



U.S. STUDY FINDS

that approximately

One-Third of U.S. Financial Advisors

Currently Use Options

in 20% of Client Portfolios

OIC

The Options
Industry Council

www.OptionsEducation.org

SOMMAIRE

3	EDITORIAL	“Le faible subit ... ce qu’il doit subir” (Thucydides) <i>Pierre Christodoulidis, Président d'Honneur du GSCGI</i>
4-5	SPONSOR DE JUILLET 2017	U.S. Study Finds that Approximately One-Third of U.S. Financial Advisors Currently Use Options in 20% of Client Portfolios ...Gary Delany, Options Industry Council (OIC)
6-8	LES MEMBRES DU GSCGI	FECIF informs... FECIF White Book and NewsFlash 64 & 63/2017 (PEPP Consultation) CIFA informs... XVIth International Forum 2018 — TRUSTING 11
9-10	JURISTES, FISCALISTES & JURISPRUDENCE	OECD BEPS: Switzerland signed the Multilateral Instrument <i>Baker McKenzie - www.bakermckenzie.com</i>
11	ASSURANCE PROFESSIONNELLE	Exemple de Sinistres: pas de cas de sinistre à signaler
12-15	ANALYSES & PLACEMENTS	(1) Derrière le spectacle politique: Un éclairage actuel sur la direction incertaine du nouveau gouvernement américain ...Pierre Bessard, Institut Libéral; (2) Insights from ECONOPOLIS Member of GSCGI; (3) 1 Mois en 10 Images, par SYZ AM Membre Partenaire du GSCGI
16-17	LE COIN TECHNIQUE	(1) Lower spread US-German calls for lower USD and higher CRB ...Bruno Estier, BEST; (2) Summer rotation expected as Growth and Defensives handover to Cyclical and Financials J.F. Owczarzak, MJT
18-19	IN GLOBO	<i>various by CFB</i>
20-21	GLOBAL EVENTS & AGENDA OF GSCGI'S MONTHLY CONFERENCES	ConsulenTia/ANASF, Torino (Sep. 19-20, 2017) — GSCGI/GE ...Pause Estivale
22-23	LA RÉUNION MENSUELLE DU GSCGI	2017, June 16 — Genève: (1) Les marchés mondiaux proches de leur plus haut historique, faut-il vendre? (2) Avantages de traiter les actions via CFD par rapport aux actions classiques? ...IG BANK, membre Partenaire du GSCGI, article de CFB
24	BOOK REVIEW	Tectonic Shifts in Financial Markets: People, Policies, and Institutions, by Henry Kaufman
25	CLIN D'OEIL À L'HISTOIRE LA PAROLE EST À VOUS	Margin debt at a record! <i>Cosima F. Barone, FINARC SA</i>
26	SPONSOR DE JUILLET 2017	OIC The Options Industry Council — www.OptionsEducation.org

Editeur: G S C G I

Secrétariat Général:
3, Rue du Vieux-Colège
Case Postale 3255
CH - 1211 Genève 3
Tél. +41 (0) 22 317 11 22
secretariat@gscgi.ch

Zürich: sekretariat@svuf.ch
c/o Findling Grey AG - Tél. +41 (0) 43 819 4243
Riesbachstrasse 57, CH - 8008 Zürich

Lugano: segreteria@gscgi.ch
c/o Phoenix Investment Managers - Tél. +41 (0) 91 923 4477
Via Maderno 10, CH - 6900 Lugano

*Advisory Committee Director,
Maquette & Réalisation:
Cosima F. Barone
www.finarc.ch
c.barone@finarc.ch*

ÉDITORIAL

“Le faible subit ... ce qu’il doit subir” (Thucydides)

...discours prononcé lors de la cérémonie d'ouverture du XV^{ème} Forum International de la CIFA

Si la limite idéale du Bien est la Vérité, où place-t-on la Vertu? La vertu est-elle la limite idéale du Bien?

J'entends déjà quelques-uns dans cette honorable assemblée penser «voilà notre sympathique président qui y va d'un beau discours sur le Bien et la Vertu». Rassurez-vous j'essaierai d'éviter le jeu de mots de P. Dac qu'un «bon discours ne doit être basé sur rien, tout en donnant l'expression d'être basé sur tout».

Depuis des dizaines d'années on n'a eu de cesse d'entendre réquisitoires et reproches sur les notions de solidarité, de partage, d'équité, de bienséance, de charité, de tolérance et d'altruisme dispensées par toute une classe de 'bien-pensants', de 'donneurs de leçons'.

Le moralisme déborde à pleins flots, on le trouve partout.

Tous les aspects de notre vie quotidienne en sont rythmés ... au martèlement incessant de grands esprits et érudits de tous bords, analystes, experts, groupes de pression, qui nous abreuvent de manière docte sur les bienfaits du moralisme. Il est humanitaire, exclusion de l'exclusion, ouverture à l'Autre, tolérance sans bornes, condamnation de toute critique, repentance, culpabilité généralisée du passé, droits de l'homme, de la femme, de l'enfant, de l'animal, de la nature, ... et la liste s'allonge chaque jour.

L'ère de l'altruisme et de la bonté envahit tous les faits et gestes de notre existence. Elle règle nos comportements dans ses détails les plus intimes. Le 'politiquement correct' des bien-pensants impose ses règles par le biais des canaux sociaux, qui conditionnent nos actes tels que les médias, le droit, la politique et même l'histoire.

Les médias d'opinion ont abandonné l'information objective pour se référer aux bons sentiments.

Le droit, dont le devoir et le but ultime est de protéger les individus contre les actes criminels, victimise aujourd'hui les coupables.

La politique, qui devrait être le reflet fidèle de nos principes démocratiques, est devenue une arène où se monnaient à coups de milliards les influences et où les détournements successifs ont abouti à la faillite virtuelle des économies occidentales.

Quant à l'**histoire**, sensée se baser sur des faits passés donc avérés par définition, leur interprétation peut revêtir des transcriptions surprenantes et des versions totalement contraires à la réalité.

Le paradoxe s'impose comme une évidence incontournable tant la vertu est devenue une sorte d'obsession, une denrée qui nous est débitée à haute dose.

Ce flot constant de contraintes, de règles morales qui inondent le citoyen, soumis par ailleurs à une crise économique impitoyable, l'ont amené à se sentir trompé, marginalisé, oublié. Un fort sentiment d'exclusion sans espoir d'une amélioration proche sur le plan économique et social s'est imposé. Plus grave, le citoyen a le sentiment d'être victime d'injustice sur de nombreux plans.

Alors que la presse et les médias ne cessent de marteler leurs leçons de morale, de bienséance et de tolérance, la dichotomie entre droits individuels de plus en plus réduits et droits de la société de plus en plus contraignants accentue ce sentiment d'imposture mentale. Le public se rebelle contre cette tromperie, qui est loin de respecter les valeurs vantées et la plus essentielle de celles-ci, la responsabilité.

Toute notion morale est basée sur le lien indéfectible entre les actes de l'individu et les conséquences qui en découlent, ce que l'apôtre Paul exprime dans ses épîtres par le mot «syneidesis» qui traduit la 'conscience morale' devant s'appliquer à tous nos actes. La réalité revêt une toute autre image par rapport à ce principe.

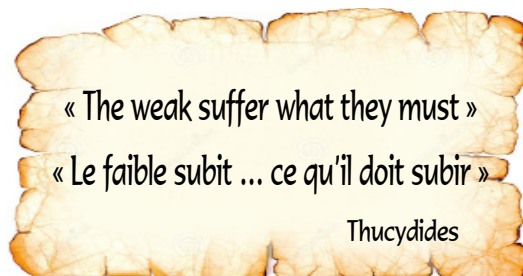
Prenons quelques exemples:

- La finance folle a mené le monde à une crise sans précédent, mais ses dirigeants ne semblent pas être inquiétés ou souffrir outre mesure;
- Les politiques de tous bords vivent au-delà de leurs moyens, ayant souvent détourné des sommes abyssales et, pour autant, ne semblent pas être inquiétés;
- Lorsqu'une personne ose exprimer son inquiétude sur des sujets tels que l'immigration irréflichte, la réduction

Lire la suite en page 8



Pierre Christodoulidis
Président d'Honneur du GSCGI



ONE-THIRD OF U.S. FINANCIAL ADVISORS USE OPTIONS IN 20% OF CLIENT PORTFOLIOS



U.S. Study Finds that Approximately One-Third of U.S. Financial Advisors Currently Use Options in 20% of Client Portfolios. Usage is Expected to Increase by 30% in the Next Three Years.

The Options Industry Council (OIC) has sponsored a new research study, *How Financial Advisors Use and Think About Exchange-listed Options*, conducted by Cerulli Associates, a global research and consulting firm. The purpose of the study was to understand the behaviour of advisors who use exchange-listed options strategies with clients, and those who do not. Cerulli surveyed more than 600 U.S.-based financial advisors from five advisory channels on behavioural topics such as perceptions about exchange-listed options, practice characteristics, and key influences on the decision to use options.

The 15-page Cerulli Associates research study is available free of charge on OIC's website. Go to www.OptionsEducation.org and search by 'Cerulli Study'. Free registration is required.

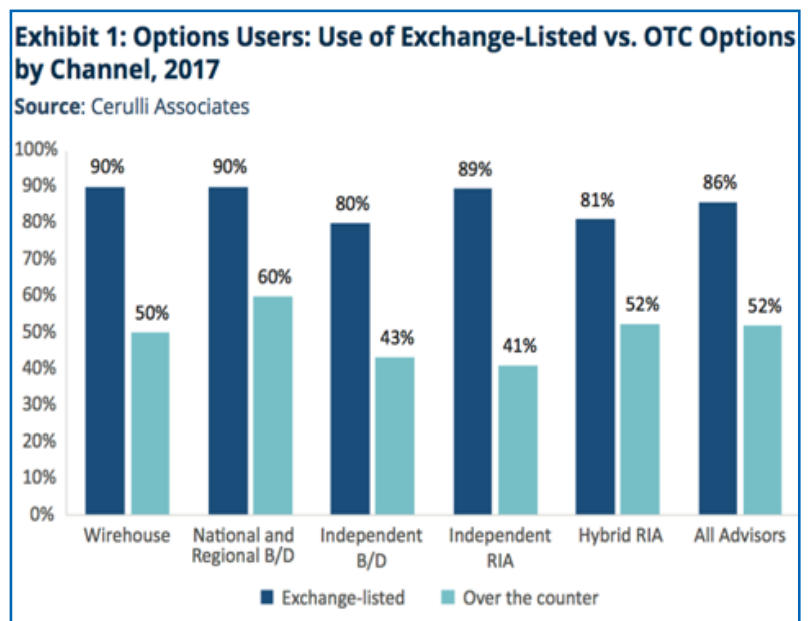
Key Highlights:

→ Options Use is Higher and More Diverse in Large Financial Advisors.

