

US PRESIDENT DONALD TRUMP

Our view of the financial markets

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The market assessments, which appear on a periodic basis, are available to download in PDF format on the Albin Kistler website:

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The election of Donald Trump as the 45th President of the United States reflects the fact that voters are increasingly losing their trust in the existing political establishment.

Impact on the US

Donald Trump is a political newcomer and it is difficult to predict the line he will take in some areas. The US Congress will also remain in Republican hands. There are justified hopes that both the excessive regulation seen in many areas and the tax burden can be reduced markedly for the benefit of the economy.

From an economic perspective, Donald Trump is a better choice than Hillary Clinton. The long-term corporate outlook should improve.

Impact on other countries

In Europe too, steadily increasing levels of debt, escalating social costs and excessive regulation are undermining the confidence in the future of the continent's citizens and companies.

The Brexit decision taken back in summer was no chance event, and instead represented a wake-up call for the political elite to reassess the current situation.

Over the coming quarters, further votes and elections will be held in Italy, France and Germany. It is likely that the trend towards lower public spending ratios and the empowerment of citizens will be continued.

Summary

As was the case with the Brexit referendum, we have neither invested for nor against Donald Trump. For shareholders, future corporate profits will be by far the most important parameter. Following the election, we continue to view the long-term stock-market outlook as very attractive.

With the new government, we are once again set to see more business-friendly policies coming out of Washington. It is also very possible that a long-awaited spirit of optimism will now emerge in the US.

The economic upturn, which has been sluggish to date, will be accentuated and go down in history as one of the longest ever. In the US, interest rates will tend to rise and clearly pull away from those seen in Europe and Switzerland.