Excessive optimism in expectations repricing

Retracement after euphoria-fuelled rally
Companies with strong fundamentals and attractive dividend yield

Trade war US – China
Gentlemen's agreement should prompt a temporary rebound in economic sentiment

Combination of monetary and fiscal stimulus
in the face of an increasingly pronounced economic slowdown

European elections inject minimum degree of certainty in May's Brexit *case study*

Positive perspectives in China
Higher capital flows and adoption of fiscal and monetary stimulus mitigate risks

Opportunities in Emerging Markets
Despite distinct idiosyncratic profiles, EM remains most attractive region at this late stage of economic cycle

Sovereign bonds

- US Treasuries comparably more attractive
- Still some room for gains in Italy's debt
- Depressed inflation expectations signals opportunity in Global Linkers

Corporate bonds

- Avoid high yield exposure, mainly in the US
- Significant drop in US risk free rate highlights opportunities in Floaters and Investment Grade corporate debt

Equity

- US equity premium vs. other regions now harder to justify given macroeconomic backdrop
- Japanese equities look attractive based on superior company fundamentals
- Volatility shocks apperar likely on the back of global deceleration and geopolitical events

Commodities

- Oil market reaching equilibrium ahead of forecast supports prices, but Trump should call for a cap on the impressive rally
- Positive catalysts for gold prevail notwithstanding possible slight appreciation of US dollar and contained inflation

Foreign exchange rates

- EURUSD highly dependent on the outcome of political events. Fed and ECB with openly dovish stance.
- Sterling positioned to gradually recover as uncertainty fades and second referendum becomes more likely

1. Asset Allocation Map

Asset Classes	Indices	Defensive	Moderate	Dynamic	Change*	Macro View
Equities		**25%**	**40%**	**55%**		
Europe - Value stryle investing	MSCI Europe Value	3%	3%	5%	↓	Slight Overweight
Europa - dividend yield	EURO STOXX Select Dividend 30	3%	5%	4%		Overweight
Utilities	STOXX Europe 600 Utilities	2%	2%	3%		Slight Overweight
Banks	STOXX Europe 600 Banks	3%	4%	5%	↑	Overweight
Health Care	STOXX Europe 600 Health Care	2%	2%	3%	↓	Slight Overweight
United Kingdom (small caps)	FTSE Small Capitalisation	2%	3%	5%	↑	Slight Overweight
US - Quality style investing	MSCI USA Quality	5%	8%	10%		Slight Overweight
Japan	Nikkei 225 JPY	2%	5%	8%	↓	Slight Overweight
Emerging Markets globally	MSCI Emerging Markets	3%	8%	12%		Slight Overweight
Government Bonds		**21%**	**18%**	**15%**		
European Core Sovereign	Germany 10-Year	0%	0%	0%		Underweight
European Periphery Sovereign	Italy 10-Year	5%	6%	6%		Slight Overweight
US Treasuries	US 10-Year	2%	0%	0%		Neutral
UK GILTS	UK 10-Year	2%	3%	3%		Neutral
Short Duration	BBG Barclays Global Agg. Low Duration	6%	3%	0%	↓	Neutral
Global Inflation-linked	BBG Barclays World Gov. Inflation-Linked	6%	6%	6%		Overweight
Corporate Bonds		**21%**	**17%**	**11%**		
Investment Grade - Europe	BBG Barclays Pan European Corporate	0%	0%	0%		Slight Underweight
Investment Grade - US	BBG Barclays US Corporate	5%	3%	2%		Neutral
Investment Grade - US Floaters	BBG Barclays US Corp FLoaters	6%	3%	0%		Neutral
High Yield - Europe	BBG Barclays Pan-European HY	0%	2%	2%	↑	Slight Underweight
High Yield - US	BBG Barclays US Corporate HY	0%	0%	0%		Underweight
Convertibles	Exane European Convertible Bonds	10%	9%	7%		Overweight
Cash		**16%**	**10%**	**8%**		
EUR	EURO	7%	2%	2%		Slight Overweight
USD	US DOLLAR/EURO	4%	3%	2%		Neutral
GBP	BRITISH POUND/EURO	2%	3%	4%		Neutral
JPY	JAPANESE YEN/EURO	3%	2%	0%	↑	Neutral
Commodities		**17%**	**15%**	**11%**		
Gold	UBS BBG Gold Euro Hedged	14%	9%	4%	↑	Slight Overweight
Commodities basket	Bloomberg Commodity	3%	4%	4%		Neutral
Crude WTI	WTI Cushing Crude Oil Spot Price	0%	2%	3%	↓	Neutral
Total		**100%**	**100%**	**100%**		

Currency Exposure	Defensive	Moderate	Dynamic
EUR	52%	46%	42%
USD	32%	28%	24%
GBP	8%	11%	14%
JPY	5%	7%	8%
Outros G10 - CAD, AUD, NZD, SEK, DKK	0,3%	0,3%	0,3%
Emerging Markets - local currency	3%	8%	12%

* Change relative to our previous quarterly macro view.