Nearly one-third (32%) of advisors use options in client portfolios, with usage even higher (40%) in larger practices. Mega teams use options for downside risk protection and portfolio diversification and employ specialized strategies,

particularly collars and cash-secured puts, more frequently than smaller practices.

→ U.S. Financial Advisors Prefer Exchange-Listed to OTC Options.

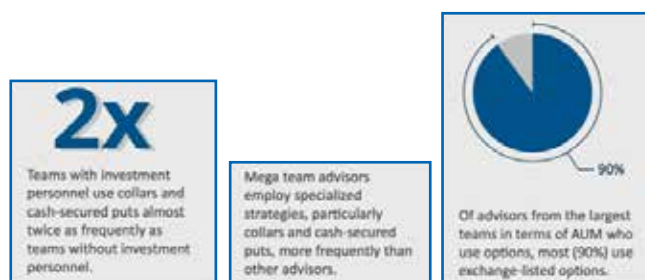


→ U.S. Financial Advisors Expect to Increase Their Use of Exchange-listed Options.

On average, advisors who use options use them in 21% of their client accounts and expect to increase use by 30% in three years.

ONE-THIRD OF U.S. FINANCIAL ADVISORS USE OPTIONS IN 20% OF CLIENT PORTFOLIOS

→ Mega Team Advisors (over \$500m AUM) Use Options for More Diverse Purposes than Smaller Teams.



→ U.S. Financial Advisors Agree on the Benefits of Options.

The top three benefits advisors cited for using options are enhancing yield and income, solving a specific client need, and creating a better investment outcome.

Source: Cerulli Associates
Analyst Note: Represents advisors who frequently use options to achieve each objective.

Objective	Practices with ≥\$500m AUM	Practices with <\$500m AUM	All Advisors
Income generation	51%	57%	55%
Downside risk protection/hedging	57%	37%	38%
Portfolio diversification	39%	25%	26%
Create an entry or exit point	14%	29%	26%
Alpha generation	21%	26%	25%
Preserve capital	18%	24%	22%
Stock alternative/substitute	13%	23%	21%
Short-term speculation	21%	20%	19%
Replacement of a limit order	8%	15%	14%

→ Options Education is Key to Increased Adoption.

Nearly 50% of advisors considering using options would find education related both to implementing options and to training on position management very useful.

A 50-second video profile of the study is available on YouTube. Search 'OIC Cerulli Study' for *How Do Financial Advisors Use and Think About Exchange-Listed Options?*



OIC

The Options Industry Council
www.OptionsEducation.org

Gary Delany
Director of European Marketing and Education
Options Industry Council (OIC)

About Gary Delany

Gary Delany is the Director of European Marketing and Education for the Options Industry Council (OIC). Mr. Delany develops options marketing and educational material for the European audience and is the key point of OIC's outreach in Europe.

Based in London, Gary has over 30 years' experience in the derivatives sector and is a regular speaker, presenter and writer on options and exchange developments. He started his financial career managing the option book at a firm of commodity brokers. Previously, he served as global marketing manager at a leading supplier of futures and options software to banks and brokers. Before that, Mr. Delany worked for The Philadelphia Stock Exchange in their European office in several capacities developing order flow for foreign exchange, equity and equity index options programs.

Gary holds a B.Sc. in Business Administration from the University of Bath in the UK.

About The Options Industry Council (OIC)

The Options Industry Council (OIC) is an educational organization formed in 1992 and funded by OCC, the world's largest equity derivatives clearing organization, and the U.S. options exchanges. The mission of OIC is to increase awareness, understanding and responsible use of exchange-listed options among a global audience of investors, including individuals, financial advisors and institutional managers, by providing independent and unbiased education combined with practical expertise. OIC hosts options seminars and webinars, videos and podcasts, distributes educational literature, maintains a website, and offers live help from options professionals - all focused on options education. It also maintains a European office. www.OptionsEducation.org

About Cerulli Associates

Cerulli Associates is a global research and consulting firm specializing in asset management and distribution trends worldwide. Cerulli produces a suite of annual, quarterly, and monthly publications in addition to an online data platform, and also provides custom research and advisory services. The company has been in existence since 1992, is independently owned, and has fully staffed offices in Boston, London, and Singapore. Cerulli has established a strong global reputation for quality, reliability, and consistency. www.cerulli.com

Disclaimer: Options involve risk and are not suitable for all investors. Individuals should not enter into Options transactions until they have read and understood the risk disclosure document, Characteristics and Risks of Standardized Options, which may be obtained from your broker, from any U.S. exchange on which options are traded or by

visiting www.OptionsEducation.org. None of the information in this article should be construed as a recommendation to buy or sell a security or to provide investment advice.

©2017 The Options Industry Council. All rights reserved.

LES MEMBRES DU GSCGI

Networking & la Vie de nos Collègues d'ailleurs

FECIF informs...

Caterina Vidal | Senior Consultant
Cattaneo Zanetto & Co. | Rome | Milan | Brussels
www.cattaneozanetto.it



DAVID CHARLET
FECIF's
Chairman of the Board
www.fecif.org



JIRÍ ŠINDELÁŘ
FECIF's
Vice-Chairman



VINCENT J. DERUDDER
HONORARY CHAIRMAN
AND CHAIRMAN OF THE
CONSULTATIVE COMMITTEE



GSCGI
is Member of
FECIF's Board

Press Release, June 2017 — FECIF discloses unique data about the European advisory sector

Last week FECIF announced the completion and release of its "White Book", the collated data from unique research it has conducted across Europe. It has now disclosed some of the information that it has amassed.

"We have found that, perhaps not unsurprisingly to some, insurance is the strongest product sector for financial advisers across Europe, with over 282,000 insurance brokers and more than 275,000 insurance agents in the 15 countries in our sample," Jiri Sindelar stated. Sindelar is the Federation's Vice-Chairman and was FECIF's Project Manager for this research. *"If we count all of the advisers and intermediaries operating in all product sectors (investments, banking products and insurance), we find a staggering number of a little over 695,000 professionals across those surveyed countries."*

The study also found many interesting comparisons between countries. For example, the German independent advice sector intermediated approximately just one-tenth of the amount of investments funds compared to their French counterparts. But they intermediated almost three times more life insurance. *"Overall,"* Sindelar confirmed, *"France and Germany were found to be competing as the strongest advice sector in Western Europe, when we exclude fund and insurance centers like Luxembourg and Ireland."* *"In Eastern Europe the sales production in the advice sector was obviously lower, in line with relative economic development. Poland seems to have the strongest intermediary industry in absolute terms, but the Czech Republic and Slovakia have better developed sectors in relative terms. For example, in the Czech Republic the independent advice sector transacts two out of three of all new life insurance contracts."* *"Regarding the contribution of intermediary sales to the GDP of respective countries, most member states in our sample oscillate around 1 to 2 %, and this is also similar with the sector's contribution to employment. The main exceptions to this are seen in two of the largest countries - once again, France and Germany - where advisers' activity contributes 4.4 % and 6.5 % of GDP respectively."*

Much of the research information was obtained with the help of FECIF's members, in particular national trade associations across the EU, making this unique among contemporary studies. As well as this input from its own national trade association members, FECIF also obtained, verified and collated data from official databases of public institutions and publicly available information that had never previously been collected and analysed in this manner. *"Financial advisers and intermediaries play a significant role in the distribution of insurance, investments, loans and pension schemes,"* confirmed Paul Stanfield, FECIF's Secretary General. *"Our research has shown just how important. Our Pan-European Financial Advice Market Research Project addresses, for the first time, the information gap that existed in our sector, providing facts and figures on a country by country basis, along with indicative conclusions on the sector across the whole of Europe."*

FECIF confirmed last week that fifteen countries have been examined in specific detail, including major markets such as Germany, France, Italy and the UK. The complete report and research data is available at no cost to FECIF's membership and available for purchase by anyone else. Enquiries can be made directly from the FECIF website (www.fecif.eu).

FECIF is the leading European trade association for independent financial advisers and financial intermediaries and their national associations. Its membership operates across the whole of Europe, representing almost a quarter of a million advisers and intermediaries. The Federation was founded as far back as 1999 and represents over 600,000 individuals in total, when administrative and back-office staff are included.

FECIF NewsFlash 64/2017 — European Commission: Consultation on Proposal for a Regulation on a pan-European Personal Pension Product (PEPP)

Executive Summary — The European Commission has opened in its [website](http://www.fecif.eu) a consultation on Proposal for a Regulation on a pan-European Personal Pension Product (PEPP). The deadline for comments is 25 August 2017.

...cont'd on page 7

LES MEMBRES DU GSCGI

Networking & la Vie de nos Collègues d'ailleurs

...cont'd from page 6

Analysis — The new website created by the European Commission will be used in order to create a direct contact between institutions and stakeholders. It is possible to submit views on:

- roadmaps and inception impact assessments, which set out ideas for new laws and policies, or for evaluations of existing ones,
- legislative proposals and accompanying impact assessments, which are put forward to the EU Parliament and Council once they have been agreed on by the Commission,
- draft delegated and implementing acts, which either amend or supplement existing laws or, set the conditions for existing laws to be implemented in the same way across the EU.

The feedback can be published with your personal details or organisation's details or anonymously. To give feedback or subscribe to receive notifications you should register to the website. Once submitted, the feedback will be immediately published on this site. The Commission will review published feedback to check that it complies with the rules for feedback and suggestions. If it doesn't, it will be removed. You will not receive an individual response, but your views will feed into further preparation of the initiative. The adopted act will contain an overview of the feedback gathered and how it has contributed to the act as part of an 'explanatory memorandum'. The proposal is open for feedback for 4 weeks, **the deadline for comments is 25 August 2017**.

Sources — *The PEPP proposal is available upon request to either FECIF or GSCGI.*

* * *

FECIF NewsFlash 63/2017 — European Commission: Proposal on a pan-European pension product

Executive Summary — The European Commission has presented today a proposal of regulation on a pan-European personal pension product. PEPP will be a voluntary scheme for saving for retirement. It will be offered by a broad range of financial companies across the EU and will be available to savers as a complement to public and occupational pension systems, alongside existing national private pension schemes.

