

News highlights

- Financial markets were supported by a cocktail of interim problem resolutions, from the UK election reducing the likelihood of a disorderly Brexit, to a preliminary agreement on 'phase one' of a trade deal between the US and China
- The British Conservative party, led by Boris Johnson, gained a thumping majority in the General Election, achieving the party's largest victory since 1987. Assuming the UK leaves the European Union (EU) on January 31st, the focus will be on the trade negotiations, which are still likely to be challenging.
- US and China reached a phase one trade deal. As part of the deal:
 - The US will half its 15% tariff on about \$120 billion worth of Chinese goods
 - It will also suspend indefinitely planned duties that were set to take effect on Dec 15th
 - US tariffs of 25% will remain on roughly \$250 billion worth of Chinese goods.
 - In exchange, officials in Washington said China agreed to increase American agricultural purchases by \$32 billion over the next two years, as well as adhering to some commitments on intellectual property protection.
 - It is expected that the deal will be signed early January. Any further tariff reductions by the US will be linked to the conclusion of future phases.
- This week focus should be on Nordic central banks, especially with Sweden's central bank set to exit negative rates after a five-year experiment with ultra-loose monetary policy

EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	3 169	0.7%	26.4%	30.2%	58.3%
Nasdaq	8 735	0.9%	31.6%	35.6%	87.7%
Dow Jones	28 135	0.4%	20.6%	24.3%	62.8%
Europe					
Stoxx 50	3 731	1.0%	24.3%	24.3%	21.6%
DAX	13 283	0.9%	25.8%	25.8%	38.4%
CAC	5 919	0.8%	25.1%	25.1%	44.1%
FTSE	7 353	1.6%	9.3%	17.7%	16.7%
AEX	603	0.1%	23.6%	23.6%	48.4%
BEL 20	3 936	0.2%	21.3%	21.3%	23.9%
SMI	10 429	-0.3%	23.7%	27.4%	17.2%
EM & Asia					
Nikkei 225	24 023	2.9%	20.0%	24.8%	38.3%
Hang Seng	27 688	4.5%	7.1%	10.9%	19.1%
India	41 010	1.4%	13.7%	15.4%	49.9%
Russia	2 997	2.3%	26.5%	44.0%	105.3%
Brazil	112 565	1.3%	28.1%	24.1%	134.5%

FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years
Government	1.78	0.2%	7.3%	12.5%
Investment Grade	2.80	0.5%	13.9%	24.1%
High Yield	5.24	0.8%	13.3%	35.7%
Europe				
Government	0.11	0.4%	7.1%	14.3%
Investment Grade	0.47	0.3%	6.5%	12.6%
High Yield	3.25	0.5%	11.0%	25.9%
EM				
Global HC USD	4.52	0.8%	12.0%	32.6%

EUR VERSUS MAJOR CURRENCIES

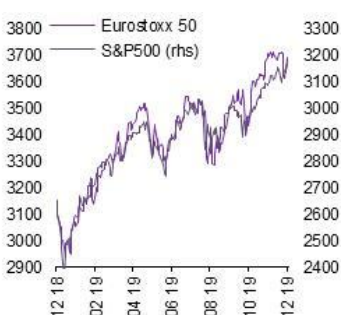
	Last	5 days	YTD	5 Years
USD	1.11	0.6%	-3.0%	-14.0%
JPY	121.56	1.1%	-3.4%	20.8%
CHF	1.09	-0.1%	-2.8%	-9.6%
GBP	0.83	-0.9%	-7.2%	4.7%

COMMODITIES

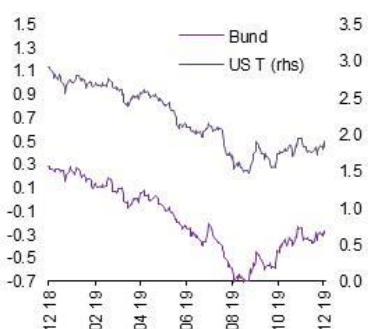
	Last	5 days	YTD		5 Years
			USD	EUR	
WTI	60.07	1.5%	32.3%	36.3%	-34.7%
Gold	1 476.33	1.1%	15.1%	18.6%	-16.3%
Base Metals	179.00	1.6%	0.7%	0.7%	-19.0%

