

25th HOUR



So we drive west, keep driving till we find a nice little town. These towns out in the desert, you know why they got there? People wanted to get way from somewhere else. The desert's for startin' over. Find a bar and I'll buy us drinks. I haven't had a drink in two years, but I'll have one with you, one last whisky with my boy. Take our time with it, taste the bar-

ley, let it linger. And then I'll go. I'll tell you don't ever write me, don't ever visit, I'll tell you I believe in God's kingdom and I'll see you and your mother again, but not in this lifetime. You'll get a job somewhere, a job that pays cash, a boss who doesn't ask questions, and you make a new life and you never come back. You got your mother's backbone in you, you're strong like she was. You find the right people, and you get yourself papers, a drivers license. You forget your old life, you can't come back, you can't call, you can't write. You never look back. You make a new life for yourself and you live it, you hear me? You live your live the way it should have been...

From the movie: "25th hour" Spike Lee.

Monty is a charming young man that gave up studying in order to become rich dealing drugs. The easy life. Than someone tips the police off and his dream is over. He'll go to jail. He'll spend his last day of freedom with his best friends. His father won't go to the jail but starts a trip on a metaphorical 25th hour, where Monty will have the chance to start a new life and rectify his mistakes. But the dream gets shattered and Monty's fate is fulfilled.

Italy is desperately looking for its 25th hour with Brussels, an hour more each day to settle the accounts. Its dream of carrying on with the excess of welfarism, of a growth financed with the public debt is soon to be shattered. Europe It's not placing its veto, but against the numbers the political rhetoric is hopeless. During the weekend the European Commission has preliminarily rejected the economic maneuver's draft, sent a few days earlier to Brussels. In Italy the majority parties, above all the League, are meeting the electorate's approval.

Matteo Salvini wishes that the rating agencies, that are going to send their public debt evaluation any day now, won't have a prejudice against his government. A rating cut, says the vice president, is going to be a gift for those whose goal is to buy the big and publicly- controlled Italian societies quoted on the stock exchange.

Instead of buying the Italian's companies, investors run away, and the Italian stock exchange collapses and drags its European colleagues into the abyss. Salvini is going to intervene only with a 400 basis point spread: the market is slowly getting right there.

Information leaked to the press about a meeting between the Bce's governor, the Italian Mario Draghi, and the League's representative Giorgetti. The meeting took place last Wednesday, in order to sort out a backup plan in case of strong market turbulences. The backup plan foresees the possibility of a deficit/GDP reduction in 2019, now set to a 2,4%, depending on the turbulences on the markets/spread. Let's keep in mind that the BCE's meeting will be set on the 25th of October (the day before the evaluation of the S&P rating).

China too is looking for her 25th hour. After the long vacation of the "golden week", the stock exchange has opened with a sharp fall, not at all lessened by Beijing's Central Bank decision of releasing around 175 billions of dollars of liquid assets. The maneuver, the fourth of this kind from the beginning of the year, wasn't a surprise. Everybody knew that the Chinese political authorities were going to intervene to reduce the effects of the trade war with the USA: Shan-

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ghai's stock market has lost, from the beginning of the year, more than the 15%, the yuan the 9% against the dollar. The People's Bank of China has cut the minimum reserves, set at a 14,5%, of the 1%. The goal: increasing the internal demand to reduce the export's exposure. China's 250% debt-to-GDP is funding the infrastructures and the strong long term growth. Italy wants to finance the welfare.

In the nearby Austria, Sebastian Kurz's populist and rightist government stated that Vienna is going to show to the European Commission a draft budgetary plan for 2018/2019 with a 0% deficit. It's the first time from 1995, when Vienna joined the European Community.

At the same time, the debt-to-GDP ratio, Maastricht's parameters second pillar, has fallen from 2017's 78,3% to 74,2% in 2018 and is expected to fall further on to a 70,5% in 2019. «The debt policy is

bearing fruits. We are saving and at the same time we can afford family allowances or the pensions increase», writes Kurz in a tweet.

Italy concentrates on deporting immigrants. Germany needs 1,6 billion skilled workers to keep up with the economic boom. Two countries, two different worlds. We, as managers, would also like to have a 25th hour, it would be nice if we could remedy a mistake when we make a wrong investment. Instead, we have been knowing, for a long time now, that easy money doesn't exist. We must go to school and understand that there is always something to learn from these markets. There is no point in defying the spread and the EU. For a while, it is better to stay away from Italy.



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