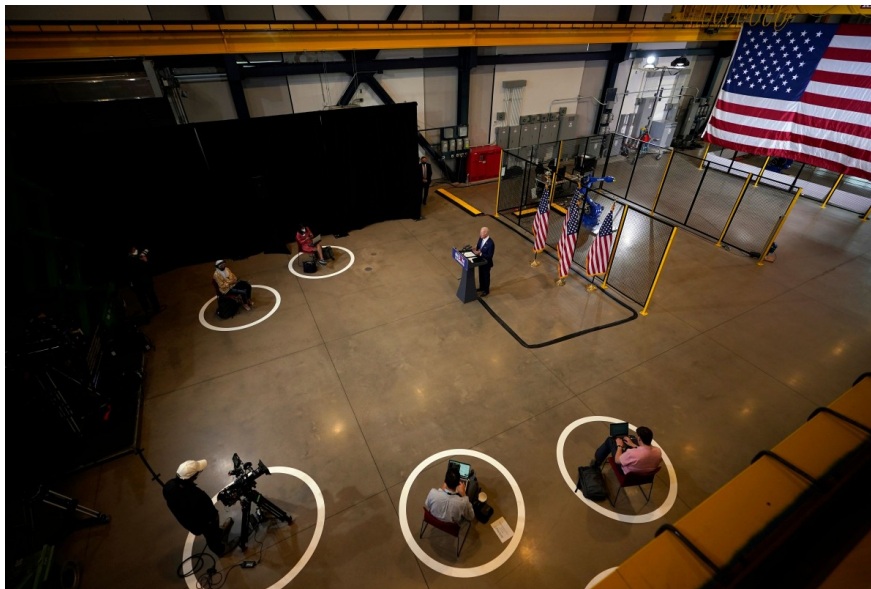


US election: Biden's to lose?

Opinion polls suggest Joe Biden has a commanding lead over President Donald Trump, but with two months to go, there are plenty of things that could change that situation. Whoever wins, the battle for the House and Senate will be critical to determining how many of their respective promises can be delivered



Democratic presidential candidate, former Vice President Joe Biden speaks at a campaign event

Source: Shutterstock

Clear dividing lines

The Democrat and Republican conventions show the dividing lines for the 3 November election couldn't be clearer.

The electorate has a choice of re-electing president Donald Trump who is standing on a ticket of lower taxes, less regulation, less immigration and an "America First" worldview. Or, alternatively, it could opt for Democrat challenger Joe Biden, who represents a more internationalist agenda with more spending, more taxes and more regulation.

Major disagreements over the government's Covid-19 response, the economic support packages and the Black Lives Matter movement add further fire to what seems set to be one of the most divisive electoral battles in US history.

Biden in front

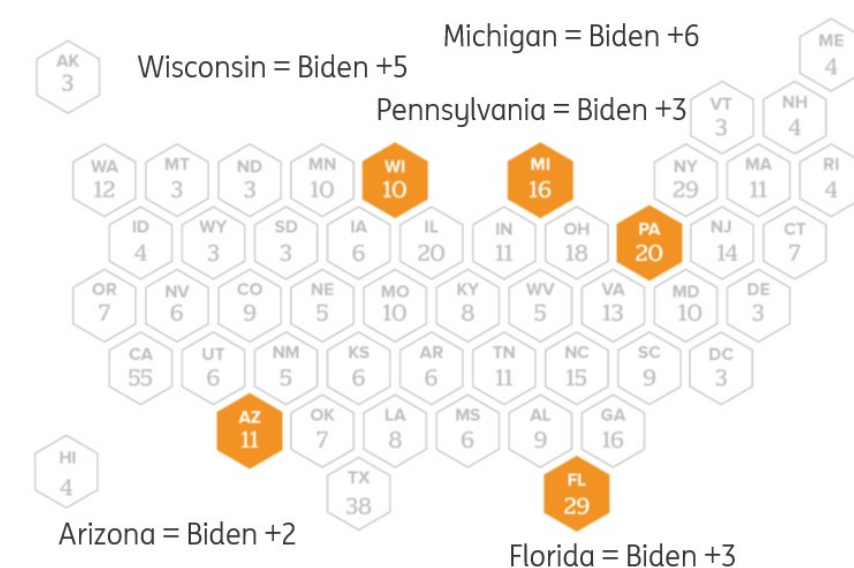
At present, opinion polls show Joe Biden has a seven-point lead nationally, which would equate to him winning around nine million more votes than Donald Trump.

However, the electoral college system means it is a state by state battle, but one which has failed to keep pace with population change. It gives greater weight to rural central states that tend to be more supportive of Trump and less weight to highly populous coastal states that tend to lean Democrat. This cost Hillary Clinton four years ago, having won 2.8 million more individual votes than Trump yet falling well short in the electoral college.

However, the polls currently show the key battleground states that will determine the outcome of the election are all favouring Biden. Polls also suggest that the Democrats will retain control of the House and there is a decent chance that they will make the required net gain of three Senate seats to make it a clean sweep.

The swing states are key and Biden leads in all 5

The numbers underneath each state refer to the number of electoral college votes awarded. To become president the victor needs at least 270 of the 538 available. Biden +5 represents his lead over Donald Trump in the latest state opinion poll



Source: ING, Real Clear Politics poll data

Tax and spend ahead?

As we outline in our recent [note](#), in such an event, we would likely see big infrastructure spending plans coming through next year with subsequent corporation, capital gains and income tax hikes for the wealthy over following years to try to bring the deficit under control.

The dollar and equities may not initially like it but should better-balanced growth emerge and the budgetary position improve, as it did under Clinton in the late 90s, Biden could ultimately prove to be a dollar positive.

No guarantees

Biden cannot rest on his laurels though.

Covid-19 means we are likely to see more people than ever before opting for mail-in (postal) voting, yet there is concern that the US Postal Service may be unable to deal with the potential scale. This could pose problems for Biden with an NBC News/Wall Street Journal poll suggesting only 11% of Trump supporters plan to vote by mail versus 47% for Biden supporters.

We also have to remember there are another two months to go, with debates still to come. How the economy and the unemployment situation develops between now and then will be critical, as will, of course, the number of Covid-19 cases and a potential vaccine.

Nothing can be ruled out yet.

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