



Everything is perfect.....

Switzerland 2020

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A new decade brings new trends



Growth momentum rising, but real growth is not



Today is the best day in US vs China relationship for years



Negative Yield is over as policy direction – big positive impact coming



There are three major risks to markets: US Election, Credit risk and inflation scare



Climate is the next **megatrend** in stocks, politics and fiscal policy

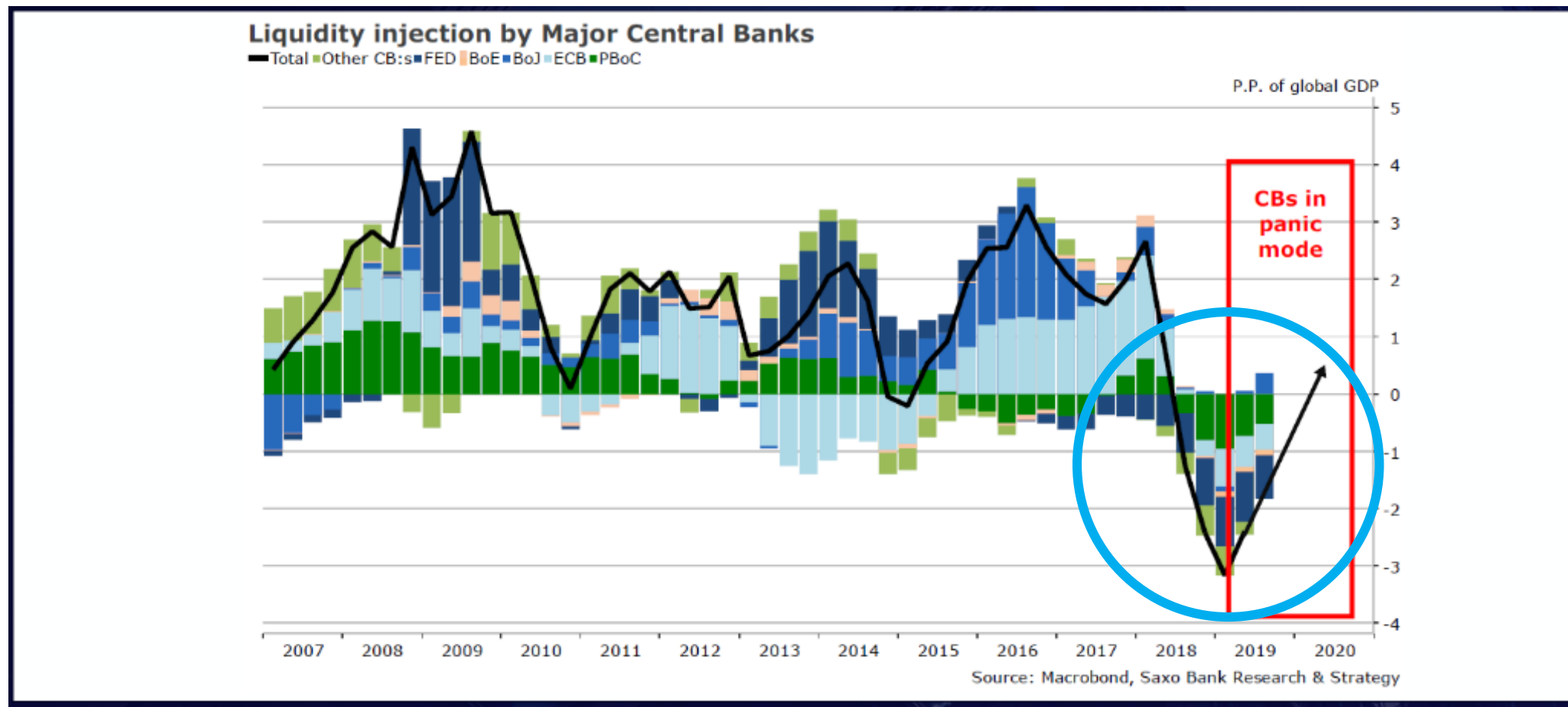
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SNB – the more they intervene, the stronger the CHF goes – (Why? – TINA + HF status)



