

The end of a decade

The beginning of the Millennium

In December, the decade in which the biggest financial, economic and social crisis since the end of the cold war occurred just thirty years ago, in 1989, ended with the fall of the Berlin Wall. In 2020 we will perhaps be able to better see the new Millennium that we had greeted in joy on December 31, 1999. We came from an economic period of "great moderation", where the economy grew without exuberance, supported by falling rates (but still in positive territory) and exchanges largely satisfied by the idea of entering a new technological world, all to discover: the .com firms were the bet on transformations that the stock exchanges (in practice the NASDAQ) anticipated violently, while real life and the daily economy did not feel the need to hurry. The speed was only seen in the development dynamics of emerging countries, which charmed companies in search of containing costs to sustain the "shareholder value". Environmental sustainability seemed almost a good topic for the elite, whose theoretical structure developed in the abstract worlds of the UN

and ecological movements were seen as the expression of a utopian return to the past. The central banks were only the Federal Reserve and its guru Alan Greenspan, also because the United States was the only undisputed global power. The crisis of subprime, high risk debts, reminded the world of the irrationality of human action expressed in the stock exchanges. The United States have discovered still great power, but only relative. It took the creation of the G20 and coordination between central banks to overcome the urgency, which then became everyday life. The new millennium has therefore revealed itself. The United States has discovered relative downward power, with China on the rise. The European Union and the euro, which represented the hope of a better world, because it was an expression of the challenge of peace that led to the reunification of Germany, it proved to be the incubator of nationalisms which for now are expressed above all in Brexit. The oldest geopolitics awakens taking refuge in its deepest roots, with Russian expansionism in search of the spaces of

the Soviet Union and Turkey which dreams of the power lost after the First World War. The only glue in this schizophrenic path is represented by the central banks for which the view remains global and they are the only power capable of deciding to overcome the restrictions of democratic processes. It is thanks to them that 2019 has given stellar performances for all asset classes, from exchanges to bonds, to gold, to oil and emerging countries. It is therefore no coincidence that this happened while the world economy hit its lowest point since 2008 due to the slowdown in the United States, Europe and China. In 2020, the effects on financial assets will be different and selective. In the first part of the year, macroeconomics will respond to the monetary demands of 2019. But then, wage increases and tax policy discussions will give some small shock to inflation. Hence some fear that central banks may stop their expansionary policy. Equities with good dividends, oriented towards consumer goods and the internal market, are insurance. Also, inflation-linked bonds and gold. The theme of environmental sustainability will impose itself with the Millennium together with the conception that geopolitics will take on a biospheric

vision: connectivity, environmental sustainability and new technologies will emerge with arrogance because their receptivity in everyday life is now immediate.