



Successful start into the US reporting season

The first quarter results of the two major US banks JPMorgan and Wells Fargo were well received on Wall Street and brought the week to a positive end. The results of the American blue chip stocks should set the tone on the stock markets again this week. In the run-up to the US reporting season, 79 companies in the S&P 500 corrected their expectations downwards and only 28 raised their expectations. However, US companies have recently turned out to be masters of expectation management. On the economic side, the news situation remains pervaded. US President Donald Trump has meanwhile once again fiercely fired at the central bank. "If the Fed had done its job properly, which it did not, the stock markets could have gained up to 10,000 points and GDP would have been well over 4% rather than 3%." At the same time, US consumer confidence deteriorated more than analysts had expected in March, according to the University of Michigan.

Equities – JPMorgan substantially tops market estimates

JPMorgan reported a Q1 record revenue and profit of USD 29.85bn respectively USD 9.18bn, beating consensus expectations by a substantial margin. With the exception of the trading result, the bank reported strong results across the board. Today, **Citigroup** and **Goldman Sachs** will follow with their quarterly earnings. **Baloise** acquires Belgian insurer Fidea from the Chinese Anbang Insurance Group for EUR 480m. Fidea achieved a premium volume of CHF 352m in 2018, with more than two thirds of the premiums coming from the non-life business. **Daimler** allegedly removed fraud software unnoticed during service measures for Mercedes GLK 220 CDI diesel models. The carmaker denies the allegations. **Chevron** shares fell -5% after it announced to acquire rival Anadarko Petroleum for USD 65 a share or USD 33bn in a combination of stock and cash. Chevron expects cost synergies of USD 1bn and capital spending reductions of USD 1bn.

Fixed Income – Interest rates volatility back at record lows

Volatility in interest rates at record lows again might however prove as short-lived giving all the uncertainty in the market. The state of the global economy remains fragile, policy uncertainty elevated and as such, periods with noise are likely followed by significant shifts as seen in the past year. Still, as economic data has eased fears of a recession in the US and the Fed continued to signal that the currently implemented path would stay, market shows complacency. Continued calmness, however, also depends on the economic state of other global growth engines. The high correlation between German and US benchmark yields is a clear indication that an isolated view is short on the mark. Friday's move in the German Bund helped pushing US Treasury yields to the highest level in three weeks to 2.57%. Thus, the current situation remains tense and an increase in volatility with a shift in benchmark yield curves could easily be triggered by a change in potential growth or in the inflation environment.

Equity Indices	Current	YTD (%)
MSCI World	2'159.39	14.62
Dow Jones	26'412.30	13.22
S&P 500	2'907.41	15.98
Nasdaq 100	7'628.15	20.51
Nikkei 225	22'187.84	10.86
SMI	9'484.91	12.52
SLI	1'476.22	13.91
Euro Stoxx 50	3'447.83	14.87
Euro Stoxx 600	387.53	14.77
DAX	11'999.93	13.65
MSCI UK	2'143.24	10.09

EM and Alternative Indices	Current	YTD (%)
MSCI Emerging Markets	1'089.09	12.77
MSCI EM Asia	553.40	14.01
MSCI EM Eastern Europe	172.04	13.09
MSCI EM Latin America	2'760.61	7.59
Brazil IBOVESPA	92'875.00	5.68
Russian Depository Index	1'538.53	18.71
NIFTY Index	11'672.35	7.45
Hang Seng Index	30'092.71	16.43
HFRI Global HF Index	1'222.75	2.76
LPX50 Listed PE TR (EUR)	2'348.04	18.93
BBG NA REITS	306.75	17.12

Fixed Income	Current	YTD (Δ)
US Treasury Bonds 10Y (USD)	2.55	-0.13
German Bund 10Y (EUR)	0.06	-0.19
Swiss Government 10Y (CHF)	-0.26	-0.01
United Kingdom 10Y (GBP)	1.21	-0.07
Japan 10Y (JPY)	-0.03	-0.03
Fed Funds Rate	2.25	0.00
ECB Main Refinancing Rate	0.00	0.00
3 month LIBOR (CHF)	-0.75	0.00
Global IG Corporate Spread	1.16	-0.39
Global HY Corporate Spread	3.67	-1.64
EM Hard Currency Gov. Spread	2.74	-0.55

