

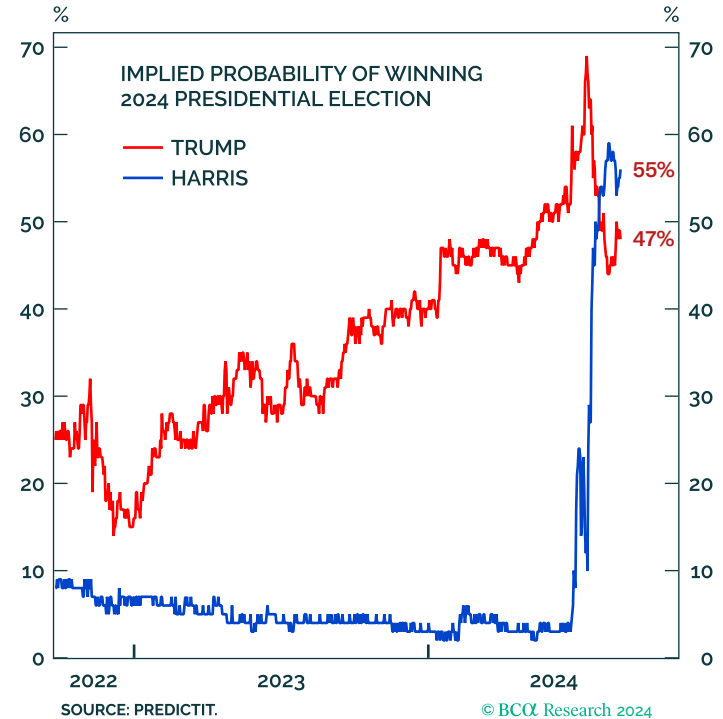
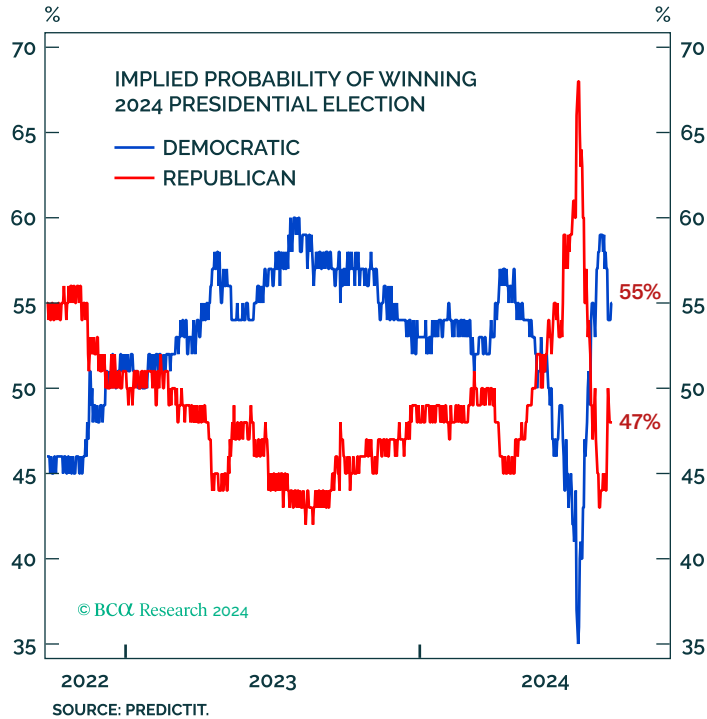
# US Election 2024: Politics, Geopolitics, Markets

**Matt Gertken**

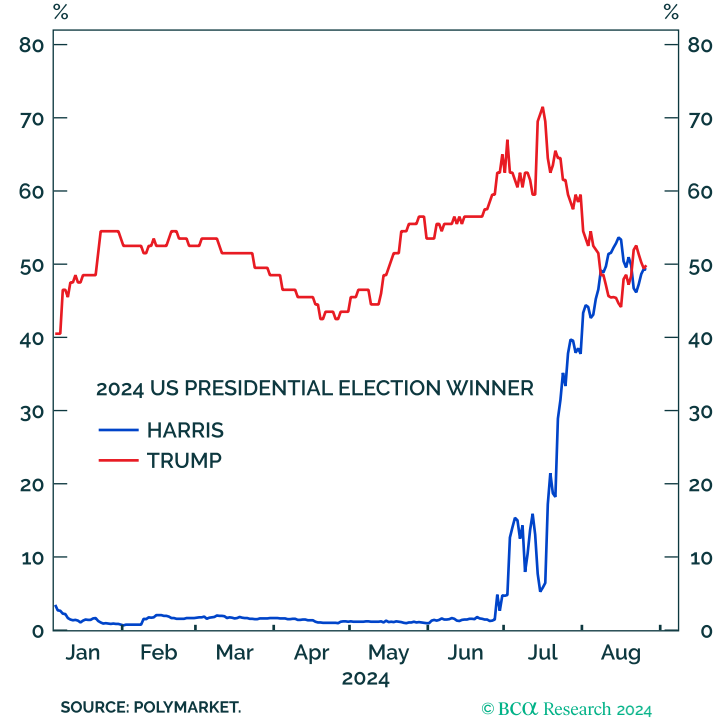
Chief Geopolitical and US Political Strategist

MattG@bcareserach.com

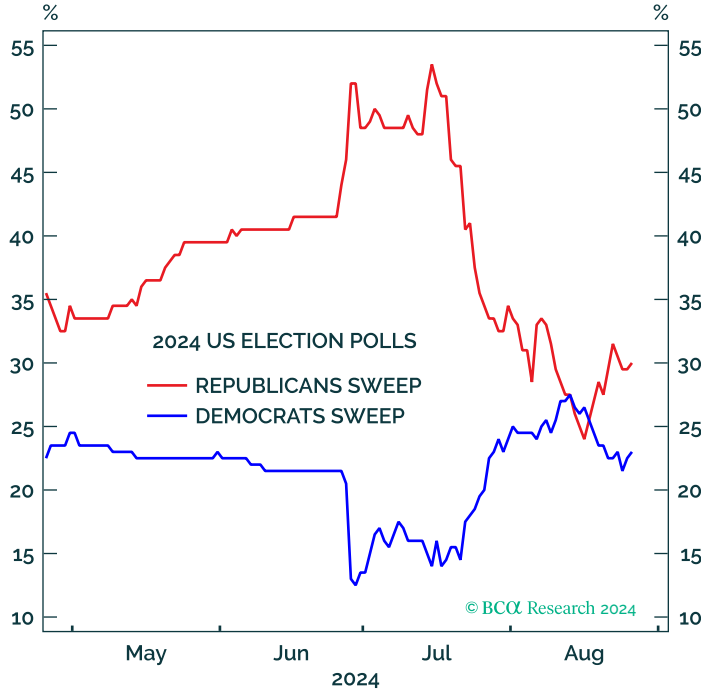
# Predictit Tips Dems For WH



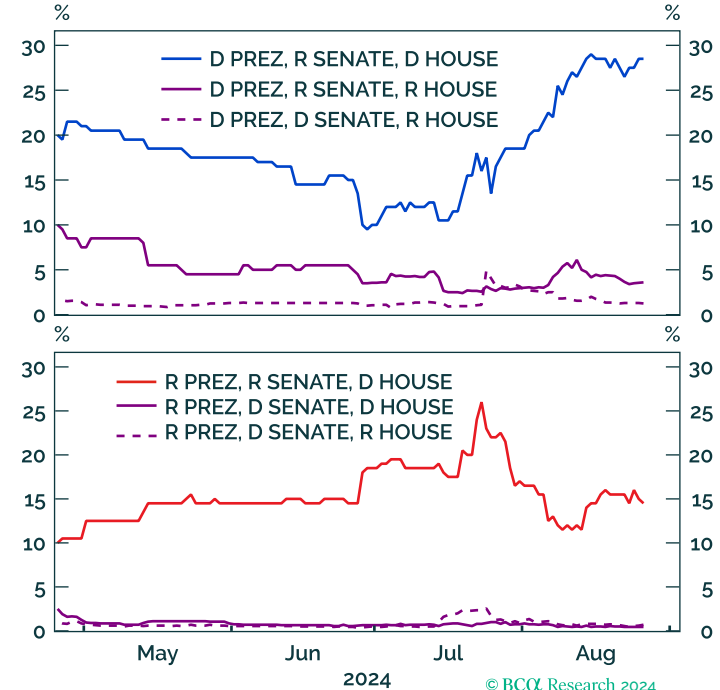
# Polymarket Tips GOP For WH



# Red Sweep Far More Likely Than Blue Sweep

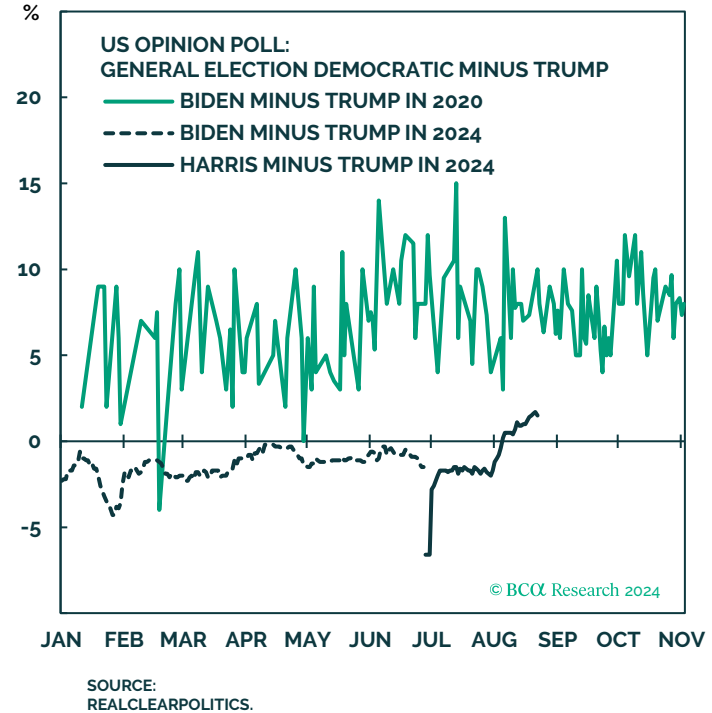
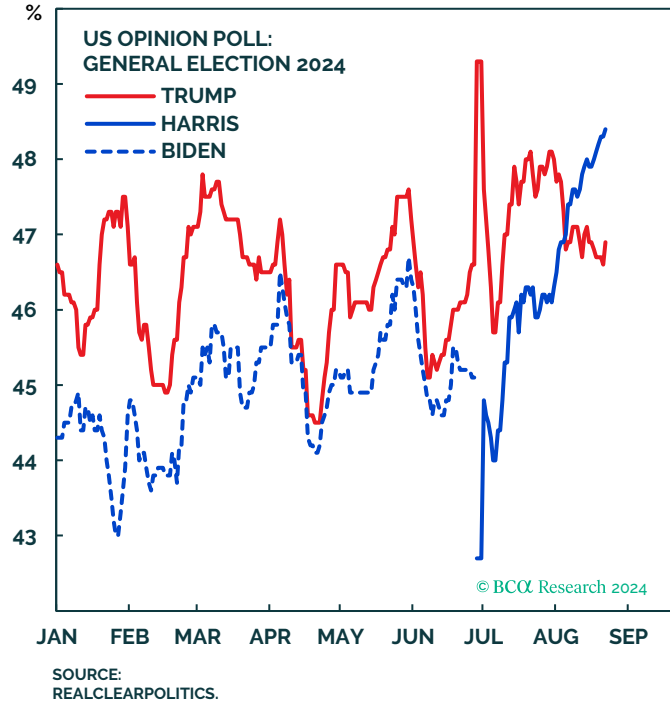


SOURCE: POLYMARKET.

