



In this week's Highlights, Ryan Grabinski believes Germany may be a leading indicator, impeachment and trade remain in focus for Washington, and the market is on firmer ground than this time last year.

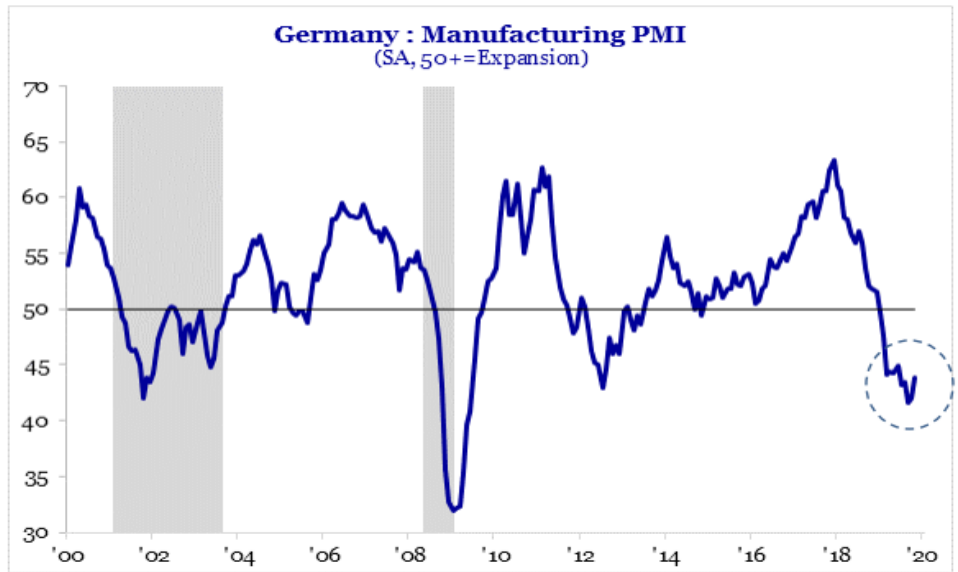


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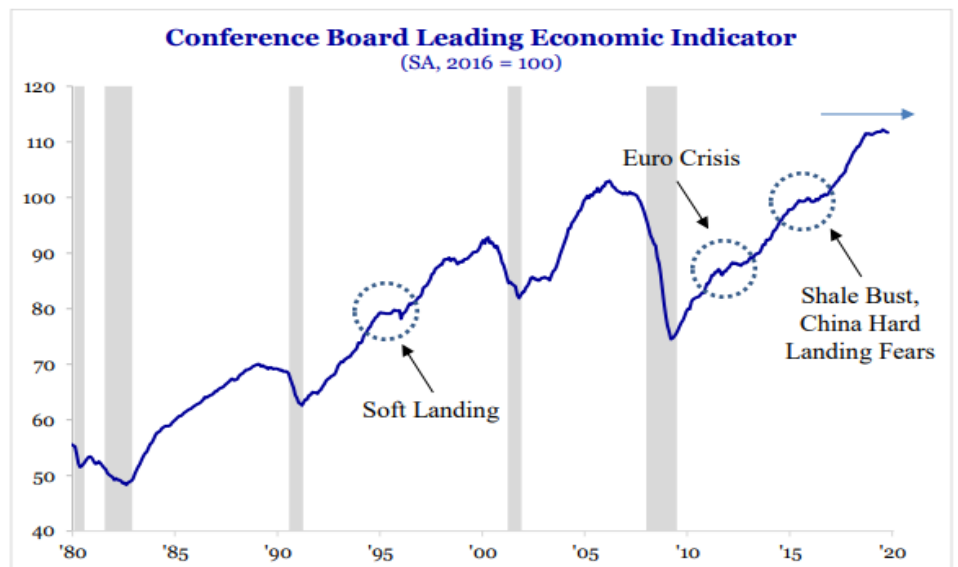
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### Watching Germany As A Leading Indicator

- Germany has been in the middle of: 1) the China Slowdown; 2) the U.S. threatening auto tariffs; and 3) Brexit hurting exports. Now German manufacturing appears to be bottoming.

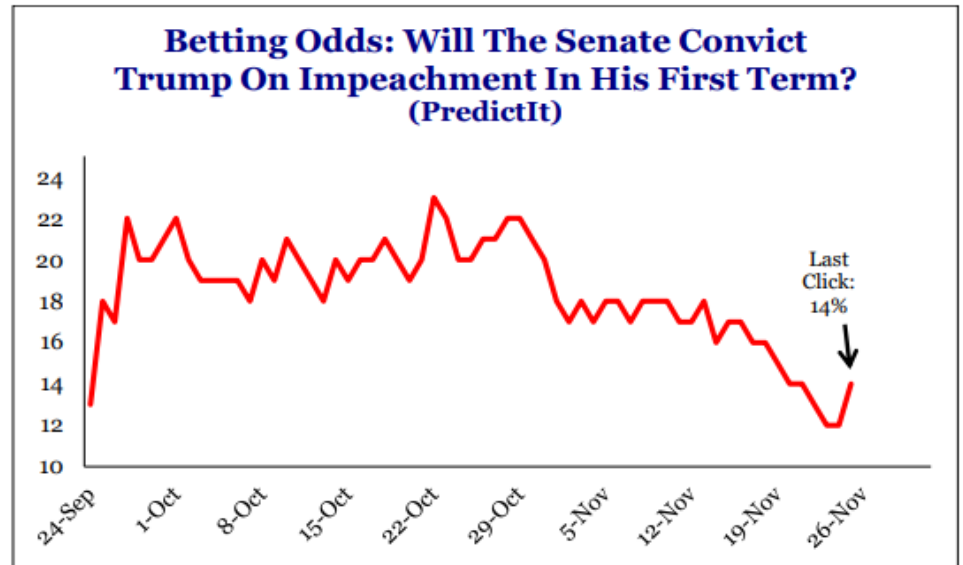


- The U.S. economic forecast is currently bounded. There is not much upside without capital spending returning, but there is not much downside with the consumer stable.

