

FRIDAY, 25 OCTOBER 2024

The Week Ahead

“Runnin’ Down a Dream”

We have finally reached the home stretch of **the 2024 US election**. In a few days—on Tuesday, November 5th—Americans will choose their next president. Early voting is already underway, including in some of the swing states that may decide who wins. Investors worldwide are considering the market implications of a race that still seems too close to call.

Unsurprisingly, the **policies espoused by Vice President Harris** are largely similar to President Biden’s. This suggests—if she wins—investors might anticipate a degree of continuity from the current political/economic backdrop.

Former President Trump has taken a tougher stance by doubling-down on his “America First” worldview. Should Mr. Trump win, we could see an abrupt transition toward higher tariffs, sector deregulation, tighter borders and US foreign policy independence.



Greg Meier
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On fiscal matters, the Harris and Trump camps have outlined a boggling array of **tax breaks and spending programs**. In comparative terms, Mr. Trump’s proposals look more expensive: around \$7.5 trillion versus \$3.5 trillion for Mrs. Harris (according to the Committee for a Responsible Budget, a nonpartisan think tank).

For investors, an injection of fiscal stimulus could lift near-term growth (and inflation, interest rates, etc.), while worsening America’s unsustainable debt-load. However, keep in mind that it’s Congress—not the president—that controls Washington’s purse. This means, to enact major fiscal changes, the next president needs unified support from both chambers of Congress—the House and the Senate. This would likely require a **“red” or a “blue” sweep** (where one party wins control of the White House and majorities in each chamber of Congress).

What should we expect on election day? Polling suggests an extremely tight race, which means we may not have results for days, even weeks. However, if you look underneath the hood, most polls are within the statistical **‘margin of error’**, suggesting, perhaps, a chance for an election blowout that is obvious and fast. (See our Chart of the Week). For global investors – and for many US voters – a quick result could be the best outcome.

Publications

→ **CIO roundtable: what can investors learn from a super-election year?**

What are the implications of one of the busiest years in election history? We asked our global CIOs how investors could position themselves in a shifting political terrain.

→ **The politics of tech**

Amid one of the most tumultuous campaigns in living memory, the outcome of November’s US elections remains highly uncertain.

→ **Glide paths: the dance of growth and inflation**

le the recent cut by the Federal Reserve was expected by markets, it was the choice in the size of the reduction – 0.5 percentage points – that surprised some.

The Week Ahead

In addition to US election developments, the coming week is packed with corporate earnings reports and economic announcements. From an earnings standpoint, stocks may be supported as we delve into **the busiest week for 3Q24 financial reports**. From an economic perspective, things start slowly on Monday before ramping-up.

Among European countries, Germany should be in the spotlight, with GfK consumer sentiment published on Tuesday and unemployment, inflation and preliminary 3Q24 GDP (Gross Domestic Product) available Wednesday. The **German GDP** data, in particular, may grab attention, with analysts expecting growth to contract for the sixth time in the past eight quarters.

For the broader **euro area**, the primary data that's set for release this week includes indices on consumer confidence, industrial sentiment, the business climate, unemployment and 3Q24 GDP.

In Asia, investors should focus on the **Bank of Japan (BoJ)** policy meeting on Friday. Contrary to most other major central banks, the BoJ is gradually raising interest rates to stave off inflation, which has held above the 2% target for a couple of years. While the BoJ is widely expected to hold rates steady this week, policymakers will have fresh data to digest, including unemployment, industrial production, retail sales and housing starts.

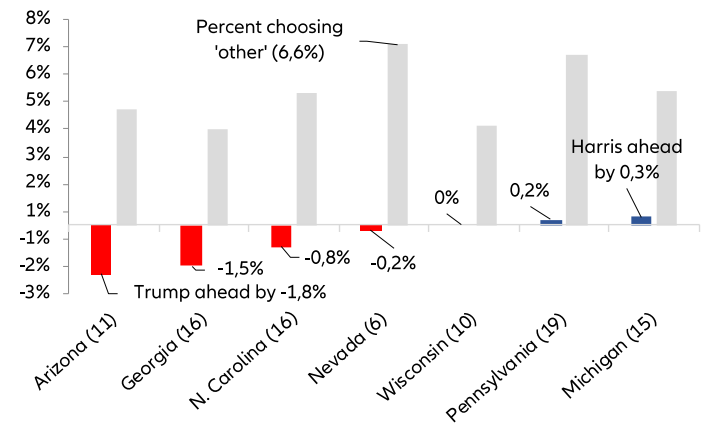
Back in the US, for investors that can break-away from election reporting, several key economic datapoints are set for release. This includes home prices, consumer confidence and job openings on Tuesday, 3Q24 GDP on Wednesday, personal incomes/spending/inflation on Thursday, and the October employment report on Friday. Keep in mind that some recent US data was likely impacted by **Hurricanes Helene and Milton**. While the impact will likely unwind in coming months as affected areas recover, signs of economic weakness could easily become cannon fodder in the race for America's White House.

