

Flash Note
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Can the US-sino trade war stop being a negative driver?

President Trump wants to reach an agreement on trade with China's president Xi Jinping. Add a group of 20 nations summit in Argentina late this month.

President Trump has asked his U.S. key officials and cabinet secretaries to draft the potential terms of a deal to start signaling a cease-fire in an escalating trade conflict.

The push for a potential deal was prompted by a telephone call between north American president and Xi Jinping early this week. After the call, the north American president mentioned that "trade discussions were moving along nicely".

Our outlook:

These are encouraging news, specially if we consider that another key negative driver (Brexit) could be in the process of being solved, as evidenced by last night statement from the British government that "a Brexit deal could be expected by late November" and also the news pointing to an imminent Brexit agreement on financial services and the Irish border.

The fact is that the Brexit negotiations are apparently moving into an endgame where the most likely scenario is a plausible "Soft Brexit" that will lock Britain into a never-ending transition period that will likely mutate over time into an EU relationship as close as Norway's, or even closer.

Late, but the tail winds are finally coming. A stressed market, but without apparent solvency problems, should collect this news in a very satisfactory way (especially emerging markets).

Regards