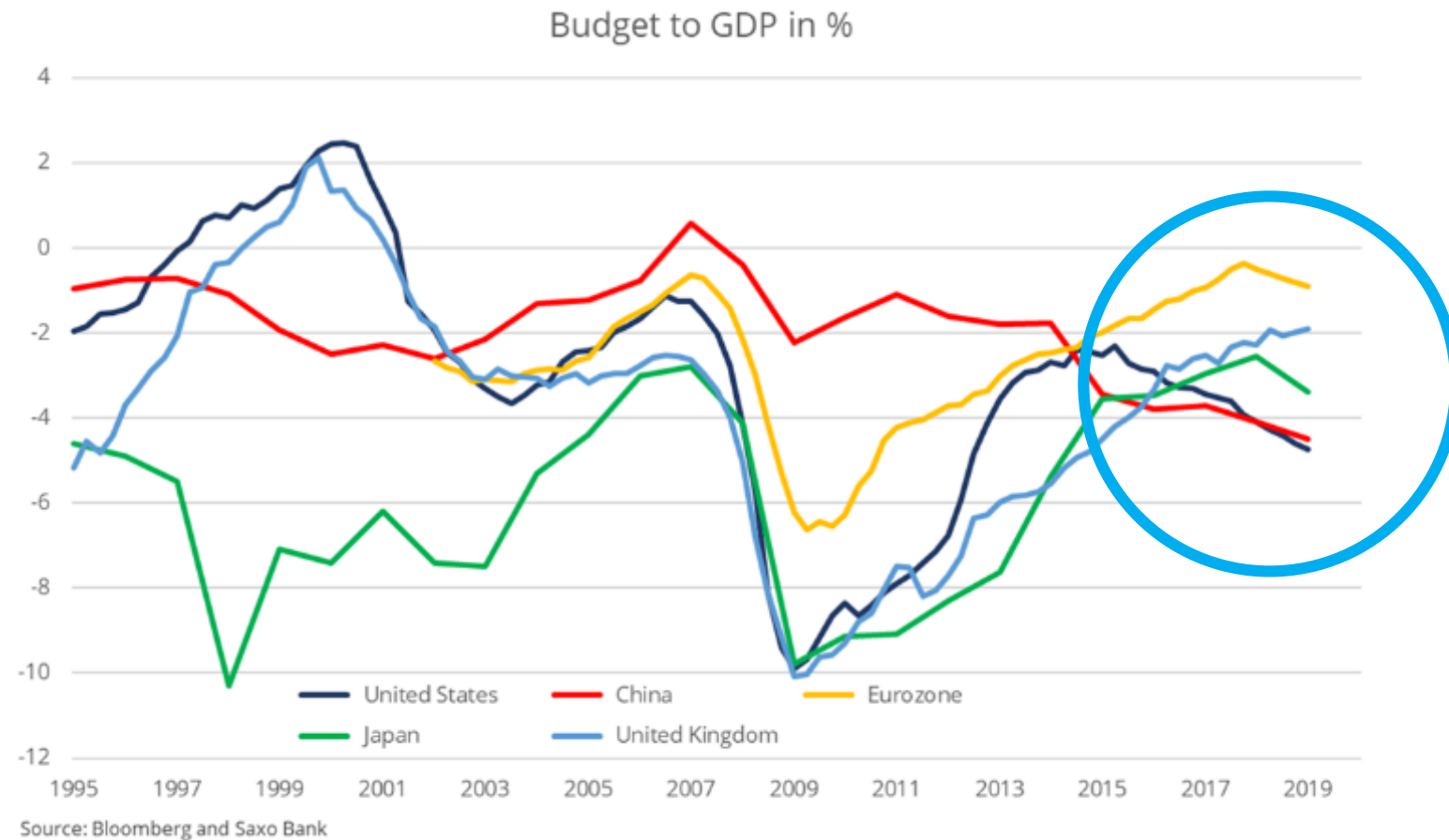
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2019 biggest central bank panic ever.....



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More Credit, cheaper prices and more fiscal stimulus PERFECT!



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More Credit, cheaper prices and more fiscal stimulus PERFECT except only for TINA

US growth - Not bad, but heading south

Blue - ISM Manu Green- Chicago Nat. Activity 3mos avg (broadest measure of US economy)



Source: Bloomberg LLP & SaxoStrats

CFNAIM3 Index (Chicago Fed National Activity Index Three Month Moving Average)

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“Today is the best day for China vs. US relationship in several years to come.....”



BEIJING - China and the United States have agreed on the text of a phase one economic and trade agreement based on the principle of equality and mutual respect.

The text includes nine chapters: the preface, intellectual property rights, technology transfer, food and agricultural products, financial services, exchange rate and transparency, trade expansion, bilateral assessment and dispute settlement, and the final terms, according to a statement issued by the Chinese side Friday night.

Both sides have reached consensus that the U.S. side will fulfill its commitments to phase out its additional tariffs on Chinese products, so as to achieve a switch from hiking to cutting additional tariffs.



Two Global Platforms (Asia vs. West)

- Technology
- Trade
- Reserve currency



Growth drivers

- Since 1940s: Consumers, technology, demographics
- From 2020: Climate, technology, Consumers
- Monetary policy is dead....
- Global food prices rising – tax on consumers



