

Six minute strategy

US election update

06 August 2020

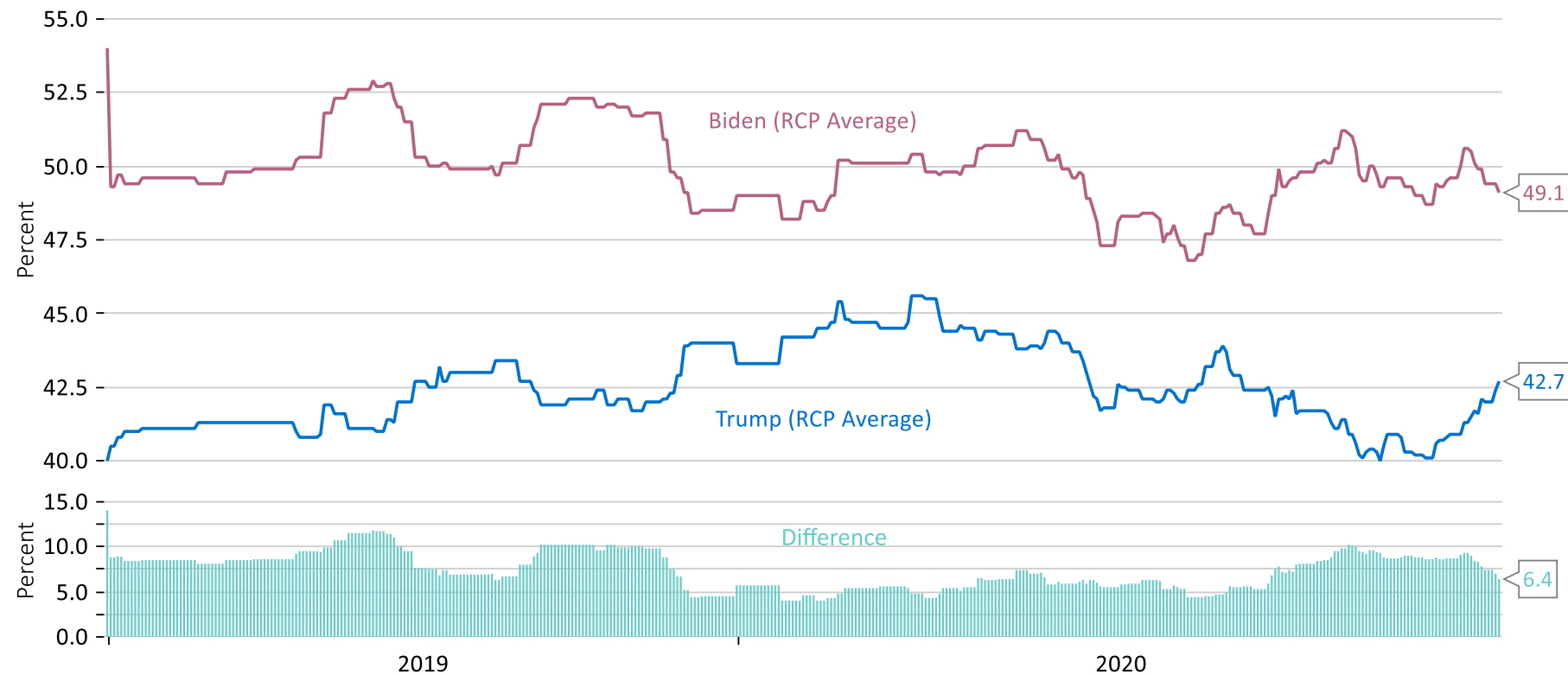


Election 2020

Presidential Polls

 Real clear politics average

US Polls for 2020 Presidential Elections - RealClearPolitics (RCP)

