



## Investors take cover

The Asian stock markets have accelerated their slide today after the arrest of the CFO of the Chinese smartphone manufacturer Huawei in Canada at the behest of the US. This step could contribute to an escalation of the trade conflict. Investors remain cautious at midweek anyway, and given the absence of U.S. stock exchanges due to the funeral of former President Bush, the momentum was lacking. In addition, the relentless Brexit debate in the British parliament has led to increased nervousness that Britain could still leave the EU in an unregulated manner. Italy's debt budget is also a cause for concern, even if Rome now wants to present a new draft budget. According to the survey results by research firm IHS Markit, corporate sentiment in the euro zone has deteriorated further. The combined purchasing managers' index fell to its lowest level in around two years. The euro area is still in a growth dip, commented Markit chief economist Chris Williams.

## Equities – Georg Fischer reduces presence in iron casting segment

Industrial group **Georg Fischer** is selling two iron foundries of its Casting Solutions Division in Germany to its management. Together, the two units generated sales of around CHF 620m. The company is thus reducing its presence in iron casting and justifying this with the trend in the automotive industry towards lighter vehicles. The parties have agreed not to disclose the selling price. Swiss technology company **Ascom** has received approval from the US Medicines Agency for its Digistat Smart Central clinical software. It is used in patient monitors, infusion pumps and fans. The development strengthens and differentiates the Ascom Healthcare Platform in the US. **Citigroup** CFO John Gerspach was cautious about his company's profitability target at an investor conference. Weak trading in currencies and fixed income bonds weighed on trading revenues. **Marriott** is investigating the hack of personal data of guests on its system.

## Fixed Income – German yield curve bull flatten

Since the beginning of the year, the EUR term structure has been flattening. While the two-year yield has been barely moving, the ten-year yield is now down to 27bp. Thus, the curve has flattened from 106bp to 88bp while headline inflation is up from 1.4% to a level of 2%. Real yield now being around -1.73% for ten years marks the lowest point ever observed since the inception of the monetary union. The market clearly anticipates inflation going lower due to falling energy prices as of lately with oil trading lower than at the beginning of the year. However, gas prices have been increasing since September as temperatures has been lower than expected. Market participants also hedge themselves against waning market liquidity in December and further political head winds.

Equity Indices	Current	YTD (%)
MSCI World	2'008.63	-4.51
Dow Jones	25'027.07	1.25
S&P 500	2'700.06	0.99
Nasdaq 100	6'795.21	6.23
Nikkei 225	21'501.62	-5.55
SMI	8'939.96	-4.71
SLI	1'377.32	-9.26
Euro Stoxx 50	3'150.27	-10.09
Euro Stoxx 600	354.27	-8.97
DAX	11'200.24	-13.29
MSCI UK	2'005.92	-9.97

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'001.91	-13.51
MSCI EM Asia	505.44	-13.87
MSCI EM Eastern Europe	160.97	-2.79
MSCI EM Latin America	2'598.40	-8.12
Brazil IBOVESPA	89'039.79	16.54
Russian Depository Index	1'398.18	8.89
NIFTY Index	10'649.75	1.13
Hang Seng Index	26'036.58	-12.98
HFRI Global HF Index	1'216.39	-4.64
LPX50 Listed PE TR (EUR)	2'149.11	-1.75
BBG NA REITS	283.54	-1.15

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.89	0.49
German Bund 10Y (EUR)	0.26	-0.17
Swiss Government 10Y (CHF)	-0.14	0.01
United Kingdom 10Y (GBP)	1.32	0.13
Japan 10Y (JPY)	0.06	0.01
Fed Funds Rate	2.00	0.75
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.46	0.52
Global HY Corporate Spread	4.51	1.18
EM Hard Currency Gov. Spread	3.13	0.97

## Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
06.12.	US	KROGER CO	Q3	0.43
17.12.	US	ORACLE CORP	Q2	0.78
20.12.	US	NIKE INC -CL B	Q2	0.46
14.01.	US	CITIGROUP INC	Q4	1.64
15.01.	US	JPMORGAN CHASE & CO	Q4	2.28
16.01.	US	ALCOA CORP	Q4	0.76
16.01.	US	BANK OF AMERICA CORP	Q4	0.65
16.01.	US	GOLDMAN SACHS GROUP INC	Q4	6.25
17.01.	US	AMERICAN EXPRESS CO	Q4	1.79
17.01.	US	PROCTER & GAMBLE CO/THE	Q2	1.20
18.01.	US	SCHLUMBERGER LTD	Q4	0.40

## Forex

	Current	YTD (%)
EUR/USD	1.1330	-5.62
EUR/CHF	1.1304	-3.41
USD/CHF	0.9977	2.40
GBP/CHF	1.2682	-3.69
GBP/USD	1.2711	-5.94
USD/JPY	112.88	0.17
USD/HKD	7.8128	-0.02
USD/SGD	1.3714	2.65
USD/CNY	6.8863	5.83
EUR/NOK	9.6745	-1.71
EUR/SEK	10.1981	3.70

## Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
06.12.	08:00	DE	Factory Orders (y/y)	Oct	-3.10	-2.70
06.12.	14:15	US	ADP Employment Report	Nov	193.40	227.40
06.12.	14:30	US	Initial Jobless Claims (thousands)	12.	224.	234.00
06.12.	14:30	US	Unit Labor Costs	3Q F	1.04	1.20
06.12.	14:30	US	Non-farm Productivity (q/q)	3Q F	2.33	2.20
06.12.	14:30	US	Trade Balance	Oct	-54.84	-54.02
06.12.	15:45	US	Markit Composite PMI	Nov F	-	54.40
06.12.	15:45	US	Markit Services PMI	Nov F	54.39	54.40
06.12.	16:00	US	Durable Goods New Orders (m/m)	Oct F	-2.00	-4.40
06.12.	16:00	US	Factory Orders (m/m)	Oct	-1.89	0.70
06.12.	16:00	US	ISM Non-Manufacturing PMI	Nov	59.09	60.30

## Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	52.24	-9.54
Oil Future Brent (USD)	60.91	-3.29
Gold-ounce (USD)	1'236.03	-5.13
Silver-ounce (USD)	14.40	-14.97
Platinum (USD)	793.34	-14.53
Palladium (USD)	1'238.60	16.46
JOC Industrial Metals Index	-	-
S&P GSCI Index Spot Indx	415.75	-6.03
Rogers Int. Commodity Index	2'370.36	-1.89
BBG Commodity Index	82.99	-5.87
Rogers Agriculture TR Index	780.59	-3.13

## Topics LGT looks at

Topics	Description	Publication Type	Published
LGT Dividend Selection Switzerland & Europe	We present our approach and the current selection of attractive Swiss and European dividend stocks.	Investment Idea	28.11.2018
LGT Equity Top Picks	In our Equity Top Picks selection, we have replaced three stocks.	Investment Idea	27.11.2018
Centrica	The UK utility group Centrica has cut its full-year guidance due to outages in its production units.	Market News	22.11.2018
Renault	Renault shares under pressure after the arrest of CEO & Chairman Carlos Ghosn.	Market News	19.11.2018
Brexit woes	Brexit draft plunges May into new crisis as parliament majority highly uncertain and ministers resign. Markets will be in a hot phase at least until the EU summit on November 25, as the situation remains extremely fluid.	Market News	15.11.2018

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