

Sevens Report Alpha Webinar: **Politics and Markets**

Thursday, July 9th, 2020

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Are markets ignoring Biden's historic lead?

RealClear Politics ▼ Polls Election 2020 Video Write

BREAKING:
DEMOCRAT JON OSSOFF TAKES THE LEAD IN GEORGIA SENATE RACE

DONATE TO WIN

PAID FOR BY JON OSSOFF FOR US

Polls

Battleground States ▼ Top Senate Races ▼ Find Any Poll Try 'State,' or 'Candidate' Quick Poll/Map Links ▼

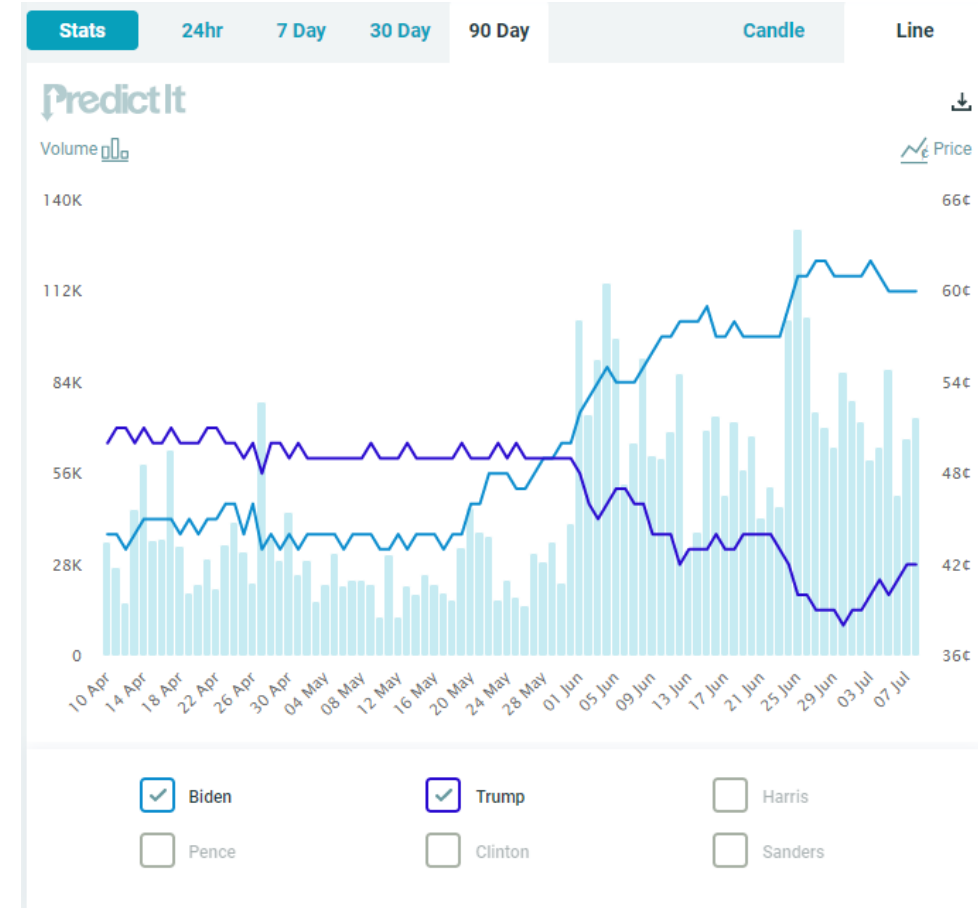
National General Election Polls




General Election: Trump vs. Biden						
Poll	Date	Sample	MoE	Biden (D)	Trump (R)	Spread
RCP Average	6/22 - 7/7	--	--	49.6	40.9	Biden +8.7
Economist/YouGov	7/5 - 7/7	1165 RV	3.6	49	40	Biden +9
The Hill/HarrisX	7/3 - 7/4	933 RV	3.2	43	39	Biden +4
IBD/TIPP	6/27 - 6/30	1005 RV	3.1	48	40	Biden +8
Monmouth	6/26 - 6/30	733 RV	3.6	53	41	Biden +12
CNBC/Change Research (D)	6/26 - 6/28	1663 LV	1.6	49	41	Biden +8
USA Today/Suffolk	6/25 - 6/29	1000 RV	3.1	53	41	Biden +12
NPR/PBS/Marist	6/22 - 6/24	1515 RV	3.5	52	44	Biden +8