Analysis — Today's proposal will provide pension providers with the tools to offer a simple and innovative pan-European personal pension product (PEPP). This new type of voluntary personal pension is designed to give savers more choice when they are putting money aside for old age and provide them with more competitive products. PEPPs will have the same standard features wherever they are sold in the EU and can be offered by a broad range of providers, such as insurance companies, banks, occupational pension funds, investment firms and asset managers. They will complement existing state-based, occupational and national personal

pensions, but not replace or harmonise national personal pension regimes. Currently, the European market for personal pensions is fragmented and uneven. The offers are concentrated in a few Member States, while in some others they are nearly non-existent. This variation in supply is linked to a patchwork of rules at EU and national levels, which impede development of a large and competitive EU-level market for personal pensions. The PEPP will allow consumers to voluntarily complement their savings for retirement:

- PEPP savers will have **more choice** from a wide range of PEPP providers.
- Consumers will benefit from **strong information requirements** and distribution rules, also online. Providers will need to be authorised by the European Insurance and Occupational Pensions Authority (EIOPA) to provide the PEPP.
- PEPP will grant savers a high level of consumer protection under a **simple default investment** option.
- Savers will have the right to **switch providers** – both domestically and cross-border – at a capped cost every five years.
- The PEPP will be **portable** between Member States, i.e. PEPP savers will be able to continue contributing to their PEPP when moving to another Member State.

The regulatory framework will create opportunities for a wide range of providers to be active on the personal pension market:

- Providers will be able to develop PEPPs across several Member States, to pool assets more effectively and to achieve **economies of scale**.
- PEPP providers will be able to reach out to consumers across the whole EU through **electronic distribution channels**.
- PEPP providers and savers will have **different options** for payments at the end of the product's lifetime.
- PEPP providers will benefit from an EU **passport** to facilitate cross-border distribution.

The proposal for the PEPP Regulation is accompanied by a **Commission Recommendation on the tax treatment** of personal pension products, including the PEPP. The Commission encourages Member States to grant the same tax treatment to PEPPs as is currently granted to similar existing national products, even if the PEPP does not fully match the national criteria for tax relief. Member States are also invited to exchange best practices on the taxation of their current personal pension products which should foster convergence of tax regimes.

The PEPP proposal will now be discussed by the European Parliament and the Council.

Sources — *The PEPP proposal is available upon request to either FECIF or GSCGI.*

Caterina Vidal | Senior Consultant
Cattaneo Zanetto & Co. | Rome | Milan | Brussels
www.cattaneozanetto.it

LES MEMBRES DU GSCGI

Networking & la Vie de nos Collègues d'ailleurs

CIFA informs...



CIFA's XVIth International Forum

week of May 28, 2018

Hotel Hermitage — Monaco

www.cifango.org

EDITORIAL ... suite et fin

de la force de travail, les déséquilibres sociaux, elle est immédiatement taxée de raciste, de xénophobe, de sexiste voire de réactionnaire;

- Des organismes d'États qui ont failli à leur tâche (*c'est notamment le cas des surveillants des marchés financiers aux U.S.A. et en Europe*) se voient confier des pouvoirs de surveillance accrus;
- L'excès de juridisme et d'intrusion étatique dans la sphère privée s'aggrave chaque jour sous des prétextes spécieux et hypocrites;

Peut-être que le moment est venu de faire un examen de conscience et se pencher avec un peu plus d'attention sur les écrits de Philip HOWARD (*«The Death of Common Sense»* et *«Life Without Lawyers»*) qui démontrent clairement que la multiplication de règles, de dispositions juridiques et d'autres contraintes légales étouffent notre vie et rognent insensiblement la notion de la "responsabilité individuelle" et, par conséquent, de l'initiative personnelle.

Il ne s'agit pas de déréguler, d'éliminer les lois mais de mettre l'individu dans l'exercice de son activité face à "sa responsabilité" subjective. Il faut que les docteurs, professeurs, fonctionnaires et autres dirigeants puissent prendre des décisions et être tenus responsables de leurs actes quand cela s'avère nécessaire.

HOWARD préconise qu'il est mieux de vivre dans un monde imparfait de responsabilités individuelles que dans un monde déshumanisé, chargé d'une couche légale étouffante qui, sous prétexte d'éliminer tout risque de malveillance, tisse un écheveau de micro-dispositions juridiques qui étouffent lentement toute volonté d'agir et de créer de l'individu.

Cette prolifération de règles annihile tout effort de jugement éthique personnel. C'est ce qu'Aristote décrivait par l'idée *«d'imperfection intrinsèque»* que comporte toute loi et qui est aujourd'hui montré avec horreur par nos dirigeants comme un "vide normatif".

Face à ce "vide" qui les effraie, mais qui oblige l'homme à faire face à ses responsabilités, ils préfèrent multiplier les règles plutôt que d'exiger qu'on applique celles qui existent avec bon sens et intelligence.

Et je vous le demande: Notre société, nos institutions, nos dirigeants sont-ils capables de nous rappeler le "devoir de penser" qui existe depuis des temps immémoriaux et nous réapprendre à combattre "l'interdit de penser", ou céderont-ils à la solution de facilité et à une normativité excessive que l'on confond trop souvent avec l'éthique?

Pierre Christodoulidis
Président d'Honneur du GSCGI

JURISTES, FISCALISTES & JURISPRUDENCE

OECD BEPS: Switzerland signed the Multilateral Instrument

On 7 June 2017, Switzerland signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (*hereinafter «MLI» and «BEPS» respectively*), along with 67¹ other jurisdictions, during a signing ceremony hosted by the Organisation for Economic Co-operation and Development (OECD) in Paris. Eight other jurisdictions have expressed their intention to sign the MLI in the near future. The purpose of this MLI is to efficiently re-negotiate and amend double taxation agreements (*hereinafter «DTAs»*) to make them compliant with the minimum standards agreed upon in the BEPS project.

MLI in a nutshell

The MLI both includes provisions reflecting the minimum BEPS standards and provisions that do not reflect the minimum BEPS standards. The provisions of the MLI related to the minimum BEPS standards have to be implemented by signatory countries of the MLI. Conversely, countries have the flexibility to opt out of the provisions of the MLI which do not consist in minimum standards. Countries also have the flexibility to apply optional or alternative provisions.

At the time of signature of the MLI, countries submitted a list of their DTAs in force that they would like to be covered by the MLI, and hence, to be directly amended through the MLI. They also submitted a list of reservations and notifications regarding the various provisions of the MLI.

The MLI covers the following actions of the BEPS package: Action 2 (*Hybrids*), Action 6 (*Treaty abuse*), Action 7 (*Permanent establishment status*) and Action 14 (*Dispute resolution*).

What about Switzerland?

Switzerland has decided that its DTAs with Argentina, Chile, India, Iceland, Italy, Liechtenstein, Lithuania, Luxembourg, Austria, Poland, Portugal, South Africa, the Czech Republic and Turkey will directly be amended through the MLI. Other DTAs could also be amended directly through the MLI in the future if agreements on the technical implementation of the MLI are obtained with other signatory countries.

Alternatively, some DTAs could be amended not directly through the MLI but by means of a bilateral DTA amendment.

Switzerland has also decided (i) to adopt the new preamble on treaty abuse, (ii) to adopt the mandatory provisions related to the treaty abuse, (iii) to opt in for the mandatory and binding arbitration clause, and (iv) to opt out for all the other options. It is important to note that, for the mandatory treaty abuse provisions, Switzerland will adopt the «Principal Purpose Test» («PPT») and not the simplified limitation of benefits clause.

The opting in for the mandatory and binding arbitration clause could be a useful tool to prevent double taxation and the commitment to binding arbitration is certainly very welcome. However, Switzerland reserves the right for the provision on the implementation of a mutual agreement «notwithstanding any time limits in the domestic law» not to apply and instead meet the minimum standard by accepting a provision that no profit adjustments

(to permanent establishments or associated entities) should be made after a period that is mutually agreed between the contracting jurisdictions.

The opting out of all other options includes the rejection of broadening the scope of the permanent establishment provisions. This is in line with the earlier policy statement of the UK and could make the treaty network more attractive as compared to countries that fully adopt the proposed changes. There is a certain risk though that tax authorities (*continue to*) broaden the permanent establishment notion irrespective of whether the treaty has been amended accordingly. The fact that a large number of countries opted out of the permanent establishment provisions may be reflective of this development. For the time being, there seems to be a preference to implement the changes on a case-by-case basis and through bilateral negotiations, if at all. For more thoughts on the topic please refer to the recent article by Gary Sprague from the Palo Alto office².

The press release by the State Secretariat for International Financial Matters SIF of June 7, 2017 also confirms the position of Switzerland to implement the changes by effectively amending the treaty text (*either through a*

...cont'd on page 10

JURISTES, FISCALISTES & JURISPRUDENCE

OECD BEPS: Switzerland signed the Multilateral Instrument

competent authority agreement on the basis of the MLI or by means of bilateral negotiations). This is in contrast to the initial intent of the instrument, where the MLI would need to be read in parallel in order to understand the applicable provisions. The Swiss approach clearly provides more certainty on the «precise wording» of the amended provisions and facilitates the reading of the treaties. However, it may also take more time to implement the changes throughout the treaty network, as there seems to be reluctance on the part of other countries to follow that approach. The above list of countries has agreed to amend their treaties accordingly. It remains to be seen how many more countries will follow suit.

Next steps?

In Switzerland, the Federal Council will submit the MLI for public consultation towards the end of 2017. It will then undergo the standard parliamentary approval process. The entry into force should thus not be expected before January 1, 2019.

The MLI will enter into force after five jurisdictions have deposited its instruments of ratification, acceptance or approval.

The date at which the provisions of the MLI will enter into effect differs depending on the subject. For instance, mutual agreement procedure and arbitration provisions will generally be effective as from the date of entry into force for both contracting states.

1 Andorra, Argentina, Armenia, Australia, Austria, Belgium, Bulgaria, Burkina Faso, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Fiji, Finland, France, Gabon, Georgia, Germany, Greece, Guernsey, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Monaco, Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, San Marino, Senegal, Serbia, Seychelles, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Turkey, United Kingdom and Uruguay.

2 Gary D. Sprague, Esq. Baker & McKenzie LLP Palo Alto, California, «U.K. Announcement on MLI Raises Interesting Issues Regarding Different Deemed PE Rules in Important Treaty Networks», Bloomberg BNA, May 5, 2017, see: <https://www.bna>.

**Baker
McKenzie.**

Contacts

Denis Berdoz
Partner - Geneva
denis.berdoz@bakermckenzie.com

Aïcha Ladiami
Associate - Geneva
aicha.ladiami@bakermckenzie.com

Hans-Andrée Koch
Partner - Zürich
hans-andree.koch@bakermckenzie.com

Killian Perroulaz
Partner - Zürich
killian.perroulaz@bakermckenzie.com

Tobias Rohner
Partner - Zürich
tobias.rohner@bakermckenzie.com

Balthasar Denger
Associate - Zürich
balthasar.denger@bakermckenzie.com

ASSURANCE PROFESSIONNELLE

Exemple de Sinistres

**Pas de cas de sinistre
à signaler
dans cette édition.**

* * *

Assurance Cadre Responsabilité Civile ... *pour les Membres du GSCGI*

Le GSCGI offre à ses membres une couverture cadre d'assurance exclusive, négociée avec les assureurs AXA et Liberty. Ces deux assureurs seront nos partenaires exclusifs autorisés à présenter les couvertures des trois risques précités aux conditions préférentielles pour nos membres.

