



Political uncertainties remain a short-term burden

Although political insecurities continue to cloud investors' sentiment, some positively received corporate earnings data ensured buy interest on stock exchanges. However, increasing tensions between the U.S. and North Korea, and particularly the upcoming presidential elections in France on the upcoming weekend remain a burden. The French vote is additionally overshadowed by yesterday's IS attack in Paris. Hence, on the background of political worries, the gold price climbed above USD 1,290 per ounce, the highest since November last year. Meanwhile, latest U.S. economic data showed an inconsistent picture. The leading indicator, based on various economic figures, signaled a stronger-than-anticipated growth of the U.S. economy. At the same time, the Philly Fed index continued to deteriorate. The widely-watched industry sentiment indicator fell 10.8 to 22.0 points, after the Philly Fed had registered a multi-year high in February.

Equity – Temenos with solid start in first quarter

Temenos posted strong Q1 results on all levels, beating market expectations. A solid project pipeline offers high revenue visibility over the following quarters. **BMW** presented significantly higher preliminary Q1 earnings than expected. However, this was attributable, among other things, to extraordinary effects. The outlook remained unchanged. **Unilever** has grown stronger in Q1 than anticipated. Except for the food division, all units exceeded estimates. **Visa** beat market's EPS expectations (USD 0.86 vs. USD 0.79) in Q1. Visa is now expecting revenue growth for the entire year to be at the upper end of the original range of 16-18%. At the same time, a USD 5bn share buy-back was announced. **Philip Morris** missed Q1 profit estimates by 5%. Declining volumes could not be offset by price increases and new technologies. **Verizon** missed Q1 expectations on top and bottom line, mainly due to lost subscribers in its mobile business.

Fixed Income – Pound remains resilient after snap election decision

The UK parliaments' vote in favor of prime minister May's request to hold snap elections on June 8 in order to secure the government's backing over the course of EU-Brexit negotiations has been buoying the British Pound (GBP) since early this week. The GBP recovered up to levels not seen since late-September 2016, and currently stands about 2.5% higher compared to Monday at USD 1.28. The decision is seen to reduce political uncertainty, the risk of a messy UK exit from the European Union and the threat of a "cliff-edge scenario" with the UK exiting after two years without any trade deal with major European export partners. Another positive is that a strong backing of the governing conservative party would empower May to sideline the "hard Brexiteers" and take on a more moderate negotiation stance, mitigating the exit's fallout on the UK economy. UK stocks have not yet appreciated the improved prospect for trade deals, but rather suffered from GBP appreciation, shedding up to 3% since Tuesday.

Equity Indices	Current	YTD (%)
MSCI World	1'846.65	5.45
Dow Jones	20'578.71	4.13
S&P 500	2'355.84	5.23
Nasdaq 100	5'443.53	11.92
Nikkei 225	18'624.42	-2.56
SMI	8'557.87	4.11
SLI	1'367.59	5.39
Euro Stoxx 50	3'440.03	4.54
Euro Stoxx 600	378.06	4.60
DAX	12'027.32	4.76

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	958.45	11.15
MSCI EM Asia	472.58	12.80
MSCI EM Eastern Europe	145.06	-1.14
MSCI EM Latin America	2'609.31	11.48
Brazil IBOVESPA	63'760.62	5.87
Russian Depository Index	1'266.98	-12.18
NIFTY Index	9'157.60	11.87
Hang Seng Index	24'084.80	9.47
HFRX Global HF Index	1'221.37	1.49
LPX50 Listed PE TR (EUR)	2'117.86	6.62
BBG NA REITS	288.05	4.85

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.24	-0.21
German Bund 10Y (EUR)	0.24	0.03
Swiss Government 10Y (CHF)	-0.19	-0.01
United Kingdom 10Y (GBP)	1.07	-0.17
Japan 10Y (JPY)	0.02	-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	1.22	-0.03
Global HY Corporate Spread	3.86	-0.23
EM Hard Currency Gov. Spread	2.60	-0.29

