



R&R Weekly Column
By Brunello Rosa



Free Speech or Misinformation?

In the last few days, Donald Trump's campaign, [amplified by Elon Musk on X/Twitter](#), has started to make comments about the [diminishing "freedom of speech" and increased "censorship"](#) in the US and other countries. As proof, they take the decision made by the Alexandre de Moraes, a Brazilian judge, to proceed with an "immediate and complete suspension" of X/Twitter, [until it complies with all court orders and pays existing fines](#). The row started as the judge ordered the suspension of several X accounts spreading misinformation.

If there is one thing that Trump has never lacked, it is the freedom of saying whatever he wanted, in all possible circumstances, however offensive it may have been for the audience. Not in a single instance was it "censored." Even during the [infamous debate that sank Joe Biden's bid for re-election](#), Trump made a number of false or unsubstantiated claims, which the journalists moderating the debate did not contest. The same is true for his running mate JD Vance, [who is also complaining about the danger to democracy represented by the attack on freedom of speech](#).

It is ironic that these alarms are being sounded by those candidates who have repeatedly said that they would like to amend the US Constitution's First Amendment, which protects the country's freedom of speech. Trump recently said that the [Republicans, once in power, need to "restrict the first amendment."](#) Also, no one is even actually attacking Trump's or others' freedom of speech. What the Brazilian judge has ordered is to stop the spreading of disinformation and fake news, in some cases coming from fake accounts.

Social media are not subject to the same regulations as is the press, whose editors and publishers are required to verify the truthfulness of news published. It has therefore become the vehicle to spread all sorts of fake news, such as those that [caused the mass riots in England in early August](#). So the ability of circulating fake news cannot be confused with defending the freedom of speech.

Since the Democrats are saying that Trump is a danger for democracy, considering his [involvement in the January 6th, 2021 assault on Capitol Hill](#) and his endorsement of Project 2025, the Republicans are now saying that Kamala Harris would be a danger for democracy since she would suppress the freedom of speech and would silence her opponents via censorship. This analogy seems to be very stretched.

In a world in which [Germany's far-right, sometimes neo-Nazi party Alternative fur Deutschland](#) wins its first election ([as we predicted it would in our preview](#)), and in which [Afghan women are actually being denied the freedom of speaking in public](#), confusing a ban on spreading fake news with censorship is a dangerous exercise. Freedom of speech is the bedrock of democracy, as Musk is correctly saying. Spreading fake news is the surest way of corroding this freedom from within.

Our Recent Publications

✿ [US Economy and Tech Earnings Slowdown Fears Keep Markets Volatile](#), by Brunello Rosa, Nato Balavadze and Shane Gravel, 30 August 2024

✿ [The US Presidential Elections 2024: The Democratic National Convention Re-Opens the Presidential Race](#), by Marina Tovar i Velasco, 29 August 2024

✿ [The Battle for the East German Landstaqs: 2024 Elections in Saxony, Thuringia and Brandenburg](#), by Marina Tovar i Velasco, 28 August 2024

✿ [Flames of Division: Analysing the 2024 UK Riots](#), by Sarah Ghotme, 21 August 2024

Looking Ahead

The Week Ahead: EZ QoQ GDP To Advance; US Unemployment Rate To Fall; PMIs To Increase In EZ And UK, While Decreasing In US
In the US, in August, unemployment is seen falling to 4.2% (*p*: 4.3%). NFPs are expected to increase by 163K (*p*: 114K). In August, S&P Global Manufacturing PMI is expected to edge down to 48.0 (*p*: 49.6), while Services PMI is likely to 55.2 (*p*: 55.0). Composite PMI is likely to decrease to 54.1 (*p*: 54.3).

In the EZ, in Q2, according to the third estimate, GDP growth is likely to advance by 0.3% q-o-q (*p*: 0.3%) and 0.6% y-o-y (*p*: 0.5%). In August, HCOB Manufacturing PMI is expected to edge down to 45.6 (*p*: 45.8), while Services PMI is likely to increase to 53.3 (*p*: 51.9). Composite PMI is seen increasing to 51.2 (*p*: 50.2).