Ces couvertures étendues et complètes — **Responsabilité civile professionnelle (RCPI); Responsabilité des dirigeants (D&O); Assurance Fraude (FR)** — offrent une sécurité accrue aux gérants dans leur activité quotidienne. L'assurance professionnelle met les professionnels à l'abri de situations inattendues et génératrices de conséquences financières parfois dévastatrices, comme celle évoquée plus haut.

Vous retrouverez d'autres exemples de sinistres dans les prochaines éditions du WealthGram.

Pratiquement, les membres pourront s'adresser au Secrétariat du GSCGI, ou à la Commission Assurances, pour obtenir tous les renseignements.

Un formulaire spécifique du GSCGI a été édité pour obtenir les offres des assureurs, il figurera sur le site web du Groupement et sera donc à disposition des membres. Il devra être rempli par le gérant pour demander les offres avec la preuve de sa qualité de membre et envoyer confidentiellement au courtier. Le GSCGI n'aura pas accès à ces informations.

ANALYSES & PLACEMENTS

Derrière le spectacle politique: *Un éclairage actuel sur la direction incertaine du nouveau gouvernement américain* ...article de Pierre Bessard — <http://www.libinst.ch/?i=derriere-le-spectacle-politique--fr>

L'incertitude qui entoure le nouveau gouvernement américain a conduit à beaucoup de spéculations non seulement sur ses intentions, mais aussi sa politique effective. Une manière de communiquer peu orthodoxe, de même que le rejet qu'inspire à la plupart des médias et des observateurs internationaux, le président actuel des États-Unis accentuent les interrogations qui entourent ce qui reste, qu'on le veuille ou non, l'une des influences prépondérantes dans les politiques publiques menées au niveau mondial. La Suisse en a fait l'expérience avec le revirement du gouvernement précédent en matière de concurrence fiscale et de sphère privée financière, qui a conduit à l'adoption, au niveau mondial, du principe controversé de l'échange automatique d'informations bancaires à des fins fiscales, en contradiction des règles de justice et de prudence les plus élémentaires.

Les bruits protectionnistes et les velléités de nationalisme économique du nouveau gouvernement américain ont encouragé le sentiment que le nouveau président ne comprend pas réellement le fonctionnement d'une économie intégrée.

Pour faire la lumière sur ces questions, l'Institut Libéral a tenu le 12 juin 2017 à Genève une rencontre autour de l'économiste **Daniel J. Mitchell**, chercheur senior au Cato Institute de Washington, qui a analysé la situation de façon à la fois sobre et exhaustive, en distinguant les effets d'annonce de la réalité, et en nuancant les attentes que l'on peut raisonnablement avoir envers la politique des États-Unis.

Des perspectives libérales peu claires

En matière de politique monétaire, tout d'abord, il n'y a pas de philosophie cohérente qui émerge à ce stade. Le président Trump a déclaré qu'il était en faveur de l'étalon-or en même temps que des taux d'intérêt bas, et il se rattache à l'idée de booster artificiellement l'économie. Certaines nominations à la Réserve fédérale sont imminentes, avec des candidats qui s'insèrent dans le courant interventionniste dominant. Dans l'ensemble, l'assainissement du système monétaire ne semble pas une priorité du nouveau gouvernement.

En ce qui concerne le règne du droit et la garantie de la propriété, de nombreux libéraux (*dans le sens européen du terme*) craignent que le président Trump, du fait de son narcissisme patent, ne respecte pas les normes de bonne gouvernance. Mais cela était déjà le cas sous le gouvernement précédent. Il faut donc s'attendre à ce que le



DANIEL J. MITCHELL

ECONOMISTE, CHERCHEUR SENIOR

CATO INSTITUTE, WASHINGTON, U.S.A.

président Trump poursuive le trend du président Obama, avec une érosion graduelle de la liberté économique en parallèle à un renforcement du pouvoir légiférant arbitraire de l'Exécutif.

Pour ce qui est de la réglementation à proprement parler, cependant, le président Trump semble éprouver un dédain d'homme d'affaires pour les agences étatiques, et certaines de ses décisions vont indubitablement dans la bonne direction, notamment dans les domaines des télécommunications, de l'alimentation ou de l'environnement. Trump reste davantage un capitaliste de connivence que de libre marché, mais son approche de la réglementation et ses nominations à la tête des agences fédérales, au moins, tranchent avec la mentalité étatiste.

Si les signaux sont encourageants en matière de réglementation, il en va tout autrement du libre-échange, mais la rhétorique du nouveau président semble bien pire que ses véritables changements de politique jusqu'ici. Il y a des déclarations insolites, comme celle de nommer la Chine une manipulatrice de devises, et la politique se dirige clairement dans la mauvaise direction, avec entre autres la nomination de fonctionnaires ouvertement protectionnistes. En même temps, tous les groupes d'intérêt liés aux Républicains sont relativement en faveur du libre-échange, ce qui compense en partie ou au moins ralentit la vélocité d'une politique dommageable.

...cont'd on page 13

ANALYSES & PLACEMENTS

Derrière le spectacle politique: *Un éclairage actuel sur la direction incertaine du nouveau gouvernement américain* ...article de Pierre Bessard — <http://www.libinst.ch/?i=derriere-le-spectacle-politique-fr>

Enfin, concernant les finances publiques, qu'il s'agisse de la fiscalité ou des dépenses, les déclarations et les propositions du président Trump s'apparentent à première vue à son attitude en matière de réglementation. Il est en faveur d'une diminution substantielle de la charge fiscale, de l'abolition de l'impôt sur les successions, d'une réduction du taux d'imposition des bénéfices. En même temps, il émet aussi des idées moins réfléchies de déductions qui relèvent de l'ingénierie sociale ou de relèvement de l'impôt sur les gains en capital. De plus, en tenant compte de l'autre côté de l'équation, les dépenses publiques, le président Trump s'avère très faible. Les défis que représentent les programmes de redistribution dans les domaines des retraites ou de la santé ne sont guère relevés. Les coupes budgétaires proposées jusqu'ici sont plutôt marginales en comparaison. Cela relativise le potentiel de mise en œuvre des bonnes idées au niveau fiscal. De plus, le mécanisme d'ajustement fiscal à la frontière proposé par les Républicains en compensation d'autres réformes est anti-business et antiéconomique et pénaliserait lourdement les consommateurs.

Moins de financement pour l'OCDE?

En résumé, la perspective que les Républicains parviennent à réaliser un véritable tournant politique est plutôt limitée. Cela a déjà échoué dans le domaine de l'assurance-maladie, alors que les Républicains promettaient depuis six ans de renverser la réforme du président Obama. Il reste un espoir qu'après la pause estivale, ils se réveillent en réalisant qu'ils n'ont rien fait et adoptent au moins une réduction modérée du taux d'imposition des bénéfices.

Au niveau de la politique internationale, la question se pose quant à un revirement dans le domaine de la concurrence fiscale et de la sphère privée financière après l'importante régression étatiste et antilibérale sous le gouvernement social-démocrate du président Obama, qui a permis la mise en œuvre des initiatives dommageables de l'OCDE en matière d'échange d'informations. Toutes les juridictions, dont la Suisse, ont dû s'y aligner sous la menace des sanctions du G20. Cela a de nombreuses implications défavorables pour la corruption, le vol de données ou d'identité, de même que pour le respect de la sphère privée individuelle et de la propriété. Les États-Unis financent près d'un quart du budget de l'OCDE et le gouvernement actuel propose d'éliminer ce financement, ce qui serait un bon début. Cela freinerait au moins les forces anticoncurrentielles et étatistes dans le monde, même

si l'abrogation de l'échange automatique d'informations semble difficilement envisageable.



Pierre Bessard

*Directeur, délégué du Comité,
membre du Conseil de fondation
de l'Institut Libéral, Genève et Zurich
<http://www.libinst.ch>*

Autres fonctions

- Membre du Comité scientifique, Cercle de philosophie politique Benjamin Constant, Genève
- Membre du Conseil scientifique, Centre pour la concurrence fiscale, Genève et Zurich
- Membre du Conseil de fondation, Action Libérale, Zurich
- Expert associé, Institut de Recherches Économiques et Fiscales, Luxembourg
- Membre du Comité, Aktion Medienfreiheit, Zurich
- Membre du Comité, NIPCC-Suisse, Zurich
- Membre du Conseil académique, MedECON, Vevey
- Membre, Société du Mont-Pèlerin
- Membre, Friedrich August von Hayek-Gesellschaft

Distinctions

- Prix ALEPS du Livre Libéral
- Prix de l'Essai IREF
- Prix Jaguar des Jeunes Libéraux Genevois
- Prix des Médias pour le Journalisme Financier décerné par Private, KPMG, Sarasin, Citco Fund Advisors et Jefferies

Intérêts principaux de recherche

Fiscalité, concurrence institutionnelle, économie politique, moralité du marché

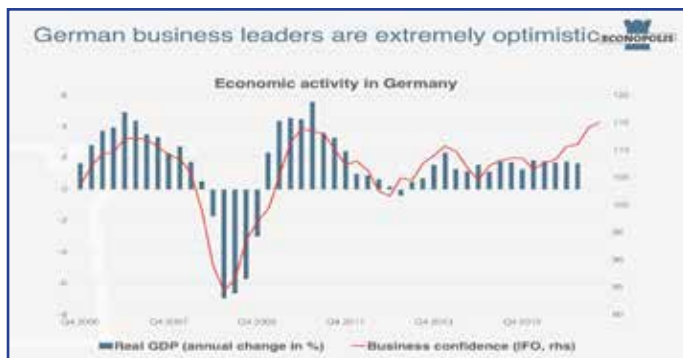
Formation

- Études d'économie avec spécialisation en finance à New York et Shanghai
- Mémoire sur l'intégration européenne du point de vue de la compétitivité politique et économique de la Suisse
- Alumnus du Ludwig von Mises Institute et de la Foundation for Economic Education

