

Economic Alert iQ



Wednesday 9th November 2016 – 8:45am

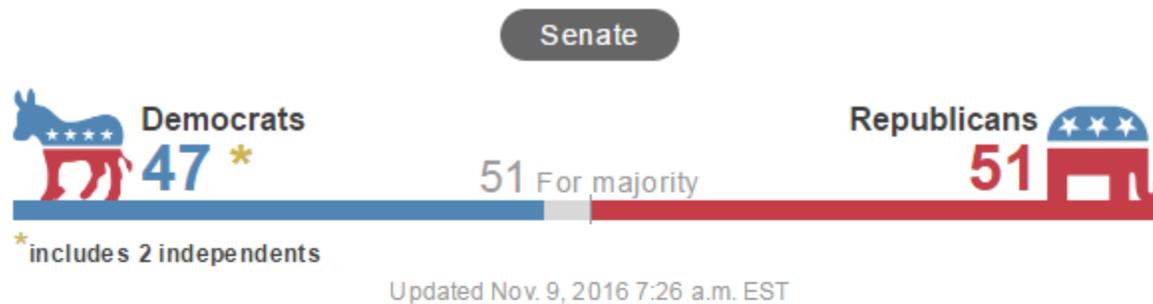
International

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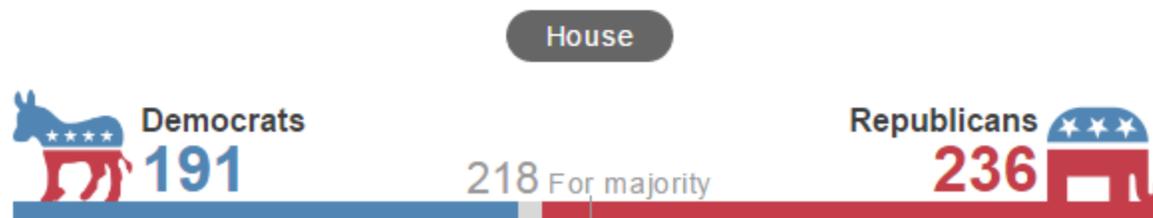
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Economic Alert: Trump's Stunning Win

- Donald Trump crashed expectations on Tuesday with an election night victory that revealed deep anti-establishment anger among American voters and set the world on a journey into the political unknown.
- The Republican nominee has achieved one of the most unbelievable political victories in modern US history, despite a series of controversies that would easily have destroyed other candidacies, extreme policies that have drawn criticism from both sides of the aisle, and a lack of conventional political experience.
- After surprise early victories in Florida, North Carolina and Ohio, it fell to the Rust Belt states of the industrial Midwest to determine the result of his stunning upset.
- Wisconsin and Michigan, two states hit hard by a decline in manufacturing jobs and lost by Hillary Clinton to Bernie Sanders in the Democratic primary, were led by Trump as the race headed for an early morning cliffhanger.
- Based on official polling data as of 8:30am, Trump led 278 to Clinton's 218 Electoral College Votes with 270 being the ultimate magic number towards to the White House.



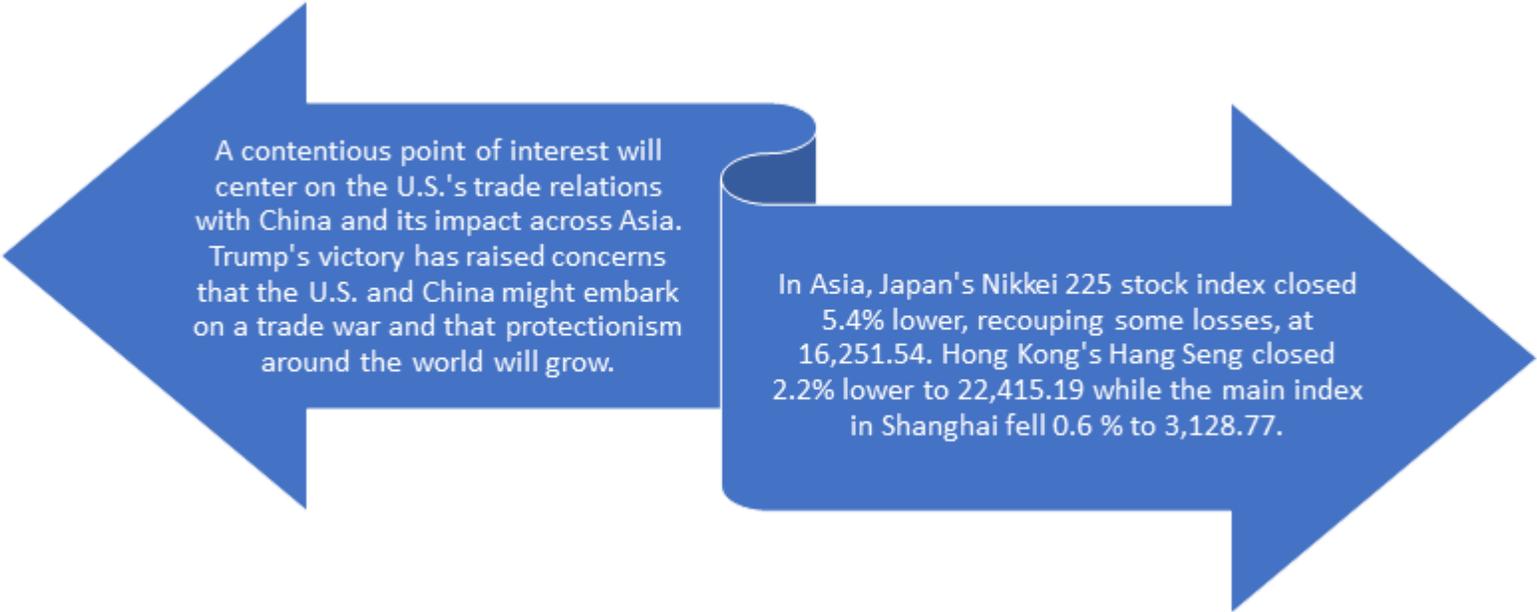
AP



Source: Associated Press

- Investors reeled from the prospect of a victory that would reverberate around the world and futures markets pointed to a fall of nearly 600 points in the Dow Jones Industrial Average. The US 10 Year Treasury is currently yielding 1.93%, showing upward momentum.
- The U.S. dollar, Mexican peso and world stocks fell on Wednesday as Donald Trump swept to victory in the U.S. presidential election, but fears of a Brexit-style shock that wiped trillions off global markets has failed to materialize so far.
- European shares were down less than 1% and investors were returning to other markets that had been sent into a frenzy as it became clear the Trump was set for a dramatic victory over heavily-favored Democrat Hillary Clinton.

The Asian Affair:



A contentious point of interest will center on the U.S.'s trade relations with China and its impact across Asia. Trump's victory has raised concerns that the U.S. and China might embark on a trade war and that protectionism around the world will grow.

In Asia, Japan's Nikkei 225 stock index closed 5.4% lower, recouping some losses, at 16,251.54. Hong Kong's Hang Seng closed 2.2% lower to 22,415.19 while the main index in Shanghai fell 0.6 % to 3,128.77.

Source: Research & Analytics

- Moreover, investors fear a Trump victory could cause global economic and trade turmoil and years of policy unpredictability, which among other things could discourage the Federal Reserve from raising interest rates in December as long expected.
- Conclusively, as the days progress, investors will no doubt be in the process of attempting to differentiate between Trump's actual policy positions and some of the more unusual statements made on the campaign trail as they formulate their future strategies.



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