1.2. Multi-Asset Performance

	1st Quarter 2019		Since Inception (02-04-2018)		Sharpe
	BiG Research	vs. Benchmark**	BiG Research	vs. Benchmark**	Ratio* (1 Year)
Defensive	6.94%	2.94%	6.69%	4.41%	1.75
Moderate	9.35%	3.05%	8.59%	4.40%	1.76
Dynamic	11.33%	2.89%	8.93%	2.31%	1.43

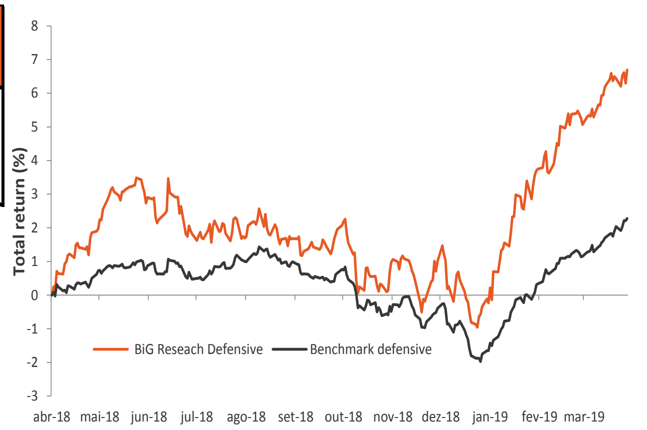
*Risk-free rate corresponds to the 3-month yield associated with the portfolio's base currency (EUR)
**Performance in excess or deficit of benchmark
Performance until 29-03-2019 Source: Bloomberg; BiG Research

- During the first quarter of 2019, nearly all asset classes have followed an upward trend. Our Multi-Asset allocation portfolios have benefited from this movement, and their performance far exceeded the respective benchmarks. The Dynamic profile, naturally, had the best performance with an 11.3% gain vs 8.4% of the benchmark. The Moderate profile registered a 9.35% price gain against 6.3% of the benchmark and the Defensive profile had a lower return, but also still higher from the respective benchmark (6.9% vs 4%). In general, all assets within the three Multi-Asset portfolios registered an absolute positive return.

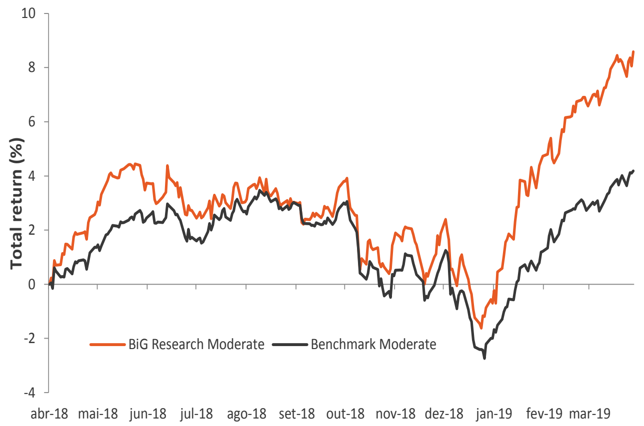
Top 1st quarter total return (EUR)	
Crude WTI	35.20%
MSCI USA Quality	19.15%
MSCI Ásia ex-Japan	13.68%
Bottom 1st quarter total return (EUR)	
Investment Grade - US Floaters	1.53%
Japanese Yen	1.17%
Gold Euro Hedged	0.16%

Source: Bloomberg, BiG Research
Performance from 02-01-2019 to 29-03-2018

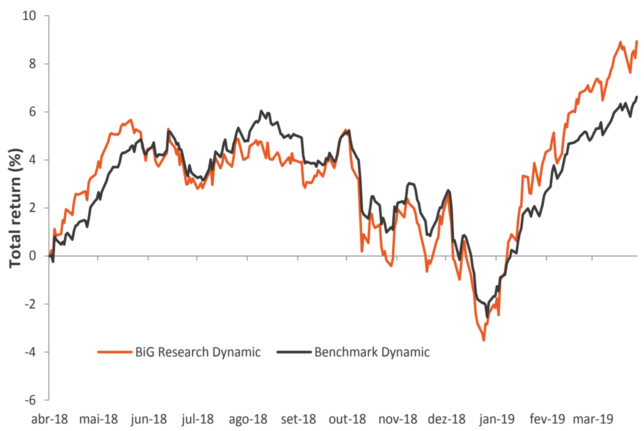
- The already reiterated surprisingly dovish stance from the Fed and the greater possibility of a trade agreement between the US and China were the two main factors that provided support to financial assets. The premature new equilibrium between (lower) supply and higher oil demand has provided steam to a strong recovery in oil prices. On the equity side, Emerging Markets and US equities have outperformed substantially in 2Q19, a trend that was captured by our multi-asset portfolios through exposure to US quality segment and Emerging Asia–ex Japan. Despite the strong recovery of all risky assets, even most of the safe havens have generated positive returns.



Source: Bloomberg, BiG Research; Defensive Benchmark: Fund Portfolio with equal weights. CaixagestSelecção Global Defensivo, Santander Select Defensivo, JPMorgan Global Income Conservative Fund, BlackRock Global Multi-Asset Income Fund and Fidelity Global Multi Asset Tactical Defensive.



Source: Bloomberg, BiG Research; Moderate Benchmark: Fund Portfolio with equal weights. CaixagestSelecção Global Moderado, Santander Select Moderado, JPMorgan Global Balanced Fund, BlackRock Flexible Multi-Asset Fund and Fidelity Global Multi Asset Tactical Moderate.



Source: Bloomberg, BiG Research; Dynamic Benchmark: Fund Portfolio with equal weights. CaixagestSelecção Global Dinâmico, Santander Select Dinâmico, BlackRock Global Allocation Fund and Fidelity Global Multi Asset Income.

