

# SEABRIDGE

INVESTMENT ADVISORS, LLC

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SeaBridge Investment Advisors has just completed a review of global economic conditions and markets. We have compiled our findings in a presentation [here](#).

Summarizing our research, we note that, in our opinion:

1. The risks to the global economy that have plagued us the last few years are receding. Deflationary pressures are easing world-wide, economic growth is accelerating in Europe and Japan, which are perennially growth challenged, and China is stabilizing.
2. The European Union looks poised to withstand the wave of nationalism that has swept the U.S., epitomized by the election of Donald Trump, and the U.K., with its Brexit vote. Defying the skeptics, the U.K. economy has performed well since Brexit.
3. The markets are tolerating, if not welcoming, a gradual movement toward a normalization of interest rates in the U.S. as the Fed slowly withdraws the extraordinary monetary stimulus in place since the Great Recession of 2008.
4. Global earnings of the most recent quarter are generally surprising to the upside at a rate higher than the one to which we are accustomed. Global economic surveys have generally been coming in stronger than expected.
5. Trade flows have so far not been impeded by the Trump “America First” agenda.
6. The relative cheapness of international stock markets to the U.S. market is as wide today as it has been over the past five years.

Of course, risks remain in global stock markets. The outcome of various European elections could still roil markets. There could be a military confrontation between the U.S. and North Korea. Still, we believe that international markets should be considered as part of an overall investment strategy. We remind you that SeaBridge runs two international investment strategies – the Asia Strategy and the International Strategy, managed by Dave Descalzi and Matt Falkowski.

If you would like to discuss our research or have interest in our products, please contact us. Dave’s email address is [DDescalzi@SeaBridge.com](mailto:DDescalzi@SeaBridge.com). He can be reached by phone on extension 206.

Regards,

Your SeaBridge Team

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