

3 October 2024

US Election Monitor

The race in battleground states is extremely close

Election day on November 5 is fast approaching, and the presidential race remains highly competitive. Following the first presidential debate, Harris gained a slight edge in many swing states, **but recent polling data shows candidates essentially tied.**

Trump has expanded his advantage in Arizona, Georgia and North Carolina. Harris remains in the lead in Michigan despite the worsening situation in Middle East, even if US stance on the war in Gaza was a key issue in the local Democratic primaries. **In Pennsylvania, the race remains very close, with the two candidates tied.** In the 2020 election, Trump only won North Carolina, while Biden secured the rest of these key battleground states.

Polls suggest that voters generally perceive Trump as better suited to handle issues like the economy and immigration. Conversely, voters have more faith in Harris when it comes to issues such as preserving democracy and abortion. In most swing states, the economy remains the number one issue. For instance, 30% voters in Arizona and 49% in North Carolina see this as their top concern and feel their economic situation has deteriorated over the past years, reinforcing Trump's position in these historically Republican-leaning states. On the other hand, abortion also is considered one of the most prominent issues in swing states, indicating that the battlegrounds are far from settled.

While 2020 Trump voters have largely remained loyal to Trump, Biden's 2020 voters are less convinced of Harris. According to data from *AtlasIntel*, 89% of Biden's 2020 voters are expected to support Harris in Pennsylvania, compared to 98.3% for Trump's 2020 voters (p. 3). Perhaps surprisingly, her support especially among female voters appears to fall short of *Biden's in 2020*, even if generally Harris has outperformed Biden's final 2024 polling results from June-July among females.

Another reason likely attributed to the uncertainty among former Biden voters could be the Democrats' declining support among young men. **Reportedly, many of these feel disconnected with the party due to its stance on issues like worsening educational outcomes, economic challenges and mental health issues.**

That said, Harris remains popular with Gen Z, leading Trump by 30 points among young women and 4 points among young men, according to an *NBC poll*. Harris also remains most popular among black, non-Hispanic voters in most of the swing states, with 92% of these voters supporting Biden in 2020. Black Americans are projected to account for 14% of eligible voters this year per *Pew Research Center*.

Finally, we had the vice-presidential debate between Republican J.D. Vance and Democrat Tim Walz. Vance focused on Biden-Harris immigration failures, while Walz emphasized middle-class support. **In general, the debate remained cordial, with watchers seeing both VP candidates more favourably after the debate (according to *CBS*).** The polite tone of the discussion and the lack of name-calling could have benefitted Vance, who *Democrats have previously tried to label as 'weird'*. That said, watchers saw the debate essentially as a draw, with 42% favouring Vance, 41% favouring Walz, and 17% called it a tie. **Prediction markets saw little change, still signalling a very close race.**

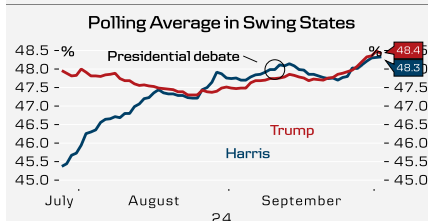
Key points

- 33 days until the election
- Latest swing state polls are essentially tied. Prediction markets see 'Republican sweep' and 'Harris with divided congress' as equally likely scenarios
- Link to our upcoming webinar: *US elections - The final stretch (Thursday 10 October 2024 at 10.00-11.00 CET, Teams)*

Our base scenario

- Harris is the slim favourite to win the presidential election. Republicans are likely to win the race for Senate. House is difficult to call but is leaning Democratic
- Harris win with divided congress would be the most likely outcome to maintain policy status quo

The race in swing states is close



Source: *Macrobond Financial, RealClearPolitics*

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Gauging the temperature of the US Presidential Election

Current status in swing states according to polls

	Trump		Harris	Spread (pp.)
Arizona	49.2		47.5	Trump +1.7
Georgia	49.3		47.8	Trump +1.5
Michigan	47.4		48.7	Harris +1.3
Nevada	47.5		48.6	Harris +1.1
North Carolina	49.1		48.5	Trump +0.6
Pennsylvania	48.2		48.2	Tie
Wisconsin	48.2		49.0	Harris +0.8

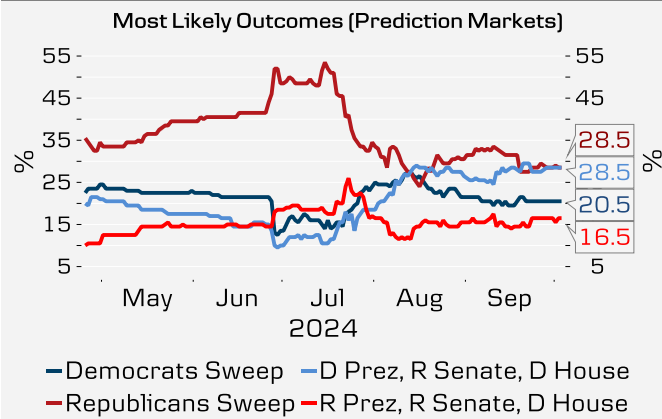
Source: Macrobond Financial, RealClearPolitics