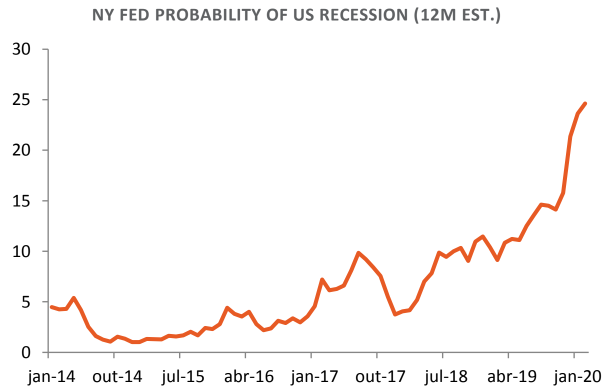
2. Global Macro Picture – Summary

- **United States of America**

- Private consumption and corporate investment should be the main aggregates that will be affected by the ongoing deceleration, beyond the dissipation of the fiscal stimulus

- The main leading indicators have taken a significant drop since the beginning of the year, in line with the PMI indicators trend.

- The ongoing deceleration has led to a steep rise of the NY FED Recession probability indicator. It now suggests a 25% probability of a US recession within the next 12 months, which seems an adequate value at the current stage of the cycle.



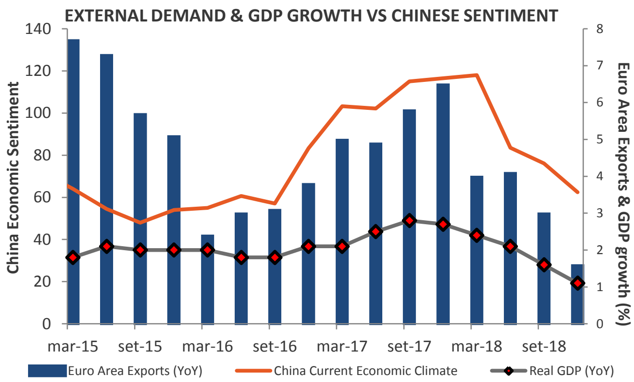
Source: Thomson Reuters Eikon; BiG Research;

- **Europe**

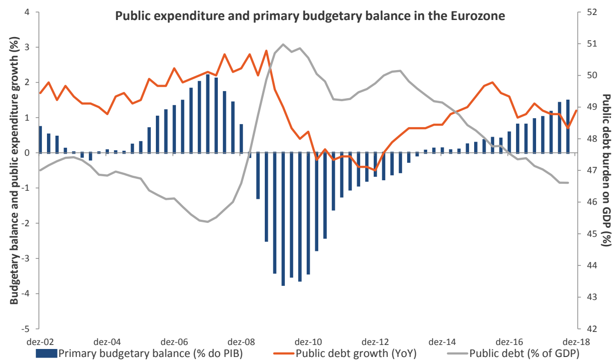
- Two of the three largest European economies are going through a tough spell of economic activity. Italy is now in the midst of a recession, while Germany has barely sneaked past through that same scenario. The European largest economy is being impacted by a softening external demand and weakening auto sector.

- Taking evidence by the ongoing European slowdown, the ECB has revised lower its economic projection and has settled that there will be no interest rate hikes this year. On the other hand, several European countries should adopt loosening fiscal policies.

The European elections that will take place in May should lead to a rise of the populist and Eurosceptic parties. This effect should be very negative for the challenge of a deeper European integration in the long run.



Source: Eurostat; Bloomberg; BiG Research



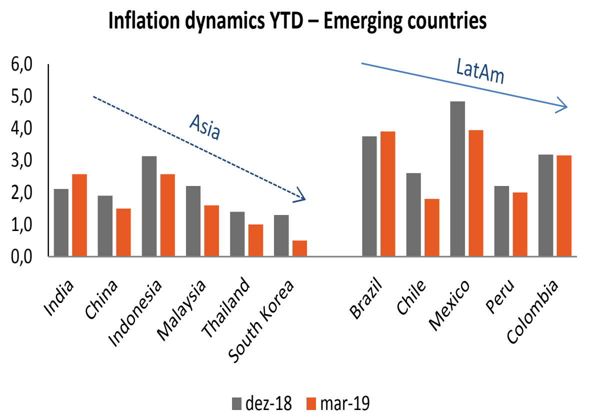
Source: European Central Bank; Eurostat; Bloomberg; BiG Research

- **Emerging Markets**

- The ongoing global deceleration has obviously had a negative effect over the emerging world, in particular Latin America – a bloc that reveals enhanced vulnerabilities, both from a macro structural standpoint and on the political path.

- The inflationary dynamics has been more constrained in the Asian bloc – reinforced by the ongoing slowdown. Emerging Central Banks are now with less pressure to follow restrictive monetary policies.

- The possibility of a major trade deal between Trump and president Xi, while the FED has assumed throughout 2019 a "Pause" rate hike trajectory, are among two factors that will be positive to a sustained recovery of the emerging world and for the comeback of capital flows to the region – much depleted in 2018.



Source: Bloomberg; BiG Research

3. Key Calls

1. US – Volatility should comeback, but upside risk remains in the medium-term

With the US economy still climbing the wall of worries, benefiting from the late fiscal stimulus of the Trump Administration, we still believe in some more upside (macro view) of the world leading economy. The very tight labor market and the FED decision to keep rates on hold throughout 2019 seems to us a good call from the central Bank, which is getting very worrisome with a possible US recession, while we see this minor leg down of the US economy as a natural event in such a long growth cycle. Trump will try to keep pumping the US economy with the presidential elections at bay (2020), so even though short term corrections might be both expected as healthy, we still find room for growth in US assets (quality) and we see as likely a moderate steepening of the US yield curve.

- Overweight quality stocks in the US
- Overweight Corporate floaters and IG bonds

2. Europe – Rotation to value/search for dividend/still relative value in Italian debt

The European deceleration, along with the greater optimism towards a commercial agreement between president Trump and Xi, still does not remove risk for greater US protectionism regarding European exports. The ECB warranty of keeping interest rates at historical low levels in 2019, should lead us to privilege a selective equity exposure – focusing more on defensive and dividend yield names/profile.

