



Investors await new impulses

Equity markets seem to wait for new impulses after an eventful last week, while investor sentiment remained moderately positive as insecurities about the Fed's rate hike decision and the Dutch vote are out of the way. Also not much impulses came from the G20 meeting of finance ministers and central bank heads. However, the U.S. delegation emphasized its stance for "fair" trading relations. The U.S. dollar continued its slide for the fourth day, despite positive economic data on Friday. A stronger-than-anticipated +0.6% gain of the leading indicator the New York-based research institute The Conference Board signaled a continued solid growth trend for the overall U.S. economy six months down the road. At the same time, preliminary survey results of the University of Michigan showed a sentiment improvement among American consumers in March. The consumer confidence indicator climbed to 97.6 points from 96.3 in February.

Equity – Vodafone to create India mobile leader

Vodafone and Indian mobile operator **Idea Cellular** announced to merge their Indian businesses, creating a new mobile leader in India with 395 million mobile subscribers and a market value of roughly USD 23.2bn. **Vodafone** will own 45.1% of the combined company. On **Deutsche Bank's** EUR 8bn capital increase announced two weeks ago, emissions trading is expected to run from 21 March to 6 April. **UBS** is "very pessimistic" on reaching an agreement with French authorities to settle the tax fraud investigation as prosecutors are looking for a EUR 1.1bn fine, far above what UBS is willing to accept according to a French newspaper. **Novartis** has presented new data for its heart drug "Entresto". In diabetes patients positive effects were observed in the control of the blood glucose level. **IBM** and Chinese **Wanda Group** agreed that the latter will develop a public cloud business based on IBM's cloud platform in China.

Fixed Income – Bond market calm is threatened

As far as bond buyers go, the Federal Reserve is pretty laid-back. Even as the central bank amassed trillions of dollars of debt to prop up the economy following the financial crisis, it did not hedge its holdings or worry about gains and losses that might keep ordinary investors up at night. This extreme buy-and-hold stance has had an incredible calming effect on the bond market. Volatility has plummeted to lows rarely seen in recent memory. But all that is now poised to change. With interest rates on the rise, analysts say the Fed could start shrinking its unprecedented USD 1.75 trillion position in mortgage-backed securities by year-end. That is likely to leave more in the hands in private investors and result in increased hedging activity, a practice that has historically exacerbated swings in the Treasury market.

Equity Indices	Current	YTD (%)
MSCI World	1'863.08	6.39
Dow Jones	20'914.62	5.83
S&P 500	2'378.25	6.23
Nasdaq 100	5'408.76	11.21
Nikkei 225	19'521.59	2.13
SMI	8'698.53	5.82
SLI	1'380.60	6.39
Euro Stoxx 50	3'448.41	4.80
Euro Stoxx 600	378.32	4.68
DAX	12'095.24	5.35

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	965.57	11.98
MSCI EM Asia	475.56	13.51
MSCI EM Eastern Europe	148.12	0.95
MSCI EM Latin America	2'607.09	11.38
Brazil IBOVESPA	64'209.94	6.61
Russian Depository Index	1'314.79	-8.86
NIFTY Index	9'126.25	11.49
Hang Seng Index	24'458.87	11.17
HFRI Global HF Index	1'224.41	1.74
LPX50 Listed PE TR (EUR)	2'097.92	5.62
BBG NA REITS	276.77	0.74

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.50	0.05
German Bund 10Y (EUR)	0.44	0.23
Swiss Government 10Y (CHF)	-0.01	0.17
United Kingdom 10Y (GBP)	1.24	0.01
Japan 10Y (JPY)	0.08	0.03
Fed Funds Rate	0.75	0.25
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.20	-0.05
Global HY Corporate Spread	3.80	-0.29
EM Hard Currency Gov. Spread	2.56	-0.32

