



This Week in Focus

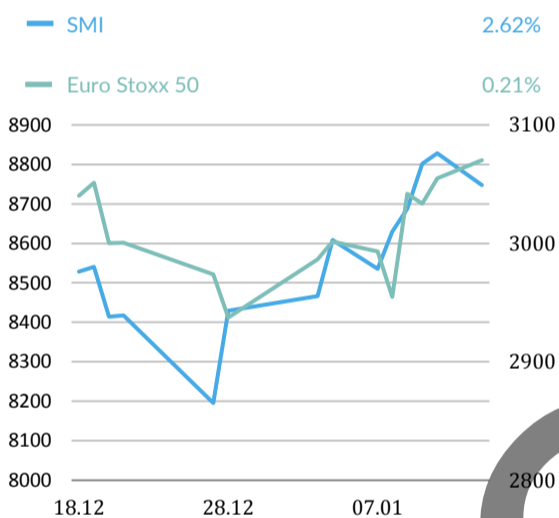
- 1 Market Commentary
- 2 Equity to neutral - Europe underweight
- 3 Trade of The Week: Logitech International SA
- 4 Significant Decline in German Industrial Production
- 5 Emerging Markets Update

- Macro
- Macro
- Trade Of the Week - Equities
- Macro
- Emerging Markets Equities

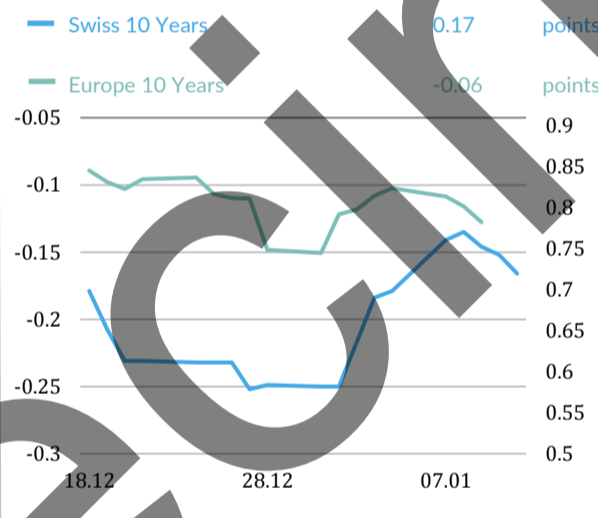
At a glance

Monthly change (15.12.-14.01.2019)

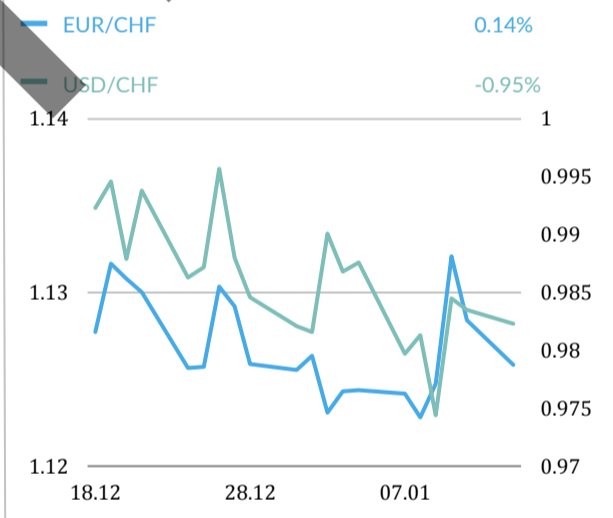
Stock Markets



Rates



Foreign Exchange

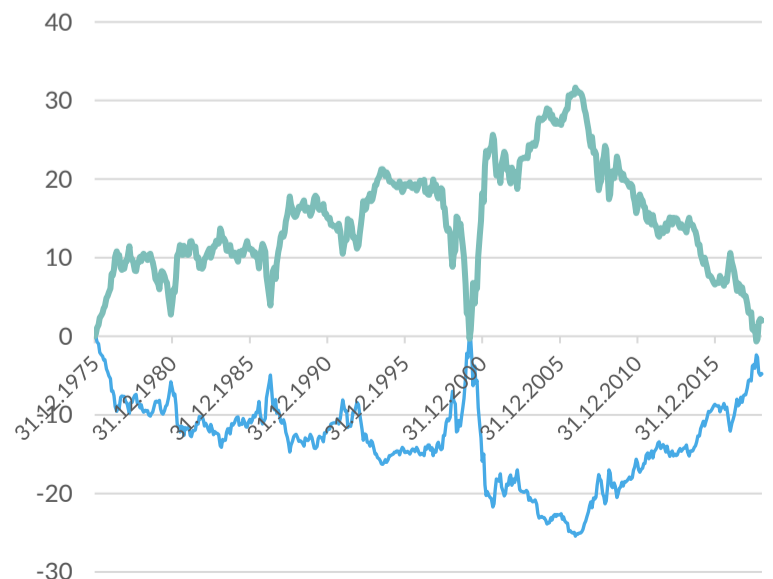


MARKET	Last	% 1 week	% YTD	2018
SMI	8760.3	2.63%	3.93%	-10.15%
SPI	10218.9	2.49%	3.96%	-8.57%
DJ Euro Stoxx 50	3055.2	0.71%	1.79%	-14.77%
S&P 500	2596.3	1.26%	2.99%	-7.03%
MSCI World	1957.2	1.95%	3.89%	-11.06%
EUR / USD	1.1477	0.03%	0.09%	-4.67%
USD / CHF	0.9806	-0.09%	-0.15%	1.06%
EUR / CHF	1.1253	-0.10%	-0.02%	-3.79%
Oil (WTI)	51.22	5.56%	12.79%	-21.03%
Gold	1291	0.09%	0.76%	-2.01%