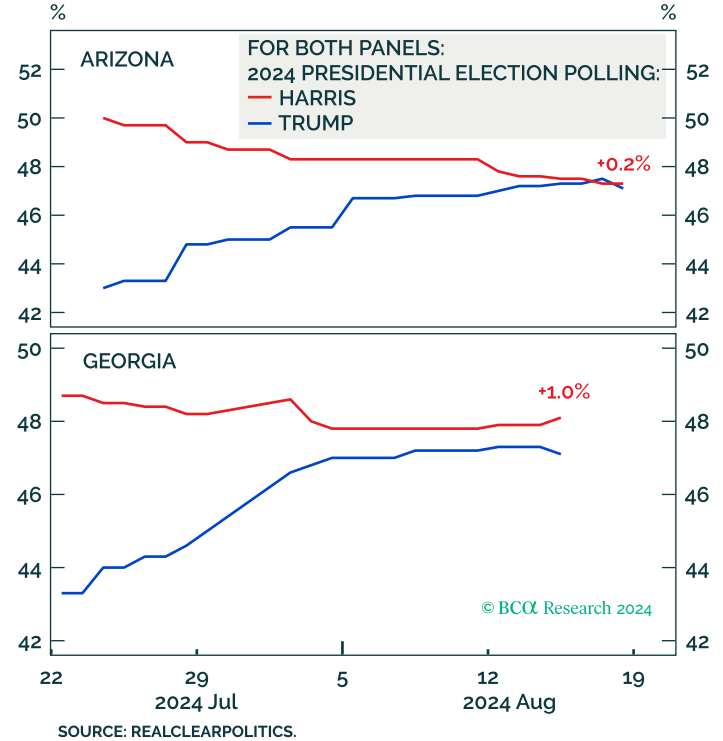
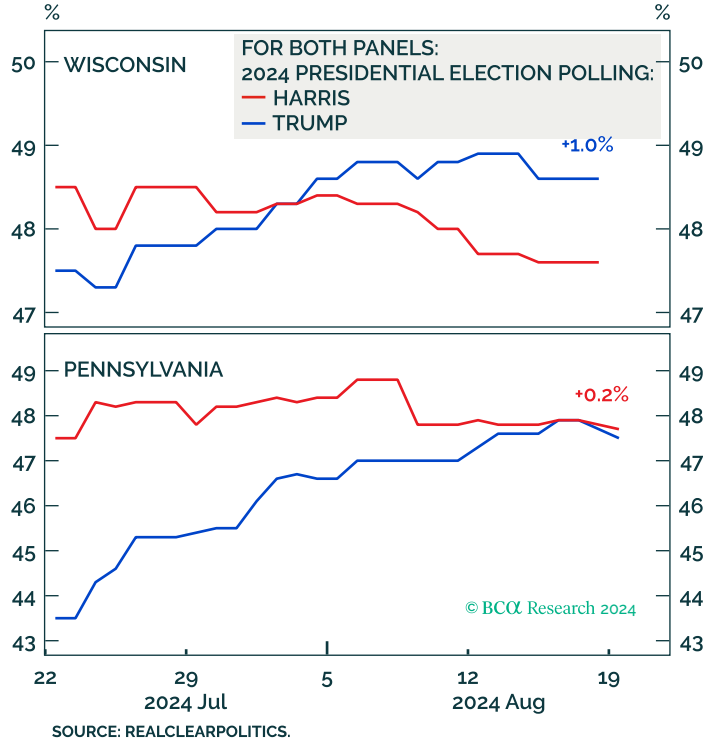


SOURCE: POLYMARKET.

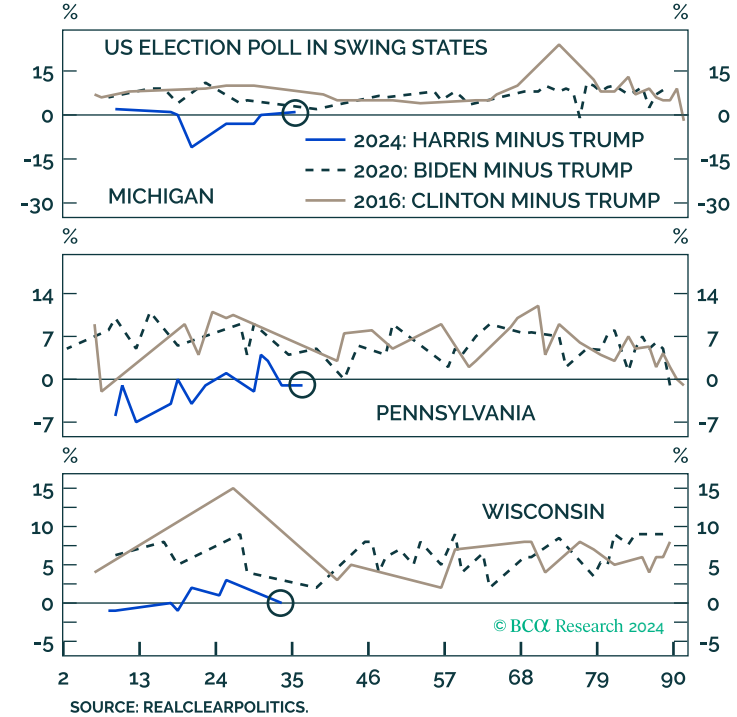
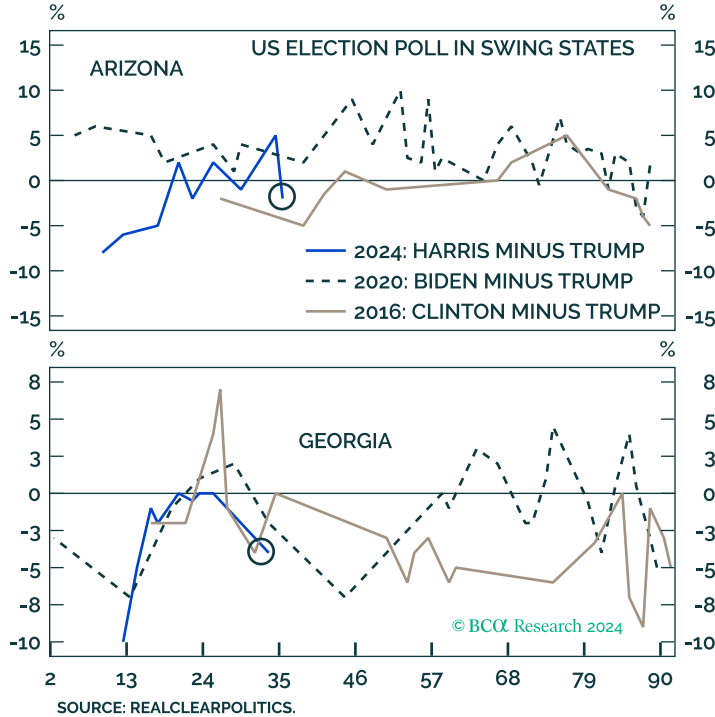
# Harris Tied With Trump, Lagging Biden 2020



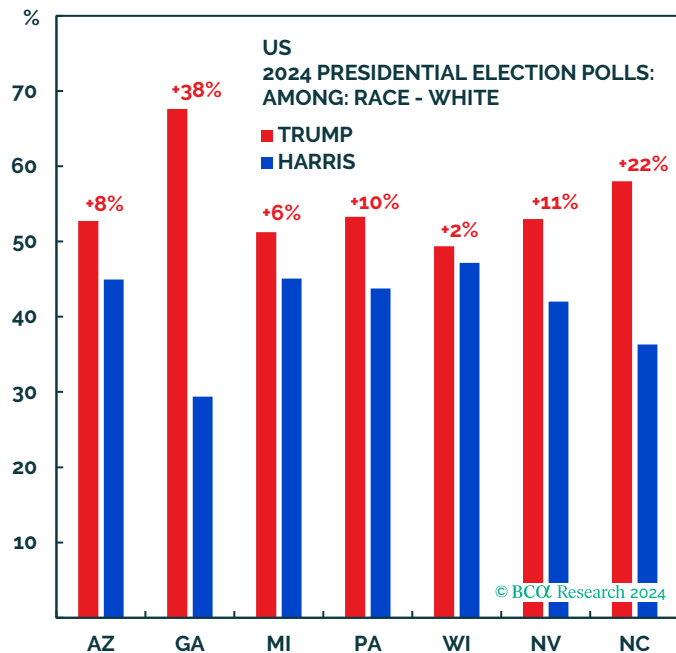
# Statistical Tie In Swing State Polls



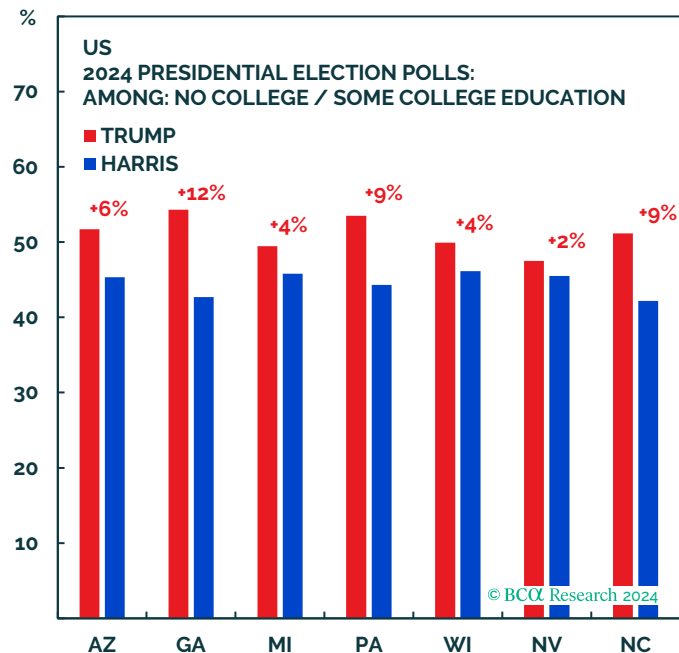
# Harris Lagging Biden 2020, Clinton 2016 In Swing States



# Trump's Large Lead Among Whites And Non-College Grads



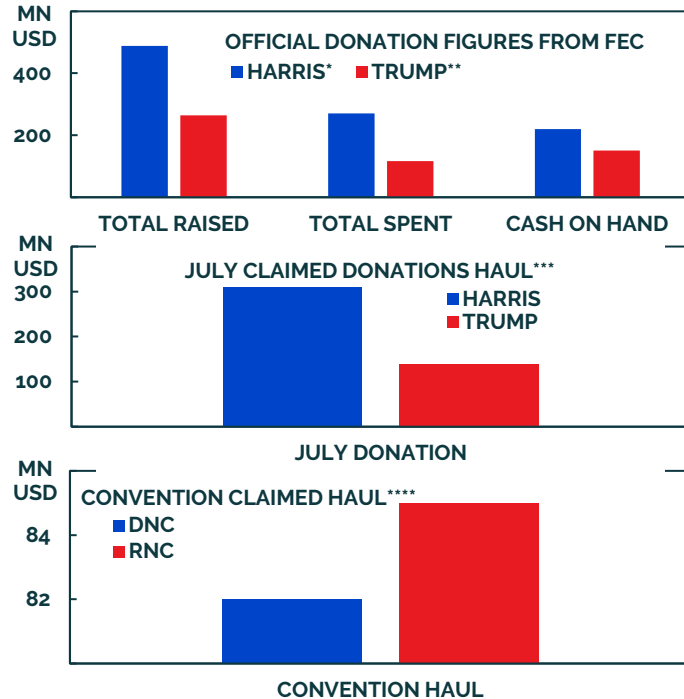
NOTE: DATA IS AN AVERAGE OF POLLS SINCE JULY 22.  
SOURCE: VARIOUS POLLING AGENCIES.



