

Brexit winner Paris.



The British must have been aware when they left the EU that London, as the leading financial center, would have to “lose ground”. Thus, even though London is still the largest financial center in Europe, it is no surprise that it has lost some business to the continent. Without a doubt, Amsterdam, Frankfurt, especially Dublin but most of all Paris have benefited from the Brexit decision.

The French capital was able to capture the lion's share of London's outflow. The large American investment banks in particular have chosen Paris as their most important trading center on the mainland. Admittedly, if politicians had had the will, Germany's most important financial center - Frankfurt on the Main - could have risen to become the primus on the continent. Clearly, Paris has lobbied much harder to attract London banks. President Emmanuel Macron, who is currently under heavy criticism, had made it a top priority to make the French capital a more attractive location for foreign banks. This is not surprising, as the highly educated French president, who comes from a good family, has himself acquired relevant experi-

ence in the investment business as a partner at Rothschild & Co. He also served his country as economy minister under President François Hollande.

If German officials had campaigned for Frankfurt with the same verve as Macron did for Paris, then Europe's by far largest economy could possibly experience a post-Brexit boom in the financial sector. But German politicians lack elementary knowledge about the importance of financial markets and, moreover, it is impossible to avoid the impression that there is ideological aversion towards the money sector. However, this overlooks the fact that prosperity is always also a function of flourishing financial markets. It is by no means a coin-

idence that countries with strong financial sectors (USA, UK, Singapore, Switzerland, Dubai) rank very favorably in the wealth statistics. Moreover, the financial sector is not a low-wage sector and can be considered climate-friendly. Additionally, competition from China is not a threat, as is the case in manufacturing industries.

The strong role that Paris now plays among financial markets is reflected in the stock markets as well. It may surprise you, but the French stock market is significantly more valuable than the German stock market, even though the German economy is a good third larger than the French economy. The French stock market heavyweights LVMH, Hermès

and L'Oréal alone far outshine the German top three (SAP, Siemens and Deutsche Telekom), especially since Germany's most valuable company to date, Linde PLC. has now turned its back on the German stock market in favor of the United States. LVMH alone is worth about as much on the stock markets as the four largest German companies combined. This finding once again illustrates the poor stock culture and the political lack of interest in it. It would be wiser for the prosperity of the citizens to prioritize the

question of what can be done to enable the population to participate in the financial markets' prosperity machine.

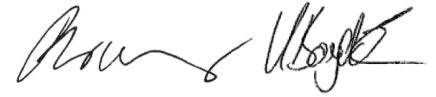
Conclusion: The United Kingdom has done its financial industry a disservice with Brexit. Through its constructive attitude, France's leadership has succeeded in luring large trading departments from the Thames to the Seine.

In recent months, German policymakers have shamefully learned on several occasions that other

countries have more realistic assessments of the actual situation (Russia, defense, energy, migration, China, etc.). It is to be feared that this is the case in the area of financial markets as well.

Sincerely yours,

Fund managers and co-investors



Dr. Christoph Bruns Ufuk Boydak

This text was originally published in German.

Contact us



Raphael Riemann
Managing Partner Organization / Sales

riemann@loys.de

Tel. +49 (0) 69 2475444-01



Matthias Gindert
Sales Manager

gindert@loys.de

Tel. +49 (0) 69 2475444-02



Benjamin Hots
Sales Manager

hots@loys.de

Tel. +49 (0) 69 2475444-14



Chris Thiere
Sales Manager

thiere@loys.de

Tel. +49 (0) 69 2475444-16



Alexander Piira
Sales Manager
(LOYS Suisse AG)

piira@loys.de

Tel. +41-41 766 77 35

Impressum - Company Details

Publisher:

LOYS AG
Heiligengeiststr. 6-8
26121 Oldenburg

Contact us:

Telephone: +49 (0) 69-2475444-0
info@loys.de

Responsible person:

Raphael Riemann
Managing Partner LOYS AG
www.loys.de