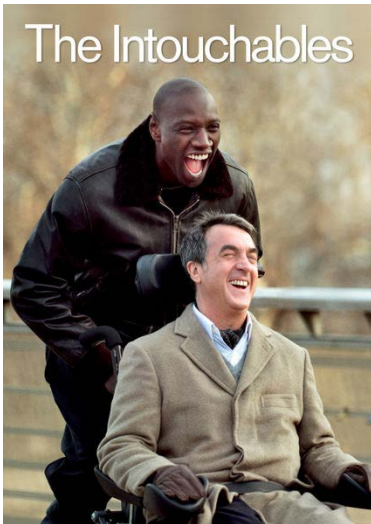


QUASI AMICI



This is exactly what I want: no mercy. He often hands me the phone, you know why? Because he forgets. It's true, he doesn't really feel any empathy for me. But he is tall, strong, healthy, with two arms and legs and not as dumb as you think. So for now, given my condition, like you say, I don't give a damn where he comes from and what he's done. (Philippe)

My true disability is not having to be in a wheelchair. It's having to be without her (Philippe)

Philippe: How does it feel to be forced to rely on others for a living?

Driss: What?

Philippe: You don't have a problem living from other people's work?

Driss: I am good, what about you?

Philippe: In any case, do you think you will be able to work? To do your duties, respect the schedules, have responsibilities?

Driss: I was wrong. You're funny.

Philippe: I'm so funny I'm ready to take you on a one month trial. Do you want the day to think about it. I do not think that you'll make it past two weeks.

Extract from the film: "Intouchables" of Oliver Nakache, Éric Toledano.

During an interview at the Cbs, Donald Trump described the European Union as a "foe" of the United States, and emphasised that the United States has "a lot of foes", especially in relation to trade. "You would not think that of the

European Union, but they are our foes". Trump has also indicated Russia as a foe "on certain aspects", and China as a foe "economically". With respect to the latter he continues to add, "But that doesn't mean they are bad. It doesn't mean anything. It means that they are competitive."

Information regarding this interview started to spread out as soon as the USA President's Air Force One left Glasgow, Scotland, for Finland shortly before the one-to-one summit with the Russian President Vladimir Putin took place. Donald Tusk, President of the European Council, replied via Twitter: "America and the EU are best friends. Whoever says we are foes is spreading fake news".

Let's put it this way, taking into account fake news and actual data, at least for Donald Trump and not for the Americans, Europe and the USA are "almost friends". Yet it is not a "true" friendship, but one which is sided towards the US's trade balance. It is not a problem of free trade. Even if one does not take into consideration the duties and other specifications on imported products, up until today is strongly imbalanced in favour of Europe. And what matters is the final result.

As always, the solution is in numbers and most probably this has been discussed between Angela Merker and Trump during their Nato meeting. At that time, Trump had accused Germany of sustaining Russia through the importation of gas. After a three-hour long meeting between the two, Trump described the relation between USA and Germany as "excellent". Rumour has it that behind closed doors the two have discussed the possibility for Germany to import shale gas from the US once the LNG plants have been completed. Should this be true, the friendship of interest would have been restored.

"Almost friends", because friends accept each other the way they are. The same has to be applied to free trade. No obligations and no duties for personal gains. You import because you cannot find any better price to quality ratio in your home country. Nothing more than this.

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As far as oil is concerned, Trump has once again driven the agenda. Brent is down 1.8% to 73.95USD/barrell. In view of the imminent mid-term elections, the White House wants to drive the fuel prices down. For such reasons, according to Bloomberg, the US government is planning to use oil strategic reserve to lower the prices.

It's not a matter of friendship, but it is an issue with numbers, sustainability and vision for the future. Market consensus is forecasting a 20% EPS increase in 2018 for the S&P500. On the other hand, there is a trade war, which could reduce those earnings by 15%. For this reason, the American index is still holding its grounds. In the long run, a country grows not because it protects itself through duties but because it sells quality products at competitive prices.

The World Cup gave us a lesson: in order to win, you need to unite and not divide. France was able to bring together

very different talents. Even the movie "Intouchables" describes a bond which was able to go beyond physical, mental and cultural differences. In building our portfolios, we look at numbers and do not try to take short term advantages from custom barriers. We prefer to invest in cost efficient companies with a global footprint, that deliver high quality products. The US tech companies have been fighting for long against the Chinese barriers, which block trade towards Asia. They are not afraid of new duties, because they are used to overcome their negative effect. The result? They are the equities best performers, with new high recorded this week. These are our "almost friends", the rest is just fake news.



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