

US presidential election casts shadow ahead



In about four weeks, on November 3, a new president will be elected in the United States. President Donald Trump faces former Vice President Joe Biden.

Both candidates are almost eighty years old and may symbolize the trend towards 'senilization' in the Western world. In the U.S., the personality of the candidates always plays a prominent role. The impression that this finding has tended to increase in the Internet age is probably not wrong. After all, American election campaigns can be entertaining, as long as one enjoys polemics and mudwrestling. In this area, Donald Trump, who is otherwise unsuitable for public office, may have an advantage over Joe Biden. His orgies of insult and disparagement are notorious. He does not allow himself to be bothered for long by considerations of facts and truths. However, he can be sure of loyal following of about 40% of voters. But that is not enough for a victory.

Despite the antiquated U.S. electoral system with its Electoral

College, Trump must win the support of the electorate in the contested states such as Florida, Ohio, and Wisconsin. It is questionable, whether Trump will be able to mobilize additional voters compared to the 2016 election, because his presidency has by no means led the U.S. to the lush meadows Trump had promised. On the contrary: in the fourth year of Trump's term in office, the United States are experiencing the greatest economic crisis in almost 100 years. And never before have there been so many civilian deaths during a presidency. The Corona Pandemic has prevented Trump's plan to enter an era of unprecedented new magnificence as the shining captain of America's economy. Instead, mass unemployment, poverty, and violence dominate the daily headlines. If Trump succeeds in placing traditional campaign classics such as abortion,

immigration, gun control, tax cuts, and the death penalty more prominently in his campaign, his chances would increase.

This is exactly what Joe Biden wants to prevent. He is leading an unimposing election campaign and wants to score points with the topics of health and social policy. In doing so, he is making an effort to entice female voters and minorities. Although he lacks charisma, he sells himself as a solid, honest, experienced, and empathetic statesman. Sometimes he cannot hide his advanced age and the hardships that come with it.

For the rest of the world, the U.S. election is likely to have eminent significance. Under Donald Trump, relations with the allies were somewhat shattered. Whether the states of Western Europe have time to wait out another four years of Trump's term

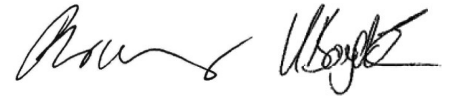
is questionable. The U.S.'s Asian allies Japan and South Korea are no less concerned about the upcoming elections. The circus surrounding Trump's friendship with Kim Jong-un and the trade attacks on Japan have left a bitter aftertaste. But no one will follow the election more closely than China. Trump's unilateral trade war with the emerging global powerhouse has brought the relationship between the two rivals to a low point. For the world, it will be very significant how these two superpowers behave in the coming years.

After all, the first presidential debate between Mr. Trump and Mr. Biden was a portrait of the country's moral. The political culture is apparently not at its best. But while the political culture of the U.S. is at a low point, the NASDAQ index is soaring to new records. On the American stock market, the election campaign has been largely ignored so far. But as we know, this alone can change rapidly in financial markets. For observers interested in economics, it was also astonishing how little the topics of debt and military spending play a role

in the election campaign. October can certainly bring us many surprises.

Sincerely yours,

Fund managers and co-investors



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