The sovereign bond spread between Italy and the remaining peripheral countries (namely Spain and Portugal) still offers some value, especially between the 2-10 Yr tenors. Although political uncertainty still surrounds Spain, we believe the credit risk of Italian debt is mostly reflected on its price – hence our positive bias on Italian debt.

- Overweight Value stocks in Europe with a high level of dividend yield
- Overweight Italian debt between 2-10 yr tenors

3. UK – Prolonged extension deal with the EU should rise the odds of a second referendum

After three parliamentary rejections of the Brexit Deal accomplished by Theresa May, the European Elections will certainly force some clarity into this complex Brexit issue. The UK Government will eventually accept an extension conceded by the E.U., despite requiring the clarification of what strategy the Executive and UK Parliament will develop onwards. We anticipate a potential benign outcome: a permanent customs union with the EU or even a second referendum, In which we believe a victory in the camp of the UK Remaining in the EU. Less uncertainty and more time conceded to finishing the Brexit deal should be positive to UK assets – namely the GBP and corporates with a higher exposure to the domestic economy.

- Overweight GBP and british stocks related to the domestic economy

4. Emerging world still holds best in class value in the final run of the current cycle

As all global indices, the Emerging world has recovered sharply in the 1st quarter of the year – not surprising to us as the aftermath shocks that took place in 2018. With a positive macro-structural dynamic – GDP growth, external debt, competitiveness, contained inflation, expansionary policies, among others – and with the FED on "Pause Mode", we believe that capital flows will return to the region. The emerging world, for us, is still the best place to be invested from a macro structural and valuation standpoint.

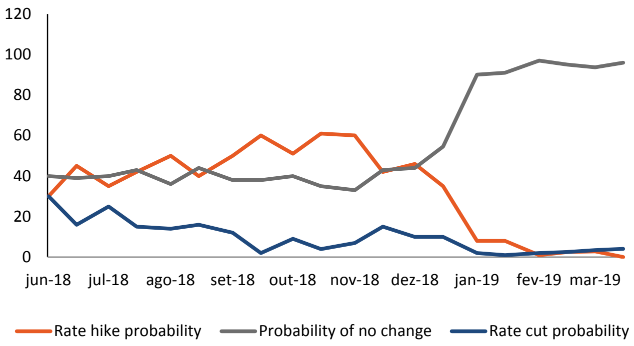
- Overweight global Emerging Market Equity and Debt indices

4. In-depth Analysis

A. Loading 2019 – The unavoidable cliff between macro slowdown vs prices/valuation

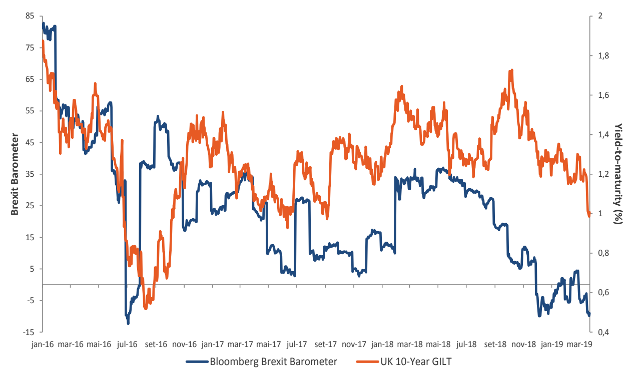
Unlike the early spell of 2018, when investor expectations were clearly too much Goldie – hence the term that became to be known as "Goldilocks", the year of 2019 has started off as something materially different. The sentiment was way too negative in the end of 2018 regarding the ongoing macro fundamentals that were evidence of a mere global slowdown of a lengthy expansionary cycle. The price action of financial assets was extraordinary in the 1Q19 – specially January that was the 2nd best month of S&P gains (counting only January months) over the last 40 years and the quarter eventually became the best in the last decade.

Graph 1. FED rate change probabilities



Source: BiG Research; Bloomberg

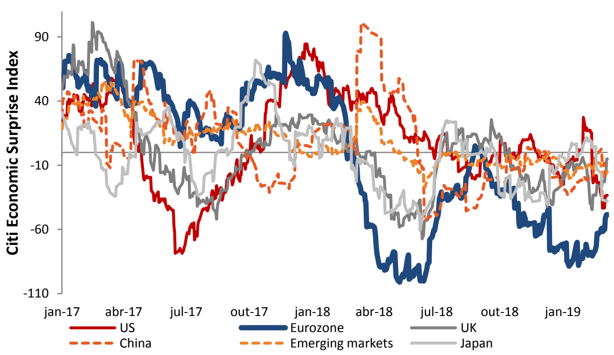
Graph 2. Brexit Barometer & 10 Yr UK Bond



Source: BiG Research; Bloomberg

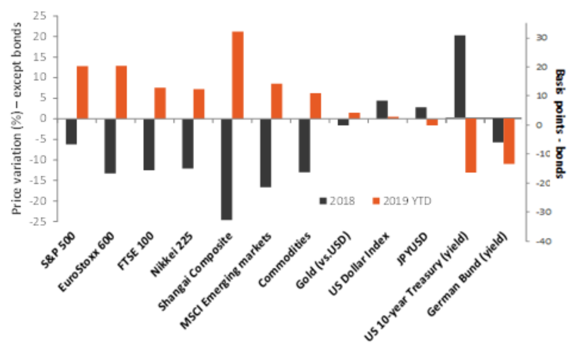
The smoothening of the main overhang risks at the end of 2018 were the justification to this remarkable financial assets recovery. We distinguish three factors as the most important: i) truce between the deal evolving the US-China trade talks; ii) lower risk of a hard Brexit that led to a significant drop in UK rates (10 Yr) and a significant retraction of the Brexit Barometer reading; iii) The FED was surprisingly dovish when announcing that will keep rates on hold until the end of 2019, lowering the risks of a US recession or a prolonged instability observed in the Emerging economies.