NOTE: DATA IS AN AVERAGE OF POLLS SINCE JULY 22.  
SOURCE: VARIOUS POLLING AGENCIES.

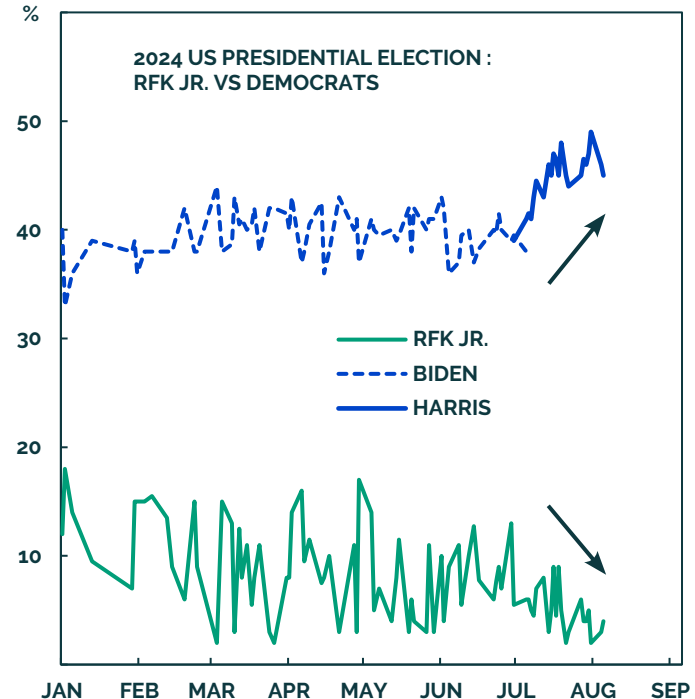


# RFK's Exit Boosts Democrats As Incumbent Party



\* FROM 01/01/2023 TO 07/31/2024.  
 \*\* FROM 01/01/2023 TO 08/08/2024.  
 \*\*\* SOURCE: NPR.  
 \*\*\*\* SOURCE: ABC AND POLITICO.  
 SOURCE: FEC.

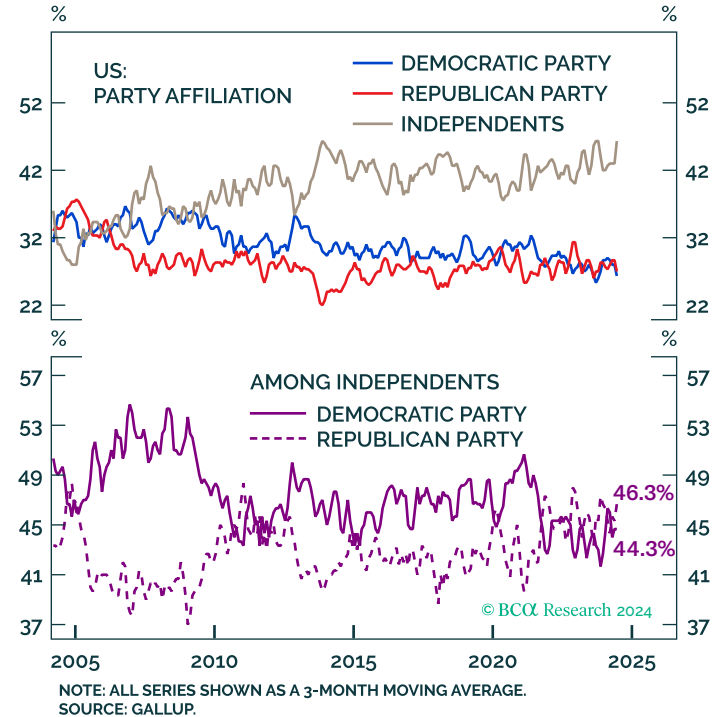
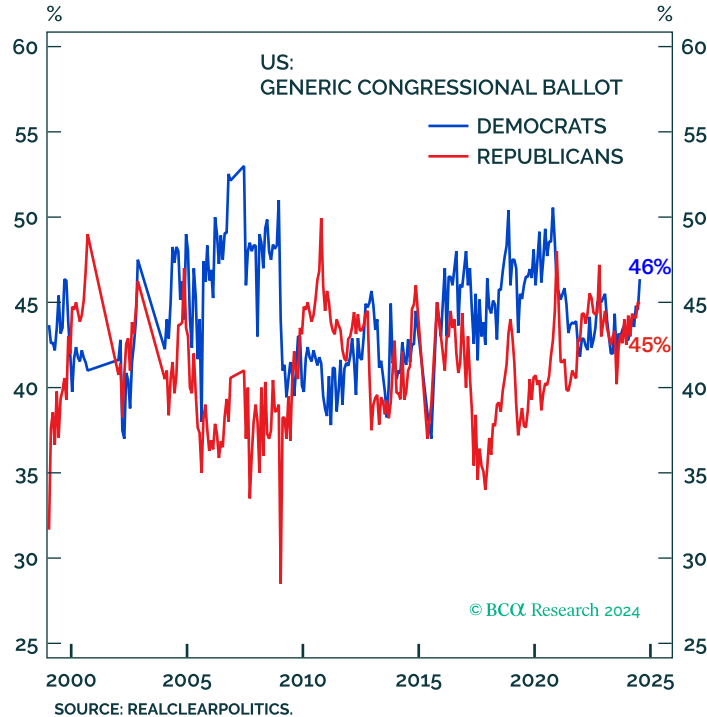
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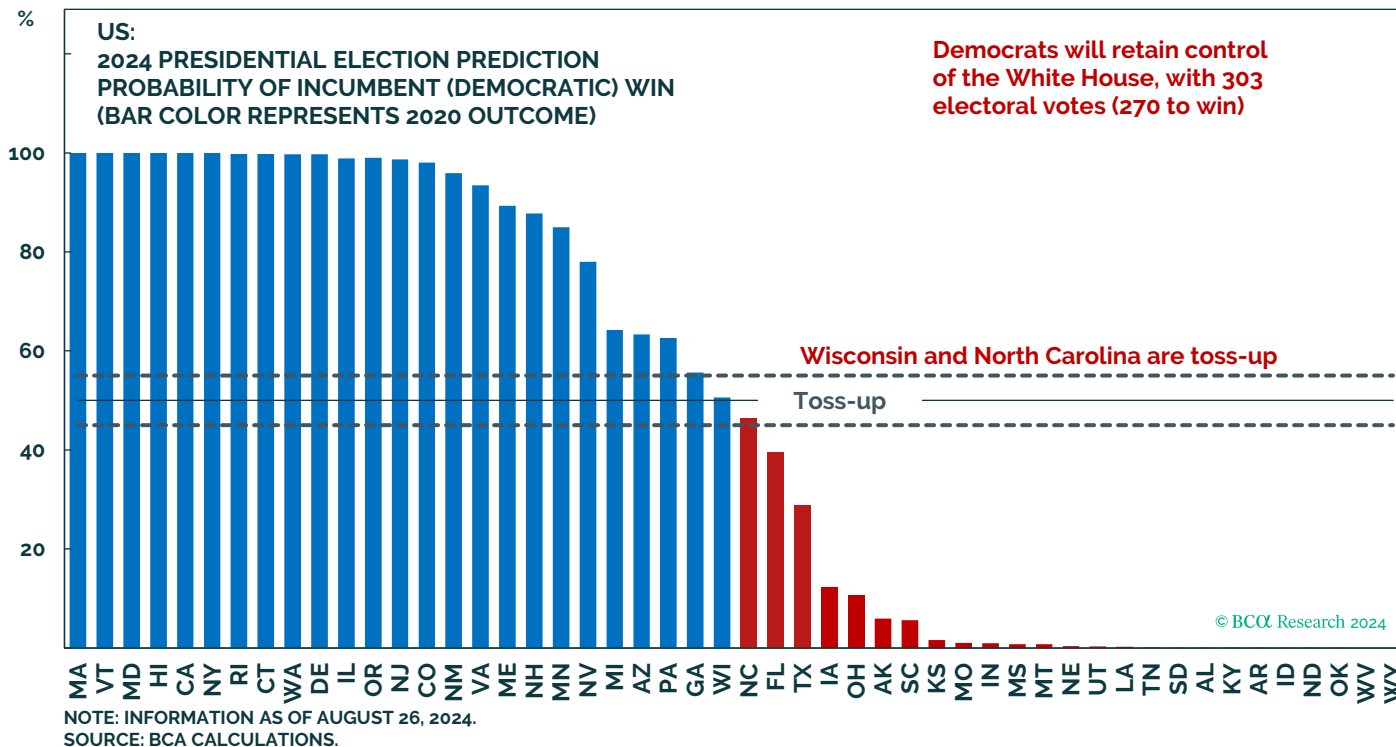
\* POLLING AMONG HARRIS, TRUMP, KENNEDY, WEST, AND STEIN.  
 SOURCE: REALCLEARPOLITICS.

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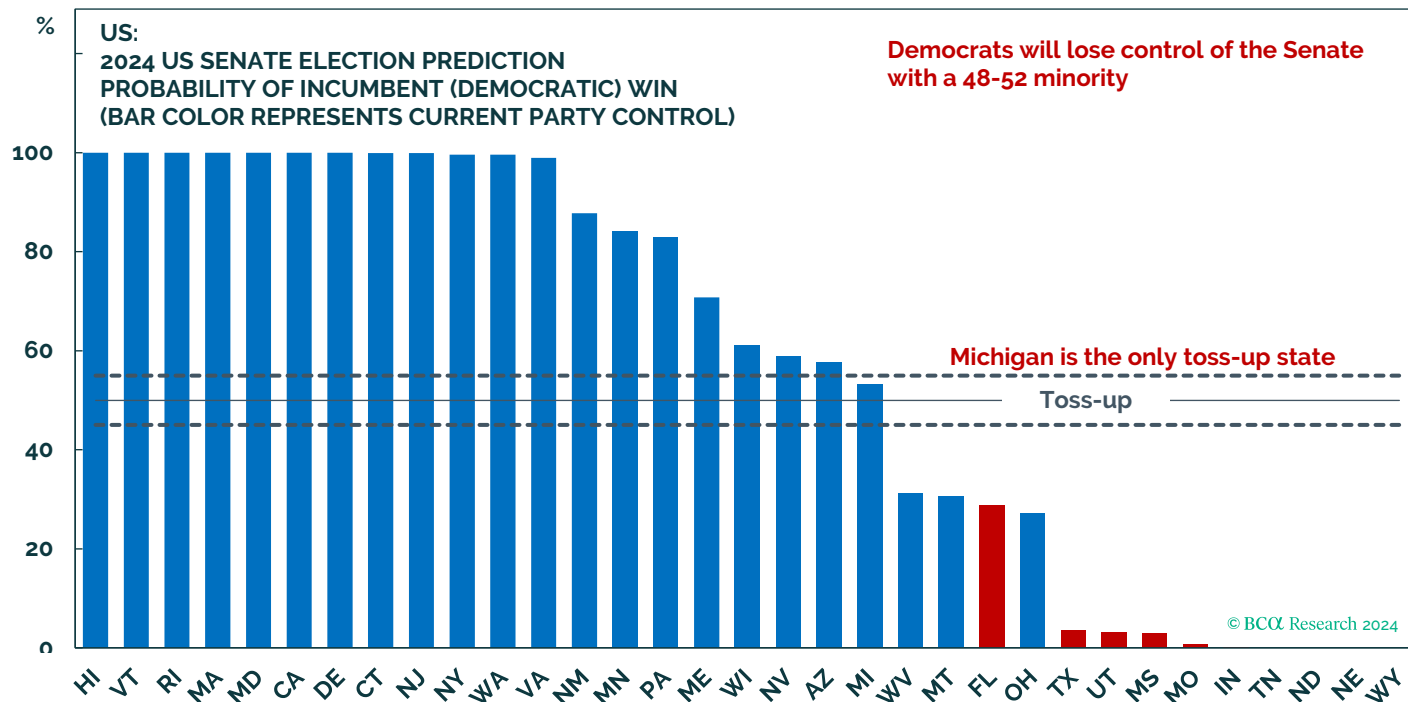
# Democrats Lead Generic Ballot, Will Rise In Party Affiliation



