
Carlsquare/Vontobel weekly trading note: Probably a good time for Carlsberg

This week's case features Carlsberg, a non-cyclical company whose earnings could benefit from a weaker US dollar due to its high exposure to sales in emerging markets such as China and Southeast Asia. Investors will focus on the ECB's rate decision on the weekly macro agenda. Meanwhile, technical indicators for the major markets are looking weak.

Consumer staples companies are perceived as less cyclical, which is currently an advantage in the equity market, and are sometimes seen as bond proxies due to their predictable dividend yields. They therefore become more attractive when interest rates fall. Brewers belong to this group. In the Nordic countries, Carlsberg is the bellwether brewer. Carlsberg has a significant presence in China and Southeast Asia. A further weakening of the US dollar could be positive for sales and earnings development in these countries. The valuation of Carlsberg's shares appear low by historical standards.

The ECB will make an interest rate announcement on Thursday 12 September, with the market expecting a 25-bps cut. Investors will also be looking for clues as to how many rates cuts the ECB is planning in the future.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

- [Link to the Swedish-translated version](#)

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