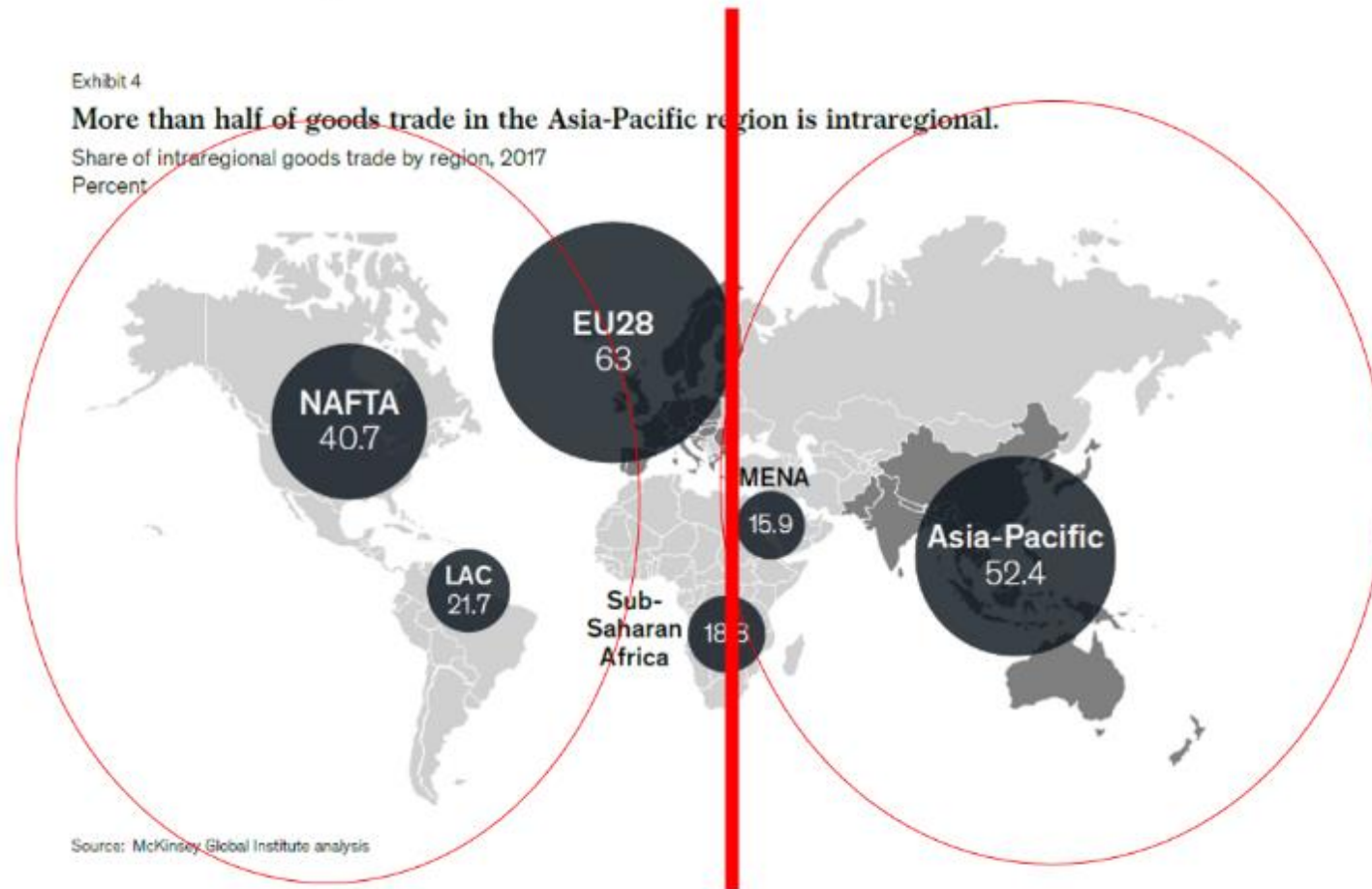
China towards 2030

- From 'factory of the world' to 'market for the world'
- The ultimate prize: The Chinese consumer
- The Chinese narrative & data is misunderstood

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Trade “war” will become less and less of an issue....

Two Global Platforms – Trade already reflect this



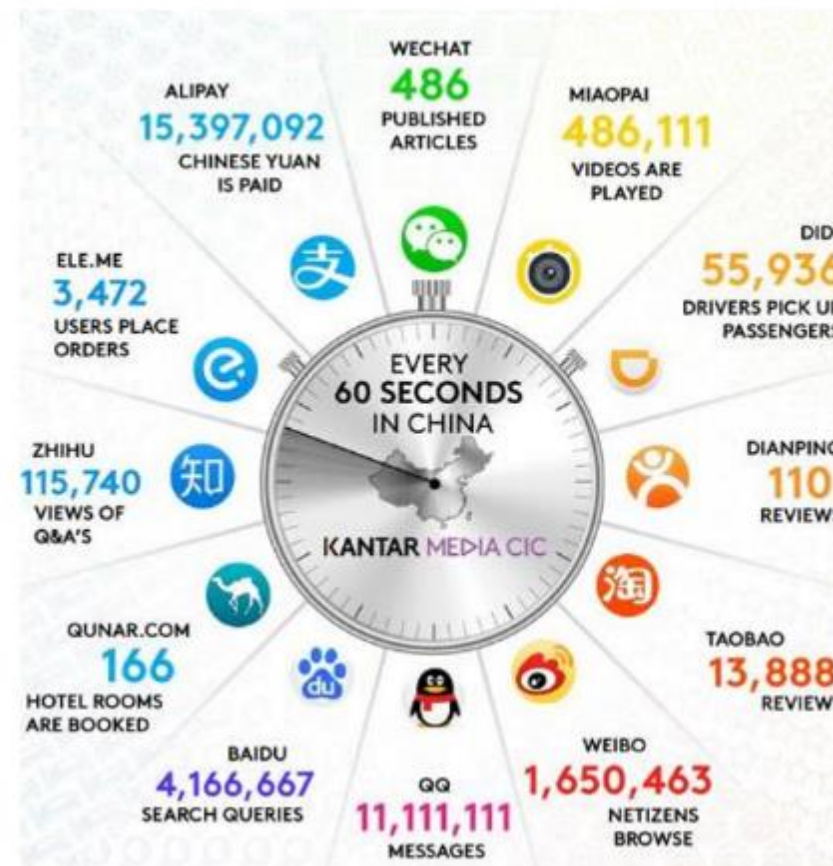
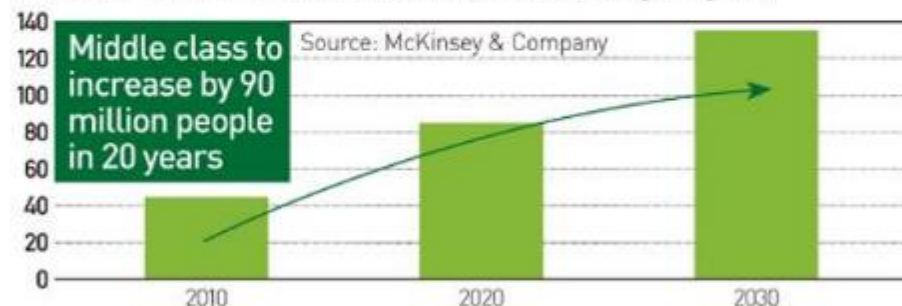
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Two platforms, but only one is winning.....