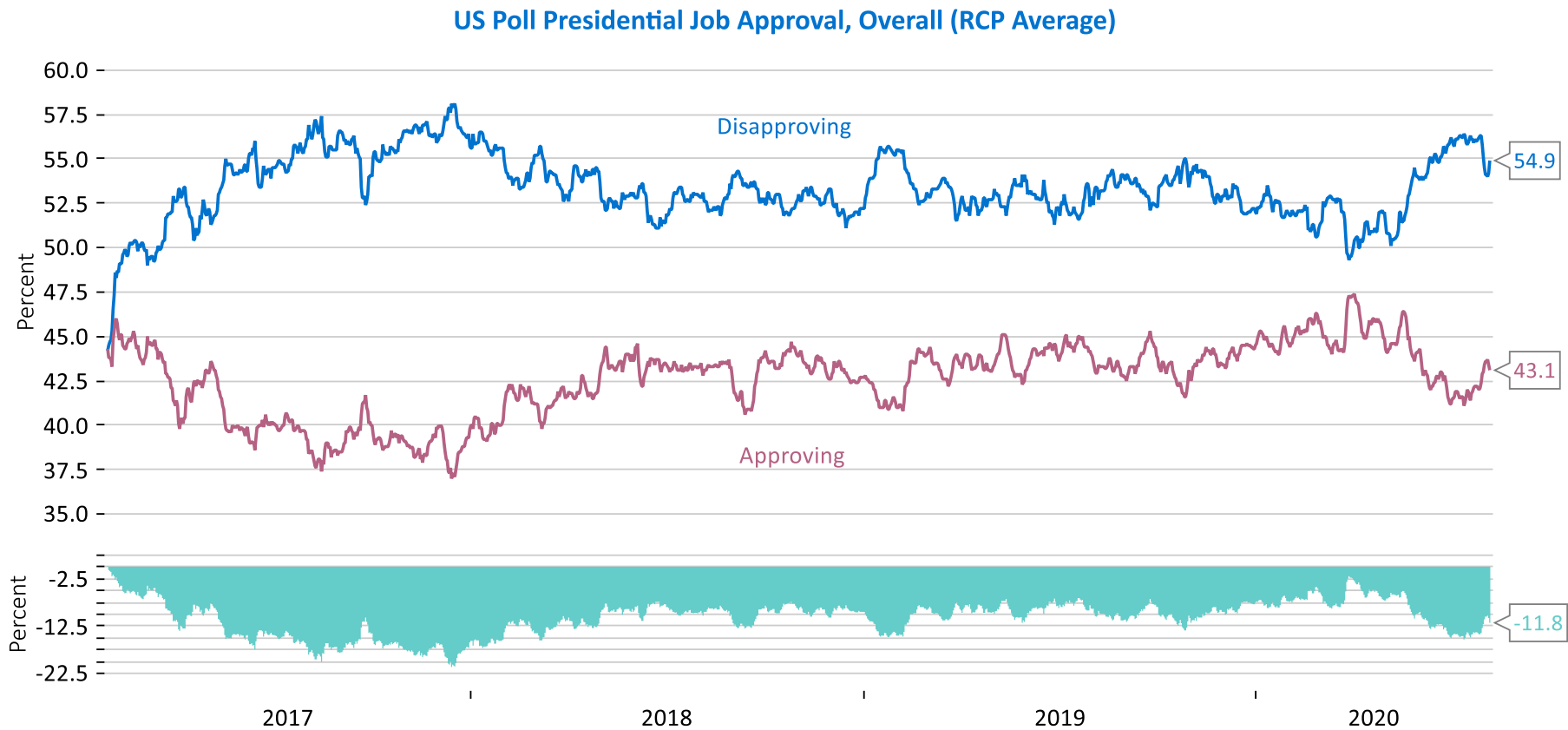


Source: Macrobond

Election 2020

President Trump job approval

RCP poll average - Job approval



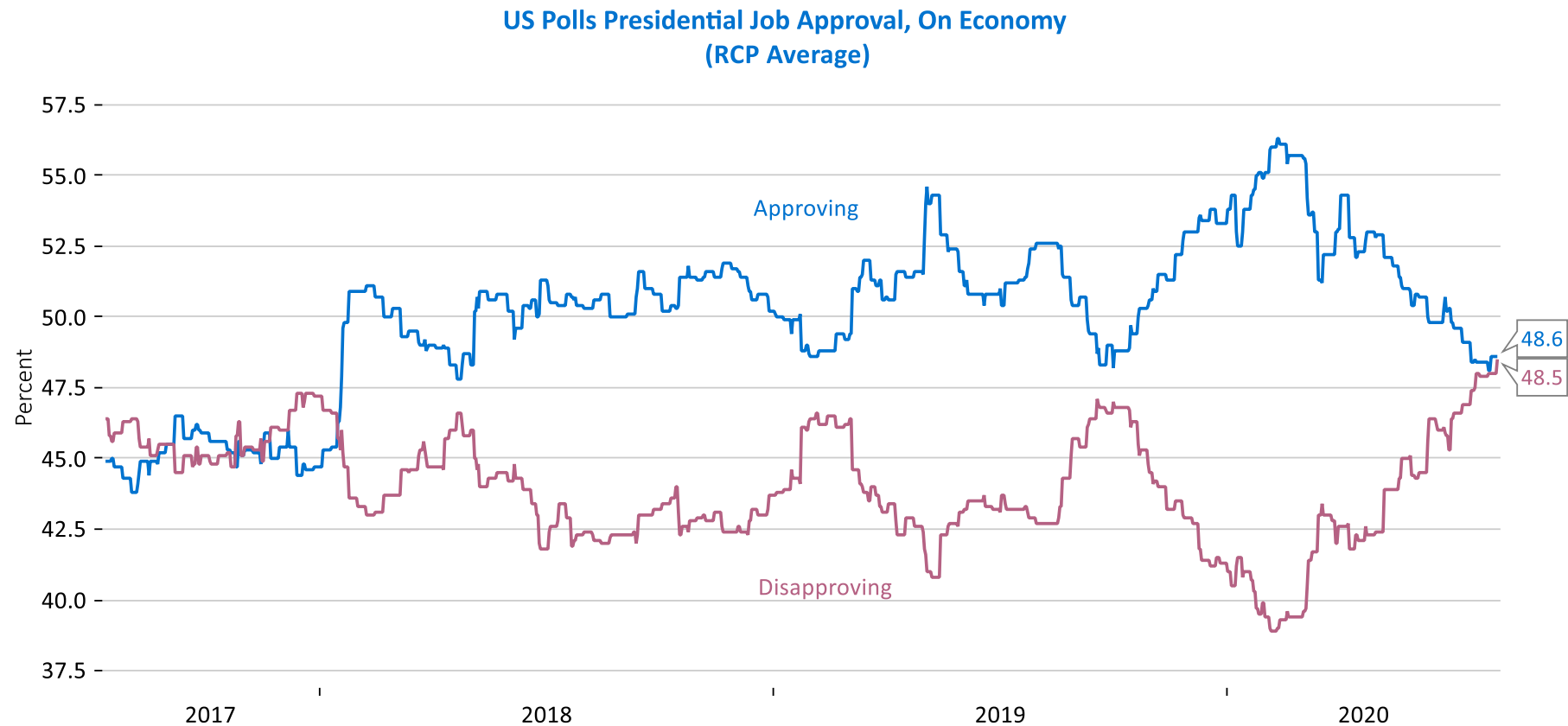
Source: Macrobond

