



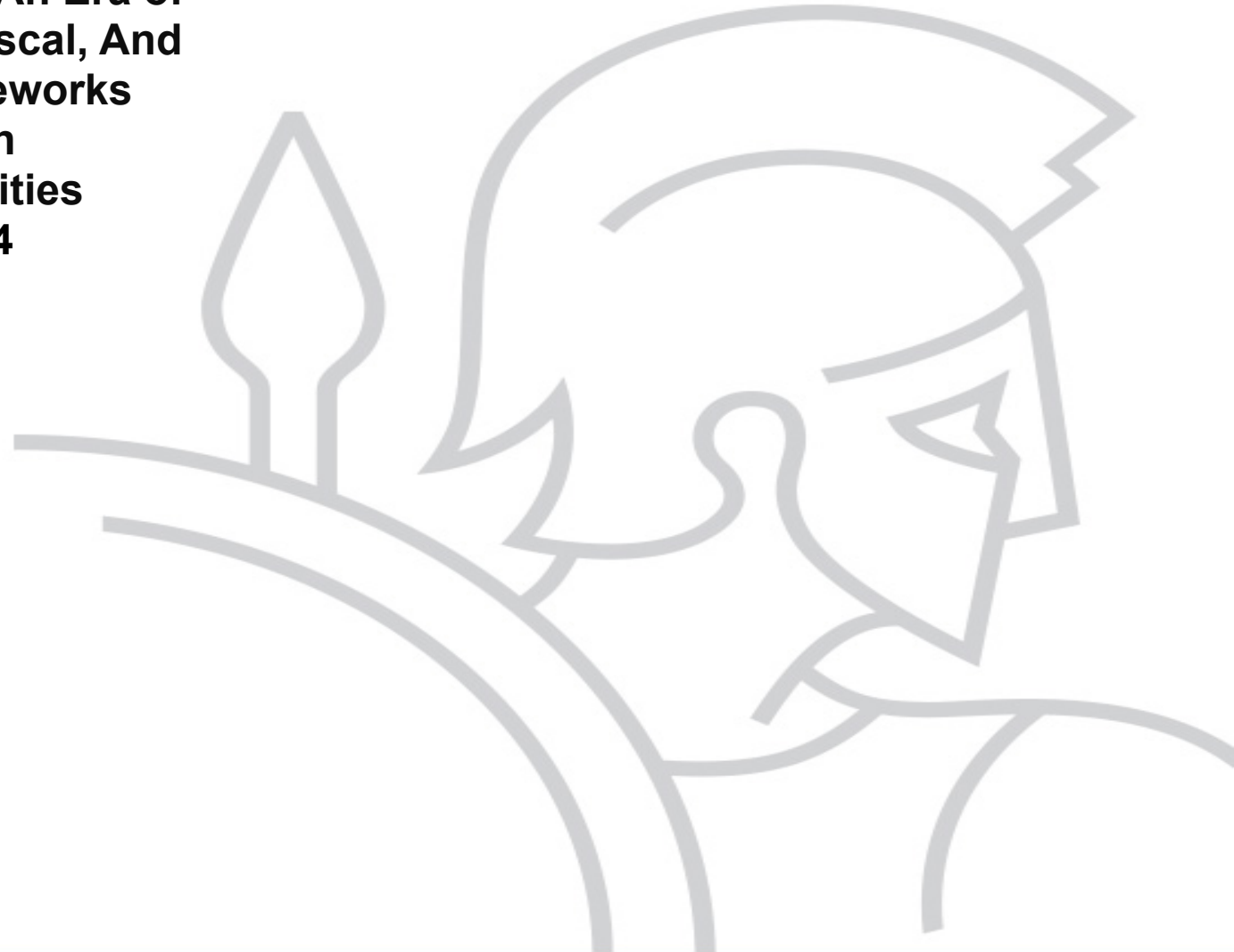
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**The 2024 Election In An Era of
Shifting Monetary, Fiscal, And
Geopolitical Frameworks**

**Daniel Clifton
Strategas Securities
January 2024**

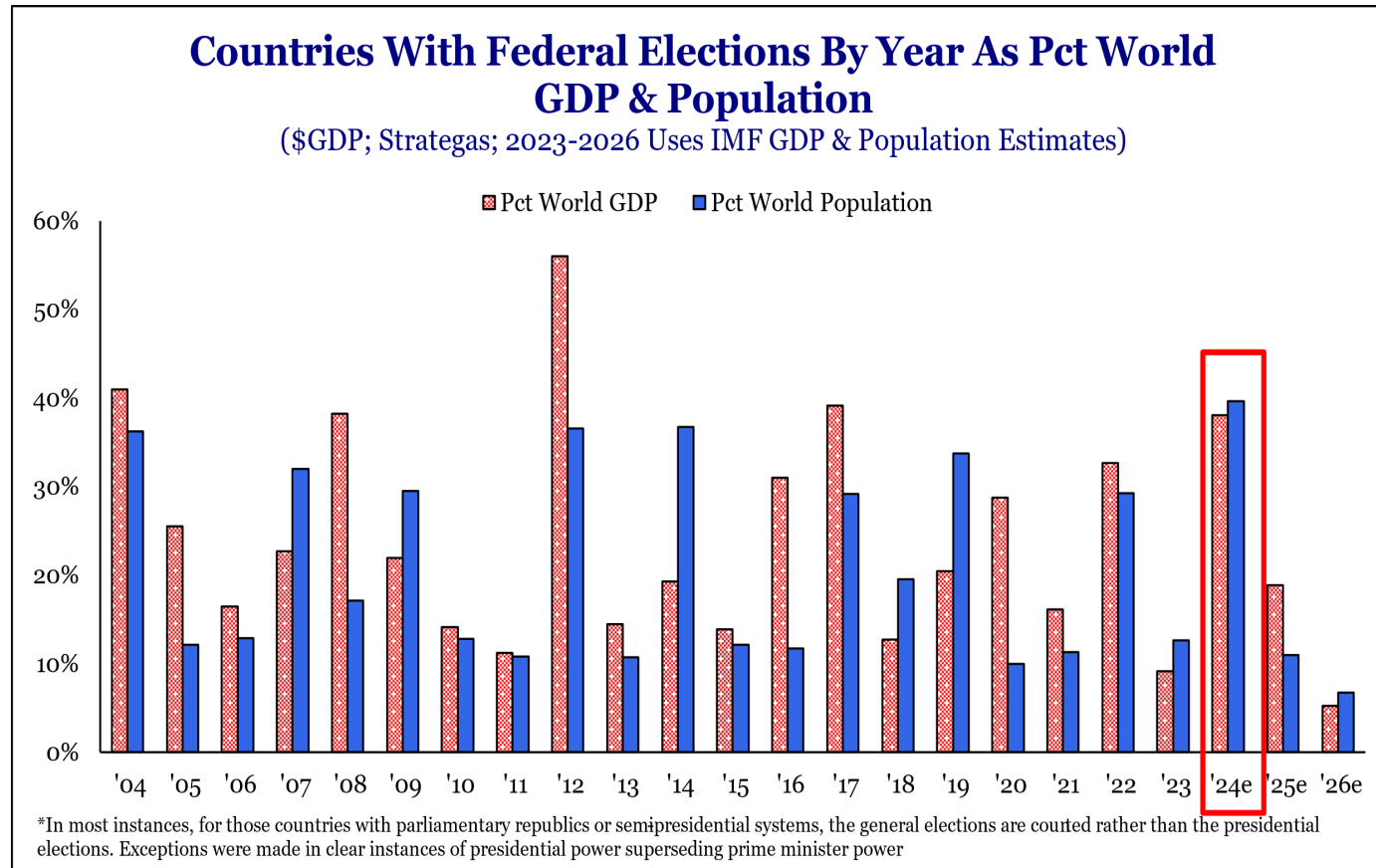
Macro Research

Investment Strategy
Economics
Policy Research
Quantitative Research
Technical Research
Fixed Income Research
Industry Surveys
Bespoke Research
Conferences
Sales & Trading





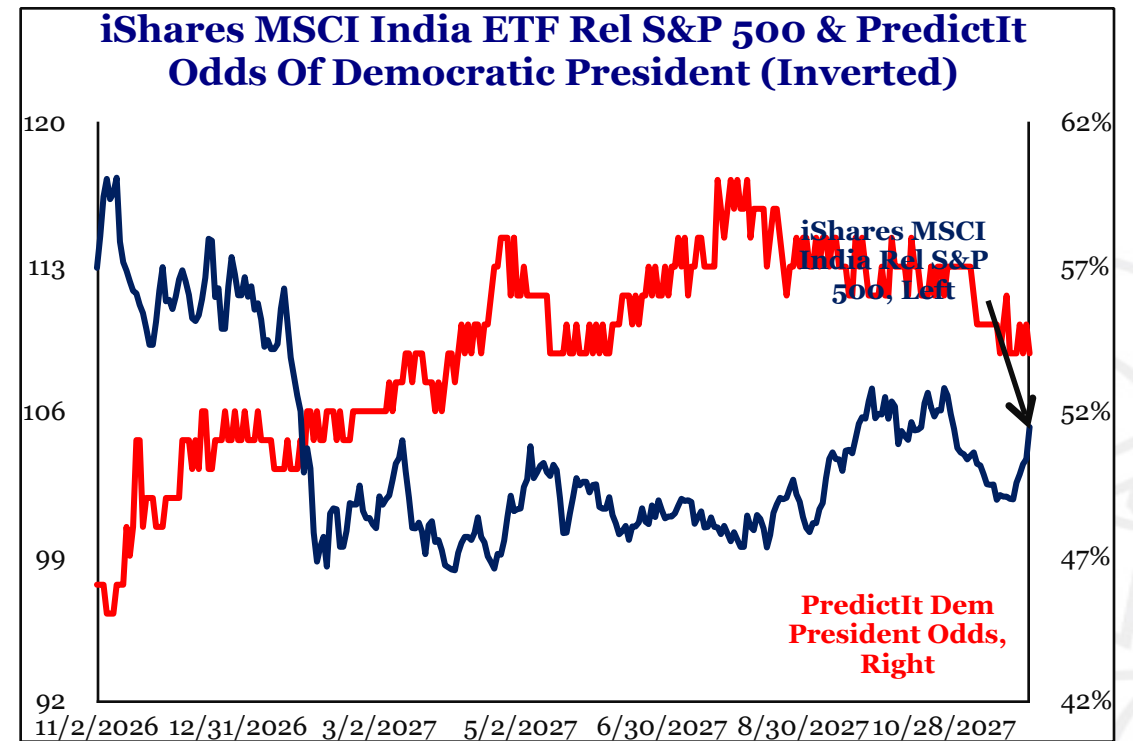
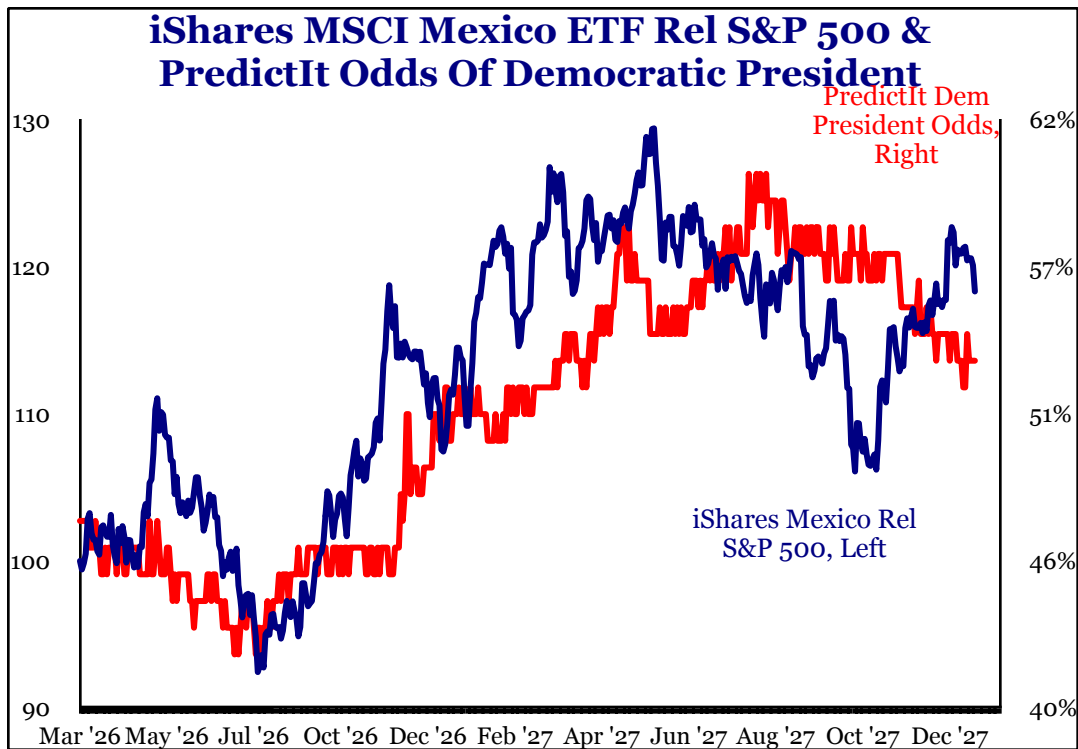
“The Largest Election Year In World History”