All General Election: Trump vs. Biden Polling Data

General Election: Trump vs. Sanders						
Poll	Date	Sample	MoE	Sanders (D)	Trump (R)	Spread
RCP Average	3/5 - 4/7	--	--	48.3	44.1	Sanders +4.2
Economist/YouGov	4/5 - 4/7	1147 RV	3.3	48	42	Sanders +6
IBD/TIPP	3/29 - 4/1	980 RV	3.2	43	42	Sanders +1
Grinnell/Seizer	3/27 - 3/30	777 LV	3.5	43	44	Trump +1
Harvard-Harris	3/24 - 3/26	2410 RV	2.0	53	47	Sanders +6
Emerson	3/18 - 3/19	1100 RV	2.9	53	47	Sanders +6
NBC News/Wall St. Jnl	3/11 - 3/13	900 RV	3.3	49	45	Sanders +4
Quinnipiac	3/5 - 3/8	1261 RV	2.8	49	42	Sanders +7

All General Election: Trump vs. Sanders Polling Data



Florida: Trump vs. Biden

2016: Trump +1.2 | 2012: Obama +0.9 | 2008: Obama +2.8

[National](#) |
 [Wisconsin](#) |
 [Florida](#) |
 [Michigan](#) |
 [Pennsylvania](#) |
 [North Carolina](#) |
 [Arizona](#) |
 [Minnesota](#)

Polling Data							
Poll	Date	Sample	MoE	Biden (D)	Trump (R)	Spread	
RCP Average	5/8 - 6/18	--	--	49.8	43.6	Biden +6.2	
NY Times/Siena	6/8 - 6/18	651 RV	4.6	47	41	Biden +6	
CNBC/Change Research (D)	6/12 - 6/14	731 LV	--	50	43	Biden +7	
TIPP	6/9 - 6/12	875 LV	--	51	40	Biden +11	
St. Pete Polls	5/26 - 5/27	4763 RV	1.4	48	47	Biden +1	
Florida Atlantic University	5/8 - 5/12	928 RV	3.1	53	47	Biden +6	

All Florida: Trump vs. Biden Polling Data

Key 2020 Races: [Senate](#) | [MI-3](#) | [MI-6](#) | [MI-8](#) | [MI-11](#) President: 2016: Trump +0.3 | 2012: Obama +9.5

Polling Data						
Poll	Date	Sample	MoE	Biden (D)	Trump (R)	Spread
RCP Average	5/31 - 6/18	--	--	49.2	40.6	Biden +8.6
Trafalgar Group (R)	6/16 - 6/18	1101 LV	3.0	46	45	Biden +1
CNBC/Change Research (D)	6/12 - 6/14	353 LV	--	47	45	Biden +2
NY Times/Siena	6/8 - 6/17	610 RV	4.3	47	36	Biden +11
TIPP	6/9 - 6/12	859 LV	--	51	38	Biden +13
EPIC-MRA	5/31 - 6/4	600 LV	4.0	55	39	Biden +16
All Michigan: Trump vs. Biden Polling Data						

Ohio: Trump vs. Biden						
Poll	Date	Sample	MoE	Biden (D)	Trump (R)	Spread
RCP Average	5/8 - 6/22	--	--	44.7	44.7	Tie
Quinnipiac	6/18 - 6/22	1139 RV	2.9	46	45	Biden +1
FOX News	5/30 - 6/2	803 RV	3.5	45	43	Biden +2
Emerson	5/8 - 5/10	725 RV	3.5	43	46	Trump +3
All Ohio: Trump vs. Biden Polling Data						

Polling Data						
Poll	Date	Sample	MoE	Biden (D)	Trump (R)	Spread
RCP Average	4/21 - 6/16	--	--	49.3	43.0	Biden +6.3
CNBC/Change Research (D)	6/12 - 6/14	491 LV	--	49	46	Biden +3
NY Times/Siena	6/8 - 6/16	651 RV	4.2	50	40	Biden +10
Harper (R)	4/21 - 4/26	644 LV	3.9	49	43	Biden +6
All Pennsylvania: Trump vs. Biden Polling Data						