# Our Quant Model Tips Democrats With 56% Odds

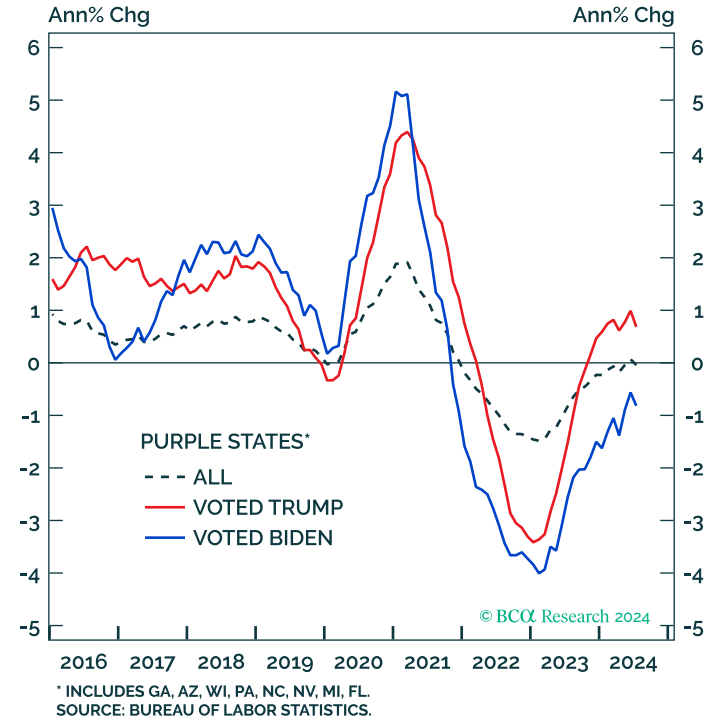
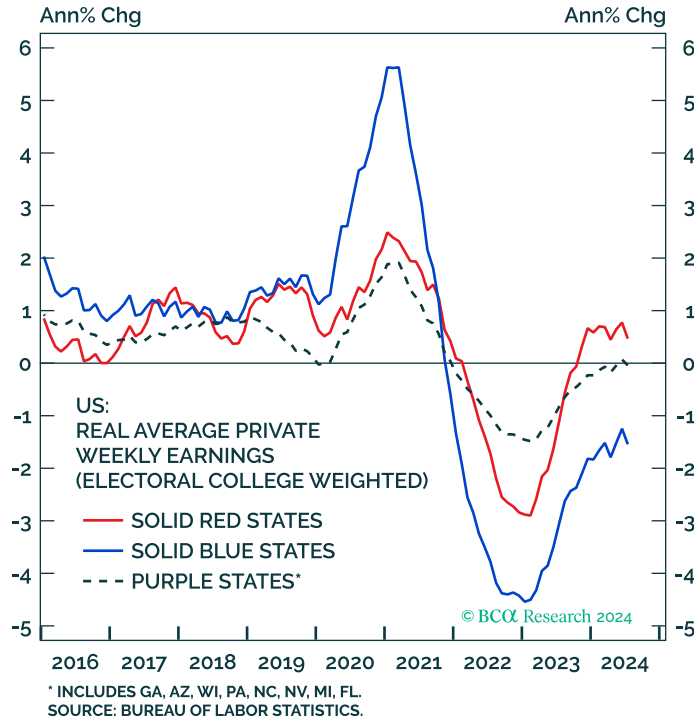


# Our Quant Model Tips GOP For Senate, Highly Likely

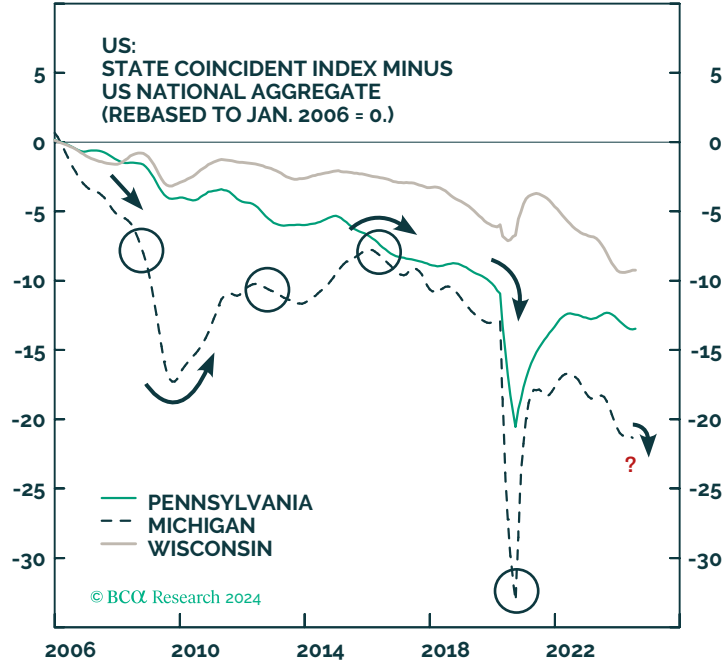


NOTE: INFORMATION AS OF AUGUST 26, 2024.  
SOURCE: BCA CALCULATIONS.

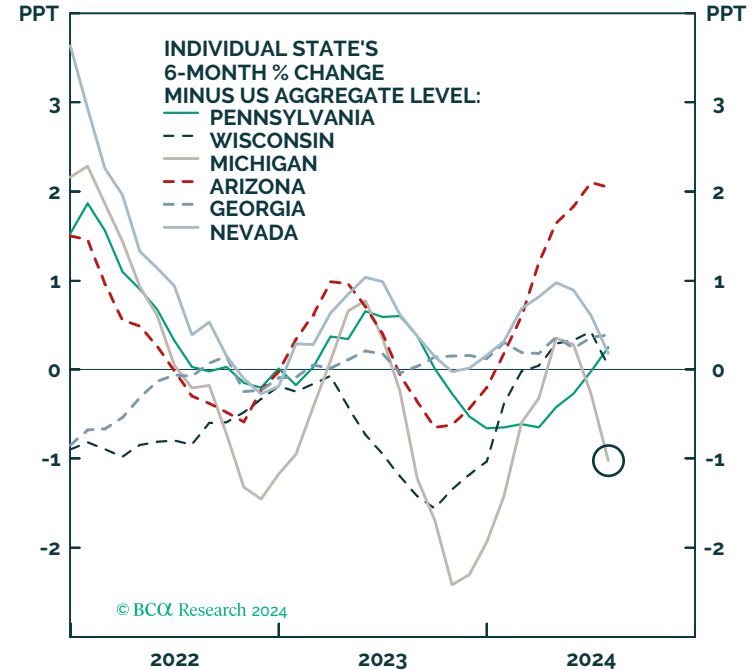
# Real Wage Growth Rolls Over, Negative In Blue States



# Midwest Still Lagging National Economy, Michigan Enters Recession

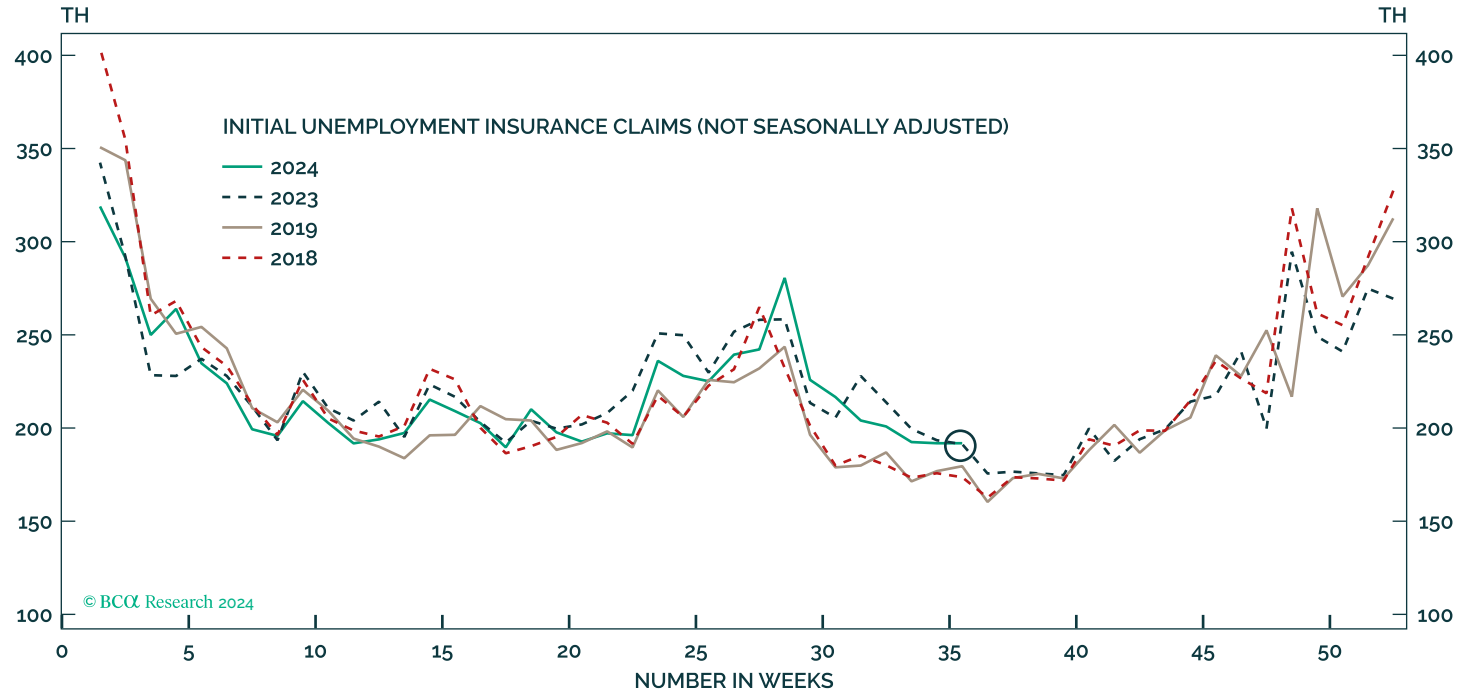


NOTE: SERIES SHOWN AS 6-MONTH MOVING AVERAGES.  
SOURCE: PHILADELPHIA FED.



