



R&R Weekly Column
By Brunello Rosa



One Year Before The US Presidential Elections, Biden Trails Behind Trump

On November 5th, 2024, [the US presidential election will close a busy electoral year](#) that will begin on January 13th, with the [presidential election in Taiwan](#), and which will continue with the Russian presidential election in March-April, the Indian general election in April-May, the European parliamentary election on June 6th-9th, and the UK general election at some point between November and December.

So far the polls have shown the following results. First, [Trump is clearly ahead in the primary race for the Republican party](#), gathering 58% of voting intentions, thus displaying a 40 percentage point advantage as compared with his closest contender, Ron DeSantis. Second, [Trump does not enjoy the favourable opinion of the majority of Americans](#), with 54.8% expressing an unfavourable opinion and only 40% exhibiting a favourable opinion. Third, [President Biden finds himself in a similar position to Trump](#), since 55% of Americans disapprove his actions, versus 38.7% approval. Fourth, in a rematch of the 2020 race, [Biden and Trump are neck and neck](#), with polls showing a small advantage alternatively for either candidate. And fifth, consensus polls show that [the Senate may return to being in the hands of the GOP](#), which already controls the House of Representative.

A recent set of polls show that Trump is gaining an advantage versus Biden. In particular, [a New York Times/Siena poll](#) found Biden was behind Trump in five of the six most important battleground states, fuelled by doubts about his handling of the economy, questions about his age, and discontent on other issues such as the Israel-Hamas conflict. Younger, black, and Hispanic constituencies don't agree with Biden's conduct on this issue. Biden would lose to Trump by margins of 3-10% in Arizona, Georgia, Michigan, Nevada, and Pennsylvania. Biden is ahead in Wisconsin by a 2% margin. Yet he carried all of these crucial swing states in the successful 2020 race. Voters said they trusted Trump over Biden on the economy by 59% to 37%, the widest gap on record. Across the electorate Trump got better marks on the economy, regardless of gender, age, education or income level. A CBS News poll also showed that [more voters thought they would be better off financially if Trump were to win in 2024](#), and that Biden has failed to win over Democrats in the way that Trump has convinced Republicans.

Another factor complicating Biden's hopes for re-election is the [proliferation of independent candidates](#) that could take away more votes from him than from Trump. Robert Kennedy Jr, a nephew of the late former president John F. Kennedy, has been running for president as an independent for several months. Last week Jill Stein, a leftwing activist, said she will run again for the Green party in the 2024 presidential race. In addition, Joe Manchin, the centrist Democratic senator from West Virginia, announced he would not seek a new term in Congress and may run for the White House. Manchin could be backed by No Labels, a centrist organisation led by former Democratic senator Joe Lieberman and former Maryland Republican governor Larry Hogan.

Independent candidates may subtract voters from either candidate. In 1992, Ross Perot prevented incumbent president George Bush from being re-elected. In 2000, the few votes gathered by Ralph Nader were sufficient to prevent Al Gore from being elected president. In 2016, Jill Stein gathered more votes than the difference between Hillary Clinton and Donald Trump in key swing states. The fact that Joe Lieberman, the candidate for the Vice-President position during the unsuccessful race by Al Gore in 2000, is the leader of No Labels really does not bode well for the incumbent president.

In the UK, the [5th of November is celebrated as Guy Fawkes day](#), from the name of the person who tried to kill King James I, along with his parliament, in 1605. Since that day, the anniversary is celebrated as a national holiday with bonfires ("[Remember, Remember the 5th of November](#)"). Time will tell if the 5th of November 2024 will also be remembered in the US as the beginning of a new era, [when the US stopped being the beacon of democracy in the world](#).