Table 4

Middle Class to Grow to 135 Million People

Middle Class Consumers (1 million people)



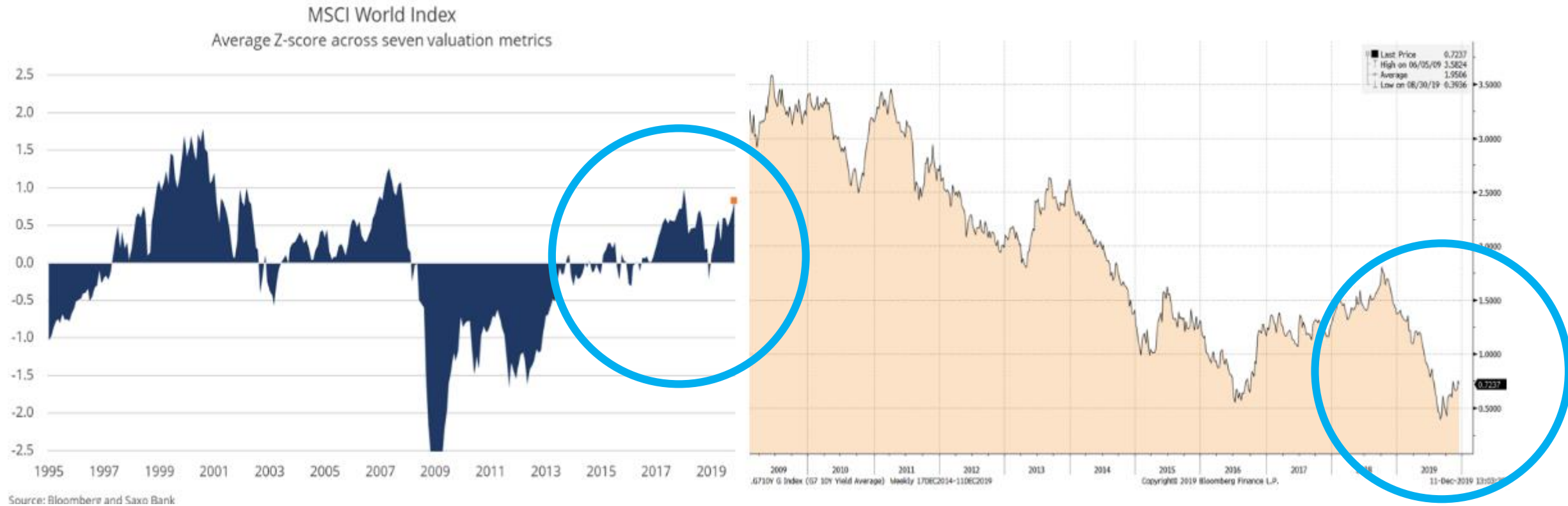
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Negative Yield is ending.....policy cost too high on credit, equality and growth....



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Meet the most important woman in the world: TINA – “There Is No Alternative.....”