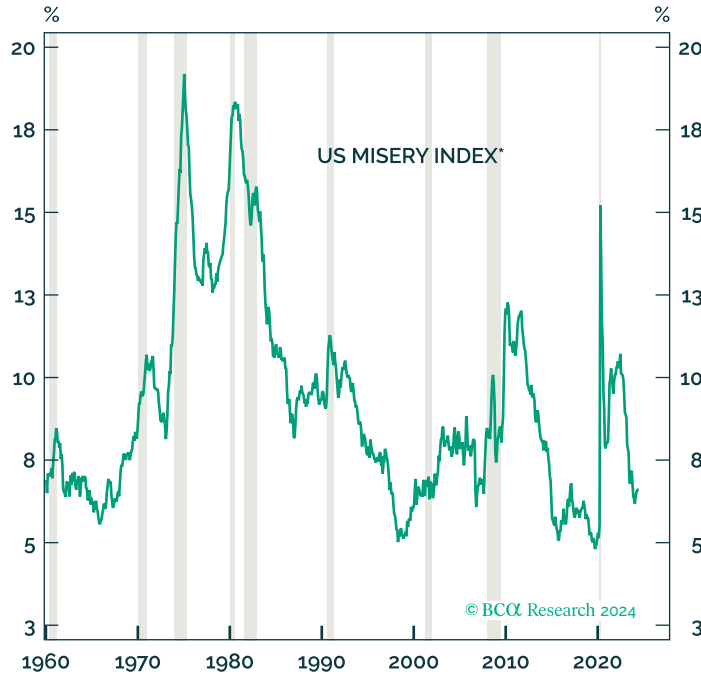
SOURCE: PHILADELPHIA FED.

# Jobless Claims Still Under Control

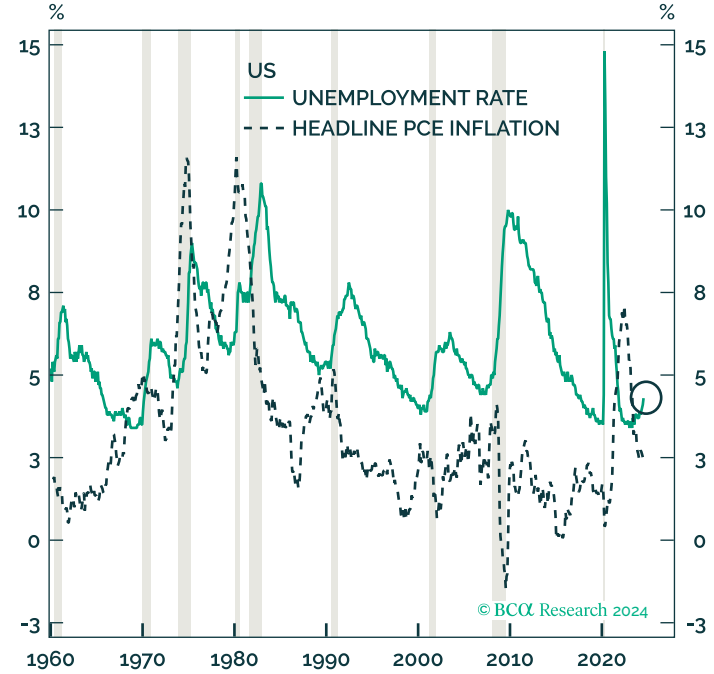


SOURCE: US DEPARTMENT OF LABOR.

# Misery Index Down, Unemployment Up But Low Level



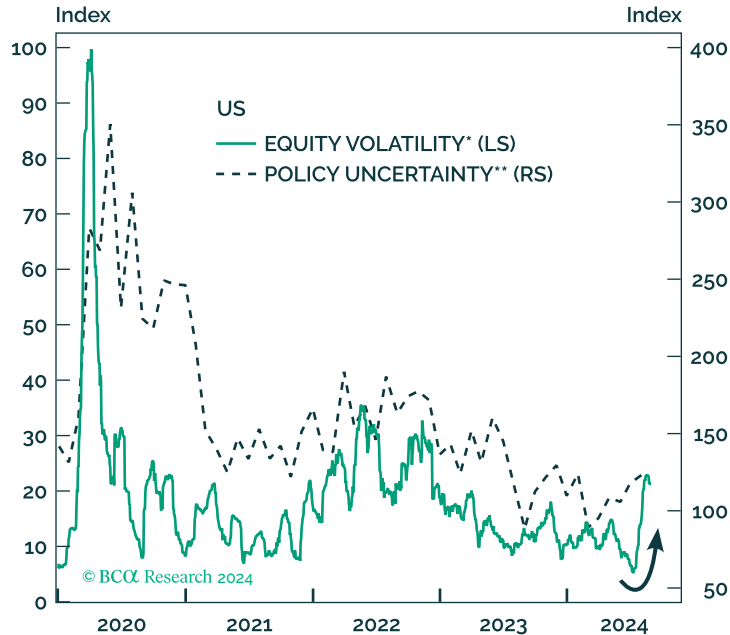
NOTE: SHADING DENOTES NBER-DESIGNATED RECESSIONS.  
\* SUM OF INFLATION RATE AND UNEMPLOYMENT RATE.



NOTE: SHADING DENOTES NBER-DESIGNATED RECESSIONS.  
SOURCE: BEA, BLS.

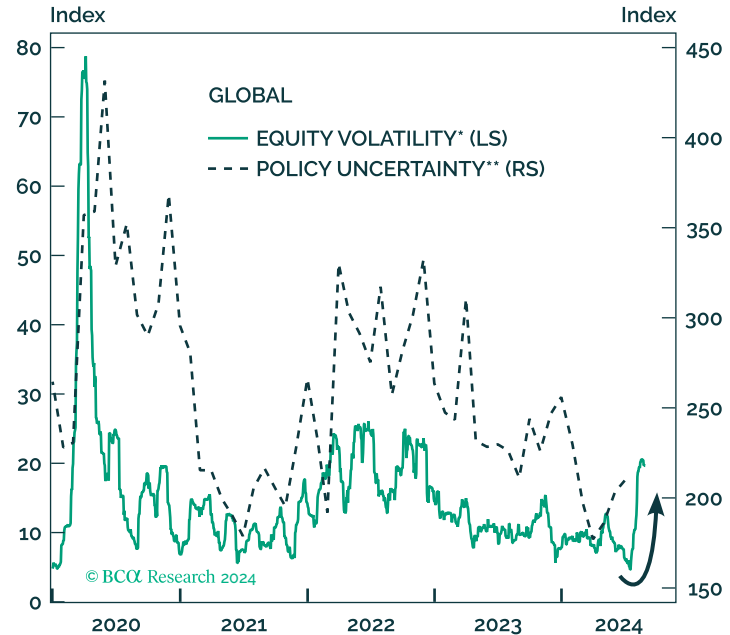


# Equity Volatility And Policy Uncertainty Will Rise



\* 30-DAY VOLATILITY, SOURCE: MSCI INC. (SEE COPYRIGHT DECLARATION).

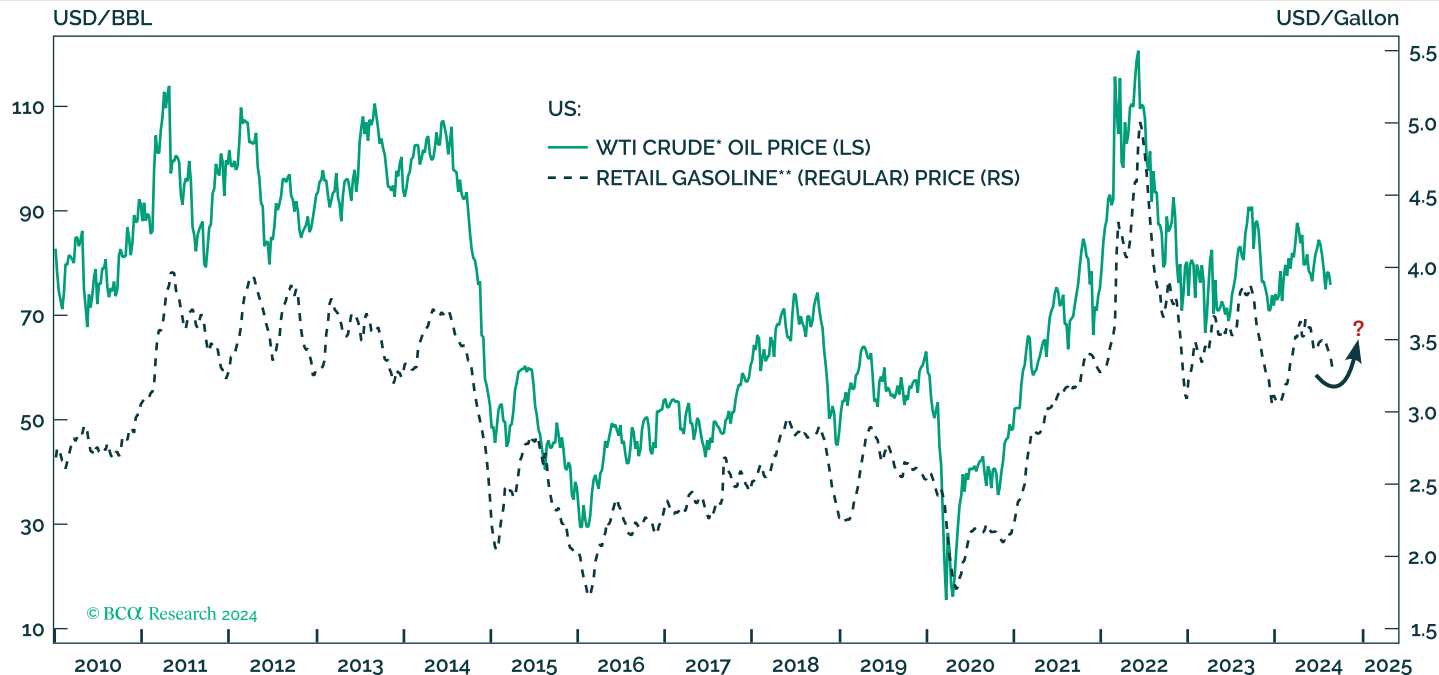
\*\* SOURCE: BAKER, BLOOM AND DAVIS; AVAILABLE AT [WWW.POLICYUNCERTAINTY.COM](http://WWW.POLICYUNCERTAINTY.COM).



\* 30-DAY VOLATILITY, SOURCE: MSCI INC. (SEE COPYRIGHT DECLARATION).

\*\* SOURCE: BAKER, BLOOM AND DAVIS; AVAILABLE AT [WWW.POLICYUNCERTAINTY.COM](http://WWW.POLICYUNCERTAINTY.COM).