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
21.04.	US	GENERAL ELECTRIC CO	Q1	0.17
21.04.	US	NEXTERA ENERGY INC	Q1	1.56
21.04.	US	SCHLUMBERGER LTD	Q1	0.25
24.04.	US	ALCOA CORP	Q1	0.48
24.04.	CA	BARRICK GOLD CORP	Q1	0.21
25.04.	US	DU PONT (E.I.) DE NEMOURS	Q1	1.39
25.04.	US	COCA-COLA CO/THE	Q1	0.44
25.04.	US	MCDONALD'S CORP	Q1	1.33
25.04.	US	3M CO	Q1	2.07
25.04.	CH	NOVARTIS AG-REG	Q1	1.12
25.04.	DE	SAP SE	Q1	0.74

Forex

	Current	YTD (%)
EUR/USD	1.0714	1.87
EUR/CHF	1.0701	-0.19
USD/CHF	0.9987	-1.99
GBP/CHF	1.2795	1.69
GBP/USD	1.2811	3.82
USD/JPY	109.31	-6.54
USD/HKD	7.7757	0.26
USD/SGD	1.3967	-3.46
USD/CNY	6.8827	-0.90
EUR/NOK	9.2347	1.62
EUR/SEK	9.6320	0.59

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
21.04.	09:00	FR	Markit Composite PMI	Apr P	56.24	56.80
21.04.	09:30	DE	Markit Composite PMI	Apr P	56.91	57.10
21.04.	10:00	IT	Industrial Orders (y/y)	Feb	-	8.60
21.04.	10:00	EU	Markit Composite PMI	Apr P	56.27	56.40
21.04.	10:30	GB	Retail Sales (y/y)	Mar	3.44	3.70
21.04.	15:45	US	Markit Composite PMI	Apr P	-	53.00
21.04.	15:45	US	Markit Services PMI	Apr P	53.26	52.80
21.04.	15:45	US	Markit Manufacturing PMI	Apr P	53.73	53.30
21.04.	16:00	US	Existing Homes Sales (m/m)	Mar	2.28	-3.69
21.04.	16:00	US	Existing Homes Sales (y/y)	Mar	5.61	5.48
24.04.	10:00	DE	IFO Business Climate	Apr	112.36	112.30

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	50.78	-10.11
Oil Future Brent (USD)	53.03	-9.26
Gold-ounce (USD)	1'280.18	11.56
Silver-ounce (USD)	18.00	13.01
Platinum (USD)	975.18	7.98
Palladium (USD)	801.70	17.73
JOC Industrial Metals Index	104.65	2.79
S&P GSCI Index Spot Indx	387.70	-2.64
Rogers Int. Commodity Index	2'236.04	-2.92
BBG Commodity Index	84.56	-3.38
Rogers Agriculture TR Index	823.70	-2.05

Topics LGT looks at

Topics	Description	Publication Type	Published
U.S. Technology – the future is in the Cloud	In this investment idea we are focusing on U.S. technology stocks. We note that Cloud Computing is one of the most important growth trends in the technology sector.	Investment Idea	10.04.2017
LGT Equity Top Picks - Quarterly Update	In this publication, we are providing an update on our ten Equity Top Picks and analyze the performance during the first quarter of 2017.	Investment Idea	06.04.2017
LGT Dividend Selection Switzerland	We focus on attractive dividend investments in today's low-interest environment. Our selection contains ten Swiss names which we regard as long-term attractive dividend stories.	Investment Idea	04.04.2017
French Elections: Landmark decision for Europe's future	The French Presidential elections: a landmark decision for Europe's future. As markets might have become accustomed to absorb political shocks, medium-term market reactions could be muted. Our baseline scenario sees Macron winning, while the unlikely tail risk remains a Le Pen surprise victory.	Investment Idea	22.03.2017

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Sources: Bloomberg, LGT Bank (Switzerland) Ltd.