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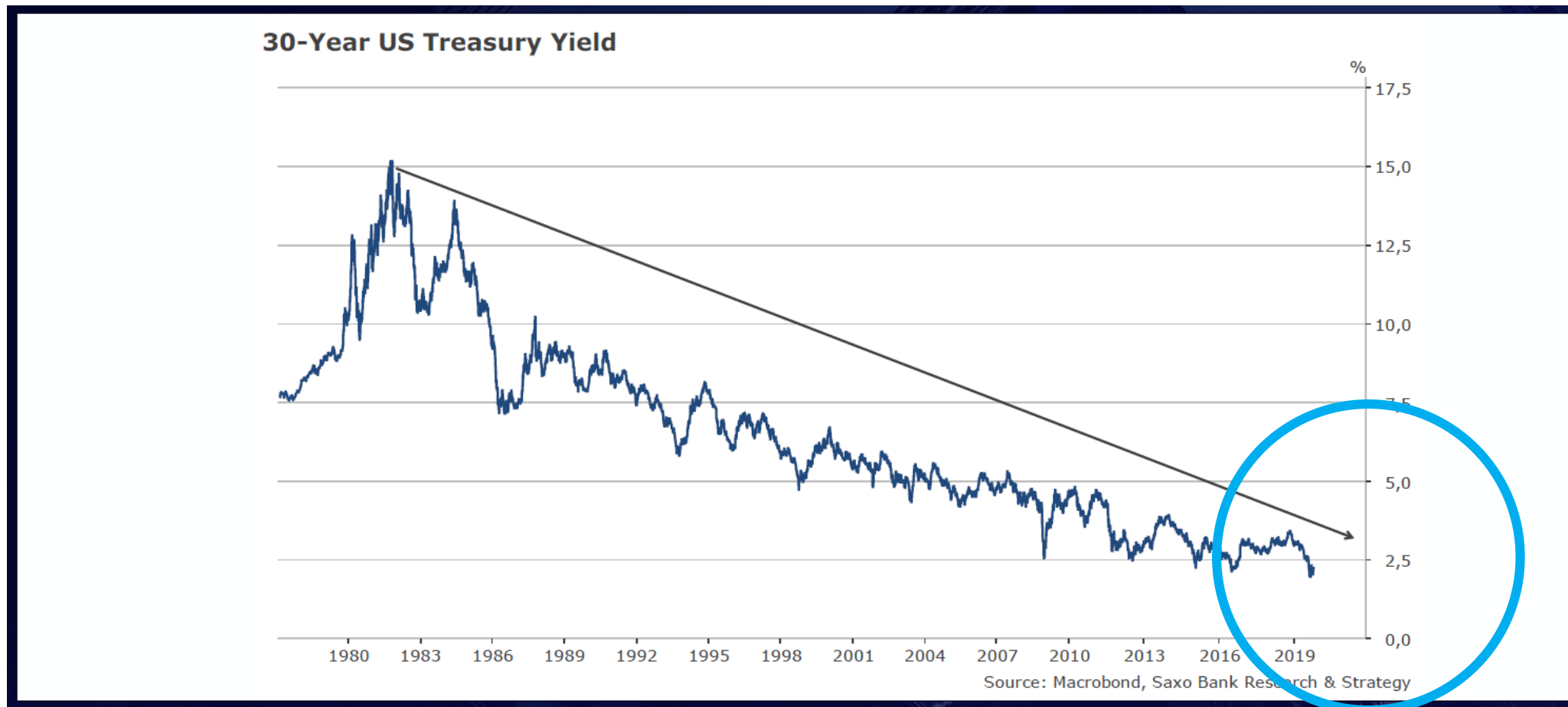
Yes, US stocks massively expensive, but TINA doesn't care....



Source: Bloomberg and Saxo Bank

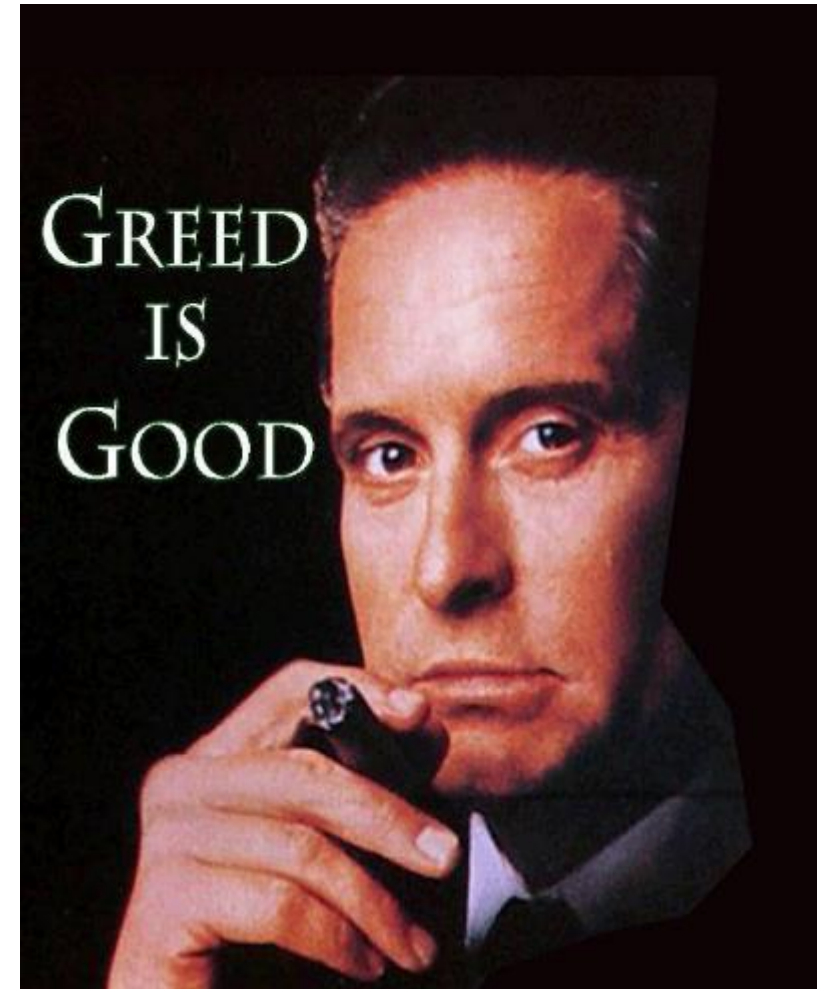
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TINA loves 30Y US yield going/heading to ZERO by 2022....



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The Wall of Worry vs. Gordon Gekko



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Three major concerns for 2020



US Election 2020



Credit default / Liquidity



Inflation scare – Supply constraints

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Each decade has a trend – what will 2020s bring?