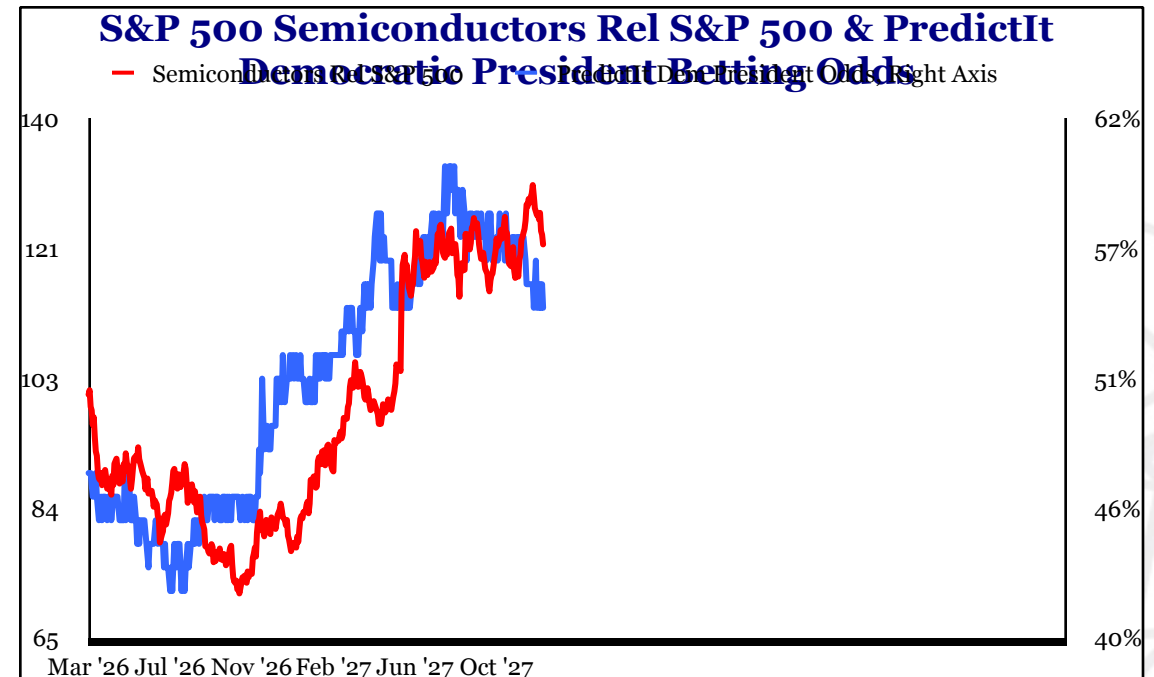
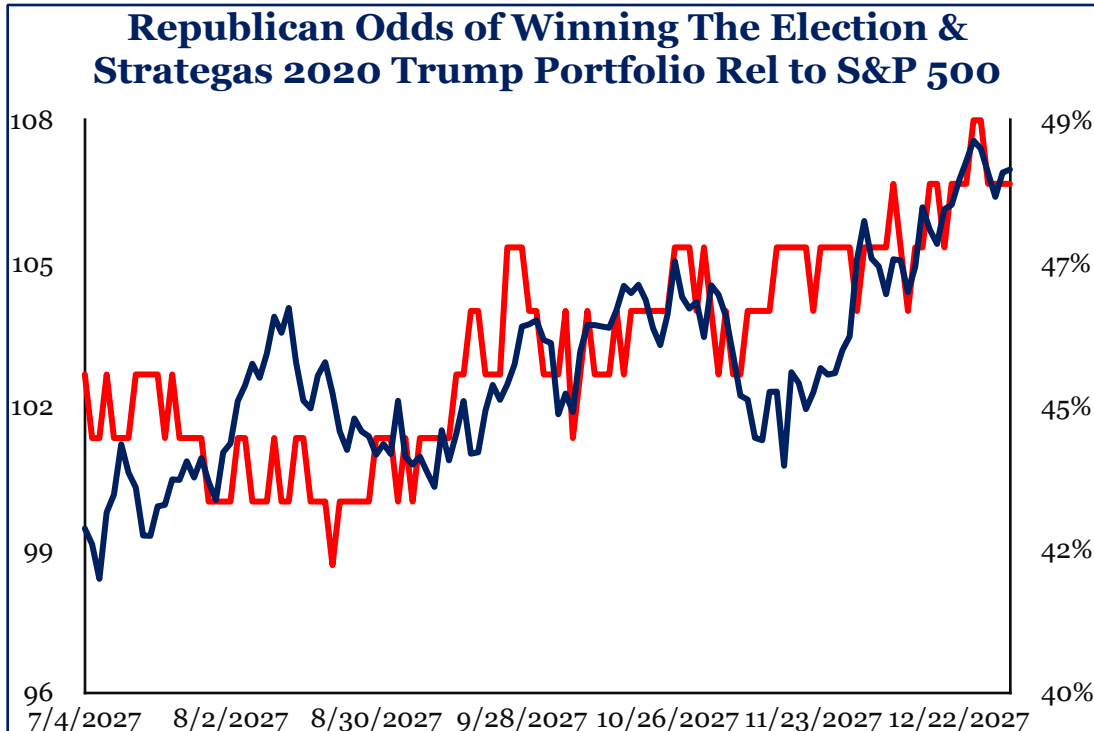
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The US Election Will Have Global Implications





Investors Have Already Started To Price In The 2024 Election





Recessions Have Been A Determining Factor For Presidential Re-Elections

No Recession Two Years Before Re-Election

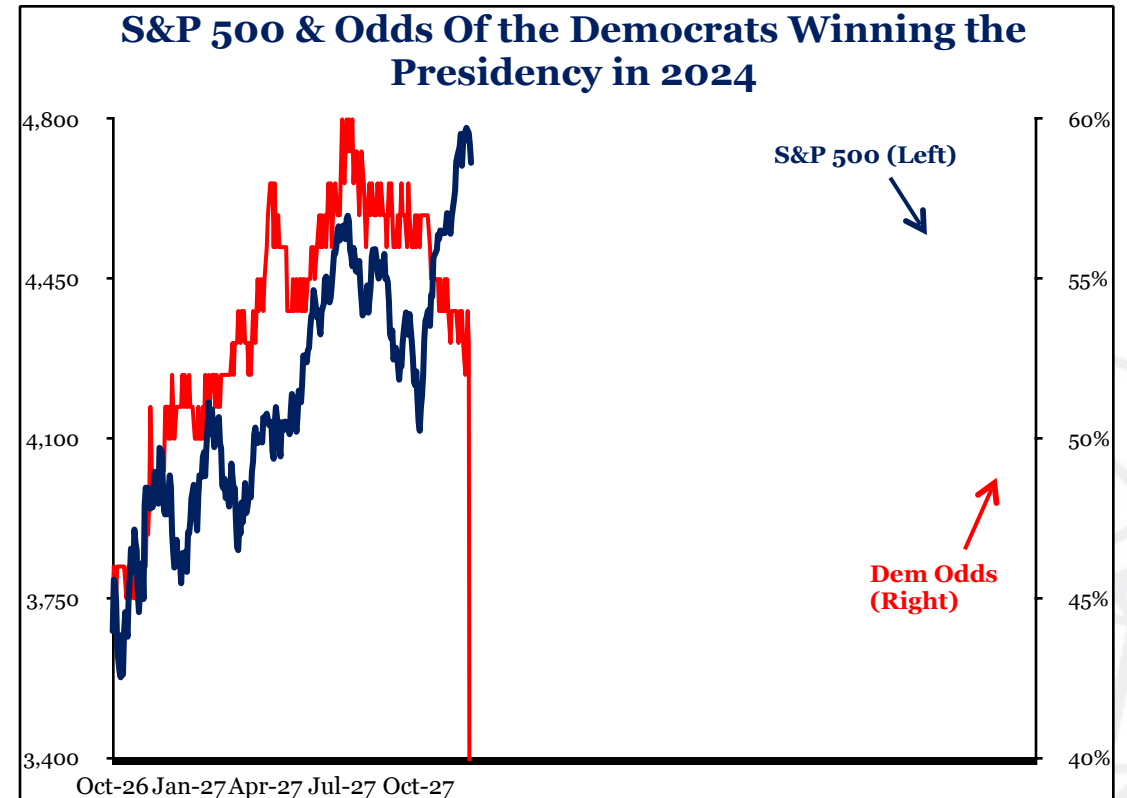
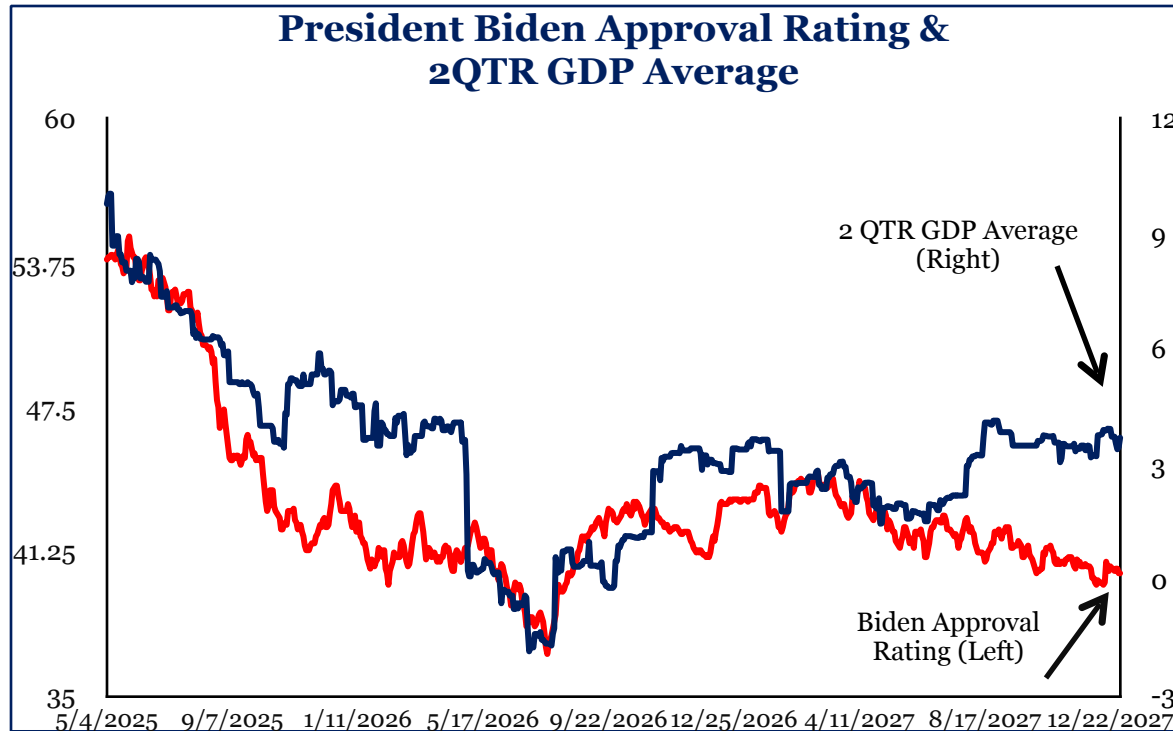
President	Recession?	Re-Elected?
Obama	No	Yes
Bush II	No	Yes
Clinton	No	Yes
Reagan	No	Yes
Nixon	No	Yes
LBJ	No	Yes
Eisenhower	No	Yes
Truman	No	Yes
FDR	No	Yes
FDR	No	Yes
FDR	No	Yes

Recession Two Years Before Re-Election

President	Recession?	Re-Elected?
Trump	Yes	No
Bush I	Yes	No
Carter	Yes	No
Ford	Yes	No
Hoover	Yes	No
Taft	Yes	No

