

	Perf YTD	Perf 1yr	Perf 3 yrs	Yield Level
<b>Athénée Capital 28.11.19</b>	<b>6.04%</b>	<b>3.75%</b>		<b>1025.28</b>
Monetary 3 months Euribor				<b>-0.61%</b>
Monetary 3 months Suisse				<b>-0.82%</b>
Monetary 3 months USA				1.65%
Bonds 10 yr Europe				<b>-0.36%</b>
Bonds 10 yr Suisse				<b>-0.64%</b>
Bonds 10 yr USA				1.78%
EUR USD	<b>-2.15%</b>	<b>-2.53%</b>	2.07%	<b>1.1018</b>
EUR CHF	<b>-3.95%</b>	<b>-2.65%</b>	3.22%	<b>1.1017</b>
GOLD (USD)	14.32%	20.01%	24.60%	<b>1466.48</b>
OIL (WTI)	21.49%	7.23%	21.98%	<b>55.17</b>

	Perf YTD	Perf 1yr	Perf 3 yrs	Level
MSCI Monde en \$	<b>23.96%</b>	14.53%	42.08%	<b>6708.68</b>
Eurostoxx 50	<b>23.39%</b>	16.72%	22.83%	<b>3703.58</b>
SMI	<b>24.49%</b>	16.10%	34.81%	<b>10493.24</b>
CAC	<b>24.83%</b>	18.01%	30.39%	<b>5905.17</b>
DAX	<b>25.36%</b>	17.58%	25.90%	<b>13236.38</b>
Footsee	<b>9.19%</b>	5.25%	9.15%	<b>7346.53</b>
Dow Jones	<b>20.25%</b>	9.84%	46.33%	<b>28051.41</b>
SP500	<b>25.30%</b>	13.80%	43.30%	<b>3140.98</b>
Nasdaq	<b>30.60%</b>	18.21%	64.88%	<b>8665.47</b>
MSCI Emerging en \$	<b>7.69%</b>	4.56%	21.92%	<b>1040.05</b>
Nikkei	<b>16.38%</b>	4.22%	26.42%	<b>23293.91</b>
Shanghai Composite	<b>15.16%</b>	10.96%	<b>-11.46%</b>	<b>2871.98</b>

(Indices Source Bloomberg au 29.11.2019)

« Risk-on » mode made its comeback in November, without any rationality linked to fundamentals ; the micro and macroeconomic vectors were totally ignored (see our latest Quarterly Letter). The upward trend observed on stocks can be explained by the absence of sellers, the FOMO phenomena and the idea that global growth may have hit a low point, with an hypothetical USA-China trade agreement, as a supporting factor (perhaps the biggest media bubble in history!). **There is a total decorrelation between indexes performances and corporate growth prospects** - which raises the question of how to fix asset prices : are they the results of a supply and demand confrontation or are they turning into some reflection of desire and / or panurgism – like it does already exist in the art world ?

In any case, PERs are above their historical average (particularly in the United States), gaps are numerous on the US indexes and the number of short positions on the VIX have never been so high; however, the absence of yields from the bond class and the « no matter what » support of central banks suggest that a correction is not necessarily imminent.

**Nevertheless, the 2020 reading grid will probably be very different from the one we got used to** during the past twelve months. Indeed, **the monetary and fiscal stimuli that prevailed in 2019 will vanish** (especially in the United States, due to presidential elections - these may well influence Wall Street, as soon as March : please refer to the mini focus and timetable hereafter). Tariff wars should remain a hypnotic factor for investors even if Q4 earnings (starts January 14) might well turn into an inflection point, our favourite scenario, or into the ultimate melt-up (and in this case, irrational exuberance „ could resurface in financial analyses). At first sight, there is little to do in December, but we have plenty of cash to seize opportunities in case of exaggeration and to invest in low volatility vehicles.

### Portfolio Arbitrage Disclosed only for our clients

The prospect of presidential elections in the United States could blow hot and cold in 2020, particularly with **the rise of Elizabeth Warren (Dem) in polls. However, the arrival of Michael Bloomberg (Dem) could change the situation** - 9th world fortune, centrist, he could reassure the business community, unlike E. Warren (radical left like B. Sanders), whose reform proposals are quite worrisome for Wall Street. **Joe Biden is currently leading the race** in the Democratic camp but without a significant advance. Even if Donald Trump (Rep) remains supported by his base, despite the impeachment procedure, it is not surreal to consider a victory of the Democrats next November. Although the nomination process continues throughout the summer, **40% of delegates will be assigned through state primaries held in early march 2020 and 2/3 by the end of March.** If Warren wins, some pain associated with her potential White House victory may occur well ahead of election's day. However a Republican Senate could block / reshape many of the radical reforms put forward by E. Warren.

- \* February 3, 2020: Iowa Caucus (Dem and Rep), first state to vote in the primaries.
- \* February 11-29: New Hampshire, Nevada and South Carolina Caucuses.
- \* **March 3 Super Tuesday:** Primaries organized in 15 states, including California and Texas. By the end of March, we should have quite a good idea of the future candidate (Dem and Rep), standing out in the race for the White House.
- \* **29 September: First presidential debate.**
- \* **November 3, 2020: Presidential election.**

Declared **Republican** candidates: 3 (Convention from 24 to 27 August)

Declared **Democrat** candidates: 18 (Convention from 13 to 16 July)

**Caucuses** : refer to local gatherings of voters who vote for a particular Delegate (Rep or Dem - level 1). Once these Delegates have been elected, they meet at the level of each county / district to designate the Delegates to the National Convention (level 2). This Convention eventually appoints the candidate to the White House (level 3).