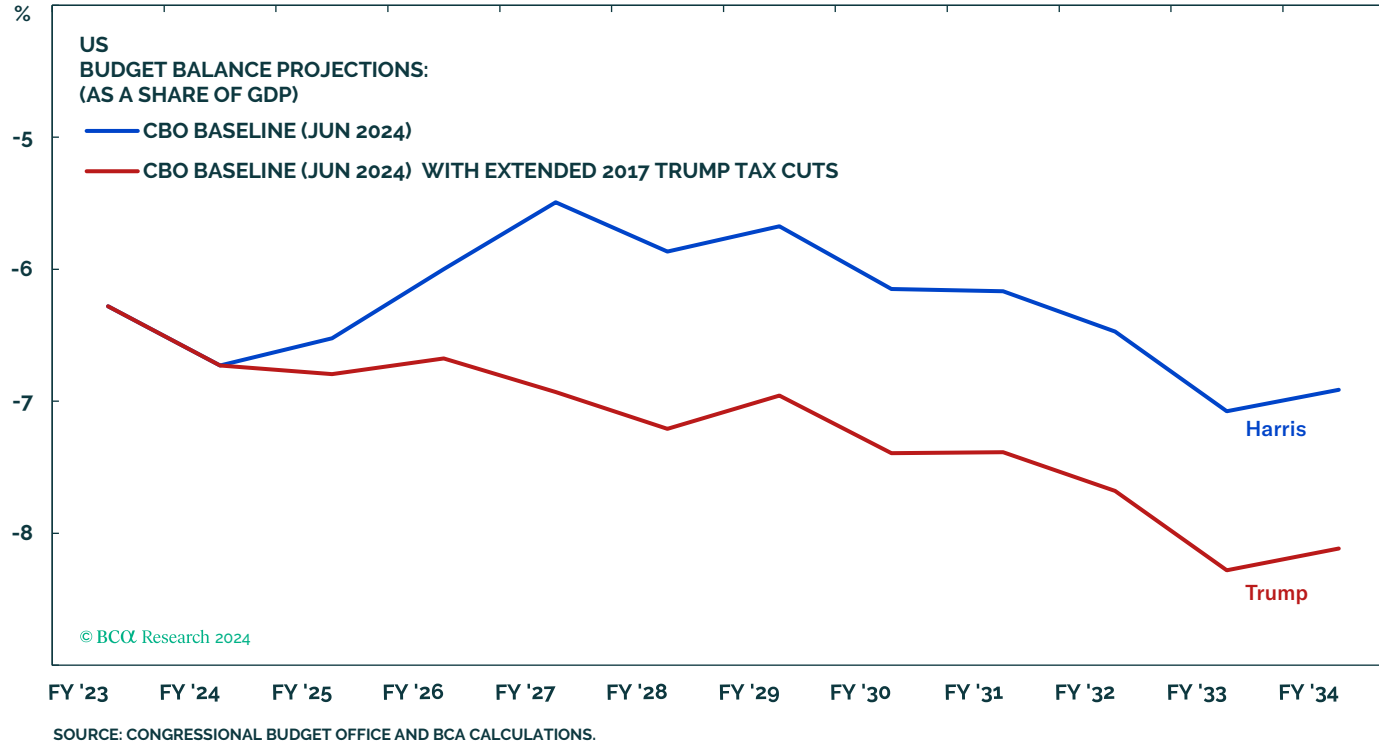
# Oil Will See Geopolitical Supply Shocks ... Biden May Tap SPR



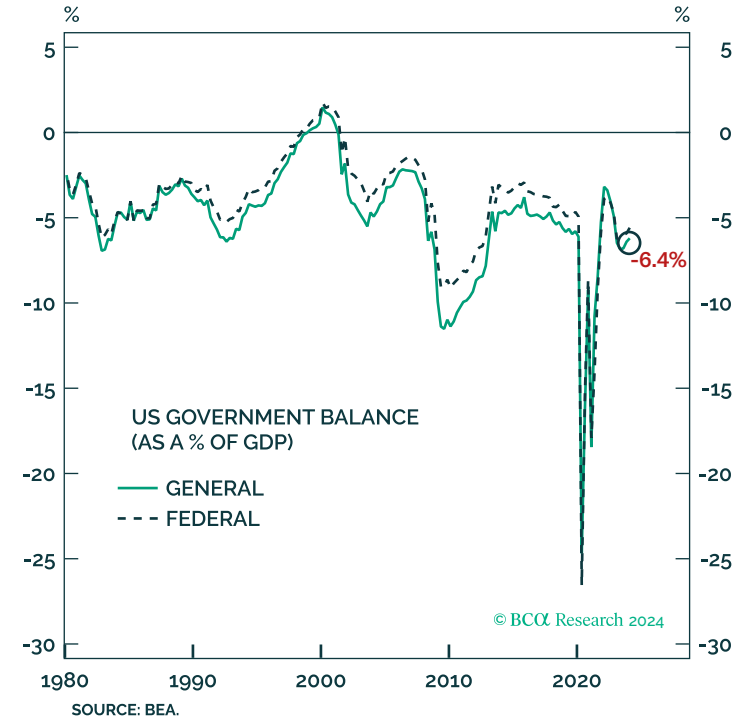
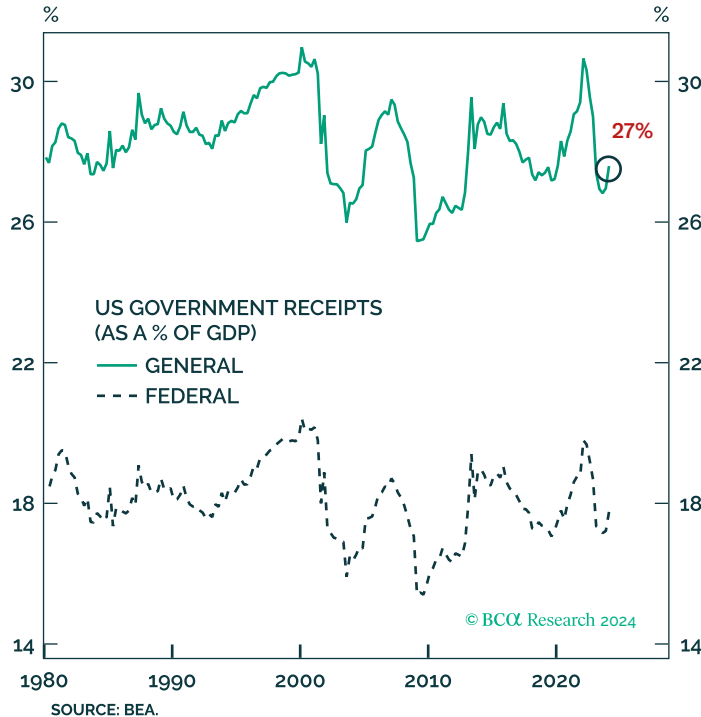
\* SOURCE: THOMSON REUTERS.

\*\* AVERAGE RETAIL PRICE AT THE PUMP, INCLUDING TAXES; SOURCE: EIA.

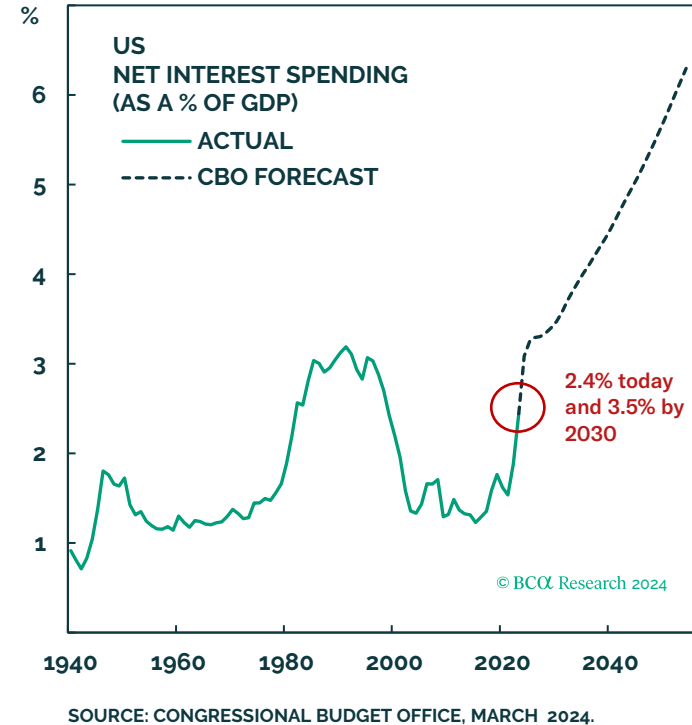
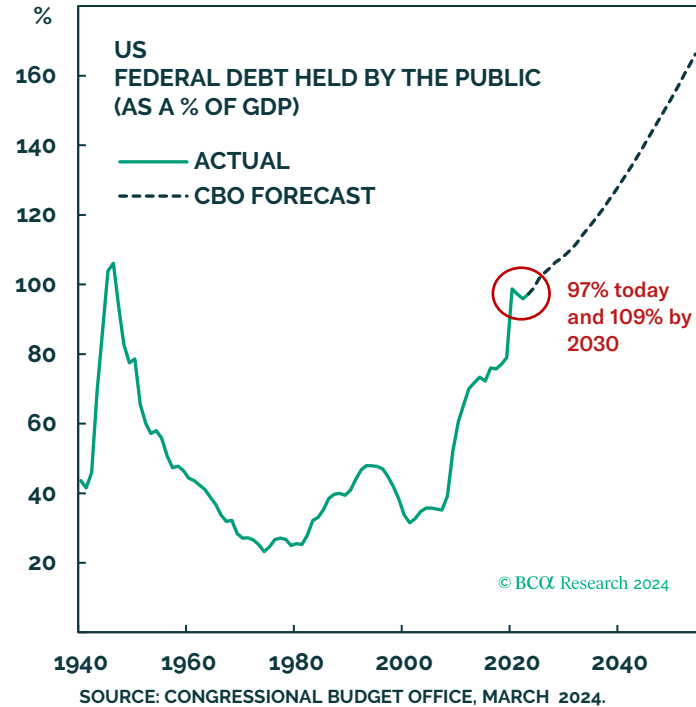
# Trump Tax Cuts Will Expire Unless Red Sweep



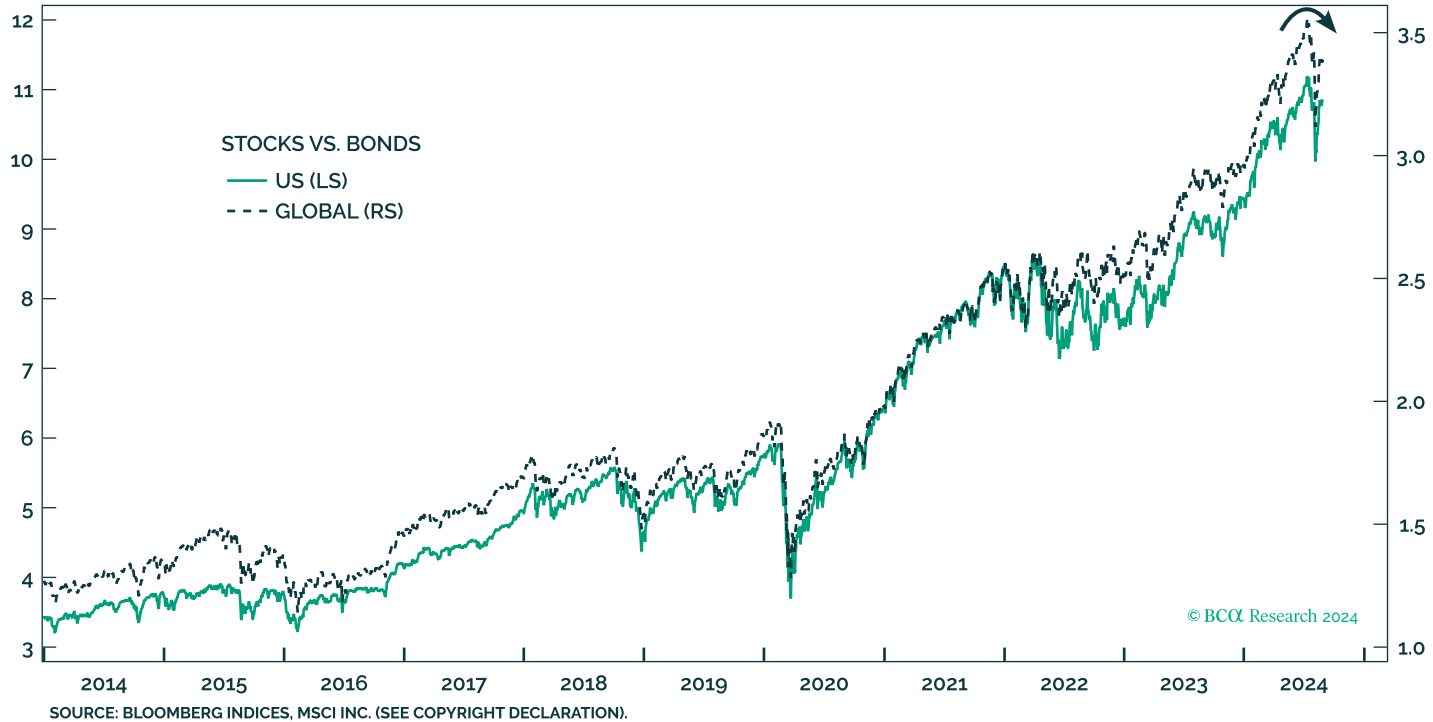
# US Tax Revenues Flat For Decades, Budget Deficit Grows