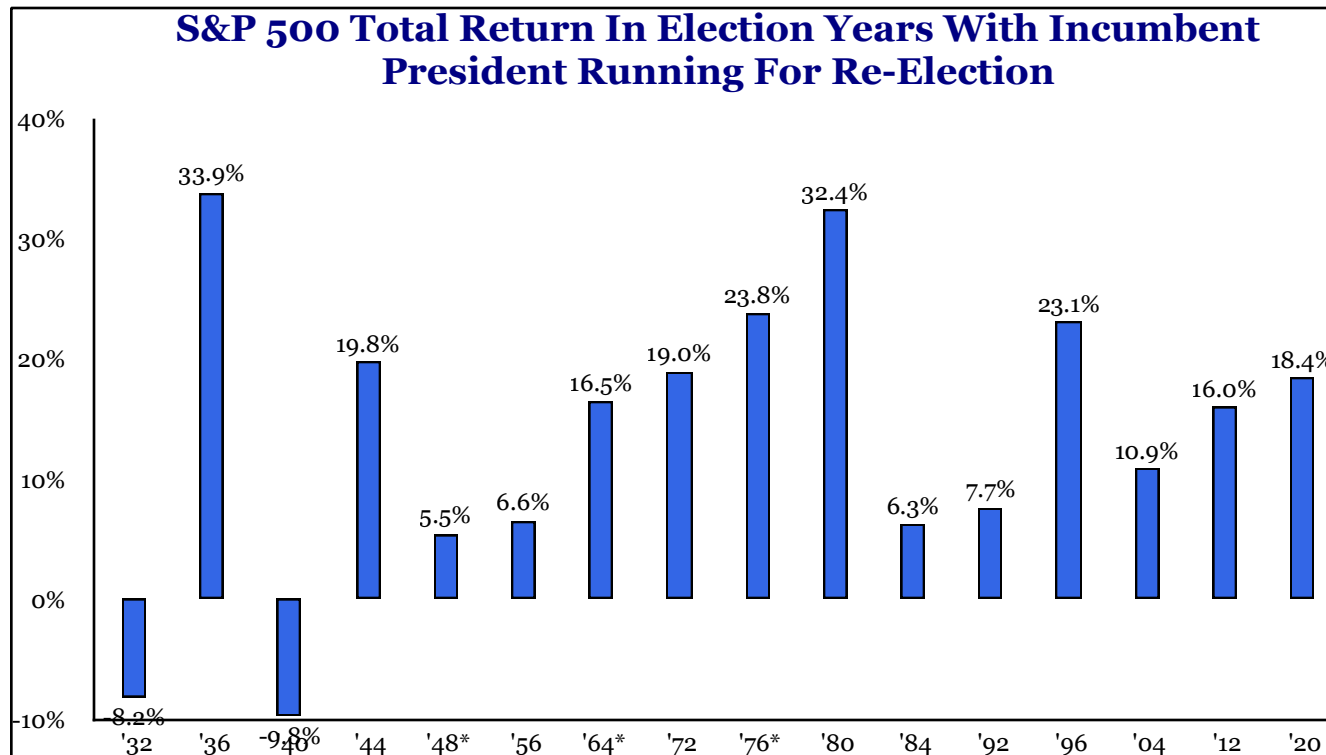


Biden Is Not Getting Credit For Resilient Economic Growth In The US





The S&P 500 Has Increased In 13 Straight Presidential Re-Election Years

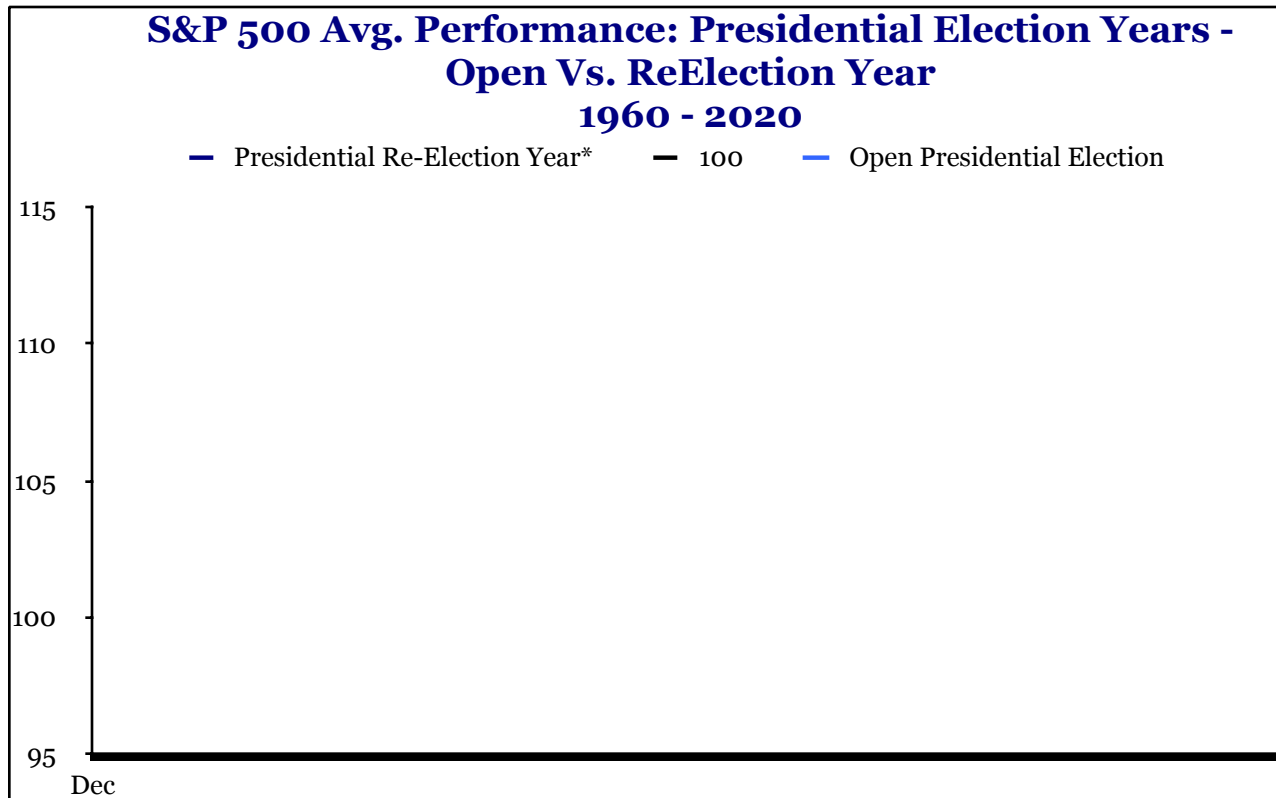


Presidents like to prime the economy into the election year to minimize any economic fallout. Stocks have historically responded favorably. The last time the S&P 500 has fallen in a presidential re-election year was 1940.

*In 1948 Truman assumed office after FDR's death and sought another term; 1964 Johnson assumed office after JFK death and sought another term; 1976 Ford assumed office after Nixon resignation and sought another term



Stocks Outperform 13% In Re-Election Years



1300 Basis Point Difference Between Re-Election & Open Presidential Election Years

**1964 & 1976 are treated as open elections*



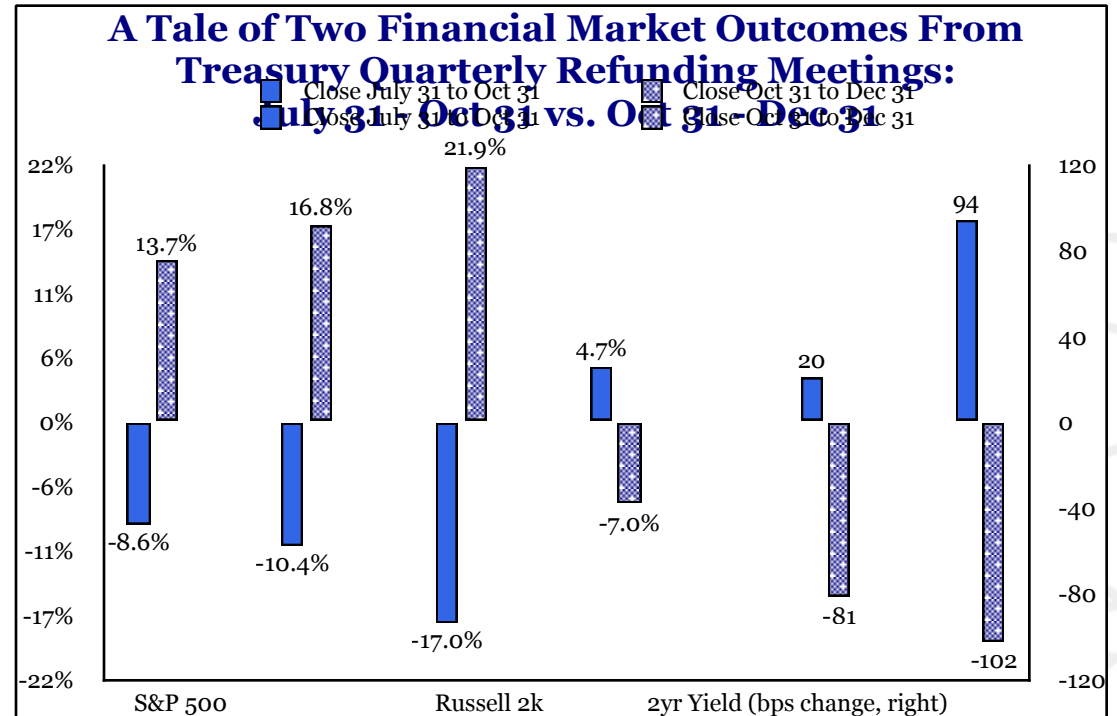
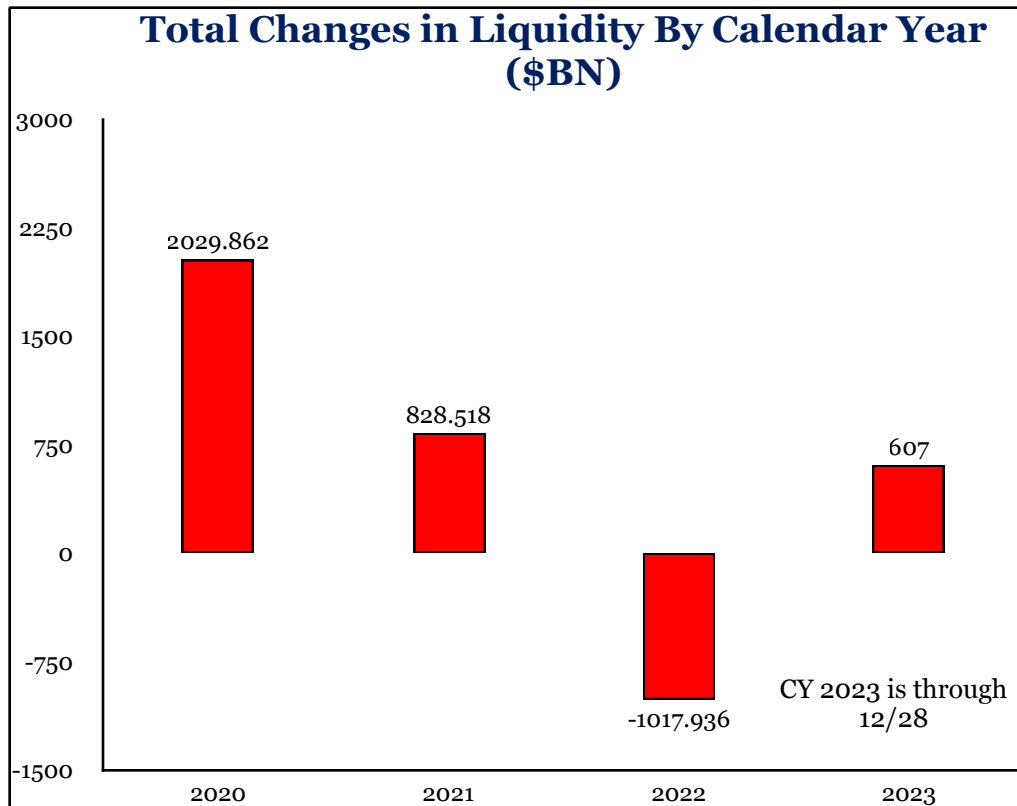
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President Biden Is Employing Several Tools To Cushion The US Economy

- ✓ **More Borrowing On The Short End Of The Treasury Curve To Pump Liquidity Into US Financial Markets**
- ✓ **Expectations For Multiple Interest Rate Cuts From The Fed, QT Slowing In 2024**
- ✓ **US-China Ceasefire To Minimize Geopolitical Disruption**
- ✓ **Oil Production At Record Highs To Keep Gasoline Prices Low**
- ✓ **Fiscal Spending For Infrastructure Related Items Hits In 2024**
- ✓ **Student Loan Cut Scheduled For July 1, 2024, Income Driven Repayment Programs**