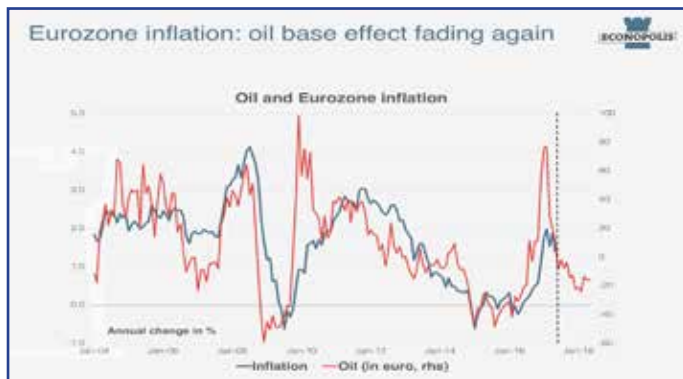
ANALYSES & PLACEMENTS

Insights from ECONOPOLIS, Member of GSCGI

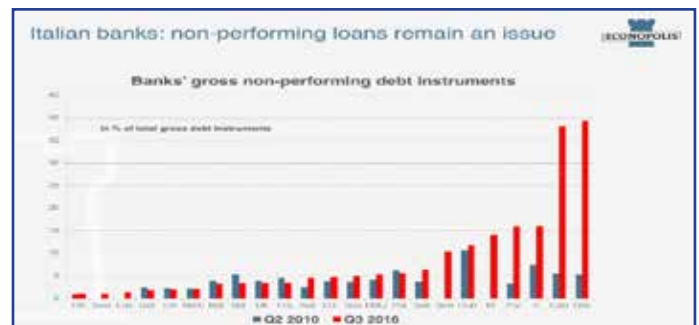
...article by Bart Van Craeynest [econopolisweekly@econopolis.be]



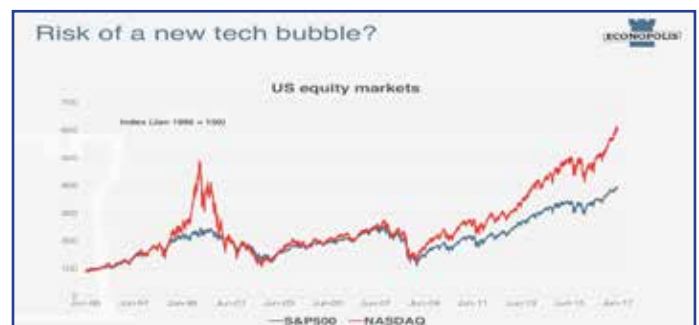
In June, the well-known IFO-indicator of business confidence in Germany reached its highest level since reunification. This bodes well for economic activity in Germany and the Eurozone as optimistic business leaders are likely to increase investment and hiring. As such, the ongoing broad-based recovery in the Eurozone looks set to continue in coming quarters. That said, **current optimism is probably somewhat overdone**. Historically, current levels of business confidence would correspond with economic growth of more than 4%. Such levels of growth remain unlikely to be seen anytime soon.



This week the ECB held its annual research forum in Portugal. ECB-president Draghi made a speech at the forum where he stated that **the ECB is no longer worried about deflation risks**. Against the backdrop of the strengthening economic recovery deflation risks in the Eurozone have been off the table for quite some time even if headline inflation is clearly heading lower again. Still **markets interpreted Draghi's statement as a clear indication that the ECB is about to reduce its monetary stimulus shortly**. Bond and currency markets reacted. Rather unusually the ECB followed quickly with a statement that markets were misinterpreting Draghi's speech. Once again **this highlights how nervous markets can get about statements on monetary policy**, and how difficult it will be for the ECB to change course without disturbing markets too much.



Last weekend the Italian government worked out a solution for two smaller banks that had been balancing on the edge of bankruptcy for quite some time. The deal safeguarded deposit and senior bondholders. For this, the Italian government puts up 17 bn euro in funding and guarantees. The deal was approved by the EU. However, at the very least **it seems to go against the spirit of the EU rules for the resolution of failing banks**, which implies that shareholders and bondholders get the bill for this and not the taxpayers. As such, this is just another indication that **the European banking union is still far from fully operational**. Moreover, in light of the amount of non-performing loans in the Italian banking sector this is probably not the last time the government will have to get involved.



US equity markets have been on a strong run since March 2009. Tech companies have been a key driver of this bull market. As such, there are similarities with the tech-bubble of the second half of the 90s. Just as well, there are also **important differences**. One key difference is that today far more than in the second half of the 90s tech companies are **actually generating profits**. That said, to an important extent those profits are based on monopolistic situations. The market valuation and the expected continued development of those profits are dependent on a continuation of those **quasi-monopolies**. There are definitely arguments to support the case that the current run in tech stocks is not a bubble (*by the way that was also the case during the 90s run*). Then again such strong market moves should always be **regarded with some caution**.

ANALYSES & PLACEMENTS

1 Mois en 10 Images, par SYZ AM, Membre Partenaire du GSCGI

...télécharger le document complet ... <https://www.syzbank.com/fr/insight/juin-2017>

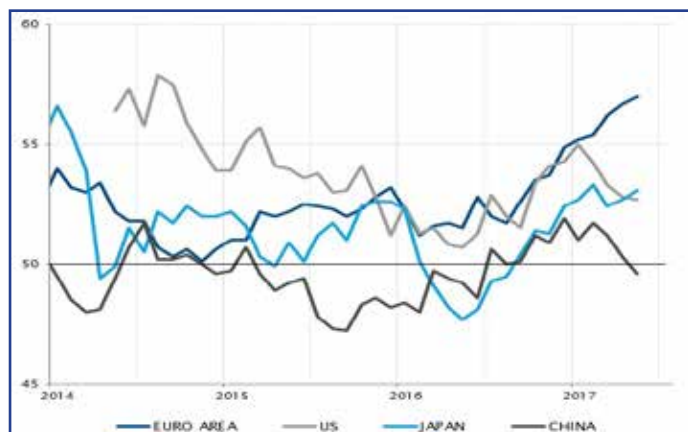


Economie mondiale: L'Europe reste en tête

L'Europe continue d'impulser la dynamique de la croissance mondiale. Le mois dernier, les indices PMI ont confirmé que la zone euro est la seule région capable de maintenir son rythme d'expansion (*déjà soutenu*).

Les chiffres révisés du PIB pour le premier trimestre ont confirmé l'écart de croissance entre la zone euro et les Etats-Unis, le PIB de l'UEM progressant de 2,4% en rythme annualisé contre 1,2% pour le PIB américain. Bien que l'on s'attende à une reprise de la croissance aux Etats-Unis au fil de cette année, il est fort probable que la zone euro l'emporte une nouvelle fois sur l'économie américaine en 2017.

Si l'économie japonaise semble légèrement moins florissante, avec une hausse de «seulement» 1% du PIB au premier trimestre, elle constitue néanmoins l'un des motifs de satisfaction en ce qui concerne l'économie mondiale: ce 5^e trimestre de croissance ininterrompue dénote la plus longue phase d'expansion depuis 2006. Cette situation contraste avec celle de la Chine, qui connaît un ralentissement «consenti» sous l'effet du durcissement des conditions financières visant à freiner la croissance du crédit.



La dynamique de milieu de cycle en Europe l'emporte sur le reste du monde
Source: SYZ AM, Markit

Banques centrales: La Fed ne dispose plus du plus gros bilan

Depuis 2008, plusieurs banques centrales ont eu recours à des programmes

d'achats d'actifs pour fournir un soutien monétaire supplémentaire après avoir réduit à zéro leurs taux d'intérêt à court terme. La Réserve fédérale a ouvert le bal avec trois programmes entre fin 2008 et fin 2014 qui ont eu pour effet de quintupler la taille de son bilan, à 4500 milliards de dollars US. Cependant, la Fed ayant désormais cessé ses achats d'actifs, la taille de son bilan s'est stabilisée et ses taux à court terme ont déjà augmenté à plusieurs reprises.

La Banque du Japon (BoJ) et la Banque centrale européenne (BCE) ont été moins promptes à introduire ces mesures de politique monétaire non conventionnelles et poursuivent leurs achats d'actifs. La BCE a quelque peu ralenti le rythme de ses achats seulement depuis le printemps dernier. En conséquence, la taille de leur bilan continue d'augmenter et vient juste de dépasser celle du bilan de la Fed (en USD). Cette divergence au niveau des politiques monétaires pourrait expliquer en partie les écarts de croissance des économies sous-jacentes.



Les bilans de la BCE et de la BoJ dépassent désormais celui de la Fed
Source: SYZ AM, Bloomberg

LE COIN TECHNIQUE

Lower spread US-German calls for lower USD and higher CRB

...article de Bruno Estier Strategic Technicals - <http://bruno.estier.net/> - bruno.estier@bluwin.ch



The US Dollar Index (USD) has been in a downtrend for the last six months. Last week, even a lower low emerged, as represented by the weekly Candlestick on the main panel of the chart below. The orange line, showing the narrowing spread between US and German 10-year yield, makes the correlation with the

USD rather obvious over the last 12 months. This means that the 10-year German yield is rising faster than the 10-year US yield. Such a narrowing of the spread occurs as Central Banks in Europe, UK and Canada hint at the possibility of lifting rates ahead. Compared to the Fed, which started in October 2014, there is yet ample room for increased spread narrowing, a trend that is probably currently driving the dollar down.

Technically, in April the USD has broken its rising trend support line along with its 40-week moving average, which is now flat and is expected to decline soon. Furthermore, it has confirmed its downtrend by crossing back below the weekly cloud at 97, with an additional lower low at 95. By doing so, it has reversed the bullish signal of October 2016, where it was crossing above the cloud at 96 to reach its peak at 103 in December, at the height of the reflation expectations driven by the election of Mr. Trump. The scope of the coming decline of the USD appears quite large, as indicated by how much the spread (orange line) can still narrow ahead, to decline eventually from 1.85% to 1.45% (its support area

Graph:

US dollar Index (USD) with weekly candlesticks and 40-week Moving Averages. The orange line, correlating well with \$ index, represents the spread of US versus German 10-year rates. On top panel, the CRB (blackline) as well as the Bloomberg commodity index (dashed orange line) could initiate a rebound. On the lower panel, the weekly Stochastic & MACD are bearish for US \$ index.

Source: Stockcharts.com



in 2015). However, the USD will have to break two key support areas: (1) 94, the August 2016 low; and (2) 92, the April 2016 spike. There is little doubt that these levels will be seen since, for a month, the weekly MACD has been well into negative territory and the weekly STO remains below 30%, well into oversold area, signalling a strong downtrend. Moreover, we need to keep in mind that this narrowing of the US-German 10-year yield is occurring while global rates might be on the rise. This explains as well why the US Financial sector is outperforming recently.