Election 2020

President Trump job approval *economy*



Economic record the key to Trump's polling



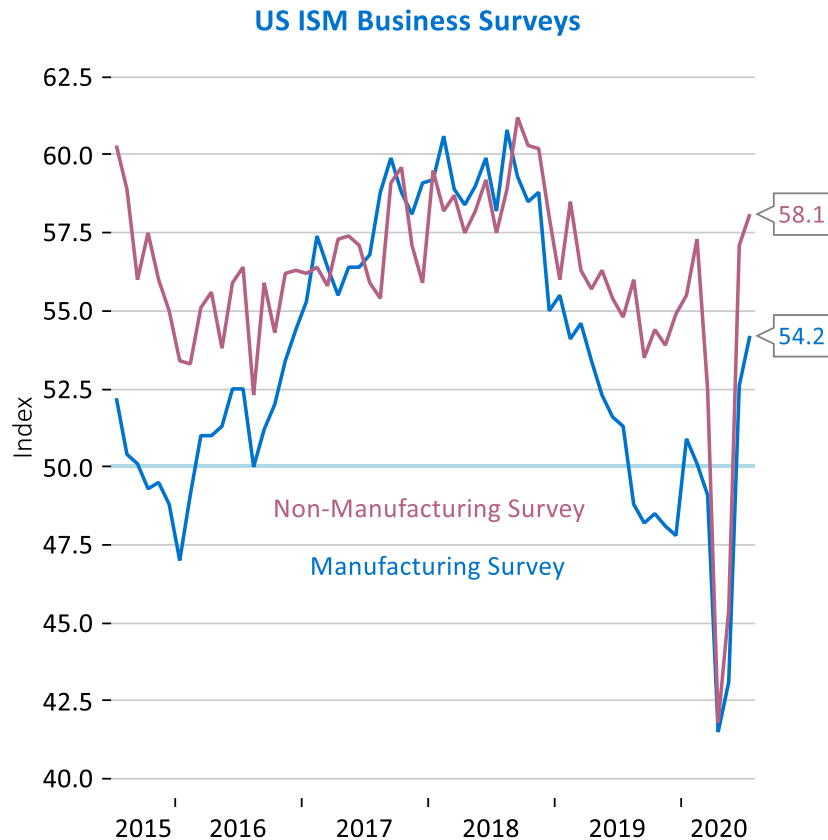
Source: Macrobond

US Economy