Among the largest EZ economies, in Q2, according to the final estimate, GDP growth rate is likely to decelerate to 0.2% q-o-q (*p*: 0.3%) and advance by 0.9% (*p*: 0.6%) in Italy.

In the UK, in August, S&P Global Manufacturing and Services PMI are expected to edge up to 52.5 (*p*: 52.1) and 53.3 (*p*: 52.5). Composite PMI is seen increasing to 53.4 (*p*: 52.8).

The Quarter Ahead: US Presidential Elections: Trump Vs Harris; Zelensky Fires Commander; U.S. Aid Boost

US Elections. Trump and Harris will debate on Sept. 10, hosted by ABC News in Philadelphia, a key battleground state for the election. Trump said he would vote against a Florida amendment to enshrine abortion rights and overturn the six-week ban, clarifying his stance after causing confusion in a previous interview. He also suggested supporting the decriminalization of marijuana, arguing that taxpayer money shouldn't be spent on minor possession arrests.

War in Ukraine. Ukrainian President Zelensky fired Air Force commander Oleshchuk after a top pilot died in an F-16 crash. On the same day, President Biden announced a new \$125 million military aid package for Ukraine after speaking with Zelensky. U.S. Defense Secretary Lloyd Austin confirmed the aid package in a conversation with Ukraine's defense minister.

Last Week's Review

Real Economy: QoQ GDP Advanced In US And France, But Shrank In Germany; Inflation To Ease In the EZ, Germany And France

In the US, in Q2, according to the second estimate, the economy advanced by 3.0% q-o-q (*c*: 2.8%; *p*: 1.4%). In August, Michigan Consumer Sentiment edged up to 67.9 (*c*: 68.0; *p*: 66.4).

In the EZ, in August, according to the flash estimates, headline and core inflation eased off to 2.2% y-o-y (*c*: 2.2%; *p*: 2.6%) and 2.8% y-o-y (*c*: 2.8%; *p*: 2.9%) respectively. In July, the unemployment rate edged down to 6.4% (*c*: 6.5%; *p*: 6.5%). In August, consumer confidence declined to -13.45 (*c*: -13.4; *p*: -13.0).

Among the largest EZ economies, in Q2, GDP growth: *i*) contracted by -0.1% q-o-q (*c*: -0.1%; *p*: 0.2%) and 0.0% y-o-y (*c*: -0.1%; *p*: -0.1%) in Germany and *ii*) advanced by 0.2% q-o-q (*c*: 0.3%; *p*: 0.3%) and by 1.0% y-o-y (*c*: 1.1%; *p*: 1.5%) in France. In August, headline inflation: *i*) cooled off to 1.9% y-o-y (*c*: 2.1%; *p*: 2.3%) in Germany; *ii*) eased off to 1.9% y-o-y (*c*: 1.8%; *p*: 2.3%).

Financial Markets: Stock Prices Increased; Yields Edged Up; Dollar Increased, Whereas Oil And Gold Prices Decreased

Market Drivers: The US stocks ended mixed largely due to NVIDIA's significant drop. Despite this, reassuring economic data, including subdued inflation and resilient consumer spending, helped stabilize market sentiment. The UST Yields edged up as inflation data points to smaller rate cut.

Global Equities: increased *w-o-w* (MSCI ACWI, +1.7%, to 833.69). The US S&P 500 index edged up (+0.2% *w-o-w*, to 5,648.30). In the EZ, share prices increased (Eurostoxx 50, +1.0% *w-o-w*, to 4,957.45). In EMs, equity prices fell (MSCI EMs, -0.1%, to 1,099.92). Volatility decreased marginally to 15.40 (VIX S&P 500, 52w avg.: 14.6; 10y avg.: 18.1).

