

Input 09.11.2016

Good morning

The outcome of US election is shaking global markets, the press is full of articles and live blogs and it's difficult to understand that Mr Trump is confirmed to become the 45th president of the United States. Within Article II of the US Constitution, the President is given a series of powers. The problem is that the president can act, and only be stopped in hindsight. The overall political system of the USA appears very fractious and contentious, but it mostly works by debate & negotiation between interested parties, and with compromise. Nevertheless all of us must accept the result of today's vote, and things might not turn as bad as predicted by global media.

Considering the «big picture» global environment has not changed. Many of the immediate moves we are seeing this morning are likely to be reversed as investors move back into the market and there is a chance that Trump will favour a more hawkish head for the FOMC. Sectors to favour will be energy, pharma, defense and infrastructure. Furthermore it remains difficult to find valid arguments, why investors should lend money to governments and corporation at low or even negative yields, if there are investments in dividend yielding listed companies with solid balance sheets.

Last week we did shift the long only European Dividend Selection CALANCA into the Stabilized European Dividend Income Fund, which does partly hedge the downside risk of markets, but keeps an focus on single stock selection with an average dividend yield of 4,5%.

As we did not overreact in January 2016 with the Chinese market shock, nor during BREXIT June 2016 conditions we will follow the same approach during the next days, shall monitor the situation closely and are thankful if you share your opinion and thoughts with us. Please feel free to contact us at any times.

Kind regards

Bjoern