# Federal Debt, Interest Payments To Rise Sharply



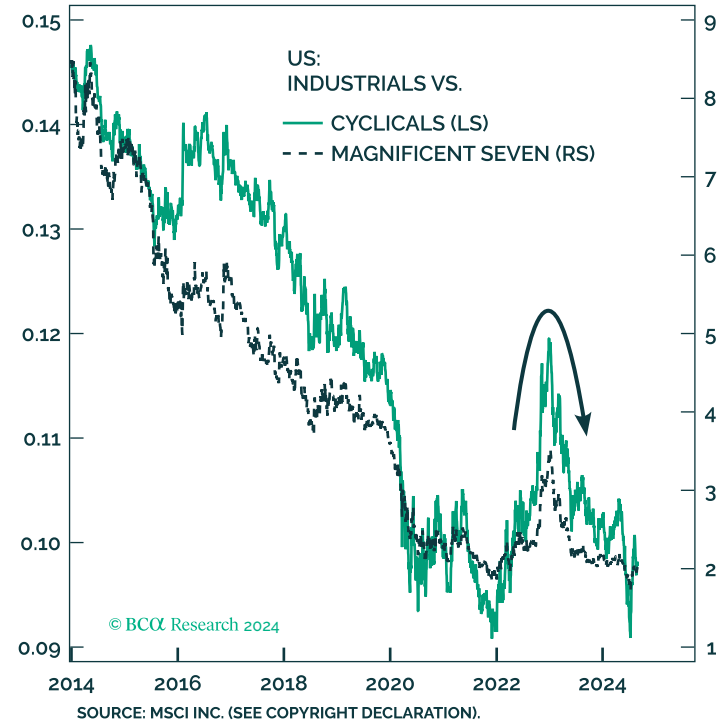
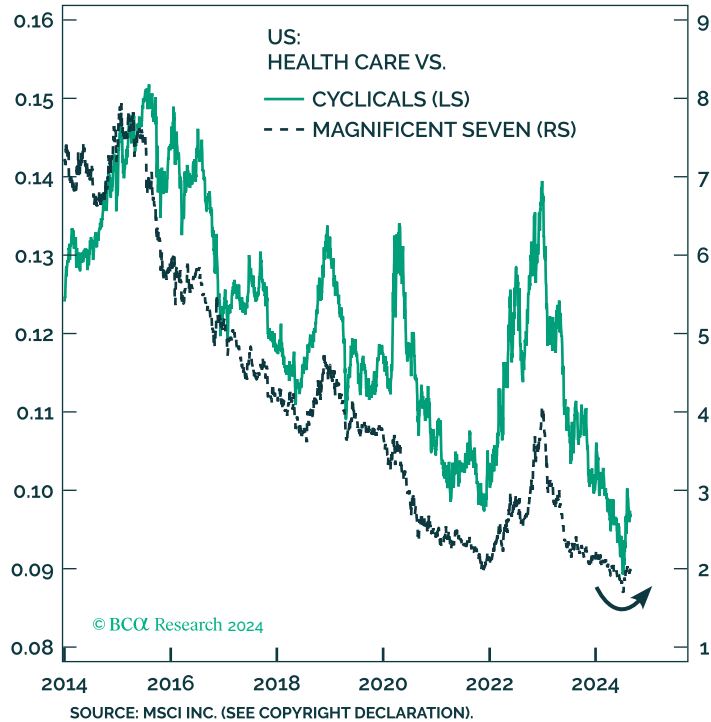
# Bond Rally Will Beat Stocks In Short Run



# Defensives Will Beat Cyclical In Short Run

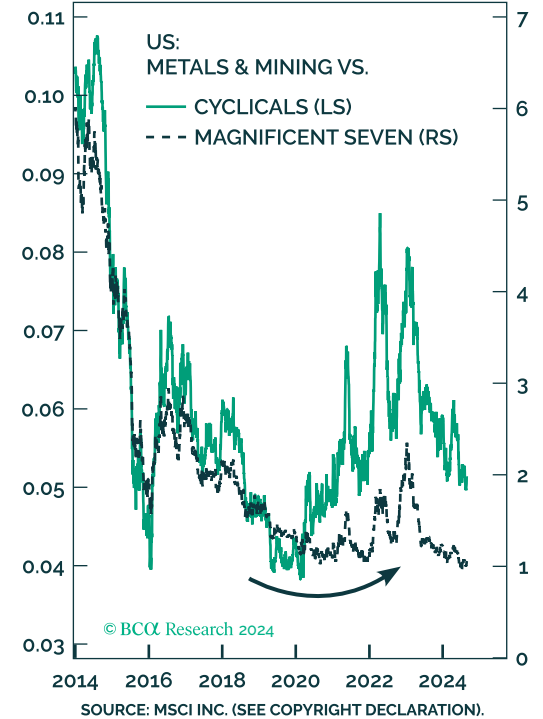
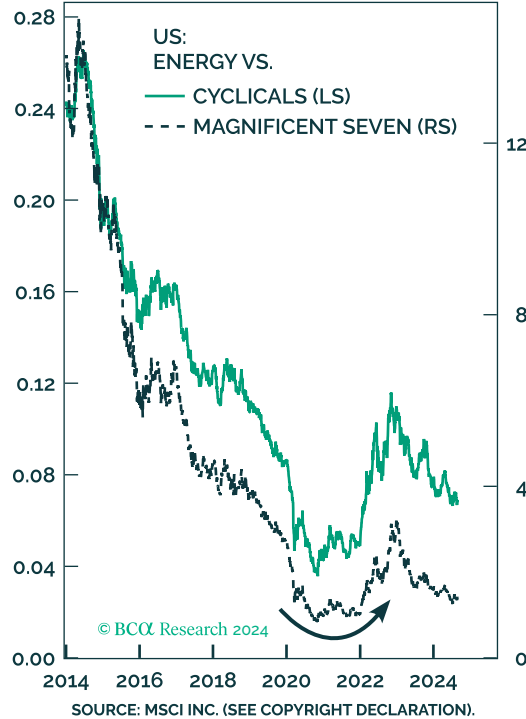
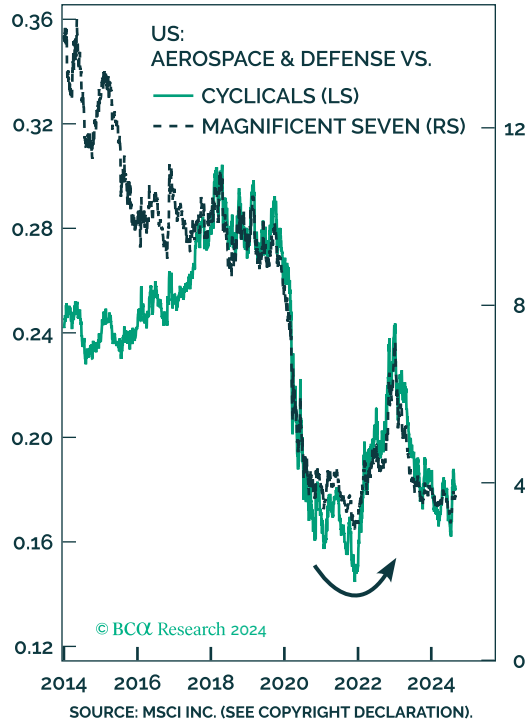


