

### ROCKY BALBOA

syvester stallone

## ROCKY BALBOA



*Marie: « It doesn't matter how this looks to other people. If this is something you gotta do, then you do it. Fighters fight. »*

*Quote taken from Rocky Balboa (Sylvester Stallone)*

If there has recently been a fighter in Europe, his name cannot fail to come to mind.

Mario Draghi who, as Rocky Balboa, had to fight against the many small and large crisis that have struck the Old Continent during his term of office. Last week there has been his last press conference, as president of the ECB, subsequent to the Board of the Eurotower. And his opinion is clear: "If there is one general thing I am proud of, it is to have constantly pursued the mandate. Never give up."

In his speech, Mario Draghi underlined that, for the Eurozone, major risks arise from geopolitical factors, protectionism and emerging markets' vulnerability. The European Central Bank President has defended until the very last moment negative interest rates, one of the crucial points of the Eurotower last years' course: "The overall assessment of negative rates is positive. They have stimulated the economy and affected positively employment". Moreover, Draghi has reaffirmed the importance of the decisions announced earlier, especially the one on Quantitative Easing, that will start on the 10th of November: "Unfortunately, the incoming data since the last Governing Council meeting in early September confirm that our determination to act promptly was justified". Meanwhile, the ECB confirmed interest rate on

its main refinancing operations, its marginal lending facility and the deposit facility will remain unchanged at zero, 0.25 and -0.40 percent, respectively.

In the Old Continent a latest update also comes on the Brexit front. The President of the European Council, Donald Tusk, said that the EU has approved the postponement of the UK exit (that had been already postponed to the 31st of October) until the 31st of January 2020, as requested by the British Parliament last week. A decision made to avoid the No Deal (most worrying hypothesis for financial markets), because Boris Johnson's government failed to get the agreement reached with the European Union approved in good time.

This further delay will be "flexible", because it will allow the UK to leave the EU earlier than January 31st, if Parliament ratifies the Agreement. Although the hard Brexit has been defused, the market mood is dampened by ECB data on the monetary mass M3 of the Eurozone. In September, the annual growth rate increased by 5.5%, slowing down from +5.7% in August. A result below analysts' expectations who estimated another +5.7%.

Turning to international trade, it seems that the two main fighters, the United States and China, are on the verge of a compromise. The respective delegations would have found convergences on some parts of the so-called "phase 1" of the agreement, as announced by the Office of Trade Representative Robert Lighthizer. "The two parties – read in a note – have made progress on specific issues to finalize some sections of the agreement".

Lighthizer and the Treasury Secretary, Steve Mnuchin, had a phone call with Chinese vice Premier Liu He. The agreement should be signed by US President Donald Trump and his Asian counterpart Xi Jinping at the APEC summit (Asia-Pacific Economic Cooperation), which will take place in Chile on the 15th and 16th of November.

#### Headquarters

6, Market Street, Floriana  
FRN1082 Malta  
T. +356 23479800

#### Italian branch

Via Cavallotti 8  
20122 Milano  
T. +39 02 36574500

#### Czech Republic

Pařížská 68/9, 110 00  
Praha 1 Staré Město  
T. +420 220 950 677

[www.aqa-capital.com](http://www.aqa-capital.com)

[info@aq-capital.com](mailto:info@aq-capital.com)

The tenant of the White House, before leaving to South Carolina for an election rally, confirmed these developments: “Many good things are happening with China”. At the beginning of the month he announced the achievement of a “substantial agreements” to be completed in the following weeks, which should include some of the thorniest issues: intellectual property, financial services and the purchase of 40-50 billion dollars in agricultural products.

Focusing on Wall Street, it has to be signaled the attention of the operators on the Tiffany stock, rising after the confirmation of the offer made by the luxury giant Lvmh. In the meantime, it grows the waiting for decisions to be taken by the Federal Reserve (Wednesday) and the Japanese Central Bank (Thursday) on US and Japan’s monetary policies.



FOLLOW US ON [AQA-CAPITAL.COM](http://AQA-CAPITAL.COM)



[www.aqa-capital.com](http://www.aqa-capital.com)

#### Disclaimer

This commentary is issued by AQA Capital Limited (“AQA”). AQA is licensed by the Malta Financial Services Authority (“MFS”) and qualifies as a UCITS Management Company and an AIFM in terms of the Investment Services Act (the “ISA”). AQA may also provide additional investment services. AQA is subject to the laws of Malta. For further information, on the services which AQA is authorised to offer, kindly view the MFS website on [www.mfsa.com.mt](http://www.mfsa.com.mt). Any information, views and opinions published in this commentary is supplied solely for educational and information purposes and should not be considered as an offer, solicitation or recommendation for the purchase or sale of, or effect any financial transaction. The information contained in this commentary does not constitute investment advice, and should not be relied upon to make any investment decision. Furthermore, information contained in this commentary should not be considered as a consultation of any nature, including, consultation about legal or fiscal matters. AQA Capital Ltd. has not verified and consequently neither warrants the accuracy nor the veracity of any information, views or opinions appearing on this website. AQA has no liability to any person for any errors or omissions. The information contained in this newsletter is not to be relied upon by any person. No representation or warranty, whether express or implied, is made, and no liability whatsoever is accepted in relation thereto. Any information contained in the commentary may not be reproduced (either in whole or in part), reworded or copied without prior written consent of AQA.

#### Headquarters

6, Market Street, Floriana  
FRN1082 Malta  
T. +356 23479800

#### Italian branch

Via Cavallotti 8  
20122 Milano  
T. +39 02 36574500

#### Czech Republic

Pařížská 68/9, 110 00  
Praha 1 Staré Město  
T. +420 220 950 677

[www.aqa-capital.com](http://www.aqa-capital.com)

[info@aq-capital.com](mailto:info@aq-capital.com)