	last	next date
SNB	13.12.2018 0.00	21.03.2019
ECB	13.12.2018 2.00	24.01.2019
FED	14.01.2019 2.00	30.01.2019

CHART OF THE WEEK

Cheaper stocks may have begun a turnaround relative to the shares of faster-growing companies. The MSCI World Value Index's ratio to the broader gauge began rising in September after falling below its reading from December 1975, according to data compiled by Bloomberg. A similar rebound started in 2000, after an Internet-driven bull market wiped out almost two decades of gains.



* Performance in Total Return 14.Januar.2019

Source: Bloomberg



This Week in Focus

Market Commentary



S&P 500 daily - Candlestick Chart



- Last week was marked by the still positive after-effects of strong employment data coming out of the US. The SMI gained 3.42%, while the Dow Jones went up by 2.4%.
- As positive as the stock markets ended last week, so equally emotional was the countermovement at the start of trading in Asia on Monday (weak export data from China led to discounts). In addition, the Brexit vote (Tuesday) is edging closer and fears of an outright rejection by parliament are increasing.
- Important macro data this week includes the FED Beige Book on Wednesday and data on industrial production and consumer sentiment by the University of Michigan on Friday. In the EU, the main focus will be on the vote in the British Parliament regarding Brexit on Tuesday. In Switzerland, producer and import prices on Friday will reveal inflationary trends.
- A little price consolidation would come a long way for the stock markets at this point in time. In addition to the end of the holiday season, reporting is due to start in the USA. Both circumstances are to lead to an increased trading volume.
- **The S&P 500 is gnawing at the 2600 point resistance level and should fall back again towards 2550/2530, while the SMI is manifesting a tendency back towards the 8640/00 range.**

Equity to neutral - Europe underweight

Asset Class	Neutral	Januar	Dezember	November
Cash	5	12	12	12
Fixed Income	45	36	36	36
Convertibles	10	10	10	10
Short Term Bonds	17.5	26	21	21
Long Term Bonds	17.5	0	0	0
Inflation Linked Bonds	0	0	5	5
Equity	45	45	47	47
Switzerland	18	20	20	20
USA	10	12	14	14
Europe	8	6	8	8
Emerging Markets	5	5	3	3
United Kingdom	2	0	0	0
Japan	2	2	2	2
Alternatives	5	5	5	5
Gold	0	5	5	5
Silver	0	0	0	0

Legend: Between +10 and +5 (Green), Between +5 and +2.5 (Yellow), Between +2.5 and -2.5 (Orange), Between -2.5 and -5 (Red), Between -5 and -10 (Dark Red)

- At its meeting on 9 January, Bank CIC's Investment Committee decided to downgrade the equity quota to neutral following the recovery at the beginning of the year.
- For the equity markets, we see potential for 2019 in the mid to higher single-digit percentage range, with the exception of Europe, where we expect a slight increase in the best-case scenario.
- All other asset classes will remain unchanged for the time being, thus maintaining our USD hedge and gold quota as well as the underweight in bonds.
- **After a weak equity year in 2018, the markets should make up for some of the negative performance. The markets at today's level overstate the danger of a possible recession in the coming quarters. Against the backdrop of a declining economic activity, however, the Fed will raise interest rates only once in 2019 at most.**