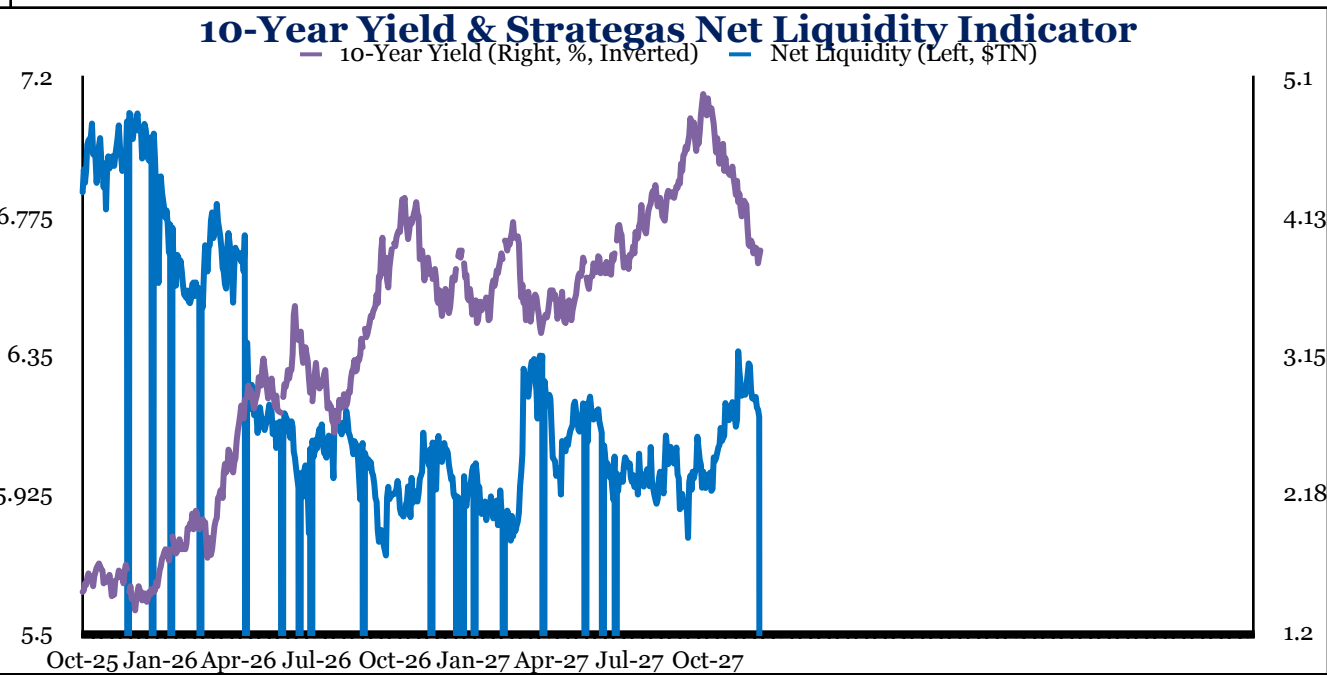
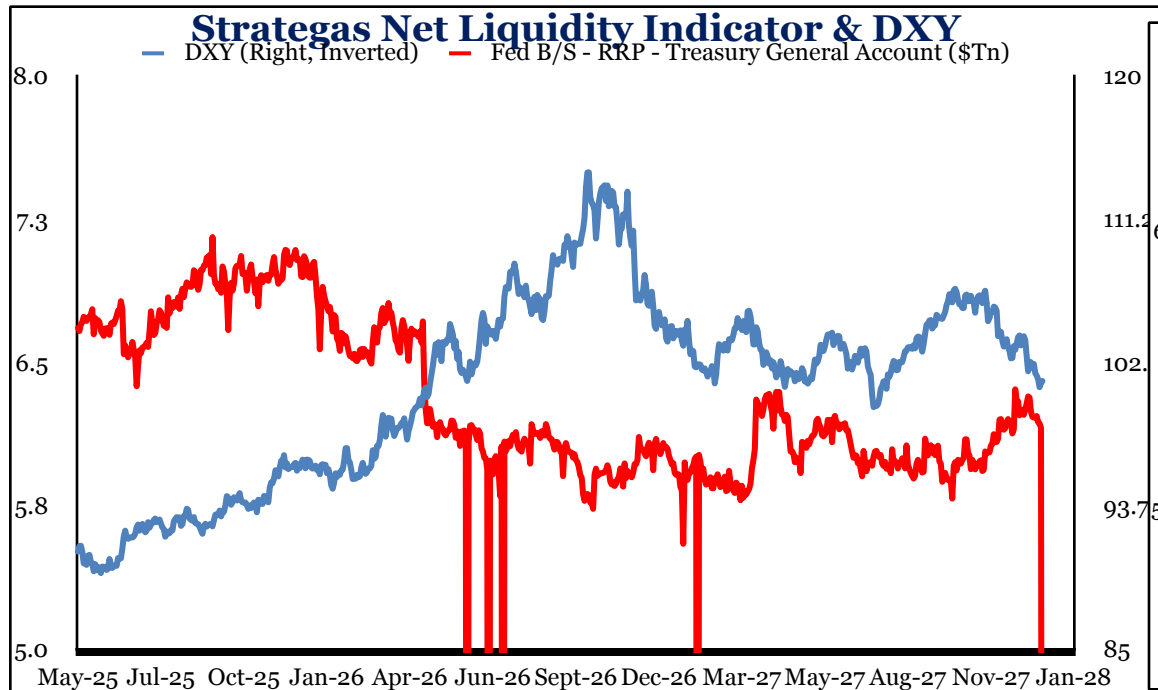
Yellen's Stealth QE Is Offsetting Powell's QT





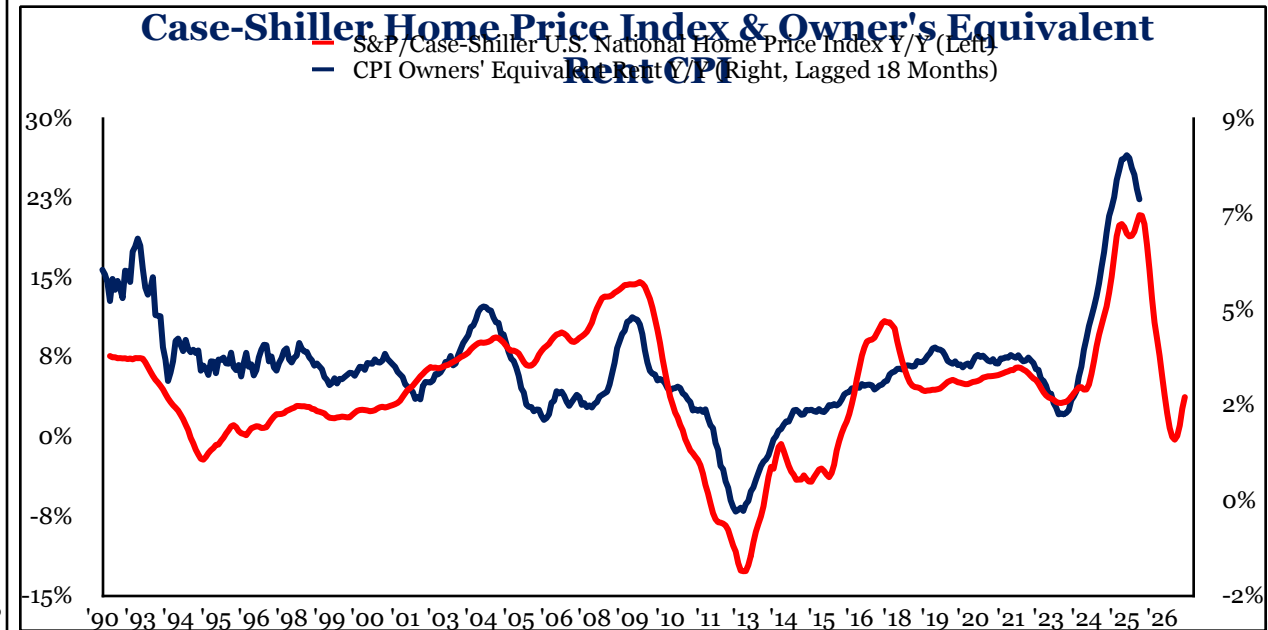
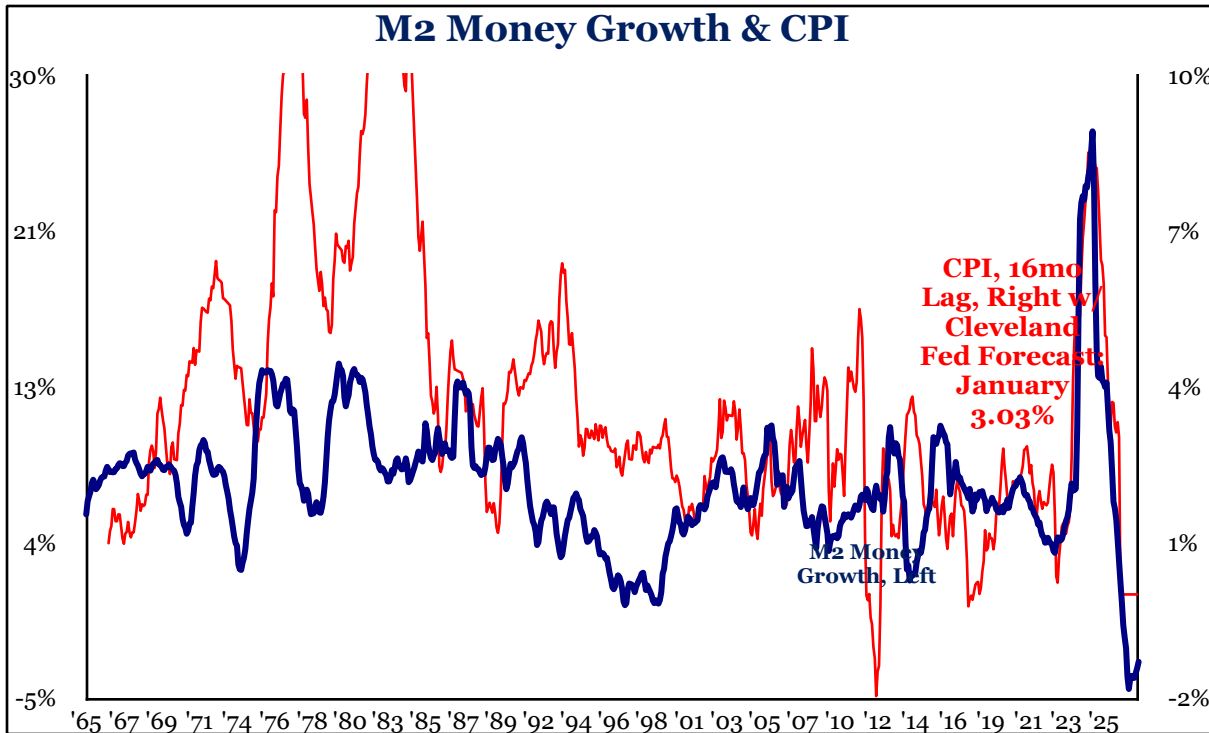
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The US Dollar & Bond Yields Have Been Very Sensitive To Liquidity



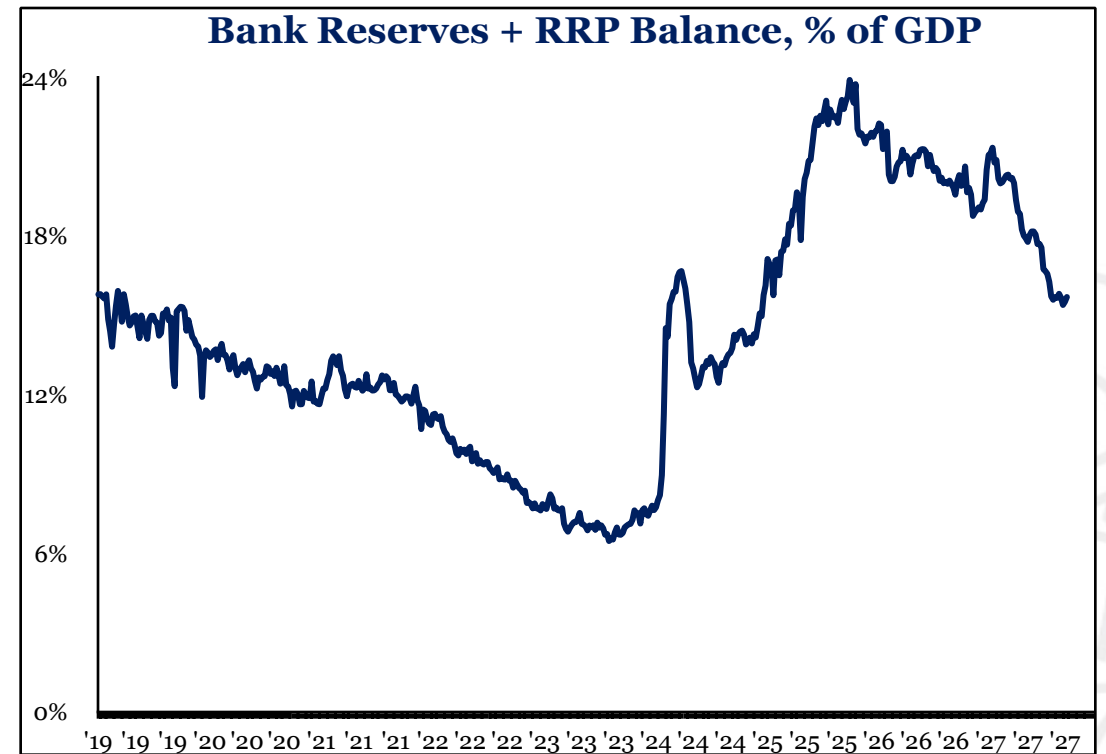
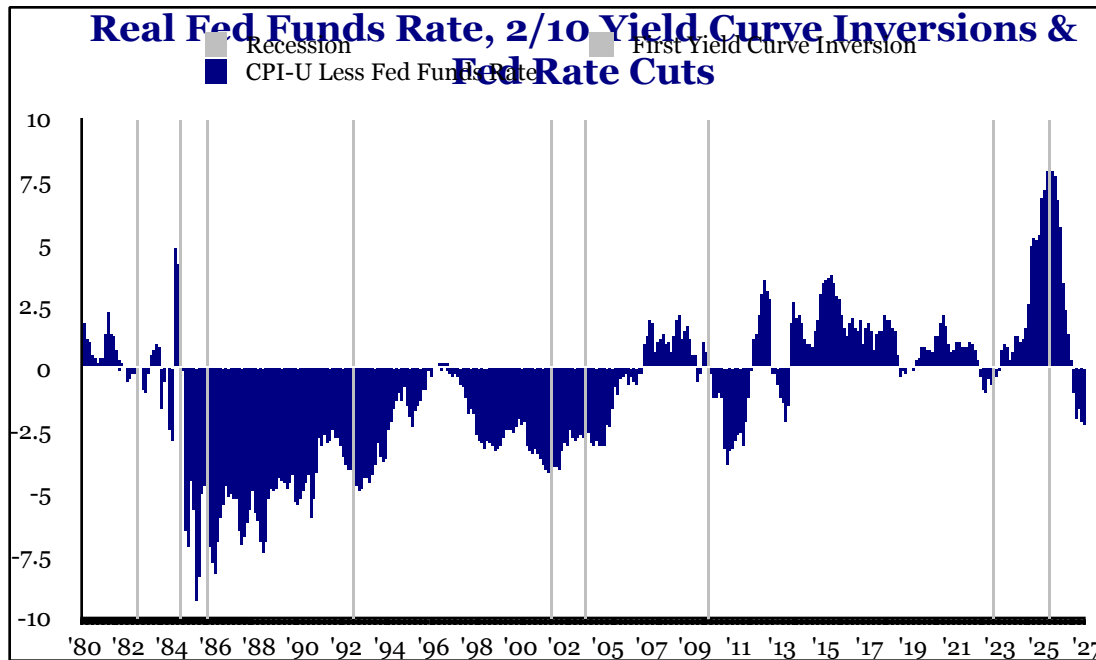


