



Persistent uncertainties increase volatility

The negative sentiment on the stock markets accentuated yesterday and prices were under massive pressure in view of continuing uncertainties, especially with regard to the trade conflict. As a result, the leading indices worldwide collapsed, but Wall Street prices recovered by the close of trading, and the Tokyo stock market was in positive territory this morning. Investors fear that the arrest of the Chief Financial Officer of the Chinese smartphone manufacturer Huawei at Washington's behest will continue to worsen already strained relations between the USA and China. Today, the monthly US labor market report should draw attention to itself and provide an indication of the further orientation of the Fed. The private employment services provider ADP reported a somewhat weaker than expected job growth in the US private sector of 179,000 in November (consensus +195,000), dampening expectations for the official labor market statistics.

Equities – Fresenius profit warning

Fresenius issued a profit warning this morning. As a result, the company does not expect to reach its medium-term targets for 2020. Results in 2019 are expected to be at the same level as in 2018. **Roche** has received US approval for a combination therapy of "Tecentric", "Avastin" and chemotherapy for the treatment of certain forms of lung cancer. **Kroger** reported Q3 EPS of USD 0.48 above expectations of USD 0.43. However, identical-store sales (-1.6%) slightly missed the consensus. However, the full-year guidance has been confirmed. **IBM** and **HCL Technologies** announced a definitive agreement under which HCL will acquire selected IBM software products for USD 1.8bn. The transaction is expected to close by mid-2019, subject to completion of applicable regulatory reviews. **Chevron** raised its spending budget for the first time since 2014, and will increase investments by +9.3% to USD 20bn next year, the upper end of its USD 18-20bn range.

Currencies – Oil currencies feel the heat

Commodity traders' eyes were resting on the OPEC meeting that took place in Vienna yesterday. The market was eager to learn if – or how – the crude oil cartel would react to the commodity's slump by over 35% since early October on the back of rallying inventories, expanding US shale oil production, and mounting global growth fears. Market expectations are an agreed output cut by something like one million barrels per day. By the evening, no agreement had yet been reached, and negotiations will continue on Friday. Recent news about Qatar leaving the OPEC, as well as the increasing oil production in the US, do however not bode well for the cartel's stability and impact. Little surprisingly, currencies of nations with large exposures to oil prices like Norway, Canada, and Russia saw their currencies tumbling over past weeks, with the Norwegian Krona, the Canadian dollar and the Russian ruble tumbling between 3% and 5% vs. USD since early October.

Equity Indices	Current	YTD (%)
MSCI World	1'990.85	-5.35
Dow Jones	24'947.67	0.92
S&P 500	2'695.95	0.84
Nasdaq 100	6'838.85	6.92
Nikkei 225	21'678.68	-4.77
SMI	8'660.03	-7.69
SLI	1'330.70	-12.33
Euro Stoxx 50	3'045.94	-13.07
Euro Stoxx 600	343.31	-11.79
DAX	10'810.98	-16.31
MSCI UK	1'943.01	-12.79

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	978.93	-15.50
MSCI EM Asia	493.34	-15.93
MSCI EM Eastern Europe	157.85	-4.67
MSCI EM Latin America	2'571.67	-9.07
Brazil IBOVESPA	88'846.48	16.29
Russian Depository Index	1'357.19	5.70
NIFTY Index	10'626.40	0.91
Hang Seng Index	26'132.66	-12.66
HFRX Global HF Index	1'209.01	-5.22
LPX50 Listed PE TR (EUR)	2'095.74	-4.19
BBG NA REITS	290.82	1.39

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.88	0.48
German Bund 10Y (EUR)	0.24	-0.19
Swiss Government 10Y (CHF)	-0.16	-0.02
United Kingdom 10Y (GBP)	1.25	0.06
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	1.50	0.56
Global HY Corporate Spread	4.69	1.35
EM Hard Currency Gov. Spread	3.18	1.03

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
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	0.73
16.01.	US	BANK OF AMERICA CORP	Q4	0.65
16.01.	US	GOLDMAN SACHS GROUP INC	Q4	6.20
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	0.39
21.01.	CH	UBS GROUP AG-REG	Y	0.32

Forex	Current	YTD (%)
EUR/USD	1.1372	-5.27
EUR/CHF	1.1289	-3.54
USD/CHF	0.9927	1.89
GBP/CHF	1.2676	-3.74
GBP/USD	1.2770	-5.50
USD/JPY	112.82	0.12
USD/HKD	7.8138	0.00
USD/SGD	1.3695	2.51
USD/CNY	6.8760	5.67
EUR/NOK	9.6895	-1.56
EUR/SEK	10.2308	4.03

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
07.12.	08:00	DE	Industrial Production (y/y)	Oct	2.00	0.80
07.12.	08:45	FR	Industrial Production (y/y)	Oct	-1.13	-1.10
07.12.	11:00	EU	GDP (q/q)	3Q F	0.20	0.20
07.12.	14:30	US	Underemployment Rate	Nov	-	7.40
07.12.	14:30	US	Average Hourly Earnings (m/m)	Nov	0.27	0.20
07.12.	14:30	US	Average Hourly Earnings (y/y)	Nov	3.13	3.10
07.12.	14:30	US	Private Payrolls	Nov	196.50	246.00
07.12.	14:30	US	Non-farm Payrolls	Nov	197.52	250.00
07.12.	14:30	US	Manufacturing Payrolls	Nov	16.67	32.00
07.12.	14:30	US	Unemployment Rate	Nov	3.69	3.70
07.12.	16:00	US	Uni Michigan Consumer Confidence	Dec P	97.16	97.50

Commodities	Current	YTD (%)
Oil Future Nymex WTI (USD)	50.98	-11.72
Oil Future Brent (USD)	59.44	-5.62
Gold-ounce (USD)	1'239.71	-4.84
Silver-ounce (USD)	14.47	-14.59
Platinum (USD)	788.55	-15.05
Palladium (USD)	1'201.84	13.01
JOC Industrial Metals Index	-	-
S&P GSCI Index Spot Indx	407.68	-7.85
Rogers Int. Commodity Index	2'335.54	-3.33
BBG Commodity Index	82.15	-6.82
Rogers Agriculture TR Index	775.43	-3.77

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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Impressum

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