Manufacturing surveys clearly improving but not yet feeding into consumer confidence



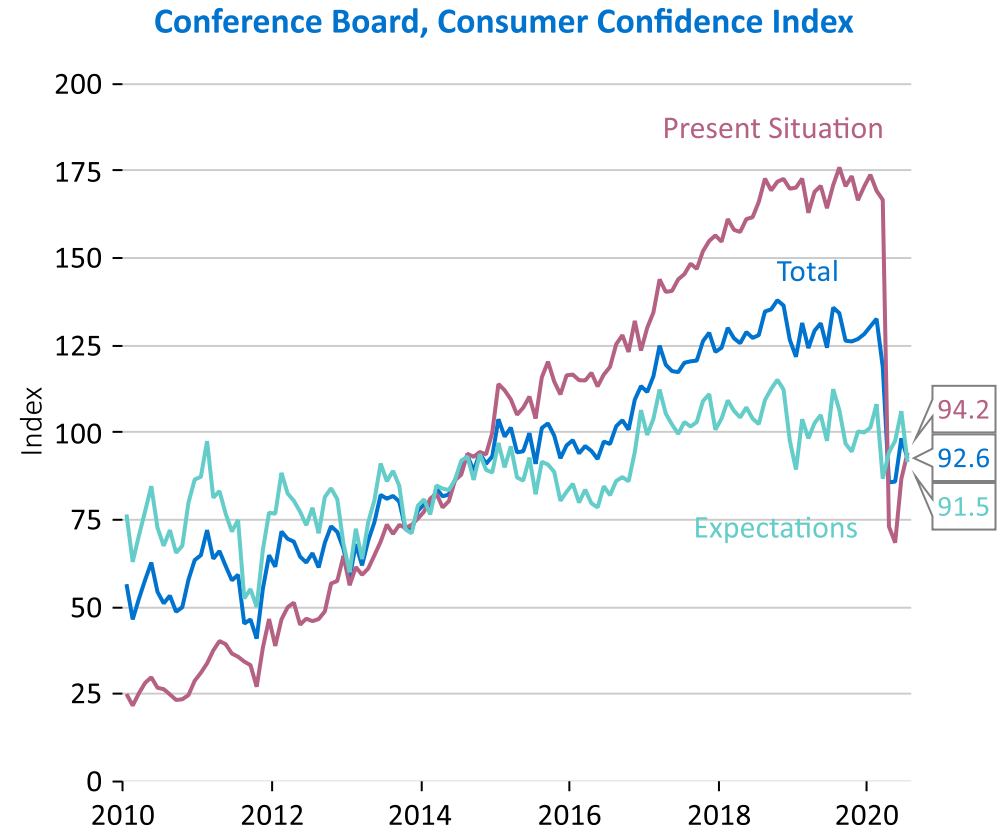
Business surveys rebound strongly...



Source: Macrobond



But consumer confidence still weak...



