

INFOGRAPHIC: 2017 EUROPEAN GEOPOLITICAL RISKS: ARE YOU READY?

Wisdomtree EU
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and assuming The Conservatives major lead in the polls translates into election victory, the outlook for UK equities and sterling is modestly bullish. However, ahead of the upcoming election the inflationary and fiscal pressures will continue to subdue sentiment in gilts.

drive sentiment in stocks that are either nationally or strategically significant, most notably in energy and utilities.



**DATE TBC, EXPECTED: H2 2017
ITALY PRESIDENTIAL ELECTION**

An anti-establishment mood may intensify as Italy's economy, stuck in high unemployment, is showing renewed signs of losing momentum. The absence of major fiscal stimulus to revive growth and the lack of political leadership across mainstream parties following Renzi's resignation make fringe parties' agendas appear ever more credible alternatives. The economic status quo is giving the Eurosceptic party, The Five Star Movement, further momentum in the polls. Coming alongside elevated credit spreads and rising inflationary pressures as the Euro also comes under pressure, the Italian debt market and the Euro both look ever more vulnerable to speculative attacks.



**22&23 JUNE
EUROPEAN COUNCIL**

The focus on politically sensitive industries such as banks, automobiles and foods & beverages in the debate of re-negotiation of trade agreements is what will likely drive sentiment in certain subsets of asset classes, most notably equities. A conciliatory tone of the negotiations and the ability of both sides to strike compromises is expected to be the default scenario given the stakes and downside risks involved.



**24 SEPTEMBER
GERMAN FEDERAL ELECTION**

The pressure will grow on Chancellor Merkel to regain the initiative by reversing an 'open-door immigration policy' and cement the likely victory of her Conservative Party (CDU), especially following the CDU's big defeat in local elections last year. It could blunt the momentum and populist rhetoric of fringe parties and instil stability in asset markets.

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