



Tactical Strategy Bullet, Wednesday, November 21, 2018

***Tactical Strategy Observations:***

***Investment Banks and their (lack of) Timing....***

So...now, **after** the market has taken a tumble and the teeth have fallen out of the FAANGS...certain well known investment banks now suggest raising cash and taking a cautious stance on stocks...

We told our investors and readers that weeks ago (before their portfolios were decimated)....Just saying...

The raised cash that we put aside earlier in anticipation of this market correction is in process of being allocated, details to follow...

***Brexit....The Player, not the Game.....***

Aside from Spain, EU leaders can't stop telling anyone that will listen about how 'non-negotiable' the Withdrawal deal is.

Since when was anything that was commercial in nature, non negotiable? This isn't an affair of the heart with absolutes and a promise of unconditional love. This is business. Therefore, it's all negotiable. Everything is open to a haggle and the more the EU say it isn't, the more it seems that it is.

We are not Brexit law experts, so we would rather focus on the players rather than the game. The UK's weakness is simply if PM May has learnt any lessons from the General Election, or not. For anyone old enough to remember Rocky II....all Apollo Creed had to do in the last couple of rounds was circle the ring and hold Sly off with his longer reaching jab. To stay out of a clinch and out of hook and upper cut range. Courtesy of Hollywood, we all know the ending. PM May made this mistake in the General Election and instead of sailing along whilst ahead on points, she got caught up in the heat and trivia of domestic disputes... and there went the Tory Majority.

Fast forward to today. Simply put, in our observations, the Withdrawal deal doesn't seem all that far off a deal that will assuage and neutralise at least half of the European Research Group as well as silence Dominic Raab and most other vocal opponents that have their eye on the top job. Maybe, in substance, 5% away perhaps.



Wednesday, November 21, 2018

When two sides are this close to a workable deal, it doesn't just need brinkmanship to close it off. It requires absolute self-belief, self-reliance and the realisation that a deal rather than no deal is better for all sides. And on this, we hope that PM May has realised the value of taking a strong line after the soppy General Election performance, where insipidity and mediocrity almost led to her slow political and premature death. The merits of having a plan and sticking to it.

It's actually better for the UK not to have a change in PM. It is also better for the UK to be seen to struggle to pass this deal and for PM May to be given the room to use this leverage to squeeze another 5% from the EU to close it out (rather than for it to sail through as it is). There's clearly some distance between the sides but it shouldn't take much for an acceptable compromise that still leaves all parties happy with the outcome and with an altered Withdrawal package that passes in the UK.

Please don't tell any of the EU leaders that we have them where we want them. Sniper punch is en route....(hopefully)...(EU) Grins expose (their) floating chins...

---

Johnny Mehta

Chief Investment Officer

[jmehta@axis-im.com](mailto:jmehta@axis-im.com)

+44 20 7713 4889

@johnny\_mehta

---

*This communication, inclusive of attachments, is for information purposes only. It is also confidential, legally privileged and may not be transmitted, reproduced or used in any way without our express permission. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument, nor is it an official confirmation of terms. These investments may not be suitable for retail clients due to the risks involved. Axis Investment Management (AX-IM) and its Principal Firm AX Markets Limited provide services to Eligible Counterparties and Professional Investors only, as defined by the Financial Conduct Authority (FCA). This communication is not for Retail Investors, who should consider seeking independent investment advice. The value of investments can go down as well as up and all investments carry the risk of total loss. Trading in Derivatives can result in losses that far exceed the initial invested amount. Past performance is not a guide to future performance. AX-IM does not perform an underwriting role. AX-IM and AX Markets may have already disseminated this content to other parties and may already hold positions in these investments. FCA Authorised as an Appointed Representative Firm of AX Markets Limited. E&OE.*