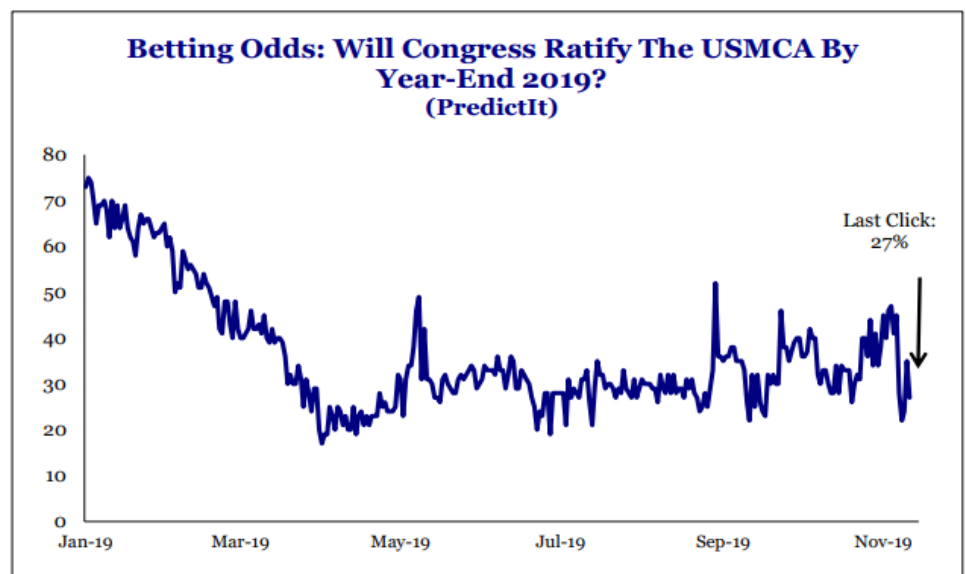


## Focus Remains on Impeachment and Trade in Washington

- As public opinion for impeachment fades, so do the odds of the senate convicting Trump.

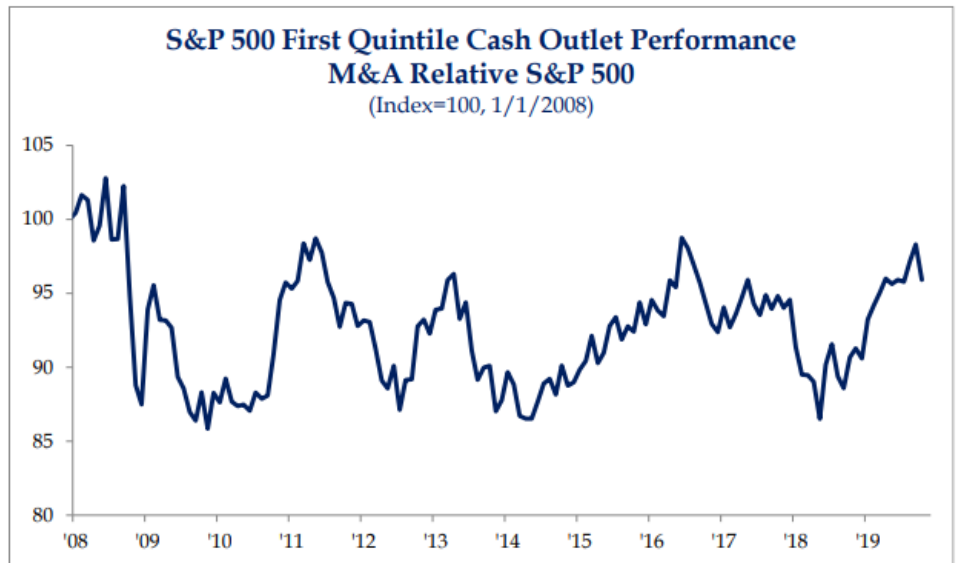


- Speaker Pelosi says a NAFTA deal has been reached but with a caveat. This would be great news, but we remain cautious because the Speaker and the US Trade Representative both seem to suggest the ball is in the other person's court. Some Democrats and labor officials say more is needed from Trump and from Mexico. The risk for investors is that there is no deal and Trump starts talking about NAFTA withdrawal.



## Secularly Low-Interest Rates Resulting in Ample Liquidity for Corporations As Well

- Despite a supply-side tax cut designed to spur capital investment, the market has rewarded those companies using their cash for M&A and share repurchases the most in 2019. To the extent to which the private equity industry is also flush with cash, operating companies may have a lot of competition in purchasing other companies in 2020.



- The trends in the market today are much firmer than they were at this time one year ago.



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