Fed Sees Inflation Coming Down In 2024



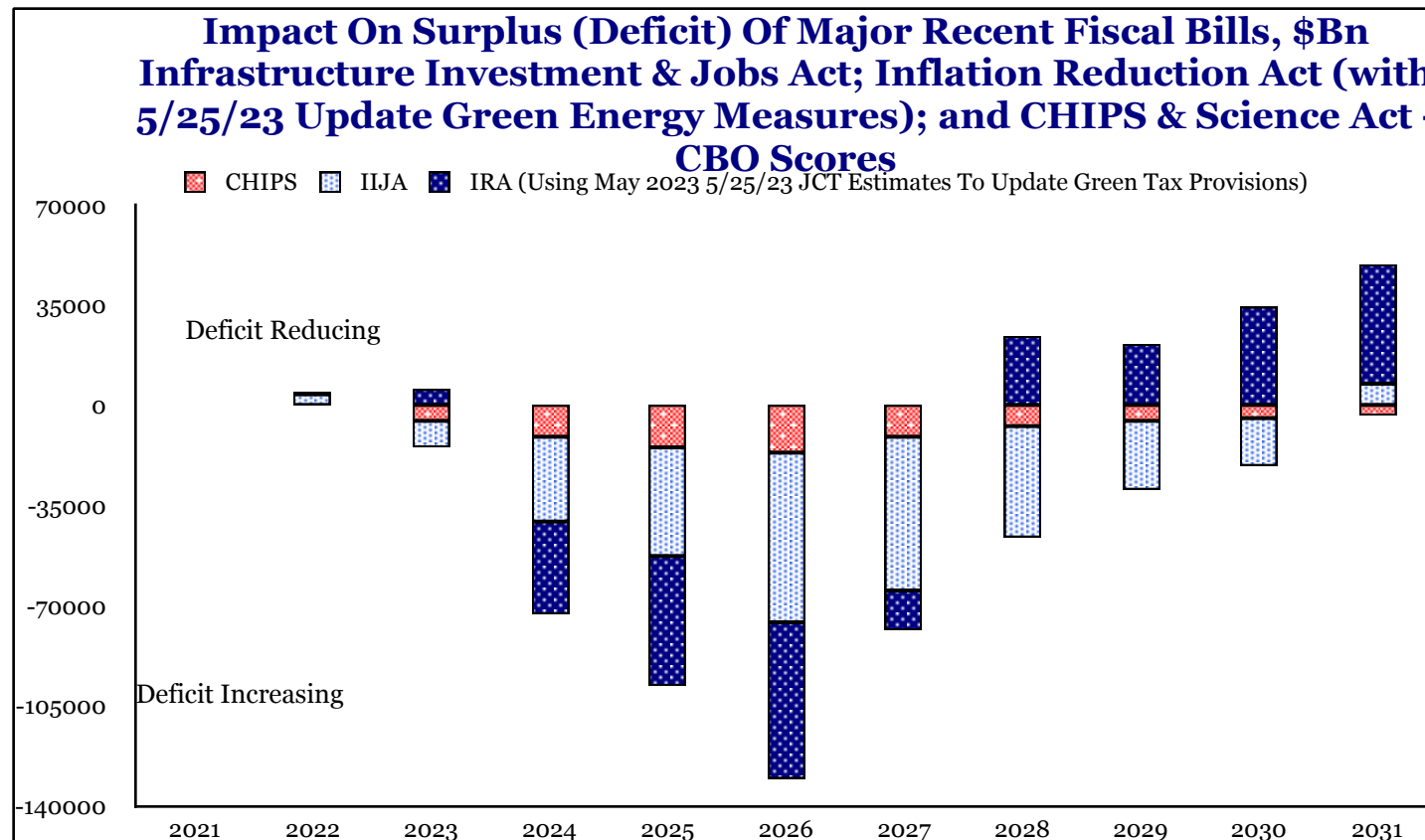


The Fed Will Likely Take The Liquidity Baton From Treasury In 2024



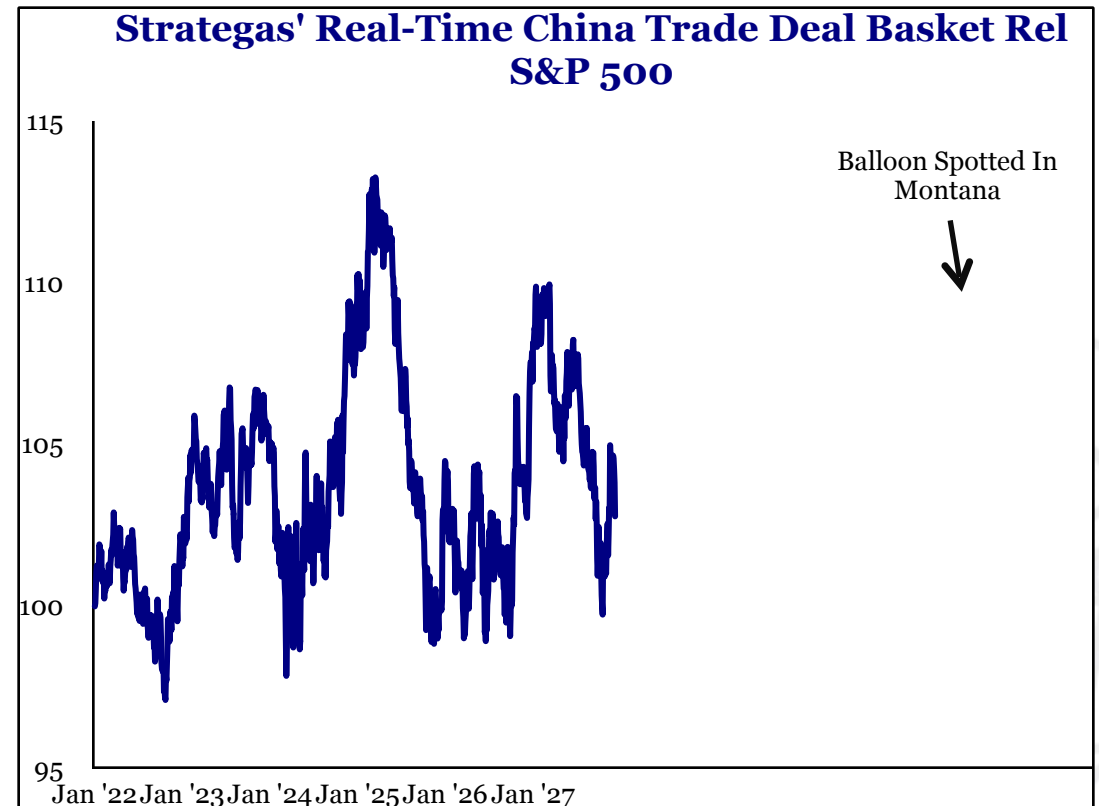
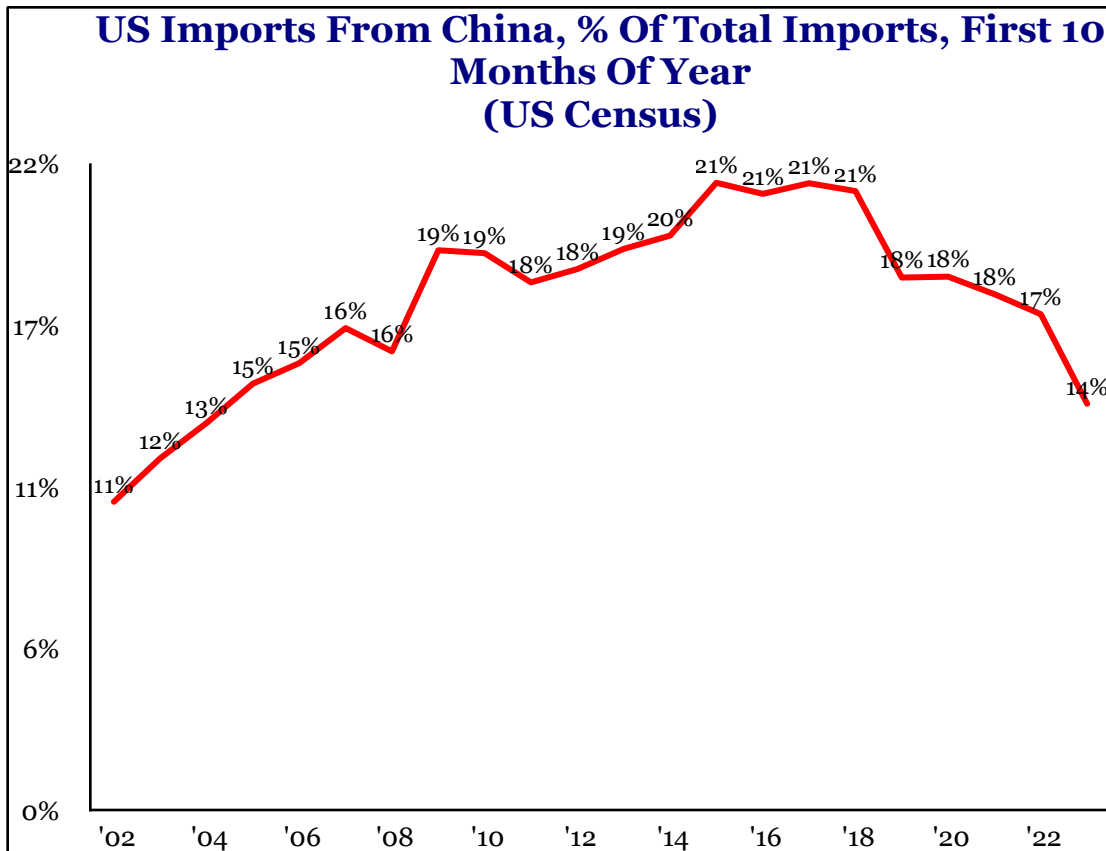


Trifecta of Infrastructure Money Set To Hit In CY 2024





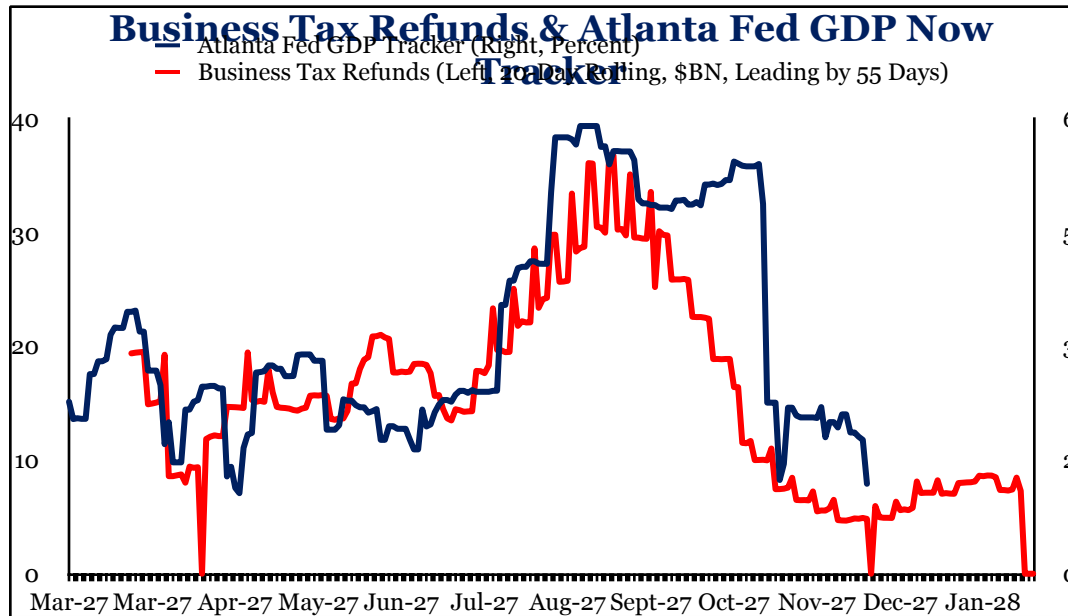
China Ceasefire Will Struggle To Hold This Election Cycle



