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# INVESTMENT WEEK

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### **Trump will make no difference**

Today, we find it difficult to remember the fears that a potential Trump election were being raised just two months ago.

Since then, markets have turned extremely optimistic about the US economy for 2017 and beyond, thanks to a hoard of positive measures proposed by the future president, from tax cuts to increased infrastructure spending.

This complacency is not only visible in market performance, but also in confidence indicators that surged over the past few weeks.

In a context of stretched equity valuations, reaching levels unseen since the 2000 tech bubble, markets are almost definitely set for disappointment sometime this year. First, because investors have discounted a best-case-scenario where every single measure is approved and implemented swiftly.

However, this outcome is unlikely as even in the Republican camp, some are questioning the disastrous impact of those measures on the country's budget and indebtedness level, in a context of rising interest rates. Then because the impact of the reforms might take some time to translate into higher GDP growth.

Investors and markets are not known for their patience and might be frustrated to realise that 2017 will not be impacted that much by the Trump election.