

Do You Know How the State Spends YOUR Money?

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We went down the street yesterday ... after a few days of bad weather, the streets were full ... the sun shone brightly, lighting until late at night ... According to the news, we left for the cold and rain in the next few days , Then we take advantage for the moment ...

Of course, we are almost always on the verge of any change ... nothing happens every day like this ... the trees do not grow in the sky ... and everything we know ends up one day or another by giving way.

You are obliged to appreciate the period, the circumstances that surround you ... as long as they last ... Or, at least, notice them ...

You may not know what trivial details will become important over time ... or what topics you care about that will seem insignificant in the future ...

We read in the newspapers that the French and American markets are going down slightly today ...

An innocuous withdrawal? Or something more serious?

According to *Boursorama* , the Paris stock exchange lost almost 0.6% overnight ... because investors need reassurance but do not get the "good news" they hope for.

Without positive news, the markets catch their breath ... and become more thoughtful ...

On the US side, we see a similar decline ... the Dow Jones lost 0.48% yesterday (May 16), and the S %26 P 500 lost 0.55%.

Why the withdrawal?

According to *Marketwatch* , investors began to retreat after a *New York Times* report that Donald Trump tried to influence the FBI to defend a member of his government, Michael Flynn Has since resigned for suspicion of having unveiled state secrets to the Russians) ...

Are markets concerned about "state secrets?"

Not really ... but, according to some analysts, Donald Trump could be forced to resign ... which would lead to new uncertainties, mainly on taxes and corporate regulation (markets thought Trump would reduce these charges) ...

According to Naeem Aslam, an analyst at Think Markets quoted by *Marketwatch* :

"Markets are worried about the possibility of forced resignation [of the president], a scenario estimated to be more than 50% probability since the New York Times article was published. In such a case, we could say goodbye to the gains we have seen since the election of Trump. "

And here in France?

On our side of the ocean, not much reaction to the election of Macron ... Maybe the markets do not believe that its program to "simplify the Labor Code" or "reduce burdens" will actually come into being ... And they are probably right.

Thank you Greenpeace ...

Our book, "France in Bankruptcy: Your Plan of Survival," contains many critical passages on "renewable energy" and "sustainable development ..."

We also believe that most wind and solar projects will fall to ruin in the next 10 years ...

But we are obliged to admit it ...

Greenpeace, one of the largest ecological groups in the world, is absolutely right.

Lately, in order to block the construction of a new nuclear power plant in England, the group filed a complaint with Brussels on state aid that the government gives EDF ...

EDF continues to build and power dozens of nuclear reactors in France (and soon in the UK) despite aberrant financial results from year to year ...

How does he manage to find funds for his projects, which cost billions of euros?

Mainly from you.

When EDF carried out a € 4 billion fund raising in March 2017 (a small drop compared to its immense capital requirements), the French government provided 75% of these funds ... by agreeing to waive Dividends in cash on such shares. In total, your assistance to EDF reaches approximately 6.8 billion euros for this transaction.

Why is EDF, which is publicly traded, going to look for funds in the markets, like any other company?

Because private shareholders are already leaving the ship for a long time ... Your EDF "subsidy" is the only thing that keeps it afloat.

Look: Under the supervision of the State, EDF has lost 70.5% of its value since its IPO.

Given that 84% of its shares belong to the public, this represents a loss of approximately € 61.4 billion for taxpayers.



And Greenpeace really puts the finger on what is the most serious ... explaining on their website that:

"EDF and its CEO Jean-Bernard Lévy underestimate the costs related to the decommissioning of power stations and the treatment of waste: a small forgetfulness of 50 billion euros. These costs must, according to the law, be properly provisioned in EDF's accounts. This irregularity is intended to conceal a situation of bankruptcy of the company. EDF does not have the means to fulfill its ambitions either: the company does not have the 165 billion euros necessary for the investments it has undertaken to

make over the next ten years. "

In short, our nuclear program is a disaster ignored by most people ... Our government embarked on this path in the 1950s and 1960s ... and finally we see what this program really is:

A gaping financial hole in which the state casts discreetly your money.

Thank you Greenpeace ...

What to do...?

Most of the time we have no idea if the stock will go up or down ...

But we're talking about private companies ... who can always find a new innovation or a new strategy ... something to change course.

For a company like EDF, however, the path is clear ... More debts ... more subsidies ... more costs ... and less value.

If you buy a company like EDF, you have no chance of being a "winner" in the future ...

Similarly when you buy shares of domestic companies like Rosneft (in Russia) or Petrobras (in Brazil).

These types of groups are predestined for disaster ...

Of course, EDF is not necessarily a "bad investment." Look at its dividend: 13%!

You buy a stock costing \$ 16.60 and your annual dividend is \$ 2.16.

If this dividend continues, you will be refunded the purchase of your shares in less than 8 years!

To compare, on the CAC 40, the average repayment time is over 23 years.

Dividends are the only reason why some shareholders continue to keep EDF in their assets.

On the other hand, you have to understand something about EDF and others ...

These dividends can only be paid because the State guarantees EDF's accounts with taxpayers' money ...

You are not betting on a company ... you are betting on a political choice ... which can be risky.

Of course, you can buy groups like EDF for their dividends ... but understand what you buy: a kind of indirect obligation of the state ... that they can always decide not to pay any more.

And of course, in a crisis situation, ceasing payments to EDF's shareholders would no doubt be a feasible measure.

In short: Yes, national companies like EDF are "cheap ..."

But these are time bombs. Sooner or later, you will lose your money.

When EDF was first listed on the stock exchange in 2005, the markets believed that they were participating in the "great liberalization" of the assets of the ...

Petrobras had just been listed in Brazil, as well as Gaz De France, and many other state groups around the world.

As a result, markets have accepted aberrant financial accounts and lack of transparency ...

But after a few years, they finally understood: EDF and others were not "real companies ..."

States have pretended to play the game of markets ... healthy competition ... and accountability to shareholders ...

But in the end, it was all a joke ... Behind the curtains, the state continued to pull the strings ... and put their hands in the pockets of taxpayers.

Truly,

Henri Bonner