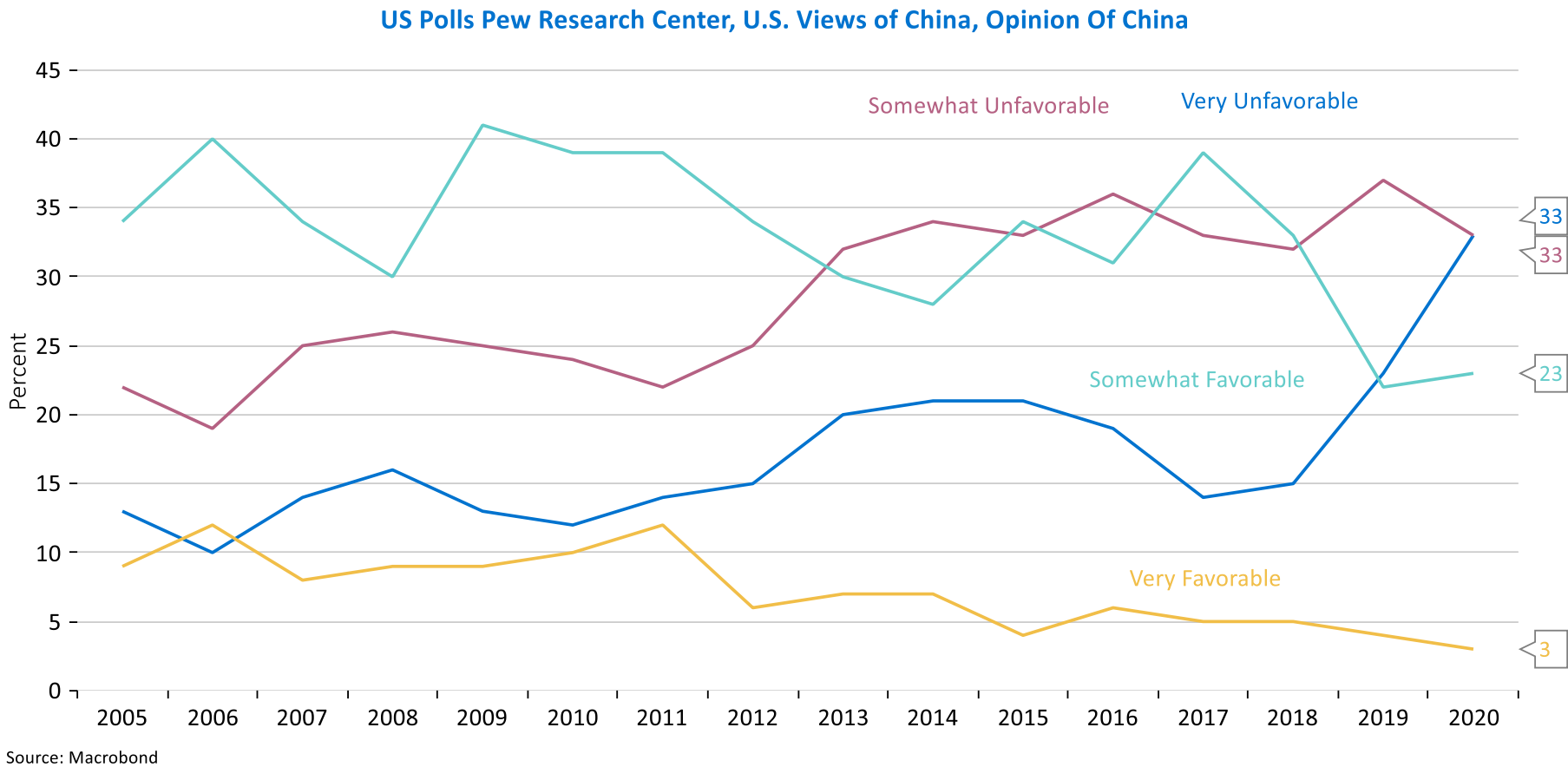
Source: Macrobond

China

US ‘Views of China’ Poll



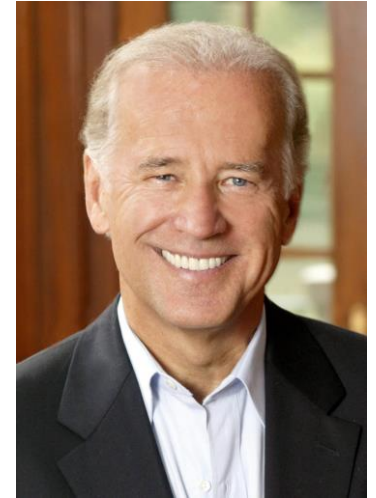
Pew Research Centre opinion of China





If Biden wins in November...