Our Recent Publications

✪ [Labour Party Conference: A review of the Labour party conference held in Liverpool from the 8th - 11th of October](#), by Caleb Adegbola, 9 November 2023

[The Escalating Israel-Palestine Crisis Tests Gulf States](#), by Gulf State Analytics, 7 November 2023

✪ [Review: BOE Remains On Hold Also In November, But Could Raise Rates Further](#), by Brunello Rosa and Nato Balavadze, 2 November 2023

✪ [Flash Review: The Fed Skips Also November, But Keeps a Tightening Bias](#), by Brunello Rosa and Nato Balavadze, 1 November 2023



Looking Ahead

The Week Ahead: UK QoQ GDP Growth To Contract; EZ PMI To Decrease; EZ Retail Sales To Shrink

In the US, in October, core inflation is expected to rise by 4.1% y-o-y (p : 4.1%). In October, IP is seen shrinking by -0.4% m-o-m (p : 0.3%).

In the EZ, in Q3, according to the second estimate, GDP growth is expected to shrink by -0.1% q-o-q (p : 0.2%) and decelerate to 0.1% y-o-y (p : 0.5%). In October, both headline and core inflation rates are likely to fall to 2.9% y-o-y (p : 4.3%) and 4.2% y-o-y (p : 4.5%). In September, IP is seen contracting by -6.3% y-o-y (p : -5.1%). Among the largest EZ economies, inflation rate is expected to: *i*) fall to 4.0% y-o-y (p : 4.9%) in France; and *ii*) edge down to 1.8% y-o-y (p : 5.3%) in Italy.

In the UK, in October, both headline and core inflation rates are likely to decrease to 4.8% y-o-y (p : 6.7%) and 5.8% y-o-y (p : 6.1%). In October, retail sales are seen contracting by -1.5% y-o-y (p : -1.0%).

The Quarter Ahead: Trump Leads In 2024 Presidential Election Polls; The UN Aid Chief Condemned Attacks In Gaza; APEC Summit

Trump leads in 2024 polls. The polls showed that Biden was behind Trump in five out of six most important battleground states. Trump led by 10 points in Nevada, six in Georgia, five in Arizona and Michigan, and four in Pennsylvania, while Biden had a two-point advantage in Wisconsin. This trend is driven by uncertainties surrounding Biden's economic policies, questions about his age, and discontent on various issues, including the Israel-Hamas conflict. Concerns arise about the economy and divisions within the Democratic party over the Israel-Hamas conflict negatively impact the re-election prospects for the president in 2024.

The UN aid chief expresses strong condemnation for the 'reprehensible' assaults on hospitals in Gaza. Amidst the ongoing conflict between Israeli forces and Hamas militants in the vicinity of Gaza's largest medical facility, the UN aid chief highlighted the dire situation where hospitals lack power, food, and water. Israel's military was prepared to evacuate infants from Gaza's largest hospital on Sunday, but Palestinian officials reported people are still trapped.

APEC Summit in San Francisco. US officials aim to make the summit a key moment in Biden's efforts to strengthen economic ties in the region and manage relations with China. Chinese president Xi eye headline dinner with corporate leaders.

Last Week's Review

Real Economy: UK QoQ GDP Growth Stalled And YoY GDP Rose; EZ PMI Decreased; EZ Retail Sales Shrank

In the US, in November, Michigan consumer sentiment edged down to 60.4 (c : 63.7; p : 63.8).

In the EZ, in October HCOB services and composite PMIs fell to 47.8 (p : 48.7) and 46.5 (p : 47.2) as expected. In September, retail sales contracted by -2.9% y-o-y (c : -3.1%; p : -1.8%) and -0.3% m-o-m (c : -0.2%; p : -0.7%).

In the UK, in Q3, according to a preliminary estimate, the economy stalled on a quarterly basis (c : -0.1%; p : 0.2%). GDP growth rose by 0.6% y-o-y (c : 0.5%; p : 0.6%). In September, IP increased by 1.5% y-o-y (c : 1.1%; p : 1.5%).

Financial Markets: Stock Prices Increased Globally; Bond Yields Fell; Dollar Index Was Up, While Gold And Oil Prices Fell

Market Drivers: Changes in the interest-rate outlook remained a driving force in fixed-income markets. Yields rose after Jerome Powell suggested ongoing efforts to address inflation. ECB policymakers also suggested rates remaining "higher for longer" driving yields up.