LARGEST GLOBAL COMPANIES IN 2018 VS 2008: SEVEN OUT OF TEN ARE NOW BASED ON PLATFORM BUSINESS MODELS

2018

RANK	COMPANY	FOUNDED	US\$bn
1.	 *	1976	890
2.	 *	1998	768
3.	 *	1975	680
4.	 *	1994	592
5.	 *	2004	545
6.	 腾讯 *	1998	526
7.	BERKSHIRE HATHAWAY	1955	496
8.	 *	1999	488
9.		1886	380
10.	J.P.Morgan	1871	375

* Companies based on the platform model

2008

RANK	COMPANY	FOUNDED	US\$bn
1.	 PetroChina	1999	728
2.	 EXXON	1870	492
3.		1892	358
4.	 中国移动 China Mobile	1997	344
5.	 ICBC	1984	336
6.	 GAZPROM	1989	332
7.	 Microsoft	1975	313
8.		1907	266
9.		2000	257
10.	 AT&T	1885	238

Sources: Bloomberg, Google

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Cost of climate too big now...

Twice the size of Belgium: The scale of Australia's bushfire disaster



Boats are pulled ashore as smoke and wildfires rage behind Lake Conjola, Australia, Thursday.

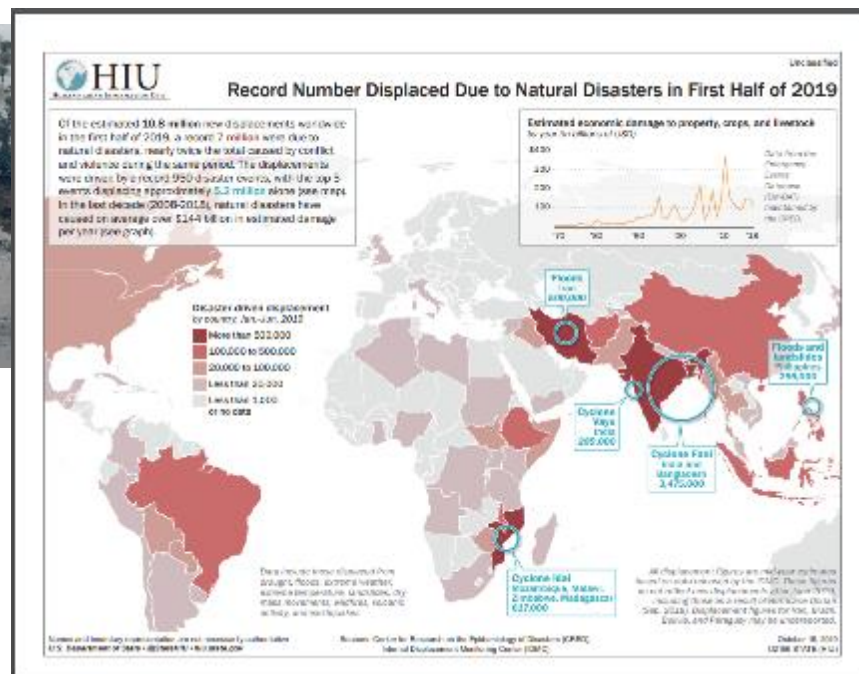
North Jakarta is sinking by about 25cm every year

"The potential for Jakarta to be submerged isn't a laughing matter," says Heri Andreas, who has studied Jakarta's land subsidence for the past 20 years at the Bandung Institute of Technology.

"If we look at our models, by 2050 about 95% of North Jakarta will be submerged."

Onion prices in India up by over 400% after March

In Places like Panaji in Goa, the rates were as high at Rs 165 per kilogram. In fact, the average price of a kilo of onions across 114 cities came to over Rs 100, according to official data.