Previous results in swing states

	2000	2004	2008	2012	2016	2020
Arizona (11)	Bush	Bush	McCain	Romney	Trump	Biden
Georgia (16)	Bush	Bush	McCain	Romney	Trump	Biden
Michigan (15)	Al Gore	Kerry	Obama	Obama	Trump	Biden
Nevada (6)	Bush	Bush	Obama	Obama	Clinton	Biden
North Carolina (16)	Bush	Bush	Obama	Romney	Trump	Trump
Pennsylvania (19)	Al Gore	Kerry	Obama	Obama	Trump	Biden
Wisconsin (10)	Al Gore	Kerry	Obama	Obama	Trump	Biden
Winner of election	Bush	Bush	Obama	Obama	Trump	Biden

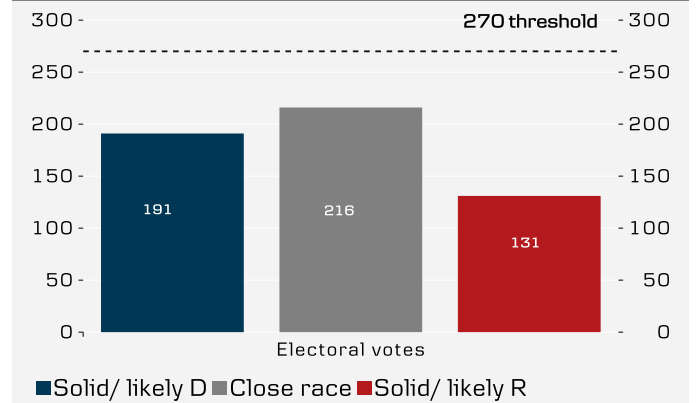
Source: RealClearPolitics

Prediction markets see 'Republican sweep' and 'Harris with divided congress' as equally likely scenarios.



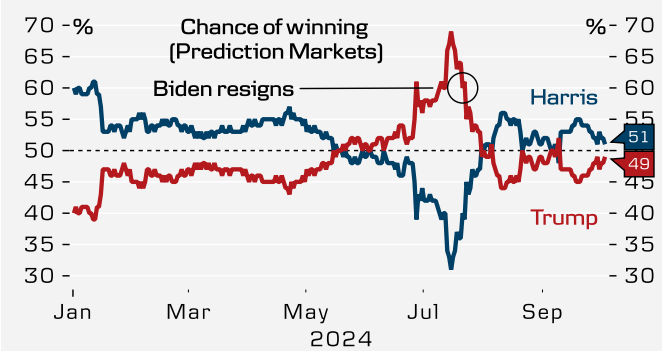
Source: Polymarket, Macrobond Financial

Current outlook for electoral votes



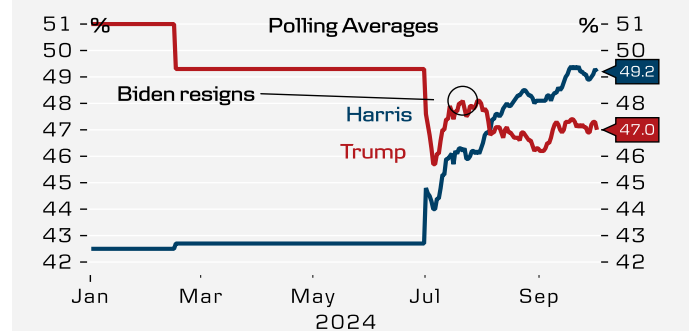
Source: Macrobond Financial, RealClearPolitics

Prediction markets slightly favour Harris...



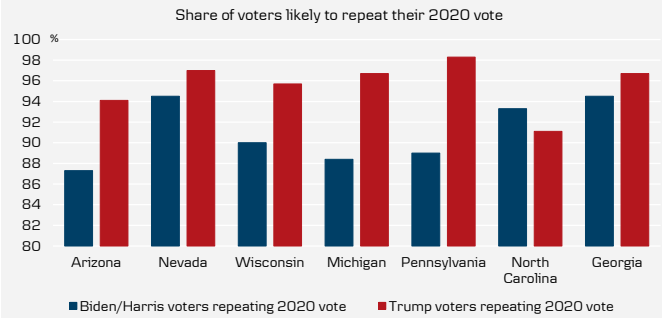
Source: Macrobond Financial, PredictIt

... underscored by polling data



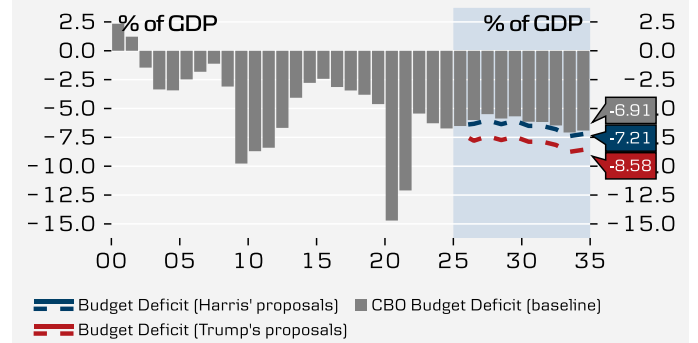
Source: Macrobond Financial, RealClearPolitics

Trump voters from 2020 have very firmly remained Trump voters, while Biden voters are less certain



Source: Danske Bank, AtlasIntel, RealClearPolitics

Regardless of the outcome, the deficit is likely to continue widening



Source: PWBM, U.S. Congressional Budget Office, Macrobond Financial. Note: the scenarios do not assume any changes to the baseline GDP forecasts

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