Earnings calendar

Date	Ctry	Company	Period	Cons quarterly EPS
15.04.	US	CITIGROUP INC	Q1	1.80
15.04.	US	GOLDMAN SACHS GROUP INC	Q1	4.97
16.04.	US	BANK OF AMERICA CORP	Q1	0.66
16.04.	US	INTL BUSINESS MACHINES CORP	Q1	2.22
16.04.	US	JOHNSON & JOHNSON	Q1	2.04
16.04.	CH	TEMENOS AG - REG	Q1	0.45
17.04.	US	ALCOA CORP	Q1	-0.06
17.04.	NL	ASML HOLDING NV	Q1	0.48
18.04.	US	AMERICAN EXPRESS CO	Q1	1.99
18.04.	US	PHILIP MORRIS INTERNATIONAL	Q1	0.99
18.04.	US	SCHLUMBERGER LTD	Q1	0.30

Forex

	Current	YTD (%)
EUR/USD	1.1308	-1.39
EUR/CHF	1.1328	0.65
USD/CHF	1.0018	2.01
GBP/CHF	1.3116	4.74
GBP/USD	1.3092	2.65
USD/JPY	111.93	2.04
USD/HKD	7.8401	0.10
USD/SGD	1.3526	-0.76
USD/CNY	6.7080	-2.48
EUR/NOK	9.5982	-3.08
EUR/SEK	10.4662	3.09

Economic data calendar

Date	CET	Ctry	Indicator	Period	Cons	Prev.
15.04.	14:30	US	NY Fed Empire State Manufacturing	Apr	7.69	3.70
15.04.	22:00	US	Treasury Total Net TIC Flows	Feb	-	-
16.04.	10:30	GB	Unemployment ILO Rate	Feb	3.90	3.90
16.04.	11:00	DE	ZEW Current Situation	Apr	8.40	11.10
16.04.	11:00	EU	ZEW Expectation	Apr	-	-2.50
16.04.	11:00	DE	ZEW Expectation	Apr	1.00	-3.60
16.04.	15:15	US	Industrial Production (m/m)	Mar	0.16	0.04
16.04.	16:00	US	NAHB Housing Market Index	Apr	63.28	62.00
17.04.	04:00	CN	Retail Sales (y/y)	Mar	8.37	8.20
17.04.	08:00	-	EU 27 Car Registrations	Mar	-	-1.00
17.04.	10:00	IT	EU harm. Consumer Prices (y/y)	Mar F	1.10	1.10

Commodities

	Current	YTD (%)
Oil Future Nymex WTI (USD)	63.61	36.77
Oil Future Brent (USD)	71.37	30.79
Gold-ounce (USD)	1'288.66	0.48
Silver-ounce (USD)	14.95	-3.53
Platinum (USD)	888.17	11.63
Palladium (USD)	1'370.44	8.61
JOC Industrial Metals Index	-	-
S&P GSCI Index Spot Indx	452.47	20.87
Rogers Int. Commodity Index	2'453.81	11.83
BBG Commodity Index	82.57	7.63
Rogers Agriculture TR Index	750.50	-0.95

Topics LGT looks at

Topics	Description	Publication Type	Published
LGT Dividend Selection Europe and Switzerland	We present our approach and the current selection of attractive European and Swiss dividend stocks.	Investment Idea	10.04.2019
LGT Equity Top Picks	The regular update on our equity top picks selection with a performance review on the last quarter and our new favorite stocks in the current quarter.	Investment Idea	03.04.2019
Asset Allocation PBE	In our monthly publication, we are presenting our asset allocation for the current month.	Asset Allocation Private Banking Europe	03.04.2019
Outlook 2019 - Quality is king	Heightened volatility on capital markets and a more and more dysfunctional political environment are promising a challenging year for investors. Our motto is: Quality is king.	Investment Idea	09.01.2019
Safe haven assets return to investor's favor	Shaky risk markets finally propel safe haven assets Gold and JPY higher as USD stumbles.	Market News	04.01.2019

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