Stay in the Race,

Greg

Many polls fall within the 2–3% margin of error

Presidential candidate – swing state polling



Source: Allianz Global Investors; 270twin.com; as of 21 October 2024

Past performance, or any prediction, projection or forecast, is not indicative of future performance.

UPCOMING POLITICAL EVENTS 2024

25–27 Oct	IMF	IMF and World Bank annual meetings
31 Oct	JN	Bank of Japan meeting
5 Nov	US	Presidential elections
6–7 Nov	US	Meeting of the US Federal Open Market Committee (FOMC)
7 Nov	GB	BoE announcement and minutes

→ [Overview political events 2024 \(click here\)](#)

Calendar Week 44

Monday			Consensus	Previous
UK	Nationwide house price yy	Oct	--	3.2%
Tuesday				
JN	Unemployment Rate	Sep	--	2.5%
GE	GfK Consumer Sentiment	Nov	--	-21.2
US	CaseShiller 20 YY NSA	Aug	--	5.9%
US	Consumer Confidence	Oct	--	98.7
US	JOLTS Job Openings	Sep	--	8.040M
UK	CBI Business Optimism	Q4	--	-9
Wednesday				
GE	Unemployment Rate SA	Oct	--	6.0%
GE	GDP Flash QQ SA	Q3	-0.1%	-0.1%
GE	GDP Flash YY NSA	Q3	--	0.3%
GE	GDP Flash YY SA	Q3	--	0.0%
EC	GDP Flash Prelim YY	Q3	--	0.6%
EC	GDP Flash Prelim QQ	Q3	--	0.2%
EC	Business Climate	Oct	--	-0.76
EC	Economic Sentiment	Oct	--	96.2
EC	Industrial Sentiment	Oct	--	-10.9
EC	Services Sentiment	Oct	--	6.7
EC	Consumer Confid. Final	Oct	--	--
US	ADP National Employment	Oct	--	143k
US	GDP Advance	Q3	--	3.0%
US	Core PCE Prices Advance	Q3	--	2.8%
GE	CPI Prelim YY	Oct	--	1.6%
GE	HICP Prelim YY	Oct	--	1.8%
GE	Unemployment Rate SA	Oct	--	6.0%
Thursday				
JN	Retail Sales YY	Sep	--	2.8%
JN	Large Scale Retail Sales YY	Sep	--	5%
CN	NBS Manufacturing PMI	Oct	--	49.8
JN	Housing Starts YY	Sep	--	-5.1%
GE	Retail Sales YY Real	Sep	--	2.1%
EC	HICP Flash YY	Oct	--	1.7%
EC	HICP-X F,E,A&T Flash YY	Oct	--	2.7%
EC	Unemployment Rate	Sep	--	6.4%
US	Core PCE Price Index YY	Sep	--	2.7%
US	PCE Price Index YY	Sep	--	2.2%
US	Employment Costs	Q3	0.9%	0.9%
US	Chicago PMI	Oct	--	46.6
US	Initial Jobless Clm	21 Oct, w/e	--	--
US	Cont Jobless Clm	14 Oct, w/e	--	--
Friday				
JN	JibunBK Mfg PMI Final SA	Oct	--	--
CN	Caixin Mfg PMI Final	Oct	--	49.3
UK	S&P GLOBAL MANUFACTURING PMI	Oct	--	--
US	Non-Farm Payrolls	Oct	--	254k
US	Private Payrolls	Oct	--	223k
US	Unemployment Rate	Oct	--	4.1%
US	Average Earnings YY	Oct	--	4.0%
US	Average Workweek Hrs	Oct	--	34.2
US	ISM Manufacturing PMI	Oct	--	47.2
US	ISM Mfg Prices Paid	Oct	--	48.3
US	S&P Global Mfg PMI Final	Oct	--	--

The calendar data for the current week comes directly from Bloomberg. They are published in the week in which "The Week Ahead" appears. These are economic data that come from official sources. Where available, the previous figure is collected together with the consensus estimate. The consensus estimate is collected by Bloomberg through a survey of analysts and economists. It is the average of all estimates submitted.

If not mentioned otherwise data and information sources are from LSEG Datastream.

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