Fixed Income: *w-o-w*, the 10-year US Treasury yields edged up (+11 bps to 3.91%). The 2-year US Treasury yields rose marginally (+1 bps to 3.92%). The German 10-year bund yields increased (+6 bps to 2.29%).

FX: *w-o-w*, the US Dollar Index increased (DXY, +1.0%, to 101.73; EUR/USD -1.3%, to 1.10). In EMs, currencies rose (MSCI EM Currency Index, +0.1% *w-o-w*, to 1,762.39).

Commodities: *w-o-w*, oil prices decreased (Brent, -2.6% to 76.93 USD/b). Gold prices decreased *w-o-w* (-0.7% to 2,527.60 USD/Oz).



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Abbreviations, Acronyms and Definitions

a	Actual	LN	Northern League, Italy
AKP	Justice and Development Party, Turkey	MSS	Five Star Movement, Italy
ann.	annualized	m-o-m	Month-on-month
ARS	Argentinian Peso	mb	Million barrels
avg.	Average	mb/d	Million barrels per day
bn	Billion	MENA	Middle East and North Africa
BoC	Bank of Canada	MHP	Nationalist Movement Party, Turkey
BoE	Bank of England	mn	Million
BoJ	Bank of Japan	MPC	Monetary Policy Committee
bpd	Barrels per day	NAFTA	North-American Free Trade Agreement
bps	Basis points	NATO	North Atlantic Treaty Organization
BS	Balance sheet	OECD	Organization for Economic Cooperation and Development
c	Consensus	Opec	Organization of Petroleum Exporting Countries
C/A	Current account	p	Previous
CB	Central bank	P2P	Peer-to-peer
CBB	Central Bank of Bahrain	PBoC	People's Bank of China
CBK	Central Bank of Kuwait	PCE	Personal Consumption Expenditures
CBT	Central Bank of Turkey	PE	Price to earnings ratio
CDU	Christian Democratic Union, Germany	PM	Prime minister
CNY	Chinese Yuan	PMI	Purchasing managers' index
CPI	Consumer Price Index	pps	Percentage points
DJIA	Dow Jones Industrial Average Index	pw	Previous week
DJEM	Dow Jones Emerging Markets Index	QCB	Qatar Central Bank
d-o-d	Day-on-day	QAR	Qatari Riyal
DXY	US Dollar Index	QE	Quantitative easing
EC	European Commission	q-o-q	Quarter-on-quarter
ECB	European Central Bank	RE	Real estate
ECJ	European Court of Justice	RBA	Reserve Bank of Australia
EIA	US Energy Information Agency	RRR	Reserve Requirement Ratio
EM	Emerging Markets	RUB	Russian Rouble
EP	European Parliament	SWF	Sovereign Wealth Fund
EPS	Earnings per share	tn	Trillion
EU	European Union	TRY	Turkish Lira
EUR	Euro	UAE	United Arab Emirates
EZ	Eurozone	UK	United Kingdom
Fed	US Federal Reserve	US	United States
FOMC	US Federal Open Market Committee	USD	United States Dollar
FRB	US Federal Reserve Board	USD/b	USD per barrel
FX	Foreign exchange	UST	US Treasury bills/bonds
FY	Fiscal Year	VAT	Value added tax
GCC	Gulf Cooperation Council	VIX	Chicago Board Options Exchange Volatility Index
GBP	British pound	WTI	West Texas Intermediate
GDP	Gross domestic product	WTO	World Trade Organisation
IMF	International Monetary Fund	w	Week
INR	Indian Rupee	w-o-w	Week-on-week
IPO	Initial public offering	y	Year
IRR	Iranian Rial	y-o-y	Year-on-year
JPY	Japanese yen	y-t-d	Year-to-date
k	thousand	ZAR	South African Rand
KSA	Kingdom of Saudi Arabia	2y; 10y	2-year; 10-year