

### AT ETERNITY'S GATE



*The Priest: Do you believe that God gave you the gift of painting to keep you in misery? Vincent Van Gogh: I never thought about it that way. Vincent Van Gogh: Maybe God made me a painter for people who aren't born yet. Vincent Van Gogh: Sometimes I say I'm mad, but a grain of madness is the best of art. Vincent Van Gogh:*

recession. See the collapse of the tech at the end of last year. Only a few months ago the mainstream, or better, the mass thinking was: the economy will slow down, there are securities with multiples that are too high because they are experiencing a strong growth. For many funds it was not easy to support a -35%, even 40% drop in some techs and have applied the stop loss to see, a few months later, a decisive recovery. It all happened fast, the example is hot and it seems very easy to read. Now, we widen the horizon and see that there have been only a few visionaries. Or, that they suffered, and a lot, before starting to earn something, above all if we think of individual shares. Fiat was expected to go bankrupt. Years later, after the purchase of Chrysler, the spin-off of Cnh first and Ferrari later, is a completely different company. Fca has taken a decisive turn, the prancing horse has scored a dizzying rally in the stock market. But how many believe in it? Netflix has been listed since 2002 and after an initial upturn (imagine the graph in logarithmic scale) the stock has collapsed and then started a boom since 2009. Amazon, listed in 1997, has never closed a budget in profit. All this without counting that after the initial rises, most investors sell the stock. Now, let's look at the big topics. Trump was supposed to bring Wall Street down but for exactly two years it happened the opposite. There has been talks of shale gas for years, but we have been seeing the real effects on prices only for a limited time. The clash between the USA and China has only recently gotten to its heart.

*There's something inside me, I don't know what it is. What I see nobody else sees.*

*Vincent Van Gogh: I wanted so much to share what I see. Now I just think about my relationship to eternity.*

*Vincent Van Gogh: I spent all my life alone in a room. I'd like to find a new light for paintings that we haven't yet seen.*

*From the movie "At eternity's gate" by Julian Schnabel.*

Some analysts think that what we are facing for 2019 is a market without light, sucked by the fears of the economic slowdown, out for the senseless prolongation of the US shutdown and obscured by geopolitical tensions and commercial wars.

*There's something inside me, I don't know what it is. What I see nobody else sees.* Those who see something invisible have always been called crazy. This happens in any field, from art to the economy. They become visionaries later. To get rich, you still have to wait.

In short, in the stock market as in life, "the crazy", do not earn a penny. The reason is simple, if the whole market expects a certain event, prices will be oriented in that di-

At macro level everything, and more, has been said, from deflation to the risk of the liquidity trap, finishing up with the normalization phase, that would have killed every rise.

Today, it is difficult to paint a picture of what will happen in 2019 due, above all, to the lack of light and visibility. The International Monetary Fund has just cut the euro area growth forecasts to 1.6% from the previous 1.9%. The Italian's fell to 0.6% from the initial 1%. Yesterday, the Chinese statistical office confirmed that in 2018 the country's growth has fallen to its lowest level since 1990, at the time of the economic sanctions that followed the Tiananmen Square's repression.

## THE PEAK: ALLA FONTE DEI MERCATI

For the Europeans, however, a dizzying growth: GDP at + 6.6%. Natality has never been so low since 1980 (+ 3.6%). I'd like to find a new light for paintings that we haven't yet seen. We are not visionaries like Van Gogh but we also are looking for that light that can enlighten our vision of the market. At least one aspect is clear: the excesses. We are going from one exaggeration to another, in a market that in 2019 will probably end up in stop and go. Strong drops followed by rebounds, marked by the events of geopolitics. In chronological order, first of all the end of this shady shutdown, nothing darker in Trump's politics, that so far had proved to be very friendly with the markets. We are expecting good news from the China-USA confrontation, and a solution that will lower the existing trade barriers. On May 7 we will probably receive good news on the Tlro front (subsidized loans to the banking sector) from the ECB. New shadows will emerge during the European election

campaign, with a risk of political stability in Italy. About the not so near future, we are quite blind.

The megatrends will continue, with the growth of those companies that are more focused on software, robotics, fintech and insurtech. Predicting more is "crazy" or genius, recognizing it allows us to limit mistakes in order to make the most of situations where there is more light and better visibility.



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