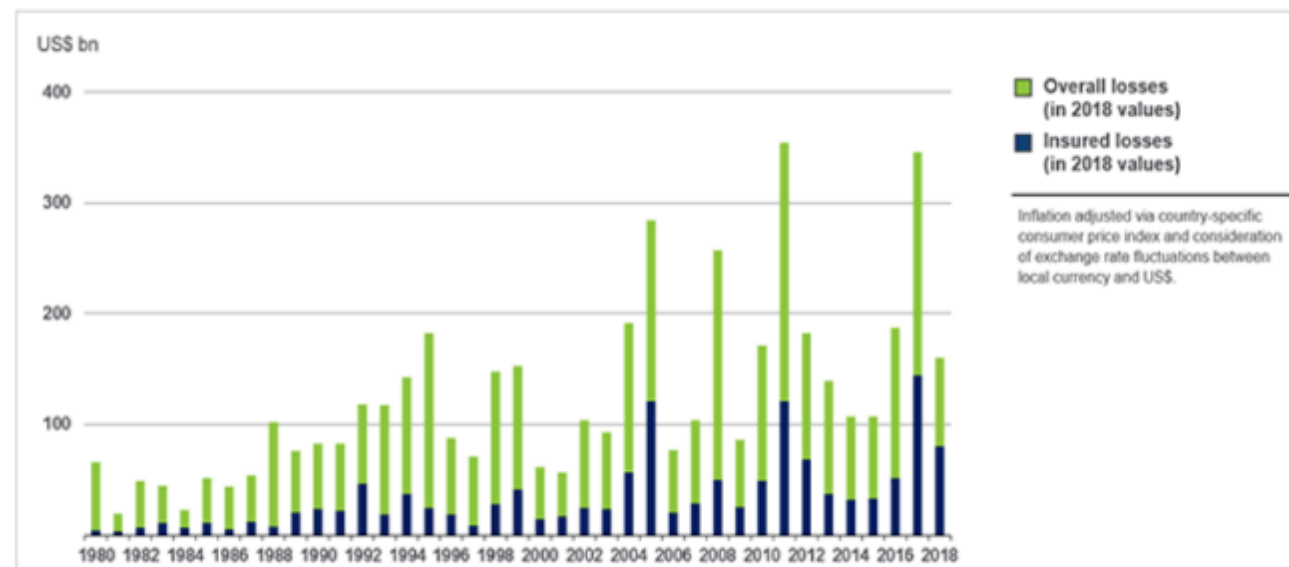
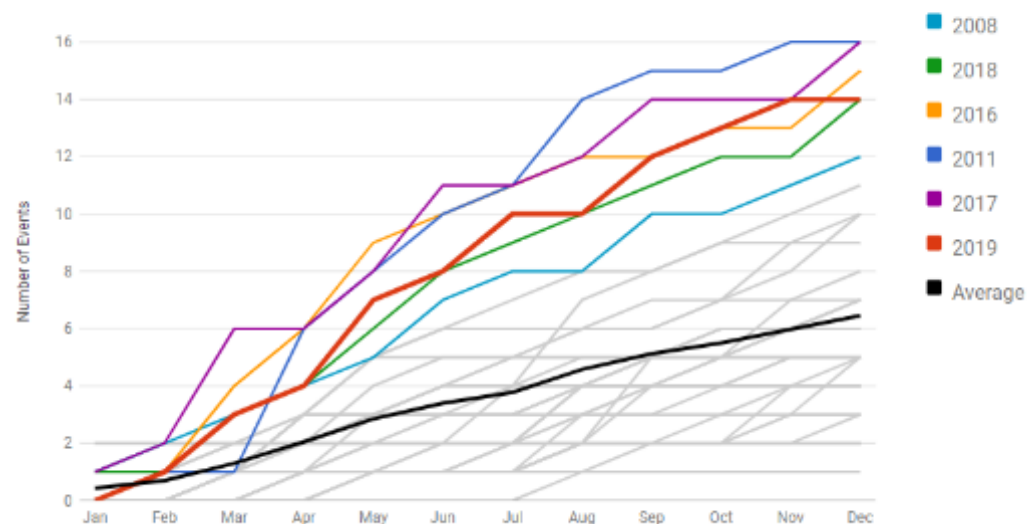


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Climate – cost & frequency....

1980-2019 Year-to-Date United States Billion-Dollar Disaster Event Frequency (CPI-Adjusted)

Event statistics are added according to the date on which they ended.



Source: © 2019 Munich Re, Geo Risks Research, NatCatSERVICE. As of March 2019.

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SaxoClimateBasket – get it @ www.analysis.saxo



Inspirational list of stocks with exposure to the climate theme

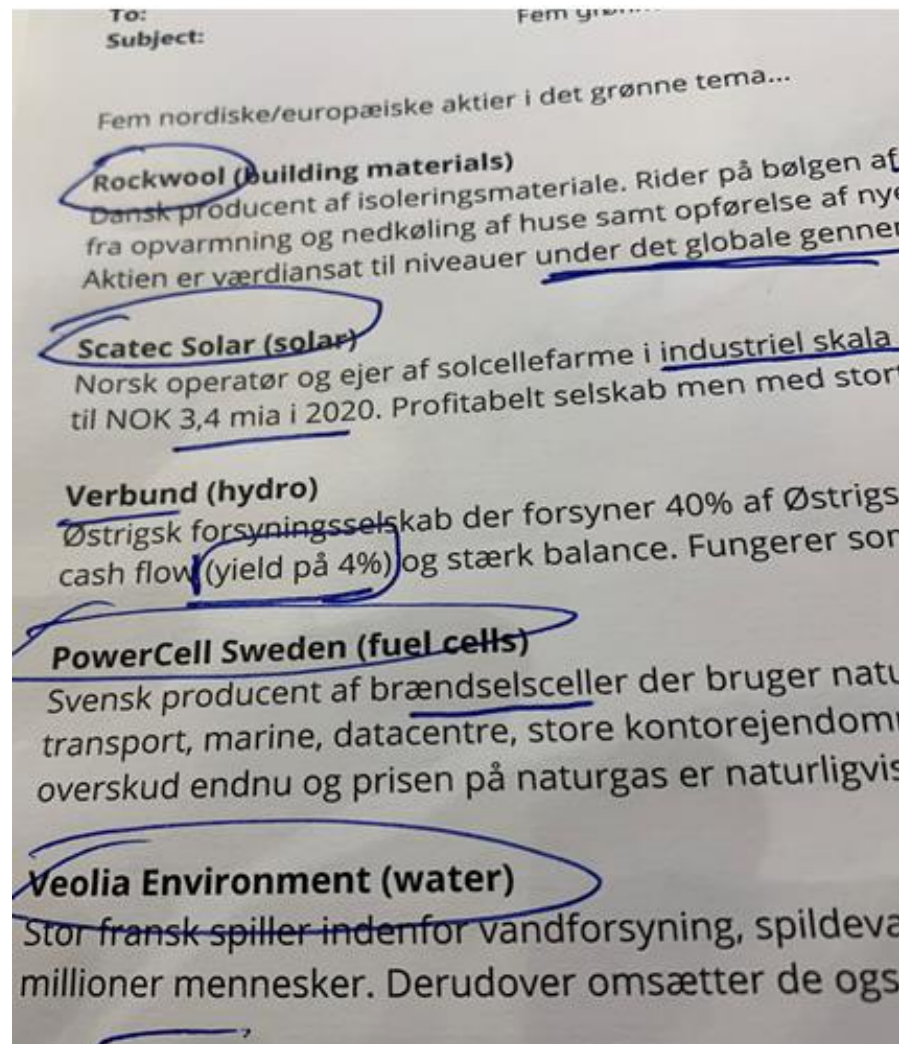
The stocks presented in the table are not investment recommendations either directly or indirectly