Trade of The Week: Logitech International SA



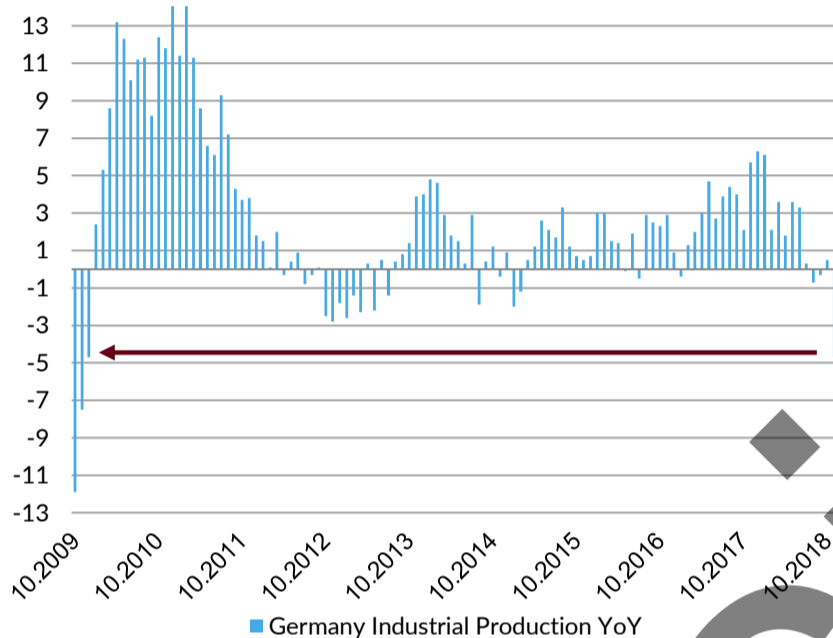
Performance since January 2018



- Important growth impulses are gaming and video conferencing products, which currently contribute around 20% and 10% respectively to group sales.
- With BOOM 3 and MEGABOOM 3, Logitech has built on a robust trend in mobile speakers.
- Logitech manufactures peripherals and computer equipment worldwide, including mice, keyboards, speakers, headsets, webcams, joysticks, and remote controls. Logitech is the world leader in wireless peripherals.
- Strengthening key growth initiatives is proving to be very successful (revenue growth gaming +45%, video collaboration +35%). The Asia-Pacific region in particular is experiencing the strongest growth (+26%) in all product categories.
- Since 2013, Ultimate Ears has also been active on the market for mobile loudspeakers with its "BOOM" product range. This makes Logitech the pioneer of powerful, rich 360° sound in an absolutely waterproof, extremely rugged portable speaker.

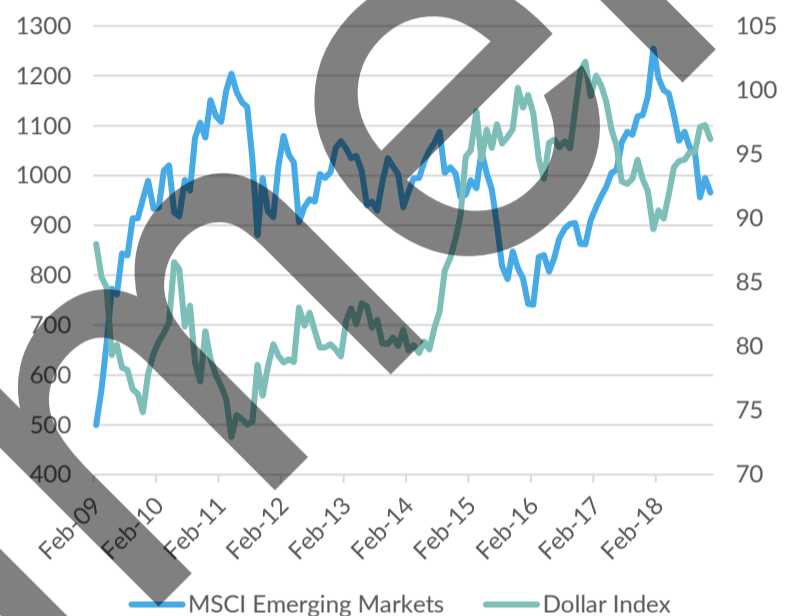
This Week in Focus

Significant Decline in German Industrial Production



- Last week the data concerning German industrial production was published.
- They show that production in November fell by 4.7% year-on-year, which is the highest decline since 2009.
- It is not uncommon that data that provide information about the development of the industrial sector shows a certain volatility.
- However, early indicators, such as a falling demand for consumer goods, are also signaling a slowdown.
- **Against this background, it can be said that the risks to economic growth for Europe's largest economy have increased. However, it is still too early to conclude that there will be a sustained slowdown.**












Emerging Markets Update



- Fed president Powell announced a pause in rate hikes, lifting upside pressure on the USD and therefore giving air to the emerging markets.
- Discussions under way between China (1/3 of MSCI Emerging Markets) and USA regarding tariffs, Liu to visit Washington on January 30+31st
- 6 month ceasefire underway. Intellectual property and chinese industrial subsidies will nevertheless be centerpoint for US negotiators.
- Oil price currently close to 5 year average, therefore balancing interests of both commodity producers (income) and buyers (inflation risk), within emerging markets.
- **MSCI EM on its 5Y average, USD cheaper, rate hike slowing, political discussion underway: no reason to be underweight anymore.**

Key data

Next macro data releases

Date	Event	Time	Domicile	Estimated	Actual
19.01.2018	Empire Manufacturing	14:30		10.00	10.90
	Wholesale Inventories MoM	00:00		0.50%	0.80%
	New Home Sales	00:00		567k	544k
19.01.2018	CPI YoY	08:00		1.70%	1.70%
	CPI EU Harmonized YoY	08:00		1.70%	1.70%
	Retail Sales Advance MoM	14:30		0.10%	0.20%
	DOE U.S. Crude Oil Inventories	16:30		-1500k	-1680k
	Wholesale Inventories MoM	00:00		0.50%	--
19.01.2018	Initial Jobless Claims			220k	216k
19.01.2018	Producer & Import Prices MoM			-0.10%	-0.30%
	Producer & Import Prices YoY	08:30		1.00%	1.40%

Date	Event	Time	Domicile	Period	Actual
18.01.2019	Hypothekarbank Lenzburg AG			Y 18	

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