authorities. **Adecco** acquires the US company BioBridges, which specializes in the support of highly qualified healthcare professionals. Annual sales are USD 35m. A purchase price was not mentioned. The **Novartis** subsidiary Sandoz has presented new efficacy and safety data for the biosimilar “adalimumab” for the treatment of moderate to severe psoriasis. The drug is currently being reviewed for approval in Europe.

## Fixed Income – Hike probability again on the rise

Bets on another Federal Reserve rate hike this year are gaining favor after being all but abandoned a few days ago. Eurodollar futures, among the most sensitive financial instruments to Fed speculation, show some traders have concluded that wagers on additional tightening in 2017 are too cheap to pass up. Last week, the market-implied odds of another rate increase by year-end plunged below 25 percent, and at one point fed funds futures didn't fully price in another hike until 2019. Now, traders see the probability of one more hike in 2017 at about 40 percent. That turn in sentiment was triggered by renewed evidence that the global deflation trade may be alive and well, with China and the United Kingdom. reporting unexpectedly strong inflation data.

Equity Indices	Current	YTD (%)
MSCI World	1'986.74	13.45
Dow Jones	22'158.18	12.12
S&P 500	2'498.37	11.59
Nasdaq 100	6'004.38	23.45
Nikkei 225	19'816.06	3.67
SMI	9'053.83	10.15
SLI	1'452.81	11.95
Euro Stoxx 50	3'523.14	7.07
Euro Stoxx 600	381.34	5.51
DAX	12'553.57	9.34
MSCI UK	2'143.36	3.17

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'099.46	27.51
MSCI EM Asia	550.73	31.45
MSCI EM Eastern Europe	158.25	7.85
MSCI EM Latin America	2'956.77	26.32
Brazil IBOVESPA	74'787.57	24.18
Russian Depository Index	1'234.75	-14.41
NIFTY Index	10'098.25	23.36
Hang Seng Index	27'735.37	26.07
HFRI Global HF Index	1'253.25	4.14
LPX50 Listed PE TR (EUR)	2'116.82	6.57
BBG NA REITS	286.98	4.46

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.19	-0.26
German Bund 10Y (EUR)	0.40	0.19
Swiss Government 10Y (CHF)	-0.09	0.10
United Kingdom 10Y (GBP)	1.15	-0.09
Japan 10Y (JPY)	0.04	-0.01
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	1.09	-0.16
Global HY Corporate Spread	3.49	-0.60
EM Hard Currency Gov. Spread	2.38	-0.50

## Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
14.09.	US	ORACLE CORP	Q1	0.60
25.09.	CH	ARYZTA AG	Y	-
26.09.	US	NIKE INC -CL B	Q1	0.48
04.10.	US	MONSANTO CO	Q4	-0.41
12.10.	US	CITIGROUP INC	Q3	1.29
12.10.	US	JPMORGAN CHASE & CO	Q3	1.67
13.10.	US	BANK OF AMERICA CORP	Q3	0.47
16.10.	CH	KUEHNE + NAGEL INTL AG-REG	Q3	1.65
17.10.	US	GOLDMAN SACHS GROUP INC	Q3	4.20
17.10.	US	INTL BUSINESS MACHINES CORP	Q3	3.28
17.10.	US	JOHNSON & JOHNSON	Q3	1.80

## Forex

	Current	YTD (%)
EUR/USD	1.1873	12.89
EUR/CHF	1.1451	6.81
USD/CHF	0.9644	-5.36
GBP/CHF	1.2732	1.19
GBP/USD	1.3201	6.98
USD/JPY	110.50	-5.52
USD/HKD	7.8119	0.72
USD/SGD	1.3509	-6.63
USD/CNY	6.5452	-5.76
EUR/NOK	9.3691	3.10
EUR/SEK	9.5474	-0.29

## Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
14.09.	04:00	CN	Retail Sales (y/y)	Aug	10.43	10.10
14.09.	08:00	-	EU 27 Car Registrations	Aug	-	2.10
14.09.	08:45	FR	EU Harmonised Consumer Prices (y/y)	Aug F	1.00	1.00
14.09.	10:00	IT	EU harm. Consumer Prices (y/y)	Aug F	1.40	1.40
14.09.	13:00	GB	Bank of England Asset Purchase	Sep	435.00	435.00
14.09.	13:00	GB	Bank of England Bank Rate	14.	0.25	0.25
14.09.	14:30	US	Core Consumer Prices (y/y)	Aug	1.60	1.70
14.09.	14:30	US	Consumer Prices (y/y)	Aug	1.83	1.70
14.09.	14:30	US	Initial Jobless Claims (thousands)	09.	310.	298.00
15.09.	11:00	EU	Trade Balance (s.a.)	Jul	21.27	22'285
15.09.	14:30	US	NY Fed Empire State Manufacturing	Sep	17.69	25.20

## Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	49.20	-13.73
Oil Future Brent (USD)	55.02	-6.38
Gold-ounce (USD)	1'321.08	15.13
Silver-ounce (USD)	17.69	11.08
Platinum (USD)	978.19	8.31
Palladium (USD)	941.41	38.25
JOC Industrial Metals Index	117.25	15.17
S&P GSCI Index Spot Indx	392.41	-1.45
Rogers Int. Commodity Index	2'258.87	-1.93
BBG Commodity Index	84.92	-2.97
Rogers Agriculture TR Index	812.10	-3.43

## Topics LGT looks at

Topics	Description	Publication Type	Published
Monthly Asset Allocation September 2017	In our monthly publication we are presenting our asset allocation for the current month.	Monthly Asset Allocation Private Banking Europe	13.09.2017
Reinsurers in the eye of the storm	Given the major damage from hurricane Harvey in Texas and the approaching hurricane Irma we are discussing the possible impact on reinsurances in our equity universe.	Market News	07.09.2017
German national election: Merkel – who else?	In this publication we assess the upcoming national election in Germany, including three possible scenarios for election results and their respective market implications.	Market News	30.08.2017
LGT Dividend Selection Europe	In this publication we are focussing on European names which we regard as long-term attractive dividend stories.	Investment Idea	25.08.2017
What is currently driving the EUR, USD and CHF?	In this Market News our foreign exchange analyst gives his assessment of current moves in the FX markets with a focus on Euro, U.S. dollar, and the Swiss franc.	Market News	03.08.2017

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#### Impressum

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