



## Initial US tax reform euphoria disappeared

The initial euphoria about the planned US tax reform seems to have disappeared for the time being. Investors are now increasingly concerned about the negative effects of financing and the possibility that the massive tax cuts could force the Fed to step up the pace of interest rate hikes provided for a sustained short-term consolidation phase in the stock markets. In addition, the US debt ceiling is coming back into focus after the budget dispute was temporarily postponed at the beginning of September thanks to the agreement on interim financing. Yesterday's report by the private employment service provider ADP provided a first indication of the eagerly awaited US labor market statistics on Friday. According to this study, American companies hired more staff in November than they had anticipated, thus confirming their expectation of an interest rate hike next week. Meanwhile, Canada's central bank left its key rate unchanged at 1.0%.

## Equity – Aryzta expects dividend from Picard notes sale

Battered Swiss bakery group **Aryzta** expects dividends from the 49% Picard stake. The French frozen food manufacturer intends to borrow EUR 1.5bn, whereof EUR 110m is planned to be distributed to the shareholders.

**Roche** has submitted positive Phase III data on its hemorrhagic drug "Helimbra". Treatment with the drug seems to control bleeding in hemophilia patients when given once every four weeks. **Citigroup** expects to take a non-cash charge of USD 20bn if the planned US tax reform get implemented, mainly due to write-downs on deferred tax assets. **JPMorgan** CFO Marianne Lake expects revenues in fixed income and equities to be down 15% in Q4 due to low market activities. The Taiwanese government signed a memorandum of understanding with **Microsoft** on artificial intelligence (AI) development.

## Fixed Income – Steinhoff bond rout hits ECB

A sell-off in Dutch retail group Steinhoff International Holdings NV debt amid financial irregularities snagged a notable bondholder – the European Central Bank (ECB). Notes issued by a Steinhoff unit plunged as much as 41 cents on the euro to 42 cents after the retailer delayed its earnings and announced the departure of its chief executive officer. The ECB owns some of the January 2025 bonds. The Steinhoff notes are among the about EUR 129bn of corporate debt bought by the ECB since June 2016 as part of efforts to spur the euro zone economy. The central bank has limited its risk by only acquiring investment-grade notes. There's no obligation for bonds to be sold if they're downgraded to junk, according to published guidelines.

Equity Indices	Current	YTD (%)
MSCI World	2'058.22	17.53
Dow Jones	24'140.91	22.15
S&P 500	2'629.27	17.44
Nasdaq 100	6'293.05	29.39
Nikkei 225	22'498.03	17.70
SMI	9'309.99	13.26
SLI	1'491.54	14.94
Euro Stoxx 50	3'561.57	8.24
Euro Stoxx 600	386.32	6.89
DAX	12'998.85	13.22
MSCI UK	2'129.29	2.50

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'101.20	27.71
MSCI EM Asia	559.77	33.61
MSCI EM Eastern Europe	160.27	9.23
MSCI EM Latin America	2'739.98	17.06
Brazil IBOVESPA	73'268.35	21.65
Russian Depository Index	1'289.36	-10.63
NIFTY Index	10'106.00	23.46
Hang Seng Index	28'287.69	28.58
HSRX Global HF Index	1'262.25	4.89
LPX50 Listed PE TR (EUR)	2'151.69	8.32
BBG NA REITS	285.80	4.03

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.34	-0.10
German Bund 10Y (EUR)	0.30	0.09
Swiss Government 10Y (CHF)	-0.17	0.02
United Kingdom 10Y (GBP)	1.23	-0.01
Japan 10Y (JPY)	0.06	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	0.97	-0.28
Global HY Corporate Spread	3.38	-0.71
EM Hard Currency Gov. Spread	2.23	-0.65

## Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
14.12.	US	ORACLE CORP	Q2	0.68
21.12.	US	NIKE INC -CL B	Q2	0.40
04.01.	US	MARRIOTT INTERNATIONAL -CL A	Q4	1.00
04.01.	US	MONSANTO CO	Q1	0.40
09.01.	US	AMGEN INC	Q4	3.03
10.01.	US	AFLAC INC	Q4	1.56
10.01.	US	BRISTOL-MYERS SQUIBB CO	Q4	0.67
12.01.	US	JPMORGAN CHASE & CO	Q4	1.70
16.01.	US	CITIGROUP INC	Q4	1.26
17.01.	US	ALCOA CORP	Q4	1.26
17.01.	NL	ASML HOLDING NV	Y	1.15

## Forex

	Current	YTD (%)
EUR/USD	1.1789	12.09
EUR/CHF	1.1683	8.97
USD/CHF	0.9910	-2.75
GBP/CHF	1.3253	5.33
GBP/USD	1.3373	8.37
USD/JPY	112.59	-3.74
USD/HKD	7.8123	0.73
USD/SGD	1.3491	-6.75
USD/CNY	6.6158	-4.74
EUR/NOK	9.7638	7.44
EUR/SEK	9.9445	3.86

## Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
07.12.	08:00	DE	Industrial Production (y/y)	Oct	-	3.60
07.12.	11:00	EU	GDP (q/q)	3Q F	-	0.60
07.12.	14:30	US	Initial Jobless Claims (thousands)	12Dec	239	238
08.12.	08:00	DE	Exports (m/m)	Oct	-	-0.40
08.12.	08:00	DE	Imports (m/m)	Oct	-	-1.10
08.12.	08:00	DE	Trade Balance (n.s.a.)	Oct	-	24.10
08.12.	08:45	FR	Industrial Production (y/y)	Oct	-	3.20
08.12.	10:30	GB	Industrial Production (y/y)	Oct	-	2.50
08.12.	14:30	US	Underemployment Rate	Nov	-	7.90
08.12.	14:30	US	Average Hourly Earnings (m/m)	Nov	-	0.00
08.12.	14:30	US	Average Hourly Earnings (y/y)	Nov	-	2.40

## Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	55.96	-1.81
Oil Future Brent (USD)	61.28	4.56
Gold-ounce (USD)	1'257.39	9.58
Silver-ounce (USD)	15.89	-0.23
Platinum (USD)	898.80	-0.48
Palladium (USD)	996.89	46.39
JOC Industrial Metals Index	114.44	12.41
S&P GSCI Index Spot Indx	414.64	4.13
Rogers Int. Commodity Index	2'299.80	-0.16
BBG Commodity Index	83.95	-4.07
Rogers Agriculture TR Index	801.92	-4.64

## Topics LGT looks at

Topics	Description	Publication Type	Published
Commodities offer an attractive diversifying opportunity	In this investment idea our fixed income analysts highlight the aspects of commodities as an attractive diversifying opportunity.	Investment Idea	30.11.2017
LGT Dividend Selection Switzerland	The LGT Dividend Selection offers attractive dividend investments in a continued low-interest environment. Our selection contains ten Swiss names which we regard as long-term attractive dividend stories.	Investment Idea	29.11.2017
Global Brands	Strong brands retain customers, realize price premiums and simplify the launch of new products. Companies with strong brands proved to be good investments in the past and outperformed the market. We highlight our ten favorite buy-rated stocks in the global brands universe and offer an attractive fund solution.	Investment Idea	15.11.2017
GE strategy update fails to convince investors	General Electric CEO John Flannery gave a long awaited strategy assessment after disappointing Q3 earnings. Dividends are cut in half, guidance reductions were announced and several company parts will be sold. The update fails to answer all question on how a turnaround in Power can be achieved.	Market News	14.11.2017
Biopharma Champions 2018	In this investment idea our equity specialist present their view on the healthcare sector with a focus on biopharma stocks.	Investment Idea	25.10.2017

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#### Impressum

Published by: LGT Bank (Switzerland) Ltd., Glärnischstrasse 36, CH-8027 Zuerich

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Sources: Bloomberg, LGT Bank (Switzerland) Ltd.