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Good morning

Finally there is news, respectively a progress within European politics. French election did result the way our expectations were; the independent centrist Emmanuel Macron, who was unknown three years ago ago, has become France's youngest-ever president (39) after an estimated 65% to 35% victory in the second round run-off against Front National's right-wing leader Marine Le Pen. The resounding win has been hailed by his supporters as holding back a tide of populism after the Brexit vote and Donald Trump's victory in the US election. Italians voted overwhelmingly to elect Matteo Renzi as the new head of the ruling Democratic Party, returning him to frontline politics as the party faces a growing challenge from populist politicians.

We see augmenting geopolitical risks coming from Southern China Sea, Northern Korea and Syria. Fact that three nuclear powers USA, Russia & China stand out on the Korean peninsula, the North Korean arsenal, if it is to be deployed, could act as a trigger for a massive confrontation between the three powers. Washington DC, Moscow, and Beijing should not be affected by such a confrontation. The problem is not the size and scope of the North Korean arsenal, but thefact that the classical deterrents are ineffective here. The regime in Pyongyang apparently wants to blackmail the US to a peace treaty with ist nuclear arsenal and thus secure the rule of the Kim family for the future.

The current correction in oil prices is sowing the seeds of a powerful rebound and a potential supply crunch by the end of the decade, but the prize may go to the US shale industry rather Opec, the world's energy watchdog has predicted. America's shale oil producers and Canada's oil sands will come roaring back from late 2017 onwards, a cycle it described as the «rise, fall and rise again» of the fracking industry. Since global consumption per captia will not decreaseWe expect oil prices to return toward USD 60/barrel and companies such as **TOTAL, BP, EXXON, STATOIL** remain attractive investments with superior dividend yields.

Equities should continue to build on their recent gains as economic momentum remains robust worldwide, and monetary conditions are favourable. Moreover, with the new French president, stocks also look set to benefit from a more settled political climate. We therefore retain our overweight position in our single stock oriented strategies and do **remain positive on keeping EUR** as currency.

Please challenge us with your views and ideas at any times!

Best wishes for the new week

Bjoern