- Polls and pundits are now showing a Biden victory, with a possible sweep of Senate and House
- In terms of taxes:
 - Corporate taxes expected to rise from 21 to 28%
 - Minimum taxes for domestic and foreign income
 - Highly progressive personal taxes especially on top 1 percent of earners
- In terms of policies:
 1. Infrastructure will be the Biden 'Big idea' and a \$2.0 trillion plan focused on renewable energy and clean technology including EV charging infrastructure
 2. Expect Pharma to be impacted with legislation that will allow Medicare to directly negotiate drug prices
 3. A likely roll back of Trump era energy deregulation via executive orders no fracking on federal land and strengthen the clean air act
 4. Immediately rejoin Paris and target a carbon free power sector by 2035
 5. Engage with Europe, Canada and Mexico to contain China. Will likely be equally protectionist
 6. A strong antitrust push – esp. if Elizabeth Warren has a key position in his administration.



Joe Biden
Presumptive Democratic
nominee for the 2020
presidential election

Candidates for VP:

1. Kamala Harris
2. Susan Rice
3. Val Demings (Florida)
4. Elizabeth Warren

Source: Committee for a Responsible Federal Budget, joe Biden.com

Asset performance 2020

Volatility subsides - asset returns still led by gold - UK equities the laggard

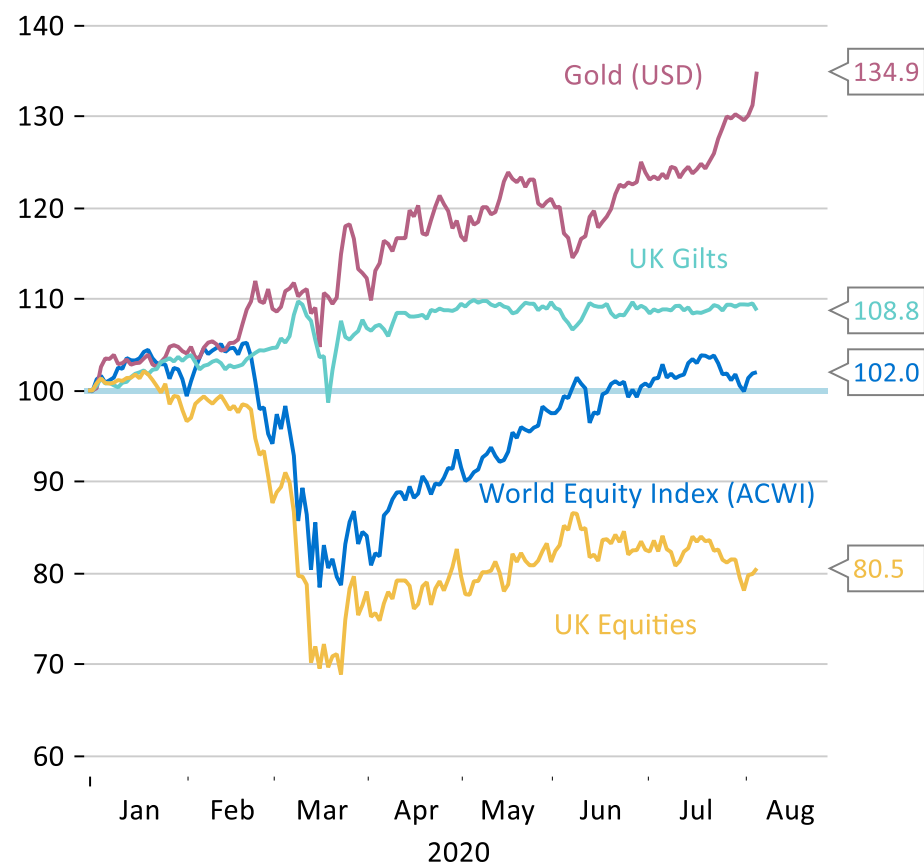


Equities rally reverses Q1 losses – Gold leads



Equity volatility still comparatively elevated...

