

1 Year of President Trump

Monday, 11/13/2017

It has now been almost twelve months since the popular TV show 'The Apprentice' moved to the White House. As one could expect, this season of the reality show was filled with drama, strong language and many people being fired – let alone all the twitter leaks straight from the West Wing. Joking aside, what has Donald Trump achieved in his first year of his presidency? Not much.



Hartwig Kos

One year ago, investors hailed him as the saviour of 'small town America' – with everybody talking about the revival of US manufacturing and American jobs for the American people. Animal spirits were rising, so were small cap equities and banks. Trump himself continued to shout for the repeal and replace of Obamacare and a cut in taxes, while he told the American people to expect a \$1trn infrastructure package. What actually happened? Obamacare is still in place and the debate about tax reform has barely begun. It has also gone awfully quiet on the matter of making US infrastructure 'second to none'.

Nonetheless, the US economy has continued to hum along nicely and the S&P 500 produced seven straight monthly gains and more than 50 new highs year-to-date. Has Trump had anything to do with the fireworks on Wall Street and the solid expansion in the US economy? Not much. The so-called 'Trump trade' completely reversed in the first eight months of the year, reflecting general investor disappointment with Donald's presidency so far.

It is true the prospect of tax cuts has somewhat revived the reflation trade since September, but one can argue any potential success in regard to the US tax reform might happen with or without Trump. In light of the 2018 mid-term election, the Republican Party – which has control over both the House and the Senate – is under enormous pressure to get at least one flagship legislation ratified. With its mind sharpened by this, the GOP might finally overcome its differences and get a bill passed. Trump is largely just noise – a very loud noise though.

Disclaimer

This marketing document has been issued by Bank Syz Ltd. It is not intended for distribution to, publication, provision or use by individuals or legal entities that are citizens of or reside in a state, country or jurisdiction in which applicable laws and regulations prohibit its distribution, publication, provision or use. It is not directed to any person or entity to whom it would be illegal to send such marketing material. This document is intended for informational purposes only and should not be construed as an offer, solicitation or recommendation for the subscription, purchase, sale or safekeeping of any security or financial instrument or for the engagement in any other transaction, as the provision of any investment advice or service, or as a contractual document. Nothing in this document constitutes an investment, legal, tax or accounting advice or a representation that any investment or strategy is suitable or appropriate for an investor's particular and individual circumstances, nor does it constitute a personalized investment advice for any investor. This document reflects the information, opinions and comments of Bank Syz Ltd. as of the date of its publication, which are subject to change without notice. The opinions and comments of the authors in this document reflect their current views and may not coincide with those of other Syz Group entities or third parties, which may have reached different conclusions. The market valuations, terms and calculations contained herein are estimates only. The information provided comes from sources deemed reliable, but Bank Syz Ltd. does not guarantee its completeness, accuracy, reliability and actuality. Past performance gives no indication of nor guarantees current or future results. Bank Syz Ltd. accepts no liability for any loss arising from the use of this document. (6)