

## News in Review

13 November 2024

*"This is a magnificent victory for the American people"*



**Last week, after intense months of campaigning, Donald Trump made a triumphant comeback to be voted 47th President of the United States. The Republicans secured a decisive victory, winning crucial swing states, also regaining control of the US Senate.**

Trump's victory was surprisingly conclusive after opinion polls in the run-up to election day had shown the race for the White House was neck-and-neck. He comfortably secured more than the 270 Electoral College votes needed to win the presidency, with his victory in the swing state of Wisconsin pushing him over the threshold on Wednesday morning. The final result, with all states declared showed Trump had won 312 electoral votes to Harris' 226.

During his victory speech at the Palm Beach County Convention Center, in the early hours of Wednesday morning Trump said, *"I want to thank the American people... I will fight for you, for your family, and your future... I will not rest until we have delivered the strong, safe, and prosperous America that our children deserve, and that you deserve... This is a magnificent victory for the American people that will allow us to make America great again."*

Democrat candidate and current Vice President Kamala Harris delivered a concession speech, telling her downbeat supporters that she would ensure a peaceful transfer of power, promising to aid Trump's transition before his inauguration on 20 January 2025. Harris added, *"I know many people feel like we*

*are entering a dark time... I hope that is not the case."*

Trump now has a couple of months to appoint his key personnel. Elon Musk, a prominent Trump donor, is likely to form part of his administration, so too is former presidential candidate Robert F. Kennedy Jr, in addition to close family members.

Global leaders extended their congratulations to Donald Trump on his victory. Keir Starmer spoke with the President-elect to offer his *"hearty congratulations."* During the call they agreed the relationship between the UK and the US is *"incredibly strong"* and will *"continue to thrive,"* according to a Downing Street spokesperson.

With trade and tariff concerns front and centre, in a congratulatory message to Trump, Chinese leader Xi Jinping called for the US and China to manage their differences and get along in a new era. European Commission President Ursula von der Leyen stressed that the EU and the US *"are bound by a true partnership between our people, uniting 800 million citizens. Let us work together on a transatlantic partnership that continues to deliver for our citizens."*

Major global stock markets were robust following the news, with a record rise for US shares on Wall Street, the FTSE 100 also saw gains. As investors processed the impact of a second Trump term, commentators started to analyse the potential implications. Key focuses for

his administration will include trade and climate change policies, the war in Ukraine, the Middle East conflict, tax and immigration, on which Trump has pledged to launch a mass deportation campaign targeting immigrants residing in the country illegally.

Concerns are likely to heighten that his potential tariff proposals could ignite a fiercer trade war with China and US allies, while his plans to reduce corporate taxes and implement a variety of other tax cuts could balloon US debt, according to economists. Last Thursday, the Federal Reserve cut interest rates by 25 basis points, following a 50-basis-point cut in September.

### **UK Bank Rate reduction**

In their latest meeting, the Monetary Policy Committee (MPC) voted by an 8 to 1 majority to cut Bank Rate by 0.25 percentage points to 4.75%, in a widely expected move. The one dissenting voice wished to retain the 5% rate. Andrew Bailey, Bank of England Governor, said rates were likely to *"continue to fall gradually,"* adding they could not be cut *"too quickly or by too much."* The MPC expect CPI inflation, currently 1.7%, to increase by year end to around 2.5% and 2.7% by the end of 2025 before falling below its 2% target in mid-2027.

The next MPC meeting is scheduled for 19 December.

### **Here to help**

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.