Charts of the week

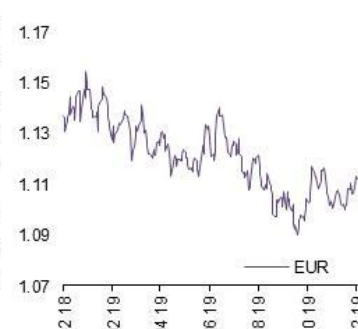
Equities (price, local currency)



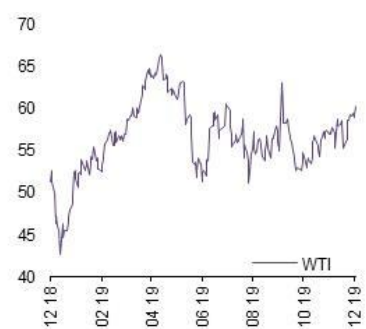
Bonds (Yield)



EUR vs. USD



Oil price (USD)



Source: Bloomberg, BIL, as at 13/12/19

DISCLAIMER All financial data and/or economic information released by this Publication (the "Publication"); (the "Data" or the "Financial data and/or economic information"), are provided for information purposes only, without warranty of any kind, including without limitation the warranties of merchantability, fitness for a particular purpose or warranties and non-infringement of any patent, intellectual property or proprietary rights of any party, and are not intended for trading purposes. Banque Internationale à Luxembourg SA (the "Bank") does not guarantee expressly or impliedly, the sequence, accuracy, adequacy, legality, completeness, reliability, usefulness or timeless of any Data. All Financial data and/or economic information provided may be delayed or may contain errors or be incomplete. This disclaimer applies to both isolated and aggregate uses of the Data. All Data is provided on an "as is" basis. None of the Financial data and/or economic information contained on this Publication constitutes a solicitation, offer, opinion, or recommendation, a guarantee of results, nor a solicitation by the Bank of an offer to buy or sell any security, products and services mentioned into it or to make investments. Moreover, none of the Financial data and/or economic information contained on this Publication provides legal, tax accounting, financial or investment advice or services regarding the profitability or suitability of any security or investment. This Publication has not been prepared with the aim to take an investor's particular investment objectives, financial position or needs into account. It is up to the investor himself to consider whether the Data contained herein this Publication is appropriate to his needs, financial position and objectives or to seek professional independent advice before making an investment decision based upon the Data. No investment decision whatsoever may result from solely reading this document. In order to read and understand the Financial data and/or economic information included in this document, you will need to have knowledge and experience of financial markets. If this is not the case, please contact your relationship manager. This Publication is prepared by the Bank and is based on data available to the public and upon information from sources believed to be reliable and accurate, taken from stock exchanges and third parties. The Bank, including its parent, - subsidiary or affiliate entities, agents, directors, officers, employees, representatives or suppliers, shall not, directly or indirectly, be liable, in any way, for any: inaccuracies or errors in or omissions from the Financial data and/or economic information, including but not limited to financial data regardless of the cause of such or for any investment decision made, action taken, or action not taken of whatever nature in reliance upon any Data provided herein, nor for any loss or damage, direct or indirect, special or consequential, arising from any use of this Publication or of its content. This Publication is only valid at the moment of its editing, unless otherwise specified. All Financial data and/or economic information contained herein can also quickly become out-of-date. All Data is subject to change without notice and may not be incorporated in any new version of this Publication. The Bank has no obligation to update this Publication upon the availability of new data, the occurrence of new events and/or other evolutions. Before making an investment decision, the investor must read carefully the terms and conditions of the documentation relating to the specific products or services. Past performance is no guarantee of future performance. Products or services described in this Publication may not be available in all countries and may be subject to restrictions in some persons or in some countries. No part of this Publication may be reproduced, distributed, modified, linked to or used for any public or commercial purpose without the prior written consent of the Bank. In any case, all Financial data and/or economic information provided on this Publication are not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law and/or regulation. If you have obtained this Publication from a source other than the Bank website, be aware that electronic documentation can be altered subsequent to original distribution.

Banque Internationale à Luxembourg SA
69 route d'Esch, L-2953 Luxembourg
RCS Luxembourg B-6307
T (+352) 4590-1 • F (+352) 4590-2010
contact@bil.com • www.bil.com



BANQUE
INTERNATIONALE
À LUXEMBOURG