

LETTER FROM EDOUARD CARMIGNAC

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Edouard Carmignac writes on current economic, political and social issues each quarter.

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Dear Investor,

A strange mood prevails as this new decade begins. Our prosperity somehow feels fragile, our political system badly unsettled and there is no telling how the international balance of power will play out. The preceding decade has left us with a legacy of serious issues. But it has not produced convincing political responses, or the visionary leaders able to use these delusions as the basis for new programmes to instil hope or provide spiritual renewal.

And yet there is nothing inexorable about the current perception of decline. To be clear, a global economic slowdown is unavoidable. On the other hand, technology acceleration is automating repetitive tasks, increasing our free time and expanding our life expectancy. It also constitutes the best antidote to the threat of global warming. Meanwhile, the inward focus advocated by populist currents – itself a by-product of widespread paranoia and despair – is being called into question. Donald Trump is gradually turning away from

his high-tariff game plan and Boris Johnson is moving, however reluctantly, towards a softer Brexit.

In my view, we are dealing rather with the travails of a Renaissance whose contours are still hazy. The ecological imperative has created both a need for greater solidarity among nations and a major source of economic growth opportunities. The unstoppable acceleration in technological progress will improve our quality of life and should make it easier to feed the Earth's poorest inhabitants. The implosion of traditional media and the boom in new communication channels reinforce the need for a less fractured society. Paradoxical as it may seem, we stand a good chance of achieving a lesser fractural society if we challenge the politically correct mindset that is so prevalent today.

Hence, I trust that the dire prophecy embodied by the desperate Joker clown will prove unfounded. On that note, I wish you a very happy and fulfilling new year.

Edouard CARMIGNAC
Président Directeur Général



Edouard Carmignac

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