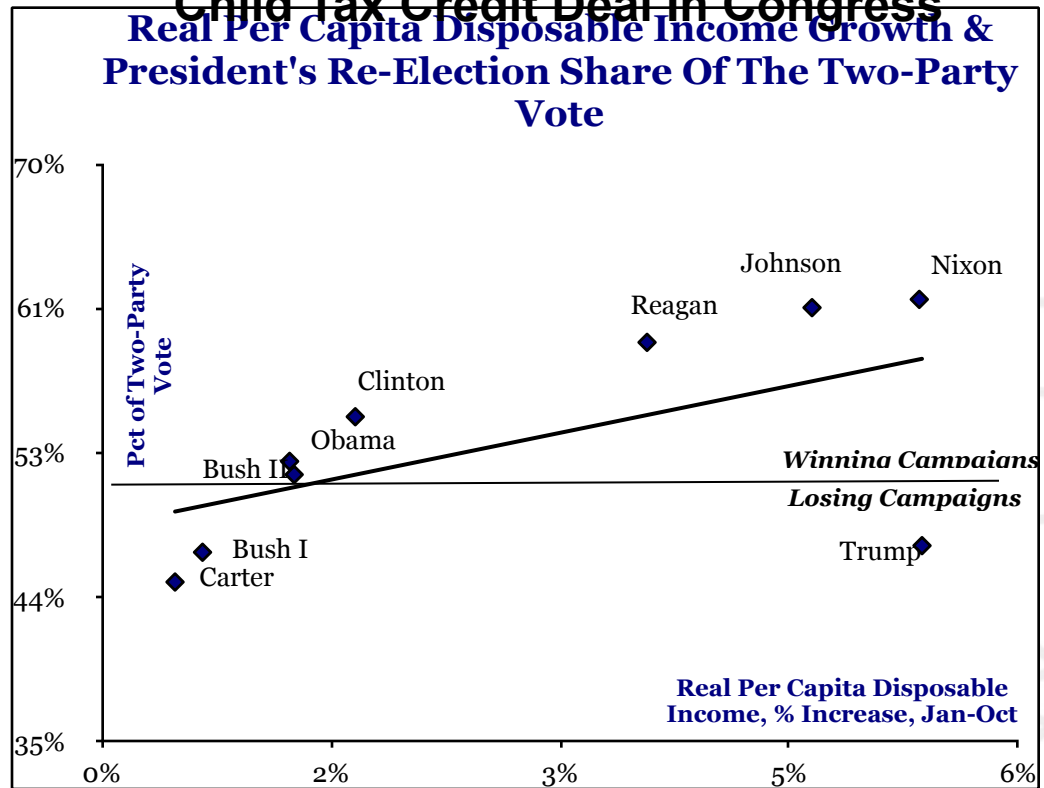


President Biden Also Has Other Tax Options For 2024

Re-Starting of Business Tax Refunds

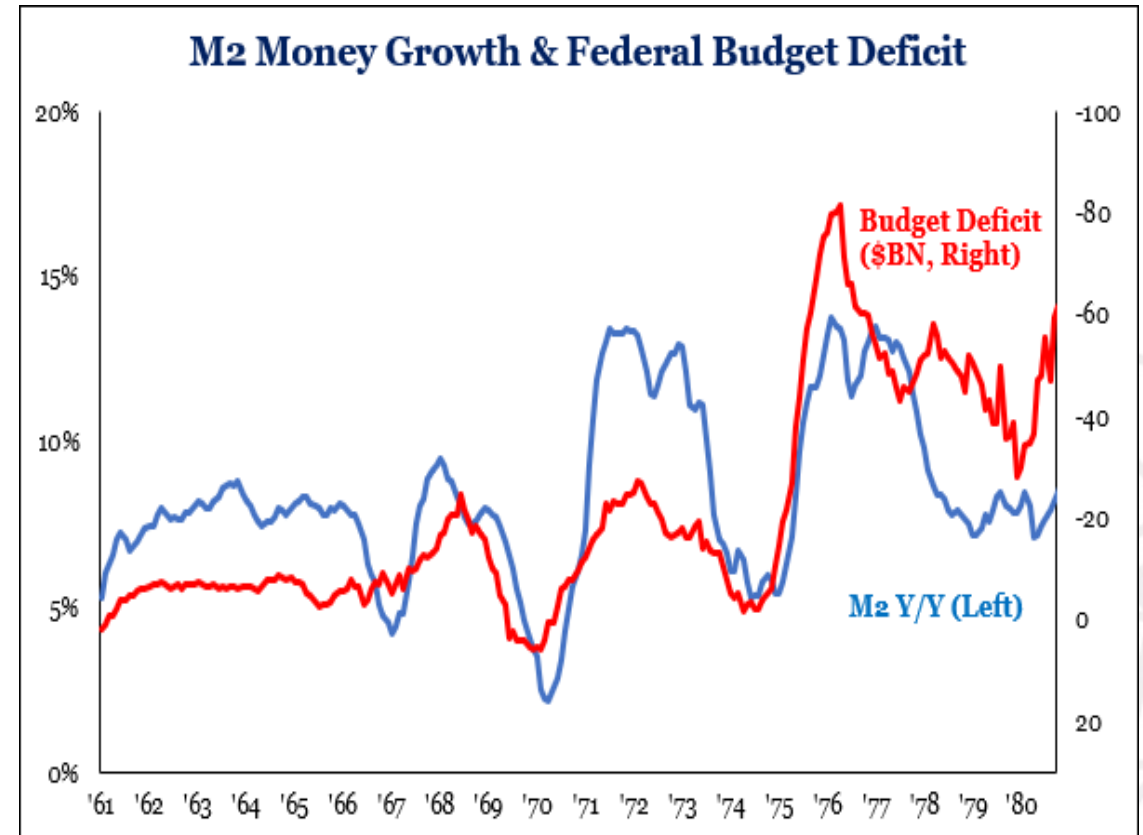
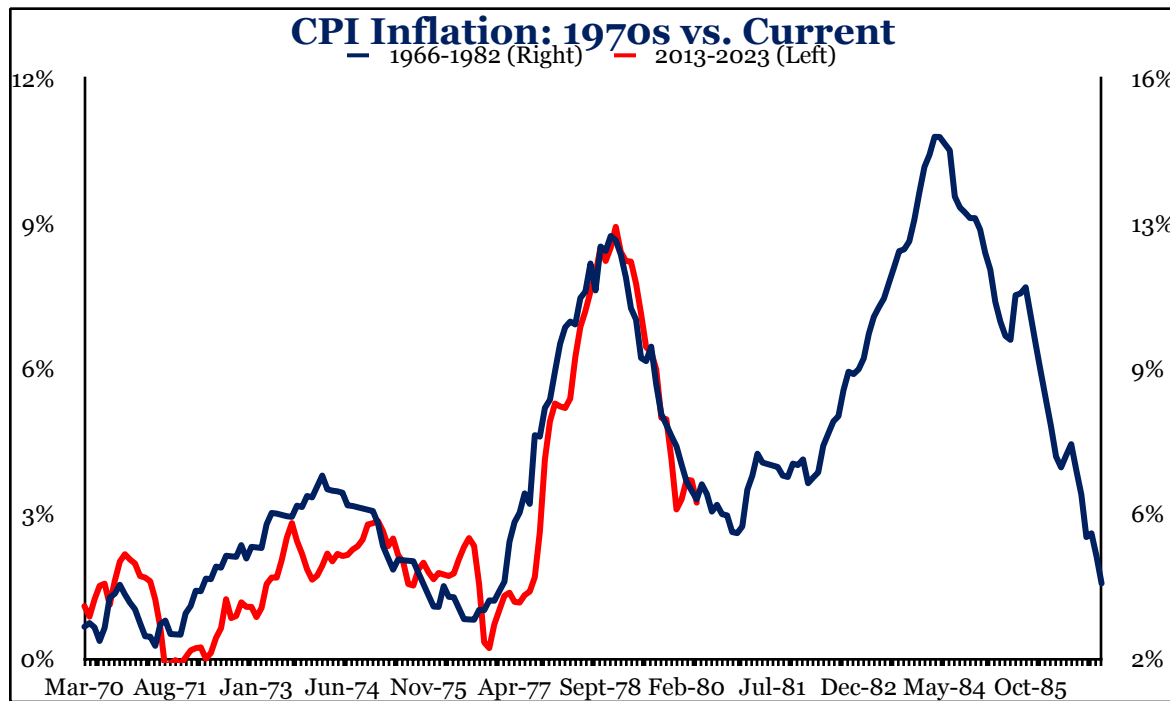


Child Tax Credit Deal In Congress





Policymakers Need To Be Careful Not To Restart Inflation In 2025

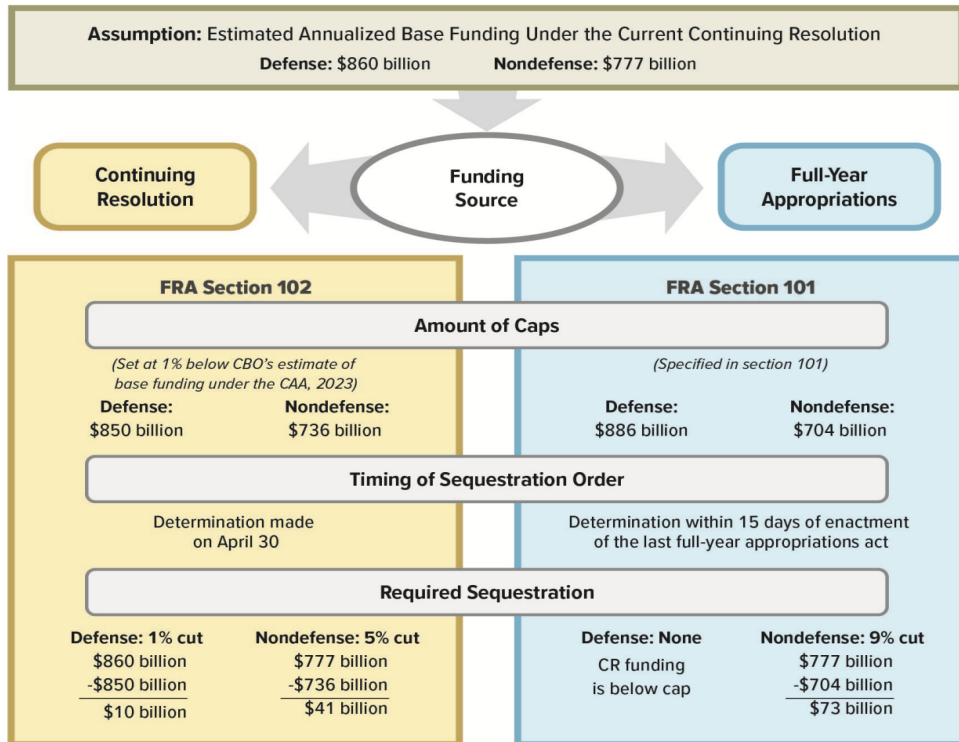




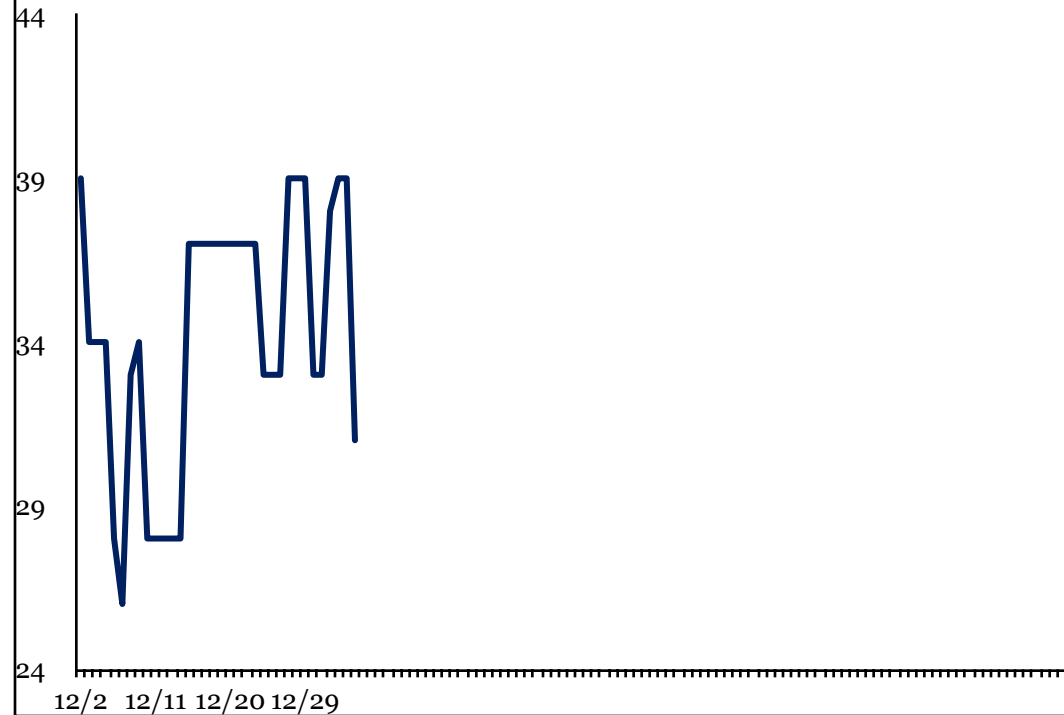
Going To Be A Messy Budget Season

Sequestration in 2024 Under Two Scenarios

CBO estimated the reductions to discretionary funding that would be required under sections 102 and 101 of the FRA if funding remained at the amounts specified in the current continuing resolution. If necessary, the caps will be enforced by OMB through sequestration, the process by which across-the-board reductions are applied to budgetary resources.