Graph 3. Citi – Economic Surprise Index



Source: BiG Research; Bloomberg

Graph 4. Asset Class Performances 2018/19 (%)



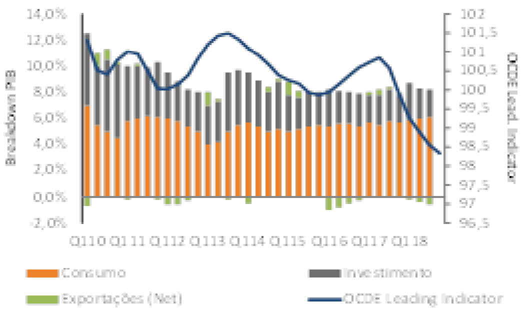
Source: BiG Research; Bloomberg;

With a multiplicity of positive factors already priced-in, the risk-reward has become less attractive to risky assets – which is negatively reinforced by the global slowdown. The 2Q19 might offer an unavoidable cliff between macro slowdown and prices/valuation levels. Regarding the unexpected positive performance of both risky assets and safe havens in 2019, we believe that this correlation is about to break, although in an uncertain fashion, throughout the next months.

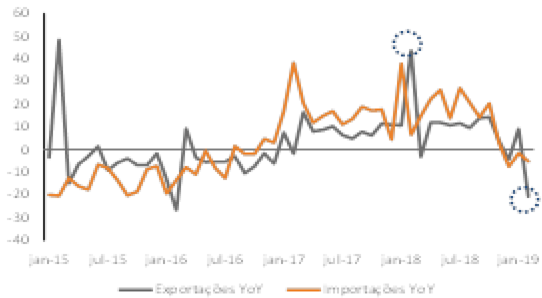
B. China – Resurgence or weakening of the great Dragon

The Chinese economy growth remains on a slowing path, which is a natural phenomenon bearing in mind the sheer size of its economy and the structural paradigm shift from a low value added export country to a private-consumption led economy. Although the China growth model still remains blurry, we consider that the Chinese Government has been able to manage the imbalances this transition unfolds. We still don´t see a hard landing of the Chinese economy in 2019 – despite the softening macro data and the slump of the country exports in the last month – due to a one off effect related to the Chinese exports extraordinary growth just before the implementation of the trade tariffs in February 2018.

Graph 1. GDP Aggregates

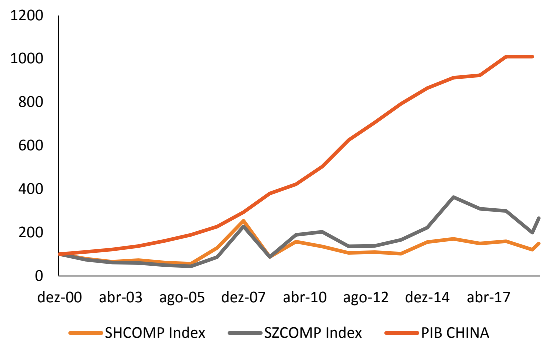


Graph.2 Exports vs Imports (% change YoY)

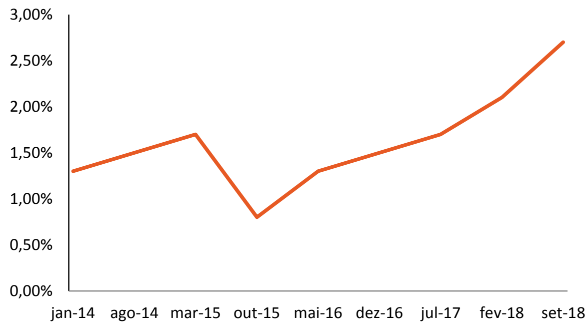


Our greater optimism for the development of the Chinese economy on the short term relies on the sound macro fundamentals (low debt and contained inflation, external surplus, foreign international reserves stable since the margin lending crisis in 2015) and the scope for stimulus from a fiscal and monetary stance. Accordingly, already in 2019, the Chinese Government has reinforced fiscal stimulus that account to more than 1,5% of GDP, whereas the PBOC has room to maneuver in lowering interest rates – which they have done already in what regards the reserved required ratio for banks – because the inflation level remains contained just above 2%.

Graph 3. Economy vs Equity development



Graph.4 Foreign Holdings (Equities %total)



The possibility of a trade agreement with the US, at least in what regards the tariffs problem, should continue to benefit the sentiment for Chinese financial assets, which still remains at a large discount when comparing the explosive growth of the real economy since the beginning of the century. We believe this large differential has room to tighten, whereas the US administration also wants (on a condition of a trade deal) a progressive loosening of the Chinese economy and less restrictive to foreign capital investment. The *holdings* rate over Chinese Equities has grown sustainably over the last couple of years, a trend that should be reinforced in the medium term, bearing in mind the larger weighting of Chinese domestic stocks in international equity Indexes. For these several reasons, we believe that the great dragon blow still has some strength in the final stretch of this economic cycle.

C. Europe's "Japanisation"?

European Central Bank reiterated extraordinarily expansionary stance and the ever more obvious economic slowdown in Europe led the below zero plunge of Germany 10-year sovereign (Bunds) yields, for the second time in history (the first took place in 2016, when ECB's quantitative easing was being at full steam), resurfacing pessimistic comparisons between the Japanese and the European economies, known in the markets jargon as the "Japanisation" of Europe. The reason for this term lies mainly on the "loss decade" Japan went through in the 90's, after the burst of the real estate and stock bubble. Such period was characterised by near zero economic growth and a steep increase in unemployment, while Bank of Japan's interest rate was cut from 6% to approximately 0%.

