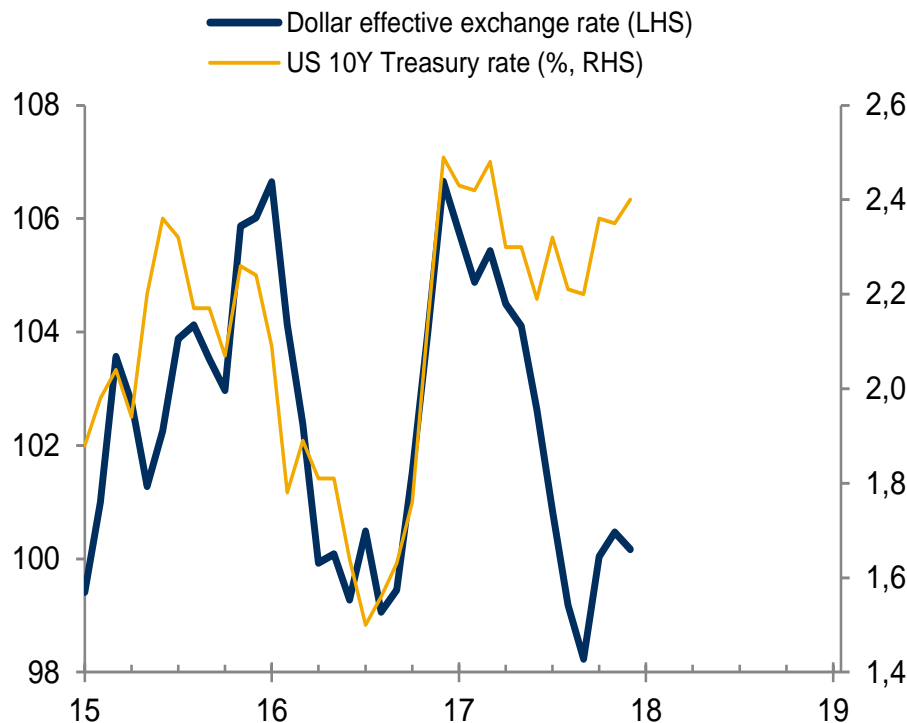


State of the (dis)Union Address: A revelator of contradictions

Bond market sees a stronger US economy, while FX market mirrors a lower attractiveness



Celebrating economic strength: the US grew at a lower pace (+2.3%) compared with the Eurozone (+2.5% YoY) in 2017

Announcing a USD 1.5 trillion investment plan for infrastructure projects: endangers stability of the debt after recent tax cuts, at odds with willingness to reduce the government weight in the economy

Announcing a 4-pillar plan on immigration policy (regularization of dreamers, the wall on the southern border, replace visa lottery with selective system, limiting sponsorship), significant constraint on the corporate sector, increases partisanship and announces new potential government shutdowns

Highlighting a wave of deregulation: Instead of 1579 changes announced only 67 deregulatory steps taken for now. Increases the already high risk of bubble

Praising a new trade policy. Unilateralism and protectionism isolated the US and liberated circumventing strategies (CPTPP, CETA)