# Overweight Health Care, Underweight Industrials

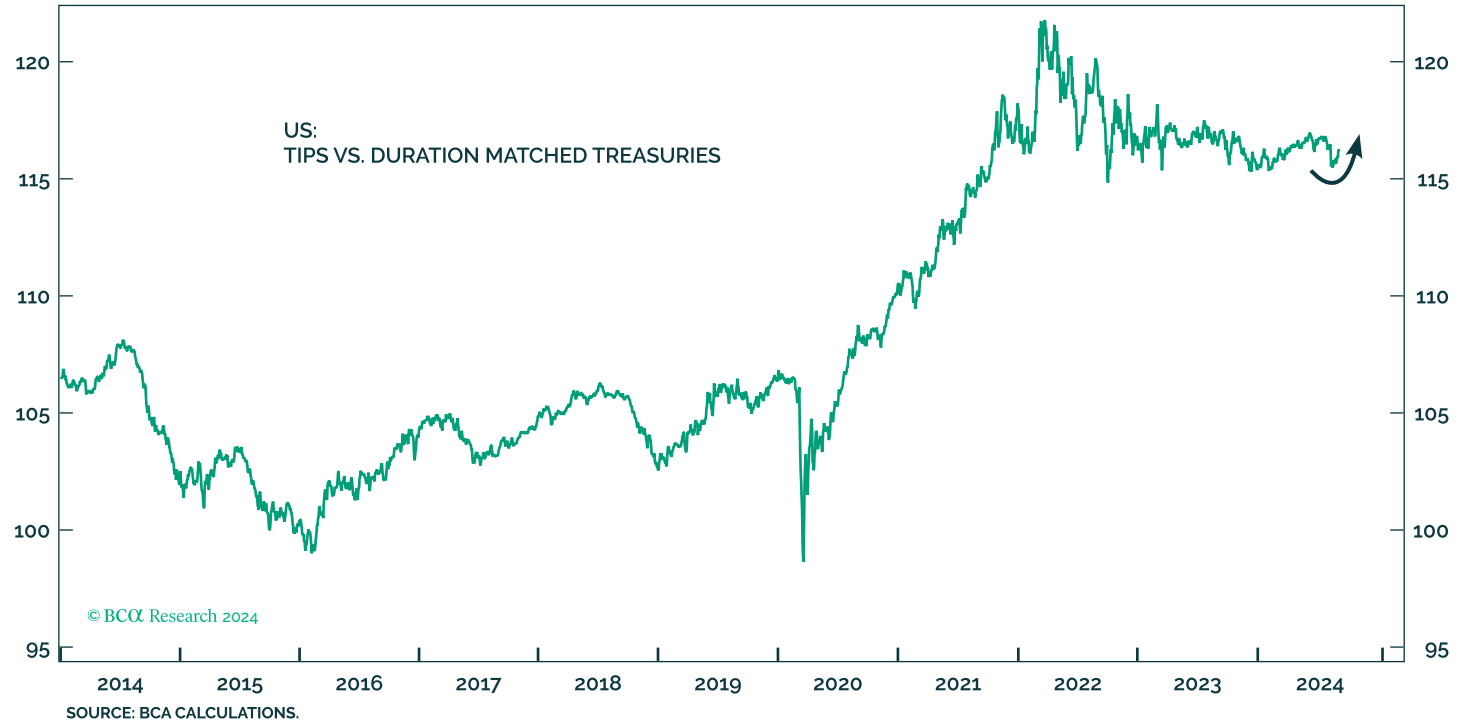




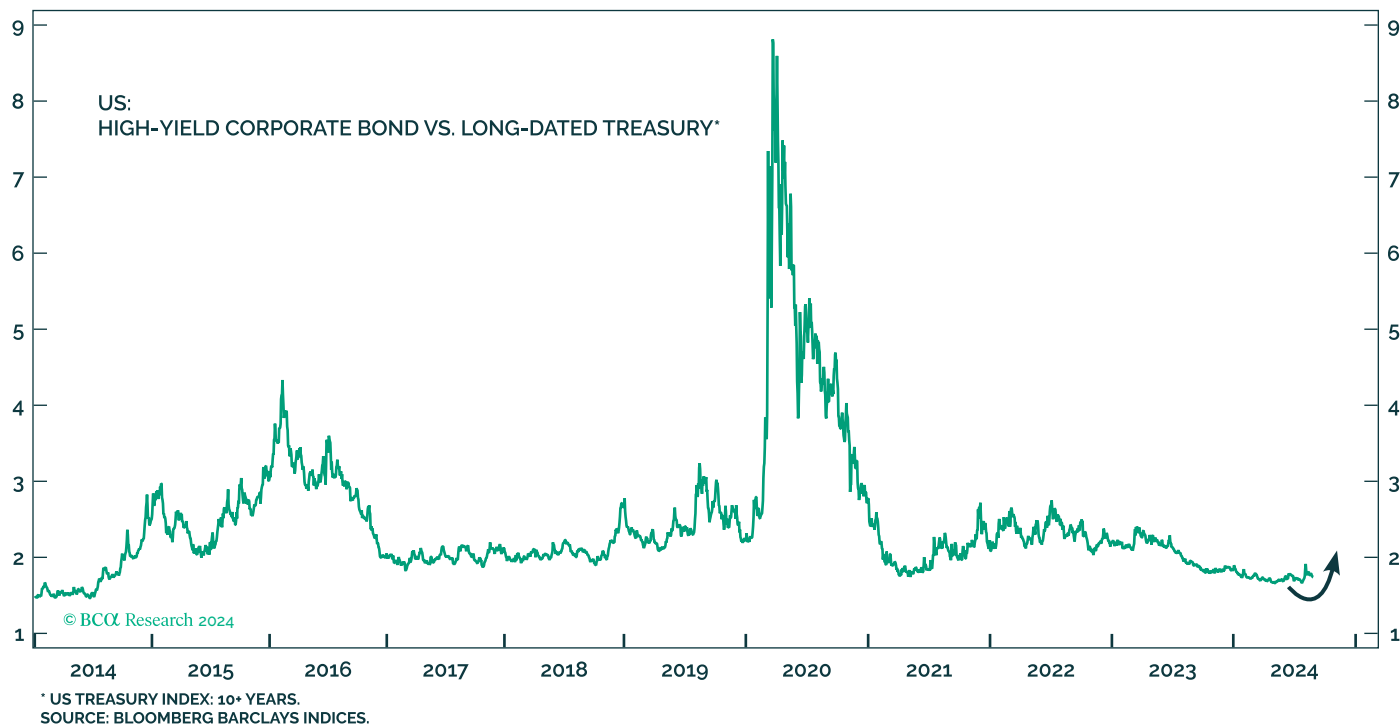
# Strategically Favor Universe Over Metaverse



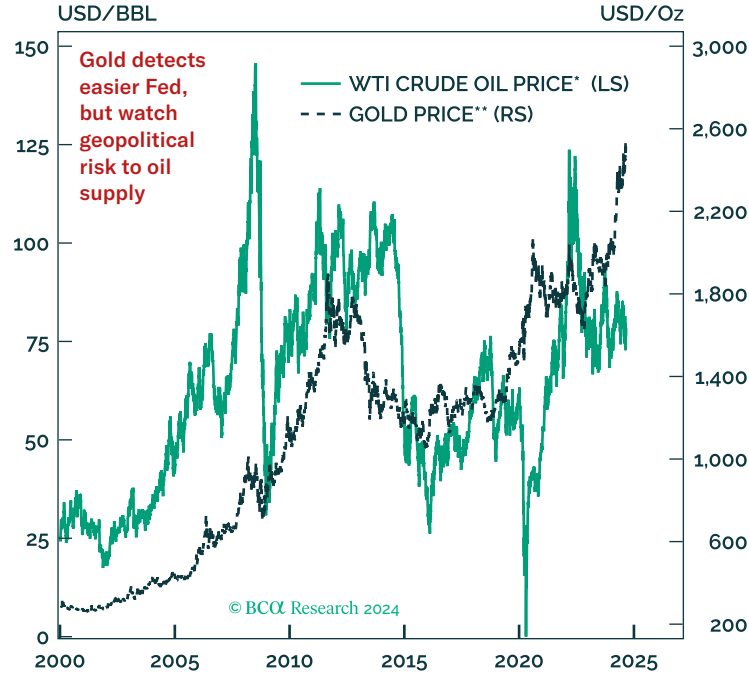
# Strategically Go Long Inflation Protection



# Tactically Favor Treasuries Versus High Yield

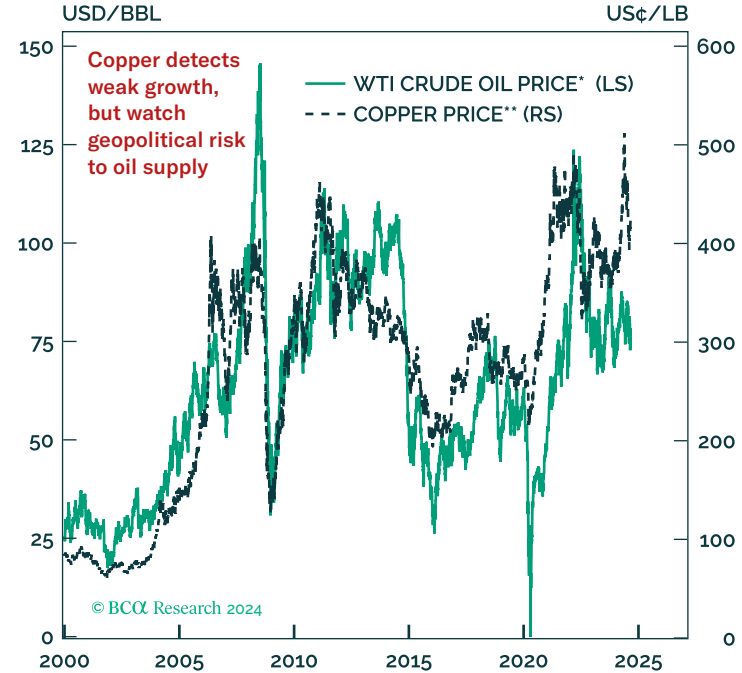


# Oil Volatility: Down On Macro, Up On Geopolitics



\* SOURCE: THOMSON REUTERS.

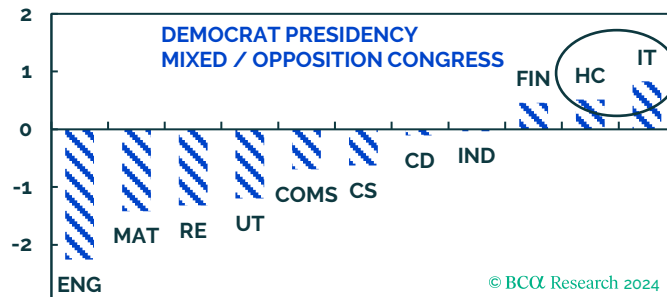
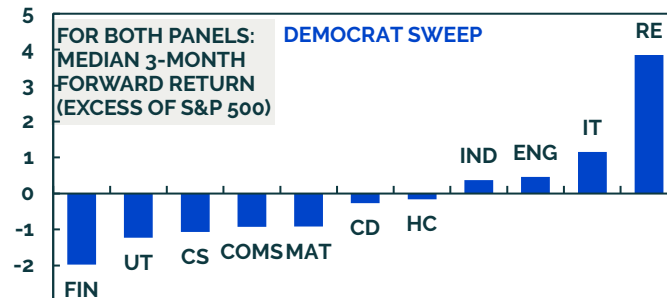
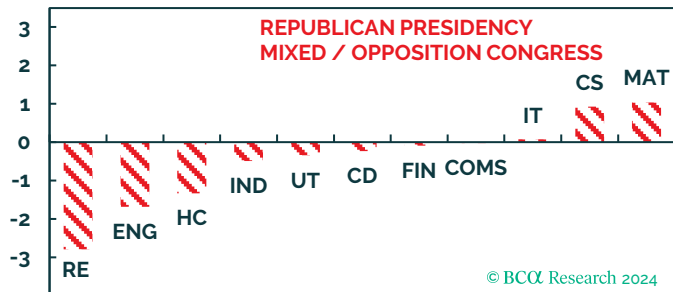
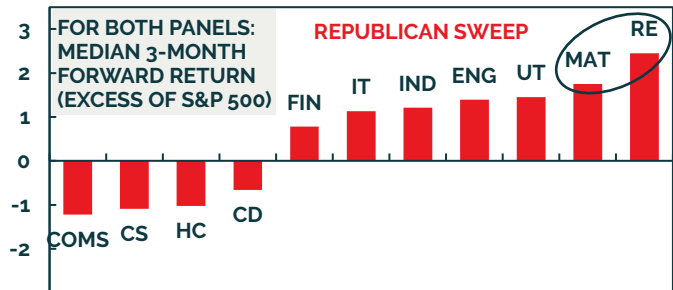
\*\* SOURCE: ICE BENCHMARK ADMINISTRATION LTD.



\* SOURCE: THOMSON REUTERS.

\*\* SOURCE: NYMEX.

# Historical Equity Response To US Election Scenarios Across Four Years



# US Political Capital Index

	FAVORABLE (%)	POLITICAL CAPITAL
Political/Constitutional Strength	40%	WEAK
Political Polarization	50%	MODERATE
Household Sentiment	33%	WEAK
Business Sentiment	17%	WEAK
Government Sector	33%	WEAK
Economic Conditions	22%	WEAK
Asset Market	33%	WEAK

# Open Trades & Positions

## CYCLICAL TRADE RECOMMENDATIONS (6-18 MONTHS)

ASSET	INITIATION DATE	RETURN
LONG ISE CYBER-SECURITY INDEX	Dec 8, 2021	-6.8%
LONG AEROSPACE AND DEFENSE VS. S&P 500	Mar 30, 2022	2.1%
LONG BIOTECH VS. S&P 500	Jul 8, 2022	-9.1%
LONG US 10-YEAR TREASURY	Sep 28, 2022	7.3%
LONG HEALTHCARE VS. S&P 500	May 1, 2023	-12.0%
LONG ENERGY VS. CYCLICALS (EX-TECH)	Jun 21, 2023	-3.7%
LONG LONG-DATED TREASURIES VS. HIGH YIELD CORPORATE BONDS	Oct 16, 2023	2.4%

NOTE: RETURN AS OF MARKET CLOSING VALUE ON SEPTEMBER 3, 2024 (UPDATED ON SEPTEMBER 4, 2024).

## TACTICAL TRADE RECOMMENDATIONS (0-6 MONTHS)

ASSET	INITIATION DATE	RETURN
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NOTE: RETURN AS OF MARKET CLOSING VALUE ON SEPTEMBER 3, 2024 (UPDATED ON SEPTEMBER 4, 2024).

The background is a solid dark teal color. In the top-left and bottom-right corners, there are decorative elements consisting of a series of small, light-colored dots arranged in a curved, diagonal pattern, resembling a stylized 'X' or a corner bracket.

**Thank You**



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