The similarities between the second and the fourth largest world economies (Eurozone at an aggregate level and Japan, respectively) date back to a reality even prior to the recent and inescapable ultra-loose intervention of their corresponding central banks. In both cases, companies were – and, in many respects, remain – very reliant on the banking sector for financing. In turn, banks of both economies were roughly speaking little-capitalised and simultaneously carrying high levels of non-performing loans on their balance sheets (in Japan, the NPL ratio is believed to have reached 11%, back in 1998, and in the EZ the NPL ratio peaked at 7,5% in 2012). Within the scope of banking insolvency, Eurozone and Japan opted for a predominance of state interventions, giving birth to a not-so-negligible number of zombie institutions, instead of allowing them go bankrupt in a more direct fashion. With regards to non-conventional monetary measures, both central banks also seem to have acted somehow late and slower than their US counterpart: the BoJ possibly due to its pioneering in quantitative easing, and the ECB most likely was forced to wait for deflation expectation in order to finally overcome the political roadblocks, arising from the divergent nature of the various countries that compose the Euro Zone.

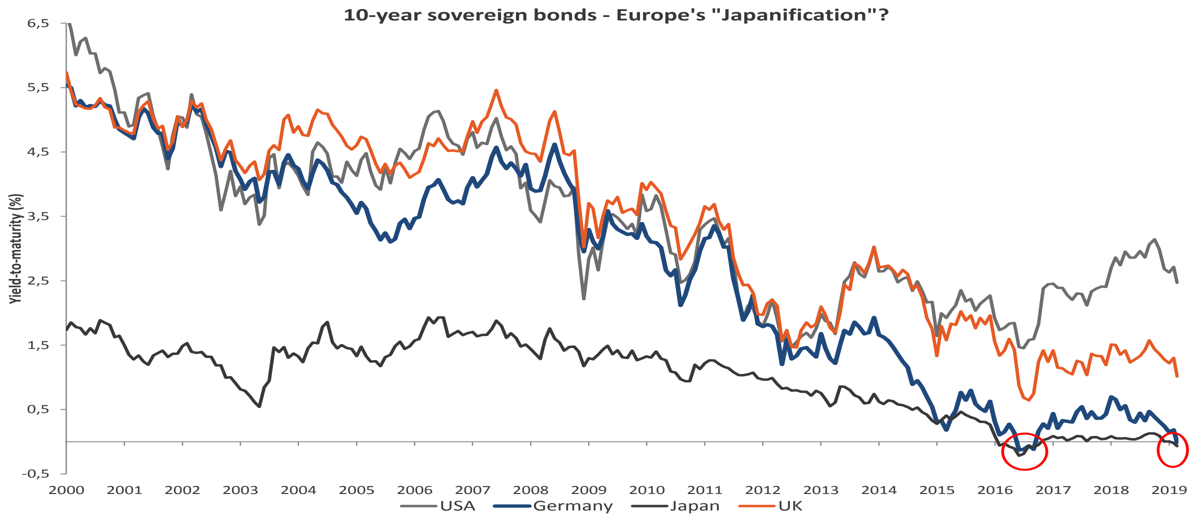
Demographics are another absolutely key variable of this comparison. Whilst the Japanese society is nowadays the world's oldest and one of the most homogenous (98.5% belong to Japanese ethnicities), with 1/3 of its populist being 60 or more years old, the European is still at an ageing stage, benefiting from the heterogeneity that has been buoying high levels of employment. Nevertheless, Eurostat projects that population growth in Europe will peak in 2045, expecting a contraction for as soon as 2050, the year in which a drop of about 58 million people with an age inferior to 64 is estimated to occur, with 85% belonging to the typical working population age bracket (20-64 years old). In undoubtable convergence to the current Japanese demographic picture, it is forecasted that the population layer older than 64 years will expand more than 84 million, accomplishing the sentimentally and economically heavy status of aged society. Despite not being crystal clear to us what the net effect of this ageing for inflation will be in 25/ 30 years from now, theoretically, an aged population contributes to price softening, as corroborated by the persistent anaemic inflation in Japan, averaging a meagre 0,5% annually over the last three years.

Notwithstanding mounting resemblances between Europe and Japan, substantial differences still prevail. Politics are vividly distinct. The EU comprises 28 sovereign states, each with its own government, accompanied by a not-so-simple network of supranational institutions. The rise of populist movements and the real threat of losing the second largest EU's GDP contributor (the UK) generate an unstable political backdrop, which hinders coordinated actions against the pronounced economic slowdown. Conversely, the current Japanese political framework is, by comparison, monotonous, with Shinzo Abe in its third term in the office as prime minister, since 2012, allowing a continuous and gradual implementation of its staged economic programme, which has an embedded long-term view.

