

### THE GOLDEN DOOR



*Man (during IQ tests)*  
*Don't be afraid. Take your time. Think hard.*  
*Man: You're out at sea in a small boat.*

*There's a big storm. There are two sacks in the boat. One is full of bread, and the other, full of gold. You must save you, which do you throw overboard? Why throw them overboard?*

*Mancuso: I don't throw anything overboard. Nothing. I eat*

*the bread and I don't throw anything. s that right? Is it right?*

*Lucy: I am ready. I love table games, sir. I thought you were looking for illnesses and contagious diseases here.*

*Man: Unfortunately, ma'am, it has been scientifically proven that lack of intelligence is genetically inherited, hence contagious in a way. We are trying to prevent below-average people from mixing with our citizens.*

*Lucy: What a modern vision.*

*Man: Mr. Mancuso, your son is mute and cannot be admitted. Your mother is feeble-minded and cannot be admitted. What will you do now, continue the admission process or return home?*

*Mancuso: What's wrong? He doesn't speak, this way, he won't bore anyone. And, my mother, I'll keep her indoors and won't let her out.*

*How are my mother and my son a problem with all the land and work you have here?*

*From the movie: "Nuovomondo" (The Golden Door), by Emanuele Crialese.*

Ellis Island is the island-outpost located in New York's harbor, in front of the Statue of Liberty, the first strip of American land where those who arrived to the United States as

emigrants were held at quarantine. Between 1892 and 1924 emigrants reached 12 millions and they met a strict selection that sent back who was sick or a bit dumb.

This was immigration at the beginning of last century. Today everything is different, but the United States still are the Golden door, and people still have to take tests. The new Prime Minister, Giuseppe Conte, needs to pass – and accept them, but we will know the results in a couple of days when reading the Europeans' allies reactions. After the meeting Junker-Trump, the president of the USA aims at dividing the Union to gain some advantage. On the contrary, to discuss tariffs, it is crucial to be united. Therefore, the problem will be meeting President Trump without making any concession that hadn't been previously agreed upon by the other European partners. Trump will ask more military spending and a different position regarding Russia.

The rest is in the numbers. The USA are a Golden door with the best market in 2018, which is already half gone. Like it or not, its president's policy is proving him right, at least until now. Second's quarter GDP hits +4,1%, a value that we haven't seen since 2014. Trump, during a press conference that took place right after the publication of the data, raised his voice: "American's growth is sustainable and numbers are going to be outstanding (...) and with the trade agreements I'm working on, the GDP will grow even more". In a global market that from the beginning of the year has performed without excesses (the MSCI World is at an average +2,8% rate), while Europe is stuck (the FtseMib is still at the same level of the 31/12/17), in New York these last seven month's results have been different.

USA's MSCI reaches 7%; more specifically, the S&P500 reaches +6% and Nasdaq100 shines at +13%, in spite of the recent fall of some titled stocks. Steven Mnuchin, the US Secretary of the Treasury, believes that "the United States can have 4-5 years of sustained 3% growth. The USA – added Mnuchin – are focused on 'fair and open' trade".

The Italian government aims at the flat tax and at the citizen's income (see USA's benefits): "Tu vo' fa l'americano", (You

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want to be american) but it doesn't add up. Italy's economy seems stuck in a limbo, waiting to undertake the reforms that will lead it to America. Markets don't wait and Facebook's and Twitter's fall are under the spotlight. We are waiting for Apple's results, that is worth the 11% of Nasdaq on its own, twice as much as Facebook.

The quarters season beats estimates, even the stocks that have been penalized by the market after suggesting a more complex scenario, considering the trade war that from global has become only about China. In the background, the August 31st meeting: if, by that day, Washington and Beijing would not have come to an agreement, Trump may extend tariffs' perimeter of another 200 billion dollars of goods imported from China, up to an hypothetical extension of all the 500 billions of Chinese's import.

In the meantime the yuan's devaluation goes on, with the

conversion to dollar getting closer to the critical threshold of 6,90. Wang's Monday night's speech was relaxed: the Chinese Minister of Foreign Affairs stated that China will always be open to dialogue if both parties are going to act with mutual respect.

This is going to be the central bank's week, with Bank of Japan, Fed and Bank of England in the spotlight. The first is going to have to shed light on the rumors related to the revision of the yield's curve control policy that last week led to world-wide government rates; the latest is going to have to confirm, or not, the market's expectations regarding interest's rises.

From time immemorial we emigrate in search of a Golden door and every day we have to take a test; it's the market's selection, that ruthlessly judges if we have been smart.



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