Global Equities: increased w-o-w (MSCI ACWI, +0.5se%, to 666.26). The US S&P 500 index edged up (+1.3% w-o-w, to 4,415.24). In the EZ, share prices were up (Eurostoxx 50, +0.5% w-o-w, to 4,196.45). In EMs, equity prices stayed virtually unchanged (MSCI EMs, +0.0%, to 948.32) Volatility fell to 16.00 (VIX S&P 500, 52w avg.: 20.9; 10y avg.: 18.7).

Fixed Income: w-o-w, the 10-year US Treasury yields edged up (+7 bps to 4.65%). The 2-year US Treasury yields increased (+22 bps to 5.07%). The German 10-year bund yield rose (+7 bps to 2.71%).

FX: w-o-w, the US Dollar Index edged up (DXY, +0.7%, to 105.80; EUR/USD -0.4%, to 1.07). In EMs, currencies are virtually unchanged (MSCI EM Currency Index, +0.0% w-o-w, to 1,684.96).

Commodities: w-o-w, oil prices fell (Brent, -3.7% to 81.70 USD/b). Gold prices decreased w-o-w (-2.8% to 1,942.70 USD/Oz).



@RosaRoubini



Rosa & Roubini



Rosa&Roubini Associates

For more information, please call us on +44 (0)207 1010 718 or send us an email to info@rosa-roubini-associates.com

www.rosa-roubini-associates.com

118 Pall Mall, London SW1Y 5ED

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

Rosa & Roubini Associates Ltd is a private limited company registered in England and Wales (Registration number: 10975116) with registered office at 118 Pall Mall, St. James's, London SW1Y 5ED, United Kingdom. VAT registration number GB 278 7297 39. **Analyst Certification:** We, Brunello Rosa and Nouriel Roubini, hereby certify that all the views expressed in this report reflect our personal opinion, which has not been influenced by considerations of Rosa&Roubini Associates's business, nor by personal or client relationships. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the views expressed in this report. **Disclaimer:** All material presented in this report is provided by Rosa & Roubini Associates-Limited for informational purposes only and is not to be used or considered as an offer or a solicitation to sell or to buy, or subscribe for securities, investment products or other financial instruments. Rosa & Roubini Associates Limited does not conduct "investment research" as defined in the FCA Conduct of Business Sourcebook (COBS) section 12 nor does it provide "advice about securities" as defined in the Regulation of Investment Advisors by the U.S. SEC. Rosa & Roubini Associates Limited is not regulated by the FCA, SEC or by any other regulatory body. Nothing in this report shall be deemed to constitute financial or other professional advice in any way, and under no circumstances shall we be liable for any direct or indirect losses, costs or expenses nor for any loss of profit that results from the content of this report or any material in it or website links or references embedded within it. The price and value of financial instruments, securities and investment products referred to in this research and the income from them may fluctuate. Past performance and forecasts should not be treated as a reliable guide of future performance or results; future returns are not guaranteed; and a loss of original capital may occur. This research is based on current public information that Rosa & Roubini Associates considers reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. Rosa & Roubini Associates, its contributors, partners and employees make no representation about the completeness or accuracy of the data, calculations, information or opinions contained in this report. Rosa & Roubini Associates has an internal policy designed to minimize the risk of receiving or misusing confidential or potentially material non-public information. We seek to update our research as appropriate, but the large majority of reports are published at irregular intervals as appropriate in the author's judgment. The information, opinions, estimates and forecasts contained herein are as of the date hereof and may be changed without prior notification. This research is for our clients only and is disseminated and available to all clients simultaneously through electronic publication. Rosa & Roubini Associates is not responsible for the redistribution of our research by third party aggregators. This report is not directed to you if Rosa & Roubini Associates is barred from doing so in your jurisdiction. This report and its content cannot be copied, redistributed or reproduced in part or whole without Rosa & Roubini Associates' written permission.