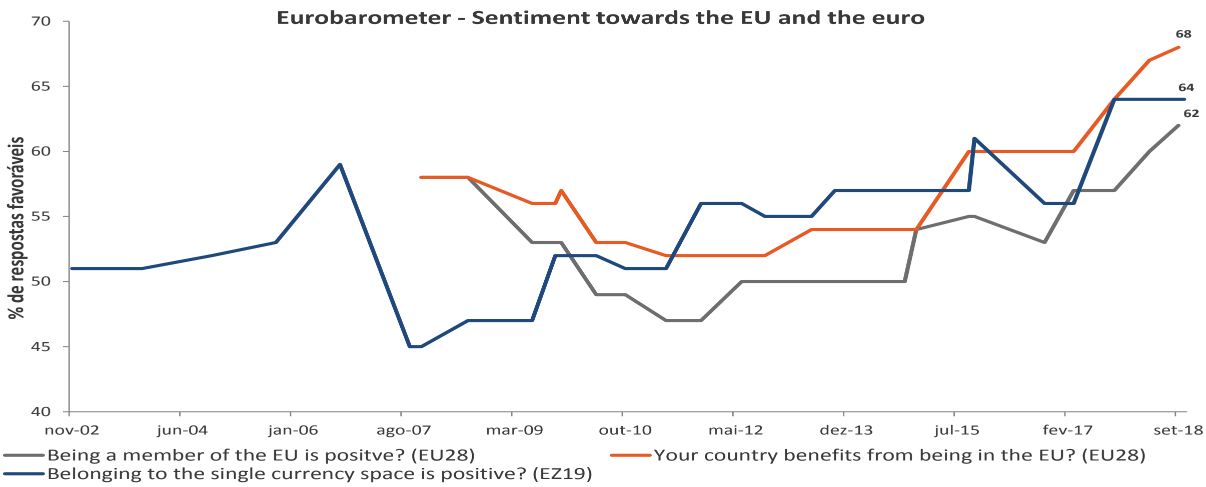
Irrespective of interest rates at broadly equivalent values – zero or negative – monetary policy still highlights some differences. BoJ adopts an even more dovish stance than its Eurozone peer, with its asset purchases at full throttle, whereas the ECB has already terminated its QE programme and ponders an interest rate hike already in 2020, even though reinvestments of coupons and debt reimbursements look set to be maintained well beyond first interest rate increases. As a matter of fact, in comparative terms, monetary policy normalisation seems to be much more viable in the Eurozone, given its public debt-to-GDP ratio of 87% (despite notorious discrepancies between member states) *vis-à-vis* Japan's 253% and an inflation rate that currently sits about 100 basis points above the Japanese one.

Taking stock, we note that in spite of all the aforementioned dynamics and the fact that the European's investment grade corporate debt market has approximately 16% of its value trading with negative yields – greatly jeopardising some large institutional investors, which, due to the nature of their business, are forcedly exposed to these bonds –, Europe is not Japan, and given the growth and inflation rates recorded in 2018 still appears to be far from becoming it. However, the "Japanisation" hypothesis is authentic, especially in the context of an ECB's QE program whose real effectiveness was ephemeral, given that the central bank was acting solo amid government tied up by austerity, in an almost blind respect for public finance discipline imposed by the Stability and Growth Pact of Economic and Monetary Union.

Besides moderately weak growth, inflation consistently below ECB's target, a still somewhat fragile banking sector and an increasingly wobbly political setting which lead to a forecast of very low interest rate (or even negative) for some years, could there be another factor that justifies investors' willingness to theoretically lose money on a 10-year loan to the German state? In our opinion, yes. Albeit sentiment towards the EU and the single currency currently at historical highs, according to the European Commission Eurobarometer, we believe German yields mirror two, in some way, intertwined realities: a gradual and plausible future Japanisation of Europe (clearly, on a larger scale) and also fears about the potential failure and end of the European project (to a minor extent).



Source: Bloomberg; BiG Research



Source: European Commission Eurobarometer; BiG Research

D. Theresa May and Brexit, the double political case study of the XXI century so far

After losing the referendum he called as a campaigning tool and for which he unequivocally supported remaining in the EU, David Cameron resigned, abandoning the leadership of both, the British Government and the Conservative Party. Curiously enough, none of the Tories that were positioning themselves (and still position) as true champions of Brexit was willing, had the courage and/or partisan support to take the premiership. Consequently, facing a fairly silent and short leadership crisis, a political figure, whose status at that time was as solid as internationally discrete, left her 6-year long post of Home Secretary to, in July 2016, lead the executive with the hardest and most inglorious mission of the last 100 years, in peacetime.

Notwithstanding a predominance of Eurosceptic votes during her political career (in accordance with the traditional majority in the recent history of the Conservative Party), in June 2016 referendum about the United Kingdom membership of the European Union, Theresa May, in an act of cohesion with her government, voted "Remain".

Theresa May's term as prime minister is, since the beginning, marked by truly erratic political moves and strategies. The most significant misadventures commenced with the loss of parliamentary majority of the government she had inherited, as a result of snap elections May called, aiming at strengthening her position. A painful period to achieve an agreement with the European Union capable of enabling a Soft Brexit followed, lasting more than 19 months. Realising that her Brexit deal had rapidly become a stillbirth May got a "run down the clock" strategy underway, resulting in having her government held in Contempt of Parliament for the first time in the history of the UK. While surviving to two motions of no-confidence in only two months – one from the Conservative Party to her leadership and the other from the parliament to her government – May's Brexit deal was rejected in the three "Meaningful Votes" that took place in the House of Commons, by 230 (the largest government defeat in parliamentary voting in British history), 149 and 58 votes, respectively. After refusing to do it several times, May finally formalised a request of a Brexit deadline extension until June 30th to the EU (initially scheduled for March 29th) and got it denied. Instead, the EU offered a first short extension until April 12th, with the UK forced to leave on May 22nd, regardless of managing a soft or hard Brexit fashion, or being obliged to take part in the European elections, as a necessary condition to secure a longer extension, which would also require May's government to clarify the alternative strategy it is planning to pursue to resolve the Brexit deadlock.

Already ruling out a hard Brexit and despite the fact that we were not expecting that the extraordinary European summit on April 10th would yield only a six-month extension, we still believe that the House of Commons will not be able to achieve a majority for any of the Brexit alternative solutions tabled (which would simultaneously be acceptable to the EU), thus we expect the UK to hold European elections.