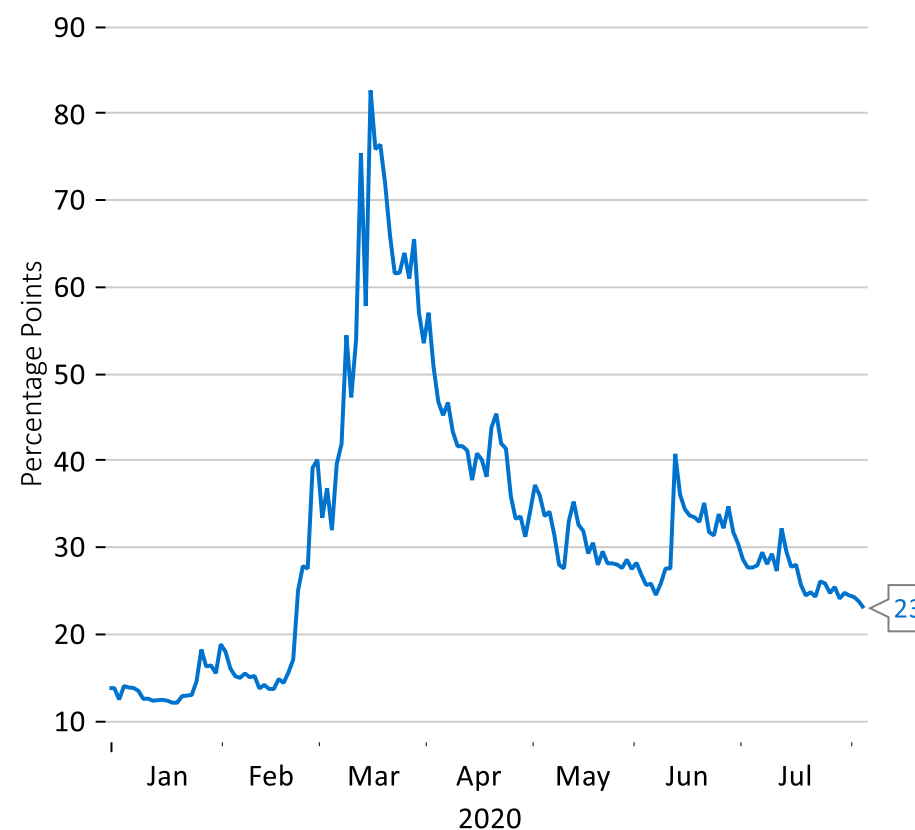
Global Asset Class Returns 2020 (GBP)



Source: Macrobond

July 2020

US Equity Volatility Index (VIX)
2020 to date



Source: Macrobond

July 2020

Important information

If you are a private investor, you should not act or rely on this document but should contact your professional adviser

For your protection, telephone calls may be recorded. This document has been issued by Sarasin & Partners LLP which is a limited liability partnership registered in England and Wales with registered number OC329859 and is authorised and regulated by the UK Financial Conduct Authority and passported under MiFID to provide investment services in the Republic of Ireland.

It has been prepared solely for information purposes and is not a solicitation, or an offer to buy or sell any security. The information on which the document is based has been obtained from sources that we believe to be reliable, and in good faith, but we have not independently verified such information and no representation or warranty, express or implied, is made as to their accuracy. All expressions of opinion are subject to change without notice.

Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. **Past performance is not a guide to future returns and may not be repeated.**

Neither Sarasin & Partners LLP nor any other member of Bank J. Safra Sarasin Ltd. accepts any liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents. The use of this document should not be regarded as a substitute for the exercise by the recipient of his or her own judgment. Sarasin & Partners LLP and/or any person connected with it may act upon or make use of the material referred to herein and/or any of the information upon which it is based, prior to publication of this document. Where printed by Sarasin & Partners, this document has been printed on FSC certified sustainably sourced or 100% recycled paper.

© 2020 Sarasin & Partners LLP – all rights reserved

06.08.2020

SARASIN

& PARTNERS

Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

T: +44 (0) 20 7038 7000
www.sarasinandpartners.com