The declining USD should also lead to higher commodity prices, as this is a key intermarket relationship. Oil has been declining within its trading range \$54-\$43, thus pushing down the CRB index. But, in the last two weeks, the CRB (blackline on top panel) as well as the Bloomberg Commodity index (dashed orange line on top panel) attempted to display a rebound, which could become the start of a bottoming phase or even the start of a new uptrend. Rebounding commodities should put a floor on the underperformance of the US Energy and Materials sector and also favor an outperformance of US Cyclical versus US Technology sectors (the latter led during the first six months of 2017). Later, it should also help the outperformance of Emerging Markets versus the S&P500. Readers may notice that both articles in the "Technical Corner" are pointing out this month the two major theme changes in the financial markets. As usually, this is well illustrated by intermarket technical analysis.



LE COIN TECHNIQUE

Summer rotation expected as Growth and Defensives handover to Cyclical and Financials

...article de Jean-Francois Owczarczak - CEO, Management Joint Trust SA - jfo@mjt.ch

Since reflation trades topped out between December and February, Cyclical sectors and Financials have underperformed. During this period, growth stocks and especially Big Technology have widely outperformed, followed by Consumer Discretionary, also a growth sector, as well as Defensive sectors (*Staples, Healthcare, Utilities*). We believe that these rotations should reverse during the Summer, as Growth and Defensives handover to Financials and Cyclical and give life to a second leg up for reflation assets towards early 2018.



US Financials & Cyclical sectors vs Growth & Defensive sectors (cap weighted portfolios)

(Weekly graph or the perspective over the next 2 to 4 quarters)

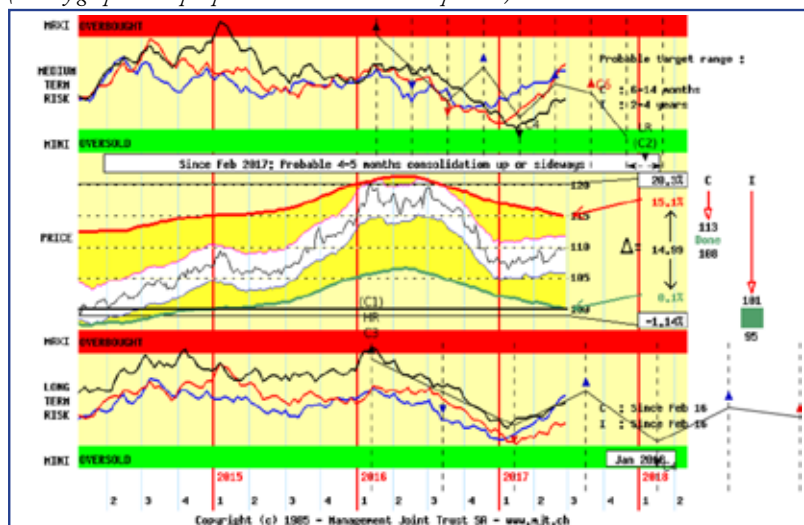


www.mjtsa.com

This Weekly chart compares a cap. weighted portfolio of the Financials, Industrials, Materials and Energy sectors vs a more defensive portfolio including Consumer Discretionary, Technology, Staples, Healthcare, Utilities and Real Estate. On both our oscillator series, the retracement we've seen for Financials & Cyclical (aka the "Reflation sectors") should be coming to end during the Summer. We expect them to resume their uptrend vs Growth & Defensives, possibly into late 2017 / early 2018

AMUNDI ETF MSCI Europe Min Vol / AMUNDI ETF MSCI Europe

(Weekly graph or the perspective over the next 2 to 4 quarters)



For more information on our services and methodology, please visit www.mjtsa.com or contact us.

All opinions, news, research, analyses, prices or other information in the article above are provided as general market commentary and do not constitute any financial advice.

This Weekly chart shows a similar situation in Europe. We compare two ETFs from Amundi, namely the risk premia related Amundi ETF MSCI Europe Minimum Volatility Factor UCITS ETF vs its benchmark, the Amundi MSCI Europe UCITS ETF. Minimum Volatility means less risk and consequently more defensive characteristics than the benchmark. Hence, this chart is looking at the same situation as above in reverse, i.e. more Defensive profiles vs the market. On both our oscillator series (lower and upper rectangles), the Minimum Volatility factor underperformed throughout 2016 and then rebounded in H1 2017. It should reach the end of this correction to the upside during the Summer and start underperforming again towards year-end / early 2018.

Concluding remarks — During H2 2017, we expect reflation trades to resume their uptrend initiated last year. This will fuel a rotation from so called Growth, Defensives, or Long Duration assets, towards Cyclical, Financials or Value. This transition should happen from now into mid-

summer and could lead to some short-term volatility, yet at high levels, in the main equity indexes. From mid-August, potentially, the handover should be completed with new "leaders" (aka the *Reflation trades*) pushing the market up towards year-end and early 2018.

Prospect of Weidmann in top job raises hackles at ECB *by Claire Jones, Frankfurt*

[...] For years, Jens Weidmann was the unabashed hawk at the heart of the European Central Bank, the voice of German opposition to the unconventional monetary policies intended to save the eurozone from a deflationary death spiral. [...]

[...] Now, an uncharacteristic period of reserve from the Bundesbank president has convinced his eurozone colleagues that he is mounting a quiet campaign to take over as ECB chief. Not all of them are happy at the prospect. [...]

[...] Mario Draghi's term as the ECB's president is up in late 2019 and speculation is already rife that Berlin will push for Mr Weidmann — a close ally of Angela Merkel, the chancellor — to become its first German head. [...]

Read more: <https://www.ft.com/content/e7505948-5dad-11e7-9bc8-8055f264aa8b>

Source: *Financial Times* – July 3, 2017

CFB

How central bankers rattled global markets *by Dan McCrum, Roger Blitz and Robin Wigglesworth*

[...] Viewed up close, the star-studded gathering in the Portuguese resort of Sintra this week of men and women who make monetary policy was a wonkish discussion of economic ponderables. [...]



[...] ...little matters more in world markets right now than views of the select group invited to Portugal by the ECB. "Central bankers have us at their beck and call again," says Brad Bechtel at Jefferies International. [...]

[...] Looming large over each discussion is the so-called taper tantrum triggered by the Fed's plans to scale back its quantitative easing programme in 2013. [...]

Read more: <https://www.ft.com/content/6888f964-5ced-11e7-9bc8-8055f264aa8b>

Source: *Financial Times* – June 30, 2017

CFB

Beware Too-Clever ETFs *by Crystal Kim*

[...] ETFs are getting increasingly niche, and often silly. A clever ticker and a reasonable theme do not necessarily make for a good investment. [...]

[...] The planned Quincy Jones Streaming Music, Media & Entertainment ETF claims, in its filing with the Securities and Exchange Commission, that it is "IconicBeta." While Barron's will gladly acknowledge that Jones himself is an icon, the famed record producer merely licensed his name, and is not promoting or recommending the ETF. As for the strategy? It was put forth by Bean Markets, an unknown firm whose website has just one sentence: "Investing got good." [...]

[...] That's debatable. There are now more indexes (5,000) than there are stocks (4,000), according to Strategas Research Partners. Driving that statistic are increasingly complicated active strategies ... Intelligent people can disagree on the merits of factor investing or other "smart beta" strategies, but an alarming number of new ETFs were clearly dreamed up by marketers, rather than investment strategists. [...]

Read more: http://www.barrons.com/articles/beware-too-clever-etfs-1498889593?mod=BOL_hp_mag&mg=prod/accounts-barrons

Source: *Barron's* – July 1, 2017

CFB

SEC Says All Companies Can Now File Secretly for IPOs *by Dave Michaels*

[...] The Securities and Exchange Commission, whose new chairman, Jay Clayton, has said he wants to boost the number of IPOs, announced late Thursday that it would allow all companies to file paperwork confidentially as a first step toward going public. [...]

[...] Until now, that privilege has only been available to firms with less than \$1 billion in annual revenue. [...]

[...] Under the new policy, effective July 10, companies will be able to file information about their finances and business trends with the SEC, but the document could be withheld from investors until 15 days. [...]

Read more: <https://www.wsj.com/articles/sec-says-all-companies-can-now-file-secretly-for-ipos-1498783752?mg=prod/accounts-wsj>

Source: *The Wall Street Journal* – June 29, 2017

CFB

Yellen's Famous Last Words: No More Crises *by Randall W. Forsight*

[...] The Federal Reserve Chair predicts no more financial meltdowns will occur in her lifetime. [...]

[...] That brave forecast ironically came as her fellow central bankers seemed to be warning that asset prices are too high and should be taken down a peg—just the sort of thing that has precipitated crises in the past. [...]

[...] *"Would I say there will never, ever be another financial crisis?"* Federal Reserve Chair Janet Yellen said at a London conference last week. *"You know probably that would be going too far, but I do think we're much safer, and I hope it will not be in our lifetimes, and I don't believe it will be."* [...]



[...] In simple terms, policy makers are damned if they maintain easy money, and damned if they don't. Low interest-rate policies continue the pattern of financial boom and bust, but are needed to cushion the weakness in real growth and incomes. [...]

[...] The major central banks subscribe to the latter hypothesis, but BIS' Borio argues that their cure worsens the malady of a lousy economy, which has been at the core of political discontent stemming from widening economic inequality. [...]

[...] *"There are two ways to cure inequality,"* write Bank of America Merrill Lynch strategists Michael Hartnett and Jared Woodard. *"You can make the poor richer...or you can make the rich poorer."* The tightening of monetary policy contemplated by the Fed and ECB will make Wall Street poorer, they assert. [...]

Read more: <http://www.barrons.com/articles/yellens-famous-last-words-no-more-crises-1498888821>

Source: Barron's, July 1, 2017

CFB

The \$1.5 Trillion Business Tax Change Flying Under the Radar *by Richard Rubin*

[...] Republicans looking to rewrite the U.S. tax code are taking aim at one of the foundations of modern finance—the deduction that companies get for interest they pay on debt. [...]

[...] That deduction affects everyone from titans of Wall Street who load up on junk bonds to pay for multibillion-dollar corporate takeovers to wheat farmers in the Midwest looking to make ends meet before harvest. [...]

[...] Yet a House Republican proposal to eliminate the deduction has gotten relatively little sustained public attention or lobbying pressure. [...]

[...] Getting rid of the deduction for net interest expense, as House Republicans propose, would alter finance. It also would generate about \$1.5 trillion in revenue for the government over a decade, according to the Tax Foundation, a conservative-leaning think tank. [...]

Read more: <https://www.wsj.com/articles/the-1-5-trillion-business-tax-change-flying-under-the-radar-1498388402>

Source: The Wall Street Journal – June 25, 2017

CFB

Beyond Bitcoin: How Blockchain Is Changing Banking *by Avi Salzman*

[...] The hottest investment of the first half of the year wasn't Amazon.com, Netflix, or even Tesla. The digital currency has taken off this year, nearly tripling in price. [...]