Polling Data						
Poll	Date	Sample	MoE	Biden (D)	Trump (R)	Spread
RCP Average	5/30 - 6/18	--	--	48.8	40.8	Biden +8.0
Marquette	6/14 - 6/18	805 RV	4.3	49	41	Biden +8
CNBC/Change Research (D)	6/12 - 6/14	231 LV	--	48	44	Biden +4
NY Times/Siena	6/8 - 6/15	655 RV	4.3	49	38	Biden +11
FOX News	5/30 - 6/2	801 RV	3.5	49	40	Biden +9
All Wisconsin: Trump vs. Biden Polling Data						

Are markets ignoring Biden's historic lead?

1980 United States presidential election [\[edit \]](#)

1980 ^[2]			
Month	Ronald Reagan (R) %	Jimmy Carter (D) %	John B. Anderson (I) %
December 1979/January 1980	33%	62%	
	31%	60%	
February/March	33%	58%	
	34%	40%	21%
April/May	34%	41%	18%
	32%	38%	21%
	32%	40%	21%
	32%	39%	21%
June/July	33%	35%	24%
	37%	32%	22%
	37%	34%	21%
August/September	45%	29%	14%
	38%	39%	13%
	39%	39%	14%
October/November	40%	44%	9%
	39%	45%	9%
	47%	44%	8%
Actual result	50.7%	41.0%	6.6%
Difference between actual result and final poll	+3.7%	-3.0%	-1.4%

1988 United States presidential election [\[edit \]](#)

1988 ^[2]		
Month	George H. W. Bush (R) %	Michael Dukakis (D) %
March	52%	40%
April	45%	43%
May	38%	54%
June	38%	52%
	41%	46%
July	41%	47%
	37%	54%
August	42%	49%
September	49%	41%
	47%	42%
October	50%	40%
November	56%	44%
Actual result	53.4%	45.6%
Difference between actual result and final poll	-2.6%	+1.6%

2000 United States presidential election [\[edit \]](#)

2000 ^[2]			
Month	George W. Bush (R) %	Al Gore (D) %	Ralph Nader (Green) %
April	47%	41%	4%
May			
June	46%	41%	6%
	50%	38%	6%
July	45%	43%	5%
	50%	39%	4%
	54%	37%	4%
August	55%	39%	2%
	46%	47%	3%
	46%	45%	3%
	44%	47%	3%
	46%	45%	2%
	42%	49%	3%
	41%	49%	4%
	42%	49%	2%
September	41%	49%	3%
	44%	48%	2%
	41%	51%	3%
	42%	50%	2%
	47%	44%	2%
	46%	44%	2%
	46%	44%	3%
	45%	45%	4%
	41%	49%	2%

2016 United States presidential election [\[edit \]](#)

2016				
Month	Donald Trump (R) %	Hillary Clinton (D) %	Gary Johnson (L) %	Jill Stein (G) %
June	35%	40%	%	3%
	37%	42%	%	5%
	37%	41%	%	4%
July	38%	41%	%	4%
	40%	39%	%	3%
	38%	42%	%	3%
August	36%	44%	%	4%
	38%	42%	%	3%
	38%	41%	%	3%
September	41%	42%	%	3%
	41%	44%	%	2%
	39%	44%	%	2%
October	39%	46%	%	2%
	40%	46%	%	2%
	43%	45%	%	2%
November	43%	45%	%	2%
	42%	46%	%	2%
Actual result	46.2%*	48.0%	3.3%	1.1%
Difference between actual result and final poll	+4.2%	+2.0%	-0.7%	-0.9%

Is a Biden Presidency negative for stocks?

Consensus Opinion Is “Yes”

- But, that’s not necessarily true.
- What *is* true is that a Biden Presidency is likely *less good* for stocks than a Trump re-election.
- Biden Policies:
 - Raise corporate taxes to 28%. Prior to 2017, corporate taxes were 35%. TC&JA cut the rate to 21%. Biden wants to split the difference.
 - This could reasonable take \$10 off S&P 500 earnings.