Name	Ticker	Theme	Market cap	Revenue	Net income	EV/EBITDA	EV/Sales	YTD (%)	5yr (%)
SolarEdge Technologies	SEDG:xnas	Solar	5,107	937	129	23.9	2.9	7.0	NA
First Solar	FSLR:xnas	Solar	6,013	2,244	144	28.3	2.2	1.3	23.4
Enphase Energy	ENPH:xnas	Solar	3,851	316	-12	46.8	5.2	14.8	488.2
Xinyi Solar Holdings	00968:xhkg	Solar	5,758	979	238	18.1	5.3	0.2	102.4
Scatec Solar	SSO:xosl	Solar	1,672	142	17	21.2	16.2	-6.5	51.9
Vestas Wind Systems	VWS:xcse	Wind	19,100	11,970	807	9.9	1.1	-5.0	30.7
Siemens Gamesa Renewable Energy	SGRE:xmce	Wind	11,322	11,536	158	10.3	0.7	-4.3	31.0
Northland Power	NPI:xtse	Wind	3,989	1,201	215	10.5	7.6	-0.4	25.5
Orsted	ORSTED:xcse	Wind	40,342	11,968	2,892	NA	3.6	-3.9	49.5
Pattern Energy Group	PEGI:xnas	Wind	2,629	483	142	21.5	12.3	0.0	44.9
Plug Power	PLUG:xnas	Fuel cell	1,205	175	-78	NA	5.7	20.6	156.9
Bloom Energy (**)	BE:xnys	Fuel cell	1,024	742	-242	NA	1.0	9.5	-31.8
PowerCell Sweden	PCELL:xome	Fuel cell	939	7	-7	NA	77.4	13.1	325.4
Ceres Power	CWR:xlon	Fuel cell	545	20	-6	NA	12.0	3.1	60.7
Ballard Power Systems	BLDP:xtse	Fuel cell	1,907	97	-27	NA	10.8	13.5	156.8
Tesla	TSLA:xnas	Electric vehicles (carmaker)	89,048	21,461	-976	39.5	2.2	12.1	47.4
NIO	NIO:xnys	Electric vehicles (carmaker)	3,579	749	-1,452	NA	2.7	-19.4	-46.9
Panasonic	6752:xtks	Electric vehicles (batteries)	23,195	72,186	2,563	5.3	0.4	0.2	5.2
Albemarle	ALB:xnys	Electric vehicles (lithium)	7,577	3,375	694	10.0	2.6	-0.8	-5.7
SQM	SQM:xnys	Electric vehicles (lithium)	7,136	2,266	440	NA	3.9	4.4	-28.4
Verbund	VERB:xwbo	Hydro	16,702	3,364	512	13.9	5.8	-2.0	9.2
China Yangtze Power	600900:xssc	Hydro	57,218	7,748	3,421	NA	9.7	-1.8	20.5
Meridian Energy	MEZ:xasx	Hydro	8,695	2,341	227	16.2	3.9	2.0	54.0
Cemig	CIGC:xnys	Hydro	5,471	6,131	468	NA	1.5	5.3	6.6
Brookfield Renewable Partners	BEP:xnys	Hydro	14,589	2,982	24	NA	8.9	1.0	78.1
Cameco	CCO:xtse	Nuclear (uranium)	3,538	1,614	128	13.8	2.8	1.5	-26.5
Uranium Participation	U:xtse	Nuclear (uranium)	422	0	130	NA	NA	-1.5	-12.4
Exelon	EXC:xnas	Nuclear (utility)	44,721	35,985	2,010	8.2	2.5	0.2	4.8
China National Nuclear Power	601985:xssc	Nuclear (utility)	11,371	5,947	717	NA	7.1	1.4	-4.4
EDF	EDF:xpar	Nuclear (utility)	34,209	81,469	1,390	4.2	1.0	-0.4	-24.8



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Climate – European plays...



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Allocation



EMG + Europe(value) vs. US(expensive)



Weaker US\$ - Helps "rest of the world" – Positive growth



Banks(European + Japan), Oil+energy, value vs. growth



Short fixed income – Yield curve, No more Neg. Yield...



Climate is the next **megatrend** in stocks, politics and fiscal policy – Fiscal expansion, R&D, growth(?)