[...] Investors who bought Bitcoin for \$5 or less just five years ago are millionaires today, as its price has soared above \$2,500. Unlucky ones have lost small fortunes simply by misplacing a password, much like leaving a suitcase full of cash at the train station. [...]

[...] It's easy to dismiss the digital currency as an outlandish, even dangerous, fad. Don't. [...]

[...] Even if Bitcoin ultimately falls apart or crashes, its underlying technology—known as "blockchain"—is likely to disrupt financial markets for years to come. [...]

Read more: http://www.barrons.com/articles/beyond-bitcoin-how-blockchain-is-changing-banking-1498890463?mod=BOL_hp_highlight_1

Source: Barron's, July 1, 2017

CFB

GLOBAL EVENTS



CONSULENTIA 17

MiFID II PRONTI AL CAMBIAMENTO



Torino

19 20 settembre 2017
CENTRO CONGRESSI LINGOTTO

Noi siamo pronti...e voi?

MEDIA PARTNER



LA STAMPA

IN PARTNERSHIP CON















































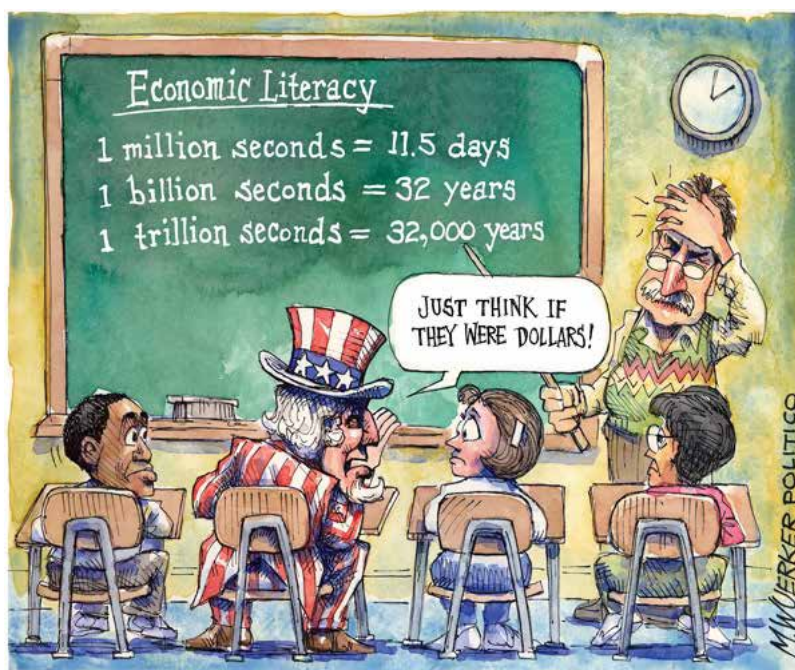


Festeggia con noi 40 anni di Anasf

AGENDA OF GSCGI's MONTHLY CONFERENCES

Pause estivale...

Les conférences mensuelles du Groupement reprendront en septembre 2017.



Copyright by Matt Wueker.

* * *

Sep. 15, 2017/Geneva — **Orateur:** *tba*, Banque Pâris Bertrand Sturdza, Membre Partenaire du GSCGI

Oct. 20, 2017/Geneva — **Orateur:** *tba*

Nov. 17, 2017/Geneva — **Orateur:** *tba*

* * *

Réservez ces dates!

Les thèmes de Conférence sont communiqués par invitation et sur le site du Groupement — www.gscgi.ch

Non-Membres bienvenus — Inscrivez-vous!

LA REUNION MENSUELLE DU GSCGI

2017, June 16 — Genève: (1) Les marchés mondiaux proches de leur plus haut historique, faut-il vendre?
(2) Avantages de traiter les actions via CFD (Contrat pour Différence) par rapport aux actions classiques?



ANDREAS RUHLMANN

Andreas Ruhlmann, diplômé de la John Molson School of Business à Montréal et détenteur du CALA (Chartered Alternative Investment Analyst), a évolué plus de 10 ans au cœur des salles de marchés de Saxo Bank et de la Banque Nationale du Canada. Il rejoint IG Bank en février 2014 afin de mettre son expérience au profit des clients Premium de la banque. Spécialiste du marché des devises, des actions et en analyse technique, Andreas développe également de nombreuses formations sur les stratégies de trading, l'analyse graphique, la gestion de risque et la psychologie du trader. Découvrez les formations sur www.ig.com



GORDON URQUHART

Gordon Urquhart est diplômé de la Business School de Lausanne. Il a commencé sa carrière à New York en tant que distributeur nord-américain pour Blancpain et Audemars Piguet avant de passer à des rôles de 'management' pour Thomson Reuters et SunGard Global Trading (maintenant FIS). Gordon a rejoint IG Bank en 2014 pour développer les activités institutionnelles de la banque en Suisse et au Liechtenstein. Il est aussi le vice-président du Wine & Business Club à Genève.



Pour la 6^{ème} réunion mensuelle, le Groupement a accepté l'aimable invitation d'IG Bank, Membre Partenaire du GSCGI, de tenir la conférence dans les bureaux de la banque, au 42 Rue du Rhône, à Genève. La conférence s'est déroulée en trois parties: (1) La présentation d'**ANDREAS RUHLMANN** (Market Analyst at IG Bank) consiste en une analyse approfondie des marchés financiers tant sur le plan fondamental et stratégique, que technique; (2) **GORDON URQUHART** (Institutional Sales Manager at IG Bank) nous présente IG Bank avant de revenir sur le thème du jour, les CFDs (contrats pour différence); et enfin (3) votre dévouée **COSIMA F. BARONE** (Membre du Conseil et Directrice du GSCGI, également 'auteur' de cet article), présente en quelques points succincts le Groupement, tout en soulignant l'importance pour tout gestionnaire et conseiller financier de la place financière suisse d'adhérer au GSCGI, unique association faitière de branche indépendante et, ainsi, soutenir l'importante action de "lobbying" qui est déployée à Berne, à Bruxelles (via [FECIF](http://FECIF.org) - www.fecif.org) et auprès des Nations Unies (via la [CIFA](http://CIFA.org) - www.cifa.org).

Andreas Ruhlmann mise, dans son analyse globale fort détaillée s'appuyant sur plusieurs infographies judicieusement choisies, sur une croissance économique réelle de 3.5% en 2017 et 3.6% en 2018, généralisée tant au niveau géographique que sectoriel, alors que les marchés financiers des actions touchent des plus hauts historiques.

Il s'attend à une expansion de l'emploi en 2018 dans les pays de l'OCDE supérieure à son plus haut historique de 2007. Une croissance accrue (stimulée par les consommateurs et les entreprises), implique aussi une reprise de l'inflation en Occident (moins importante en Europe) et en Asie, exception faite du Japon. En effet, il ne parle pas ici d'inflation galopante, mais du cycle de "reflation" qui se poursuivrait en dépit de la faiblesse du prix du pétrole et d'autres matières premières. La Suisse également voit une expansion économique de 1.5% dans l'année en cours,

Q1 2017 – MSCI WORLD

Indicator	% Reported	% Real	% Mixed	Reported Actual	% Reported	% Real	% Mixed	Reported Actual
All Economic Sectors (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Utilities (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Telecommunications Services (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Consumer Non-Cyclical (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Healthcare (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Consumer Cyclical (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Financials (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Industrials (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Technology (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Real Estate (12M)	24%	24%	24%	24%	24%	24%	24%	24%
Energy (12M)	24%	24%	24%	24%	24%	24%	24%	24%

✓ Croissance généralisée autant au niveau géographique que sectoriel

GLOBAL GDP GROWTH



...cont'd on page 23

LA REUNION MENSUELLE DU GSCGI

2017, June 16 — Genève: (1) Les marchés mondiaux proches de leur plus haut historique, faut-il vendre?
(2) Avantages de traiter les actions via CFD (Contrat pour Différence) par rapport aux actions classiques?

évoluant vers 1.8% en 2018, alors que le chômage reste modéré à 3.3%. En effet, en terme de PIB cumulé 2007-à-2017, la Suisse a fait presque aussi bien que les U.S.A. (respectivement +11.3%, 12.1%,), alors que la croissance européenne s'est limitée à 5% durant la même période.

Au-delà de l'aspect économique, on ne peut ignorer le risque géopolitique présent dans les Amériques, Europe, Russie, Moyen-Orient et Afrique du Sud. Elections, accords commerciaux, réformes de la fiscalité, etc., vont inéluctablement affecter ces pays en 2017 et 2018, ce à quoi les marchés financiers ne resteront pas insensibles.

Tout en soulignant que les marchés financiers pourraient continuer leur tendance haussière durant la deuxième moitié de l'année, Andreas Ruhlmann passe en revue divers aspects techniques des indices actions les plus importants, des taux d'intérêts, des matières premières, des métaux précieux et des monnaies. D'un point de vue technique, on observe une faiblesse à court-terme et des signes de consolidation (*opportunité d'achat*), mais il souligne que tant l'aspect technique que fondamental invitent à rester exposés à la hausse sur les marchés financiers, aussi en vue de la publication des bénéfices sociétaires du second trimestre. (*lire également l'article d'Andreas Ruhlmann publié dans le WealthGram #65 Juin 2017 en pages 4 & 5*)

En deuxième partie de conférence, Gordon Urquhart définit le Groupe IG et les services qu'il offre au moyen de quelques infographies (*voir en bas de page et en haut à droite*), qui ne nécessitent pas plus d'explications, avant de présenter les CFDs (*Contrats pour Différence*), dont IG Group est le leader mondial. A partir d'une marge de seulement 5% (*pourcentage plus élevé pour les valeurs plus risquées, comme*



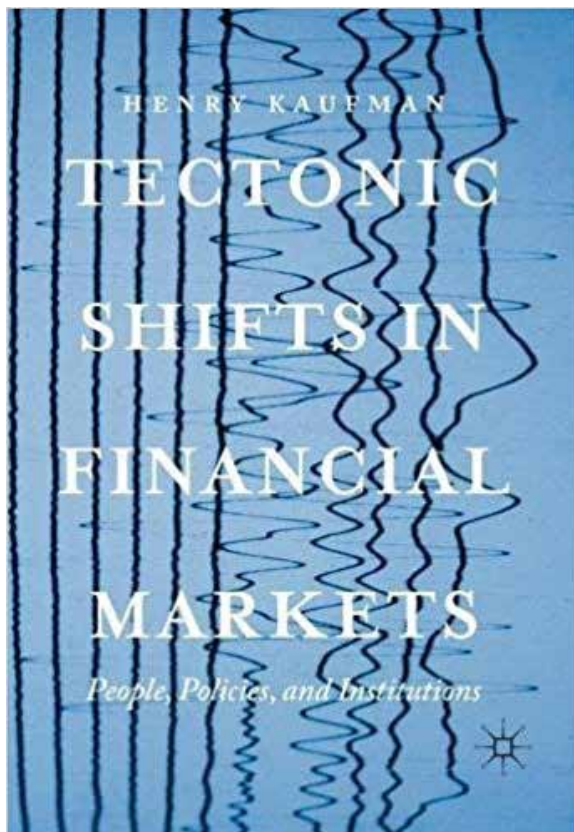
par exemple les biotechs), le CFD permet l'investissement en actions et ETFs avec des avantages non-négligeables: accès direct sur les marchés (24h/24h), stop garanti, pas de timbre fédéral sur les actions CFDs, encaissement du dividende, mais pas de droit de vote. Les CFDs, produits financiers complexes qui existent depuis quelques décennies, représentent bien 30% du volume d'actions échangées sur la bourse de Londres. Leur popularité attire désormais l'attention des régulateurs (*FCA, ESMA, etc.*) qui manifestent une certaine inquiétude en particulier quand les CFDs sont proposés aux particuliers, sans pour autant imposer des règles précises.