• Biden Policies (cont’d):

- Raise national minimum wage to \$15/hour from the current \$7.25.
 - This is negative for corporate margins, especially small business. But, it would be partially offset in uptick in demand.
- Ease tariffs? (Could be economic boost).

What is a “Blue Wave” and why it matters

- Regardless of who wins the Presidency, and significant legislative changes will only occur if both Congress and the Presidency are Democratic (a Republican House is not thought possible).
- A “Blue Wave” is where the Democrats also win the Senate.
- Republicans currently hold 53-47 edge.
- Republicans defending 23 seats.
- Democrats only 12 seats.
- Currently the consensus views five seats as toss ups:
 - Maine
 - North Carolina
 - Colorado
 - Arizona
 - Montana
- Democrats need to win four of five and hold Michigan, New Mexico and New Hampshire.

Sector winners and losers for either outcome (a Trump re-election or a Biden Presidency)

- President Biden

- Winners

- ESG & Renewable Energy (ESGV)
 - U.S./China Tariff De-Escalation
 - Retailers (RTH)
 - Consumer Discretionary (XLY)
 - Industrials (XLI)
 - Infrastructure (IGF/XLI)
 - Hospitals/Medical Tech
 - IHF (Healthcare Providers ETF)
 - IHI (Medical Device ETF)

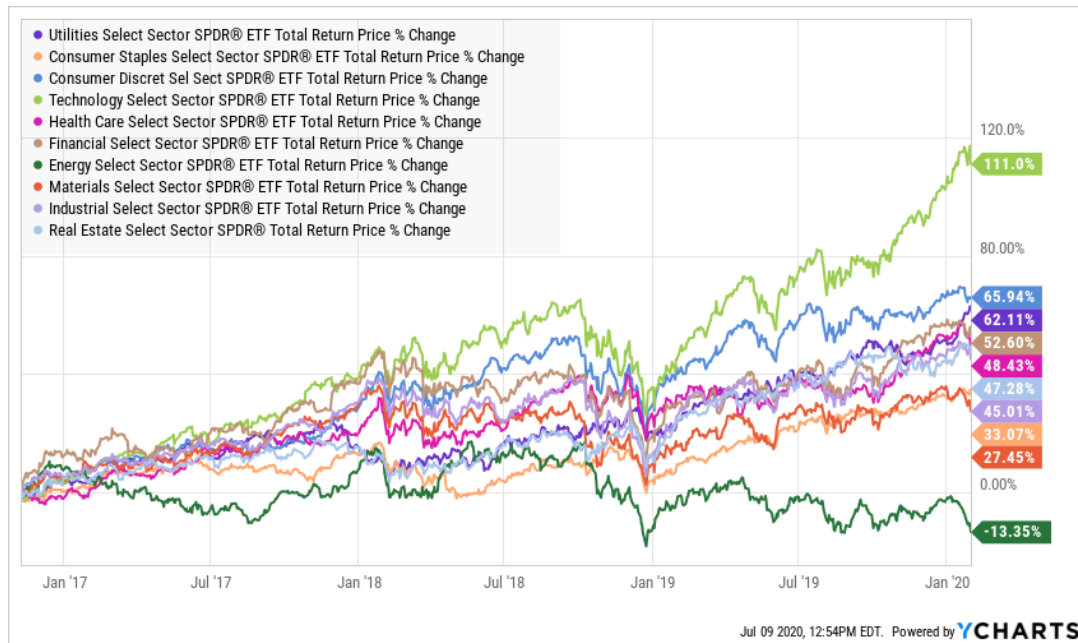
- President Biden

- Losers

- Private Prisons/Gun Manufacturers (GEO/SWBI)
 - Oil and Gas
 - (XLE/XOP)
 - Hotels/Grocers/Retailers (Minimum Wage Hike)
 - MAR/WYNN/STWD
 - JWN/TGT/M/WMT
 - Pharma (Drug Prices)
 - PJP

Sector winners and losers for either outcome (a Trump re-election or a Biden Presidency)

What Has Happened



Trump Sub-Sector Winners

- Infrastructure (IGF/XLI)
- Defense (ITA)