

MARKET SIGHT LINES



The 2024 Election Supercycle Brings Into Focus an Evolving World Order

By Michael O'Keeffe, *Chief Investment Officer*



In [Outlook 2024: Embracing Change](#) ([report](#), [video](#)), we discuss the 2024 election supercycle, with over 40 countries and 40% of the world's population going to the polls, including here in the United States. Elections can drive change, and as we further assess the issues faced by voters globally, shifting global relationships come into focus. In this week's Sight|Lines, we provide an update on the 2024 election supercycle and offer insights on the evolving world order fueled by economic competition.

THE TAKEAWAY: A U.S. "REMATCH" AND A GLOBAL FOCUS ON TRADE

Election issues in various countries often focus on economic opportunity, protectionism, and international/trade relations with major economic powers like the U.S. and China. In summary:

- With Joe Biden uncontested as the Democratic candidate and Nikki Haley suspending her campaign, we're having a presidential election "2020 rematch."
- Globally, there are many elections in places where the U.S. has had long-standing trade relationships, like Mexico and the European Union.
- In each, election results may influence China's relationships there, potentially impacting future U.S. relations and trade.
- In other countries, like India and Indonesia, China is clearly working to build strong relationships and dominate future global trade.
- Notably, economic forecasts project the seven largest economies in 2050 to be China, the U.S., India, Indonesia, Germany, Japan, and Brazil.
- In Taiwan, a critical U.S. trading partner, the Democratic Progressive Party (DPP) won the presidency earlier this year, fending off the Kuomintang (KMT) party aligned with China.
- Russia's president, Vladimir Putin, is slated to win his fifth term and remain in power through 2030.

IN-DEPTH: A U.S. PRESIDENTIAL “2020 REMATCH” IS LIKELY, AND BEYOND THE U.S. ELECTION ISSUES VARY, BUT TRADE RELATIONS ARE OFTEN IN FOCUS

Election issues in various countries often focus on economic opportunity, protectionism, and international relations with major economic powers like the U.S. and China. Going deeper:

- With Nikki Haley dropping out, the U.S. presidential election is set up for a rematch of the 2020 election. Focus will turn further to the platforms and proposals of the candidates as we head to November.
- Globally, U.S. allies and strong trading partners are having elections. For example:
 - Mexico, now the largest U.S. trading partner, is set to have its largest election ever, with ~98 million registered to vote and influence policies on security and tax reform, among others.
 - In June, the European Union will hold its first parliamentary election since Brexit, with the potential for waning support of Ukraine and a shift in relations with the U.S. and China.
- Some of the world's largest elections are in countries where China is competing for influence:
 - A significant trading partner for the West, India will hold the world's largest democratic election:
 - Although India has not endorsed or participated in China's Belt and Road Initiative (BRI), China has emerged as one of India's largest trading partners.
 - Indonesia held the third-largest democratic election, with retired general Prabowo Subianto winning the presidency on a platform of military modernization and protectionist policies:
 - Having embraced the BRI, the country hopes to maintain positive and active relations with both the U.S. and China, rather than picking sides.
 - This will be important given its digital services sector, pivotal role in supplying nickel for electric vehicles, and prominence as a tech hub.
- The importance of these elections, and their influence on global relations, becomes clearer when we consider that the seven largest economies in 2050 are forecast to be China, the U.S., India, Indonesia, Germany, Japan, and Brazil.
- Taiwan is a critical U.S. trading partner, and earlier this year the Democratic Progressive Party (DPP) won the presidency, fending off the Kuomintang (KMT) party aligned with China.
 - After the election, China reaffirmed its stance on "inevitable reunification" with Taiwan, or that a China/Taiwan unification is certain and unavoidable.
- Projected to win a fifth term later this year, Russia's Vladimir Putin should remain in power through 2030.

CONCLUSION

There is an election supercycle in 2024, with the corresponding results set to influence global relationships. For the U.S., a key topic remains competition with China, and how these results may influence our economic competition with China when it comes to trade.

Michael P. O’Keeffe, CFA 

Chief Investment Officer

michael.okeeffe@stifel.com

www.stifelinsights.com

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