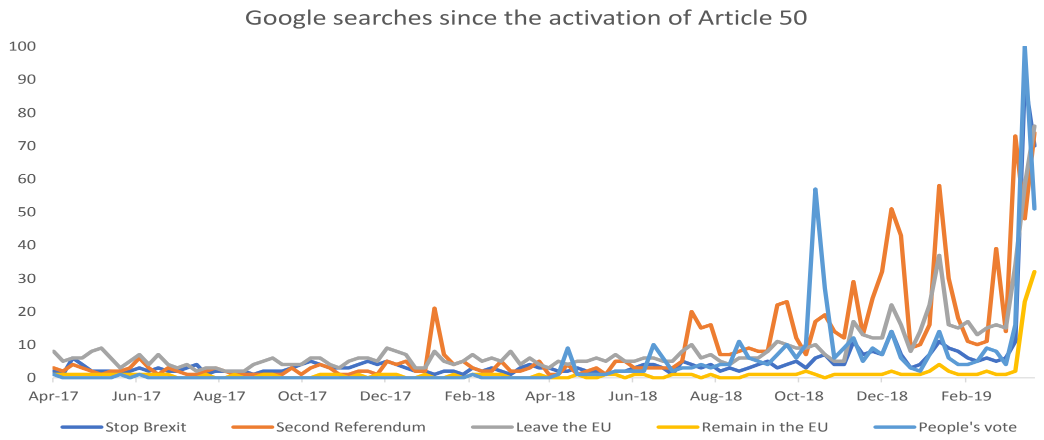
This way, the European elections emerge as a decisive element in the whole Brexit process. This suffrage, which is set to occur between May 23rd and 26th, impel some degree of certainty and, concomitantly, its UK turnout rate – traditionally lower than EU's average (52.1%) – will represent a barometer for the sentiment towards the EU. Following an almost 3-year period of Brexit dominance over the political, economic and social spheres of the UK, citizens' awareness about the EU should have risen substantially. Hence, we expect a material increase in the turnout rate, whose historical average is just 33.8%, with results of the elections – for which we anticipate candidates to assume clear positions pro or against the EU – being a proxy to the results of a still hypothetic second referendum.

In a longer extension scenario, we presume Theresa May will hold on to the government's lead (The Conservative Party cannot sign another no-confidence motion until December 2019 and it should not act in favour of any parliamentary motion that could trigger snap elections), as a politician truly weakened by multiples defeats, cumulative resignations of 41 cabinet members (31 of which die to reasons related to May's handling of the Brexit process) and an undeniably fragmented Conservative Party. This looks like the ideal setting for the pro-EU members of parliament to intensify efforts to call a "People's Vote", a second referendum to UK's membership of the EU. With an irrefutably echo in the political chaos the UK has been living, Brexit is becoming ever less appealing for most political parties and also for all economic agents, as a growing willingness to abandon the result of the 2016 referendum seems to be taking over. In addition, Brexit is an event that reverts almost half a century of integration, an absolutely structural change and potentially catastrophic at all levels, about which MPs seem unable to reach a consensus. Under such circumstance, we project that the lack of bravery Brexiteers consistently display and the will to remain of those against Brexit should lead MPs to put the responsibility back to the population's shoulders, with popular rallies for a second referendum on the rise. British people now much better informed, worn out by three years of deep uncertainty that have been seriously harmful for the economy and a rejuvenated voter base should vote in favour of staying in the EU.

Besides the slim advantage for "Remain" that polls now suggest, as well as the regret levels regarding the result of the first referendum currently near all-time highs according to the latest surveys, we explore Google search patterns of UK users in order to find further insight on what concerns British people and possibly their mounting enthusiasm with a specific result. In this space, we note that even though search volume for "Leave the EU" is at historically high levels since the activation of Article 50, it has already been surpassed by searches for the terms "People's Vote" and "Second Referendum". With a yet smaller search volume, the expressions "Stop Brexit" and "Remain in the EU" recorded an stratospheric growth since March. From a geographical standpoint, breaking volume down by countries within the UK: England and Wales – which voted majorly in favour of leaving the EU – lead some of the searches for a second referendum.

All in all, contrarily to everything that she has been publicly and politically advocating for since she took the office as prime minister, Theresa May may end up delivering the result for which she voted in the first referendum (remain), historically going down as one of the political figures that most defeats and political humiliations suffered, being able, precisely due to such missteps, to save the UK from a likely collapse – a phenomenon that could potentially mark the beginning of the most decadent phase of the Western developed world. Would it have been a deliberate strategy?

Not only Brexit embodies an episode worthy of integrating every Contemporary History book in the world, but also Theresa May represents one of the most profound and intriguing political case studies.



Source: Google Trends for UK users; BiG Research

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  - Accumulate, expected absolute return between +5% and +15%;
  - Keep/Neutral, expected absolute return between -5% and +5%;
  - Reduce, expected absolute return between -5% and -15%;
  - Sell, expected absolute return below -15%;

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PSI20 Notes in the last 12 months as of 31st of March of 2019:

	Number of Recomendations	%
Accumulate/Buy	1	33,3%
Keep/Neutral	1	33,3%
Reduce/Sell	1	33,3%
Total	3	100,0%

Trading Ideas in the last 12 months as of 31st of March of 2019:

	Number of Recomendations	%
Profit Taking	8	50,0%
Stop Loss	8	50,0%
In Place	0	0,0%
Total	16	100,0%

Pair Trades in the last 12 months as of 31st of March of 2019:

	Number of Recomendations	%
Profit Taking	0	0%
Stop Loss	0	0%
In Place	0	0%
Total	0	0%

Source: BiG Research

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