

May 31, 2024

WASHINGTON POLICY STRATEGY Potomac Perspective

Brian Gardner
Chief Washington Policy Strategist
bgardner@stifel.com



A New York jury found former Donald Trump guilty of falsifying business records. We offer no opinion on the trial, the verdict, or the prospects regarding an inevitable appeal. Politically, we do not think the verdict changes the 2024 presidential race, nor do we believe that it will have a material impact on financial markets over the near term.

While there is an element of history in the guilty verdict of former President Donald Trump in the trial regarding filing false business documents, we are skeptical that it will impact the 2024 presidential campaign. The trial was about falsifying business records to cover up payments made to a former mistress of Mr. Trump. In our opinion, most voters do not view the crimes of which Mr. Trump was convicted as either disqualifying or important to their decision, or they already decided to vote for another candidate.

A Marist poll conducted before the verdict was reached found that approximately two-thirds of respondents said a guilty verdict would have no impact on their vote. Seventeen percent said a conviction of Mr. Trump would make them less likely to vote for him and 15% said they would be more inclined to support him. Of the 32% who said a guilty verdict would impact their support, we think a large portion of this group has already made up their minds, and the guilty verdict will merely solidify a position they have already taken.

In the immediate aftermath of Thursday's verdict, Mr. Trump could lose a few points in the polls, and President Joe Biden could take a slight lead in polling. We think, however, the impact of the verdict will fade and that within a few weeks, polls will likely show Mr. Trump with a narrow lead nationally and with leads in the key battleground states.

We think markets would react positively to a Trump win in November, and some of that reaction might already be priced in as we believe investors have already been expecting a Trump victory. Thus, markets might react negatively to the verdict if investors think the verdict hurts Mr. Trump's chances of winning the 2024 election, but we suspect that any market reaction will likely be short lived.

We reiterate that we do not take any position on the trial, the verdict, or the pending appeal. We solely focus on what we see as the impact on the presidential race and by extension the financial markets. We believe that any market response will be temporary and that there will be little if any impact on the 2024 race.

SUBSCRIBE TO OUR PODCAST!

NEW PODCAST



Season 3 of the Potomac Perspective podcast is underway. To access a broader discussion of these and other topics, please download and listen to the latest episode of our [Potomac Perspective podcast](#).

STIFEL

DISCLAIMER

This material is prepared by the Washington Policy Strategy Group of Stifel, Nicolaus & Company, Incorporated (“Stifel”). This material is for informational purposes only and is not an offer or solicitation to purchase or sell any security or instrument or to participate in any trading strategy discussed herein. The information contained is taken from sources believed to be reliable but is not guaranteed by Stifel as to accuracy or completeness. The opinions expressed are those of the Washington Policy Strategy Group and may differ from those of other departments that produce similar material and are current as of the date of this publication and are subject to change without notice. Past performance is not necessarily a guide to future performance. Stifel does not provide accounting, tax or legal advice and clients are advised to consult with their accounting, tax or legal advisors prior to making any investment decision. Additional Information Available Upon Request. Stifel Nicolaus & Company, Incorporated is a broker-dealer registered with the United States Securities and Exchange Commission and is a member FINRA, NYSE & SIPC. © 2024

0524.6659812.1