

# Today's Stock Prices Defy Common Sense

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After the debates on statues and symbols, Trump breathes a blow ... today, the media calm their ardor ... presumably before going back on the attack ...

On the stock market side, the CAC 40 is losing its breath ... its deflation has continued since May ... with a decline of 1.13% since yesterday. In the United States, Wall Street has fallen, following torrents on Donald Trump this week from the media ...

After the rise of stock markets since the November elections, Wall Street would seem to be disillusioned, seeing the chance of reducing taxes and regulations on companies disappear ...

Meanwhile, technology giants - Facebook, Snap Inc., Tesla, and others - seem to be running out of steam ... challenging the ability of businesses to climb.

Meanwhile, interest rates have climbed since the end of 2016 ... from 1.6% at the time of the elections, for US 10-year bonds, to 2.2% today.

With rising interest rates, fewer companies issue warrants to buy back their shares ... which reduces market price growth.

In the wake of Wall Street ...

Wall Street sneezes ... and Europe catches the flu ...

With the challenge of Donald Trump these days, the markets would seem to calm down ...

Without the support of the White House - to alleviate the burden on businesses - the market may not be able to climb higher ...

After a rise since 2009, this market could lose momentum ... leading to losses for investors - funds, banks, insurers ...

In times of crisis, the market is calling into question ... corporate valuations, the security of bonds, the solidity of promises ...

With companies like Netflix, Uber, Tesla, and Snap, not producing profits, a disruption in the market becomes a danger to survival ...

In times of prosperity in the market, investors support a variety of projects - allowing experimentation, testing, and even error ...

Amazon, for example, trades on the stock market at 249 times its profits for the year.

The driver Tesla would lose about 11,000 euros per car.

Facebook is trading at 40 times its profits per year.

Throughout the history of the markets, the "average" price of companies is around 15 times its profits.

Today, companies on the S %26 P 500 trade at 21 times their profits. On the CAC 40, the market valued stocks at 23 times their profits, on average.

In short, in times of prosperity and enthusiasm in the market, prices rise, even if the profits do not follow ...

In the event of a relapse in the market, then companies will have more difficulty to finance themselves ... and will have to "rationalize" their expenses.

For a company like Tesla, having lost around 750 million euros in 2016, a plunge in the equity market could sound the end ...

Elon Musk, founder of Tesla and master of fundraising, also had losses of 700 million euros in 2016 in his company SolarCity, a manufacturer of solar panels.

In short, the market swells again and again ... until the moment of implosion ...

In this case, assets collapse, stocks fall, companies panick, send staff, and close subsidiaries ...

On the investor side, enthusiasm is dissipating ... fear is rooted ... and disorder arises.

What to do...?

We say from time to time to have a little gold ...

In crises, you have opportunities ...

To enjoy it, you must have the guts to buy when everyone is afraid ...

On the other hand, recognizing value in a crisis requires knowledge, experience, trust ... and can represent a full-time job ... with significant risks.

Having gold, on the other hand, allows anyone to protect themselves ...

Moreover, we have not forgotten my interview with Dr. Philippe Herlin ... details to come soon. Truly,

Henri Bonner