Cette conférence s'est déroulée dans une atmosphère très agréable et sympathique dans les bureaux de la banque, et se clôture par une longue session questions/réponses, amplement documentée par les explications détaillées des deux orateurs d'IG Bank.

BOOK REVIEW

Tectonic Shifts in Financial Markets: People, Policies, and Institutions

by Henry Kaufman



Tectonic Shifts in Financial Markets by Henry Kaufman

A Wall Street veteran offers timely warnings on the fragility of institutions

“Modern institutions are unfit to withstand potential dangers. So a different kind of regulation, involving greater intervention, more judgment, and far less trust for quantitative models, is needed to stop the behemoths from inflicting another financial crisis.”

“How did the plates shift? Compared with 1960, total US government debt has risen from \$320bn to \$17tn, while the 10 biggest financial conglomerates control 75 per cent of US assets — in 1990 it was 10 per cent. Financial derivatives, which barely existed in 1960, are now worth \$630tn.”

“The concentration of power, and increased disintermediation, mean that the person extending a loan or investing in a stock is no longer the person who loses if something goes wrong. These amount to tectonic shifts.”

“Kaufman is angry that the Fed, largely under Greenspan, failed to check the effects of the growth of institutions, and as a result found that its usual monetary remedies no longer worked. He holds that the central bank will ironically have greater power — and become more political — as a result of past mis-steps.”

Read more: <https://www.ft.com/content/2ea30af6-5751-11e7-80b6-9bfa4c1f83d2>

* * *

Dr. Henry Kaufman Warns of Continued Financial Instability in Tectonic Shifts in Financial Markets

“Legendary Wall Street economist Dr. Henry Kaufman explains how financial markets have been transformed in recent years and where they are headed as America continues to search for its bearings in the wake of the 2008 financial crisis.”

“Can the Dodd-Frank Act bring greater stability, transparency, and accountability? By sanctioning rather than truly addressing the too-big-to-fail dilemma, writes Dr. Kaufman, Dodd-Frank squandered a rare opportunity for fundamental reform.”

“Henry Kaufman is very aware of what has been going on, and he is as concerned as anybody about defaults and distresses in our economy and in our financial system,” writes Volcker in his preface to Tectonic Shifts in Financial Markets. “I think it is fair to say that cognizant of all those problems, Henry wants to do something about it.”

Read more: <http://www.prnewswire.com/news-releases/dr-henry-kaufman-warns-of-continued-financial-instability-in-tectonic-shifts-in-financial-markets-300427284.html>

* * *

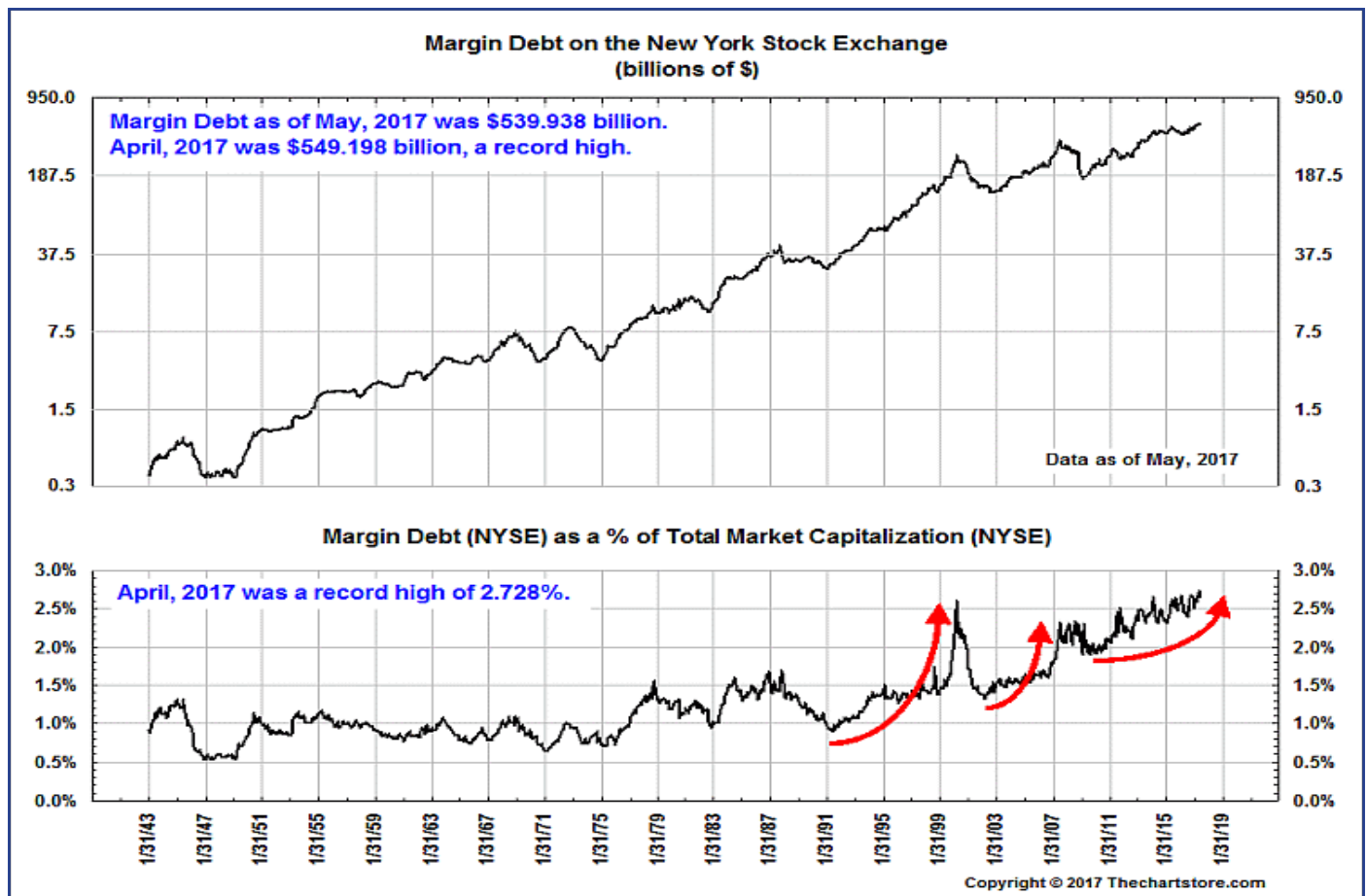
Tectonic Shifts in Financial Markets Quotes

“In the United States, meaningful financial reform has tended to be crisis-driven. That is an unfortunate fact, for several reasons. It means that our regulatory system has been defined and redefined under extreme rather than normal conditions. It means that financial regulation is more reactive than proactive. And it means that we must endure serious dysfunction, if not a major calamity, before fixing problems—financial excesses that typically have been recognized and acknowledged long before the crisis hits.”

Read more: <https://www.goodreads.com/work/quotes/52780674-tectonic-shifts-in-financial-markets-people-policies-and-institutions>

CLIN D'OEIL À L'HISTOIRE

Margin debt at a record!



The above log chart paints a quite worrisome picture: the huge buildup of margin debt from 1943 to present. Will it end in tears? Margin debt is a reflection of investor bullishness that could just as easily turn into a bearish signal. There's precedent for a high level of margin debt foreshadowing a market collapse. Over the last two decades alone for instance, margin debt peaked in March 2000 (*market's March 24 top and subsequent 50% decline*) and again in July 2007 (*market top in October*). Another disturbing factor: its percentage rise over the latest bull market is 193%, exactly the increase from 2002 to 2007, when the financial crisis began and the Standard & Poor's 500 index later fell 57%. The problem with margin debt is that it causes a cascade effect.

Historical Graph: courtesy of www.thechartstore.com



Cosima F. Barone, FINARC SA
Membre du Conseil du GSCGI,
www.finarc.ch -- c.barone@finarc.ch

LA PAROLE EST A VOUS

Le Conseil du GSCGI et le Comité de Rédaction de "The IFA's Wealth Gram" invitent les Membres et Partenaires du Groupement à partager leur expérience et connaissance avec les collègues en fournissant des articles sur des thèmes divers: (a) actualité, (b) techniques de gestion, (c) analyse fondamentale, technique et globale, (d) fiscalité, (e) régulation, etc. Annoncez et adressez vos écrits à wealthgram@gscgi.ch le plus rapidement possible. Les non-Membres également peuvent fournir des articles et sponsoriser **Wealth Gram**.

SOUHAITEZ-VOUS ÊTRE LE SPONSOR D'UN PROCHAIN NUMÉRO MENSUEL?

RÉSERVEZ SANS TARDER LE NUMÉRO QUI VOUS INTÉRESSE!

wealthgram@gscgi.ch

LE SPONSOR DE JUILLET 2017

OIC The Options Industry Council — www.OptionsEducation.org

OIC Video Series Explore our educational videos, which will equip you with the tools, strategies, and vocabulary to help you understand the options market. Discover how options can be used to manage risk, diversify your portfolio and potentially earn incremental revenue. **Visit www.optionseducation.org/tools/video-series.html**



Plus lots more...Get learning with OIC

Options involve risk and are not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of *Characteristics and Risks of Standardized Options*. Copies of this document may be obtained from your broker, from any exchange on which options are traded or by contacting The Options Clearing Corporation (1-888-678-5667).

OIC The Options
Industry Council
www.OptionsEducation.org

CONTACT: Gary Delany | Director, Europe
OIC Options Industry Council | 37 St James Road |
Tunbridge Wells | TN1 2JY | UK

Telephone (DDI): +44 (0) 1892 531811 |
Mobile: +44 (0) 7969 322 770
Email: options.industry@delanyconsultants.eu |