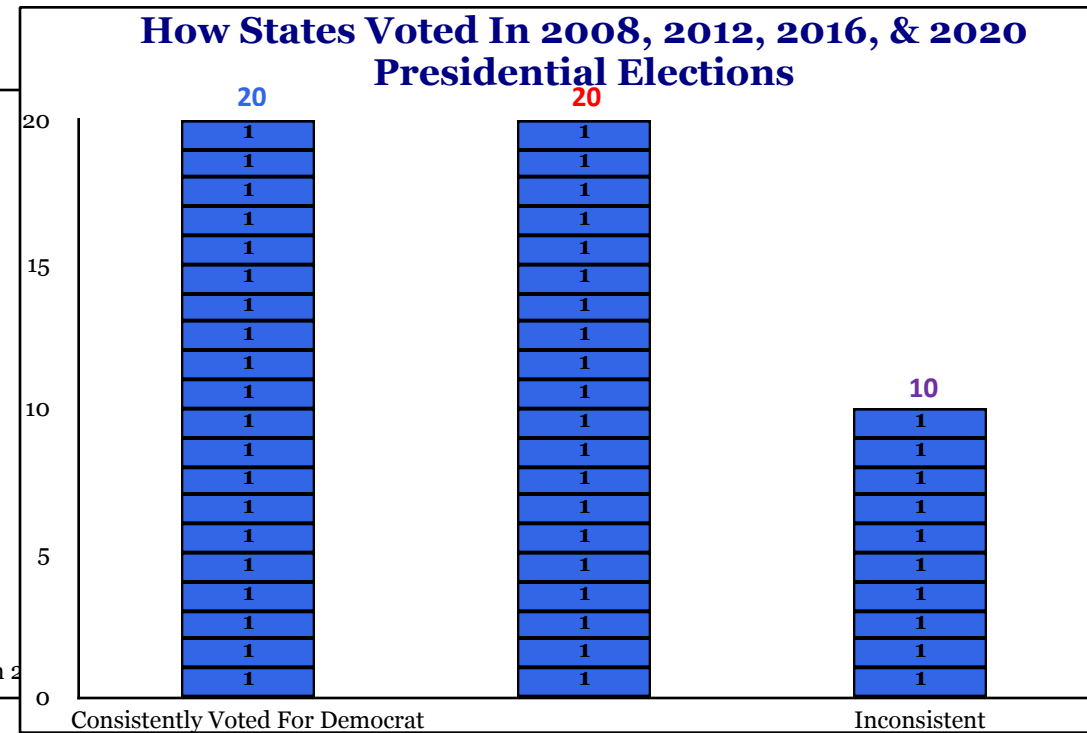
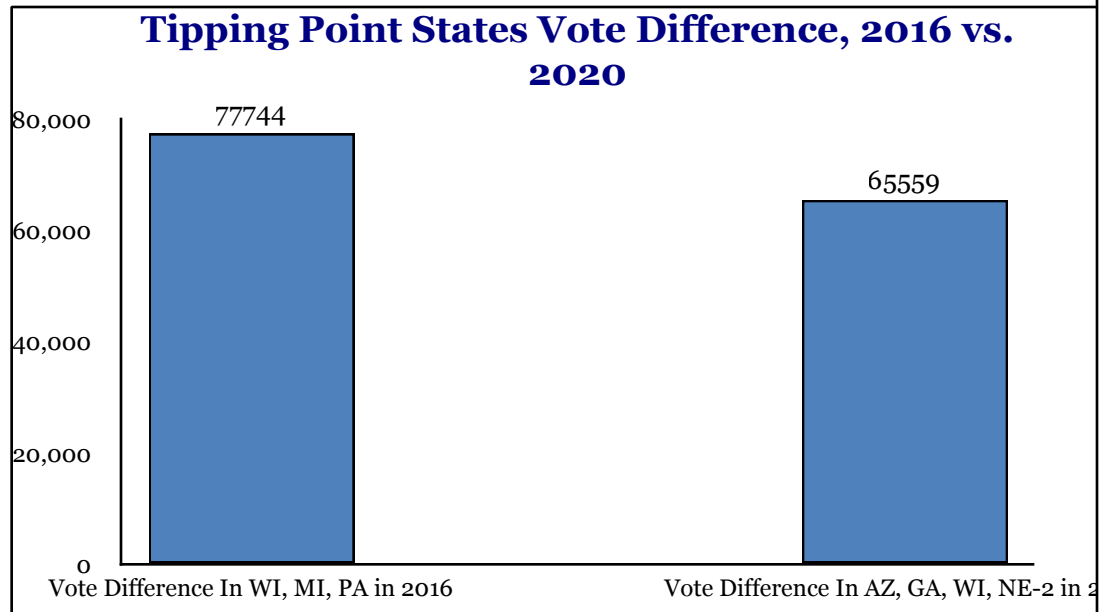


Betting Odds: Will the Government Shut Down on January 20th? (Kalshi)



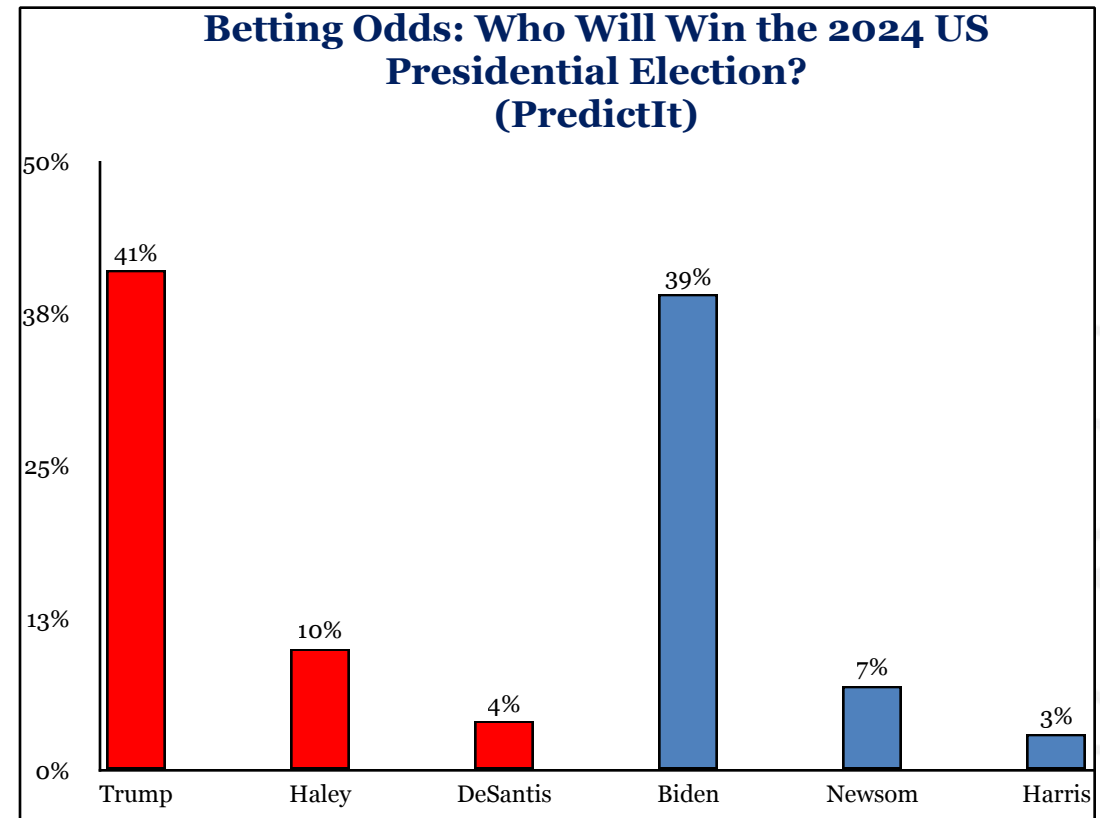
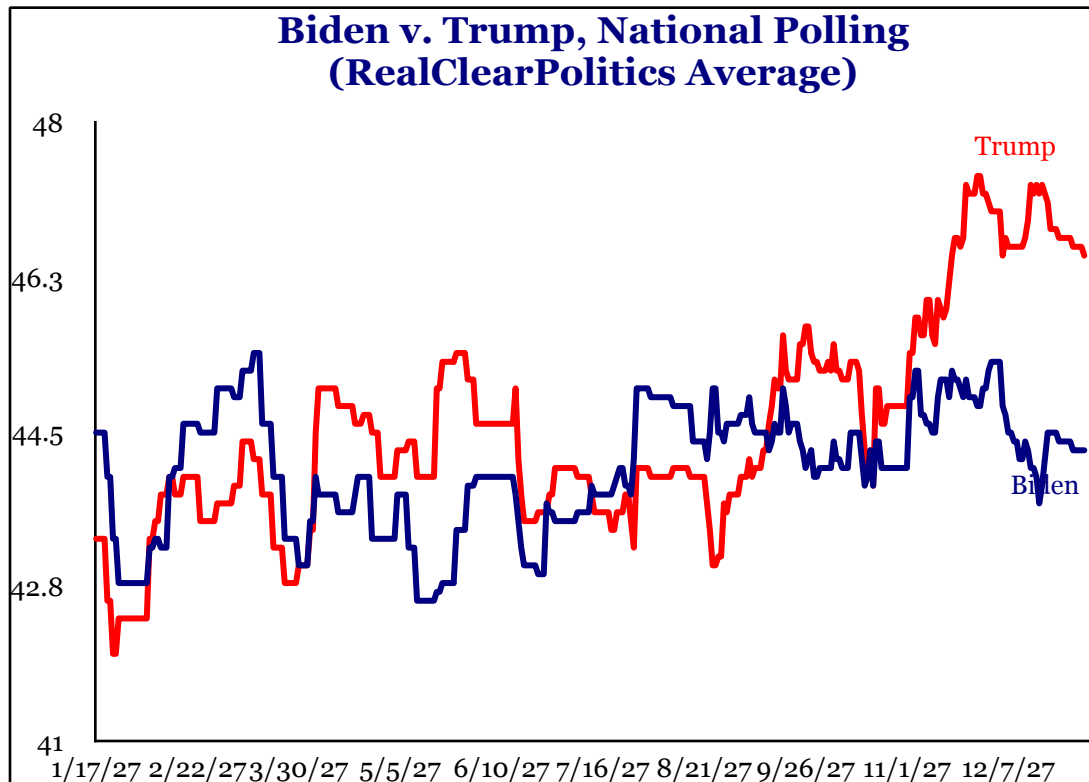