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
21.03.	DE	BAYERISCHE MOTOREN WERKE	Y	2.15
21.03.	US	NIKE INC -CL B	Q3	0.53
23.03.	CH	BALOISE HOLDING AG - REG	Y	-
23.03.	IT	TELECOM ITALIA SPA	Y	-0.03
27.03.	DE	STROEER SE & CO KGAA	Y	1.18
05.04.	US	MONSANTO CO	Q2	2.80
10.04.	FR	LVMH MOET HENNESSY LOUIS VUI	Q1	-
12.04.	CH	BARRY CALLEBAUT AG-REG	S1	-
13.04.	US	CITIGROUP INC	Q1	1.27
13.04.	US	JPMORGAN CHASE & CO	Q1	1.54
18.04.	US	BANK OF AMERICA CORP	Q1	0.35

Forex

	Current	YTD (%)
EUR/USD	1.0770	2.41
EUR/CHF	1.0730	0.09
USD/CHF	0.9963	-2.23
GBP/CHF	1.2357	-1.79
GBP/USD	1.2403	0.51
USD/JPY	112.69	-3.65
USD/HKD	7.7662	0.13
USD/SGD	1.3980	-3.37
USD/CNY	6.9056	-0.57
EUR/NOK	9.0956	0.09
EUR/SEK	9.4810	-0.98

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
20.03.	08:00	DE	Producer Prices (y/y)	Feb	3.20	3.10
20.03.	13:30	US	Chicago Fed National Activity	Feb	0.02	-0.05
21.03.	08:00	CH	Exports (m/m)	Feb	-	-4.00
21.03.	08:00	CH	Imports (m/m)	Feb	-	-5.30
21.03.	10:30	GB	Core Consumer Prices (y/y)	Feb	1.80	1.60
21.03.	10:30	GB	PPI Output (y/y)	Feb	3.60	3.50
21.03.	10:30	GB	EU-harm. Consumer Prices (y/y)	Feb	2.10	1.80
22.03.	14:00	US	FHFA US House Price Index	Jan	0.40	0.40
22.03.	15:00	US	Existing Homes Sales (m/m)	Feb	-2.58	3.30
22.03.	15:00	US	Existing Homes Sales (y/y)	Feb	5.54	5.69
23.03.	08:00	DE	GfK Consumer Confidence	Apr	10.00	10.00

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	48.38	-12.72
Oil Future Brent (USD)	51.49	-11.29
Gold-ounce (USD)	1'234.16	7.55
Silver-ounce (USD)	17.43	9.41
Platinum (USD)	965.80	6.94
Palladium (USD)	776.93	14.09
JOC Industrial Metals Index	110.67	8.70
S&P GSCI Index Spot Indx	383.12	-3.79
Rogers Int. Commodity Index	2'248.83	-2.37
BBG Commodity Index	85.12	-2.74
Rogers Agriculture TR Index	861.14	2.40

Topics LGT looks at

Topics	Description	Publication Type	Published
Monthly Asset Allocation Private Banking Europe	Equity markets seem to ignore increasing political insecurities on both sides of the Atlantic, while the expected consolidation in the U.S. Treasury market might be completed. The U.S. dollar's upward trend is intact in the short term – but potential is limited in the medium.	PBE Asset Allocation	15.03.2017
Deutsche Bank Update	Deutsche Bank ends discussions about insufficient capital strength. The bank's aim to strengthen its capital basis is a sensible decision and it seems to eliminate concerns.	Market News	09.03.2017
Nestlé 2016 results	Nestlé shares under pressure after annual earnings missed market expectations. New medium-term targets seem realistic and we are optimistic that the new CEO will achieve a turnaround. Nevertheless, we remain cautious.	Market News	16.02.2017
Medium-term outlook for gold remains positive	Following the post-electoral weakness, gold could shine not only due to the risk diversification contribution. Demographic and production cycles as well as an ultra-low risk perception and an aligned market positioning should support the gold price in the long term.	Investment Idea	14.02.2017
Cars – Made in Germany	In this investment idea our equity specialists give an assessment of the automobile sector and preferences among the three German car makers: Daimler, Volkswagen and BMW.	Investment Idea	10.02.2017

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