America Is A 50-50 Country



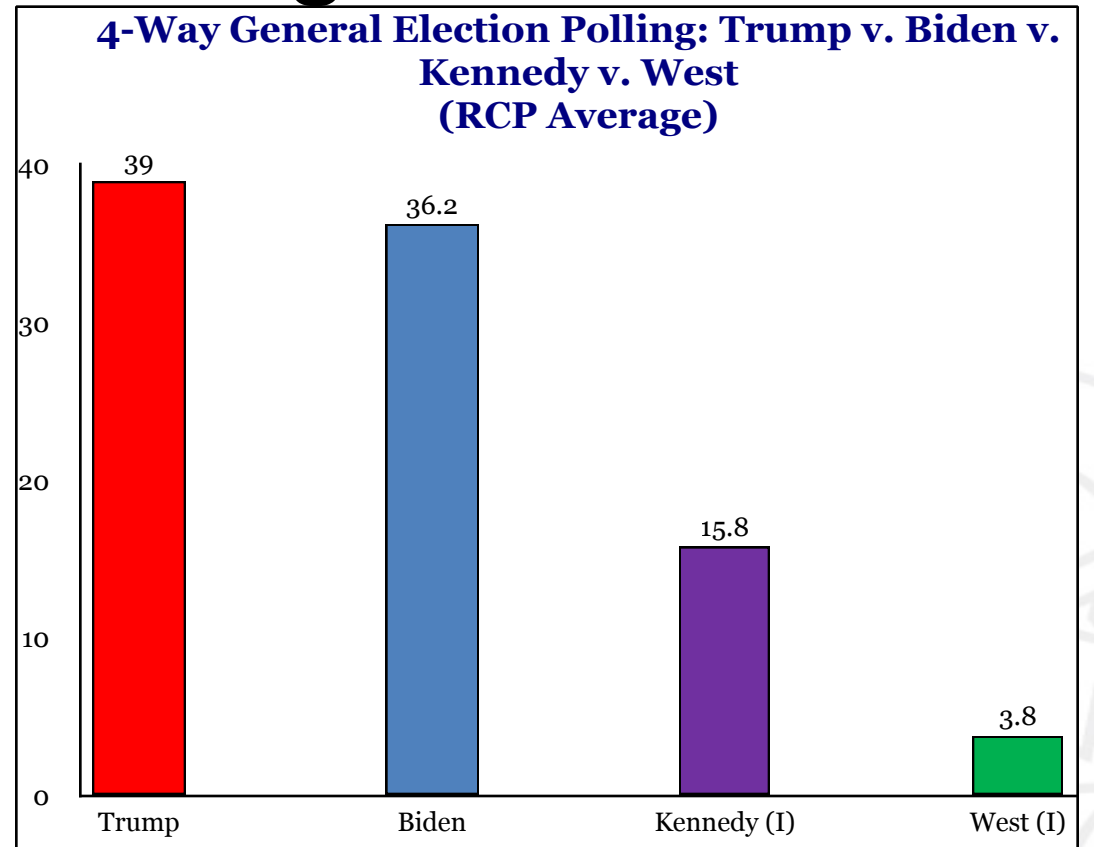
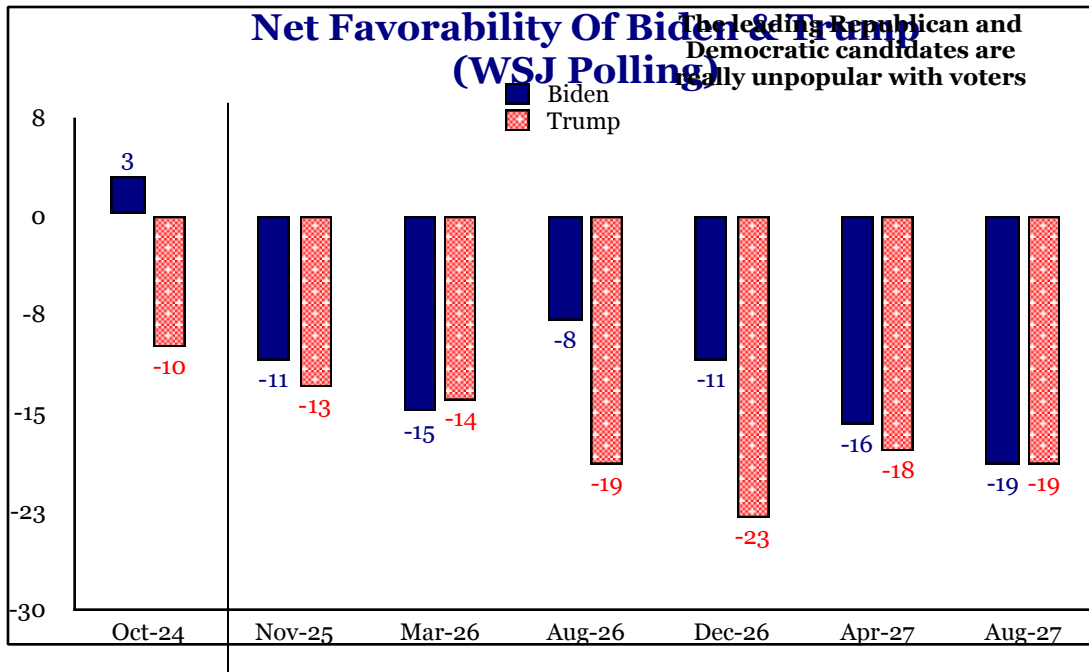


Best Polling Data For Trump In The 8 Years Since He Entered Politics



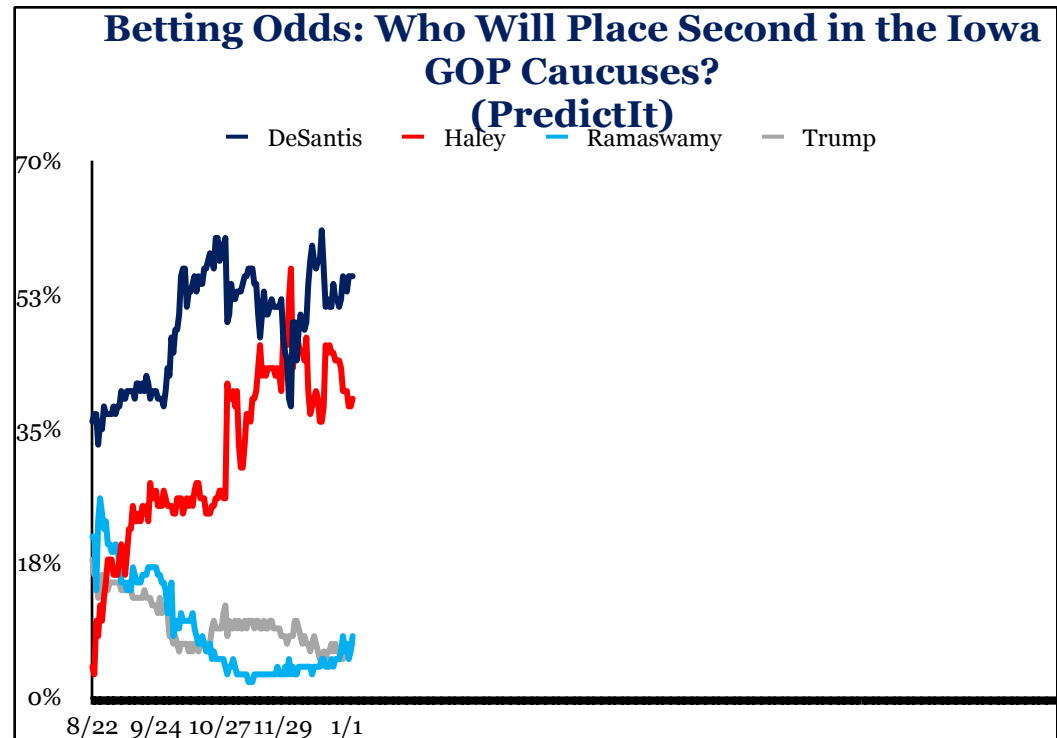
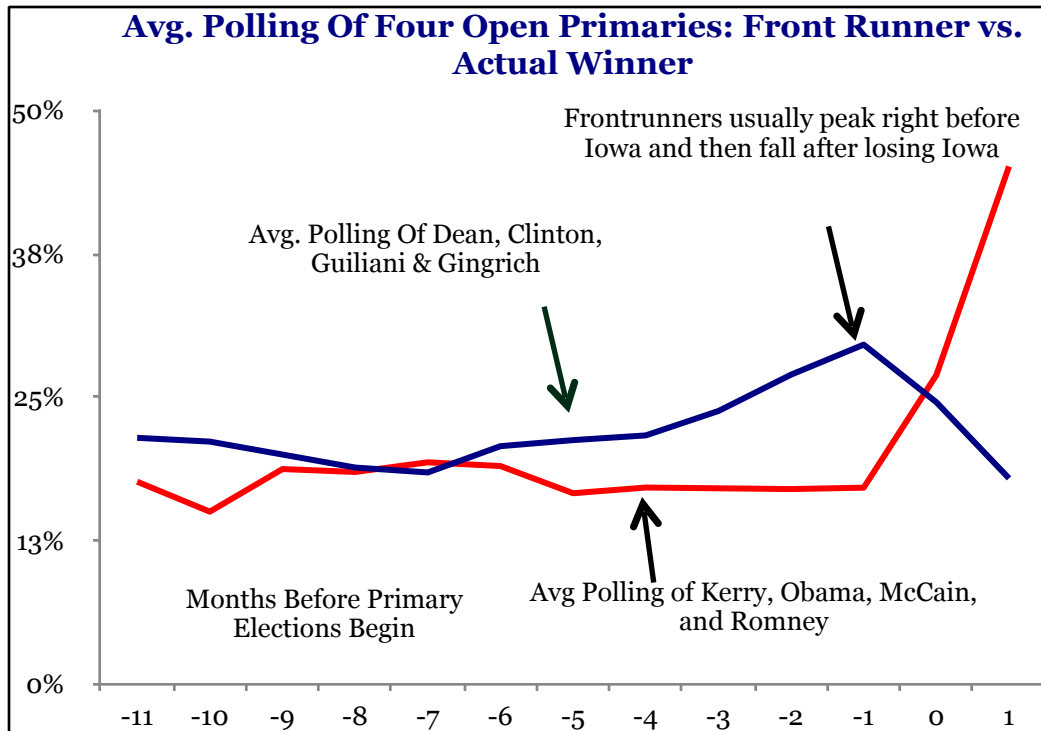


Trump vs. Biden Will Likely Bring 3rd Party Challenger



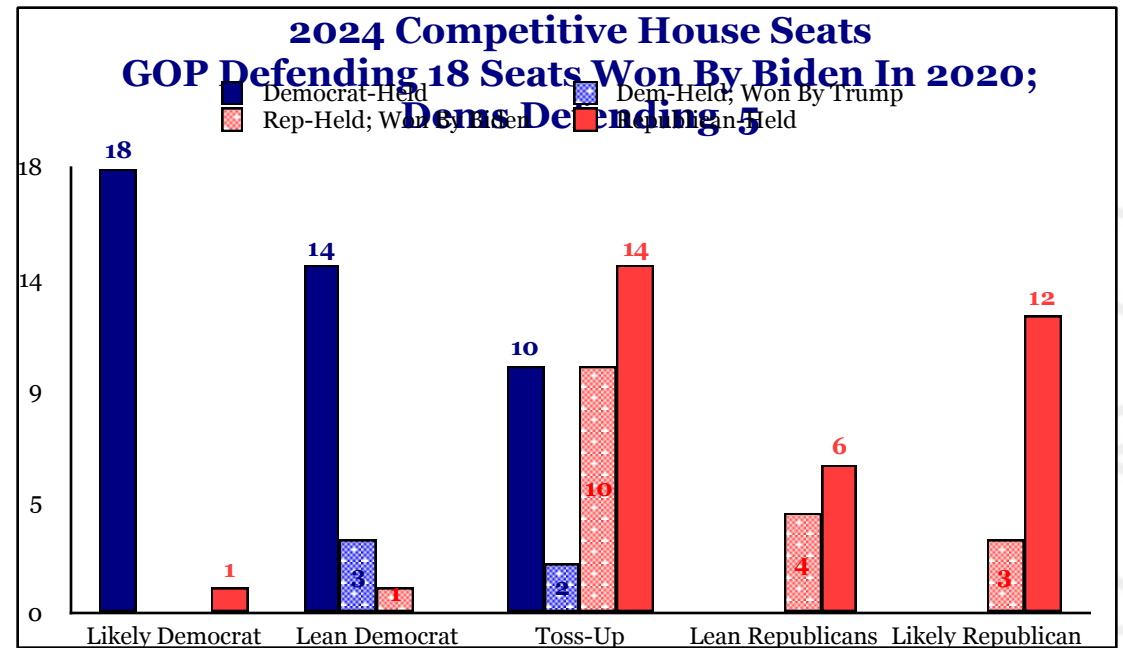
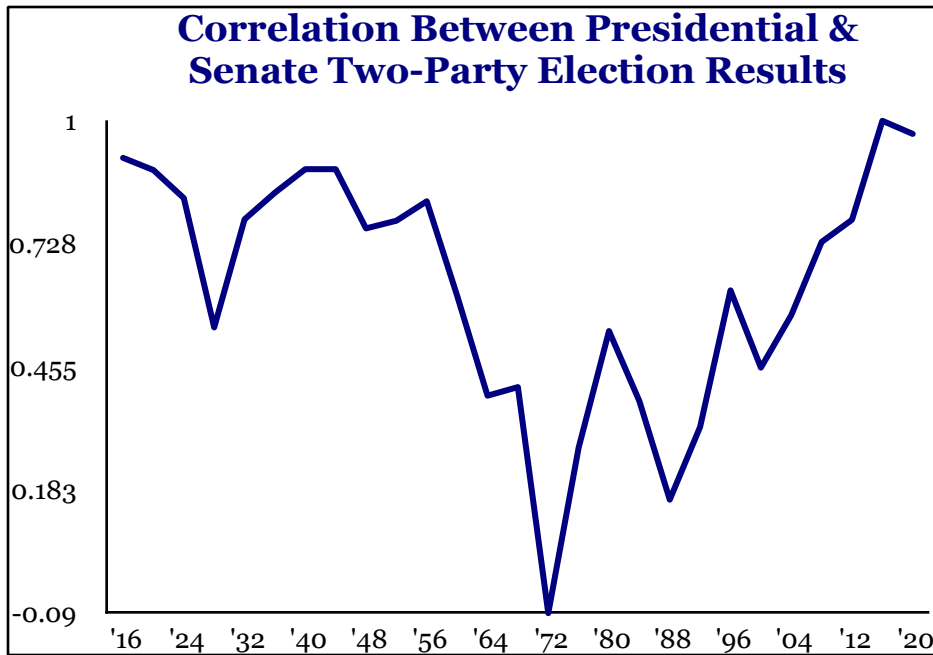


The Biggest Risk To Trump Is Expectations Are Too High





Democrats Are On Defense In Senate, On Offense In The House





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Appendix: Important Disclosures

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